

CALIFORNIA REAL ESTATE INSPECTION ASSOCIATION CODE OF ETHICS

All Inspector Members (MCI, CCI and Candidates) of the California Real Estate Inspectors Association (CREIA) are committed to providing professional, high quality service to the public. This code will serve as a basis for ethical decision making in the conduct of professional inspection work. It sets forth principles and rules of conduct enforced by CREIA

I. Inspectors shall avoid conflicts of interest or activities that compromise, or appear to compromise, professional independence, objectivity, or inspection integrity. In particular, home inspectors shall not:

- a. Perform or offer to perform, for an additional fee, any repairs to a structure on which the inspector, or the inspector's company, has prepared a home inspection report in the past 12 months.
- b. Inspect for a fee any property in which the inspector, or the inspector's company, has any financial interest or any interest in the transfer of the property.
- c. Offer or deliver any compensation, inducement or reward to the owner of the inspected property, the broker, or agent, for the referral of any business to the inspector or the inspection company, or for inclusion on a list of recommended inspectors, preferred providers, or similar arrangements.
- d. Inspect for a fee, properties where the employment itself or the fee payable for the inspection is contingent upon the conclusions in the report, pre-established findings, or the close of escrow.
- e. Accept compensation, directly or indirectly, for recommending contractors, services, or products to inspection clients.

II. Inspectors shall act in good faith toward each client:

- a. Inspectors shall perform services and express opinions based on honest conviction and only within their areas of education, training, or experience.
- b. Inspectors shall be objective in reporting and not knowingly understate or overstate the significance of reported conditions.

- c. Inspectors shall not disclose personal information about the client, seller, tenant, or others involved in the inspection without the approval of the individual(s) affected.

- d. Inspectors shall not disclose inspection results to anyone other than the client or the client's agent without the approval of the client.

III. Inspectors shall avoid activities that harm the public, discredit themselves, or reduce public confidence in the profession:

- a. Inspectors will maintain professional relationships with clients, colleagues and others associated with the inspection without regard to race, color, national origin, gender, religion, age, sexual orientation, or disability.
- b. Inspector's advertising, marketing, and promotion of services or qualifications shall not be fraudulent, false, deceptive, or misleading.
- c. Inspectors shall abide by CREIA bylaws and guidelines in the use of the CREIA logo and other CREIA materials.
- d. Inspectors will respond professionally to client or CREIA concerns and complaints about an inspection.
- e. Inspectors shall report substantial and willful violations of this Code to CREIA.

IV. Consequences for breach of this Code¹

**All breaches of Code will consist of a written reprimand placed in candidate/member's file.

- a. Inappropriate language or behavior towards CREIA office staff:

First offense: Written reprimand placed in candidate's or the member's file.

Second offense: One (1) month "member not in good standing" status and loss of all privileges.

- b. Candidate member using CCI, MCI or CNCS logo:

First offense: Written reprimand placed in candidate's file.

Second offense: Six (6) month "member not in good standing" status and loss of all privileges.

- c. CCI member using MCI or CNCS logo:

First offense: Three (3) month "member not in good standing" status and loss of all privileges.

Second Offense: Six (6) month "member not in good standing" status and loss of all privileges.

- d. Candidate or member falsely claiming Chapter or CREIA State Leadership:

First offense: Three (3) month "member not in good standing" status and loss of all privileges.

Second Offense: Six (6) month "member not in good standing" status and loss of all privileges.

- e. Candidate or member's company or a company controlled/owned by same individual(s) performing repairs of properties for an additional fee within

one year of inspection date by same or related company:

First offense: Six (6) month "member not in good standing" status and loss of all privileges.

Second offense: Membership revoked, expulsion.

- f. Candidate or member guilty of false or misleading advertising:

First offense: Written reprimand placed in candidate's/member's file.

Second Offense: Six (6) month "member not in good standing" status and loss of all privileges.

- g. Candidate or member offering or soliciting incentives to the seller or agents involved in a real estate transaction:

First offense: Written reprimand placed in candidate's/member's file.

Second offense: Six (6) month "member not in good standing" status and loss of all privileges.

- h. Breaches of this Code that are not specifically covered by this Section IV shall be subject to consequences as determined by the CREIA Board. Such consequences shall be reasonable in light of and in comparison to those expressly stated herein.



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¹ All consequences that include expulsion from CREIA are subject to the due process requirements contained in Article 2 of the CREIA Bylaws.

CREIA CODE OF ETHICS - JUDICIAL PROCEDURES

PREAMBLE

The Ethics Committee is comprised of the Ethics Chairperson and the CREIA Executive Committee. It is the duty of each CREIA member to promptly and confidentially report, in writing, any evidence of another member engaging in unethical practices or other violations of this code of Ethics. The report shall cite the specific applicable principle of the Code of Ethics that has allegedly been violated. Members shall submit in writing all questions and disputes regarding interpretation of the Code of Ethics for investigation and resolution. This submittal shall cite specific principles of the Code of Ethics that are in question or dispute.

