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

Inside this issue: New Pre-License Education & Sales Apprenticeship Education Requirements (Page 1) From the Chair (page 2) Why Does TREC need My Contact Information (page 3) Broker Intermediary Overview (page 3) TREC Wins Education Award (page 4) Rule Actions from the August Commission Meeting (page 5) TREC Enforcement Actions (page 8)

New Pre-License Education and Sales Apprenticeship Education (SAE) Requirements

For all real estate salesperson applications postmarked on or after September 1, 2012, pre-license education requirements will change from 210 hours to 180 hours of specific core real estate courses. An applicant MUST complete the following courses and take and pass the real estate exam within one year of filing the real estate salesperson application.

- Real Estate Principles – 60 hrs
- Law of Agency – 30 hrs
- Law of Contracts – 30 hrs
- Promulgated Contract Forms – 30 hrs
- Real Estate Finance – 30 hrs

Prior to this change, 60 hours of related courses could have been used toward the 210 required pre-license education hours. However, as of September 1, 2012, related course credit may no longer be used to meet education requirements for a salesperson’s license.

For all real estate salesperson applications postmarked on or after September 1, 2012, the initial salesperson license will issue for a two-year period. Prior to the first renewal, the salesperson must complete a total of 270 core hours and the 180 hours of required pre-licensure education counts towards this total. For each renewal period thereafter, the salesperson is subject to the Mandatory Continuing Education (MCE) requirements.

TREC Broker Responsibility Course Effective September 1

After September 1, 2012 licensees who renew are required to take the 6 hour Broker Responsibility course if they are a sponsoring broker, designated broker of a business entity or a delegated supervisor for six months or more. MCE requirements for these licensees now consist of 3 hours of TREC Legal Update, 3 hours of TREC Ethics, 6 hours of Broker Responsibility, and 3 hours of MCE elective courses.

While all real estate licensees are encouraged to take the Broker Responsibility course, licensees who do not meet the above criteria are only required to take 3 hours of TREC Legal Update, 3 hours of TREC Ethics, and 9 hours of MCE elective courses.

Brokers will be able to inform us of delegated supervisors on the TREC website by the end of September via “My License Online Services.”
The Commission met in Austin on August 13th for its regular quarterly meeting. Staff updated the Commission on ongoing agency improvements in technology matters, introduced some new staff and presented normal Recovery Fund cases and disciplinary matters for approval. Notably, three major items were considered and acted upon by the Commission at this meeting.

First, we approved the 2013 budget for the agency and thanked the staff for its hard work on keeping costs under control. Special recognition was offered to Karen Alexander who will retire on August 31st. Her stewardship of agency assets has been exemplary for many years and the Commissioners offered her their sincere gratitude for all of her hard work over these last 12 years. The agency is on track to meet its targets for building an adequate operating reserve by the end of August 2013 when our access to general revenue ends. This is quite an accomplishment.

The next major step we took was to appoint 10 members to the Education Curriculum Standards Committee and propose a rule to alter the composition of this new advisory committee. If approved in November, the final two members will be appointed and the committee will begin its work of making recommendations for educational content and process improvements to the Commission. We look forward to the results of the hard work we have charged them with performing. This is a key step in the path to improvement we have set upon, which includes two changes going into effect on September 1 this year: the Broker Responsibility Course and the new sales pre-license education course syllabus requirements. The Broker Responsibility Course is to be taken by brokers who sponsor agents or are designated brokers for a licensed business entity, and the broker’s delegated supervisors who are responsible for day-to-day oversight of other agents. All others are encouraged to take it, but not required. New sales license applicants now have to have taken Promulgated Contracts and Real Estate Finance as part of their required pre-license education. Hopefully, this will assist brokers with more rapid training of new agents.

Finally, the Commission took final action on another issue which stems from our status as a self-directed, semi-independent agency. The agency proposed changes to some fees, including those fees paid by education providers to have courses approved by the agency. At this time, there are no fees for core education courses, which require substantial time to review, and MCE courses all pay the same fee, regardless of length. Together, current fees collected do not cover even half of the cost of maintaining an education department. The new fee schedule will go into effect on January 1, 2013 and fees are scaled to the course length to better approximate the amount of work needed to review them. Many educators have offered support for this plan.

Our next regularly scheduled meeting is on November 5 at 10 am. Feel free to stop by and meet the Commissioners and staff. We’d love to see and hear from you.
Why Does TREC Need My Contact Information?

TREC uses your permanent mailing address and/or primary email to send you official information. Information sent to you from TREC may be, but is not limited to, your renewal notice or copy of a complaint received by the agency against you or a request for more information related to your license.

I've changed my contact information. What should I do?
All changes to your mailing address, email, or phone number must be reported to TREC within 10 days of the change. You can review your contact information and make any necessary changes by clicking the "My License" link found at the top of any TREC web page. If we have more than one address listed for you, please choose the one that is your correct permanent mailing address and primary email address. Remember, each licensee must have a unique primary email address and the same email address may not be shared by more than one licensee.

I am a salesperson and my sponsoring broker received my mail from TREC?
As long as you are an active salesperson sponsored by a broker, all TREC notices or correspondence to you will be sent to your sponsoring broker’s mailing address or email. If your sponsoring broker is a business firm, TREC’s notices and correspondence will be sent to the firm’s permanent mailing address or email, not necessarily the same as the firm’s individual designated broker. Brokers and inactive salespersons receive their TREC correspondence at their mailing or email address as shown in TREC’s records.

