

TITLE 878 HOME INSPECTORS LICENSING BOARD

ARTICLE 1. GENERAL PROVISIONS

Rule 1. Definitions

878 IAC 1-1-1 Applicability

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 1. The definitions in this rule apply throughout this article. (*Home Inspectors Licensing Board; 878 IAC 1-1-1; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2718*)

878 IAC 1-1-2 “Alarm systems” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 2. “Alarm systems” means warning devices, installed or freestanding, including, but not limited to, the following:

- (1) Carbon monoxide detectors.
- (2) Flue gas and other spillage detectors.
- (3) Security equipment.
- (4) Ejector pumps.
- (5) Smoke alarms.

(*Home Inspectors Licensing Board; 878 IAC 1-1-2; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-3 “Architectural service” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 3. “Architectural service” means any practice involving the art and science of building design for construction of any structure or grouping of structures and the use of space within and surrounding the structures or the design for construction, including, but not specifically limited to, the following:

- (1) Schematic design.
- (2) Design development.
- (3) Preparation of construction contract documents.
- (4) Administration of the construction contract.

(*Home Inspectors Licensing Board; 878 IAC 1-1-3; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-4 “Compensation” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 4. “Compensation” means direct or indirect payment, including the expectation of payment whether or not actually received. (*Home Inspectors Licensing Board; 878 IAC 1-1-4; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-5 “Component” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 5. “Component” means a readily accessible and observable aspect of a system. (*Home Inspectors Licensing Board; 878 IAC 1-1-5; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-6 “Decorative” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 6. “Decorative” means an item that is not required for the operation of the essential systems and components of a home. (*Home Inspectors Licensing Board; 878 IAC 1-1-6; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-7 “Dismantle” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 7. “Dismantle” means to take apart or remove any component, device, or piece of equipment that would not be taken apart or removed by a homeowner in the course of normal and routine homeowner maintenance. (*Home Inspectors Licensing Board; 878 IAC 1-1-7; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-8 “Engineering service” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 8. “Engineering service” means any professional service or creative work requiring engineering education, training, and experience and the application of special knowledge of the mathematical, physical, and engineering sciences to such professional service or creative work as:

- (1) consultation;
- (2) investigation;
- (3) evaluation;
- (4) planning;
- (5) design; and
- (6) supervision;

of construction for the purpose of assuring compliance with the specifications and design, in conjunction with structures, buildings, machines, equipment, works, and processes. (*Home Inspectors Licensing Board; 878 IAC 1-1-8; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-9 “Further evaluation” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 9. “Further evaluation” means examination and analysis by a qualified professional, tradesman, or service technician beyond that provided by the home inspection. (*Home Inspectors Licensing Board; 878 IAC 1-1-9; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-10 “Installed” defined

Authority: IC 25-20.2-3-8
Affected: IC 25-20.2

Sec. 10. “Installed” means attached such that removal requires tools. (*Home Inspectors Licensing Board; 878 IAC 1-1-10; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-11 “Normal operating controls” defined

Authority: IC 25-20.2-3-8
Affected: IC 25-20.2

Sec. 11. “Normal operating controls” means devices, such as thermostats, switches, or valves, intended to be operated by the homeowner. (*Home Inspectors Licensing Board; 878 IAC 1-1-11; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-12 “Readily accessible” defined

Authority: IC 25-20.2-3-8
Affected: IC 25-20.2

Sec. 12. “Readily accessible” means available for visual inspection without requiring:

- (1) moving of personal property;
- (2) dismantling;
- (3) destructive measures; or
- (4) any action that will likely involve risk to persons or property.

(*Home Inspectors Licensing Board; 878 IAC 1-1-12; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2719*)

878 IAC 1-1-13 “Readily openable access panel” defined

Authority: IC 25-20.2-3-8
Affected: IC 25-20.2

Sec. 13. “Readily openable access panel” means a panel provided for homeowner inspection and maintenance that:

- (1) is within normal reach;
- (2) can be removed by one (1) person; and
- (3) is not sealed in place.

(*Home Inspectors Licensing Board; 878 IAC 1-1-13; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720*)

878 IAC 1-1-14 “Recreational facilities” defined

Authority: IC 25-20.2-3-8
Affected: IC 25-20.2

Sec. 14. “Recreational facilities” means the following:

- (1) Spas.
- (2) Saunas.
- (3) Steam baths.
- (4) Swimming pools.
- (5) Exercise, entertainment, athletic, playground, or other similar equipment and associated accessories.

(Home Inspectors Licensing Board; 878 IAC 1-1-14; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720)

878 IAC 1-1-15 “Report” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2-2-7

Sec. 15. “Report” means to communicate, in writing, on all areas required by IC 25-20.2-2-7. *(Home Inspectors Licensing Board; 878 IAC 1-1-15; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720)*

878 IAC 1-1-16 “Representative number” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 16. “Representative number” means one (1) component:

(1) per room for multiple similar interior components, such as windows and electric outlets; or

(2) on each side of the building for multiple similar exterior components.

