



TREC Advisor

The agency exists to safeguard the public interest and protect consumers of real estate services. In accord with state and federal laws the agency oversees real estate brokerage, appraisal, inspection, home warranty and timeshare interest providers. Through education, licensing and regulation, the agency ensures the availability of qualified and ethical service providers, thereby facilitating economic growth and opportunity in Texas.

Inside this issue: Loretta DeHay Retires (page 1) From the Chair (page 2) TREC Employee Updates (page 3) What is SOAH? (page 4) Rulemaking Updates (page 4) TREC Enforcement Matters (page 5)

Longtime General Counsel Retires



The Real Estate Commission's longtime general counsel Loretta DeHay has retired. DeHay served in various capacities for the Texas Real Estate Commission and was currently serving as the agency's Deputy Administrator and General Counsel.

Beginning her career in 1998 with TREC DeHay served as director of enforcement. Since 2002, she served as TREC's General Counsel and Deputy Administrator, and she served as interim Administrator from July 7, 2007 to September 1, 2007 and again from January 1, 2009 to August 1, 2009. During her time at the agency, her contributions were indispensable to the implementation and success of the agency's goals and objectives.

DeHay also served as the TREC liaison with the Broker Lawyer Committee, Broker Responsibility Working Group and the Education Standards Advisory Committee, as well as all of the Commission's subcommittees. She also served on the MCE Advisory Committee for the Texas A&M Real estate center which writes the TREC Legal, Ethics, and Broker Responsibility MCE course materials.

In addition to her work at the agency, DeHay served as a member of the Board of Directors and various committees of the Association of Real Estate License Law Officials (ARELLO).

In her tenure with TREC, DeHay published numerous articles, helped develop education course materials, and spoke at many conferences about the TREC contract forms, real estate ethics and real estate case law on a state and national level, and other regulatory aspects of the real estate industry.

DeHay's experience in public service is vast and includes membership in local and neighborhood public and non-profit organizations relating to children's sports and performance arts and serving on the board of state and international organizations relating to the legal and real estate professions.

Prior to coming to the Commission in 1998, she was Deputy Chief of the Open Records Division and a member of the Opinion Committee of the Office of the Attorney General, where she authored many Attorney General Opinions concerning open government matters.

Before moving to Texas and embarking on her regulatory career, she was actively involved in the resort and skiing industry in New Mexico. She obtained her J.D. from the University of New Mexico, including one year at the University of Texas School of Law, and her B.A. from New Mexico State University.

Loretta DeHay has made countless contributions to this agency over her tenure and she has been an invaluable wealth of knowledge. She will be missed.

We wish to thank her for her years of service, and wish her all the best in her future endeavors, wherever they may take her!

From the Chair...

The Commission met on August 12th for its regular quarterly meeting in Austin. The meeting was again webcast for the convenience of our license holders and the public. For links to watch from your computer or mobile device, check our website on meeting day. Videotapes of prior meetings are also stored there for viewing at any time.

The Commission approved the agency's budget for FY 2014 which includes a fee reduction for all license renewals. Two years ago the fees were raised \$5 per year to assist the agency in achieving self-directed, semi-independent (SDSI) status and this reduction of \$2 per year for renewals is the first step in repaying our license holders for that raise.

Our Education Standards Advisory Committee (ESAC), headed by Susan Jones, continues its important task of reviewing the details of core pre-license courses. We adopted their recommendations to strengthen the Principles of Real Estate I & II, the bedrock courses for entry into our profession. Over the next two years, we expect to receive a steady stream of well-considered recommendations from this talented group of educators, brokers and attorneys designed to greatly improve TREC's licensee education.

We enhance all our results by calling on the invaluable advice of experienced industry participants and public members. At our meeting, we appointed Barbara Evans of Fort Worth and Elizabeth Heildelberg of El Paso for a two year term as public members of the Inspector Advisory Committee, and Ron Walker of Austin and Leigh York of Fort Worth were appointed to serve on

the Broker Lawyer Committee for six years. Also, Charles "Mac" McClure of Dallas, Bob Guerin of Spring and Kathy Schroeder of Waco were appointed to serve on the Broker Responsibility Working Group which will be reviewing the "experience" requirements that were put in place in 2012 for possible updating.



Avis Wukasch, Chair

The agency's Internal Auditors filed a final report for their 2013 review and I am pleased to tell you that the agency is financially secure, and the policies and procedures in place provide reliable and predictable results. Thank you to our great staff for keeping us strong.

Speaking of staff, Loretta DeHay who has served as our General Counsel and Deputy Administrator for over 10 years has retired. Her steadfast leadership during this challenging decade has helped us tremendously and we will miss her dearly. We wish her the very best as she enters this new phase of her life.

Our next regularly scheduled meeting is on October 28th at 10 a.m. If you can, please feel free to stop by and meet the Commissioners and staff. We are happy to welcome you.

Important Dates to Remember

TREC Education Committee meeting—October 1

Broker Lawyer Committee Meeting—October 4

TREC Commission Meeting—October 23



Kim O'Connor

Administrative Assistant in Education & Licensing Services. Kim graduated from Texas A&M University with a BA in Anthropology. She was a social worker for 12 years, working in supported employment, case management and guardianship. Before joining TREC, she was an administrative assistant at Disability Determination Services and the City of Austin Employee Retirement System. She enjoys reading, watching movies and spending time with friends.

Crystal Stowell

Crystal joined TREC as a Customer Service Representative in the Reception and Communication Services Division on August 12, 2013. Prior to joining TREC, Crystal worked at Kohl's as an Operations Area Supervisor and has 7 years of customer service experience. In her spare time, Crystal enjoys spending time with her family and friends, shopping, and watching tv and movies.



LaTisha Thorn

LaTisha joined TREC as an Administrative Assistant III in the Education and Licensing Division on August 12, 2013. Prior to joining TREC, LaTisha worked at Texas Medicaid and Healthcare Partnership as a Provider Enrollment and Credentialing Specialist. LaTisha has an extensive background with data entry and customer service. LaTisha enjoys going fishing, camping, football games, riding her motorcycle and spending time with her family.



Employee of The Quarter Announced

Congratulations Rosie Payne!

Since Rosie joined the team at TREC she has been a go to person in her division. She is always eager to help and learn any new tasks within her division. She is a multi-tasker with a great "can do" attitude, and always wears a smile!

Thanks Rosie for all of your hard work. You are a great addition to our team!



Do you know what SOAH stands for?

With all the abbreviations used in the real estate industry, one important one you should know is SOAH.

SOAH stands for the "State Office of Administrative Hearings." SOAH is the state agency that hears administrative law cases for many of the state's agencies, including the Texas Real Estate Commission. These

include proceedings to discipline real estate license holders for violations of The Real Estate License Act and the Commission's rules.

To learn more about SOAH, please go to their [website](#). For more on TREC's Standards and Enforcement Division [click here](#).

Rule Actions at the August 12, 2013, Meeting of the Commission

EMERGENCY ADOPTED RULES

Chapter 535, General Provisions

Subchapter I. Licenses

§535.95. Miscellaneous Provisions Concerning License or Registration Applications or Renewals, Including Fingerprinting Requirements.

