



TRECAAdvisor

Texas Real Estate Commission * Volume 14, Number 3 * August 2003



Real Estate Related Bills Passed During the Regular Session of the 78th Legislature

This article is the first of a two-part series that summarizes the real estate related bills that were passed in the regular session of the 78th Legislature. Over 5,000 bills were introduced during the regular session, and close to 1,400 were signed by the governor or passed into law without signature.

The first article addresses those bills that impact licensing and regulation, contracts and other instruments, and insurance reform. The next TRECAAdvisor will feature summaries of bills involving property taxes, manufactured homes, home equity laws, property owner's associations, and landlord tenant matters. In most cases, the descriptions of the bills are taken from the text of the bills and bill analyses on the Legislature's web site.

Readers may download copies of the referenced bills at www.capitol.state.tx.us for more detailed information. Most bills have an effective date of September 1, 2003, unless noted in the description.

Licensing and Regulatory Bills

HB 329 by Naishtat - Relating to the regulation of mold assessors and remediators, civil liability for mold remediation, and insurance coverage on mold claims; providing civil and administrative penalties.

Amends the Occupation Code by adding Chapter 1958 to require mold assessors and remediators to be licensed by TDH; requires TDH to investigate any complaint regarding mold-related activities; requires TDH to conduct inspections to ensure compliance with the chapter and to provide for a statewide education and outreach program on the importance of and methods of improving indoor air quality; authorizes TDH to develop and establish mold safety standards for license holders if appropriate scientific information exists regarding the effect of mold; provides certain exemptions to the licensing requirements; prohibits a license holder from performing both mold assessment and mold remediation on the same project; authorizes TDH to take disciplinary action and impose administrative penalties on individuals who violate the chapter; establishes an exemption from civil liability for certain property owners and certain governmental entities under certain circumstances; prohibits underwriting decisions by residential property insurers based on previous mold damage or a claim for mold damage if the applicant has property eligible for coverage under a residential property policy, the property has had mold damage, mold remediation has been performed on the property, and the property was remediated as evidenced by a certificate of mold remediation or independent inspection.

HB 660 by Allen - Relating to access to criminal history record information by certain licensing and regulatory agencies.

Amends section 411.122 of the Government Code to enumerate the agencies, including the Real Estate Commission, that have access to DPS and FBI criminal history record information for applicants and licensees.

HB 730 by Ritter - Relating to residential construction, including certain warranties, building and performance standards, and dispute resolution; providing an administrative penalty.

Creates the Texas Residential Construction Commission Act; prohibits a person from acting as a builder unless the person holds a certificate of registration under the chapter; provides exemptions for owner built homes for a homeowner or a homeowner's real estate broker, agent, or property manager who supervises or arranges for the construction of an improvement to a home owned by the homeowner; adopts limited statutory warranty and building and performance standards for residential construction and establishes a state-sponsored inspection and dispute resolution process that assists consumers in

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TEXAS REAL ESTATE
COMMISSION

Meeting Highlights

August 11, 2003

THE MISSION of the Texas Real Estate Commission
is to assist and protect consumers of real estate services, and foster economic growth in Texas. Through its programs of education, licensing and industry regulation, the Commission ensures the availability of capable and honest real estate service providers.

Official publication of the
Texas Real Estate Commission

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The TRECAdvisor (ISSN 1047-4579) is published by the Texas Real Estate Commission (TREC) as an educational service to licensees in the state of Texas. The purpose of the newsletter is to promote a better understanding of the Real Estate License Act and to inform all licensees of changes affecting laws and practices in the real estate industry. The TRECAdvisor is funded through legislative appropriations and subscriptions collected from TREC licensees. The official text of TREC rules is filed with the Office of the Secretary of State, Texas Register. TREC encourages reproduction of this newsletter with the appropriate acknowledgments. Subscriptions are available for \$4.00 for two years. Single issues are \$1.00. To order a subscription or a single issue write to TRECAdvisor, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188. For information regarding TREC, contact:

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The Texas Real Estate Commission held a regularly-scheduled meeting at the TREC headquarters in Austin on Monday, August 11, 2003.

Staff reports were presented concerning the number of current licensees, enforcement complaints and activity on the web site.

