

Self-Evaluation Report



***Texas Real Estate Commission and
Texas Appraiser Licensing and Certification Board***

September 1, 2017

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**Texas Real Estate Commission and
Texas Appraiser Licensing & Certification Board**

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I. Agency Contact Information

**Texas Real Estate Commission and
Texas Appraiser Licensing & Certification Board
Exhibit 1: Agency Contacts**

	Name	Address	Telephone & Fax Numbers	Email Address
Agency Head	Douglas Oldmixon	1700 Congress Ave #400 Austin, TX 78701	(O) 512-936-3088 (F) 512-936-3788	douglas.oldmixon@trec.texas.gov
Agency's Sunset Liaison	Tony Slagle	1700 Congress Ave #400 Austin, TX 78701	(O) 512-936-3576 (F) 512-936-3788	tony.slagle@trec.texas.gov

Table 1 Exhibit 1 Agency Contacts

II. Key Functions and Performance

A. Provide an overview of your agency's mission, objectives, and key functions.

The agency consists of the Texas Real Estate Commission (TREC) and the Texas Appraiser Licensing and Certification Board (TALCB). TALCB is an independent subdivision of TREC and is overseen by its own independent board appointed by the Governor and subject to federal government audit by the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examinations Council (FFIEC). The relationship between the Commission and the Board is formalized by a Memorandum of Understanding, most recently updated in February 2017.

The agency's mission is to protect consumers of real estate services in Texas by ensuring qualified and ethical service providers through upholding high standards in education, licensing, and regulation. The agency oversees the providers of real estate brokerage, appraisal, inspection, home warranty, timeshares and right-of-way services; safeguarding the public interest while facilitating economic growth and opportunity across Texas.

The agency administers six laws:

- TREC administers:
 - the Real Estate License Act, (Chapter 1101, Texas Occupations Code);

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- license laws for inspectors,(Chapter 1102, Texas Occupations Code);
- the Residential Service Company Act, (Chapter 1303, Texas Occupations Code); and
- the Texas Timeshare Act, (Chapter 221, Texas Property Code).

- TALCB administers:
 - the Texas Appraiser Licensing and Certification Act (Chapter 1103, Texas Occupations Code); and
 - the Texas Appraisal Management Company Registration and Regulation Act (Chapter 1104, Texas Occupations Code).

The agency is the state’s regulatory agency for:

- TREC:
 - real estate brokers and sales agents;
 - real estate inspectors;
 - education providers and instructors for real estate, inspection, and appraiser programs;
 - residential service companies;
 - developers of timeshare projects; and
 - easement or right-of-way agents.

- TALCB:
 - real estate appraisers; and
 - appraisal management companies.

The agency’s objectives are:

- Ensuring Standards. Protect the public by ensuring license holders in Texas meet the educational, ethical, and legal requirements to provide real estate related services.
- Enforcing Regulations. Safeguard the public interest by effectively and efficiently enforcing the laws and rules of the agency in a fair and consistent manner.
- Communicating Effectively. Communicate with license holders and the Texas public by providing reliable information to promote informed decisions in real estate transactions.

The agency’s key functions include:

- protecting consumers by providing firm, fair and consistent enforcement of statutes and rules under the agency’s jurisdiction;
- issuing licenses and registrations to qualified applicants;
- ensuring that the qualifying and continuing education and experience requirements are satisfied for all persons licensed and regulated by the agency; and
- providing effective customer service to consumers and license holders by keeping them fully informed about the services and programs administered by the agency.

B. Do your key functions continue to serve a clear and ongoing objective? Explain why each of these functions is still needed. What harm would come from no longer performing these functions?

Each of the agency's key functions continues to serve the clear and ongoing objectives of protecting and assisting the consumers of real estate related services in Texas.

Eliminating these functions would diminish vital consistency and professionalism in real estate transactions and greatly increase the likelihood of dishonest individuals engaging in unlawful or unethical activities. Ultimately, all Texas consumers would be adversely impacted. For example, if the licensing and regulatory functions performed by TALCB were eliminated, federal law would prevent Texas from participating in the secondary mortgage market, and Texas consumers would lose access to federal home financing options.

C. What evidence can your agency provide to show your overall effectiveness and efficiency in meeting your objectives?

Despite the recent, rapid and sustained growth in license holders engaged in providing real estate services, the agency has maintained performance levels within targeted ranges while also seeking new processes and technology to better serve the public and our license holders. During this same period, fees have been reduced and staff compensation has stayed competitive with other licensing agencies and agencies of similar size.

D. Does your agency's enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions?

Yes, the enabling laws for both TREC and TALCB correctly reflect the agency's mission and objectives, and our approach to performing our functions.

E. Have you recommended changes to the Legislature in the past to improve your agency's operations? If so, explain. Were the changes adopted?

As those industries related to the real estate transaction continue to evolve to meet an ever-growing demand in the market place, the agency has sought amendments to the various statutes administered by the agency to ensure the agency is properly equipped to carry out its mission. In the past three sessions, bills were filed and adopted to amend the governing statutes for real estate brokers and sales agents, real estate inspectors, real estate appraisers, appraisal management companies, and residential service companies.

F. Do any of your agency's functions overlap or duplicate those of another state or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies?

No; the functions of this agency are unique to the agency. There have been minor clarifications needed where activities within our jurisdiction touch on related functions regulated by others, such as real property tax consultants and extended warranties on systems installed in residential properties. By working closely with the other agencies involved, we have been able to seek modifications in statutes or offer rules which provide the needed clarifications. Services provided by property tax consultants (currently administered by TDLR) is an activity that could benefit from consolidation to this agency, as many providers of such tax consulting services are either real property appraisers or real estate brokers.

G. In general, how do other states carry out similar functions?

In general, most states carry out similar functions in a very similar manner. The size and complexity of the responsible agency varies between three common models – stand-alone real estate regulatory agency; mini-umbrella agency responsible for most real estate related licenses (like Texas); or large umbrella agency responsible for almost all professional licenses of any kind.

H. What key obstacles impair your agency’s ability to achieve its objectives?

- Strong market forces which seek to disrupt the current fiduciary agency services model and to replace it with a menu of rapid data exchange and private communications tools. While such tools can efficiently tailor the information consumers seek, they too often fail to meet the basic legal requirements and strong consumer protections found in Texas fiduciary agency law.

I. Discuss any changes that could impact your agency’s key functions in the near future (e.g., changes in federal law or outstanding court cases).

- Supreme Court anti-trust related cases that could cause a shift in regulatory licensing models and lengthen the process of effective oversight.
- Federal agency rules that impose unwarranted burdens on the agency and license holders.

J. What are your agency’s biggest opportunities for improvement in the future?

- Enhanced electronic service delivery platforms that allow all license holders to easily interact electronically with the agency for all routine matters.
- Better outreach to Texas consumers. Work to become known as the unbiased source of information about resources and processes for buyers and sellers of real estate in Texas.

K. In the following chart, provide information regarding your agency’s key performance measures included in your appropriations bill pattern, including outcome, input, efficiency, and explanatory measures.

As an SDSI Agency, we are not subject to an appropriations bill. However, the agency does track specific key measures to track agency performance.

**Texas Real Estate Commission and
Texas Appraiser Licensing & Certification Board
Exhibit 2: Key Performance Measures — Fiscal Year 2016**

Key Performance Measures	FY 2016 Target	FY 2016 Actual Performance	FY 2016 % of Annual Target
TREC: Percent of applicants who pass the exam	75%	83.23%	110.97%
TALCB: Percent of applications who pass the exam	75%	54.09%	72.12%
TREC: Percent of license holders with no recent violations	99%	99.83%	100.84%
TALCB: Percent of license holders with no recent violations	97%	98.89%	101.95%
TALCB: Recidivism rate for those receiving disciplinary action	35%	29.38%	83.94%
TREC: Percent of jurisdictional complaints resolved in six months	60%	62.38%	103.97%
TALCB: Percent of complaints resolved within six months	45%	16.37%	36.38%
Percent of calls answered in less than 10 minutes	75%	71%	94.67%
Percent of emails responded to within 2 working days	99%	100%	101.01%
Total dollar value of contracts awarded (HUB)	\$400,000	\$566,330	141.58%

Table 2 Exhibit 2 Key Performance Measures

- L. Please discuss any “high-value data” your agency possesses, as defined by Section 2054.1265 of the Government Code. In addition, please note whether your agency has posted those data sets on publically available websites as required by statute.**

TREC maintains high value data sets pertaining to:

- Broker and Sales Agent License Holder Information
- Inspector License Holder Information
- Easement or Right-Of-Way Agents License Holder Information
- Applications for Initial License Issuance for Sales Agents and Brokers

These contain data on individuals and organizations currently licensed by TREC, as well as the last known data on those with a status of expired, suspended, relinquished, revoked, or deceased within the last five years.

TREC posts these high value data sets on the TREC website in accordance with Section 2054.1265 of the Government Code.

III. History and Major Events

Provide a timeline of your agency's history and key events, including:

- the date your agency was established;
- the original purpose and responsibilities of your agency; and
- major changes in responsibilities or statutory authority.

Also consider including the following information if beneficial to understanding your agency:

- changes to your policymaking body's name or composition;
- significant changes in state/federal legislation, mandates, or funding;
- significant state/federal litigation that specifically affects your agency's operations; and
- key changes in your agency's organization (e.g., a major reorganization of the agency's divisions or program areas).

1949 Texas Real Estate Commission established.

1955 Applicants for original licensure must pass a written examination.

1971 The Real Estate Research Center is established at Texas A&M University.

1975 Real Estate Recovery Fund provisions are put into the Act to replace surety bond requirements.

1979

- The number of Commissioners is increased to nine; the additional three members must be representatives of the general public who are not licensed as brokers or salesmen and have no financial interest in a real estate practice.
- The Commission is expressly subject to the Open Meeting Law and the Administrative Procedure and Texas Register Act.
- Lawfully admitted aliens may apply for licensure; the residency requirement is reduced to 60 days.
- Rehearings of license revocations, suspensions, or denials may be heard by the Commission members.
- Complaint procedures are set out.

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- The Residential Service Company Act vests authority in the Commission to license and regulate persons providing services of a residential service company as defined in the Act.

1981

- The content of real estate courses required for licensure of applicants is made specific in nine courses of study called “core” real estate courses.
- The Commission is required to register real estate inspectors.

1983 The Texas Real Estate Broker-Lawyer Committee is created.

1985

- The registration of real estate inspectors is replaced with a licensing process.
- Regulation of the timeshare industry begun in Texas.

1987 The Commission begins a program of voluntary certification of appraisers.

1991

- In order to meet federal requirements for appraiser certification under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, the authority to certify real estate appraisers is placed in the Texas Appraiser Licensing and Certification Board (TALCB), which is established as an independent subdivision of the Commission.
- An exemption from MCE requirements is provided for certain brokers who have been licensed for at least 10 years.
- Section 8 is amended to increase the minimum amount in the Real Estate Recovery Fund to \$1 million and to transfer any excess over \$3.5 million, or over the total amount paid from the Fund during the previous four fiscal years, whichever is greater, to the general revenue fund. The limit on a single claim is increased from \$20,000 to \$50,000, and the aggregate claim limit is increased from \$50,000 to \$100,000. Brokers are required to give consumers information about the availability of the Fund.
- The requirement for complaints to be under oath is removed.
- The Commission is prohibited from investigating complaints filed more than four years after the date of the incident.
- A nine-member advisory committee of inspectors known as the Texas Real Estate Inspector Committee is created to recommend rules relating to applications, experience, education, examinations, standards and other issues involving the registration and licensing of inspectors.

1993

- The Commission is authorized to employ a general counsel, attorneys, investigators and support staff.
- Limited liability companies become subject to licensing requirements if the companies provide real estate brokerage services.
- The Commission is authorized to accredit courses of study in real estate inspection.

1996 Mandatory continuing education (MCE) requirements for renewal of an active real estate license are standardized at 15 hours.

1997 The definition of “person” is broadened to include individuals and any other entity.

1998 Persons acting as agents selling, buying, leasing or transferring an easement or right-of-way for use in connection with telecommunication, utility, railroad, or pipeline service are required to be registered with the Commission.

2001

- The Commission is authorized to prescribe the content of core real estate courses.
- The Commission is authorized to prescribe the title, content, and duration of MCE courses required of real estate licensees.

2003 The requirement that licenses of salespersons and brokers must be prominently displayed at the broker’s place of business is removed unless the salesperson or broker is a residential rental locator.

2005

- The status of the Real Estate Inspector Committee is changed to an advisory committee of the Commission.
- Qualifying education requirements for a salesperson increased to 150 classroom hours prior to examination and the remaining 60 hours required to be completed in the first year of licensure.
- Continuing education requirement for apprentice inspectors and real estate inspectors is increased from 8 to 16 hours per year.
- A business license category is established for inspection corporations and limited liability corporations doing business in Texas.
- License Holders are required to report a criminal conviction within 30 days of final disposition.

2007

- The administrative functions of TALCB were merged with TREC while retaining the licensing and disciplinary functions solely within TALCB to ensure its independent regulatory authority.
- New eligibility requirements and duties are established for members of the Commission.
- The Commission is required to develop policies that separate the policymaking responsibilities of the Commission and the management responsibilities of the administrator and staff.
- Fingerprint requirements are enacted for real estate sales agents and brokers.
- TREC is required to collect and publish data relating to exam passage rates for graduates of the schools licensed by TREC and report that data online
- Late renewal provisions are put into place for real estate license holders.
- Inspectors are required to maintain \$100,000 of liability coverage.

2009 Specific fees are removed from the statute and TREC is granted authority to adopt rules to charge and collect fees in amounts reasonable and necessary to cover the costs of administering the Act.

2011

- The agency is granted Self-Directed, Semi-Independent status.
- The Appraisal Management Company Registration Act (Chapter 1104, Occupations Code) is enacted granting TALCB regulatory authority over appraisal management companies.

2013

- Fingerprint requirements are enacted for real estate inspectors.
- Inspectors are required to complete hands-on experience prior to licensure.
- The insurance requirements for inspectors are clarified.
- Late renewal provisions are put into place for inspectors.
- Inspector applicants are required to take additional education if they fail the licensing exam more than 3 times before they are eligible to take the exam again.

2015

- Confidentiality provisions are enacted for both TREC and TALCB to allow formal complaint investigations to remain confidential until resolved.
- Real estate applicants are required to take additional education if they fail the licensing exam more than 3 times before they are eligible to take the exam again.
- License holders are eligible to receive continuing education credit for presentations conducted by TREC and TALCB staff.
- TREC is granted additional authority regarding the text of and delivery methods for required notices to consumers.

- The governor is granted authority to appoint the chair of the Board.
- The duties of a supervisory appraiser and appraiser trainee are clarified.
- Fingerprint requirements are authorized for real estate appraisers.

2017

- Changes are made to the Appraisal Management Company Registration Act (Chapter 1104, Occupations Code) to address recent changes in federal law regarding the regulation of appraisal management companies, to provide consistency in terminology, and repeal outdated provisions.
- Process for form and rate filings for residential service companies is streamlined, and additional consumer protections regarding the contracts sold by those companies are put into place.
- Codification of TREC rules clarifying that a person selling or offering to sell an option or assigning an interest in a contract to real property is engaged in brokerage if they do not disclose the nature of the interest to potential buyer.
- The requirement in advertising that the advertiser be identified as a broker or agent is eliminated and the Commission is prohibited from requiring the term broker, agent, a reference to the Commission, or the person's license number in the person's advertisement. However, the statute clarified that an advertising is misleading if it does not include the broker's name or if it implies that a sales agent is responsible for the operation of the brokerage.

IV. Policymaking Structure

- A. Complete the following chart providing information on your policymaking body members.

**Texas Real Estate Commission
Exhibit 3: Policymaking Body**

Member Name	Term / Appointment Dates / Appointed by (e.g., Governor, Lt. Governor, Speaker)	Qualification (e.g., public member, industry representative)	City
Troy C. Alley, Jr.	Appointed 2011 to a term expiring 01/31/2017 <i>Appointed by the Governor</i>	industry representative (broker)	Arlington
Adrian A. Arriaga	Appointed 2013 to a term expiring 01/31/2019 <i>Appointed by the Governor</i>	industry representative (broker)	McAllen
Chart H. Westcott	Appointed 2013 to a term expiring 01/31/2019 <i>Appointed by the Governor</i>	public member	Dallas
Bob H. Leonard	Appointed 2015 to a term expiring 01/31/2021 <i>Appointed by the Governor</i>	industry representative (broker)	San Antonio
Rayito O. Stephens	Appointed 2015 to a term expiring 01/31/2021 <i>Appointed by the Governor</i>	industry representative (broker)	Pearland
Bill L. Jones	Appointed 2011 to a term expiring 01/31/2017 <i>Appointed by the Governor</i>	industry representative (broker)	Temple
Weston Martinez	Appointed 2011 to a term expiring 01/31/2017 <i>Appointed by the Governor</i>	public member	San Antonio
Thomas (TJ) Turner	6 Appointed 2015 to a term expiring 01/31/2021 <i>Appointed by the Governor</i>	public member	Austin
Avis Geer Wukasch Chair	Appointed 2013 to a term expiring 01/31/2019 <i>Appointed by the Governor</i>	industry representative (broker)	Round Rock

**Texas Appraiser Licensing & Certification Board
Exhibit 3: Policymaking Body**

Member Name	Term / Appointment Dates / Appointed by (e.g., Governor, Lt. Governor, Speaker)	Qualification (e.g., public member, industry representative)	City
Chance Bolton	Appointed 2016 to a term expiring 01/31/2021 <i>Appointed by the Governor</i>	industry representative (appraiser)	Austin
Jamie S. Wickliffe Chair	Appointed 2016 to a term expiring 01/31/2019 <i>Appointed by the Governor</i>	industry representative (appraiser)	Midlothian
Martha Gayle Reid Lynch	Appointed 2016 to a term expiring 01/31/2021 <i>Appointed by the Governor</i>	industry representative (appraiser)	El Paso
Clayton P. Black	Appointed 2017 to a term expiring 01/31/2023 <i>Appointed by the Governor</i>	public member	Stanton

Member Name	Term / Appointment Dates / Appointed by <i>(e.g., Governor, Lt. Governor, Speaker)</i>	Qualification <i>(e.g., public member, industry representative)</i>	City
Tony F. Peña	Appointed 2016 to a term expiring 01/31/2021 <i>Appointed by the Governor</i>	public member	Lubbock
James J. Jefferies	Appointed 2017 to a term expiring 01/31/2023 <i>Appointed by the Governor</i>	industry representative (appraiser)	Georgetown
*Buster Renfrow	Designated 2016 <i>serves at the will of the Executive Secretary of the Veterans' Land Board</i>	Statutory Ex Officio member (appraiser)	Austin
Joyce A. Yannuzzi	Appointed 2016 to a term expiring 01/31/2019 <i>Appointed by the Governor</i>	public member	New Braunfels
Alejandro Sostre-Odio	Appointed 2016 to a term expiring 01/31/2019 <i>Appointed by the Governor</i>	public member	San Antonio

Table 3 Exhibit 3 Policymaking Body

* 1103.052, Occupations Code requires the executive secretary of the Veterans' Land Board or the executive secretary's designee to serve on the Texas Appraiser Licensing & Certification Board

B. Describe the primary role and responsibilities of your policymaking body.

The appointed members of TREC and TALCB determine the overall policy direction for agency. The major responsibilities include rulemaking, approving the agency’s strategic plan, approving the operating budget, adopting fees, conducting disciplinary hearings on proposals for decisions from the State Office of Administrative Hearings, and hiring the executive director.

C. How is the chair selected?

The Governor designates a member of the Commission and the Board to serve as the Chair of each body.

D. List any special circumstances or unique features about your policymaking body or its responsibilities.

The governing bodies of the Commission and the Board are composed of nine members, most are appointed by the Governor with the concurrence of the Senate. Members are appointed for six-year terms, and the terms of three members expire every two years. The Commission is composed of six members who must be licensed real estate brokers, and three members of the public. The Board is composed of four members who must be real estate appraisers, four members of the public, and one member who is the Executive Secretary of the Veterans’ Land Board or the Executive Secretary’s designee.

E. In general, how often does your policymaking body meet? How many times did it meet in FY 2016? In FY 2017?

The Commission and the Board each meet once a quarter in November, February, May, and August. As a general rule, Commission meetings are held on the third Monday, and Board meetings are held on the third Friday of the meeting month. The Commission met 4 times in FY 2016 and 4 times in FY 2017. The Board met 4 times in FY 2016 and 4 times in FY 2017.

F. What type of training do members of your agency’s policymaking body receive?

Each newly appointed member of the Commission or Board receive a detailed orientation binder containing key reference materials. Each new member also has a one-on-one orientation with the Executive Director and key agency staff before his or her first meeting. Members also take the required Open Meetings Act, Public Information Act, Contract Management, and Public Funds Investment Act training.

G. Does your agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, describe these policies.

See Addendum 1 (TREC & TALCB Policy Memos)

H. What information is regularly presented to your policymaking body to keep them informed of your agency’s performance?

The agency head and division directors present division reports to the Commission and Board at their quarterly meetings. See Addendum 2 (August 2017 Quarterly Staff Reports)

I. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?

Input from the public and other stakeholders is solicited during each Commission, Board, and Advisory Committee meeting. Each body reserves a place at each meeting for the public to comment on non-agenda items (that they can take up at a future meeting). Members of the public may also come speak in person at a meeting to provide input on rules and other matters being considered by the Commission, Board or Advisory Committee. Advisory Committees make recommendations to the Commission or Board based on input received from the public and stakeholders at their committee meetings.

Additionally, the public has the opportunity to provide written comments to the Commission or Board whenever a new rule is proposed and posted in the Texas Register. When a rule is proposed for adoption at a meeting of the Commission or Board, all comments received are provided to the policymaking body with the meeting materials.

Also, during the agency’s biennial strategic planning period, the agency holds focus groups around the state to solicit input directly from stakeholders on a variety of current agency-

related topics. Information gathered at these sessions is presented to the policymaking bodies for their consideration and possible action at a future meeting. Finally, comments from the public received by the agency by mail or email are forwarded to members of the policymaking bodies as appropriate or necessary.

- J. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart. In addition, please attach a copy of any reports filed by your agency under Government Code Chapter 2110 regarding an assessment of your advisory committees. See Addendum 3 (Report on Advisory Committees)**

**Texas Real Estate Commission
Exhibit 4: Subcommittees and Advisory Committees**

Name of Subcommittee or Advisory Committee	Size / Composition / How are members appointed?	Purpose / Duties	Legal Basis for Committee
TREC Executive Committee	Three members - made up of the officers of the Commission	This committee advises the Commission regarding broad issues that could have a wide-ranging effect on the policies and duties of the Commission.	1101.056(c), Occupations Code
TREC Enforcement Committee	Three Commission members appointed by the Commission Chair.	This committee makes recommendations to the full Commission regarding rules pertaining to enforcement of Chapter 1101, Occupations Code and the rules pertain to the discipline of real estate license holders. Authority to hear and rule on motions for rehearing and initiate emergency suspensions is delegated to the committee by the Commission.	1101.158, Occupations Code; 22 TAC §533.8(d)
TREC Budget Committee	Three Commission members appointed by the Commission Chair.	This committee makes recommendations to the full Commission regarding the operating budget of TREC.	1101.158, Occupations Code
Texas Real Estate Inspector Committee	Nine members appointed by the Commission Chair. The committee is made up of six inspector members and three public members.	This committee makes recommendations to the Commission regarding rules and procedures for licensing, education, and Standards of Practice for inspectors.	Chapter 1102, Occupations Code, Subchapter B; 22 TAC §535.206

Name of Subcommittee or Advisory Committee	Size / Composition / How are members appointed?	Purpose / Duties	Legal Basis for Committee
Education Standards Advisory Committee	12 members appointed by the Commission Chair: <ul style="list-style-type: none"> • seven real estate industry members; • four real estate education members; and • one public member 	The committee reviews and recommends revisions to curriculum standards, course content requirements and instructor certification requirements for qualifying and continuing education courses related to real estate licensure.	1101.158, Occupations Code; 22 TAC §535.43
Texas Real Estate Broker-Lawyer Committee	13 members appointed as follows: <ul style="list-style-type: none"> • six brokers appointed by the Commission • six attorneys appointed by the President of the State Bar of Texas • one public member appointed by the Governor. 	This committee develops standard contract forms and addenda, which are recommended to the Commission to be promulgated for mandatory use by real estate license holders.	Occupations Code, Chapter 1101, Subchapter F.

Table 4 Exhibit 4 TREC Subcommittees and Advisory Committees

**Texas Appraiser Licensing & Certification Board
Exhibit 4: Subcommittees and Advisory Committees**

Name of Subcommittee or Advisory Committee	Size / Composition / How are members appointed?	Purpose / Duties	Legal Basis for Committee
TALCB Executive Committee	Three members. The committee is made up of the officers of the Board	This committee advises the Board regarding broad issues that could have a wide-ranging effect on the policies and duties of the Board.	1103.056(c), Occupations Code
TALCB Enforcement Committee	Three members. The committee is made up of Board members appointed by the Board Chair	This committee advises the Board on enforcement-related matters and recommends changes to the Board's rules, policy and procedures relating to those matters.	22 TAC §157.25(b)
TALCB Education Committee	Three members. The committee is made up made up of Board members appointed by the Board Chair	This committee advises the Board on education-related issues and recommends changes to the Board's rules, policies and procedures relating to education matters.	22 TAC §153.3(c)

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Name of Subcommittee or Advisory Committee	Size / Composition / How are members appointed?	Purpose / Duties	Legal Basis for Committee
TALCB Budget Committee	Three members. The committee is made up made up of Board members appointed by the Board Chair	This committee reviews the Board's annual budget and advises the Board on and makes recommendations to the Board on all budget-related matters.	22 TAC §153.3(c)
Appraiser Management Company Advisory Committee	Five members. The committee is made up of the vice chair of the Board, who serves as the committee chair, and four members appointed by the Governor (2 industry members and 2 public members).	This committee makes recommendations to the Commission regarding rules and procedures for licensing and regulating appraisal management companies.	1103.159, Occupations Code
Peer Investigative Committee (PIC)	Statutory minimum of two members, and the presiding officer must be an appraiser member of the Board. PIC members are appointed by the Board Chair, with the advice and consent of the executive committee.	Members of this committee assist TALCB in performing appraisal reviews as part of a complaint investigation or application for review of trainee work product	1103.453, Occupations Code

Table 5 Exhibit 4 TALCB Subcommittees and Advisory Committees

V. Funding

A. Provide a brief description of your agency's funding.

The agency has SDSI status, and its operating budgets are funded entirely through fees charged to applicants, license holders and registrants under its regulatory authority.

B. List all riders that significantly impact your agency's budget.

Not applicable. The agency is SDSI.

C. Show your agency's expenditures by strategy.

**Texas Real Estate Commission and Texas Appraiser Licensing & Certification Board
Exhibit 5: Expenditures by Strategy — 2016 (Actual)**

Goal / Strategy	TREC Amount Spent*	Percent of Total	TALCB Amount Spent	Percent of Total
Licensing	997,030.11	13%	\$203,081.44	15%
Enforcement	1,724,287.13	22%	841,810.44	64%
Communications	887,991.74	11%		
Administration	2,463,937.01	31%		
Employee Benefits	1,780,730.01	23%	278,113.44	21%
GRAND TOTAL:	7,853,976	100%	1,323,005.32	100%

Table 6 Exhibit 5 Expenditures by Strategy

*Data Source: FY2016 Est Expenditures_TREC-Aug and FY2016 Est Expenditures_TALCB – Aug (Does not include accrued expenditures)

NOTE: Contracts are not tracked by division

D. Show your agency's sources of revenue. Include all local, state, and federal appropriations, all professional and operating fees, and all other sources of revenue collected by the agency, including taxes and fines.

**Texas Real Estate Commission and Texas Appraiser Licensing & Certification Board
Exhibit 6: Sources of Revenue — Fiscal Year 2016 (Actual)**

Source	TREC Operating Acct*	Real Estate Recovery Account	Real Estate Inspection Recovery Acct	Texas A&M Real Estate Center Trust Acct	TALCB Operating Acct	TALCB Restricted Educational Programs**	Appraiser Federal Registry Fees
Licenses and Permits	\$14,653,496			\$5,507,820	\$1,901,141.14		

Self-Evaluation Report

Source	TREC Operating Acct*	Real Estate Recovery Account	Real Estate Inspection Recovery Acct	Texas A&M Real Estate Center Trust Acct	TALCB Operating Acct	TALCB Restricted Educational Programs**	Appraiser Federal Registry Fees
Sales of Goods and Services	\$1,029.60				\$334.20		
Administrative Penalties & Repayments into Recovery Fund		\$266,881.63	\$12,184.56		\$34,600***	\$10,200	
Interest and Investment Income	\$42,878.36	\$14,566.96	\$4,337.31	\$228.37	\$3,586.62	\$9.89	\$34.54
Recovery Fund Trust Account Fees		\$286,190	\$5,430.29				
Other (Pearson Vue, NSF, PIA)	\$448,452.85				\$4,667.22		
Federal Registry Fees							\$203,100
Texas A&M Real Estate Trust Fees				\$5,507,820			
TOTAL	\$15,145,856.81	\$567,638.59	\$21,952.16	\$5,508,048.37	\$1,944,329.18	\$10,209.89	\$203,134.54

Table 7 Exhibit 6 Sources of Revenue

Notes:

*Includes Criminal History and Texas Online fees collected and remitted to appropriate entities

** Administrative penalties deposited into restricted fund for educational programs, effective 1/1/2016, see Occupations Code §1103.552(c)

***Administrative penalties collected prior to 1/1/2016 reserved for educational programs per TALCB budget policies

E. If you receive funds from multiple federal programs, show the types of federal funding sources.

The agency receives no federal funds.

F. If applicable, provide detailed information on fees collected by your agency.**Texas Real Estate Commission and Texas Appraiser Licensing & Certification Board
Exhibit 7: Fee Revenue — Fiscal Year 2016 (Actual)**

The fee revenue below is expressed in one of three categories: funds that are dedicated and are restricted to specific functions such as recovery funds; pass-through funds which are paid by the licensee and are then diverted to the appropriate entity, or funds which are considered operating accounts which are used for agency operating. All but the pass-through fees are held in the Texas Treasury Safekeeping Trust Company, as directed by statute.

See Addendum 4 (2016 Master Fee Schedule) for more detailed information.

Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory Maximum	Number of Persons or Entities Paying Fee	Fee Revenue	Type of Revenue	Where Fee Revenue is Deposited (e.g., General Revenue Fund)
Federal Registry Fees - Appraisers 1103.156(b) (3060)	\$80	2,568	\$205,440	Pass-through	Texas Treasury Safekeeping Trust Company
Licensing & Permit fees: 1103.156 Appraiser applications,-	Certified General Appraiser: \$400; Certified Residential Appraiser: \$350; Residential Appraiser: \$325; Trainee: \$300	813	\$250,780	Operating funds	Texas Treasury Safekeeping Trust Company
Licensing & Permit fees: 1103.156 Renewals	Certified General Appraiser: \$400; Certified Residential Appraiser: \$350; Residential Appraiser: \$325; Trainee: \$300	2,568	\$850,445	Operating funds	Texas Treasury Safekeeping Trust Company
Appraiser Management Companies 1104.052 – application	AMC application fee \$3300; Panelists add \$10	10 applications; 7,641 panelists added	\$109,410	Operating funds	Texas Treasury Safekeeping Trust Company
Appraiser Management Companies 1104.052 – add/drop panelist	Panelists add/drop fee \$10	1,571 panelist added or dropped	\$15,710	Operating funds	Texas Treasury Safekeeping Trust Company
Appraiser Management Companies 1104.052 Renewals	AMC renewals \$3000; Panelist renewal \$5	130 AMC renewals; 28,282 panelist renewals	\$711,819	Operating funds	Texas Treasury Safekeeping Trust Company
Texas A&M Real Estate Center: 1101.154(3057)	\$40	150,428	\$5,507,820	Pass-through	Texas Treasury Safekeeping Trust Company
Real Estate Recovery Fund Fees: 1101.601 (3058)	\$10 Sales, Brokers \$50 ROWs	25,454	\$286,650	Dedicated Funds	Texas Treasury Safekeeping Trust Company
Real Estate Inspector Recovery Fund Fees: 1102.351 (3059)	\$10	543	\$5,430	Dedicated Funds	Texas Treasury Safekeeping Trust Company

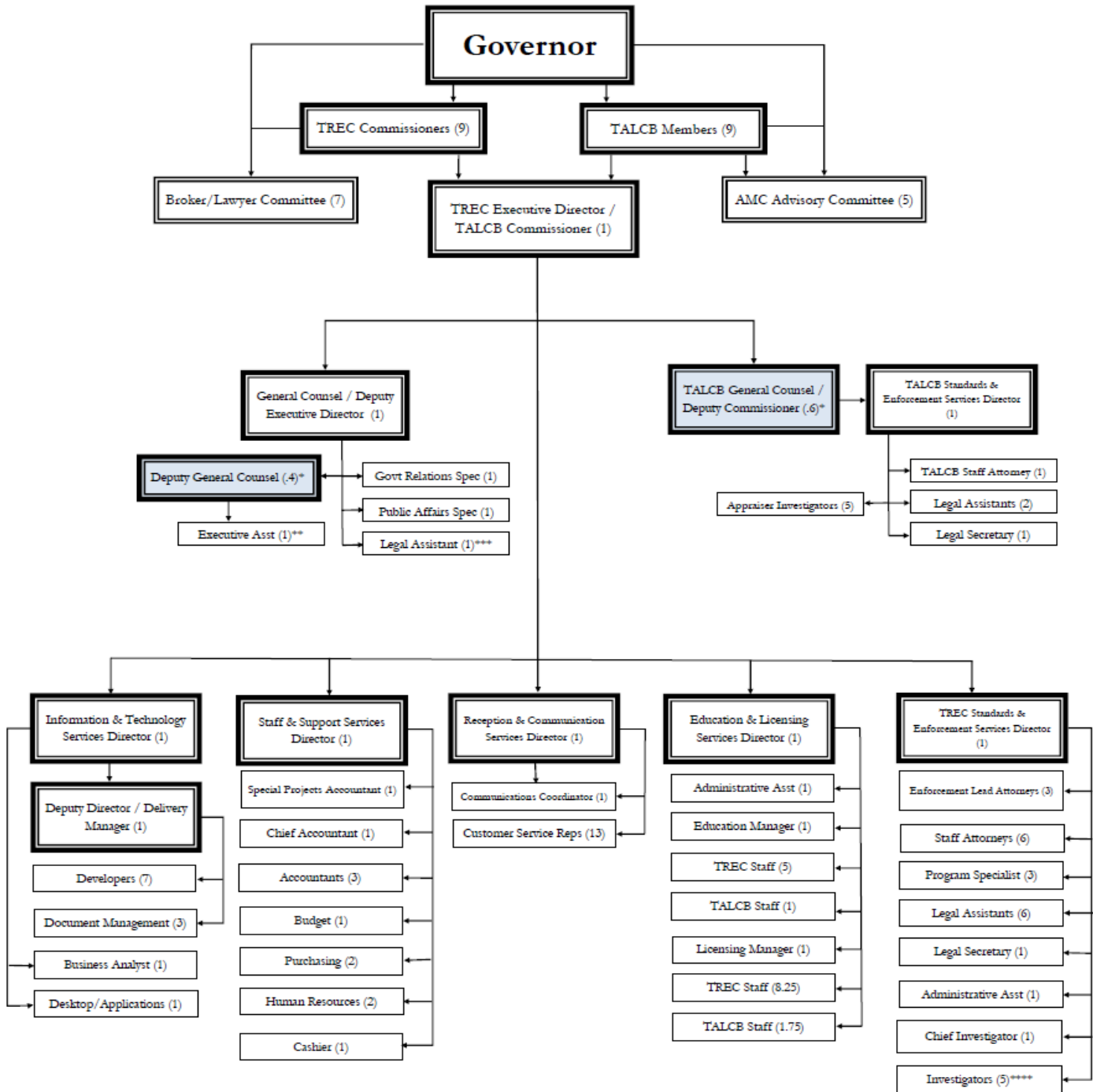
Self-Evaluation Report

Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory Maximum	Number of Persons or Entities Paying Fee	Fee Revenue	Type of Revenue	Where Fee Revenue is Deposited (e.g., General Revenue Fund)
Texas Online fees	Varies by transaction (flat fee of \$5 or % of transaction per contract)	177,846	\$473,703	Pass-through	Texas Treasury Safekeeping Trust Company
Licensing & Permit fees: 1101.152 Applications	Broker/Sales Agent/Business Entity: \$150; Broker Branch Office: \$50	26,143	\$3,887,701	Operating funds	Texas Treasury Safekeeping Trust Company
Licensing & Permit fees: 1101.52 Renewals	Broker/Sales Agent/Business Entity: \$72; Broker Branch Office: \$20	66,786	\$4,868,490	Operating funds	Texas Treasury Safekeeping Trust Company
Licensing & Permit fees: 1102.251 Applications	Professional Inspector \$120 Real Estate Inspector \$100; Apprentice Inspector \$60 Right-of-way individual \$200	1,423	\$191,811	Operating funds	Texas Treasury Safekeeping Trust Company
Licensing & Permit fees 1102.251 Renewals	Professional inspector \$60; RE Inspector \$50; Apprentice Inspector \$30; Right-of-way \$200	1,594	\$152,590	Operating funds	Texas Treasury Safekeeping Trust Company
Licensing & Permit fees Texas Timeshare Act Property Code221.026 ; RSC 1303.052	Timeshare and Residential Service Companies: fees vary	316	\$322,318	Operating funds	Texas Treasury Safekeeping Trust Company
Education Fees TREC; 1101.152	Varies \$2.50 -\$400	25,853	\$529,111	Operating funds	Texas Treasury Safekeeping Trust Company
Examination Fees TREC: 1101.152(9)	\$10	42,604	\$426,040	Operating funds	Texas Treasury Safekeeping Trust Company
Examination Fees TALCB: 1103.156	\$10	239	\$2,390	Operating funds	Texas Treasury Safekeeping Trust Company
Miscellaneous Fees TREC: 1101.152	Varies	55,560	\$1,732,322	Operating funds	Texas Treasury Safekeeping Trust Company
Miscellaneous Fees TALCB: 1103.156	Varies	726	\$22,045	Operating funds	Texas Treasury Safekeeping Trust Company

Table 8 Exhibit 7 Fee Revenue

VI. Organization

- A. Provide an organizational chart that includes major programs and divisions, and shows the number of FTEs in each program or division. Detail should include, if possible, Department Heads with subordinates, and actual FTEs with budgeted FTEs in parenthesis.



