



**CONSTRUCTION DISPUTE RESOLUTION SERVICES, LLC**

**SPECIALIZING IN MEDIATION & ARBITRATION & DISPUTE REVIEW**

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March 15, 2021

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## **HOME INSPECTION** **ARBITRATION RULES AND PROCEDURES**

March 15, 2021

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***THESE HOME INSPECTION ARBITRATION RULES AND PROCEDURES SHALL GOVERN ALL ARBITRAITONS FILED WITH CDRS AFTER MARCH 15, 2021.***

**THESE HOME INSPECTION ARBITRATION RULES AND PROCEDURES SHALL BE UTILIZED WHEN THE ARBITRATION IS A RESULT OF A DISPUTE INVOLVING A HOME INSPECTOR, BUILDER, SUBCONTRACTOR, FINANCIAL INSTITUTION OR ANY OTHER PARTY WHO HAS A DIRECT INTEREST IN THE RESIDENCE THAT IS SUBJECT TO THE ARBITRATION PROCESS, THAT IS STIPULATED AS THE DISPUTE RESOLUTION PROCESS IN A HOME INSPECTOR'S AGREEMENT OR RELATED DOCUMENT. THE RULES AND PROCEDURES SPECIFIED BELOW SHALL REPLACE THE GENERAL CDRS ARBITRATION RULES AND PROCEDURES. THE STANDARD CDRS ARBITRATION RULES AND PROCEDURES SHALL BE UTILIZED UNLESS THERE IS A CORRESPONDING RULE OR PROCEDURE SPECIFIED BELOW IN THESE RULES AND PROCEDURES.**

**THERE MAY BE CHANGES TO THESE RULES BY CDRS WITHOUT POSTING THEM TO THESE RULES UNTIL THE NEXT REVISION OF THESE RULES.**

***THE HOME INSPECTION ARBITRATION RULE (HIA) CORRESPONDS TO THE STANDARD CDRS ABITRATION RULE (A).***

### **RULE - HIA3 INITIATION OF ARBITRATION**

A party may initiate the arbitration process, as authorized by the inspection document, by fully executing a CDRS *Home Inspection Request for Arbitration Services* and the *Home Inspection Agreement to Arbitrate* and transmitting them to CDRS, along with the specified filing fee by US Mail, Fed-Ex or similar recognized delivery service. The Party requesting the arbitration shall be the "Claimant". The Claimant shall send a copy of the *Home Inspection Request for Arbitration Services* and a copy of the *Home Inspection Agreement to Arbitrate* form to the other Party whether it is the home inspector, or other Party by certified or registered mail, return receipt requested. The Other Party to the arbitration shall be referred to as the "Respondent".

- (a) If there is a Pre-Inspection Agreement that was utilized by the parties, a copy of that Pre-Inspection Agreement should accompany the initiation paperwork specified above.
- (b) If the Pre-Inspection Agreement has an arbitration clause or provision, it is not necessary for the Parties to file the “Home Inspection Agreement to Arbitrate”.
- (c) Should either party or CDRS believe that the homeowner has filed their request for arbitration later than the date specified in the Pre-Inspection Agreement; the CDRS Senior Case Administrator may decide to hold a “documents only” arbitration to first determine if the request for arbitration was filed in a timely manner. If the arbitrator determines that the request for arbitration was filed in a timely manner, the home inspection arbitration hearing will be scheduled. If the arbitrator determines that the request for arbitration was not filed in a timely manner, the case will be closed.

**RULE - HIA8 APPOINTMENT OF ARBITRATOR**

There shall be one arbitrator assigned to the case by the CDRS Senior Case Administrator. The CDRS Senior Case Administrator will consider the construction-related expertise of the arbitrator required to handle the arbitration, the location of the arbitrator and the availability of the arbitrator in selecting the arbitrator to handle the dispute. Neither the Claimant nor Respondent or their representative or attorney shall participate in the selection and appointment of the arbitrator although CDRS will try to accommodate a specific request for an arbitrator if that arbitrator is mutually agreed to by the parties.

**RULE - HIA9 ARBITRATOR DISCLOSURE AND DISQUALIFICATION**

- (a) If the arbitrator is dismissed, a new arbitrator shall be appointed according to RULE-HIA8. (replaces RULE-A9(d))
- (b) If an arbitrator becomes ill, resigns or is unable to continue with the arbitration, a new arbitrator shall be appointed according to RULE-HIA8.

**RULE - HIA10 LOCATION OF ARBITRATION**

The arbitration shall be held at the homeowner’s residence that is the subject residence of the home inspection unless both the claimant and respondent agree to hold the arbitration at a different location.

- (a) Should the subject residence not be owned by the Claimant or it is rented to others, it may be necessary to hold the arbitration hearing at an alternate location. There may be a jobsite visit held prior to the arbitration hearing if requested by the arbitrator.
- (b) Should the subject home of the arbitration have been repaired by the homeowner, the arbitrator or the CDRS Senior Case Administrator may decide that the arbitration should be held at an alternate location than the subject residence.
- (c) The arbitrator shall determine all details concerning a documents only arbitration as specified in HIA3(c) above..