The amendments are adopted on an emergency basis to implement the relevant provisions of House Bill (HB) 2911, 83rd Session, Texas Legislature, Regular Session (2013). The effective date of the relevant provisions of HB 2911 is September 1, 2013. The emergency adoption of the amendments is necessary to comply with the effective date of the bill. In relevant part, HB 2911 amended Texas Occupations Code, Chapter 1102, regarding fingerprinting. The amendments are effective from 9/1/2013-12-/29/2013.

Subchapter R. Real Estate Inspectors

§535.208, Application for a License; §535.209, Examinations; §535.210, Fees; §535.211, Professional Liability Insurance, or Any Other Insurance That Provides Coverage for Violations of Subchapter G of Texas Occupations Code, Chapter 1102; §535.212, Education and Experience Requirements for a License and §535.216, Renewal of License

The amendments are adopted on an emergency basis to implement the relevant provisions of House Bill (HB) 2911, 83rd

Session, Texas Legislature, Regular Session (2013). The effective date of the relevant provisions of HB 2911 is September 1, 2013. In relevant part, HB 2911 amended Texas Occupations Code, Chapter 1102, regarding examinations, late renewals, education requirements, financial responsibility, and fingerprinting.

The amendments to §535.208 change the reference to professional responsibility requirements, change from 6 to 12 months the period for completing all application requirements, and add a new fingerprinting requirement for applicants to be consistent with new statutory requirements.

The amendment to §535.209 adds a new subsection to the rule regarding additional education requirements for applicants who fail an exam three consecutive times to be consistent with new statutory requirements.

The amendments to §535.210 add new fees for late renewals and fingerprinting to be consistent with new statutory requirements.

The amendments to §535.211 add new proof of professional responsibility requirements to be consistent with new statutory requirements.

The amendments to §535.212 address education requirements for applicants to be consistent with new statutory requirements.

The amendments to §535.216 add new provisions for late renewals and fingerprinting to be consistent with new statutory requirements.

ADOPTED RULES

Chapter 535, General Provisions

Subchapter F. Pre-License Education and Examination

The amendments to 22 TAC §535.62, Acceptable Courses of Study, §535.64, Obtaining Approval to Offer a Course, and §535.65, Operation of Core Education Schools are adopted with changes to the rule as published in the May 24, 2013, issue of the Texas Register (38 TexReg 3272). The difference between the rule as adopted and as proposed is the removal of the requirement that Principles I and Principals II must be taken before other core courses are taken.

The amendments to §535.62 establish Principles of Real Estate I and II as two 30 hour core courses with specific topics and subtopics, and mandated time periods in which instructors must teach each topic or subtopic. The amendments to §535.62 also establish a time period of 12 months, or 15 months for alternative delivery courses, for acceptability of previously approved courses for core credit if such course are not revised pursuant to the new standards.

The amendments to §535.64 change the deadlines for renewal of previously approved core courses; adopt by reference forms to be used for schools in requesting approval to offer the new Principles of Real Estate courses; establish the requirements for requesting approval and teaching core courses once a revised curriculum has been adopted by the commission; and establish the requirements and deadlines for submitting previously approved courses for approval subject to the new curriculum requirements.

The amendments to §535.65 address the way newly adopted core courses must be delivered and establish new requirements for schools to place start and completion dates on core course certificates issued to students.

The amendments, including the difference between the rules as proposed and as adopted, are recommended by the Educations Standards Advisory Committee (ESAC), a committee formed, in part, to review and recommend revisions to existing core course curricula and TREC rules addressing school, course and instructor approval.

The commission received 16 comments on the

rules as proposed, including from the Texas Association of Realtors, primarily addressing amendment to §535.62 which would require Principles of Real Estate I and II be completed before any other core course. The comments were presented to the Educations Standards Advisory Committee (ESAC) at its July meeting. After consideration the committee decided to withdraw its recommendation to require the Principles of Real Estate courses before other core courses and address the issues raised by the commenters at a future date.

The commission agrees with the commenters and the recommendation of ESAC and removed the requirement to complete the Principles of Real Estate courses before other core courses from the rule as adopted. Effective date: 9/5/2013

PROPOSED RULES

Chapter 535, General Provisions

Subchapter I. Licenses

§535.95. Miscellaneous Provisions Concerning License or Registration Applications or Renewals, Including Fingerprinting Requirements

The amendments to §535.95(a) add a provision to reference Chapter 1102 as home inspectors renewal applicants will be subject to new fingerprinting requirements which are the same as the requirements for real estate salesperson and broker licensees. These same amendments were adopted on an emergency basis because of the September 1, 2013 effective date for HB 2911. In relevant part, HB 2911 amended Texas Occupations Code, Chapter 1102 requiring fingerprinting of home inspectors on renewal.

The amendments to §535.95(f) change the requirements for expedited licensing of military spouses as required by SB 162. Senate Bill 162 adds §55.005 and 55.006 to the Texas Occupations Code to require an expedited licensing and process for the issuance of a license to spouses of active duty military.

The amendments to §535.95(g) add requirements for crediting military related experience for license requirements as required by HB2254. House Bill 2254 requires a licensing agency to credit verifiable military service, training or education obtained by an applicant who is a military service member or veteran, toward the requirements of a license.

Subchapter J. Fees

§535.101. Fees

The amendments to §535.101 propose a new fee of \$40 for preparing a certificate of active licensure or sponsorship.

Subchapter R. Real Estate Inspectors

§535.206, The Texas Real Estate Inspector Committee, §535.208, Application for a License, §535.209, Examinations, §535.210, Fees, §535.211, Professional Liability Insurance, or Any Other Insurance That Provides Coverage for Violations of Subchapter G of Texas Occupations Code, Chapter 1102, §535.216, Renewal of License

Most of the amendments are proposed to implement the relevant provisions of House Bill (HB) 2911, 83rd Session, Texas Legislature, Regular Session (2013). In relevant part, HB 2911 amended Texas Occupations Code, Chapter 1102 regarding examinations, late renewals, education requirements, financial responsibility, and fingerprinting. Much of the same amendments were adopted on an emergency basis because of the September 1, 2013 effective date. Other amendments were made pursuant to the recommendation of the Texas Real Estate Inspector Committee.

The amendments to §535.206 add term limits for inspector and public members.

The amendments to §535.208 change the reference to professional responsibility requirements, change the period for completing all application requirements from six to 12 months, and add a new fingerprinting requirement for applicants to be consistent with new statutory requirements.

The amendment to §535.209 adds a new subsection to the rule regarding additional education requirements for applicants who fail an exam three consecutive times to be consistent with new statutory requirements.

The amendments to §535.210 add new fees for late renewals and fingerprinting to be consistent with new statutory requirements. In addition, the amendments to §535.210 propose a new fee of \$40 for preparing a certificate of active licensure or sponsorship.

The amendments to §535.211 add new proof of professional responsibility requirements to be consistent with new statutory requirements.

The amendments to §535.216 add new provisions for late renewals and fingerprinting to be consistent with new statutory requirements.

§535.212, Education and Experience Requirements for a License, §535.213, Approval of Courses in Real Estate Inspection, §535.214, Providers of Real Estate Inspection Courses, §535.218, Continuing Education

The amendments are proposed to implement the relevant provisions of House Bill (HB) 2911, 83rd Session, Texas Legislature, Regular Session (2013) and to implement a more comprehensive continuing education program for inspectors. The effective date of the relevant provisions of HB 2911 is September 1, 2013. In relevant part, HB 2911 amended Texas Occupations Code, Chapter 1102, regarding education requirements for professional inspectors and substitute experience requirements.

