



Staff Reports for October 2002

Texas Real Estate Commission

Monthly Staff Reports

Contents

<u>Report</u>	<u>Report Description</u>	<u>Division</u>	<u>Director</u>
L1	Fiscal Year Comparison	Licensing & Education	Sabrina Hassumani
L2	Real Estate Licensee Status	Licensing & Education	Sabrina Hassumani
L3	Examination Statistics	Licensing & Education	Sabrina Hassumani
E1	Case Status	Enforcement	Linda Bayless
E2	Administrative Orders	Enforcement	Linda Bayless
I1	Electronic Information Outlet Statistics	Information Services	Lyndon Clements
S1	Agency Financial Statement	Staff Services	Alan Waters
S2	Real Estate Recovery Fund Investments - Current Securities	Staff Services	Alan Waters
S3	Real Estate Recovery Fund Payments and Repayments	Staff Services	Alan Waters
S4	Inspection Recovery Fund Status	Staff Services	Alan Waters

Licensing and Education Division Fiscal Year Comparison

Fiscal Year 2003 - Year to Date

	This FY 09/02-10/02	Last FY 09/01-10/01	Count	Change Percent
Applications Received				
Broker Original Applications Received	208	288	-80	-27.78%
Sales Original Applications Received	<u>2,460</u>	<u>2,345</u>	<u>115</u>	<u>4.90%</u>
Total Original Applications	2,668	2,633	35	1.33%
Broker Late Renewal Applications Received	176	172	4	2.33%
Sales Late Renewal Applications Received	<u>678</u>	<u>641</u>	<u>37</u>	<u>5.77%</u>
Total Late Renewal Applications Received	854	813	41	5.04%
Licenses Issued from Applications				
Broker Licenses from Original Applications	169	207	-38	-18.36%
Sales Licenses from Original Applications	<u>1,994</u>	<u>2,125</u>	<u>-131</u>	<u>-6.16%</u>
Total Licenses from Original Applications	2,163	2,332	-169	-7.25%
Broker Licenses from Late Renewal Applications	182	174	8	4.60%
Sales Licenses from Late Renewal Applications	<u>1,071</u>	<u>922</u>	<u>149</u>	<u>16.16%</u>
Total Licenses from Late Renewal Applications	1,253	1,096	157	14.32%
Renewal Activity for Expirations				
	Oct 2002	Oct 2001		
Broker Timely Renewals Percentage	88.58%	88.19%		0.39%
Sales Timely (1 year) Renewals Percentage	77.77%	75.50%		2.27%
Sales Timely (2 year) Renewals Percentage	85.62%	83.03%		2.59%

Licensing and Education Division

Licensee and Registrant Status

October 2002

Real Estate Licensees

	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02
Broker Licensees													
Individual (Active)	33,253	33,202	33,177	33,240	33,291	33,296	33,289	33,260	33,285	33,294	33,246	33,174	33,126
Corporation (Active)	3,607	3,611	3,615	3,625	3,643	3,633	3,649	3,668	3,667	3,672	3,692	3,695	3,697
LLC (Active)	379	389	396	402	412	422	434	432	443	448	461	469	477
Non-resident (Active)	484	478	477	475	476	478	476	472	467	464	464	456	456
Partnership (Active)	2	2	2	2	2	2	2	2	2	2	2	2	2
Total Active Status	37,725	37,682	37,667	37,744	37,824	37,831	37,850	37,834	37,864	37,880	37,865	37,796	37,758
Inactive Status	1,877	1,882	1,859	1,867	1,871	1,871	1,855	1,849	1,835	1,808	1,794	1,776	1,763
Total Brokers	39,602	39,564	39,526	39,611	39,695	39,702	39,705	39,683	39,699	39,688	39,659	39,572	39,521
Sales Licensees													
Active Status	50,210	50,381	50,368	50,088	50,632	51,034	51,603	52,296	52,568	53,136	53,663	53,925	54,299
Inactive Status	22,818	22,882	23,284	24,243	24,166	24,199	24,131	24,074	24,155	24,253	24,423	24,315	24,282
Total Sales	73,028	73,263	73,652	74,331	74,798	75,233	75,734	76,370	76,723	77,389	78,086	78,240	78,581
Total Active	87,935	88,063	88,035	87,832	88,456	88,865	89,453	90,130	90,432	91,016	91,528	91,721	92,057
Total Inactive	24,695	24,764	25,143	26,110	26,037	26,070	25,986	25,923	25,990	26,061	26,217	26,091	26,045
Total Brokers & Sales	112,630	112,827	113,178	113,942	114,493	114,935	115,439	116,053	116,422	117,077	117,745	117,812	118,102

