

# TREC Advisor

Our agency protects consumers of real estate services in Texas by ensuring qualified and ethical service providers through upholding high standards in education, licensing, and regulation. We oversee the providers of real estate brokerage, appraisal, inspection, home warranty, timeshares and right-of-way services, thereby safeguarding the public interest while facilitating economic growth and opportunity across Texas.



---

**INSIDE THIS ISSUE: New Survey Announced for Licensed Texas Real Estate Service Providers (page 1) TREC Enforcement Actions (page 1) From The Executive Director (page 2) Trust Accounts 101 (page 3) Proposed Rules (page 4) TREC Staffing Updates (page 5)**

---

## New Survey Announced for Licensed Texas Real Estate Service Providers

The Texas Real Estate Commission is pleased to announce the launch of a survey of license holders. In cooperation with the Texas A&M Real Estate Center, and hosted by the University of Houston, this important survey will offer the Commission insights into the status and needs of the agency's license holders. Going forward, the survey is scheduled to be updated every four years.

While the agency's laws and rules set requirements for obtaining and renewing each type of license, the agency needs to better understand who our license holders are and how they view their work environment, daily business, and professional practices. A survey of this type has not been conducted in over a decade. During that time, significant changes have directly affected developments in the real estate industry. The agency seeks to gather more information and gain additional perspective as it strives to improve customer service, increase license holder expertise, and enhance consumer protection.

The agency is charged to oversee the providers of real estate brokerage, appraisal, inspection, home warranty, timeshare and right-of-way services in Texas. The agency's mission is to protect the consumers of real estate services in Texas. We do this by upholding high standards in education, licensing, and regulation to ensure that the providers these services are both qualified and ethical, thereby safeguarding the public interest while also facilitating economic growth and opportunity across Texas. TREC can best accomplish this mission with collaboration from all of our license holders, and your cooperation with this survey is an important step in strengthening this collaboration.

[The survey link is now live on the TREC website.](#)

The survey is anonymous and will be available for about 30 days. The survey will take just 10 minutes to complete. TREC appreciates you making time to participate and looks forward to the insights our license holders will provide.

## TREC Enforcement Actions

The Texas Real Estate Commission has published enforcement actions. To read the full report and get access to all of the enforcement actions taken by the Commission, you can read [the August report here.](#)



Douglas E. Oldmixon

## From the Executive Director ...

As we prepare for our next meeting of the Commission on Monday Nov 14, I found myself reflecting on how far we as an agency and a profession have come in the last seven years and pondering some of the major challenges that still lay ahead.

Let me mention just a few examples in each category.

The highlights of our path to address regulatory weaknesses and restore professionalism include: adding recent relevant experience as a criterion for obtaining a broker license, making a course in Broker Responsibility a CE requirement for sponsoring or supervising other license holders; chartering the Education Standards Advisory Committee to upgrade our educational curriculum; adding SFR rental management as an activity that requires a license, updating the IABS form and Consumer Disclosure to be more easily understood and more widely accessible by posting on business websites, and requiring both subject matter and adult education competence for instructors of qualifying and non-elective CE courses. Each of these accomplishments advanced or restored a level of attainment that better protects the clients of our license holders and enhanced our own self-respect as licensed professional advisors on real estate brokerage issues. We appreciate the collaborative role all of our stakeholders played in assisting us to

make each of these accomplishments a workable reality. We are grateful to all of you.

What market developments or challenges remains to be addressed that will further advance the protection of Texans participating in the real estate market, and enhance the professional competence and reputation of license holders? Certainly clarifying the advertising requirements to ensure Texans are fully aware when solicitations are made by license holders on behalf of a client and not made by an owner or principal is a worthy goal. In addition, we have had many requests to ensure licensed professionals are adequately trained and knowledgeable when offering more complex services to consumers – like property management, commercial/investment brokerage, and similar specialized services. This is another worthy endeavor that will enhance our professional standing. And of course it is part of our duty to address services offered by technological means to ensure the method of delivery is consistent with and does not undermine or diminish the fiduciary duties owed to our clients.