(Home Inspectors Licensing Board; 878 IAC 1-1-16; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720)

878 IAC 1-1-17 “Roof drainage system” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 17. “Roof drainage system” means components used to carry water off a roof and away from a building. *(Home Inspectors Licensing Board; 878 IAC 1-1-17; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720)*

878 IAC 1-1-18 “Shut down” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 18. “Shut down” means a state in which a system or component cannot be operated by normal operating controls. *(Home Inspectors Licensing Board; 878 IAC 1-1-18; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720)*

878 IAC 1-1-19 “Significantly deficient” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 19. “Significantly deficient” means unsafe or not functioning. *(Home Inspectors Licensing Board; 878 IAC 1-1-19; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720)*

878 IAC 1-1-20 “Solid fuel burning appliances” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 20. “Solid fuel burning appliances” means a hearth and fire chamber or similar prepared place in which a fire may be built

and that is built in conjunction with a chimney or a listed assembly of a fire chamber, its chimney, and related factory-made parts designed for unit assembly without requiring field construction. (*Home Inspectors Licensing Board; 878 IAC 1-1-20; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720*)

878 IAC 1-1-21 “Structural component” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 21. “Structural component” means a component that supports nonvariable forces or weights and variable forces or weights. (*Home Inspectors Licensing Board; 878 IAC 1-1-21; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720*)

878 IAC 1-1-22 “System” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 22. “System” means a combination of interacting or interdependent components assembled to carry out one (1) or more functions. (*Home Inspectors Licensing Board; 878 IAC 1-1-22; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720*)

878 IAC 1-1-23 “Technically exhaustive” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 23. “Technically exhaustive” means an investigation that involves dismantling, the extensive use of advanced techniques, measurements, instruments, testing, calculations, or other means. (*Home Inspectors Licensing Board; 878 IAC 1-1-23; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2720*)

878 IAC 1-1-24 “Underfloor crawlspace” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 24. “Underfloor crawlspace” means the area within the confines of the foundation and between the ground and the underside of the floor. (*Home Inspectors Licensing Board; 878 IAC 1-1-24; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2721*)

878 IAC 1-1-25 “Unsafe” defined

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 25. “Unsafe” means a condition in a readily accessible, installed system or component that is judged to be a significant risk of personal injury during normal, day-to-day use. The risk may be due to:

- (1) damage;
- (2) deterioration;
- (3) improper installation; or
- (4) a change in accepted residential construction standards.

(*Home Inspectors Licensing Board; 878 IAC 1-1-25; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2721*)

Rule 2. Minimum Standards of Competent Practice and Code of Ethics

878 IAC 1-2-1 Minimum standards of competent performance of home inspections

Authority: IC 25-20.2-3-8; IC 25-20.2-3-9

Affected: IC 25-20.2-2-7

Sec. 1. (a) The competent performance of home inspections requires remaining current with generally accepted developments within the area of specialization and the development and exercise of judgment as to when to apply specific procedures in a reasonable, effective, efficient, and economical manner.

(b) The competent performance of home inspections includes acting within generally accepted ethical principles and guidelines of the profession and maintaining an awareness of personal and professional limitations.

(c) Purpose and scope are as follows:

(1) Licensees shall:

(A) inspect:

(i) readily accessible systems and components of homes listed in these minimum standards of competent performance; and

(ii) installed systems and components of homes listed in these minimum standards of competent performance; and

(B) report in writing, as required by IC 25-20.2-2-7:

(i) on those systems and components inspected that, in the professional opinion of the inspector, are significantly deficient or are near the end of their service lives;

(ii) a reason why, if not self-evident, the system or component is significantly deficient or near the end of its service life;

(iii) the licensee's recommendations to correct or monitor the reported deficiency; and

(iv) on any systems and components designated for inspection in these minimum standards of competent performance that were present at the time of the home inspection but were not inspected and a reason they were not inspected; and

(C) identify on the written report:

(i) licensee's name;

(ii) licensee's Indiana license number;

(iii) address of inspected residential dwelling;

(iv) name of client for whom the inspection is being prepared; and

(v) date of inspection.

(2) These minimum standards of competent performance are not intended to limit licensees from:

(A) including other inspection services, systems, or components in addition to those required by these minimum standards of competent performance;

(B) specifying repairs, provided the licensee is appropriately qualified and willing to do so; or

(C) excluding systems and components from the inspection if requested by the client.

