

An interview with Michael & Michelle about the InterNACHI "Move In Certified" program

Russel Ray, a San Diego Property Consultant working throughout Southern California, recently sat down with Michael & Michelle, experts on the new InterNACHI "Move In Certified" program to discuss what it is, concerns about it, and how individual InterNACHI members might implement it in their service areas.

Hey, Michael & Michelle. How are you?

Michelle: We're doing great, even in a slow market. We've spent so much time marketing our services persistently and consistently, week after week and month after month, so that when the slow times came, we would still be the ones that others look to for real estate solutions.

Michael: And that's why we're so excited about InterNACHI's new "Move

In Certified" program. We've been working with our favorite Realtors and, of course, our attorneys and insurance advisors, to determine the best way to implement the "Move In Certified" program in our service area.

Michelle: As you know, California is a fairly litigious state, and the number of lawsuits involving real estate and Property Inspectors is quite high. In the last three months of 2006, 284 lawsuits were filed in San Diego County that involved Property Inspectors.

Michael: Unfortunately, many of them were "broadcast" lawsuits where they sue everyone to see who has the deepest pockets, so that's why we always work closely with our business advisors to implement anything new or unusual. **Michelle:** And the "Move In Certified" program definitely is new and unusual, which is what makes it so exciting.

That's why I've invited you here today, to talk about the "Move In Certified" program and share your thoughts and concerns with our InterNACHI members. I have a list of questions from InterNACHI members that I'd like to get your answers to.

Michelle: As my wise old grandmother would have said, "Ask away!"



1. Just what is the "Move In Certified" program, and what does "Move In Certified" mean?

Michael: "Move In Certified" is a new program created by the InterNational Association of Certified Home Inspectors, or InterNACHI, to help both Sellers and Property Inspectors.

Michelle: It's a new name for a Seller's inspection, or a pre-listing inspection, with a little pizzazz thrown in as a marketing tool for the Seller. Realtors should love it since it should make escrow go more



smoothly in that there will be few, if any, unknown conditions to deal with from the Buyer's inspection.

Michael: The "Move In Certified" program should help Sellers document the condition of the property and should help Property Inspectors get additional business beyond the customary Buyer's inspection.

Michelle: "Move In Certified" means that if one wanted to, one could move into the property today and know that all the major systems work as intended and that any major problems, major maintenance issues, or safety concerns have been addressed and resolved. Consequently, the "Move In Certified" moniker should not be used by the Seller if there are major problems that have not been taken care of. And that should be conveyed to the Sellers so that they don't have the wrong impression about the program.

Michael: I saw one Inspector using this sentence: "Move In Certified" homes have been pre-inspected by [Company] and the Sellers confirm that there are no major systems in need of immediate repair or replacement and no known safety hazards."

Michelle: So "Move In Certified" differs from a standard pre-listing inspection because the Sellers are stating that, to the

best of their knowledge, problems and safety concerns have been resolved.

Michael: Probably the worst problem for Sellers and Realtors is when the Buyer's inspection uncovers significant problems that the Buyer wants repaired before proceeding with buying the property.

Michelle: And the most expensive repairs are those that have to be done at the last minute

Michael: And even more expensive repairs are those that the Buyer requests be done at the last minute. It is better for Sellers to have time to shop around for reasonable prices for repairs than it is for the Buyer to get inflated estimates at the eleventh hour.

Michelle: Right. Remember when you had to have the Zinsco panel in your house replaced over New Year's Day weekend a few years ago?

Michael: Yeah. I paid \$2,735 for that. Just because of the triple charge for the holiday.

Michelle: And shortly after that, my wise old grandmother had hers replaced for just \$400.

Michael: Live and learn.

Michelle: So in other words, there should be less likelihood for negotiating the cost for repairs, or the time frame, or who's going to have to take off from work to meet the repair personnel.

Michael: And for those repairs that do need to be done, the Sellers get to choose who does the repairs. The whole process should be easier, less expensive, and less stressful.

Michelle: The "Move In Certified" program is intended for homes that have no major issues that would preclude moving forward to closing, so if the property inspection report indicates structural problems, or a furnace that doesn't work, then the home should not be listed as a "Move In Certified" home until those issues have been corrected.

2. Who certifies the property?

Michelle: The Sellers certify that, to the best of their knowledge, all major problems, major maintenance issues, and safety concerns have been resolved and that the home is ready for someone to move into.

Michael: It's important that you be able to answer any questions about what "major problems" are and what "move-in ready" means.

Michelle: Remember, Michael, that inspection we did a few years ago where both the Sellers' and the Buyer's Realtor told us that the home was "ready to move into."

Michael: Yeah. They even put it in writing on the MLS listing.

Michelle: When we got to the property, there was no gas meter installed.

Michael: But the home had five gas furnaces, two gas water heaters, and a gas spa heater.

Michelle: And don't forget the two kitchens with 16 gas burners and four gas ovens.

Michael: I didn't forget. I just thought I'd leave the cooking to you.

3. So the Inspector is not certifying the home?

Michelle: That's right. It's the Sellers' decision whether or not to certify the home. The Inspector has simply given the Sellers a practical view of the home through the property inspection report.

Michael: Although what the Seller chooses to do with the information in the report is outside of the Inspector's control, the Inspector should work with the Sellers beyond the date of the inspection to help them work their way through the program. For example, we all know that repair people themselves sometimes don't do things properly....

Michelle: Or they damage something that they're not even working on.

Michael: So re-inspecting the repairs that the Seller has had done probably is an integral part of the program. Of course, Inspectors could just wash their hands of the whole thing once they've done the inspection, but I think the "Move In Certified" program is meant to go beyond that. I would hope that the Sellers are so impressed by the InterNACHI Inspectors that they recommend those Inspectors to prospective Buyers.

Michelle: Maybe Inspectors could offer a small discount to Buyers if the Buyers hired them to do the Buyer's inspection since much of the work has already been done. For example, if knob & tube wiring is not found in the attic during the "Move In Certified" inspection, it's highly unlikely that it will be there during the Buyers' inspection.



Michael: Unless accessibility issues existed during the "Move In Certified" inspection that don't exist at the time of the Buyers' inspection.

Michelle: And that takes us back to the Inspectors continuing to work with the Sellers after the "Move In Certified" inspection. If areas are not accessible, I would think it the responsibility of the Inspectors to advise the Sellers to make areas accessible, at which time the Inspectors would come back out to ensure that there are no major problems in the formerly inaccessible area. Only at that time would the Seller be allowed to use the "Move In Certified" name, yard sign, and logo.

4. Isn't this just a pre-listing inspection?

Michelle: It is a pre-listing inspection, but it is so much more at the same time.

Michael: A simple pre-listing inspection does not require the Sellers to resolve the problems that the inspection uncovered. They can simply disclose the problems and be done with it, selling the problem "as is" or resolve some issues but not others, or get some quotes for repairs and include them with their disclosures.

Michelle: With a "Move In Certified" inspection, the Sellers are certifying that, to the best of their knowledge, all major problems, major maintenance issues, and safety concerns have been resolved so that the home truly is move-in ready.

Michael: However, you, the Sellers, and the Realtors should still recommend that the prospective Buyers get their own inspection.

Michelle: There are some Property Inspectors who offer "update inspections" of the "Move In Certified" inspection if it is done within a certain number of days of the "Move In Certified" inspection.

Michael: Usually 30 days, although Michelle and I use 60 days.

Michelle: Except in the rarest of circumstances, it is unlikely that too much has changed during the course of those 30 or 60 days, but since it does happen, the Buyer's inspection should uncover any other problems.

Michael: Some of those offering "update inspections" also provide a small discount for the update since they don't have to record all the descriptive information again, thereby saving some time. Michelle and I provide a 25% discount.

Michelle: There's also the possibility that any service personnel who came to resolve a problem noted in the "Move In Certified" inspection might have damaged something else in the process.

Michael: And it's not uncommon for service personnel to do something wrong themselves since they, too, are human.

Michelle: So it's important that if you do a "Move In Certified" inspection....

Michael: Or any pre-listing inspection.

Michelle:that you stand behind your work and let your Clients know that you will be there with them to address items that the Buyers' Inspector might uncover.

Michael: The "Move In Certified" program probably requires the best customer service that you can provide.

Michelle: And remember that the program should not be offered universally to all Sellers or applied to all homes simply because a pre-listing inspection was done. The Sellers and Inspectors need to be proactively involved in the process for the "Move In Certified" program to work effectively.

Michael: One could put on the title page of the "Move In Certified" report something similar to this: "Every home, whether it is pre-inspected or not, should be inspected by an InterNACHI Certified Inspector before closing. [Company] is familiar with the specifics of this particular property and is available to re-inspect for prospective Buyers. For further information contact us at [CONTACT INFO]."

5. Can we use the "Move In Certified" program for any type property?

Michelle: There's no reason why it can't work, even for commercial properties.

Michael: We think it will work best with newer properties and properties where there are cooperative Sellers.

Michelle: We don't see it working well for some properties and Sellers. For example, we don't think it would work well with foreclosed properties or REO properties because many of them are in poor shape and mortgage lenders and banks are notorious for not being willing to spend any money on the property to make it more marketable.

Michael: But that doesn't mean we're not going to make an effort to reach out to them, it's just not where we're going to spend most of our marketing for the program.

6. So what are the advantages of a "Move In Certified" home?

Michelle: Michael, don't you have a list?

Michael: Yes, I do, and here it is:

- ✓ Sellers can choose a certified NACHI Inspector to inspect the home before the Buyer's Inspector arrives.
- ✓ Sellers can schedule the inspection at their convenience.
- ✓ Sellers can assist the Inspector during the inspection, something normally not done.
- ✓ Sellers can correct misstatements in the inspection report before it is generated.
- ✓ Sellers can price the home more realistically if problems exist.
- ✓ Once problems are corrected, a higher asking price can be substantiated.
- ✓ Find out about problems ahead of time to make the home show better, shop for competitive prices for repairs, attach repair estimates or paid invoices to the inspection report, and remove over-inflated Buyer-procured estimates from the negotiation table.
- ✓ Find out about immediate safety concerns before agents and visitors tour the home.
- ✓ Provides a third-party, unbiased opinion for potential Buyers.
- ✓ Post a clean home inspection report on www.FetchReport.com to be used as a marketing tool.
- ✓ "Move In Certified" yard signs attract potential Buyers.
- ✓ Ultimate gesture in forthrightness on Seller's part.
- ✓ Relieve a prospective Buyer's unfounded suspicions before they walk away.
- ✓ Less contentious negotiations and 11th-hour renegotiations.
- ✓ Might encourage the Buyer to waive the inspection contingency.
- ✓ The deal is less likely to fall apart when a Buyer's inspection reveals unexpected, last-minute problems.
- ✓ Provide full-disclosure protection from future legal claims.

Michelle: We don't agree with all of those, though, but we've included them here because we've seen some Inspectors using them.

Michael: For example, I'm not sure how Sellers can assist the Inspector during the inspection and I don't know why Sellers would have a need to correct misstatements in the inspection report before it is generated. I guess I could ask them if there are any problems, and I could ask them if they want to change anything in the report, but our inspection protocols and reporting protocols should be more than adequate so that there is no need for Seller assistance and no misstatements in my report.

Michelle: I'm not sure what a "clean home inspection report" is. I guess I could do a re-inspection once repairs are made, but I generally don't like to change reports once they have been issued. I leave it to the Seller to state which items in my reports have been taken care of. However, this could be our only service where we do change or modify reports, but I think since major problems are required to be resolved, we'll just let the Sellers take care of proof through their receipts and other documentation.

Michelle: Since this is a type of pre-listing inspection, it's possible to work with the Sellers to get them a "clean" report if they take care of everything and have receipts and documents.

Michael: I guess since I said earlier that I would go to bat for my Client Sellers, that's probably a reasonable way to work here.

Michelle: I really don't like the part where the "Move In Certified" inspection might encourage the Buyer to waive the inspection contingency. I would probably put more emphasis on advising the Buyer to get his own inspection and then provide support to my Clients, the Sellers, if the Buyer's Inspector finds anything new or something that I might have missed. I could not in good conscience encourage the Buyers to forego their Buyer's inspection, especially since it is likely that I'm inspecting a furnished property and that conditions present when I did my inspection might have changed for the Buyers' inspection. After all, part of my pre-listing inspection is to advise my Clients to make things more accessible for the Buyers' Inspector in areas where I didn't have good access.

7. Has the "Move In Certified" program been tried, used, and proven to work?

Michelle: No, it hasn't. It has no track record. It's a brand new program created by InterNACHI for its members and with a vision to the future, that is, Property Inspectors working with Sellers to prepare homes for selling rather than working with Buyers to find problems in homes. We think it's a more positive experience for everyone when we all work together to resolve problems rather than just working as a Buyer's Inspector to find problems and then letting everyone else fight over those problems. Although we think it might take a while for the public to catch on, in some areas they already have. For example, we have a brokerage here with nine Realtors who do not list a property until Michael and I have done a prelisting inspection on the property. They are the ones that we have been working with during the past few weeks to see how we can make the "Move In Certified" program work in San Diego County. They are excited, and so are we.

Michael: And while you've been rambling....

Michelle: Rambling?