Inspectors

	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02
Inspector Licensees													
Professional Inspectors	1,852	1,879	1,901	1,919	1,923	1,938	1,944	1,964	1,968	1,994	2,033	2,074	2,073
Real Estate Inspectors	174	177	180	175	175	175	170	169	175	174	170	168	172
Apprentice Inspectors	200	191	191	187	184	189	191	189	184	189	196	196	195
Total Inspectors	2,226	2,247	2,272	2,281	2,282	2,302	2,305	2,322	2,327	2,357	2,399	2,438	2,440

Easement & Right-of-way Registrants

	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02
ERW Registrants													
Businesses	41	41	41	45	39	39	38	39	39	41	41	40	39
Individuals	920	922	896	892	858	861	878	883	868	866	875	869	858
Total Registrants	961	963	937	937	897	900	916	922	907	907	916	909	897

Total Licensees and Registrants

	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02
All Licensees & Registrants	115,817	116,037	116,387	117,160	117,672	118,137	118,660	119,297	119,656	120,341	121,060	121,159	121,439

Licensing and Education Division

Examination Activity

October 2002

Monthly Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	885	58	0	8
Examinations Failed	1,484	56	4	65
Examinations Taken	2,369	114	4	73
Applicants Examined	1,586	79	4	55
1st Time Passed	626	34	0	4
Examination Pass Rate	37.36%	50.88%	0.00%	10.96%
Applicant Pass Rate	55.80%	73.42%	0.00%	14.55%
1st Time Pass Rate	39.47%	43.04%	0.00%	7.27%

Year-to-Date Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	1,448	101	1	13
Examinations Failed	2,604	101	4	100
Examinations Taken	4,052	202	5	113
Applicants Examined	2,378	125	5	83
1st Time Passed	913	59	1	6
Examination Pass Rate	35.74%	50.00%	20.00%	11.50%
Applicant Pass Rate	60.89%	80.80%	20.00%	15.66%
1st Time Pass Rate	38.39%	47.20%	20.00%	7.23%