I am a sponsoring broker; do I need to do something with the mail or email I received addressed to my salesperson?
You are responsible for promptly delivering to or otherwise providing this correspondence from TREC to salespersons you sponsor.

But I have a virtual office or very seldom see my sponsored salesperson.
You must deliver such correspondence within a reasonable time and may use email or fax. Please remember, TREC correspondence may be time sensitive and it is your responsibility to deliver it promptly.

When A Broker Acts As An Intermediary

A question often asked of the Standards & Enforcement Services Division is whether a brokerage firm with several branch offices must comply with intermediary requirements when the seller and the buyer are initially represented by different branches. Yes, since all the branches are held under the same broker’s license, the brokerage firm must act as an intermediary with proper notice and consent of the parties. In addition, the designated broker of a brokerage firm may appoint two different salespersons sponsored by the firm to work with each party.

A variation of this question is whether a designated broker for two different brokerage firms, each independently licensed, may be an intermediary for a seller brought to the table by one licensed firm and a buyer brought to the table by a different licensed firm. In this case, although the designated broker can work in such capacity for two different firms, the intermediary position is held by the brokerage firm, not the designated broker. Therefore, the designated broker cannot act as an intermediary between parties brought to the table by two different firms.
The Texas Real Estate Commission (TREC) has been awarded a 2012 Education Award by the Association of Real Estate License Law Officials (ARELLO) for its new required course on "Broker Responsibility". ARELLO is an international organization of real estate licensing agencies and individuals involved with regulation of the real estate industry.

The "Broker Responsibility" mandatory continuing education course is the result of four years of preparation and hard work by agency staff, industry organizations, and key stakeholders. The Real Estate Center at Texas A&M worked closely with agency staff and a panel of industry stakeholders to develop the course materials. The course addresses the management, operation and supervision aspects of real estate brokerage services in Texas from a regulatory standpoint. The course provides information about relevant statutes and agency rules; addresses the planning and organization of business entities; enumerates the requirements associated with various policies and procedures, records retention, advertising, and recruiting and training of agents; and provides an overview of the TREC complaint process, including a step by step example of the “Anatomy of a Complaint”.

TREC believes this course is a great example of post-license continuing education for license holders. The process undertaken to make this course a reality is a textbook example of a regulated industry working closely with its oversight agency, the public, other stakeholders and key governmental agencies to achieve a result that better qualifies license holders to uphold the public trust envisioned by a regulatory structure designed to ensure a high level of consumer protection.

Administrator Douglas Oldmixon expressed how proud the agency is to have been selected by ARELLO for this honor: “This is quite an achievement, since entries are received from all across the globe. Our sincere gratitude is offered to the many involved who all labored long and hard to make this vital course a reality.”

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Important Dates to Remember

Broker Lawyer Committee Meeting - Oct 5
TREC Meeting - Nov 5
ADOPTED RULES
Chapter 534, General Administration

22 TAC §534.2 Processing Fees for Dishonored Payments

The amendments to §534.2, concerning Processing Fees for Dishonored Payments were adopted with changes to the proposed text. The difference between the rule as adopted and as proposed is the replacement of the term “business” with “mailing” in subsection (a) to be consistent with the phrase “mailing address” as used in Chapters 533 and 535. The amendment removes the reference to the processed check fee because the fee will be reflected in amendments to §535.101. effective date: 01-01-2013

Chapter 535, General Provisions

22 TAC §535.91. Renewal Notices

The amendments to §535.91, concerning Renewal Notices were adopted without changes to the proposed text. The amendments as adopted implement the relevant provisions of Senate Bill (SB) 747, 82nd Texas Legislature, Regular Session (2011). In part, SB 747 amends Texas Occupations Code, §1101.458 to require that certain licensees take a six-hour broker responsibility course to renew a license.

The amendments to §535.91 clarify that a broker who has delegated licensees supervisory authority under §535.2 must notify the commission, within 30 days of delegation or termination of delegation, the name or names of such licensees and provide that licensees who are required to take the broker responsibility course and have already completed their MCE requirements prior to July 1, 2012 may, but are not required to take, the broker responsibility course for the first renewal of their license after September 1, 2012. effective date: 09-07-2012

22 TAC §535.2. Renewal: Time for Filing; Satisfaction of Mandatory Continuing Education Requirements

The amendments to §535.92, concerning Renewal: Time for Filing; Satisfaction of Mandatory Continuing Education Requirements were adopted without changes to the proposed text. The amendment removes the reference to the MCE deferral fee and late reporting fee because the fees will be reflected in amendments to §535.101, concerning Fees. effective date: 01-01-2013

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

The amendments to §535.95, concerning Miscellaneous Provisions Concerning License or Registration Applications or Renewals, Including Fingerprinting Requirements were adopted without changes to the proposed text.

The amendments as adopted implement the relevant provisions of Senate Bill (SB) 1733, 82nd Texas Legislature, Regular Session (2011). The effective date of SB 1733 is June 17, 2011.

Senate Bill 1733 amends Texas Occupations Code to add §55.004 which allows for alternate demonstrations of competency to meet license requirements, establishes a period during which an otherwise qualified person may seek employment or practice with an expired license, and authorizes the TREC administrator to issue licenses by endorsement.

