



Texas Real Estate Commission

Legal Update

Part 2
Edition 7.0



Acknowledgments

Real Estate Center Staff

Gary Maler, Director
David Jones, Communications Director
Denise Whisenant, Education Coordinator
Robert Beals II, Art Director
Kari Rives, Graphic Designer
JP Beato III, Photographer

CE Writing Group

Bo Blackburn
Charles Jacobus
Charles Kramer
Lori Levy
Kerri Lewis
Sarah Jane Swanson
Justin Switzer
Ron Walker
Denise Whisenant
Avis Wukasch

Texas Real Estate Commission

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Adrian A. Arriaga
Bob Leonard
Weston Martinez
Rayito Stephens
Thomas (TJ) Turner
Chart H. Westcott

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Chapter 1

Ethics Requirements for Engaging in Real Estate Brokerage

Did you know that as a license holder you have ethics requirements for engaging in the real estate business? Perhaps you also belong to a trade association for the real estate business that has a code of ethics and you see that as a requirement for engaging in the business. There is more to your requirements than a trade association expectation. Texas law places responsibilities upon all license holders regarding ethics and conduct. The law and the various trade association codes of ethics are similar yet not identical.

Title 22 of the Texas Administrative Code (TAC) Chapter 531 contain the five canons of professional ethics and conduct. This chapter will cover those canons and will provide examples of enforcement actions to illustrate situations in which a license holder has not exercised the standard of duty and care when representing a client. The canons also support the federal Fair Housing Act in forbidding discrimination in real estate activities.

Fidelity (22 TAC §531.1)

A real estate broker or salesperson, while acting as an agent for another, is a fiduciary. Special obligations are imposed when such fiduciary relationships are created. They demand that

1. the primary duty of the real estate agent is to represent the interests of the agent's client, and the agent's position, in this respect, should be clear to all parties concerned in a real estate transaction; that, however, the agent, in performing duties to the client, shall treat other parties to a transaction fairly;
2. the real estate agent be faithful and observant to trust placed in the agent and be scrupulous and meticulous in performing the agent's functions; and
3. the real estate agent place no personal interest above that of the agent's client's interest.

Integrity (22 TAC §531.2)

A real estate broker or sales agent has a special obligation to exercise integrity in the discharge of the license holder's responsibilities, including employment of prudence and caution, so as to avoid misrepresentation, in any wise, by acts of commission or omission.

TREC Case Study 1

On June 22nd a buyer executed a “Notice of Buyer’s Right to Termination of Contract” form in order to terminate the contract during the option period. The signed document was given to license holder, Tony. On or before June 25th, Tony failed to deliver the document to the seller.

The seller hired an attorney, and a letter was sent to the buyer on July 8th advising the buyer that the termination notice was late and not in compliance with the terms of the contract. The letter also requested that the buyer sign an earnest money release so that the earnest money could be released to the seller. The parties disputed who had the right to the earnest money. A complaint was filed against Tony. Tony provided proof that he had reimbursed the earnest money to the buyer due to his error.

DISCUSSION

What did Tony do incorrectly?

Competency (22 TAC §531.3)

It is the obligation of a real estate agent to be knowledgeable as a real estate brokerage practitioner. The agent should

- * be informed on market conditions affecting the real estate business and pledge to continuing education in the intricacies involved in marketing real estate for others;
- * be informed on national, state, and local issues and developments in the real estate industry; and
- * exercise judgment and skill in the performance of the work.

Consumer Information (22 TAC §531.18)

SB 699 gave TREC the authority to prescribe a consumer notice for information about complaints and the recovery trust account and to establish methods by which consumers and service providers are provided that notice. A new form was developed by a TREC-appointed broker working group. TREC adopted this new form and amended the rule regarding delivery of the notice, effective February 1, 2016. See Appendix E for new Consumer Protection Notice form and rule §531.18 regarding requirements for delivery of the new mandatory form.

TREC Case Study 2

Ulysses, a license holder, was contacted by Sam about selling Sam's property on Bumpy Gravel Road. Ulysses charged Sam \$500 to begin the paperwork. Ulysses called Sam and told him he had some buyers for Bumpy Gravel and that they could move in within the week and would make the next month's mortgage payment. Sam found a different home and vacated the Bumpy Gravel property. Ulysses told Sam not to worry about closing because he would take care of all the documentation and all the other things that needed to happen after Sam got all settled into his new home. For about 90 days, Sam kept asking to see the papers on Bumpy Gravel Road. He learned that Ulysses had never completed the paperwork.

Ulysses did give Sam some cash for a couple of months that had come from the buyer. Over a period of several more months, the buyer made additional payments on Bumpy Gravel to Ulysses, but Sam never received any more money. During this time, Ulysses instructed the mortgage company to automatically withdraw the mortgage payment from Sam's checking account. This was done without Sam's permission. In fact, Sam learned of this when his account became overdrawn with penalties. Sam continued to ask for the documents. Ulysses then began the work on a loan modification for the mortgage on Bumpy Gravel without Sam's permission. Sam had had enough and tried to fire Ulysses. Ulysses responded that Sam couldn't fire him because he was obligated by contract to Ulysses.

Sam hired an attorney who advised him to go to the Bumpy Gravel property and instruct the buyer to start paying Sam directly. It was then that Sam learned that the buyer actually spoke English and not exclusively Klingon as Ulysses had told him.

When Ulysses found out Sam had seen an attorney, he offered to begin payments on what was owed to Sam. Ulysses made one payment and then stopped.

DISCUSSION

1. Name some of the unethical activities and illegal activities performed by Ulysses.
2. What type of penalty and/or punishment should Ulysses receive?

TREC Case Study 3

Johnny, a licensed salesperson, decided to become a property manager. He had not taken any courses in property management, but he just knew he could manage property. Johnny opened a bank account but not a trust account. The bank account was not in the name of Johnny's broker. He also created a logo for his management business, "Mickey and Minnie's Property Management Stars." He then had business cards and signs printed. Johnny also set up his new company with the Secretary of State and filed an assumed name certificate in the county he was doing business. Johnny put all the money he collected from tenants in the account and kept a spreadsheet to record transactions.

Things were going well for Johnny. He studied hard and ultimately got his broker's license. He got a website and advertised his property management company. Johnny neglected to place "agent," "broker," or a trade association name on the website. As life would have it, Johnny did somebody wrong and they filed a complaint.

DISCUSSION

What were Johnny's violations while he was a sales agent? While he was a broker?

Chapter 2

Fair Housing Laws

Fair Housing Administration and VA Regulations

Fair Housing

In 1968, Title VIII of the Civil Rights Act, more commonly known as the Fair Housing Act, was passed (and further amended in 1988), with the stated goal of providing fair housing throughout the United States. The United States Department of Housing and Urban Development (HUD) administers and enforces the federal Fair Housing Act.

In 1993, Texas enacted the Texas Fair Housing Act—legislation which is virtually identical to the federal act. At the state level, the Texas Workforce Commission Civil Rights Division administers and enforces the Texas Fair Housing Act. In addition, the federal Fair Housing Act provides that if the state or city has adopted similar fair housing laws, fair housing complaints will be referred to the state or city for enforcement.

Discriminatory Practices (22 TAC §531.19)

- (a) No real estate license holder shall inquire about, respond to or facilitate inquiries about, or make a disclosure of an owner, previous or current occupant, potential purchaser, lessor, or potential lessee of real property which indicates or is intended to indicate any preference, limitation, or discrimination based on the following:
- * race,
 - * color,
 - * religion,
 - * sex,
 - * national origin,
 - * ancestry,
 - * familial status, or
 - * disability.
- (b) For the purpose of this section, disability includes AIDS, HIV-related illnesses, or HIV infection as defined by the Centers for Disease Control of the United States Public Health Service.

The federal Fair Housing Act prohibits discrimination because of race, color, religion, sex, handicap (disability), familial status, or national origin in the sale, rental, or advertising of dwellings, in the provision of brokerage services, or in the availability of residential real estate-related transactions. Specifically, the Fair Housing Act prohibits the following actions based on membership in one of the protected classes:

- * refusing to rent or sell housing;
- * refusing to negotiate for housing;
- * making housing unavailable;
- * denying a dwelling;
- * setting different terms, conditions, or privileges for sale or rental of a dwelling;
- * providing different housing services or facilities;
- * falsely denying that housing is available for inspection, sale or rental;
- * persuading owners to sell or rent, for a profit (also known as “blockbusting”); or
- * denying access or membership to a facility or service, like a multiple listing service, related to the sale or rental of housing.

The federal Fair Housing Act also provides for additional prohibitions related to the making or purchasing of loans or providing other financial assistance in certain circumstances, the selling, brokering or appraising of residential real property, and disabilities. Specifically, the following are also prohibited acts (with some limitations and exceptions) under the Fair Housing Act with regard to handicap or disability:

- * refusing to allow a person, or someone associated with a person, because of a handicap, a reasonable modification to a premises, at the expense of a handicapped person, if the modification may be necessary to afford the person full enjoyment of the premises; and
- * refusing to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford a handicapped person equal opportunity to use and enjoy a dwelling.

Finally, the Fair Housing Act makes it illegal to threaten, coerce, intimidate, or interfere with anyone exercising a fair housing right or assisting others who exercise the right; and provides that it is unlawful to make, print or publish a notice, advertisement, or statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap.

