

Glenn Koepf
Secretary of the Senate
P.O. Box 94183
Baton Rouge, LA 70804

Re: Louisiana State Board of Home Inspectors
Senate Resolution 128
Report of Findings

December 11, 2013

Dear Mr. Glenn,

As instructed by the Senate in Senate Resolution number 128 of the regular session 2013, the Louisiana State Board of Home Inspectors (LSBHI) has engaged in a study of applicable Louisiana Law and administrative rules to determine amendments are necessary to expand the scope of home inspections in order to ensure that home buyers in Louisiana are adequately protected and informed about the condition of residential resale buildings. Specifically, Resolution number 168 addresses two primary areas of concern:

- 1) Whether the life expectancy of commonly installed systems and components should be addressed in the inspection report; and
- 2) Whether the presence or absence of any suspected or actual adverse environmental condition or hazardous substance, such as mold, should be addressed in the inspection report.

Section 309 of the Standards of Practice (SOP) states, under General Exclusions, as follows:

A. Home Inspectors are not required to inspect or report on:

...

1. Life expectancy of any component or system.

...

7. The presence or absence of any suspected or actual adverse environmental condition or hazardous substance, including but not limited to asbestos, radon, lead, mold, contaminated drywall, carcinogens, noise, or contaminants, whether in the building or in the soil, water or air.

Amendments would be necessary to the current LSBHI Standards of Practice in order to adopt changes to these areas as proposed by the Senate.

In response to the request of the Senate, the LSBHI engaged in extensive research to determine the feasibility of the Senate request. As part of our research, we performed a search of the current Standards of Practice for States bordering Louisiana. Our research found that *all* states, including Louisiana, have either adopted the standards of practice of the American Society of Home Inspectors (ASHI) or utilizes those standards as a baseline. The State of Arkansas has adopted the Standards of Practice of ASHI effective October 15, 2006. The State of Mississippi has also adopted the ASHI SOP effective January 1, 2000. The State of Texas does not specify in its administrative code that it specifically adopted the ASHI standards, but the current published General Limitations section of the Texas standards is identical to Louisiana's standards in the areas in question.

Additional research reveals that all States which require licensing have standards which are either identical or nearly identical to the substance of the LSBHI's current standards in the areas in question. Louisiana's current standards are *standard* in the industry. Also, a review of the LSBHI records dating back to 2010 found that no complaints based on any of the above issues had been filed or inquired about by the public.

Beyond comparing what other states require or exclude, the Board has also examined other factors which would affect the industry by requiring Louisiana licensed home inspectors to report on the presence or absence of environmental hazards and to provide projected life expectancies. Based on the following, the Board has determined that such requirements would cause tremendous hardship to the inspector and would provide little, if any benefit to the public.

After researching and investigating the request, the LSBHI has determined that requiring Home Inspectors to report on the presence of adverse environmental conditions such as mold would not be feasible for the following reasons:

- 1) Because all states currently exclude the requirement that the presence or absence of mold be reported, insurance companies which issue errors and omissions coverage to home inspectors specifically exclude mold and environmental hazards from their policies.
- 2) The LSBHI would be required to develop stand-alone training materials and processes to properly train its approved in-field and continuing education providers. The LSBHI has only one employee and is made up of seven volunteer board members who meet only quarterly. The board lacks the manpower and funds to take on such a monumental task.
- 3) The cost of training new inspectors would increase substantially, as would the cost of a trainee entering the home inspection field.
- 4) Currently, the Louisiana State Board for Contractors governs the mold remediation and testing. There currently exists a separate mold testing field.
- 5) Testing for mold requires acquiring mold samples and submitting them to a lab, which will delay the turnaround time of the inspection report and increase costs.
- 6) A home inspection is a "visual" inspection, only. The presence of mold, mildew or other environmental hazards cannot be confirmed visually since a black substance resembling mold could also be dirt, mildew, water staining or any number of other substances. Visually identifying in a report what appears to be mold could result in an unintentional misleading of the client and possibly the cancellation of a real estate transaction.

The LSBHI also finds that requiring Home Inspectors to provide guidelines on life expectancy for components and systems would likewise not be feasible and would create numerous problems, without much benefit to the public. Life expectancy estimates would be difficult, if not impossible for the home inspector to determine with any degree of accuracy. Much of the information needed to estimate life expectancy would not be available to the home inspector (nor, in most circumstances, to the home seller). Any attempt to address life expectancy would be nothing more than a guess, which only leaves the homebuyer with misinformation and the home inspector with an open door for liability claims. In order to even attempt to predict life expectancies of systems and components of a home, the following information would be needed:

- 1) The level of maintenance of the subject component or system
- 2) The variation in climate where the component is installed
- 3) Whether the installation of the subject component was properly performed
- 4) The current age of the component
- 5) The date of installation of the component
- 6) The manufacturer's warranty information
- 7) The degree of use, overuse, or misuse (both past and future) of the subject component
- 8) Whether the system or component was originally installed in

Currently, the standards of practice require a home inspector to visually inspect and report on the following systems of a resale residential structure:

- o Appliances
- o Electrical system
- o Exterior system
- o Framing system
- o Foundation system
- o HVAC system
- o Insulation system
- o Interior system
- o Plumbing system
- o Roofing system

The amount of time, research and effort required for the home inspector to gather the above information (if available) on each component of the above systems would drastically increase the cost to the public of a home inspection. In addition, the lack of needed information available and the multitude of variables would render inconsistent and unpredictable results. Such guesswork guess work would not serve to protect the public, which is the stated purpose of the Home Inspector Licensing Law.

Further, if it becomes a requirement for a home inspector to predict life expectancy, the inspector's errors and omissions coverage is certain to increase because of the increased liability associated therewith. Again, such cost would be passed on to the public. In a worst case scenario, the prospective buyer of a home may forego a home inspection altogether to avoid the expense.

Currently Home Inspectors licensed by the LSBHI provide a valuable service at a reasonable cost to all Louisiana home buyers. The current standards excluding mold and life expectancy which are utilized by the LSBHI are the standard in the industry and are the same as those utilized by all bordering states and all other states which require licensing. Any benefit the home buyer to requiring the home inspector to report on these does not justify the expense, delay and potential for misinformation.

Sincerely,



Roy Burst, III
Chairman
Louisiana State Board
Of Home Inspectors

Resources

American Society of Home Inspectors; General Limitations and Exclusions

<http://www.homeinspector.org/standards/standards13.aspx>

Texas Administrative Code; Texas Real Estate Commission; Standards of Practice

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=22&pt=23&ch=535&rl=227](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=22&pt=23&ch=535&rl=227)

Mississippi Home Inspector Regulatory Board; Standards of Practice and Code of Ethics

http://www.mrec.state.ms.us/docs/mhib_forms_standards_of_practice_code_of_ethics.pdf

Arkansas Home Inspector Registration Board; Current Rules and Regulations

<http://www.ahib.org/pdfs/March3,2013Rules.pdf>