Michael: You do have a propensity for talking.

Michelle: Is it any different from your propensity for writing?

Michael: Probably not. But what I was going to say is that while you've been talking, I've been reading a couple of emails. We have one from an InterNACHI member in Ohio who says he did a "Move In Certified" inspection a week ago and already got a call from that sign for another "Move In Certified" inspection. He also says, and I like this part, that "if you are not doing more and charging more for these inspections, you are not doing them right." He's also got some meetings with Realtors to talk about the "Move In Certified" program. So, as he says here, "Get out there and work it."

8. How does one sign up for the "Move In Certified" program? Is there a fee or agreement involved?

Michael: There is no fee or agreement involved, and since it's a benefit for InterNACHI Members, it's very easy to get started

Michelle: First, go to <u>moveincertified.com</u>, click on Inspectors, and on the right-hand side you can download the form for your web site, as well as graphic files for the yard sign and the logo. Next, go to <u>fetchreport.com</u>. Just under the light blue box you'll see "NACHI Inspectors: <u>Sign up for your FetchReport.com account</u>" where you create your own fetchreport account. Once you get that done, you can explore the rest of the system and test it out. If you have any questions, contact the InterNACHI IT director at 321-626-8840 or at webmaster@nachi.org or visit the Message Board <u>Move In Certified</u> thread.

9. How does one who is unpopular with Realtors market the "Move In Certified" program effectively to them?

Michelle: Probably the first step is to determine why one is unpopular with Realtors.

Michael: We quite often hear Property Inspectors say that they are unpopular because they are too nitpicky. We heard it a couple of times about us, so we developed a less nitpicky inspection, and now those Realtors are back with us.

Michelle: We work a lot with our Clients to make sure that they understand the choices they make about the services we provide.

Michael: We have also found that sometimes it's the Inspector's attitude, his bedside manner, that is the problem. For example, if I were a Realtor, and a Property Inspector said to my Client, "Why are you buying this dump?", well, I would never use that Property Inspector again. I don't think that's very professional.

Michelle: And judging from the bragging that goes on at the ASHI/CREIA dinner meetings here, we think there's too much of that going on.

Michael: If you find yourself being unpopular, find out what is making you unpopular and change it. A marketing representative or a life coach can be of tremendous help.

Michelle: If your service area is large enough....

Michael: We have about 28,000 Realtors here in San Diego County.

Michelle: Then once you determine exactly what is making you unpopular, then you can change it and market in a new location where the Realtors don't know you. It's not necessary to compromise one's business ethics, only a willingness to

work with people in a professional manner. It's not always easy to do, so like everything in business, it might take some work. Simply work with everyone to the greatest extent possible. Sometimes that means educating certain people about why you do what you do, note what you note, and say what you say. I can't imagine ever saying to my Client, "Why are you buying this dump?" If other houses in the neighborhood are going for \$399,000, and my Client is getting that dump for \$99,000, then I'd know exactly why he is buying the dump. But a more professional way to ask that question would be, "Are you planning on renovating and selling, renting it out, or living here?"

Michael: You could also work with another Inspector who has better rapport with Realtors and split the work by doing the inspections while they market the product, or vice versa.

Michael: Michael's a former Realtor, so maybe he and I have a better appreciation for working with Realtors and their Clients. Learn to appreciate and work with other professionals, regardless of what you might think of them personally. Its never too late and there are always newbie Realtors entering the field. Make sure you're the first one to contact them and you should get at least one inspection from them as long as your initial contact and marketing materials are high quality.

Michael: If you just think that you are unpopular, maybe you're not, but if you know a Realtor who you are pretty sure dislikes you, take that Realtor to lunch and ask him why he doesn't like you. Rarely can people lie about something over a free meal. Work to improve your image by understanding what other people don't like about you. Realtors often are

perceived as having power over our industry, but that's no reason for you to let them have power over your company. It just takes some interaction with them on a professional level. However, if you go in with a bad attitude, that bad attitude will show in your handshake, your facial expressions, your body language, and your vocal inflections.

Michelle: We've also found that a sincere desire to help Realtors actually provides lasting benefits to our business. For

example, you could create a training seminar for Realtors where they can earn continuing education credits. Get it approved by the local Association of Realtors and then teach it. Even Realtors have to start somewhere, and some of them have never had anyone interested in them enough to help them. Why not you?

Michael: We have one inspection company here that has a monopoly on training seminars, but they've also been in business since 1973. But that doesn't mean there isn't room for other training seminars as well. After all, even if there are two training seminars on mold issues, when the other company is doing its radon seminar, you can be doing your mold seminar. It's no different from any college offering the same course by four different professors, or by the same professor but at different times of the day.

Michelle: And at the tail end, perhaps the "Move In Certified" program isn't right for you and your service area. Find another service that fits better with your business and your Clients.

Michael: As with all marketing, it takes time for it to work. There isn't a tactic that will make you a millionaire overnight. But if it takes time to make it work, then the time to get started is now. And once you get started, don't give up. By being persistent and consistent in working with other professionals in a professional manner, you'll eventually make an impression. It won't happen overnight, but good things rarely do.

Michelle: Michael and I listen to all suggestions by all people. We actually had one Client who said we were too nitpicky because she was a property investor and was going to be gutting and renovating the property, so she didn't care that the appliances were old, that the windows didn't open all the way, that some screen windows were missing, etc. She said, "Your report was very thorough, even to the point of being nitpicky, and while that is good for most people, it's not what I needed. It was too much."

Michael: So there does seem to be a need to work with different people in different situations. We think the "Move In Certified" program is exactly that, a program to work with Sellers rather than Buyers.

Michelle: If you think you can't overcome objections by Sellers and Realtors about pre-listing inspections and the "Move In Certified" program, then differentiate yourself from your competition in other ways.

Michael: Michelle and I attended a seminar recently where the seminar leader said over and over again: "Persistently and consistently differentiate yourself from your competition." Sounded like Michelle's wise old grandmother!

Michelle: Here's some things that Michael and I do that very few of our competitors do: CPSC recall research; answer the phones 24/7; do inspections any time there is daylight, early mornings before 9:00 a.m., late afternoons after 4:00 p.m.; inspections on weekends; inspections on holidays and during major sporting events; and inspections out in the boondocks.

Michael: That doesn't mean that you have to do inspections on Sunday if that day is dedicated to God and family. However, if someone calls you wanting an inspection on a 15,000-SF mansion on Sunday, and you would charge \$9,999, but you would feel guilty by skipping church, might it be appropriate to take, say, 50% of that inspection fee and give it to your Church, or to the Battered/Abused Women's Shelter, or to the Child Abuse Center, or to the Muscular Dystrophy Association? I would find it interesting to talk with God about worshipping him on Sunday or helping many, many people by doing an inspection and then spreading the wealth around to help as many more people as possible.

Michelle: Remember that there are probably at least three people who see you work or see the product of your work. Consequently, you have the opportunity for at least three people to recommend you, or to hire you when they buy a house. But if you don't even advertise that you do things that the competition doesn't, why should they call you? Advertise, let them call, and then you make the decision as to whether or not you want to do the inspection, and at what price.

10. My challenge with the program is the attitude surrounding disclosure of any type on the part of the Sellers. Sellers and Realtors do not want to be upfront.

Michelle: That attitude apparently is still prevalent in many areas around the country, so it will take a persistent and consistent effort to make headways.

Michael: But as we said earlier, the time to start is now. First to market quite often wins the race.

Michelle: Do exactly what most professional salespersons do and create a list of advantages and disadvantages as you see them for your service area. Then create an answer for those disadvantages in order to turn them into advantages. Even when Michael and I get 99 no's before getting that one yes, we find that one yes to be so fulfilling that it makes the 99 no's acceptable. Then we find out why that one yes said yes, and try to take those positive attributes and use them even more in our marketing.

Michael: If necessary, hire a professional marketing person or salesperson to help you.

Michelle: As one brokerage owner told us here when we were discussing the "Move In Certified" program: "Sellers and Realtors will likely try anything that could potentially help them sell their homes faster." We agree.

11. What price should I charge for a "Move In Certified" inspection?

Michelle: We have decided that we will charge a minimum of \$20 more than for our standard pre-listing inspection.

Michael: The reason for that is because there is a trademarked name, yard sign, and logo involved, and we will need to be a little more involved to make sure that those trademarks and service marks are used properly.

Michelle: And since there might be re-inspections and additional time involved with the Sellers and Realtors, there could be more potential for handholding on some properties with more serious problems, or a lot of problems.

Michael: It shouldn't be too hard for your attorneys and you to customize the program to the terms of the standard real estate purchase contract used in your area to focus on major items that normally cause a prospective Buyer to cancel the purchase contract. Even your favorite Realtors should have a pretty good idea of what those major items are.

Michelle: I think I saw where a Florida InterNACHI member was going to use the five construction divisions—electric, plumbing, roof, HVAC, and structure—for his major defects, as well as any components at or nearing the end of their useful life, and all safety defects.

Michael: I think he was also going to cover specific areas where the Buyer might be eligible for substantial savings on the cost of homeowner's insurance.

Michelle: And he stated that he would not consider issues or defects whose repair cost would be less than \$500.

Michael: Michelle and I have been using \$1,000 as the cutoff cost since we started our business back in October 2001. We'll keep it there for the foreseeable future.

12. What approach should I take to market the "Move In Certified" program?

Michelle: Probably the best approach to marketing any system is to meet personally with the Sellers, their Realtors, or a group of Realtors in their offices.

Michael: Like at a weekly meeting in a real estate brokerage office.

Michelle: You need to have a quality presentation prepared and know that presentation backwards and forwards. You can

ask your audience members to hold their questions until the end of your presentation, but I like to allow questions during the presentation. That allows me to gauge the audience's interest and adjust my presentation, my movements, and my voice to generate excitement and interest when necessary.

Michael: As Michelle's wise old grandmother often said, "Practice, practice, practice."

Michelle: When did she say that?

Michael: I don't know, but it sounded good.

Michelle: Anyway, sit down and anticipate questions that the Sellers and Realtors might ask you about the program.

Michael: Such as, "Isn't this just a pre-listing inspection" or "Who certifies the property?" or "What does "Move In Certified" mean?" And that's what we're trying to do here, to help you anticipate.

Michelle: Practice your answers to those questions. Practice in front of a mirror and critique yourself. Have your spouse or children videotape yourself practicing and then critique your performance. Children and the elderly are excellent people to critique your presentation and performance. If you can hold their attention, you've got a winning presentation.

Michael: It might be useful to focus on those who are having problems selling or are desperate to sell, so look for signs that say "New price" or "Lowered price" or "Make offer" or "Seller motivated."

13. Can I use direct mail to market the "Move In Certified" program?

Michelle: Yes, but as with any sales presentation, the most effective way to sell the "Move In Certified" program probably is through a personal meeting with the Sellers or their Realtor, so try to find out who they are and set a meeting time with them.

Michael: If you choose to use direct mail by itself, try to find out if the property is occupied or vacant and address your package to the owner so that the Postal Service will forward it. If you have access to MLS listings and the "Occupant" line says "vacant," don't waste your precious time and resources driving out there hoping to meet with them. And do not address any mail to "Occupant" or "Current Resident" since the Postal Service rarely forwards that type of mail.

Michelle: Also remember to put "Please forward" or "Forwarding Service Requested" on the outside of your package just to make sure that the Postal Service knows you want it forwarded.

Michael: Property owner names are usually a matter of public record, so a trip to your local courthouse or a subscription to an online database like RealQuest, DataQuick, or the local tax assessor (there might be others) will probably pay dividends for you.

Michelle: Don't you have a sample letter, Michael?

Michael: Yes, and here it is.

"With more and more homes on the market today it is becoming more difficult for Sellers to sell their homes in a reasonable time and at a good price. My "Move In Certified" program will give you the edge you need over similar homes for sale. More home sellers nationwide are using this program because of the value it offers. One thing that I have learned in working with buyers is that they want peace of mind when buying a home. My "Move In Certified" program offers them that peace of mind courtesy of the Sellers. And remember that now is the time to start thinking about hiring an Inspector to inspect your new home."

That's the one Michelle and I are using, but we adapted it for our use from this one that another InterNACHI member is using:

"With more and more homes on the market today it is becoming more difficult for sellers like you to sell their homes. My "Move In Certified" program will give you the edge you need over the other homes that are for sale in your neighborhood. More home sellers are using this program because of the value it offers. I have been working with home buyers for several years now and one of the main things that I have learned is the simple fact that they really just want that peace of mind in their home purchase. Every home buyer asks me the same question, "Is this home a good buy?" If I place the "Move In Certified" sign in your yard then the answer to that question is YES. Not to mention now is the time to start thinking about hiring an Inspector to inspect the home you are about to buy."

Michelle: So use whatever information you can to develop a letter that fits your personality and your service area.

Michael: There is no one correct letter or any other one correct way to market the "Move In Certified" program.

14. Can I just leave something on the Sellers' door?

Michelle: Sure, but if you do, make sure that you leave a note saying that you're sorry you missed them and that you will follow up with them tomorrow.

Michael: Then make an appointment to sit down with them and go over the advantages of the "Move In Certified" program and what it can do for them.