The bill authorizes a state agency to adopt rules to allow alternative demonstrations of competency to meet the requirements for obtaining the license under the new section. New subsection (f) establishes the criteria to be used to demonstrate competency under the new section. effective date: 09-07-2012

Subchapter J. Fees

22 TAC §535.101. Fees

The amendments to §535.101, concerning Fees were adopted with changes to the proposed text. The difference between the rule as proposed and adopted is the deletion of the phrase “terminate or” in subsection (b)(7), and the addition of the term “broker” to subsection (b)(8) between “inactive” and “license”. The amendments increase from $20 to $50 the fee for filing a request for, or renewal of, a branch office
license; increase from $20 to $50 the fee to request an inactive broker license be returned to active status; increase from $20 to $40 the fee for preparing a license history; increase from $25 to $50 the fee for the filing of a moral character determination; add a fee of $50 plus $20 per classroom hour for each core education course for a period of four years; add a fee of $50 plus $10 per classroom hour for each MCE course for a period of two years; increase from $25 to $150 the fee for the filing of an application for approval as an instructor for a two-year period for real estate core or MCE courses, or both; clarify the fee charged by the Federal Bureau of Investigation and Texas Department of Public Safety for fingerprinting or background check in connection with a license application or renewal; clarify the fee required by the Department of Information Resources as a subscription or convenience fee for use of an online payment system; and increase from $25 to $30 the fee for processing a returned check. effective date: 01-01-2013

Subchapter R. Real Estate Inspectors

22 TAC §535.209 Examinations

The amendments to §535.209, concerning Examinations were adopted with changes to the proposed text. The difference between the rule as proposed and adopted is the addition of an effective date of January 1, 2013, changing “Examining” to “Examination”, and new subsection (d) which provides a waiver for applicants who have failed the existing exam prior to the effective date and changing the reference from “section” to “part” to be consistent with amendments to §535.210. The amendments adopt the National Home Inspector Examination developed by the Examining Board of Professional Home Inspectors for the national section of the examination, including the cut score established by the Examining Board, require that home inspector applicants must achieve a set passing score for the state section of the home inspector examinations to pass the examination, and waive the requirements to take the national section of the examination of an applicant for a real estate or professional inspector license if the applicant maintains an active license in another state and has passed the national home inspector examination. effective date: 09-07-2012


The amendments to §535.210, concerning Fees were adopted with changes to the proposed text. The difference between the rule as proposed and adopted is paragraph (a)(8) is changed to clarify the fee for taking the license examination that consists of one part only and is amended to change “section” to “part”; paragraph (a)(10) is deleted from the rule as proposed and the subsequent paragraphs are renumbered; the phrase “terminate or” is deleted in paragraph (a)(9); the term “professional inspector” is added to paragraph (a)(8) between “inactive” and “license”; and the reference to Chapter 1102 is changed to Chapter 1101 in paragraphs (a)(14) and (15). The amendments would increase from $61 to $230 the fee for taking the licensing examination or retaking the national section of the examination; increase from $20 to $50 the fee for preparing a license history; increase from $25 to $50 the fee for the filing of a moral character determination; add a fee of $50 plus $10 per classroom hour for each core education course for a period of four years; add a fee of $50 plus $10 per classroom hour for each MCE course for a period of two years; increase from $25 to $150 the fee for the filing of an application for approval as an instructor for a two-year period for real estate core or MCE courses, or both; clarify the fee charged by the Federal Bureau of Investigation and Texas Department of Public Safety for fingerprinting or background check in connection with a license application or renewal; clarify the fee required by the Department of Information Resources as a subscription or convenience fee for use of an online payment system; and increase from $25 to $30 the fee for processing a returned check. effective date: 01-01-2013
Rule Actions proposed at the August 13, 2012 Meeting of the Commission.

PROPOSED RULES
Chapter 533 Practice and Procedure

22 TAC §533.4. Failure to Answer, Failure to Attend Hearing and Default; §533.7. Proposals for Decision; and §533.8. Final Orders, Motions for Rehearing, and Emergency Orders

The amendments §533.4 address situations in which a respondent fails to answer after receiving a notice of alleged violation or fails to attend a hearing. Failure to answer or attend a hearing will result in a default order against the respondent where findings of fact and conclusions of law set out in the notice of violation will be considered as admissions. If a case is dismissed from SOAH, the commission will be required to enter a default order against the respondent. If SOAH enters a default proposal for decision, the allegations contained in the petition filed with SOAH will be considered admissions.

The amendments to §533.7 clarify that while the commission welcomes SOAH judge recommendations regarding sanctions, the commission is responsible for imposing disciplinary action or assessing administrative penalties.

The amendments to §533.8 require the commission to explain why the commission did not follow the SOAH judge recommendations regarding disciplinary action or administrative penalties; amendments to subsection (f) describe the requirements for filing a motion for rehearing; and amendments to subsection (g) address situations in which new evidence may be presented in a case.

Chapter 535, General Provisions

Subchapter B General Provisions Relating to the Requirements of Licensure

22 TAC §535.2 Broker Responsibility

The amendment changes the terms “designate” and “designation” to “delegate” and “delegation” to more closely track other rule provisions in the same chapter.

Subchapter C Exemptions to Requirement of Licensure

22 TAC §535.32. Attorneys in Fact

The amendment deletes the phrase “to be sold” to make it clear that an attorney in fact may buy, sell, or lease real property under the exemption in the Act.

Subchapter G. Mandatory Continuing Education

22 TAC §535.75. Education Curriculum Standards Committee.

The amendment changes the makeup of the committee to be composed of 7 brokers, 4 education related members, and one public member.