The amendments to §535.212 increase the number of hours required for education for a professional inspector license by two hours and change the specific requirements for substitute experience requirements for real estate and professional inspectors by adding required interactive module hours and field work component to be consistent with new statutory requirements. The amendments also correct and clarify the language of the rule to increase comprehension.

The amendments to §535.213 clarify that the rule applies to core courses, define certain terms, clarify the qualifications for correspondence courses and increase the time frame that an applicant cannot receive repeat credit for a course from two years to three years.

The amendment to §535.214 clarifies that the rule applies to providers of core education courses.

The amendments to §535.218 provide a process and requirements for approval of real estate inspector courses, providers and instructors and set out requirements for the Texas Standards of Practice/Legal /Ethics Update course and a ride along inspection course. The amendments also increase the time frame that an applicant cannot receive repeat credit for a course from two years to three years.

Chapter 537 Professional Agreements and Standard Contracts

§537.20. Standard Contract Form TREC No. 9-11, Unimproved Property Contract; §537.28. Standard Contract Form TREC No. 20-12, One to Four Family Residential Contract (Resale); §537.30. Standard Contract Form TREC No. 23-13, New Home Contract (Incomplete Construction); §537.31. Standard Contract Form TREC No. 24-13, New Home Contract (Completed Construction); §537.32. Standard Contract Form TREC No. 25-10 Farm and Ranch Contract; §537.37. Standard Contract Form TREC No. 30-11 Residential Condominium Contract; §537.44. Standard Contract Form TREC No. 37-5 Subdivision Information, Including Resale Certificate for Property Subject to Mandatory Membership in a Property Owners' Association; §537.47. Standard Contract Form TREC No. 40-5, Third Party Financing Addendum for Credit Approval; and new §537.53. Standard Contract Form TREC No. 46-0, Mutual Termination of Contract

The amendments propose to adopt by reference six revised contract forms, two revised addenda, and one new addendum for use by Texas real estate licensees.

The amendments to §537.28 propose to adopt by reference Standard Contract Form TREC No. 20-12, One to Four Family Residential Contract (Resale). The proposed amendments are as follows. The definition of "Property" is moved from the end of Paragraph 2 to the beginning of the paragraph. Paragraph 6.A.(8) is amended to provide that, at buyers' expense, the exception shall be amended to read "shortages in area" unless the buyer instructs the title company otherwise. The third sentence in Paragraph 6.B regarding delivery of Commitment and Exception Documents is amended to read "...the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier" to foreclose the delivery of such documents at closing. Paragraph 7.D is amended to define "As Is" as "the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract." The notice after paragraph 7.D is moved to the body of the paragraph after the definition of "As Is" and the defined term "As Is" is added to that sentence and subparagraphs (1) and (2) to replace "in its present condition." The parenthetical at the end of paragraph 7.D is changed to add "and treatments" at the end of the sentence. The second sentence in Paragraph 7.F is amended to clarify that, if no license is required by law to perform a repair or treatment, all repairs and treatments must be performed by persons "who

are commercially engaged in the trade of providing such repairs or treatments" rather than "authorized by law to provide such repairs or treatments." Paragraph 7.F is amended to change the number of days in the last sentence from 15 to 5 days regarding the Buyer's option to extent the Closing Date if Seller fails to complete agreed repairs and treatments prior to closing. Paragraph 9 is amended by adding a new Paragraph 9.B regarding leases wherein the Seller (1) agrees not to execute any lease or convey any interest in the Property after the effective date without the Buyer's written consent, and (2) incorporates existing Paragraph 9.B(5) and renumbers existing Paragraph 9B to 9C to contain 9B(1)-(4). Paragraph 14 is amended to add the clause "or cause to be restored" in the first sentence. Paragraph 16 is amended to remove the mediation check boxes to require mediation to resolve disputes between Buyer and Seller related to the contract. Paragraph 23 is amended to provide that the Seller or Listing Broker must receive the option fee within 3 days after the effective date of the contract rather than Buyer paying Seller the option fee within two days after the effective date of the contract to make it clear that it is not enough that the Buyer puts the option fee in the mail within 2 days after the effective date; the Seller or Listing Broker must receive the option fee within 3 days after the effective date. The last page is amended to clarify that the agents should not sign on the blank lines, they should insert their names only.

The amendment to §537.20 proposes to adopt by reference Standard Contract Form TREC No. 9-11, Unimproved Property Contract. The proposed revisions are the same as those proposed for TREC Form No. 20-9 except as follows. The definition of "Property" in Paragraph 2 is not changed. Paragraph 7.E(1) is amended to be the same as Paragraph 7.H(1) in Form 25-10, Farm and Ranch Contract. Paragraph 7.E(3) regarding environmental hazards is amended to change "any environmental hazards or conditions affecting" to "any environmental hazards that materially and adversely affect" the property.

The amendment to §537.30 proposes to adopt by reference Standard Contract Form TREC No. 23-13, New Home Contract (Incomplete Construction). The proposed revisions are the same as those proposed for TREC Form No. 20-12, except as follows. The definition of "Property" in Paragraph 2 is not changed. There are no amendments to paragraph 7 except to insert missing parentheses as the paragraph has no reference to "as is" condition or repairs and

treatments. Paragraph 7.I(3) regarding seller's disclosure of environmental hazards is amended to change "any environmental hazards or conditions materially affecting" to "any environmental hazards that materially and adversely affect" the property. Paragraph 9 is amended by adding a new Paragraph 9.B regarding leases wherein the Seller agrees not to execute any lease or convey any interest in the Property after the effective date without the Buyer's written consent.

The amendment to §537.31 proposes to adopt by reference Standard Contract Form TREC No. 24-13, New Home Contract (Completed Construction). The proposed revisions are the same as those proposed for TREC Form No. 20-12 except as follows. The definition of "Property" in Paragraph 2 is not changed. Paragraph 7.H(3) regarding seller's disclosure of environmental hazards is amended to change "any environmental hazards or conditions materially affecting" to "any environmental hazards that materially and adversely affect" the property. Paragraph 9 is amended by adding a new Paragraph 9.B regarding leases wherein the Seller agrees not to execute any lease or convey any interest in the Property after the effective date without the Buyer's written consent.

The amendment to §537.32 proposes to adopt by reference Standard Contract Form TREC No. 25-10, Farm and Ranch Contract. The proposed revisions are the same as those proposed for TREC Form No. 20-12, except as follows. Paragraph 2 is amended to except exclusions and reservations. The definition of "Property" in Paragraph 2 is not changed. Paragraph 7.H(3) regarding seller's disclosure of environmental hazards is amended to change "any environmental hazards or conditions materially affecting" to "any environmental hazards that materially and adversely affect" the property. The last page is not amended.

The amendment to §537.37 proposes to adopt by reference Standard Contract Form TREC No. 30-

11, Residential Condominium Contract. The proposed revisions are the same as those proposed for TREC Form No. 20-12 except as follows. The definition of "Property" in Paragraph 2 is not changed. Paragraph 2.B(3) is deleted as a typographical error. No changes were made to paragraph 6.A.(8).

