

TREC Advisor

Texas Real Estate Commission ★ Volume 10, No. 2 • August 1999

New Laws Affect Real Estate Transactions and Licensees

Additional disclosures required before sale of property; Mortgage brokers will need Texas license

PURCHASERS OF REAL ESTATE IN TEXAS must be provided with more information on the location of real property under several new laws enacted by the Texas legislature. Among the disclosures which must be made by sellers is whether the property requires membership in a property owners' association or a utility district and the potential for annexation of the property by a municipality. Additionally, property owners' associations are required to provide information on property restrictions and a resale certificate within ten days of receiving a request for such information.

For the first time in Texas' history, mortgage brokers will be required to obtain a state license and meet certain educational and experience qualifications. The new law will be administered by the Texas Savings and Loan Department but under the guidance of a six-member advisory board, two of whose members are to be appointed by the Texas Real Estate Commission.

Two new laws broaden the ability of real estate licensees to sell manufactured housing while another allows real

estate brokers to place a lien on commercial property to secure payment of a commission. Homeowners will be required to rekey locks when leasing for more than ninety days under a new law (SB 166) sponsored by Senator John Corona of Dallas. Another law (SB 1896) will allow counties to list real property with brokers and place that property in a multiple listing service.

The 76th Legislature passed a number of other laws affecting real estate transactions and licensees. Summaries

of some of these bills are provided below. Full text for each law and other information is available at the Texas Legislature On-Line at <http://www.capitol.state.tx.us>. Except where noted, the effective date of the new laws is September 1, 1999.

Seller Disclosure

S.B. 167 by Carona requires a seller of real property to give the purchaser a specific written notice regarding possible annexation of the property. Failure to give the notice before the purchaser is bound under the contract permits the purchaser to terminate the contract within seven days after the notice is given or the date of the transfer of the property, whichever is earlier. There are exceptions and the disclosure is not required for properties already located within the boundaries of a municipality. Residential, commercial and farm and ranch sales are all affected by this law. The bill is effective January 1, 2000.

H.B. 2224 by Solomons requires a seller of not more than one dwelling unit to give the purchaser a written statutory notice if the property is subject to membership in an owners' association. If the seller fails to give the notice before the contract binds the purchaser, the purchaser may terminate the contract within seven days after the notice is given or the date the transfer of the property occurs, whichever is earlier. There are exceptions, including the transfer of an interest in a condominium. The notice requirements apply to contracts entered into on or after January 1, 2000. *Please turn to page 4.*

TREC CELEBRATES 50 YEARS



AMONG THE NEARLY HALF MILLION licensees of the Texas Real Estate Commission since its establishment as a separate agency in 1949 was Mickey Charles Mantle of Dallas, Texas. After his retirement from the New York Yankees, this baseball Hall of Famer began a career in real estate. Mickey Mantle was licensed as a real estate salesperson in Texas from May 14, 1975 to October 31, 1993. Several TREC employees recall the day in 1983 when the former Yankee slugger visited the agency headquarters and met with then-Administrator Andy James.

As part of TREC's 50th Anniversary commemoration, Mickey Mantle's license file was presented to James L. Gates, Librarian of the National Baseball Library, National Baseball Hall of Fame, in Cooperstown, New York on June 25, 1999. It will be preserved by the library for use by individuals researching Mr. Mantle's career after his retirement from baseball. Mickey Mantle submitted the above photo with his renewal application in 1983.

Inside this issue...

Meeting Highlights	2
Significant Changes Proposed for Accredited Schools Rules	5
Disciplinary Actions	6
Examination Update	8
Calendar of Events	8

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



TEXAS REAL ESTATE COMMISSION

Meeting Highlights

APRIL 12, 1999

PRECEDING ITS MEETING on Monday, April 12, 1999, the Texas Real Estate Commission (TREC) attended a session of the Texas House of Representatives and was recognized for fifty years of service to the people of Texas as a state agency. Commemorative resolutions have been adopted by both the Senate and House. During the Commission's regular business session, TREC Chairman Jay Brummett read the text of congratulatory letters received by the Commission from Governor George W. Bush and Lt. Governor Rick Perry. Following the meeting, Commissioners also met with Governor Bush in honor of the anniversary occasion.