B. If applicable, fill in the chart below listing field or regional offices.

**Texas Real Estate Commission
Exhibit 8: FTEs by Location — Fiscal Year 2016**

Headquarters, Region, or Field Office	Location	Co-Location? Yes / No	Number of Budgeted FTEs FY 2016	Number of Actual FTEs as of June 1, 2016
Headquarters	Austin, TX	Yes	85	85
Field Office	Houston, TX	NO	1	1
Field Office	Houston, TX	NO	1	1
Field Office	Dallas, TX	NO	1	1
Field Office	San Antonio, TX	NO	1	1
			TOTAL: 89	TOTAL: 89

Table 9 Exhibit 8 FTEs by Location

**Texas Appraiser Licensing & Certification Board
Exhibit 9: FTEs by Location — Fiscal Year 2016**

Headquarters, Region, or Field Office	Location	Co-Location? Yes / No	Number of Budgeted FTEs FY 2016	Number of Actual FTEs as of June 1, 2016
Headquarters	Austin, TX	NO	11	11
Field Office	Sherman, TX	NO	1	1
Field Office	Palacios, TX	NO	1	1
Field Office	Lubbock, TX	NO	1	1
			TOTAL: 14	TOTAL: 14

Table 10 Exhibit 8 FTEs by Location

C. What are your agency’s FTE caps for fiscal years 2016–2019?

As an SDSI agency, the agency does not have an FTE cap; however budgets are approved by governing bodies. We try to operate efficiently and effectively and hire only the staff we need to do so.

D. How many temporary or contract employees did your agency have as of August 31, 2016? Please provide a short summary of the purpose of each position, the amount of expenditures per contract employee, and the procurement method of each position.

As of August 31, 2016, agency had one (1) temporary employee needed for the File Room scanning project. The procurement method used was CPA TPASS term contract 962-M3 with TIBH:

Clerk II – Experienced
Contract period: 4/25/16 – 8/31/16

Cost: \$10,393.28

- E. List each of your agency's key programs or functions, along with expenditures and FTEs by program.

**Texas Real Estate Commission and Texas Appraiser Licensing & Certification Board
Exhibit 9: List of Program FTEs and Expenditures — Fiscal Year 2016**

Program	Actual FTEs as of August 31, 2016	Actual Expenditures
Administrative & Management Services (AMS)*	6	\$1,246,374.61
Staff & Support Services (SSS)**	12	\$503,768.02
Information & Technology Services (ITS)**	15	\$713,794.38
Reception & Communication Services (RCS)*	15	\$887,991.74
Education & Licensing Services (ELS)*	18	\$1,200,111.45
TREC Standards & Enforcement Services (TREC SES)	26	\$1,724,287.13
TALCB Standards & Enforcement Services (TALCB SES)	11	\$841,810.44
TOTAL	103	\$7,118,137.87

Table 11 Exhibit 9 List of Program FTEs and Expenditures

*Certain TALCB positions and expenditures included in total per MOU

** Actual expenditures calculated using salaries and travel only

VII. Guide to Agency Programs

ADMINISTRATION AND MANAGEMENT SERVICES (AMS)

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Administration & Management Services

Location/Division: Main agency offices, Austin TX

Contact Name: Douglas Oldmixon

Actual Expenditures, FY 2016: \$1,246,374.61

Number of Actual FTEs as of June 1, 2017: 7

Statutory Citation for Program: §§1101.102, .151, and 1103.101-.104 Occupations Code

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Administration & Management Services (AMS) Division is charged with the day-to-day leadership of the agency, and management and implementation of the governing policies developed by the Governor-appointed Commission and Board members. As provided in Occupations Code §1103.101, the Executive Director of the Commission also serves as the Commissioner, or executive head, of the Board.

In accomplishing the agency's mission, AMS performs several key roles to advance the education, licensing, and industry regulation programs. These include: maintaining open and productive relations with consumers, industry associations, educators, and other regulatory agencies; serving as a liaison to oversight bodies and public officials; providing supervision of staff responsible for carrying out the agency's functions, drafting proposed rules; distributing information about the agency's activities to the public, the media and licensees; publication of the agency's electronic newsletters; coordinating and providing staff support to advisory committees; and ensuring the performance of all statutory requirements.

Legal advice to the Commission and the Board are provided by the respective General Counsels, who also review and respond to claims by consumers for payment of judgments against brokers, sales agents, and inspectors from the statutory recovery funds.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

Each Executive Director/Commissioner has shaped the management function as he or she thought best to advance the agency's mission and serve the public. Since 2009, the agency has:

- initiated formal Commission and Board member training sessions to enhance effectiveness;
- facilitated legislative and budget workshops for policy makers to ensure active direction;
- facilitated working and advisory committees to increase opportunity for stakeholder input;
- transitioned to more effective internal General Counsel from OAG representation (TALCB);
- proactively managed state legislative response related to federal initiatives (Dodd-Frank Act), and rule and enforcement response to market technology developments (Zillow, Ten-X, etc.);
- moved agency from leased space in a private low-end remote office facility to a state office building in the Capitol complex;
- obtained SDSI status and implemented a robust budget development and adoption policy;
- lowered fees where appropriate while upgrading licensing software and website platforms;
- implemented enhanced staff development training programs to include all team members;
- developed Texas' role as a recognized leader among peer organizations in innovative policy-making;
- implemented a paperless data storage system;
- facilitated improve agency effectiveness through reorganization and new hires; and
- significantly reduced the caseload and ageing case list for both TREC and TALCB SES divisions
- received "Excellent" rating for TALCB 2016 Biennial Review from the Appraisal Subcommittee (ASC), who provides federal oversight for all state appraiser regulatory agencies.

- D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

This function has grown over time to more effectively develop the staff to better serve the public.

- E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

This function affects every part of the agency and its mission to serve and protect the public.

- F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

AMS has a total of 7 staff members, including the executive director, 1 general counsel, 1 deputy general counsel, 1 government affairs liaison, 1 public affairs liaison, and 2 executive assistants.

Communication of plans and achievements is a key part of the executive management function. Monthly team newsletter and quarterly “Town Hall” meeting are primary communication tools.

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

Exhibit 6: Sources of Revenue — Fiscal Year 2016 (Actual)

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

There are no other programs with a primary mission to protect consumers of real estate services in Texas by ensuring qualified and ethical service providers through upholding high standards in education, licensing, and regulation. There are professional associations but they primarily serve the interests of license holder populations. They do however act as key stakeholders providing input to agency policy making. This helps the agency balance consumer interests with market efficiency, allowing us to safeguard the public interest while facilitating economic growth and opportunity across Texas.

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

The agency has a collaborative approach to working with professional and trade associations of license holders. We also work with other agencies to deconflict potential overlapping concerns.

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

TALCB works under the oversight of a federal agency called the Appraisal Subcommittee (ASC). ASC oversight has been a positive motivator to keep the TALCB working at peak potential.

- K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

No contract expenditures are made by the program.

- L. Provide information on any grants awarded by the program.**

No grants are awarded by the program.

- M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

The statutory prohibition against the Commission requiring a disclosure of license holder status or a reference to the Commission in license holder advertising in Section 1101.156 is inconsistent with most professional advertising requirements and potentially in conflict with the statutory requirement that license holders not mislead the public when advertising in Section 1101.652(b)(23). There is already one unintended consequence of this prohibition as rental locators will no longer have to advertise that they must be licensed by the Commission. Clarity is required to preserve the Commission's ability to enforce consumer protections such as delivery of notices required by statute.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable to AMS.

STAFF AND SUPPORT SERVICES (SSS)

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Staff & Support Services

Location/Division: Main agency offices, Austin TX

Contact Name: Priscilla Piphon

Actual Expenditures, FY 2016: \$503,768.02

Number of Actual FTEs as of June 1, 2017: 12

Statutory Citation for Program: §§1101.102, 1101.151, and 1103.101-1103.104, Occupations Code

B. What is the objective of this program or function? Describe the major activities performed under this program.

Staff and Support Services provides support for TREC and TALCB for all accounting, purchasing, budgeting, facilities, and human resources services. SSS is divided into three departments: accounting, purchasing, and human resources.

Accounting

Ensures that all accounting transactions are accurate and adhere to state rules and generally accepted accounting principles. Responsibilities include: Processes payables and tracks revenues, processes travel documents, prepares and presents budgets, prepares and submits reports to oversight agencies, receives and deposits checks, reconciles accounts with the Texas Treasury Safekeeping Trust Company (TTSTC), prepares annual financial report, oversees and manages audits, tracks performance measures, transfers funds between accounts, processes refunds, maintains accounting records, acts as accounting software (MIP) expert.

Purchasing

Coordinates purchase requests from staff, while adhering to state procurement laws and agency policies. Maintains HUB purchasing program to achieve agency goals, participates in HUB programs and seeks HUB procurement opportunities. Processes purchase requests, tracks purchase vouchers, ensures MOUs, maintains facilities through Texas Facilities Commission. Maintains procurement policies, manages vendor relations, ensures that agency staff comply with agency policies, develops and submits reports to oversight agencies, manages telecommunications, renews contracts and license agreements as needed.

Human Resources

Manages payroll and leave accounting, coordinates and facilitates division hiring, maintains agency policies and procedures for compliance with state and federal laws. Responsible for new hire orientation and onboarding and coordinates exit process. Notifies division directors when performance evaluations are due, ensures required training is attended by all staff (EEO, State ethics training, etc.) and maintains records of training for staff, board, and commission members. Coordinates agency compliance reviews with State Office of Risk Management and acts as Continuity of Operations Plan coordinator and Risk Manager. Assists directors and legal counsel with disciplinary actions. Conducts employee engagement surveys and coordinates State Employee Charitable Campaign. Coordinates employee benefit programs and provides guidance to agency staff regarding agency policy and applicable laws.

- C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.**

The agency engages an internal auditor for annual risk assessment and audit plan, which is approved by the Commission and reported to the Board and Commission. Internal auditor performs statutorily required audit under the Public Funds Investment Act, Chapter 2256, Government Code, as well as reviews of programs, procedures, and internal controls. Additionally, audits are conducted by the Comptroller and the State Auditor, which provide

review of division policies and procedures. Quarterly reports to the Commission and Board of investments and budgetary account status provide additional assurances that the financial processes are adequate.

Human resource procedures are audited periodically for compliance, and the agency conducts annual employee engagement surveys for staff. The survey results help inform leadership and management changes.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The agency became a self-directed semi-independent (SDSI) agency in 2011 when Legislative Appropriations Requests were replaced by annual budgets approved by the Board and Commission. Revenue moved from being deposited into the General Revenue Fund to the Texas Treasury Safekeeping Trust Company (TTSTC) as required by statute. This change allows the agency to manage revenue and expenditures to cover costs and improve services across fiscal years. The agency receives money into the TTSTC directly from all online transactions or from daily deposits and, due to the increased use of online transactions, cash (check and money order) deposits have reduced in volume, which has also reduced staffing needs. Where once we had as many as six cashiers, we now have one cashier and all other mail services have moved to the Information Technology Services (ITS) division as paper files are being converted to digital workflow and document storage.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

SSS affects all internal stakeholders who receive paychecks, fill out time sheets, hire an employee, receive a performance appraisal, make purchases, or request budgets. SSS also serves customers by responding to public information requests, resolving chargeback disputes with credit cards, handling insufficient checks, and answering questions received. External stakeholders may include vendors and other agencies such as the Texas Facilities Commission.

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

SSS has a total of 12 staff members, managed by a director who oversees 2 human resources personnel, 1 budget analyst, 5 accountants, and 2 purchasers.

Figure 1: Summary of TREC's revenue reporting processes

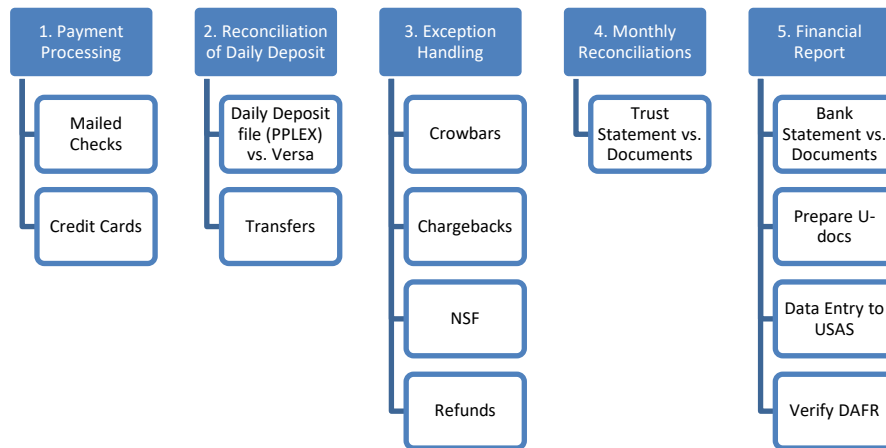


Figure 2: Information Flow for the Annual Financial Reporting Process

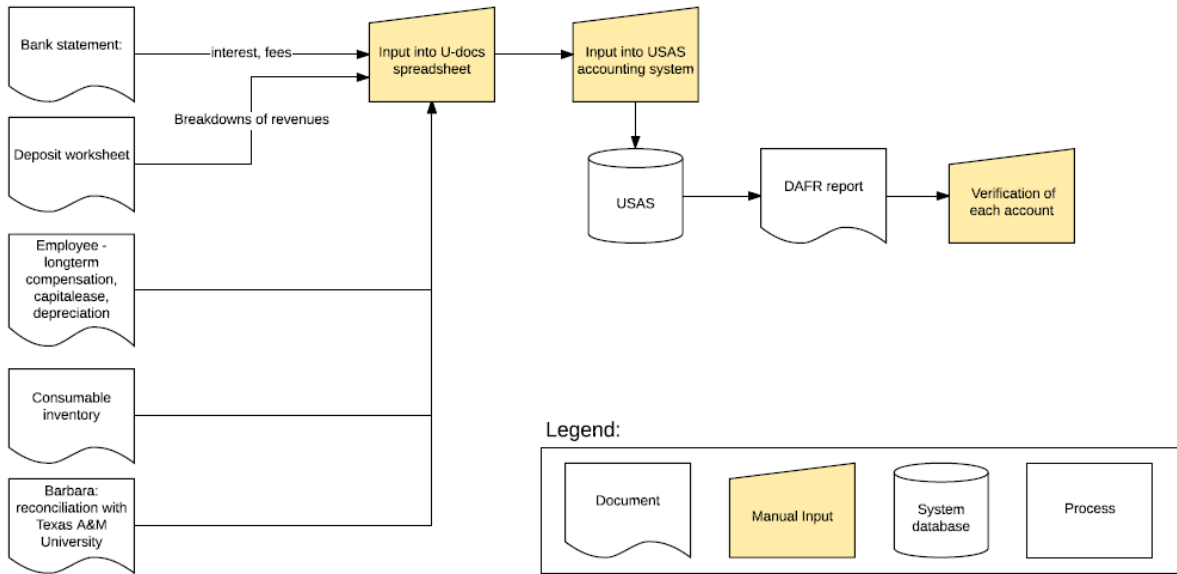


Figure 3: Summary information flow for the daily deposit reconciliation

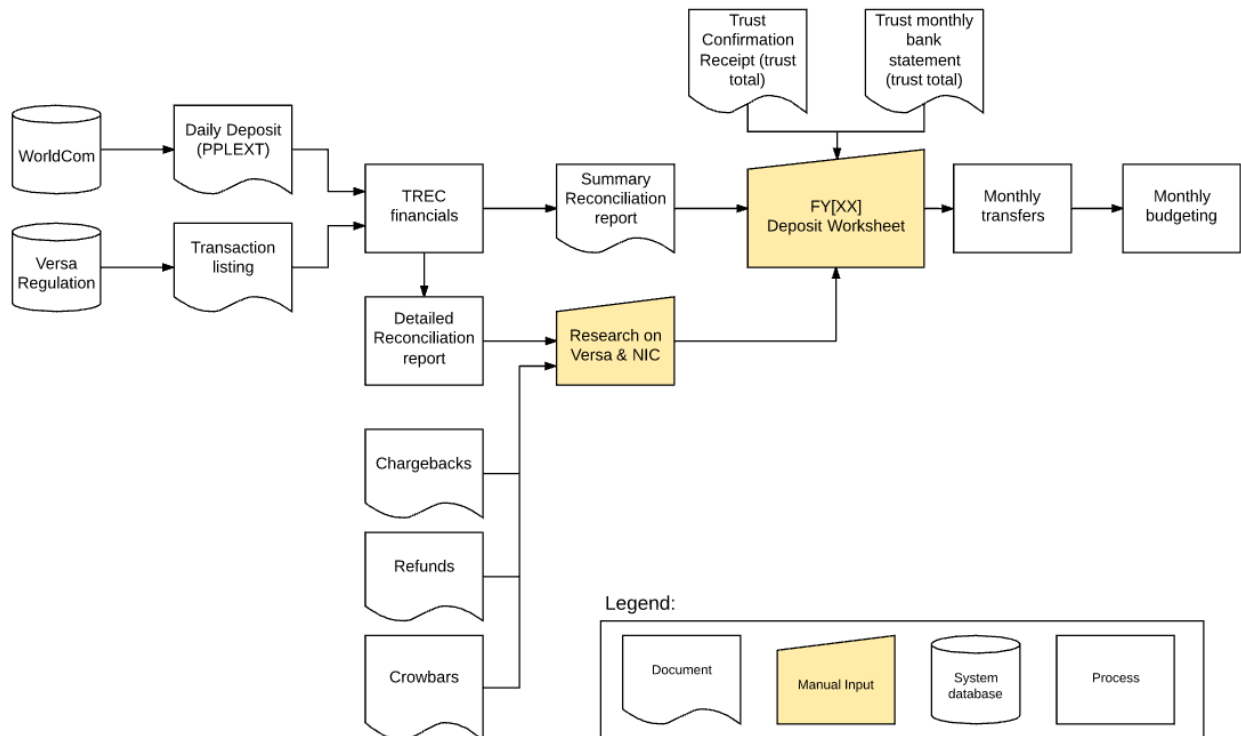


Figure 4: TTSTC Monthly Reconciliation Process

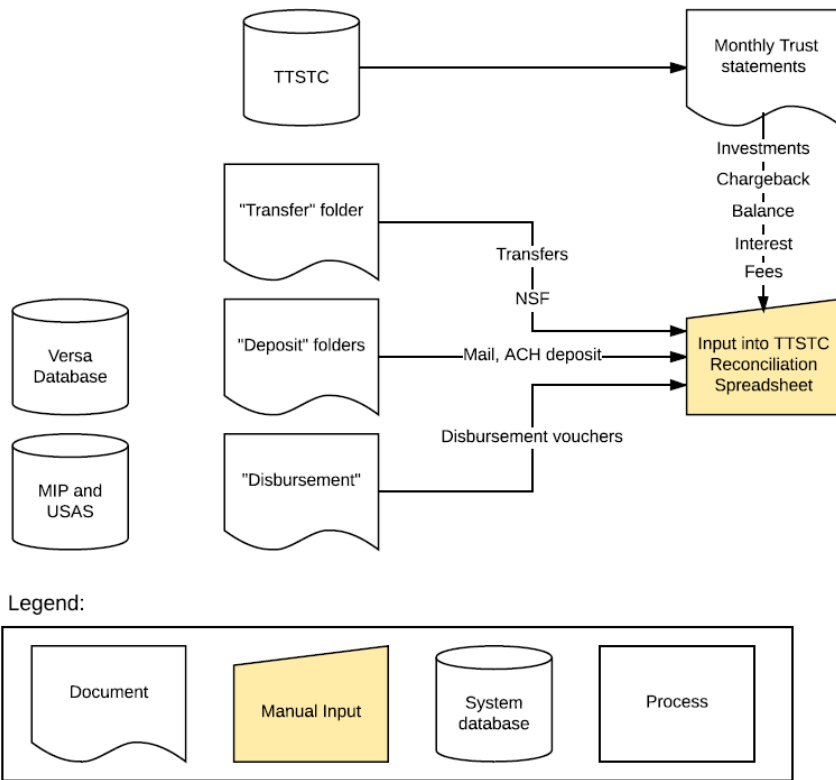
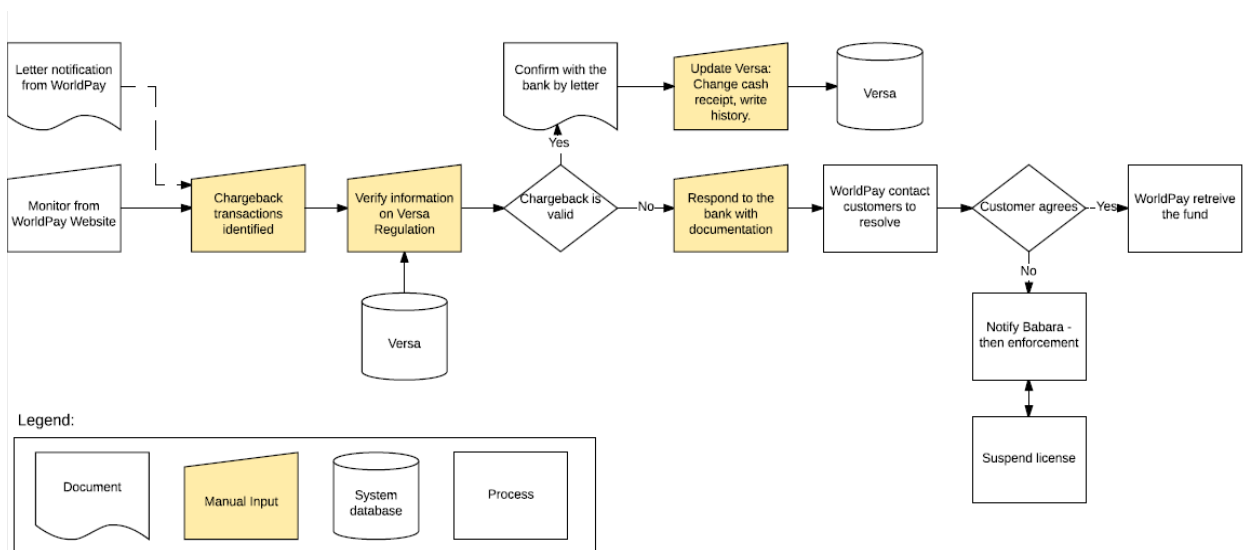


Figure 5: Chargeback Processing



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions.

For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Exhibit 6: Sources of Revenue — Fiscal Year 2016 (Actual)

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

Not applicable

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

Not applicable

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

Our division transfers pass-through funds to the appropriate entities as per MOUs for the Texas Department of Public Safety for state and federal criminal background checks, for the Texas A&M Real Estate Research Center, and for the Appraisal Subcommittee National Registry.

- K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Self-Evaluation Report

As a small state agency, all contracts are executed centrally and are reported on the agency website. The contracts for agency are listed below with program areas indicated.

Top Five Contracts:

Term of Contract	Procurement Method/Justification	Est. Dollar of Contract including renewals	Actual Expenditure	Explanation of Services received	Vendor	Division
			FY 2016			
09/01/14 -08/31/16	RFP - TGC 2156.121	\$6,000,000.00	\$0.00	Paid for by registrants for examination	Pearson Vue	ELS
09/01/15 - 08/31/16	Interagency Contract -TGC, Chapter 771	\$5,000,000.00	\$1,777,483.00	Pass-through for fingerprinting	TX Department of Public Safety	SSS
09/01/11 - 08/31/16	Interagency Contract -TGC, Chapter 771	\$1,201,140.00	\$200,190.00	Office rent offset by SWCAP	Texas Facilities Commission	SSS
09/01/10 - 08/31/16	RFP - TGC, 2254.001 et seq. 2155.001	\$165,600.00	\$46,615.00	Internal audit for 6 years	Garza Gonzalez & Associates	SSS
9/1/15- 8/31/2016	DIR Contract - TGC 054.0565	\$115,018.30	\$115,018.30	Maintenance of licensing database	Iron Data dba Versa Management	ITS

- Pearson Vue: Exam administrator. TREC contracts with Pearson Vue to develop and provide exam services. Those who sit for the exam pay for the exam and TREC/TALCB receives \$10 for each exam candidate. Accountability: A report is provided by Pearson Vue that we use to validate the candidate count.
- Texas Department of Public Safety – interagency between TREC/TALCB and DPS for processing fingerprint background checks – pass-through. We are invoiced by DPS, and we reconcile their data with ours to ensure that the amount we pay is validated.
- Texas Facilities Commission – rent for 1700 Congress SFA Building 4th floor offices (this amount is offset by occupancy related portions of the Statewide Cost Allocation Plan payment)
- Garza Gonzalez – internal auditors for the agency to provide risk assessment, conduct audits based on plan, and provide audits of Residential Service Companies. This audit also included a review of the education program and contracted services with Pearson Vue.
- Iron Data dba Versa Management – this is the agency’s vendor that supports the licensing database, which is the backbone of all operations and transactions with the regulated community. Accountability: ITS division oversees the program change requests while coordinating with staff who request database changes.

L. Provide information on any grants awarded by the program.

No grants are awarded by the program.

M. Are there any barriers or challenges that impede the program’s performance, including any outdated or ineffective state laws? Explain.

- Guaranteed minimum annual service contract fees or retainers in agency’s SDSI act (SB 1000) are an outdated method of finance when compared to “pay as you go” for services received. Current retainer arrangements with SOAH, Attorney General, and State Auditor are not necessary to ensure minimum services or revenues to these agencies. These structures should be replaced with a “pay as you go model.”
- Amend §1105.003(d), Occupations Code, to require all fees, revenue, and funds collected by the Commission and Board to be deposited in interest bearing deposit accounts in the Texas Treasury Safekeeping Trust Company, notwithstanding any other provision of law, including the General Appropriations Act. Amend other statutes under the agency’s jurisdiction to eliminate outdated references to General Revenue.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

A new director for the division was hired in May 2016 and with the retirement of the current chief accountant, the division will be reorganized to move the cashier under the lead accountant. Anticipated changes in the coming year for the division include streamlining and automation of processes as well as expanded human resources programs to improve employee engagement, leadership development, and organizational excellence.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Not applicable

INFORMATION AND TECHNOLOGY SERVICES (ITS)

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Information & Technology Services

Location/Division: Main agency offices, Austin TX

Contact Name: Steve Spyropoulos

Actual Expenditures, FY 2016: \$713,794.38

Number of Actual FTEs as of June 1, 2017: 15

Statutory Citation for Program: §§1101.102 and 1101.151, Occupations Code

B. What is the objective of this program or function? Describe the major activities performed under this program.

Information and Technology Services (ITS) Division provides agency-wide support in three main areas: application development, technical support, and technical applications.

Application Development

- Internal systems: Application software systems developed by ITS staff increase productivity and decrease delays in answering public inquiries. Internal systems include an interface with the DPS system, an interface with the main accounting system, examination result posting, electronic letters distribution, website license search tool, website disciplinary actions tool. The division maintains technical infrastructure supporting agency programs.
- Cooperative systems: ITS works in concert with NICUSA, the Texas Guaranteed Student Loan Corporation, the Office of Attorney General, the Department of Public Safety, and the Real Estate Center at Texas A&M University.
- Public access systems: ITS offers comprehensive public access through the TREC/TALCB websites which provide downloads, external links, and a variety of search tools.

Technical Support

The technical support staff ensures continued operations of the agency technical infrastructure. The technical support staff performs maintenance and upgrades to desktops, servers and network hardware and software. It also performs security management; capacity planning and central contact for second level help desk questions.

Technical Operations

The technical operations staff provides day-to-day management of technical systems through system backups, report distribution, job scheduling and general oversight of the computer systems. The technical operations staff handles first level help desk support.

- C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.**

ITS provides technology support for internal customers and maintains the agency's websites and database systems. Over time, the utilization of online services has increased, thus showing the usefulness of the online systems. As of May of 2017, 96.1% of renewals and 78.9% of applications were processed online as compared to 27.4% and 61.7% in February of 2005, respectively. Currently the agency websites support over 100 online services as compared to less than 50 in 2007.

- D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

Although the volume of regulated license holders for both TREC and TALCB has increased significantly, the services and functions of the ITS program have not changed from the original intent.

- E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

The ITS division primarily affects three groups of stakeholders: agency staff, license holders and consumers. The ITS maintenance and application development teams ensure agency staff have access to the technology tools that are necessary to perform their work functions. This includes, but is not limited to, the maintenance of the agency licensing system of record and other applications, the agency email system, the agency internal computer network, the agency telephone system and the agency websites. Many of these systems are internal facing and are for the use of the agency staff, but their external facing components are geared towards helping license holders manage their existing licenses and applications for licensure. The systems also affect consumers as they manage consumer complaints and serve as information resources for the consumers and public at large.

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Most of the agency's licensing and enforcement functions have been automated through the use of a comprehensive and coordinated licensing system called Versa. Versa is a transaction-based system consisting of several key functions, including enforcement, licensing, cash and education tracking. Versa is maintained by two staff applications support specialists coordinating with the external vendor.

Versa provides a complete licensing system beginning with information on applicants for licenses, integration of education records for candidates, incorporation of examination results, determination of eligibility for licensure, certification that the minimum requirements have been met, and the production of a license which is subsequently mailed or emailed to the licensee. Versa also tracks complaints and audits through its enforcement module.

Versa tracks financial and historical events occurring for each applicant and licensee, maintains continuing education records, produces an accurate licensee database, and ensures up to date computerized recordkeeping for over 200,000 active, inactive, and expired licensees. The system automatically produces "curative" letters seeking missing information from licensees, renewal notices in advance of each license expiration date, new and renewed licenses, and "expires" licenses when appropriate. A wide range of reports concerning licensing matters can be produced by the Versa system to help measure and manage the entire licensing process.

Beginning in August 2000, the agency began using the TexasOnline as a payment portal to provide for online license renewals for salespersons. TexasOnline uses a third party vendor named NICUSA to process payments. The use of NICUSA as a payment portal has further automated and streamlined the licensing functions for TREC and TALCB. Since that time, the agency has expanded its online capabilities to include applications and renewals for the following license types:

- Broker Application
- Broker Late Renewal Application
- Salesperson Application
- Corporate Application
- Broker Renewals
- Salesperson Renewals
- Corporate Renewals
- Limited Liability Company Renewals
- Professional Inspector Renewals
- Real Estate Inspector Renewals

- Apprentice Inspector Renewals
- Easement/ROW Business Renewals
- Easement/ROW Individual Renewals
- Appraiser Applications and Renewals

Online applications and renewals are processed in the following manner:

- Customer accesses the Versa:Online portal page from the TREC website and renews or applies online
- ITS Division processes renewal data at 3:00 a.m.
- Versa emails all relevant renewal documentation to license holders
- ITS receives new data file from the Comptroller of Public Accounts (CPA) and prints a report.
- ITS receives production data file from CPA. Financial reconciliation programs are run and output is given to Staff & Support Services for financial reconciliation.
- Staff & Support Services reconciles output received from ITS.

Processing licenses online eliminates the following manual processes:

- Serving walk-in customers who pay via check or money order in Cashier
- Receiving and opening mail in Cashier
- Processing checks and money orders in Cashier
- Processing renewal and application batches in Licensing
- Processing “exceptions” such as incorrect, unsigned, or returned checks

Processing licenses online has expanded services by:

- Offering a 24-hour/day renewal and application process
- Allowing payment by debit or credit cards

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

See Exhibit 6: Sources of Revenue — Fiscal Year 2016 (Actual)

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

Not applicable

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If**

applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

ITS works with the following state agencies:

- the Department of Information Resources (DIR) for the agency's telecommunications technology improvements; and
- Department of Public Safety (DPS) to integrate criminal background checks.

ITS also works with the Appraisal Subcommittee (ASC), a federal entity, to facilitate reporting to the National Registry for appraiser licensing and disciplinary actions.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

No contract expenditures are made by the program.

L. Provide information on any grants awarded by the program.

No grants are awarded by the program.

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

None.

- N. Provide any additional information needed to gain a preliminary understanding of the program or function.**

Not applicable

- O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable

RECEPTION AND COMMUNICATION SERVICES (RCS)

- A. Provide the following information at the beginning of each program description.**

Name of Program or Function: Reception and Communication Services

Location/Division: Main agency offices, Austin TX

Contact Name: Lorie DeAnda

Actual Expenditures, FY 2016: \$887,991.74

Number of Actual FTEs as of June 1, 2017: 14

Statutory Citation for Program: §§1101.102 and 1101.151, and 1103.101-.104, Occupations Code

- B. What is the objective of this program or function? Describe the major activities performed under this program.**

The Reception and Communication Services (RCS) Division is the agency’s centralized customer service department and is the primary point of contact for all telephone, email, and walk-in inquiries. Additionally, RCS handles all website customer survey responses for the agency, and maintains, and updates information on the TREC and TALCB websites.

Since 2014, RCS has also been responsible for handling all Texas Public Information Act (PIA) requests. The Director of RCS acts as the agency’s Public Information Officer (PIO) and informs requestors of their right to information, the agency’s responsibilities, and the procedures for inspecting or obtaining a copy of public information under the PIA. These responses are coordinated by the PIO and are processed within 10 business days or less as required by law.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

The following table illustrates the agency’s performance in FY 2017 against specific customer service related targets.

	Target 2017	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	YTD	% of Variance
Percent of calls answered in less than 10 minutes (Non-Cumulative)	75.00%	53%	52%	50%		50%	66.67%
Percent of emails responded to within 2 working days (Non-Cumulative)	99.00%	99%	56%	78%		78%	78.79%
Number of in-person inquires answered (Cumulative)	5,000	598	780	1,005		2,383	47.66%
Number of calls received (Cumulative)	205,000	59,095	134,455	155,110		348,660	170.08%
Number of emails answered (Cumulative)	60,000	23,655	32,166	38,791		94,612	157.69%
Number of online customer surveys received (Cumulative)	700	52	184	250		486	69.43%

Every person who contacts the agency is provided the opportunity to respond to a Customer Service Survey. Staff reviews the feedback submitted through these surveys for insight into agency performance, and to determine where there may be a need for improvement.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Although the volume of regulated license holders for both TREC and TALCB has increased significantly, the services and functions of the program has not changed from the original intent.

- E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

The primary stakeholders affected by the program are the agency's license holders. Customer Service Representatives (CSR's) are the initial and often only personnel who communicate directly with the agency's stakeholders. CSR's interact closely and directly with license holders by phone, email, and in person.

- F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

RSC has a total of 15 staff members, managed by a director who oversees 1 manager, 2 team leads, and 11 customer service representatives.

RCS answers all incoming calls for the Commission and the Board from 7:00 a.m. to 6:00 p.m., Monday through Friday. The division answers thirty phone lines for TREC and TALCB. Staff receive extensive ongoing training on TREC and TALCB laws, rules, fees, policies, procedures, forms, and processes. Division staff has access to the agency's licensee database to better assist callers with information on the status of their applications, education requirements, and any other licensing issues. RCS also helps callers navigate the agency's websites to find the appropriate information or answers to specific questions or concerns, download specific agency forms, data files, and other agency information. The walk-in reception area is staffed Monday through Friday from 8:00 a.m. to 5:00 p.m. to assist the public directly with any inquiries and offer assistance with the agency's online services via two reception area computers.

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

See Exhibit 6: Sources of Revenue — Fiscal Year 2016 (Actual)

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

None.

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

Not Applicable.

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

The Department of Information Resources (DIR) provides the phone system for the agency through the Cisco System, which also includes networking equipment.

- K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

No contract expenditures are made by the program.

- L. Provide information on any grants awarded by the program.**

No grants are awarded by the program.

- M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.**

None.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable

EDUCATION AND LICENSING SERVICES (ELS)

A. Provide the following information at the beginning of each program description.

Name of Program or Function: Education & Licensing Services

Location/Division: Main agency offices, Austin TX

Contact Name: Gwen Jackson

Actual Expenditures, FY 2016: \$1,200,111.55

Number of Actual FTEs as of June 1, 2017: 17

Statutory Citation for Program:

- LICENSING:
 - Chapter 1101, Occupations Code, Subchapter H;
 - Chapter 1101, Occupations Code, Subchapter K
 - Chapter 1102, Occupations Code, Subchapters C and E;
 - §§1103.204-1103.213, Occupations Code;
 - Chapter 1104, Occupations Code, Subchapter G;
 - Chapter 1303, Occupations Code, Subchapter C; and
 - Chapter 221, property Code, Subchapter C

- EDUCATION:
 - Chapter 1101, Occupations Code, Subchapter G;
 - §§1102.108-1102.109, 1102.111, and 1102.205, Occupations Code; and
 - §§1103.206 and 1103.211, Occupations Code

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Education and Licensing Services (ELS) Division reviews and processes applications, renewals, informational changes, and histories for real estate brokers or salespersons, appraisers, appraisal management companies, inspectors, and easement or right-of-way registrants to ensure compliance with all necessary educational, experience, examination and application requirements. The division assists walk-in customers when requested, and provides information on the status of licensees and registrants to other sections of the agency, when needed. The division also oversees real estate education, including the registration of broker, salesperson and inspector education providers, instructors, and courses for both pre-licensure and continuing education.

Registration of all Appraisal Management Companies operating in Texas became effective July 5, 2012 pursuant to Chapter 1104, Occupations Code, Chapter 1104 (HB 1146 of the 82nd Legislature). The registration process became fully operational in January of 2012 and as of June 2017 there are a total of 166 registered in Texas.

ELS is also responsible for the licensing providers of pre-licensure education and continuing education providers for both real estate and inspector license holders, pre-licensure and continuing education course instructors, and the review and approval of courses offered by these education providers.

The division ensures that both pre-licensure and continuing education courses for appraisers are acceptable. The agency maintains a list of education providers on its website to ensure that licensees have immediate access to current information. The Commission and Board have established education advisory committees to review and recommend improvements to the education programs for each license type. This will provide for more qualified license holders to continue to safeguard the public interest and protect consumers of real estate related services.

- C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.**

The number of real estate license holders and registrants in September 2012 totaled 147,977. As of May 2017, this figure rose to 180,381, an increase of approximately 22%. Appraiser license holders totaled 6,777 in September 2012 and 7,611 in May 2017, an increase of 13%. Despite the increase in volume, initial and renewal applications are processed within 10 days of receipt in the agency.

Due to the increase in license holders, the education section of this program has also experienced an increase in volume. The number of qualifying or pre-licensure education providers has remained relatively stable with totals fluctuating between 40 and 50 since 2012. However, there were approximately 315 continuing education providers in 2012. That number has increased by 35% to 425 in May of 2017, resulting in an increase in courses submitted for approval by those providers. While the total number of FTEs for the education section has remained at seven (six staff and an education manager), the job descriptions for these positions were revised in 2013 to enable the agency to hire individuals with a skill set that allows each to process and review qualifying as well as continuing education courses. Prior to 2013, there were two education specialists who were primarily responsible for processing and reviewing all education provider applications, courses and instructors.

