



Staff Reports for May 2003

Texas Real Estate Commission

Monthly Staff Reports

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Licensing and Education Division

Fiscal Year Comparison

Fiscal Year 2003 - Year to Date

	This FY 09/02-05/03	Last FY 09/01-05/02	Change Count	Percent
Applications Received				
Broker Original Applications Received	954	1,268	(314)	-24.76%
Sales Original Applications Received	<u>11,410</u>	<u>11,040</u>	<u>370</u>	<u>3.35%</u>
Total Original Applications	12,364	12,308	56	0.45%
Broker Late Renewal Applications Received	780	831	(51)	-6.14%
Sales Late Renewal Applications Received	<u>2,967</u>	<u>2,725</u>	<u>242</u>	<u>8.88%</u>
Total Late Renewal Applications Received	3,747	3,556	191	5.37%
Licenses Issued from Applications				
Broker Licenses from Original Applications	824	1,090	(266)	-24.40%
Sales Licenses from Original Applications	<u>10,050</u>	<u>11,328</u>	<u>(1,278)</u>	<u>-11.28%</u>
Total Licenses from Original Applications	10,874	12,418	(1,544)	-12.43%
Broker Licenses from Late Renewal Applications	822	848	(26)	-3.07%
Sales Licenses from Late Renewal Applications	<u>4,609</u>	<u>4,176</u>	<u>433</u>	<u>10.37%</u>
Total Licenses from Late Renewal Applications	5,431	5,024	407	8.10%
Renewal Activity for Expirations				
Broker Timely Renewals Percentage	88.50%	88.39%		0.11%
Sales Timely (1 year) Renewals Percentage	76.71%	76.60%		0.11%
Sales Timely (2 year) Renewals Percentage	83.38%	83.23%		0.15%

Licensing and Education Division

Licensee and Registrant Status

May 2003

Real Estate Licensees

	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03
Broker Licensees													
Individual (Active)	33,260	33,285	33,294	33,246	33,174	33,126	33,084	33,038	33,075	33,100	33,046	32,993	32,955
Corporation (Active)	3,668	3,667	3,672	3,692	3,695	3,697	3,688	3,687	3,719	3,728	3,746	3,759	3,760
LLC (Active)	432	443	448	461	469	477	487	488	500	508	526	536	546
Non-resident (Active)	472	467	464	464	456	456	458	458	453	449	448	445	443
Partnership (Active)	2	2	2	2	2	2	2	2	2	2	2	3	3
Total Active Status	37,834	37,864	37,880	37,865	37,796	37,758	37,719	37,673	37,749	37,787	37,768	37,736	37,707
Inactive Status	1,849	1,835	1,808	1,794	1,776	1,763	1,742	1,739	1,732	1,737	1,720	1,717	1,720
Total Brokers	39,683	39,699	39,688	39,659	39,572	39,521	39,461	39,412	39,481	39,524	39,488	39,453	39,427
Sales Licensees													
Active Status	52,296	52,568	53,136	53,663	53,925	54,299	54,411	54,347	54,056	54,492	55,107	55,656	56,278
Inactive Status	24,074	24,155	24,253	24,423	24,315	24,282	24,306	24,561	25,322	25,183	25,077	24,940	24,695
Total Sales	76,370	76,723	77,389	78,086	78,240	78,581	78,717	78,908	79,378	79,675	80,184	80,596	80,973
Total Active	90,130	90,432	91,016	91,528	91,721	92,057	92,130	92,020	91,805	92,279	92,875	93,392	93,985
Total Inactive	25,923	25,990	26,061	26,217	26,091	26,045	26,048	26,300	27,054	26,920	26,797	26,657	26,415
Total Brokers & Sales	116,053	116,422	117,077	117,745	117,812	118,102	118,178	118,320	118,859	119,199	119,672	120,049	120,400

Inspectors

	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03
Inspector Licensees													
Professional Inspectors	1,964	1,968	1,994	2,033	2,074	2,073	2,067	2,071	2,081	2,090	2,100	2,125	2,134
Real Estate Inspectors	169	175	174	170	168	172	173	167	175	179	181	185	188
Apprentice Inspectors	189	184	189	196	196	195	187	195	203	201	199	195	204
Total Inspectors	2,322	2,327	2,357	2,399	2,438	2,440	2,427	2,433	2,459	2,470	2,480	2,505	2,526