As the Commission continues to respond to the challenges offered by technology and other market developments, we pledge to continue our practice of closely consulting with all of our stakeholders to ensure we remain proactive, transparent, and balanced. We encourage your continued involvement.

Just a reminder to please [complete the open survey of agency license holders](#) so that we can better understand your characteristics and needs. Thank you!

## IMPORTANT DATES TO REMEMBER

TREC Commission Meeting—November 14

Thanksgiving Holiday – Office Closed—November 24-25

Check the [TREC website](#) regularly for postings of all of our upcoming meetings.

## TRUST ACCOUNTS 101

### What is trust money?

Client's money, earnest money, rent, unearned fees, security deposits, or any money held on behalf of another person. Trust money is held in a fiduciary capacity.

### What is a trust account?

An account managed by one party for the benefit of another (in a banking institution authorized to do business in Texas).

### What should a broker do when the broker receives trust money?

Unless otherwise agreed IN WRITING by the principals to a transaction, a broker must deposit the money into a trust account or deliver to an authorized escrow agent

### When must the trust money be deposited or delivered?

No later than the close of business of the second working day after the date received.

### Who can maintain a trust account?

Only a broker. The rules specifically prohibit a sales agent from maintaining a trust account.

### What should a sales agent do when the sales agent receives trust money?

Deliver the trust money to the sales agent's sponsoring broker immediately. (Rent money collected, security deposits, application deposits...)

### What if a broker's sponsored sales agent doesn't follow the rules regarding trust money? Is the broker liable?

Maybe. A broker's policies and procedures for sponsored sales agents are required to ensure that funds received from consumers are maintained with appropriate controls in compliance with trust account rules.

### Can't I just deposit trust money with my business and personal accounts?

No. Depositing or maintaining trust money in a personal account or any kind of business account is specifically prohibited. This also violates the Texas Real Estate License Act because this commingles money that belongs to another person with the license holder's own money.

### What are the requirements for trust accounts?

- Clearly identify the account as a trust account.
- Deposit enough money to cover bank and service fees and keep detailed records of that money.
- Maintain a documentary record of each deposit or

- withdrawal.
- Provide an accounting to each beneficiary at least monthly IF there is any activity in the account.
- May authorize another license holder to withdraw or transfer money BUT the broker remains responsible and accountable for all trust money received by that broker and all deposits to or disbursements from the trust account.
- If a check is deposited and is dishonored, the broker must immediately notify all parties to the transaction in writing.
- If a broker is owed money from a trust account, the broker must remove the money no later than the 30th day after acquiring ownership. (For example: property management fees; reimbursement for repair expenses.)
- See also special requirements for interest bearing trust accounts.



Find all the rules  
about Trust  
Accounts in TREC  
Rule §535.146

### How long must a broker maintain trust account records?

Maintain all documentation for four years from the date the document is received or created.

This seem familiar? It's how long brokers are required to keep other records under the Broker Responsibility rules.

### What about paying money out of a trust account? As long as I keep track of the checkbook, I should be okay, right?

Disburse money according to the agreement under which the money was received. (Examples: property management or escrow agreements.) When a party to a real estate transaction makes written demand for payment of trust money, pay the trust money within 30 days after demand and give immediate written notice to all the parties to the transaction.

### What if I can't tell who is entitled to the trust money?

There are procedures you must follow, but you must respond to the demand within 30 days. Also, the Texas Real Estate License Act requires a license holder to properly account for or remit money that is received by the license holder and belongs to another person.

## Rule Proposals from the August Commission Meeting

The following amendments were proposed at the August 15, 2016, meeting of the Commission and are up for adoption at the November 14, 2016, meeting. You can see the full text of these rules on the "Proposed Rules" section of the TREC Website. The deadline to submit written comments on proposed rules has passed. All comments will need to be made in person at the meeting.

§534.2, Processing Fees for Dishonored Payments. The amendments are proposed to clarify that a processing fee is due when a payment to the Commission, through any form of payment, is dishonored or reversed due to insufficient funds or for any other reason, including stop payment.

