



# TREC Advisor

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

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***Inside this issue:*** Mini Warehouses; why do they matter? (page 1) From the Administrator (page 2) TREC Proposed Rules (page 3) Enforcement Actions (page 4)

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## A Mini Warehouse: What is it? Why does it matter?

You would know it if you saw it. The self storage industry has grown rapidly in the past 25 years prompting the small “mom & pop” owner of a single mini storage facility or warehouse located in the outskirts of town to expand into a large business where an owner may own hundreds of facilities throughout the United States located amongst the urban landscape. The customer base for a self storage facility has grown as our lifestyles, housing, and business models have changed, which presents a greater need for more space for possessions and a place to store those items in a secured locked unit controlled by the person themselves.

The Texas Property Code defines a “Self-service storage facility” as “**real property** that is rented to be used exclusively for the storage of property and is cared for and controlled by the tenant” [emphasis added].

Why do real estate licensees need to know this? As real property, a person who leases and manages a self storage facility for a third party and for a fee must hold a real estate license. The customer who leases a self storage unit is a tenant. Most facilities use a rental agreement to establish the terms of use. Except for the actual self storage facility owner and their direct employees, there is no exemption under The Texas Real Estate License Act for a person who manages a self storage facility that includes the leasing of the units in the facility. A person employed by a third party manager or subsidiary of the actual owner is not exempt.

Now you know. Are you expanding your real estate brokerage services into a new area?

## *From the Administrator...*

It is Summer, the weather is hot, the real estate market is hot, and the Commission is reaching the 2<sup>nd</sup> anniversary of SDSI status. We also mark 2 years at our new location, an additional blessing for us. Our efficiency is increasing and our plans for more effective operations are also maturing. While our phones are very busy, remember that we answer calls from 7 AM to 6 PM every business day, so please try to call before 10 AM or after 3 PM and you will have a better chance of getting right through on one of our 14 lines without a hold time. And also, most of our services are available online, so you can renew your license or change a sponsor without any personal assistance needed.

2013 is a steady building year for the agency. We are making progress toward implementing additional online tools to serve both license holders and the public, and upgrading many of our website tools to be more comprehensive, accurate and responsive. We are in the early phases of a comprehensive website update project to make it much easier to find agency information and services. Our current website while functional, has significant limitations. Look for these upgrades to roll out in 2014.

The Education Standards Advisory Committee is working hard to update our core real estate courses for pre-license education. This is a

task that is both necessary and difficult, so we thank them profusely for their volunteer service. In the end, our better educated new license holders will be a benefit to both the consumers we ultimately serve and the brokers who sponsor and train agents for successful careers.



Douglas E. Oldmixon

The Commission will meet next on Monday August 12th at 10 AM in Room 170 of the Stephen F Austin building at 1700 North Congress Avenue, just two blocks north of the State Capitol. As always, we welcome our license holders and any members of the public who are interested in watching the Commission in action and offering public comments. If you can't make it, know that the meetings are also broadcast live over the internet and video recorded as the official record of the meeting. Links to the agenda, materials, live broadcast and video archive are all available on the agency's website.

## *Proposed for the August 12, 2013 Commission Meeting*

The Commission began rulemaking action on proposed amendments to §535.62, concerning Acceptable Courses of Study; §535.64, concerning Obtaining Approval to Offer a Course; and §535.65, concerning Operation of Core Education Schools. The proposed amendments were recommended by the Education Standards Advisory Committee (ESAC).

- The proposed amendments to §535.62 establish Principles of Real Estate I and II as two 30-hour core courses with specific topics and subtopics and mandated time periods in which instructors must teach each topic or subtopic. The amendments to §535.62 also establish that new Principles of Real Estate I and II must be taken before other core courses are taken and establish a time period of 12 months, or 15 months for alternative delivery courses, for which the commission will continue to accept previously approved courses for core credit if such courses are not revised pursuant to the new standards.
- The proposed amendments to §535.64 change the deadline for renewal of previously approved core courses; adopt by reference forms to be used for schools in requesting approval to offer the new Principles of Real Estate courses; establish the requirements for requesting approval and teaching core courses once a revised curriculum has been adopted by the commission; and establish the requirements and deadlines for submitting previously approved courses for approval subject to the new curriculum requirements.
- The amendments to §535.65 address the way newly adopted core courses must be delivered and establish new requirements for schools to place start and completion dates on core course certificates issued to students.