Cross training of job duties and an increased use of the agency's online application and renewal options has enabled the education and licensing function to continue to meet or exceed each of the following performance measures:

- Percent of new applications processed within 10 days
- number of new licenses issued
- number of licenses renewed
- percent of license renewals issued within 7 days

- D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

Although the volume of regulated license holders for both TREC and TALCB has increased significantly, the services and functions of the program has not changed from the original intent.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

This program affects consumers of real estate, real estate license holders, appraiser license holders and registrants, trade associations, TREC-approved education providers and instructors, colleges and universities, and the general public.

Statistical breakdown of 180,381 real estate license holders as of May 31, 2017:

Brokers	44,878
Sales Agents	129,734
Inspectors	3,784
ERWs	1,985

Total education provider and instructor statistics as of May 31, 2017:

Qualifying Providers	42
CE Providers	425
Instructors	2,221

Statistical breakdown of 7,611 appraisers as of May 31, 2017:

Certified General	2,472
Certified Residential	2,452
Licensed Residential	442
Appraiser Trainee	893
Non-Residential Temporary	1,352

There are also 167 Appraisal Management Company Registrations as of May 31, 2017.

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The licensing function of the agency is administered by ELS. Many of application processes are automated through the Versa operating system, but license holders can still submit paper applications and other supporting documents to the agency as well. Applications and supporting documents are reviewed to ensure that the minimum education and experience requirements are met. Depending on the outcome of the review, an exam eligibility letter is issued or applicants are sent a curative requesting additional documentation if the application is incomplete. Applicants are required to submit fingerprints to the Texas Department of Public Safety (DPS) so a background check can be performed. The background check must be passed prior to the issuance of a license. When the applicant

passes the appropriate exam (real estate, inspector, or appraiser), a license is sent to them via email. Initial licensing applications can remain open for one year from the date an application is received to allow each applicant time to satisfy the minimum requirements for licensure without the need to reapply.

The agency licensing system automatically produces renewal notices three months in advance of each license expiration date and “expires” licenses when appropriate. Reports concerning licensing matters are produced weekly to help measure and manage the licensing process.

Education providers who offer qualifying or continuing education must be licensed by the agency to be eligible to offer courses. Once licensed, a provider may submit course applications for review and approval. The review of courses is a comprehensive process for qualifying (pre-license) courses because a course must meet specific content and topic requirements as well as include specific design and delivery components.

To teach real estate and inspector qualifying education courses, an instructor must submit an application for approval, satisfy requirements for honesty, trustworthiness and integrity, submit proof of completion of an 8-hour adult education instructor training course, and be approved to teach specific courses in specific subject areas based on education and experience. An instructor may also obtain certification to teach TREC’s non-elective continuing education courses by attending a train-the-trainer course and passing the course exam. An instructor of real estate elective courses must apply and satisfy commission requirements for honesty, trustworthiness and integrity and be competent in the specific subject matter taught as determined by the education provider who offers the course.

The agency uses the TexasOnline as a payment portal to provide for applications and online license renewals. The agency has expanded its online capabilities to include:

- Broker Individual Initial and Renewal Applications
- Broker Business Entity Initial and Renewal Applications
- Sales Agent Initial and Renewal Applications
- Professional, Real Estate or Apprentice Inspector Initial and Renewal Applications
- Easement Right-of-Way Agent Initial and Renewal Applications
- Easement Right-of-Way Business Initial and Renewal Applications
- Certified General Appraiser Initial and Renewal Applications
- Certified Residential Appraiser Initial and Renewal Applications
- Licensed Residential Appraiser Initial and Renewal Applications
- Appraiser Trainee Initial and Renewal Applications
- Appraisal Management Company Initial and Renewal Applications

As of May 2017, the online submission of initial real estate applications was 81.4% and renewal applications 96.8%. Approximately 52.1% of appraiser initial applications and 91.5% of appraiser renewal applications were submitted online. While education and licensing staff continue to review education, experience and other supporting documents sent electronically via email to complete the online process, they are no longer responsible for the initial entry of bio data and processing of filing fees for the applications submitted online. The filing of online applications and renewals help decrease the overall processing time of all applications and renewals.

Real estate license holders now have the ability to manage sponsoring relationships through the Relationship Management Tool (RMT). New sales agents may also go online and use the RMT to secure their first sponsoring broker. As of May 2017, the online submission of sponsorship transactions was 90.7%. This has also helped to decrease processing time, as the addition or change in sponsor relationships was previously a manual process performed by licensing staff.

A Panel Management Tool (PMT) was also developed to provide Appraisal Management Companies the ability to manage their panel member relationships online. As of May 2017, 100% of the AMC panel transactions were online. This has also helped to decrease the processing time, as the addition or change in AMC panel members was also previously a manual process performed by licensing staff.

Processing licenses or managing sponsor or panel relationships online eliminates the following manual processes:

- Serving walk-in customers who pay via check or money order
- Receiving and opening mail
- Processing checks and money orders
- Processing renewal and application batches
- Processing requests to add or terminate sponsor or panel relationships
- Processing “exceptions” such as incorrect, unsigned, or returned checks

Processing licenses online expands services by:

- Offering a 24-hour/day renewal, application, relationship and panel management process
- Allowing payment by debit or credit cards

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

See Exhibit 6: Sources of Revenue — Fiscal Year 2016 (Actual)

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

None.

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

Not applicable

- J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.**

Not applicable

- K. If contracted expenditures are made through this program please provide:**

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

No contract expenditures are made by the program.

- L. Provide information on any grants awarded by the program.**

No grants are awarded by the program.

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

None.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Why the regulation is needed;

The ELS division ensures that persons applying for or renewing their licenses meet the education and experience requirements required by statute and agency rule. The requirements are in place to protect the public by ensuring that persons licensed by the agency are minimally competent to perform the services authorized by their license.

The scope of, and procedures for, inspections or audits of regulated entities;

Appraiser applicants are subject to experience audits as part of the licensing process. These audits are conducted by TALCB SES staff. Broker applicants are required to submit experience logs that may be audited by TREC SES staff. Certain inspector applicants are required to submit their inspection logs and ELS staff review them for completion. ELS staff also evaluate all required education submitted by an applicant for a license and reviews and approves all education courses required for the renewal of license.

Follow-up activities conducted when non-compliance is identified

If an application for license or renewal of a license is lacking any required information or documentation, ELS sends the applicant a curative letter explaining the deficiency and how to correct it.

Sanctions available to the agency to ensure compliance;

Applicants for an initial license have one year from the date of application to meet all the requirements. If an applicant for an initial license fails to meet the education or

experience requirements for licensure, the application is denied. Applicants for a renewal license must meet the requirements for renewal prior to the expiration date of their current license. If they fail to renew the license, the license expires. Applicants may be authorized to complete late continuing education under certain circumstances.

Procedures for handling consumer/public complaints against regulated entities.

Consumer/public complaints against regulated entities are handled by the appropriate SES division. See the sections for TREC SES and TALCB SES for information about that process.

TREC STANDARDS AND ENFORCEMENT SERVICES (TREC SES)

A. Provide the following information at the beginning of each program description.

Name of Program or Function: TREC Standards & Enforcement Services

Location/Division: Main agency offices, Austin TX

Contact Name: Mark Moore

Actual Expenditures, FY 2016: \$1,724,287.13

Number of Actual FTEs as of June 1, 2017: 26

Statutory Citation for Program: Chapters 53, 1101, 1102 and 1303, Occupations Code, and Chapter 221, Property Code.

B. What is the objective of this program or function? Describe the major activities performed under this program.

Consumer protection is fundamental to the mission of the agency. To this end, TREC SES is responsible for the enforcement of the statutes and rules governing brokers and sales agents, real estate inspectors, residential service companies, timeshare developers, and easement and right-of-way agents. In addition, TREC SES recommends sanctions imposed against license holders and unlicensed persons who violate various regulatory requirements. TREC SES also applies standards regarding the eligibility of applicants for a license (primarily criminal history reviews).

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance

measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.

TREC SES handles a high volume of complaints received from the public and license holders, as well as a smaller number of staff-initiated complaints. Such complaints primarily concern alleged statutory and rule violations by brokers, sales agents, and inspectors, or alleged violations by unlicensed persons engaging in activities for which a license is required. A small number of complaints also concern education providers and instructors, as well as easement or right-of-way certificate holders, timeshare developers, and residential service companies.

During FY 2016, the division opened 2,826 cases, and closed 2,466 cases. Some complaints are closed with no action taken because of a lack of agency jurisdiction or lack of evidence.

The division also implements standards, reviews certain license applications, and makes determinations of moral character to assess the honesty, trustworthiness, and integrity of applicants. In FY 2016, the division reviewed and closed 866 application investigations and moral character determination cases.

TREC SES monitors residential service companies and timeshare developers licensed to conduct business in this state to ensure compliance with state law. As of August 31, 2016, there were 45 licensed residential service companies and 146 registered timeshare plans in Texas.

TREC SES uses the monthly reports to analyze the division's performance.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Although the volume of regulated license holders for TREC has increased significantly, the services and functions of the TREC SES program has not changed from the original intent.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

TREC SES affects real estate brokers, real estate sales agents, education providers, real estate inspectors, timeshare developers, and residential service companies.

The consumer protection functions TREC SES performs impact several groups of individuals and entities. These include:

- Licensed real estate real estate brokers, real estate sales agents, education providers, real estate inspectors, timeshare developers, and residential service companies;
- Consumers of real estate services

Statistical breakdown of 180,381 real estate license holders as of May 31, 2017:

- Brokers 44,878
- Sales Agents 129,734
- Inspectors 3,784
- ERWs 1,985

Total education provider and instructor statistics as of May 31, 2017:

- Qualifying Providers 42
- CE Providers 425
- Instructors 2,221

Qualification or eligibility requirements are in the statute for each license type administered by the agency. In addition, there are rules to administer each eligibility requirement.

- F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.**

TREC SES has a total of 27 staff members, managed by a director who oversees 9 staff attorneys, 6 investigators and 5 legal assistants, 4 program specialist, and 2 administrative assistants. The division regulates six main license types: (1) real estate real estate brokers, (2) real estate sales agents, (3) education providers, (4) real estate inspectors, (5) timeshare plans, and (6) residential service companies.

- Complaint investigation, resolution and compliance tracking:

TREC SES investigates complaints received by the agency and may also initiate staff complaints. Before opening a formal complaint, TREC SES reviews the complaint to determine jurisdiction. Formal complaints may be investigated by TREC SES staff. After investigation, TREC SES may resolve the complaint through dismissal or formal disciplinary hearing and agreed order. Once a case has been resolved, TREC SES tracks compliance.

- **Background checks of license applicants:**

All real estate sales agent, broker, inspector and easement and right of way agent applicants undergo a nationwide fingerprint based background check. Once fingerprints have been submitted, a program specialist processes the background matter based upon results from the background check. After consideration of all criminal, regulatory and civil matters revealed in the background check, TREC SES may recommend issuing the license, denying the license, or issuing a probationary license. All background checks are performed under the terms of the agency's Memorandum of Understanding with the Texas Department of Public Safety (DPS).

TREC SES also reviews applications for moral character determinations to inform pre-license applicants if they satisfy the honesty, trustworthiness, and integrity requirements for a license. These reviews are conducted solely on the basis of information disclosed by the applicant and do not include a separate criminal background check performed by the agency.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

See Exhibit 6: Sources of Revenue — Fiscal Year 2016 (Actual)

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

There are no public sector agencies that provide identical or similar services. In the case of fraudulent activity that was widespread or had significant impact, the Attorney General or another law enforcement agency (for example, a district attorney) could take an interest and pursue perpetrators to remedy a problem (for example, withholding security deposits).

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

None.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Primarily through the ITS division, the TREC SES division receives criminal history information from the Department of Public Safety of the State of Texas (and through DPS,

the agency also receives information from the FBI regarding criminal history). Also primarily through the ITS division, the division receives information on guaranteed student loans from the Texas Guaranteed Student Loan Corporation. When appropriate, the division refers non-jurisdictional complaints to the appropriate government entity.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

No contract expenditures are made by the program.

L. Provide information on any grants awarded by the program.

No grants are awarded by the program.

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

The agency administers several different statutes and regulates several distinct license types. The statutory language dictating the licensing processes, regulation of education and standards, and disciplinary procedures should, where appropriate, be the same across license types to provide consistency for staff and license holders.

Technological advances in the way license holders conduct business have raised consumer protection concerns. Statutory changes should be made to provide the agency the flexibility adjust any issues raised by technological advances.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None at this time.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;

- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Why the regulation is needed.

This program is needed to safeguard the public interest and to protect consumers of real estate services by ensuring that persons licensed by TREC meet qualifications for honesty, trustworthiness, and integrity.

Scope of, and procedures for, inspections or audits of regulated entities.

Only residential service companies are regularly audited. This is called an “examination” under the statute. The company pays for the cost of the examination, which is typically conducted at the agency headquarters. Occasionally, an examination is conducted on site.

Follow-up activities conducted when non-compliance is identified.

Persons in non-compliance can be subject to formal disciplinary sanctions (sanctions are listed below). In addition to formal discipline, regulated persons are sometimes sent advisory letters. For some issues, sometimes a phone call is all that is needed.

Sanctions are available to the agency to ensure compliance.

Each real estate broker, real estate sales agent, or easement or right-of-way agent is governed by the sanctions authorized by statute (Chapter 1101, Texas Occupations Code). Additional authority is granted by TREC rules.

Non-compliance by education providers and instructors is primarily addressed by TREC rules (22 TAC 535, Subchapter F).

Residential service company sanctions are authorized and described by statute (Chapter 1303, Occupations Code) and by rule (22 TAC 539).

Timeshare developer sanctions are authorized by statute (Section 221.024, Texas Property Code) and by rule (22 TAC Chapter 543).

Procedures for handling consumer/public complaints against regulated entities.

TREC SES handles consumer/public complaints. Each complaint is opened and, if jurisdiction exists, investigated until a final determination is then made. Each complainant and respondent is periodically informed of the status of the complaint and informed of the final determination.

- P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices. Please include a brief description of the methodology supporting each measure.

**Texas Real Estate Commission
TREC Standards and Enforcement Services
Exhibit 10: Information on Complaints Against Regulated Persons or Entities
Fiscal Years 2015 and 2016**

	Fiscal Year 2015	Fiscal Year 2016
Total number of regulated persons	155,024	164,506
Total number of regulated entities	9,960	10,220
Total number of entities inspected	N/A	N/A
Total number of complaints received from the public	1375	1312
Total number of complaints initiated by agency	23	8
Number of complaints pending from prior years	21	37
Number of complaints found to be non-jurisdictional	261	382
Number of jurisdictional complaints found to be without merit	675	594
Number of complaints resolved	1117	943
Average number of days for complaint resolution	160.8	169.6
Complaints resulting in disciplinary action:	442*	349*
administrative penalty	222	160
reprimand	92	60
probation	31	39
suspension	58	42
revocation	58	27
other	587	470

Table 12 Exhibit 10 Information on Complaints Against Persons or Entities (TREC)

* The total number of "complaints resulting in disciplinary action" will not reconcile with the numbers listed under specific disciplinary action. Any complaint resolved with an order may include multiple disciplinary actions. Additionally, a complaint may be resolved with disciplinary action against multiple respondents.

TALCB STANDARDS AND ENFORCEMENT SERVICES (TALCB SES)

Complete this section for **each** agency program (or each agency function, activity, or service if more appropriate). Copy and paste the questions as many times as needed to discuss each program, activity, or function. Contact Sunset staff with any questions about applying this section to your agency.

A. Provide the following information at the beginning of each program description.

Name of Program or Function: TALCB Standards & Enforcement Services

Location/Division: Main agency offices, Austin TX

Contact Name: Troy Beaulieu

Actual Expenditures, FY 2016: \$841,810.44

Number of Actual FTEs as of June 1, 2017: 10

Statutory Citation for Program: Chapters 1103 and 1104, Occupations Code.

B. What is the objective of this program or function? Describe the major activities performed under this program.

TALCB Standards and Enforcement Services (TALCB SES) reviews applications for licensure to assess the honesty, integrity and trustworthiness of appraiser applicants and key personnel of Appraisal Management Companies (AMCs). As part of the license application process, TALCB SES audits applicants' experience and work product for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), which provide the minimum professional standards for conducting reliable real estate appraisal activities under state and federal law. In addition, TALCB SES reviews applicants' criminal history, oversees sanction compliance of licensees who have violated various legal requirements regulated by TALCB, and works with advisory committees and other agency staff to develop enforcement rules, policies, and procedures.

TALCB SES also investigates and resolves complaints regarding appraisers and AMCs alleging violations of state law and USPAP. In addition to staff investigations, statutorily authorized Peer Investigative Committees (PICs) review appraisals that are the subject of complaints filed with the Board against appraiser licensees. Each PIC consists of two licensees, one appraiser who is a TALCB Board member and one appraiser who is a certified USPAP instructor. The PIC process is managed by the division director.

TALCB SES was a member of the Mortgage Fraud Task Force until its repeal in 2017. Assistance from TALCB SES has led to several indictments, prosecutions and convictions of certified or licensed appraisers for criminal conduct incident to allegations of mortgage fraud.

- C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and outcome performance measures that best convey the effectiveness and efficiency of this function or program. Also please provide a short description of the methodology behind each statistic or performance measure.**

Since the last Sunset review in 2005-2006, TALCB SES has resolved a very large backlog of complaint cases over 1 year old (a key federal oversight measurement) that coincided with a significant rise in complaints flowing from the financial crisis that culminated in 2008. This backlog negatively impacted TALCB's Biennial Program Review conducted by the Appraisal Subcommittee (ASC), our federal oversight agency. However, after significant adjustments in staffing, retooling of enforcement mechanisms to provide for flexible, remedial-based case resolution options (such as mentorship and contingent dismissals), and a focus on prioritizing serious disciplinary action for those cases involving gross incompetence and ethical violations, TALCB SES overcame this backlog.

In 2014 TALCB received a program rating of "Good" from the ASC and, for the first time, the Board met the ASC's key benchmark of having all complaint cases resolved within 1 year of receipt. Just two years later in 2016, TALCB achieved its first ever program rating of "Excellent," which is the highest available rating from the ASC. At the time of the 2016 ASC review, TALCB SES had reduced all open cases not involved in external litigation to within 9 months of receipt date. The average number of days for complaint resolution has dropped significantly and is now less than 1 year (284.9 in 2016 and 325.9 in 2015 - based on VERSA database generated NFAE report).

- D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

In 2010 the U.S. Congress passed the Dodd Frank Wall Street Reform and Consumer Protection Act ("Dodd Frank"), which made significant changes to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The Dodd Frank amendments required states to regulate AMC's consistent with federal law to allow AMC's operating in their state to continue participating in federally related transactions. To bring Texas into compliance with Dodd Frank, the 82nd Legislature passed the Texas Appraisal Management Company Registration Act, Chapter 1104, Occupations Code, in 2011. Federal oversight authorities adopted the AMC Rules in 2016, and the 85th Legislature adopted changes to Chapter 1104, Occupations Code, to comply with the new federal rules in 2017. Additional federal rules remain pending, and the federal government continues to discuss potential changes to Dodd Frank, which may impact TALCB.

Although the volume of regulated license holders for TALCB has increased, the services and functions of the enforcement program has not changed from the original intent.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The consumer protection functions TALCB SES performs impact several groups of individuals and entities. These include:

- Licensed real estate appraisers in Texas and AMC's registered in Texas;
- Consumers of real estate appraisal and appraisal management company services including:
 - Financial institutions and their agents (usually for mortgage finance transactions);
 - Buyers and sellers in real property sales transactions; and,
 - Real property owners procuring appraisal services for non-sales related purposes (divorce, probate, IRS, insurance, tax, refinancing, condemnation etc.)
- Unlicensed individuals who may engage in real estate appraisal or appraisal management activity without a license.

Statistical breakdown of 7,611 appraisers as of May 31, 2017:

- Certified General 2,472
- Certified Residential 2,452
- Licensed Residential 442
- Appraiser Trainee 893
- Non-Residential Temporary 1,352

F. Describe how your program or function is administered, including a description of the processes involved in the program or function. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

TALCB SES has a total of 10 staff members, managed by a director who oversees 1 staff attorney, 5 investigators and 2 legal assistants and 1 legal secretary. The division regulates two main license types: (1) real estate appraisers [this includes appraiser trainees, licensed residential appraisers, certified residential appraisers, certified general appraisers, and out-of-state, temporary practice permit holders] under Chapter 1103, Occupations Code; and (2) AMCs under Chapter 1104, Occupations Code. TALCB SES also investigates and pursues

instances of unlicensed appraisal or AMC activity. The TALCB SES regulatory function is accomplished through four main functions:

- Complaint investigation, resolution and compliance tracking:

TALCB SES investigates complaints received by the agency and may also initiate staff complaints. Before opening a formal complaint, TALCB SES reviews the complaint to determine jurisdiction. Formal complaints may be investigated by TALCB SES staff or assigned to a Board approved peer investigative committee (PIC). After investigation, TALCB SES may resolve the complaint through dismissal, remedial measures, or formal disciplinary hearing and agreed order. Once a case has been resolved, TALCB SES tracks compliance and reports any formal disciplinary action to the ASC for inclusion in the appraiser National Registry.

- Experience audits of real estate appraisers:

Before issuing an appraiser license, TALCB SES is required by federal law to audit each applicant's experience and work product for compliance with USPAP. After audit, TALCB SES may approve the license for issuance, recommend denial, or recommend issuance of a probationary license. In addition to these mandatory audits, TALCB SES also conducts voluntary reviews of appraiser trainee work product when requested. Appraiser trainees may request the Board for a voluntary review of their work product and feedback before applying for an appraiser license.

- Background checks of license applicants:

Since January 1, 2017, all real estate appraiser license applicants undergo a nationwide fingerprint based background check. Once fingerprints have been submitted, the division's legal secretary processes the background matter based upon results from the background check. After consideration of all criminal, regulatory and civil matters revealed in the background check, TALCB SES may recommend issuing the license, denying the license, or issuing a probationary license.

TALCB SES also reviews applications for moral character determinations to inform pre-license applicants if they satisfy the honesty, trustworthiness, and integrity requirements for a license. These reviews are conducted solely on the basis of information disclosed by the applicant and do not include a separate criminal background check performed by the agency. In addition to these background checks for appraisers, TALCB SES also conducts non-fingerprint criminal background checks for persons designated as the primary contact for an AMC and persons who own 10% or more of an AMC. All background checks are performed under the terms of the agency's Memorandum of Understanding with the Texas Department of Public Safety (DPS).

- Assistance to law enforcement in mortgage fraud investigations

When requested by state or federal law enforcement/prosecutorial agencies, TALCB provides assistance by reviewing appraisal reports and serving as potential expert witnesses in cases involving investigation/prosecution of mortgage fraud related criminal offenses. TALCB SES investigates these law enforcement requests in the same manner as complaints, but without notice to the appraiser, and prepares a written report with findings for the requesting law enforcement agency. Once that agency has completed their criminal investigation/prosecution and/or no longer need TALCB's assistance, the file is closed.

- G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

See Exhibit 6: Sources of Revenue — Fiscal Year 2016 (Actual)

- H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.**

TALCB is the only Texas agency that provides real estate appraiser and AMC licensing and regulatory services in compliance with state and federal law. However, there are some areas of regulatory overlap regarding property tax appraisers and consultants, which are currently licensed and regulated by the Texas Department of Licensing and Regulation (TDLR) under Chapters 1151 and 1152, Occupations Code. Property tax appraisers are those individuals employed by a county appraisal district to determine appraised values for real property within each county. Property Tax Consultants are persons who may appear and represent individuals or entities in a property tax appraisal before the county appraisal review board. Many Property Tax Consultants already hold appraiser licenses issued by TALCB and/or broker licenses issued by TREC. Additionally, in 2013, the 84th Legislature amended §42.23(i) of the Tax Code, effective January 1, 2020, to give preference to testimony of appraisal district employees who are licensed as appraisers under Chapter 1103, Occupations Code.

- I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

TALCB has adopted rules in Chapter 155, Title 22, Texas Administrative Code, requiring appraisers licensed by TALCB, who are also licensed as a property tax professional or consultant under Chapters 1151 or 1152, Occupations Code, to disclose which license they are acting under and to include a specific disclaimer when they are acting pursuant to

licenses issued under Chapter 1151 or 1152, Occupations Code, in a property tax protest. See TALCB Rules 155.1-.2 (22 Tex. Admin Code §§155.1-.2).

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Under Title XI of the Financial Institutions, Reform Recovery and Enforcement Act (“FIRREA”) (12 USC § 3331 et. seq., as amended by the Dodd Frank Wall Street Reform and Consumer Protection Act) the federal Appraisal Subcommittee (“ASC”) provides oversight and monitoring of Texas’s appraiser regulatory program to ensure TALCB meets obligations under federal law relating to real estate appraisal regulatory activity. Effective in August, 2018 this oversight will include obligations under federal law relating to regulation of Appraisal Management Companies (“AMC’s”).

In addition to FIRREA and certain federal regulations, the ASC promulgates “policy statements” identifying the FIRREA obligations TALCB and other appraiser regulatory agencies must satisfy. The ASC performs an on-site review of TALCB’s program for compliance with these federal requirements every 2 years and conducts a priority contact visit during the interim year. The audit focuses on the appraiser licensing and enforcement functions performed by TALCB ELS and SES divisions. The ASC rates appraiser regulatory agencies’ compliance with FIRREA obligations based on the results of the biennial review. The ASC’s five rating categories include: (1) Poor; (2) Not Satisfactory; (3) Needs Improvement; (4) Good; and (5) Excellent. At its last review in 2016, TALCB’s program received an “Excellent” rating, the highest available. Information about the mission of the Appraisal Subcommittee can be found on their website at www.asc.gov.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2016;
- the number of contracts accounting for those expenditures;
- the method used to procure contracts
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

No contract expenditures are made by the program.

L. Provide information on any grants awarded by the program.

No grants are awarded by the program.

M. Are there any barriers or challenges that impede the program's performance, including any outdated or ineffective state laws? Explain.

Delays in federal rulemaking create inconsistent standards for license applicants and hinder TALCB's ability to provide accurate advice and guidance to applicants, license holders, and consumers of appraisal services.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

TALCB Regulatory Programs related to licensing, registration, and certification of persons, businesses, or other entities.

Why the regulation is needed:

- Federal law, including Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), as amended by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), requires states to establish a licensing and certification program for individual appraisers and a registration and supervision program for appraisal management companies (AMCs), which Texas has done in Chapters 1103 and 1104, Occupations Code. TALCB is charged with implementing and enforcing these licensing and registration programs.
- Federal law prescribes the minimum standards required to obtain a license or certification as an individual appraiser. Federal law also prescribes the standards for AMC registrations. The federal AMC registration standards will take effect in August 2018. TALCB follows the minimum standards under federal law to obtain an appraiser license, as well as the federal minimum standards for AMC registrations.

Scope of, procedures for, inspections or audits of regulated entities; and Follow-up activities when non-compliance is identified:

- TALCB SES staff reviews and investigates complaints received by the agency and may also staff initiate a complaint if necessary. TALCB SES resolves those complaints within TALCB’s jurisdiction through dismissal, remedial measures, or formal disciplinary action. TALCB audits the work product of each license applicant for compliance with USPAP and also has authority to audit AMCs, if necessary.
- The ASC also provides oversight to ensure compliance with federal law through biennial compliance audits. The ASC conducts an onsite audit of the TALCB SES program every other year. The most recent ASC audit was conducted in 2016, and TALCB received an “Excellent” rating. The next ASC compliance audit will be conducted in 2018.

Sanctions available to TALCB to ensure compliance:

- TALCB SES may sanction license holders who violate state law or TALCB rules, as well as persons who conduct appraisal activities without holding the appropriate license. Sanctions available to TALCB SES include cease and desist authority, license denial, suspension, or revocation, remedial measures, administrative penalties, contingent dismissals, injunctive relief, and civil penalties. Sanctions are available and handled through the complaint process administered by TALCB SES.

Procedures for handling consumer/public complaints against regulated entities:

- All complaints received against a license holder, regulated entity, or unlicensed persons are referred to the TALCB SES for evaluation, processing and resolution.

**Texas Appraiser Licensing and Certification Board
TALCB Standards and Enforcement Services
Exhibit 11: Information on Complaints Against Regulated Persons or Entities
Fiscal Years 2015 and 2016**

	Fiscal Year 2015	Fiscal Year 2016
Total number of regulated persons	7,127	7,391
Total number of regulated entities	179	185
Total number of entities inspected	0	0
Total number of complaints received from the public	170	182
Total number of complaints initiated by agency	21	29
Number of complaints pending from prior years	120	153
Number of complaints found to be non-jurisdictional	6	7
Number of jurisdictional complaints found to be without merit	39	48

Self-Evaluation Report

	Fiscal Year 2015	Fiscal Year 2016
Number of complaints resolved	164	109
Average number of days for complaint resolution	325.9	284.9
Complaints resulting in disciplinary action:	55*	28*
administrative penalty	28	11
reprimand	0	0
probation	8	3
suspension	0	1
revocation	0	1
other	46	25

Table 13 Exhibit 11 Information on Complaints Against Persons or Entities (TALCB)

* The total number of “complaints resulting in disciplinary action” will not reconcile with the numbers listed under specific disciplinary action. Any complaint resolved with an order may include multiple disciplinary actions. Additionally, a complaint may be resolved with disciplinary action against multiple respondents.

VIII. Statutory Authority and Recent Legislation

- A. Fill in the following charts, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact your agency. Do not include general state statutes that apply to all agencies, such as the Public Information Act, the Open Meetings Act, or the Administrative Procedure Act. Provide information on Attorney General opinions from FY 2011–2015, or earlier significant Attorney General opinions, that affect your agency's operations.

Texas Real Estate Commission Exhibit 12: Statutes / Attorney General Opinions

Statutes

Citation / Title	Authority / Impact on Agency (e.g., "provides authority to license and regulate nursing home administrators")
Chapter 1101, Texas Occupations Code	Provides authority to license and regulate real estate agents, real estate brokers, and easement and right-of-way agents. It also provides administrative authority over Chapter 1102, Texas Occupations Code.
Chapter 1102, Texas Occupations Code	Provides authority to license and regulate real estate inspectors.
Chapter 1105, Texas Occupations Code	Provides self-directed, semi-independent status to the Commission.
Chapter 1303, Texas Occupations Code	Provides authority to license and regulate residential service companies.
Chapter 221, Texas Property Code	Provides authority to register and regulate developers of timeshare projects.

Table 14 Exhibit 12 Statutes (TREC)

Attorney General Opinions

Attorney General Opinion No.	Impact on Agency
ORD No. 682	Public Information Officer does not discharge duty to respond to request for public information merely by directing requestor to information on governmental body's website unless requestor consents to receive information in this form. NOTE: This OAG opinion has been superseded by amendments to Gov't Code §552.221 enacted in 2017 (See SB 79, 85 th R.S. (2017)).

Self-Evaluation Report

Attorney General Opinion No.	Impact on Agency
ORD No. 684	Prior OAG determination allowing all governmental bodies to withhold specific categories of information without requesting an OAG opinion, including employee direct deposit authorization forms, Employment Eligibility Verification Form I-9, W-2 and W-4 Forms, certified agendas and tapes of closed meetings, fingerprints, L-2 and L-3 Declarations, motor vehicle record information, access device information, email addresses, military discharge records. The agency's ability to withhold information falling within these categories may be qualified by the special right of access and death exceptions in the Public Information Act.
OR2016-12412	Confidentiality of Open Complaint/Investigative Files
OR2016-11984	Confidentiality of Open Complaint/Investigative Files
OR2016-08071	Confidentiality of Open Complaint/Investigative Files
OR2016-08070	Confidentiality of Open Complaint/Investigative Files
OR2016-07297	Confidentiality of Open Complaint/Investigative Files
OR2016-07150	Confidentiality of Open Complaint/Investigative Files
OR2015-15480	Inspector Exam
OR2015-12242	RSC Reports/Information
OR2015-09084	RSC Reports/Information
OR2015-08869	RSC Reports/Information
OR2015-07479	DIR re: IT Information
OR2015-06883	Timeshare
OR2014-20318	RSC Reports/Information
OR2014-07404	Exam RFP
OR2014-07404A	Exam RFP
OR2014-04583	RSC Annual Reports
OR2013-17057	Inspector Exam

Table 15 Exhibit 12 Attorney General Opinions (TREC)

**Texas Appraiser Licensing & Certification Board
Exhibit 12: Statutes / Attorney General Opinions**

Statutes

Citation / Title	Authority / Impact on Agency <i>(e.g., "provides authority to license and regulate nursing home administrators")</i>
Chapter 1103, Texas Occupations Code	Provides authority to license and regulate real estate appraisers.
Chapter 1104, Texas Occupations Code	Provides authority to license and regulate appraisal management companies.
Chapter 1105, Texas Occupations Code	Provides self-directed, semi-independent status to the Board.

Table 16 Exhibit 12 Statutes (TALCB)

Attorney General Opinions

Attorney General Opinion No.	Impact on Agency
ORD No. 682	Public Information Officer does not discharge duty to respond to request for public information merely by directing requestor to information on governmental body's website unless requestor consents to receive information in this form. NOTE: This OAG opinion has been superseded by amendments to Gov't Code §552.221 enacted in 2017 (See SB 79, 85 th R.S. (2017)).
ORD No. 684	Prior OAG determination allowing all governmental bodies to withhold specific categories of information without requesting an OAG opinion, including employee direct deposit authorization forms, Employment Eligibility Verification Form I-9, W-2 and W-4 Forms, certified agendas and tapes of closed meetings, fingerprints, L-2 and L-3 Declarations, motor vehicle record information, access device information, email addresses, military discharge records. The agency's ability to withhold information falling within these categories may be qualified by the special right of access and death exceptions in the Public Information Act.
OR2014-08193	TALCB may withhold certain attorney-client privileged information
OR2015-07479	DIR re: IT Information
OR2015-06308	TALCB may withhold certain attorney-client privileged information
OR2014-21709	TALCB may withhold information under litigation exception
OR2008-06194	TALCB Investigative Reports

Table 17 Exhibit 12 Attorney General Opinions (TALCB)

- B. Provide a summary of recent legislation regarding your agency by filling in the charts below or attaching information already available in an agency-developed format. Briefly summarize the key provisions. For bills that did not pass, briefly explain the key provisions and issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation). Place an asterisk next to bills that could have a major impact on the agency.**

**Texas Real Estate Commission and Texas Appraiser Licensing & Certification Board
Exhibit 13: 85th Legislative Session**

Legislation Enacted

Bill Number	Author	Summary of Key Provisions	Agency Impacted by Legislation
SB 2212	Hancock	<p>This bill amends Chapter 1101, Occupations Code, to codify the recently adopted amendments to 22 TAC 535.5 regarding equitable interests in real property. In the same manner as the rule, this statutory change clarifies that a person selling or offering to sell an option or assigning an interest in a contract to purchase real property is engaged in brokerage if they do not accurately disclose to potential buyers the nature of the interest offered. This bill also amends the Property Code to require the seller of an equitable interest, when selling or offering to sell an option or assigning an interest in a contract to purchase real property, to disclose the same to any potential buyer.</p> <p>The bill also makes changes to regulations governing advertising for brokers and sales agents. It eliminates the current requirement in advertising that the advertiser be identified as a broker or agent, but clarifies that an advertisement is misleading if it fails to include the name of the broker or implies that a sales agent is responsible for the operation of the brokerage. The bill also prohibits the Commission from requiring the term broker, agent, a reference to the Commission, or the person’s license number in the person’s advertisement.</p> <p>Effective date September 1, 2017.</p>	TREC
HB 890	Geren	<p>This bill amends the Seller’s Disclosure to add a general notice that properties may be located near a military installation and may be affected by high noise or installation compatible use zones or other operations. The notice also directs the buyer to a local area study to provide more information.</p> <p>TREC promulgates a version of the Seller’s Disclosure and will need to add this notice language the disclosure.</p> <p>Effective date September 1, 2017.</p>	TREC

HB 2279	Goldman	<p>This bill amends Chapter 1303, Occupations Code, which governs regulation of RSCs (aka home warranty companies). The bill acknowledges the distinction between RSCs who insure <i>ALL</i> of their outstanding risk through a third party insurance company and those that maintain a funded reserve. The bill simplifies certain regulatory requirements for fully insured RSCs and streamlines the contract and rate filing requirements for RSCs that are already licensed in Texas. The bill also enhances confidentiality provisions currently in statute and increases certain consumer protections.</p> <p>Effective date January 1, 2018.</p>	TREC
SB 1516	Hancock	<p>This is the AMC housekeeping bill. This bill amends Chapter 1104, Occupations Code, to address recent changes in federal law regarding the regulation of AMCs, to provide consistency in terminology, and repeal outdated provisions. The bill also makes conforming changes to align Chapter 1104 with amendments to Chapter 1103, Occupations Code, made in the 2015 session.</p> <p>Effective date September 1, 2017.</p>	TALCB

Table 18 Exhibit 13 Legislation Enacted 85th Leg

Legislation Not Passed

None.

IX. Major Issues

The purpose of this section is to briefly describe any potential issues raised by your agency, the Legislature, or stakeholders that Sunset could help address through changes in statute to improve your agency's operations and service delivery. Inclusion of an issue does not indicate support, or opposition, for the issue by the agency's board or staff. Instead, this section is intended to give the Sunset Commission a basic understanding of the issues so staff can collect more information during our detailed research on your agency. Some questions to ask in preparing this section may include: (1) How can your agency do a better job in meeting the needs of customers or in achieving agency goals? (2) What barriers exist that limit your agency's ability to get the job done?

Emphasis should be given to issues appropriate for resolution through changes in state law. Issues related to funding or actions by other governmental entities (federal, local, quasi-governmental, etc.) may be included, but the Sunset Commission has no authority in the appropriations process or with other units of government. If these types of issues are included, the focus should be on solutions which can be enacted in state law. This section contains the following three components.

A. Brief Description of Issue

B. Discussion

Background. Include enough information to give context for the issue. Information helpful in building context includes:

- What specific problems or concerns are involved in this issue?
- Who does this issue affect?
- What is the agency's role related to the issue?
- Any previous legislative action related to the issue?