The prohibitions against discrimination in the sale or rental of housing apply to most dwellings, except as specifically exempted in the Fair Housing Act. Dwelling is defined as

- * any building or structure (including a portion of such), which is occupied, or designed or intended for occupancy, as a residence by one or more families; and
- * any vacant land offered for sale or lease for the construction of such a building or structure.

The Fair Housing Act does not apply to owner-occupied buildings with no more than four units, certain single-family housing sold or rented without the use of a broker, and certain housing owned and operated by religious organizations or private clubs that limit occupancy to members. Note that the prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act. Additionally, note that with regard to the protected class of familial status (families in which one or more children under 18 live with a parent, legal custodian, or designee with written permission, and also including pregnant woman and anyone securing legal custody of a child under 18), the Act has some additional exemptions for housing for older persons.

In addition to the protected classes under the federal Fair Housing Act, owners or operators of HUD-assisted housing, or housing whose financing is insured by HUD, as well as Federal Housing Administration (FHA)-approved lenders may not discriminate on the basis of sexual orientation and gender identity in HUD-housing programs.

dwelling: any building or structure (including a portion of such), which is occupied, or designed or intended for occupancy, as a residence by one or more families; and any vacant land offered for sale or lease for the construction of such a building or structure

Finally, be aware that municipal ordinances may provide more protection by including additional protected classes, such as students or sexual orientation.

For more information on the federal Fair Housing Act, visit HUD's website at http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/yourrights.

Recent Issues

In March 2013, HUD issued a final rule that allows a complainant or plaintiff to bring claims under the Fair Housing Act under a "disparate impact" theory. Under this theory, a complainant or plaintiff could establish liability by alleging certain housing practices had a discriminatory effect even when there was no evidence of a discriminatory intent. The rule established a standard for proving such a discriminatory effect:

1. The complainant or plaintiff first bears the burden of proving that a practice results in, or would predictably result in, a discriminatory effect on the basis of a protected characteristic.
2. If the complainant or plaintiff proves this, the burden of proof shifts to the respondent or defendant to prove that the challenged practice is necessary to achieve one or more of its substantial, legitimate, nondiscriminatory interests.
3. If the respondent or defendant satisfies this burden, the complainant or plaintiff may still establish liability by proving that the substantial, legitimate, nondiscriminatory interest could be served by a practice that has a less discriminatory effect.

Although this rule was challenged in court, the U.S. Supreme Court upheld the use of disparate impact under the federal Fair Housing Act in *Texas Dept. of Housing & Comm. Affairs v. Inclusive Communities Project*. While the Supreme Court held that the Fair Housing Act does allow disparate-impact claims, it also imposed significant limitations when making such a claim. For instance, the Court made clear that disparate-impact claims cannot be based solely on statistical differences. A plaintiff would have to show that a defendant's policy actually caused that discriminatory effect.

Antitrust Laws

Antitrust

The purpose of antitrust laws is to protect competition and prevent monopolies for the benefit of consumers. The main federal statutes are the Sherman Act 1890, the Clayton Act 1914 and the Federal Trade Commission Act 1914. The Texas Free Enterprise and Antitrust Act, found in Chapter 15 of the Texas Business and Commerce Code, also applies in Texas. These laws are enforced by the Federal Trade Commission, the U.S. Department of Justice and the Texas Attorney General. Private parties may file lawsuits based on the antitrust statutes.

The elements of an antitrust violation are:

- * an agreement,
- * between competitors,
- * imposes a restraint, and
- * restraint is unreasonable.

Your status as competitors with other real estate brokers requires you to be sensitive to how the antitrust laws apply to your brokerage as a business.

DISCUSSION

Script 1

1. Does any part of this discussion between the agent and the client specifically violate the Fair Housing Act?
2. What violations of the Fair Housing Act might come into play?
3. Are there potential violations of any trade association codes of ethics, as well?
4. Are there any housing violations to be concerned about on the local level?

Script 2

1. What can the agent do if he or she suspects the seller is choosing the worse offer for reasons that discriminate against a protected class?
2. Should agents encourage buyer letters? Discourage buyer letters?
3. May a listing agent refuse to pass along buyer letters?

DISCUSSION

Script 3

1. Does the fact that the Facebook group is open to anyone protect the brokers from anti-trust violations?
2. Is the Facebook group in and of itself an anti-trust violation?
3. In regard to Dip-sy-Doodle Realty, could it be a potential antitrust violation if the two agents were not discussing access to the Facebook page and just agreeing they did not like working with that firm?

Price Fixing

Brokerage firms may not agree or confer with other brokerage firms about commissions. While a brokerage firm is free to determine the commission or fee it will charge clients for services, representatives of the brokerage firm may not discuss such matters with representatives of any other brokerage firm. A broker may discuss the amount of cooperating fee desired from another broker in a transaction.

Group Boycotts

An illegal group boycott is an agreement among two or more competitors not to do business with another competitor for the purpose of inducing the other competitor to change its business practices. Federal law prohibits any actions to prevent a new competitor from entering a market or to disadvantage an existing competitor. An example of a group boycott in real estate brokerage is an agreement among brokerage firms to not show a certain brokerage firm's listings.

Illegal group boycotts also arise in real estate advertising. Brokers should not collectively reduce their advertising, or refuse to advertise altogether, in order to force a publication to lower its advertising prices or changes its policies. Such action could be considered a group boycott.

Agency Law

Frequently Asked Questions

1. What is the difference between a customer and a client?
2. Is it better to have a buyer/tenant representation agreement signed as opposed to working for a buyer/tenant without a written agreement? Why? If it is better, why do so many agents work without having one signed?
3. What does it mean to be a fiduciary? What type of fiduciary obligations does an agent owe to the principal?

Information About Brokerage Services Form

At the first substantive dialogue with a client or prospect, always provide the Information About Brokerage Services (IABS) statement, which contains information relating to brokerage services. Senate Bill 699 amended §1101.558, removing the statutory IABS language and replacing it with the specific type of information that must be given to a client or prospect. One new required category of information for the notice is contact information and license number of the license holder and the license holder's supervisor and broker. The bill requires TREC to adopt a rule prescribing a new IABS notice. A new form was developed by a TREC-appointed broker working group. TREC adopted this new form, which will be required for use by all license holders, and amended the rule regarding delivery of the IABS notice, effective February 1, 2016. See Appendix F for new IABS form and rule §531.20 regarding requirements for delivery of the new mandatory form.

Agency Disclosure or IABS Form?

Is there a difference between agency disclosure and the IABS form? What are the required and permissible ways for a license holder to disclose his or her agency relationship?

Donnie the Early Terminator

Darcy, an agent with Simpli Realty in San Antonio, enters into a listing agreement to sell Donnie's property. Darcy has not found any buyers, and Donnie now wishes to terminate the listing agreement that does not expire for another 120 days. After several discussions with Darcy, Donnie is insistent that he wants to terminate the listing early.

DISCUSSION

1. What obligations do Darcy and Simpli Realty owe to Donnie?
2. What rights do Darcy and Simpli have?

DISCUSSION

1. When must a license holder provide the Information about Brokerage Services form?
2. What is a substantive dialogue?
3. How must a license holder provide the Information about Brokerage Services form?
4. Must a license holder use the TREC Information about Brokerage Services form?
5. Is the consumer obligated to sign the Information about Brokerage Services form?
6. Are there times when a license holder does not have to provide a form to a party in the transaction?
7. Can the IABS form be used to establish an agreement to represent someone or to establish an agency relationship?

South Plains Buyer Rep

Celestine is an agent with Dobetter Real Estate Company in Lubbock. Bruno contacts Celestine and tells her that he wants her to help him locate property to purchase in Lubbock. In the initial conversation, Celestine learns that Bruno signed a buyer representation agreement with an agent at Kindagood Realty in Lubbock. Bruno informs Celestine that he has no intention of continuing to work with Kindagood.

DISCUSSION

1. How can Celestine proceed to work with Bruno?
2. What issues may arise?
3. What documentation should be obtained?

Intermediary

Scenario 1

Primo Brokerage Company is a commercial real estate company in Dallas. Uma, a licensed associate with Primo, enters into an exclusive right-to-sell listing agreement with Vincente to market and sell his 15,000-square-foot office building in Plano. Dino, another licensed associate with Primo, is working with a prospective buyer, Agatha, to whom he shows the office building listed by Uma. Agatha is interested in the property and wishes to make an offer.

DISCUSSION A

Assume the following additional facts:

- * Primo has 17 sales associates;
 - * Dino previously entered into a buyer representation agreement with Agatha;
 - * both the listing agreement and buyer representation agreement authorized the intermediary relationship in the event a buyer represented by Primo wanted to buy a property listed by Primo; and
 - * Primo's policy, when two agents are involved and one has procured the buyer and the other has procured the seller, is to appoint each associate to the respective party with whom each has serviced.
1. What documents need to be executed, by whom, and when?
 2. Are there any restrictions imposed on Uma, Dino, or Primo?
 3. Are there any concerns that should be noted?

DISCUSSION B

Assume the same facts as under Discussion A and now assume that Uma and Dino are married and are on the same team. How does that impact the responses to the questions?

DISCUSSION C

Assume the same facts as under the Discussion Box A and now assume that Uma is the owner and broker of Primo. How does that impact the responses to the questions?