On the Commission's agenda, action was taken to readopt 22 TAC §541.1 under the agency's comprehensive rule review process. These rules pertain to criminal offense guidelines under which violations would demonstrate an inability to represent the interests of another with honesty, trustworthiness, and integrity. Individuals who commit such offenses are disqualified from holding a real estate license or other professional registration from TREC. An amendment was added for purposes of consistency with other rules that include easement or right-of-way agents under the guidelines.

Action was postponed on a proposed readoption of rules under 22 TAC Chapter 537 concerning the use of standard contract forms, including adoption of two revised standard forms: Addendum for Sale of Other Property by Buyer; and the Addendum for Abstract of Title. Commissioners decided to give further consideration to these changes during their meeting in June, along with a review of public comments that have been received.

It was agreed that proposals for amendment, repeal, and/or readoption

will be considered for various rules regarding The Real Estate License Act under 22 TAC §§535.1-535.4, §§535.11-535.21, §§535.31-535.35, §§535.41-535.42, and §§535.51-535.53. Amendments to nineteen of these rules, and repeal of four others, are being proposed. Approval was also given to initiate the rule review process for 22 TAC §§535.61-535.70. These provisions relate to all qualifying education requirements for real estate brokers and salespersons.

Six payments from the Real Estate Recovery Fund were authorized during the meeting.

JUNE 7, 1999

At the June 7th meeting, the Commission took several actions as part of the rule review, amendment, and readoption of 22 TAC §§535.1-535.4, §§535.11-535.21, §§535.31-535.35, §§535.41-535.42, and §§535.51-535.53, concerning various provisions of The Real Estate License Act. §535.1 (a) was amended to provide that individuals who conduct real estate brokerage business activities from another state via mail, telephone, the Internet, e-mail or other electronic means must have a valid Texas real estate license. Additionally, four rules (§§535.4, 535.11, 535.14, and 535.18) were repealed since their provisions are considered to be adequately included in statutory or other rule language. Action on §535.20 was postponed in order to further consider how restrictions on gifts or other compensation for referrals should be defined.

Action was also deferred on the proposed amendment of 22 TAC Chapter 537 regarding the use of standard contract forms and adoption of two revised forms (Addendum for Sale of Other Property By Buyer, and Addendum for Abstract of Title) pending additional

Story continued next page.

Official publication of the
Texas Real Estate Commission
Volume 10, No. 2 • August 1999



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Broker member

Deanna Mayfield
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Desktop Publisher
Dan White, Jr.

The TREC Advisor (ISSN 1047-4579) is published by the Texas Real Estate Commission (TREC) as an educational service to licensees in the state of Texas. The purpose of the newsletter is to promote a better understanding of The Real Estate License Act and to inform all licensees of changes affecting laws and practices in the real estate industry. The TREC Advisor is funded through legislative appropriations and subscriptions collected from TREC licensees. The official text of TREC rules is filed with the Office of the Secretary of State, *Texas Register*. TREC encourages reproduction of this newsletter with the appropriate acknowledgments. Subscriptions are available for \$3.00 for two years. Single issues are \$1.00. To order a subscription or a single issue write to: TREC Advisor, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188. For information regarding TREC, contact:

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Above Left: Texas Real Estate Commission greeted at the capitol by the governor. (L-R) Loretta DeHay, Sheri Brummett, Maria Gonzalez-Gil, Jay C. Brummett, Hazel W. Lewis, Brian Francis, Governor George W. Bush, Kay Sutton, Glen Bridge, Wayne Thorburn, Alan Waters, Pat Holder and Don Dudley

Above Right: Commission members pause for a photo at the capitol commemorating 50 years of service. (L-R) Deanna Mayfield, Mitchell Katine, Chris T. Folmer, Rep. Todd Staples, Hazel W. Lewis, C. Michael Brodie, Kay Sutton, Speaker Pete Laney, Maria Gonzalez-Gil, Jay C. Brummett and Pete Cantu, Sr.