### *Important Dates to Remember*

TREC Budget Committee Meeting—August  
12 at 9am

TREC Executive Committee Meeting—  
August 12 at 9am

TREC Commission Meeting—August 12

TREC Education Committee meeting—  
October 10

Broker Lawyer Committee Meeting—  
October 25

Name and Location	Order	Basis For Order					
<p>Case#: <b>120138</b>            ACKERMAN, ALAN JAY            (license # 494800) Real Estate Broker /            Salesperson-I            ROCKWALL(ROCKWALL)            Effective Date: 5/2/2013</p> <table border="1" data-bbox="115 558 310 653"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(02)</td> </tr> </table>	Violation(s)	1101.652(a)(02)	<p>Agreed administrative penalty of \$2,500.00. Agreed to cease and desist from engaging in all activities for which a person must first hold a real estate license. Agreed to not apply for any license, certificate, or registration issued by the Commission before June 11, 2015.</p>	<p>Consumer Complaint            In one transaction, Respondent accepted funds for a lease knowing the property was unavailable, failed to remit the money, made false promises related to another rental property and collected a commission not through his sponsoring broker. During investigation, the paying entity broker was owned by Respondent but had obtained an entity broker sponsor through misrepresentation and material misstatements on the broker sponsorship form.</p>			
Violation(s)							
1101.652(a)(02)							
<p>Case#: <b>121886,121887</b>            CELIS, ARNULFO III            (license # 460036) Real Estate Broker /            Salesperson-I            HARLINGEN(CAMERON)            Effective Date: 5/3/2013</p> <table border="1" data-bbox="115 905 375 1140"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(b)(01)</td> </tr> <tr> <td>1101.652(b)(02)</td> </tr> <tr> <td>1101.652(b)(23)</td> </tr> <tr> <td>22 TAC 535.156(b)</td> </tr> </table>	Violation(s)	1101.652(b)(01)	1101.652(b)(02)	1101.652(b)(23)	22 TAC 535.156(b)	<p>Agreed two-year suspension of broker license fully probated for two years. Agreed administrative penalty of \$9,000.00.</p>	<p>Consumer Complaint            Respondent entered into listing agreements for two properties which stated that the sellers had agreed to sell the properties to an initial buyer and which instructed Respondent to market the properties to an end-buyer. Respondent did not disclose the pre-existing sales agreements to the end-buyers and advertised the properties as short-sales though no short sales were intended.</p>
Violation(s)							
1101.652(b)(01)							
1101.652(b)(02)							
1101.652(b)(23)							
22 TAC 535.156(b)							
<p>Case#: <b>130840</b>            GO, WA HEI            (license # 447475) Real Estate Broker /            Salesperson-I            HOUSTON(HARRIS)            Effective Date: 5/6/2013</p> <table border="1" data-bbox="115 1377 318 1520"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(b)(01)</td> </tr> <tr> <td>1101.652(b)(26)</td> </tr> </table>	Violation(s)	1101.652(b)(01)	1101.652(b)(26)	<p>Agreed reprimand of salesperson license. Agreed administrative penalty of \$2,000.00. Agreed completion of 30 classroom hours in a property management course on or before August 20, 2013.</p>	<p>Consumer Complaint            Respondent is the registered agent for Wing Wa, Inc., a corporation that engaged in real estate activities without a real estate license. An unlicensed individual signed a property management agreement as manager of Houston Real Property (the assumed name of Wing Wa, Inc.). Respondent knew or should have known that the individual did not have a real estate license.</p>		
Violation(s)							
1101.652(b)(01)							
1101.652(b)(26)							
<p>Case#: <b>121945</b>            BACA, EILEEN            (license # 581966) Real Estate Broker /            Salesperson-I            HOUSTON(HARRIS)            Effective Date: 5/10/2013</p> <table border="1" data-bbox="115 1749 345 1887"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(b)(01)</td> </tr> <tr> <td>1101.652(b)(22)</td> </tr> </table>	Violation(s)	1101.652(b)(01)	1101.652(b)(22)	<p>Agreed reprimand of salesperson license. Agreed administrative penalty of \$3,000.00. Agreed completion of 30 classroom hours in an agency law course on or before August 3, 2013.</p>	<p>Consumer Complaint            When Respondent changed sponsoring brokers, she took a copy of a buyer representation agreement between the former sponsoring broker and buyers. Although the buyer representation agreement between the former sponsoring broker and buyers was still effective, Respondent named Respondent's new sponsoring broker as buyer's broker and Respondent as buyer's associate in the broker information</p>		
Violation(s)							
1101.652(b)(01)							
1101.652(b)(22)							

