

# HOME INSPECTOR FREQUENTLY ASKED QUESTIONS

(December 2008)

Effective July 1, 2008, the Construction Contractors Board (CCB) adopted a new rule relating to home inspector standards of behavior. The new rule is found at OAR 812-008-0201. CCB has received several questions about this rule. The following are some of the questions most frequently asked, together with CCB's answers.

1. **May a home inspector advertise in magazines containing listings for homes for sale?** In general, the answer is yes. However, if the magazine is published by a real estate agent and the home inspector buys the advertisement to induce the real estate agent to refer business to the home inspector, the practice is prohibited.
2. **May a home inspector advertise on a website containing listings for homes for sale?** In general, the answer is yes. However, if the website is maintained by a real estate agent and the home inspector buys the advertisement to induce the real estate agent to refer business to the home inspector, the practice is prohibited.
3. **May a home inspector advertise on a real estate agent's website if the home inspector did not pay for the advertisement?** Yes, so long as the home inspector did not pay the real estate agent nor give the real estate agent anything of value.
4. **May a home inspector advertise in an insurance agent's publication, a church bulletin, or at a high school athletic event?** Yes. We assume that an insurance agent, church or high school have no financial interest in closing or settling real estate transactions involving a home inspection.
5. **May a home inspector sponsor a golf tournament for a mortgage broker?** Probably not. If a home inspector pays for the sponsorship for a particular mortgage broker to encourage that person to recommend or refer the home inspector, the conduct is prohibited. However, a home inspector could sponsor a golf tournament in which various persons, including mortgage brokers, played.

6. **May a home inspector contribute to a charity at the request of a realty agent?** Yes. Even if the realty agent solicits the donation, if the donation is made to a charity (e.g. IRS tax-exempt organization), there is no benefit to the realty agent.
7. **May a home inspector join an association to obtain leads, like Le Tip or BNI?** Yes. Joining such associations requires the home inspector to pay the association, not to make any payment or give anything of value to the other members, including real estate agents.
8. **May a home inspector purchase a franchise like Terminix?** Yes. The rule does not prohibit such activities. The franchisor may provide advertisement and other support for the home inspector.
9. **May a home inspector join or advertise with a real estate association like a multiple listing service?** Yes. Joining an association is not prohibited. Also, the home inspector may advertise with such an association because in so doing the home inspector does not compensate a particular real estate agent.
10. **May a home inspector share the cost of joint advertising with a real estate agent?** No. The real estate agent would receive the benefit of the reduced cost of advertising. Joint advertising likely implies a recommendation of the home inspector by the real estate agent.
11. **May a home inspector hand out to the general public pens, notepads, magnets, coffee mugs, calendars, candies or similar items with the home inspector's name?** Yes. The rules do not prohibit home inspectors from providing items of nominal or actual value to the general public or to potential or actual customers.
12. **May a home inspector deliver to a realty agent pens, notepads, magnets, coffee mugs, calendars, candies or similar items with the home inspector's name?** No. Since the items are likely to be used or consumed by the realty agent, the implicit purpose is to encourage a referral. The conduct is prohibited. It does not matter that the items

may have only a nominal or small value. The rule does not distinguish on the basis of the value of the items.

13. **May a home inspector provide a realty agent with a sample copy of an inspection binder and report to show to a home seller/buyer?** Yes. Since the binder and report are for distribution to a prospective home inspector customer, and not of any value to the realty agent, there is no violation.
14. **May a home inspector provide a realty agent with home improvement software to give to a home seller/buyer?** Yes. Since the home improvement software is for distribution to a prospective home inspector customer, and not of any value to the realty agent, there is no violation.
15. **May a home inspector give discount coupons (discounting the home inspection services) to a realty agent to provide to a home seller/buyer?** Most likely, yes. Since the coupons are for distribution to a prospective home inspector customer and not of any value to the realty agent, there is no violation. (If the coupons indirectly compensate the real estate agent, as, for example, if the agent increased its fee by the coupon amount, the conduct would be prohibited).
16. **May a home inspector give a no-cost warranty to the home inspector's customer?** Yes.
17. **May a home inspector give a no-cost wood destroying organism (WDO) report to the home inspector's customer?** Yes.
18. **May a home inspector offer to do a re-inspection at no additional cost for the home inspector's customer?** Yes.
19. **May a home inspector give a discount coupon for appliances or other products from a retailer to the home inspector's customer?** The conduct is permitted unless the home inspector has accepted payment or something of value from the retailer. In that case, the conduct is prohibited.
20. **May a home inspector with a booth at a realty agent trade show offer a (relatively modest) door prize to**

**realty agents?** No. Since the door prize is intended for realty agents, to obtain business referrals, the conduct is prohibited.

21. **May a home inspector with a booth at a realty agent trade show offer chocolate candies to the realty agents?** No. Since the chocolate candies are intended for realty agents, to obtain business referrals, the conduct is prohibited. The new rule does not distinguish on the basis of the value of the item provided.

22. **May a home inspection company that operates on a national or regional basis hold a contest or drawing, open both to the general public and to realty agents, and give out randomly won prizes?** Yes. Presumably, there is no distinction between entrants, be they realty agents or other members of the general public. (There may be other government regulations that restrict contests or drawings. Our answer does not address those laws.)