



TREC Advisor

Texas Real Estate Commission ★ Volume 18, Number 3 ★ June 2007



Summary of 80th Legislative Session Impact on TREC

The 80th regular session of the Texas Legislature which concluded on May 28th was one of the most successful for our agency in recent history.

The Sunset Advisory Commission bill (SB 914) passed with two amendments added at the last minute. It continues TREC as a stand-alone agency for another 12 years to 2019 and makes a number of modifications in the area of enforcement and education while also integrating the TALCB staff into the TREC organizational structure.

TREC's housekeeping bill (HB 1530) passed with the addition of a requirement for fingerprinting/criminal background checks on all new real estate applicants and license renewals.

Some of the changes effective September 1, 2007 are:

- Late renewal fees will be based upon the amount of time the license has been expired for both salespersons and brokers.
- Online MCE courses can not be completed in less than 24 hours.
- TREC enforcement staff will begin implementing the revised complaint resolution process and prioritization.
- Administrative hearings will be conducted by the State Office of Administrative Hearings rather than by a TREC Administrative Law Judge.
- Home inspectors will be required to show proof of Errors & Omissions insurance as a condition of application and renewal with a minimum limit of \$100,000 per occurrence.
- A new Texas Real Estate Inspector Advisory Committee will replace the TREIC.
- The law establishing business licenses for Home Inspectors is repealed.
- TREC can order licensees to pay a refund to a consumer in addition to any other penalty or sanction. The amount of the refund may not exceed the amount that the consumer actually paid to the person for a service or accommodation.

Some of the changes effective January 1, 2008 are:

- Individuals applying for a real estate license will require a more extensive criminal background check, including fingerprinting. All current licensees will need to provide this information on their next license renewal.
- Providers of core real estate education courses will be required to provide a \$20,000 surety bond.
- Broker applicants will be required to have completed a 30 hour course on brokerage.

For the complete text of the bills and a section by section summary go to the TREC web page at www.trec.state.tx.us



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Beginning January 1, 2008 persons applying for and renewing a license will be required to furnish fingerprints and will be subject to a more detailed background check to obtain a license.





TEXAS REAL ESTATE COMMISSION

Meeting Highlights

June 4, 2007

The Texas Real Estate Commission held its regularly scheduled meeting at the TREC headquarters in Austin, Texas on Monday, June 4, 2007. Chairman John Walton pre-

sided. Staff reports were presented by Gwen Jackson, Director of Education, Licensing and Cashier; Della Lindquist, Director of Enforcement; Tom Watson, Director of Information Services; and Karen Alexander, Director of Staff Services.

Mr. Vernon R. Davis, Chair of the Inspector Committee gave the Inspector Committee report.

After executive session, the Commission voted to pay two recovery fund claims. One claim is for \$3,000 and one is for \$55,000.

The Commission adopted the rule review of 22 TAC Chapter 541 regarding Rules Relating to the Provisions of Texas Occupations Code, Chapter 53; and 22 TAC Chapter 535 (§§535.1-.81) regarding General Provisions.

Mr. Thorburn reported on the Legislative Session and the TREC appropriations request.

The Commission voted to request an attorney general opinion about SB 914's requirements for home inspector liability insurance.

The Commission announced that there would be a meeting of the Administrator Selection Committee on June 13, 2007 at TREC headquarters.

The Commission recognized Wayne Thorburn for his leadership and contributions during his term as TREC Administrator. Mr. Thorburn's last day as administrator will be July 6, 2007.

The Commission appointed Loretta R. DeHay, TREC's general counsel, as interim administrator.

The next meeting of the Commission is scheduled for August 6, 2007.

TREC HONORS LICENSEES WHO HAVE BEEN LICENSED 50 YEARS

In 1999 on TREC's 50th anniversary, TREC began recognizing licensees who had been licensed for 50 years.

On April 26 TREC and the MetroTex Board of Directors recognized North Texas licensees. Those licensees in the North Texas area were Sewall Cameron Cutler, Sarah Rowena Castloo, William Henry Maher, Jean M. Conner, Joseph W. Lindsley, Peter Weldon Baldwin, Richard Lee Clements, John Jackson Bentley, Lora Douglas James, John Daniel Slay, and George Adams Venner.



Peter Baldwin and Commissioner Mary Frances Burleson



Jean Conner and Commissioner Mary Frances Burleson



George Venner and Commissioner Mary Frances Burleson

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

Volume 18, Number 3 June 2007

Rick Perry Governor

Commission Members:

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Troy C. Alley, Jr. ARLINGTON

Mary Frances Burleson DALLAS

William H. Flores COLLEGE STATION

Louise Hull VICTORIA

Paul H. Jordan GEORGETOWN

Elizabeth Leal EL PASO

TREC Administrator Wayne Thorburn

Desktop Publishing Patricia Holder

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:

Texas Real Estate Commission P.O. Box 12188 Austin, Texas 78711-2188 (512) 459-6544 or (800) 250-TREC http://www.trec.state.tx.us



Mary Lou Whitham, William Beall and wife

On May 23, 2007, William Upton Beall was honored at a breakfast given by the Greater Tyler Association of Realtors for being licensed 50 years or more.