## Enforcement Actions

<p>Case#: <b>130392</b>                  JACKSON, WILLIE G                  (license # 449024) Real Estate Broker /                  Salesperson-I                  COPPERAS COVE(CORYELL)                  Effective Date: 5/21/2013</p> <table border="1" data-bbox="110 422 358 657"> <thead> <tr> <th>Violation(s)</th> </tr> </thead> <tbody> <tr> <td>1101.652(b)(01)</td> </tr> <tr> <td>1101.652(b)(19)</td> </tr> <tr> <td>1101.652(b)(20)</td> </tr> <tr> <td>22 TAC 535.156(c)</td> </tr> </tbody> </table>	Violation(s)	1101.652(b)(01)	1101.652(b)(19)	1101.652(b)(20)	22 TAC 535.156(c)	<p>Agreed one-year suspension of broker license fully probated for one year.                  Agreed administrative penalty of \$5,500.00.</p>	<p>Consumer Complaint                  During the pendency of a sales transaction and despite multiple delays in closing, Respondent failed to amend the sales contract to reflect those changes. Respondent failed to keep the principal/owner informed of significant information, including the fact that the buyer failed to deposit earnest money with the title company, that Respondent entered a property management agreement with the named buyer under the sales contract, and that the Respondent leased the property to tenants without the principal/owner's authority.</p>
Violation(s)							
1101.652(b)(01)							
1101.652(b)(19)							
1101.652(b)(20)							
22 TAC 535.156(c)							
<p>Case#: <b>111257,120133</b>                  MASSIE, JOAN MARIE                  (license # 394226) Real Estate Broker /                  Salesperson-I                  MC ALLEN(HIDALGO)                  Effective Date: 5/23/2013</p> <table border="1" data-bbox="110 905 399 1045"> <thead> <tr> <th>Violation(s)</th> </tr> </thead> <tbody> <tr> <td>1101.652(b)(01)</td> </tr> <tr> <td>22 TAC 535.154(e)</td> </tr> </tbody> </table>	Violation(s)	1101.652(b)(01)	22 TAC 535.154(e)	<p>Reprimand of broker license. Assessment of an administrative penalty of \$6,500.00.</p>	<p>Consumer Complaint                  Respondent acted negligently in her supervision of a salesperson, who was responsible for the day-to-day management of a property. In the course of the salesperson's management of the property, the salesperson failed to properly account for or remit money that belonged to another and commingled money belonging to another with his own money. The salesperson also engaged in conduct that is dishonest or in bad faith or that demonstrates untrustworthiness while acting as a salesperson.</p>		
Violation(s)							
1101.652(b)(01)							
22 TAC 535.154(e)							
<p>Case#: <b>120138,111908</b>                  WARD, SRIANNA RENEE                  (license # 467785) Real Estate Broker /                  Salesperson-I                  ROCKWALL(ROCKWALL)                  Effective Date: 6/3/2013</p> <table border="1" data-bbox="110 1297 367 1486"> <thead> <tr> <th>Violation(s)</th> </tr> </thead> <tbody> <tr> <td>1101.651(b)</td> </tr> <tr> <td>1101.652(b)(05)</td> </tr> <tr> <td>1101.652(b)(09)</td> </tr> </tbody> </table>	Violation(s)	1101.651(b)	1101.652(b)(05)	1101.652(b)(09)	<p>Agreed four-year suspension of salesperson license fully probated for four years. Agreed administrative penalty of \$6,000.00.</p>	<p>Consumer Complaint                  Respondent in one transaction allowed a tenant to move into a property despite the lease not being signed and failed to obtain the tenant's money before allowing access. In another transaction, Respondent accepted money for a lease knowing the property was unavailable, failed to remit the money, made false promises related to another rental property, and collected a commission not through her sponsoring broker.</p>	
Violation(s)							
1101.651(b)							
1101.652(b)(05)							
1101.652(b)(09)							
<p>Case#: <b>131312</b>                  DUDLEY, TIMOTHY MICHAEL                  (license # 619446) Real Estate Broker /                  Salesperson-I                  NORTH RICHLAND HILLS(TARRANT)                  Effective Date: 5/29/2013</p>	<p>Agreed reprimand of salesperson license. Agreed administrative penalty of \$500.00.</p>	<p>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.</p>					
<p>Case#: <b>130661</b>                  BRYAN, JOSHUA REAGAN                  (license # 583582) Real Estate Broker /                  Salesperson-I                  DALLAS(DALLAS)                  Effective Date: 5/30/2013</p>	<p>Agreed five-year suspension of salesperson license fully probated for five years.</p>	<p>Administrative Complaint                  Respondent pled guilty to a felony offense.</p>					