DISCUSSION D

Assume the following additional facts:

- * Primo is a small firm with four associates, including Dino and Uma, all of whom are cousins;
 - * The broker and owner of Primo is Benito;
 - * Dino previously entered into a buyer representation agreement with Agatha;
 - * Both the listing agreement and buyer representation agreement authorized the intermediary relationship in the event a buyer represented by Primo wanted to buy a property listed by Primo; and
 - * Primo's policy is not to make appointments when engaging in the intermediary relationship.
1. What documents need to be executed, by whom, and when?
 2. What restrictions, if any, are imposed on Uma, Dino, or Benito?
 3. What concerns, if any, should be noted?

Scenario 2

Bester Realty is a brokerage operation in El Paso with 27 sales associates. Elsa is a licensed associate with Bester. Elsa enters into an exclusive right to sell listing agreement with Vane to sell his property. She also entered into a buyer representation agreement with Karla, who wishes to make an offer to purchase Vane's property. Both the listing agreement and the buyer representation agreement authorized the intermediary relationship.

DISCUSSION

Assume Bester's policy is that when involved in the intermediary relationship, it will make appointments of associated license holders to each party.

1. What needs to take place?
2. What documents need to be executed?
3. What concerns, if any, should be noted?
4. To whom should Elsa be appointed, if any party?

Assume that Bester's policy is to permit an agent who procures to both the buyer and seller to continue to service both parties and not make appointments.

1. What needs to take place?
2. What documents need to be executed?
3. What concerns, if any, should be noted?

Scenario 3

Hans is a broker with no associates in Freeport.

DISCUSSION

1. May Hans engage in the intermediary relationship?
2. What needs to take place?
3. Which documents need to be executed?
4. What concerns, if any, should be noted?

Scenario 4

Sebastian is a sales associate with Mediocris Real Estate Company in Tyler. Sebastian began to work with Elroy, a prospective buyer, and told Elroy that he would be his agent. They did not sign a buyer representation agreement. Elroy is now interested in making an offer to purchase a property listed by Elanora, another agent with Mediocris.

DISCUSSION

1. What problems may arise in this situation?
2. What should take place?

Scenario 5

Faye with Bon Brokerage Company in Liberty has a property listed for sale. A prospective buyer, Andre, sees Faye's sign and calls her to see the property. In her initial discussion, Faye learns that Andre is not represented.

DISCUSSION

1. What alternatives may Faye have in working with Andre?
2. What are the concerns, if any, to note.
3. What documents, if any, should be used and when?

Agency Legal Cases

No Imputed Knowledge Between Brokers in the Same Firm

Flynn v. Keller Williams, Inc., 2013 Tex. App. LEXIS 2465

The Flynn's owned two homes and listed one for sale with Boehm, a broker with Keller Williams. Buttlar, another broker with Keller Williams, informed Boehm that her client, Peterson, was interested in buying the Flynn's other unlisted home. Buttlar stated she had been in other real estate deals with Peterson and vouched for his financial stability. The parties negotiated a contract that allowed Peterson to occupy the property prior to closing. The deal never closed, and the Flynn's had to evict Peterson and repair damages he caused during his tenancy. Flynn's sued the brokers and the trial court granted summary judgment to Boehm and Keller Williams. The remaining claims against Buttlar were allowed to proceed.

The Flynn's appealed, complaining that the broker misrepresented the Peterson's character, financial stability, and creditworthiness. The appeals court affirmed stating that the Flynn's did not allege Boehm or Keller Williams made false representations themselves or that they knew of the falsity of the statements of the associated agent, Buttlar. Therefore, the Flynn's failed to state a claim against the brokers. The court refused to impute one agent's knowledge or lack thereof regarding the buyer's creditworthiness to the other agent or the brokerage.

License Holder Is the Seller

Flutobo vs. Holloway, 14-12-00104-CV (writ den.) 2014

The Holloways enlisted the help of Williams, a licensed real estate salesperson associated with Keller Williams Realty Northeast in purchasing a new home. Williams learned that Blalock, another licensed real estate salesperson associated with the same Keller Williams brokerage was planning to sell her Kingwood house. Two days later Williams showed the property to the Holloways with Blalock present. Keller Williams had a policy that a real estate salesperson associated with Keller Williams could not serve as a salesperson on the listing of the salesperson's own home. Another salesperson, Martin, was designated as the salesperson associated with the listing broker. Williams sent the Holloways an "Intermediary Relationship Notice" confirming that Keller Williams was serving as both the buyer's agent for the Holloways and the seller's agent for Blalock. Blalock provided the Holloways with a seller's disclosure notice in which she states that she was not aware of

- * active infestation of termites or other wood destroying insects,
- * previous termite or other wood destroying insect "damage repaired", or
- * termite or wood destroying insect damage needing repair.

Blalock did disclose that she was aware of previous treatment for termites or wood destroying insects.

The Holloways hired an inspection company to perform both the home inspection and the termite inspection on the property. The inspector indicated that his inspection revealed no visible evidence of an active infestation or previous infestation of termites or wood destroying insects in or on the structure. He also stated that his inspection revealed visible evidence of previous treatment for subterranean termites.

After the closing, the Holloways filed suit, asserting claims against the inspector, Blalock, and Keller Williams. During the suite they asserted various claims against Hopkins, personally, the real estate broker designated by Keller Williams as its agent. During the lawsuit Keller Williams produced a seller's disclosure notice from the sale of the property to Blalock wherein the previous owners disclosed to Blalock that they were aware of previous treatment for termites and of previous damage repaired. The prior owners also indicated that they were not aware of any active infestation or damage needing repair.

The trial court granted summary judgment in favor of Hopkins, holding that as the designated broker, she was not personally liable. The jury then found liability against Keller Williams based on breach of contract, breach of fiduciary duty, violations to the Deceptive Trade Practices Act, common law fraud and statutory fraud. They found further damages regarding mental damages. The trial court rendered judgment awarding the Holloways actual damages, prejudgment interests, and trial and appellant attorney's fees. Both parties appealed. Keller Williams argued that Blalock could not bind their sponsoring broker or create liability for the sponsoring broker because she was not acting as a broker, but was acting on her own behalf. The court noted that all the documents regarding Blalock's sale of the property to the Holloways reflecting that Blalock was the owner of the property. They did not reflect that she was acting as a real estate salesperson or a broker on behalf of the seller. The court further noted that Keller Williams was the intermediary and properly appointed to represent the buyers and Martin to represent the seller. Since Blalock did not perform any of these activities "for another person", they could not hold Keller Williams liable for any misconduct of Blalock. The Holloways further asserted that TREC requires the broker to supervise a sponsored salesperson and therefore, must be liable for that salesperson's misconduct, and cited several TREC regulations regarding that duty to supervise. The court noted that an administrative agency that promulgates the rules and regulations does not require that any court

accept it as a standard to civil liability. The rules and regulations were passed for purposes of administering the Texas Real Estate License Act, not create civil liability to third parties.

The Holloways then asserted that the owner of the property had the duty to disclose the prior seller's disclosure form that was given to the existing seller when they bought the house. The court held that there was no evidence that the failure to give the Holloways the prior disclosure caused any damages, because the prior disclosure indicated that the house had had termite treatments and any damage had been corrected. Finally, the Holloways alleged that Hopkins, the designated agent or the corporation, should have personal liability for failing to supervise the salesperson. The court noted that a corporate entity may be licensed as a real estate broker and is required by the Real Estate License to designate one of its managing officers as its agent and concluded that as a matter of law. Hopkins' status as a broker designated by Keller Williams as its agent for purposes of a Texas Real Estate License Act does not make her vicariously liable for any actionable contact of Keller Williams salespersons or their agents.

House Bill 3244

Effective June 19, 2015

Relating to authorizing broker agreements for the sale of real property held in trust by home-rule municipalities.

This bill allows the governing body of a home-rule municipality to contract, with a broker, to sell real property that it holds in trust (such as for taxing authorities after a foreclosure) and has the authority to sell. Previously the law was unclear whether properties held in trust could be sold using brokers.

Chapter 4

DTPA

What is the DTPA?

The Deceptive Trade Practices Consumer Protection Act (DTPA) is the primary consumer protection statute in Texas. The purpose of the DTPA is to protect consumers from false, misleading or deceptive business practices, unconscionable actions and breaches of warranty. The statute prohibits a list of trade practices deemed to be false, misleading or deceptive. The DTPA gives consumers the right to sue for economic damages.

DTPA's Importance for Real Estate Brokers

The DTPA was created to protect consumers, and a DTPA action is one of the most commonly used causes of action by plaintiffs against real estate agents and brokers. The DTPA is intended to “make consumers whole” when any false, misleading or deceptive act or statement is the producing cause of damages to the consumer. The DTPA is frequently used by buyers of residential properties claiming to have been the victim of deception, abuse, fraud, or other injury by real estate agents, sellers, or inspectors.

A Typical Claim Under the DTPA

Plaintiffs often rely upon the following provisions in the DTPA:

- * representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities they do not have;
- * representing that goods are original or new when they are deteriorated, reconditioned, reclaimed, used or secondhand;
- * representing that goods or services are of a particular standard, quality or grade, or that goods are of a particular style or model, when they are not; and
- * failing to disclose information about goods or services that was known at the time of the transaction if the failure to disclose was intended to induce the consumer into the transaction that the consumer would not have entered into if the information had been disclosed.

