

# ON THE LEVEL

A Service of the  
State of Alabama  
Home Builders  
Licensure Board  
FALL 2020



HOME BUILDERS  
LICENSURE BOARD  
[www.hblb.alabama.gov](http://www.hblb.alabama.gov)



## Board Promotes Industry Professionalism Through Continuing Education

By Darlene Burt

*"The mission of the State of Alabama, Home Builders Licensure Board is to provide consumer protection by safeguarding the public health, safety and welfare through the regulation of the residential construction and remodeling industries while promoting industry professionalism and homebuilding and remodeling standards."  
Adopted April 24, 2002*

In keeping with the Board's mission and efforts to promote industry professionalism, beginning January 1, 2022, the Board will begin requiring licensees to complete six hours of continuing education (CE) credits annually. The new regulations for continuing education were effective, October 15, 2020.

A few things to know:

1. All licensees and designated qualifying representatives shall obtain six hours of continuing education each year, two of which will be Alabama specific in the following areas or subject matter: contracts, business organizations and law, financial management, customer relations, State of Alabama Home Builders License Law, risk management and how to avoid violations.
2. Courses will be offered classroom style as well as online.
3. Licensees who are already required to get continuing education for similar professions may be able to fulfill some of this requirement through the same courses.
4. Education courses required as part of a disciplinary action will not count toward continuing education hours.
5. Licensees seeking credit for non-traditional CE must submit the written

request and any documentation to the Board with the required fee for review and approval within 30 days of completion of the course for which approval is sought.

6. All active licensees age 60 and over, beginning October 1 of each renewal period will be exempt.
7. Inactive licensees, including building officials are exempt, but they will have to complete continuing education prior to becoming active.
8. The regulations allow for exemptions for a preceding renewal year for licensees who are United States Armed Forces reservists or serve in the national guard or air guard, activated and/or deployed over ninety consecutive days, and the regulations provide an exemption for licensees who qualify via the Military Family Jobs Opportunity Act.

In the coming months, the Board will be approving continuing education providers, instructors and course curriculum. As they are approved, the list of approved classes, providers, and instructors will be maintained on the Board's website at [www.hblb.alabama.gov/continuing-education](http://www.hblb.alabama.gov/continuing-education). ▲

# The Builder Watch Hotline: You Are Our Eyes and Ears

By Darlene Burt

**T**he Board appreciates your help in accomplishing our mission by reporting violations of the Home Builder Licensure Law. A residential home builders license is required when performing residential construction work on a residence when the cost of the undertaking exceeds \$10,000.00. The Board issues unlimited and limited licenses. There is no limit to the work than can be performed by licensees holding an unlimited license. A licensee holding a limited license can only perform a single trade that does not affect the structural integrity of the residence. This law provides that a residential roofers license is required when performing roofing work on a residence when the cost of the undertaking exceeds \$2,500.00. A licensee holding a residential roofers can only perform roofing work.

When you observe someone working without a license or working beyond the scope of their license, please call the builder watch hotline at (800) 304-0853. You will remain anonymous. Your information will promptly be given to an investigator who will perform a thorough investigation. If the Board acquires evidence that someone has engaged in residential home building without a license, the Board can fine the violator up to \$5,000 or have the violator criminally prosecuted. If a licensee is found to have violated Home Builder Licensure Law, the Board can suspend or revoke the license and can also fine the violator up to \$5,000. Again, the Board appreciates your help in accomplishing our mission to protect consumers. ▲



**Builder Watch**

**Hotline**

**1-800-304-0853**

Protect Alabama Consumers and Your Industry.

Report Unlicensed Builder Activity!

(All calls will remain anonymous)

## Unlicensed Roofing is Subject to Discipline

By Darlene Burt

**T**he Home Builders Licensure Board began issuing licenses to residential roofers on January 1, 2019. A residential roofer is defined as a person who installs products or repairs surfaces on the external upper covering of a residence or structure that seals, waterproofs, or weatherproofs the residence or structure, when the cost of the undertaking exceeds \$2,500.00. A residential roofers license or an unlimited residential home builders license is required to perform residential roofing. Residential roofing cannot be performed with a limited license. A licensed residential roofer can only perform residential roofing and will be disciplined by the Board if caught working beyond the scope of the residential roofers license. A residential roofers license plus a limited license does not equal an unlimited license. Therefore,

a licensee holding a residential roofing license and limited license cannot use the two licenses to perform multiple trades on a single residence.