Subchapter N. Suspension and Revocation of Licensure

22 TAC §535.145. False Promise.

The amendment corrects a typographical error in the reference to the Act.

22 TAC §535.161. Failing to Provide Information.

The amendment corrects a typographical error in the reference to the Act.

Subchapter R. Real Estate Inspectors

22 TAC §§535.215. Inactive Inspector Status; §535.216. Renewal of License; and §535.218. Continuing Education

The proposed amendments clarify the requirements and procedures necessary to renew an inspector license timely on active or inactive status and reinstate after expiration or being inactive.


The amendment replaces the term “business” with “mailing” in subsection (a) to be consistent with the phrase “mailing address” as used in Chapters 533 and 535.
<table>
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<tr>
<th>Name and Location</th>
<th>Order</th>
<th>Basis For Order</th>
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</table>
| **Case#: 110789**  
**MCGOWEN, ARLISA MARZA**  
(license # 550165) Real Estate Broker / Salesperson -I  
**HOUSTON (HARRIS)**  
Effective Date: 7/25/2012 | Revocation of salesperson license; Assessment of an administrative penalty of $9,500.00 | Consumer Complaint  
Respondent pled guilty to a felony offense. Respondent failed to report the criminal offense to the Commission within 30-days after entry of the plea and failed to disclose the criminal offense in her application to renew her license; Acting as a listing agent, Respondent placed a for-sale sign on the property without written consent from the seller; acted negligently or incompetently by using incorrect contract form for a real estate transaction; and accepted payment for her services directly from fees paid to the seller by the buyer and not from her sponsoring broker. |

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<tr>
<th>Violation(s)</th>
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| 1101.651(b)  
1101.652(a)(01)  
1101.652(a)(02)  
1101.652(a)(09)  
1101.652(b)(01)  
1101.652(b)(18) | |

| **Case#: 100880**  
**GILLESPIE, CHRIS MICHAEL**  
(license # 515438) Real Estate Broker / Salesperson -I  
**SAN ANTONIO (BEXAR)**  
Effective Date: 7/20/2012 | Agreed reprimand of salesperson license; Agreed completion of thirty (30) hour marketing course on or before September 30, 2012 | Consumer Complaint  
Respondent failed to identify himself as an agent in an advertisement; Respondent, a salesperson, held himself out as the person responsible for a real estate brokerage |

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<th>Violation(s)</th>
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| 1101.652(b)(23)  
22 TAC 535.154(e)  
22 TAC 535.154(g) | |

| **Case#: 120282, 110612, 100939**  
**CHAVEZ, JOSE G**  
(license # 498854) Real Estate Broker / Salesperson-I  
**AUSTIN (TRAVIS)**  
Effective Date: 7/6/2012 | Agreed eighteen (18) month suspension of broker license fully probated for eighteen (18) months; Agreed administrative penalty of $4,000.00 | Consumer Complaint  
Respondent engaged in misrepresentation, dishonesty, or fraud when selling, buying, trading, or leasing real property in the name of the license holder; 3 counts of Respondent acting negligently or incompetently, while acting as a broker or salesperson; 2 counts of Respondent acting as an intermediary between parties to a real estate transaction without first obtaining written consent from each party for the broker to act as an intermediary in the transaction |

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<tr>
<th>Violation(s)</th>
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| 1101.559(a)(1)  
1101.652(a)(03)  
1101.652(b)(01) | |
| Case#: 121572 | TULL, EDWARD CHARLES  
(license # 588321) Real Estate Broker / Salesperson-I  
AUSTIN(TRAVIS) | Agreed reprimand of salesperson license; Agreed administrative penalty of $500.00 | Administrative Complaint  
Respondent failed within a reasonable time to make good a check issued to the Commission.  
Respondent failed to pay the check processing fee within 15 days after the Commission had mailed a request for payment. |
|---|---|---|---|
| Violation(s) | 1101.652(a)(04)  
22 TAC 534.2(a) | | |
| Case#: 121094 | HAGAR, ORAN LUTHER III  
(license # 288091) Real Estate Broker / Salesperson-I  
GRAPEVINE(TARRANT) | Reprimand of broker license and suspension of broker license until receipt of the requested information and payment of the administrative penalty; Assessment of an administrative penalty of $1,500.00 | Administrative Complaint  
Respondent failed to provide, within a reasonable time, information requested by the Commission that relates to a formal or informal complaint to the Commission. |
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<tbody>
<tr>
<td>Violation(s)</td>
<td>1101.652(a)(06)</td>
<td></td>
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</table>
| Case#: 120805 | GONZALEZ, SHAKIM  
(license # 517149) Real Estate Broker / Salesperson-I  
JACKSONVILLE(DUVAL) | Agreed reprimand of salesperson license; Agreed administrative penalty of $750.00 | Administrative Complaint  
Respondent failed to provide, within a reasonable time, information requested by the Commission that relates to a formal or informal complaint to the Commission. |
|---|---|---|---|
| Violation(s) | 1101.652(a)(06)  
22 TAC 535.073(e)(5) | | |
<table>
<thead>
<tr>
<th>Case#: 121523</th>
<th>MARTINEZ, RENE (license # 521046) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR)</th>
<th>Agreed revocation of broker license fully probated for thirty-seven (37) months</th>
<th>Administrative Complaint Respondent failed to repay the Commission a payment of $13,176.60 made from the Real Estate Recovery Trust Account.</th>
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<tbody>
<tr>
<td>Effective Date: 7/27/2012</td>
<td>1101.655</td>
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<tr>
<th>Case#: 121604</th>
<th>SIPLE, SCOTT ALLEN (license # 518331) Real Estate Broker / Salesperson-I HUMBLE(HARRIS)</th>
<th>Automatic suspension of salesperson license until all of the remaining balance of the administrative penalty is paid in full</th>
<th>Administrative Complaint Respondent failed to comply with the terms of an agreed order entered by the Commission by failing to timely make administrative penalty payments to the Commission.</th>
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<tr>
<td>Effective Date: 7/6/2012</td>
<td>1101.652(a)(04) 22 TAC 534.2(a)</td>
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<tr>
<th>Case#: 121604</th>
<th>SIPLE, SCOTT ALLEN (license # 518331) Real Estate Broker / Salesperson-I HUMBLE(HARRIS)</th>
<th>Agreed reprimand of salesperson license; Agreed administrative penalty of $500.00</th>
<th>Administrative Complaint Respondent failed within a reasonable time to make good a check issued to the Commission. Respondent failed to pay the check processing fee within 15 days after the Commission had mailed a request for payment.</th>
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<tr>
<td>Effective Date: 7/16/2012</td>
<td>1101.652(a)(04) 22 TAC 534.2(a)</td>
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<tr>
<th>Case#: 121337</th>
<th>LAIRD, SCOTT P (license # 621260) Real Estate Broker / Salesperson-I HOUSTON(HARRIS)</th>
<th>Agreed two (2) year probationary salesperson license issued</th>
<th>Applications Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms and conditions of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).</th>
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<tr>
<td>Effective Date: 7/11/2012</td>
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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: TALCB Seeks AMC Representative for Advisory Committee (Page 1) From the Chair (Page 2) Rule Actions from the August Board Meeting (Page 3) Enforcement Actions (Page 6)