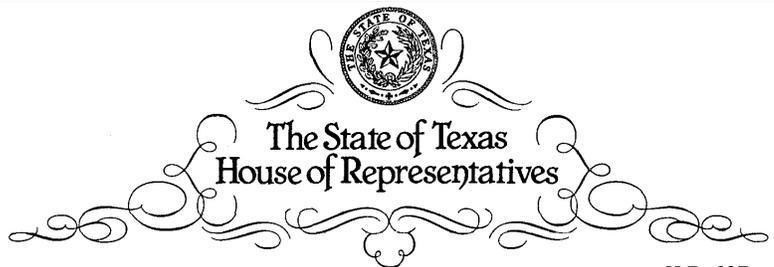
Right: The resolution presented to the Texas Real Estate Commission in recognition of 50 years of service.

Highlights continued from page 2

consideration by the Commission's Broker-Lawyer Committee.

A series of potential changes was discussed as part of the rule review process on core education and experience requirements, examinations, schools, instructors and courses for real estate licensure. Commissioners agreed to publish these changes as a formal proposal for public review and comment. Under the proposal, §§535.61-535.66, and §§535.68-535.70 would be repealed; and new §§535.61-535.66 would be added.

In other action, a filing of an Intention to Review was approved for rule sections 535.71-535.73 concerning mandatory continuing education; and for §535.81 pertaining to the Real Estate Recovery Fund. Two payments from the Real Estate Recovery Fund were also approved. Future Commission meeting dates were set for Monday, August 2, and Monday, September 20, 1999.



H.R. 607

RESOLUTION

WHEREAS, The Texas House of Representatives is pleased to honor the Texas Real Estate Commission as it celebrates its 50th anniversary this year; and

WHEREAS, In 1949, the Texas Legislature created the Texas Real Estate Commission (TREC) as a separate state agency and established its legal responsibility to serve the state's citizens; and

WHEREAS, For the past 50 years, the agency has successfully honored its commitment to protecting consumers, ensuring the availability of qualified and honest real estate professionals, and fostering economic growth in Texas; and

WHEREAS, Through the implementation of programs in professional licensing, education, and enforcement of real estate standards, the TREC has provided for the availability of effectively trained, professionally qualified, and ethically responsible real estate service providers; and

WHEREAS, Over the course of the past half-century, more than 465,000 Texans have been licensed by the TREC, with more than 112,000 licenses and registrations currently in effect for brokers, salespersons, property inspectors, easement or right-of-way agents, education providers, residential service companies, and time-share developers; now, therefore, be it

RESOLVED, That the House of Representatives of the 76th Texas Legislature hereby recognize the Texas Real Estate Commission on the occasion of its 50th anniversary and commend its members for their outstanding efforts in behalf of the people of Texas; and, be it further

RESOLVED, That an official copy of this resolution be prepared for the Texas Real Estate Commission as an expression of high regard by the Texas House of Representatives.

Staples
H.R. No. 607

Pete Laney
Speaker of the House

I certify that H.R. No. 607 was adopted by the House on April 12, 1999, by a non-record vote.



Sharon Carter
Chief Clerk of the House

TREC Adopts Rule Amendments and Repeals

IN CONNECTION with its ongoing rule review process, TREC has amended a series of its rules. At its meeting on April 12, 1999, the members of the commission adopted an amendment to §535.41, effective May 4, 1999. The amendment clarifies that criminal offense guidelines for licensing and disciplinary actions also apply to registered easement and right-of-way agents.

At the meeting on June 7, 1999, amendments were adopted to §§535.1-535.3, §§535.12-535.13, §§535.15-535.17, §535.21, §§535.31-531.35, §535.41-535.42 and §§535.51-535.52, all concerning provisions of The Real Estate License Act. Four rules, §535.4, §535.11, §535.14 and §535.18, were

repealed. These actions became effective July 1, 1999, and primarily rewrite the rules for brevity and clarity, incorporating the recent opinion of the Attorney General regarding corporate employees (See "Letter Opinion Issued by Office of Attorney General", Volume 10, No. 1, March 1999). The amend-

ments also address brokerage activities conducted from other states and general definitions of terms used in TRELA.

