

# DRAFT Minutes of the North Carolina Home Inspector Licensure Board

**July 8, 2022**

The regular meeting of the North Carolina Home Inspector Licensure Board (“Board”) was held at 9:00 am on Friday, July 8, 2022, as a hybrid meeting in person at the Board office 325 N. Salisbury St., Raleigh, NC and by video teleconference via Cisco WebEx.

The following members of the Board were present in person or remotely:

|                 |                |              |               |
|-----------------|----------------|--------------|---------------|
| Derrick Johnson | William Morris | David Dye    | Joseph Ramsey |
| Rob Roegner     | Arthur Hall    | Connie Corey |               |

Board member Chad Collins was absent. N.C. Department of Justice (“NCDOJ”) Board legal counsel Heather Freeman attended.

N.C. Department of Insurance, Engineering Division staff members in attendance.

|                 |                 |                     |
|-----------------|-----------------|---------------------|
| Mike Hejduk     | Beth Williams   | Jennifer Hollyfield |
| Rodney Daughtry | Sam Whittington | Christopher Mc Lamb |
| Rich Hall       | Tommy Green     |                     |

The following visitors attended.

|                                  |                                      |
|----------------------------------|--------------------------------------|
| Pam Melton (N.C. Realtors)       | Preston Sandlin (Forrest Firm, P.C.) |
| Ken Brittain                     | Eric Coates                          |
| Katie Green (Forrest Firm, P.C.) |                                      |

## **Introduction**

Chairwoman Connie Moore Corey called meeting to order, provided opening remarks and welcomed guests. Corey asked individuals who intended to speak at the public hearing to identify themselves to the assess time required on the agenda. Corey recognized Arthur Hall and Chad Collins each for their three years of service on the Board. David Dye congratulated Chairwoman Corey on her award of the Governor’s *The Order of the Long Leaf Pine* in April.

Mike Hejduk read the Ethics Awareness and Conflict of Interest reminder.

## **1. Approval of Minutes**

April 8, 2022, Regular Meeting Minutes and Emergency Meeting May 13, 2022.

David Dye made a motion to approve the minutes. Joe Ramsey seconded; the motion passed unanimously.

## **2. Staff Report**

Mike Hejduk stated that due to an administrative hearing scheduled for noon the staff report would be abbreviated. Hejduk shared activity statistics for FY 2021-2022 in the table below. Hejduk

reported a record number of active licenses at 2,122. There were 558 applications and 472 came through pre-licensing. Military/ Spouses is a new reporting requirement with a limited number for the last two months. There were 41 applicants with a criminal history. These are numbers for the annual 93B-2 report due October 31 each year. Exam eligibilities are 526 and exams are the same. There were 396 exams passed and 419 licenses issued. Complaints are at 45 with 12 disciplinary actions.

| Activity                        | Count |
|---------------------------------|-------|
| Applications                    | 558   |
| Pre-licensing                   | 472   |
| Military / Spouses <u>93B-2</u> | 18    |
| Criminal history <u>93B-2</u>   | 41    |
| Exam eligibilities              | 526   |
| Exams taken                     | 526   |
| Exams passed                    | 396   |
| Licenses issued                 | 419   |
| Complaints                      | 45    |
| Disciplinary actions            | 12    |

### 3. Committee Reports

#### Application Committee

Joseph Ramsey reported that the committee met on January 10, 2022 and reviewed 10 applications. Ramsey stated that the committee recommends Board approval for seven (7) applications and recommends three (3) applications be denied.

The following applications were approved:

- Ryan Tucholl
- Richard Kittrell
- Paul Boudreaux
- Timothy Little
- Kory Denny
- David Burton
- James Harvey

The following applications were denied by the committee and are recommended for denial by the Board.

- Edward Jones
- Carlos Brown
- Matthew Brodeur\*

Joe Ramsey made a motion to approve the seven (7) applications listed and deny the three (3) applications listed. David Dye seconded the motion. The motion passed unanimously.