The amendment to §537.44 propose to adopt by reference Standard Contract Form TREC No. 37-5, Subdivision Information, Including Resale Certificate for Property Subject to Mandatory Membership in a Property Owners' Association. Paragraph H is amended to more closely track statutory changes to Chapter 207, Property Code.

The amendment to §537.47 propose to adopt reference by Standard Contract Form TREC No. 405, Third Party Financing Addendum for Credit Approval. New paragraph E is added to reference USDA Guaranteed Financing.

New §537.47 propose to adopt reference by Standard Contract Form TREC No. 46-0, Mutual Termination of Contract. The form is to be used when the Buyer and Seller mutually agree to terminate the contract and release the earnest money, or to terminate the contract without releasing the earnest money.

Chapter 539 Rules Relating to the Residential Service Company Act

Q. Issues Affecting Consumers

§539.162. Contract Requirements.

The amendments propose new §539.162, Copy of Residential Service Company Contract, and require companies to provide a disclosure in all contracts regarding how to file a complaint with the Texas Real Estate Commission.

TREC is Hiring!

TREC has open positions within the agency. We currently have an attorney and an investigator position in the TREC Standards and Enforcement Division and the TREC General Counsel Position.

For more information on the positions, benefits and the hiring process for TREC please go to our website www.trec.texas.gov.

Name and Location	Order	Basis For Order			
<p>Case#: 121429 STATE WIDE WARRANTY (license # 0) None WILMINGTON(NEW CASTLE) Effective Date: 7/5/2013</p> <table border="1" data-bbox="115 464 313 560"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1303.101</td> </tr> </table>	Violation(s)	1303.101	<p>Ordered to cease and desist all unlicensed residential service company activities in Texas. Assessment of an administrative penalty of \$5,000.00.</p>	<p>Consumer Complaint Respondent issued a residential service contract or performed or arranged to perform services under a residential service contract without first obtaining a residential service company license.</p>	
Violation(s)					
1303.101					
<p>Case#: 130192 BRUEHL, JESSICA KELLY (license # 497870) Real Estate Broker / Salesperson-I AUSTIN(TRAVIS) Effective Date: 7/8/2013</p> <table border="1" data-bbox="115 800 326 896"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(b)(01)</td> </tr> </table>	Violation(s)	1101.652(b)(01)	<p>Agreed reprimand of broker. Agreed administrative penalty of \$1,000.00. Agreed completion of 30 hours in an agency law course due on or before October 9, 2013.</p>	<p>Consumer Complaint Respondent represented the Buyer in condominium sales transaction. Respondent submitted repair amendment for seller to replace roof. Respondent knew or should have known that only the HOA and not the Seller had the authority to perform the repairs. By the time the HOA rejected the repair request, the option period had expired and the buyer lost \$1,500.00 earnest money.</p>	
Violation(s)					
1101.652(b)(01)					
<p>Case#: 130316 LAZARUS, HERMAN (license # 0) None PORT ISABEL(CAMERON) Effective Date: 7/24/2013</p> <table border="1" data-bbox="115 1110 313 1207"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.351(a)</td> </tr> </table>	Violation(s)	1101.351(a)	<p>Agreed to cease and desist from engaging in all activities for which a person must first hold a real estate broker or salesperson license. Agreed administrative penalty of \$1,000.00.</p>	<p>Consumer Complaint Respondent engaged in real estate brokerage services without a license. Respondent collected a security deposit and deposited it into his bank account and controlled the acceptance or deposit of rent.</p>	
Violation(s)					
1101.351(a)					
<p>Case#: 130316 LAZARUS, BONNIE (license # 0) None PORT ISABEL(CAMERON) Effective Date: 7/24/2013</p> <table border="1" data-bbox="115 1421 313 1518"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.351(a)</td> </tr> </table>	Violation(s)	1101.351(a)	<p>Agreed to cease and desist from engaging in all activities for which a person must first hold a real estate broker or salesperson license. Agreed administrative penalty of \$1,000.00.</p>	<p>Consumer Complaint Respondent engaged in real estate brokerage services without a license. Respondent agreed to locate tenants, drafted a lease which stated that she would act as property manager, and controlled the acceptance or deposit of rent.</p>	
Violation(s)					
1101.351(a)					
<p>Case#: 130621 HAMILTON, RICKY PAUL (license # 9036) Inspector-I BURLESON(JOHNSON) Effective Date: 7/22/2013</p> <table border="1" data-bbox="115 1732 342 1875"> <tr> <th>Violation(s)</th> </tr> <tr> <td>22 TAC 535.220(a)</td> </tr> <tr> <td>22 TAC 535.220(c)</td> </tr> </table>	Violation(s)	22 TAC 535.220(a)	22 TAC 535.220(c)	<p>Agreed reprimand of professional inspector. Agreed administrative penalty of \$1,000.00.</p>	<p>Consumer Complaint Respondent performed a real estate inspection and, without authorization, took personal property which belonged to the owner of the inspected property.</p>
Violation(s)					
22 TAC 535.220(a)					
22 TAC 535.220(c)					

<p>Case#: 131324 WAGES, JEREMY SCOTT (license # 604593) Real Estate Broker / Salesperson-I ALLEN(COLLIN) Effective Date: 7/24/2013</p> <table border="1" data-bbox="115 396 329 489"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(01)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	<p>Agreed five-year suspension of salesperson license fully probated for five years or until the end of his community supervision.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense.</p>	
Violation(s)					
1101.652(a)(01)					
<p>Case#: 120957 ALLGOOD, VIRGIL FRANKLIN (license # 462037) Real Estate Broker / Salesperson-I HARKER HEIGHTS(BELL) Effective Date: 7/26/2013</p> <table border="1" data-bbox="115 737 329 879"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(05)</td> </tr> <tr> <td>1101.652(a)(06)</td> </tr> </table>	Violation(s)	1101.652(a)(05)	1101.652(a)(06)	<p>Reprimand of salesperson. Assessment of an administrative penalty of \$2,000.00 Suspension of salesperson license until payment in full of the administrative penalty and receipt of the Requested Information.</p>	<p>Administrative Complaint Respondent failed or refused to produce on request, for inspection by the Commission or a Commission representative, a document, book, or record that is in the license holder's possession and relates to a real estate transaction conducted by the license holder. Respondent failed to provide, within a reasonable time, information requested by the Commission that relates to a formal or informal complaint to the Commission.</p>
Violation(s)					
1101.652(a)(05)					
1101.652(a)(06)					
<p>Case#: 120833, 111614 ESCALANTE, RUTH SNIDER (license # 514691) Real Estate Broker / Salesperson-I ATASCOSA(BEXAR) Effective Date: 7/11/2013</p> <table border="1" data-bbox="115 1119 342 1262"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(05)</td> </tr> <tr> <td>1101.652(a)(06)</td> </tr> </table>	Violation(s)	1101.652(a)(05)	1101.652(a)(06)	<p>Reprimand of broker. Assessment of an administrative penalty of \$8,000.00. Suspension of broker license until the administrative penalty is paid in full and the Requested Information is received.</p>	<p>Administrative Complaint Respondent failed or refused to produce on request, for inspection by the Commission or a Commission representative, a document, book, or record that is in the license holder's possession and relates to a real estate transaction conducted by the license holder. Respondent failed to provide, within a reasonable time, information requested by the Commission that relates to a formal or informal complaint to the Commission.</p>
Violation(s)					
1101.652(a)(05)					
1101.652(a)(06)					
<p>Case#: 130048 WU, FU-SUNG PETER (license # 284706) Real Estate Broker / Salesperson-I FAIRVIEW(COLLIN) Effective Date: 7/18/2013</p> <table border="1" data-bbox="115 1499 342 1591"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(06)</td> </tr> </table>	Violation(s)	1101.652(a)(06)	<p>Agreed reprimand of broker. Agreed administrative penalty of \$500.00.</p>	<p>Administrative Complaint Respondent failed to provide, within a reasonable time, information requested by the Commission that relates to a formal or informal complaint to the Commission.</p>	
Violation(s)					
1101.652(a)(06)					
<p>Case#: 131092 ANDERSON, KATHLEEN D (license # 363737) Real Estate Broker / Salesperson-I CONROE(MONTGOMERY) Effective Date: 7/5/2013</p> <table border="1" data-bbox="115 1839 350 1932"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(01)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	<p>Agreed four-year suspension of broker license fully probated for four years.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense.</p>	
Violation(s)					
1101.652(a)(01)					