<p>Case#: <b>121098</b>                  LOONEY, CHRISTIAN T                  (license # 611303) Real Estate Broker /                  Salesperson-I                  DALLAS(DALLAS)                  Effective Date: 5/30/2013</p>	<p>Agreed six-year suspension of salesperson license fully probated for six years.</p>	<p>Administrative Complaint                  Respondent pled guilty to a felony offense.</p>			
<p>Case#: <b>131317</b>                  NEWTON, ANNETTE SILVA                  (license # 487152) Real Estate Broker /                  Salesperson-I                  SAN ANTONIO(BEXAR)                  Effective Date: 5/31/2013</p> <table border="1" data-bbox="115 604 347 695"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.655</td> </tr> </table>	Violation(s)	1101.655	<p>Agreed three-year revocation of salesperson license fully probated for three years, or until the date the Real Estate Recovery Trust Account is repaid in full, whichever occurs first.</p>	<p>Administrative Complaint                  Respondent failed to repay the Commission for payment of \$15,000.00 made from the Real Estate Recovery Trust Account towards satisfaction of a judgment.</p>	
Violation(s)					
1101.655					
<p>Case#: <b>130778</b>                  BELTRAN-RAMOS, ANDRES FELIPE                  (license # 591736) Real Estate Broker /                  Salesperson-I                  KATY(HARRIS)                  Effective Date: 5/15/2013</p> <table border="1" data-bbox="115 930 347 1068"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(01)</td> </tr> <tr> <td>1101.652(a)(09)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	1101.652(a)(09)	<p>Agreed two-year suspension of salesperson license fully probated for two years. Agreed administrative penalty of \$1,000.00.</p>	<p>Administrative Complaint                  Respondent pled guilty to a felony offense. Respondent failed to notify the Commission within 30 days after entry of a plea of guilty to a felony offense.</p>
Violation(s)					
1101.652(a)(01)					
1101.652(a)(09)					
<p>Case#: <b>131231</b>                  VILLARREAL, BEATRIZ MARROQU                  (license # 616624) Real Estate Broker /                  Salesperson-I                  SAN ANTONIO(BEXAR)                  Effective Date: 5/15/2013</p> <table border="1" data-bbox="115 1304 371 1442"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(04)</td> </tr> <tr> <td>22 TAC 534.2(a)</td> </tr> </table>	Violation(s)	1101.652(a)(04)	22 TAC 534.2(a)	<p>Agreed reprimand of salesperson license. Agreed administrative penalty of \$500.00.</p>	<p>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.</p>
Violation(s)					
1101.652(a)(04)					
22 TAC 534.2(a)					
<p>Case#: <b>131035</b>                  POLK, ERNEST L JR                  (license # 461652) Real Estate Broker /                  Salesperson-I                  HOUSTON(HARRIS)                  Effective Date: 5/8/2013</p> <table border="1" data-bbox="115 1682 363 1772"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.655</td> </tr> </table>	Violation(s)	1101.655	<p>Revocation of salesperson license.</p>	<p>Administrative Complaint                  Respondent failed to repay the Commission for payment of \$45,000.00 plus interest made from the Real Estate Recovery Trust Account towards satisfaction of a judgment.</p>	
Violation(s)					
1101.655					