(d) Structural systems requirements are as follows:

(1) Licensees shall:

(A) inspect:

(i) the structural components including foundation and framing; and

(ii) by probing a representative number of structural components where deterioration is suspected or where clear indications of possible deterioration exist, but probing is not required when probing would damage any finished surface or where no deterioration is visible; and

(B) describe:

(i) the foundation and report the methods used to inspect the underfloor crawlspace;

(ii) the floor structure;

(iii) the wall structure;

(iv) the ceiling structure; and

- (v) the roof structure and report the methods used to inspect the attic.
- (2) Licensees are not required to:
 - (A) provide any engineering service or architectural service; or
 - (B) offer an opinion as to the adequacy of any structural system or component.
- (e) Exteriors requirements are as follows:
 - (1) Licensees shall:
 - (A) inspect:
 - (i) the exterior wall covering, flashing, and trim;
 - (ii) all exterior doors;
 - (iii) attached decks, balconies, stoops, steps, porches, and their associated railings;
 - (iv) the eaves, soffits, and fascias where accessible from the ground level;
 - (v) the vegetation, grading, surface drainage, and retaining walls on the property when any of these are likely to adversely affect the building; and
 - (vi) walkways, patios, and driveways leading to dwelling entrances; and
 - (B) describe the exterior wall covering.
 - (2) Licensees are not required to inspect:
 - (A) screening, shutters, awnings, and similar seasonal accessories;
 - (B) fences;
 - (C) geological, geotechnical, or hydrological conditions;
 - (D) recreational facilities;
 - (E) outbuildings;
 - (F) seawalls, breakwalls, and docks; or
 - (G) erosion control and earth stabilization measures.
- (f) Roof systems requirements are as follows:
 - (1) Licensees shall:
 - (A) inspect:
 - (i) the roof covering;
 - (ii) the roof drainage systems;
 - (iii) the flashings; and
 - (iv) the skylights, chimneys, and roof penetrations; and
 - (B) describe the roof covering and report the methods used to inspect the roof.
 - (2) Licensees are not required to inspect:
 - (A) antennae;
 - (B) interiors of flues or chimneys that are not readily accessible; or
 - (C) other installed accessories.
- (g) Plumbing systems requirements are as follows:
 - (1) Licensees shall:
 - (A) inspect:
 - (i) the interior water supply and distribution systems including all fixtures and faucets;
 - (ii) the drain, waste, and vent systems including all fixtures;
 - (iii) the water heating equipment;
 - (iv) the vent systems, flues, and chimneys;
 - (v) the fuel storage and fuel distribution systems; and
 - (vi) the drainage sumps, sump pumps, and related piping; and
 - (B) describe:
 - (i) the water supply, drain, waste, and vent piping materials;
 - (ii) the water heating equipment including the energy source; and
 - (iii) the location of main water and main fuel shut-off valves.
 - (2) Licensees are not required to:
 - (A) inspect:

- (i) the clothes washing machine connections;
 - (ii) the interiors of flues or chimneys that are not readily accessible;
 - (iii) wells, well pumps, or water storage related equipment;
 - (iv) water conditioning systems;
 - (v) solar water heating systems;
 - (vi) fire and lawn sprinkler systems; or
 - (vii) private waste disposal systems;
 - (B) determine:
 - (i) whether water supply and waste disposal systems are public or private; or
 - (ii) the quantity or quality of the water supply; or
 - (C) operate safety valves or shut-off valves.
- (h) Electrical systems requirements are as follows:
- (1) Licensees shall:
- (A) inspect:
 - (i) the service drop;
 - (ii) the service entrance conductors, cables, and raceways;
 - (iii) the service equipment and main disconnects;
 - (iv) the service grounding;
 - (v) the interior components of service panels and subpanels;
 - (vi) the conductors;
 - (vii) the overcurrent protection devices;
 - (viii) a representative number of installed lighting fixtures, switches, and receptacles; and
 - (ix) the ground fault circuit interrupters;
 - (B) describe:
 - (i) the amperage and voltage rating of the service;
 - (ii) the location of main disconnect or disconnects and subpanels; and
 - (iii) the wiring methods; and
 - (C) report on the:
 - (i) presence of solid conductor aluminum branch circuit wiring; and
 - (ii) absence of smoke detectors.
- (2) Licensees are not required to:
- (A) inspect:
 - (i) the remote control devices unless the device is the only control device;
 - (ii) the alarm systems and components;
 - (iii) the low voltage wiring, systems, and components; or
 - (iv) the ancillary wiring, systems, and components not a part of the primary electrical power distribution system;or
 - (B) measure amperage, voltage, or impedance.
- (i) Heating systems requirements are as follows:
- (1) Licensees shall:
- (A) inspect:
 - (i) the installed heating equipment; and
 - (ii) the vent systems, flues, and chimneys; and
 - (B) describe:
 - (i) the energy source; and
 - (ii) the heating method by its distinguishing characteristics.
- (2) Licensees are not required to:
- (A) inspect:
 - (i) the interiors of flues or chimneys that are not readily accessible;
 - (ii) the heat exchanger;