C. Possible Solutions and Impact

Provide potential recommendations to solve the problem. Feel free to add a more detailed discussion of each proposed solution, including:

- How will the proposed solution fix the problem or issue?
- How will the proposed change impact any entities or interest groups?
- How will your agency's performance be impacted by the proposed change?
- What are the benefits of the recommended change?
- What are the possible drawbacks of the recommended change?
- What is the fiscal impact of the proposed change?

Complete this section for **each** issue. Copy and paste components A through C as many times as needed to discuss each issue.

1. Clarify E&O coverage minimums for Inspectors and Real Estate brokers.

- A. TREC has received questions about whether certain clauses in an insurance policy, such as a defense within limits or wasting clause, which reduce the limits of liability insurance coverage available under the policy, comply with the statutory requirements in §1102.1141.
- B. These and other similar clauses reduce the amount of liability insurance coverage available to protect the public against a violation of Subchapter G, Chapter 1102, Texas Occupations Code, §1102.1141 and similar provisions in Chapter 1101.
- C. Chapters 1101 and 1102, Occupations Code should be amended to clarify that any insurance policy should provide the statutory minimum amount of coverage without reduction for defense costs, attorney fees or other offsets.

2. Redundant Consumer Protection requirements for inspectors.

- A. Mandatory E&O insurance coverage makes maintaining Inspector Recovery Fund redundant.
- B. The rationale for requiring inspectors to maintain E&O insurance is the same as requiring inspectors to pay into a recovery fund: providing consumers access to funds to mitigate losses due to negligence of an inspector in the performance of an inspection.
- C. Maintain the E&O insurance requirement for inspectors and repeal the statutory provisions related to the inspector recovery fund, rebating the fees to the inspectors.

3. Regulation of Property Tax Consultants could be moved to TALCB for better regulatory efficiency.

- A. Consolidation of occupational licensing and regulatory functions for Property Tax Professionals and Property Tax Consultants under Chapters 1151 and 1152, Occupations Code, within TALCB.
- B. Property Tax Professionals and Property Tax Consultants perform similar activities to the appraiser license holders of TALCB. Indeed, many property tax consultants already hold an appraiser license issued by TALCB, and the Legislature has enacted a testimonial preference for Property Tax Professionals who are also licensed by TALCB that will take effect January 1, 2020.
- C. It would be more efficient to consolidate the occupational licensing and regulatory functions for all three occupations into one agency and, given TALCB's licensing and regulatory oversight of appraisers mandated by federal law, it makes sense to consolidate these occupational licenses under TALCB's jurisdiction.

4. Lack of a central fingerprint repository for criminal background checks.

- A. An applicant an occupational license for which a criminal background check is required, must submit and pay for fingerprints regardless of whether that person has already paid for and undergone fingerprinting for another purpose (i.e. concealed carry or a different occupational license).
- B. The reluctance of Texas to create a central fingerprint repository that both complies with federal privacy laws and can be accessed by every agency in Texas which requires a set of fingerprints for a criminal history check is a burden on Texans who hold certain occupational licenses.
- C. An interstate cooperative model exists that could be emulated to design a program that protects privacy while avoiding duplicative effort and expense by Texas consumers and agencies.

5. The current statutory authority allowing agencies to use distance meeting technology is overly burden and cost prohibitive.

- A. Further reduction in the barriers allowing state agencies to take advantage of distance meeting technology.
- B. Distance meeting technology can greatly reduce the costs of routine meetings of policymaking bodies of state agencies. However, whatever cost and efficiencies gained by the use of this technology must be balanced with the needs and expectation of the public to participate in these meetings. Current open meeting requirements that attempt to reach a balance are overly complex and not cost effective.
- C. Open Meetings law requirements could be adjusted to allow agencies to operate more efficiently without requiring costly high resolution equipment and specialized software. Other safeguards could be implemented to ensure the adequacy of public interaction and input.

ADDITIONAL OPPORTUNITY - Meeting agenda and materials distribution, live web-based meeting simulcast and annotated video minutes of meetings are all technologies the agency currently uses to operate more effectively and efficiently that could be widely used across Texas state government to reduce costs and enhance transparency.

X. Other Contacts

- A. Fill in the following charts with updated information on people with an interest in your agency, and be sure to include the most recent email address.

Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board Exhibit 14: Contacts

Interest Groups

(groups affected by agency actions or that represent others served by or affected by agency actions)

Group or Association Name/ Contact Person	Address	Telephone	Email Address
Texas Association of Realtors <i>Travis Kessler</i>	1115 San Jacinto Blvd, Austin, TX 78701	512-480-8200	tkessler@texasrealtors.com
Texas Association of Real Estate Inspectors <i>Perry Zelner</i>	P.O. Box 90745 Austin, Texas 78709-0745	210-415-4219	A-i-Inspections@satx.rr.com
Texas Professional Real Estate Inspector Association <i>Paul Roebuck</i>	15513 Crown Oaks Montgomery TX 77316	832-499-9946	President@tpreia.com
Foundation Appraiser Coalition of Texas <i>Greg Stephens</i>	P O Box 202197 Austin, TX 78720	214-500-4742	gstephens@metrowestappr.com
Association of Texas Appraisers <i>Ace "Curt" Myrick</i>	13530 Escort Drive San Antonio, TX 78233	512-565-1084	curt@headsuprec.com
Appraisal Institute <i>Jim Amorin</i>	7805-A Bell Mountain Drive Austin, TX 78730	512- 453-7407	jamorin@atriumrealestate.com
Real Estate Valuation Advocacy Association <i>Mark Schiffman</i>	734 15th St. NW, Suite 900 Washington, D.C. 20005	612-716-1812	mark.schiffman@revaa.org

Table 19 Exhibit 14 Interest Groups

Interagency, State, or National Associations

(that serve as an information clearinghouse or regularly interact with your agency)

Group or Association Name/ Contact Person	Address	Telephone	Email Address
Real Estate Center Texas A&M University <i>Gary Maler</i>	College Station, TX	979-845-9691	gmaler@mays.tamu.edu
Association of Real Estate License Law Officials <i>Miriam Baer</i>	1313 Navaho Drive Raleigh, NC 27609	(919) 875-3700	miriam@nrec.gov

Self-Evaluation Report

Group or Association Name/ Contact Person	Address	Telephone	Email Address
Association of Appraiser Regulatory Officials <i>Debora Rudd</i>	2910 N. 44th Street # 310 Phoenix, AZ 85018	602-771-2840	DRudd@AZdfi.gov
Appraisal Subcommittee <i>Jim Park</i>	1401 H Street N.W. # 760 Washington, D.C. 20005	202-289-2735	jim@asc.gov

Table 20 Exhibit 14 Interagency, State, and National Association

Liaisons at Other State Agencies

(with which your agency maintains an ongoing relationship, e.g., the agency's assigned analyst at the Legislative Budget Board, or attorney at the Attorney General's office)

Agency Name / Relationship / Contact Person	Address	Telephone	Email Address
Governor's Office <i>Jared Staples</i>	1100 San Jacinto Blvd, Austin, TX 78701	512-463-1778	jared.staples@gov.texas.gov
Attorney General's Office <i>TREC Contact: Dennis McKinney</i>	300 W 15th St, Austin, TX 78701	512-475-4020	dennis.mckinney@oag.texas.gov
Attorney General's Office <i>TALCB Contact: Ellen Sameth</i>	300 W 15th St, Austin, TX 78701	512-936-1838	ellen.sameth@oag.texas.gov
Texas Department of Licensing and Regulation <i>Brian Francis</i>	920 Colorado St. Austin, TX 78701	512-463-3173	brian.francis@tdlr.texas.gov
Legislative Budget Board <i>Andrew Overmyer</i>	1501 Congress Ave # 5, Austin, TX 78701	512-463-4284	andrew.overmyer@lbb.texas.gov
Comptroller of Public Accounts <i>Michelle Lee, Financial Reporting</i>	111 E 17th St, Austin, TX 78774	(512) 936-6295	michelle.lee@cpa.texas.gov
<i>Comptroller of Public Accounts Michelle Alvarez, ACO</i>	111 E 17th St, Austin, TX 78774	(512) 936-5632	michelle.alvarez@cpa.texas.gov
Department of Information Resources <i>Jay Graves</i>	300 W 15th St #1300, Austin, TX 78701	(512) 463-3291	jay.graves@dir.state.tx.us

Table 21 Exhibit 14 Liaisons at Other State Agencies

XI. Additional Information

- A. Texas Government Code, Sec. 325.0075 requires agencies under review to submit a report about their reporting requirements to Sunset with the same due date as the SER. Include a list of each agency-specific report that the agency is required by statute to prepare and an evaluation of the need for each report based on whether factors or conditions have changed since the statutory requirement was put in place. Please do not include general reporting requirements applicable to all agencies, reports that have an expiration date, routine notifications or notices, posting requirements, federally mandated reports, or reports required by G.A.A. rider. If the list is longer than one page, please include it as an attachment.

Texas Reals Estate Commission and Texas Appraiser Licensing & Certification Board Exhibit 15: Evaluation of Agency Reporting Requirements

Report Title	Legal Authority	Due Date and Frequency	Recipient	Description	Is the Report Still Needed? Why?
SDSI biennial report	Texas Occ Code §1105.005 (b)	Before the beginning of each regular session of the legislature	<i>Governor, Senate Finance Committee, & House Appropriations Committee</i>	A report describing all of the agency's activities in the previous biennium	Yes. The Report provides accountability to oversight agencies.
SDSI annual report	Texas Occ Code §1105.005 (c)	<i>November 1 of each year</i>	<i>Governor, LBB, Senate Finance Committee, & House Appropriations Committee</i>	A report that contains: (1) the salary for all agency personnel and the total amount of per diem expenses and travel expenses paid for all agency employees; (2) the total amount of per diem expenses and travel expenses paid for each member of the agency; (3) the agency's operating plan and the annual budgets of the commission and the board; and (4) a detailed report of all revenue received and all expenses incurred by the agency in the previous 12 months.	Yes. The Report provides accountability to oversight agencies.

Table 22 Exhibit 15 Agency Reporting Requirements

- B. Has the agency implemented statutory requirements to ensure the use of "first person respectful language"? Please explain and include any statutory provisions that prohibits these changes.**

Not applicable.

- C. Fill in the following chart detailing information on complaints regarding your agency. Do not include complaints received against people or entities you regulate. The chart headings may be changed if needed to better reflect your agency’s practices.**

**Texas Real Estate Commission
Exhibit 16: Complaints Against the Agency — Fiscal Years 2015 and 2016**

	Fiscal Year 2015	Fiscal Year 2016
Number of complaints received	1	3
Number of complaints resolved	0	2
Number of complaints dropped / found to be without merit	1	1
Number of complaints pending from prior years	0	0
Average time period for resolution of a complaint	90	48

Table 23 Exhibit 16 Complaints Against the Agency (TREC)

**Texas Appraiser Licensing & Certification Board
Exhibit 16: Complaints Against the Agency — Fiscal Years 2015 and 2016**

	Fiscal Year 2015	Fiscal Year 2016
Number of complaints received	1	2
Number of complaints resolved	1	2
Number of complaints dropped / found to be without merit	1	2
Number of complaints pending from prior years	0	0
Average time period for resolution of a complaint	150 days	30

Table 24 Exhibit 16 Complaints Against the Agency (TALCB)

D. Fill in the following charts detailing your agency's Historically Underutilized Business (HUB) purchases.

**Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board
Exhibit 17: Purchases from HUBs**

Fiscal Year 2015

Category	Total \$ Spent	Total HUB \$ Spent	Percent	Agency Specific Goal*	Statewide Goal
Heavy Construction	\$0.00	\$0.00	0.00%	11.2%	11.2%
Building Construction	\$0.00	\$0.00	0.00%	21.1%	21.1%
Special Trade	\$0.00	\$0.00	0.00%	32.9%	32.9%
Professional Services	\$25,520	\$25,520	100.00%	23.7%	23.7%
Other Services	\$363,518	\$150,750	41.47%	26.0%	26.0%
Commodities	\$114,176	\$57,718	50.55%	21.1%	21.1%
TOTAL	\$503,214	\$233,988	46.50%		

Table 25 Exhibit 17 HUB Purchases for FY 2015

* If your goals are agency specific-goals and not statewide goals, please provide the goal percentages and describe the method used to determine those goals. (TAC Title 34, Part 1, Chapter 20, Rule 20.284)

Fiscal Year 2016

Category	Total \$ Spent	Total HUB \$ Spent	Percent	Agency Specific Goal	Statewide Goal
Heavy Construction	\$0.00	\$0.00	0.00%	11.2%	11.2%
Building Construction	\$0.00	\$0.00	0.00%	21.1%	21.1%
Special Trade	\$0.00	\$0.00	0.00%	32.9%	32.9%
Professional Services	\$57,280	\$57,280	100.00%	23.7%	23.7%
Other Services	\$299,836	\$104,445	34.83%	26.0%	26.0%
Commodities	\$152,537	\$110,867	72.68%	21.1%	21.1%
TOTAL	\$509,653	\$272,592	53.49%		

Table 26 Exhibit 17 HUB Purchases for FY 2016

Fiscal Year 2017

NOTE: THE NUMBERS BELOW ARE FROM THE SEMI-ANNUAL REPORT (9/1/16-2/28/17). THESE NUMBERS WILL BE UPDATED IN OCTOBER/NOVEMBER 2017 WITH ANNUAL DATA.

Category	Total \$ Spent	Total HUB \$ Spent	Percent	Agency Specific Goal	Statewide Goal
Heavy Construction	\$0.00	\$0.00	0.00%	11.2%	11.2%
Building Construction	\$0.00	\$0.00	0.00%	21.1%	21.1%
Special Trade	\$0.00	\$0.00	0.00%	32.9%	32.9%
Professional Services	\$16,135	\$16,135	100.00%	23.7%	23.7%
Other Services	\$267,471	\$25,508	9.54%	26.0%	26.0%
Commodities	\$60,624	\$38,690	63.82%	21.1%	21.1%
TOTAL	\$344,230	\$80,333	23.34%		

Table 27 Exhibit 17 HUB Purchases for FY 2017

E. Does your agency have a HUB policy? How does your agency address performance shortfalls related to the policy? (Texas Government Code, Sec. 2161.003; TAC Title 34, Part 1, rule 20.286c)

The agency has a HUB policy. The agency’s goal is to award 30% of its overall expenditures to HUBs. We have consistently met this goal and have exceeded the statewide goals established for categories in which the agency had expenditures. Please note that the percentages shown in the FY2017 table above are from expenditures in the semi-annual HUB report. We anticipate that percentages spent with HUBs for the annual HUB report will exceed the agency’s goal of 30% and the agency specific goals (which are the same as the statewide goals).

The agency addresses shortfalls in HUB expenditures by continually implementing the strategies outlined in the agency’s HUB Policy and actively seeking ways to increase and promote HUB participation.

F. For agencies with contracts valued at \$100,000 or more: Does your agency follow a HUB subcontracting plan to solicit bids, proposals, offers, or other applicable expressions of interest for subcontracting opportunities available for contracts of \$100,000 or more? (Texas Government Code, Sec. 2161.252; TAC Title 34, Part 1, rule 20.285)

Yes, for contracts valued at \$100,000 or more, the agency follows the HUB Subcontracting Plan (HSP) procedures and rules established by the CPA Statewide Procurement Division and the Contract Management Guide.

G. For agencies with biennial appropriations exceeding \$10 million, answer the following HUB questions.

1. Do you have a HUB coordinator? If yes, provide name and contact information. (Texas Government Code, Sec. 2161.062; TAC Title 34, Part 1, rule 20.296)

Yes; Sandy Jones, Purchaser
 Phone: (512)936-3589
 E-mail: sandy.jones@trec.texas.gov

2. Has your agency designed a program of HUB forums in which businesses are invited to deliver presentations that demonstrate their capability to do business with your agency? (Texas Government Code, Sec. 2161.066; TAC Title 34, Part 1, rule 20.297)

In 2014, the agency collaborated with other agencies in the SFA Building to host a HUB forum. Staff often attends and participates in other agency sponsored HUB forums and events to gain new knowledge of HUB vendors and maintain ongoing relationships with current HUB vendors.

3. Has your agency developed a mentor-protégé program to foster long-term relationships between prime contractors and HUBs and to increase the ability of HUBs to contract with the state or to receive subcontracts under a state contract? (Texas Government Code, Sec. 2161.065; TAC Title 34, Part 1, rule 20.298)

In 2009, as an appropriated agency, TREC developed a HUB Mentor Protégé Program in compliance with Texas Government Code, Section 2161.065, and 34 TAC §20.298. Although the agency no longer receives appropriated funds, we continue to reach out to prime contractors and HUBs in an effort to match and foster long-term relationships to increase HUB contracting ability with the State.

H. Fill in the charts below detailing your agency’s Equal Employment Opportunity (EEO) statistics. .

**Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board
 Exhibit 18: Equal Employment Opportunity Statistics**

1. Officials / Administration

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2015	9	11.11%	7.4%	22.22%	22.1%	55.56%	37.4%
2016	9	11.11%	7.4%	11.11%	22.1%	55.56%	37.4%
2017	9	11.11%	7.4%	11.11%	22.1%	55.56%	37.4%

Table 2 Exhibit 18 EEO Statistics for Officials/Administration

2. Professional

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2015	35.6	2.81%	10.4%	14.04%	19.3%	57.87%	55.3%
2016	35.6	2.81%	10.4%	16.85%	19.3%	57.87%	55.3%
2017	36.6	2.73%	10.4%	19.13%	19.3%	56.28%	55.3%

Table 28 Exhibit 18 EEO Statistics for Professionals

3. Technical

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2015	6	0.0%	14.4%	0.0%	27.2%	16.67%	55.3%
2016	5	0.0%	14.4%	20 %	27.2%	20.00%	55.3%
2017	4	25%	14.4%	25%	27.2%	25.00%	55.3%

Table 29 Exhibit 18 EEO Statistics for Technical

4. Administrative Support

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2015	46	19.57%	14.8%	23.91%	34.8%	93.48%	72.1%
2016	46	26.09%	14.8%	19.57%	34.8%	86.96%	72.1%
2017	48	33.33%	14.8%	22.92%	34.8%	89.58%	72.1%

Table 30 Exhibit 18 EEO Statistics for Administrative Support

5. Service / Maintenance

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2015	0	0.00%	13.0%	0.00%	54.1%	0.00%	51.0%
2016	0	0.00%	13.0%	0.00%	54.1%	0.00%	51.0%
2017	0	0.00%	13.0%	0.00%	54.1%	0.00%	51.0%

Table 31 Exhibit 18 EEO Statistics for Service and Maintenance

6. Skilled Craft

Year	Total Number of Positions	Percent African-American	Statewide Civilian Workforce Percent	Percent Hispanic	Statewide Civilian Workforce Percent	Percent Female	Statewide Civilian Workforce Percent
2015	0	0.00%	10.6%	0.00%	50.7%	0.00%	11.6%
2016	0	0.00%	10.6%	0.00%	50.7%	0.00%	11.6%
2017	0	0.00%	10.6%	0.00%	50.7%	0.00%	11.6%

Table 32 Exhibit 18 EEO Statistics for Skilled Craft

I. Does your agency have an equal employment opportunity policy? How does your agency address performance shortfalls related to the policy?

The Agency has an Equal Employment Opportunity/Workforce Diversity policy (pages 18-20) in the Employee Handbook. The policy includes action steps to achieve diversity goals and corrective action steps when the goals are not met. The Agency's workforce diversity is monitored annually and appropriate courses of action are determined on a case-by-case basis. Primarily, shortfalls are addressed through recruitment efforts.

XII. Agency Comments

The Texas Appraiser Licensing and Certification Board (TALCB) is an independent subdivision of the Texas Real Estate Commission (TREC). After the banking crisis of the 1980's, Congress passed a law known by its acronym "FIRREA" in 1989. Prior to this federal law, only a person holding a real estate broker license in Texas could appraise real estate – that is - offer an opinion of value that could be used as a basis to make a mortgage loan. FIRREA required all states to set up a system to license real property appraisers under a set of qualifications set by the Appraiser Qualifications Board (AQB) and regulate their work under standards set by the Appraisal Standards Board (ASB), both part of The Appraisal Foundation (TAF). TAF is a private sector non-profit set up by a consortium of professional associations concerned with the consistency of real property valuations. TALCB was initially set up as an advisory committee to the Commission. When the FFIEC's Appraisal Subcommittee (ASC), charged with oversight of state compliance with FIRREA, ruled that law required TALCB have more autonomy from the real estate brokerage community, Chapter 1103 was enacted that established TALCB as an "independent subdivision" of TREC, with its own policy-making board and separate enforcement authority. ASC ruled this acceptable, and this unique status has been in place ever since.



POLICY MEMOS

**DELINEATING POLICY-MAKING FUNCTIONS OF
THE TEXAS REAL ESTATE COMMISSION (THE “COMMISSION”)
THE MANAGEMENT FUNCTIONS OF THE COMMISSION’S
EXECUTIVE DIRECTOR AND STAFF**

Tex. Occ. Code, §1101.102 requires the Commission to “develop and implement policies that clearly separate the policy making responsibilities of the Commission and the management responsibilities of the Executive Director and staff of the Commission.” Other provisions of Tex. Occ. Code, Chapter 1101 address specific powers of the Commission and the Executive Director.

It is the intent of the Commission, in adopting this document, to clarify respective areas of authority and management, consistent with the requirements of Tex. Occ. Code, §1101.102, but this is done with an overarching concern that the Commission and management work in a closely coordinated manner. In order to facilitate an effective working relationship between the Commission and management, it is essential that communications be handled in a manner that will not violate open meetings laws or deprive the Commission of the right to assert its lawful prerogatives as it deems fit. To that end, the Executive Director should maintain a good, candid, open relationship with the Chair, keeping him or her apprised on a current basis of significant issues encountered in the operation of the agency. If, after conferring on an issue, the Chair believes that the matter needs to be brought to the Commission’s attention, he or she will request that the Executive Director prepare and disseminate an appropriate briefing.

The Executive Director shall be responsible for obtaining from staff and providing to the Commission such reports as law or the Commission may from time to time require.

The Executive Director’s regular communications with the Chair should include, but are not limited to:

- Discussing items to be included on the Commission agenda and on the agendas for meetings of committees of the Commission;
- Updates on pending legislation affecting the agency and the industries it oversees;
- Updates on pending or threatened litigation;
- Matters relating to the Commissioners such as pending hearings at which they need to be present;
- Discussing significant personnel and/or organizational changes;
- Proposing rule changes;
- Discussing issues of broad significance raised by license holders or other affected parties;
- Discussing the status of audits; and
- Providing updates and status reports on operational crises and other important “out of the ordinary” matters.

Commission Policy-Making Functions

The Commission makes policy chiefly through:

- The adoption of rules;
- The adoption of the required ethics policy;
- The approval of, annual operating budgets, and strategic plans; contracts over \$1,000,000; and
- Specific decisions regarding actions placed before the Commission for action.

From time to time one or more Commissioners may identify an area with respect to which the Commission ought to establish policy. If that is the case, the interested Commissioners should tell the Chair and ask that the matter be considered for inclusion on a Commission agenda.

Management Functions

The Executive Director is charged with overseeing all matters necessary to the daily operation of the agency, consistent with law and Commission-established policy. In that regard he or she is assigned responsibility and the attendant authority, subject to other laws, and Commission budget and policy, acting directly or through delegated staff, to:

- Organize the staff into such divisions, sections and other operating units as deemed appropriate;
- Approve all personnel actions;
- Approve expenditures;
- Oversee the licensing, education approval and administration, enforcement/investigative processes and the agency's day-to-day support functions, such as accounting, purchasing, human resources and technology;
- Execute agreements under \$1,000,000, including interagency agreements and audit engagements;
- Execute Agreed Orders and default Final Orders; and
- Oversee the timely submittal of required reports.

Except as the Commission may otherwise specify, the day-to-day operation of the agency is the responsibility of the Executive Director and may, in accordance with law, be delegated to appropriate members of staff.

Adopted by the Commission on August 17, 2015.



Avis Wukasch, Chair



TEXAS REAL ESTATE COMMISSION INTERNAL AUDIT CHARTER

This charter identifies the purpose, authority, responsibilities, professional requirements, and quality assurance of the Texas Real Estate Commission Internal Audit function in accordance with the Texas Internal Auditing Act and the Institute of Internal Auditors (IIA).

PURPOSE

The Internal Audit function (Internal Audit) is outsourced to an independent contractor and serves as an independent and objective assurance and consulting activity by providing a philosophy of adding value to improve the operations of the Texas Real Estate Commission (agency). The purpose of Internal Audit is to provide independent, objective assurance and consulting/advisory services designed to add value and improve the agency's operations. Internal audit is also tasked with providing assistance to agency administrators and governing boards by furnishing independent analyses, appraisals, and recommendations about the adequacy and effectiveness of a state agency's systems of internal control policies and procedures and the quality of performance in carrying out assigned responsibilities. Internal Audit helps the agency accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

Assurance services are defined as examinations of evidence for the purpose of providing an independent assessment of risk management, control, or governance processes for an organization. Examples may include financial audit, compliance audit, economy and efficiency audit, effectiveness audit, and investigation engagements. Consulting services are advisory and related client service activities, the nature and scope of which are agreed upon with the client and which are intended to add value and improve an organization's operations. Examples include counsel, advice, facilitation, and training.

The scope of work of Internal Audit is to determine whether the agency's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employee actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are monitored and achieved in line with the agency mission.
- Quality and continuous improvement are fostered in the agency's control process.
- Significant legislative or regulatory issues impacting the agency are recognized and addressed appropriately.
- Other goals and objectives of economy, efficiency, effectiveness, compliance, and safekeeping are achieved.

Internal Audit assists the Commissioners and agency management by furnishing independent analyses, appraisals, and recommendations about the adequacy and effectiveness of the agency's systems of internal control policies and procedures and the quality of performance in carrying out assigned responsibilities.

ROLE

The Texas Real Estate Commission's internal audit activity is established by the Commissioners. The internal audit activity's responsibilities are defined by the Commissioners as part of their oversight role.

AUTHORITY

Access

Internal Audit, in the performance of its work and with stringent accountabilities of safekeeping and confidentiality, will be granted full and free access to all activities, records, property, and personnel of the agency, and of its contractors and subcontractors. In addition, Internal Audit is authorized to:

- Have full and free access to the Commissioners.
- Allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish audit objectives in accordance with the approved audit plan.
- Obtain the necessary assistance of personnel in the agency, as well as other specialized services from within or outside the agency.
- Obtain timely reports from management on actions proposed and taken pertaining to any audit findings and recommendations.

Independence, Objectivity and Reporting Relationship

Objectivity and independence are essential to Internal Audit in the proper fulfillment of its duties and is mandated by the Texas Internal Auditing Act and professional standards as defined later in this document.

To ensure independence, comprehensive audit coverage, adequate consideration of audit findings, and appropriate management action on audit recommendations, Internal Audit reports directly to the Commissioners. The Commissioners shall ensure the independence of the Internal Audit function. To facilitate daily operations, Internal Audit will report administratively to the Executive Director (or his designee).

Performance of management responsibilities by Internal Audit may compromise its objectivity. This, however, does not preclude Internal Audit from serving in an advisory capacity in the implementation of corrective action or the establishment of new activities, policies, or procedures. Internal Audit is a function that has no authority over activities which it reviews, and the performance of these reviews does not relieve management of any assigned responsibilities.

Internal Audit is not authorized to:

- Perform any operational duties for the agency or its contractors.
- Initiate or approve accounting transactions external to Internal Audit.
- Direct the activities of any agency employee not employed by Internal Audit, except to the extent such employees have been appropriately assigned to assist in the performance of internal audit activities.

RESPONSIBILITIES

The following outlines the respective responsibilities of the Commissioners, the Internal Audit contractor, and agency management as it relates to implementing an effective internal audit function for the agency.

Responsibilities of the Commissioners

The Commissioners ensure the independence of the internal audit function. The Commissioners may designate a Commissioner and/or other appropriate individuals to serve as an Audit Liaison. The Commissioners may delegate to the Audit Liaison certain responsibilities of the Commissioners. The Commissioners shall:

- Approve the internal audit charter.
- Appoint, remove, oversee, evaluate and take any appropriate contractual action towards the internal audit contractor.
- Approve the internal audit budget and resource plan.
- Periodically review the resources dedicated to the internal audit function and determine whether adequate resources exist to ensure that risks identified in the annual risk assessment are adequately covered within a reasonable time frame.
- Approve the risk-based annual internal audit plan, including any changes or deviations.
- Receive communications from the internal audit contractor on the activity's performance relative to the annual plan and other matters.
- Receive and review all internal audit reports.
- Make appropriate inquires of management and Internal Audit to determine whether there is inappropriate scope or resource limitations.

Responsibilities of Internal Audit Contractor

Internal Audit is outsourced to an independent contractor. The contractor is responsible for assessing the adequacy and effectiveness of the various functions and control systems within the agency, advising the Commissioners and agency management concerning the condition of those functions and systems, and developing recommendations to enhance economy, efficiency, effectiveness, and excellence. In fulfilling these responsibilities, Internal Audit shall:

- Communicate and interact directly with the Commissioners, including in executive sessions and between Commissioner meetings as appropriate.
- Develop a flexible annual internal audit plan using an appropriate risk-based methodology and submit that plan to the Commissioners for review and approval.
- Implement the approved annual internal audit plan including, as appropriate, special assignments, projects, or reviews requested by agency management or the Commissioners.
- Submit any changes or deviations to the annual internal audit plan to the Commissioners for review and approval.
- Provide periodic updates to the Commissioners regarding the activities and responsibilities of Internal Audit.
- Conduct all audit functions as required by Texas Government Code 2102.
- Appraise the effectiveness, reliability, and integrity of the agency's accounting, administrative, electronic data processing, and other major systems and controls, and ensure that all major systems and controls are reviewed on a periodic basis.
- Evaluate risk exposures relating to the agency's governance, operations, and information systems regarding the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, and compliance with laws, regulations, and other

requirements.

- Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Seek and utilize the available resources of the agency, as appropriate, including legal counsel.
- Conduct or assist in, as appropriate, the investigation of suspected illegal or fraudulent activities within the agency and report results as appropriate.
- Perform special assignments, projects, or reviews as requested by the Commissioners and, as appropriate, other such special assignments, projects, or reviews requested by agency management. Such assignments and reviews must not impair Internal Audit's independence.
- Determine that corrective action was taken on reported audit findings and is achieving the desired results, or that senior management has assumed the risk of not taking corrective action. Internal Audit shall assess the adequacy, effectiveness, and timeliness of actions taken by management to resolve reported audit findings.
- Perform consulting/advisory services to the extent they do not, nor will not, represent a conflict of interest, compromise or impair independence or objectivity, or detract from Internal Audit's obligations to the Commissioners and the agency. Examples include, but are not limited to:
 - evaluating and assessing significant new or changing functions, services, processes, operations, and control processes concurrent with their development, implementation, and/or expansion,
 - participating in manual and automated system design as an advisor on risk and management controls, and
 - appraising existing allocation of resources by the agency.
- Keep the Commissioners informed of emerging trends and successful practices in internal auditing.
- Consider both internal and external audit and review efforts to ensure optimal audit coverage at a reasonable overall cost.
- Assist the agency with external auditors or review groups for any audit or review conducted of the agency as requested. Participate in status meetings and receive copies of all communications and reports.

Responsibilities of Agency Management

Management of the agency shall:

- Cooperate with and provide Internal Audit full and free access to all activities, records, property, and personnel of the agency and of its contractors and subcontractors.
- Timely inform Internal Audit of any reviews, evaluations, assessments, audits, or inspections conducted by local, state, or federal entities, or any external consultants, contractors, or auditors.
- Respond to draft internal audit reports within the time specified, indicating management's agreement or disagreement with the issues and recommendations; management's corrective actions proposed or taken, and dates for accomplishing those corrective actions. If there is any disagreement with the issues or recommendations, management will provide reasons. Alternative actions which correct issues are acceptable. Management accepts the risk of not taking appropriate corrective action on reported issues.
- Establish, administer, and assess the system of risk management and control processes designed to ensure the achievement of agency objectives and the following conditions exist:
 - Financial and operational information is reliable and possesses integrity.
 - Operations are performed efficiently and achieve effective results.
 - Assets are safeguarded.
 - Actions and decisions of the agency are in compliance with laws, regulations, and other

requirements.

- Report to Internal Audit instances in which management has reasonable cause to believe that money received from the state by the agency or by a client or contractor of the agency may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the agency.

INTERNAL AUDIT PLAN

Internal Audit will prepare an annual risk-based audit plan. The annual audit plan will contain proposed audits for the upcoming three year period and be submitted to the Commissioners for review and approval. The internal audit plan will consist of a detailed work schedule as well as budget and resource requirements for the next fiscal/calendar year. Additionally, Internal Audit will communicate the impact of resource limitations and significant interim changes to senior management and the Commissioners.

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Commissioners. Internal Audit will review and adjust the plan, as necessary, in response to changes in the agency's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Commissioners through periodic activity reports.

The approved annual audit plan will be provided to required regulatory agencies and posted on the Texas Real Estate Commission's web site.

REPORTING

A written report will be prepared and issued by Internal Audit following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Commissioners and regulatory agencies as required.

Internal Audit will issue an annual audit report that provides a summary of Internal Audit activities, summary of findings, status of management's implementation of corrective action plans, any changes or deviations from that annual audit plan and the proposed activities for the following year. The annual report will be drafted in accordance with the State Auditor's Office (SAO) and the Texas Internal Auditing Act requirements. Accordingly, the annual audit report will be approved by the Commissioners and provided to the required regulatory agencies and posted on the Texas Real Estate Commission's web site.

Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Commissioners.

PROFESSIONALISM

Internal Audit will govern itself by adherence to The Institute of Internal Auditor's Definition of Internal Auditing and shall conform to *The Professional Practices Framework* as promulgated by the IIA which includes *The International Standards for the Professional Practice of Internal Auditing* and the *Code of Ethics*, and to generally accepted government auditing standards. In addition, Internal Audit shall conform to requirements found under the Texas Internal Auditing Act (Chapter 2102, Government Code). Internal Audit shall also comply with all policies and procedures of the Texas Real Estate Commission.

The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations.

All professional staff assigned to perform Internal Audit activities shall maintain technical competence by attending continuing professional education as required by the governing boards which regulate the professional designations of Certified Internal Auditor and Certified Public Accountant, as appropriate.

QUALITY ASSURANCE

Internal Audit shall maintain an effective quality assurance program that includes all aspects of the internal audit function, including supervision, training, internal reviews, and periodic comprehensive external peer reviews to ensure compliance with the Texas Internal Auditing Act and professional standards. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether Internal Audit staff apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit function and identifies opportunities for improvement.

The Internal Audit contractor will communicate to senior management and the Commissioners on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments.

The Internal Audit contractor shall maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications, or supplement with external resources, to meet the requirements of this charter.



Odysseus Lanier, McConnell & Jones LLP



Douglas E. Oldmixon, Executive Director

This Charter was approved by the Texas Real Estate Commissioners on February 13, 2017.



Avis Wukasch, Chair

**TEXAS REAL ESTATE COMMISSION
BUDGET DEVELOPMENT POLICY**

Like all state agencies, TREC's fiscal year is from 1 Sep to 31 Aug. The Administrator and agency staff are responsible for preparing a draft budget for the commission's consideration each year, and after approval by the Commission, to administer the budget within the parameters set by the Commission.

The Commission meets for regular quarterly sessions in February, May, August and November each year. The budget must be finalized each year at the Commission's August meeting in order to be in effect for each new fiscal year commencing Sep 1. To ensure adequate preparation, appropriate Budget Committee and Commission review, and timely final approval, the Commission adopts the following policy guidance for staff:

PROCESS – TIMELINES & DUTIES:

The Commission's Budget Committee and its Chair are appointed by the Commission Chair in February of each year and will consist of not more than 3 members of the Commission. By interpreting and detailing the Commission's policies, the budget Committee is responsible to provide necessary direction to agency staff to enable them to meet these responsibilities. This memo provides the procedures that will guide this process.

The Budget Committee will meet prior to the regularly scheduled Commission meetings in May and August to review the current draft budget, received explanations for any staff recommendations, and provide any needed direction for additional details, emphasis or presentation issues. This first draft budget prepared by staff will also contain the last year's budget for comparison, with notes for any recommended variances or historical anomalies. The staff will also provide the most current year to date financial statement for both revenues and expenditures as resource document with each draft budget. The Budget Committee will review the first draft budget and provide any comments or direction to the staff prior to April 30th, allowing sufficient time for revisions prior to the May Commission meeting. The Budget Committee Chair will present the Committee's report on its activities to the Commission meeting in May. Staff will be available as needed to answer any questions posed by Commission members.

Staff will take direction and guidance of the Budget Committee and any revisions requested by the Commission at its May meeting and incorporate these consensus recommendations into the second draft budget. By June 1st, a second draft will be sent to the Budget Committee members for review and comment not later than June 30th. Staff will take the direction and guidance of the Budget Committee members prior to July 31st and incorporate additional recommendations into the third and final draft budget. At the discretion of its Chair, the Budget Committee may be called into a special meeting to address any major issues which arise during this draft budget development and review process.

(Approved at the February 11, 2013 Commission meeting)

The Budget Committee will meet again immediately prior to the Commission meeting in August to complete its final review of the third draft and make any final recommendations for the Commission budget. The Budget Committee Chair will present the Committee's report to the Commission at its regular August meeting. Staff will be available as needed to answer any questions posed by commission members.

POLICIES:

In compiling each draft budget, the staff will adhere to these specific policy guidelines:

1. Each budget will be compiled with a 5 year data set of revenues and expenses to support it – two full completed prior years, the current fiscal year “to date” and “projected” through fiscal year end, and the upcoming fiscal year as proposed, plus the next fiscal year to follow. The proposed budget and next fiscal year following will also show a monthly ‘cash-flow’ projection. Because of the 2 year license period and the seasonal cycle of renewals, it is prudent to see the expected cycle of revenue fluctuations over this extended 2 year period.
2. In addition to covering anticipated expenses for each year, including capital expenses for any needed technology maintenance and/or necessary upgrade, and excluding any amount carried over from the prior year to account for predictable revenue spikes (e.g. AMC registration fees), the Commission aims to accumulate and maintain an Operating Reserve totaling not less than 3 or more than 4 months average operating expenses, excluding all “pass through” expense items, as a tool to manage unexpected cash flow fluctuations and for any unanticipated contingencies.
3. Once the target Operating Reserve is achieved, and other specifically approved reserves are funded at sufficient levels approved by the Commission, if a specific revenue surplus (amount to be determined) is prudently accumulated, it is the Commission's policy to prepare a proposed plan for the possibility of a fee reduction for licensees. Staff will make conservative recommendations for the specific conditions that would allow for any such fee reduction, the proposed category and amount, the appropriate time frame for its commencement and termination, and a forecast for the overall effect on the Commission's revenue. The Commission will specifically approve each proposed fee reduction by the normal rule process.
4. The final decisions on all budget matters rest clearly with the Commission. The Administrator will carry out the directions and policies of the Commission in administering the approved budget. At each quarterly meeting, the Administrator will provide a report on the current state of the budget with a detailed report of the budget vs. actual revenues and expenditures and answer the questions of the Commission. Any variance of significance will also have a written note of explanation. Commission may direct specific actions or reallocations or amendments.