Paul Koepke, Wayne Thorburn and John Cuiper

On May 24, 2007, TREC Administrator Wayne Thorburn presented awards to licensees who have been licensed 50 years or more in the Corpus Christi area. Those honored were Paul J. Koepke, and John William Cuiper.



Left to Right Rob Cook ,HAR Chair, James Jax, Henry Gavens, Donald Ollenburger, Carl Taylor, Wayne Thorburn , TREC Administrator, and Bob Hale, President and CEO of HAR

On April 16, 2007, the Houston Association of Realtors hosted a luncheon for the individuals in the Houston area that had been licensed for 50 years or more. They were Henry R. Gavens, Donald Ollenburger, Charles Manly Rawson, James Woodruff Jax, and Carl Louis Taylor.

Check out the TREC web site www.trec.state.tx.us for *ONLINE* filing of applications and renewals, useful consumer information and downloads, and FAQs concerning Enforcement, Inspectors, and Education.

Legislative Change Requires Inspectors to Carry Liability Insurance

Senate Bill 914 modifies home inspector licensing and renewal requirements in Sections 1102.114 and 1102.203(a) of the Texas Occupations Code.

As of September 1, 2007, home inspectors must provide proof of liability insurance to obtain or renew a license. The liability insurance must provide coverage at a minimum of \$100,000 per occurrence. Because SB 914 does not define specifically what type of liability insurance coverage home inspectors will be required to hold, the Commission decided at its meeting on June 4, 2007, to ask the Office of the Attorney General to clarify whether SB 914 require an applicant to carry general liability insurance, or professional liability insurance, or both. At the same time, the Commission issued an interim policy statement which defines "liability insurance" to mean professional liability insurance, also known as "errors and omissions" or "E&O" insurance, until the Office of the Attorney General makes a final determination about the new requirements.

Inspectors who renew their licenses before September 1, 2007 will not be required to provide proof of liability insurance. However, they must provide proof of insurance for subsequent renewals.

Inspectors who provide proof of insurance and then renew their license in the future may be required to show proof that they were continuously insured during their previous license period in order to renew their license.

For more information about this new requirement, please refer to the Home Inspector page of the TREC web site: <http://www.trec.state.tx.us/inspector/default.asp>. By September 1, 2007, complete rules and forms will be in place for this change.

The new requirements are as follows (new text is underlined):

Section 1102.114. ISSUANCE OF LICENSE. The commission shall issue the appropriate license to an applicant who:

- (1) meets the required qualifications;
- (2) pays the fee required by Section 1102.352(a); and

(3) offers proof that the applicant carries liability insurance with a minimum limit of \$100,000 per occurrence to protect the public against a violation of Subchapter G.

Section 1102.203(a). A person may renew an unexpired license by paying the required renewal fee to the commission before the expiration date of the license and providing proof of liability insurance as required by Section 1102.114(3).



Administrator Wayne Thorburn was a speaker at the Real Estate Educators Association meeting in St. Louis, MO.

Thorburn to Leave TREC

Wayne Thorburn was named as the Texas Real Estate Commission Administrator on December 15, 1997. He is the chief executive officer of the Texas Real Estate Commission and also serves as Commissioner of the Texas Appraiser Licensing and Certification Board. Mr. Thorburn served as President of the international Association of Real Estate License Law Officials (ARELLO) in 2005.

Dr. Thorburn will be leaving TREC on July 6, 2007. TREC plans to have a new administrator named in mid-July or early August, 2007.

Disciplinary Actions

April 2007

Consumer Complaints



Bodey, Christopher Lynn
(Plano); license #478605

Revocation of salesperson license, effective April 3, 2007;

Count I: Christopher Lynn Bodey used a name in property management business and engaged in such business without the knowledge and consent of his sponsoring broker, placed a sign on real property offering it for sale or lease without written consent of the owner, maintained a business account that was not a trust or escrow account for monies belonging to others and was not joined on the account by his broker who had no knowledge of the account nor consented to such. Mr. Bodey negotiated all of the tenant's group of rental checks prior to the due date although it had been understood the checks would not be negotiated until the first of each month, Mr. Bodey failed to remit the security deposit or rent checks to his sponsoring broker, Mr. Bodey failed to name his sponsoring broker as the broker in a written residential leasing and property management agreement and instead listed his business name without the knowledge or consent of his sponsoring broker, Mr. Bodey remitted an insufficient funds check to the owner for the owner's funds for the leased real property, after termination of his services Mr. Bodey negotiated early the tenant's next month's rent check and failed to remit to the owner and/or tenant the security deposit and one month's rent, in violation of §1101.652(b)(1) of the Texas Occupations Code, §1101.652(b)(2) of the Texas Occupations Code, §1101.652(b)(9) of the Texas Occupations Code, §1101.652(b)(10) of the Texas Occupations Code, 22 TAC §535.146 and 22 TAC §535.159 of the Rules of the Texas Real Estate Commission;