15. What about ringing the doorbell and talking to the Sellers? What should I say to the Sellers?

Michelle: Certainly try to talk to the Sellers.

Michael: Introduce yourself and ask if you can have a few minutes of their time.

Michelle: Whenever I interrupt someone's day, I like to tell them that I have something that could be of benefit to them and that it will take me only 10 minutes to explain to them. Then I ask if they can spare 10 minutes. Rarely will someone decline if I've emphasized properly that what I'm providing can benefit them. They'll want to know how.

Michael: Do you get everything done in 10 minutes?

Michelle: Yes and no.

Michael: Well, as your wise old grandmother would say, "That's pretty definitive."

Michelle: What I mean is that I know my products and services so well that I have a one-minute presentation that I use in line at the grocery store and a 10-minute presentation for everywhere else. Everything is dependent on my audience, though. If they interrupt with questions, then the presentation will go longer. Of course, if they interrupt with questions, then I know I have good prospects for sales. If they agree to provide me with 10 minutes of their time, I tell them that if, after 10 minutes, they don't see value and a need for my services, then I'll leave. Then I keep track of the time and ask them after 10 minutes if they would like me to continue.

Michael: Interesting system. Does it work?

Michelle: Rarely does it not work. In some cases, though, it won't work immediately, but that's where my customer service follow-up comes in. Regardless of whether or not you get the sale at the time of first contact, it's important to follow up with the prospect.

16. Can I just drop off "Move In Certified" fliers at homes that are for sale?

Michelle: When you say "drop off" are you going to drop something off at the front door or leave it in the mailbox, or are you going to try to meet with the Sellers to drop off materials?

Michael: As we said earlier, the most effective method of dropping things off is to meet with the Sellers personally. That way you can discuss the "Move In Certified" program with them, answer their questions, and then leave printed materials with them.

Michelle: A nice CD with a PowerPoint presentation might provide that extra Wow! factor that gets you the business.

Michael, aren't you working on a PowerPoint presentation?

Michael: Yes, I am, and now that you're back from vacation, I can finish it while you answer the phones.

Michelle: So that's all I'm good for, answering phones? **Michael:** I'll take the Fifth Amendment. Next question.

17. What type of response should I expect from the "Move In Certified" program?

Michelle: It probably will vary.

Michael: Remember that most of the nation doesn't go for pre-listing inspections of any type, so the type of response you get will probably depend significantly on your presentation, your sales skills, and you asking them to give you and the "Move In Certified" program a try.

Michelle: In most areas, you might get a significant number of no responses before that yes one comes along.

Michael: But that's pretty much the way it is with any sales program, which is why it is so difficult to be a professional salesperson. One has to have a thick skin to take all the rejections looking for those few sales.



Michelle: I think most business schools say that one has to approach a person about twenty times before one gets a sale. So if one can figure out a way to get those twenty times as quickly as possible, one should get a sale sooner.

Michael: That could explain why we see the same commercials about twenty times each day.

Michelle: And it's important not to give up. I've seen too many people try something one time and think that it doesn't work since they didn't get a sale.

Michael: It's probably easier to sell the "Move In Certified" program to Realtors than it is to Sellers since the Sellers probably are only selling once. So if you were to contact them twenty times to try to get them to use you, you'll probably be seen as obnoxious or overbearing.

Michelle: On the other hand, if you approach a Realtor twenty times, as long as those twenty times are spaced out some, you'll probably have better success.

Michael: That's why it's good to have a large group of prospects in your target audience. If you get just one sale from every one hundred prospects, then it would seem logical to have three thousand prospects so that you get thirty sales.

Michelle: That shouldn't be hard to do since we have a very well-defined target audience of people who need our services on a regular basis.

Michael: Realtors!

Michelle: Remember to let as many people as possible know about your "Move In Certified" program, including people who work on real estate.

Michael: Like roofers, general contractors, plumbers, electricians, heating and cooling professionals, landscapers, bricklayers, drywallers, and many others. In many cases they might be helping a home owner prepare a property for sale. Make your "Move In Certified" fliers available to them and let them help you sell your services.

Michelle: Remember to sell to the right people, though. Banks that have foreclosed on a property are notorious for not wanting to do anything at all to make the property saleable. They'd rather it just sit there, fall into disrepair, and lose even more money rather than spending some money to make it look its best. For some reason banks don't understand the renovation process as well as Property Investors do.

Michael: Also remember to tell your extended network of family and friends about all your services. I think so many businesses in all industries would survive if they'd just let their family and friends know how they make their livelihood. But it seems that, for some strange reason, people don't like to talk about their work with family and friends. And I think that's a serious business mistake.

Michelle: When your daughter has 15 girls over for a sleepover or a birthday party, make sure that one of your fliers or brochures goes home with each of those girls.

Michael: And when you go to your son's Little League game, make sure that all the parents there go home with your fliers or brochures. Heck, hire a high school student to put a flier on all the cars in the parking lot.

18. Is it appropriate for a home Inspector to work with Sellers to assist them in the selling process, as opposed to the more traditional role of assisting the Buyer?

Michelle: Our services in documenting the condition of a property at a specific point in time can be applicable to both Buyers and Sellers. A "Move In Certified" inspection is just another type of pre-listing inspection.

Michael: And it would seem to me that a Seller's inspection in addition to a Buyer's inspection would be even more helpful to all parties involved.

Michelle: Remember that a "Move In Certified" inspection is not meant to take the place of a Buyer's inspection.

19. Can the "Move In Certified" program be abused?

Michelle: Absolutely! But any system in any industry can be abused despite rules and regulations. The Enron and Worldcom scandals are great examples.

Michael: If you decide to offer "Move In Certified" inspections, it is probably best if you work with the Sellers and the Sellers' Realtor to make sure the "Move In Certified" program operates properly and is not abused. It might take a little more work, but that extra work might also better protect your liability.

Michelle: And don't be afraid to charge for your time and services.

Michael: Michelle and I charge \$100 per hour for everything we do regardless of when we do it. So if it takes us 30 minutes to do something, we charge \$50. If it takes us five hours but we don't get started until 5:00 p.m., we still charge \$100 per hour, or \$500 for those five hours.

20. Speaking of liability, what is my liability if I offer "Move In Certified" inspections?

Michael: We don't know.

Michelle: What do you mean we don't know?

Michael: Well, as with anything new that does not have a track record, it's virtually impossible to determine what kind of liability there is for the Property Inspector.

Michael: So considering that there are so many states with different regulations for property inspections and Property Inspectors, the best thing to do is to work with your attorneys and insurance advisors to determine as best you can what your liability is in your City, County, and State.

21. Can the program be defeated by the Sellers or the Realtor printing out copies and providing them free of charge to anyone?

Michael: It's always possible for someone to do that.

Michelle: But that's no different from anyone making copies of any other property inspection report.

Michael: Even with confidentiality and copyright clauses, people make copies of things.

Michelle: That possibility, though, is what led Michael and I to charge \$20 more than our standard pre-listing inspection. We figured copying would probably happen, but that, along with allowing the Sellers to use the trademarked "Move In Certified" moniker and logo demanded the extra \$20 fee.

Michael: We did consider including a requirement that the Sellers and Realtor would not make copies of the report, that they would simply provide the link to the report. The problem we saw with that is that even here in San Diego there are still quite a few people who don't have access to computers. So we thought we would work with the Sellers and Realtor and let them make a number of copies to distribute at the house as they saw fit.

Michelle: As we get further into the "Move In Certified" program, we might change our protocols to address issues as they arise.

Michael: And I suspect that we'll be raising our prices, but we've learned over the years that the best way to get a new service started is to underprice it. We believe that the "Move In Certified" program should be priced at least \$100 higher than our standard pre-listing inspection, but since the "Move In Certified" program has no track record that we can reference to prove how great it is, we're willing to underprice it to get it going.

Michelle: As the results come in, if we can see that a two bedroom/two bathroom "Move In Certified" home sold for \$399,000 in only 30 days, whereas the average selling price was \$379,000 and took 90 days, then we'll have a great track record to prove the merits of the "Move In Certified" program.

Michael: And at that point we won't have any problem at all raising our prices for the "Move In Certified" program.

22. Why wouldn't InterNACHI determine my liability before creating the program?

Michelle: InterNACHI is a trade association, and trade associations don't usually determine liability of anything for individual members, especially national or international trade associations.

Michael: Of course, InterNACHI is an unusual trade association in that it goes out of its way to create benefits and programs for its members, but individual liability in specific Cities, Counties, and States must be left to individual members. To try to determine individual liability for about 10,000 members would be a monstrous and unwieldy task. Even the InterNACHI attorney is not licensed to practice in every locale where InterNACHI has members, so trying to guess the liability for any specific program for any individual member is not a task that a trade association could reasonably take on.

Michelle: And by the time InterNACHI hired 50 attorneys for each state and determined liability, there'd be some new court case or new legislation that screwed everything up.

Michael: Can we say "screwed" here?

Michelle: Well I just did!

Michael: So in spite of everything that we might say about your liability, only you, your attorneys, and your insurance advisors can determine your ultimate liability for your service area. And even then it might not be right. Just do the best you can in anticipating liability and move on. If you get new information concerning liability, then adjust your business protocols appropriately.

23. What if Sellers are trying to cover up problems?

Michelle: Any Sellers in today's world who were consciously trying to do that would probably be guilty of fraud and misrepresentation and would be unlikely to even consider participating in the "Move In Certified" program.

Michael: That's why it's important for InterNACHI Inspectors to work with the Sellers and Realtors to ensure that the

"Move In Certified" program is run properly.

24. Does a "Move In Certified" yard sign or a logo on the MLS listing necessarily indicate an absence of defects?

Michelle: No, it doesn't. What it should indicate is that the Sellers have had a pre-listing inspection by an InterNACHI Inspector and that they have addressed the major problems, major maintenance issues, and safety concerns that were noted in the report.

Michael: It is up to the InterNACHI Inspector to ensure that the yard sign and logo are not used if the Sellers do not address the major problems. It is also up to the InterNACHI Inspector to ensure that those major problems noted in the report have been resolved.

Michelle: That would probably require a re-inspection, so if one is not comfortable doing reinspections, then one probably should not offer "Move In Certified" inspections.

Michael: You are performing a pre-listing inspection so that the Sellers can certify the house. If you give the Sellers the yard sign, it is their choice whether or not to put it in the yard, a part of the program that you should make clear to them.



Michelle: That would depend on legal statutes for the state in which the Inspector does business.

Michael: For example, a California court case from January 2001 basically made property inspection reports public property and allows third parties to not only rely on the report but to sue the Inspector who created the report.

Michelle: Of course, California is a state unto itself, so that might not apply to other states.

Michael: So the best answer to that question would be to ask one's real estate attorney and one's various insurance advisors, especially if one carries errors and omissions insurance.

Does a report dated, say, "October 4, 2007" with a "Move In Certified" yard sign project the current condition of the home or the past condition of the home?

Michael: As with any inspection, the report is a documentation of the property condition on the date of the inspection. **Michael:** What the "Move In Certified" yard sign indicates is that the Sellers have read through the property inspection report and fixed the major problems, regardless of what type they were, such as something not working, or a major maintenance issue, or a safety concern.

Michelle: So it's best that the Property Inspector work with the Sellers and Realtor to ensure that the Seller knows how the "Move In Certified" program works and that they abide by its intent.

27. Could the addition of a flashy sign or logo and the use of the term "Move In Certified" be misconstrued?

Michelle: Yes, but anything can be misconstrued. The basics of the "Move In Certified" program have been laid out and documented.

Michael: That leaves it up to individual InterNACHI members to create the specifics of the program that address their own perception of their liability and what might and might not work in their specific business service area.

Michelle: It's highly probable that the "Move In Certified" program won't work in all areas, just like any marketing tactic. For example, Yellow Page advertising didn't work at all here, but we have it on good authority that it works very,



very well in Upstate New York.

Michael: We also get very little business from the Internet yet some Inspectors claim that they get up to 80% of their business from the Internet, and we have no reason to doubt them. Each area is different.

Michelle: Just for the record, we get about two thirds of our business from Realtor referrals, and the other one third from our Referral Rewards Program which targets not only past Clients, but anyone who works in or on real estate, like electricians and plumbers.

28. Isn't the "Move In Certified" inspection no longer an objective evaluation but an alignment of the Inspector with the Sellers and their agent presenting to Buyers a house that they all recommend the Buyer buys?

Michelle: We don't' see it that way.

Michael: The inspection, regardless of who it is done for, is simply a documentation of the condition of the property at a specific point in time.

Michelle: The "Move In Certified" inspection goes further in that the Seller reads through the report and, instead of them advertising the property as being sold "as is" or getting quotes for repairs to present to the Buyer, simply fixes the major problems documented in the report.

Michael: That allows the Seller to state that the property is move-in ready in that there are no major problems to be fixed, or major maintenance issues or safety concerns.

Michelle: It could be considered an "alignment" due to the sheer fact that the Property Inspector's Client is a Seller, but that's the same as with a pre-listing inspection anyway.

Michael: If a Seller participates in the "Move In Certified" program, it could and should be seen by prospective Buyers as a good faith effort on the Sellers' part towards full disclosure.

Michelle: That would seem to be a win-win for both the Buyer and Seller.