TREC is presently conducting rule reviews of Chapter 537, concerning standard contract forms and portions of Chapter 535, concerning provisions of TRELA. These provisions include the rules addressing examinations, accredited schools, core real estate and real estate related courses, and mandatory continuing education (MCE) providers, courses and instructors.

New Laws Affect Real Estate Transactions and Licensees continued from page 1

2000.

Residential Owners' Associations

S.B. 434 by Brown requires a property owners' association to provide subdivision information to an owner not later than the 10th day a written request for the information is received from the owner, owner's agent, title insurance company, or its agent. The information includes the restrictions applying to the subdivision, the bylaws and rules of the association, and a resale certificate. The law specifies the content of the resale certificate. The association may charge a reasonable fee for the information or for updating a resale certificate. The law provides remedies for the owner if the association fails to provide the information, including the ability to sue the association and recover attorney fees and court costs.

Enhanced Penalties

H.B. 1521 by Siebert increases the penalties for violations of several real estate related laws, including The Real Estate License Act (TRELA) and The Residential Service Company Act (RSCA) administered by TREC. Violating TRELA or a TREC order becomes a Class A misdemeanor, punishable by a fine not to exceed \$4,000 or imprisonment for a term not to exceed one year, or both. TREC also is authorized to bring an action for a civil penalty against a residential service company for a violation of the RSCA not to

Violating TRELA or a TREC order becomes a Class A misdemeanor, punishable by a fine not to exceed \$4,000 or imprisonment for a term not to exceed one year, or both.



exceed \$2,500 for each violation or \$50,000 in the aggregate for all violations of a similar nature. The bill became effective June 19, 1999.

Mortgage Brokers and Loan Officers

H.B. 1074 by Carona requires mortgage brokers and loan officers to be licensed by the Texas Savings and Loan Department on or after January 1, 2000. The law defines a mortgage broker as a person who accepts an application from a prospective borrower for the purposes of making a mortgage loan from that person's own funds or from the funds of another person. Loan officers must be associated with and act for a mortgage broker. The new law establishes experience and education requirements for each license. Exemptions are provided, includ-

ing employees of certain financial institutions. TREC is required to appoint two real estate licensees to an advisory committee which will assist in the administration of the new law.

Broker's Lien on Commercial Property

H.B. 1052 by Brimer permits a licensed broker or appraiser to place a lien on commercial property to secure payment of a written commission agreement signed by a buyer, seller, landlord or tenant. The broker's right to a lien must be disclosed in the commission agreement. The law provides detailed requirements for filing, enforcing and releasing the lien. The lien may not be filed by the broker unless the broker has earned the commission upon which the lien is based. Remedies are provided for the owner or tenant if the broker fails to take the actions required by the law. The bill becomes effective August 30, 1999.

Residential Landlords

S.B. 166 by Carona will require a homeowner who vacates a home and places the home for lease or rent to rekey locks for a tenant. This change in the Texas Property Code will provide consistent protection for all tenants, not just those who have moved into a previously rented property. The law does not apply to a temporary residential lease for a term of 90 days or less created by a contract of sale in which the buyer occupies

Story continued next page.

Significant Changes Proposed for Accredited School Rules

THE REAL ESTATE COMMISSION has proposed significant changes for the rules applicable to Commission-accredited schools. The proposed new rules, if adopted, will replace existing Sections 535.61 through 535.70 of the Rules of the Commission with six new rules. Final adoption of the proposed new rules could occur at the August 2, 1999 meeting of the Commission.