Count II: after a complaint was filed with the commission and an investigation was opened against Christopher Lynn Bodey's real estate salesperson license, Mr. Bodey failed or refused to produce on request from an Investigator of the Enforcement Division a written response to the complaint along with information and related documents within the time requested, in violation of §§1101.652(a)(5)&(6) of the Texas Occupations Code;

Count III: after changing sponsoring brokers for at least about a 2 month period, Christopher Lynn Bodey negligently and/or incompetently continued to advertise his real estate brokerage services on a web site as an associate of his former sponsoring broker without authorization and as such misled the public, in violation of §1101.652(b)(1) of the Texas Occupations Code, §1101.652(b)(23) of the Texas Occupations Code, and 22 TAC §535.154 of the Rules of the Texas Real Estate Commission

Ranzani, Joseph
(Austin); license #410350

Agreed reprimand of salesperson license, entered April 10, 2007; Agreed administrative penalty of \$2,000, entered April 10, 2007; acting negligently or incompetently in performing an act for which a person is required to hold a real estate license, in violation of §1101.652(b)(1) of the Texas Occupations Code; failing to be meticulous in his record-keeping regarding a defect in a listed property, in violation of 22 TAC §531.1(2) of the Rules of the Texas Real Estate Commission; failing to keep his principal, which was the seller, an out-of-state bank, informed at all times of significant information applicable to the transaction in which the licensee was acting, in violation of 22 TAC §535.156(c) of the Rules of the Texas Real Estate Commission; and failing to convey accurate information to the buyer and to members of the public with whom the licensee dealt, in violation of 22 TAC §535.156(d) of the Rules of the Texas Real Estate Commission

Saldana, Kendall Brooke
(Frisco); license #Unlicensed

Agreed administrative penalty of \$250, entered April 11, 2007; after expiration of her real estate salesperson license, Ms. Saldana acted or represented that she was an associate of her former sponsoring real estate broker without first holding a license issued by the Texas Real Estate Commission by not making clear to the lease listing agent and owner that she was an unlicensed assistant when Ms. Saldana scheduled and showed a prospective tenant real property for lease, used the supra key that was leased to her former sponsoring real estate broker, accompanied the prospective tenant to a meeting with the owner and lease listing agent, and inquired about the lease commission, in violation of §1101.351(a)(1) of the Texas Occupations Code

Bennett, Rhonda Lynn
(Plano); license #547984

Agreed administrative penalty of \$250, entered April 11, 2007; after expiration of her real estate salesperson license, Ms. Bennett continued to act or represent that she was an associate of her former sponsoring real estate broker without first holding a license issued by the Texas Real Estate Commission and although her conduct was not done to circumvent the Real Estate License Act and upon learning her license was expired she immediately ceased and desisted the business of real estate brokerage, the conduct of Ms. Bennett called into question her good judgment and integrity in her application for late renewal of a real estate salesperson license

Calendar of Events**Commission Meetings:****August 6, 2007
(Austin)****Broker-Lawyer Committee Meetings:**None at this time
(Austin)**Inspector Committee Meetings:****July 5-6, 2007
(Austin)****Web site:**<http://www.trec.state.tx.us>**Phone**(800) 250-TREC (8732)
or
(512) 459-6544**Taylor, Paris
(Grand Prairie); license #535110**

Agreed 3-month suspension of salesperson license fully probated for two years, effective April 16, 2007; Agreed administrative penalty of \$250, entered April 16, 2007; Mr. Taylor filed an application for a real estate salesperson license and an application for late renewal of a real estate salesperson license wherein on each application he answered "no" to the question "Are there any criminal charges pending against you?" at a time there were charges against him pending therefore depriving the Commission the opportunity to make an inquiry into criminal conduct that directly impacts upon his fitness for a license and constitutes procuring a license by fraud, misrepresentation, or deceit or by making a material misstatement of fact in an application for a license, in violation of § 1101.652(a)(2) of the Texas Occupations Code

**Turk, Kathleen M.
(Willis); license #539724**

Agreed administrative penalty of \$500, entered April 9, 2007; engaging in brokerage activities after her license had expired by preparing an offer for her clients with the expectation of receiving a fee, in violation of § 1101.351 of the Texas Occupations Code; failing to provide truthful information regarding unlicensed real estate brokerage activity when completing an application for late renewal of a salesperson license, in violation of § 1101.652(a)(2) of the Occupations Code

