

Governor's Office of Management and Budget

Alexis Sturm

Director



Regulatory Sunset Act Study of

The Home Inspector License Act.

May 8, 2026

**To the Honorable JB Pritzker
Governor of Illinois**

Governor Pritzker:

As required by Section 5 of the Regulatory Sunset Act (5 ILCS 80/1 et seq.), GOMB facilitated a study with the Illinois Department of Financial and Professional Regulation (IDFPR), the agency responsible for oversight of the Home Inspector License Act (225 ILCS 441) (the Act), which is scheduled to be repealed on January 1, 2027. This study provides justification for the recommendation to continue this Act.

GOMB's examination of this Act was conducted considering the factors set out in Sections 6 and 7 of the Regulatory Sunset Act. The following report outlines the work of GOMB's study and details the criteria and data utilized to arrive at the above recommendation.

Respectfully,

Alexis Sturm
Director
Governor's Office of Management and Budget

GOMB Regulatory Sunset Act Report: Home Inspector License Act

The State of Illinois, acting through the Illinois Department of Financial and Professional Regulation (IDFPR), licenses the profession of Home Inspectors and Home Inspector entities pursuant to the Act. Home Inspector Managers are designated by an entity and oversee the management and operations of the home inspection business. Home inspectors are an integral part of the home buying and selling process as they appropriately determine the condition of the home and identify areas of deficiency.

1. License Count and Fee Structure (5 ILCS 80/6(1) and (3))

As of July 31, 2025, IDFPR states that there are 1,450 active licenses for Home Inspectors in Illinois. See the following table for the number of licenses issued under this act by IDFPR in the fiscal years indicated:

License, Credential, Certification Type*	FY21	FY22	FY23	FY24	FY25
450-Home Inspector	291	248	143	140	118
451-Home Inspector Entity	70	23	16	16	12
452-Home Inspector Education Provider	2	2	1	3	1
453-Home Inspector Pre-License Course	1	2	1	2	7
454-Home Inspector Continuing Education Course	12	36	16	33	44

Home Inspectors have the following licensure fee structure:

License, Credential, or Certification Type	Fee Amount	Online Payment Option
450-Home Inspector		
Application Fee	\$250	<input checked="" type="checkbox"/>
Renewal Fee	\$400	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$50	<input checked="" type="checkbox"/>
451-Home Inspector Entity		
Application Fee	\$250	<input checked="" type="checkbox"/>
Renewal Fee	\$400	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$50	<input checked="" type="checkbox"/>
452-Home Inspector Education Provider		
Application Fee	\$1000	<input checked="" type="checkbox"/>

Renewal Fee	\$1000	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$50	<input checked="" type="checkbox"/>
453-Home Inspector Pre-License Course		
Application Fee	\$150	<input checked="" type="checkbox"/>
Renewal Fee	\$125	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$50	<input checked="" type="checkbox"/>
454-Home Inspector Continuing Education Course		
Application Fee	\$100	<input checked="" type="checkbox"/>
Renewal Fee	\$75	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$50	<input checked="" type="checkbox"/>

2. Obtaining Certification as a Home Inspector in Illinois (5 ILCS 80/6(11))

Applicants for a home inspector license must submit specific application forms that collect and verify requirements for licensure including proof of completion of the required Pre-License Education with passage of “field inspection events,” proof of passing the Illinois Licensure Exam, and payment of the licensure fee. Applicants holding licenses in other jurisdictions may apply via an Endorsement process that requires verification of certified license history, proof of passing an Illinois specific exam, and payment of the licensure fee.

The profession requires a high school diploma or equivalency, 60 hours of pre-license, five field events, a final field study, and a licensure examination. The examination is offered in many locations and can be done remotely.

Detailed information about the requirements is included in the Administrative Code (Title 68, Part 1410). Detailed information about the exam is posted on the exam vendor’s page at <https://test-takers.psiexams.com/ilrep/test/ERGLDDXG>.