- (iii) the humidifier or dehumidifier;
 - (iv) the electronic air filter; or
 - (v) the solar space heating system; or
- (B) determine heat supply adequacy or distribution balance.
- (j) Air conditioning systems requirements are as follows:
 - (1) Licensees shall:
 - (A) inspect the installed central and through-wall cooling equipment; and
 - (B) describe:
 - (i) the energy source; and
 - (ii) the cooling method by its distinguishing characteristics.
 - (2) Licensees are not required to:
 - (A) inspect electronic air filters; or
 - (B) determine cooling supply adequacy or distribution balance.
- (k) Interiors requirements are as follows:
 - (1) Licensees shall inspect:
 - (A) the walls, ceilings, and floors;
 - (B) the steps, stairways, and railings;
 - (C) the countertops and a representative number of installed cabinets;
 - (D) a representative number of doors and windows; and
 - (E) garage doors and garage door operations.
 - (2) Licensees are not required to inspect:
 - (A) the paint, wallpaper, and other finish treatments;
 - (B) the carpeting;
 - (C) the window treatments;
 - (D) the central vacuum systems;
 - (E) the household appliances; or
 - (F) recreational facilities.
- (l) Insulation and ventilation requirements are as follows:
 - (1) Licensees shall:
 - (A) inspect:
 - (i) the insulation and vapor retarders in unfinished spaces;
 - (ii) the ventilation of attics and foundation areas; and
 - (iii) the mechanical ventilation systems; and
 - (B) describe:
 - (i) the insulation and vapor retarders in unfinished spaces; and
 - (ii) the absence of insulation in unfinished spaces at conditioned surfaces.
 - (2) Licensees are not required to:
 - (A) disturb insulation or vapor retarders; or
 - (B) determine indoor air quality.
- (m) Fireplaces and solid fuel burning appliances requirements are as follows:
 - (1) Licensees shall:
 - (A) inspect:
 - (i) the system components; and
 - (ii) the vent systems, flues, and chimneys; and
 - (B) describe:
 - (i) the fireplaces and solid fuel burning appliances; and
 - (ii) the chimneys.
 - (2) Licensees are not required to:
 - (A) inspect:
 - (i) the interiors of flues or chimneys;

- (ii) the firescreens and doors;
 - (iii) the seals and gaskets;
 - (iv) the automatic fuel fee devices;
 - (v) the mantels and fireplace surrounds;
 - (vi) the combustion make-up air devices; or
 - (vii) the heat distribution assists whether gravity controlled or fan assisted;
- (B) ignite or extinguish fires;
- (C) determine draft characteristics; or
- (D) move fireplace inserts or stoves or firebox content.
- (n) General limitations are as follows:
 - (1) Inspections performed in accordance with these minimum standards of competent performance:
 - (A) are not technically exhaustive; and
 - (B) will not identify concealed conditions or latent defects.
 - (2) These minimum standards of competent performance are applicable to buildings with five (5) or fewer dwelling units and their garages or carports.
- (o) General exclusions are as follows:
 - (1) Licensees are not required to perform any action or make any determination unless specifically stated in these minimum standards of competent performance, except as may be required by lawful authority.
 - (2) Licensees are not required to determine any of the following:
 - (A) The conditions of systems and components that are not readily accessible.
 - (B) The remaining life of any system or component.
 - (C) The strength, adequacy, effectiveness, or efficiency of any system or component.
 - (D) The causes of any condition or deficiency.
 - (E) The methods, materials, or costs of corrections.
 - (F) Future conditions including, but not limited to, failure of systems and components.
 - (G) The suitability of the property for any specialized use.
 - (H) Compliance with regulatory requirements, such as codes, regulations, laws, or ordinances.
 - (I) The market value of the property or its marketability.
 - (J) The advisability of the purchase of the property.
 - (K) The presence of potentially hazardous plants or animals including, but not limited to, wood-destroying organisms or diseases harmful to humans.
 - (L) The presence of any environmental hazards including, but not limited to, toxins, carcinogens, noise, and contaminants in soil, water, and air.
 - (M) The effectiveness of any system installed or methods utilized to control or remove suspected hazardous substances.
 - (N) The acoustical properties of any system or component.
 - (3) Licensees are not required to:
 - (A) offer or perform:
 - (i) any act or service contrary to law;
 - (ii) engineering services; or
 - (iii) work in any trade or any professional service other than home inspection; or
 - (B) offer warranties or guarantees of any kind.
 - (4) Licensees are not required to operate:
 - (A) any system or component that:
 - (i) is shut down or otherwise inoperable; or
 - (ii) does not respond to normal operating controls; or
 - (B) shut-off valves.
 - (5) Licensees are not required to enter:
 - (A) any area that will, in the opinion of the licensee, likely be dangerous to the licensee or other persons or damage the property or its systems and components; or
 - (B) the underfloor crawlspaces or attics that are not readily accessible.