**Verot, Danielle Allen
(Dallas); license #Unlicensed**

Assessment of an administrative penalty of \$14,000.00, entered April 24, 2007; Ms. Verot acted, engaged in, and represented that she was a real estate broker or salesperson without first holding a license issued by the Texas Real Estate Commission by renting and leasing real properties on behalf of an owner for a fee, attempting to sell real properties for the owner with an expectation of receiving valuable consideration, providing brokerage services in a real estate sales transaction and receiving compensation for her services at the closing, and placing signs on real properties of the owner with contact information for herself for the lease or sale of the properties, in violation of § 1101.351(a)(1) of the Texas Occupations Code

**Haddock Properties, Inc.
(Pearland); license #385232**

Agreed reprimand of broker license, entered April 25, 2007; Agreed administrative penalty of \$250, entered April 23, 2007; acted negligently or incompetently in training and supervising a sponsored salesperson by failing to ensure that the salesperson presented the Information About Brokerage Services disclosure upon the first substantive dialogue with a buyer client and failing to ensure that the salesperson made clear to all parties to a transaction the party for whom she was acting, in violation of § 1101.652(b)(1) of the Texas Occupations Code investigation, in violation of § 1101.652(b)(5) and failing to provide information related to a complaint, in violation of § 1101.652(b)(6), both of the Texas Occupations Code

Administrative Complaints**Fisher, James Edwin, Jr.
(Houston); license #400032**

Agreed reprimand of salesperson license, entered April 3, 2007; Agreed administrative penalty of \$250, entered April 3, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC § 535.92(f) of the Rules of the Texas Real Estate Commission

**Hommel, Sue Ann
(Houston); license #329016**

Agreed reprimand of broker license, entered April 3, 2007; Agreed administrative penalty of \$250, entered April 3, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC § 535.92(f) of the Rules of the Texas Real Estate Commission

**Farris, Cynthia Ann
(San Antonio); license #286992**

Revocation of broker licensed, effective April 5, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC § 535.92(f) of the Rules of the Texas Real Estate Commission

**Taylor, Tanya R.
(Houston); license #465808**

Agreed reprimand of salesperson license, entered April 5, 2007; Agreed administrative penalty of \$250, entered April 5, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day

period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Smith, Martha McKinney
(Bastrop); license #414023**

Agreed reprimand of salesperson license, entered April 5, 2007; Agreed administrative penalty of \$250, entered April 5, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Delgado, Marcos Antonio
(Garland); license #507969**

Agreed reprimand of salesperson license, entered April 9, 2007; failing to 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 §535.91(c) of the Rules of the Texas Real Estate Commission

**Hancock, Darla Marie
(Texarkana); license #423596**

Revocation of broker license, effective April 11, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Dudley, J. Walter
(Houston); license #411583**

Revocation of broker license, effective April 11, 2007; payment of \$25,960.12 made by the Texas Real Estate Recovery Trust Account toward satisfaction of a judgment against J. Walter Dudley, as provided by §1101.655 (a) of the Texas Occupations Code

**George, Darron Michael
(Allen); license #497470**

Revocation of salesperson license, effective April 12, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Castleberry, Richard J. T. III
(Cedar Park); license #345192**

Agreed reprimand of broker license, entered April 13, 2007; Agreed administrative penalty of \$250, entered April 13, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Allen, Harold Lynn
(Heath); license #448666**

Agreed reprimand of salesperson license, entered April 17, 2007; Agreed administrative penalty of \$250, entered April 17, 2007; 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 §535.91(c) of the Rules of the Texas Real Estate Commission

**Lagoye, Abiodun Henri
(Houston); license #477836**

Revocation of salesperson license, effective April 18, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Adams, Patricia J.
(Houston); license #508740**

Revocation of salesperson license, effective April 20, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Glendenning, Marilyn W.
(Austin); license #500714**

Agreed reprimand of salesperson license, entered April 23, 2007; Agreed administrative penalty of \$250, entered April 23, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Newman, Brent W.
(Cypress); license #522050

Revocation of salesperson license, effective April 25, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Bettencourt, Helaine
(Oceanside, CA); license #356988

Revocation of broker license, effective April 26, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Hernandez, Melida
(Stafford); license #485778

Revocation of salesperson license, effective April 26, 2007; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Devenport, Raymond Michael
(Houston); license #194409

Revocation of broker license, effective April 27, 2007; failing within a reasonable time to provided 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 §535.91(c) of the Rules of the Texas Real Estate Commission

YOU MUST PAY A RENEWAL FEE TO RENEW YOUR LICENSE

Renewing ONLINE is quick and easy.
All you need is a computer with internet access, your renewal postcard and a credit or check card.