Enforcement Division Report

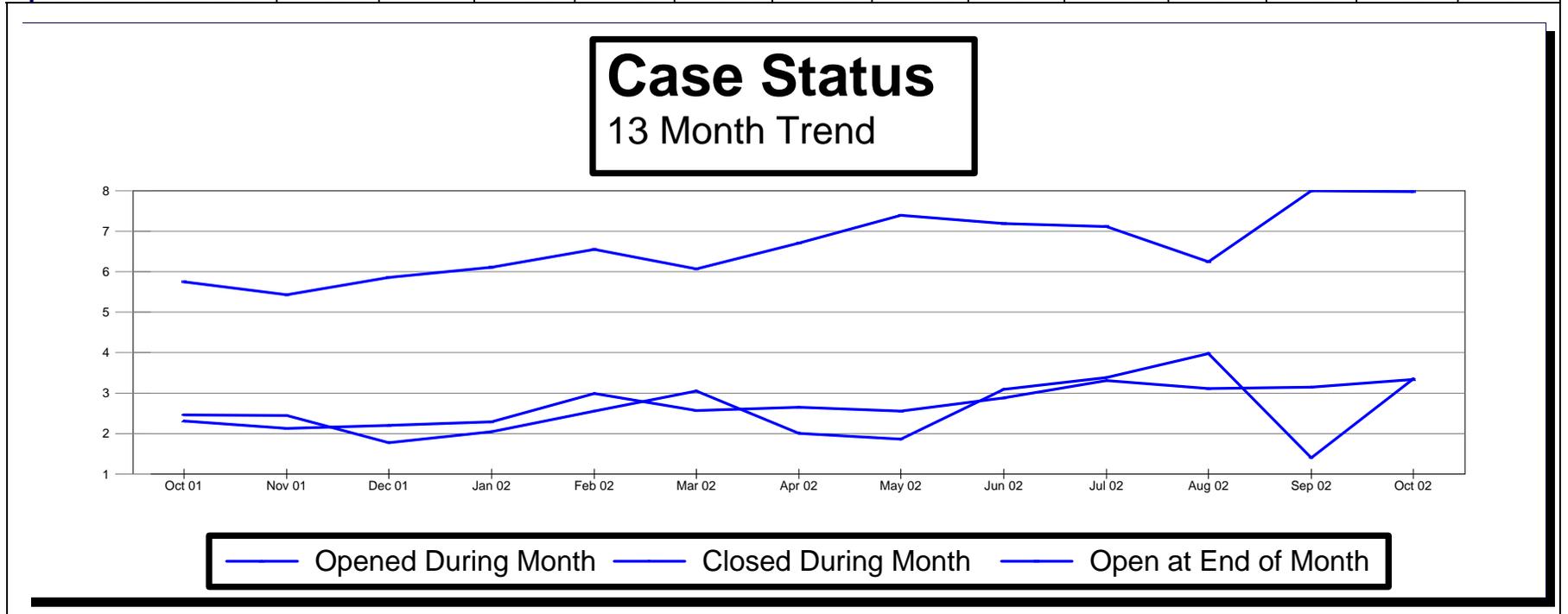
Case Status

October 2002

	October 2002	YTD
Open at Beginning of the Month	800	-----
Opened During the Month	333	648
Closed During the Month	(335)	(475)
Adjustment *	0	0
Open at End of Month	798	-----

* Cases not accounted for in previous monthly reports

	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02
Opened During Month	231	213	220	229	299	257	265	255	288	331	311	315	333
Closed During Month	246	245	177	204	255	305	201	186	309	338	398	140	335
Open at End of Month	575	543	586	611	655	607	671	740	719	712	625	800	798



Enforcement Division

Administrative Actions

October 2002

Name and Location	Order	Basis for Order
Adams, Janet Lee (Houston); license# 417369	Revocation of salesperson license, effective October 3, 2002	failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules of the Texas Real Estate Commission
Hart, Carlisha Lynshay (Dallas); license# 495373	Agreed administrative penalty of \$250.00, entered October 9, 2002	violation of term and condition of her probationary license for failure to submit within 10 working days of a change in sponsorship, a verification from the new sponsoring broker that they received a copy of the order directing the issuance of a probationary license and is aware of the terms and conditions of the probation
Ortolani, Cicely Walter (Houston); license# 477215	Agreed reprimand of salesperson license, entered October 11, 2002	failing to see that a buyer deposited earnest money and paid the option fee as required by the real estate sale contract, thereby acting negligently or incompetently in performing an act for which a person is required to hold a real estate license, in violation of Section 15(a)(6)(W) of The Real Estate License Act
Willis, Glenda Rae (League City); license# 419049	Agreed 1 year suspension of salesperson license fully probated until January 31, 2008, effective October 31, 2002	entering a plea of guilty to a felony in which fraud is an essential element, in violation of Section 15(a)(1) of The Real Estate License Act
Allegro, John M. (Dallas); license# 298210	Agreed reprimand of broker license, entered October 17, 2002; Agreed administrative penalty of \$250.00, entered October 17, 2002	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(h) of the Rules of the Texas Real Estate Commission
Allegro, John M. (Dallas); license# 298210	Agreed reprimand of broker license, entered October 17, 2002; Agreed administrative penalty of \$250.00, entered October 17, 2002	failing within a reasonable time to make good a check issued to the Commission and to pay the processing fee, in violation of Section 15(a)(4) of The Real Estate License Act
Whisenant, Carol Joyce (Buda); license# 439202	Agreed reprimand of salesperson license, entered October 18, 2002; Agreed administrative penalty of \$200, entered October 18, 2002	failing to pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission
Autrey, Mary Marie (Fort Worth); license# 198590	Revocation of broker license, effective October 15, 2002	offered property that she owned for sale through an agent she sponsored and failed to disclose to a prospective purchaser that the property had extensive foundation problems and was uninsurable by HUD, represented the fair market value of the property was substantially more than it actually was, failed to submit a seller's property disclosure notice to the purchaser, and after entering into a written settlement agreement to resolve a legal dispute with the purchaser, breached the terms of the agreement by repudiating her performance, in violation of Section 15(a)(3), Section 15(a)(6)(A), and Section 15(a)(6)(V) of The Real Estate License Act