3. Equity Concerns (5 ILCS 80/6(10), (12) and (13))

Prior to 2025, IDFPR did not collect applicant demographic information. Applicants can now voluntarily provide this data pursuant to 20 ILCS 2105/2105-368. The law permits reasonable accommodations for

language, including use of a word-for-word language dictionary and additional time to complete the exam. A criminal conviction will not automatically bar an applicant from this profession. IDFPR states that very few complete applications are denied.

4. Agency recommendations to change the statute (5 ILCS 80/6(4) and (9))

After the 2022 Regulatory Sunset Act reporting, IDFPR added endorsement for out of state applicants. Since then, there have been technical cleanups and changes related to consistency with other Real Estate Acts. All substantive changes to pre-license education and updates to standards of practice were made through Administrative Rules.

5. Agency efforts to comply with enabling laws (5 ILCS 80/6(3), (4) and (5))

At the time of this study, GOMB is not aware of any compliance issues by IDFPR related to the provisions of the Act. The IDFPR budget impacts staffing levels. More personnel are needed to reduce the backlog of cases related to licensure and oversight of the Act.

6. Recent bills introduced by the General Assembly (5 ILCS 80/6(9))

The following legislation related to this Act has been enacted in the past five years:

102-20, eff. 1-1-22;

P.A. 102-0020 revised multiple sections to update definitions, licensing procedures, and regulatory requirements, and added a requirement that all home inspector applicants and licensees maintain a minimum \$100,000 general liability insurance coverage.

102-970, eff. 5-27-22;

P.A. 102-0970 updated definitions and licensing provisions, made administrative and disciplinary clarifications, and added a new illegal discrimination provision that requires the Department to suspend or revoke a license when a licensee is adjudicated because they illegally discriminated in the course of their work. It also modified fee and fund deposit provisions, consolidating funds into the Division of Real Estate General Fund.

102-1100, eff. 1-1-23;

P.A. 102-1100 updated language used for demographic information collected by examinees regarding education, changing “high school equivalency certificate” to “State of Illinois High School Diploma.”

103-236, eff. ~~1-1-24~~ 1-1-24;

P.A. 103-236 updated language used in applications, procedures for license renewal, grounds for disciplinary action, illegal discrimination, investigations, and the administration of oaths.

103-616, eff. 7-1-24.

P.A. 103-616 removed out of date language in Sections 15-5 and 25-5 regarding civil penalties and division of the Real Estate General Fund.

7. Stakeholder Feedback and Protocols for Licensure (5 ILCS 80/6(5), (6), (7), (8), (10) and 5 ILCS 80/7)

IDFPR reports that feedback is solicited through industry events, complaints, inquiries, or legislators. When proposing Act or Rule changes, the Department reaches out to industry stakeholders for their feedback. Additionally, IDFPR investigates complaints and analyzes information to determine if the Act needs to be modernized to reflect the current business practices of the industry.

8. Public Outreach (5 ILCS 80/6(5), (6), (7) and (8) and 5 ILCS 80/7)

IDFPR relies on the public's comments to assist in creating or modifying Administrative Rules for licensure under this Act. The stakeholders have first-hand experience with the Act and its rules, which often results in suggestions that improve efficiency and effectiveness.

Before Administrative Rules move through the JCAR process, the Department works with the industry to obtain their feedback on draft Administrative Rule to anticipate concerns that may be raised during the JCAR comment period.

9. Industry Standards (5 ILCS 80/6(11) and (12))

IDFPR states that Illinois standards for testing and licensure are established in both Statute and Rule. There is no third party responsible for the governance or oversight for this regulated profession.

The Department partners with a third-party exam vendor, PSI, that is responsible for collecting pre-license transcripts to qualify for scheduling, scheduling, conducting, and reporting exams for the profession. PSI has no oversight or industry governance. PSI is a global entity that provides locations across the United State to accommodate candidates from any U.S. jurisdiction. Detailed information about the exam and vendor may be found on the PSI Home Inspector Exam page (<https://www.psiexams.com>).