§535.2, Broker Responsibility. The amendments are proposed to clarify that a broker must notify the Commission when the appointment of a delegated supervisor has ended except that a newly licensed broker or a broker associate named as a delegated supervisor is responsible to notify the Commission if their status as a delegated supervisor changes.

§§535.4, License Required, and 535.5, License Not Required. The amendments are proposed to clarify the definition of what constitutes showing property in light of the statutory requirement that license holders must pass criminal background reviews prior to licensure. The amendments also set out the only circumstances under which an unlicensed assistant can show or an unescorted person can be provided access to a vacant property. The rule was also updated to replace the term "salesperson" with the new statutory term of "sales agent."

§535.45, Certain uses of Seal, Logo, or Name Prohibited. The amendments are proposed to clarify that license holders may not use the seal, logo, or name of the Commission to imply they are a government agency or have received special Commission endorsement or status.

§535.57, Examinations. The amendments are proposed to clarify the period that examination results remain valid for an application and better align the rules with the statutory period set forth in Texas Occupations Code, §1101.401(f).

§535.62, Approval of Qualifying Courses. The amendments are proposed to clarify that authorization for subsequent use of a previously approved course must be given by the owner of the rights to the course, which may or may not be the provider for whom the course was initially approved.

§535.65, Responsibilities and Operations of Providers of Qualifying Courses. The proposed amendments remove the requirement for education completion certificates to include the registration date since that information not necessary for the Commission to calculate compliance with statutory timeframes for course completion.

§535.72, Approval of Non-elective Continuing Education Courses. The amendments are proposed to clarify that classroom students must take the promulgated final examination independently prior to the instructor reviewing the correct answers.

§535.73, Approval of Elective Continuing Education Courses. The amendments are proposed to clarify that authorization for subsequent use of a previously approved course must be given by the owner of the rights to the course, which may or may not be the provider for whom the course was initially approved.

§535.101, Fees. The proposed amendments implement the budget and budget policies adopted by the Commission at their August meeting. Accordingly, renewal fees for sales agents are being reduced by \$6. Additionally, the fee section for examinations was amended to indicate that those fees are a pass through fee negotiated in a contract with the vendor and can vary from contract to contract. Finally, the rule was amended to clarify that a processing fee is due when a payment to the Commission, through any form of payment, is dishonored due to insufficient funds or any other reason, including stop payment.

§535.218, Continuing Education Required for Renewal. The proposed amendments to §535.218 change the continuing education requirements for non-elective coursework to include a four-hour course developed by the Commission in conjunction with the Texas A&M University Real Estate Center. The proposed amendments would allow license holders to receive continuing education credit for education courses taken outside of Texas and for in-person attendance at the February meeting of the Texas Real Estate Inspector Advisory Committee. The proposed amendments also make typographical corrections and conforming changes for consistency with other Commission rules.

§535.63, Approval of Instructors of Qualifying Courses. The proposed amendments to §535.63 conform this section with the proposed amendments to §535.218, Continuing Education Required for Renewal, for consistency.

§535.74, Approval of Continuing Education Instructors. The proposed amendments to §535.74 conform this section with the proposed amendments to §535.218, Continuing Education Required for Renewal, for consistency.

§§535.201, Definitions, and 535.212, Education and Experience Requirements for a License. The proposed amendments to §§535.201 and 535.212 conform those sections with the proposed amendments to §535.218, Continuing Education Required for Renewal, for consistency.

## TOP Employee Announced



**Sandy Zimmerman**

*TREC Standards and Enforcement Services*

Congratulations to Sandy Zimmerman for being nominated by her peers as TOP Performer for this quarter! Sandy is an attorney who docketed a record nine cases at SOAH last quarter, resulting in 4 settlements, 4 hearings and 1 default order.

In addition, she handles a full case load, and serves as the DFW area team lead as well as PIA liaison for TREC SES. Way to go Sandy!

