

Inside this Issue

President's Corner	2
October Speaker	2
HUD Appraisal Changes	4
Structural & Termite Inspections/Exterminating	5
CT Law Seminar	6
Inspector's E & O Insurance: Market Softens, Prices Drop	7

Lighting

U.S. Department of Energy - Energy Efficiency and Renewable Energy - Energy Savers



Compact Fluorescent Bulbs - A Bright Idea! Compact fluorescent bulbs are four times more energy efficient than incandescent bulbs and provide the same light levels.



Save Energy and More. Halogen lamps generate excessive heat that can create fire hazards. Use compact fluorescent lights in your torchieres or better yet, buy a torchiere designed for compact fluorescent bulbs.



Making improvements to your lighting is one of the fastest ways to cut your energy bills. An average household dedicates 11% of its energy budget to lighting. Using new

(continued on page 3)

Meeting Dates

Oct 24 *Neutocrete Systems*

Nov 28 *Brackets & Hangers*
– Lou Daviau from
Simpson Strong Tie

December - *No Meeting*

Jan 12 *CT Law Seminar*

Holiday Inn
201 Washington Ave
North Haven
(203) 239-6700

President's Corner

Bernie Caliendo

Here we are into the fall and it seems like we're back in the summer. The hot weather is bringing those insects back into activity where usually this time of year they are entering into hibernation. The biggest problem is a profound lack of rain. National news a few weeks ago stated that August was the driest August on record and September was one of the driest Septembers in the northeast since records have been kept. There are predictions of a mild winter with only a couple cold snaps and not much snow. The lack of rain and snow cover will have a detrimental effect on tree and plant life as well as on reservoirs and wells. If you are inspecting wells, be sure to recommend a well recovery test, not just a pressure and flow analysis. We really do need a good amount of rain.

Our outing on September 29th had plenty of good food and drink. We do wish more members had come and brought their families. It was a good, relaxing day with perfect weather and the kids had fun with a rousing game of wiffle ball and face painting. Those of you who attended, we hope you had a great day. We're glad no one took a dip in the green pool! A big thanks to Pete Petrino for that special cheese cake dessert treat!

October 1st there was a public hearing at the DCP concerning the revised language for the changes to the "Plumbing" section of the Standards of Practice (SOP) in regard to homes serviced by private wells and a new requirement for inspectors to report on. The public hearing brings us to step 12 in a 22-step process to amend the rules and regulations. If changes are incorporated into the SOP, we will let you know.

The audit of continuing education credits from the 2005-2007 cycle will take place as we have informed you. Everyone who had to comply should be receiving the audit letters soon. Do not hesitate to follow the instructions for your particular situation and return all required documents as stated.

We have a few options and ideas for a half- or full-day seminar in the winter or early spring, comparable to the "Building Science" seminar. We'll keep you updated as soon as a decision has been made.

Please make a note that, due to Thanksgiving falling during the third week of November, our monthly meeting will be on the 4th Wednesday – November 28th.

We look forward to seeing you at this month's meeting on the 24th for the Neutocrete presentation. See you there!

Bernie

October Keynote Speakers

This month's meeting topic is **Neutocrete Systems**.

Our meeting will feature Anthony Buonaiuto, Chief Executive Officer and Founder; Frank Buonaiuto, Founder; and Rick Johann, Sales Director from Neutocrete Systems. They will be describing the features and benefits of their product, and issues concerning crawl spaces and inspections.

(continued from page 1)

lighting technologies can reduce lighting energy use in your home by 50% to 75%. Advances in lighting controls offer further energy savings by reducing the amount of time lights are on but not being used.

Indoor Lighting

Use tube fluorescent and energy efficient compact fluorescent lights (CFLs) in fixtures throughout your home to provide high-quality and high-efficiency lighting. Fluorescent lamps are much more efficient than incandescent (standard) bulbs and last about 4 to 10 times longer.