## Enforcement Actions

<p>Case#: <b>130857</b>            SHAW, JASON MICHAEL            (license # 628861) Real Estate Broker /            Salesperson-I            LA PORTE(HARRIS)            Effective Date: 5/8/2013</p>	<p>Agreed six-year probationary salesperson license issued.</p>	<p>Applications            Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).</p>
<p>Case#: <b>121412</b>            CRAIG, JAMES TOLIVAR III            (license # 531352) Real Estate Broker /            Salesperson-I            MC KINNEY(COLLIN)            Effective Date: 5/13/2013</p>	<p>Agreed three-year probationary salesperson license issued.</p>	<p>Applications            Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).</p>
<p>Case#: <b>130720</b>            GARDNER, KELLI J            (license # 629438) Real Estate Broker /            Salesperson-I            AUSTIN(TRAVIS)            Effective Date: 5/29/2013</p>	<p>Agreed 10-year probationary salesperson license issued.</p>	<p>Applications            Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).</p>

# 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: From the Commissioner (page 1) Proposed Rules (page 2) Understanding USPAP FAQ's (page 3)***

## ***From the Commissioner ...***

The Board, its Enforcement Committee and staff have been working steadily over the past year to make improvements and refinements, implement policies to increase both transparency and fairness, and ensure we still accomplish our primary goal of public protection through effective regulation. How are we doing? We always welcome your feedback on proposed policies and rules, as well as feedback after any interaction with the agency. The majority of feedback we get is generally positive, with some recommendations for improvements. But we also welcome your insight on practices you would like to see changed or refocused. This is not idle talk; we really do listen to you – our license holders.

The Appraisal Subcommittee (ASC) has been busy setting interim guidelines for the implementation of new processes and qualifications over the next 18 months. Watch for articles and notices in this Bulletin as those deadlines approach. We do our best to forecast these, explain them in detail as guidance becomes available, and adopt rules and policies

to implement them. Monitor our Board meeting agenda, materials and minutes to keep fully informed.

The Board will meet next on Friday August 16th at 10 AM in Room 170 of the Stephen F Austin building at 1700 North Congress Avenue, just two blocks north of the State Capitol. We welcome our license holders and members of the public to attend, observe and even comment. If you cannot make it, know that the meetings are also broadcast live over the internet and video recorded as the official record of the meeting. Links to the agenda, materials, live broadcast and video archive are all available on the agency's website. As always, we welcome your comments on all we do.



Douglas E. Oldmixon

## *Proposed Rules for the August 16, 2013 Board Meeting*

Proposed rules will be up for adoption at the August 16, 2013 meeting of the Board. The proposed rules can be found on our website at <http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp>. Comments on proposed rules should be sent to [general.counsel@talcb.texas.gov](mailto:general.counsel@talcb.texas.gov) on or before July 8, 2013.

### **22 TAC §153.20 concerning Guidelines for Revocation, Suspension, Denial of Licensure or Certification; Probationary Licensure:**

Amendments are proposed to clarify that an applicant for a license or certification, whether successful or not, is subject to denial and/or discipline (in the case of a step- up application) if the applicant makes false, misleading or fraudulent misrepresentations in the application process.

### **22 TAC Chapter 157, Subchapter E concerning Alternative Dispute Resolution:**

New rules are proposed to clearly set out TALCB's policy and procedures for alternative

dispute as follows: §157.30, Alternative Dispute Resolution; §157.31, Informal Conference; §157.32, Negotiated Settlement §157.33, Mediation; §157.36, Stipulations; §157.37, Agreements; §157.38, Confidentiality.

### **22 TAC §159.109 concerning Inactive Status:**

Amendments are proposed to provide a procedure for a registered Appraisal Management Company to elect to be placed on inactive status and clarifies what happen to an AMC's panel if it goes inactive.