Easement & Right-of-way Registrants

	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03
ERW Registrants													
Businesses	39	39	41	41	40	39	39	39	41	39	37	37	38
Individuals	883	868	866	875	869	858	843	845	836	799	799	785	775
Total Registrants	922	907	907	916	909	897	882	884	877	838	836	822	813

Total Licensees and Registrants

	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03
All Licensees & Registrants	119,297	119,656	120,341	121,060	121,159	121,439	121,487	121,637	122,195	122,507	122,988	123,376	123,739

Licensing and Education Division

Examination Activity

May 2003

Monthly Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	1,072	71	6	31
Examinations Failed	1,615	62	8	95
Examinations Taken	2,687	133	14	126
Applicants Examined	1,971	96	11	106
1st Time Passed	783	57	5	24
Examination Pass Rate	39.90%	53.38%	42.86%	24.60%
Applicant Pass Rate	54.39%	73.96%	54.55%	29.25%
1st Time Pass Rate	39.73%	59.38%	45.45%	22.64%

Year-to-Date Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	7,675	531	31	185
Examinations Failed	12,626	518	38	685
Examinations Taken	20,301	1,049	69	870
Applicants Examined	10,136	595	43	478
1st Time Passed	4,471	315	22	86
Examination Pass Rate	37.81%	50.62%	44.93%	21.26%
Applicant Pass Rate	75.72%	89.24%	72.09%	38.70%
1st Time Pass Rate	44.11%	52.94%	51.16%	17.99%

Enforcement Division Report

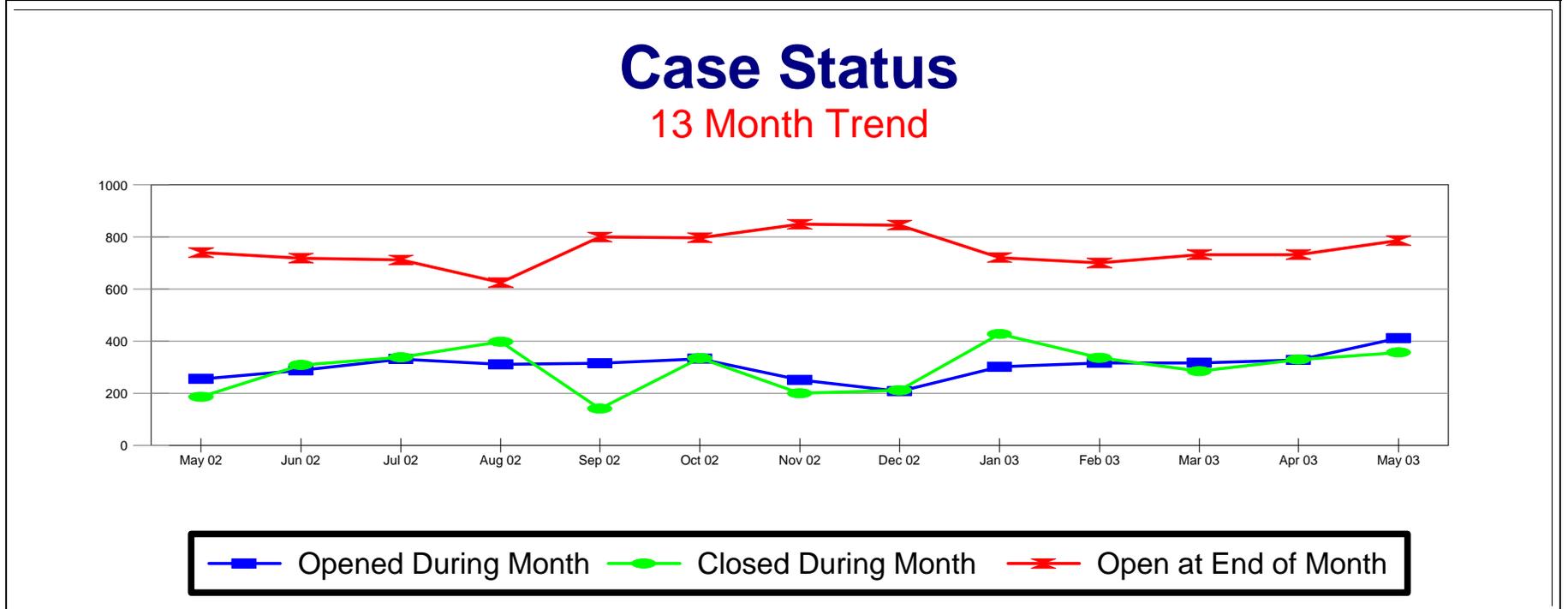
Case Status

May 2003

	May 2003	YTD
Open at Beginning of the Month	732	-----
Opened During the Month	411	2,780
Closed During the Month	(357)	(2,619)
Adjustment *	0	0
Open at End of Month	786	-----

