

# Becoming a Home Inspector in NYS

## The Home Inspection Professional Licensing Act of New York

### Key Requirements to Becoming a Home Inspector

- ◆ qualifying education
- ◆ experience
- ◆ examination
- ◆ ongoing continuing education

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Effective December 31, 2005 the real property law was amended by adding Article 12-B, "The Home Inspection Professional Licensing Act."

Since January 1, 2006 anyone performing residential home inspections for a fee must be licensed by the State of New York to do so.

The law covers residential buildings, which include any 1 to 4 family dwelling, their garages and carports. Excluded is any structure newly constructed or not previously occupied as a dwelling unit (new homes). Condos in the style of one to four family dwellings are included within the scope of the law however there are exceptions to the inspection for common area structures, systems, budgets and reserves.

### Education, Experience and Supporting Documentation

A new home inspector candidate must

1. be 18 years of age,
2. have successfully completed high school or its equivalent,
3. possess Freedom from Disqualifying Criminal Convictions,
4. have successfully completed a course of study not less than 140 hours approved by NYS, 40 of those hours being unpaid field based inspections in the presence of and under the direct supervision of a Home Inspector licensed by NYS, or a professional engineer or architect regulated by NYS;
5. **or** have performed not less than 100 home inspections (paid or unpaid) in the presence of and under the direct supervision of a Home Inspector licensed by NYS, or a professional engineer or architect regulated by NYS;
6. have taken and passed the NYS written examination (examination fee \$50.00);
7. have submitted an application to NYS accompanied by a nonrefundable fee of \$250.00 for a two year license;
8. have secured, maintain and file with the Secretary of the NYS Department of State, proof of a certificate of liability coverage in the amount of \$150,000 per occurrence and \$500,000.00 in the aggregate (*pursuant to 444-k. Liability Coverage. of the Home Inspection Professional Licensing Act and Department of State Rules and Regulations Subpart 197-1.1 of Title 19.*)
9. the license number and status of licensed home inspector must be displayed on every home inspection report and in all advertising and promotional material of the home inspector.
10. renewal of a home inspection license must take place prior to the expiration of an existing license accompanied by a fee of \$100.00; continuing professional education must be completed prior to license renewal.

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# ***Becoming a Home Inspector in NYS,***

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## **Exemptions from Licensure include only**

1. an architect acting within the scope of his/her profession
2. a professional engineer acting within the scope of his/her profession
3. a code enforcement official acting within the scope of his/her employing government

Effective January 1, 2006, anyone practicing home inspection without a license is subject to fines and sanctions by the NYS Department of State.

An individual engaging in the business of home inspection without a license may be ordered to discontinue activities or pay restitution. If convicted of a misdemeanor for offering or performing unlicensed home inspections, the first fine is \$1000.00; the fine for subsequent unlicensed activities can range from \$1000.00 to \$5000.00.

*(pursuant to 444-o. Violations and Penalties for Unlicensed Activities, of the Home Inspection Professional Licensing Act and Department of State Rules and Regulations Subpart 197-1.1 of Title 19.)Suspension and Revocation of Licenses (from NYS law)*

## **Disciplinary Actions**

Disciplinary actions include refusal to grant a license, suspension of a license and revocation of a license. A licensed which has been revoked shall not be reinstated or reissued for a period of **five (5) years** from the date of revocation.

A home inspection license may be subject to suspension, revocation or fine for the following actions:

- absence of duty of care to the client
- failure to display a license number and status as home inspector on all reports and advertising
- disclosing results of an inspection to others without client approval
- accepting compensation from more than one interested party for the same service
- accepting commissions or allowances from other parties
- failure to disclose a business interest the licensee may have
- having been convicted of a felony involving fraud, theft, perjury or bribery
- failure to pay a fine or restitution ordered by the State
- having made a willfully false statement in the context of home inspection activities
- having made a willfully false statement in the context of application for licensure

Civil penalties **per violation** of up to \$1000 may be assessed by the secretary for violations including but not limited to:

- ◆ performing repairs on homes they have inspected;
- ◆ having a financial interest in a home they inspect;
- ◆ paying kickbacks or referral fees for business leads;
- ◆ performing inspections where payment is contingent upon the outcome of the report or the success of a sale transaction;
- ◆ releasing confidential client information without expressed client consent;
- ◆ being paid by multiple clients for an inspection and report of the same premises without the knowledge and consent of all parties;
- ◆ accepting payment from anyone other than the client (i.e. real estate agent, transaction facilitator) for an inspection;
- ◆ failure to disclose potential conflicts of interest to clients;
- ◆ being convicted of a felony;
- ◆ failure to pay fines or restitution;
- ◆ knowingly making a false statement in a home inspection report or license application.

**KNOW THE LAW!**

<http://www.virtualclassrooms.com/re/homeinsp.html>