- (6) Licensees are not required to inspect:
 - (A) underground items including, but not limited to, underground storage tanks or other underground indications of their presence, whether abandoned or active;
 - (B) systems or components that are not installed;
 - (C) decorative items;
 - (D) systems or components located in areas that are not entered in accordance with these minimum standards of competent performance;
 - (E) detached structures other than garages and carports; or
 - (F) common elements or common areas in multiunit housing, such as condominium properties or cooperative housing.
- (7) Licensees are not required to:
 - (A) perform any procedure or operation that will, in the opinion of the licensee, likely be dangerous to the licensee or other persons or damage the property or its systems or components;
 - (B) move:
 - (i) suspended ceiling tiles;
 - (ii) personal property;
 - (iii) furniture;
 - (iv) equipment;
 - (v) plants;
 - (vi) soil;
 - (vii) snow;
 - (viii) ice; or
 - (ix) debris; or
 - (C) dismantle any system or component, except as explicitly required by these minimum standards of competent performance.

(Home Inspectors Licensing Board; 878 IAC 1-2-1; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2721)

878 IAC 1-2-2 Code of ethics for home inspectors

Authority: IC 25-20.2-3-8; IC 25-20.2-3-9

Affected: IC 25-20.2

Sec. 2. (a) Integrity, honesty, and objectivity are fundamental principles embodied in this code of ethics, which sets forth obligations of ethical conduct for the home inspection profession. The home inspectors licensing board has adopted this code of ethics to provide high ethical standards to safeguard the public and the profession.

- (b) Licensees shall:
 - (1) comply with this code of ethics;
 - (2) avoid association with any enterprise whose practices violate this code of ethics;
 - (3) strive to uphold, maintain, and improve the integrity, reputation, and practice of the home inspection profession; and
 - (4) avoid conflicts of interest or activities that compromise, or appear to compromise, professional independence, objectivity, or inspection integrity.
- (c) Licensees shall not:
 - (1) inspect properties:
 - (A) for compensation in which they have, or expect to have, a financial interest; or
 - (B) under contingent arrangements whereby any compensation or future referrals are dependent on reported findings or on the sale of property;
 - (2) directly or indirectly compensate realty agents, or other parties having a financial interest in closing or settlement of real estate transactions, for the referral of inspections or inclusion on a list of recommended inspectors, preferred providers, or similar arrangements;
 - (3) receive compensation for an inspection from more than one (1) party unless agreed to by the client or clients;
 - (4) accept compensation, directly or indirectly, for recommending contractors, services, or products to inspection clients or

other parties having an interest in inspected properties; or

(5) repair, replace, or upgrade, for compensation, systems or components covered by the minimum standards of competent performance found in section 1 of this rule for one (1) year after the inspection.

(d) Licensees shall:

(1) act in good faith toward each client and other interested parties;

(2) perform services and express opinions based on genuine conviction and only within their areas of education, training, or experience; and

(3) be objective in their reporting and not knowingly understate or overstate the significance of reported conditions.

(e) Licensees shall not disclose inspection results or client information without client approval. Licensees, at their discretion, may disclose observed immediate safety hazards to occupants exposed to such hazards when feasible.

(f) Licensees shall avoid activities that may harm the public, discredit themselves, or reduce public confidence in their profession.

(g) Advertising, marketing, and promotion of licensees services or qualifications shall not be fraudulent, false, deceptive, or misleading.

(h) Licensees shall report substantive and willful violations of:

(1) this code of ethics; and

(2) the minimum standards of competent performance found in section 1 of this rule.

(Home Inspectors Licensing Board; 878 IAC 1-2-2; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2724)

Rule 3. Fees and License Requirements

878 IAC 1-3-1 Fees

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 1. (a) Candidates for examination shall pay the examination fee directly to the examination service.

(b) The application/issuance fee for a license to practice as a home inspector shall be four hundred fifty dollars (\$450).

(c) The fee for renewal of license to practice as a home inspector shall be four hundred dollars (\$400) biennially.

(d) The penalty fee for late renewal of a license to practice as a home inspector shall be fifty dollars (\$50).

(e) The fee for reinstating a retired license shall be four hundred dollars (\$400).

(f) The application fee for approval as a sponsor of continuing education shall be five hundred dollars (\$500).

(g) The renewal fee for approval to sponsor continuing education shall be five hundred dollars (\$500) biennially.

(h) The application fee for approval as a preclicensing course provider shall be five hundred dollars (\$500).

(i) The renewal fee for approval to provide preclicensing courses shall be five hundred dollars (\$500) biennially.

(j) The fee for verification of licensure to another state or jurisdiction shall be ten dollars (\$10).

(k) The fee for a duplicate wall certificate shall be ten dollars (\$10).

(l) All fees are nonrefundable and nontransferable. *(Home Inspectors Licensing Board; 878 IAC 1-3-1; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2725)*

878 IAC 1-3-2 Preclicensing course requirements

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 2. (a) Applicants for licensure must complete no fewer than sixty (60) hours with a minimum of forty (40) hours of classroom training and a minimum of twelve (12) hours of practical experience provided by a board approved preclicensing course provider.

(b) As used in subsection (a), "practical experience" means experience obtained through either on-site inspection work or experience obtained in a lab setting that includes hands-on or visual defect recognition of building systems or components.