Most of the above claims stem from a representation. In the context of residential real estate transactions, this usually relates to the condition of the property and usually comes from

- * the seller's disclosure notice,
- * the multiple listing service, and
- * advertising fliers left at the property.

Therefore, it is important that when a listing agent enters information into the MLS or creates an advertisement, the information is accurate. If the information is inaccurate, it is possible a DTPA claim will be made.

What Is Recoverable Under the DTPA?

Consumers who prevail under the DTPA are entitled to recover their attorney's fees, and if they show the person acted knowingly, they can receive up to three times their economic damages. Economic damages are compensation for the pecuniary loss sustained by the plaintiff. Examples of economic damages include

- * costs of repair,
- * loss of use during repairs or due to damage,
- * diminution in value, and
- * out-of-pocket expenses.

Additionally, a prevailing plaintiff may recover mental anguish damages.

Typical Use of DTPA in a Claim Related to a Residential Transaction

Common DTPA claims typically involve a dissatisfied buyer who alleges the seller or listing agent failed to disclose material information or misrepresented information about the house, its condition, the neighborhood, repairs, damage or other material facts. The claim is typically made against the seller, listing agent, and real estate inspector. If one of these parties fails to disclose material information to the buyer, or if they misrepresented facts about the property, then the DTPA provides the buyer with a possible claim.

Defenses to DTPA

Defenses to DTPA claims include the statute of limitations, contributory negligence and lack of consumer status, among many others. The statute of limitations for a claim under the DTPA is two years from the date that the violation occurred or two years from the date the plaintiff discovered or should have discovered the violation.

Recent Updates to DTPA Law

In the 2013 legislative session, the DTPA was amended to clarify a liability exemption for real estate brokerage. The amendment clarified a 16-year-old professional services exemption to the DTPA by expressly adding real estate brokerage to the list of professions not subject to liability under the act, as long as the agent or broker has not committed a misrepresentation of material facts, an unconscionable act, or a failure to disclose.

Specifically, the code states:

A plaintiff cannot sue a real estate broker or salesperson under the DTPA for an act or omission committed by the person while acting as a broker or salesperson. A plaintiff can sue a broker or salesperson under the DTPA for

- * express misrepresentations of material fact that cannot be characterized as advice, judgment or opinion
- * failure to disclose known information in violation of Texas Business & Commerce Code 17.46(b)(24), or
- * unconscionable actions or courses of action that cannot be characterized as advice, judgment or opinion.

Therefore, to make a successful claim against a real estate broker under the DTPA, the plaintiff must establish the broker conduct falls into one of the three exceptions referenced above. Texas Association of REALTORS® (TAR) has drafted a model response letter members can use to answer a DTPA demand letter. TAR members can access the letter on TAR's website.

Reliance on Information from Other Sources

The majority of DTPA claims against real estate brokers stem from alleged misrepresentations regarding a defect with the property. If a real estate agent receives specific information about a property from another source, the agent can be protected from a DTPA claim if the agent takes certain steps when passing on that information to a potential buyer. Texas Business & Commerce Code, Section 17.506 provides a defense for a defendant who relied on information from other sources relating to the particular good or service in question.

In an action brought under Section 17.50 of this subchapter, it is a defense to the award of any damages or attorney's fees if the defendant proves that before consummation of the transaction he gave reasonable and timely written notice to the plaintiff of the defendant's reliance on written information relating to the particular goods or service in question obtained from another source if the information was false or inaccurate and the defendant did not know and could not reasonably have known of the falsity or inaccuracy of the information

This provision can be helpful to listing agents when communicating information about the property to potential buyers. One very important factor to note is that the notice must be in writing.

TAR 2502 Notice of Information from Other Sources is a helpful tool and may be utilized by TAR members when communicating with potential buyers about property conditions or information from other sources.

For example, the seller of a home sends an email to his listing agent saying that he had a specific type of new metal roof put on his home three years prior. Using a form like TAR form 2502 gives notice to the potential buyer that the agent is not asserting that the home has a new metal roof, but that he has received this information from the seller. By using the form, the agent is not accepting or denying the possibility that the home has a specific type of new metal roof; he is only passing on the information.

Puffing

Misrepresentations that are merely puffing or opinion are not actionable under the DTPA [Texas Business & Commerce Code 17.46 (b)(5) and (b)(7)]. An example of a statement found to be puffing and therefore not actionable under the DTPA is the statement, "the property is super fine." In other words, general adjectives describing the property may be too general to support a DTPA claim. However, as a practice note, it is best to avoid making these statements as there is no guarantee a court will conclude all general statements as puffing.

As-Is Contract

An as-is clause might bar claims brought under the DTPA. Texas courts have consistently held that the One-to-Four Family Residential Real Estate Contract is an as-is contract. The Broker Lawyer Committee recently amended the contract to ensure the courts will continue to treat the contract as such.

Rescission under the DTPA

The DTPA is generally viewed as a way for a wronged party to recover damages, but the DTPA also contains a lesser used remedy: rescission. Rescission means the contract is canceled and the parties are restored legally and financially to the position they were in before entering the contract.

Although a real estate broker is not a party to the One-to-Four Family Residential Real Estate Contract, the broker may be ordered to rescind the contract in some limited circumstances. In other words, the broker may be ordered to purchase the property from the buyer for the same price the buyer paid the seller.

In some instances, the DTPA allows for recovery of damages and rescission of the contract. However, case law limits the damages to those necessary to restore plaintiffs to the economic positions they held prior to the contract, such as reimbursement of loan application fees or the cost of a survey.

Real Estate Agent Disclosure and the DTPA

A broker or real estate agent may be liable to third-party purchasers of property pursuant to the DTPA where the broker or agent's failure to disclose certain facts constitutes a deceptive trade practice.

Mere nondisclosure of material information is not enough to establish an actionable claim under the DTPA. In order to recover damages under the DTPA for the failure to disclose material information, the plaintiff must show that the information was withheld with the intent of inducing the consumer to engage in a transaction.

Specific Examples

1. A buyer of a condominium, who could not maneuver her vehicle into the parking garage, brought a DTPA claim against her broker. She did not prevail because she did not demonstrate that her broker failed to disclose material information with the intent of inducing the purchaser to purchase the condominium. This proof is required to establish a DTPA claim, but there was no record evidence that the broker or the broker's agent knew that the buyer's vehicle could not be parked in the garage. In addition, there was no evidence that the broker or broker's agent withheld any information with the intent to induce the purchaser to purchase the condominium.
2. The buyer of a home with an illegal bulkhead brought fraud and DTPA claims against the real estate broker after the State removed the bulkhead and the house subsided into the ocean. The court found that the broker did not make any affirmative misrepresentations to the purchaser concerning the illegal bulkhead by allegedly stating that he did not know whether there was an erosion problem, that there was not an erosion problem in a town 15 miles away, and that bulkheads are nice to have.

Notice of a DTPA Claim

A consumer wishing to pursue a DTPA claim must provide 60 days written notice before filing suit. A broker who receives a notice of a DTPA claim will want to promptly contact a lawyer to discuss a response to the claim as the DTPA provides certain benefits to a defendant who promptly and reasonably responds to a DTPA demand letter. Specifically, under certain circumstances a defendant who makes a timely offer of settlement may limit the amount of attorneys' fees recoverable by the plaintiff. Depending upon the facts of the case, this may be a substantial savings

House Bill 2590

Adds Business & Commerce Code Section 27.015

Effective September 1, 2015

Relating to providing a remedy for fraud committed in certain real estate transactions.

Makes a violation of the fraud in real estate transactions statute that involves the transfer of title to real estate a false, misleading, or deceptive act or practice under DTPA. Requires city attorneys to lend the consumer protection division of the attorney general's office any reasonable assistance requested in the commencement and prosecution of these types of fraudulent activities and gives city attorneys authority to institute or prosecute such an action to the same extent and in the same manner as a district or county attorney. Requires 75 percent of any penalty recovered in an action brought by a district, county, or city attorney to be deposited in the general fund of the county or municipality in which the violation occurred.

Hot Topics

CSST Lightning Safety Awareness

Corrugated stainless steel tubing (CSST) has been included as an approved gas piping material in the National Fuel Gas Code (NFPA 54) since 1988 and has also been included in the ICC International Fuel Gas Code and the IAPMO Uniform Plumbing Code. Over 1 billion feet of CSST have been installed in accordance with its national consensus standard ANSI LC-1, these model fuel gas codes, and the manufacturer's installation instructions. The design of CSST allows it to stretch and bend rather than break when exposed to the forces of nature that are all too common in Texas. CSST offers several advantages over conventional rigid steel piping including a significant reduction in joints (75 percent) and resilience against building movements that can crack and break rigid piping (tornadoes, hurricanes, floods, foundation settlement, earthquake).

While CSST has its benefits, lightning strikes to structures with CSST can cause electrical arcing damage. Currently, the CSST industry has identified, independently evaluated, and is offering remedies for electrical arcing damage from lightning strikes based on science and technical precedence. The solutions include either direct bonding of CSST to the grounding electrode system or the use of special arc-resistant jacketed CSST. The State of Texas requires the additional bonding of all CSST products including the attachment of a bonding clamp to the gas piping system and the installation of a copper conductor (at least a #6 gauge) that is connected to the grounding electrode, grounding electrode conductor or to the service enclosure. Industry-sponsored research, accepted by NFPA, indicates that bonding in this fashion will minimize electrical arcing damage to CSST induced by lightning strikes. The CSST industry has organized a nationwide public awareness campaign through the auspices of the National Association of State Fire Marshals and many other national organizations to alert homeowners about the need for CSST safety.