<p>Case#: 130520 DANIEC, PAUL ADAM (license # 433943) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR) Effective Date: 7/12/2013</p> <table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">Violation(s)</td> </tr> <tr> <td>1101.652(a)(01)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	<p>Agreed 10-year suspension of broker license fully probated for 10 years.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense.</p>	
Violation(s)					
1101.652(a)(01)					
<p>Case#: 120543 DEAIS, SARAH FAE (license # 576613) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR) Effective Date: 7/12/2013</p> <table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">Violation(s)</td> </tr> <tr> <td>1101.652(a)(01)</td> </tr> <tr> <td>1101.652(a)(09)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	1101.652(a)(09)	<p>Agreed three-year suspension of salesperson license fully probated for three years.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense. Respondent failed to notify the Commission within 30 days after entry of a plea of guilty to a felony offense.</p>
Violation(s)					
1101.652(a)(01)					
1101.652(a)(09)					
<p>Case#: 131616 PEREZ, PATRICIA (license # 506212) Real Estate Broker / Salesperson-I FORT WORTH(TARRANT) Effective Date: 7/15/2013</p> <table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">Violation(s)</td> </tr> <tr> <td>1101.655</td> </tr> </table>	Violation(s)	1101.655	<p>Agreed revocation of salesperson license fully probated for nine months or until the date the Real Estate Recovery Trust Account is repaid in full, whichever occurs first.</p>	<p>Administrative Complaint Respondent failed to repay the Commission for payment of \$33,226.00 made from the Real Estate Recovery Trust Account towards satisfaction of a judgment.</p>	
Violation(s)					
1101.655					
<p>Case#: 131748 COMPLETE APPLIANCE PROTECTION INC (license # 162) Residential Service Company-O LIBERTY(CLAY) Effective Date: 7/16/2013</p>	<p>Agreed two-year probationary residential service company license issued.</p>	<p>Applications A company that is not financially responsible and may be reasonably expected to be unable to meet the company's obligations to contract holders violates Tex. Occ. Code §1303.352(a)(4). Applicant provided information addressing its financial responsibility, and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the ability to meet the company's obligations to contract holders.</p>			

<p>Case#: 131246 MARSHALL, JESSICA RACHEL (license # 538417) Real Estate Broker / Salesperson-I EULESS(TARRANT) Effective Date: 7/1/2013</p>	<p>Agreed one-year probationary salesperson license issued.</p>	<p>Applications Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).</p>
<p>Case#: 131200 VANN, LESLIE (license # 630840) Real Estate Broker / Salesperson-I AMARILLO(RANDALL) Effective Date: 7/11/2013</p>	<p>Agreed three-year probationary salesperson license issued.</p>	<p>Applications Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).</p>
<p>Case#: 130782 GREGGS, AFTON JENAY (license # 631464) Real Estate Broker / Salesperson-I HOUSTON(HARRIS) Effective Date: 7/25/2013</p>	<p>Agreed three-year probationary salesperson license issued.</p>	<p>Applications Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).</p>
<p>Case#: 131213 STRIPLAND, MICHAEL LE (license # 631465) Real Estate Broker / Salesperson-I DALLAS(DALLAS) Effective Date: 7/25/2013</p>	<p>Agreed two-year probationary salesperson license issued.</p>	<p>Applications Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).</p>
<p>Case#: 131238,130380 ALDEN PROPERTIES LLC (license # 9002489) Real Estate Company -O COPPERAS COVE(CORYELL) Effective Date: 7/1/2013</p>	<p>Agreed one-year probationary broker license issued. Agreed administrative penalty of \$1,000.00.</p>	<p>Applications Applicant conducted brokerage activities without being licensed through a real estate broker. Applicant demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate broker.</p>

TALCB Bulletin



TALCB was created by an act of the Texas Legislature in 1991 to license, certify and regulate real estate appraisers in Texas under state and federal laws. In 2011, TALCB's jurisdiction was expanded to register and regulate appraisal management companies.

Inside this issue: 2014-15 USPAP is Here (page 1) From the Chair (page 4) Rule Actions Taken (page 5) TALCB Enforcement Actions (page 7)

Just When You Thought It Was Safe . . . 2014-15 USPAP Is Here

It seems just about time you become comfortable with the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Standards Board (ASB) releases a new edition. On January 1st, 2014, 2014-15 USPAP becomes effective and all licensed/certified appraisers in Texas will be responsible to comply with that edition of USPAP for the next two years.

TALCB wanted to acquaint appraisers with the areas that have been revised with the upcoming version of USPAP and appraisers understand the reasons the changes were made.

What Has Changed - Revisions adopted for 2014-15 USPAP

The following changes were adopted by The Appraisal Foundation's Board on February 1, 2013, and will be incorporated in the 2014-15 edition of USPAP and associated guidance material, with an effective date of January 1, 2014:

- Revisions to the DEFINITIONS of "Assignment Results" and "Scope of Work";
- Revisions to the PREAMBLE;
- Revisions to the Conduct section of the ETHICS RULE;

- Revisions to the COMPETENCY RULE;
- Revisions to Reporting Requirements, including the type and number of Report Options;
- Revisions to Standards Rule 3-5;
- Retirement of STANDARDS 4 and 5; and
- Revisions to Advisory Opinion 11, *Content of the Appraisal Report Options of Standards Rules 2-2 and 8-2* and Advisory Opinion 12, *Use of the Appraisal Report Options of Standards Rules 2-2 and 8-2*.

Let's dig in then shall we?

DEFINITION - Assignment Results - Rationale

The ASB received numerous comments and requests for clarification of the meaning of the term "assignment results." Assignment results, as defined in USPAP, is a key term. The ETHICS RULE requires the appraiser to act in good faith when communicating assignment results and prohibits the appraiser from disclosing assignment results to anyone other than the client, persons specifically authorized by the client, state appraiser regulatory agencies, third parties as authorized by due process of law, or a duly authorized professional peer review committee.