## TREC Employee Update

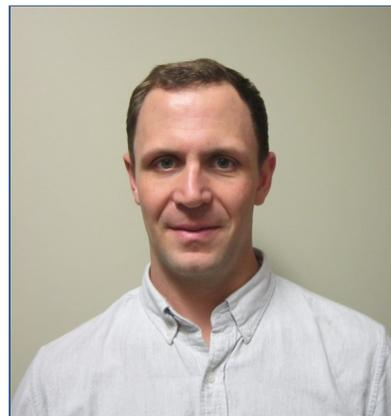


**John Heisler**

*TREC Standards and Enforcement Services*

Originally from Houston, John began his career in private practice. Areas of private practice included Personal Injury (plaintiff and defense), Administrative Law (two state agencies), Contract, Maritime/Admiralty, Workers' Compensation, and Commercial Collections.

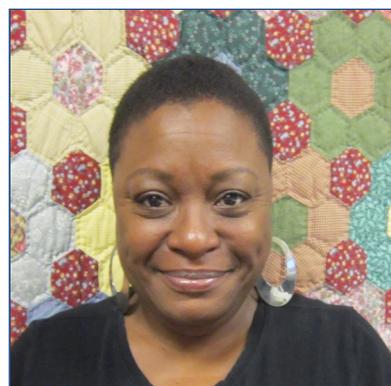
In 2007 John began working for the Texas Medical Board and in 2012 transferred to the Texas Department of Insurance-Division of Workers Compensation until October 12, 2016 when he began working for TREC.



**Cole Flannery**

*TREC Standards and Enforcement Services*

Cole Flannery joins TREC as an attorney in the SES Division. Most recently, Cole served as a remediation attorney with TCEQ. Before that, Cole was an attorney in the United States Army JAG Corps from 2012-2016. As a JAG, Cole served as a legal advisor in Afghanistan, chief legal counsel for a military intelligence and reconnaissance unit, and a lead criminal prosecutor. He is also a graduate of the US Army's Airborne School and Air Assault School. Today, Cole continues to serve as a JAG for the 71st Military Intelligence Brigade in the Texas Army National Guard. In his spare time, Cole enjoys spending time with his wife, daughter, and two dogs, and being outdoors as much as possible.



**Nicole (Niki) Brown**

*Staff and Support Services*

Niki joined TREC in October 2016 as an HR Generalist for Human Resources. Niki has over 17 years of human resources experience and has worked for the state for 22 years. She is the proud mother of two sons, ages 21 and 25. Her oldest son Donte Brown is an Airman First Class in the Air Force. Niki is currently working towards her Bachelor's degree in Human Resources Management.

# 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: Fingerprints Required in 2017 (page 1) Governor Appoints New Board Members (page 2) From the Commissioner (page 3) Experience Audit Requirements for Licensure in Texas (page 4) Proposed Rules (page 5)**

---

## Fingerprints Required Starting January 1, 2017

Starting January 1, 2017, any person applying for or renewing an appraiser license must provide their fingerprints, in a specified format, so that an FBI criminal history check can be performed. Once fingerprints are on file with the Texas Department of Public Safety (DPS), appraisers will not need to be fingerprinted for subsequent renewals but will be required to pay a subsequent background check fee at the time the renewal application is filed. Individuals who have already been fingerprinted for a real estate broker, sales agent, inspector or easement or right-of-way license will not need to be fingerprinted again for TALCB but will be required to pay a subsequent background check fee.

Fingerprint services will not be available before January 1, 2017. Any person who applies for or renews an appraiser license before January 1, 2017, will not need to submit fingerprints with their application or renewal. New applicants and

current license holders who apply for or renew an appraiser license on or after January 1, 2017, will need to obtain and submit fingerprints with their application or renewal. To avoid delays and assure continued licensure, current license holders should get electronically fingerprinted at least three weeks before their license expiration date.

MorphoTrust is the vendor that collects and submits fingerprints to the FBI through DPS. They have no role in the actual research and processing of the criminal background checks or the delivery of its results. After January 1, 2017, please visit the [TALCB website](#) for additional instructions and information on how to get fingerprinted.