In May 2015, TREC amended the preamble to the standard inspection report form, as well as the OPI form, to add text related to the potential hazards of CSST and similar gas distribution lines if not properly bonded. The notice does not require any additional actions by inspectors, but its mere inclusion may prompt a discussion with a client on the use of and risks associated with CSST. Some inspectors already include such educational materials with their current reports.

Bonding of the Gas Supply System: What is the Inspector's Duty Under the Standards of Practice?

Do the Standards of Practice (SOPs) require an inspector to check the bonding of a gas supply system?

Yes. Section 535.229 of the SOPs (22 TAC 535.227-535.332) requires an inspector to report as deficient any "deficiencies in bonding and grounding."

Does this requirement include Corrugated Stainless Steel Tubing (CSST)?

Yes. This requirement applies to ALL metal pipes, including CSST, which is just one of the materials that may be used in a gas supply or distribution system.

Do the SOPs require an inspector to determine if CSST is present?

No. The SOPs don't require an inspector to determine if CSST is present in a home. However, if CSST is noted during an inspection, the inspector is required to determine if CSST is bonded, subject to any limitations in the SOPs. This determination does not prevent an inspector from specifically reporting the presence of CSST or referring a client to additional information regarding the product.

Do the SOPs require an inspector to determine if CSST is properly bonded?

No. The inspector is only required to determine if the gas supply system is bonded and not whether it is "properly" bonded. The determination as to whether a gas supply system is properly bonded should be left to a person with the required expertise to do so, such as a licensed master electrician.

Does the recent addition to the preamble of the Inspection Report Form, which lists the lack of bonding of the gas supply system as a hazard, place any additional burdens on the inspector?

No. An inspector is required by the SOPs to report the lack of bonding of the gas supply system, regardless of any language in the preamble of the inspection report form. The added language in the preamble of the report enhances consumer protection by providing the consumer with notice regarding the potential hazard caused by lack of bonding.

Consumer Financial Protection Bureau (CFPB)

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the CFPB.

Core Functions

Congress established the CFPB to protect consumers by carrying out federal consumer financial laws. The CFPB gives consumers the information they need to understand the terms of their agreements with financial companies and to make regulations and guidance as clear and streamlined as possible.

The CFPB has a number of duties including

- * writing rules, supervising companies, and enforcing federal consumer financial protection laws;
- * restricting unfair, deceptive, or abusive acts or practices;
- * taking consumer complaints;
- * promoting financial education;
- * researching consumer behavior;
- * monitoring financial markets for new risks to consumers; and
- * enforcing laws that outlaw discrimination and other unfair treatment in consumer finance.

Section 1032(f) of the Dodd-Frank Act required the CFPB to propose a rule to combine RESPA (Real Estate Settlement Procedures Act) and TILA (Truth in Lending Act). Issued in November, 2013, the goals of the new rule, commonly called "know before you owe," are to

- * make easier to use mortgage disclosure forms,
- * improve consumer understanding,
- * aid comparison shopping, and
- * prevent surprises at closing for the borrower.

There are two new forms: the Loan Estimate (LE) and the Closing Disclosure (CD).

The Loan Estimate form is provided to a consumer within three business days after submission of a loan application. The CFPB considers a business day for the LE to be a day in which creditors' offices are open to the public. The LE form replaces

both the truth in lending form and the good faith estimate. It summarizes key loan terms and estimates loan and closing costs. The LE also encourages consumers to shop for comparison providers.

The Closing Disclosure must be provided to the consumer three business days before consummation (previously called closing). In this instance, the CFPB defines business day as all calendar days except Sundays and federal holidays before consummation. The CD replaces the final truth-in-lending and the HUD statements. It provides a detailed accounting of transactions.

The CFPB final rule also clarifies the definition of loan application, requiring the application to include

- * borrower's Social Security number,
- * borrower's name,
- * property address,
- * income,
- * mortgage loan amount, and
- * estimated value of the property.

Lenders are now required to offer the consumer a list of Settlement Services Providers with at least one provider for each service. This must be provided in the same time frame as the LE, and the form for providing this is provided and required for use by the CFPB.

Variations in the fees disclosed on the LE and the CD will trigger re-disclosure and days required cannot be shortened.

Preparation of the Closing Disclosure

The lender, title company, or a combination of the two will provide the CD for the buyer. A separate CD will be provided for the seller by the title company.

License Holder Issues

It is likely that the time from contract to closing, when a mortgage is involved, will take longer than 30 days. Walk-throughs by the buyer may occur earlier and more often. The CD will have to be obtained from the borrower, not the lender or title company. Simultaneous closings will be challenging. Closings may take longer (the CD is five pages), and fees may increase. Civil money penalties for violations of this rule are: \$5000; \$25,000 or \$1 million per day.

License holders are subject to RESPA, and fines may be levied for violations of RESPA. License holders should seek competent legal counsel if they are considering an affiliated business arrangement, marketing agreement or any other arrangement that resembles a kickback from a service provider.

Numerous amendments to the 2013 Integrated Mortgage Disclosure Rule under the Real Estate Settlement Procedures Act (Regulation Z) and the Truth in Lending Act (Regulation Z) and the 2013 Loan Originator Rule under the Truth in Lending Act (Regulation Z) have been made. Many of these changes took place on August 1, 2015. For a complete understanding of these changes, a license holder should obtain additional education in these changes and download the documents from www.consumerfinance.gov/regulations. These changes could alter the historic time frames in contracts in Texas as well as communication processes between mortgage companies, title companies and license holders.

Home Owners Associations (HOAs)

House Bill 1455

Adds Property Code Sections 82.119 and 82.120

Effective September 1, 2015

Relating to procedures required before certain condominium associations file a suit or initiate an arbitration proceeding for a defect or design claim.

Applies to condominium associations with eight or more units. This bill requires condominium associations to follow certain procedures before initiating litigation or arbitration for defect or design claims. This bill's supposed purpose is to inform and educate unit owners prior to instituting such claims as such claims may have an adverse effect on property value and marketability; however, in addition to obtaining the prior approval of a specified percentage of unit owners, the bill requires, among other things, that the association

- * obtain a pre-claim inspection from a licensed professional engineer,
- * give prior notice of the inspection to parties against whom a claim may be asserted and allow such parties to be present for the inspection,
- * give a copy of the inspection report to the owners,
- * give a copy of the inspection report to the parties subject to a claim and allow them at least 90 days to correct conditions identified in the report, and
- * prior to the owners' meeting to approve making a claim, provide
 - » notice to each owner that includes a description of the claim and the relief sought,
 - » an opinion of the time required to prosecute the claim and the likelihood of success,
 - » a copy of the association's contract with the attorney chosen to assert the claim,
 - » a description of the fees anticipated and the way such fees will be paid,
 - » a summary of steps taken to resolve the claim, and
 - » a statement that initiating a lawsuit or arbitration proceeding may effect market value, marketability or refinancing while the claim is pending.

Senate Bill 1168.

Effective September 1, 2015

Relating to the operation of certain property owners' associations, condominium unit owners' associations, and councils of owners.

Among other things, this bill addresses

- * acceptable means of giving notice to property owners,
- * holding directors' meetings,
- * limiting the scope of actions a board of directors may take without owner approval,
- * administering elections, and
- * foreclosure sales.

Most pertinent to brokers and salespersons is the bill's addition of the following to the information required to be given in a resale certificate issued for a condominium unit:

- * the association's balance sheet and operating budget, and
- * a description of all transfer fees, their amounts, and to whom the fees are paid.

House Bill 2489

Adds Property Code Section 209.016

Effective June 19, 2015

Relating to regulation by a property owners' association of residential leases or rental agreements.

This bill prohibits a property owners' association from adopting or enforcing a restriction that either

- * requires a lease or rental applicant or a tenant to be approved by the association, or
- * requires that the applicant or tenant submit to the association a credit report or a copy of the applicant's or tenant's application.

If a copy of the lease is required by the association, certain personal information may be redacted. This bill does not prohibit adoption or enforcement of restrictions on occupancy or renting.

Transfer on Death Act

Senate Bill 462

Adds Estates Code Chapter 114; Amends Estates Code Sections 22.027 and 122.001

Effective September 1, 2015

Relating to authorizing a revocable deed that transfers real property at the transferor's death.

Creates the Texas Real Property Transfer on Death Act, which authorizes an owner to pass the owner's interest in real property to one or more beneficiaries at the owner's death without probate by executing and recording a transfer on death deed (TOD). A TOD is revocable regardless of whether the deed or another instrument contains a contrary provision. A TOD may not be made under a power of attorney. A TOD conveys property without covenant of warranty of title, even if the deed states the contrary, and a TOD beneficiary takes the property at the transferor's death subject to all encumbrances (including liens) to which the property interest was subject at the date of death. A TOD beneficiary may disclaim the interest. A will cannot revoke a TOD, but dissolution of a marriage will revoke a TOD. The act establishes requirements to be met for a TOD

- * to be effective,
- * the circumstances by which a TOD may be revoked,
- * procedures governing the rights of creditors of the deceased transferor, and
- * forms of TOD and TOD revocation.