\*Noted for the record, Brodeur requested review of Board decision per NCGS 143-151.53 with additional explanation.

### Examination Committee

Rob Roegner reported the Examination Committee did not meet.

### Finance

Board Treasurer, David Dye, thanked the staff for managing the finances so well.

| Type                | Unit  | Count  | Total     |
|---------------------|-------|--------|-----------|
| Application         | \$35  | 520    | \$18,200  |
| Exam                | \$80  | 577    | \$46,160  |
| License issue       | \$160 | 420    | \$67,200  |
| Renewal             | \$160 | 1,821  | \$291,360 |
| Late                | \$30  | 193    | \$5,790   |
| Licensing Sub-Total |       |        | \$428,710 |
| Course Approval     | \$150 | 36     | \$5,400   |
| Course Renewal      | \$75  | 202    | \$15,150  |
| Per Student Fee     | \$5   | 26,502 | \$132,510 |
| Education Sub-Total |       |        | \$153,060 |
| Grand Total         |       |        | \$581,770 |

| Month | Expenditures  | Revenues      | Fund Balance    |
|-------|---------------|---------------|-----------------|
| Jul   | \$ 24,563.92  | \$ 41,990.00  | \$ 1,683,215.37 |
| Aug   | \$ 49,826.34  | \$ 142,285.00 | \$ 1,758,247.95 |
| Sep   | \$ 67,183.84  | \$ 370,630.00 | \$ 1,969,235.45 |
| Oct   | \$ 121,706.13 | \$ 434,135.00 | \$ 1,978,218.16 |
| Nov   | \$ 143,382.14 | \$ 454,085.00 | \$ 1,976,492.15 |
| Dec   | \$ 168,213.98 | \$ 467,840.00 | \$ 1,965,415.31 |
| Jan   | \$ 205,754.88 | \$ 484,065.00 | \$ 1,944,099.41 |
| Feb   | \$ 227,130.27 | \$ 507,527.71 | \$ 1,946,186.73 |
| Mar   | \$ 254,183.49 | \$ 529,277.71 | \$ 1,941,160.16 |
| Apr   | \$ 275,871.26 | \$ 545,792.71 | \$ 1,935,710.45 |
| May   | \$ 295,179.94 | \$ 571,947.71 | \$ 1,942,556.77 |
| Jun   | \$ 314,769.20 | \$ 594,662.71 | \$ 1,945,682.51 |

### Legislative Committee

Hejduk explained Session Law 2022-11 and went over the changes for home inspections as of October 1, 2022 that reduced the time to retest from 180 to 90 days between exams. Hejduk then explained the changes that will result from Senate Bill 496 that would rescind the ten (10) business day allowed to report deficiencies cited as violations of the State Residential Building Code.

### Education Committee

Hejduk reported for Chad Collins that the committee met on July 5, 2022 and Bonnie Gregory gave a quick review of **Defensive Writing: Reporting Limitations to Avoid Complaints**. Gregory told the committee she was 97% done with the Board-developed update course.

Jennifer Hollyfield told the Board there were two inspectors who wanted to be field trainer instructors that required Board approval. Sam Whittington reviewed and approved their application materials.

- Paul King# 1756 - David Dye made a motion to approve. Seconded by William Morris the motion passed.
- John Cauthen # 2376 - David Dye made a motion to approve. Seconded by William Morris the motion passed.

Chairwoman Corey made a motion to approve the Board-developed update course and William Morris seconded. The motion passed.

### **Investigation Review Committee**

Arthur Hall stated that the committee met on May 20, June 30 and July 6, 2022. The following cases were submitted for consideration.

#### **Consent Agreement**

**872** Gibson #3460 (Stockman) - Arthur Hall made a motion to approve the Consent Agreement, seconded by Corey. The motion passed.

**883** Gawron #2091 (Lento) - Arthur Hall made a motion to approve the Consent Agreement, seconded by Corey. The motion passed.

**912** James #3793 (Dreyer) - Arthur Hall made a motion to approve the Consent Agreement, seconded by Corey. The motion passed.