(c) The required course must include training in the following areas:

- (1) Heating systems.
- (2) Cooling systems.
- (3) Electrical systems.
- (4) Plumbing systems.
- (5) Structural components.
- (6) Foundations.
- (7) Roof coverings.
- (8) Exterior and interior.
- (9) Indiana licensure law and report writing.

(Home Inspectors Licensing Board; 878 IAC 1-3-2; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2725)

878 IAC 1-3-3 Examination requirement

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 3. Applicants for licensure shall be required to pass the National Home Inspector Examination as provided by the Examination Board of Professional Home Inspectors. *(Home Inspectors Licensing Board; 878 IAC 1-3-3; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2725)*

878 IAC 1-3-4 License renewal

Authority: IC 25-20.2-3-8

Affected: IC 25-1-2; IC 25-1-12; IC 25-20.2

Sec. 4. (a) The renewal process is governed by IC 25-1-2 as the same may be amended from time to time.

(b) Extensions of time to renew due to military service are governed by IC 25-1-12 as the same may be amended or recodified.

(c) It is the responsibility of the licensee to notify the Indiana professional licensing agency of an address change.

(d) If a license has been expired for less than two (2) years, the licensee may renew the license by meeting the following requirements:

- (1) File a renewal application provided by the board.
 - (2) Pay the current renewal fee established in section 1 of this rule.
 - (3) Pay the penalty fee for late renewal established in section 1 of this rule.
 - (4) Submit a detailed letter of explanation to the board as to why the license has lapsed.
 - (5) Submit proof of having met the continuing education requirements for one (1) renewal cycle within the previous twenty-four (24) months.
 - (6) Make a personal appearance before the board, as the board in its discretion may require.
 - (7) Pass the national examination established in section 3 of this rule, as the board in its discretion may require.
- (e) If a license has been expired for more than two (2) years, the licensee may renew the license by meeting the following requirements:

- (1) File a renewal application provided by the board.
- (2) Pay the current renewal fee established in section 1 of this rule.
- (3) Pay the penalty fee for late renewal established in section 1 of this rule.
- (4) Submit a detailed letter of explanation to the board as to why the license has lapsed.
- (5) Submit proof of having met the continuing education requirements for one (1) renewal cycle within the previous twenty-four (24) months.
- (6) If the licensee was granted initial licensure under the provisions of P.L. 145-2003, SECTION 15, the licensee must complete a board approved prelicensing course that meets the requirements of section 2 of this rule.
- (7) Pass the required national examination established in section 3 of this rule.

(8) Make a personal appearance before the board, as the board in its discretion may require.
(*Home Inspectors Licensing Board; 878 IAC 1-3-4; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2726*)

878 IAC 1-3-5 Licensure retirement

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 5. (a) An individual who is licensed as a home inspector and who would like to retire the license shall notify the board, in writing, when the individual retires from practice.

(b) An individual who has placed his or her license in retirement may not practice as a home inspector until the license has been reinstated by the board.

(c) In order to reinstate a retired license, an individual shall do the following:

(1) Complete a retirement reinstatement application, which must be approved by the board.

(2) Pay a reinstatement fee established under section 1 of this rule.

(3) Submit proof of continuing education requirements, as outlined by the board, depending on the number of years the license has been in retirement as follows:

(A) Zero (0) to three (3) years, sixteen (16) hours of continuing education shall be required and must be completed within twelve (12) months before the petition for reinstatement.

(B) Three (3) to six (6) years, thirty-two (32) hours of continuing education shall be required and must be completed within twenty-four (24) months before the petition for reinstatement.

(C) Six (6) years or more shall require board determination of the continuing education needed and the licensee must pass the examination required under section 3 of this rule.

(D) Retirement years shall be calculated from the receipt of request to retire the license until reinstatement of the license.

(*Home Inspectors Licensing Board; 878 IAC 1-3-5; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2726*)

878 IAC 1-3-6 Display of license

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 6. An individual who is licensed as a home inspector shall:

(1) display the license or a clear copy of the license at each location where the home inspector conducts business; and

(2) present, upon the request of any client, a pocket card license that indicates the license is active and in good standing.

(*Home Inspectors Licensing Board; 878 IAC 1-3-6; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2726*)

Rule 4. Prelicensing Course Providers

878 IAC 1-4-1 Approval by board

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 1. No prelicensing course provider shall conduct, solicit, or accept student enrollment for a home inspector course as prescribed in this rule without approval of the provider by the board. (*Home Inspectors Licensing Board; 878 IAC 1-4-1; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2727*)

878 IAC 1-4-2 Application for prelicensing course approval; requirements and content

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 2. (a) Any course provider seeking approval of a home inspector's preclicensing course shall:

(1) make written application for approval; and

(2) submit such documents, statements, and forms as required by this rule.

(b) Applicants for approval of a home inspector's preclicensing course shall provide the board with the following:

(1) The name and address of the school's owner.

