KENNY C. GUINN Governor

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February 4, 2005

Greg Stickler-FHA/VA, HUD 1600 North Broadway Santa Anna, CA. 92706

FAX 866-305-4541

Dear Mr. Stickler:

Regarding your phone conversation on February 3, 2005, with Lee Lawrence of the Nevada Department of Agriculture's Pest Control Licensing & Enforcement program, about the issue of the NPMA-33 form and the state of Nevada's Wood-Destroying Pest Inspection Report form, the Nevada Department of Agriculture would like to clarify its position on the issue. As previously indicated in Mr. Lawrence's memo fax to you dated January 19, 2005, the Nevada form contains the information required by the NPMA-33 form. As you and Mr. Lawrence discussed, prior to the mandated use of the NPMA-33 form, state forms that contained at least the required information had been accepted by HUD even though there was some issue about the 1995 Mortgagee Letter. Therefore the state of Nevada was not concerned about the acceptance of its form by HUD until recently when it was discovered that its form had been left off the list of states with acceptable forms.

Mr. Lawrence's fax to you was intended to solve this matter, however it now appears that HUD requires states to be more specific about what forms they will or will not accept, and, in general, is requiring those states which have their own form to also fill out the NPMA-33 form unless the state in question mandates that only its form be used. The intent of this letter is to inform HUD that the Nevada State Department of Agriculture mandates that only its Nevada's Wood-Destroying Pest Inspection Report form be used for all wood-destroying pest inspections, including all those used for conventional and HUD, FHA/VA loans. The reasons for this mandate are as follows:

1. Nevada's wood-destroying pest inspection/control industry is held to a higher accountability for its inspections when the Nevada form is used. Nevada's form is far more comprehensive in its reporting requirements, as it requires the reporting of ALL wood-destroying pests and of conditions conducive to infestation (i.e. earth-to-wood contact, excessive moisture, etc.).

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- 2. The Nevada Department of Agriculture strictly regulates its wood-destroying pest inspection industry pursuant to the laws and regulations within NRS/NAC Chapters 555.
- 3. The Nevada form is tied to other regulatory requirements such as the use of the wooddestroying pest inspection/pesticide application tag. Which is placed inside each structure after a wood-destroying pest inspection or pesticide application to control wood-destroying pests is performed. Information referring to the tag is present only on the Nevada form.
- 4. As part of the Department of Agriculture's regulation of the wood-destroying pest inspection industry, a copy of each Nevada wood-destroying pest inspection report is required to be submitted to the Department within 15 days after an inspection for wood-destroying pests is performed, or an application of a pesticide (termiticide, fungicide, etc.) is made to control a pest. Each report is reviewed by Department staff who have been trained to exam the Nevada form for mistakes and suspicious reporting practices. Each report is then filed. Suspicious reports or reports which conflict in their findings are investigated to determine compliance. If a violations is found, enforcement is implemented.
- 5. The Nevada Department of Agriculture's regulatory process, fines, hearings, etc. is based on the meanings and interpretations of the laws and regulations within its state form.
- 6. Finally, the required use of the NPMA-33 form, even with the use of the Nevada form, has the potential of undermining or convoluting Nevada's reporting requirements. It is self evident that when information is presented in different formats, the chances increase for mistakes, misinterpretations, confusion, etc.

I am confident that if you were to compare the number of wood-destroying pest inspection complaints which occur in Nevada, to a state or region of a similar population, the number of complaints from Nevada would be fewer. This is no doubt because of the Nevada Department of Agriculture's strict regulation of its wood-destroying pest inspection industry.

The Nevada Department of Agriculture and Nevada's pest inspection industry appreciates your assistance in this matter and thanks you in advance for the timely submission of this letter to those in Washington DC for the expedient resolution of this matter.

If you have any questions, or would like to discuss this matter again, your concerns would best be served by Mr. Lawrence, as he has been appointed as the contact person for this matter. He can be reached at (775) 688-1182, ext. 252. If you wish to speak with me, I can be reached at (688-1182, ext. 222.

Sincerely,

Don Henderson, Directo

 cc: Gina Session - Senior Deputy Attorney General George Botta - NDOA Pest Control Board Representative Tom Smigel - NDOA Southern Regional Manager. Greg Hymas - NDOA S. Reg. Wood-Destroying Pest Inspector