(Approved at the February 11, 2013 Commission meeting)

TEXAS REAL ESTATE COMMISSION
INVESTMENT POLICY FOR THE
REAL ESTATE RECOVERY TRUST ACCOUNT;
REAL ESTATE INSPECTION RECOVERY FUND; AND
RESERVE FUNDS

OBJECTIVE

The Texas Real Estate Commission (TREC) maintains the following recovery fund accounts and reserve funds subject to this policy:

- 1) Real Estate Recovery Trust Account;
- 2) Real Estate Inspection Recovery Fund;
- 3) Current Operations & Contingencies Reserve;
- 4) Educational Development Reserve; and
- 5) Long-term Facilities Master Plan Reserve.

The investment objective of the Real Estate Recovery Trust Account, Real Estate Inspection Recovery Fund, and Reserve Funds is to invest available cash in securities, which provide both safety and liquidity to meet the ongoing needs of the funds and to demonstrate compliance with appropriate governing laws.

INVESTMENT STRATEGIES

The investment strategy for the funds is to maintain a 'Laddered' approach to portfolio management. By having a relatively even distribution of securities maturing each year, this helps to eliminate extreme interest rate exposure. The maximum allowable stated maturity of investments is ten years.

Cash is held in the Texas Treasury Safekeeping Trust Company (Trust Company). It is fully invested at all times and reinvested by the Trust Company in authorized investments for state funds. Interest is compounded daily with earnings being credited daily.

PERMISSIBLE INVESTMENTS

Permissible investments include primarily, but are not limited to, Direct Obligations of the United States Treasury (i.e., Treasury Bills, Notes, and bonds). From time to time, Indirect Obligations of the Treasury or Agency Securities may be considered to be an appropriate investment (example, Federal National Mortgage Association - FNMA). This will be considered on a case by case basis.

All investment transactions must be settled on a delivery versus payment basis. The securities are held by the Trust Company as trustee. The Trust Company monitors the market price of investments and updates them daily. The Trust Company invests cash as described in Texas Gov't. Code, Sections 404.024 and 404.106 using prudent investment standards.

RECOVERY FUND ACCOUNT BALANCES

The minimum and maximum balances required for each Recovery Fund Account, as well as the sources and methods for adding funds to, and the procedures for any remittance of funds from, each Account are established by law in Chapters 1101 and 1102 of the Occupations Code.

RESERVE FUND BALANCES

As part of the annual budget process, the TREC Budget Committee will review the TREC reserve fund balances and recommend to the Commission the level of each of the TREC reserve funds based on the following guidelines:

- 1) Current Operations & Contingencies – the balance of this reserve fund should always be between 3-4 months of annual operating estimated expenditures;
- 2) Educational Development Reserve – the balance of this reserve fund includes one half of exam fees remitted to TREC by the exam provider; and
- 3) Long-term Facilities Master Plan Reserve – the balance of this reserve fund will be determined based on a review of the projected year-end balance of the TREC budget.

The Commission will approve the reserve fund balances on an annual basis when the Commission approves the TREC annual budget.

RESERVE FUND EXPENSES

The following expenses may be charged to the reserve funds each year:

- 1) Current Operations & Contingencies – this reserve fund may incur operating or contingency expenditures each year, as needed;
- 2) Educational Development Reserve – this reserve fund may incur the following expenses, but all travel related expenses will be limited to claims allowable under the state of Texas travel guidelines:
 - a. Expenses (if any, net of income) related to the development, production, and implementation of the Single Family Residential Realty Summit to be hosted in conjunction with the Real Estate Center at Texas A&M University (TAMUREC) and the Texas Association of REALTORS® (TAR);
 - b. Membership dues, travel and incidental expenses related to participation in the Association of Real Estate License Law Officials (ARELLO);

- c. Travel and incidental expenses for extraordinary attendance at meetings of TAR or the National Association of REALTORS®;
 - d. To the extent not covered by the terms of the agency MOU with TAMUREC, travel and incidental expenses related to writers and editors of the “Legal Update” and "Texas Broker Responsibility" courses; and
 - e. Expenses for conducting and publishing any surveys not provided for in the agency MOU with the TAMUREC; and
- 3) Long-term Facilities Master Plan Reserve – this reserve fund may incur expenditures related to the Long-term Facilities Master Plan.

REPORTING AND ANNUAL REVIEW

The TREC will receive quarterly investment reports and will annually review the investment policy making any changes necessary by adoption. The TREC’s Budget & Finance Committee will make periodic recommendations for specific Reserve Fund target balances and potential uses for funds in excess of such balances (for example – use for specific fee reductions).

(Adopted at the February 13, 2017 Commission meeting)



POLICY MEMOS

TEXAS



APPRAISER LICENSING & CERTIFICATION BOARD

TALCB Board Members

Luis F. De La Garza, Jr
Chair

Walker Beard
Vice Chair

Sheryl R. Swift
Secretary

Malachi Boyuls

Laurie C. Fontana

Mark A. McAnally

Shannon K. McClendon

Donna J. Walz

Jamie S. Wickliffe

Douglas E. Oldmixon
Commissioner

POLICY MEMORANDUM

Date: August 17, 2012

RE: Delegation of Authority to Sign Final Default Orders

This memorandum is to confirm that the Texas Appraiser Licensing and Certification Board (Board) pursuant to Texas Occupation Code §1103.101 (b), hereby delegates authority to the Commissioner to sign any Final Default Order on behalf of the Board. This delegation is effective as of August 17, 2012 and remains in effect until and unless changed or revoked by the Board.

Approved by the Board and signed this 17th day of August, 2012.

A handwritten signature in blue ink, appearing to read "Luis De La Garza", written over a horizontal line.

Luis De La Garza, Chairperson
Texas Appraiser Licensing and Certification Board

TEXAS



APPRAISER LICENSING & CERTIFICATION BOARD

TALCB Board Members

Luis F. De La Garza, Jr
Chair

Walker Beard
Vice Chair

Sheryl R. Swift
Secretary

Keith Kidd

Laurie C. Fontana

Mark A. McAnally

Shannon K. McClendon

Donna J. Walz

Jamie S. Wickliffe

Douglas E. Oldmixon
Commissioner

POLICY MEMORANDUM


Date: November 9, 2012

RE: TALCB Liaison to TREC

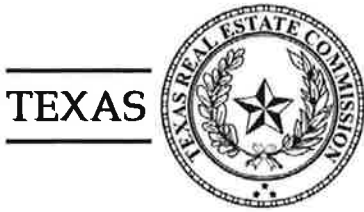
This memorandum is to confirm that the Texas Appraiser Licensing and Certification Board (Board) appointed the Chair of the Board as the official liaison to the Texas Real Estate Commission.

This policy is effective as of November 9, 2012 and remains in effect until and unless changed or revoked by the Board.

Approved by the Board and signed this 14th day of November, 2012.



Luis De La Garza, Chairperson
Texas Appraiser Licensing and Certification Board



TEXAS

APPRAISER LICENSING & CERTIFICATION BOARD

TALCB Board MembersWalker Beard
ChairJamie S. Wickliffe
Vice ChairLaurie C. Fontana
Secretary

Clayton Black

Luis F. De La Garza, Jr

Keith Kidd

Mark A. McAnally

Shannon K. McClendon

Sheryl R. Swift

Douglas E. Oldmixon
Commissioner**POLICY MEMORANDUM****Date:** August 16, 2013**RE:** TALCB National Registry Access

The Appraisal Subcommittee (ASC) of the FFIEC has issued Policy Statement 3, *National Registry*, which requires that States using the ASC's extranet application for submission of data to the National Registry (Registry) have a written policy governing access to the Registry. This requirement also applies to States with access to the Registry's full data base. The Texas Appraiser Licensing and Certification Board (TALCB) hereby adopts this policy to meet that requirement.

TALCB hereby designates the Commissioner of TALCB to serve as TALCB's Authorized Registry Official (ARO). The ARO will:

1. Notify the ASC in writing of this appointment. The notification will include the ARO's full name, contact address and telephone number, and position.
2. Designate necessary staff to have access to the Registry under any of three secure permission levels for the Registry: (1) User, which gives access only to viewing the non-public side of the Registry; (2) Extranet User, which allows viewing of the non-public side of the Registry as well as the ability to make changes directly to the National Registry data for that State; and (3) File Transfer User, which allows users to securely upload data files to the ASC extranet application for processing by ASC staff. For each such designation, notify the ASC in writing of the full name, level of access to be granted and contact information for that designee. The ASC will, on receipt of such designation, issue a User Name and password unique to that designee directly to the designee.
3. Maintain a list of designated users for the Registry that is accurate and updated as needed. Keep a record of each prior version of the list for two years. Promptly notify the ASC in writing of any changes to the designated users such as termination of access privileges, changes to access levels, etc.
4. Educate all designated users of the Registry regarding the need for user name, password, access and data security in conjunction with their use of the Registry.
5. Obtain a signed Confidential Treatment of Information Acknowledgement form (attached hereto as Exhibit "A") from each designated user.

TEXAS



APPRAISER LICENSING & CERTIFICATION BOARD

6. Verify that all equipment used to access the Registry has adequate anti-virus software installed and ensure that such software is kept current.
7. Immediately notify the ASC and the Chair of TALCB of any known or suspected breach of security involving the Registry or its data and provide a description of the known or suspected breach.

This policy is effective as of July 1, 2013 and remains in effect until and unless changed or revoked by the Board.

Approved by the Board and signed this 16 day of August, 2013.

A handwritten signature in blue ink, which appears to read "Walker R. Beard", is written over a horizontal line.

Walker R. Beard, Chairperson
Texas Appraiser Licensing and Certification Board



TEXAS

APPRAISER LICENSING & CERTIFICATION BOARD

EXHIBIT A

Confidential Treatment of Information Acknowledgement

I understand that the computer system user name and password I receive to access the National Registry is confidential. I will not disclose my user name or password to anyone, including management and technical personnel, and I will not write them or post them where they may be viewed by unauthorized people. Once I have logged on to the National Registry, I will not leave my computer until I have logged off from the National Registry. I understand that I am responsible for any computer transactions performed as a result of access authorized by use of my username and password and I will ensure the accuracy of all data submitted by me to the National Registry. I understand that confidential information viewed on the National Registry is to be held in strictest confidence and I will act in accordance with applicable federal and state laws and regulations regarding the safekeeping and disclosure of confidential information. I understand that unauthorized access to Registry data may result in violations of State and Federal laws and expose the State to civil penalties.

By my signature hereon, I acknowledge my understanding of the contents of this form, the continued applicability of these provisions after my access to the National Registry has been terminated and that failure to comply with the above statements may constitute grounds for disciplinary action and/or termination.

Printed Name: _____

Date: _____

Signature: _____

Approved Budget Development Policies for TALCB**Adopted as of 15 Feb 13**

Like all state agencies, TALCB's fiscal year is from 1 Sep to 31 Aug. The Commissioner and agency staff are responsible for preparing a draft budget for the Board's consideration each year, and after approval by the Board, to administer the budget within the parameters set by the Board.

The Board meets for regular quarterly sessions in February, May, August and November each year. The budget must be finalized each year at the Board's August meeting in order to be in effect for each new fiscal year commencing Sep 1. To ensure adequate preparation, appropriate Budget Committee and Board review, and timely final approval, the Board adopts the following policy guidance for staff:

PROCESS - TIMELINES & DUTIES:

The Board's Budget Committee and its Chair are appointed by the Board Chair in February of each year and will consist of not more than 3 members of the Board. By interpreting and detailing the Board's policies, the Budget Committee is responsible to provide necessary direction to agency staff to enable them to meet these responsibilities. This memo provides the procedures that will guide this process.

The Budget Committee will meet prior to the regularly scheduled Board meetings in May and August to review the current draft budget, receive explanations for any staff recommendations, and provide any needed direction for additional details, emphasis or presentation issues. This first draft budget prepared by staff and sent to the Committee by April 15 will also contain the last year's budget for comparison, with notes for any recommended variances or historical anomalies. The staff will also provide the most current year to date financial statement for both revenues and expenditures as a resource document with each draft budget. The Budget Committee will review the first draft budget and provide any comments or direction to the staff prior to April 30th, allowing sufficient time for revisions prior to the May Board meeting. The Budget Committee Chair will present the Committee's report on its activities to the Board meeting in May. Staff will be available as needed to answer any questions posed by Board members.

Staff will take the direction and guidance of the Budget Committee and any revisions requested by the Board at its May meeting and incorporate these consensus recommendations into the second draft budget. By June 1st, a second draft will be sent to the Budget Committee members for review and comment not later than June 30th. Staff will take the direction and guidance of the Budget Committee members prior to July 15th and incorporate additional recommendations into the third and final draft budget and distribute it to all Board members. At the discretion of its Chair, the Budget Committee may be called into a special meeting to address any major issues which arise during this draft budget development and review process.

The Budget Committee will meet again immediately prior to the Board meeting in August to complete its final review of the third draft and make any final recommendations for the Board budget. The

Committee Chair will present the Committee's report to the Board at its regular August meeting. Staff will be available as needed to answer any questions posed by Board members.

POLICIES:

In compiling each draft budget, the staff will adhere to these specific policy guidelines:

1. Each budget will be compiled with a 5 year data set of revenues and expenses to support it – two full completed prior years, the current fiscal year “to date” and “projected” through fiscal year end, and the upcoming fiscal year as proposed, plus the next fiscal year to follow. The proposed budget and next fiscal year following will also show a monthly ‘cash-flow” projection. Because of the 2 year license period and the seasonal cycle of renewals, it is prudent to see the expected cycle of revenue fluctuations over this extended 2 year period.
2. In addition to covering anticipated expenses for each year, including capital expenses for any needed technology maintenance and/or necessary upgrade, and excluding any amount carried over from the prior year to account for predictable revenue spikes (e.g. AMC registration fees), the Board aims to accumulate and maintain an Operating Reserve totaling not less than 3 months average operating expenses, excluding all “pass through” expense items, as a tool to manage unexpected cash flow fluctuations and for any unanticipated contingencies.
3. Once the target Operating Reserve is achieved, if a specific revenue surplus (amount to be determined) is prudently accumulated, it is the Board's policy to prepare a proposed plan for the possibility of a fee reduction for licensees. Staff will make conservative recommendations for the specific conditions that would allow for any such fee reduction, the proposed category and amount, the appropriate time frame for its commencement and termination, and a forecast for the overall effect on the Board's revenue. The Board will specifically approve each proposed fee reduction by the normal rule process.
4. The final decisions on all budget matters rest clearly with the Board. The Commissioner will carry out the directions and policies of the Board in administering the approved budget. At each quarterly meeting, the Commissioner will provide a report on the current state of the budget with a detailed report of the budget vs. actual revenues and expenditures and answer the questions of the Board. Any variance of significance will also have a written note of explanation.

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD
RESERVE FUNDS INVESTMENT POLICY

OBJECTIVE

The Texas Appraiser Licensing & Certification Board (TALCB) maintains the following reserve funds subject to this policy:

- 1) Current Operations & Contingencies Reserve;
- 2) Educational Development Reserve; and
- 3) Long-term Facilities Master Plan Reserve.

The investment objective of the TALCB Reserve Funds is to invest available cash in securities, which provide both safety and liquidity to meet the ongoing needs of the fund and to demonstrate compliance with appropriate governing laws.

INVESTMENT STRATEGIES

The investment strategy for the Reserve Funds is to maintain a 'laddered' approach to portfolio management. Having a relatively even distribution of securities maturing each year helps to eliminate extreme interest rate exposure. The maximum allowable stated maturity of investments is ten years.

Cash is held in the Texas Treasury Safekeeping Trust Company (Trust Company). It is fully invested at all times and reinvested by the Trust in authorized investments for state funds. Interest is compounded daily with earnings being credited daily.

PERMISSIBLE INVESTMENTS

Permissible investments include primarily, but are not limited to, Direct Obligations of the United States Treasury (i.e., Treasury Bills, Notes, and bonds). From time to time, Indirect Obligations of the Treasury or Agency Securities may be considered as an appropriate investment (for example, Federal National Mortgage Association - FNMA). This will be considered on a case by case basis.

All investment transactions must be settled on a delivery versus payment basis. The securities are held by the Texas Treasury Safekeeping Trust Company as trustee. The Trust Company monitors the market price of investments and updates them daily. The Trust Company invests cash as described in Texas Govt. Code, Sections 404.024 and 404.106 using prudent investment standards.

RESERVE FUND BALANCES

As part of the annual budget process, the TALCB Budget Committee will review the TALCB reserve fund balances and recommend to the Board the level of each of the TALCB reserve funds based on the following guidelines:

- 1) Current Operations & Contingencies Reserve – the balance of this reserve fund should always be between 3-4 months of annual operating estimated expenditures;
- 2) Educational Development Reserve – the balance of this reserve fund should include all Administrative Penalties collected; and
- 3) Long-term Facilities Master Plan Reserve – the balance of this reserve fund will be determined based on a review of the projected year-end balance of the TALCB budget.

The Board will approve the reserve fund balances on an annual basis when the Board approves the TALCB annual budget.

RESERVE FUND EXPENSES

The following expenses may be charged to the reserve funds each year:

- 1) Current Operations & Contingencies – this reserve fund may incur operating or contingency expenditures each year, if needed;
- 2) Educational Development Fund – this reserve fund may incur the following expenses, but all travel related expenses will be limited to claims allowable under the state of Texas travel guidelines:
 - a. Expenses (if any, net of income) related to the development, production, and implementation of the Single Family Residential Real Estate Issues Summit to be hosted in conjunction with the Real Estate Center at Texas A&M University (TAMUREC) and the Texas Association of REALTORS® (TAR);
 - b. Membership dues, travel and incidental expenses related to participation in the Association of Appraiser Regulatory Officials (AARO);
 - c. Travel and incidental expenses for extraordinary attendance at meetings of the Appraiser Qualifications Board (AQB), Appraiser Standards Board (ASB), Appraisal Subcommittee (ASC), and the Foundation Appraisers Coalition of Texas (FACT);
 - d. Expenses for conducting and publishing the Texas Appraisal Fee Survey once every two years;
 - e. To the extent not covered by the terms of the agency Memorandum of Understanding (MOU) with TAMUREC, travel and incidental expenses related to writers and editors of the planned "Texas Appraisal Legal Update" course; and
- 3) Long-term Facilities Master Plan Fund – this reserve fund may incur expenditures related to the Long-term Facilities Master Plan.

REPORTING AND ANNUAL REVIEW

The TALCB will receive quarterly investment reports and will annually review the investment policy making any changes necessary by adoption. The TALCB's Budget & Finance Committee will make periodic recommendations for specific Reserve Fund target balances and potential uses for funds in excess of such balances (for example – use for specific fee reductions).

(Adopted February 9, 2017)



Staff Reports for June 2017

Texas Real Estate Commission

Monthly Staff Reports

Contents

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C2	Customer Service Surveys Statistics	Reception and Communications Services	Lorie DeAnda
C3	Average Call Statistics	Reception and Communications Services	Lorie DeAnda
L1	Fiscal Year Comparison	Education and Licensing Services	Gwen Jackson
L2	Real Estate Licensee Status	Education and Licensing Services	Gwen Jackson
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I1	Electronic Information Outlet Statistics	Information Technology Services	Steve Spyropoulos
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S4	Inspection Recovery Fund Status	Staff and Support Services	Priscilla Piphio

Reception and Communications Services

Customer Service Statistics

June 2017

	Monthly Total	FY2017	FY2016
		FYTD Total	Prior FYTD Total
RCS Incoming Calls			
CO Lines	25,931	358,398	183,700
TALCB Local Line	1,725	16,918	11,395
Total	27,656	375,316	195,095

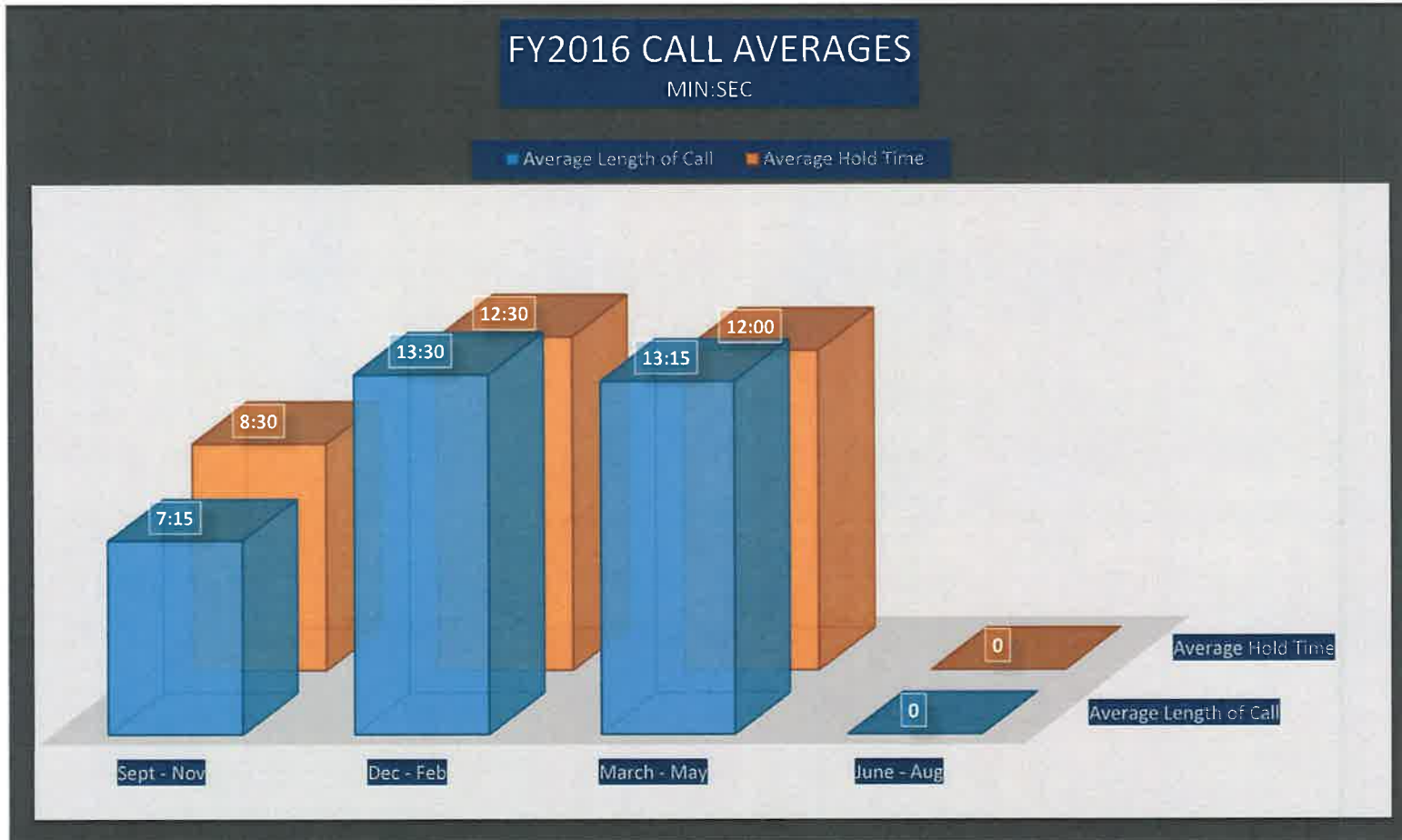
	Monthly Total	FY2017	FY2016
		FYTD Total	Prior FYTD Total
Reception Walk Ins			
Licensing	199	1,742	1,425
Education	27	396	307
Inspector	17	216	117
Enforcement	22	172	112
TALCB Licensing	8	104	44
TALCB Enforcement	3	29	16
Total	276	2,659	2,021

	Monthly Total	FY2017	FY2016
		FYTD Total	Prior FYTD Total
RCS E-mail			
Licensing	7,866	76,012	50,843
Education	3,045	21,183	12,753
Inspector	547	4,525	401
Enforcement	212	1,414	1,381
TALCB Licensing	579	3,552	3,306
TALCB Enforcement	31	206	194
Total	12,280	106,892	68,878

ADDENDUM 2 (AUGUST 2017 QUARTERLY STAFF REPORTS)

**Customer Service Surveys
FY 2017**

Month	# Received		Total	Comments With Contact Information	Top Three (3) Comments	# Resolved	# Unresolved
	TREC	TALCB					
Sept	21	3	24	N/A	Customer Service/Hold time/Website	24	
Oct	23	1	24	N/A	Customer Service/Hold time/Requesting online assistance.	24	
Nov	26	2	28	N/A	Online Issues/Hold Time/Application Processes	28	
Dec	37	1	38	N/A	Website/Hold Time/Customer Service	37	1
Jan	64	5	69	N/A	Website/Hold Time/Customer Service	67	2
Feb	69	8	77	N/A	Website/Application Processes/Customer Service	76	1
March	111	10	121	49	Website/Hold Time/Email Response & Processing of Documents	49	
April	77	5	82	30	Application Processing/Hold Time/Website	30	
May	45	2	47	21	Website/Application Processing/Customer Service	21	
June	43	6	49	21	Customer Service/Website/Hold Time	21	
July							
Aug							
Grand Total	516	43	559	121		377	4



Education & Licensing Services Division

Fiscal Year Comparison

Fiscal Year 2017 - Year-to-Date

JUNE

	This YTD 09/16 - 06/17	Last YTD 09/15- 06/16	Change Count	Percent
<i>Applications Received</i>				
Broker Original Applications Received	2,463	2,231	232	10.40%
Sales Agent Original Applications Received	20,965	18,347	2,618	14.27%
<i>Total Original Applications</i>	23,428	20,578	2,850	13.85%
Broker Reinstatement Applications Received	193	204	-11	-5.39%
Sales Agent Reinstatement Applications Received	939	783	156	19.92%
<i>Total Reinstatement Applications Received</i>	1,132	987	145	14.69%
<i>Licenses Issued from Applications</i>				
Broker Licenses from Original Applications	2,186	1,840	346	18.80%
Sales Agent Licenses from Original Applications	18,478	18,059	419	2.32%
<i>Total Licenses from Original Applications</i>	20,664	19,899	765	3.84%
Broker Licenses from Reinstatement Applications	187	210	-23	-10.95%
Sales Agent Licenses from Reinstatement Applications	895	794	101	12.72%
<i>Total Licenses from Reinstatement Applications</i>	1,082	1,004	78	7.77%

	This YTD	% Renewed	Last YTD	% Renewed
<i>Renewal Activity</i>				
Broker Renewals and Percentage	17,477	82.17%	15,979	89.91%
Sales Agent Renewals and Percentage	37,010	76.62%	34,845	80.12%
<i>**Total Renewals from Broker and Sales</i>	54,487	78.31%	50,824	82.95%

Education & Licensing Services Division

Fiscal Year Comparison

Fiscal Year 2017 - Year-to-Date

JUNE

	This YTD 09/16 - 06/17	Last YTD 09/15 - 06/16	Count	Change Percent
<u>Applications Received</u>				
Professional Inspector Original Applications Received	682	661	21	3.18%
Real Estate Inspector Original Applications Received	14	32	-18	-56.25%
Apprentice Inspector Original Applications Received	74	66	8	12.12%
Total Original Applications	770	759	11	1.45%
Professional Inspector Reinstatement Applications	17	25	-8	-32.00%
Real Estate Inspector Reinstatement Applications	1	0	1	N/A
Apprentice Inspector Reinstatement Applications	3	3	0	0.00%
Total Reinstatement Applications Received	21	28	-7	-25.00%
<u>Licenses Issued from Applications</u>				
Professional Inspector Licenses from Original Applications	669	542	127	23.43%
Real Estate Inspector Licenses from Original Applications	18	30	-12	-40.00%
Apprentice Inspector Licenses from Original Applications	74	63	11	17.46%
Total Licenses from Original Applications	761	635	126	19.84%
Professional Inspector Licenses from Reinstatement Applications	16	32	-16	-50.00%
Real Estate Inspector Licenses from Reinstatement Applications	1	0	1	N/A
Apprentice Inspector Licenses from Reinstatement Applications	3	2	1	50.00%
Total Licenses from Reinstatement Applications	20	34	-14	-41.18%

	This YTD	% Renewed	Last YTD	% Renewed
<u>Renewal Activity</u>				
Professional Inspector Renewals and Percentage	1,159	78.74%	659	75.92%
Real Estate Inspector Renewals and Percentage	43	70.49%	30	73.17%
Apprentice Inspector Renewals and Percentage	20	31.75%	4	13.33%
**Total Renewals from Inspectors	1,222	76.56%	693	73.80%

Education & Licensing Services Division

License Holder and Registrant Status

JUNE 2017

Real Estate License Holders

	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17
Brokers													
Individual (Active)	33,475	33,452	33,437	33,375	33,376	33,317	33,312	33,303	33,339	33,357	33,338	33,307	33,290
Business Entities (Active)	9,775	9,849	9,862	9,920	9,896	9,865	9,914	9,925	9,947	9,926	9,983	10,036	10,072
Total Active Status	43,250	43,301	43,299	43,295	43,272	43,182	43,226	43,228	43,286	43,283	43,321	43,343	43,362
Inactive Status	1,532	1,538	1,535	1,397	1,571	1,598	1,587	1,614	1,598	1,584	1,544	1,535	1,549
Total Brokers	44,782	44,839	44,834	44,692	44,843	44,780	44,813	44,842	44,884	44,867	44,865	44,878	44,911
Sales Agents													
Active Status	94,730	95,634	96,609	97,324	98,029	98,296	97,732	97,864	98,466	99,651	100,667	101,382	101,395
Inactive Status	28,128	27,926	27,581	27,749	27,826	27,875	29,009	29,338	29,114	28,795	28,397	28,352	29,082
Total Sales Agents	122,858	123,560	124,190	125,073	125,855	126,171	126,741	127,202	127,580	128,446	129,064	129,734	130,477
Total Active	137,980	138,935	139,908	140,619	141,301	141,478	140,958	141,092	141,752	142,934	143,988	144,725	144,757
Total Inactive	29,660	29,464	29,116	29,146	29,397	29,473	30,596	30,952	30,712	30,379	29,941	29,887	30,631
Total Brokers/Sales Agents	167,640	168,399	169,024	169,765	170,698	170,951	171,554	172,044	172,464	173,313	173,929	174,612	175,388

	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17
Inspector License Holders													
Professional Inspectors(active)	2,707	2,733	2,763	2,778	2,784	2,795	2,821	2,827	2,844	2,879	2,905	2,938	2,962
Real Estate Inspectors (active)	136	138	140	145	139	140	139	137	138	142	141	141	142
Apprentice Inspectors(active)	127	132	131	129	128	132	127	131	130	127	132	137	138
Professional Inspectors(inactive)	514	514	516	516	512	521	517	523	530	531	528	531	529
Real Estate Inspectors(inactive)	17	17	16	14	15	14	15	17	16	15	20	22	15
Apprentice Inspectors(inactive)	18	18	20	21	21	22	23	21	21	22	17	15	21
Total Active	2,970	3,003	3,034	3,052	3,051	3,067	3,087	3,095	3,112	3,148	3,178	3,216	3,242
Total Inactive	549	549	552	551	548	557	555	561	567	568	565	568	565
Total Inspectors	3,519	3,552	3,586	3,603	3,599	3,624	3,642	3,656	3,679	3,716	3,743	3,784	3,807

Easement & Right-of-way Registrants

	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17
ERW Registrants													
Businesses	49	49	51	50	51	51	50	50	50	51	50	51	52
Individuals	2,061	2,043	2,065	2,039	2,018	2,036	1,961	1,943	1,911	1,914	1,890	1,934	1,899
Total Registrants	2,110	2,092	2,116	2,089	2,069	2,087	2,011	1,993	1,961	1,965	1,940	1,985	1,951

Total License Holders and Registrants

	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17
License Holders & Registrants	173,269	174,043	174,726	175,457	176,366	176,662	177,207	177,693	178,104	178,994	179,812	180,381	181,146

Education & Licensing Services Division - L4 Report

Instructor Distribution

JUNE 2017

Approved Real Estate Instructor Distribution

	June 16	July 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	June 17
CE Electives Only - Real Estate	3,056	3,092	3,093	1,427	1,349	1,357	1,353	1,380	1,385	1,402	1,373	1,354	1,361
Qualifying and CE Electives	1,385	1,386	1,376	816	792	785	767	760	747	739	727	716	700
Broker Responsibility	268	268	268	226	221	222	230	227	226	228	226	227	220
CE Legal Update I and II	556	555	553	413	398	391	402	398	392	393	389	386	375

Approved Inspector Instructor Distribution

	June 16	July 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	June 17
ICE Electives Only - Inspector	31	32	33	33	31	36	36	36	36	35	36	36	37
Qualifying and ICE Electives	101	101	105	107	107	113	113	114	112	113	112	115	121
Texas SOP/Legal/Ethics Update	50	49	49	51	51	51	49	49	49	50	48	52	55
Ride Along Course	51	51	53	55	56	57	58	57	57	59	57	61	62

Case Status

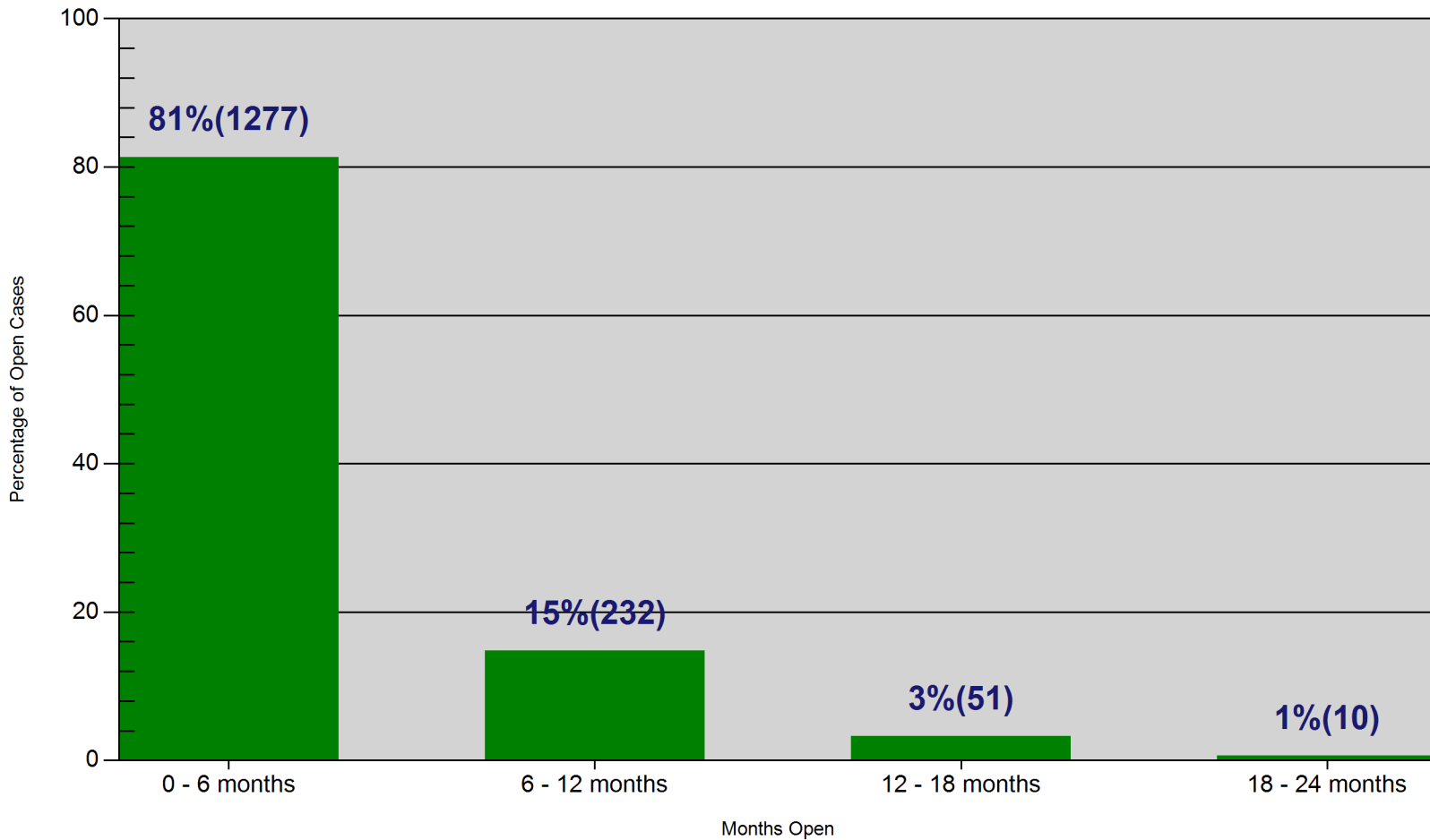
FY 2017

	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	YTD
Received During Month	322	247	196	192	271	309	475	478	556	539			3585
Broker/Sales	107	95	76	70	85	83	112	168	145	116			1057
Inspector	10	2	2	3	6	9	6	9	9	8			64
Timeshare	11	8	16	13	10	7	8	7	7	0			87
Unlicensed Activity	0	5	8	3	3	3	2	1	1	2			28
Residential Service Company	14	7	6	5	13	4	8	5	10	9			81
No Jurisdiction	17	14	7	8	15	13	14	5	18	20			131
Application Investigation	117	82	49	45	108	154	241	189	283	293			1561
MCD Inquiry	45	34	31	40	30	35	79	92	82	91			559
Other	1	0	1	5	1	1	4	2	1	0			16
	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	YTD
Closed During Month	243	266	273	253	299	279	311	375	412	414			3125
Complaint Withdrawn	1	6	5	10	2	8	3	12	7	3			57
Cease & Desist Issued	2	0	0	1	0	0	0	0	1	0			4
Disciplinary Action	28	31	39	30	54	48	33	44	37	38			382
Failure to Go Forward	46	42	38	36	51	18	26	40	41	77			415
Insufficient Evidence	19	28	23	33	29	34	37	28	32	40			303
Matter Settled	2	5	5	5	5	3	5	28	23	13			94
No Jurisdiction	50	42	40	42	39	49	39	40	55	35			431
No Violation	3	1	5	1	2	4	2	2	13	7			40
Application Investigation	59	73	67	53	60	89	126	117	129	144			917
MCD Inquiries	29	35	49	39	53	26	39	62	67	54			453
Other	4	3	2	3	4	0	1	2	7	3			29
Open at Beginning of Month											1445		
Received During Month											539		
Closed During Month											414		
Open at End of Month											1570		
Received During Fiscal Year											3585		
Closed During Fiscal Year											3125		