The Board has provided sufficient notification regarding the residential roofers license requirement and has begun pursuing unlicensed roofers, which means investigating and fining unlicensed roofers. If necessary, the Board will also file criminal complaints against unlicensed roofers. In areas that require permits for roofing, building officials will refuse to issue building permits to unlicensed roofers and will notify the Board who will actively pursue unlicensed roofing activity. Unlicensed roofing activity can be reported to the Board by calling the Builder Watch Hotline at (800) 304-0853. ▲



All current disciplinary actions and unlicensed builder prosecutions can be found on the HBLB website at [www.hblb.alabama.gov/disciplinary-actions/](http://www.hblb.alabama.gov/disciplinary-actions/). All actions remain posted for a period of ninety (90) days. Inquiries pertaining to disciplinary actions and unlicensed builder prosecutions must be submitted in writing to the Home Builders Licensure Board, Legal Division, P O Box 303605, Montgomery, Alabama 36130-3605.

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# Don't Flip Without a License

By J. Seth Gowan, Deputy Attorney General

**T**hey make it look easy on television. The sales pitch given at traveling seminars is all about how it is the perfect way to make money. It is “flipping” of homes. The notion of flipping, or speculative remodeling, when done correctly and legally can be a good business model when that can provide both a high yield return to an investor’s financial portfolio and quality renovated residences for potential homebuyers. Additionally, this adds to the long-term stability, property values and quality of life in neighborhoods and communities. The key is when it is done correctly. And correctly starts with having the proper license or hiring someone with a home builders license to handle the speculative remodel.

Take for instance the thirty-minute episode on HGTV, the host never mentions the license. But, if a person is going to engage in speculative remodeling, he or she needs to have an unlimited home builders license. Why? It’s simple. Let’s go back to the model. An individual identifies a house for sale. Assessments are made as to what the house is worth in its current state, what needs to be done to maximize resale value, and how much can be reasonably invested to accomplish that goal. And remember, the individual wants to execute all of this in as short of a time frame as possible. Because of the high-stake factors of time and money, the “flipper,” decides to act as his or her own contractor in order to save money.

**“Home builders may pose significant harm to the public when unqualified, incompetent, or dishonest home builders and remodelers provide inadequate, unsafe, or inferior building services. The legislature finds it necessary to regulate the residential home building and home improvement industries.” (Acts 1992, No. 92-608, p. 1282, § 1; Acts 2019, No. 19-482, § 1)**

The Home Builders Licensure Law and Regulations do provide for a “Homeowner Exemption,” allowing people to do work on their own home. However, offering the home for sale within one year of substantial completion is presumptive evidence of essentially unlicensed “flipping” and home-building. People flipping houses will often get a Homeowner’s Permit and claim the exemption via an affidavit with the permit application. Then they offer it for sale as soon as the renovations are complete. At that point, they have perpetrated a fraud upon the municipal building department and have engaged in unlicensed home building.

A person who flips and is not properly licensed, more than likely is going to break the law at some point, whether knowingly or not. Under Alabama law, if the cost of the undertaking exceeds \$10,000 (labor, material, overhead and profits), then the flipper must be licensed. Even the most basic cosmetic work on a house will exceed \$10,000 quickly.

The knowledge and skill level of flippers varies widely, and because of that, the housing market can become diluted with poorly and unsafely renovated homes. In a buyer beware market, the consequences can be devastating because it might be months or years later before someone realizes their dream home is riddled with potholes of poor workmanship. They are left with a home filled with health and safety issues. Unchecked, the housing market is hit with a dangerous loss of consumer confidence.

The Home Builders Licensure Law was enacted to ensure that consumers are protected from poor workmanship that could compromise the various systems of a home and endanger the health, safety, and welfare of the occupant.

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This law, just like those regulating the plumbing, HVAC, electrical, and other related professions, focus on ensuring that the individual or business is competent and qualified before undertaking the task of improvement, remodeling or repair to a residential structure.

In conclusion, flipping and cutting corners to save money will eventually get the flipper in trouble and cause harm to consumers and the public. If you decide to get into speculative remodeling, get an unlimited Home Builders License or hire a licensed Home Builder to do the work.