Chapter 6

Tax Laws

Legislative Changes

House Bill 394

Amends Tax Code Section 25.027

Effective September 1, 2015

Relating to the information in ad valorem tax appraisal records that may not be posted on the Internet by an appraisal district.

Prohibits appraisal districts from posting information on the Internet that would indicate a property owner's age, including information that a property owner is 65 or older.

House Bill 992

Amends Tax Code Section 11.131

Effective January 1, 2016, but only if the applicable constitutional amendment passes in November elections.

Relating to the exemption from ad valorem taxation of the total appraised value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran.

A disabled veteran's surviving spouse is entitled to continue to benefit from the special disabled veterans' ad valorem homestead exemption after the disabled veteran dies if the spouse has not remarried, the property was the surviving spouse's homestead when the disabled veteran died, and the property remains the surviving spouse's homestead. This bill extends this benefit to surviving spouses of disabled veterans who died before the disabled veterans' special exemption was created.

House Bill 1022

Amends Tax Code Section 11.13 Effective January 1, 2016

Relating to the eligibility for an exemption from ad valorem taxation of the residence homestead of certain persons with a life estate in the homestead property.

Extends the standard homestead exemption to an owner's surviving spouse if he or she has a life estate in the property.

House Bill 1463

Amends Tax Code Sections 1.07 and 11.43

Effective September 1, 2015

Relating to the procedure for canceling an exemption from ad valorem taxation of the residence homestead of an individual who is 65 years of age or older.

Requires that before an appraisal district cancels a residence homestead exemption for someone 65 or older, the appraiser must first give written notice to the owner with a form on which the owner may verify his or her qualification for the

exemption (with a postage prepaid return envelope). If no response is received in 60 days, the appraiser may cancel the exemption after another 30-day waiting period but only after making reasonable effort to locate the owner and determine his or her qualification for the exemption. A second notice with a bold font notice of the potential cancellation (meeting requirements set forth in the bill) constitutes reasonable efforts.

House Bill 1464

Adds Tax Code Section 23.551; Amends Tax Code Sections 1.07, 23.43, 23.46, 23.54, and 23.55; Amends Transportation Code Section 521.049

Effective September 1, 2015

Relating to the procedure for determining that certain land is no longer eligible for appraisal for ad valorem tax purposes as agricultural or open-space land.

Requires that before an appraisal district cancels an agricultural or open-space exemption for land owned by someone 65 or older, the appraiser must follow procedures substantially similar to those required under House Bill 1463 with respect to homestead exemptions for persons 65 or older.

House Bill 3951

Adds Tax Code Section 34.011; Amends Tax Code Section 34.015; Amends Civil Practice and Remedies Code Section 34.0445

Effective January 1, 2016

Relating to the eligibility of persons to participate in an ad valorem tax sale of real property; creating a criminal offense.

Allows a county commissioners court to require that, for a person to be eligible to bid at a tax foreclosure sale of real property the person must be registered as a bidder with the county assessor-collector before the sale begins. The county assessor-collector is empowered to adopt rules governing such registration, requiring a registrant to

- * designate the person's name and address;
- * provide valid ID;
- * provide written proof of authority to bid on another person's behalf, if applicable;
- * provide any additional information the assessor-collector reasonably requires; and
- * execute, at least annually, a statement on a form provided by the assessor-collector that there are no delinquent ad valorem taxes owed by the registrant to the county or any taxing unit in the county.

If the county commissioners court adopts this requirement, then a person may not bid at a tax foreclosure sale unless the assessor-collector has issued the person a registration statement.

House Joint Resolution 75

Amends Section 1-b of Article VIII of the Texas Constitution.

Effective January 1, 2016, if passed by Texas voters in November 3, 2015, election.

Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran who died before the law authorizing a residence homestead exemption for such a veteran took effect.

Would amend the Texas Constitution to enable the extension of homestead exemption rights to spouses of disabled veterans as contemplated in House Bill 992.



Senate Bill 1

Effective June 15, 2015 (as to certain transitional requirements for appraisal district computations), but requires passage of constitutional amendment by Texas voters in November 3, 2015, election.

Relating to certain restrictions on the imposition of ad valorem taxes and to the duty of the state to reimburse certain political subdivisions for certain revenue loss; making conforming changes.

This bill would raise residential homestead tax exemption amounts for school taxes from \$15,000 to \$25,000 if Texas voters pass the necessary constitutional amendment in the November 2015 elections. School districts that granted additional exemptions for 2014 under Tax Code Section 11.13(n) would be prohibited from reducing or repealing the additional exemption until 2020. School district shortfalls would have to be funded by the State.

Senate Bill 46

Amends Government Code Sections 552.155 and 552.222

Effective September 1, 2015

Relating to the confidentiality of certain property tax appraisal photographs.

Exempts photographs of the interior of real property improvements from disclosure under public information laws and makes the same confidential. (One fear being that thieves may use public information requests to scope buildings.) The government must still disclose the photograph, however, to a person who had an ownership interest in the improvement at the time the photograph was taken and to the parties to a tax appraisal protest (though the photograph remains confidential in the parties' possession and may not be disclosed or used for any other purpose).

Senate Bill 833

Amends Tax Code Section 11.13

Effective June 19, 2015

Relating to the continuation of a residence homestead exemption from ad valorem taxation while the owner is temporarily absent because of military service.

Texas law protects a person from losing a residence homestead exemption due to temporary absence for less than two years if the person does not establish another homestead and is absent due to military service in the U.S. armed forces. Prior to this bill the military service causing the absence had to be outside the U.S. This bill extends this military service protection to absences for service within the U.S.

Senate Bill 1420

Amends Tax Code Section 25.19

Effective January 1, 2016

Relating to notices of appraised value sent to property owners by the chief appraisers of appraisal districts.

Requires an appraisal district to give notice to a homeowner if “an exemption or partial exemption approved for the property for the preceding year is canceled or reduced for the current year.”

Senate Bill 1452

Amends Tax Code Section 34.01

Effective May 15, 2015

Relating to the power of a commissioners court to authorize ad valorem tax sales of real property to be conducted by means of online auctions.

This bill gives county commissioners courts authority to allow property tax foreclosure sales to be made by online auctions and to adopt procedures for the same.

Senate Joint Resolution 1

Effective January 1, 2016, if passed by Texas voters in the November 3, 2015, election.

Proposing a constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes and providing for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for those purposes on the homestead of an elderly or disabled person to reflect the increased exemption amount, authorizing the legislature to prohibit a political subdivision that has adopted an optional residence homestead exemption from ad valorem taxation from reducing the amount of or repealing the exemption, and prohibiting the enactment of a law that imposes a transfer tax on a transaction that conveys fee simple title to real property.

Would amend the Texas Constitution to enable the homestead exemption increase contemplated in Senate Bill 1.

Major Property Tax Administrators and Agencies

Appraisal Districts (CADs)

Appraisal districts are frequently referred to as county appraisal districts or CADs. These districts are responsible for appraising property in the district for ad valorem tax assessments. Generally, a board of directors is elected by taxing units that are authorized by law (cities, counties, schools, and certain reclamation/conservation districts). It governs appraisal districts and establishes the appraisal office. Special provisions exist for contracting with local governmental entities to provide appraisal services.

Chief Appraisers

The chief appraiser serves as the primary administrator of the CAD. The chief appraiser hires and directs district personnel. The appraisal district board of directors appoints the chief appraiser, who serves at their pleasure.

Appraisal Review Boards (ARBs)

Each appraisal district board of directors also appoints an appraisal review board (ARB). Beginning in 2010 in certain counties (currently Harris and Fort Bend Counties), ARB members are appointed by the local administrative district judge. The ARB hears property owner protests, taxing unit challenges, and correction motions, and settles disagreements about value, exemptions, or other issues between a property owner and the CAD.

Taxing Units

Local governmental entities with the legal authority to impose property taxes are called “taxing units” (Sec. 1.04[12]). Taxing unit governing bodies (city councils, county commissioners’ courts, school boards) set each taxing unit’s budget, adopt tax rates, collect taxes, and spend those taxes to provide services and pay the unit’s debts. The amount of a taxing unit’s budget determines the tax rate. The tax rate and taxable value set the total taxes that property owners must pay. The Texas Constitution and the Property Tax Code specify how taxing units may adopt a property tax. Cities, counties, school districts and special districts each have legislative authority that defines their powers to tax by setting rate limits, debt limits and timetables for action.

Assessors and Collectors

Counties elect assessor-collectors for the county. Taxing units name a specific person — an assessor — to calculate taxes, prepare tax rolls and generate tax bills. A person responsible for collecting and accounting for taxes is called a collector. A person combining these duties is commonly called an assessor-collector.

State Agencies

The Texas Constitution bars the state from imposing property taxes. However, a few state agencies regulate the administration of property taxes. The Comptroller of Public Accounts Property Tax Assistance Division administers certain areas of the state’s property tax system at the state level.

The Property Tax Assistance Division

- * gives technical assistance to local property tax administrators;
- * provides information about property taxation to the public;
- * makes a study of property values and the accuracy of appraisals in each school district and appraisal district every two years; and
- * conducts performance audits to review each CAD’s governance, taxpayer assistance, operating standards, and appraisal standards, procedures and methodology at least once every two years.

Texas Education Agency (TEA)

TEA regulates school districts and has some rule-making authority over school district tax rate adoption.