29. Could the Inspector be responsible for an intentional misuse of the "Move In Certified" program or a misrepresentation of the conditions contained within the report by other parties involved in the transaction?

Michelle: Well, anything's possible, but if the Property Inspector works in conjunction with the Sellers who are, remember, the Property Inspector's Clients, then intentional misuse probably won't occur.

Michael: It might be worthwhile for the Property Inspector to work with his real estate attorneys to create a legal contract that explains the program and to which the Sellers agree. But that would be no different from any other service that the Property Inspector provides.

30. Speaking of contracts, should I use a contract?

Michael: I think a contract should be used anytime services are provided.

Michelle: One could use a modified version of the InterNACHI contract that includes something like, "The inspection and report are performed and prepared for the use of the CLIENT. INSPECTOR accepts no responsibility for use or misrepresentation by third parties. The property inspection report is not, and shall not be considered, a guaranty or warrantee, either express or implied."

Michael: As with most pre-listing inspections, the fact that the Seller doesn't fully disclose defects noted in the report or alters the report in order to omit things is outside of the Inspector's control.

Michelle: Such actions, of course, usually are considered fraud and misrepresentation, very serious crimes in the realm of real estate transactions.

31. Doesn't the introduction of the "certified" sign take the Inspector out of the objective mode and place his motives at issue?

Michael: Not if the Inspectors perform their inspections to InterNACHI standards.

Michelle: It's a marketing term in this case, but it's a marketing term used by Sellers, not Inspectors. Inspectors are simply providing a service and some resources that can help the Sellers.

Michael: I don't think it's any different from Inspectors in states that have no Property Inspector licensing joining the InterNational Association of Certified Home Inspectors and then marketing the fact that they are certified.

32. Should Buyers still get their own inspections?

Michelle: Absolutely! A pre-listing inspection of any type should never take the place of a Buyer's inspection. **Michael:** Especially since real estate conditions can change on a daily basis.

33. Do you think the phrase "free from defects" will lead to call-backs or worse? Isn't advertising a property as defect-free border-line deceptive?

Michelle: We think so, but we also do not use that phrase in any part of our marketing for any of our services. **Michelle:** Specifically with the "Move In Certified" program, the Seller is certifying that all major items and safety concerns identified in the property inspection report have been resolved. That's significantly different from being free from defects.

34. I have a problem with the phrase "Free of Defects" being tied into a home inspection. Does that mean that if a home isn't "Free of Defects," then the Seller can't put out a yard sign? This concerns me for Inspectors who are trying to selling inspections based on the benefits of the "Move In Certified" program only to end up telling the Client that they'll have to spend extra money to fix something before their home is "Move In Certified." At that point, the Client may feel duped, or the Inspector may be motivated to "certify" a home that isn't actually "Free of Defects" just to please the client.

Michelle: We see a couple of problems with your question. First, the home isn't free of defects. It's free of major defects, major maintenance issues, and safety concerns because the seller took care of them. We believe there's a difference there. Once those major items and safety concerns have been resolved, then and only then will the Seller be allowed to put out a yard sign.

Michael: Our protocols for explaining the "Move In Certified" program include the Sellers signing a paragraph acknowledging that to be eligible for the "Move In Certified" program, they must resolve major defects, major maintenance issues, and safety concerns. Consequently, there is no issue about the Client being duped or the Inspector certifying a home....

Michelle: Let me interrupt to say that the Inspector is not certifying the home for anything whatsoever. Only the Sellers certify that their home is move-in ready by having resolved the major issues and safety concerns noted in the property inspection report.

Michael: Right. Thanks, Michelle. So with proper explanation, there would be no need to "please" the Client other than simply doing the best possible job so that the Buyers' inspection reveals few, if any, additional defects. Remember that real estate conditions can change at any time, so there is always the possibility that the Buyers' inspection might reveal something in addition to what was in the "Move In Certified" inspection report.

Michelle: Which, again, is why Michael and I will also have the Sellers sign a statement that they will advise the Buyers to get their own home inspection.

Michael: And we will also disclose the limitations of the inspection in our report and again advise the Buyers to get their own home inspections since, as stated earlier, real estate conditions can change at any time.

35. If Sellers hire an Inspector to come in and certify that their house is free of major defects, and the Inspector places a sign in the yard to advertise that fact, how can anyone say that it is not the Inspector who is certifying the house to be free of defects?

Michelle: Well, first, the Seller is not hiring an Inspector to come in and certify that his house is free of major defects. **Michael:** The Seller is hiring the Inspector for a pre-listing inspection. Then, if the pre-listing inspection reveals any major defects, major maintenance issues, or safety concerns, and the Seller fixes those defects, problems, and concerns, then and only then is the Seller allowed to advertise his home as being free of major defects.

Michelle: Remember that the term "Move In Certified" is trademarked by Reports, Inc., so it cannot be used just willy nilly by anyone.

Michael: Willy nilly?

Michelle: Yeah, that's from my wise old grandmother.

Michael: So it is up to InterNACHI Inspectors to ensure that the program and the term are not abused.

36. Isn't this misleading advertising with a great risk of being abused by unscrupulous agents and Sellers?

Michelle: Although Property Inspectors work in a litigious industry to begin with, I don't see how Sellers stating that they have had a pre-listing inspection and have repaired or otherwise taken care of all major problems identified in the pre-listing inspection is misleading advertising.

Michael: And the only way it can be abused is if Inspectors don't explain the program and its trademarks and conditions properly or don't follow up with their Clients.

Michael: Of course, that's not the only way, but almost anything at any time can be abused by an unscrupulous someone. **Michael:** If you otherwise like the "Move In Certified" program, work with your attorneys and insurance providers to create the appropriate business, inspection, reporting, and tracking protocols that give you the level of comfort you seek.

37. Will courts buy the logic that "the Seller certified the house" seeing as the Inspector is the expert and the Seller has a conflict of interest? I doubt a judge or jury will be convinced that the term "Move In Certified" does not imply that the home has been found by the Inspector to be free of defects.

Michelle: I think that if the program is run properly, there's no problem. The Sellers recognized the Inspector as the expert which is why the Sellers ordered a pre-listing inspection. Where else would the Sellers get the information about major problems so that they could have them fixed?

Michael: And it's simply wrong to state that the Inspector found the home to be free of defects. The Inspector did no such thing. What he did do was document the condition of the property at a certain point in time. Once that document was delivered to the Sellers, and the Sellers resolved any issues about major problems and safety concerns, then and only then would the Seller be allowed to use the term "Move In Certified"."

Michelle: I think even I could explain that to a judge and jury. **Michael:** Or just show up in that nice dress that I like so much.

Michelle: Michael!

38. But isn't it deceptive to the Buyer who is driving into the yard looking at the sign the Inspector created and placed in the yard informing him that the house is "Move In Certified"?

Michael: Well, hopefully the Buyer doesn't drive into anyone's yard. I would want him to park in the driveway or on the street.

Michelle: Alright, smarty! Although Inspectors might have had signs created as part of their individual "Move In Certified" programs, they are not the ones placing them in the yard....

Michael: Unless the Sellers hire them to do that!

Michelle: The Sellers place the sign in the yard or the logo in the MLS only after they have resolved major problems and safety concerns documented in the property inspection report. Not until then.

Michael: So it's up to the Inspectors to follow up with the Sellers to ensure progress toward the ultimate goal of getting that sign in the yard. That might require a re-inspection of the repair work that the Sellers have had done.

Michelle: We can't find the deception in Sellers stating that they have resolved all the major problems noted in the property inspection report.

Michael: But that doesn't mean that someone else might not find it deceptive. Michelle and I once had a Client read through our two-page inspection agreement and ask us, "Isn't it deceptive that you claim to be a Property Inspector but then you say you're not going to inspect all the stuff on these two pages?"

Michelle: We had thought about that scenario before we ever opened our business, so we created a list of all the items that we inspect....

Michael: Which came to 27 single-spaced pages!

Michelle: So we told our Client that it was easier for her to read the two pages of things that we didn't inspect than it was for her to read the 27 pages of things that we did inspect. We did give her a copy of those 27 pages, though, which she

found quite impressive.

Michael: So it comes back to managing the Clients' expectations.

Michelle: But if someone wants to sue you for deceptive practices, they will, regardless of what you do. That's just the risk of being in business since anyone can sue anyone else at any time for any reason. So do all you can to create standard protocols for the program and then implement them persistently and consistently.

Michael: A better way of thinking about the program might be to not ask whether or not the program is deceptive, but ask whether or not you are trying to be deceptive. We believe that every InterNACHI member would answer with a resounding "No!" So now go out and implement the program with appropriate protocols to make sure, to the best of your ability, that no one else involved in the "Move In Certified" program is deceptive either.

Michelle: As with any program, it can be abused. Michael and I intend to see that in our neck of the woods, it is not abused by those with whom we contract for the program.

Michael: If we detect any abuse by the Sellers or their Realtors, we would find that to be a breach of contract and would take appropriate action, like pulling the report from fetchreport.com, forbidding the use of signs and logos, etc. While the Sellers might still have a copy of the report, part of our "Move In Certified" protocols will explain the consequences of abusing the program.

39. Speaking of repair work, how do we know that the work was done properly?

Michael: As with anything done by humans, there can be inaccuracies, poor workmanship, or any other number of problems. So the best way to ensure that repair work was done properly is through a re-inspection.

Michelle: Of course, the Sellers can depend on the receipts and other documentation about the repairs. But since Sellers can, and often do, work on their own homes, Inspectors might consider making part of their "Move In Certified" program a condition that all repairs shall be done by appropriately qualified and/or licensed personnel.

Michael: So any electrical work must be done by an electrician.

Michelle: I was just in a home yesterday where there were several new electrical receptacles in some of the rooms. Each new receptacle that I tested had been miswired, either neutral/ground reverse or hot/neutral reverse. The Seller stated to us that he had installed the new outlets to make his home more marketable in today's world where we all have televisions and computers in every room.

Michael: So while the good intent was there, certain work should be done by qualified personnel.

Michelle: I would create a list of that certain work that should be done by qualified personnel as a condition of the "Move In Certified" program. Once the Sellers call to tell me that all the work has been done, then I would go back out for a re-inspection to ensure that the work had not only been done, but had been done properly.

40. What if I don't do re-inspections?

Michael: I'm wondering why don't you do re-inspections. I've heard some Inspectors state that they don't want to take on the liability for any repairs, but I think that's simply poor thinking. I don't see how you would be taking on liability for repairs since you didn't do the repairs. It's no different from inspecting a brand new home that no one has ever lived in. That brand new home has all sorts of warrantees attached to it. For example, if the dishwasher breaks down during that first year, the builder is going to call his dishwasher subcontractor and have it replaced. You're doing nothing different in a re-inspection that you wouldn't do in a brand-new-home inspection.

Michelle: Has the work been done? Does it look like it's been done in a conscientious manner? Any warrantees are explained in the repair personnel's receipt or other documentation.

Michael: If the TPR drain pipe at the water heater was not present at the time of the pre-listing inspection, how difficult is it for you to go back out on a re-inspection to confirm that it not only is there now but that it has been installed properly? If the plumber took a shortcut and simply routed the pipe up to the nearest hole in the garage wall, wouldn't you want to note that for your Clients? Or if GFCI outlets were not present in the kitchen and bathrooms, and you went back out and found them present but miswired, how does that bring liability to you? Michelle and I have even done re-inspections where the work that was claimed to have been done had not been done at all! Obviously, the Sellers didn't expect us to come back to see if the repairs had been done.

Michelle: However, as with anything you do in your business, if you're not comfortable doing it, then by all means, don't. **Michael:** Or simply work with your attorneys and insurance providers to create a program that you are comfortable with.

41. What if the Sellers decide to use someone else for the re-inspection?

Michael: That's a very good question.

Michelle: In our program that would exclude the Sellers from the "Move In Certified" program. They have a "Move In Certified" contract with Michael and I that tells them what can and cannot be done, and it says that Michael & Michelle will do a re-inspection of repairs or replaced items, not someone else. We think it's an integral part of our "Move In Certified" program and is really quite simple.

42. Do you have any advice for what types of disclaimers I should include with my "Move In Certified" inspection?

Michelle: Don't you have a list, Michael?

Michael: Yes, and here it is:

- 1. The property inspection report documents conditions present at the time of the inspection. See the property inspection report for areas that were inaccessible or areas or components that were not inspected.
- 2. By using the "Move In Certified" yard sign and logo, Sellers state under penalty of perjury that they have properly resolved items in the report concerning major systems that did not work, major maintenance issues, and safety concerns.
- 3. Due to changing conditions, Sellers highly recommend that Buyers contract for their own property inspection to document any conditions that were not present at the time of the Sellers' inspection.
- 4. The property inspection was conducted under the Standards of Practice of the InterNational Association of Certified Home Inspectors and meets its requirements as well as any local, state, and/or federal requirements for property inspections.

Michelle: That's a short list!

Michael: Yes, but with a program that is in its infancy with no track record, I'm sure the list will grow as time passes by. Also note in Item 2 that I included the term "under penalty of perjury." That's a very powerful phrase that virtually anyone can use. And if one gets to court and the judge and jury see that someone signed a document stating that, there can be serious consequences for the person who was not telling the truth. Just the word "penalty" gets people's attention.