TALCB Seeks AMC Representative for Advisory Committee

HB 1146 established an AMC Advisory Committee to make recommendations to TALCB regarding AMC regulatory matters. The Vice Chair of TALCB acts as the presiding member of this advisory committee and the Governor will appoint one public member with demonstrated business ability and one member who is a "controlling person" of an AMC registered with TALCB to do business in Texas. Any AMC principal or manager who meets the statutory definition of "controlling person" and who is interested in being appointed to serve on this advisory committee for a two-year term should make application to the Governor's Appointments Office. Details on the appointment process can be found at this website: http://governor.state.tx.us/appointments/

The statutory definition "controlling person" is contained at Texas Occupation Code Sec. 1104.003 (b)(6):
"Controlling person" means:
(A) an owner, officer, or director of an appraisal management company;
(B) an individual employed, appointed, or authorized by an appraisal management company that has the authority to enter into a contractual relationship with other persons for the performance of appraisal management services and the authority to enter into agreements with appraisers for the performance of appraisals; or
(C) an individual who possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of an appraisal management company.

Important Dates to Remember

TALCB Enforcement Committee Meeting - September 26,
TALCB Meeting - November 9
The Board met on August 17th and it was a very busy and productive meeting. Commissioner Douglas Oldmixon reported on the events since the last quarterly meeting and gave us a detailed update on registrations by AMCs (Appraisal Management Company) and appraiser panel members. I am pleased to report that the agency has nearly met its projections with respect to the levels of participation that were anticipated. As of August 31, 176 AMCs applied for registration versus 180 projected. Thanks to all who have worked hard to bring this program up to speed so quickly. At the meeting three major issues were considered in depth.

First, the Board reviewed and approved the FY 2013 budget and I am very happy to tell you that we remain on track to meet our proposed operating reserve by the end of next year. The Board asked the Commissioner to go ahead and fill the open Appraiser position immediately rather than delay for six months as he had planned. This is especially important since Enforcement Director Mark Mrnak has been called to military duty in the Air Force Reserve through December 31. That position is posted now.

The enforcement Committee also reported a very productive set of meetings with staff to review current enforcement policies and procedures. Through these discussions, it became clear that staff is carefully adhering to existing guidelines but that a more in depth review of existing enforcement policies will continue to be helpful to Board members and to staff to more expeditiously carry out their responsibilities. Several improvements were suggested and new rules proposed to clarify processes. We look forward to continuing progress from the work of the Committee and staff.

Lastly, the Uniform and Equal Working Group gave its report and made several recommendations for resolution of the issues surrounding this unique class of valuation studies often completed by appraisers. Several witnesses appeared to offer comments on the topics and proposed resolutions. Because the matter still seems to draw significant interest and varied opinions, I directed the Working Group to reconvene ad attempt to resolve any areas of strong disagreements. Look for a proposal to be presented at our next meeting.

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

The adopted rules can be found on the TALCB website at: http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp.

Chapter 153, Rules Relating to Provisions of the Texas Appraiser Licensing and Certification Act

22 TAC §153.17, Renewal or Extension of Certification and License or Renewal of Trainee Approval:
The amendments to §153.17, concerning Renewal or Extension of Certification and License or Renewal of Trainee Approval were adopted on an emergency basis to bring the rule into compliance with statutory changes effective May 27, 2011 that changed the period for late renewal from one year to six months.

effective date: 08-17-2012

22 TAC §153.9, Applications

The amendments to §153.9, concerning Applications were adopted without changes to the proposed text.