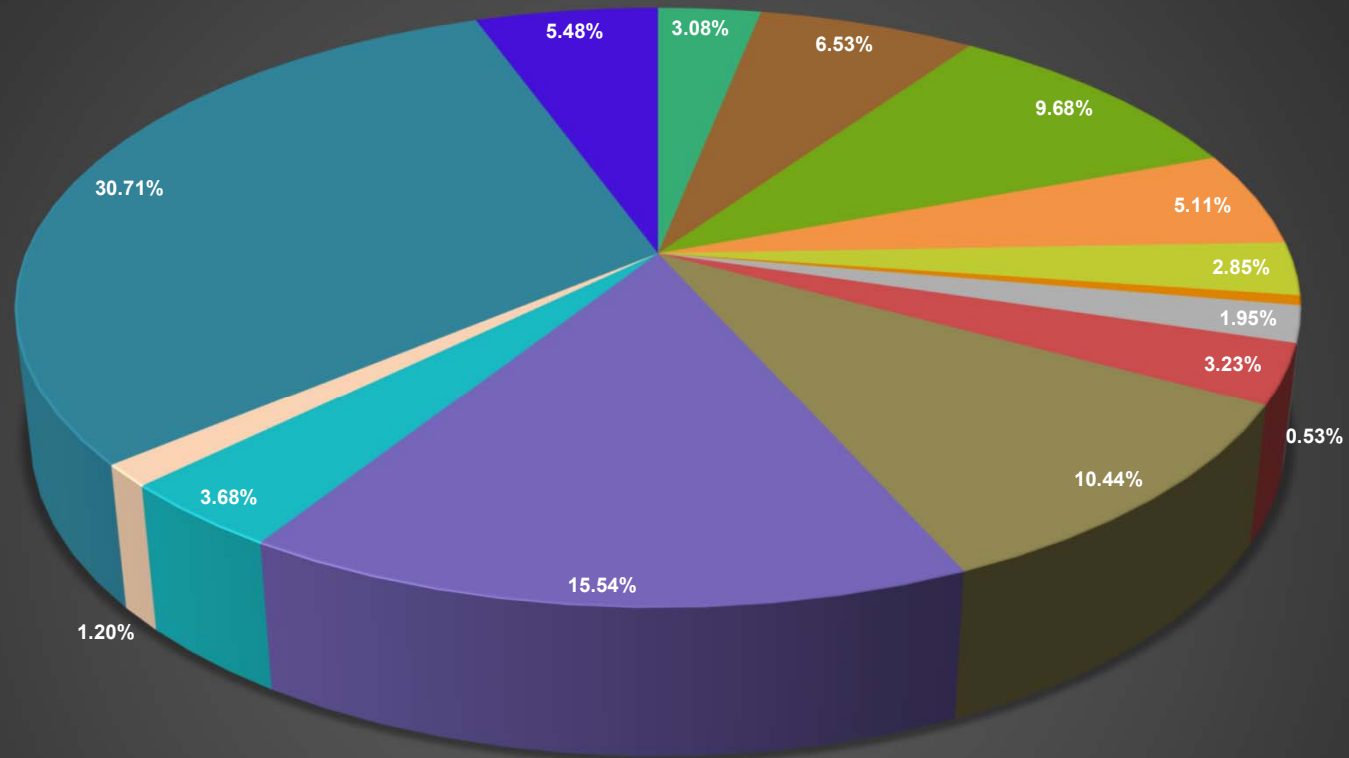
Standards & Enforcement Services Division - TREC: E2 Report

Open Case Aging Report

as of 6/30/2017



Complaint Subject Categories for June 2016 through June 2017



1332 TOTAL ALLEGATIONS

- Administrative - 3.08% (41)
- Advertising - 6.53% (87)
- Breach of Fiduciary Duty - 9.68% (129)
- Broker Supervision - 5.11% (68)
- Failure to Disclosure - 2.85% (38)
- Improper contract/Seller Disclosure form usage - 0.53% (7)
- Intermediary/IABS - 1.83% (26)
- Leasing/Property Management - Misappropriation - 3.23% (43)
- Leasing/Property Management - Other - 10.44% (139)
- Licensure Issues - 15.54% (207)
- License Holder Acting as Principal - 3.68% (49)
- Sales Misappropriation - 1.20% (16)
- Sales Other - 30.71% (409)
- Unlicensed Activity - 5.48% (73)

ADDENDUM 2 (AUGUST 2017 QUARTERLY STAFF REPORTS)

Complaint Subject Categories by Month

Subject Matter Categories	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Total	YTD
Administrative <i>Bad check, contact information, uncooperative, etc.</i>	2	3	6	2	2	2	1	6	3	4	4	1	5	41	3.08%
Advertising <i>Includes misleading & dba</i>	6	6	9	7	8	3	5	4	9	6	6	13	5	87	6.53%
Breach of Fiduciary Duty <i>Including false promise</i>	8	5	15	8	10	12	5	11	15	8	16	9	7	129	9.68%
Broker Supervision	10	4	5	7	6	6	2	4	8	2	5	5	4	68	5.11%
Failure to Disclose	1	2	4	1	1	1	3	4	9	5	3	2	2	38	2.85%
Improper contract/Seller Disclosure form usage	0	1	0	0	1	0	0	2	1	0	0	2	0	7	0.53%
Intermediary/IABS	0	0	9	0	1	1	1	2	3	2	3	2	2	26	1.95%
Leasing/Property Management - Misappropriation	5	3	7	2	4	2	2	4	1	2	5	4	2	43	3.23%
Leasing/Property Management - Other <i>Includes negligence, referral, etc.</i>	11	9	13	5	13	14	16	13	10	9	5	10	11	139	10.44%
Licensure Issues <i>Criminal background check, disapprovals, probationary license, etc.</i>	10	6	10	8	7	21	18	16	16	5	41	28	21	207	15.54%
License Holder Acting as Principal	3	4	2	1	1	6	2	7	4	2	7	3	7	49	3.68%
Sales Misappropriation <i>Other than Leasing/Property Management - Misappropriation</i>	0	0	6	2	1	1	0	0	1	2	1	2	0	16	1.20%
Sales Other <i>Includes negligence, rebate, referral, earnest money, etc. (other than Leasing/Property Management - Other)</i>	24	20	24	28	31	31	25	34	46	33	39	38	36	409	30.71%
Unlicensed Activity	8	4	13	5	6	5	4	8	3	5	6	2	4	73	5.48%
Total	88	67	123	76	92	105	84	115	129	85	141	121	106	1332	

**Information Technology Services Division
Electronic Information Outlet Statistics**

June 2017

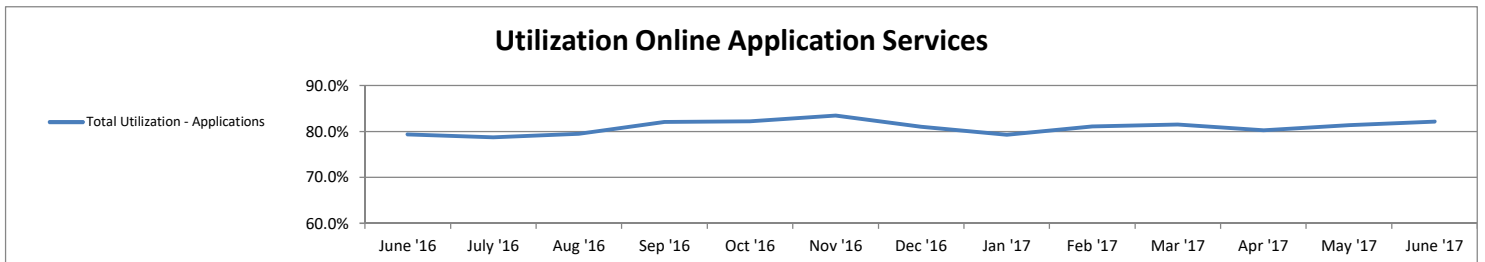
Website	Current Month	FYTD Total	Prior FYTD Total
Total Pages Viewed	3,554,822	34,376,110	28,846,597
Total Monthly Unique Visitors	242,503	895,538	1,377,465

Online Transactions	Total	Online	Online Percent	FYTD Online Percent	Prior FYTD Percent
Applications	1883	1547	82.2%	81.4%	79.0%
Broker Application	68	49	72.1%	67.5%	58.2%
Sales Agent Application	1709	1432	83.8%	83.2%	81.8%
Corporate Entity Application	106	66	62.3%	60.5%	43.9%
Renewals	6866	6619	96.4%	96.7%	96.8%
Broker Renewals	1429	1357	95.0%	95.6%	95.5%
Sales Agent Renewal	4794	4668	97.4%	97.8%	97.7%
Corporate Entity Renewals	464	424	91.4%	90.5%	94.8%
Professional Inspector Renewals	85	83	97.6%	93.9%	94.0%
Real Estate Inspector Renewals	2	0	0.0%	78.1%	89.7%
Apprentice Inspector Renewals	3	3	100.0%	100.0%	100.0%
Easement ROW Business Renewals	2	2	100.0%	40.7%	66.7%
Easement ROW Individual Renewals	87	82	94.3%	91.3%	92.6%
Sponsorship Transactions	8998	8417	93.5%	91.0%	91.6%
Additions	4536	4485	98.9%	98.4%	97.0%
Removals	4462	3932	88.1%	81.8%	85.6%

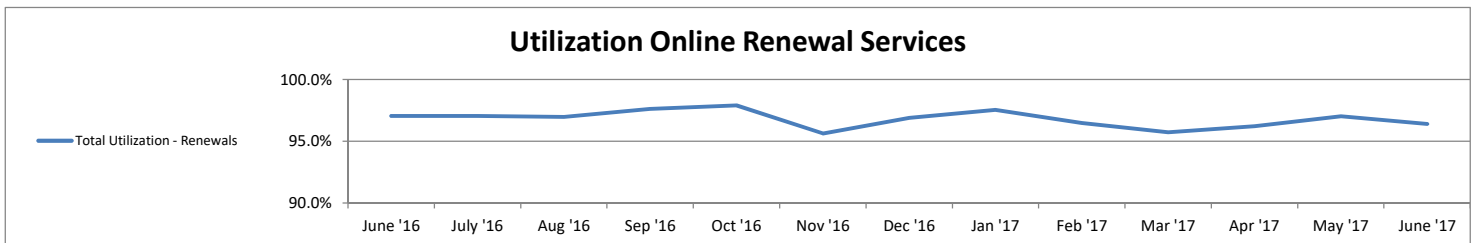
**Information Technology Services Division
Electronic Information Outlet Statistics**

June 2017

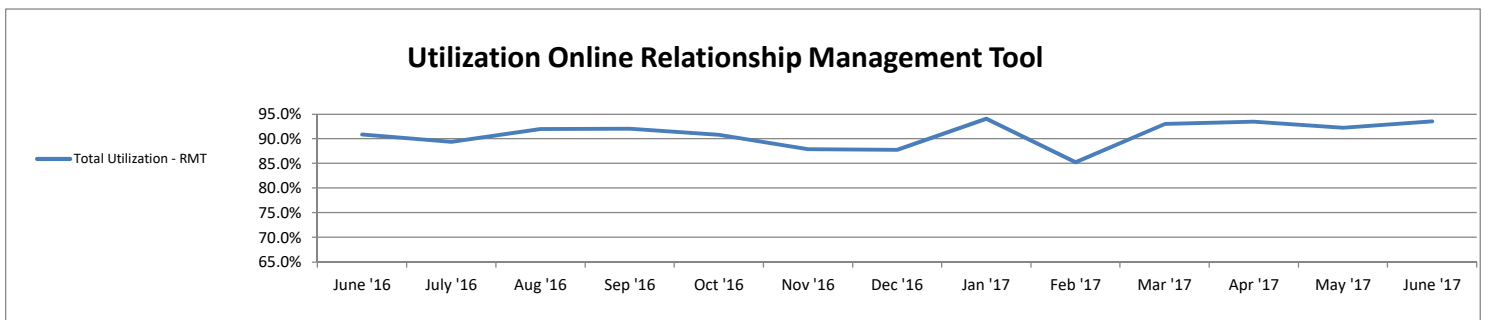
Applications	June '16	July '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	June '17
Broker Application	65.1%	64.6%	60.3%	63.4%	72.1%	72.2%	73.3%	67.5%	70.3%	64.4%	55.7%	63.5%	72.1%
Sales Agent Application	82.4%	81.3%	82.8%	83.9%	83.5%	85.1%	83.5%	81.3%	83.0%	83.4%	82.0%	82.9%	83.8%
Broker Organization Applications	42.5%	32.4%	38.5%	57.3%	54.8%	57.1%	56.9%	59.5%	66.7%	49.0%	70.8%	70.8%	62.3%
Total Utilization - Applications	79.4%	78.7%	79.5%	82.1%	82.2%	83.4%	81.0%	79.2%	81.1%	81.5%	80.3%	81.4%	82.2%



Renewals	June '16	July '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	June '17
Broker Renewals	95.5%	94.7%	95.8%	96.3%	96.9%	97.1%	97.0%	95.8%	94.9%	94.2%	97.3%	95.3%	95.0%
Sales Agent Renewal	97.7%	97.9%	97.7%	98.5%	98.7%	97.8%	97.3%	98.6%	97.2%	96.7%	97.3%	98.0%	97.4%
Broker Organization Renewal	96.2%	94.7%	94.5%	94.8%	91.7%	61.8%	95.4%	94.6%	95.9%	92.8%	95.5%	91.5%	91.4%
Professional Inspector Renewals	94.8%	93.0%	96.9%	93.4%	93.9%	97.8%	91.8%	91.7%	94.1%	93.0%	90.1%	95.4%	97.6%
Real Estate Inspector Renewals	100.0%	66.7%	100.0%	100.0%	100.0%	75.0%	33.3%	100.0%	83.3%	88.9%	100.0%	100.0%	0.0%
Apprentice Inspector Renewals	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%
Easement ROW Business Renewals			0.0%	0.0%	66.7%	0.0%		100.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Easement ROW Individual Renewals	92.0%	84.2%	91.3%	92.6%	91.1%	85.4%	95.2%	96.6%	94.6%	82.2%	87.3%	99.0%	94.3%
Total Utilization - Renewals	97.0%	97.0%	97.0%	97.6%	97.9%	95.6%	96.9%	97.5%	96.5%	95.7%	96.2%	97.0%	96.4%



RMT	June '16	July '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	June '17
Sponsorship Invitations	97.6%	95.4%	97.6%	98.0%	98.0%	98.3%	97.0%	98.5%	98.6%	98.4%	99.0%	99.0%	98.9%
Sponsorship Removals	86.5%	81.0%	84.1%	84.5%	81.3%	75.1%	79.2%	89.4%	68.4%	86.2%	85.8%	83.9%	88.1%
Total Utilization - RMT	90.9%	89.4%	92.0%	92.1%	90.8%	87.9%	87.7%	94.1%	85.2%	93.0%	93.5%	92.2%	93.5%



ADDENDUM 2 (AUGUST 2017 QUARTERLY STAFF REPORTS)

Staff & Support Services Division

TREC Budget Status Report

June 2017

2/12 = 16.7%

Expenditure Category	Budget FY2017	Expenditures	Balance	Budget % Remaining	Comments
Salaries & Wages	\$5,228,640	4,209,997	\$1,018,643	19.5%	
Employee Benefits	\$1,623,384	1,338,128	285,256	17.6%	
Retiree Insurance	\$468,072	344,715	123,357	26.4%	
Other Personnel Costs	\$221,550	102,996	118,554	53.5%	Excess remaining due to lump sum pymnts which normally occur at fiscal year end.
Professional Fees & Services	\$371,691	239,310	132,381	35.6%	
Consumables	\$20,000	7,951	12,049	60.2%	
Utilities	\$10,300	3,180	7,120	69.1%	
Travel	\$69,700	27,358	42,342	60.7%	
Office and Space Rent	\$162,220	117,414	44,806	27.6%	
Equipment Rental	\$78,554	39,813	38,741	49.3%	
Registration & Membership	\$45,360	22,096	23,264	51.3%	
Maintenance & Repairs	\$236,885	134,594	102,291	43.2%	Versa annual maintenance paid, renewal of 24 x 7 network security agreement, renewal of Annual software maintenance as of report date
Reproduction & Printing	\$2,600	1,804	796	30.6%	
Contract Services	\$70,150	28,171	41,979	59.8%	
Postage	\$17,800	12,410	5,390	30.3%	
Supplies & Equipment	\$106,100	70,506	35,594	33.5%	
Communication Services	\$62,931	79,565	(16,634)	-26.4%	Purchase of email managing service for entire year
Other Operating Expenses	\$21,900	25,969	(4,069)	-18.6%	Annual Workers' Compensation Assessment, Attorney State Bar dues, and SORM assessments paid.
Subtotal - Operations Expenditures	8,817,837	6,805,979	2,011,858	22.8%	
DPS Criminal History Background Checks	2,000	493	1,507	75.4%	
Statewide Cost Allocation Plan (SWCAP)	220,000	184,470	35,530	16.1%	
Contribution to General Revenue	720,000	600,000	120,000	16.7%	% allocated monthly but pmt not due until 8/31/17
Subtotal - Nonoperational Expenditures	942,000	784,963	157,037	16.7%	
Total Expenditures	\$9,759,837	\$7,590,942	\$2,168,895	22.2%	

Revenue	FY2017 Projected	Revenue Collected	Revenue Remaining to be Collected	Revenue % Remaining to be Collected	Comments
License Fees	\$10,316,783	10,356,315	(\$39,532)	-0.4%	increase in sales agent applications, reinstatements, broker and sales agent renewals, sponsorship invites, slight increase in CE course base and deferral fees and MCE Instructor original applications as of report date
Miscellaneous Revenue	\$392,540	309,909	\$82,632	21.1%	Exam fees, NSF fees and Public Info fees
Total Revenue	\$10,709,323	\$10,666,224	\$43,099	0.4%	
Revenue Over/(Under) Expenditures & Transfers	\$949,486	\$3,075,281			

Staff Services Division

**Texas Real Estate Commission Operating Account No. 3055 Investments
Holdings Report**

June 2017

Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
11/21/2016	1,994,800.00	2,006,702.59	1,994,899.74	(1,994,899.74)	0.00	0.00	U.S. T-Notes, 0.880%	06/15/2017
11/21/2016	1,992,000.00	1,999,344.04	1,991,681.28	19.92	1,991,701.20	5,846.09	U.S. T-Notes, 1.000%	09/15/2017
12/15/2016	1,998,700.00	1,999,636.89	1,997,061.07	299.80	1,997,360.87	873.75	U.S. T-Notes, 1.000%	12/15/2017
11/21/2016	996,900.00	999,796.51	995,304.96	(79.75)	995,225.21	2,925.68	U.S. T-Notes, 1.000%	03/15/2018
03/31/2017	999,928.57	999,819.87	998,328.68	(79.99)	998,248.69	2,934.57	U.S. T-Notes, 1.000%	03/15/2018
06/20/2017	2,502,000.00	2,499,550.23	0.00	2,497,996.80	2,497,996.80	1,230.49	U.S. T-Notes, 1.130%	06/15/2018
Totals	\$ 10,484,328.57	\$ 10,504,850.13	\$ 7,977,275.73	\$ 503,257.04	\$ 8,480,532.77	\$ 13,810.58		

Monthly Activity

Beginning Balance	Current Month	Cumulative Totals
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Beginning Cash Available Balance

\$ 6,259,027.45

Current Month Receipts

\$ 3,230,154.27

Current Month Disbursements

\$ (3,302,539.76)

Total Cash

\$ 6,186,641.96

Investment Ending Market Value

8,480,532.77

Total Account Balance

14,667,174.73

Reserved for Long-Term Facilities Master Plan

(8,235,000.00)

Reserved for Education Development

(387,932.91)

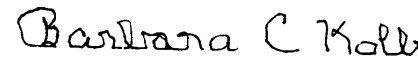
Ending Balance Available for Operations

\$ 6,044,241.82

Investment Compliance: These investments have been made in compliance with the Commission's Investment Policy.



Priscilla Pipho, Investment Officer



Barbara Kolb, Alternate Investment Officer

Staff Services Division
Real Estate Recovery Trust Account No. 3058 Investments
Current Securities
June 2017

Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
07/27/2016	348,500.00	349,734.79	348,517.43	(348,517.43)	0.00	0.00	U.S. T-Notes, 0.880%	06/15/2017
11/21/2016	498,000.00	499,816.55	497,920.32	4.98	497,925.30	1,461.52	U.S. T-Notes, 1.00%	09/15/2017
02/22/2017	498,300.00	499,867.46	497,891.39	74.75	497,966.14	217.84	U.S. T-Notes, 1.00%	12/15/2017
03/31/2017	399,971.43	399,927.96	399,331.48	(32.00)	399,299.48	1,173.83	U.S. T-Notes, 1.00%	03/15/2018
06/20/2017	400,000.00	399,530.23	0.00	399,360.00	399,360.00	196.72	U.S. T-Notes, 1.130%	06/15/2018
Totals	\$ 2,144,771.43	\$ 2,148,876.99	\$ 1,743,660.62	\$ 50,890.30	\$ 1,794,550.92	\$ 3,049.91		

	Beginning Balance	Current Month	Ending Balance
Receipts:			
Licenses' Remittances to Recovery Fund		\$ 32,020.00	
Interest Realized		4,483.49	
Repayments to Recovery Fund (Principal and Interest)		1,254.23	
Administrative Penalties		18,400.00	
Investments Matured		348,500.00	
Total Received	\$ 618,349.98	\$ 404,657.72	\$ 1,023,007.70
Disbursements:			
Investments Purchased		\$ 399,530.23	
Accrued Interest Purchased		0.00	
Payments from Recovery Fund		26,291.48	
Administrative Costs		59.92	
Total Disbursed		\$ 425,881.63	(425,881.63)
Cash Balance			597,126.07
Investment Ending Market Value			1,794,550.92
Total Portfolio			2,391,676.99
Treasury Cash Balance			115.00
Reserved for Investment			0.00
Reserved for Potential Payments Within 90 Days			(453,555.00)
Balance			\$ 1,938,236.99

Investment Position: The Fund is capable of meeting all known obligations.
Investment Compliance: The Investment Policy of the Commission has been followed.


Priscilla Pipho, Investment Officer


Barbara Kolb, Alternate Investment Officer

Texas Occ Code, Sec 1101.603: On a determination by the commission at any time that the balance in the trust account is less than \$1 million, each license holder at the next license renewal must pay, in addition to the renewal fee, a fee that is equal to the lesser of \$10 or a pro rata share of the amount necessary to obtain a balance in the trust account of \$1.7 million.

Staff Services Division

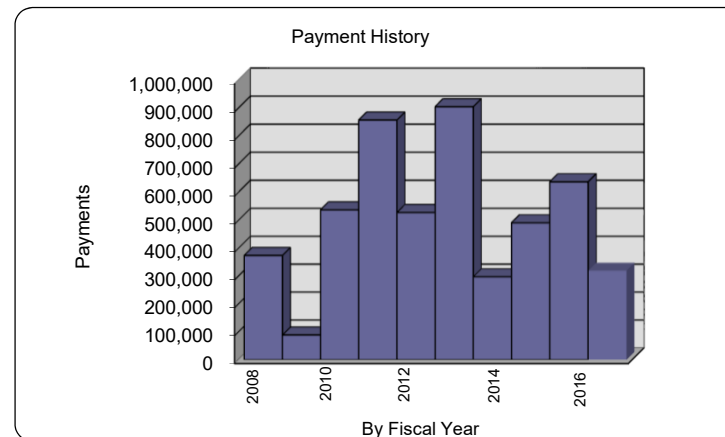
**Real Estate Recovery Trust Account No. 3058 Investments
Payments and Repayments**

June 2017

Month-Year	Payment Total	Repayment Total	Admin Penalties Total	Admin Costs	Payments FY2017-To-Date	Number of Claims FY2017
June 2016	6,781.10	3,840.00	16,943.00	76.75	0.00	0
July 2016	0.00	840.00	21,710.00	74.70	0.00	0
August 2016	0.00	6,015.67	6,560.00	78.70	0.00	0
September 2016	50,000.00	94,621.26	6,330.18	297.09	50,000.00	1
October 2016	43,132.99	51,692.17	9,315.00	355.91	43,132.99	2
November 2016	43,684.74	840.00	10,050.00	65.63	43,684.74	1
December 2016	5,338.51	3,192.76	6,367.00	83.50	5,338.51	1
January 2017	71,183.04	2,212.76	14,720.00	584.74	71,183.04	3
February 2017	5,291.40	30,840.00	11,525.00	84.51	5,291.40	1
March 2017	62,983.19	48,061.89	17,775.00	78.63	62,983.19	2
April 2017	0.00	840.00	7,145.50	87.31	0.00	0
May 2017	11,246.88	840.00	36,250.00	57.77	11,246.88	1
June 2017	26,281.48	1,254.23	18,400.00	267.92	26,281.48	2
	325,923.33	245,090.74	183,090.68	2,193.16	319,142.23	14

**Potential Payments*
Next 3 Months (453,555.00)**

Payment History		
Fiscal Year	# of Payments	Total Payments
thru 2007	622	10,352,737.91
2008	14	373,414.95
2009	12	88,299.35
2010	5	536,637.13
2011	20	856,843.03
2012	21	527,323.23
2013	18	904,295.08
2014	13	297,028.02
2015	15	490,540.91
2016	20	636,691.80
2017	14	319,142.23
Total	774	\$15,382,953.64



*Potential Payments: Payments could be made in the time periods indicated. Several time/work variables can affect the actual payment dates.

Staff Services Division

Real Estate Inspection Recovery Fund No. 0889 (3059)

June 2017

Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
11/17/15	300,000	301,092.40	299,976.00	(6.00)	299,970.00	986.19	U.S. T-Notes, 0.88%	08/15/2017
12/28/16	249,600	249,923.14	249,395.33	37.44	249,432.77	109.11	U.S. T-Notes, 1%	12/15/2017
Totals	\$ 549,600	\$ 551,015.54	\$ 549,371.33	\$ 31.44	\$ 549,402.77	\$ 1,095.30		

Monthly Activity

Payment History

	Beginning Balance	Current Month	Cumulative Totals	Fiscal Year	Number of Payments	Total Payments
Beginning Balance	\$ 69,496.49	\$	\$ 69,496.49			
Receipts:						
Licensees' Remittances to Recovery Fund		\$ 480.00		1991 - 2006	44	\$ 307,379.95
Interest Realized (includes accruals)		46.37		2007	1	12,500.00
Treasury Note Semi-Annual Interest		1,248.00		2008	0	0.00
Repayments		0.00		2009	1	12,500.00
Administrative Penalties		2,300.00		2010	2	16,205.00
Investments Matured		0.00		2011	2	25,000.00
Total Received in Current Month		\$ 4,074.37		2012	1	12,500.00
				2013	0	0.00
Disbursements:				2014	0	0.00
Investments Purchased	\$ 0.00			2015	0	0.00
Payments from Recovery Fund		12,500.00		2016	1	2,275.23
* Cash Transfer Trust to Treasury		0.00		2017	2	25,000.00
Administrative Costs		23.10		Total	54	\$ 413,360.18
Total Disbursed in Current Month		\$ (12,523.10)				
Total Cash			\$ 61,047.76			
Reserved for Potential Payment within 90 Days			(12,500.00)			
Unobligated Fund Balance			\$ 48,547.76			
Investment Ending Market Value			549,402.77			
Balance			\$ 597,950.53			

Investment Position: The Fund is capable of meeting all known obligations.

Investment Compliance: The Investment Policy of the Commission has been followed.

* Per Occupation Code, Sec. 1102.353(d) If the balance in the fund on December 31 of a year is more than \$600,000, the commission shall transfer the amount in excess of \$600,000 to the credit of the general revenue fund.


Priscilla Piphio, Investment Officer


Barbara Kolb, Alternate Investment Officer



**TEXAS APPRAISER LICENSING &
CERTIFICATION BOARD**

STAFF REPORTS FOR AUGUST 2017

Reception and Communication Services Division

Incoming Calls

	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	FYTD Total 2017
Local Lines	16,980	17,327	21,546	18,783	49,326	60,438	75,220	38,525	34,322	25,931			358,398
TALCB LL	1,036	1,103	1,103	1,210	1,914	2,784	3,033	1,673	1,337	1,725			16,918
Total Calls	18,016	18,430	22,649	19,993	51,240	63,222	78,253	40,198	35,659	27,656			375,316

Walk Ins

	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	FYTD Total 2017
Licensing	100	127	121	120	116	234	267	236	222	199			1,742
Education	34	39	50	37	46	53	54	24	32	27			396
Inspector	16	17	12	12	70	28	23	5	16	17			216
Enforcement	10	11	18	7	7	18	29	22	28	22			172
TALCB Lic	5	7	14	3	18	10	16	13	10	8			104
TALCB Enf	2	2	13	0	0	1	0	3	5	3			29
Total	167	203	228	179	257	344	389	303	313	276			2,659

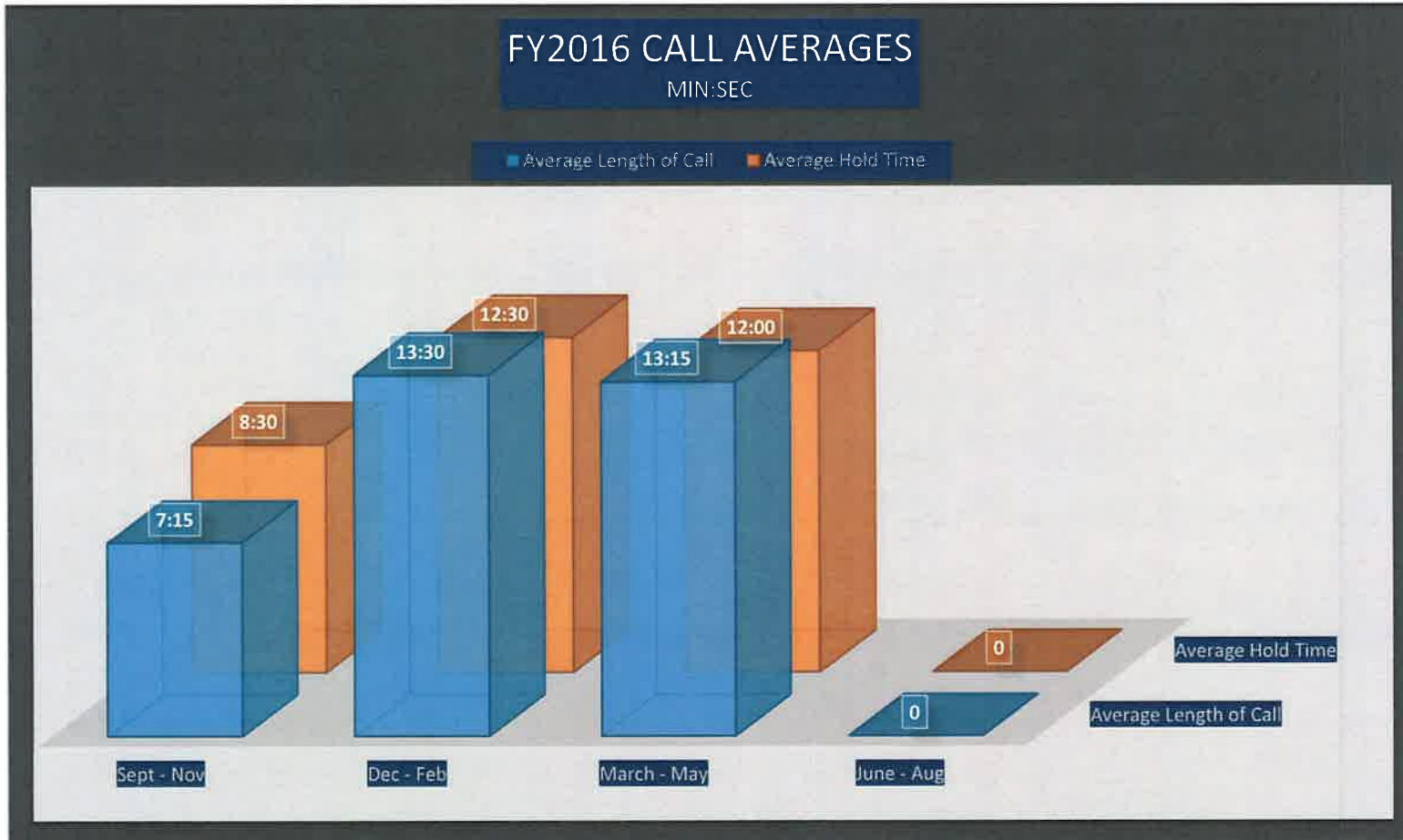
Emails

	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	FYTD Total 2017
Licensing	5,757	5,746	5,437	4,971	8,011	10,187	10,978	8,799	8,260	7,866			76,012
Education	1,228	1,462	2,076	2,240	2,526	1,743	2,229	2,113	2,521	3,045			21,183
Inspector	189	414	382	256	511	332	609	688	597	547			4,525
Enforcement	105	120	94	69	87	178	123	214	212	212			1,414
TALCB Lic	61	204	295	297	415	295	404	467	535	579			3,552
TALCB Enf	22	30	33	15	19	14	6	17	19	31			206
Total	7,362	7,976	8,317	7,848	11,569	12,749	14,349	12,298	12,144	12,280			106,892

ADDENDUM 2 (AUGUST 2017 QUARTERLY STAFF REPORTS)

Customer Service Surveys FY 2017

Month	# Received		Total	Comments With Contact Information	Top Three (3) Comments	# Resolved	# Unresolved
	TREC	TALCB					
Sept	21	3	24	N/A	Customer Service/Hold time/Website	24	
Oct	23	1	24	N/A	Customer Service/Hold time/Requesting online assistance.	24	
Nov	26	2	28	N/A	Online Issues/Hold Time/Application Processes	28	
Dec	37	1	38	N/A	Website/Hold Time/Customer Service	37	1
Jan	64	5	69	N/A	Website/Hold Time/Customer Service	67	2
Feb	69	8	77	N/A	Website/Application Processes/Customer Service	76	1
March	111	10	121	49	Website/Hold Time/Email Response & Processing of Documents	49	
April	77	5	82	30	Application Processing/Hold Time/Website	30	
May	45	2	47	21	Website/Application Processing/Customer Service	21	
June	43	6	49	21	Customer Service/Website/Hold Time	21	
July							
Aug							
Grand Total	516	43	559	121		377	4



ADDENDUM 2 (AUGUST 2017 QUARTERLY STAFF REPORTS)

TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD ACTIVE CERTIFICATIONS AND LICENSES

FISCAL YEAR	END OF MONTH	GENERAL	RESIDENTIAL	LICENSE	TOTAL G.R.L.	G.R.L. CHANGE	TRAINEE	TRAINEE CHANGE	TOTAL	TOTAL CHANGE
2013	Aug13	2,367	2,371	470	5,208		724		5,932	
2014	Aug14	2,386	2,405	453	5,244	36	760	36	6,004	72
2015	Sep14	2,393	2,407	451	5,251	7	767	7	6,018	14
	Oct14	2,402	2,418	448	5,268	17	766	-1	6,034	16
	Nov14	2,407	2,415	440	5,262	-6	749	-17	6,011	-23
	Dec14	2,409	2,431	442	5,282	20	756	7	6,038	27
	Jan15	2,405	2,437	446	5,288	6	767	11	6,055	17
	Feb15	2,417	2,437	442	5,296	8	760	-7	6,056	1
	Mar15	2,423	2,445	444	5,312	16	761	1	6,073	17
	Apr15	2,408	2,451	442	5,301	-11	763	2	6,064	-9
	May15	2,404	2,444	436	5,284	-17	761	-2	6,045	-19
	Jun15	2,413	2,436	432	5,281	-3	773	12	6,054	9
Jul15	2,409	2,424	432	5,265	-16	774	1	6,039	-15	
Aug15	2,408	2,415	434	5,257	-8	779	5	6,036	-3	
2016	Sep15	2,406	2,417	428	5,251	-6	786	7	6,037	1
	Oct15	2,414	2,418	431	5,263	12	791	5	6,054	17
	Nov15	2,417	2,420	430	5,267	4	793	2	6,060	6
	Dec15	2,419	2,425	430	5,274	7	795	2	6,069	9
	Jan16	2,420	2,422	428	5,270	-4	794	-1	6,064	-5
	Feb16	2,418	2,418	427	5,263	-7	783	-11	6,046	-18
	Mar16	2,423	2,417	427	5,267	4	784	1	6,051	5
	Apr16	2,431	2,415	429	5,275	8	774	-10	6,049	-2
	May16	2,425	2,415	417	5,257	-18	773	-1	6,030	-19
	Jun16	2,425	2,422	416	5,263	6	784	11	6,047	17
Jul16	2,425	2,423	417	5,265	2	774	-10	6,039	-8	
Aug16	2,426	2,425	416	5,267	2	789	15	6,056	17	
2017	Sep16	2,429	2,423	412	5,264	-3	784	-5	6,048	-8
	Oct16	2,431	2,419	414	5,264	0	787	3	6,051	3
	Nov16	2,428	2,418	408	5,254	-10	777	-10	6,031	-20
	Dec16	2,436	2,422	411	5,269	15	782	5	6,051	20
	Jan17	2,431	2,416	410	5,257	-12	789	7	6,046	-5
	Feb17	2,434	2,412	423	5,269	12	792	3	6,061	15
	Mar17	2,440	2,424	425	5,289	20	807	15	6,096	35
	Apr17	2,428	2,426	421	5,275	-14	817	10	6,092	-4
	May17	2,425	2,418	422	5,265	-10	822	5	6,087	-5
	Jun17	2,410	2,412	421	5,243	-22	827	5	6,070	-17

(June 2017: Out-of-State Temporary Registrations = 1,370; Inactive Appraisers = 179)

ADDENDUM 2 (AUGUST 2017 QUARTERLY STAFF REPORTS)

TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD APPRAISAL MANAGEMENT COMPANY REGISTRATIONS June 2017