43. What does the "Move In Certified" yard sign say, and is it from InterNACHI?

Michelle: You have your own yard signs made; they are not from NACHI.

Michael: You can make them say anything you want them to. I've seen two types so far, one that simply says "Move In Certified" and the other that says "This home has been inspected by [company]."

Michelle: Have you had our printer do our signs yet, Michael?

Michael: No, I haven't.

Michelle: And?

Michael: I'll get to it, I'll get to it.

Michelle: Our signs will say something like this: "This home has been inspected by Michael & Michelle, and Sellers certify that it is ready to move into."

Michael: Another possibility: "This home has been inspected by [your name]. Download inspection report #12344A at fetchreport.com."

Michelle: We see unlimited possibilities for the yard sign. However, again we recommend working with your attorney to determine what you want to put on the sign as part of your protocols for the "Move In Certified" program.

44. Short and sweet, huh?

Michael: Yep.

Michelle: There's no need for anything else. Once the Buyers enter the property, then they have access to the complete "Move In Certified" report. The sign is simply a marketing sign, no different from a Realtor putting a sign in the yard that

says, "Updated and renovated." It gets interested parties in the front door.

45. Can I put additional information on the sign, such as my disclaimers?

Michael: Yes, but it's probably best to keep the sign very simple. Look at your billboards and bus stop bench ads. Very simple. The objective is to entice you to check out what is being advertised. Very few people, if any, would come to a screeching halt to read all the fine print on a billboard, bench ad, or yard sign.

Michelle: I guess I can't add much to that.

46. So you don't see any additional liability for the yard sign?

Michael: We don't.

Michelle: There's all sorts of interesting marketing that takes place when people go to sell real estate. We don't see this as being any different.

Michael: Of course, you should still check with your attorneys and insurance providers to determine if there are any legal statutes or court cases that create additional liability for you in your City, County, or State.

47. I have read that some courts will give your advertising more credence than your contract. Since Inspectors are advertising that the house is OK in a large sign in the yard and not putting contingencies on the sign, wouldn't the courts give the sign more credence than any contract that the Buyer may or may not see because the Inspector no longer controls the situation?

Michael: I think there's a couple of problems with the question. First, yes, there have been cases where the advertising is given more credence, but that's usually the result of fraud or misrepresentation.

Michelle: For example, we know of a case where the Sellers advertised that the mobile home in the back yard could be used for rental income.

Michael: Come to find out, though, the City prohibited mobile homes being placed on lots in that neighborhood, so it obviously couldn't be used for rental income.

Michelle: So that's fraud and misrepresentation, and the Sellers' advertising was, indeed, given more credence than the paragraph in the contract that stated that Buyers should verify that the property met City zoning requirements.

Michael: With the "Move In Certified" program, we don't see it as fraud and misrepresentation if the Sellers have done what the "Move In Certified" contract requires them to do, that is, take care of any major problems, major maintenance issues, and safety concerns before using the "Move In Certified" sign or logo.

Michelle: The other thing wrong with the question is that Inspectors are not advertising that the house is okay. The Sellers are doing that with the assistance of the Inspectors through the "Move In Certified" pre-listing program.

Michael: We think that since the "Move In Certified" moniker and logo are trademarked by Reports, Inc., for the benefit of InterNACHI, the InterNACHI Inspector should still control the situation in order to protect the integrity of the program, not to mention protecting his own liability.

Michelle: As my wise old grandmother would have said, "Help the Sellers understand this new program and then work with them to implement it properly."

Michael: I also don't think that Buyers are going to walk into a courtroom and claim that they bought the house just because of the sign, and even if they did, I doubt that a jury would find the claim credible. So we don't think a written explanation needs to be on the sign. It would be wise, however, to provide to the Buyers an explanation of the "Move In Certified" program and what it means, as well as a statement signed by the Seller, receipts and warranties documenting repairs, the original inspection report, and results of any re-inspection.

48. If I provide signs for some Sellers but not others, aren't I actually certifying the home?

Michael: No. You've got a contract with the Sellers. If they don't follow through on the terms of the contract, then the contract becomes null and void. At that point, you don't provide signs or logos for the Sellers.

Michelle: We think that's quite simple.

Michelle: That depends on where you get them made.

Michael: Yard signs are up to individual Inspectors, so go to the printer that you regularly use.

Michelle: Make sure you ask your printer for a discount since you've been a regular customer for so many years.

Michael: I did hear of one Inspector who got ten signs for \$60. Pretty good.

50. What tells the Seller what safety hazards need attention?

Michael: You and your property inspection report.

Michelle: Our property inspection reports actually state what type of problem we discovered. So for a safety hazard, we'll state the problem and then state that it is a "Safety hazard." So anything that we identify as a safety hazard would have to be taken care of by the Sellers before we allow them to use the "Move In Certified" yard sign and logo.

51. Don't all homes have safety hazards, though?

Michael: Not necessarily.

Michelle: All homes have latent safety hazards, and those latent safety hazards can, indeed, become safety hazards if certain things are not operated properly or maintained, but that doesn't make them in and of themselves imminent safety hazards. For example, a fireplace is a latent safety hazard and can cause a fire if it is not operated properly and if the fireplace, chimney, and spark screens are not maintained. But if they are in good condition at the time of the inspection, and a licensed chimney sweep came out and cleaned the chimney and checked for fire stopping in the attic and cracks in the bricks and mortar, then it is no longer an imminent safety hazard.

Michael: So perhaps one might want to include a definition of safety hazard. We require that imminent safety hazards be resolved before we allow the Sellers to use the yard sign and logo.

52. I can hear a Buyer's Realtor saying, "You don't need to get another inspection. It will be a waste of money." If people trust Realtors enough to let them choose the Inspector in the first place, what might they do with a yard sign by a Property Inspector that says the house is certified to move into?

Michael: Just about anyone can twist just about anything to meet specific purposes. We think it would be advisable for Inspectors to work with the Sellers and make them understand that their ultimate liability will be less if they also encourage the Buyers to get their own home inspection.

Michelle: We find it easy to sell inspections simply by comparing our fees to the cumulative fees that would be charged by an electrician, roofing contractor, plumber, engineer, chimney sweep, landscaper, HVAC technician, and others. **Michael:** As part of the program, Inspectors could also require the Sellers to provide a disclaimer to prospective Buyers stating specifically that conditions might have changed since the date of the original inspection and that Buyers are highly advised by Sellers to contract for their own property inspection.

53. Concerning who the Client is, if you go to the Seller and sell him on the "Move In Certified" program and then you post the report on fetchreport.com where someone can view the report for, let's say, \$20, now who is the Client? Does the Inspector now have a monetary interest in the transaction? Could it benefit the Inspector to write a bad report so the house does not sell quickly in order to sell more views?

Michael: I think the Sellers are the Client since they are the ones who contracted for the "Move In Certified" program. **Michelle:** And I would agree with that. Part of the protocol for participating in the "Move In Certified" program is that the Sellers agree that the report will be accessible to anyone wanting to view it and that there is a small administrative cost for viewing it.

Michael: So, yes, the Inspector does have a monetary interest in the transaction if we are defining "transaction" as the process of viewing the report.

Michelle: It would seem unlikely that a "bad report" would get more views unless the report link said "View bad report" or "View good report." One won't know that it's a "bad report" until one views it, and then "bad report" is in the eye of the beholder.

Michael: Several years ago Michelle and I had the most issue-free inspection we've ever done. The only problem was that all the screens, 27 of them, were missing from the windows and doors, yet the Buyers backed out on that issue alone.

We later found out why it was an issue, and it was a legitimate issue on their part, but on the surface it seemed odd since even the Realtor was willing to buy \$1,000 worth of screens for them in order to earn \$24,000 on the transaction.

Michelle: The "Move In Certified" program is meant to ensure that all major defects, major maintenance issues, and safety concerns identified in the report have been resolved by the Sellers. So it probably really doesn't matter how bad the report is since the very nature of the program is that the Sellers have addressed the major issues identified in the report. Remember that this report is looking specifically for major issues, so the report itself might be different from a standard pre-listing report where one might note that all the drawer hardware in the kitchen was loose. Of course, one could provide a helpful document like Michael and I do about the small things that Sellers can do to make their home more marketable.

Michael: Like tightening all the hardware on the kitchen drawers.

Michelle: As one InterNACHI member succinctly put it, "They can't tell the quality of the home until they spend their dollars on the property inspection report."

54. What if the Sellers are not willing to fix the major problems?

Michael: Then they don't get to use the "Move In Certified" yard sign and logo.

Michelle: It's that simple. At that point it becomes simply a pre-listing inspection and the Inspector would not provide the sign or logo to the Sellers.

55. Won't that upset the Sellers or their Realtor if they don't get to use the sign and logo?

Michelle: Only if the program was not properly explained to the Sellers and Realtors to begin with.

Michael: That's why its important to work with one's attorneys to create an appropriate contract that explains the services you are providing to the Sellers.

56. What if the home has many issues that the Seller cannot afford to take care of them? Say the Seller keeps the report private, but he can no longer sell the home without disclosing the condition. This is a problem with pre-listing inspections nationwide. Lets say the Buyer searches for an inspection and finds you, and you say that you can't inspect the property because you just did one for the Seller. Now the Buyer knows that the Seller can no longer say he does not know the issues. This could be a significant reason why the Seller does not want an inspection; he wants to stay stupid. A "Move In Certified" inspection could lower the value of the home significantly and the fault lies with the home Inspector.

Michael: Michelle and I thought about the issues you bring up, and here's how we're going to address it. First, it's fairly easy for Michelle and me to walk onto a property and immediately see if there is a significant amount of deferred maintenance.

Michelle: Usually it starts with the roof, exterior paint, landscaping, and junk in the yard. And while the last three probably don't qualify as major defects or safety issues, the peeling paint could be considered a major maintenance issue if the last time the place was painted was 1977.

Michael: Of course, if that's the last paint job it had, there probably are some termite and wood rot issues which definitely come in under the major defect category. And if you work in a rainy area, the lack of a good coat of paint certainly could be considered a major maintenance issue.

Michelle: If we can see those four issues from the street or driveway, we're pretty sure there are more significant issues in the house, so we would advise our Clients that the "Move In Certified" program requires that they resolve those significant issues, which could get expensive. If they agree, and sign on the dotted line indicating their agreement, then all is well. If they ultimately decide that they cannot afford to resolve the major issues, then it becomes just another prelisting inspection and they are not allowed to use the trademarked "Move In Certified" name, yard sign, or logo.

Michael: We did an inspection a few years ago that had so many issues that the Seller did, indeed, take the property off the market because he couldn't afford to fix them all. He decided to simply rent the property instead.

Michelle: We think that the "Move In Certified" program, as with any pre-listing inspection, requires a little more work by the Inspector, especially in those states where there are no specific inspection standards or Inspector licensing.

Michael: In other words, where just about anyone who has the money can put up a sign saying that they are a Property

Inspector.

57. In a state where Property Inspectors are licensed, or one where Property Inspectors have to be members of a national trade association like InterNACHI, how can a Seller certify anything?

Michael: Sellers can say just about anything they want to about their properties. Realtors can, too. But in today's world, all that is said usually comes with various disclaimers.

Michelle: For example, in the past, stating that the property was 1,608 square feet was simply accepted as a matter of record, especially if that's what the tax assessor's office showed. It today's world, there will be a disclaimer with the square feet number that says something like, "Buyer to confirm before close of escrow." That's where appraisers come in since they usually come up with a square feet number.

Michael: With the "Move In Certified" program, the Sellers are merely certifying that they have resolved all the major defects, major maintenance issues, and safety concerns so that Buyers can immediately move in. Michelle and I don't see a problem with that.

Michelle: Of course, Sellers and Realtors have to be careful what they say since they could be sued for fraud, negligence, or misrepresentation. And that's where the "Move In Certified" program comes in since they are contracting with a Property Inspector to tell them the major problems. If you fail in your efforts to tell them those major problems, then you, too, could be sued for negligence.

58. Aren't the Sellers basing their certification on the Inspector's report, which is only good for anything found up to the time of the inspection? Wouldn't the report be inaccurate a day, a week, or a month later?

Michelle: Yes, but the fact that the "Move In Certified" report is only a snapshot in time is true of any report.

Michael: That's why it's important that the Buyers get their own inspection, which should disclose any problems that have occurred since the time of the "Move In Certified" inspection.

Michelle: Michael and I will be offering Buyers a standard property inspection at a discount since we already know so much about the property and don't have to spend time describing the property and its components again unless we know they changed. For example, if knob and tube wiring was replaced, then we would document the fact that knob and tube wiring was no longer present. But we won't have to spend time describing the gable composition roof, the stucco exterior, the slab-on-grade foundation, and other things that didn't change unless they were documented as major issues in the "Move In Certified" report.

Michael: In order to be eligible for the discount, though, the Buyer's property inspection must occur within 60 days of the "Move In Certified" inspection.

Michelle: After that, all bets are off, especially here in earthquake, landslide, and wildfire country.

Michael: Why do we live here again?

Michelle: You like to go to the beach every day all year.

Michael: Oh, yeah. Good point.