Texas Department of Licensing and Regulation (TDLR)

TDLR agency is responsible for regulating the activities of professional property tax consultants, as well as the core educational program that tax professionals take when progressing toward state certification. TDLR approves educational materials, curricula, instructors and course sponsors. TDLR also is responsible for registering those who work in the property tax area. TDLR requires the following persons to register and work toward certification as a Registered Professional Appraiser (RPA):

- * chief appraisers;
- * appraisal supervisors and assistants;
- * property tax appraisers;
- * appraisal engineers;
- * property tax consultants;
- * employees of appraisal firms who appraise property for tax purposes;
- * all other persons with authority to judge, recommend or certify appraised values for property tax purposes.

TDLR also requires each tax office to register at least one person with TDLR (usually the head of the tax office). If this official performs assessment activities, the individual works toward certification as a Registered Texas Assessor-Collector (RTA). If this official does not perform assessment activities, the individual works toward certification as a Registered Texas Collector (RTC). Elected county assessor-collectors in counties whose populations exceed one million are exempt.

Ethics in Property Tax Administration

Each person registering with the state must sign a pledge to uphold a Code of Ethics. The following are specific ethics requirements found in the Texas Administrative Code (TAC).

Improper Influences (Sec. 628.3)

This section bars any person registered with TDLR from accepting any benefit in return for favorable treatment. The section applies to decisions regarding property valuation, an exemption from taxation, or property tax collection. Further, a registrant cannot accept any benefit with the understanding that he or she will testify falsely or withhold information in an adjudication proceeding, or promise a benefit to another to do so.

Conflicts of Interest (Sec. 628.4)

This section prohibits a registrant from engaging in activities that could result in a conflict of interest. Specifically, a registrant cannot engage in any activity outside of the appraisal or tax office that adversely affects the person's impartiality in officially assigned duties. For example, a registrant must disclose any financial interest he or she possesses in any firm operating in the real estate industry. In addition, a registrant may not invest in a property within the jurisdiction if it creates a conflict of interest. Finally, a registrant may not serve as a tax agent, unless such service focuses on properties not in the appraisal district or tax office that employs the registrant.

Unfair Treatment and Discrimination (Sec. 628.5)

This section details when registrants provide unfair advantages to other persons. For example, a registrant cannot provide information to any private party when the information is not provided to everyone. In addition, a registrant cannot use different appraisal techniques for similar properties to arbitrarily raise or lower appraised values of particular properties. Further, a registrant may not use collection procedures that discriminate to the advantage or disadvantage of any taxpayer. A registrant also must not provide information on the delinquent tax status of any property for a fee, except under a limited number of circumstances. Finally, a registrant may not predetermine the value or value range of a property and then manipulate the data to arrive at the predetermined value.

Abuse of Powers (Sec. 628.6)

This section prohibits acts where a registrant uses his or her power in an unethical manner. For example, a registrant cannot use agency resources for personal benefit. Further, in his or her capacity as a property tax professional, a registrant may not endorse any services. Also, unless otherwise permitted by law, a registrant cannot collect money from a private person or firm under the guise of official action.

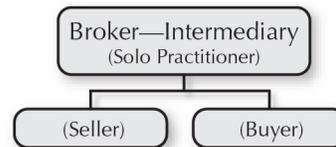
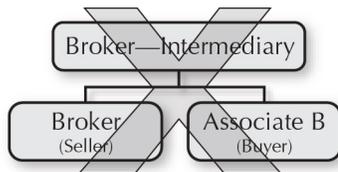
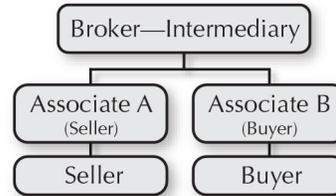
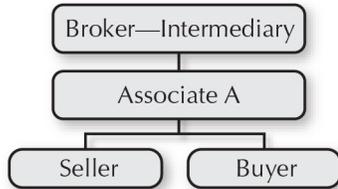
Use of Titles (Sec. 628.7)

This section bars the use of the titles Registered Professional Appraiser (RPA), Registered Texas Collector/Assessor (RTA), or Registered Texas Collector (RTC) unless the individual is an active, certified registrant with TDLR. Further, registrants may only use the above titles in connection with official duties.

Property Classes

Real Property	Tangible personal property	Intangible personal property
Single-family residential	Inventory	Goodwill
Multi-family residential	Furniture, fixtures and equipment	Patents
Vacant platted lots		Bonds
Agricultural open-space land		Copyrights
Commercial/ industrial-real		Contracts
Pipelines		Brand names
Minerals		
Farm improvements		

Appendix A



Appendix B

Script 1

Fitting In

Seller Jamie is discussing listing his property with his agent, William

JAMIE

Wow, your plan to market my home is impressive.

WILLIAM

Thanks! We'll scour the entire planet for buyers. Heck, I'd advertise your home on Mars if I could.

JAMIE

That's great. But...well, I was wondering if we could keep it a little quieter. Maybe just tell the neighbors.

WILLIAM

Oh, we'll definitely tell the neighbors, too.

JAMIE

The people around here are kind of old-fashioned... they'd really like someone to move into the neighborhood who fits in, you know? So if you could hold off on the worldwide promotion for a bit...

WILLIAM

Tell you what. I'll put a Coming Soon sign in your yard for a few weeks. The neighbors will see your house is for sale, and they can spread the word to their friends and family. If that doesn't bring any results by the end of the month, we can go worldwide.

JAMIE

Sounds great! I'd hate for the neighbors to blame me for selling my home to a buyer who doesn't fit in.

Script 2

I Have a Good Feeling

Seller Rose is discussing 2 offers with her agent, Miles.

MILES

So the first offer is higher and there's no contingency on it like the second offer.

ROSE

Yeah, I don't know.

MILES

That's why I'm here. To help you look at offers objectively. There's not a single aspect of the second offer that's as good as the first offer.

ROSE

I just have a better feeling about the second one.

MILES

Think how much better you'll feel with 3,000 dollars more in your pocket!

ROSE

I guess, but look at the letter and photo that came with the second offer. They seem like such a nice family. And their dog is so cute. I think they would really take care of my home.

MILES

The higher offer had a letter, too.

ROSE

I just don't get a good vibe from them. Nothing personal, but they look like...I'm just not sure they're right for my home.

MILES

You understand the contingency on the second offer means the sale may not ever happen, right?

ROSE

Oh, it will. I have a good feeling about those people. That's definitely the offer I want to go with.

Script 3

Just Between You and Me

Agents Chris and Terry are discussing how they list properties.

TERRY

Hi, Chris!

CHRIS

Hi, Terry! How's business?

TERRY

Fantastic since I joined the The Foothills Private Listing Group on Facebook.

CHRIS

The what?

TERRY

You should get in on this. We share listings with each other that we don't put on the MLS. I mean, lots of sellers don't want riffraff stomping through their houses anyway...so it's good for sellers, and it's good for us because we keep the group small and share listings with fewer players, you know?

CHRIS

Thanks. How do I get in?

TERRY

It's an open group on Facebook because we don't want to break antitrust rules, but do me a favor...keep this pretty quiet.

CHRIS

Sure.

TERRY

And whatever you do, don't tell anyone from Dip-sy-Doodle Realty.

CHRIS

Oh, don't worry. I'd be happy if I NEVER worked with those guys again.

TERRY

I'll second that!

Appendix C

Chapter 3 FAQ

1. What is the difference between a customer and a client?

Customer: a person(s) who is not represented by an agent but can receive information and assistance from a license holder. Example: a seller's broker who assists an unrepresented buyer.

Client: a person(s) whom the license holder has agreed to represent

A buyer (customer) might expect some or all of the following services:

- » providing the customer information about and showing the customer available properties, disclosing any known property defects,
- » preparing any offers for submission,
- » assisting in coordination of inspections or surveys, etc.,
- » assisting the customer in locating and obtaining financing, and
- » working with all parties to solve problems and facilitate the closing.

The seller's agent is **unable** to provide the following to a buyer (customer):

- » advising on how much to offer on a property, if less than the asking price;
- » disclosing the amount the seller will take, if less than the asking price;
- » informing the customer about the seller's motivation or deadline to sell;
- » informing the customer about previous offers;
- » advising the customer regarding positions to take during negotiations;
- or
- » disclosing information to the customer that would be detrimental to the seller's negotiating position or that is confidential, unless required by law to disclose.

2. Is it better to have a buyer/tenant representation agreement signed as opposed to working with a buyer/tenant without a written agreement? Why? If it is better, why do so many agents work without having one signed?

Yes. Advantages include

- » enforceability of compensation in the event of dispute;
- » authorization of the intermediary, which must be in writing;
- » disclosure of conflicts of interests and possible solutions;
- » disclosure of information that may be helpful to reduce risk;
- » limitation of expectations or explanation of array of services;
- » documentation that disclosures have been provided;
- » identification of potential unforeseen items.

3. What does it mean to be a fiduciary? What type of fiduciary obligations does an agent owe to the principal?

A fiduciary is a person who has a high duty of care for another person, the client. The law requires the fiduciary to place the client's interest ahead of his or her own interest. When a license holder begins to provide agency services to a party, or a party believes that such services are being provided, the fiduciary relationship begins. Fiduciary relationships are common and can involve attorneys, trustees, investment brokers and real estate agents, among others.

The principal, or client, is the person with whom the license holder has a fiduciary relationship. Although the license holder's duty is to act in the principal's interest, the license holder owes a duty of honesty and fairness to all parties in the transaction.