(2) A list of all instructors who will be teaching the course and include evidence to indicate that these instructors have demonstrated competence in the area of home inspection education for which the instructor will be providing instruction.

(3) A statement of objectives, which the course should achieve for its participants.

(4) A statement explaining how the provider intends to provide for the following:

(A) Adequate administration of the course, including a responsible person to coordinate and administer the course.

(B) Maintenance of proper records.

(5) A statement indicating how the course will be planned and designed to meet the requirements of 878 IAC 1-3-2.

(c) Applicants for approval of a home inspector's preclicensing course shall require a comprehensive examination, which its students must pass with a minimum score of seventy-five percent (75%) in order to successfully complete the course. Applicants shall submit the most current version of this examination at the time of filing the application for approval.

(d) Applicants for approval of a home inspector's preclicensing course shall provide the board with the following:

(1) Documentation verifying adequate funding for the educational course undertaken.

(2) An evaluation form devised and used to measure the course's effectiveness.

(3) A statement indicating the manner in which the provider will provide its course participants a meaningful record of course completion.

(Home Inspectors Licensing Board; 878 IAC 1-4-2; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2727)

878 IAC 1-4-3 Course records

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 3. Each approved provider offering approved courses must maintain records of students who successfully complete and pass the course of study for a minimum of five (5) years. The records must include attendance records, examination score records, and duplicate copies of completion certificates or the ability to reproduce duplicate completion certificates. *(Home Inspectors Licensing Board; 878 IAC 1-4-3; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2727)*

878 IAC 1-4-4 Preclicensing course provider renewals

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 4. (a) The approval of courses expires on October 1 of each odd-numbered year.

(b) To renew the approval of the preclicensing course, the provider shall:

(1) pay the renewal fee established in 878 IAC 1-3-1;

(2) file a renewal application provided by the board; and

(3) submit a biennial report, which shall contain:

(A) a list of instructors who teach any section of the course and a curriculum vitae for the instructor if the instructor was not listed on the provider's initial application for approval; and

(B) a roster of all students who attended the approved providers course during the previous renewal cycle and a report on whether each student passed or failed the course.

(Home Inspectors Licensing Board; 878 IAC 1-4-4; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2727)

878 IAC 1-4-5 Prelicensing course provider audits

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 5. The board may perform random audits of approved prelicensing course providers to ensure compliance with this rule.
(*Home Inspectors Licensing Board; 878 IAC 1-4-5; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2727*)

Rule 5. Continuing Education

878 IAC 1-5-1 Continuing education requirements

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 1. (a) A licensee who renews a license as a home inspector shall complete not less than thirty-two (32) continuing education hours in each renewal period.

(b) Continuing education hours shall be obtained within the biennial renewal period in which the licensee is applying and shall not be carried over from one (1) biennial renewal period to another.

(c) A holder of a license issued under IC 25-20.2 must retain a record of the continuing education required by subsection (b) for two (2) years following the end of the biennial renewal period for which it was obtained.

(d) Continuing education completed to satisfy the continuing education requirements of another state with which a reciprocal agreement exists, in which the licensee also holds a license as a home inspector, may be applied towards the continuing education requirement of this rule for renewal of a license issued under IC 25-20.2.

(e) A holder of a license issued under IC 25-20.2 who has been licensed for less than two (2) full years before the first renewal date for that license shall meet the following continuing education requirements for the licensee's first renewal period:

(1) A licensee who has been licensed for at least twelve (12) months, but less than twenty-four (24) months, shall complete sixteen (16) hours of continuing education for renewal of that initial license.

(2) A licensee who has been licensed for less than twelve (12) months shall be exempt from the continuing education hours required for renewal of that initial license.

(*Home Inspectors Licensing Board; 878 IAC 1-5-1; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2727*)

878 IAC 1-5-2 Continuing education

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 2. (a) As used in IC 25-20.2, "continuing education" means education provided by board-approved providers that is obtained by a licensee in order to maintain, improve, or expand the licensee's skills and knowledge.

(b) Continuing education shall be comprised of two (2) categories, Category I and Category II. The licensee shall obtain a minimum of seventy-five percent (75%) of the required amount of continuing education hours for renewal from Category I and may obtain a maximum of twenty-five percent (25%) of the required amount of continuing education hours for renewal from Category II.

(c) Category I is defined as continuing education that is formal programming, which includes instruction in one (1) of the following areas:

(1) Heating systems.

(2) Cooling systems.

(3) Electrical systems.

(4) Plumbing systems.

(5) Structural components.

- (6) Foundations.
- (7) Roof coverings.
- (8) Exterior and interior components.
- (d) Category II is defined as continuing education that is formal programming, which includes instruction in:
 - (1) any other site aspects that affect a residential dwelling; or
 - (2) business operations, contract writing, ethics courses, report writing, legal liability instruction, or any other formal programming that is specifically directed toward the home inspection industry.