Several provisions of the proposed new rules would dramatically change the system of accrediting schools and approving instructors for schools. For example, the proposed new rules would make school accreditations and instructor approvals effective for periods of five years only. Under the existing rules, accreditations and instructor approvals, once granted, survive in-

definitely unless terminated by formal Commission action or by voluntary action of the school owners. The proposed new rules would also tighten the Commission's standards for school accreditation and instructor approval, particularly in the area of financial review of proposed schools and proposed school owners, and

requirements would be altered through provisions mandating that examinations contain at least 60 questions and that the unweighted passing score for examinations be no less than 70%. Students would be required to complete all makeup work before taking the course examination, although the school could permit a second examination if the student fails on the first attempt.

The proposed new rules have been published in the Texas Register. This is the formal action by which an agency invites public comment regarding proposed rule changes. The Texas Real Estate Commission will give con-

New Laws continued from page 4

the property before closing or the seller occupies the property after closing

Manufactured Homes

HB 2238 by Cook and H.B. 1193 by Telford contain provisions which will exempt real estate licensees from licensing requirements under the Manufactured Housing Standards Act. To qualify for the exemption, the real estate licensee must be negotiating the sale, exchange, lease or lease-purchase of the manufactured home on behalf of a person for whom the licensee otherwise acts as a real estate broker or salesperson. H.B. 2238 is effective September 1, 1999. The exemption provided by H.B. 1193 is effective January 1, 2000.

Registered Sex Offenders

S.B. 1650 by Jackson concerns registered sex offenders rated as a high risk to a community. In addition to other notices which may be given by local law enforcement agencies, the bill requires the Texas Department of Public Safety to send a written notice to each residential address within specified distances from the address to which the registered offender intends to move. Prior to final passage, the bill was amended to clarify that the owner of a single-family residential property or the owner's agent has no duty to make a disclosure to prospective buyers or tenants about the registered sex offender. The bill is effective August 30, 1999.

The proposed new rules would also tighten the Commission's standards for school accreditation and instructor approval, particularly in the area of financial review of proposed schools and proposed school owners.



would provide more specific grounds for the Commission to revoke the accreditation of a school that has become insolvent. Additionally, proposed new schools would not be required to submit any specific number of courses in order to achieve accreditation. Under the existing rules, accreditation may only be granted if a proposed new school submits materials for 180 hours of core courses.

The day-to-day operations of proprietary schools will also be impacted by a number of the proposed new rules, if adopted. The maximum amount of time permitted for classroom instruction would be shortened from 10 hours per day to 8 hours per day. Schools would no longer be prohibited from offering courses at brokerage or franchise offices or from offering correspondence courses. Course examination

consideration to the proposed new rules at its regular meeting on August 2, 1999, and could take action to adopt the rules on that date. Individuals who desire to have a voice in this decision-making process should submit comments or suggestions to the Commission without delay. The time to give input is now, and the Commission is hopeful that its consideration of the proposed new rules will be informed and enriched through the contributions of educators, licensees, and other interested members of the public. Comments on the proposed new rule may be submitted to TREC c/o Office of the General Counsel, P.O. Box 12188, Austin, Texas 78711-22188.

New Examination Site Coming to South Texas

THE COMMISSION'S examination contractor Experior has committed to open a new examination center in south Texas. The new center will be located in McAllen and is scheduled to open this fall. This site will significantly increase the convenience of taking the Texas real estate examination for applicants in the Rio Grande Valley.

On a related matter, Experior with the aid and input of subject matter experts has developed a new examination content outline and new examinations. These new examinations will start being administered beginning August 4, 1999. The new content outline will be included with *Candidate Information Brochures* in July and will also be sent out to each applicant who received his or her *CIB* prior to July. Please check the TREC web site Examination Information page for updated information at <http://www.trec.state.tx.us>

Disciplinary Actions

January through May 1999

Adrian, Gary Michael (Lubbock); #776 Agreed reprimand of inspector license, entered May 12, 1999; continuing to perform inspections after his license expired, in violation of Section 23 (c)(1) and Section 23(l)(7) of The Real Estate License Act (TRELA).

Bindon, James A. (Austin); license #157474 30-day suspension of broker license, effective March 1, 1999; failing to provide the Texas Real Estate Commission with evidence of completion of a property management course, a term and condition of probation as agreed for a violation of Section 15(a)(6)(W) of TRELA.