Today's CFLs offer brightness and color rendition that is comparable to incandescent lights. Although fluorescent and compact fluorescent lamps cost a bit more than incandescent bulbs, they pay for themselves by saving energy over their lifetime. CFL fixtures are now available that feature dimmers and operate much like incandescent fixtures.

Indoor Lighting Tips

- Look for the ENERGY STAR label when purchasing these products.
- Turn off the lights in any room you're not using, or consider installing timers, photo cells, or occupancy sensors to reduce the amount of time your lights are on.
- Use task lighting; instead of brightly lighting an entire room, focus the light where you need it. For example, use fluorescent under-cabinet lighting for kitchen sinks and countertops under cabinets.
- Consider three-way lamps; they make it easier to keep lighting levels low when brighter light is not necessary.
- Use 4-foot fluorescent fixtures with reflective backing and electronic ballasts for your workroom, garage, and laundry areas.
- Consider using 4-watt minifluorescent or electro-luminescent night lights. Both lights are much more efficient than their incandescent counterparts. The luminescent lights are cool to the touch.
- Use CFLs in all the portable table and floor lamps in your home. Consider carefully the size and fit of these systems when you select them. Some home fixtures may not accommodate some of the larger

CFLs.

- Recessed downlights (also called recessed cans) are now available that are rated for contact with insulation (IC rated), are designed specifically for pin-based CFLs, and can be used in retrofits or new construction.
- Take advantage of daylight by using light-colored, loose-weave curtains on your windows to allow daylight to penetrate the room while preserving privacy. Also, decorate with lighter colors that reflect daylight.
- If you have torchiere fixtures with halogen lamps, consider replacing them with compact fluorescent torchieres. Compact fluorescent torchieres use 60% to 80% less energy, can produce more light (lumens), and do not get as hot as the halogen torchieres. Halogen torchieres are a fire risk because of the high temperature of the halogen bulb.

Outdoor Lighting

Many homeowners use outdoor lighting for decoration and security. When shopping for outdoor lights, you will find a variety of products, from low-voltage pathway lighting to motion-detector floodlights. Some stores also carry lights powered by small photovoltaic (PV) modules that convert sunlight directly into electricity; consider PV-powered lights for areas that are not close to an existing power supply line.

Outdoor Lighting Tips

- Use outdoor lights with a photocell unit or a motion sensor so they will turn on only at night or when someone is present. A combined photocell and motion sensor will increase your energy savings even more.
- Turn off decorative outdoor natural gas lamps; just eight such lamps burning year-round use as much natural gas as it takes to heat an average-size home during an entire winter.
- Exterior lighting is one of the best places to use CFLs because of their long life. If you live in a cold climate, be sure to buy a lamp with a cold weather ballast since standard CFLs may not work well below 40°F.

Also consider high-intensity discharge (also called HID) or low-pressure sodium lights.

FHA Mortgagee Letter 05-48

Submitted by Bob Dattilo

HUD Appraisal Changes - The highlights of the mortgagee letter are:

1. "FHA no longer requires repairs for these types of minor cosmetic deficiencies to bring a property into compliance with FHA Minimum Property Requirements."
2. "FHA now permits an "as-is" appraisal for existing properties that serve as security for FHA insured mortgages when minor property deficiencies, which generally result from deferred maintenance and normal wear and tear, do not affect the safety of the occupants or the security and soundness of the property."
3. FHA specifically outlines examples of minor property conditions that no longer require automatic repair for existing properties. These items include, but are not limited to:
 - o Missing handrails
 - o Cracked or damaged exit doors that are otherwise operable
 - o Cracked window glass
 - o Defective paint surfaces in homes constructed post-1978
 - o Minor plumbing leaks (such as leaky faucets)
 - o Defective floor finish or covering (worn through the finish, badly soiled carpeting)
 - o Evidence of previous (non-active) Wood Destroying Insect/Organism damage where there is no evidence of un-repaired structural damage
 - o Rotten or worn out counter tops
 - o Damaged plaster, sheetrock or other wall and ceiling materials in homes constructed post-1978
 - o Poor workmanship
 - o Trip hazards (cracked or partially heaving sidewalks, poorly installed carpeting)
 - o Crawl space with debris and trash
 - o Lack of an all weather driveway surface
4. With regard to inspection requirements, FHA no longer mandates automatic inspections for the following items and/or conditions in existing properties:
 - Wood Destroying Insects/Organisms: inspection required only if evidence of active infestation, mandated by the state or local jurisdiction, if customary to area, or at lender's discretion
 - Well (individual water system): test or inspection required if mandated by state or local jurisdiction; if there is knowledge that well water may be contaminated; when the water supply relies upon a water purification system due to presence of contaminants; or when there is evidence of:
 - Corrosion of pipes (plumbing)
 - Areas of intensive agriculture within ¼ mile
 - Coal mining or gas drilling operations within ¼ mile
 - Dump, junkyard, landfill, factory, gas station, or dry cleaning operation within ¼ mile
 - Unusually objectionable taste, smell or appearance of well water (superseding the guidance in Mortgagee Letter 95-34 that requires well water testing in the absence of local or state regulations)
5. The five-business day delivery date prior to loan closing of the Conditional Commitment form is hereby rescinded and lenders are instructed to ensure that the mortgagor receives a completed copy of HUD 92800.5B, or a copy of the completed appraisal report, at or before loan closing.
 - Septic: test or inspection required only if evidence of system failure, if mandated by state or local jurisdiction, if customary to the area, or at lender's discretion
 - Flat and/or unobservable roof
 - *Termite inspection only required if the appraiser states there is evidence of an active infestation*
 - *Well and Septic reports will not be required unless appraiser states there is evidence of contamination of the well or there is evidence the septic system is faulty or failed, unless required by the governing body; for instance Title 5 in MA.*
 - *Distances of well and septic systems will not have to be disclosed unless appraiser states there is an issue.*

Note: *Manufactured Housing will require Foundation Certifications. (There is discussion at the HOC to exclude Manufactured Housing from cash out to 95% LTV, so watch for a change limiting cash out on manufactured housing to 85%)*

 - *Cash out refinances paying off land contracts are limited to 85%*

(continued on page 5)

(continued from page 4)

Take Note

While HUD has removed automatic repair requirements and automatic inspections in some areas, the entire FHA repair system has not been eliminated. The revisions on repairs pertain primarily to cosmetic issues that have caused delays in the past.

Repairs pertaining to *HEALTH, SAFETY* and *SOUNDNESS* of the structure remain as a requirement. Examples: Correction of peeling lead based paint (pre-1978), bare or exposed wood, structural problems, bad roofs or non-operating heating systems. These items will be discussed further.

Reasons Why Inspections Would Be Required:

- ❖ Termite inspection would only be required if the appraiser states there is evidence of an active infestation.
- ❖ Well reports would only be required if the appraiser states there is evidence of contamination.
- ❖ Septic reports would only be required if the appraiser states there is evidence of a faulty or failed system.
- ❖ Reports may be required due to the state or local governing body.

Structural & Termite Inspections / Exterminating

~ to tax or not to tax ~

There has been much controversy in our profession regarding whether inspectors performing the termite inspection and/or treatment need to collect sales tax in Connecticut. This information was supplied by the Department of Revenue Services. It is a synopsis on their web site of the state statute.