The Commission proposed amendments to nineteen rules. One amendment changes the title of Chapter 535 to General Provisions. HB 2813, 77th Legislature, repealed Article 6573a, V.C.T.S. and replaced it with Texas Occupations Code, Chapter 1101, which became effective June 1, 2003. Amendments to §§535.1, §§535.12, 535.13, 535.16, 535.17, 535.21, 535.31, 535.41 and 535.42 update the cites in these rules to the relevant statutory provisions. Amendments to §§535.51 and 535.53 propose to update cites and to adopt by reference two revised application forms and another application form that corrects typographical errors in the prior form (see below). Amendments to §§535.61-.66 update the cites and adopt by reference a revised instructor application form (see below). Amendments to §§535.71-.73 update the cites and adopt by reference two MCE forms (see below). Amendments to §535.91 propose to adopt by reference two new application renewal forms that modify and update the forms for clarity (see below). Amendments to §535.101 in connection with the passage of H.B. 1508 which increased various fees, propose a fee of \$70 for a salesperson application, \$20 for preparing a license history certification and \$25 for the filing or a core or continuing education instructor application. Amendments to Chapter 541 propose to change cites to relevant statutory provisions of Chapter 53, Texas Occupations Code, a nonsubstantive codification of Article 6252-13c, V.T.C.S. A proposed amendment to §535.113 would repeal the rule concerning display of licenses in connection with the passage of H.B. 1508, 78th Legislature(2003).

Commissioner Walton read a resolution recognizing Chairman Mike Brodie and Commissioners Maria Gil and Kay Sutton for their service to the Texas Real Estate Commission. Vice-Chair Austin presented Mr. Brodie and Ms. Sutton with plaques commemorating their service.

The Commission appointed two new members to the Broker-Lawyer Committee, Bob Baker and Michael Bray. (See page 6)

Commissioner Hull presented the final report from the Education Task Force which will be made available on the TREC web site. (www.trec.state.tx.us)

The Commission voted to pay two Recovery Fund claims, one for \$17,510 and another for \$7,500.

A motion for probation in the Matter of Michael Allen Schmidt was granted. A motion for rehearing, a motion to modify prior order and a motion for probation in the matter of John McAllister Stevenson, Jr. were each denied. A motion for probation in the matter of Cindy Gayle was granted.

Dates were set for the next two meetings of the Commission for October 13 and December 1, 2003.

TREC PROPOSES CHANGES TO FORMS AT AUGUST MEETING

Pending Commission approval all forms in list will become effective January 1, 2004.

ED 4-1 (Instructor Application)	H.B. 1508, 78th Legislature (2003), set the maximum fee for an application for a real estate instructor. Form amended to reflect the addition of a fee of \$25 for approval period of five years,
MCE 9-6 (Alternative Instructional Methods Reporting Form)	House Bill 2813, 77th Legislature (2001), added Chapter 1101, a nonsubstantive codification of The Real Estate License Act, and repealed Article 6573a, Texas Civil Statutes effective June 1, 2003. The form changes a cite reference to the relevant Occupations Code provision.
MCE form 10-1 (MCE Credit Request for an Out of State Course)	Changes to this form are minor- consisting of reformatting only, although the rule adopting the form by reference, §535.71, has been amended so that the title of the form in the rule echoes the title that appears on the form itself.
BR-0 (Application for Broker Renewal)	Takes the current renewal form and moves the question regarding felony convictions to the first page. The new form provides for a change of permanent mailing address, and/or a change of business address on the back.
SR-0 (Application for Salesperson Renewal)	Identical to BR-0 on the first page, except for changing ink color from blue to green. On the back of SR-0, it provides for change of permanent mailing address only.
SL-9 (Application for Real Estate Salesperson License) and SLR-8 (Application for Late Renewal of Real Estate Salesperson License)	Reflects a salesperson application fee of \$70. H.B. 1508, 78th Legislature (2003), increased the maximum fee for application for salesperson's license to not more than \$75.
BLLC-5 (Application for Real Estate Broker License by a Limited Liability Company)	Form corrects typographical error.

(Continued from page 1)

resolving construction issues with homebuilders; authorizes the commission to establish eligibility requirements and procedures for a person to be voluntarily certified by the commission as a residential construction arbitrator; requires a third-party inspector approved by the commission to meet certain qualifications; authorizes the commission to take disciplinary action or impose administrative penalties against registrants under certain circumstances; requires a builder to register a new home with the commission on or before the 15th day of the month following the month in which the transfer of title from the builder to the homeowner occurs; requires the state-sponsored inspection and dispute resolution process to be requested on or before the second anniversary of the date of discovery of the conditions claimed to be evidence of the construction defect but not later than the 30th day after the date the applicable warranty period expires.

HB 1487 by Driver - Relating to the licensing and regulation of certain electricians; providing penalties.