## TALCB Enforcement Actions

The Texas Appraiser Licensing and Certification Board publishes their enforcement actions regularly on [the TALCB website](#). To read the reports please go to the TALCB website and click on, public and disciplinary actions.

## Governor Appoints New Board Members

Governor Abbott has appointed five new members to the Texas Appraiser Licensing and Certification Board (TALCB) and reappointed three. James Jefferies and Clayton Black have been reappointed with terms set to expire January 31, 2017. Alejandro Sostre-Odio and Joyce Yannuzzi with terms set to expire January 31, 2019 and Chance Bolton, Tony Peña and Martha Reid for terms set to expire January 31, 2021. Abbott has named Jamie Wickliffe of Midlothian, as Chair of the Board for the remainder of her term which is also set to expire January 31, 2019.

Jamie Wickliffe of Midlothian is the owner of S.J. Wickliffe and Co. She is a member of the National Association of Independent Fee Appraisers, National Association of Realtors, Texas Association of Realtors and North Texas Commercial Brokers. She is a former mayor pro tem of Midlothian and member of the Midlothian City Council. Wickliffe received an Associates Degree in real estate and business from Cedar Valley College.

Clayton Black of Stanton is the owner and manager of Lazy Leven Ranch. He is a past member of the American Society of Civil Engineers, National Concrete and Masonry Association, Texas Society of Professional Engineers, Lubbock Chamber of Commerce, Lubbock Lions Club and the Midland Jaycees. Additionally, he is a graduate from Leadership Lubbock and Leadership Midland. Black received a Bachelor of Science and a Master of Science in civil engineering from Texas Tech University.

James Jefferies of Georgetown is the owner of Jefferies Appraisal Services. He is a member of the Appraisal Institute and the American Society of Farm Managers & Rural Appraisers. He is a past chairman and board of directors member of the Texas Land Trust Council. Jefferies received a Bachelor of Arts in pre-law and political science from Wright State University and a Master of Arts in political science from Ohio State University.

Alejandro Sostre-Odio of San Antonio is a partner with Uhl, Fitzsimons, Jewett & Burton, PLLC. He is a member of the State Bar of Texas, San Antonio Bar Association and the Knights of Columbus at his local parish. Additionally, he is board certified by the Texas Board of Legal Specialization in Commercial Real Estate Law. Sostre-Odio received a Bachelor of Arts in English from the University of Puerto

Rico-Cayey Campus, a Juris Doctor from the Interamerican University of Puerto Rico School of Law and a Master of Laws in real estate property development from the University of Miami School of Law.

Joyce Yannuzzi of New Braunfels is a dedicated community leader and volunteer. She is a member of the United Way of Comal County Board of Directors and the New Braunfels Partnership Committee and grants chair for the Rotary Club New Braunfels. Yannuzzi received a Bachelor of Science in family studies from Texas Tech University.

Chance Bolton of Bee Cave is the managing partner of Bolton Real Estate Consultants, Ltd., and he is licensed a real estate appraiser and real estate broker. He is a candidate for designation with the Appraisal Institute, past board member of the Lake Travis Foundation and a former member of the Real Estate Council of Austin. Bolton received a Bachelor of Business Administration in entrepreneurship from the University of Houston and is a United State Navy Veteran.

Tony Peña of Lubbock is the Lubbock Market President of First Capital Bank of Texas. He is a board member of the Lubbock Area United Way, Lubbock Chamber of Commerce and Lubbock Christian University Fellowship Foundation Board. Peña received a Bachelor of Science in business administration from Lubbock Christian University.

Martha Gayle Lynch of El Paso is the owner of Gayle Reid Appraisal Services, Inc., and is a licensed Texas Real Estate Broker. She is a past president and member of the Appraisal Institute and Rio Grande Chapter of the Appraisal Institute, sustaining member of the Junior League of El Paso, member of the Executive Forum and a former Court Appointed Special Advocate for Children's rights. Lynch received a Bachelor in Business Administration from The University of Texas at El Paso.

