

110TH CONGRESS  
1ST SESSION

# H. R. 4776

To establish programs to provide counseling to homebuyers regarding voluntary home inspections and to train counselors to provide such counseling, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2007

Ms. VELÁZQUEZ (for herself and Ms. CLARKE) introduced the following bill;  
which was referred to the Committee on Financial Services

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## A BILL

To establish programs to provide counseling to homebuyers regarding voluntary home inspections and to train counselors to provide such counseling, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Consumer Protection  
5       Home Inspection Counseling Act of 2007”.

1 **SEC. 2. PROGRAM TO TRAIN COUNSELORS TO PROVIDE**  
2 **CONSUMERS WITH VOLUNTARY HOME IN-**  
3 **SPECTION COUNSELING.**

4 (a) ESTABLISHMENT.—The Secretary of Housing  
5 and Urban Development (in this Act referred to as the  
6 “Secretary”) shall establish a comprehensive program to  
7 train staff of the Department, contractors, individuals,  
8 and entities that provide housing counseling under pro-  
9 grams authorized, certified, or funded under section 106  
10 of the Housing and Urban Development Act of 1968 (12  
11 U.S.C. 1701x) to also provide counseling to consumers on  
12 voluntary home inspection. The training program shall in-  
13 clude development of a training module to train counselors  
14 as well as counseling aids to be used by housing counselors  
15 and suitable for distribution to consumers. The training  
16 materials shall be written in plain language and shall be  
17 comprehensible to untrained consumers with or without  
18 ongoing assistance from housing counselors.

19 (b) CONTENT.—At a minimum, the home inspection  
20 counseling program established under this section, and the  
21 training module and counseling aids developed under this  
22 section, shall convey the following information:

23 (1) That a home inspection in connection with  
24 purchase of a home is voluntary, but not mandatory.

1           (2) That the Department of Housing and  
2           Urban Development recommends that homebuyers  
3           obtain a voluntary home inspection.

4           (3) That a home inspection is not required in  
5           the case of an FHA loan insured under title II of  
6           the National Housing Act (12 U.S.C. 1707 et seq.)  
7           and that a home inspection is not performed by  
8           FHA.

9           (4) That in most cases, no home inspection will  
10          be performed unless the homebuyer requests one.

11          (5) That it is the burden of the homebuyer to  
12          arrange for a home inspection if one is requested.

13          (6) That an appraisal is not equivalent to a  
14          home inspection.

15          (7) That the homebuyer may be able to make  
16          the purchase of a home contingent on the outcome  
17          of a home inspection if the seller agrees to such a  
18          contingency in the sales contract.

19          (8) That if the homebuyer chooses to obtain a  
20          home inspection, it is generally to the homebuyer's  
21          benefit to do so as early as possible.

22          (9) That the homebuyer should consider re-  
23          questing a voluntary home inspection.

24          (c) MANDATORY HUD FORM.—Individuals and enti-  
25          ties that provide housing counseling under programs au-

1 thorized, certified, or funded under section 106 of the  
2 Housing and Urban Development Act of 1968 (12 U.S.C.  
3 1701x) shall be instructed to present and explain in person  
4 at a counseling session, to each homebuyer who is receiv-  
5 ing such counseling, a copy of HUD Form 92564–CN,  
6 “For Your Protection: Get a Home Inspection”.

7 (d) ADDITIONAL GUIDANCE MATERIALS.—The Sec-  
8 retary shall develop, in consultation with national profes-  
9 sional home inspector associations, additional guidance  
10 materials to educate housing counselors on how to advise  
11 consumers how to locate, interview, and select a profes-  
12 sional home inspector, and on how consumers may inde-  
13 pendently locate, interview, and select a professional home  
14 inspector. The Secretary shall require that these materials  
15 be made available to counselors providing housing coun-  
16 seling under the programs referred to in subsection (c).