Amendments were adopted to establish the criteria to be used by spouses of active duty military to demonstrate alternative competency to obtain a license or certificate and allow the Commissioner to issue such licenses by endorsement, in accordance with Tex. Occ. Code §55.004, effective June, 17, 2011.

effective date: 09-12-2012

Chapter 159, Rules Relating to Provisions of the Texas Appraisal Management Company Registration and Regulation Act

22 TAC §159.156. Periodic Review of Appraisals.
The amendments to §159.156, concerning Periodic Review of Appraisals were adopted with changes to the proposed text.

In order to clarify prohibited acts under the Appraisal Management Company Registration and Regulation Act (the Act) regarding agreements with appraisers, to ensure that the regulatory structure for fees and consumer protection established by this Board is not circumvented and to ensure that AMCs that are business entities retain adequate documentation to demonstrate authority and ownership the Board adopted two amendments to this section. The first prohibits an AMC from requiring an appraiser to keep the appraiser’s business relationship with an AMC or any assignment received from the AMC confidential. The rule adopted was modified slightly from what was published for proposal to add clarifying language to this prohibition. The second amendment requires all AMCs that are business entities to keep business ownership and authority documentation and to promptly provide it to the Board upon request.

effective date: 09-12-2012

NEW/REVISED FORMS

Appraisal Management Company (AMC) Owner/Primary Contact Background History (Revised)

This form was revised to clarify provisions for persons filling out the form on behalf of an entity.

effective date: 08-17-2012
Proposed rules will be up for adoption at the November 16, 2012 meeting of the Board.

The proposed rules can be found on the TALCB website at http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp.

Comments on proposed rules should be sent to general.counsel@talcb.texas.gov on or before October 8, 2012.

PROPOSED RULES

Chapter 153, Rules Relating to Provisions of the Texas Appraiser Licensing and Certification Act

22 TAC §153.17. Renewal or Extension of Certification and License or Renewal of Trainee Approval

Amendments are proposed to bring the rule into compliance with statutory changes effective May 27, 2011 that changed the period for late renewal from one year to six months.

22 TAC §153.20. Guidelines for Revocation, Suspension, Denial of Licensure or Certification; Probationary Licensure

Amendments are proposed to make clear that the Board considers acceptance by an appraiser of an assignment from an AMC that is not registered with the Board and not exempt from registration to be an activity that can subject the appraiser to sanctions.

22 TAC §153.23. Inactive Status

Amendments are proposed to conform to and reconcile any discrepancies in Texas Occupations Code §§1103.2111 and 1103.213. Section 1103.2111 was amended effective May 27, 2011 to decrease the period of time an appraiser could renew late from one year to six months. Section 1103.213 allows for the election of inactive status following expiration for a one year period and was not amended (through oversight or otherwise) and is now in conflict with §1103.2111. The amendments reasonably implement both provisions and eliminate the discrepancy when renewing late following expiration on an active or inactive basis. It also corrects a previous mistake in the rule.

Chapter 157, Rules Relating to Practice and Procedure

Subchapter A. General Provisions

22 TAC §157.8. Adverse Action Against a Licensee or Registrant

Amendments are proposed to clarify that the rule also applies to AMCs and to set out the Board’s standards of practice and procedure when a licensee or registrant who has entered into an Agreed Order with the Board, wishes to request a modification of that order.

Subchapter B. Contested Case Hearings

22 TAC §157.12. Failure to Attend Hearing; Default Judgment.

Amendments are proposed to clarify the Board’s standards of practice and procedure when a respondent who has received proper notice of a contested case hearing does not appear at the hearing in accordance with the State Office of Administrative Hearings Rules 1 TAC §155.501 and §155.503 (relating to Default Proceedings and Dismissal Proceedings).

Subchapter C. Post Hearing


Amendments are proposed to clarify that while the Board welcomes SOAH judges’ recommendations regarding sanctions, the Board has the authority and responsibility to impose disciplinary sanctions against appraisers, appraiser trainees and AMCs. The amendments also delineate the standards required when the Board may change a find of fact, conclusion of law or recommendation in a proposal for decision and sets out the requirements for final orders.
Chapter 157, Rules Relating to Practice and Procedure

Subchapter C. Post Hearing

22 TAC §157.18, Motions for Rehearing; Finality of Decisions.

Amendments are proposed to clarify the Board’s practice and procedures regarding motions for rehearing by describing the requirements for filing a motion for rehearing, setting out the procedure for a hearing on the motion for rehearing and addressing situations in which new evidence may be presented.

Subchapter D. Penalties and Other Enforcement Provisions

22 TAC §157.25. Temporary Suspension.

This new rule is proposed to clarify the Board’s standards of practice and procedure for temporary suspensions authorized by the Texas Occupations Code §1103.5511 and §1104.211.