Structural Inspection

- ❖ The contractor does **not** charge tax when rendering structural inspection services to:
 - New construction
 - Owner-occupied residential property
- ❖ The contractor **must charge** tax when rendering structural inspection services to:
 - Existing commercial property
 - Existing industrial property
 - Existing income-producing property

Exterminating

- ❖ **Exterminating services** mean services to kill or expel pests.
- ❖ **Materials:** The exterminator must pay tax on all purchases of equipment and supplies including, but not limited to, poisons and traps.
- ❖ **Labor:** The exterminator **must charge** tax on the customer's total bill when the service is rendered to:
 - New construction
 - Owner-occupied residential property
 - Existing commercial property
 - Existing industrial property
 - Existing income-producing property

The service of live trapping a pest and releasing it is **not** a taxable service. See Conn. Agencies Regs. §12-407(2)(i)(Z)-1, *Exterminating Services*, for related information.



Early Registration CONNECTICUT LAW SEMINAR 2007-2009

CAHI is sponsoring the required 3-hour Law Seminar on Saturday, January 12, 2008, 8:30 am to 11:30 am. Again, the one and only Attorney Kent Mawhinney will present the course at the Holiday Inn, 201 Washington Ave, North Haven, CT. Exit 12 off I-91 north and south.

We are making this available for registration now!

If you need this course for the last license renewal cycle, sign up on our web site at www.ctinspect.com. On the top of our home page click on "Special Events." Click "CT Law Seminar, January 12, 2008". Click "Add to Cart", fill out the form and pay by credit card. That's it! If you would rather register and pay by mail, fill out the form below, enclose a check made out to "CAHI" or fill in your credit card info and sign, then mail it to CAHI at the address below.

Those of you who would like to sign up and get this seminar under your belt the first year of the new continuing education cycle (2007-2009) and do not want to worry or wait, go ahead and sign up in advance.

As always, continental breakfast and refreshments at breaks are included in the fee.

FEE \$99.00

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Make a copy for your records

Inspector's E & O Insurance: Market Softens, Prices Drop

By David Brauner, Senior Broker OREP (www.orep.org)

Instead of the now familiar direction to "shop 'till you drop," new insurance conditions suggest instead that inspectors should shop because they've dropped. We're talking about rates for errors and omissions insurance of course. The market is finally softening back to where it was before 9/11 and the good news is that you have more choices than ever— broader coverages and lower rates.

If you are a single inspector and haven't shopped for awhile you will be surprised at the lower premiums now available. Minimum premiums for policies with very broad coverage including free prior acts, coverage for Referring Parties, radon, pest, commercial and more, are back below \$2,000! Multiple-inspector firms also are benefiting from the new market—especially with programs that don't charge extra premium for additional inspectors. Here are a few shopping tips to help you make an informed decision about these and other issues, such as Occurrence versus Claims Made, preserving prior acts and more.

Covering Multiple Inspectors

If you pay "per inspector" to cover your multiple-inspector firm you are probably paying more than you have to. This also is true if you pay extra for "corporate coverage," pest, radon or commercial inspections. If you have risked not covering every inspector doing work for your firm in the last few years because the cost became prohibitive, there are programs today, such as OREP, that will cover all inspectors for one low premium, including independent contractors.

Simple Rules for Maintaining Prior Acts

If you are reluctant to switch carriers because you are worried about losing coverage for past inspections, or if you pay more year after year for an Occurrence policy, believing that this is the only

way to preserve prior coverage, most programs now offer prior acts for free. You can enjoy the lower rates of a Claims Made policy and preserve your prior acts.

Claims Made provides coverage for claims that are made and reported during the policy period. What does this mean? It means that claims are covered for as long as the policy is in force— one year, ten years or longer, as long as coverage is continuous (no break in coverage). Here's how to avoid a break in coverage and preserve prior acts:

- * Don't let your policy lapse: if you are renewing with your current carrier, renew on time (on or before expiration) to preserve your prior acts.
- * If you switch carriers, the rules are the same: bind with the new carrier on or before expiration. (If switching carriers, make sure to get prior acts coverage from the new carrier— most provide it free.)
- * If you stop inspecting and no longer need or want insurance, purchase optional Extended Reporting or Tail Coverage to cover the inspections completed while insured.