17 **SEC. 3. CERTIFICATION OF COUNSELORS.**

18 (a) PROTOCOL.—The Secretary shall, in the discre-  
19 tion of the Secretary, develop a new independent protocol,  
20 or amend existing protocols, to certify that housing coun-  
21 selors whose activities are authorized, certified, or funded  
22 in whole or in part under section 106 of the Housing and  
23 Urban Development Act of 1968 (12 U.S.C. 1701x) have  
24 successfully completed training using the voluntary home

1 inspection training module and counseling aids established  
2 and developed pursuant to section 2 of this Act.

3 (b) STANDARDS FOR MATERIALS AND FORMS.—The  
4 Secretary shall establish standards and requirements for  
5 voluntary home inspection counseling materials and forms  
6 to be used, as appropriate, by organizations providing vol-  
7 untary home inspection counseling. Such standards shall  
8 conform with the content requirements under section 2(b)  
9 of this Act.

10 **SEC. 4. HOME INSPECTION COUNSELING REQUIREMENTS.**

11 Each person providing counseling for a housing coun-  
12 seling entity authorized, certified, or funded in whole or  
13 in part under section 106 of the Housing and Urban De-  
14 velopment Act of 1968 (12 U.S.C. 1701x) shall be trained  
15 through the voluntary home inspection training module es-  
16 tablished pursuant to section 2(a) of this Act and shall dis-  
17 tribute the counseling aids to be developed under such sec-  
18 tion. Any homeownership counseling program required  
19 under, or provided in connection with, any program ad-  
20 ministered by the Department of Housing and Urban De-  
21 velopment shall be provided only by organizations or coun-  
22 selors certified by the Secretary pursuant to this Act as  
23 competent to provide voluntary home inspection coun-  
24 seling. The Secretary may withhold, withdraw, or suspend  
25 housing counseling certifications for any housing coun-

1 selector or counseling entity that fails to meet the require-  
2 ments of this Act.

3 **SEC. 5. PUBLIC OUTREACH.**

4 (a) IN GENERAL.—The Secretary shall take such ac-  
5 tions as may be necessary to make the existence of the  
6 training module and counseling aids developed under sec-  
7 tion 2 known to State and local governments, nonprofit  
8 organizations, consumer organizations, and the general  
9 public. The Secretary shall further make the materials  
10 generally available for electronic access, including the  
11 World Wide Web, and via other means. Such public out-  
12 reach activities shall include—

13 (1) the development of a one page, plain-lan-  
14 guage statement in conspicuous 16-point type or  
15 larger, rendered at least in both English and Span-  
16 ish versions;

17 (2) the development and distribution of national  
18 multimedia public service announcements to be made  
19 available to print, broadcast, electronic, and web-  
20 based media outlets;

21 (3) the development of an advisory statement to  
22 mortgage lenders advising them to provide notice of  
23 the availability of home inspection counseling at time  
24 of mortgage application; and

1           (4) the establishment, operation, and publica-  
2           tion by the Department of Housing and Urban De-  
3           velopment of a toll-free telephone number to receive  
4           requests for information on home inspection coun-  
5           seling.

6           (b) TARGETS.—The public outreach carried out  
7           under this section shall be designed to reach real estate  
8           professionals, State and local housing counseling authori-  
9           ties, nonprofit housing organizations, employers who en-  
10          gage in employer-assisted housing programs, community-  
11          based organizations with expertise in the field of housing  
12          counseling, and high school guidance counselors.

13          (c) EMPHASIS ON VULNERABLE POPULATIONS.—In  
14          carrying out public outreach under this section, the Sec-  
15          retary shall place special emphasis on reaching vulnerable  
16          populations, including first-time and low-income home-  
17          buyers.

18       **SEC. 6. REPORT.**

19          Not later than the expiration of the 12-month period  
20          beginning upon the date of the enactment of this Act, the  
21          Secretary shall submit a report to the Congress describing  
22          the actions that have been undertaken to comply with this  
23          Act, disclosing the actions that are required under this  
24          Act but have not at such time been addressed, assessing  
25          the results of this Act that have been achieved at such

- 1 time, identifying areas for improvement in the implemen-
- 2 tation of the Act, and making recommendations to en-
- 3 hance implementation of this Act.