Chapter 159, Rules Relating Provisions of the Texas Appraisal Management Company Registration and Regulation Act

22 TAC §159.155. Periodic Review of Appraisals.

Amendments are proposed to clarify the timeframes for review and to provide the minimum standards that an AMC must observe when reviewing the work of an appraiser that performs appraisal services for the AMC, for compliance with USPAP and other standards prescribe by TALCB rules.
<table>
<thead>
<tr>
<th>Name and Location</th>
<th>Order</th>
<th>Basis For Order</th>
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<tbody>
<tr>
<td><strong>Complaint No.:</strong> 10-278</td>
<td>Revocation of license for fourteen months from the date of Order with the revocation fully probated under the following conditions:</td>
<td>A staff-initiated complaint was filed based on allegations that the Respondent had produced an appraisal report that did not comply with the USPAP</td>
</tr>
<tr>
<td>GARZA, David Anthony</td>
<td>(A.) On or before February 28, 2013, submit documentation of attendance and successful completion of the classes set out below to the Board:</td>
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<tr>
<td>Lic. # TX-1329771-L (Houston)</td>
<td>(i.) 15 classroom-hour course in USPAP or USPAP applications;</td>
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<td>Effective Date: 8/17/2012</td>
<td>(ii.) 7 classroom-hour course in the Cost Approach. No examination shall be required for this course; and</td>
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<td></td>
<td>(iii.) 7 classroom-hour course in Staying Out of Trouble. No examination shall be required for this course; and</td>
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<td></td>
<td>B. On or before June 30, 2013 submit to the Board an appraisal experience for the period of 3/1/13 - 5/31/13. On or before September 20, 2013. Submit to the Board an appraisal experience log for the period of 6/1/13 - 8/31/13. Each log shall detail all real estate appraisal activities conducted during that three month period. This log shall be signed and contain a notarized affidavit attesting the log is true, complete and fully accurate.</td>
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<tr>
<td><strong>Violations</strong></td>
<td>§ 1103.405 and 22 TAC §§155.1 (a) and 153.20(a)(3)</td>
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<tr>
<td>Complaint No.: 12-027</td>
<td>Revocation of license for twelve (12) months, with the revocation fully probated under the condition that he fully and timely comply with all the terms, deadlines and requirements contained in Agreed Final Order</td>
<td>Consumer Complaint</td>
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<tr>
<td>YOUNG, Brian Todd</td>
<td>During the twelve (12) month probation, submit to the Board, within seven (7) days of completion of twelve (12) months, an appraisal experience log. i. Upon request from the Board, provide copies of his appraisal reports and work files for any appraisal assignments he performs during the course of this period of review within the twenty (20) days of notice of any such request;</td>
<td>The complaints alleged that the Respondent had produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the “Rules”)</td>
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<tr>
<td>Lic. # TX-13330163-R (Cypress)</td>
<td>Within twelve (12) months of the effective date of this order complete ten (10) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board. Upon completion of the requisite mentorship hours, and, within twelve (12) months of the effective date of this order, submit a signed, notarized affidavit attested by the certified USPAP instructor confirming completion of the mentorship hours. Attend and complete a minimum, fifteen (15) classroom-hour USPAP course, within twelve (12) months of the effective date of this order</td>
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<td>Effective Date: 8/17/2012</td>
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<td></td>
<td>Consumer Complaint</td>
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<td></td>
<td>Violations</td>
<td>§ 1103.405 and 22 TAC §§155.1 (a) and 153.20(a)(6).</td>
</tr>
<tr>
<td>Name and Location</td>
<td>Order</td>
<td>Basis For Order</td>
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<td>Complaint No.: 10-297 &amp; 11-167</td>
<td>Within 90 days of the effective date of order (i.e. on or before November 16th, 2012), complete a total of ten (10) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board. Upon completion of the ten (10) hours of mentorship, submit to the Board within seven (7) days, on a form provided by the Board, a signed, notarized affidavit attested by the certified USPAP instructor confirming completion of the mentorship hours;</td>
<td>Consumer Complaint The complaints alleged that the Respondent had produced appraisal reports for the properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the “Rules”).</td>
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<tr>
<td>SHERRILL, Scott Lic. # TX-1320957-R (Austin) Effective Date: 8/17/2012</td>
<td>Attend and complete a minimum 7 hour course in Write It Write or Valuation by Comparison; i. No examination shall be required for this course</td>
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<td>Complaint No.: 11-163</td>
<td>Within twelve (12) months of the effective date of this order (i.e. on or before August 17th, 2013), complete five (5) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board. Upon completion of the requisite mentorship hours, and, within twelve (12) months of the effective date of this order, submit a signed, notarized affidavit attested by the certified USPAP instructor confirming completion of the mentorship hours;</td>
<td>Consumer Complaint The complaint alleged that the Respondent an produced appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the “Rules”).</td>
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<td>KONCE, James Robert Lic. # TX-1321565-R (Pasadena) Effective Date: 8/17/2012</td>
<td>Attend and complete a minimum, seven (7) classroom-hour Appraisal Review course, within twelve (12) months of the effective date of order; i. No examination is required for the seven (7) classroom-hour course;</td>
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<td>Complaint No.: 11-200</td>
<td>Within 180 days of the effective date of order complete a total of sixteen (16) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board. The total sixteen (16) hours of mentorship must be completed under the following schedule and cover the following topics: (i) The first 8 hours of mentorship must be completed within 60 days of the effective date of order and must cover the topic of sales comparison data analysis as indicated in subsection iii(3) below; (ii) The remaining 8 hours of mentorship must be completed within 180 days of the effective date of order and, (iii) The total sixteen (16) hours of mentorship must cover the following topics for at least the prescribed number of hours (1) 4 hours in site analysis; (2) 4 hours</td>
<td>Consumer Complaint The complaint alleged that the Respondent an produced appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the “Rules”).</td>
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<td>ELDER, Eric Lic. # TX-1336851-R (Dallas) Effective Date: 8/17/2012</td>
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Within three (3) months of the effective date of order, complete eight (8) hours of in person mentorship conducted by a certified USPAP instructor approved by the Board. Upon completion of the requisite mentorship hours, and within three (3) months of the effective date of order, submit a signed, notarized affidavit attested by the certified USPAP instructor confirming completion of the mentorship hours;