1. **PROFESSIONAL CONDUCT:** The professional conduct of the Members shall be governed by the CREIA Code of Ethics.
2. **PLEDGE:** Every member by joining or renewing membership in CREIA pledges to adhere to this Code of Ethics.
3. **CONDUCT SUBJECT TO DISCIPLINE:** A member may be subject to disciplinary sanctions, if the member has:
 - a. Been convicted by a court of competent jurisdiction of committing a felony while holding membership in CREIA.
 - b. Violated CREIA'S Code of Ethics, policies, rules, regulations or bylaws as determined by the Ethics Committee.
 - c. Had a civil judgment entered against them for negligence arising out of their performing a home inspection or related services.In the event of (a) or (c) above, the Member shall have an affirmative obligation to notify the Ethics Committee in writing in an expeditious manner about said occurrence.
4. **INITIATION OF COMPLAINTS:** Complaints raising disciplinary considerations against a member may be made by any interested party. All complaints must be submitted to the Ethics Committee in writing and supported by credible and relevant evidence.
5. **PRELIMINARY INVESTIGATION OF COMPLAINTS:** The Ethics Committee shall make an initial investigation into all written complaints. It shall collect credible and relevant evidence related to the complaint. It shall determine the precise nature of the conduct that is the subject of the complaint, whether there is any factual basis to support the alleged misconduct, and whether such conduct, if proven by a preponderance of the evidence, would constitute a violation of the Code of Ethics. The member against whom a written complaint has been made shall be informed that a preliminary investigation is being conducted and that he/she will be informed of its results. The complained against member may be asked to comment, orally or in writing, to the Committee. After the completion of the preliminary investigation, the Committee will determine whether the information obtained can reasonably be interpreted to constitute a violation of the Code of Ethics. A decision not to commence any disciplinary proceedings against a member shall be made known to the member in question and the complaining party.
6. **DUE PROCESS:** A decision to commence disciplinary proceedings will initiate the following mandatory requirements: written notice of all charges to the parties, 30 days advanced written notice of a hearing, and a hearing before the Ethics Committee where the parties will be provided a reasonable opportunity to present their respective charges and defenses. After considering the evidence, the Committee will make a decision by majority rule on whether the charges against the Member were proved by a preponderance of the evidence.
7. **CONFIDENTIALITY:** Confidentiality by the members of the Ethics Committee is to be strictly maintained during the judicial proceedings except to the extent reasonably necessary for a full review of the facts.
8. **DISCIPLINE:** The Ethics Committee may impose any of the following sanctions in the event the Committee finds that a Member violated the Code of Ethics after conducting a due process hearing.
 - a. Censure: a written record of censure shall be placed in the permanent record of the Member and a copy shall be sent by first class mail, return receipt requested. The returned receipt shall be placed in the member's permanent record.
 - b. Suspension: means that all membership rights and privileges are forfeited during the suspension period. Suspension shall be unconditional and for a specified period at the termination of which full membership rights and privileges will be reinstated. A written record of suspension shall be placed in the permanent record of the Member and a copy shall be sent by first class mail, return receipt requested. The returned receipt shall be placed in the member's permanent record.
 - c. Expulsion: means that all membership rights and privileges are revoked unconditionally. A written record of expulsion shall be placed in the permanent record of the Member and a copy shall be sent by first class mail, return receipt requested. The returned receipt shall be placed in the member's permanent record.

Upon written application, for good cause shown, and in the sole discretion of the Ethics Committee, an expelled individual may be reinstated to all rights and privileges as a Member in good standing.
9. **DECISION:** The decision of the Ethics Committee, following the hearing shall be subject to the ratification of the Board of Directors. Every decision, whether for acquittal, censure, suspension, or expulsion, shall be presented in writing and shall specify the charges made against the member, the facts presented in substantiation and/or refutation of the charges, the verdict rendered, and the penalty, if any, imposed. Following the review of the Board of Directors, notice of the decision shall be sent by return receipt requested mail to the member. Such notice shall also inform the member of the right of appeal. The findings of the Ethics Committee, as ratified by the Board of Directors, shall be final and binding on the affected parties. The decision, as ratified by the Board of Directors, may be made public in the sole discretion of the Ethics Committee.
10. **APPEAL:** The member may appeal the decision of the Ethics Committee and the Board of Directors by filing a statement of particulars with the Executive Director of CREIA, no later than sixty (60) days after the mailing decision accompanied by a request for a hearing before the Appeals Board.

11. **APPEALS BOARD:** The Appeals Board shall be composed of three (3) members to be selected by the current President of CREIA. This Board shall be comprised of Past-president, past-Board members and/or past-Ethics Committee members. All decisions shall be stayed pending appeal. All notice and hearing requirements shall be applicable to appeals to the Appeals Board. When feasible, the Appeals Board shall hold its hearing at the next Board of Directors meeting following the receipt of the notice to appeal. The decision of the Appeals Board following the appeal shall be final. The Appeals Board has the right, after review of the incident, to terminate the appeals process, if, in the opinion of the Appeals Board, further appeal is not warranted.
12. **HOLD HARMLESS:** Every member of the CREIA does waive the right to hold the CREIA, its director, officers, members and/or employees responsible for any damage, pecuniary or otherwise, which may result from discipline associated with disciplinary proceedings against said member.

INTERPRETATION AND APPLICATION OF CODE OF ETHICS

The preceding statements constitute the *Code of Ethics* of the California Real Estate Inspection Association. Problems involving questions of ethics will be solved within the broad boundaries as established in this *Code of Ethics*. Members found guilty of unethical conduct as described in the CREIA *Code of Ethics* are subject to penalties.



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