Information Services Division
Electronic Information Outlet Statistics

October 2002

	Current Month	YTD
World Wide Web		
Total Pages Viewed	1,190,382	2,425,322

TREC-L List Server		
Current Subscribers	29,221	

	Total	Online	Online Percent
Online Transactions			
Broker Renewals	1,490	380	25.50%
Salesperson Renewals	2,036	524	25.74%
Salesperson Applications	1,265	581	45.93%

Staff Services Division Agency Financial Statement

October 2002

THRU 2nd MONTH OF FISCAL YEAR 2003

STRATEGIES	FY 2003 APPROPRIATION *	2/12 ANNUAL APPROPRIATION	2 MONTH EXPENDITURES A/P AND ENC.	DOLLAR VARIANCE OVER(-) OR UNDER	PERCENT VARIANCE OVER(-) OR UNDER
Licensing	\$ 1,358,217.00	\$ 226,369.50	\$ 377,177.30	\$ (150,807.80)	-66.62%
Enforcement	986,225.00	164,370.83	265,900.29	(101,529.46)	-61.77%
Communication/Information	594,549.00	99,091.50	130,155.30	(31,063.80)	-31.35%
Indirect Administration	1,412,876.00	235,479.33	407,024.70	(171,545.37)	-72.85%
TOTAL	\$ <u>4,351,867.00</u> *	\$ <u>725,311.16</u>	\$ <u>1,180,257.59</u>	\$ <u>(454,946.43)</u>	-62.72% **

* Total appropriations have been increased by \$47,236 for benefit replacement pay, \$33,840 for longevity increase, \$118,103 for the salary increase authorized by the Legislature, and \$205,700 to pay subscription fees for electronic payments. Indirect Administration has been decreased by \$27,833, the amount appropriated for relocation of 15 employees, which is reserved for lapse.

** Variance reflects annual hardware maintenance and software support due at the beginning of a new fiscal year and the legislative provision which requires the encumbrance of all contractual obligations through the end of the fiscal year.

Staff Services Division

Real Estate Recovery Fund No. 971 Investments Current Securities October 2002

Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
10/21/1999	200,000.00	201,500.00	203,437.50	(750.00)	202,687.50	2,604.17	U.S. T-Notes, 6.25%	02/15/2003
10/21/1999	100,000.00	98,937.50	103,687.50	(281.25)	103,406.25	1,197.92	U.S. T-Notes, 5.75%	08/15/2003
10/31/1996	100,000.00	97,656.25	103,687.50	(281.25)	103,406.25	1,197.92	U.S. T-Notes, 5.750%	08/15/2003
01/22/1997	300,000.00	291,375.00	317,531.25	(562.50)	316,968.75	3,671.88	U.S. T-Notes, 5.875%	02/15/2004
09/28/2000	100,000.00	100,312.50	107,937.50	(218.75)	107,718.75	1,250.00	U.S. T-Notes, 6.00%	08/05/2004
09/28/2000	300,000.00	307,406.25	335,062.50	(1,031.25)	334,031.25	8,937.50	U.S. T-Notes, 6.50%	05/15/2005
09/28/2001	100,000.00	107,968.75	111,000.00	(406.25)	110,593.75	2,635.42	U.S. T-Notes, 5.75%	11/15/2005
02/15/2001	300,000.00	309,000.00	333,562.50	(1,218.75)	332,343.75	3,515.63	U.S. T-Notes, 5.625%	02/15/2006
03/07/2002	100,000.00	96,500.00	104,156.25	(437.50)	103,718.75	1,604.17	U.S. T-Notes, 3.50%	11/15/2006
03/07/2002	100,000.00	107,968.75	115,500.00	(687.50)	114,812.50	1,302.08	U.S. T-Notes, 6.25%	02/15/2007
08/23/2002	300,000.00	300,468.75	309,000.00	(2,250.00)	306,750.00	2,031.25	U.S. T-Notes, 3.25%	08/15/2007
Totals	\$ 2,000,000.00	\$ 2,019,093.75	\$ 2,144,562.50	\$ (8,125.00)	\$ 2,136,437.50	\$ 29,947.94		