### **22 TAC §159.155 concerning Periodic Review of Appraisals:**

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

### **22 TAC §159.159 concerning Disclosure of Registration Number:**

Amendments are proposed to help appraisers identify Appraisal Management Companies that are registered with TALCB by clarifying that an Appraisal Management Company is required to disclose the name under which it is registered with TALCB and any other name under which it does business in addition to the registration number currently required on documents used to procure appraisals.

### ***Important Dates to Remember***

TALCB Education Committee Meeting—August 15—3pm

TALCB Budget Committee Meeting—August 16—9am

TALCB Executive Committee Meeting—August 16—9am

TALCB Board Meeting—August 16—10am

## *Gain a Better Understanding of USPAP Through FAQs*

Most appraisers might agree that at the best of times the *Uniform Standards of Professional Appraisal Practice* [USPAP] can be difficult to understand and at times tedious to use. At the same time more and more appraisers are recognizing the critical importance of the correct application of USPAP for a successful appraisal practice.

While The Appraisal Foundation provides a number of tools to assist the appraiser in his/her understanding of USPAP, one of the most useful ones is the Frequently Asked Questions [FAQs] section found in USPAP.

FAQs are found at the back of the bound version of each edition of USPAP or on The Appraisal Foundation's website at [www.appraisalfoundation.org](http://www.appraisalfoundation.org).

### **Where Do FAQs Come From?**

The short answer is they come from us. As stated, FAQs are responses to questions asked of The Appraisal Foundation by anyone [including appraisers, users of appraisal services, enforcement officials as well as members of the public]. Most FAQs start out as part of the Q&As posted on the Foundation's website. Q&As are published periodically by the Appraisal Standards Board, in response to questions with broad application/interest to the appraisal community and the public.

### **What FAQs Do?**

Think of FAQs as answers to fact-specific questions regarding the application of USPAP. When you read the FAQ you see that various aspects of a particular appraisal question are given. Then a response is provided specific to the given facts/circumstances. It is important to remember that a change of the assignment particulars, . . . a change of the facts; may well result in a difference in the appropriate USPAP application.

USPAP's FAQs are broken into three parts: a question, a response and commentary/explanation.

### **Example**

Let's look at a specific FAQ [FAQ # 73 – Contents of a Workfile\*].

In this example the question is asked of the ASB: "What information must be retained in an appraiser's workfile?"

In the response the relevant portions of USPAP are cited/quoted: "*An appraiser must prepare a workfile for each appraisal, appraisal review, or appraisal consulting assignment. The RECORD KEEPING RULE states:*

*The workfile must include:*

- *The name of the client and the identity, by name or type, of any other intended users;*
- *true copies of any written reports, documented on any type of media (A true copy is a replica of the report transmitted to the client. A photocopy or an electronic copy of the entire report transmitted to the client satisfies the requirement of a true copy.);*
- *summaries of all oral reports or testimony, or a transcript of testimony, including the appraiser's signed and dated certification;*
- *all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation; and*
- *a workfile in support of a Restricted Use Appraisal Report must be sufficient for the appraiser to produce a Summary Appraisal Report (for assignments communicated under STANDARDS 2 and 8) or an Appraisal Report (for assignments communicated under STANDARD 10)."*

\* 2011-2012 USPAP, The Appraisal Foundation

After the citation of the relevant portion of USPAP there is a commentary that explains the rationale of the USPAP requirement.

In our example this reads, "The appraiser's assignment workfile serves several purposes. As in many other professions, the discipline of enforcement by public agencies and peer review, together with one's self-discipline and dedication of effort, serves to ensure performance of assignments in compliance with professional standards. In addition to facilitating enforcement, a workfile aids the appraiser in handling questions from the client or an intended user subsequent to the date of the report.

"An appraiser's assignment workfile preserves evidence of the appraiser's compliance with USPAP and other information as may be required to support the appraiser's opinions, conclusions, and, in the case of an appraisal consulting assignment, recommendations."

As is seen, by referencing the FAQ, the appraiser is presented a very specific question pertinent to the proper interpretation of USPAP, the relevant portions of USPAP for reference in response and a rationale for the USPAP requirement.

So the appraiser is provided not only the "who" and "what" but also the "why".