Enacts the Texas Electrical Safety and Licensing Act, creating a state license for six classes of electricians and two classes of contractors and adopting statewide standards for electrical workers in Texas. Establishes the Electrical Safety and Licensing Advisory Board to provide advice and recommendations to the Texas Department of Licensing and Regulation on technical matters relevant to the administration and enforcement of the chapter, including examination content, licensing standards, electrical code requirements, and continuing education requirements. Provides that the chapter does not apply to the design, installation, erection, repair, alteration, or maintenance of certain electrical equipment or to certain persons. Requires TDLR to establish the financial responsibility requirements for electrical contractors; and after publication of the National Electrical Code by the National Fire Protection Association every three years, adopt the revised National Electrical Code as the electrical code for the state. Authorizes TDLR to establish reciprocity agreements with other states that have licensing requirements substantially equivalent to the requirements of this chapter. Provides that this chapter does not prohibit a municipality or region from regulating electricians by enacting an ordinance requiring inspections; offering examinations, issuing municipal or regional licenses, or collecting permit fees for municipal or regional licenses and examinations from electricians for work performed in the municipality or region. Prohibits a municipality or region from requiring a person to take a municipal or regional examination if that person holds the appropriate license issued under this chapter and is working within the scope of that license. Provides that a license to perform electrical work issued by a municipality or region is valid only in the municipality or region or in another municipality or region under a reciprocal agreement.

HB 1508 by Flores - Relating to the regulation of certain occupations by the Texas Real Estate Commission.

Amends chapters 1101 and 1102, Occupations Code. (Article 6573a, VTCS was repealed and replaced with Chapters 1101 and 1102 of the Occupations Code effective June 1, 2003.) The bill increases the maximum fee for filing an original application for a salesperson license to not more than \$75; increases the maximum fee for reviewing a license history to not more than \$20; sets a maximum fee for filing a core and continuing education instructor application at not more than \$40; and clarifies that the \$20 change of sponsoring broker or return to active status fee does not apply to requests associated with an original salesperson license.

The bill adds to a list of other locations that the commission may provide by rule for consumer notices regarding licensee complaints and recovery fund information that the notices may be prominently displayed on a licensee's web site.

The Act is amended to provide that a licensee must disclose the Information About Brokerage Services information at the first substantive dialogue with a person, which is defined as a meeting or written communication that involves a substantive discussion relating to specific real property; provides that, if the licensee requests, an administrative hearing involving substantive violations of the Act only shall be held in the county in which the principal place of business of the licensee is located; and removes the requirement that licenses of salespersons and brokers must be prominently displayed at the broker's place of business unless the salesperson or broker is a residential rental locator.

Amends Chapter 1102, Occupations Code to clarify that any applicant for a professional real estate inspector license must satisfy the Commission as to the applicant's honesty, integrity and trustworthiness; increases from 60 to 320 the number of additional classroom hours that the commission may require of inspector applicants for substitution of additional education in lieu of the number of inspections and previous licensure requirements for licensing; and permits the commission to provide for 2 year renewals of inspector licenses.

HB 2844 by Casteel - Relating to the exemption from the requirement that a person register as a property tax consultant to perform certain property tax consulting services.

Expands the exemption permitting a real estate broker, salesperson, and appraiser to perform property tax consulting services for farms and ranches without registering under chapter 1152 of the Occupations Code. The current exemption authorizes a broker, salesperson or appraiser to provide the services only in connection with single family residences.

Effective Date: June 20, 2003

SB 252 by Staples - Relating to the registration of mortgage bankers

Adds Chapter 157 to the Finance Code to establish registration requirements for mortgage
(Continued on page 4)

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bankers, exempts from the registration requirements federally insured banks, savings banks, savings and loan associations, Farm Credit System Institutions, credit unions, affiliates or subsidiaries of those institutions, and authorized lenders licensed under Chapter 342 under certain circumstances; permits the Savings and Loan Department to investigate complaints filed against mortgage bankers; and provides the savings and loan commissioner with the authority to revoke mortgage bankers' registrations under certain circumstances.

Effective Date: January 1, 2004

SB 287 by Ellis - Relating to changing the composition of certain governing bodies with an even number of members to comply with the changes made to Section 30a, Article XVI, Texas Constitution.

Amends section 1101.252(a) of the Occupations Code to change the composition of the Broker Lawyer Committee to add a 13th public member to the committee appointed by the governor.

Effective Date: June 20, 2003

SB 1013 by Staples - Relating to the regulation of the practice of appraising real property; providing administrative, civil, and criminal penalties.

Authorizes The Texas Appraiser Licensing and Certification Board (TALCB) to establish procedures under which a person is authorized to obtain an extension of time to complete continuing education required to renew the person's certificate or license. Authorizes TALCB to place on inactive status the certificate or license of an appraiser if the appraiser is not acting as an appraiser, is not sponsoring an appraiser trainee, and submits a written application to TALCB before the expiration date of the appraiser's certificate or license. Authorizes TALCB to sanction persons performing unlicensed appraisal services and provides for administrative, criminal, and civil penalties.

SB 1577 by Carona - Relating to the effect of a criminal conviction on licensing and regulation of a mortgage broker or loan officer.

Requires that an applicant for a mortgage broker or loan officer license must satisfy the "commission" as to the applicant's honesty, integrity, and trustworthiness; provides that for purposes of determining eligibility for a license or renewal under the Act, a person is considered convicted if a sentence is imposed on the person, the person receives community supervision, including deferred adjudication community supervision, or the court defers final disposition of the person's case.

