



## **Educator Guide**

### **Home Inspections: Inspections**

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#### **Objectives for this Lesson:**

- Explain the Importance of Home Inspections
- Explain How to Locate an Inspector
- Describe The Purpose of Common Inspections

#### **Resources for this Lesson:**

- Educator Guide: *Home Buying Process: Inspections*
- PowerPoint Presentation: *Home Buying Process: Inspections*
- Content Guide: *Home Buying Process PDF*
- Work Sheets:
  - *Home Inspection Report Sample*
  - *Home Inspection Questions Work Sheet*

#### **Client Packets Should Include:**

- PowerPoint Presentation Handout (3 slides per page): *Home Buying Process: Inspections*
- *Home Inspection Report Sample*

**Key Points****For Educator: What to Say****For Learner:**

**Slide #1:**  
**Home Buying Process:**  
 Inspections

Introduce yourself.

Participant Introductions.

**Slide #2:**  
**Objectives:**

- Explain the Importance of Home Inspections
- Explain How to Locate an Inspector
- Describe The Purpose of Common Inspections

**Explain:** By the end of this session, you will be able to explain the importance of home inspections, explain how to locate an inspector, and describe the purpose of common inspections done in the home buying process.

There are several types of inspections that can help you make a more informed decision when you are deciding to make an offer on a house.

These inspections are sometimes done before the sales contract is signed, and sometimes the sales contract is contingent upon the results of the home inspections. Regardless of which comes first, it is important to have home inspections done before you purchase a house.

**Question:** *What types of inspection might be important when buying a house?*

**Instructor Note:** Create at list of inspections listed by participants.

**Discussion:** Participants name inspections they feel are important to have done when buying a house. Instructor creates a list on the board.

**Explain:** The most common type of inspection is the

**Key Points****For Educator: What to Say****For Learner:****Slide #3:****Inspections**

- Home Inspection
- Termite Inspection
- Lead Inspection
- Radon Inspection
- Asbestos Inspection
- Pool Inspection

home inspection; however, this probably should not be your only inspection. There are termite, lead, radon, asbestos and pool inspections, all of which should be seriously considered, especially if you are looking at an older house.

Certain inspections sometimes are required by loan programs, while others are simply done at the request of the buyer.

**Slide #4:****Inspections**

- May be required by lender
- Determined by your type of mortgage and lender
- May be costly
- Can save money on repairs
- Can have health benefits

**Explain:** Inspections are sometimes required by lenders.

The type of mortgage you obtain and the lender you choose will determine which of these inspections are required. Some government programs require certain inspections, while conventional loans may not.

Although these inspections may be costly, they can save you money on repairs and benefit your family's health.

**Explain:** When you have decided on the inspections you

## Key Points

## For Educator: What to Say

## For Learner:

### Slide #5:

#### Locating an Inspector

- In NM, not all inspectors are required to have licenses. Anyone can offer home inspection service.
- American Society of Home Inspectors ([www.ashi.org](http://www.ashi.org))

#### Possible Recommendations:

- Real Estate Professional
- Family or Friends
- Recent Home Buyers
- Yellow Pages

want done, you need to find reliable and experienced inspectors.

In the state of New Mexico, it is important to know that for some inspections the inspector is NOT required to have a license. Anyone can offer home inspection services. This is why it is important to ask for references and talk to people who have worked recently with the inspector you are considering.

Consider using an inspector that is a member of the American Society of Home Inspectors. You can visit the American Society of Home Inspectors website at [www.ashi.org](http://www.ashi.org).

There are several ways you can locate an inspector. First, your real estate professional may provide a list of inspectors with whom he/she has worked in the past. Your family and friends also may know of local inspectors. Recent home buyers also can recommend the inspectors they used. Another option is to look in the Yellow Pages.

**Transition Statement:** Let's briefly discuss the six types of inspections listed earlier, beginning with a home inspection.

**Explain:** By giving the house a thorough inspection, the

**Key Points****For Educator: What to Say****For Learner:****Slide #6:****A Home Inspection**

## Major Components

- Mechanical Systems
- Structure
- Finishing Materials
- Roof

home inspector will provide information on the house you may not have noticed when you looked at the property.

During the inspection, the inspector will make sure all the major components are in good working condition. Components that will be inspected are the mechanical systems, structure, finishing materials and roof.

With the inspection report, the potential buyer will have a good idea of the type of potential repairs and costs that will be associated with the house purchase. If the buyer decides after the inspection that there are too many repairs or the repair costs are too high, he/she may choose not to buy the house or to renegotiate the contract.

**Activity:** This is a sample of a home inspection report. You can expect the home inspector to provide you a similar report on the property you are considering.

**Activity:** Distribute *Home Inspection Report Sample*

**Explain:** As a buyer, you should attend the home

## Key Points

## For Educator: What to Say

## For Learner:

### Slide #7:

#### A Home Inspection

Pay special attention to:

- Property and landscaping
- Sidewalks and driveways
- Roof, chimney and gutters
- Foundation and structural support systems
- Doors and windows
- Insulation and ventilation
- Heating, plumbing and air conditioning
- Electrical system
- Safety devices

inspection, take notes during the process, ask questions and make sure you understand how to read the report.

Some things to pay special attention to should include:

**Instructor Note:** Highlight the list on Slide #7.

**Activity:** This is a list of some typical problems or occurrences to look for in the major components and systems of the home.