This revision clarifies that assignment results include *opinions or conclusions* and the assignment results are *not specifically limited to the value conclusion* in

an appraisal assignment, or to the *final opinion* of the *quality of another appraiser's work* in an appraisal review assignment.

DEFINITION - Scope of Work - Rationale

The SCOPE OF WORK RULE *only applies* to appraisal and appraisal review assignments, whereas the term *scope of work* is broadly defined to include *all assignments* performed under appraisal practice.

Similar to the SCOPE OF WORK RULE, fundamental concepts of the scope of work definition assist appraisers in their appraisal practice outside of appraisal and appraisal review assignments.

The purpose of the revision is *not intended to restrict* scope of work concepts from other services. Rather, it is intended to *clarify and align* the definition to the SCOPE OF WORK RULE.

PREAMBLE - Rationale

An individual, who at times works as an appraiser, and at other times works in other roles such as a consultant, broker, or investment advisor, performs an array of services for a variety of clients raising questions of when specific USPAP Rules and Standards apply.

The distinction of when one is acting as an appraiser and when one is not is important to understanding the foundational obligations under USPAP.

Furthermore, when one is acting as an appraiser, it is important to understand what activities fall under what section of USPAP.

If governed by a jurisdiction's mandatory USPAP adherence, must an individual acting as an appraiser adhere to the ETHICS RULE before being engaged in an assignment?

Which Rules (i.e., ETHICS RULE, SCOPE OF WORK RULE, etc.) must an appraiser adhere to for an assignment of an appraisal or appraisal review with additional opinions?

The revisions made to the PREAMBLE address these questions.

ETHICS RULE - Rationale

The ETHICS RULE, which applies to *all* assignments that are undertaken within appraisal practice, requires

disclosure of *any current or prospective interest* in the subject property and *any services* regarding the subject property that were *performed by the appraiser in the three years* immediately prior to accepting the assignment. The disclosure must be made both prior to accepting the assignment and "in the subsequent report certification."

It is unclear to some appraisers how this requirement affects assignments that do not include an appraisal or appraisal review, since no certification is required in such assignments. As currently written, some believe the Conduct section of the ETHICS RULE triggers a requirement to include a certification when:

An appraiser's assignment includes only a valuation service other than an appraisal or an appraisal review; and

There is an interest or service that must be disclosed.

It was not the ASB's intent that present or prospective interests or prior services would require a certification when such a certification is not otherwise required. This revision provides that clarification.

COMPETENCY RULE - Rationale

The COMPETENCY RULE currently requires that an appraiser be competent to perform the assignment, or acquire the necessary competency to perform the assignment, or withdraw from the assignment. However, while implied, the COMPETENCY RULE does not *expressly require* the appraiser to act competently in the given assignment.

The revision to the COMPETENCY RULE makes this responsibility clear.

Reporting Requirements - Rationale

USPAP currently has three different written report options for real property and personal property appraisal assignments: Self-Contained Appraisal Report, Summary Appraisal Report, and Restricted Use Appraisal Report. There are currently two written report options for intangible property appraisal assignments: Appraisal Report and Restricted Use Appraisal Report. There is one written report option for both appraisal review and mass appraisal assignments.

The revision eliminated the *Self-Contained Appraisal Report* option and renamed the other report options; *Summary Appraisal Report* to *Appraisal Report* and *Restricted Use Appraisal Report* to *Restricted Appraisal Report*. These options prescribe the minimum level of reporting necessary under USPAP. The changes are intended to provide clarification and improve consistency among the Standards.

Standards Rule 3-5 - Rationale

In all but one of the Standards that address reporting requirements, a date of report associated with the communication is required. However, STANDARD 3 does not currently require a date of the appraisal review report.

As with an appraisal, the *effective date* of the appraisal review establishes the context for the opinions and conclusions, while the *date of the appraisal review report* indicates the perspective of the reviewer on the market and work product.

To enhance clarity and promote consistency, 2014-15 USPAP requires an appraisal review report to include the date of report, which *may or may not* coincide with the effective date of the appraisal review.

STANDARDS 4 and 5 - Rationale

For several years The Appraisal Foundation has considered the possible retirement of STANDARDS 4 and 5 to improve the clarity, understandability, and enforceability of USPAP.

The Board has subsequently addressed any concerns related to their retirement and in 2014-15 USPAP moved forward with the retirement of these Standards.

NOTE: To help illustrate the impact of retiring STANDARDS 4 and 5, the Board had also proposed edits to Advisory Opinion 21, *USPAP Compliance*. Although those proposed revisions were not adopted on February 1, 2013, the Board is re-exposing AO-21 with the intent of adopting it for inclusion in the 2014-

15 publication.

Revisions to Advisory Opinion 11 and Advisory Opinion 12 – Rationale

Due to the retirement of STANDARDS 4 and 5, revisions were necessary to both Advisory Opinions to properly reflect the changes adopted for the reporting options.

Summary

The Appraisal Standards Board made a number of changes in 2014-15 USPAP, as you have now read. Texas appraisers should become familiar with these revisions, as compliance will be required as of January 1st, 2014.

Licensed/certified appraisers are encouraged to enhance their understanding of 2014-15 USPAP by attending the 7-Hour National USPAP Update as soon as it becomes available. As part of the update course the above revisions will be covered as well as clarification provided of commonly misunderstood aspects of USPAP.

The actions taken by the Appraisal Standards Board, and their rationale for those decisions, are discussed above. With the exception of minor administrative edits, the ASB acted on the proposed revisions to USPAP as contained in the Third Exposure Draft . . .”

Presently the best resource addressing these revisions is the ASB's 2013 SUMMARY OF ACTIONS RELATED TO PROPOSED USPAP CHANGES - February 1, 2013. [found on The Appraisal Foundation's website - www.appraisalfoundation.org].

Note: 2014-15 USPAP and both the 15-Hour National USPAP and the 7-Hour National Update courses are to be available from The Appraisal Foundation [TAF] by October 1st, 2013. Appraisers should look to these sources for *definitive* information related to USPAP.

This article relied upon and borrowed extensively from the ASB's 2013 SUMMARY OF ACTIONS RELATED TO PROPOSED USPAP CHANGES - February 1, 2013.

The Board met on August 17th and it was a very busy and productive meeting. We continue to make meaningful advances on all matters of concern to the Board.

Notably, the Board reviewed and approved the FY 2014, which includes a fee reduction for all license renewals. When the agency was granted self-directed, semi-independent (SDSI) status two years ago, fees were raised \$5 per year to assist the agency with the transition to SDSI status. This reduction of \$2 per year for renewals is the first step in the agency's commitment to repay our license holders for that raise.

The Education Committee reported a very industrious set of meetings with staff regarding the development of an Appraiser Trainee & Supervisor course to comply with AQB 2015 criteria. The Committee is also studying the viability of a Texas specific continuing education course regarding TALCB's mission, jurisdiction, and statutes, rules and policies that differ from USPAP requirements. We look forward to the progress from the work of the Committee and staff.

The Board adopted emergency rules to implement the new experience audit requirement adopted by Appraisal Subcommittee on June 1, 2013, adopted the rules proposed at the May meeting and proposed amendments to rules regarding fees,

Appraiser Trainee renewals, standards of practice and Work relating to Property Tax Protests . Details on adopted, proposed rules and new forms are set out in more detail later in this Bulletin.