SB 1578 by Carona - Relating to an examination requirement for mortgage broker and loan officer license applicants.

Requires applicants for a mortgage broker or loan officer license to pass an examination that demonstrates knowledge of the mortgage industry and the role and responsibilities of either a loan officer or mortgage broker.

SB1667 by Averitt - Relating to obtaining criminal history record information on an applicant for or holder of a mortgage broker or loan officer license.

Requires each applicant for a mortgage broker or loan officer license to be fingerprinted and submit fingerprints with the application; authorizes the savings and loan commissioner to submit the fingerprints to the FBI. Establishes guidelines for obtaining criminal history record information on an applicant for, or a holder of, a mortgage broker or loan officer license, and limits the disclosure of such information to governmental entities or, as authorized by federal law, executive order, or rule.

Insurance

SB 14 by Jackson - Relating to certain insurance rates, forms, and practices; providing penalties.

Amends various provisions of the Insurance Code to provide for broader regulation of the rates of residential property and personal automobile insurers, including previously unregulated insurers. The bill provides for a two-tiered file and use system for insurers to file rates with the commissioner. One procedure applies to current rates and expires December 2004, and the remaining procedure applies to rates filed after that expiration date. The bill limits the use of credit scoring and sets forth requirements for filing credit scoring models with the department if the insurer uses credit scores to underwrite; credit scoring models submitted under the code are public information subject to disclosure under the Texas Public Information Act. The bill applies withdrawal requirements to all insurers, including Lloyd's plans, reciprocals or interinsurance exchanges. The bill permits an insurer to cancel a homeowners' policy if the policy has been in effect less than 60 days under two circumstances: (1) If the insurer identifies a condition in the home that creates an increased risk of hazard and was not disclosed in the application for coverage and is not subject to a prior claim; or (2) before the effective date of the policy, the insurer does not accept a copy of a required inspection report completed by a TREC licensed inspector and is dated not earlier than the 90th day before the effective date of the policy. An inspection report is deemed accepted if the insurer does not reject the report before the 11th day after the date the report is received by the insurer.

(Continued on page 5)

EDUCATION TASK FORCE ISSUES FINAL REPORT

The Education Task Force of The Texas Real Estate Commission was appointed in September of 2002 by Commission Chairman, Michael Brodie. Its assignment was to look at the present structure of Mandatory Continuing Education for real estate licensees in Texas, analyze its effectiveness and make any necessary recommendations for improvements.

To access this report please visit

<http://www.trec.state.tx.us>

and click on "Education Task Force Report" under "What's New."

(Continued from page 4)

Except as otherwise noted, the Act takes effect June 11, 2003. Article 6 takes effect December 1, 2004, except Sections 6.09 and 6.10 take effect June 11, 2003. Article 9 takes effect January 1, 2004, except as provided by Section 9.08.

SB 113 by Van de Putte - Relating to premium discounts for certain residential property insurance policies.

Permits insurers to offer discounts of premiums of not less than 3% to certain policy holders under certain conditions.

Effective Date: June 20, 2003

SB 115 by Van de Putte - Relating to providing consumers with information regarding policy forms for residential and farm and ranch property insurance coverage.

Requires certain insurers on renewal policies to provide notices of changes in the renewal forms in plain language.

Effective Date: June 20, 2003

SB 127 by Fraser - Relating to the handling, settling, and use of certain claims in the insurance business; providing penalties.

Amends chapter 5 of the Insurance Code by addition of Article 5.35-4 to prohibit insurers from denying coverage or setting rates based on previous water damage claims that have been properly remediated; provides for the licensing and regulation of public insurance adjusters by the Texas Department of Insurance.

Effective Date: June 11, 2003.

Contracts and Other Instruments

HB 2819 by Driver - Relating to the confidentiality of certain home address information held by a tax appraisal district.

Provides that information in appraisal records that identifies the home address of certain victims of family violence is confidential and is available only for the official use of the appraisal district, this state, the comptroller of public accounts, and taxing units and political subdivisions of the state.

HB 2930 by Lewis and SB 1559 by Madla - Relating to the confidentiality of and access to certain personal information contained in instruments recorded with a county clerk.

Requires deeds, mortgages and deeds of trusts to carry a notice informing a person filing the instrument that the person may strike Social Security Numbers and drivers license numbers from the instrument prior to its filing with a county clerk.

The amendment is effective September 1, 2003, and applies to deeds, mortgages, and deeds of trust executed on or after January 1, 2004.

HB 3383 by Swinford - Relating to agricultural development districts.

Amends section 60.063 of the Agriculture Code regarding agricultural development districts to provide that a seller is not required to deliver the notice required under the section if the seller is obligated to provide to the buyer a title insurance commitment before the contract closing and the contract terms permit the buyer to terminate the contract because the property is located in a district.