FISCAL YEAR	MONTH	Paper Apps Received	Online Apps Received	Total Apps Received	Total AMC Registrations Issued	Total AMC Renewals Issued
2012 - Total		130	46	176	169	0
2013 - Total		6	11	17	23	0
2014 - Total		3	9	12	13	138
2015 - Total		11	5	16	15	17
2016	Sep15	1	0	1	0	1
	Oct15	0	0	0	2	2
	Nov15	2	0	2	1	0
	Dec15	1	0	1	0	0
	Jan16	2	0	2	2	1
	Feb16	0	0	0	1	2
	Mar16	0	0	0	1	7
	Apr16	1	1	2	1	10
	May16	0	1	1	1	21
Jun16	1	0	1	2	36	
Jul16	0	0	0	0	34	
Aug16	0	0	0	0	14	
2016 - Total		8	2	10	11	128
2017	Sep16	2	0	2	2	1
	Oct 16	0	1	1	0	3
	Nov 16	0	0	0	1	2
	Dec 16	0	1	1	1	3
	Jan 17	2	0	2	0	0
	Feb 17	0	1	1	2	1
	Mar 17	0	0	0	0	0
	Apr 17	1	0	1	0	3
May 17	1	2	3	1	0	
Jun 17	1	2	3	2	4	
CUMULATIVE TOTALS		165	80	245	240	300
Registrations Surrendered as of June 2017				-21		
Registrations Revoked as of June 2017				-3		
Registrations Expired > 6 months as of June 2017				-45		
TOTAL AMC REGISTRATIONS - June 2017					166	

Education & Licensing Services Division - TALCB

Fiscal Year Comparison

	JUNE		Count	Change Percent
	This YTD 09/16 - 06/17	Last YTD 09/15 - 06/16		
<i>Original Applications Received</i>				
Certified General Applications	124	103	21	20.39%
Certified Residential Applications	74	90	-16	-17.78%
Licensed Residential Applications	74	54	20	37.04%
Appraiser Trainee Applications	307	250	57	22.80%
Non-Residential Temporary Applications	199	207	-8	-3.86%
Total Original Applications	778	704	74	10.51%
<i>Licenses Issued from Original Applications</i>				
Certified General Licenses	101	120	-19	-15.83%
Certified Residential Licenses	59	128	-69	-53.91%
Licensed Residential Licenses	60	49	11	22.45%
Appraiser Trainee Licenses	255	216	39	18.06%
Non-Residential Temporary Licenses	200	209	-9	-4.31%
Total Licenses from Original Applications	675	722	-47	-6.51%
<i>Licenses Issued from Renewal Applications</i>				
Certified General Renewals	1,162	939	223	23.75%
Certified Residential Renewals	1,037	1,081	-44	-4.07%
Licensed Residential Renewals	197	184	13	7.07%
Appraiser Trainee Renewals	371	300	71	23.67%
Total Renewal Licenses Issued	2,767	2,504	263	10.50%
<i>Licenses Issued from Late Renewal Applications</i>				
Certified General Late Renewals	3	5	-2	-40.00%
Certified Residential Late Renewals	5	6	-1	-16.67%
Licensed Residential Late Renewals	4	2	2	100.00%
Appraiser Trainee Late Renewals	18	11	7	63.64%
Total Late Renewal Licenses Issued	30	24	6	25.00%

Examination Activity - Fiscal Year 2017

YEAR-TO-DATE RESULTS:	September 2016 thru June 2017			Overall Pass Rate
	<u>Licensed Residential</u>	<u>Certified Residential</u>	<u>Certified General</u>	
Examinations Passed	38	28	34	100
Examinations Failed	32	17	13	
Examinations Taken	70	45	47	162
Examination Pass Rate (%)	54.29%	62.22%	72.34%	61.73%

All examination types	
Total first time candidates:	105
Total repeat candidates:	57
Total pass:	100
Total fail:	62
Total examinations taken:	162

Examination Activity - Fiscal Year 2017

MONTHLY RESULTS:	June 2017			Overall Pass Rate
	<u>Licensed Residential</u>	<u>Certified Residential</u>	<u>Certified General</u>	
Examinations Passed	3	2	2	7
Examinations Failed	3	1	2	
Examinations Taken	6	3	4	13
Examination Pass Rate (%)	50.00%	66.67%	50.00%	53.85%

All examination types	
Total first time candidates:	9
Total repeat candidates:	4
Total pass:	7
Total fail:	6
Total examinations taken:	13

EXAMINATION ACTIVITY**YEAR-TO-DATE COMPARISON
JUNE**

	<u>2017</u> <u>Pass Rate</u>	<u>2016</u> <u>Pass Rate</u>
Certified General Appraiser	72.3%	58.1%
Certified Residential Appraiser	62.2%	51.3%
Licensed Residential Appraiser	54.2%	47.5%
Overall Appraiser Pass Rate	61.7%	52.1%

**Information Technology Services Division
Electronic Information Outlet Statistics**

June 2017

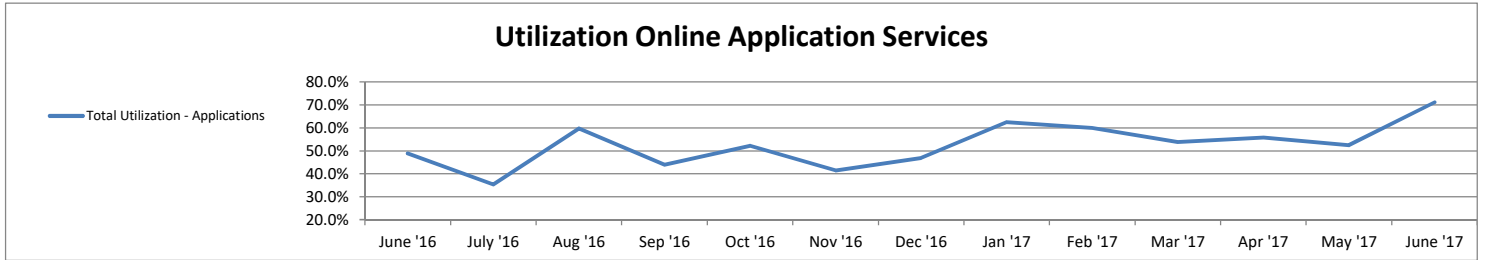
Website	Current Month	FYTD Total	Prior FYTD Total
Total Pages Viewed	1,300,996	7,683,818	9,417,884
Total Monthly Unique Visitors	41,006	300,915	283,438

Online Transactions	Total	Online	Online Percent	FYTD Online Percent	Prior FYTD Percent
Applications	38	27	71.1%	54.0%	45.8%
AMC	2	0	0.0%	7.1%	27.3%
Certified General Appraiser	4	3	75.0%	28.8%	12.9%
Certified Residential Appraiser	3	2	66.7%	42.4%	21.2%
State Licensed Appraiser	4	3	75.0%	48.3%	48.5%
Appraiser Trainee	25	19	76.0%	72.5%	73.3%
Renewals	308	288	93.5%	91.7%	91.3%
AMC	4	4	100.0%	100.0%	78.8%
Certified General Appraiser	144	129	89.6%	90.0%	91.0%
Certified Residential Appraiser	131	127	96.9%	95.0%	94.3%
State Licensed Appraiser	14	14	100.0%	82.2%	86.4%
Appraiser Trainee	15	14	93.3%	93.2%	88.5%
AMC Panel Transactions	1032	1032	100.0%	100.0%	100.0%
Additions	962	962	100.0%	100.0%	100.0%
Removals	70	70	100.0%	100.0%	100.0%

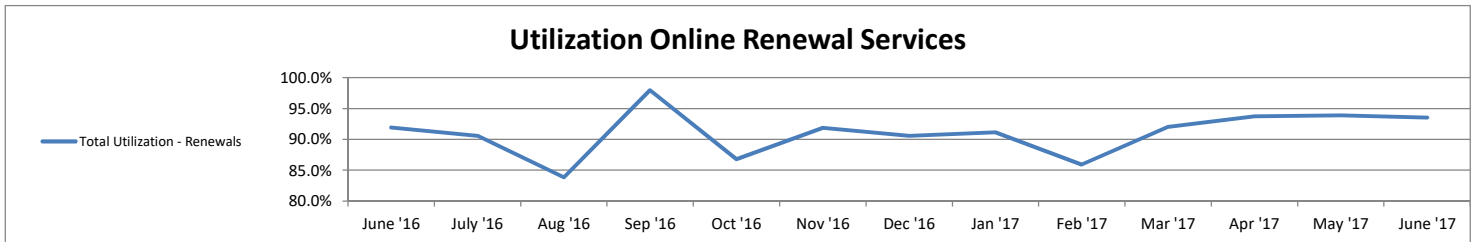
**Information Technology Services Division
Electronic Information Outlet Statistics**

June 2017

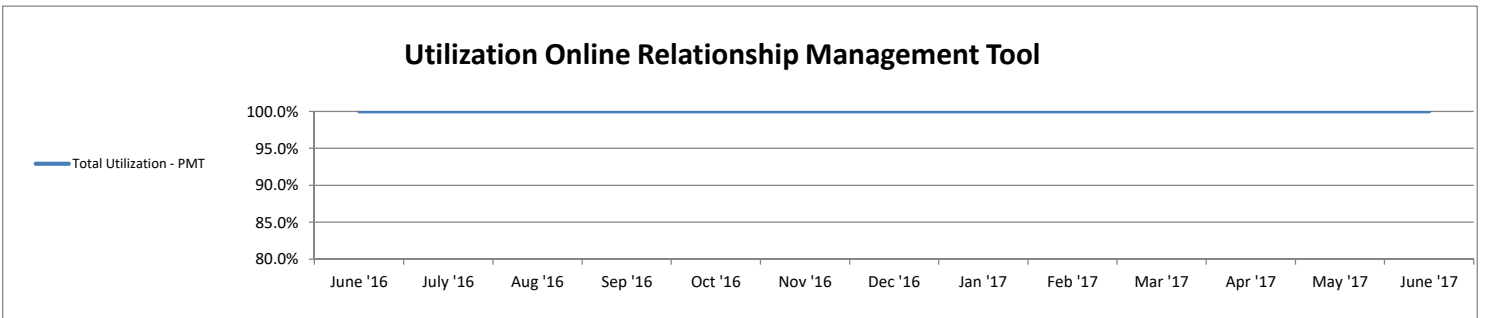
Applications	June '16	July '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	June '17
AMC	50.0%			50.0%		0.0%	0.0%	0.0%	0.0%			0.0%	0.0%
Certified General Appraiser	0.0%	40.0%	10.0%	15.4%	15.4%	20.0%	33.3%	50.0%	40.0%	25.0%	0.0%	14.3%	75.0%
Certified Residential Appraiser	30.0%	0.0%	33.3%	20.0%	40.0%	42.9%	14.3%	100.0%	20.0%	36.4%	33.3%	50.0%	66.7%
State Licensed Appraiser	66.7%	50.0%	100.0%	50.0%	50.0%	50.0%	33.3%	100.0%	66.7%	25.0%	33.3%	0.0%	75.0%
Appraiser Trainee	71.4%	44.4%	77.8%	68.4%	75.0%	53.8%	83.3%	66.7%	77.8%	80.0%	72.4%	72.0%	76.0%
Total Utilization - Applications	48.8%	35.3%	59.6%	43.9%	52.2%	41.4%	46.8%	62.5%	60.0%	53.8%	55.8%	52.5%	71.1%



Renewals	June '16	July '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	June '17
AMC	72.2%	82.4%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%		100.0%
Certified General Appraiser	96.8%	94.1%	92.6%	96.4%	90.9%	89.9%	85.2%	87.0%	84.0%	90.8%	92.5%	93.9%	89.6%
Certified Residential Appraiser	98.9%	95.2%	94.6%	98.8%	91.6%	93.8%	92.9%	100.0%	84.0%	96.8%	94.6%	94.1%	96.9%
State Licensed Appraiser	73.3%	80.0%	75.0%	100.0%	57.1%	95.2%	95.8%	66.7%	66.7%	76.5%	88.9%	75.0%	100.0%
Appraiser Trainee	86.4%	83.3%	81.8%	100.0%	75.0%	90.0%	100.0%	100.0%	86.7%	87.0%	100.0%	100.0%	93.3%
Total Utilization - Renewals	91.9%	90.6%	83.8%	98.0%	86.8%	91.9%	90.6%	91.1%	85.9%	92.0%	93.7%	93.9%	93.5%



PMT	June '16	July '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	June '17
AMC Panel Invitations	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
AMC Panel Removals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Utilization - PMT	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



ADDENDUM 2 (AUGUST 2017 QUARTERLY STAFF REPORTS)

Staff & Support Services Division

TALCB Budget Status Report

June 2017

2/12 = 16.7%

Expenditure Category	Budget FY2017	Actual Expenditures	Balance	Budget % Remaining	Comments
Salaries & Wages	\$836,817	\$686,131	\$150,686	18.0%	
Employee Benefits	273,401	215,175	58,226	21.3%	
Retiree Insurance	56,305	31,458	24,847	44.1%	
Other Personnel Costs	33,210	15,447	17,763	53.5%	Excess remaining due to lump sum payments which normally occur at fiscal year end.
Professional Fees & Services	85,750	60,728	25,022	29.2%	
Consumables	6,500	1,764	4,736	72.9%	
Utilities	2,000	1,429	571	28.6%	
Travel	32,000	26,843	5,157	16.1%	
Office Rent	32,625	18,809	13,816	42.3%	
Equipment Rental	14,500	7,499	7,001	48.3%	
Registration & Membership	16,125	8,210	7,915	49.1%	
Maintenance & Repairs	12,267	19,940	(7,673)	-62.5%	Versa annual maintenance paid. Expense exceeded budget.
Reproduction & Printing	1,600	778	822	51.4%	
Contract Services	31,040	4,059	26,981	86.9%	Video streaming expense was budgeted out of Contract Services in error. Expenses are reported under Communication Services.
Postage	6,350	3,784	2,566	40.4%	
Supplies & Equipment	7,000	2,154	4,846	69.2%	
Communication Services	8,546	12,057	(3,511)	-41.1%	Video streaming expense paid from Communication Services budget. This expense was budgeted out of Contract Services in error.
Other Operating Expenses	4,342	1,928	2,414	55.6%	
Subtotal - Operations Expenditures	1,460,378	1,118,194	342,184	23.4%	
DPS Criminal History Background Checks	3,000	1,169	1,831	61.0%	
Statewide Cost Allocation Plan (SWCAP)	45,000	30,359	14,641	32.5%	One SWCAP payment remaining totaling \$10,119
Contribution to General Revenue	30,000	25,000	5,000	16.7%	% allocated monthly but pmt not due until 8/31/17
Subtotal - Nonoperational Expenditures	78,000	56,528	21,472	27.5%	
Total Expenditures	\$1,538,378	\$1,174,722	\$363,656	23.6%	
Revenue	FY2017 Projected	Revenue Collected	Revenue Remaining to be Collected	Revenue % Remaining to be Collected	Comments
License Fees	\$1,086,525	\$1,024,923	\$61,602	5.7%	increase in application fees and renewals
AMCs	155,208	162,349	(\$7,141)	-4.6%	10 new AMCs; 12 renewals; add/renewal of panelists higher than projections.
Administrative Penalties	38,400	17,450	\$20,950	54.6%	
Other Miscellaneous Revenue	20,465	19,930	\$535	2.6%	Exam Admin Fees/NSF fees/Misc/Public Info fees
Total Revenue	\$1,300,598	\$1,224,652	\$75,946	5.8%	
	FY17 Carry Forward	Allocated Amount	Remaining to be Allocated	Carry Forward % Remaining	Comments
AMC Revenue Carry Forward from FY16	\$290,054	\$241,711.67	\$48,342	16.7%	Pro-rated thru June
Revenue Over/(Under) Expenditures & Transfers	\$52,274	\$291,642			Includes AMC Carry Forward revenue recognition for FY17

Staff Services Division

Tx Appraiser Licensing & Certification Board Operating Account No. 3056 Investments Holdings Report

June 2017


Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
06/15/2016	99,300.00	99,980.31	99,304.97	99,304.97	0.00	0.00	U.S. T-Notes, 0.880%	06/15/2017
09/15/2016	149,000.00	149,470.44	148,976.16	(1.49)	148,977.65	437.28	U.S. T-Notes, 1.000%	09/15/2017
01/24/2017	199,000.00	199,974.39	198,681.60	15.92	198,665.68	584.02	U.S. T-Notes, 1.000%	03/15/2018
01/24/2017	199,400.00	199,967.32	199,236.49	(29.91)	199,266.40	87.17	U.S. T-Notes, 1.000%	12/15/2017
06/20/2017	250,000.00	249,725.92	0.00	(249,600.00)	249,600.00	122.95	U.S. T-Notes, 1.130%	06/15/2018
Totals	\$ 896,700.00	\$ 899,118.38	\$ 646,199.22	\$ (150,310.51)	\$ 796,509.73	\$ 1,231.42		

Monthly Activity

Beginning Balance	Current Month	Cumulative Totals
-------------------	---------------	-------------------

Beginning Cash Available Balance	\$ 975,001.36		
Current Month Receipts		\$ 230,939.82	
Current Month Disbursements		\$ (402,130.92)	
Total Cash			\$ 803,810.26
Investment Ending Market Value			796,509.73
Total Account Balance			1,600,319.99
Reserved for Long-Term Facilities Master Plan			(740,000.00)
Reserved for Education Development			(115,912.76)
Ending Balance Available for Operations			\$ 744,407.23

Investment Compliance: These investments have been made in compliance with the Board's Investment Policy


Priscilla Piphos, Investment Officer


Barbara Kolb, Alternate Investment Officer

TALCB Standards & Enforcement Services

CASE STATUS REPORT as of JUNE 30, 2017

of Cases Received

Case Classification	FY2015	FY2016	16-Sep	16-Oct	16-Nov	16-Dec	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	FYTD
Complaint Category:															
AMCs	1	12	0	0	0	0	0	0	0	0	0	0	0	0	0
Dodd Frank	22	18	0	5	2	0	0	1	0	1	1	1	0	0	10
Ethics	4	4	0	1	0	1	1	0	0	0	0	0	2	0	5
USPAP	139	131	7	8	7	5	7	15	13	5	8	9	0	0	84
Other	21	37	1	2	5	7	0	0	24	0	0	1	0	0	40
No Jurisdiction	4	9	0	1	0	0	2	1	2	0	3	0	0	0	9
	191	211	8	17	14	13	10	17	39	6	12	12		SUB:	148
Experience Audits	161	146	13	13	7	11	12	6	16	8	12	11			109
RFAs & Covert Complaints	13	5	1	0	0	0	0	0	0	0	0	0			1
MCD Inquiries	3	8	1	0	1	0	0	2	1	2	0	0			7
	177	158	15	13	8	11	12	8	17	10	12	11		SUB:	117
Opened During FY Year Month	368	356	23	30	22	24	22	25	56	16	24	23			265

of Cases Closed

Case Disposition	FY2015	FY2016	16-Sep	16-Oct	16-Nov	16-Dec	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	FYTD
Surrendered	5	0	0	0	0	0	0	3	0	0	0	0	0	0	3
Agreed Final Order / Final Order	42	11	0	0	10	0	0	10	0	0	14	0	0	0	34
Other Disciplinary Action	5	1	0	0	1	0	0	0	0	0	0	0	0	0	1
Insufficient Evidence	2	5	0	1	0	0	0	0	0	0	0	0	0	0	1
Dismissed	98	73	6	3	13	12	7	12	6	4	9	5	0	0	77
No Jurisdiction	5	7	0	0	0	2	2	1	2	0	2	3	0	0	12
	157	97	6	4	24	14	9	26	8	4	25	8		SUB:	128
Experience Audits	171	140	13	14	12	14	5	13	6	3	7	11			98
RFAs	10	4	0	0	0	0	0	0	0	7	0	1			8
MCD Inquiries	5	6	2	1	1	0	0	0	3	1	0	1			9
	186	151	15	15	13	14	5	13	9	11	7	13		SUB:	115
Closed During FY Year Month	343	345	21	19	37	28	14	39	17	15	32	21			243

Total Cases Open as of 6/30/17: 223

TALCB Standards & Enforcement Services
AMC CASE STATUS REPORT as of JUNE 30, 2017

of Cases Received

Case Classification	FY2015	FY2016	16-Sep	16-Oct	16-Nov	16-Dec	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	FYTD
Complaint Category:															
AMC Compliance	0	1	0	0	0	0	2	1	1	0	0	2			6
Dodd Frank	0	0	0	0	0	0	0	0	0	0	0	0			0
Ethics	0	0	0	0	0	0	0	0	0	0	0	0			0
USPAP	7	3	0	0	0	0	0	0	0	0	0	0			0
Other	0	10	1	0	0	0	0	0	0	0	0	0			1
No Jurisdiction	1	3	0	0	0	0	0	0	0	0	0	0			0
	8	17	1	0	0	0	2	1	1	0	0	2		SUB:	7
RFAs & Covert Complaints	0	0	0	0	0	0	0	0	0	0	0	0			0
Opened During FY Year Month	8	17	1	0	0	0	2	1	1	0	0	2			7

of Cases Closed

Case Disposition	FY2015	FY2016	16-Sep	16-Oct	16-Nov	16-Dec	17-Jan	17-Feb	17-Mar	17-Apr	17-May	17-Jun	17-Jul	17-Aug	FYTD
Surrendered	0	0	0	0	0	0	0	0	0	0	1	0			1
Agreed Final Order	0	0	0	0	0	0	0	0	0	0	0	0			0
Other Disciplinary Action	0	0	0	0	0	0	0	0	0	0	0	0			0
Insufficient Evidence	0	2	0	1	0	0	0	0	0	0	0	0			1
Dismissed	6	8	0	0	1	0	1	1	1	0	0	1			5
No Jurisdiction	1	2	0	0	0	0	0	0	0	0	0	0			0
	7	12	0	1	1	0	1	1	1	0	1	1		SUB:	7
RFAs & Covert Complaints	0	0	0	0	0	0	0	0	0	0	0	0			0
Closed During FY Year Month	7	12	0	1	1	0	1	1	1	0	1	1			7

Total Cases Open as of 6/30/17:

11

TOTAL OPEN COMPLAINTS

ADDENDUM 2 (AUGUST 2017 QUARTERLY STAFF REPORTS)

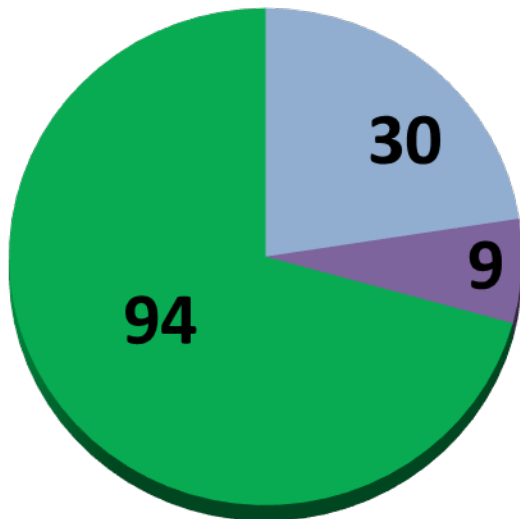
Fiscal Year	No. Pending (as of 3/31/17)	No. Pending (as of 6/30/17)	IN REVIEW	INVEST COMPLETE	SOAH	AWAITING FINAL DISPOSITION	RFAs & COVERT CASES	Percentage Change from Previous Reporting Period
2009	1	1	—	—	—	—	1	0%
2014	1	0	—	—	—	—	0	100%
2015	8	1	—	—	—	—	1	(87.5%)
2016	84	53	28	16	4	4	1	(36.9%)
2017	108	179	131	23	23	1	1	65.74%
Total	202	234	159	39	27	5	4	15.84%
Total 1 YR OLD	26	35	14	12	3	3	3	34.61%

COMPLAINT RESOLUTIONS - FY 2017

ADDENDUM 2 (AUGUST 2017 QUARTERLY STAFF REPORTS)

SEPTEMBER 1, 2016 – JUNE 30, 2017

133 Total Complaints Resolved



- 30 (22.56%) Agreed Final Orders & Voluntary Surrenders
- 0 (0%) Litigated
- 9 (6.76%) NOAV / Default Final Order
- 94 (70.68%) Dismissals
 - 37 (39%) Dismissals
 - 24 (26%) Dismissals with Warning Letter
 - 20 (21%) Contingent Dismissals
 - 13 (14%) Non-Jurisdictional Dismissals

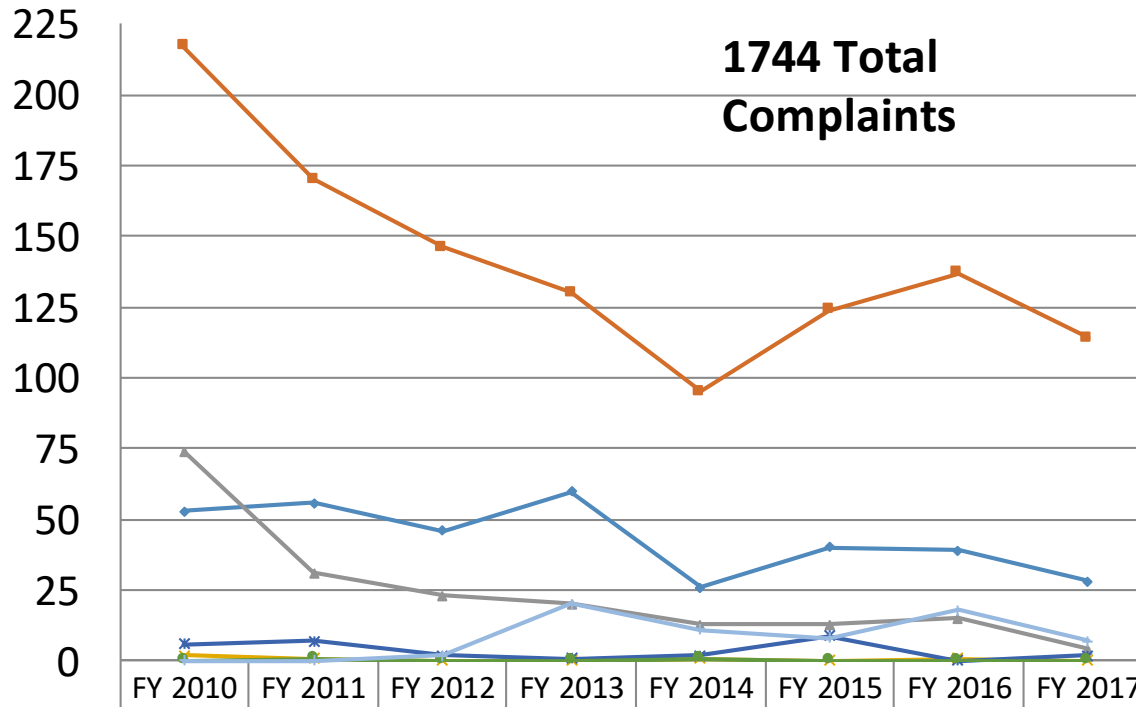
% of License Holders w/Disciplinary Actions				
<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
.8%	.6%	.7%	.5%	.5%

FY 2017 Recidivism Rate	
<u>FY 2016</u>	<u>FY 2017</u>
32.4%	7%

Total Number of Licensees (as of June 30, 2017): 7,619

TOTAL # OF COMPLAINTS RECEIVED

(PER LICENSE TYPE)

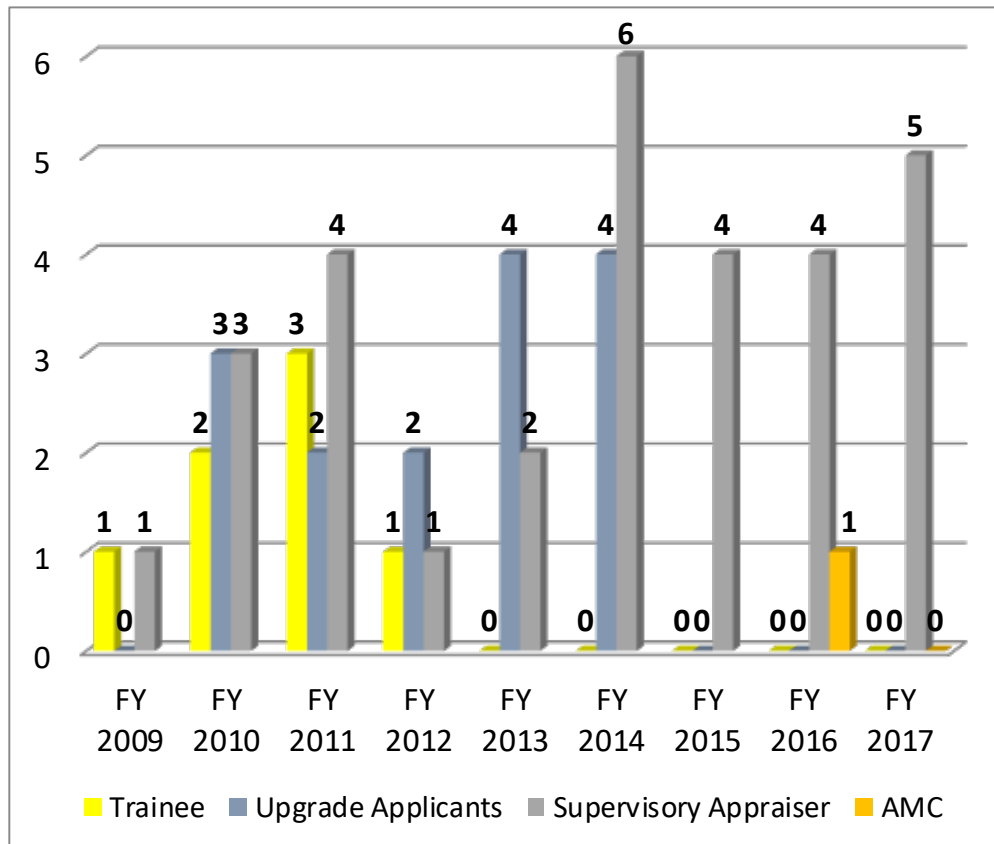


License Type	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Certified General	53	56	46	60	26	40	39	28
Certified Residential	217	170	146	130	95	124	137	114
State Licensed	74	31	23	20	13	13	15	4
Provisional Licensed	2	1	0	0	1	0	1	0
Appraiser Trainee	6	7	2	1	2	9	0	2
Out-of-State Temporary Registrations	0	1	0	0	1	0	0	0
AMCs	0	0	2	20	11	8	18	7

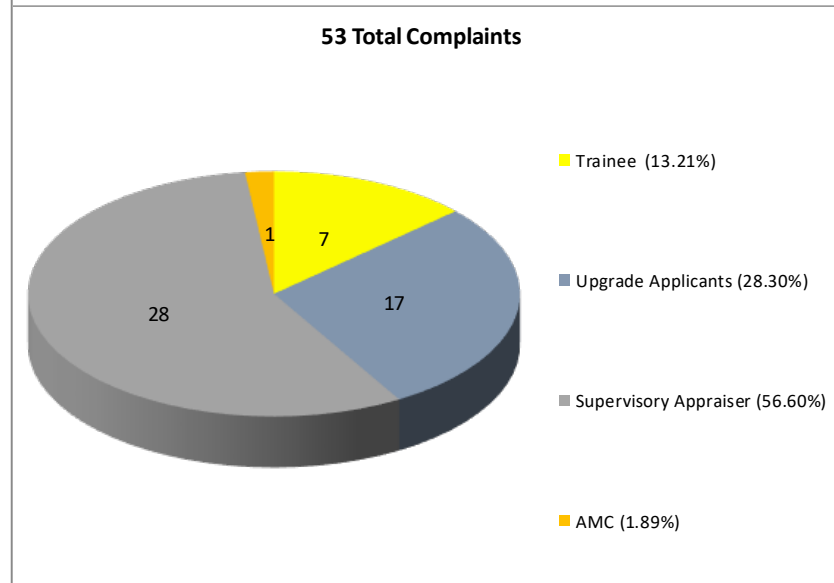
(as of (6/30/17))

STAFF-INITIATED COMPLAINTS BASED ON EXPERIENCE AUDITS

of Staff-Initiated Complaints from Audits per Fiscal Year



% of Staff-Initiated Complaints from Audits per Respondent Type



(as of (6/30/2017))

ADDENDUM 3 (REPORT ON ADVISORY COMMITTEES)

ASSESSMENT OF ADVISORY COMMITTEES
 April, 2016
 329 - Texas Real Estate Commission

To assist in the process required by Chapter 2110, Texas Government Code, state agencies should submit an assessment of advisory committees using the format provided. Please submit your assessment for each advisory committee under your agency's purview. Include responses for committees created through statute, administrative code or ad-hoc by your agency. Include responses for all committees, whether ongoing or inactive and regardless of whether you receive appropriations to support the committee. Committees already scheduled for abolishment within the 2016-17 biennium are omitted from the scope of this survey. When submitting information for multiple advisory committees, right-click the sheet "Cmte1", select Move or Copy, select Create a copy and move to end.

NOTE: Only the items in blue are required for inactive committees.

SECTION A: INFORMATION SUBMITTED THROUGH ADVISORY COMMITTEE SUPPORTING SCHEDULE IN LEGISLATIVE APPROPRIATIONS REQUEST

Committee Name:	AMC Advisory Committee		
Number of Members:	5		
Committee Status (Ongoing or Inactive):	Ongoing	Note: An Inactive committee is a committee that was created prior to the 2014-15 biennium but did not meet or supply advice to an agency during that time period.	
Date Created:	9/1/2011	Date to Be Abolished:	N/A
Budget Strategy (Strategies) (e.g. 1-2-4)	N/A - SDSI Agency	Strategy Title (e.g. Occupational Licensing)	
Budget Strategy (Strategies)	N/A - SDSI Agency	Strategy Title	

State / Federal Authority
 State Authority
 State Authority

 State Authority
 Federal Authority
 Federal Authority
 Federal Authority

Select Type	Identify Specific Citation
Statute	Tex. Occ. Code §1103.159
Admin Code	22 TAC, Chapter 159, Rules Relating to the Provisions of the Texas Appraisal Management Company Registration and Regulation Act

Advisory Committee Costs: This section includes reimbursements for committee member costs and costs attributable to agency staff support.

Committee Members' <u>Direct</u> Expenses	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Travel	\$629	\$0	\$0
Personnel	\$375	\$0	\$0
Number of FTEs	0.0	0.0	0.0
Other Operating Costs	\$0	\$0	\$0
<i>Total, Committee Expenditures</i>	<i>\$1,004</i>	<i>\$0</i>	<i>\$0</i>
Committee Members' <u>Indirect</u> Expenses	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Travel	\$0	\$0	\$0
Personnel	\$4,839	\$4,984	\$5,134
Number of FTEs	7.0	7.0	7.0
Other Operating Costs	\$0	\$0	\$0
<i>Total, Committee Expenditures</i>	<i>\$4,839</i>	<i>\$4,984</i>	<i>\$5,134</i>
Method of Financing	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Method of Finance	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
Expenses / MOFs Difference:	\$5,843	\$4,984	\$5,134
Meetings Per Fiscal Year	0	0	0

Committee Description: The Appraisal Management Company (AMC) Advisory Committee was established to advise the Texas Appraiser Licensing & Certification Board (TALCB or Board) and make recommendations on matters related to the regulation of AMCs under Chapter 1104, Texas Occupations Code. The AMC Advisory Committee consists of the Vice Chair of the Board, who serves as the presiding officer of the committee, and four members appointed by the Governor, two of whom are designated as the controlling person of an AMC and two of whom are public members with recognized business ability.

ADDENDUM 3 (REPORT ON ADVISORY COMMITTEES)

SECTION B: ADDITIONAL COMMITTEE INFORMATION

Committee Bylaws: Please provide a copy of the committee's current bylaws and most recent meeting minutes as part of your submission. See committee reports.

1. When and where does this committee typically meet and is there any requirement as to the frequency of committee meetings? The committee typically meets at the Board offices in Austin, TX. There is no required frequency to hold committee meetings; however, the committee generally meets quarterly, in advance of the quarterly Board meetings.

2. What kinds of deliverables or tangible output does the committee produce? If there are documents the committee is required to produce for your agency or the general public, please supply the most recent iterations of those.

The AMC Advisory Committee is not required to produce any documents or other tangible output for either the Board or the general public. However, the committee typically produces a report that describes the issues considered at each committee meeting. This report serves as the committee's minutes and is presented at Board meetings. As a general practice, the committee will submit its recommendations to the Board in the form of proposed rules or proposed amendments to existing rules.

3. What recommendations or advice has the committee most recently supplied to your agency? Of these, which were adopted by your agency and what was the rationale behind not adopting certain recommendations, if this occurred?

In FY2015, the AMC Advisory Committee advised the Board on various matters regarding the regulation of AMCs and suggested revisions to Board rules related to AMCs as part of the agency's quadrennial rule review. The changes recommended by the committee included revisions to simplify and clarify the Board rules, allowing an AMC to renew its license on inactive status, and reducing the percentage of annual appraisal reviews AMCs are required to conduct. The Board accepted many of the recommendations and revisions suggested by the committee. The Board did not accept the recommendation to reduce the percentage of annual reviews that AMCs are required to conduct because the Board found insufficient data to support the reduction, and the Board was concerned that the reduction could lessen consumer protection.

4a. Does your agency believe that the actions and scope of committee work is consistent with their authority as defined in its enabling statute and relevant to the ongoing mission of your agency?

Yes

4b. Is committee scope and work conducted redundant with other functions of other state agencies or advisory committees?

No

5a. Approximately how much staff time (in hours) was used to support the committee in fiscal year 2015?

5b. Please supply a general overview of the tasks entailed in agency staff assistance provided to the committee.

Agency staff assists the committee by preparing materials and reports for committee meetings; helping the committee chair prepare the agenda; posting the agenda and materials on the agency's website and distributing same to the committee members; researching issues and providing documentation to answer questions from committee members; and drafting proposed rules and procedures for consideration by the committee to implement policy directives.

6. Have there been instances where the committee was unable to meet because a quorum was not present?

No

Please provide committee member attendance records for their last three meetings, if not already captured in meeting minutes.

7a. What opportunities does the committee provide for public attendance, participation, and how is this information conveyed to the public (e.g. online calendar of events, notices posted in Texas Register, etc.)?

Members of the public may attend committee meetings in person or they may participate by telephone in a committee meeting that is held by teleconference. Members of the public may also submit written comments for consideration by the committee. Information about upcoming committee meetings, including the agenda and materials that will be considered by the committee, is posted on the agency's website before the committee meeting. Meeting notices are also published in the agency's newsletter, which is sent to license holders and posted on the agency's website 8 times per year.

7b. Do members of the public attend at least 50 percent of all committee meetings?

Yes

7c. Are there instances where no members of the public attended meetings?