Walker Beard, Chair

There is good news regarding online applications for all credentials. The agency has rolled out new online renewals for Appraiser Trainees and Appraiser Licenses and updated the online renewals for Certified Appraisers. The Board also adopted revisions to many of its application forms in anticipation of implementing an online application process for appraisers. New forms were also adopted for AMC renewals, and to facilitate an AMC's request to be placed on inactive status.

The Board's next meeting will be in mid-November and we invite you to attend and make your voice heard. We appreciate the industry's support for what we do and promise to continue to find ways to be more efficient and more effective.

Important Dates to Remember

TALCB AMC Advisory Committee –November 4

TALCB Enforcement Committee Meeting - November 4.

TALCB Meeting - November 22.

ADOPTED RULES

The adopted rules will be effective September 12, 2013 and can be found on our website at <http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp>.

22 TAC §153.20 concerning Guidelines for Revocation, Suspension, Denial of Licensure or Certification; Probationary Licensure: Amendments were adopted to clarify that an applicant for a license or certification, whether successful or not, is subject to denial and/or discipline (in the case of a step- up application) if the applicant makes false, misleading or fraudulent misrepresentations in the application process.

22 TAC Chapter 157, Subchapter E concerning Alternative Dispute Resolution: New rules were adopted to clearly set out TALCB's policy and procedures for alternative dispute as follows: §157.30, Alternative Dispute Resolution; §157.31, Investigative Conference; §157.32, Negotiated Settlement §157.33, Mediation; §157.36, Stipulations; §157.37, Agreements; §157.38, Confidentiality.

22 TAC §159.109 concerning Inactive Status: Amendments were adopted to provide a procedure for a registered Appraisal Management Company to elect to be placed on inactive status and clarifies what happen to an AMC's panel if it goes inactive.

22 TAC §159.155 concerning Periodic Review of Appraisals: Amendments were adopted to clarify that Appraisal Management Companies are only required to review appraisal services performed on 1-4 family unit properties collateralizing mortgage obligations as contemplated by Dodd-Frank and to remove the phrase "commercial databases" from subsection (g)(1)(A) as it is was a source of possible confusion and redundant of the remainder of the phrase in that subsection which covers all allowable data sources other than the specifically named multiple listing service.

22 TAC §159.159 concerning Disclosure of Registration Number: Amendments were adopted to help appraisers identify Appraisal Management Companies that are registered with TALCB by clarifying that an Appraisal Management Company is

required to disclose the name under which it is registered with TALCB and any other name under which it does business in addition to the registration number currently required on documents used to procure appraisals.

PROPOSED RULES

Proposed rules will be up for adoption at the November 22, 2013 meeting of the Board. The proposed rules can be found on our website at <http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp>. Comments on proposed rules should be sent to [gen-eral.counsel@talcb.texas.gov](mailto:general.counsel@talcb.texas.gov) on or before October 7, 2013.

22 TAC §153.15 concerning Experience Required for Certification or Licensing (also adopted on an emergency basis): Amendments are proposed to implement the new experience audit requirement for all appraiser credentials set out in Revised Policy Statement 4, adopted by Appraisal Subcommittee on June 1, 2013, effective as of July 1, 2013. The rule currently sets out that no more than 5% of applicants for a State appraiser license can receive an experience audit. The new ASC revised Policy Statement now requires 100% experience audits for these applicants.

22 TAC §153.9 concerning Applications: Amendments are proposed to implement the relevant provisions of Senate Bill 162, 83rd Texas Legislature, Regular Session (2013). Senate Bill 162 adds §55.005 and 55.006 to the Texas Occupations Code to require an expedited licensing and process for the issuance of a license to spouses of active duty military, and §55.007, which requires a licensing agency to credit verifiable military service, training or education obtained by an applicant who is a military service member or veteran, toward the requirements of a license.

22 TAC §153.17 concerning Renewal or Extension of Certification and License or Renewal of Trainee Approval: Amendments are proposed to require the Appraiser Trainee to maintain quarterly logs for each renewal period but no longer require submission of the logs with each renewal. Logs will still be required to be submitted with any appli-

cation for a license or certification. This procedure is more consistent with the practice for renewal of the other Board credentials. The amendments also reiterate the AQB criteria that both the trainee and sponsor are responsible for the accuracy of the appraisal logs and set a timeframe for review and signing the appraisal logs.

22 TAC §153.5 concerning Fees: Amendments are proposed to increase the fee for nonresident appraiser registration from \$150 to \$250 as permitted by the Appraisal Subcommittee and adopt a new fee of \$40 for preparing a certificate of active licensure or sponsorship.

22 TAC §159.52 concerning Fees: Amendments are proposed to adopt the following new fees: \$25 for a request to be placed on inactive status; \$40 for preparing a certificate of active licensure; \$20 for a request to change an owner, primary contact, appraiser contact, registered business name or place of business; \$50 for evaluation of an owner or primary contact's background history after processing of an initial application or renewal.

22 TAC §153.24 concerning Complaint Processing: An amendment is proposed to clarify that re-examination is an available disciplinary remedial measure that the Board can impose against a respondent. This recommendation was reviewed and recommended by the Board's Enforcement Committee.

22 TAC §155.1 concerning Standards of Practice: Amendments are proposed to delete subsection (b) relating to jurisdictional exception. The Enforcement Committee of the Board has studied this provision extensively and is recommending this deletion.

22 TAC §155.2 concerning Work Relating to Property Tax Protests: Amendments are proposed to clarify when the Uniform Standards of Professional Appraisal Practice (USPAP) apply to work prepared by TALCB licensees for an appraisal district for the purposes of a property tax protest and require disclosure by TALCB licensees that are dually licensed or certified as property tax professionals, whenever they perform work for the

purposes of a property tax protest under their authority as a property tax professional. The amendments provide even application of the law to property tax consultants and property tax professionals who are dually licensed by TALCB.

POLICIES ADOPTED – effective August 16, 2013

National Registry Access: A policy was adopted to comply with the Appraisal Subcommittee's (ASC) new Policy Statement 3 that requires States using the ASC's extranet application for submission of data to the National Registry have a written policy governing access to the Registry.

NEW/REVISED FORMS – effective September 1, 2013

Appraiser Applications: In preparation for all appraiser licensees to be able to apply online, staff conducted a comprehensive review of the instructions for and information required in the application process. The revised forms listed below are the result of that review. The Board hopes to have these applications available for online submission by the end of the year.

- a. Application for Approval as an Appraiser Trainee
- b. Application for Appraiser License
- c. Application for Certified Residential Appraiser
- d. Application for Certified General Appraiser
- e. Appraisal Experience Affidavit (for Appraisers & Trainees)
- f. Appraisal Experience Explanation
- g. Appraiser Continuing Education Submission Form
- h. Request for Active Status

AMC Forms: The two new forms listed below were approved for use by AMC's.