SB 1527 by Brimer - Relating to a purchaser's right to cure default under an executory contract for conveyance.

Amends Section 5.064, Property Code, to authorize a seller to enforce the remedy of rescission or of forfeiture and acceleration against a purchaser in default under a contract for deed if the seller notifies the purchaser of the purchaser's right to cure the default within a 30-day, rather than 60-day, period or the purchaser fails to cure the default within a 30-day, rather than 60-day, period. Amends Section 5.065, Property Code, to decrease the time period for a purchaser to cure a default under a contract for deed from the 60th, to the 30th, day after the date notice is given.

SB 1647 by Staples - Relating to a timeshare developer's ability to complete certain documents.

Authorizes a timeshare developer to charge a fee for completion of a contract form, closing document, or disclosure document required for the sale, exchange, option, lease, or rental of a timeshare interest and clarifies that the completion and the charging of a fee by the developer will not constitute the unauthorized or illegal practice of law if the contract or document has been accepted by the Texas Real Estate Commission for use in the particular type of transaction involved, or prepared by a Texas attorney for such purpose.

Effective Date: 6/20/2003

WHAT THE TREC ENFORCEMENT STAFF CAN AND CANNOT DO

Did you know that the Texas Real Estate Commission Enforcement Division performs a number of functions other than taking enforcement actions against licensees based on complaints we receive?

Of course, the primary responsibility of the Enforcement Division is to enforce the Real Estate License Act and the Rules of the Texas Real Estate Commission by ensuring that our licensees understand their responsibilities and obligations in a real estate transaction.

One way we help our licensees and the public is to answer questions we receive by phone, letter, fax or email. You may have seen some of the questions we receive on our website under *Frequently Asked Questions*. Reading those should give you a pretty good idea of the kinds of questions we receive every day. Yes, these are real questions from real people.

Unfortunately, we are prohibited from answering certain types of questions. If you are one of those frustrated people who has contacted us to answer your question, and we told you that you would need to consult with a private attorney, and you can't understand why we can't just answer the *!#@*!! question, we do have good reason for telling you that. We can only answer questions that pertain to the licensing laws – the Act and the Rules.

Some examples of questions we can answer are:

- Any questions regarding interpretation of the Texas Real Estate License Act and the Rules of the Texas Real Estate Commission.
- Which Texas Real Estate Commission promulgated form to use in a particular type of transaction.
- Whether it appears that a person should file a complaint regarding a particular transaction or activity of which she is aware.
- What conduct by a licensee could constitute a violation of the Texas Real Estate License Act or the Rules.

We cannot assist in filling out contracts, even though they are Texas Real Estate Commission promulgated forms. This is because if we give advice as to what should or should not be placed in the blanks, we would be acting as private attorneys giving legal advice, which we cannot do.

Some examples of questions we cannot answer are:

- Anything pertaining to a contract with a sponsoring broker – a contract is a private agreement between the parties and is not governed by Texas Real Estate Commission laws.
- Any questions regarding Texas Association of Realtors forms. You would need to call the Texas Association of Realtors to ask questions about their forms.
- Any question regarding the usage of a Multiple Listing Service. We do not regulate the Multiple Listing Service systems in Texas.
- Questions about the U. S. Department of Housing and Urban Development (HUD) forms.
- We cannot advise about commission disputes between brokers and salespersons. Those issues are governed by the contractual agreement the broker and salesperson have with each other.
- Advice about commission disputes between licensees and their clients.
- We cannot speculate on the outcome of a complaint that is under investigation, nor can we tell you how we think you can prevail as either the complainant or respondent.

TWO NEW MEMBERS APPOINTED BY COMMISSION TO BROKER-LAWYER COMMITTEE

At its meeting on August 11, 2003, the Texas Real Estate Commission unanimously elected Michael H. Bray of El Paso and Bob Baker of Plano to six year terms on the Texas Real Estate Broker/Lawyer Committee beginning September 1st and continuing until August 31, 2009. They will replace Randy Jeffers of Amarillo and Donald Harvey of Boerne on the committee which has consisted of six brokers appointed by TREC and six attorneys named by the President of the State Bar of Texas. Under legislation enacted in the 78th Regular Session, the Governor will be appointing a Public Member to the committee, providing an odd-number of members (13). No appointment has been made yet to the Public Member term

Enforcement Questions and Answers

(these and other questions and answers may be found on TREC's web site at http://www.trec.state.tx.us/questions/faq-enf_recent.asp)

Q. Can one be both a real estate salesperson and a mortgage loan originator?

A. Yes. A licensed real estate agent may represent a party to a transaction and collect a mortgage loan origination fee in the same transaction, IF the agent discloses to and obtains the consent of his client, the existence of any fee the agent collects from any person other than his client in the transaction. For more information go to the Texas Savings and Loan Department website at www.tsls.state.tx.us.

