

DRAFT Minutes of the North Carolina Home Inspector Licensure Board

October 13, 2023

The regular meeting of the North Carolina Home Inspector Licensure Board (“Board”) began immediately after a hearing on proposed rule changes at 9:00 AM on Friday, October 13, 2023, in person at 1429 Rock Quarry Rd., Raleigh NC 27699 and by video teleconference via WebEx. Eric Coates submitted written comments on the proposed rule changes. The 60 day public comment period extends through November 14, 2023.

The following members of the Board were present at location:

David Dye	William “Bill” Morris	Derrick Johnson
Connie Corey	David Price	Chad Abbott

Arthur Hall attended via WebEx.

Rob Roegner was absent.

Gina M. Von Oehsen Cleary from the North Carolina Department of Justice, Attorney General’s Office was present at location as counsel for the Board.

The following staff members from the North Carolina Department of Insurance, Engineering Division were present at location:

Mike Hejduk	Beth Williams	Rodney Daughtry	Katherine Vincent
Sam Whittington	Rich Hall	Sarah Barcenas	

Jeff Johnson attended via WebEx.

The following members of the public were present as visitors remotely:

Bonnie Gregory	Eric Coats	Kenneth Spears	Amika Clark
James Kellogg	April Gregory	Pam Melton	K Webster
Kevin Van Bell	Dustin	Jaxson Hanes	

Introduction

Chair David Dye called the meeting to order following the hearing and provided opening remarks.

William “Bill” Morris read the Ethics Awareness and Conflict of Interest reminder.

Approval of Minutes

July 14, 2023, Regular Meeting Minutes

Connie Corey motioned to approve the July 14, 2023, regular meeting minutes. Morris seconded the motion. Motion carried.

Staff Report

Mike Hejduk shared activity statistics for FY 2023-2024 first quarter on the table below. Hejduk stated that licensees and applications are following the industry trend. Hejduk stated that G.S. 93

(b) (2) now classifies Home Inspector Licensure as a State Licensing Agency instead of an Occupational Licensing Agency due to staff being State employees. The reclassification means statutes involving reporting are different and must comply by submitting a report to the NC Department of Insurance (“NCDOI”). The report includes the number of military and criminal history applicants and reasons for denial(s). Reports will be submitted October 31, 2023.

HILB	Total FY 2021-2022	Total FY 2022-2023	1st QTR Jul - Sep	2nd QTR Oct - Dec	3rd QTR Jan - Mar	4th QTR Apr - Jun	Total FY 2023-2024
Licensees	2,104	2,072	2,039				2,039
Applications	558	378	78				78
Pre-Licensing	472	286	66				66
Military/Spouses	40	97	13				13
Criminal History	19	35	10				10
Exam eligibilities	526	385	78				78
Exams taken	526	430	94				94
Exams passed	396	266	53				53
Licenses issued	419	294	33				33
Complaints	45	54	9				10
Disciplinary actions	12	15	7				7

Sarah Barcenas reported an update of licensees without general liability insurance and the ongoing fluctuation in numbers due to expiration dates on the certificate of insurance ACORD® form changing daily. As of September 14, 2023, 40 renewals of licensees were blocked. As of October 1, 2023, of the 40 blocked licensees, 8 complied, 1 in good faith, and 31 went into expired under one (1) year status.

Discussion of how to proceed with non-compliant licensees and how to deal with the current situation of daily expiration dates was led by Board members, along with staff and legal counsel giving input when asked.

Cleary asked if and how the licensees are notified of their expired status. Barcenas reported that on October 12, 2023, 349 emails were sent notifying licensees of their expired under one (1) year status. Of the 349, 45 renewed October 12, 2023.

David Price motioned to request Standards of Practice Committee to discuss general liability requirements and the process for updating licensees’ contact information and if a rule change is needed. Morris seconded the motion. Motion carried.

Sam Whittington informed the Board of investigator staffing updates. An interviewed applicant’s paperwork is currently under review for one (1) of the two (2) investigator positions. The second investigator’s position has been reposted. Chair Dye asked for the reason of the repost. Hejduk stated that it is a competitive market for industry experienced individuals and salary is an issue. Morris recommended the Board ask Gina M. Von Oehsen Cleary to work with the Personnel Committee discussing pay scale and what the Board is allowed to contribute to salaries. Price motioned to look at the requirements for pay structure through the Personnel Committee. Morris seconded the motion. Motion carried.

