Policies Adopted by the RESNET Board of Directors on Enhancing the National Consistency of HERS Index Scores

November 3, 2014

I Software Oversight Fixes

The RESNET Board adopted the recommendation of the RESNET Quality Improvement Task Force on adopting the Software Fixes Working Group proposal with an amendment of moving "Stories above grade" on Table 5.1(1) to a "Warning" from the recommended "Error"

II Additional Quality Assurance Oversight if Errors are Found in the Quality Assurance Review

The RESNET Board voted to task the RESNET Quality Improvement Quality Assurance Working Group with reviewing RESNET staff's proposal and industry comments and to draft a revised proposal.

III Quality Assurance Oversight

Status of Quality Assurance Review

1. RESNET will centrally administer quality assurance review of building files using data in the National Building Registry.

2. Direct Rating Providers

   Definition of Direct Rating Provider:
   Providers who either receive fees for the rating or whose staff conduct any portion of the rating are "Direct Rating Providers".

   Maintain current infrastructure of *Direct Rating Providers* with the following changes:

   o *Direct Rating Providers* must utilize independent *QA Contractors* to perform quality assurance on their Ratings.

   o *QA Contractors* are certified as agents of RESNET and as agents of RESNET they:

- Are trained by RESNET;

- Are certified by RESNET;

- Can have their certification revoked by RESNET.

- *QA Contractors* must be financially independent from the *Direct Rating Provider.* An employer-employee relationship shall not exist between the *Direct Rating Provider* and the *QA Contractor.* The board's intent is to not preclude QA contractors from receiving fees from the party receiving QA services, consistent with IRS financial relationship provisions.

- RESNET will provide a list of RESNET-approved *QA Contractors* from which *Direct Rating Providers* may select

- RESNET will:

    - Establish a rigorous credentialing process of vetting, approving, and validating *QA Contractors*;

    - Establish uniform QA processes for which *QA Contractors* are responsible and ensure the comprehensive training of the *QA Contractors*;

    - Implement measures that address non-disclosure and conflicts of interest between *QA Contractors* and those receiving quality assurance services;

    - Continue the monitoring of *Direct Rating Providers* to ensure documentation of the QA process.

3. Third Party Providers

   Definition of Third Party Providers:

   Providers who do not receive fees for the rating and whose staff cannot conduct any portion of the rating are Third Party Providers.

   Third Party Providers are exempt from the requirement to use QA Contractors.

   Their Quality Assurance Designees will serve as agents of RESNET and as agents of RESNET they:

   - Are trained by RESNET;

- Are certified by RESNET;

- Can have their certification revoked by RESNET.

An employer-employee relationship shall not exist between the *Third Party Rating Provider* and the rating entity. The board's intent is to not preclude *Third Party Providers* from receiving fees from the party receiving QA services, consistent with IRS financial relationship provisions.

RESNET will:

- Establish a rigorous credentialing process of vetting, approving, and validating QADs;

- Establish uniform QA processes for which QADs are responsible and ensure the comprehensive training of the QADs;

- RESNET will continue the annual monitoring of providers to ensure documentation of QA process.

4. This QA model will go through a two year trial cycle after the effective date of implementation of the standard. After the second year RESNET will contract with an independent third party to conduct a compliance audit of the effectiveness of the QA model. If the audit finds that components of the QA model are not working and do not meet the objectives of RESNET or are not in the best interest of the industry, RESNET can proceed to replace or modify the QA model.

5. The RESNET Quality Improvement Task Force will oversee RESNET staff in the development of the implementation plan and will serve as the nucleus of a QI working group under Standard Development Committee 900 – Quality Assurance.

6. There will be a transparent process for reporting RESNET's cost of implementing the Quality Assurance and credentialing model. RESNET will report the fee for RESNET carrying out the requirements of quality assurance oversight.