Q. We would like to hire new associate salespersons and brokers. May we advertise within the real estate community for new associates? Can we email salespersons and brokers directly, even if they are under contract with another broker or agency?

A. This state agency does not regulate the hiring or working arrangements or agreements between and amongst real estate brokers and salespersons. Your advertisements for salespersons or brokers to join your company are not regulated by the Real Estate License Act or the Rules of the Commission.

Q. If the seller reviews and discusses the Seller's Disclosure Form responses with his listing agent, and the agent encourages the seller not to list too many negatives and to leave one or more known defects off the disclosure form, is this a violation by the listing agent? The agent was aware of repairs needed and advised omitting that information from the disclosure form.

A. The Texas **Real Estate License Act** states that if a licensee makes a "material misrepresentation" or fails to disclose to a potential purchaser any latent structural defect or any other defect known to the broker or salesperson, the Commission make take disciplinary action against that licensee. A latent structural defect is one that would be a significant factor to a reasonable and prudent purchaser in making a decision to purchase.

Q. I am a homeowner and am selling my home myself. I do not always have time to show the property. I would like to pay a friend to do this for me, but he is not licensed by TREC. He will only be scheduling and showing the property and will not be involved in any negotiations. Is this legal?

A. No. The Texas Real Estate License Act prohibits a person from procuring or assisting in the procuring of properties for the purpose of effecting the sale, exchange, lease, or rental of real estate for a fee, commission or other valuable consideration, or with the intention or in the expectation or on the promise of receiving or collecting a fee, commission, or other valuable consideration from another person, without holding the proper license issued by the Real Estate Commission.

NEW SALESPERSON SPONSORSHIP FORM

Effective September 1, 2003, TREC will begin using a new Salesperson Sponsorship Form. This one form will have multiple purposes and will be used by new applicants who wish to enter the sponsorship of a broker, by salespersons who are changing sponsoring brokers, or by an inactive salesperson returning to active status and who wishes to enter the sponsorship of a broker. A feature of this form that is a significant change from prior forms is that the \$20 filing fee will not be required of first-time applicants who are filing for a sponsorship by a sponsoring broker nor to licensees who are filing late renewals and want an active license.

While the new form will become effective September 1, there will be a transition period when the old forms will also be accepted. The "Request to Sponsor Salesperson Applicant" form (which is currently used for new licensees requesting a sponsoring broker) and the "Salesperson Sponsorship Form" (currently used for those licensees who are requesting a change in sponsoring brokers) will be accepted until May 2004. They both require the \$20 filing fee. If TREC receives an old form with the \$20 filing fee from a first time applicant, the sponsorship information will be processed. However, TREC encourages all applicants and licensees to use the new form after September 1, 2003. The form will be available on the licensing forms page of the website at: <http://www.trec.state.tx.us>

TREC Email Notification List

The TREC Email Notification List enables subscribers to receive automated notification of new and changing information from the Texas Real Estate Commission (TREC).

Typical items that will be posted include TREC Commission meeting agendas, notification of public meetings, proposed rule changes, new rules and new forms.

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Disciplinary Actions

May 2003-July 2003

Marsh, Dorothy Jean
(Houston); license# 419648

Revocation of salesperson license, effective May 9, 2003 ; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Green, Carrie Denise
(Houston); license# 422751

Revocation of salesperson license, effective May 9, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Batts, C. Michael
(Houston); license# 358773

Agreed reprimand of broker license, entered May 12, 2003; Agreed administrative penalty of \$250, entered May 12, 2003 ; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate broker license, in violation of 22 TAC Section 535.91(a) of the Rules of the Texas Real Estate Commission

Miller, Karen M.
(Georgetown); license# 334285

Agreed reprimand of salesperson license, entered May 13, 2003; Agreed administrative penalty of \$750, entered May 13, 2003 ; failing to complete contract forms correctly, failing to use correct contract form, in violation of Section 15(a)(6)(W) of the Real Estate License Act and 22 TAC Sections 537.11(d) and 531.3(3) of the Rules of the Texas Real Estate Commission

Ripley, William Dean
(Austin); license# 148501

Agreed reprimand of broker license, entered May 13, 2003; failing to supervise a sponsored salesperson who failed to use contract forms correctly and failed to use the correct contract form, in violation of Section 15(a)(6)(W) of The Real Estate License Act

Morse, Steven Bryan
(Houston); license# 402697

Agreed reprimand of broker license, entered May 15, 2003; Agreed administrative penalty of \$250, entered May 15, 2003; failing to pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Klanecky, Iriss
(Corpus Christi); license# 246894

Agreed reprimand of broker license, entered May 20, 2003; accepting \$1000 from the buyers intended to be earnest money if a contract was executed and instead retaining the funds claiming them as compensation and depositing the funds into her personal account, in violation of Section 15(a)(6)(E) of The Real Estate License Act