Committee Reports

Hejduk presented the committee assignment sheet to the Board members. Chad Abbott was assigned to the Application Evaluation Committee, Exam Review Committee, and the Standards of Practice Committee. The committee assignments were approved by Chair Dye.

2024 NCHILB regular meeting dates were approved by Chair Dye.

- January 12, 2024
- April 12, 2024
- July 12, 2024
- October 11, 2024

Application Evaluation Committee

Price reported the Application Evaluation Committee met on September 25, 2023, and reviewed 19 applications. David Price made a motion to approve the following applicants to sit for the licensure exam. Corey seconded the motion. Motion carried.

1. Henry Keene
2. Belinda Lane
3. Eric Jennings
4. Joseph Hayes
5. James Maready
6. Stuart Field
7. Mark Wood
8. Abdallah Atieh
9. Sherman Smith
10. John White
11. Shaban Kaji
12. Chase Haverson
13. Michael O'Brien
14. Dwaun Spigner
15. Michael West
16. Stephen Forget

Price motioned to approve the pre-determination for completing the pre-licensing courses and may sit for the licensure exam for the following applicant. Corey seconded the motion. Motion carried.

17. Joseph Huckaby

Morris motioned to table the following applicants until the next Board meeting. Corey seconded the motion. Motion carried.

18. Malcolm Sanders
19. Danny Gibson

Examination Committee

The Examination Committee did not meet. Rich Hall reported the following:

- Hall introduced and welcomed Kathrine “Kathy” Vincent.
- Vincent is working with Tom Edwards to update/revise the high-missed items in the three (3) versions of the HILB State exams.
- Once those are completed, Vincent will work with Edwards to review and validate all of the 300+ test items in the question bank.

Hejduk stated there is no hardship criteria developed to justify computer-based testing for applicants at this time. Chair Dye stated the discussion is to be tabled until the next Board meeting.

Finance Committee

Hejduk shared the tables below and stated the first table is from the HILB online system being used and the second table is from the North Carolina Accounting System (NCAS).

Type	Unit	Count	Total
Application	\$35	73	\$2,555
Exam	\$80	85	\$6,800
License issue	\$160	33	\$5,280
Renewal	\$160	1,558	\$249,280
Late	\$30	35	\$1,050
Licensing Sub-Total			\$264,280
Course Approval	\$150	23	\$3,450
Course Renewal	\$75	106	\$7,950
Per Student Fee	\$5	18,552	\$92,760
Education Sub-Total			\$104,160
Grand Total			\$368,440

Month	Expenditures	Revenues	Fund Balance
Jul	\$ 23,143.24	\$ 22,805.00	\$ 2,266,300.26
Aug	\$ 64,907.13	\$ 128,060.00	\$ 2,329,791.37
Sep	\$ 90,010.42	\$ 335,205.00	\$ 2,511,833.08
Oct			
Nov			
Dec			
Jan			
Feb			
Mar			
Apr			
May			
Jun			

Hejduk stated the fund balance is \$2.5 million. Corey asked if the salary for the investigator's positions may be paid from the fund? Hejduk stated that full-time employee positions are paid through operating budget funds based on the prior three years of revenues not the fund balance.

Legislative Committee

Hejduk reported the reforms for statutes below have not yet been approved.

1. [G.S. 143-151.57](#) Increase home inspector exam fee maximum from \$80 to \$200 to allow contracting out to test administrator. [S463](#), [H850](#) online \$135
2. [G.S. 143-151.49](#) Add new powers and responsibilities to the Board for rulemaking to set requirements for pre-licensing program sponsors and instructors. [S463](#), [H850](#)

Chair Dye noted that the \$200 fee increase is not the new fee, but is there for the ability to be raised, if necessary to account for contracting to a third-party for testing. Dye will follow up with Roegner and the legislative liaison.

Education Committee

Derrick Johnson reported the committee met September 28, 2023, and shared the following information.