The minimum national standards for home inspections in the U.S. can be found here: Home Inspection Standards of Practice - InterNACHI® <https://www.nachi.org/SOP.htm> and here Standard of Practice - American Society of Home Inspectors, Inc. <https://www.homeinspector.org/Resources/Standard-of-Practice/>

As stated in Section 7, Public Act 102-20 (effective 1/1/2022) and Public Act 102-970 (effective 5/27/2022) amended the Home Inspector License Act (225 ILCS 441) which led to a comprehensive update to Administrative Rules, 68 IAC 1410, effective in February of 2024. These updates incorporated changes to industry standards and modernized Illinois' language used in practice of the profession. Specifically, standards of practice were updated to national industry standards regarding electronic reports, the pre-license mock report exam, updated technological formats for continuing education, and current topics for elective courses such as smart homes and green initiatives.

Some states require individuals to carry general liability insurance coverage as well as Errors and Omissions insurance. Please see State-by-State Home Inspector Licensing Requirements for 2025 for more guidance. <https://www.spectora.com/r/home-inspector-license-requirements-map/#illinois> 27

The Act mitigates harm and risk within the industry by requiring educational standards to become licensed in the profession, continuing education to renew the license, disciplinary actions against licensees seeking to do harm, and enforcing civil penalties on those practicing in the profession without a license. The Act and its requirements help to create better public trust within the industry.

10. Public Complaint Resolution (5 ILCS 80/6(3), (7), (8) and (10) and 5 ILCS 80/7)

IDFPR has received 162 complaints from the public regarding regulated Home Inspectors over the past five fiscal years. IDFPR accepts anonymous complaints, complaints from regulators, consumers, and the public at large regarding licensed and unlicensed individuals.

Responsibility for resolving complaints varies within IDFPR's regulation of the Act. When a complaint is received, it is reviewed and sent to IDFPR's investigations unit. Once the investigation is completed, the case is closed or referred for prosecution, which can result in public or non-public discipline. The complaint process can be achieved through an informal conference, an agreed order, a formal hearing, or a Director's order.

The average time for resolution of a complaint is six months to two years depending on the complexity. The table below outlines the number of complaints received by the Department in the last five years.

Complaints	FY20	FY21	FY22	FY23	FY24
450-Home Inspector	31	41	29	36	25
451-Home Inspector Entity	7	4	3	3	1
452-Home Inspector Education Provider	1	0	0	0	0

The Department receives complaints frequently but generally does not get involved in contractual disputes unless there is a violation of the Act. The primary goal is consumer protection. Fraud and risk to the public does get reported. The Department's role in regulating the profession is to ensure that licensees are following the law and disciplined when found to be in violation of the Act.

11. Disciplinary Action (5 ILCS 80/6(14))

IDFPR maintains an established disciplinary process with varied levels of agency supervision depending on the circumstances of the infraction. After a hearing or as part of a default or negotiation between a licensee and the Department, disciplinary action may result. This may include reprimand, time-specific probation with conditions, suspension, or revocation. Discipline may also result in a fine.

12. Conclusion

The Act governs the licensure of Home Inspectors and Home Inspector entities in the State of Illinois. The regulation of their activities is critical to the welfare and safety of the millions of residents of Illinois who purchase and sell homes and seek an impartial review of the condition of the property they are selling or buying. The absence of licensing criteria would pose a significant and direct harm to the health, safety, and welfare of the public and specifically the State's home buying and selling process. The lack of regulation would eliminate the professional standards of the home inspection process. Professional regulation is paramount to ensuring that the standard is uniform to protect the buyer or seller's rights. This regulation provides an avenue for the public to file complaints against licensees or unlicensed persons believed to be in violation of the Act. The provisions within the Act and the Rules have been modeled with the intent of ensuring the public's health, safety, and welfare are the principal

focus.

Based on the factors in 5 ILCS 80/6 and the additional criteria in 5 ILCS 80/7, GOMB finds that the Act should be recommended for continuation. The record should expressly state that the public protection benefits of regulation outweigh the regulatory costs and that no less restrictive alternative would adequately address the significant and discernible harms identified in this report.

The Act should be continued to promote and enhance the safety and welfare of the public, without burdening licensees or commerce.