TALCB is pleased to welcome the newly appointed and reappointed members to the board, and thanks them for their time and willingness to volunteer. The Board is committed to continuing its record of excellence in consumer protection and is grateful to have these new and returning members who will ensure this important mission.



Douglas E. Oldmixon

## From the Commissioner...

Governor Abbott has reappointed three members and appointed five new members to the Board. He also named Jamie Wickliffe as the Chair of the Board. A copy of the news release announcing the new members is included elsewhere in this newsletter. We welcome each of them and look forward to their future contributions to the mission of this agency. With the recent appointment of new members to the Appraisal Management Company (AMC) Advisory Committee, the Board is now fully staffed with professional policy makers and advisors. And just in time, as we have much important work to do.

We also express our gratitude to the members who have served the Board so diligently for these many years: appraiser industry members Walker Beard of El Paso and Laurie Fontana of Houston, and public members Jesse Barba Jr of McAllen,

Brian Padden of Austin and Patrick Carlson of Austin. We greatly appreciate your commitment and contributions to the success of this agency.

The Board will next meet on Friday Nov 18 at agency HQ. On Thursday Nov 17, the members will meet in a workshop format to begin forging the knowledge base of the new members and discussing important items of interest and concern to the mission of the Board and its efficient operations under a committee structure. Recent and proposed federal regulatory changes will be the main topics under review, as well as any needed or desirable legislative matters for the upcoming session.

At its meeting on Friday, in addition to the normal business it routinely conducts, the Board will consider finalizing two proposed fee reductions, one for renewal of AMC registrations and one for AMC appraiser panel management functions.

Just a reminder to please [complete the open survey of agency license holders](#) so that we can better understand your characteristics and needs. A link is available at the homepage of our website. Thank you!

### IMPORTANT DATES TO REMEMBER

TALCB Board Meeting—November 18

Thanksgiving Holiday—November 24-25

*Check the [TALCB website](#) regularly for postings of all of our upcoming meetings.*

# Experience Audit Requirements for Licensure in Texas

As the number of applications for appraiser licenses received by the Board continues to increase, it is timely to revisit the requirements for a key step in the license process: experience audits.

## FEDERAL REQUIREMENTS

The requirement for experience audits may be traced to the licensing criteria established by the Appraiser Qualifications Board (AQB) and enforced by the Appraisal Subcommittee (ASC) through Policy Statement 4, which provides:

*AQB Criteria sets forth the minimum education, experience and examination requirements applicable to all States for credentialing of real property appraisers. In the application process, States must, at a minimum, employ a reliable means of validating both education and experience credit claimed by applicants for credentialing.*

Policy Statement 4 requires the Board to validate all appraiser claims for experience by analyzing a representative sample of the applicant's work to determine compliance with USPAP.

## TALCB REQUIREMENTS

First, note that the number of hours of required experience has not changed: 2,000 hours acquired over 12 months for licensed residential appraiser, 2,500 hours acquired over 24 months for certified residential appraiser, and 3,000 hours acquired over 30 months for certified general appraiser.

Also, the types of appraisal assignments that qualify for experience credit have not changed; however, many trainees and their supervisors may not be aware of the broad range and flexibility provided by the TALCB's Rules when it comes to the types of acceptable appraisal-related experience. Most are familiar with the requirement that appraisals completed to develop and communicate a value of real property must generally comply with STANDARDS 1 and 2. As provided in TALCB Rule 153.15(e)(1):

*Experience credit may be awarded for: (1) Fee or staff appraisal when it is performed in accordance with STANDARDS 1 and 2 and other provisions of the USPAP in effect at the time of the appraisal.*

But many are not as familiar with the other types of appraisal assignments that also qualify for experience credit, such as appraisal review assignments. When an appraisal review assignment is completed in accordance with STANDARD 3 AND demonstrates proficiency in the skills used by appraisers under STANDARD 1, the appraisal review may count towards a trainee's experience requirements for licensure. See TALCB Rule 153.15(e)(4).