**916** Stewart #3418 (Di Leone) -Arthur Hall made a motion to approve the Consent Agreement, seconded by Corey. The motion passed.

#### **Dismiss with Letter of Caution**

Arthur Hall made a motion to **Dismiss with a Letter of Caution** the cases listed below, seconded by Corey. The motion passed.

**917** Petty #3615 (Robison)

**920** Hutchison #4439 (Fellhofer)

**925** Daugherty #366 (Oakes)

#### **Dismiss**

Arthur Hall made a motion to **Dismiss** the cases listed below, seconded by Corey. The motion passed.

**914** Balderas #3548 (Severini)

**918** McBurney #4011 (Dianne)

**919** Wallace #4143/ Lanzetta #4386 (Lindig)

**923** Joines #3843 (Anonymous)

**924** Hansen #1184 (Wamsley)

**926** Ivey #2197 (King)

918 Freudenberg #4202 (Chandler)

**Unlicensed** None

**Surrender License** None.

### **Standards of Practice Committee**

David Dye told the Board the Committee has met and tabled the proposed changes to the Standards of Practice in sections .1110 Electrical and .1116 Code of Ethics.

### **Personnel Committee**

Corey reported the committee did not meet.

### **4. Public Comment**

There were two speakers who had requested time. Chairwoman Corey recognized Bonnie Gregory. Stan Gregory of Gregory Enterprises spoke on behalf of Bonnie Gregory. He stated that after listening to the recording of the Standards of Practice Committee meeting, the goals had been achieved and look forward to working with the Board.

Preston Sandlin made comments about walk and talk inspections. Sandlin noted two factors in real estate transactions: Due diligence and earnest money. Due diligence funds are unrecoverable by the buyer. There is nothing to protect the public from losing high due diligence fees. Sandlin posed the question of a compromise such as a two-part inspection that could satisfy home inspector concerns.

Chairwoman Corey thanked Sandlin for his comments and the results of his survey. Corey questioned whether the walk and talk is a benefit and stated that the market that we have been in may be a market in decline. David Dye stated that the Attorney General's advisory letter stated a home inspection requires a report.

### **5. Unfinished Business**

Chairwoman Corey asked David Dye to address item A the Public Hearing on proposed rule changes .1110 and .1116. Dye reiterated that the proposed changes have been tabled. Corey then addressed item B "walk and talk." Board counsel Heather Freeman stated that the advisory letter speaks for itself. Mike Hejduk explained the notice in the North Carolina Register page 1779 that the public comment period ends July 15, 2022. The final decision of the Board would need to be after that time. Hejduk stated that a Board meeting in August may be required. Freeman stated that consultation with DOI rule-making coordinator Lorretta Peace-Bunch may be required. David Dye made a motion to table discussion on this topic, seconded by Joe Ramsey and the motion was approved.

Hejduk asked if the Board wanted to have additional discussions on the advisory letter. Chairwoman Corey stated that the issue has been thoroughly discussed but invited member comment. Rob Roegner reviewed the public comment to make "walk and talk" part of a two-part home inspection. Roegner asked what the consequences may be for errors in judgment made by home inspectors performing "walk and talk." Bill Morris asked if they were not licensed what would be done? Freeman stated that a letter noting unlicensed activity may be sent or the activity may be referred as a criminal matter to the criminal investigation division. Sam Whittington

addressed the ability of licensed general contractors to performed work related that license rather than the home inspector statute.

**6. New Business None**

**7. Election of Officers**

The Nomination Committee recommended the following slate of officers.

Chair - Connie Corey  
Vice-Chair – David Dye  
Treasurer – Derrick Johnson  
Secretary – Rob Roegner

Joe Ramsey made a motion to approve the committee recommendation. Seconded by Derrick Johnson motion passed.

**8. Adjournment**

William Morris made a motion to adjourn seconded by Joe Ramsey motion passed.

Respectfully submitted,



Rob Roegner  
Secretary, N.C. Home Inspector Licensure Board