	Current Month	Cumulative Totals
Receipts:		
Licenses' Remittances to Recovery Fund	\$ 14,760.00	\$ 4,454,280.08
Interest Realized	0.00	5,305,834.76
Repayments to Recovery Fund (Principal and Interest)	9,594.17	896,649.86
Administrative Penalties	1,950.00	199,200.00
Total Received	\$ 26,304.17	\$ 10,855,964.70
Disbursements:		
Investments Purchased (See Securities List)	\$ 0.00	\$ 2,019,093.75
Accrued Interest Purchased (See Securities List)	0.00	211.96
Payments from Recovery Fund	0.00	8,626,683.87
Rider Disbursements	9.00	9,288.67
Total Disbursed	\$ 9.00	\$ 10,655,278.25
Totals	\$ 26,295.17 <small>(Current Month)</small>	\$ 200,686.45
Reserved for Payments (Security)		0.00
Reserved for Payments Within Next 90 Days		(182,200.00)
Balance		\$ 18,486.45

Investment Position: The Fund is capable of meeting all known obligations.
Investment Compliance: The Investment Policy of the Commission has been followed.



Alan R. Waters, Investment Officer



Karen Alexander, Alternate Investment Officer

Staff Services Division
Real Estate Recovery Fund No. 971
Payments and Repayments
October 2002

Month-Year	Payment Total	Repayment Total	Admin. Penalties Total	Rider Disbursements	Payments FY 2003 To Date	Number of Payments
October 2001	124,842.13	13,768.39	900.00	33.00		
November 2001	53,829.44	2,204.18	2,000.00	0.00		
December 2001	23,563.01	12,718.15	0.00	0.00		
January 2002	11,380.39	3,976.40	(4,350.00)	47.42		
February 2002	50,000.00	2,230.15	900.00	10.00		
March 2002	3,979.13	4,364.65	1,500.00	0.00		
April 2002	44,612.05	2,148.00	1,200.00	11.00		
May 2002	35,673.90	3,297.40	900.00	55.92		
June 2002	95,919.01	3,316.15	1,400.00	9.00		
July 2002	0.00	2,830.15	900.00	46.11		
August 2002	79,902.83	2,276.15	3,150.00	94.38		
September 2002	16,809.75	7,449.15	2,050.00	0.00	16,809.75	2
October 2002	0.00	9,594.17	1,950.00	9.00	0.00	0
	540,511.64	70,173.09	12,500.00	315.83	16,809.75	2

Payment History		
Fiscal Year	# of Payments	Total Payments
thru 1988	221	\$2,236,975.54
1989	47	\$642,518.64
1990	42	\$579,467.82
1991	39	\$423,560.08
1992	35	\$467,668.69
1993	33	\$384,067.85
1994	31	\$394,466.36
1995	29	\$404,449.31
1996	26	\$385,724.99
1997	20	\$365,445.94
1998	27	\$497,406.17
1999	21	\$568,326.88
2000	18	\$509,279.95
2001	11	\$189,405.09
2002	19	\$561,110.81

Projected Payments *

Next 3 Months 182,200.00



* Projected Payments: Payments could be made in the time periods indicated. Several time/work variables can affect the actual payment dates.

Staff Services Division

Real Estate Inspection Recovery Fund No. 988

October 2002

Monthly Activity		
Beginning Balance	Current Month	Cumulative Totals

Payment History		
Fiscal Year	Number of Payments	Total Payments

Beginning Balance	\$	653,134.05	\$		\$ 653,134.05
Receipts:					
Licensees' Remittances to Recovery Fund		800.00			
Interest Realized		1,253.38			
Repayments		0.00			
Administrative Penalties		0.00			
Total Received in Current Month		2,053.38			\$ 2,053.38
Disbursements:					
Payments from Recovery Fund	\$	0.00			
Cash Transfer to General Revenue		0.00			
Rider Disbursements		0.00			
Total Disbursed in Current Month		0.00			\$ 0.00
Fund Balance					\$ <u>655,187.43</u>

1991	2	\$	4,309.26
1992	0		0.00
1993	2		15,000.00
1994	5		31,473.40
1995	4		25,668.83
1996	2		7,500.00
1997	1		7,500.00
1998	4		30,000.00
1999	1		7,500.00
2000	6		45,000.00
2001	0		0.00
2002	2		15,000.00
2003	0		0.00
		\$	<u>188,951.49</u>

Investment Position: The Fund is capable of meeting all known obligations.
 Investment Compliance: The Investment Policy of the Commission has been followed.



Alan R. Waters, Investment Officer



Karen Alexander, Alternate Investment Officer