* Cases not accounted for in previous monthly reports

	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03
Opened During Month	255	288	331	311	315	333	251	208	302	316	316	328	411
Closed During Month	186	309	338	398	140	335	200	211	427	336	284	329	357
Open at End of Month	740	719	712	625	800	798	849	846	721	701	733	732	786



Enforcement Division

Administrative Actions

May 2003

Name and Location	Order	Basis for Order
Marsh, Dorothy Jean (Houston); license# 419648	Revocation of salesperson license, effective May 9, 2003	failing to complete mandatory continuing education hours and 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
Klanecky, Iriss (Corpus Christi); license# 246894	Agreed reprimand of broker license, entered May 20, 2003	accepting \$1000 from the buyers intended to be earnest money if a contract was executed and instead retaining the funds claiming them as compensation and depositing the funds into her personal account, in violation of Section 15(a)(6)(E) of The Real Estate License Act
Miller, Karen M. (Georgetown); license# 334285	Agreed reprimand of salesperson license, entered May 13, 2003; Agreed administrative penalty of \$750, entered May 13, 2003	failing to complete contract forms correctly, failing to use correct contract form, in violation of Section 15(a)(6)(W) of the Real Estate License Act and 22 TAC Sections 537.11(d) and 531.3(3) of the Rules of the Texas Real Estate Commission
Morse, Steven Bryan (Houston); license# 402697	Agreed reprimand of broker license, entered May 15, 2003; Agreed administrative penalty of \$250, entered May 15, 2003	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
Green, Carrie Denise (Houston); license# 422751	Revocation of salesperson license, effective May 9, 2003	failing to complete mandatory continuing education hours and 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
Ripley, William Dean (Austin); license# 148501	Agreed reprimand of broker license, entered May 13, 2003	failing to supervise a sponsored salesperson who failed to use contract forms correctly and failed to use the correct contract form, in violation of Section 15(a)(6)(W) of The Real Estate License Act
Kopecky, Warren Thomas (Leander); license# 422198	Agreed administrative penalty of \$300, entered May 20, 2003	violation of term and condition of his probationary license for failure to provide the Commission's Director of Enforcement with evidence of his completion of thirty (30) classroom hours in a Principles of Real Estate Course, as defined by Section 7(a)(1) of The Real Estate License Act
Barker, Mary (San Saba); license# 85122	Reprimand of broker license, entered May 27, 2003	failing to furnish the written statement regarding agency relationships to a party to a real estate transaction as required by Section 15C(d) of The Real Estate License Act, in violation of that section
Garner, Jeanette Sue (Houston); license# 145180	Agreed reprimand of broker license, entered May 28, 2003; Agreed administrative penalty of \$250, entered May 28, 2003	failing to complete mandatory continuing education hours and 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
Uptown Realty, Inc. (Dallas); license# 428893	Agreed reprimand of broker license, entered May 30, 2003; Agreed administrative penalty of \$500, entered May 30, 2003	failing to supervise a salesperson negotiating and handling a real estate sales transaction, in violation of Section 15(a)(6)(W) of The Real Estate License Act
Grossman, Michael David (Dallas); license# 146929	Agreed reprimand of broker license, entered May 30, 2003	while acting as designated officer for a corporation licensed as a real estate broker, failed to supervise a salesperson negotiating and handling a real estate sales transaction, in violation of Section 15(a)(6)(W) of The Real Estate License Act