Kopecky, Warren Thomas
(Leander); license# 422198

Agreed administrative penalty of \$300, entered May 20, 2003; violation of term and condition of his probationary license for failure to provide the Commission's Director of Enforcement with evidence of his completion of thirty (30) classroom hours in a Principles of Real Estate Course, as defined by Section 7(a)(1) of The Real Estate License Act

Smith, Ralph C.
(Montgomery); license# 399383

Revocation of salesperson license, effective May 21, 2003 ; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules of the Texas Real Estate Commission

Southwest Warranty Corporation
(Richardson); license# 124

Agreed 60-day suspension of Residential Service Company license fully probated for 24 months, effective May 22, 2003; Agreed administrative penalty of \$1000, entered May 19, 2003; two counts of advertising or merchandising its services in an untrue, misleading, deceptive, or unfair manner, in violation of Section 18(a)(5) of the Residential Service Company Act; failing under normal circumstances to initiate services contracted for within 48 hours after request for services was made by the contract holder, in violation of Section 15)(a)(3)(vi) of the Residential Service Company Act; failing to exercise adequate oversight of repair contractors and failing to keep the contract holder adequately informed about the progress of repair work, in violation of Section 18(a)(1) of the Residential Service Company Act

Barker, Mary
(San Saba); license# 85122

Reprimand of broker license, entered May 27, 2003; failing to furnish the written statement regarding agency relationships to a party to a real estate transaction as required by Section 15C(d) of The Real Estate License Act, in violation of that section

Garner, Jeanette Sue
(Houston); license# 145180

Agreed reprimand of broker license, entered May 28, 2003; Agreed administrative penalty of \$250, entered May 28, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Williams, Denetta Renee
(Houston); license# 424794

Revocation of salesperson license, effective May 29, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Woosley, Hiram Edward Jr.
(Houston); license# 181048

Revocation of broker license, effective May 29, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Calendar of Events

Commission Meetings:

October 13, 2003
December 1, 2003

Broker-Lawyer Committee Meetings:

To be announced

Inspector Committee Meetings:

September 29, 2003

Web site:

<http://www.trec.state.tx.us>

Phone

(800) 250-TREC (8732)
or
(512) 459-6544

Commission

Uptown Realty, Inc.
(Dallas); license# 428893

Agreed reprimand of broker license, entered May 30, 2003; Agreed administrative penalty of \$500, entered May 30, 2003; failing to supervise a salesperson negotiating and handling a real estate sales transaction, in violation of Section 15(a)(6)(W) of The Real Estate License Act

Grossman, Michael David
(Dallas); license# 146929

Agreed reprimand of broker license, entered May 30, 2003; while acting as designated officer for a corporation licensed as a real estate broker, failed to supervise a salesperson negotiating and handling a real estate sales transaction, in violation of Section 15(a)(6)(W) of The Real Estate License Act

Burnett, Leta Dee
(Dallas); license# 418168

Agreed reprimand of salesperson license, entered May 30, 2003; failing to ensure that a transaction was properly negotiated, including proper completion of the contract and use of Commission-promulgated contract form, in violation of Section 15(a)(6)(W) of The Real Estate License Act

Batts, C. Michael
(Houston); license# 358773

Revocation of broker license, effective June 9, 2003; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate broker license, in violation of 22 TAC Section 535.91(a) of the Rules of the Texas Real Estate Commission

McNeill, Holli Jo
(De Soto); license# 448142

Revocation of salesperson license, effective June 9, 2003; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules of the Texas Real Estate Commission

Rees, Raymond Winstead
(Dallas); license# 449542

Revocation of salesperson license, effective June 9, 2003; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules of the Texas Real Estate Commission

Daniels, Crystal A.
(Richardson); license# 476948

Revocation of salesperson license, effective June 9, 2003; failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of Section 535.91(a) of the Rules of the Texas Real Estate Commission

Murphy, Pamela Ann
(De Soto); license# 327273

Agreed reprimand of broker license, entered June 13, 2003; Agreed administrative penalty of \$250, entered June 13, 2003; failing to pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Karriem, Fatima
(De Soto); license# 451376

Agreed 4 months suspension of broker license fully probated for 1 year, effective June 20, 2003, Agreed administrative penalty of \$500, entered June 11, 2003; acted negligently or incompetently by failing to deliver the option fee of her client, and affixing the signature of her client, the buyer, to an amendment and release of contract forms without the proper authorization to do so, in violation of Section 15(a)(6)(W) of The Real Estate License Act

Lasater, Donna
(Irving); license# 297169

Agreed 2 months suspension of salesperson license fully probated for 6 months, effective June 20, 2003; Agreed administrative penalty of \$500, entered June 20, 2003; acted negligently or incompetently by not informing her clients, the sellers, the earnest money had not been deposited by the buyers in accordance with the terms of the contract, and failed to negotiate extensions to the contract in writing, in violation of Section 15(a)(6)(W) of The Real Estate License Act