### Things to Remember

- FAQs are not part of USPAP;
- FAQs are approved by the ASB without public exposure or comment;
- FAQs do not "break new ground" in the

interpretation of USPAP;

- FAQs do offer the guidance of the Appraisal Standards Board [ASB] to provide a better understanding of the application USPAP related to appraisal problems and issues through advice and illustrations; and
- FAQs are not broadly stated and should not be broadly interpreted, but considered to provide a specific response to specific question.

### How to Use FAQs

The table of contents is a good place to start. Located at the beginning of the FAQ section, the table of contents is broken in to broad categories [Examples include: "Ethics Rule-Conduct", "Recordkeeping Rule" and "Appraisal Reporting-Certification and Signatures".

Each category is then broken into specific questions/answers. There are 21 questions asked and answered in the "Appraisal Reporting-Certification and Signatures" section alone.

There you have it. Relying on the FAQs of USPAP can not only be a great tool furthering the appraiser's understanding of USPAP, but can be a real time-saver. Who doesn't need to save time these days?.

So, the next time you have a USPAP question check out the FAQ section of USPAP!

# 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.

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***Inside this Issue: Legislative Session Recap (page 1) From the Administrator (page 2)***

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## ***IMPLEMENTATION OF HB 2911 HAS BEGUN***

The provisions of inspector housekeeping bill (HB 2911) that passed during the 83rd regular legislative session go into effect as of September 1, 2013. Many of the items addressed by the bill are “clean-up” issues designed to upgrade the quality of real estate inspectors in Texas and conform agency practices related to inspectors to match those used by TREC for its other licensees, such as adding a fingerprinting requirement and criminal history background review of license holders, providing late renewal provisions for inspectors, and granting applicants a full year to complete the application process. Staff is currently working with the Texas Real

Estate Inspector Committee (TREIC), as well as various stakeholders, to amend its regulatory procedures through the rulemaking process to reflect the new inspector licensing and education requirements addressed in the bill, which will likely be proposed at the August 12 Commission meeting. Other items will require additional implementation beyond the rulemaking process, such as updating affected forms and online information. As always, we encourage our licensees to be engaged in the process. Your input is an important and valuable part of the implementation process. Visit our website, [www.trec.texas.gov](http://www.trec.texas.gov), for more information.

### ***Important Dates to Remember***

Enforcement Subcommittee - July 26, 2013 at 8:30 a.m.

Education Subcommittee – July 26, 2013 at 10:00 a.m.

Texas Real Estate Inspector Committee – July 26, 2013 at 12:30 p.m.

All inspectors, education providers, members of the public and other stakeholders are welcome to attend and provide input on agenda items. Agendas will be posted on our website [here](#).

## *From the Administrator...*

At its meeting on May 6<sup>th</sup>, the Commission approved for adoption the updated Standards of Practice and corresponding changes to the standard report form with an effective date of January 1, 2014. Until then, the current SoP and Form remain mandatory and after 1/1/14, the new SoP and Form become mandatory and the old SoP and Form will no longer be allowed. There is no “transition” period, but rather an immediate substitution. The effective date was delayed for 7 months to allow for educators and forms providers to plan ahead. These updates have been two years in the making, and despite a very few remaining “nay-sayers”, we believe that the majority of our industry fully supports these timely updates to our SoPs. We received no opposition to any of the proposals from any of our industry trade associations, and many members were fully engaged in the process.

Speaking of positive support, many thanks are owed to the professional associations for their role in assisting with the passage of HB 2911, a bill that provides late renewal rights for inspectors, a full year for new applicants to complete licensing requirements, eliminates the onerous 6-month waiting period for students who need multiple tries to pass the exam, and allows the requirement of an “in the field” training component for students who complete the “fast-

track” education alternative path to licensing. All of these provisions were supported by 100% of the associations. The bill also clarifies the insurance requirement and allows for a bonding option if insurance becomes

unavailable. No changes were made to the Recovery Fund. Signed by the Governor, the law is effective September 1st.

The Committee is working on strengthening Inspector Continuing Education (ICE) related provisions and course content, looking at ride-along opportunities that could qualify for continuing education credits, as well as recommended rules to implement the new requirements of HB2911. The members are working hard to ensure education is both convenient and meaningful. Stay tuned – more good suggestions are on the way. And your input is always welcomed.