Enforcement Division

Administrative Actions

May 2003

Name and Location	Order	Basis for Order
Burnett, Leta Dee (Dallas); license# 418168	Agreed reprimand of salesperson license, entered May 30, 2003	failing to ensure that a transaction was properly negotiated, including proper completion of the contract and use of Commission-promulgated contract form, in violation of Section 15(a)(6)(W) of The Real Estate License Act
Woosley, Hiram Edward Jr. (Houston); license# 181048	Revocation of broker license, effective May 29, 2003	failing to complete mandatory continuing education hours and 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
Batts, C. Michael (Houston); license# 358773	Agreed reprimand of broker license, entered May 12, 2003; Agreed administrative penalty of \$250, entered May 12, 2003	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 broker license, in violation of 22 TAC Section 535.91(a) of the Rules of the Texas Real Estate Commission
Smith, Ralph C. (Montgomery); license# 399383	Revocation of salesperson license, effective May 21, 2003	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
Southwest Warranty Corporation (Richardson); license# 124	Agreed 60-day suspension of Residential Service Company license fully probated for 24 months, effective May 22, 2003; Agreed administrative penalty of \$1000, entered May 19, 2003	two counts of advertising or merchandising its services in an untrue, misleading, deceptive, or unfair manner, in violation of Section 18(a)(5) of the Residential Service Company Act; failing under normal circumstances to initiate services contracted for within 48 hours after request for services was made by the contract holder, in violation of Section 15)(a)(3)(vi) of the Residential Service Company Act; failing to exercise adequate oversight of repair contractors and failing to keep the contract holder adequately informed about the progress of repair work, in violation of Section 18(a)(1) of the Residential Service Company Act
Williams, Denetta Renee (Houston); license# 424794	Revocation of salesperson license, effective May 29, 2003	failing to complete mandatory continuing education hours and 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

Information Services Division

Electronic Information Outlet Statistics

May 2003

	Current Month	YTD
World Wide Web		
Total Pages Viewed	1,236,831	11,509,455

TREC-L List Server	
Current Subscribers	46,147

	Total	Online	Online Percent	YTD Online Percent
Online Transactions				
Broker Renewals	1,723	443	25.7%	24.5%
Salesperson Renewals	2,240	650	29.0%	25.9%
Salesperson Applications	1,561	790	50.6%	48.1%
Professional Inspector Renewals	140	13	9.3%	7.8%
Real Estate Inspector Renewals	10	1	10.0%	7.5%
Apprentice Inspector Renewals	8	1	12.5%	6.0%

Staff Services Division

Agency Financial Statement

May 2003

THRU 9TH MONTH OF FISCAL YEAR 2003

STRATEGIES	FY 2003 APPROPRIATION *	7% SAVINGS TRANSFER**	9/12 ANNUAL APPROPRIATION	9 MONTHS EXPENDITURES A/P AND ENC.	DOLLAR VARIANCE OVER(-) OR UNDER	PERCENT VARIANCE OVER(-) OR UNDER
Licensing	\$ 1,290,781.57	\$ 35,965.00	\$ 941,112.43	\$ 995,689.22	\$ (54,576.79)	-5.80%
Enforcement	990,427.84	23,954.00	724,855.38	809,044.37	(84,188.99)	-11.61%
Communication/Information	776,963.69	115,383.00	496,185.52	460,359.43	35,826.09	7.22%
Indirect Administration	1,445,355.67	108,345.00	1,002,758.00	1,056,088.78	(53,330.78)	-5.32%
TOTAL	<u>\$ 4,503,528.77</u>	<u>\$ 283,647.00</u>	<u>\$ 3,164,911.33</u>	<u>\$ 3,321,181.80</u>	<u>\$ (156,270.47)</u>	-4.94% ***

* Total appropriations have been increased by \$47,236 for benefit replacement pay, \$33,840 for longevity increase, and \$118,103 for the salary increase authorized by the Legislature. In the Licensing strategy, subscription fees in the amount of \$135,457.00 have been collected and remitted. Communication has been increased by \$180,000 to reflect anticipated receipts.