- a. AMC to Elect Inactive status
- b. AMC Renewal

Name & Location	Reason	Summary
<p>YOUNG, Wendell Paul Lic. # TX-1321410-G Cedar Hill</p>	<p><i>Complaint No.:</i> 12-070</p> <p><i>Reason for Complaint:</i> The complaint alleges that the Respondent produced an appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3). (2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(9) by making material misrepresentations omitting material facts.</p>
<p>WILLIS, James M. Lic. # TX-1322906-G</p>	<p><i>Complaint No.:</i> 13-094 & 13-168</p> <p><i>Reason for Complaint:</i> The complaints alleged that the Respondent produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT.</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(6). (2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(12) by misrepresenting and</p>
<p>TAYLOR, Richard Allen Lic. # TX-1326295-R Montgomery</p>	<p><i>Complaint No.:</i> 10-070, 10-228, & 13-113</p> <p><i>Reason for Complaint:</i> The complaints alleged that the Respondent produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3) . (2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(9) by making negligent misrepresentations and omissions of material fact.</p>
<p>PURDY, James Wade Lic. # TX-1336490-L Houston</p>	<p><i>Complaint No.:</i> 12-123</p> <p><i>Reason for Complaint:</i> The complaint alleges that the Respondent produced an appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3). (2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(9) by making material misrepresentations omitting material facts.</p>
<p>PHAN, Thuan N. Lic. # TX-1329163-L Richardson</p>	<p><i>Complaint No.:</i> 12-308</p> <p><i>Reason for Complaint:</i> The complaint alleges that the Respondent produced an appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(6). (2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(12) by making material misrepresentations omitting material facts.</p>

Name & Location	Reason	Summary
PENN, Casey Jean Lic. # TX-1336283-R Granbury	<p><i>Complaint No.:</i> 13-153</p> <p><i>Reason for Complaint:</i> The complaint alleged that the Respondent produced an appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(9) by making omissions of material fact.</p>
PARHMS, James Harold Lic. # TX-1338782-R Houston	<p><i>Complaint No.:</i> 10-281, 10-295, 10-315, & 12-120</p> <p><i>Reason for Complaint:</i> The complaints alleged that the Respondent produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(6).</p> <p>(2) Respondent made material misrepresentations and omissions of material facts as prohibited by 22 TEX. ADMIN. CODE § 153.20(a)(12)</p>
LANE, Roger Lic. # TX-1334329-R O'Connor	<p><i>Complaint No.:</i> 13-127</p> <p><i>Reason for Complaint:</i> The complaint alleges that the Respondent produced an appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(6).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(12) by making material misrepresentations omitting material facts.</p>
FRENCH, Forrest James Lic. # TX-1330265-G Jarrell	<p><i>Complaint No.:</i> 13-030</p> <p><i>Reason for Complaint:</i> The complaint alleges that the Respondent produced an appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(6).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(12) by making material misrepresentations omitting material facts.</p>

Name & Location	Reason	Summary
CASTILLO, Alberto Lic. # TX-1334674-R Jarrell	<p><i>Complaint No.:</i> 13-031</p> <p><i>Reason for Complaint:</i> The complaint alleges that the Respondent produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(6).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(12) by making material misrepresentations omitting material facts.</p>
BANKS, James Brian Lic. # TX-1323923-R Houston	<p><i>Complaint No.:</i> 12-203</p> <p><i>Reason for Complaint:</i> The complaint alleged that the Respondent produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(9) by making material misrepresentations and omissions of material fact.</p>

For a complete list of actions taken and an up to date list of all enforcement actions taken by the board [click here](#) or go to www.talcb.texas.gov.

Inspector Insight



The Texas Real Estate Inspector Committee is as an advisory committee to the Texas Real Estate Commission on matters pertaining to the licensing and regulation of real estate inspectors. The Committee recommends rules and policies that ensure inspections meet high professional standards and enhance consumer protection.

Inside this Issue: Emergency Rules Adopted (page 1) From the Chair (page 2)

Emergency Rules Adopted at Commission Meeting

The Commission adopted by **Emergency Rule amendments to §535.212** to increase the number of hours required for education for a professional inspector license by 2 hours as required by HB 2911. The extra two hours were placed in the SOP/Legal/Ethics Update course.

Education Inspector Rules Proposed at August 12, 2013 Commission Meeting

If adopted by the Commission at their October 28th meeting, these new education provisions for inspectors will become effective 1/1/14.

The amendments to §535.212 increase the number of hours required for education for a professional inspector license by 2 hours and change the specific requirements for substitute experience requirements for real estate and professional inspectors by adding required interactive module hours and field work component to be consistent with new statutory requirements. The amendments also correct and clarify the language of the rule to increase comprehension.

The amendments to §535.213 clarify that rule applies to core courses, define certain terms, clarify the qualifications for correspondence course and increase the time frame that an applicant cannot receive repeat credit for a course from two years to three years.

The amendment to §535.214 clarifies that rule applies to providers of core education courses.

The amendments to §535.218 provide a process and requirements for approval of real estate inspector courses, providers and instructors and set out requirements for the Texas Standards of Practice/Legal /Ethics Update course and a ride along inspection course. The amendments also increase the time frame that an applicant cannot receive repeat credit for a course from two years to three years.

From the Chair...

The Inspector Committee met on July 26 and had a very busy day. Not only did the full committee meet, but both the Enforcement and Education subcommittees met as well. With the passage of the inspector housekeeping bill (HB 2911) by the 83rd Legislature, the hard work has begun to implement the various aspects of the bill and ensure that the implementation goes smoothly. With that in mind, both the Education Subcommittee and the full Inspector Committee reviewed proposed changes to the education requirements for inspectors stemming from the passage of HB 2911.

At the August 17th meeting of the Commission, I reported on those matters considered during the Inspector meetings. This included the rules related to HB 2911. The Commission approved those rules for publication and comment at their August meeting. These proposed rules have been posted on the TREC website, and I encourage anyone interested to please review them and provide any comments or concerns to TREC's general counsel prior to the Committee's next meetings. The Education Subcommittee will be meeting on September 11th and October 11th. The Enforcement Subcommittee will be meeting September 13th and the full Committee meeting will be held on October 11th.

In addition to the rules proposed at the August Commission meeting, emergency rules were adopted by the Commission to implement the late renewal provisions and fingerprinting requirements enacted by HB 2911. These new fingerprinting requirements will apply to all new applicants as part of the application process and all current inspectors upon their renewal. The emergency rules take effect on September 1, 2013. These emergency rules have also been

posted on the TREC website and I urge you to familiarize yourself with them, especially the rules related to fingerprinting. .

The Commission also approved two new inspector-related forms: an updated Certificate of Insurance form (REI_COI-2) that replaces the current Certificate of Insurance form (REI_COI-1) as of September 1, 2013, and a Proof of Financial Responsibility form (REI_PFR-1) to be used by any inspector as of that same date if the inspector chooses the bond alternative provided by HB 2911.

The Committee relies on both qualified inspectors and willing public members to fulfill its mission. I am happy to announce that two new public members were appointed to the Committee at the August Commission meeting: Barbara Evans, from Fort Worth and Elizabeth Heidelberg from El Paso. The Committee looks forward to their participation and contributions.

The Commission and the Committee continue to work cooperatively to improve the ability of inspectors to serve the needs of real estate buyers and sellers. I urge you all, to remain engaged and assist the industry and the Committee in achieving its goals. Your input is always welcomed.



Brad Phillips, Chair