Calhoon, Thomas Carter (Austin); license #279625 Agreed reprimand of broker license, entered February 10, 1999; agreed administrative penalty of \$1,000.00; while negotiating as a principal in a real estate transaction, failing to disclose his status as a real estate broker to the other party, in violation of Section 15B(b) of TRELA and 22 TAC 535.144 of the Texas Real Estate Commission Rules (the Rules).

Carriage Co. Of Midland, Inc. (Midland); license #384561 Agreed reprimand of broker license, entered April 27, 1999; Agreed administrative penalty of \$250.00; following the expiration of a salesperson's license through the time the broker became aware the license had expired, broker continued to display the expired license of the salesperson and failed to advise the

salesperson to cease her real estate brokerage activities in violation (2 each) of Sections 15(a)(6)(F), 15(a)(6)(S), and 15(a)(6)(W) of TRELA; following the expiration of a salesperson's license and/or the termination of sponsorship of salespersons through the time the broker became aware the licenses had expired and/or were inactive, broker engaged in misleading advertisement on a web site that included these licensees as agents associated with the broker in violation of sections 15(a)(6)(P) and 15(a)(6)(W) of TRELA and Section 535.154(f) of the Rules.

Castleberry, Richard (Austin); license #345192 Agreed reprimand of broker license, entered March 11, 1999; agreed administrative penalty of \$500.00; while leasing real property in his own name, failing to reimburse the lessor for a returned check until approximately 16 months after the check was dishonored by the bank, and failing to pay rent for 2 months until approximately 15 months after the rent became due, in violation of §15(a)(3) of TRELA.

Clark, Deborah Suzanne (Houston); license #460817 Revocation of salesperson license, effective April 5, 1999; failing to provide for the deposit of earnest money, failing to include a written provision that an earnest money check was contingent upon the buyer's receiving additional funds and releasing the check to the buyer's without the seller's knowledge or consent, thus acting negligently or incompetently in violation of §15(a)(6)(W) of TRELA.

Coleman, Diane D. (Austin); license #419995 Revocation of salesperson license, effective May 3, 1999; failing to provide information to the Commission in response to the Commission's request for same in connection with an application

for renewal of real estate salesperson license, in violation of Section 15B(b) of TRELA and 22 TAC § 535.91(a) of the Rules.

Crouse, Patrick Mark (Austin); license #381118 Revocation of salesperson license, effective April 2, 1999; payment of \$22,007.42 made by the Texas Real Estate Commission from the Real Estate Recovery Fund toward satisfaction of a judgment against Patrick Mark Crouse in violation of Section 8(i) of TRELA.

Forest, Robert Edwin (Corpus Christi); license #294206 Agreed 30-day suspension of broker license fully probated for 6 months, effective April 26, 1999; retaining a security deposit as a relet fee upon tenant's default of the lease without the authorization by the owner to retain such a fee in violation of Section 15(a)(6)(E) of TRELA.

Fleming, David Alan (Lubbock); license #325765 Agreed reprimand of broker license, entered May 10, 1999; paying bills to vendors from funds held for owner after termination of the property management agreement and with knowledge that owner had questioned payments, in violation of Section 15(a)(6)(W) of TRELA.

Howell, Nancy Leigh Nickel (Austin); license #276763 Revocation of salesperson license, effective May 3, 1999; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of Section 15B(b) of TRELA and 22 TAC § 535.91(a) of the Rules.