**Explain:** If you would like to know more about the home inspection process (or any of the inspections we are discussing today), you can refer to the Home Buying Process Section on-line. You also can refer to the Maintenance Section if you want to know how several of these items can be replaced, fixed or maintained properly.

**Transition Statement:** Let's briefly discuss termite inspections.

**Activity:** Distribute the *Home Inspection Questions Work Sheet*

**Explain:** A termite inspection is a visual inspection of

**Key Points****For Educator: What to Say****For Learner:****Slide #8:****Termite Inspection**

A visual inspection of the entire interior and exterior areas of a house for evidence of wood-destroying insects and wood-destroying organisms.

- Performed by a state-licensed pesticide business.
- Provides reasonable assurance that the physical security of the property is not threatened or damaged by wood-destroying insects.
- Active infestations must be treated.

the entire interior and exterior areas of a house for evidence of wood-destroying insects and wood-destroying organisms.

A termite inspection is to be performed by a state-licensed pesticide business.

The purpose of the inspection is to provide reasonable assurance that the physical security of the property is not threatened or damaged by termites or other wood-destroying insects.

If either the pest control inspector or the appraiser indicates that termite damage is present, the active infestations must be treated. An inspection by an approved fee compliance inspector, a qualified home building inspector, or an engineer with expertise in structure-related matters must determine the degree of damage and recommend corrective action, if necessary.

Again, the buyer is responsible for the cost of the termite inspection, but the expense can save him money in the long run if the house has been damaged. As you may recall from the last lesson (Sales Contracts), the buyer can back out of a contract if the results of the inspections are not satisfactory.

**Transition Statement:** Next is lead inspection.

**Explain:** Lead is a highly toxic metal used for many

## Key Points

## For Educator: What to Say

## For Learner:

### Slide #9:

#### Lead Inspection

A lead inspection includes:

- An inventory of all painted surfaces (inside and outside).
- Selection and testing of each paint.
- A report listing the surfaces in the house containing lead-based paint.

It typically DOES NOT include painted furniture (unless permanent, i.e. kitchen/bathroom cabinets, built-in bookshelves, etc).

years in products found in and around our homes. Many houses and apartments built before 1978 have paint that contains lead (called lead-based paint).

Lead from paint chips and paint dust can pose serious health hazards. Lead-based paint may be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, including windows, doors, stairs, porches and fences. If you plan to buy and remodel a “fixer upper” house, lead can be a hazard during the demolition process.

If a house is found to have lead-based paint, the paint must be removed from the house. This can be very costly, and the expense is often left up to the buyer if he/she chooses to purchase the home.

A lead inspection includes:

**Instructor Note:** Highlight the points listed on Slide #9.

**Transition Statement:** The last inspection to discuss is radon.

**Explain:** Radon is an invisible, odorless, radioactive gas

**Key Points****For Educator: What to Say****For Learner:****Slide #10:****Radon Inspection**

- Radon is an invisible, odorless, radioactive gas that occurs naturally.
- For a Free Radon Kit:

New Mexico  
Indoor Radon Outreach Program  
(505) 287-1093  
<http://www.nmenv.state.nm.us/nmrcb/radon.html>.

that occurs naturally when uranium breaks down in soil, rock and water. Radon enters a house through cracks and other holes in the foundation and through water.

With proper equipment, radon is easy to detect. Even dangerously high levels can be removed from houses.

If you would like to receive a free radon kit and/or get a copy of the New Mexico Radon Survey, you can contact the New Mexico Indoor Radon Outreach Program at (505) 287-1093 or visit their website at <http://www.nmenv.state.nm.us/nmrcb/radon.html>.

**Transition Statement:** Now that you know a little more about inspections, let's assume the inspections meet your satisfaction and you choose to purchase the house.

**Explain:** If this is the case, you and the seller will agree

**Key Points****For Educator: What to Say****For Learner:**

<p><b>Slide #11:</b>  <b>Limit of Liability</b></p> <ul style="list-style-type: none"> <li>• States a dollar amount the seller agrees to pay to make repairs prior to the purchase.</li> <li>• If repairs exceed the cost of the liability cap: <ul style="list-style-type: none"> <li>○ The seller is not obligated to pay for repairs.</li> <li>○ The buyer is not obligated to purchase the house.</li> </ul> </li> </ul>	<p>on the limit of liability.</p> <p>A limit of liability states a dollar amount the seller agrees to pay to make repairs prior to the purchase. Your inspection report will state which repairs are needed and their costs.</p> <p>The seller will pay for repairs up to the liability cap. If the repairs needed exceed the cost of the liability cap, the seller is not obligated to pay for repairs.</p> <p>At the same time, the buyer is not obligated to purchase the house.</p> <p><b>Question:</b> <i>Do you have any questions about inspections or a limit of liability?</i></p>	<p>Participant questions.</p>
<p><b>Slide #12:</b>  <b>Summary</b></p> <ul style="list-style-type: none"> <li>○ Explained the Importance of Home Inspections</li> <li>○ Explained How to Locate an Inspector</li> <li>○ Described the Purpose of Common Inspections</li> </ul>	<p><b>Lesson Summary:</b>  Congratulations! You have completed <i>Inspections</i> in this Home Buying Process series of classes.</p> <p>Today we have explained the importance of home inspections, explained how to locate an inspector and described the purpose of common inspections.</p> <p><b>Question:</b> <i>Are there any questions?</i></p>	<p>Participant questions.</p>