Dockery, Seth III
(Dallas); license# 469558

Revocation of broker license, effective June 25, 2003; failing within a reasonable time to make good a check issued to the Commission and to pay the processing fee, in violation of Section 15(a)(4) of the Real Estate License Act; failing to pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Nabelsi, Derar M.
(Houston); license# 312905

Agreed reprimand of broker license, entered June 27, 2003; Agreed administrative penalty of \$250, entered June 27, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Frankel, Ronald
(Surfside); license# 386485

Revocation of broker license, effective July 2, 2003; criminal conviction of the felony offense of injury to a child, in violation of 22 TAC §541.1 and Section 53.021(a), Texas Occupations Code

Sawai, Sarah Baker
(Plano); license# 467365

Agreed reprimand of salesperson license, entered July 2, 2003; Agreed administrative penalty of \$250, entered July 2, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Stevenson, John Paul, Jr.
(Austin); license# 436012

Agreed reprimand of salesperson license, entered July 3, 2003; Agreed administrative penalty of \$250, entered July 3,



**You must still renew
your license even if you
choose to be inactive.**

(Continued from page 9-Disciplinary Actions)

2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Chang, Grace Tung
(Houston); license# 413498

Agreed reprimand of salesperson license, entered July 3, 2003; Agreed administrative penalty of \$250, entered July 3, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Anderson, Jane C.
(Austin); license# 224011

Agreed reprimand of broker license, entered July 8, 2003; Agreed administrative penalty of \$250, entered July 8, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Radoccia, Stephen David
(Dallas); license# 356548

Agreed reprimand of salesperson license, entered July 8, 2003; Agreed administrative penalty of \$250, entered July 8, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Harmon, Thomas Patrick
(Laredo); license# 308200

Agreed reprimand of broker license, entered July 9, 2003; Agreed administrative penalty of \$250, entered July 9, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Gilbert, Charlene
(Coppell); license# 130730

Agreed reprimand of broker license, entered July 9, 2003; Agreed administrative penalty of \$250, entered July 9, 2003; failing to complete continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Thomson, Christopher Allan
(Dallas); license# 458360

Agreed reprimand of broker license, entered July 11, 2003; Agreed administrative penalty of \$250, entered July 11, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Carter, Stanwyn Jay
(Houston); license# 429956

Agreed administrative penalty of \$1,000, entered July 14, 2003; sponsored a salesperson and after the expiration of the salesperson's license, the salesperson continued to be associated with the broker and to engage in acts of a real estate salesperson, in violation of Section 1101.652(b)(26);(27), Texas Occupations Code; paid commissions to a person for real estate brokerage services performed after the person's salesperson license expired, in violation of Section 1101.652(b)(11), Texas Occupations Code

Willoughby, Cathy J.
(Kilgore); license# 459072

Revocation of salesperson license, effective July 17, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Batista, Fernando
(Dallas); license# 313995

Agreed reprimand of salesperson license, entered July 21, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Kubinski, Daniel John
(San Antonio); license# 262512

Agreed 2 month suspension of broker license fully probated for 1 year, effective July 21, 2003; acting negligently or incompetently by signing the buyers' names to a written statement concerning their intentions to apply for a loan without their consent, in violation of Section 1101.652(b)(1), Texas Occupations Code

Dizdar, Mark Wallace
(McAllen); license# 298271

Agreed reprimand of broker license, entered July 23, 2003; Agreed administrative penalty of \$500, entered July 23, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Lough, Lori Ann
(Houston); license# 437738

Agreed reprimand of salesperson license, entered July 25, 2003; Agreed administrative penalty of \$250, entered July 25, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Trivett, Brian Scott
(Houston); license# 439968

Agreed reprimand of salesperson license, entered July 28, 2003; Agreed administrative penalty of \$250, entered July 28, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Chau, Nguyet Thi
(Dallas); license# 470259

Agreed administrative penalty of \$500, entered July 28, 2003; used an alias name as a real estate agent for the buyer, when engaged in a real estate transaction as the buyer under her legal name and failed to inform the seller that she was the buyer and a real estate licensee by either disclosure in the sales contract or in any other writing given prior to entering into the sales contract, in violation of 22 TAC Section 535.144 of The Rules of the Texas Real Estate Commission

**Got A Question About A
Relocation Company?**

Through a link maintained on the TREC web site, licensees may directly access The Real Estate Coalition for Cooperative Business Practices (the Coalition) of the Employee Relocation Council by clicking on "The Interchange" on the Coalition's website at

<http://coalition.erc.org>

Licensees may raise concerns about their dealings with a relocation company and send a message to the appropriate company for response.