Johnson, Odis F. (Austin); license #704 Revocation of inspector license, effective April 5, 1999; payment of \$7,500.00 made by the Texas Real Estate Commission from the Real Estate Recovery Fund toward satisfac-

Name	Lic. Exp. Date
Company	
Street	
City, State	

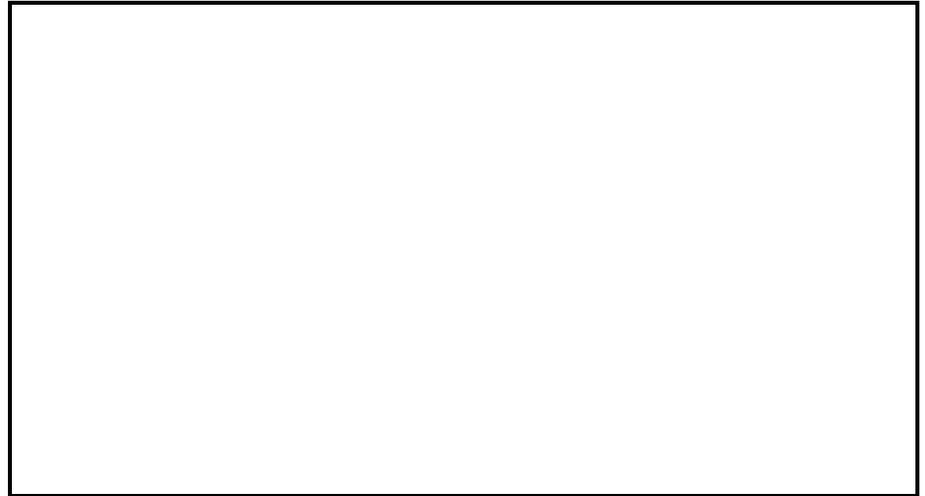
AS A SERVICE to our licensed subscription holders, we have included your license expiration date in the upper right hand

tion of a judgment against Odis F. Johnson in violation of Section 23(o) (10) of TREL.A.

Klang, Larry F. (Austin); license #143501 Revocation of broker license, effective May 4, 1999; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of Section 15B(b) of TREL.A and 22 TAC § 535.91(a) of the Rules.

Long, Arthur Lee, Jr. (San Antonio); license #326790 Agreed 120-day suspension of broker license fully probated for 2 years, effective February 8, 1999; accepting partial rent payments contrary to owners' wishes where lease agreement did not have express non-waiver clause, using tenants' security deposit to cover final month's rent or wrongly reported that he had, both in violation of Section 15(a)(6)(W) of TREL.A. Failing to ensure that property he was managing was in compliance with security device law in violation of Section 15(a)(6)(W) of TREL.A.

Long, Ginia M. (Cleburne); license #417522 Agreed 6-month fully probation suspension of salesperson license, effective March 8, 1999; failing to perform property management duties in a non-negligent manner; specifically, commingling and misappropriation of escrow funds, failing to account properly for rents coming into her possession, failing to make timely payments to creditors on behalf of her clients, failing to collect late charges when due, failing to communicate information to her clients in a timely manner, and failing to inform her sponsoring brokers that she was performing escrow services on behalf of the complainants, in violation of Sections 1(d), 15(a)(5), 15(a)(6)(E), 15(a)(6)(V), 15(a)(6)(W), and 15(a)(6)(Y) of TREL.A, and Sections 535.146(e) and (g), 535.156(b), (c), and



50 Year Honorees

As part of its 50 year celebration, the Texas Real Estate Commission has been honoring those individuals who have served the people of Texas as licensed real estate brokers continuously for 50 years. Pictured here is one such ceremony in San Antonio.

San Antonio Board Of Realtors President Ruben Peña (second from right), TREC Commissioner Maria Gonzalez-Gil (third from right) and TREC Administrator Wayne Thorburn (third from left) congratulate these honorees for 50 years in the business: (l-r) J.B. Love, Guy W. Chipman, Harvey Tamon, Aubrey E. (Buddy) Beverly and (not pictured) Lauren Barneby. (Photo courtesy of Real Estate Newsline, San Antonio)

(d), and 535.159(f) of the Rules.

Montague, Bruce (Bandera); license #191175 Agreed Reprimand of broker license, entered May 6, 1999; failing to use current and correct Commission-promulgated contract forms and addenda when negotiating a real estate transaction; failing to adequately address property condition issues for buyers who were out of country and buying property sight unseen, in violation of 22 TAC §537.11(d) of the Rules and Section 15(a)(6)(W) of TREL.A.