59. Doesn't posting a disclaimer devalue the "Move In Certified" program as a whole? Once someone reads the part that says, "The Property Inspector doesn't really mean what he's saying and places all the blame on the Seller or agent" or "This home really isn't as great as we made it out to be on our sign because the Seller may not have fixed the problems" then you lose all credibility.

Michael: We think our disclaimers manage our Clients' expectations. Almost everything today has disclaimers. **Michael:** I bought a candy bar out of a machine recently and there in bright red letters on the wrapper was the instructions, "Remove wrapper before eating." The sad thing is that apparently someone ate a candy bar one time before removing the wrapper and then sued the candy bar maker because there were no instructions on how to eat the candy bar. That's the society we seem to live in today.

Michelle: But we also think there are some problems with the question. First, the Property Inspector does mean what he says because all he said is that there were various problems with the property. No more, no less. So we don't find any loss of credibility, only a sincere effort to explain the program to our Clients and those reading the report. And that's another

reason why we must encourage the Sellers to advise the Buyers to get their own property inspection. Educating the Sellers about how real estate conditions can change on a daily basis is necessary, resulting in the Buyers' property inspection becoming a necessity.

Michael: But even then, the Buyers' property inspection should not find anywhere near the problems that the "Move In Certified" inspection discovered, so the advantages of the "Move In Certified" program are still valid.

Michelle: Also remember that if the Seller didn't fix the problems, then the Seller should not be allowed to use the "Move In Certified" name, yard sign, or logo. And that again comes down to the Inspector managing the program.

Michael: If you're one of the Inspectors who believes that once you do the inspection, get paid, and deliver the report, then you can wash your hands of that specific property and inspection, then the "Move In Certified" program probably is not for you since we think it requires regular interaction with the Sellers/Clients and probably their Realtors after the inspection in order to ensure that the "Move In Certified" program is not abused.

60. Are Sellers qualified to certify anything?

Michelle: We definitely believe that Sellers are qualified to certify that the major defects, major maintenance issues, and safety concerns noted in the "Move In Certified" property inspection report have been resolved.

Michael: And we believe that they can do that by having any work done by appropriately qualified personnel, saving the receipts showing the cost of the work, and saving any documentation about the work, such as warranty documents.

Michelle: And then they provide all those documents to the Buyers.

Michael: It couldn't be simpler.

Michelle: Basically, there is no law that says the Seller cannot certify that, to the best of their knowledge based on the inspection report and their repair documents, all major defects have been resolved. They can put up a sign that says they guarantee that they have fixed all major problems. They can put out a sign that says they swear on the Bible that they have fixed all the big problems. They can say anything they want, but none of it affects the Inspector. The Inspector cannot tell the Seller what to say after the inspection unless they have specific agreements in their "Move In Certified" protocols.

Michael: For example, Michelle and I will require a re-inspection of the repair work since we regularly do re-inspections. Then and only then will our "Move In Certified" Clients be allowed to use the name, yard sign, and logo.

Michelle: Also remember that when the Seller signs a disclosure form or a contract, they are signing a legal document that has more weight in court than the yard sign.

61. Wouldn't it be better to use "Seller Certified" than "Move In Certified"? That would immediately place "fault" with the Seller.

Michelle: I don't know if they considered that name, but it's probably too late to change now.

Michael: Personally I like the "Move In Certified" name because it lets people know that the property is ready to move into. I think the whole property inspection business came about because people didn't want to deal with issues after they moved in, nor spend their time and money resolving those issues, especially if the expense was high.

Michelle: Remember earlier where we talked about a property inspection we did where everyone claimed the brand new home was ready to move into? The only problem was that with no gas meter installed, it was extremely difficult to take a hot shower in any of the bathrooms, or cook a hot meal on any of the gas burners or in the gas ovens.

Michael: And even with all the renovations I've done, there were a few that definitely were not ready to move into.

Michelle: So since the name of the program is "Move In Certified," we'll work with that. We think it's a very good program and entirely workable even in a litigious area like San Diego.

62. Who owns the "Move In Certified" yard sign?

Michelle: Michael and I would probably buy our own signs and treat them just like Realtors treat their signs.

Michael: Realtors own their signs and simply put them out in the yards on properties that are under contract.

Michelle: Of course, if your "Move In Certified" program grows beyond your wildest dreams, you might have a few hundred signs on hand. But if that occurs, you can probably use a little of the money you're bringing in to rent a storage space where you can store the signs.

Would adding "PRE-INSPECTED, SELLER CERTIFIED" to the yard sign 63. help matters some?

Michelle: Anything you can do to help both Sellers and Buyers understand the program would be of help.

Michael: One could also add verbiage to the very first page of the report, perhaps a title page, that states, "Seller certifies that the property at [address] was inspected on [date] by a [qualified/licensed/trained/etc.] Property Inspector in compliance with the Standards of Practice of the InterNational Association of Certified Home Inspectors."

64. What if the Buyer dies of carbon monoxide or radon poisoning which wasn't inspected for? What if they injure themselves on a deck that caves in? What if a hard rain softens the ground or washes away the corner of the house and splits the side of the house in two? What if a mold problem is discovered nine months down the road as a result of a missed rainwater leak?



Michelle: As with all property inspections, there are items that are not inspected for, so generally accepted standards of practice in your area would carry a lot of weight in a court of law.

Michael: Our reports, and every report we've ever looked at, have common disclaiming language concerning items that are not inspected, as well as educational materials about mold, taking care of the roof and plumbing, and similar items. The same would be true of our "Move In Certified" reports.

Michelle: The deck problem should have been found by the "Move In Certified" inspection, and if not, then by the Buyers' inspection. It is unlikely that such a problem would be missed in both inspections.

Michael: Hard rains and other "acts of God" are beyond both the property inspection and the prediction capabilities of Property Inspectors.

65. Isn't the yard sign designed for the purpose of evoking emotional interest in the home? Don't people buy based on emotional value?

Michelle: According to the various marketing reports that I read regularly, many, many people buy based on emotion.

Michael: In fact, a common recommendation to save money when shopping is to create a shopping list and then stick to it. Of course, the stores don't help with their end cap displays....

Michelle: Which are displays at the end of aisles and at the cast registers.

Michael: And those displays are specifically designed to evoke an emotional response that often leads to a purchase. I hate candy, yet at least once a month I'll be standing in a long line at the grocery store and pick up a Three Musketeers bar or a Reese's Peanut Butter cup and eat it while standing in line.

Michelle: Isn't that theft?

Michael: Technically, yes, but I always pay for it and the cashiers always find it funny that I ate it while standing in line. Michelle: Many Realtors are very good at evoking an emotional response in people. That's how they get people in to look at a property. And that's why many properties are staged, and why many Realtors have a long list of things that their Clients can do that will help sell the property.

Michael: Like a fresh coat of paint.

Michelle: Exactly.

66. Will the argument that the property inspection is an unbiased report on the condition of the property be compromised when the Property Inspector becomes a party to the sale through advertising and yard signs?

Michelle: We don't see the Property Inspector becoming a party to the sale. The Inspector is not the one doing advertising and using yard signs. The Sellers and their Realtors do the advertising and they use the yard signs and logo if they want.

Michael: Perhaps if Property Inspectors own the yard signs, they could make some additional income by renting the signs to the Realtors.

Michelle: Nice! Residual income!

67. What about the Inspector who posts the yard sign, writes the report, and agrees to be paid at closing?

Michelle: Many Inspectors get paid at closing. Michael and I don't go that route, but we see nothing wrong with it.

Michael: We have considered getting paid at closing because one of our competitors charges \$150 for that service.

Michelle: Of course, we don't know if he ever sells that specific service. \$150 seems like a lot.

Michael: Maybe that's just his way of saying, "Pay me up front."

68. Can I put my name on the yard sign?

Michelle: Yes, but we would advise you to be careful about how you do that since it might defeat the premise of the Sellers certifying that the home is move-in ready.

Michael: What you don't want to do is create the perception that you are the one certifying the home as move-in ready. That's not the crux of the "Move In Certified" program. So if you put up a sign that says the house is certified to be ready to move in and your name is the only one on the sign, then you might be more at risk.

Michelle: If you simply state that the house was pre-inspected by you and that the Seller is the one certifying the home as move-in ready, then we believe there are fewer problems.

Michael: It is possible that Buyers will not read the fine print disclaimers and disclosures....

Michelle: So use larger print!

Michael: Michelle and I will be using a title page with print that is at least 12 point, and bold text, colored text, etc., to emphasize certain disclosures.

Michelle: Such as: "<u>SELLERS</u> certify that, to the best of their knowledge, all major defects, major maintenance issues, and safety concerns noted in the attached property inspection have been resolved."

Michael: This might be the only service we offer where we will be happy to modify or change our reports.

69. Where can I get the "Move In Certified" sign to take to the printer?

Michelle: It's a .ZIP file located at http://www.moveincertified.com/download/yardsign2.zip

70. Who decides what constitutes major defects, major maintenance issues, and safety concerns?

Michelle: Michael and I have always done that in our reports in an effort to help all parties decide what might be the most pressing issues. But it's ultimately still up to our Clients to determine what is and isn't "major."

Michael: Remember, though, that part of the "Move In Certified" program is the Sellers hiring an InterNACHI Property Inspector to help them determine what is and is not "major," and since we've always done that anyway, we're looking forward to offering the "Move In Certified" program in our neck of the woods.

Michelle: I really do believe that any InterNACHI member could determine what is and is not a major concern. For example, we all know when a roof is at the end of its useful life, even if we're not roofing contractors.

Michael: And here in San Diego, a wood shingle roof would be a major maintenance issue because all of San Diego County is classified as a "high fire hazard" area.

Michelle: Is there anyone who would not consider an improperly operating vehicle door opener in the garage to be a safety hazard? Or the lack of GFCI outlets in the kitchen and bathrooms? Major issues, yes, yet those two items are fairly easy and inexpensive to correct.

71. So you two really aren't concerned with the liability that the "Move In Certified" program presents?

Michelle: There is nothing wrong with the program per sé. Almost of the questions we've seen deal more with implementing the program so that any perceived risks are abated. Since it's a new program, we don't know what risks will ultimately be inherent within the program, so all we can do right now is create some "What if?" scenarios and then answer those to the best of our abilities.

Michael: And that requires working with one's business advisors to try to determine where any extraordinary risks lie and then implementing protocols to deal with them.

Michelle: All businesses have risks, so if one is not comfortable with risk, then probably one should be working for someone else rather than being self-employed.

Michael: Many people won't be willing to accept the level of risk that comes with the program, while others will jump in feet first, analyze the program, try to discover risks, implement methods to deal with the risks, and then deal with any consequences later.

Michelle: As for us, we have decided to analyze and mitigate the risks with the help of our real estate attorneys and insurance advisors and move forward with implementation.

72. Do you have a list of what qualifies as a "Move In Certified" home? I would think it would be wise to have a standardized list of what will not make a home "Move In Certified." Or are we just going to wing it and leave it up to each Inspector, which probably wouldn't be a good idea. Every Inspector's idea of what is a major defect is different. I was doing a re-inspection last week where the first Inspector stated a hole in the wall (where a door knob went through it) was a major defect, not to mention they didn't get in the attic or crawl.

Michelle: We can only presume that the first Inspector was not an InterNACHI member! The "Move In Certified" program is for InterNACHI members as one of our benefits.

Michael: If you'll log onto moveincertified.com and fetchreport.com, you'll see that you need your InterNACHI user ID and password, so ASHI and NAHI Inspectors, as well as independents, won't be able to use the system.

Michelle: We think that any InterNACHI member knows quite well what a major defect, major maintenance issue, or safety concern is for their area. For example, seismic straps on the water heater is a major issue here simply because it's required by law to be done whenever real estate transfers. Yet those straps cost \$39.95 at Home Depot®.

Michael: Michelle and I also consider the lack of rain gutters and downspouts to be a defect, but not a major one since we only get 11 inches of rain a year here, and we're in a three-year drought right now where we've only had about 11 inches for those three years.

Michelle: We went to a football game back in the 1980s in College Station, Texas, where it was sunny for the first half, a torrential downpour during halftime that delivered five inches of rain in 20 minutes, and sunny for the second half.

Michael: Yeah, I remember that one. So in College Station, Texas, as well as areas such as New Orleans and maybe all along the Gulf Coast, the lack of downspouts and gutters, in our book, would be a major maintenance concern.

Michelle: In our area it works the same with wood roofs. Wildfires here regularly prove that wood roofs just are not a good idea here. But if the roof is not leaking and is in good condition, that wouldn't be a major defect. However, it would be a major maintenance issue.

Michael: Other major defects would be a heating and cooling system that doesn't work, a sinking corner of the house, large cracks in the walls.

Michelle: And safety concerns would include things like the lack of GFCI outlets in appropriate areas and stairways without handrails.

Michael: We're working with our attorneys and insurance providers to determine what we should consider major defects, major maintenance concerns, and safety issues for our service area here.

73. How do you determine repair cost?

Michelle: We've been in real estate for over three decades, so we have a pretty good idea of what the repair costs are for the major items.

Michael: And there are some great web sites available that can give you pretty good estimates.

Michelle: A trip to your local home improvement store can also provide you with good estimates.