** Total transfer was \$290,790. Of that amount \$7,143 represented unexpended capital budget from FY 2002.

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

Staff Services Division

Real Estate Recovery Fund No. 971 Investments Current Securities

May 2003

Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
10/21/1999	100,000.00	98,937.50	101,312.50	(375.00)	100,937.50	1,677.08	U.S. T-Notes, 5.75%	08/15/2003
10/31/1996	100,000.00	97,656.25	101,312.50	(375.00)	100,937.50	1,677.08	U.S. T-Notes, 5.750%	08/15/2003
01/22/1997	300,000.00	291,375.00	311,156.25	(1,218.75)	309,937.50	5,140.63	U.S. T-Notes, 5.875%	02/15/2004
09/28/2000	100,000.00	100,312.50	106,125.00	(343.75)	105,781.25	1,750.00	U.S. T-Notes, 6.00%	08/05/2004
09/28/2000	300,000.00	307,406.25	330,000.00	93.75	330,093.75	812.50	U.S. T-Notes, 6.50%	05/15/2005
09/28/2001	100,000.00	107,968.75	109,906.25	500.00	110,406.25	239.58	U.S. T-Notes, 5.75%	11/15/2005
02/15/2001	300,000.00	309,000.00	330,656.25	2,343.75	333,000.00	4,921.88	U.S. T-Notes, 5.625%	02/15/2006
03/07/2002	100,000.00	96,500.00	104,218.75	1,593.75	105,812.50	145.83	U.S. T-Notes, 3.50%	11/15/2006
03/07/2002	100,000.00	107,968.75	114,062.50	1,687.50	115,750.00	1,822.92	U.S. T-Notes, 6.25%	02/15/2007
08/23/2002	300,000.00	300,468.75	308,156.25	6,562.50	314,718.75	2,843.75	U.S. T-Notes, 3.25%	08/15/2007
02/28/2003	180,000.00	203,231.25	202,050.00	4,556.25	206,606.25	2,887.50	U.S. T-Notes, 5.50%	02/15/2008
Totals	<u>\$ 1,980,000.00</u>	<u>\$ 2,020,825.00</u>	<u>\$ 2,118,956.25</u>	<u>\$ 15,025.00</u>	<u>\$ 2,133,981.25</u>	<u>\$ 23,918.75</u>		

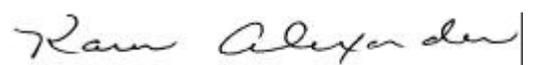
	Current Month	Cumulative Totals
Receipts:		
Licensees' Remittances to Recovery Fund	\$ 16,120.00	\$ 4,565,500.08
Interest Realized	14,375.00	5,373,122.80
Repayments to Recovery Fund (Principal and Interest)	3,980.30	923,623.66
Administrative Penalties	3,300.00	213,600.00
Total Received	\$ 37,775.30	\$ 11,075,846.54

Disbursements:		
Investments Purchased (See Securities List)	\$ 0.00	\$ 2,020,825.00
Accrued Interest Purchased (See Securities List)	0.00	355.52
Payments from Recovery Fund	9,379.69	8,830,260.89
Rider Disbursements	0.00	9,428.13
Total Disbursed	9,379.69	10,860,869.54
Totals	\$ 28,395.61	\$ 214,977.00
	(Current Month)	

Reserved for Payments (Security)	0.00
Reserved for Payments Within Next 90 Days	(91,200.00)
Balance	\$ 123,777.00

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

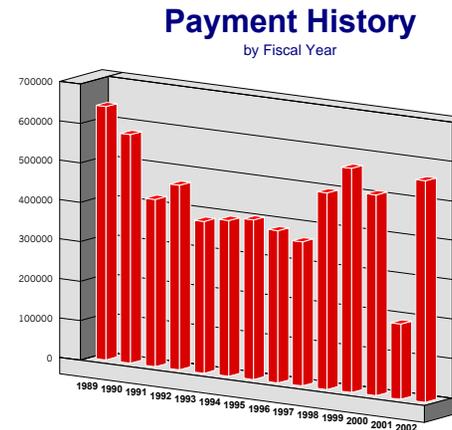
Staff Services Division
Real Estate Recovery Fund No. 971
Payments and Repayments
May 2003

Month-Year	Payment Total	Repayment Total	Admin. Penalties Total	Rider Disbursements	Payments FY 2003 To Date	Number of Payments
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
November 2002	50,000.00	2,299.55	1,250.00	15.41	50,000.00	1
December 2002	20,000.00	4,489.04	1,150.00	10.00	20,000.00	1
January 2003	56,361.25	3,491.30	200.00	56.30	56,361.25	3
February 2003	(3,769.10)	3,645.71	2,000.00	57.75	(3,769.10)	-1
March 2003	0.00	4,481.68	2,750.00	0.00	0.00	0
April 2003	71,605.18	4,586.22	3,750.00	0.00	71,605.18	2
May 2003	9,379.69	3,980.30	3,300.00	0.00	9,379.69	1
	431,882.51	55,736.97	24,750.00	353.87	220,386.77	9

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 91,200.00



* 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

May 2003

Monthly Activity		
Beginning Balance	Current Month	Cumulative Totals

Payment History		
Fiscal Year	Number of Payments	Total Payments

Beginning Balance	\$	619,285.16	\$	619,285.16
Receipts:				
Licensees' Remittances to Recovery Fund		2,800.00		
Interest Realized		912.52		
Repayments		501.38		
Administrative Penalties		0.00		
Total Received in Current Month		4,213.90	\$	4,213.90
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>623,499.06</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	1		7,500.00
		\$	<u>196,451.49</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