Yes

8. Please list any external stakeholders you recommend we contact regarding this committee.

The Foundation Appraisers Coalition of Texas (FACT) and The Association of Texas Appraisers (ATA)

9a. In the opinion of your agency, has the committee met its mission and made substantive progress in its mission and goals?

Yes

9b. Please describe the rationale for this opinion.

Since its creation in 2011, the AMC Advisory Committee has considered various issues related to the regulation of AMCs and has advised the Board on such issues. The Board routinely refers matters affecting the regulation of AMCs to the committee for review and recommendation.

10. Given that state agencies are allowed the ability to create advisory committees at will, either on an ad-hoc basis or through amending agency rule in Texas Administrative Code:

10a. Is there any functional benefit for having this committee codified in statute?

Yes

10b. Does the scope and language found in statute for this committee prevent your agency from responding to evolving needs related to this policy area?

No

10c. If "Yes" for Question 10b, please describe the rationale for this opinion.

N/A

11a. Does your agency recommend this committee be retained, abolished or consolidated with another committee elsewhere (either at your agency or another in state government)?

Retain

11b. Please describe the rationale for this opinion.

The AMC Advisory Committee provides recommendations to the Board regarding the regulation of AMCs under Chapter 1104, Texas Occupations Code. Were this committee to be abolished, no specific venue with the necessary subject matter expertise would exist to vet issues and questions related to the regulation of AMCs. It is also necessary to retain this committee because federal law charges the states with regulation of AMCs so that state consumers can obtain home loans that may be bought and sold in the secondary mortgage market.

12a. Were this committee abolished, would this impede your agency's ability to fulfill its mission?

Yes

12b. If "Yes" for Question 12a, please describe the rationale for this opinion.

Without a venue for stakeholders to present their concerns and questions to the Board regarding the regulation of AMCs, it would be more difficult for the Board to carry out the stated purpose in Chapter 1104, Texas Occupations Code, which is "... to establish and enforce standards related to appraisal management services for appraisal reports on residential properties located within this state, with fewer than five units." The Board's job would be more difficult because eliminating the committee would eliminate an available resource of subject matter experts and stakeholders from the AMC industry.

13. Please describe any other suggested modifications to the committee that would help the committee or agency better fulfill its mission.

ADDENDUM 3 (REPORT ON ADVISORY COMMITTEES)

ASSESSMENT OF ADVISORY COMMITTEES
 April, 2016
 329 - Texas Real Estate Commission

To assist in the process required by Chapter 2110, Texas Government Code, state agencies should submit an assessment of advisory committees using the format provided. Please submit your assessment for each advisory committee under your agency's purview. Include responses for committees created through statute, administrative code or ad-hoc by your agency. Include responses for all committees, whether ongoing or inactive and regardless of whether you receive appropriations to support the committee. Committees already scheduled for abolishment within the 2016-17 biennium are omitted from the scope of this survey. When submitting information for multiple advisory committees, right-click the sheet "Cmte1", select Move or Copy, select Create a copy and move to end.

NOTE: Only the items in blue are required for inactive committees.

SECTION A: INFORMATION SUBMITTED THROUGH ADVISORY COMMITTEE SUPPORTING SCHEDULE IN LEGISLATIVE APPROPRIATIONS REQUEST

Committee Name:	Broker Lawyer Committee		
Number of Members:	13		
Committee Status (Ongoing or Inactive):	Ongoing	Note: An Inactive committee is a committee that was created prior to the 2014-15 biennium but did not meet or supply advice to an agency during that time period.	
Date Created:	9/1/1983	Date to Be Abolished:	N/A
Budget Strategy (Strategies) (e.g. 1-2-4)	N/A - SDSI Agency	Strategy Title (e.g. Occupational Licensing)	
Budget Strategy (Strategies)	N/A - SDSI Agency	Strategy Title	

State / Federal Authority
 State Authority
 State Authority

 State Authority
 Federal Authority
 Federal Authority
 Federal Authority

Select Type	Identify Specific Citation
Statute	Tex. Occ. Code 1101.251-.254

Advisory Committee Costs: This section includes reimbursements for committee member costs and costs attributable to agency staff support.

Committee Members' <u>Direct</u> Expenses	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Travel	\$0	\$0	\$0
Personnel	\$0	\$0	\$0
Number of FTEs	0.0	0.0	0.0
Other Operating Costs	\$0	\$0	\$0
<i>Total, Committee Expenditures</i>	\$0	\$0	\$0
Committee Members' <u>Indirect</u> Expenses	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Travel	\$0	\$0	\$0
Personnel	\$6,170	\$3,085	\$6,355
Number of FTEs	2.0	2.0	2.0
Other Operating Costs	\$0	\$0	\$0
<i>Total, Committee Expenditures</i>	\$6,170	\$3,085	\$6,355
Method of Financing	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Method of Finance	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
Expenses / MOFs Difference:	\$6,170	\$3,085	\$6,355
Meetings Per Fiscal Year	0	0	0

Committee Description: The Broker Lawyer Committee (BLC) consists of 6 brokers appointed by the Real Estate Commission, 6 lawyers appointed by the State Bar of Texas and one public member appointed by the Governor. The Committee is statutorily required to draft and revise contract forms that are capable of being standardized to expedite real estate transactions and minimize controversy. The contracts forms must also contain safeguards adequate to protect the principals in the real estate transaction.

ADDENDUM 3 (REPORT ON ADVISORY COMMITTEES)

SECTION B: ADDITIONAL COMMITTEE INFORMATION

Committee Bylaws: Please provide a copy of the committee's current bylaws and most recent meeting minutes as part of your submission.

1. When and where does this committee typically meet and is there any requirement as to the frequency of committee meetings?

2. What kinds of deliverables or tangible output does the committee produce? If there are documents the committee is required to produce for your agency or the general public, please supply the most recent iterations of those.

3. What recommendations or advice has the committee most recently supplied to your agency? Of these, which were adopted by your agency and what was the rationale behind not adopting certain recommendations, if this occurred?

4a. Does your agency believe that the actions and scope of committee work is consistent with their authority as defined in its enabling statute and relevant to the ongoing mission of your agency?

4b. Is committee scope and work conducted redundant with other functions of other state agencies or advisory committees?

5a. Approximately how much staff time (in hours) was used to support the committee in fiscal year 2015?

5b. Please supply a general overview of the tasks entailed in agency staff assistance provided to the committee.

6. Have there been instances where the committee was unable to meet because a quorum was not present?

7a. What opportunities does the committee provide for public attendance, participation, and how is this information conveyed to the public (e.g. online calendar of events, notices posted in Texas Register, etc.)?

7b. Do members of the public attend at least 50 percent of all committee meetings?

7c. Are there instances where no members of the public attended meetings?

8. Please list any external stakeholders you recommend we contact regarding this committee.

9a. In the opinion of your agency, has the committee met its mission and made substantive progress in its mission and goals?

9b. Please describe the rationale for this opinion.

10. Given that state agencies are allowed the ability to create advisory committees at will, either on an ad-hoc basis or through amending agency rule in Texas Administrative Code:

10a. Is there any functional benefit for having this committee codified in statute?

10b. Does the scope and language found in statute for this committee prevent your agency from responding to evolving needs related to this policy area?

10c. If "Yes" for Question 10b, please describe the rationale for this opinion.

11a. Does your agency recommend this committee be retained, abolished or consolidated with another committee elsewhere (either at your agency or another in state government)?

11b. Please describe the rationale for this opinion.

12a. Were this committee abolished, would this impede your agency's ability to fulfill its mission?

12b. If "Yes" for Question 12a, please describe the rationale for this opinion.

13. Please describe any other suggested modifications to the committee that would help the committee or agency better fulfill its mission.

ADDENDUM 3 (REPORT ON ADVISORY COMMITTEES)

ASSESSMENT OF ADVISORY COMMITTEES
 April, 2016
 329 - Texas Real Estate Commission

To assist in the process required by Chapter 2110, Texas Government Code, state agencies should submit an assessment of advisory committees using the format provided. Please submit your assessment for each advisory committee under your agency's purview. Include responses for committees created through statute, administrative code or ad-hoc by your agency. Include responses for all committees, whether ongoing or inactive and regardless of whether you receive appropriations to support the committee. Committees already scheduled for abolishment within the 2016-17 biennium are omitted from the scope of this survey. When submitting information for multiple advisory committees, right-click the sheet "Cmte1", select Move or Copy, select Create a copy and move to end.

NOTE: Only the items in blue are required for inactive committees.

SECTION A: INFORMATION SUBMITTED THROUGH ADVISORY COMMITTEE SUPPORTING SCHEDULE IN LEGISLATIVE APPROPRIATIONS REQUEST

Committee Name:	Education Standards Advisory Committee	
Number of Members:	12	
Committee Status (Ongoing or Inactive):	Ongoing	Note: An inactive committee is a committee that was created prior to the 2014-15 biennium but did not meet or supply advice to an agency during that time period.
Date Created:	3/12/2012	Date to Be Abolished: 9/1/2020
Budget Strategy (Strategies) (e.g. 1-2-4)	N/A - SDSI Agency	Strategy Title (e.g. Occupational Licensing)
Budget Strategy (Strategies)	N/A - SDSI Agency	Strategy Title

State / Federal Authority
 State Authority
 State Authority

 State Authority
 Federal Authority
 Federal Authority
 Federal Authority

Select Type	Identify Specific Citation
Admin Code	22 TAC 525.43

Advisory Committee Costs: This section includes reimbursements for committee member costs and costs attributable to agency staff support.

Committee Members' <u>Direct</u> Expenses	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Travel	\$0	\$0	\$0
Personnel	\$0	\$0	\$0
Number of FTEs	0.0	0.0	0.0
Other Operating Costs	\$0	\$0	\$0
<i>Total, Committee Expenditures</i>	\$0	\$0	\$0
Committee Members' <u>Indirect</u> Expenses	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Travel	\$0	\$0	\$0
Personnel	\$13,777	\$14,190	\$14,616
Number of FTEs	4.0	4.0	4.0
Other Operating Costs	\$0	\$0	\$0
<i>Total, Committee Expenditures</i>	\$13,777	\$14,190	\$14,616
Method of Financing	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Method of Finance	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
Expenses / MOFs Difference:	\$13,777	\$14,190	\$14,616
Meetings Per Fiscal Year	0	0	0

Committee Description: The Education Standards Advisory Committee exists to regularly review and revise curriculum standards, course content requirements and instructor certification requirements for qualifying and continuing education courses. This committee helps to improve and maintain high quality education for applicants and license holders. Better educated license holders results in better consumer protection.

ADDENDUM 3 (REPORT ON ADVISORY COMMITTEES)

SECTION B: ADDITIONAL COMMITTEE INFORMATION

Committee Bylaws: Please provide a copy of the committee's current bylaws and most recent meeting minutes as part of your submission.

1. When and where does this committee typically meet and is there any requirement as to the frequency of committee meetings? The Committee typically meets quarterly at the Commission's Austin office, and is authorized to meet by teleconference. They have no requirement to meet, other than to continue to meet its mission of reviewing and updating education standards at TREC.

2. What kinds of deliverables or tangible output does the committee produce? If there are documents the committee is required to produce for your agency or the general public, please supply the most recent iterations of those.

The Committee is not required to produce any documents or other tangible output for either the Commission or the general public. The chair is required to provide a report to the Commission at least twice a year. Because of their subject matter expertise, the committee will submit its recommendations to the Commission in the form of proposed rules or proposed amendments relating to real estate license holder's education and real estate education providers and instructors, as well as other recommended actions to ensure a high degree of service to and protection of the public.

3. What recommendations or advice has the committee most recently supplied to your agency? Of these, which were adopted by your agency and what was the rationale behind not adopting certain recommendations, if this occurred?

The Committee recommended the following rule changes to the Commission: Qualification of instructors for adult education training courses, Guidelines for the Property Management and Real Estate Brokerage pre-qualifying courses, Distance course delivery criteria, implementation of legislative changes and examination passage rates for a provider, increasing the total hours required for continuing education from 15 to 18 hours for all real estate license holders, distance course delivery criteria, and, qualifying and CE instructor requirements. All were ultimately adopted by the Commission.

4a. Does your agency believe that the actions and scope of committee work is consistent with their authority as defined in its enabling statute and relevant to the ongoing mission of your agency?

 Yes

4b. Is committee scope and work conducted redundant with other functions of other state agencies or advisory committees?

 No

5a. Approximately how much staff time (in hours) was used to support the committee in fiscal year 2015?

5b. Please supply a general overview of the tasks entailed in agency staff assistance provided to the committee.

Agency staff assists the committee by preparing materials and reports for committee meetings, including course guideline draft proposals; helping the committee chair prepare the meeting agenda; posting the agenda and materials on the agency website and in the Texas Register; researching issues and providing documentation to answer questions from committee members; drafting proposed rules and procedures for consideration by the committee to implement policy directives; preparation of meeting minutes.

6. Have there been instances where the committee was unable to meet because a quorum was not present?

 No

Please provide committee member attendance records for their last three meetings, if not already captured in meeting minutes. See attached minutes

7a. What opportunities does the committee provide for public attendance, participation, and how is this information conveyed to the public (e.g. online calendar of events, notices posted in Texas Register, etc.)?

Members of the public may attend committee meetings in person or they may participate by telephone in a committee meeting that is held by teleconference. Members of the public may also submit written comments for consideration by the committee. Information about upcoming committee meetings, including the agenda and materials that will be considered by the committee, is posted on the agency's website before the committee meeting. The agenda is also posted in the Texas Register in accordance with the Open Meetings Act. Additionally, meeting notices are published in the agency's newsletter, which is sent to license holders and posted on the agency's website prior to each meeting.

7b. Do members of the public attend at least 50 percent of all committee meetings?

 Yes

7c. Are there instances where no members of the public attended meetings?

 No

8. Please list any external stakeholders you recommend we contact regarding this committee.

Texas Association of Realtors and the Texas Real Estate Teachers Association.

9a. In the opinion of your agency, has the committee met its mission and made substantive progress in its mission and goals?

 Yes

9b. Please describe the rationale for this opinion.

This committee has provided invaluable expertise and feedback on TREC's pre-licensure and continuing education programs. They have systematically reviewed almost all of TREC's pre-license courses and improved clarity of content for providers and students. They have made recommendations for rule changes that have improved the education of TREC's license holders, thereby improving the quality of Real Estate Agents and Brokers and which leads to greater consumer protection.

10. Given that state agencies are allowed the ability to create advisory committees at will, either on an ad-hoc basis or through amending agency rule in Texas Administrative Code:

10a. Is there any functional benefit for having this committee codified in statute?

 No

10b. Does the scope and language found in statute for this committee prevent your agency from responding to evolving needs related to this policy area?

 No

10c. If "Yes" for Question 10b, please describe the rationale for this opinion.

11a. Does your agency recommend this committee be retained, abolished or consolidated with another committee elsewhere (either at your agency or another in state government)?

 Retain

11b. Please describe the rationale for this opinion.

This committee provides continuous review of TREC's educational programs and has improved its quality and efficacy. Were this committee to be abolished, no specific venue with the necessary subject matter expertise would exist to vet issues and questions related to the regulation of real estate education programs.

12a. Were this committee abolished, would this impede your agency's ability to fulfill its mission?

 Yes

12b. If "Yes" for Question 12a, please describe the rationale for this opinion.

Due to it's unique make up of providers, instructors and members of the public this committee provides a great service to TREC, education providers, license holders and consumers. This perspective gives the committee the ability to review courses and rules in depth and then make suggestions to the Commission on these very important issues. If the committee were eliminated, the Commission's job would be more difficult because eliminating the committee would eliminate an available resource of subject matter experts and stakeholders from the industry.

13. Please describe any other suggested modifications to the committee that would help the committee or agency better fulfill its mission.

ADDENDUM 3 (REPORT ON ADVISORY COMMITTEES)

ASSESSMENT OF ADVISORY COMMITTEES
April, 2016
329 - Texas Real Estate Commission

To assist in the process required by Chapter 2110, Texas Government Code, state agencies should submit an assessment of advisory committees using the format provided. Please submit your assessment for each advisory committee under your agency's purview. Include responses for committees created through statute, administrative code or ad-hoc by your agency. Include responses for all committees, whether ongoing or inactive and regardless of whether you receive appropriations to support the committee. Committees already scheduled for abolishment within the 2016-17 biennium are omitted from the scope of this survey. When submitting information for multiple advisory committees, right-click the sheet "Cmte1", select Move or Copy, select Create a copy and move to end.

NOTE: Only the items in blue are required for inactive committees.

SECTION A: INFORMATION SUBMITTED THROUGH ADVISORY COMMITTEE SUPPORTING SCHEDULE IN LEGISLATIVE APPROPRIATIONS REQUEST

Committee Name:	Texas Real Estate Inspector Committee		
Number of Members:	9		
Committee Status (Ongoing or Inactive):	Ongoing	Note: An inactive committee is a committee that was created prior to the 2014-15 biennium but did not meet or supply advice to an agency during that time period.	
Date Created:	9/1/1991	Date to Be Abolished:	9/1/2019
Budget Strategy (Strategies) (e.g. 1-2-4)	N/A - SDSI Agency	Strategy Title (e.g. Occupational Licensing)	
Budget Strategy (Strategies)	N/A - SDSI Agency	Strategy Title	

State / Federal Authority
 State Authority
 State Authority
 State Authority
 Federal Authority
 Federal Authority
 Federal Authority

Select Type	Identify Specific Citation
Statute	Tex. Occ. Code 1102.051-060
Admin Code	22 TAC 535.206

Advisory Committee Costs: This section includes reimbursements for committee member costs and costs attributable to agency staff support.

Committee Members' <u>Direct</u> Expenses	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Travel	\$986	\$1,000	\$1,000
Personnel	\$0	\$0	\$0
Number of FTEs	0.0	0.0	0.0
Other Operating Costs	\$0	\$0	\$0
<i>Total, Committee Expenditures</i>	\$986	\$1,000	\$1,000
Committee Members' <u>Indirect</u> Expenses			
	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Travel	\$0	\$0	\$0
Personnel	\$9,178	\$9,450	\$9,740
Number of FTEs	9.0	9.0	9.0
Other Operating Costs	\$0	\$0	\$0
<i>Total, Committee Expenditures</i>	\$9,178	\$9,450	\$9,740
Method of Financing			
	Expended Exp 2015	Estimated Est 2016	Budgeted Bud 2017
Method of Finance	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
Expenses / MOFs Difference:	\$10,164	\$10,450	\$10,740
Meetings Per Fiscal Year	0	0	0

Committee Description: The Texas Real Estate Inspector Committee (TREIC) is an advisory committee appointed by the Commission. It consists of 6 members who have been licensed as a professional inspector for at least 5 years and 3 public members. TREIC exists to recommend rules necessary for implementing Tex. Occ. Code Chapter 1102, including licensing, education, standards of practice and code of professional ethics and conduct.

ADDENDUM 3 (REPORT ON ADVISORY COMMITTEES)

SECTION B: ADDITIONAL COMMITTEE INFORMATION

Committee Bylaws: Please provide a copy of the committee's current bylaws and most recent meeting minutes as part of your submission.

1. When and where does this committee typically meet and is there any requirement as to the frequency of committee meetings?

2. What kinds of deliverables or tangible output does the committee produce? If there are documents the committee is required to produce for your agency or the general public, please supply the most recent iterations of those.

The Committee is not required to produce any documents or other tangible output for either the Commission or the general public. The chair is required to provide a report to the Commission at least twice a year. Because of their subject matter expertise, the committee will submit recommendations to the Commission in the form of proposed rules or proposed amendments relating to licensing inspectors in this state, as well as other recommended actions that to ensure a high degree of service to and protection of the public.

3. What recommendations or advice has the committee most recently supplied to your agency? Of these, which were adopted by your agency and what was the rationale behind not adopting certain recommendations, if this occurred?

In FY2015, the Texas Real Estate Inspector Committee advised the Commission and suggested changes to certain rules affecting inspectors during the agency's quadrennial rule review, specifically regarding rules relating to education and experience requirements. Additionally, the committee made recommendations regarding the consumer notice language in the standard inspector report form. The Commission accepted all of these recommended changes.

4a. Does your agency believe that the actions and scope of committee work is consistent with their authority as defined in its enabling statute and relevant to the ongoing mission of your agency?

4b. Is committee scope and work conducted redundant with other functions of other state agencies or advisory committees?

5a. Approximately how much staff time (in hours) was used to support the committee in fiscal year 2015?

5b. Please supply a general overview of the tasks entailed in agency staff assistance provided to the committee.

Agency staff assists the committee by preparing materials and reports for committee meetings; helping the committee chair prepare the meeting agenda; posting the agenda and materials on the agency website and in the Texas Register; researching issues and providing documentation to answer questions from committee members; drafting proposed rules and procedures for consideration by the committee to implement policy directives.

6. Have there been instances where the committee was unable to meet because a quorum was not present?

Please provide committee member attendance records for their last three meetings, if not already captured in meeting minutes.

7a. What opportunities does the committee provide for public attendance, participation, and how is this information conveyed to the public (e.g. online calendar of events, notices posted in Texas Register, etc.)?

Members of the public may attend committee meetings in person or they may participate by telephone in a committee meeting that is held by teleconference. Members of the public may also submit written comments for consideration by the committee. Information about upcoming committee meetings, including the agenda and materials that will be considered by the committee, is posted on the agency's website before the committee meeting. The agenda is also posted in the Texas Register in accordance with the Open Meetings Act. Additionally, meeting notices are published in the agency's newsletter, which is sent to license holders and posted on the agency's website prior to each meeting.

7b. Do members of the public attend at least 50 percent of all committee meetings?

7c. Are there instances where no members of the public attended meetings?

8. Please list any external stakeholders you recommend we contact regarding this committee.

Texas Association of Real Estate Inspector (TAREI) and Texas Professional Real Estate Inspector Association (TPREIA)

9a. In the opinion of your agency, has the committee met its mission and made substantive progress in its mission and goals?

9b. Please describe the rationale for this opinion.

Since its creation, the Texas Real Estate Inspector Committee has considered various issues related to the regulation of inspectors and has advised the Commission on such issues. The Commission routinely refers matters affecting the regulation of inspectors to the Texas Real Estate Inspector Committee for review and recommendation.

10. Given that state agencies are allowed the ability to create advisory committees at will, either on an ad-hoc basis or through amending agency rule in Texas Administrative Code:

10a. Is there any functional benefit for having this committee codified in statute?

10b. Does the scope and language found in statute for this committee prevent your agency from responding to evolving needs related to this policy area?

10c. If "Yes" for Question 10b, please describe the rationale for this opinion.

11a. Does your agency recommend this committee be retained, abolished or consolidated with another committee elsewhere (either at your agency or another in state government)?

11b. Please describe the rationale for this opinion.

The Texas Real Estate Inspector Committee provides recommendations to the Commission regarding the regulation of inspectors under Chapter 1102, Texas Occupations Code. Were this committee to be abolished in statute, no specific venue with the necessary subject matter expertise would exist to vet issues and questions related to the regulation of inspectors

12a. Were this committee abolished, would this impede your agency's ability to fulfill its mission?

12b. If "Yes" for Question 12a, please describe the rationale for this opinion.

Without a venue for the public and inspectors to present issues to the Commission regarding the regulation of inspectors it would be more difficult for the Commission to carry out the stated purpose in Chapter 1102 Texas Occupations Code. The Commission's job would be more difficult because eliminating the committee would eliminate the available resource of subject matter experts and stakeholders from the industry.

13. Please describe any other suggested modifications to the committee that would help the committee or agency better fulfill its mission.

ADDENDUM 4 (2016 MASTER FEE SCHEDULE)

TREC Fees	Expire Time (Days)	Fee	Fee Code	Late Fee < 90	Fee Code	Late Fee > 90	Fee Code	Texas Online Fee	Fee Code	**Texas A&M Research Center	Fee Code	Recovery Trust Account	Fee Code	FBI Fee	Fee Code	Total Fee
Sales Agent/Brokers																
Sales Agent																
Original Application (O.A.)		150.00	SI00					5.00	SIT2	40.00	SIA0	10.00	SIRF			205.00
Renewal		72.00	SI02					4.00	SIR3	40.00	SIA2			29.75	SICH	145.75
Late Renewal	<= 90	72.00	SI02	36.00	SIL1			4.00	SIR3	40.00	SIA2			29.75	SICH	181.75
	> 90	72.00	SI02	36.00	SIL1	36.00	SIL2	4.00	SIR3	40.00	SIA2			29.75	SICH	217.75
Sponsorship Request		20.00	SRBS					0.60	SROL							20.60
Sales Agent Reinstatement	>180	150.00	SI10							40.00	SIA2			29.75	SICH	219.75
Step Down - Broker to Sales Agent		120.00	SI15							40.00	SIA2			29.75	SICA	189.75
Broker																
Individual																
Original Application (O.A.)		150.00	BI00					5.00	BIT5	140.00	BIA1	10.00	BIRF	29.75	BICA	334.75
Renewal		72.00	BI02					5.00	BIR7	140.00	BIA3			29.75	BICH	246.75
Late Renewal	<= 90	72.00	BI02	36.00	BIL1			5.00	BIR7	140.00	BIA3			29.75	BICH	282.75
	>90	72.00	BI02	36.00	BIL1	36.00	BIL2	5.00	BIR7	140.00	BIA3			29.75	BICH	318.75
Broker Reinstatement	>180	150.00	BI10							140.00	BIA3			29.75	BICH	319.75
Out of State		150.00	BI05					5.00	BIT5	140.00	BIA1	10.00	BIRF			305.00
Business Entity																
Original Application (O.A.)		150.00	BO00					5.00	BOT3	140.00	BOA0	10.00	BORF			305.00
Renewal		72.00	BO02					3.00		140.00	BOA2					215.00
Late Renewal	<= 90	72.00	BO02	36.00	BOL1			3.00	BOR3	140.00	BOA2					251.00
	>90	72.00	BO02	36.00	BOL1	36.00	BOL2	3.00	BOR3	140.00	BOA2					287.00
Broker Request to Go Active		50.00	YIAB													50.00
Branch Office for Broker / Corporation / Limited Liability Company																
Application		50.00	BOBA													50.00
Renewal		50.00	BOBR													50.00
Designated Officer Change		20.00	YCHG													20.00
MISCELLANEOUS																
Paper Processing Fee		20.00	YPRC													20.00
Moral Character Determination		50.00	YRMC													50.00
CE Deferral Fee		200.00	YMCD													200.00
Late CE Reporting Fee		250.00	YMCL													250.00
Certificate of License History, Active Licensure, or Sponsorship		40.00	YHIS													40.00
Test Administrative Fee (Pearson Vue)		10.00	No fee code													10.00
Name Change Fee (does not apply if requested at time of renewal)		20.00	YCHG													20.00
NSF Fee (Processing fee for dishonored payments)		30.00	YNSG													30.00
Sponsorship Invitation		20.00	BISS, BOSS					0.60	BIOL, BOOL							20.60
Administrative Penalty		varies	YIAP													
Certified Copy Fee		20	YCCP													20.00

**TAMU Fee: Occ Code Sec 1101.154

New Fee effective 1/1/2016

TREC Fees	Fee	Fee Code	Late Fee < 90	Fee Code	Late Fee > 90	Fee Code	Texas Online Fee***	Fee Code	Texas A&M Research Center	Fee Code	Real Estate Recovery Trust Account *	Fee Code	Real Estate Inspection Recovery Fund****	Fee Code	FBI Fee**	Fee Code	Total Current Fee
Inspectors																	
Professional Inspector																	
Original Application	120.00	IP00					N/A								29.75	CHIS	149.75
Real Estate Inspection Recovery Fund													10.00	IPRF			10.00
Renewal	60.00	IP02					3.00	IPR4							29.75	CHIS	92.75
Late Renewal < 90 days	60.00	IP02	30.00	IPL1			3.00	IPR4							29.75	CHIS	122.75
Late Renewal > 90 days but < 6 mos.	60.00	IP02	30.00	IPL1	30.00	IPL2	3.00	IPR4							29.75	CHIS	152.75
Professional Inspector Change to Active Status	50.00	YIAB															50.00
Returning > 2 yrs (Reinstatement > 180 days)	120.00	IP10													29.75	CHIS	149.75
Real Estate Inspector																	
Original Application	100.00	IS00					N/A								29.75	CHIS	129.75
Real Estate Inspection Recovery Fund													10.00	IRRF			10.00
Renewal	50.00	IS02					3.00	ISR4							29.75	CHIS	82.75
Late Renewal < 90 days	50.00	IS02	25.00	IRL1			3.00	ISR4							29.75	CHIS	107.75
Late Renewal > 90 days but < 6 mos.	50.00	IS02	25.00	IRL1	25.00	IRL2	3.00	ISR4							29.75	CHIS	132.75
Returning > 2 yrs (Reinstatement > 180 days)	100.00	IS10													29.75	CHIS	
Apprentice Inspector																	
Original Application	60.00	IA00					N/A						0.00	*****	29.75	CHIS	89.75
Renewal	30.00	IA02					2.00	IAR4							29.75	CHIS	61.75
Late Renewal < 90 days	30.00	IA02	15.00	IAL1			2.00	IAR4							29.75	CHIS	76.75
Late Renewal > 90 days but < 6 mos.	30.00	IA02	15.00	IAL1	15.00	IAL2	2.00	IAR4							29.75	CHIS	91.75
Returning > 2 yrs (Reinstatement > 180 days)	60.00	IA10													29.75	CHIS	
Right-of-Way																	
Registration Individual Application	200.00	EI00					5.00	***	40.00	EIA0	50.00	EIRF			29.75	EICA	324.75
Renewal Individual	200.00	EI02					5.00	EIR3	40.00	EIA2	50.00	EIR1			29.75	EICH	324.75
Registration Business Application	200.00	EO00					5.00	***	40.00	EOA0	50.00	EORF					295.00
Renewal Business	200.00	EO02					5.00	EOR3	40.00	EOA2	50.00	EOR1					295.00
Other Fees																	
Moral Character Determination	50.00	YRMC															50.00
Certificate of License History, Active Licensure, or Sponsorship	40.00	YHIS															40.00
Change Fee (does not apply to online changes or if requested at time of renewal)	20.00	YCHG															20.00
NSF Fee (Processing fee for dishonored payments)	30.00	YNSG															30.00
Administrative Penalty	varies	YIAP															
Paper Processing Fee (charged if service is available online)	20.00	YPRC															

*ERWs pay at every renewal per statute
 **Add 29.75 if previously fingerprinted for TREC
 ***Add 5.00 when app is available online
 ****Recovery fund fee paid after pass(./= \$200 per 1102.352(a))
 *****Apprentice not required to pay the recovery fund fee

TREC Fees	Fee	Fee Code	Late Fee < 90	Fee Code	Late Fee > 90	Fee Code	Texas Online Fee***	Fee Code	Texas A&M Research Center	Fee Code	Real Estate Recovery Trust Account *	Fee Code	Real Estate Inspection Recovery Fund****	Fee Code	FBI Fee**	Fee Code	Total Current Fee
Inspectors																	
Professional Inspector																	
Original Application	120.00	IP00					N/A								29.75	CHIS	149.75
Real Estate Inspection Recovery Fund													10.00	IPRF			10.00
Renewal	60.00	IP02					3.00	IPR4							29.75	CHIS	92.75
Late Renewal < 90 days	60.00	IP02	30.00	IPL1			3.00	IPR4							29.75	CHIS	122.75
Late Renewal > 90 days but < 6 mos.	60.00	IP02	30.00	IPL1	30.00	IPL2	3.00	IPR4							29.75	CHIS	152.75
Professional Inspector Change to Active Status	50.00	YIAB															50.00
Returning > 2 yrs (Reinstatement > 180 days)	120.00	IP10													29.75	CHIS	149.75
Real Estate Inspector																	
Original Application	100.00	IS00					N/A								29.75	CHIS	129.75
Real Estate Inspection Recovery Fund													10.00	IRRF			10.00
Renewal	50.00	IS02					3.00	ISR4							29.75	CHIS	82.75
Late Renewal < 90 days	50.00	IS02	25.00	IRL1			3.00	ISR4							29.75	CHIS	107.75
Late Renewal > 90 days but < 6 mos.	50.00	IS02	25.00	IRL1	25.00	IRL2	3.00	ISR4							29.75	CHIS	132.75
Returning > 2 yrs (Reinstatement > 180 days)	100.00	IS10													29.75	CHIS	
Apprentice Inspector																	
Original Application	60.00	IA00					N/A						0.00	*****	29.75	CHIS	89.75
Renewal	30.00	IA02					2.00	IAR4							29.75	CHIS	61.75
Late Renewal < 90 days	30.00	IA02	15.00	IAL1			2.00	IAR4							29.75	CHIS	76.75
Late Renewal > 90 days but < 6 mos.	30.00	IA02	15.00	IAL1	15.00	IAL2	2.00	IAR4							29.75	CHIS	91.75
Returning > 2 yrs (Reinstatement > 180 days)	60.00	IA10													29.75	CHIS	
Right-of-Way																	
Registration Individual Application	200.00	EI00					5.00	***	40.00	EIA0	50.00	EIRF			29.75	EICA	324.75
Renewal Individual	200.00	EI02					5.00	EIR3	40.00	EIA2	50.00	EIR1			29.75	EICH	324.75
Registration Business Application	200.00	EO00					5.00	***	40.00	EOA0	50.00	EORF					295.00
Renewal Business	200.00	EO02					5.00	EOR3	40.00	EOA2	50.00	EOR1					295.00
Other Fees																	
Moral Character Determination	50.00	YRMC															50.00
Certificate of License History, Active Licensure, or Sponsorship	40.00	YHIS															40.00
Change Fee (does not apply to online changes or if requested at time of renewal)	20.00	YCHG															20.00
NSF Fee (Processing fee for dishonored payments)	30.00	YNSG															30.00
Administrative Penalty	varies	YIAP															
Paper Processing Fee (charged if service is available online)	20.00	YPRC															

*ERWs pay at every renewal per statute
 **Add 29.75 if previously fingerprinted for TREC
 ***Add 5.00 when app is available online
 ****Recovery fund fee paid after pass(./= \$200 per 1102.352(a))
 *****Apprentice not required to pay the recovery fund fee

NO CHANGE for 1 SEP 15

TALCB Fees	Expire Time (Days)	Fee	Fee Code	Late Fee < 90	Fee Code	Late Fee > 90	Fee Code	Texas Online Fee	Fee Code	Federal Registry Fee	Fee Code	Total Fee
Appraisers												
Certified General Appraiser:												
Original Application		400.00	AG00					5.00	AGOI	80.00	AGFA	485.00
Renewal		360.00	AG02					5.00	AGOL	80.00	AGFR	445.00
Late Renewal < 90 Days		360.00	AG02	180.00	AGL1			5.00	AGOL	80.00	AGFR	625.00
Late Renewal > 90 Days		360.00	AG02	180.00	AGL1	180.00	AGL2	5.00	AGOL	80.00	AGFR	805.00
Reciprocal Application		400.00	AGRP							80.00	AGFA	480.00
Certified Residential Appraiser:												
Original Application		350.00	AR00					5.00	AROI	80.00	ARFA	435.00
Renewal		310.00	AR02					5.00	AR0L	80.00	ARFR	395.00
Late Renewal < 90 Days		310.00	AR02	155.00	ARL1			5.00	AR0L	80.00	ARFR	550.00
Late Renewal > 90 Days		310.00	AR02	155.00	ARL1	155.00	ARL2	5.00	AR0L	80.00	ARFR	705.00
Reciprocal Application		350.00	ARRP							80.00	ARFA	430.00
State Licensed Appraiser:												
Residential Appraiser:												
Original Application		325.00	AS00					5.00	ASOI	80.00	ASFA	410.00
Renewal		290.00	AS02					5.00	ASOL	80.00	ASFR	375.00
Late Renewal < 90 Days		290.00	AS02	145.00	ASL1			5.00	ASOL	80.00	ASFR	520.00
Late Renewal > 90 Days		290.00	AS02	145.00	ASL1	145.00	ASL2	5.00	ASOL	80.00	ASFR	665.00
Reciprocal Application		325.00	ASRP							80.00	ASFA	405.00
Trainee:												
Original Application		300.00	AT00					5.00	ATOI			305.00
Renewal		250.00	AT02					5.00	ATR5			255.00
Late Renewal < 90 Days		250.00	AT02	125.00	ATL1			5.00	ATR5			380.00
Late Renewal > 90 Days		250.00	AT02	125.00	ATL1	125.00	ATL2	5.00	ATR5			505.00
Other:												
Paper Processing Fee		20.00	ZPRC									20.00
Non-Resident Registration		250.00	AOOS									250.00
Inactive Request		25.00	ZINA									25.00
Active Request		50.00	ZACT							80.00	ARFA, AGFA, ASFA	130.00
Appraiser Continuing Education (ACE) Extension		200.00	ZACE									200.00
Sponsorship Terminated		20.00	ZSPT									20.00
Sponsorship Added or Changed		20.00	ZSPA									20.00
Change of Name or Contact Information		20.00	ZCHG									20.00
Removal from Panel by Appraiser		10.00	RFB					0.30	AMMB			10.30
Special License Certificate		20.00	ZDPL									20.00
Certificate of Licensure History, Active Licensure, or Sponsorship		40.00	ZHIS									40.00
Criminal History Evaluation		50.00	ZMCD									50.00
Administrative Penalty		Varies	ZADM									
Certified Copy Fee		20.00	ZCCP									20.00
Appraisal Management Company:												
Original Application		3,300.00	AM00					99.00	AMIL			3,399.00
Renewal Base		3,300.00	AM02					99.00	AMOL			3,399.00
Renewal Variable (\$10 for each panelist)		varies	AMPF					varies	PLOL			
Late Renewal < 90 Days **		3,300.00	AM02	1,650.00	AML1**			99.00	AMOL			5,049.00
Late Renewal > 90 Days **		3,300.00	AM02	1,650.00	AML1**	1,650.00	AML2**	99.00	AMOL			6,699.00
Addition or Termination of Panelist by AMC		10.00	IF, RFA					0.30	AMMA			10.30
AMC Return to Active Status		50.00	ZACT					1.50				51.50
AMC Request for Inactive Status		25.00	ZONA									25.00
Certificate of Licensure History, Active Licensure, or Supervision Sponsorship		40.00	ZALH									40.00
Request to change an owner, primary contact, appraiser contact, registered business name or place of business		20.00	ZCHG									20.00
Evaluation of an owner background history (Only applicable if not submitted with an original application or renewal)		50.00	AM03									50.00
Evaluation of a primary contact's background history (Only applicable if not submitted with an original application or renewal)		50.00	AM04									50.00

These Federal Registry Fees fee codes are set up in Versa as a variable fee of \$40 so that ELS can apply a prorated amount when necessary.

New Fee effective 1/1/2016