(Home Inspectors Licensing Board; 878 IAC 1-5-2; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2728)

878 IAC 1-5-3 Approval of continuing education providers

Authority: IC 25-20.2-3-8; IC 25-20.2-6-5

Affected: IC 25-20.2

Sec. 3. (a) The following criteria shall be used for the approval of providers of continuing education courses for licensed home inspectors:

- (1) The continuing education provider shall have a statement of objectives, which the provider's courses should achieve for its participants relating to and enhancing the licensee's practice.
- (2) The provider of continuing education courses shall provide the following:
 - (A) Adequate administration, including a responsible person to coordinate and administer the courses.
 - (B) Maintenance of proper records.
- (3) Providers of continuing education courses shall provide adequate funding for the educational courses undertaken.
- (4) The curriculum of continuing education courses shall be thoughtfully planned and designed to explore in considerable depth one (1) subject or a closely related group of subjects related to the licensee's practice.
- (5) The continuing education provider shall have qualified faculty members with demonstrated competence in the subject areas.
- (6) The continuing education provider's courses shall be held in adequate facilities that allow for an effective learning environment.
- (7) Continuing education providers may employ a variety of educational methods and teaching aids that enhance the learning opportunities.
- (8) Appropriate methods of evaluation shall be devised and used to measure the continuing education provider's effectiveness.
- (9) The provider of continuing education courses shall provide to the participants a meaningful record of attendance stating the continuing education hours involved and whether the course involved subject matter under Category I or under Category II, as defined in section 2 of this rule.

(b) Organizations applying for board approval to be a registered provider of continuing education courses must submit an application to the board for approval at least ninety (90) days before the presentation of any course. The board shall act upon the application within ninety (90) days of receipt. The approval, if granted, is effective until October 1 of every odd-numbered year.

(c) An approval to provide continuing education hours for licensed home inspectors will expire on September 30 of the odd-numbered years.

(d) Providers of courses are responsible for monitoring attendance in such a manner that verification of attendance throughout the entire course can be reliably assured.

(e) The provider shall maintain attendance records for a minimum of four (4) years from the date of the course. These records must include the following:

- (1) The date of the course.
- (2) The course title.
- (3) The presenter's name.
- (4) The names of all participants.
- (5) The number of continuing education hours granted each participant.
- (6) A record of whether the hours granted are Category I or Category II, as defined in section 2 of this rule.

(Home Inspectors Licensing Board; 878 IAC 1-5-3; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2728)

878 IAC 1-5-4 Request for a waiver of the continuing education requirement

Authority: IC 25-20.2-3-8

Affected: IC 25-1-12; IC 25-20.2

Sec. 4. (a) A holder of a license issued under IC 25-20.2, seeking renewal of that license without having completed the continuing education hours required for renewal under this rule, must submit:

- (1) a statement explaining the reasons for noncompliance;
- (2) a request for a waiver of the continuing education hours required for renewal; and
- (3) the renewal application and all required fees;

at least forty-five (45) days before the license expiration date.

(b) The licensee must submit evidence that an extreme hardship exists, to the satisfaction of the board, to be granted a waiver.

(c) If the request is granted, the waiver will be effective for the length of the current renewal period only.

(d) If the request is denied, the licensee is responsible for completing the full amount of continuing education required for license renewal.

(e) Waivers may be granted if an extreme hardship exists. The board will determine whether an extreme hardship exists that would have prevented the licensee from obtaining his or her continuing education hours if, during the licensee's current renewal period, the licensee or an immediate family member, where the licensee has primary responsibility for the care of that family member, was suffering from or suffered a disability. A disability is a physical or mental impairment that substantially limits one (1) or more of the major life activities of an individual. The existence of the disability must be verified by a licensed physician or psychologist with special expertise in the area of the disability. Verification of the disability must include the following:

- (1) The nature and extent of the disability.
- (2) An explanation of how the disability would hinder the licensee from completing the continuing education requirement.
- (3) The name, title, address, telephone number, professional license number, and original signature of the licensed physician or psychologist verifying the disability.

(f) Waivers of the continuing education requirement, or extensions of time in which to complete the continuing education requirement, due to military service are governed by IC 25-1-12 as the same may be amended or recodified. (*Home Inspectors Licensing Board; 878 IAC 1-5-4; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2729*)

878 IAC 1-5-5 Continuing education audits

Authority: IC 25-20.2-3-8

Affected: IC 25-20.2

Sec. 5. (a) The board may require additional evidence demonstrating the licensee's compliance with the continuing education requirements of this rule. This additional evidence shall be required in the context of a random audit. It is the responsibility of the licensee to verify that the continuing education hours obtained to meet the continuing education required for the renewal of his or her license have been approved by the board. It is the responsibility of the licensee to retain or otherwise produce evidence of compliance.

(b) The board may perform random audits of approved continuing education providers to ensure compliance with this rule. (*Home Inspectors Licensing Board; 878 IAC 1-5-5; filed Apr 18, 2005, 12:15 p.m.: 28 IR 2729*)

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