During a six (6) month period, beginning on the effective date of this order, maintain an appraisal experience log. The log shall be submitted within seven (7) days after the completion of six (6) months and shall detail all real estate appraisal activities conducted during the previous six (6) month period. This experience log shall be signed and contain a notarized affidavit attesting the log is true, complete and fully accurate; (i) Upon request from the Board, provide copies of appraisal reports and work files for any appraisal assignments performed during the course of this period of review within the twenty (20) days of notice of any such request:

Attend and complete a minimum, seven (7) classroom-hour Cost Approach course within three (3) months of the effective date of order; and, (d) Attend and complete a minimum, seven (7) classroom-hour Sales Comparison Approach course, within three (3) months of the effective date of order.

License REVOKED, effective twenty days after the date Carter is notified of this Final Order. Carter is assessed an administrative penalty of $1,000.

The parties are authorized to resolve their dispute by means of a consent order in accordance with TEX. OCC. CODE §1103.458.

Consumer Complaint
The complaint alleged the Respondent an produced appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the “Rules”).

Consumer Complaint
The complaint alleged the Respondent failed to comply with a previous Final Order issued by the Board.
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<td>Complaint No.: 12-162</td>
<td>License suspended for 6 months, with the suspension fully probated under the condition that she fully and timely comply with all the terms, deadlines and requirements contained in this agreed final order; Within 90 days of the effective date of this order complete a total of fifteen (15) hours of in person mentorship conducted by a certified USPAP instructor approved by the Board. The total fifteen (15) hours of mentorship shall be completed in three (3) separate, five (5) hour segments. The hours of mentorship must be completed under the following schedule: (i) The first 5 hours of mentorship must be completed within 30 days of the effective date of this order; (ii) The second 5 hours of mentorship must be completed within 60 days of the effective date of this order and (iii) The final 5 hours of mentorship must be completed within 90 days of the effective date of this order and Upon completion of each of the five (5) hour mentorship segments, submit within seven (7) days, a signed, notarized affidavit attested by the certified SPAP instructor confirming completion of the mentorship hours.</td>
<td>The complaint alleged that the Respondent an produced appraisal report for the property that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the &quot;Rules&quot;).</td>
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<td>ACKER, April Lynne</td>
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<td>Lic. # TX-1334010-G (Georgetown)</td>
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<td>Effective Date: 8/17/2012</td>
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**Violation(s)**

- §1103.405 and 22 TAC §§155.1(a) and 153.20(a)(6).
- 22 TAC §153.20(a)(12)
From the Chair...

At the August 17th meeting of the Commission, I reported on several matters that the Inspector Committee had considered and approved, as well as ongoing work related to the Standards of Practice and Report Form update.

The Committee has almost completed its work on a major milestone in reviewing and updating the Standards of Practice (SOP) to clarify the scope of work under the jurisdiction of Chapter 1102 of the Texas Occupations Code, as well making corresponding changes to the standard report form. The proposed text under discussion is always posted on the agency website so that interested parties and users can follow our progress and offer feedback to the Committee members ahead of the general public comment period connected to formal rule-making. Always look at the materials posted online for recent Committee meetings to remain informed.

The Committee earlier recommended that Texas adopt the National Home Inspector Exam (NHIE) to better prepare inspectors for the field and assist with some reciprocity issues. However, the need to review and write new exam questions is more extensive than initially estimated and so, in fairness to educators and inspector candidates, implementation will be advanced to January 1, 2013. At the Committee’s recommendation, the Commission approved this plan and PSI will administer the two tests, one for national topics and one for Texas specific matters.

At its next meeting, the Commission will consider appointing a new public member to the Committee to replace a member who resigned. Volunteers are often hard to find, so we always encourage inspectors to recommend someone you know who might be willing to serve in this valuable role.

The Commission and the Committee continue to work cooperatively to improve the ability of inspectors in this field to serve consumers in the manner that they expect. Several improvements are needed in the enabling statute and we expect to see action to attempt to address these in the next legislative session in 2013. I urge you all to remain engaged and assist the Committee in achieving its goals.

Brad Phillips
Public Member Vacancy

on Texas Real Estate Inspector Committee

The Texas Real Estate Commission invites applications for appointment to an open public member seat on the Inspector Committee.

The committee’s purpose is to make recommendations to the Commission regarding a variety of inspection-related matters toward the goal of ensuring a high degree of service to and protection of the public in dealing with inspectors. The committee consists of six professional inspectors and three public members. The open public member appointment expires on February 1, 2015. Following the Commission’s model, public members may not hold occupational licenses in the real estate field (appraiser, real estate broker/salesperson, mortgage broker, etc.).

The committee is permitted to meet by teleconference, although it is anticipated that some travel to Austin will be necessary. Limited funds may be available for travel reimbursement, but members are not compensated for their time. All committee meetings must comply with the Open Meetings Act.

Individuals wishing to be considered for appointment should send a letter and resume to Chairman Avis Wukasch at the Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, by fax to 512-936-3788, or by e-mail to administrator@trec.texas.gov. Applications must be received at TREC no later than Wednesday October 31, 2012.

Important Dates to Remember

Texas Real Estate Inspector Committee Meeting - Oct 19