Ad valorem tax (or mass) appraisals may also count towards experience requirements as long as they conform to the STANDARD 6 AND, as in the case of appraisal

reviews, demonstrate proficiency in the skills used by appraisers under STANDARD 1. See TALCB Rule 153.15(e)(2).

Some of the less common types of appraisal work that may also count towards experience requirements include: condemnation appraisals, market analysis performed by a real estate broker or sales agent when it is prepared in conformity with USPAP STANDARDS 1 and 2, and real property appraisal consulting services. Experience credit may not be awarded for teaching appraisal courses.

## WORK FILE REQUIREMENTS

When you apply for an appraiser license, you will complete and submit the Appraisal Experience Log and the Appraisal Experience Affidavit along with your application. The log will list the appraisal experience that you are claiming to satisfy the experience requirement. The affidavit represents your certification that your experience complies with USPAP, is verifiable (supported by written reports and work files), and complies with the AQB experience criteria.

From your log, the Board will choose a minimum of two sample files for review, and you will be asked to reproduce and deliver them (the appraisal reports and work files) via hard copy or electronic media. It is important to note that by signing the affidavit you are verifying you have the work files in your possession (or in your sponsor's possession).

If you cannot produce copies of your work files when requested, the Board may deny your application or, at a minimum, disallow credit for any experience based on those work files. Texas law and the USPAP Recordkeeping Rule require applicants to maintain all business records related to each appraisal assignment for five years from the date of the appraisal. See Tex. Occ. Code §1103.404.

## SUMMARY

There are many ways to meet the experience requirements to become licensed as an appraiser in Texas. Keep in mind that all experience submissions are reviewed for compliance with USPAP and you will be required to provide copies of your work files upon request.

By understanding the types of experience permitted and anticipating the documents you will be asked to submit, your application should be processed without delay.

## Proposed Rules From the August Board Meeting

### PROPOSED RULES

The Board proposed amendments to the following rules at the Board meeting on August 19, 2016. These proposed amendments will be on the agenda for adoption by the Board at the next Board meeting on November 18, 2016. You may review the full text of the proposed amendments on the Rules and Laws section of the TALCB website. The deadline for submitting written comments on the proposed amendments has passed, but you may still submit comments in person at the Board meeting on November 18, 2016.

#### 22 TAC §153.15, Experience Required for Licensing

The Board repropose amendments to this rule based on a revised interpretation from the Appraisal Subcommittee (ASC). The proposed amendments clarify the criteria required for awarding experience credit for applicants and license holders. The amendments also remove redundant language and reorganize this section to improve readability.

#### 22 TAC §159.52, Fees

The proposed amendments reduce the renewal fee for appraisal management companies by \$300 per two-year license renewal period and reduce the fee to add or remove an appraiser from an AMC panel from \$10 to \$5. The Board proposes these AMC fee reductions as part of its budget for fiscal year 2017.

#### 22 TAC §159.161, Appraiser Panel

As recommended by the Appraisal Management Company (AMC) Advisory Committee, the proposed amendments allow the Board to remove an appraiser from an AMC's panel without any charge to the AMC if the Board suspends or revokes the appraiser's license. The proposed amendments also clarify when an appraiser will be removed from an AMC's panel after the appraiser's license expires.

#### 22 TAC §159.201, Guidelines for Revocation, Suspension or Denial of a License

As recommended by the Working Group for AQB Criminal History Check Criteria and the Appraisal Management Company (AMC) Advisory Committee, the proposed amendments allow an AMC to conduct additional criminal history checks beyond those required by the Board, so long as an AMC does not require an appraiser to pay for or reimburse an AMC for the additional criminal history checks.

### FORMS

The Board took no action regarding forms at its meeting on August 19, 2016.

