



## California Real Estate Inspection Association

April 15, 2021

The Honorable Jim Frazier  
State Assembly  
State Capitol, Room 3091  
Sacramento, CA 95814

### **AB 1129 [Frazier] Home Inspector Licensure – Oppose Unless Amended**

Assembly Member Frazier –

As consideration of AB 1129 in the Assembly Business and Professions Committee approaches, the California Real Estate Inspection Association [CREIA] has adopted a position in opposition to the measure unless it is amended to address and resolve several critical issues.

CREIA is a non-profit 501(c)(6) association that was established in 1976 and has twenty chapters located throughout California. CREIA is the oldest and largest nonprofit state inspector association in the country - and California-specific in education and consumer outreach. CREIA strives to enhance consumer protection and promote public awareness.

CREIA's Standards of Practice have been recognized by the State of California, and are considered the source for home inspector standard of care by the real estate and legal communities. The association has established the most rigorous home inspector certification requirements in the state.

CREIA reiterates and reinforces our position on your previous measure regarding home inspector licensing, AB 1024 of 2019, as set forth in our position letter dated March 26, 2019:

*“CREIA would oppose this measure unless the measure is amended to provide a licensure program with several provisions that are essential to the protection of consumers.*

*“CREIA has consistently maintained a position in support of a licensure framework that acknowledges the association’s certification program as the threshold for practice and is therefore meaningful, robust, and protective of the consumers who hire real estate inspectors to inspect their homes.*

*“As we have discussed, CREIA is concerned that AB 1024 as introduced proposes the licensure of home inspectors without the specifics that are essential to an effective licensure program.”*

As we have discussed, CREIA is concerned that AB 1129 proposes the licensure of home inspectors without the specifics that are essential to an effective licensure program. These details include:

**Examination** – the measure should require passage of an examination in order to qualify for licensure as a home inspector. The examination should include the following elements:

- a. **Proctored Certification Examination** – to ensure oversight.
- b. **Psychometrically Valid Examination** – designed to measure the exam taker’s suitability based on personality characteristics and aptitude.
- c. **NHIE Exam** – that is currently used by CREIA and ASHI for certification.

AB 1129 – does not address examinations.

- Continued

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To protect lives, health and investments

**Education** – the measure should include provisions setting forth the specific education necessary to obtain a license. This should be a high school diploma plus 120 hours of specific home inspection training together with a limitation that only 50% of the required hours of training can be accomplished online. This could be possibly reduced with prior experience.

AB 1129 – would pass the obligation to establish education, equivalency and minimum requirements to a new bureau chief, and would acknowledge the CREIA and National Home Inspector Certification Council requirements as appropriate minimums. In addition, the National Home Inspection Certification Council does not use the building codes that are established and continually updated here in California.

**Criminal Background Checks** – in order to protect homeowners, the measure should include a requirement that a background check be performed on an individual who applies to become a licensed home inspector.

AB 1129 – does not address background checks.

**Licensure Fees** – the measure should provide licensure fees that are reasonable and at a level that does not diminish the ability of an individual to be successful in the profession.

AB 1129 – would set forth maximum fees but without any analysis of whether they will be sufficient to cover the costs of establishing, implementing and maintaining the proposed licensure and enforcement program.

**Errors and Omissions Insurance** – the measure should include a requirement that insurance be maintained by a person licensed as a home inspector. The insurance should at a minimum provide coverage in the amount of \$100,000 per occurrence.

AB 1129 - would pass the obligation to establish insurance to the bureau chief.

**Standards of Practice** – the measure should specify the standards of practice for individuals licensed as home inspectors. The existing, recognized standards CREIA and ASHI have developed and posted on their websites should be referenced and acknowledged as the standards of practice:

<https://www.creia.org/creia-standards-of-practice>

<https://www.homeinspector.org/Standards-of-Practice>

AB 1129 – would acknowledge CREIA standards of practice, but would not clearly refer to those standards throughout the measure.

**Continuing education** – the measure should include a requirement that individuals licensed as home inspectors obtain at least 30 hours of continuing education on an annual basis. This is the requirement for CREIA membership.

AB 1129 – would pass the obligation to establish education, equivalency and minimum requirements to the bureau chief, and would acknowledge the CREIA and National Home Inspector Certification Council requirements as appropriate minimums.

**Grandfathering** – the measure should include a provision providing an exemption from the licensure and continuing education requirements for those individuals who have obtained a level of experience prior to the effective date of these requirements. This exemption should apply to an individual who either: [a] has both 5 years of inspection experience and has provided 1,000 fee-paid inspections; or [b] is a certified member of CREIA or a full member of ASHI.

AB 1129 – does not address grandfathering.

There are many other concerns that CREIA believes must be considered and addressed in AB 1129. These include:

- The new Bureau Chief should have more than demonstrated knowledge of the home inspection profession. He or she should also have intimate familiarity with real estate but real knowledge of home inspections.

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- It is not clear whether a new Bureau in the Department of Consumer Affairs [DCA] with an empowered bureau chief is a better approach than the Contractors State License Board and a deliberative, transparent process.
- The measure defines a “client” broadly as a person with a direct material interest in the outcome of a home inspection who hires the home inspector. This could be interpreted as including a person who is not a buyer or seller.
- The bill would establish a new definition of home inspector as a natural person, creating the opportunity for a company to claim that its employees are not home inspectors.
- The bill would authorize a home inspection to also include energy efficiency and HERS items, but would fail to specify that these services can be requested by the client and are subject to being agreed upon by the home inspector. This provision would be cost prohibitive for the inspector \$13,000+ to become certified and to purchase the necessary equipment. The fees which would need to be charged for the service would be cost prohibitive for the client.
- The bill would subject home inspectors to disciplinary action for failure to adhere to a client request, but does not define the term and does not specify that these services can be requested by the client and are subject to being agreed upon by the home inspector.
- The bill would define and require an inspection agreement but does not authorize a duly authorized representative of a client to sign the agreement and does not specify the standards of practice as those set forth in Section 7197.9.
- The bill would repeal the critical provision of current law that, except to comply with professional standards, a real estate appraiser licensed under Part 3 (commencing with Section 11300) of Division 4, performing a real estate appraisal, shall not engage in the activity of a home inspector performing a house inspection.
- The bill would provide that a willful violation of the licensure requirement would be a felony punishable by a term of imprisonment in a county jail for 16 months, or two or three years.
- The bill would exempt a home inspector from accepted standards of practice if he or she is licensed as a general contractor, structural pest control operator, or architect, or registered as a professional engineer. It is important to examine and determine whether these individuals have the required experience to properly protect the public. For instance:
  - Does a pest control operator have the background and experience to inspect electrical panels?
  - A general building contractor can surely evaluate framing. Is a general building contractor qualified to evaluate plumbing or roof flashing?
- AB 1129 and the proposed licensure requirements would become operative on January 1, 2023, providing an unreasonable one-year ramp-up time.

For each of these reasons, CREIA has adopted an opposition position on AB 1129. Please feel free to contact me at 925.513.0006, or CREIA’s legislative advocate Jerry Desmond, at 916.441.4166.

Sincerely,

*Dave Pace*

Dave Pace  
CREIA Legislative Chair

C: The Honorable Evan Low, Chair, Assembly Committee on Business and Professions  
Members, Assembly Committee on Business and Professions