

November 8, 2022

**CREIA Legislative Committee
David Pace, MCI/IF, Committee Chair**



Can Home Inspectors Offer Repairs?

CREIA Code of Ethics states: “home inspectors shall not:

a. Perform or offer to perform, for an additional fee, any repairs to a structure on which the inspector, or the inspector’s company, has prepared a home inspection report in the past 12 months.

b. Inspect for a fee any property in which the inspector, or the inspector’s company, has any financial interest or any interest in the transfer of the property.

c. Offer or deliver any compensation, inducement or reward to the owner of the inspected property, the broker, or agent, for the referral of any business to the inspector or the inspection company, or for inclusion on a list of recommended inspectors, preferred providers, or similar arrangements.

d. Inspect for a fee properties where the employment itself or the fee payable for the inspection is contingent upon the conclusions in the report, pre-established findings, or the close of escrow.

e. Accept compensation, directly or indirectly, for recommending contractors, services, or products to inspection clients.

California Business and Professions Code 7191 (a) states: It is an unfair business practice for a home inspector, a company that employs the inspector, or a company that is controlled by a

company that also has a financial interest in a company employing a home inspector, to do any of the following:

(1) To perform or offer to perform, for an additional fee, any repairs to a structure on which the inspector, or the inspector's company, has prepared a home inspection report in the past 12 months.

(2) Inspect for a fee any property in which the inspector, or the inspector's company, has any financial interest or any interest in the transfer of the property.

(3) To offer or deliver any compensation, inducement, or reward to the owner of the inspected property, the broker, or agent, for the referral of any business to the inspector or the inspection company.

(4) Accept an engagement to make an inspection or to prepare a report in which the employment itself or the fee payable for the inspection is contingent upon the conclusions in the report, preestablished findings, or the close of escrow.

You will note there are many similarities between the CREIA Code of Ethics and The California Business and Professions Code.

Members of CREIA are required as a condition of membership to follow the Code of Ethics. **Every** home inspector in the State of California is required to follow state law.

The CREIA Code of Ethics or the California Business and Professions Code does not prohibit a home inspector from making repairs. However, there are restrictions.

-A home inspector cannot charge for any repairs they perform. (Source CREIA Code of Ethics and B&P Code 7191(a))

-California law requires that people who act as contractors on behalf of property owners who perform work on the home or

install fixtures on a property be licensed by the Contractors State License Board. To qualify for a license, a contractor must demonstrate experience and take a test in the specialty category for which they want to be licensed. Additionally, they must have a bond to protect their customers. (Source HG.org Legal Resources)

-There are some allowances in the Business and Professions Code for Home Protection Companies, Structural Pest Inspectors, Roofing as well as Sewer Lateral Inspections.

Home Protection Companies:

B&P 7197 (b) “A home protection company that is affiliated with or that retains the home inspector does not violate this section if it performs repairs pursuant to claims made under the home protection contract.”

If a home inspection company owns or is affiliated with a home protection company or is hired by the home protection company, then the home protection company can perform repairs as agreed to and in accordance with the home protection contract.

Structural Pest Control Operators:

B&P 7197 (c) Section 7197..... “shall not affect the ability of a structural pest control operator to perform repairs pursuant to Section 8505 as a result of a structural pest control inspection.”

A home inspector can be licensed as a structural pest control operator. There are several CREIA inspectors who are properly licensed and perform structural pest inspections. They are allowed to do repairs in accordance with their license and as outlined *in the structural pest report* and applicable local jurisdiction requirements.

Roof Inspections:

B&P 7197 (d) allows a roofing contractor who holds a C-39 license (as defined in Section 832.39 of Title 16 of the California

Code of Regulations) “to perform repairs pursuant to the contractor’s inspection of a roof for *this specific purpose of providing a **roof certification*** if **all of the following conditions** are met.”

Note that the repairs made pursuant to providing the consumer with a **roof certification**. A roof certification is defined as “a *written statement by a licensed C-39 Roofing Contractor who has performed a roof inspection, made any necessary repairs, and warrants that the roof is free of leaks at the time that the certification is issued and should perform as designed for the specified term of the certification.*”

Before we look at the conditions, note that the roof inspection **must be performed** by a C-39 licensed roofing contractor.

Required Conditions:

1. The home inspection and the roof inspection must be performed by different employees. The home inspector may hold a C-39 contractors roofing license, but he cannot perform the home inspection and the roof inspection.

2. Inspection must be ordered prior to or at the same time as the home inspection or the roof inspection is to be completed prior to the commencement of the home inspection.

3. The consumer must be provided with a consumer disclosure before the consumer authorizes the home inspection.

The disclosure must include all of the following:

a. “The same company that performs the roof inspection and roof repairs will perform the home inspection on the same property.”

b. “Any repairs that are authorized by the consumer are for the repairs identified in the roofing contractor’s roof inspection report and no repairs identified in the home

inspection are authorized or allowed as specified in the roof inspection.”

c. “The consumer has the right to seek a second opinion.”

Observation:

A home inspector cannot note a roof condition, document it in the home inspection report and offer to make repairs, even if he is a C-39 licensed roofing contractor. That is a violation of the Business and Professions Code.

Repair is not replacement. Different words. Repair, according to Merriam-Webster means to “restore by replacing a part or putting together what is worn or broken.” Replace means “to put something new in place of.” Replacement is “the action or process of replacing: the state of being replaced.”

Sewer Lateral Inspections:

B&P 7197 (e) allows a plumbing contractor who holds a C-36 license (as defined in Section 832.36 of Title 16 of the California Code of Regulations to “perform repairs pursuant to the inspection of a sewer lateral pipe connecting a residence or business to a sewer system if the consumer is provided a consumer disclosure before the consumer authorizes the home inspection that includes all of the following notifications: Similar to the roof inspection, the sewer lateral inspection must be performed by a C-36 licensed plumbing contractor.

Required Consumer Disclosure Notifications:

1. The same company that performs the sewer lateral inspection and the sewer lateral repairs will perform the home inspection on the same property.

2. Any repairs that are authorized by the consumer, are for the repairs identified in the sewer lateral inspection report and no repairs identified in the home inspection report are authorized or allowed except as specified in the sewer lateral inspection report.
3. The consumer has the right to seek a second opinion on the sewer lateral inspection.

Observation:

A home inspector does not normally make sewer lateral comments since the sewer lateral is buried and is not visible. Many home inspectors will routinely recommend a sewer lateral inspection. Only the same *company* that performs the home inspection and performs the sewer lateral inspection can make sewer lateral repairs that are specifically noted in the sewer lateral inspection report. The sewer later inspection and sewer lateral repairs must be performed by a licensed C-36 contractor and the repairs are limited to conditions noted in the sewer lateral inspection report.

What to do if an inspector/company violates this rule?

First step is to file an Ethics Violation! [Click here to file an ethics complaint.](#) The CREIA Ethics Committee reviews all ethics violation submissions and takes appropriate action for each case.

California Real Estate Inspection Association
1540 River Park Dr., Suite 211
Sacramento, CA 95815
memberservices@creia.org
(916) 634-4219