- The topic for the Board-developed Update Course FY 2024-2025 update course "Purpose and Structure of Report Defect Statements" was approved by Committee September 28, 2023, and needs Board Approval.
- Rodney Daughtry will be sending invitations to instructors about the "Train the Trainer" course (November 8, 10:00 AM – 4:30 PM) via WebEx.

Price motioned to approve the topic "Purpose and Structure of Report Defect Statements" at the recommendation of the Education Committee. Corey seconded the motion. Motion carried.

Investigation Review Committee

Arthur Hall reported the Committee met on August 28, 2023, and October 4, 2023, and presented the following investigation cases and recommendations for Board vote. Hall motioned to approve consent agreements for the following complaints against home inspectors: 979 Johnson #3537, 961 Petty, #3615, 975 Petty #3615. Johnson recused himself. Corey seconded the motion. Motion carried.

Consent Agreement

979 Johnson #3537 (Brown)

961 Petty #3615 (Parchment)

975 Petty #3615 (Chavera)

Morris motioned to dismiss the complaints made against the following home inspectors. Corey seconded the motion. Motion carried.

Dismiss

- 947** Sanders #3223 (McKay)
- 965** Petty #3615 (Ellis)
- 982** Carter #2428 (Wilson)
- 986** Mesropian #3908 (Lambert)
- 988** Lattarulo 3245 (Stevens)
- 990** Clarke #2651 (Ette)
- 991** Dahlin #5272 (Bottlinger)
- 992** Hester #3726 (Geffken)
- 993** Sanders #3798 (Jones)

Other Recommendations to the Board

- 933** Lomax #509 (Locklin)
Board accept email from Lomax as intent to surrender license.
- 942** Bannon #4895 (Worthem)
Remove from Hearing and accept CA.
- 994** Gach #4255 (Gach) – [Home Watch Buncombe]
Refer to SOP Committee

Morris motioned to accept the email from **933** Lomax as intent to surrender the license. Corey seconded the motion. Motion carried.

Hall motioned to remove **942** Bannon from hearing and accept the consent agreement. Corey seconded the motion. Motion carried.

Hall motioned to refer **994** Gach to the Standards of Practice Committee. Hejduk stated that the inspector submitted the complaint against himself. Sam Whittington explained 994 Gach [Home Watch Buncombe] needs clarification on Board definitions from the SOP Committee to move forward. Corey seconded the motion. Motion carried.

Chair Dye asked about Home Cloud. Cleary stated there are several levels to the Attorney General process and it is moving up the chain.

Cleary reminded the Board of a hearing for Goforth scheduled October 23, 2023, at 10:00 AM.

Standards of Practice Committee

Committee met on October 2, 2023. Morris reported that he had a conflict at the last meeting and deferred to counsel. .

Cleary reported that since the public hearing there are suggestions for amendments to the rules. The rules have been revised and published and are in the public comment stage which is a 60-day period. The public comment period remains open at this time, when closed the Board will have to approve the suggestions at the next Board meeting or schedule a special meeting to do so. After the Board's review and if approved the rule/rules will go to the Rules Review

Commission. The Board will have 12 months to review the suggestions after the public comment phase.

Public Comment

Amika Clark offered public comment regarding her examination experience and concerns. The Board indicated that she would be contacted by Board within 30 days from the October 13, 2023, Board meeting. Chair Dye motioned to refer the matter to the Exam Committee. Corey seconded the motion. Motion carried.

Unfinished Business

Hejduk stated that the strategic planning session did not come together in 2023 but would be worthwhile for the Board to plan a future strategic session in 2024. Chair Dye suggested a target date in May and possible inspection issues related to solar energy and electric vehicles. Recommended topics open for discussion should be emailed to Chair Dye and Hejduk.

New Business

Morris led the discussion of having limited liability for home inspectors similar to Licensed General Contractors and Real Estate professionals twelve months from date of discovery. Chair Dye stated the concern is valid and heard but will not be initiated by the Board.

Adjournment

Chair Dye motioned to adjourn. Johnson seconded the motion. Motion carried.

Sincerely,

A handwritten signature in black ink that reads "Robert B. Roegner". The signature is written in a cursive, flowing style with a large initial 'R'.

Secretary,
N.C. Home Inspector Licensure Board