



Professional Property Inspections

# NEWSLETTER



## HOME INSPECTION REFERRAL FEES TO REAL ESTATE AGENTS

Should a home inspector pay a commission to a Real Estate Agent for Home Inspection referrals? In a word, **NO**. In 2006, New York State instituted a Home Inspection License Law which includes a “Code of Ethics”, and states that Home Inspectors may not pay real estate agents (or anybody else for that matter) for Home Inspection referrals. This is to avoid a potential conflict of interest and harm to the client. Before 2006, and before the license law came into effect, it was the “Wild West” where Home Inspectors regularly paid real estate agents for their referrals. But now it’s illegal!

So, if you are a Real Estate Agent, our recommendation to you is this: if a Home Inspector offers to pay you a commission for home inspection referrals, just say no. **IT’S ILLEGAL**.

Also, the reverse is true. It’s illegal for real estate agents to pay a home inspector. This is also to avoid a potential conflict of interest and harm to the client.

Of course, the Code of Ethics contains many more rules and regulations that I am not mentioning here. If you are interested, you can Google “New York State home inspection code of ethics”.

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