Renewing

If you're renewing your policy with the same company, make sure to renew on or before expiration. It's that simple. OREP provides multiple reminders as your expiration draws near to make certain you know your policy is expiring and what is at stake, including by mail, email and phone. If money is tight, financing is available. We assume most companies make a similar effort to keep your business and to do their due diligence. It is always wise to follow up to make sure your new or renewal application has been received by mail, fax or email.

(continued on page 8)

(continued from page 7)

Switching Carriers

To qualify for prior acts from the new carrier, there needs to be continuous coverage. What does this mean? It means you must switch on or before your current policy expires so there is no break in coverage. Most companies have a question on the application for insurance that asks if you have current coverage. If you indicate you have insurance, you will be asked to provide proof of coverage (your Declarations Page). If you can't find your Declarations Page, ask your current agent to resend it. That's what you pay us for. Always check the dates on this document to make sure coverage goes back as far as it should.

What is the cost of Prior Acts?

OREP does not charge for prior acts coverage. Our understanding is that most companies who provide E&O to inspectors do not. If you're unsure, ask your agent.

Don't be Bullied

Give yourself sufficient time to shop before expiration for the reasons explained above but if your insurance company pressures you for a renewal decision well in advance of your expiration date (or they imply you risk losing your prior acts coverage if you don't renew in advance), they may be trying to limit your ability to shop. You can guess why.

Remember this: you don't have to stay with your current company to preserve your prior acts. You can switch and preserve your prior acts as long as you switch coverage before it expires. With OREP, if you renew on the day of your expiration or even a few days after, you are typically not in danger of losing prior acts. Most companies have a grace period of at least a few days after expiration. Each company is different, so make sure to ask your agent how long your grace period is, in case you need it. Don't give in to the pressure to make a

quick decision but also avoid problems by shopping in advance: always renew or switch on or before expiration. If you're getting close, ask your agent about your grace period.

Extended Reporting or Tail Coverage

If you choose to stop inspecting and to terminate or not renew your insurance, you can keep coverage for past inspections with optional Extended Reporting Period or Tail Coverage. Extended Reporting or Tail Coverage is offered by most Claims Made carriers for additional premium.

Tail coverage provides coverage for work completed during the policy period for a number of years into the future (after your policy terminates). What does this mean? If you have a Claims Made policy and decide to stop inspecting, you can purchase tail coverage for inspections completed during the policy period for as far back as you've been covered continuously, for a number of years forward after the policy expires. We have not seen nor examined every inspector policy on the market, but OREP's inspector policy offers policy holders the option to purchase tail coverage for a limited time after the policy expiration/termination, provided the terms and conditions of the policy are met and all premiums are paid. If you plan to stop inspecting, you should have the option to purchase this coverage. Ask your agent for more information.

Peace of Mind

There is peace of mind in knowing you've done the numbers, understand the issues and are making an informed decision. Due to changes in the insurance market, if you haven't done the numbers lately, you owe it to yourself and your business to compare coverages and prices. This is especially true if you pay "per inspector" for your multiple inspector firm or if you pay extra for "corporate coverage," pest, radon or commercial inspections. The insurance

(continued on page 9)

(continued from page 8)

market has changed in the years since 9/11. You have more choices, make your decision an informed one.

Disclaimer: This article is written from an insurance perspective and is meant to be used for informational purposes only. It is not the intent of this article to provide legal advice, or advice for any specific fact, situation or circumstance. Contact legal counsel for specific advice.

About the Author

David Brauner is Senior Broker at OREP (www.orep.org) and has been involved in providing E&O insurance for home inspectors for 15 years. He is licensed in 49 states. Calif. insurance #0C89873. He can be reached at: dbrauner@orep.org or (888) 347-5273.

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The Licensing Board meetings are held at 9:30 am,
Department of Consumer Protection, Room 117, 165
Capitol Avenue, Hartford.

The public is always welcome.

E-mail Bernie Caliendo for the latest meeting schedule
at bsurehomeinspect@juno.com