Tips when considering buying a remodeled existing house:

Ask the seller about all the work done and who did it?  
Ask to see the license for all professional trades involved. Home Builder, Electrical, Plumbing, HVAC. If in a jurisdiction that does permits and inspections, get all those records from the seller or the local building department. Hire an independent third-party inspector. Report possible unlicensed flippers to the Home Builders Licensure Board. ▲

# Compliance Corner

By Darlene Burt

"Neither a borrower nor a lender be, for loan oft loses both itself and friend, and borrowing dulls the edge of husbandry." ~ William Shakespeare

The residential home builders industry is regulated by the Home Builders Licensure Board to protect the public from unqualified, incompetent, or dishonest home builders and remodelers. The goal of obtaining a residential home builders license can't be met by everyone because everyone can't meet the requirements. Those who can't, should not have the privileges of those who can. One of those privileges is pulling a permit to perform residential work that requires a license.

Building officials refuse to issue a permit to someone who isn't licensed and report the unlicensed builder activity to the Board. The Board commends licensees who also report unlicensed builder activity. Unfortunately, not all licensees can be commended. Some have been disciplined for loaning their license to unlicensed builders or allowing someone to work under their license. The only one that can work under a licensee's license is the licensee. Of course, the licensee is paid by the unlicensed builder for the use of the license. Is it worth it?

The Board prohibits license loaning and will fine the licensee a minimum of \$5,000.00. If being fined \$5,000.00 isn't a big enough deterrent, consider losing the license. The following is true. The names have been changed to protect the "not so innocent". Joe UB contracted with a homeowner to perform work that required a residential home builders license. Joe knew the building official

wouldn't issue him a permit, so he paid Mike Licensee to pull the permit. The homeowner wasn't pleased with Joe's work, so she sued him. During the lawsuit she discovered that Mike pulled the permit, so she sued him too. As you know, if a licensee is sued by a homeowner and the homeowner prevails, the Board can make payment from the Recovery Fund and revoke the license until the Recovery Fund is repaid with interest. That's exactly what happened to Mike. Is it worth it?

Engaging in the business of residential home building without a license is a Class A Misdemeanor. Lending a license to an unlicensed builder is aiding and abetting someone in the commission of a crime. It is only a misdemeanor. But sometimes unlicensed builders commit felonies while acting as an unlicensed builder. If so, the license loaner has aided and abetted in the commission of a felony and can be charged along with the unlicensed builder. I ask again. Is it worth it?

Consumers trust licensed professional to perform quality, competent, and honest work. Don't betray their trust. Doing so will result in, getting sued for the unlicensed builders poor work, risk paying a hefty fine, losing your license, and criminal prosecution by loaning your license to an unlicensed builder. ▲



## LAUREN RAZICK ASSISTANT ATTORNEY GENERAL

The staff with the Home Builders Licensure Board is growing. We welcomed Lauren Kloess Razick as an Assistant Attorney General and attorney for the Board in February 2020 after several years in private practice. Lauren is a native of Montgomery and is a third-generation attorney. Lauren attended undergrad at the University of Alabama and received her J.D. from Thomas Goode Jones School of Law. During and immediately following law school, Lauren worked for a small plaintiff's firm. From there, she worked as an attorney with Beasley Allen for four years. While at Beasley, she worked on thousands of cases involving the link between Johnson & Johnson's talcum powder products and ovarian cancer.

Lauren has always had an affinity for cooking and reading and, like any true southerner, loves watching SEC collegiate sports, especially University of Alabama athletics. She is married to Levi Razick, and they welcomed their first child, Hardy, in January 2018 and have another one on the way in early 2021. In her spare time, she can usually be found at the beach or lake, chasing after a rambunctious toddler, or yelling "Roll Tide!" at Alabama football games in the fall. Lauren and her family are members of Frazer United Methodist Church.

## More New Faces Around the Office

During the past year, the Home Builders Licensure Board staff has increased to meet the demands of the implementation of the roofing licensing and upcoming continuing education requirements. We are pleased to welcome Natazia Flowers, a clerk primarily supporting licensure and compliance divisions and other tasks in the office as needed, Rebecca Crum, ASA II working as the receptionist, J. Blake Godsey, Investigator, Laura Evans, Investigator, Sarah Anderson, State Professional Trainee, serving as our Public Information Specialist, Don Marshall, Investigator, Sheila Heredia, Account Clerk, Administrative Division, Kelley Davis, ASA III, Compliance and Licensure Division.