**RULE - HIA11 DATE(S) OF ARBITRATION HEARING**

CDRS shall select and specify the date(s) of the arbitration hearing. CDRS shall make every effort to accommodate the requests of the Parties as to a convenient date(s) to conduct the arbitration hearing with the concurrence of the arbitrator.

- (a) If additional time shall be required to complete the hearing, the arbitrator shall select and specify the additional date(s) for the continuance of the arbitration hearing. The arbitrator shall make every effort to accommodate the requests of

the Parties as to a convenient date(s) to conduct the continuance of the arbitration hearing.

- (b) By mutual consent of the Parties and the arbitrator, any scheduled arbitration hearing may be rescheduled.
- (c) Upon a request by either of the Parties, the CDRS case administrator and/or the arbitrator, if appointed, shall determine if there is good cause or compelling circumstances that would merit a postponement or cancellation of the arbitration proceeding. If the request for a postponement is approved by the case administrator and/or by the arbitrator, the case administrator and/or the arbitrator shall select and specify the rescheduled date(s) of the arbitration hearing. The arbitrator shall make every effort to accommodate the requests of the Parties as to a convenient date(s) to conduct the rescheduled arbitration hearing. Please review the fees related to postponements or cancellations in the Fees and Costs as specified in rule HIA26.
- (d) If the CDRS case administrator or the arbitrator determines that a case needs to be postponed due to an illness or injury to one of the Parties or the arbitrator, due to inclement weather, due to non-payment of fees due to CDRS, due to travel arrangement problems or due to any other reason where the case administrator or arbitrator decides that a postponement is necessary, the case administrator will notify the Parties as soon as practicable as to the postponement and the date(s) of the rescheduled arbitration hearing. The case administrator and arbitrator shall make every effort to accommodate the requests of the Parties as to a convenient date(s) to conduct the rescheduled arbitration hearing.

#### **RULE - HIA26 FEES, COSTS AND EXPENSES**

All fees, costs and expenses of the arbitration should be specified and agreed upon in the *Home Inspection Agreement to Arbitrate* and in other CDRS or Home Inspection documents related to the arbitration.

- (a) The cost of the arbitration, as to which party is responsible to pay the costs of the arbitration, shall be as specified in the Home Inspection Pre-Inspection Agreement.
- (b) If there is no mention of payment in the Pre-Inspection Agreement, the parties will equally share the CDRS costs.
- (c) There shall be a \$450.00 non-refundable filing fee paid (\$600.00 in California, New Jersey and Maryland) along with the Request for Arbitration Services.
- (d) There shall be a \$1,000.00 minimum arbitration fee paid to CDRS prior to the arbitration hearing due payable to CDRS at the direction of the CDRS case administrator. The \$1,000.00 non-refundable arbitration fee shall cover up to the first four hours of arbitrator time spent related to this case. There shall be an additional hourly arbitrator fee charged for any arbitrator time spent in excess of four hours. The additional fee shall be specified by the CDRS case administrator. There shall be no refund for any cancellation prior to the arbitration hearing after CDRS has received the case filing information and the appropriate requested CDRS filing fee and minimum arbitration fee.
- (e) Prior to the arbitration award, any payments for the arbitration process shall be made according to the payment process as stipulated in the *Home Inspection Agreement to Arbitrate* or as specified by the case administrator.
- (f) If specified and allowed in the Pre-Inspection Agreement, the arbitrator shall, as part of the arbitration award, stipulate and allocate as to which Party is responsible to pay the costs related to the arbitration process. If allowed in the

home inspection documents, the arbitrator may chose to have one Party pay the entire cost of the arbitration process or may allocate a percentage of the costs to each of the Parties. The arbitrator may not allocate the CDRS costs of the arbitration process as part of the arbitration award unless there is a provision in the Pre-Inspection Agreement allowing for the arbitrator to allocate the CDRS costs of the arbitration process or unless the Parties mutually agree to have the arbitrator allocate such fees to the Parties.

- (g) At the conclusion of the arbitration hearing, the Parties will be invoiced for their applicable portion of any additional arbitrator fees, costs and expenses. Failure to pay when due may delay the issuance of the arbitration award from CDRS.
- (h) If the Parties agree to hold the arbitration at a location other than at the residence and there is a need for a jobsite visit after the arbitration hearing has concluded, if the arbitrator requests post hearing briefs, or any other reason why the arbitration is not concluded at the end of the arbitration hearing, the Parties will receive an invoice at the conclusion of the arbitration process after the arbitration award has been written and forwarded to CDRS. Failure to pay when due may delay the issuance of the arbitration award from CDRS.
- (i) Postponement and Cancellation fees are as specified above in Rule HIA26 and in the CDRS website in the Fees and Costs section and in the General Arbitration Rules and Procedures. Note that the initial filing and arbitration fees are non-refundable. Only additional fees paid to CDRS are subject to the standard postponement or cancellation fees.
- (j) Should an arbitration hearing be postponed or cancelled within 72 hours of a scheduled arbitration hearing, the party responsible for the cancellation shall pay a \$300.00 cancellation fee to CDRS unless the CDRS case manager determines that there is good cause for the postponement or cancellation of the arbitration hearing.