Michael: Here in San Diego, labor and installation costs typically run twice the cost of the materials, so if the water heater at Home Depot is \$500, then the total cost of installation would be about \$1,500. Of course, a dead or dieing water heater is a major defect anyway.

74. Can ASHI members use the "Move In Certified" program?

Michelle: Everyone can use it as long as they are members of InterNACHI.

Michael: So an ASHI member who is also an InterNACHI member could use it, but an ASHI member who is not a member of InterNACHI would not be able to.

75. With fewer people qualifying for loans, there are fewer people out there buying homes. Won't Realtors wonder how a "Move In Certified" home will improve the credit situation, or how a "Move In Certified" home will move the many homes on the market with fewer people out there buying?

Michelle: The "Move In Certified" program probably will not improve the credit situation. However, people typically want the best home they can afford, and that is where being the first to market the "Move In Certified" program in your area can be of benefit to you. If you are the only Inspector in your area who offers the "Move In Certified" program, and you market the program wisely, and persistently and consistently, then the "Move In Certified" home has an advantage. It is the best home on the market in that price range.

Michael: So I can see any specific Realtor wanting all of his homes to be "Move In Certified." While other Realtors are doing the same ol', the Realtor using the "Move In Certified" program is moving homes. Eventually the other Realtors will find out what's going on and participate themselves.

Michelle: It's been my experience throughout my career that people buying homes to live in typically don't want to have to deal with major problems while they are moving in, so a home that is "Move In Certified," that is move-in ready, should have a significant advantage over homes that are not "Move In Certified." I have a good friend who is a Realtor and he always follows up with Realtors who show his listings. In this market he's been saying "Seller will take care of dirty carpet and popcorn ceiling at buyer's request" or something similar. He was finding when he called the Realtor that the prospective Buyers "didn't want to deal with the dirty carpet or the popcorn ceiling." Consequently, his listings are selling faster and for more money. His broker wants him to share his secrets for his fast sales, but since I do the marketing for him, I've advised him not to. After all, those Realtors are his competition.

Michael: It's no different here. It only takes one Realtor to get the program started, and when those "Move In Certified" properties start moving, all the other Realtors will be jumping on the bandwagon.

76. Are there any PowerPoint presentations available?

Michelle: We know of at least one at http://web.tampabay.rr.com/altsquareone/Misc/Move%20In%20Certified2.swf.

Michael: Now that Michelle and I have our "Move In Certified" program protocols down, we will be creating a PowerPoint presentation for our Realtors which we will happily share with InterNACHI members.

Michelle: The only place where we currently are advertising our "Move In Certified" inspections is with Realtors who have used us persistently and consistently during the past six years that we have been in business. We've added the "Move In Certified" inspection to all of our other inspections using this verbiage:

"Our M-I-C inspection is a type of pre-listing inspection, which are available only to Sellers. The difference between our LIST inspection and our M-I-C inspection is that, with the M-I-C inspection, Sellers certify that all major defects and safety concerns have been repaired or resolved, resulting in the property being "Move In Certified" by the Seller. Sellers have the privilege of using the trademarked term "Move In Certified" in their marketing and advertising, as well as custom logos and yard signs.

77. My lawyer and I thought that if the yard sign points the prospective Buyer to moveincertified.com and fetchreport.com, both of which are owned by Reports, Inc., then InterNACHI is certifying the home.

Michelle: Our attorneys don't see it that way. Providing resources doesn't mean that one is responsible for anything else. **Michael:** We think the fact that InterNACHI is making resources available should make it easier to sell the "Move In Certified" program. After all, there's a big difference behind an International Association backing something and an individual Inspector in Dime Box, Texas, (population 381) backing something.

Michelle: I believe there will be a disclaimer displayed before anyone can download a report from MoveInCertified.com.

Michael: Yes. You can find it at http://www.moveincertified.com/download/MoveInCertifiedStatement.pdf.

78. Who is going to follow up after the repairs are performed to certify the house?

Michelle: Michael and I will do that in our service area through re-inspections.

Michael: That's one of the reasons why our "Move In Certified" program inspections will be priced slightly higher than our standard pre-listing inspection.

79. What does all of this mean to the potential Buyer? I read on moveincertified.com that a "Move In Certified" home could result in Buyers not seeking a Buyer's inspection based on the assumption that the home is "certified." Doesn't this reduce the amount of available work for Inspectors whose business depends on marketing Buyer's inspections?

Michelle: Hopefully everyone, from the Seller to the Realtor to the Property Inspector, will be advising the Buyers to get their own home inspections.

Michael: A very simple way to do this is to simply remind everyone that real estate conditions can change on a daily basis in response to weather conditions, soil conditions, and even the mere act of living in the property.

Michelle: Or even not living in the property, which is how haunted houses come about.

Michael: Are you trying to get us in a Halloween mood?

Michelle: If one depends only on Buyers' inspections, one's business will probably suffer when market conditions dip, as we are seeing in the current real estate market.

Michael: As Michelle's wise old grandmother was always telling us, "By diversifying one's services, one has a better chance of survival."

80. Can the Buyer download the report free, or who gets the money if it's not free?

Michelle: We think it can be worked in many different ways. I think fetchreport.com ultimately will allow for a small administrative fee to download the report, which is not unreasonable for any business.

Michael: If individual Inspectors want to make the report available free, that probably can also be done.

81. If we already have reports available to our Clients online, what use is the "Move In Certified" site?

Michelle: The "Move In Certified" site isn't for your Clients, per sé. It's for people who might be interested in buying the house from your Clients.

Michael: And in this case, it's only from your pre-listing "Move In Certified" Clients, not all your other Clients.

Michelle: It's a special inspection with special protocols, another type of service that you provide.

82. I would think there would be some problems with re-selling a report. Isn't it against your SOP to share the report with others?

Michelle: Generally, one doesn't want to re-sell reports.

Michael: But all one needs is the Sellers' approval for providing the report to others. And that's the whole premise of the "Move In Certified" program, so if the Sellers don't approve, then they are not candidates for the program.

Michelle: We even saw where the Texas Real Estate Commission said that as long as one had the permission of the Client to "sell" the report, then there was no problem.

Michael: As we said earlier, if it's only a small administrative fee, and if it helps sell the house faster, and probably for a better price, we don't think the Sellers will have an issue.

Michelle: Now if the Sellers paid, say, \$399 for the inspection, and the Inspector is re-selling the report for \$399, or even \$299, then there probably could be an issue, especially if the Inspector re-sells the report ten or twenty times.

83. What happens when the Buyer gets their own Inspector and it conflicts with the original?

Michelle: That's always a possibility simply because the inherent nature of real estate is that conditions can change at any time.

Michael: But there is no difference between the "Move In Certified" inspection and a regular pre-listing inspection as far as that type of risk goes. They both carry risks of being different from the Buyers' inspection, especially in states that have no licensing for home Inspectors nor standards for home inspections.

Michelle: But one of the things that might be different between the "Move In Certified" inspection and a regular prelisting inspection is that the "Move In Certified" inspection is looking just for major defects, major maintenance issues, and safety concerns. So the doorknob hole in the wall in the Buyers' inspection report probably won't be in the "Move In Certified" inspection report.

84. Is a prudent, intelligent Buyer going to buy an inspection report that the Seller bought and paid for?

Michelle: If the cost is low, then we believe the answer is "Yes." After all, spending, say, \$20 to see what the major issues were, and then to know that the major issues have been resolved, to us is the epitome of good faith on behalf of the Seller.

Michael: If I found Sellers with such a conscience, I'd certainly try to do business with them.

85. If the Sellers have lived there for a number of years and they don't disclose items today because they don't want to have to pay for anything that the Buyer's Inspector doesn't identify as needing repair, why would you think that the radical change would take effect because of someone inspecting before the home went on the market? For the most part, Sellers want to do as little as possible, not as much as possible.

Michael: Because of a market that has changed.

Michelle: A few years ago in many areas of the country, a Realtor in a large brokerage could sign listing papers in the morning, go back to the office that afternoon, and have the property sold by that evening, many times at a price above the listing price. Sellers not only did as little as possible, but they didn't even have to do anything. There were bidding wars throughout the nation on property.

Michael: But as Michelle's wise old grandmother used to sing, "The times they are a-changin."

Michelle: That was Bob Dylan, and the times already have a-changed!

Michael: In what appears to be a bad real estate market throughout the nation, Sellers and Realtors will likely try just about anything that could potentially help them sell their homes faster.

86. Do you see a problem with this report in that it is not your typical document and is considered a "living" document in that with it comes the presumption that it will be passed on and used from Seller to Buyer.

Michael: We see the report as a document that states the condition of a property at a specific point in time. That's true with all the different inspection types that Michelle and I offer, and has been ever since we've been in business. Our reports, though, also state the limitations and exclusions for the property inspection. No different from any inspection. **Michelle:** And keep in mind that here in California, there not only is a presumption that the inspection report will be passed on, California Courts have basically ruled that it can and should be passed on in the interest of full disclosure. So check with your attorneys to determine the situation for your service area.

87. How does the "Move In Certified" program differ from the Certified Pre-owned Listing program available at http://www.certifiedpreownedlisting.com/Common/index.aspx?

Michelle: We couldn't find any specific Inspectors listed anywhere who are using the CPOL program, but it looks like someone from either ASHI or NAHI set it up.

Michael: So the main difference would be that "Move In Certified" has the backing of InterNACHI, the world's largest Property Inspector trade association, with almost 10,000 members.

88. So where are you two going to spend most of your marketing?

Michelle: With Realtors.

Michael: We see them as the key to this program. Of course, for Property Inspectors who dislike working with Realtors, this might not be the program for them.

Michelle: We see Realtors as being an easy market, but it's always been that way for us. The program probably can work with other audiences, such as FSBO's perhaps, but we think those other audiences will be more difficult to penetrate.

Michael: You might be able to skip the Realtor altogether, though, and go straight to the Sellers. If you see a "For Sale" sign go up, contact the Sellers and explain the program to them. They'll probably contact their Realtors about the program, but if you don't try, you'll be right where you were anyway in not doing any inspections.

Michelle: And if you see that a property has been on the market for quite some time, contact the Sellers then, too, even if you already contacted them six months ago and got a no.

Michael: We're going to market some to FSBO's, and we'll do it on a monthly basis for three to six months to see what

kind of response we get. If the return on our time and financial investment pays off, then we'll continue doing it.

Michelle: If you keep in contact with them, perhaps you'll at least get to do a Buyer's inspection for them when their house does sell and they're ready to buy a new one.

89. Does "certifying" the home present a false premise of a "warranty" on the home?

Michelle: We don't think so.

Michael: As with any property inspection, we believe that the note concerning conditions at the time of the inspection, as well as what was not inspected, are imperative to running the program properly.

Michelle: And a re-inspection of repairs is something that will be included in our program here.

Michael: When Michelle and I do inspections, the Client signs an inspection agreement that has a paragraph stating that we are not providing a guaranty, or warranty, or insurance, or anything similar.

Michelle: Here it is:

"COMPANY's services and resulting report are not intended as a guaranty, warranty, or insurance policy."

COMPANY makes no express or implied guarantees or warranties regarding the adequacy, performance, or condition of any structure, item, or system, or the continued operation of any item or system, and hereby disclaims any implied guarantees or warranties."

Michael: We also have a paragraph that we use in the report concerning any presumption that we provide a warranty on any aspect of a property that we inspect.

Michelle: And here it is:

"Your property inspection report IS NOT a warranty on anything. After all, the manufacturers and home builders typically only provide a one-year warranty on things that are brand new. So how could I possibly provide a warranty on something that usually is many years old, that I looked at for only a few minutes, and for which I used the operator controls to simply turn it on and off? I don't. Additionally, your inspection report IS NOT insurance of any kind whatsoever because I am not licensed in the State of California as an insurance provider. Providing insurance without a State of California insurance license could result in severe civil and criminal penalties."

90. What do I need to do to be able to log into moveincertified.com? I do not see where I can create a login account, and my NACHI log-in does not work. I have a FetchReport log-in and that will not work.

Michelle: Fetch Report uses your InterNACHI username and password. "Move In Certified" does, too.

91. Can you tell me how I can upload a report and get a username and password so that interested Buyers can download the report?

Michael: Go to <u>fetchreport.com</u> and log in with your InterNACHI user name and password. When you upload the report you can then enter the name and email of the person you want to give report access to. They automatically get an email with a link. They don't need a password unless you password protect the file. Go to http://www.fetchreport.com/nachi and set up your account. Once you do that, you can log in to fetchreport.com with your e-mail and InterNACHI password. That will take you to the main page where you can upload reports. If you have any problems, call the InterNACHI IT director at 321-626-8840; he says that he will walk you through the process.

92. Is there anything else I need to do to make the upload/download system work?

Michelle: You will also have to download ghost script and then fetch report.

Michael: When you go to print your report, you'll print it to fetchreport PDF, which will show up as one of your printers. Just select fetchreport PDF as the printer. Then add the email addresses, a note if wanted, and it's gone!

Michelle: You can set reports as "public" for moveincertified.com with these simple steps:

- 1. Upload your Report to fetchreport.com.
- 2. Click your report title in the report list on fetchreport.com
- 3. Click "Make this report public for moveincertified.com" and follow the directions.
- 4. People will be able to download your report from moveincertified.com via http://www.moveincertified.com/findreport.