Appendix D

Table 1. Exemptions Authorized by the Texas Constitution

Title of Exemption	Code Section	Amount Exempted	Type	Application Required
Public Property	11.11	total	mandatory	none
Public property used to provide transitional housing for indigent persons	11.111	total	optional	yearly
Federal exemptions	11.12	total	mandatory	none
Residence homesteads	11.13	partial	both ^c	once ^d
Residence homesteads for disabled veterans	11.131	total	mandatory	once
Tangible personal property not producing income	11.14	total	optional	none
Income producing tangible personal property less than \$500	11.145	total	mandatory	none
Mineral interest having value of less than \$500	11.146	total	mandatory	none
Family supplies	11.15	total	mandatory	none
Farm products ^e	11.16	total	mandatory	none
Implements of farming or ranching ^f	11.161	total	mandatory	none
Cemeteries	11.17	total	mandatory	once ^d
Charitable organizations	11.18	buildings & personalty ^a	mandatory	once ^d
Charity care and community benefits requirements for charitable hospitals	11.1801	total	mandatory	yearly
Charitable organizations improving property for low-income housing	11.181	buildings & personalty ^a	mandatory	yearly
Community housing development organizations improving - property for low- and moderate-income housing	11.182	buildings & personalty ^a	mandatory	once
Organizations constructing or rehabilitating low-income housing	11.1825	real property	mandatory	yearly
IRS 501(a) and (c)(3) Associations that provide assistance for ambulatory health care centers	11.183	buildings	mandatory	once
Organizations engaged primarily in performing charitable functions or a corporation that is not a qualified charitable organization if they are exempt from federal income taxation under certain provisions of the Internal Revenue Code	11.184	buildings & other real property and the tangible personal property	mandatory	every 5 years
Colonia model subdivision program	11.185	building or tangible personal property	mandatory	yearly
Youth spiritual, mental and physical development association	11.19	total	mandatory	once ^d
Religious organizations	11.20	total	mandatory	once ^d
Schools	11.21	buildings & personalty ^a	mandatory	once ^d
Disabled veterans	11.22	\$5,000-\$12,000	mandatory	once ^d

Miscellaneous exemptions	11.23	variable	mandatory	variable
Nonprofit business organizations	11.231	total	mandatory	once
Historic sites	11.24	variable	optional	yearly
Foreign owned marine cargo used exclusively in international commerce	11.25	total	mandatory	yearly
Tangible personal property transported outside the state [freeport]	11.251	total	both ^b	yearly
Motor vehicles leased for personal use	11.252	total	optional	yearly
Tangible personal property transported inside Texas	11.253	total	both*	yearly
Motor vehicles for production of income and for personal activities	11.254	total	optional	once
Limitations of school tax on homesteads of the elderly	11.26	limits tax increases	mandatory	once ^d
Limitations of county, municipal or junior college district tax on homesteads of disabled and elderly	11.261	limits tax increases	optional	once
Solar- and wind-powered energy devices	11.27	total	mandatory	yearly
Offshore drilling equipment not in use	11.271	total	mandatory	yearly
Property exempted from city taxation by agreement	11.28	variable	optional	yearly
Intracoastal waterway dredge disposal site	11.29	total	mandatory	once ^d
Nonprofit water supply or wastewater service corporation	11.30	total	mandatory	once ^d
Pollution control property	11.31	total or partial real & personal property	mandatory	once ^d
Certain water conservation initiatives	11.32	total or partial	optional	yearly
Raw cocoa and green coffee held in Harris County	11.33	total	mandatory	once ^d
Limitation on taxes in designated areas	11.34	variable	optional	yearly
Cotton stored in warehouses	11.437	total	both ^b	once

^aThese statutes define “building” to include a “reasonable” amount of land.

^bMandatory in some units, taxable in others.

^cIncludes both mandatory and optional.

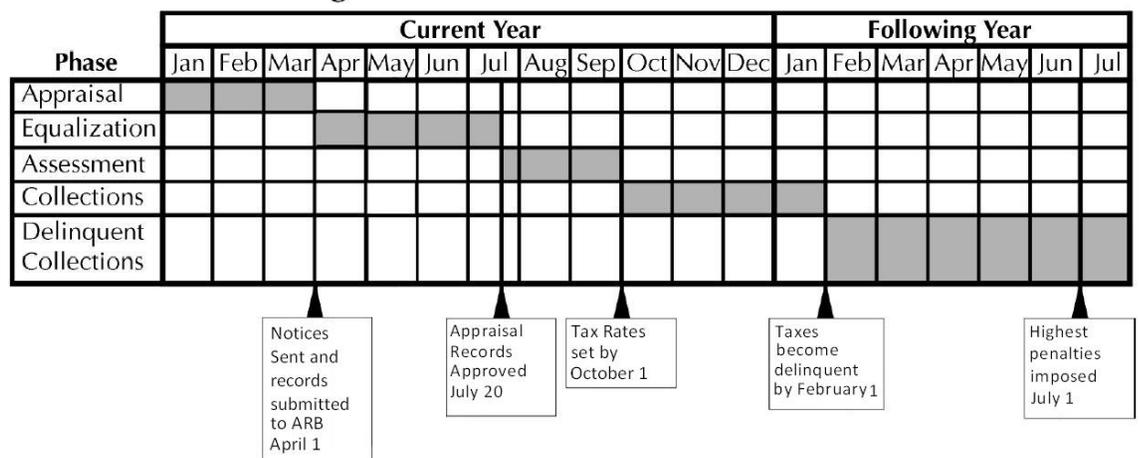
^dChief appraiser may require property owner to reapply for this exemption by delivering a written notice and application form to the owner.

^eIncludes timber as a farm product after January 1, 2000.

^fIncludes implements of husbandry used for timber production, regardless of primary design.

Source: Texas *Property Tax Code*

Figure 1. Phases in the Tax Calendar



Appendix E

531.18 Consumer Information

- (a) The Commission adopts by reference Consumer Protection Notice TREC No. CN 1-2. This document is published by and available from the Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188, www.trec.texas.gov.
- (b) Each active real estate broker shall provide the notice adopted under subsection (a) by
 - (1) displaying it in a readily noticeable location in each place of business the broker maintains; and
 - (2) providing a link to it labeled "Texas Real Estate Commission Consumer Protection Notice", in at least a 10 point font, in a readily noticeable place on the homepage of the business website of the broker and sponsored sales agents.

THE TEXAS REAL ESTATE COMMISSION (TREC) REGULATES
REAL ESTATE BROKERS AND SALES AGENTS, REAL ESTATE INSPECTORS,
HOME WARRANTY COMPANIES, EASEMENT AND RIGHT-OF-WAY AGENTS,
AND TIMESHARE INTEREST PROVIDERS

YOU CAN FIND MORE INFORMATION AND
CHECK THE STATUS OF A LICENSE HOLDER AT

WWW.TREC.TEXAS.GOV

YOU CAN SEND A COMPLAINT AGAINST A LICENSE HOLDER TO TREC

A COMPLAINT FORM IS AVAILABLE ON THE TREC WEBSITE

TREC ADMINISTERS TWO RECOVERY FUNDS WHICH MAY BE USED TO
SATISFY A CIVIL COURT JUDGMENT AGAINST A BROKER, SALES AGENT,
REAL ESTATE INSPECTOR, OR EASEMENT OR RIGHT-OF-WAY AGENT,
IF CERTAIN REQUIREMENTS ARE MET

IF YOU HAVE QUESTIONS OR ISSUES ABOUT THE ACTIVITIES OF
A LICENSE HOLDER, THE COMPLAINT PROCESS OR THE
RECOVERY FUNDS, PLEASE VISIT THE WEBSITE OR CONTACT TREC AT

TEXAS REAL ESTATE COMMISSION
P.O. BOX 12188
AUSTIN, TEXAS 78711-2188
(512) 936-3000

Appendix F

531.20 Information About Brokerage Services

- (a) The Commission adopts by reference Information About Brokerage Services Form, TREC No. IABS 1-0 (IABS Form). The IABS Form is published by and available from the Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188, www.trec.texas.gov.
- (b) Each active real estate broker and sales agent shall provide:
 - (1) a link to the IABS Form labeled "Texas Real Estate Commission Information About Brokerage Services", in at least a 10 point font, in a readily noticeable place on the homepage of the business website of the broker and sales agent; and
 - (2) the IABS Form as required under §1101.558, Texas Occupations Code.
- (c) For purposes of §1101.558, Texas Occupations Code, the IABS Form can be provided:
 - (1) by personal delivery by the broker or sales agent;
 - (2) by first class mail or overnight common carrier delivery service;
 - (3) in the body of an email; or
 - (4) as an attachment to an email, or a link within the body of an email, with a specific reference to the IABS Form in the body of the email.
- (d) Providing a link to the IABS Form in a footnote or signature block in an email does not satisfy the requirements of subsection (c).
- (e) License holders may reproduce the IABS Form published by the Commission, provided that the text of the IABS Form is copied verbatim and the spacing, borders and placement of text on the page must appear to be identical to that in the published version of the IABS Form, except that the Broker Contact Information section may be prefilled.



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
_____ Licensed Supervisor of Sales Agent/ Associate	_____ License No.	_____ Email	_____ Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

Buyer/Tenant/Seller/Landlord Initials

Date