# 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: From the Chair (page 1) Committee Members Needed (page 2) SOP Pocket Guide Available Online (page 2)**

---

## From the Executive Director...

The Texas Real Estate Inspector Committee has been busy working on several educational issues since the summer. The Education Subcommittee met on October 17 to discuss implementation of the new requirements for the 8 hours of mandatory continuing education relating to Texas Standards of Practice (SOP) and legal and ethics issues. Rules were proposed at the Commission meeting in August to split those 8 hours into two 4-hour classes consisting of 4 hours in SOP review and a 4-hour course in legal, ethics, and SOP update. The Texas Real Estate Center at Texas A&M, working with the Commission, will be responsible for developing the 4-hour Legal/Ethics/SOP Update course. The Subcommittee discussed and agreed that the Inspector Committee should write the outline and develop the materials for the additional 4 hours of SOP review, with both portions of the course to be mandatory by September 1, 2017. This recommendation was approved by the full Committee at its November 4<sup>th</sup> meeting. The Committee is planning to have the SOP review class ready for approval at the Commission meeting in May 2017 and will be seeking input from providers during the writing process.

Additionally, the Committee reviewed the rule amendments proposed at the Commission's August meeting that would provide additional opportunities for inspectors to meet their continuing education requirements with education courses taken outside of Texas and

attendance at the February meeting of the Inspector Committee. No public comments were received on these rules and the Committee is recommending their adoption at the Commission's November meeting. If adopted, inspectors will be eligible for up to 2 hours of CE credit for attending the Inspector Committee meeting scheduled for February 3, 2017.

The inspector industry continues to grow. Over 400 new inspectors were licensed in Texas over the last year. That is an 11% increase in new license holders. The growth of the industry makes the mission of the Inspector Committee increasingly important. Your participation and input at these meetings is vital to the continued work of the Committee and the success of the industry.

Just a reminder to please [complete the open survey of agency license holders](#) so that we can better understand your characteristics and needs. Thank you!



Douglas E. Oldmixon

## Committee Members Needed for Inspector Committee

The Texas Real Estate Commission invites interested persons to apply for appointment to the Texas Real Estate Inspector Committee. The Inspector Committee is an advisory committee consisting of both inspector and public members. The Commission is seeking individuals interested in both the inspector and public member positions.

The purpose of the Committee is to make recommendations to the Commission regarding a variety of inspection-related matters with the goal of ensuring a high degree of service to, and protection of, the public.

Individuals wishing to be considered for appointment as a public member cannot hold occupational licenses in the real estate field (e.g. appraiser, real estate broker or sales agent, mortgage broker, etc.); however, a municipal

development planner, construction or safety code enforcement official, commercial banker, CPA or attorney is permitted. The Committee is permitted to meet via teleconference; however, some travel to Austin may be necessary.

Inspector members serve for six-year terms. Public members serve for two-year terms. While Committee members may be reimbursed for travel expenses, members are not compensated for their time.

Individuals wishing to be considered for appointment as a member of the committee should send a letter of interest and a current resume to the Texas Real Estate Commission, Attn: Executive Director Douglas Oldmixon, PO Box 12188 Austin, TX 78711-2188 or by e-mail to [executive.director@trec.texas.gov](mailto:executive.director@trec.texas.gov).

### SOP POCKET EDITION AVAILABLE

#### ON TREC WEBSITE

Now you can take the Inspector Standards of Practice anywhere you go. TREC staff has put together a version of the SOPs small enough to fit in your back pocket. This version of the SOP is color coded by section, so you can find what you're looking for with ease.

The SOP Pocket Edition is available for download and printing on the [Inspector Page](#) of the TREC website.

To print out your own copy of this handy tool, make sure your printer is set to the following:

1. Printer orientation must be set to "Landscape" mode.
2. Print on both sides—flip pages on the "short" end.
3. Print in color.

Once your document is printed, cut along the black lines at the tops and side of the pages. Fold the pages in half, assemble the booklet in page order and staple it in the middle.

TEXAS REAL ESTATE  
INSPECTOR

## Standards of Practice

POCKET EDITION

22 TAC §§ 535.227-535.233

Adopted by the  
Texas Real Estate Commission  
Effective September 7, 2016