93. Will the system work if someone enters St., Street, St, st, etc.?

Michael: Yes. It will normalize all addresses according to standard Postal Service conventions, so "One South Main Street" will become "1 S MAIN ST". It does the same conversion on search queries, so a search for "1 S Main Street" or "1 South Main St" will return that report.

94. Will the reports be password-protected?

Michelle: Because of the inherent nature of the "Move In Certified" program, it shouldn't be necessary. You want people to see a yard sign, go to moveincertified.com, and download your report even if they don't talk to the owner or real estate agent. That should put your name in front of more people, and some of them might hire you for a Buyers' inspection on a different property.

Michael: Of course, you might have to put your contact information on the yard sign so they know who to call to get the report. Or you could put something on the sign like, "Download report at moveincertified.com."

95. What is the advantage of uploading a report through fetchreport.com versus sending it by e-mail?

Michelle: Many Internet service providers and personal email filters reject mail with large attachments because it looks like spam.

Michael: And it's easier for Clients to share the link to your report with others rather than re-sending the large file and going through the whole email spam problem again.

Michelle: Been there, done that!

Michael: Email attachments are so yesterday. People surf the Internet and click everywhere on links, so there's no reason they can't click on a link to your report.

Michelle: The times they are a'changin'!

Michael: We've already discussed Bob Dylan, haven't we?

Michelle: For those who are still using a dial-up connection, a large file through an email attachment is a painfully slow experience. Sometimes it will crash the Internet browser or the computer. Internet links are much, much faster, even large files through dial-up connections.

Michael: Some have found that having the report on a web site leads to fewer calls from Clients when they need a copy of the report for their insurance or mortgage companies.

96. Are there any plans to make a FetchReport seal for Inspectors to put on their website?

Michael: I'm sure the InterNACHI IT people are working on it if it's not already available.

97. How do we upload a report so other people have access to it?

Michelle: Go to fetchreport.com where your reports are stored. Click on a report link to make that report public and then following the directions.

98. Will we be able to give each report a different password?

Michael: Every person gets their own password. That way only people who are authorized to download a file can, but they only have to remember one password.

Michelle: For example, Inspector A and Inspector B both do inspections for different Clients who are represented by the same real estate agent. That one agent is able to log in and download both reports, from two different inspectors, with the same password.

99. I'd like to see the ability to assign a different password for each report per Client.

Michael: When you upload a report, it creates a unique password for each person you send it to. Those people must log in using their e-mail address and special password to see the report. And they can only see the reports that have been sent to them.

100. How do I verify a report has been downloaded?

Michelle: When you view the main page it shows how many "views" each file has had. That's the same as the number of downloads.

101. Is there an account maintenance link?

Michael: The system is built so that you shouldn't need such a feature.

102. Can I delete reports?

Michelle: Eventually, yes.

Michelle: In fact, by the time you read this, that feature will probably be available.

103. So is there a prepared statement for Sellers to sign that they provide to prospective Buyers and gives Inspectors a good reason to put a sign up for them?

Michelle: Michael and I are not going to put the sign up for them. If we provide yard signs, and we probably won't, we would provide the sign free of charge so that Sellers can put them up.

Michael: In working with our attorneys, we decided that there was a difference between who put the sign up. We didn't want to rely on the Sellers stating to us as simply one person that they had resolved all the major issues. So by simply providing the resources for them, but them doing the actual work, we saw that as them stating to everyone who sees the sign that they were the ones putting it up.

Michelle: Of course, the Realtor might put it up for his Client, but Realtors here have a fiduciary duty of care to their Clients, something that home Inspectors here do not. We believe it can make a difference as to who actually puts the sign up, so ask your attorney about the protocols involved in providing the sign and who actually stakes it in the yard.

104. Do you have a good form for the Sellers to sign listing any major issues that they have not corrected?

Michelle: No, because we are not going to allow them to use the name, yard sign, or logo until any and all major issues have been corrected.

Michael: Anything less results in merely a pre-listing inspection, not a "Move In Certified" inspection.

105. Where is the form letter the Seller must sign before you turn over the rights to put up the "Move In Certified" yard sign that you supply for them?

Michael: Michelle and I are putting that in our "Move In Certified" package that we will be presenting to Sellers.

Michelle: The package will explain the program and walk them through the process. Of course, we'll check up on them to ensure that they are making progress and not abusing the program. Any abuse results in termination of the program.

Michael: The form letter is a paragraph stating, "<u>SELLERS</u> certify that, to the best of their knowledge, all major defects, major maintenance issues, and safety concerns noted in the attached property inspection report have been resolved."

Michelle: We will also require that repairs be done by appropriate service personnel or, if done by the homeowner, inspected by appropriate service personnel. In some cases, appropriate service personnel might be Michael and me in the course of a re-inspection.

106. Can I just have the Seller sign this statement and trust them to do the required repairs later?

Michael: We wouldn't since that will not be an acceptable part of our protocols for running the program. We would consider that an abuse of the program.

Michelle: Sellers won't get the sign or logo use privileges until required repairs are completed.

107. "Move In Certified" sounds like a lawsuit waiting to happen, especially when the inspection is only good the day you do it. When it is still on the market two months later and the furnace has developed problems or the roof is starting to leak, then what?

Michael: That's why a Buyer's inspection is still needed.

Michelle: Our Sellers' certification will state that "Sellers, to the best of their knowledge, have resolved all major issues,

letting them off the hook if something develops after the date of the "Move In Certified" inspection.

Michael: At least, it lets them off the hook until the Buyer's inspection is done. Remember to tell your Sellers to advise the Buyers to get a home inspection of their own.

108. I'm still wondering about the letter that the Seller needs to sign in order to show that THEY are the ones doing the certification and not the Inspector.

Michael: We find it quite simple: "**SELLERS** certify that, to the best of our knowledge, all major defects, major maintenance issues, and safety concerns noted in the attached property inspection report have been resolved."

Michelle: Here's one that another Inspector sent us: "Move In Certified" homes have been pre-inspected by NACHI certified Inspectors and the SELLER confirms that there were no major systems in need of immediate repair or replacement and no known safety hazards as of the date this letter was signed."

Michael: I would modify that one, though: "Move In Certified" homes have been pre-inspected by [company name] and the SELLER confirms that major defects and safety concerns have been resolved as of the date of this letter."

109. Could Realtors put the actual "Move In Certified" logo on their MLS listing sheets?

Michelle: That's exactly what Michael and I are working on with a couple of small brokerages here.

Michael: We believe that taking the "Move In Certified" program to individual Realtors or small brokerages first can give us a good track record with the program before we go to the owners of the very large brokerages, like Century 21, Coldwell Banker, Prudential, and RE/MAX.

110. Can we alter or add to the "Move In Certified" logo to include our company name?

Michelle: You could, but then you're back to having your company associated with the actual move-in certification, and that's not what you want.

Michael: We're going to keep our distance from the first-line advertising of the "Move In Certified" program in that our name will not be on the yard sign or added to the logo. We're going to rely on good advertising of the pre-listing inspection and let the Sellers do the certifying.

111. I'm an InterNACHI member in Florida trying to apply the "Move In Certified" program to the two basic real estate contracts in use here, one developed by the Florida Association of Realtors (FAR) and the other by FAR in cooperation with the Florida Bar Association (BAR). In other words, Realtors and attorneys. Not an easy task. To that end, how should the provisions of Florida Real Estate Contracts guide home inspectors, and what conditions are the sellers of a property responsible for under the provisions of the two Florida Real Estate Contracts?

Michelle: We think we can help....

Michael: By advising you to move to a different state. Perhaps California?

Michelle: As I understand it, each version of the real estate contract (1) has similar provisions for Buyers to have the property inspected, and (2) identifies specific conditions which the Sellers would normally be responsible for. While there are slight differences in the language of each contract, in both versions the Sellers make certain warranties.

Michael: Generally, the Sellers warrant that the structural components, roof, and pool are sound, water tight, and free of water or structural damage, as are any water-side docks; that conveyed appliances are in working condition; that the electrical and mechanical systems are in working condition; and that the structure is free of infestation or damage by wood destroying pests and organisms. Then, in addition to all those statements, there are provisions that allow the Buyers at their expense to have the property inspected by qualified personnel.

Michelle: So while a property inspection can be conducted, one might ask, "To what end?" It appears that the provisions imply that the purpose of the property inspection is to help the Buyers identify conditions that are not in the warranted conditions. Therefore, although property inspectors are not party to the contract, the property inspection and the report probably should be guided by the contract.

Michael: Being knowledgeable about the purchase contract is something that Michelle and I have always kept up on. We have found it useful many times to discuss the property in terms of the standard California Association of Realtors

purchase contract.

Michelle: While some might think the primary purpose of a property inspection is to identify defects that would be corrected or addressed under the Sellers' warranty, we see it differently. It's almost if the "Move In Certified" program was designed specifically to meet the provisions of the Florida Real Estate Contracts.

Michael: For example, under the provisions of the Florida Real Estate Contract, it might make perfect sense to address the contract items separate from those issues that fall outside of the contract. Property inspectors in Florida, therefore, would seem to have an obligation when conducting pre-listing inspections to be aware of the conditions that are specifically addressed in the contract and separate those items from items that are outside of its provisions.

Michelle: If we were working in Florida, we might have two categories of major defects, one that the Sellers must address under the terms of the purchase contract, and one of other issues which the Sellers may or may not address.

Michael: We could make a similar comparison to some items here in California. The standard CAR purchase contract and/or legal statutes state that at least one working smoke alarm must be present in the building at close of escrow, that at least one working smoke alarm must be present on each floor of multi-story residences, that the water heater must have seismic straps installed, and that low-flow toilets are installed (in some jurisdictions). There's some other things, as well, such as a roof that's not leaking, plumbing that's not leaking, major systems like the heater and water heater are working, etc, but even then, the cost of ensuring those items is negotiable. The Sellers might decide not to repair them even though the purchase contract says that they should be working. But if the Buyer agrees, then there is still a sale.

Michelle: Everything else then is negotiable. So in our "Move In Certified" inspection report we might list smoke alarms, seismic straps, and low-flow toilets in one category of major defects; roof, plumbing, and major systems in another category; and any other issues such as major maintenance issues (wood roof here in San Diego) and safety hazards (no GFCIs in the kitchen and bathrooms) in yet another category.

Michael: If one then markets the "Move In Certified" inspection by specifically informing the target audience about the guidelines under which the "Move In Certified" inspection is conducted, we see an atmosphere where all parties should be able to not only co-exist and maintain their integrity, but one in which the "Move In Certified" program would thrive. **Michelle:** We still don't think it will be easy, but the new and unusual rarely is. But when things catch on, it can be extremely exciting, not to mention financially lucrative.

112. What about things that are typically excluded from property inspections, such as radon, mold, lead, and termites?

Michael: The "Move In Certified" program is not radically different from any property inspection, particularly a prelisting inspection.

Michelle: If it's not a problem with the other types of inspections, we don't see it as a problem with the "Move In Certified" inspection.

Michael: However, if you do, then put those specific disclaimers on the very first page of the property inspection report. For example, on the first page could be a picture of the property (Michelle and I use at least two pictures, the front and back of the main structure), the address, the date of the "Move In Certified" inspection, and any specific notes about the inspection (attic was not accessible due to excessive storage), and specific disclaimers about inspections that were not done, such as radon, mold, lead, air quality, water quality, soil quality and stabilization, water well, septic system, and termite infestation.

Michelle: Michael and I, however, will be withholding the "Move In Certified" name, yard sign, and logo unless those that are required by law are done (water well, septic system, and termite infestation) or are resolved to our satisfaction (attic was made accessible and we went back for a re-inspection).

113. What happens if the servers are down for fetchreport.com and moveincertified.com?

Michael: The fetchreport.com and moveincertified.com servers should be as dependable as the InterNACHI server is. **Michelle:** As with any part of the Internet, though, there could be periods when the servers are down, but even if they do occur outside of a natural disaster, downtime should be insignificant once beta testing is done.

114. Are there any plans to cooperate with other companies to offer incentives through the "Move In Certified" program.

Michelle: Yes, and that makes everything even more exciting. Fetchreport.com is slowly adding optional deals and gift certificates from the Fortune 500 companies in the <u>HeadStart Guides</u>. About \$1,200 worth of free stuff for your Clients is in the works. These will be free to your Clients; they simply click on them. They will be located at the bottom of each report uploaded to fetchreport.com.

Michael: So basically \$1,200 of value will be added to your home inspection. It cost you nothing, and it costs your Clients nothing. Perhaps eventually people who have no use for a home inspection will order inspections anyway from those members who upload to fetchreport.com just to get the \$1,200 worth of discounts.

Michelle: Those people who continue to attach reports to emails, or upload reports to their own web sites, will miss out on this great, great benefit.

115. Anything else to tell us?

Michelle: Yes. Remember that each prospective Buyer who downloads a copy of the "Move In Certified" report is a potential Client for you, as well.

Michael: It works like this: Prospective Clients sees the "Move In Certified" sign, goes to <u>www.moveincertified.com</u> and downloads the inspection report with your contact information on it, is impressed with the report, and when they find a home they need to have inspected....

Michelle: They call you!