Stanbery, Becky Lynn (Lufkin); license #408429 Agreed reprimand of broker license, entered March 9, 1999; agreed administrative penalty of \$1,000; as sponsoring broker of both selling agent and buyer's agent in the same transaction, failing to make clear to all parties in a transaction, which party she is acting for, in violation of Section 15(a)(6)(D) of TREL.A.

Waggoner, Curtis P. (Austin); license #235053 Agreed reprimand of broker license, entered May 10, 1999; failing within a reasonable time to make

repayment to the Commission for a check that was returned due to insufficient funds, in violation of Section 15(a) (4) of TREL.A and failing to pay the returned check processing fee within 15 days after the Commission has mailed a request for payment, in violation of 22 TAC §534.2(b) of the Rules.

Wren, Dennis Wayne (Austin); license #287722 Revocation of broker license, entered May 4, 1999; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of Section 15B(b) of TREL.A and 22 TAC § 535.91(a) of the Rules.

Wright, Angela Cecile Lee (Austin); license #438802 Agreed reprimand of salesperson license, entered April 14, 1999; failing to timely provide information requested by the Commission in connection with a renewal application in violation of Section 535.921(a) of the Rules.

Employee of the Quarter

TREC IS PROUD TO ANNOUNCE that Nancy Guevremont recently received the second Employee of the Quarter award for fiscal year 1999.

Nancy works in the Staff Services Division as the Human Resources Director for TREC. Nancy has been employed by the commission for over 25 years. Her duties include posting and coordination of job openings, new employee orientation, maintenance of personnel files, employee benefits, leave accounting, and records management.

Nancy recently completed the course work for her "Professional in Human Resources" certification and took the final examination in May, 1999. Nancy received notification in June, 1999 that she passed the examination.

Nancy performs her duties in a friendly and professional manner. Her efforts provide information and guidance. The commission considers Nancy a valuable asset.

TREC commends Nancy's dedication and is pleased to recognize her perform-

Enforcement Tip: No Dual Sponsorship

A RECURRING QUESTION to the Enforcement Division is whether a salesperson may work for a broker who is not the sponsor of the salesperson. The question arises in instances where a salesperson wishes to engage in different real estate brokerage activities on behalf of a second broker. Perhaps the salesperson works for a commercial real estate brokerage firm during the week and wants to make some extra money working for a residential broker on the weekends.

The Real Estate License Act (TRELA) and Commission Rules (the Rules) permit a salesperson to be sponsored by only one broker at a time. Under section 1(b) of TRELA, a salesperson must be associated with and acting for a licensed real estate broker before conducting real estate business. An example of this requirement is found in 22 TAC §535.17, which requires a salesperson performing appraisals to submit the appraisals in the sponsoring broker's name. Furthermore, the sponsoring broker is responsible for the acts and conduct of the salesperson. TRELA and the Rules do not provide a procedure by which a salesperson may work for or be associated with more than one broker. It is, therefore, implicit in the concept of broker sponsorship and responsibility that a salesperson may not work simultaneously for two different brokers.

Broker-Lawyer Committee Considers Form Changes

THE BROKER-LAWYER COMMITTEE is meeting on July 29-30 in Austin to consider possible changes to promulgated forms or new notices required by legislation (See related article, page 1). Forms to be reviewed include the Addendum for Abstract of Title, Addendum for Sale of Other Property by Buyer, Addendum for Property Subject to Mandatory Membership in an Owners' Association, Resale Certificate for Property Subject to Mandatory Membership in an Owners' Association, Amendment, and two new notices sellers will be required to give regarding annexation and owners' associations. Suggestions about these and any other forms may be submitted to the committee c/o Office of General Counsel, TREC. P.O. Box 12188, Austin, Texas 78711-2188 or by e-mail to mark.moseley@trec.state.tx.us.

Calendar of Events

Commission Meetings:
August 2, 1999, September 20, 1999

Broker-Lawyer Meetings:
July 29-30, October 7-8

Inspector Meeting:
August 5, 1999

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

TRECFax: (512) 419-1623

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