

**TEXAS REAL ESTATE INSPECTOR COMMITTEE
MEETING AGENDA**

Conference Room 235a, TREC Headquarters Office
1101 Camino La Costa, Austin, Texas

Wednesday, July 21, 2010 at 12:00 p.m.

CALL TO ORDER AND MINUTES

1. Call to order
2. Minutes of the July 12, 2010 meeting

PUBLIC COMMENTS

3. General comments from visitors

PENDING BUSINESS

4. Discussion and possible action to recommend the repeal of 22 TAC §535.214, Examinations
5. Discussion and possible action to recommend new rules:
 - a. 22 TAC §535.201, Definitions
 - b. 22 TAC §535.209, Examinations
 - c. 22 TAC §535.214, Providers of Real Estate Inspection Courses
6. Discussion and possible action to recommend amendments to:
 - a. 22 TAC §535.206, The Texas Real Estate Inspector Committee
 - b. 22 TAC §535.212, Education and Experience Requirements for an Inspector License
 - c. 22 TAC §535.213, Schools and Courses of Study in Real Estate Inspection
 - d. 22 TAC §535.215, Inactive Inspector Status
 - e. 22 TAC §535.216, Renewal of License or Registration
 - f. 22 TAC §535.218, Continuing Education
 - g. 22 TAC §535.221, Advertisements
 - h. 22 TAC §535.222, Inspection Reports
 - i. 22 TAC §535.226, Sponsorship of Apprentice Inspectors and Real Estate Inspectors

NEW BUSINESS

7. Discussion and possible action regarding TREC legislative items related to inspector issues
8. Discussion and possible action to make recommendation to the Commission regarding use of the National Home Inspector Examination

FUTURE MEETINGS AND ADJOURNMENT

9. Request for new business agenda items
10. Scheduling of future meetings
11. Adjourn

**TEXAS REAL ESTATE INSPECTOR COMMITTEE
MEETING MINUTES**

Conference Room 235, TREC Headquarters Office
1101 Camino La Costa, Austin, Texas

Monday, July 12, 2010 at 11:00 a.m.

CALL TO ORDER AND MINUTES

1. Chairman Larry Foster called the meeting to order at 11:06. Other Committee members in attendance included Nancy Schriedel (by phone), Ray Armendariz, Fred Willcox, Brad Phillips, Jill Frankel, Curtis Carr, and Brian Murphy. Linda Robicheaux was not present. Staff included Devon Bijansky, Loretta DeHay, Gwen Jackson, Doug Oldmixon, and Kerri Galvin. Members of the public included Mike Boyette, Mike Cothran, Ed Martin, Roy Carter, Joe Gonzales and Fred Buck.
2. Minutes of the April 26, 2010 meeting.
3. Minutes of June. Mr. Phillips moved for approval with corrections to names and acronyms; Mr. Armendariz seconded. Motion passed.
4. Appointment of subcommittees (moved toward the end of the meeting). Mr. Foster announced that the Standards of Practice subcommittee was being abolished and instead appointed a Commentary committee, comprised of Mr. Frankel (as chair), Mr. Carr, Mr. Foster, and Mr. Willcox. Mr. Foster announced that public inquiries would now go to the Education subcommittee, comprised of Mr. Willcox (as chair), Mr. Armendariz, Mr. Carr, and Ms. Robicheaux. The Enforcement subcommittee would be comprised of Mr. Phillips (as chair), Mr. Murphy, Ms. Schriedel, and Ms. Frankel. The subcommittee and staff agreed that most inquiries can be handled without going to the full Committee for approval. Going forward, staff would work with the Education chair to prepare responses. If there is no need to raise the issue in the full subcommittee, a response will issue. If the matter needs to go to the subcommittee, a response will issue from the subcommittee unless there is a need for the full Committee to address the issue.

REPORTS

5. Administration and Management Services Division report, including updates regarding the administration of TREC as such matters may relate to inspector issues. Mr. Oldmixon reported that the strategic plan for 2011-2015 was filed on July 2. He presented a summary of proposed statutory changes regarding inspection issues. Committee members had questions about certain items that were on the list or other items that were not on the list. Mr. Oldmixon said that the legislative items would be put on the agenda for another meeting before the Commission meets on August 9.
6. Education and Licensing Services Division report, including an update regarding the number of licensed inspectors and examination passage rates. Gwen Jackson, Director of Education and Licensing Services, reported regarding changes in numbers of licensees

since the insurance requirement took effect. She stated that there has been a 17.8% decrease in the total number of inspectors but a 250% increase in the number of inactive inspectors but that the economic situation could also have had an effect on licensee numbers.

7. Standards and Enforcement Services Division report, including an update regarding the number and types of opened and closed complaint cases. Kerri Galvin, Director of Standards and Enforcement Services, reported that, during the third quarter of 2010 (March-May), the division opened 24 inspector complaints and closed 51, with 47 inspector cases pending. Ms. Galvin also reported that Robert Meisel resigned from TREC to go to another agency and that his position was currently posted.

PUBLIC COMMENTS

8. General comments from visitors. Ed Martin spoke regarding the formation of TITAC.

PENDING BUSINESS

9. Discussion and possible action to recommend the repeal of 22 TAC §535.214, Examinations.
10. Discussion and possible action to recommend new rules:
 - a. 22 TAC §535.201, Definitions
 - b. 22 TAC §535.209, Examinations
 - c. 22 TAC §535.214, Providers of Real Estate Inspection Courses
11. Discussion and possible action to recommend amendments to:
 - a. 22 TAC §535.212, Education and Experience Requirements for an Inspector License
 - b. 22 TAC §535.213, Schools and Courses of Study in Real Estate Inspection
 - c. 22 TAC §535.215, Inactive Inspector Status
 - d. 22 TAC §535.216, Renewal of License or Registration
 - e. 22 TAC §535.218, Continuing Education
 - f. 22 TAC §535.226, Sponsorship of Apprentice Inspectors and Real Estate Inspectors

Ms. Bijansky presented staff recommendations regarding education and the examination requirement. In addition to a variety of non-substantive changes, there were a number of substantive recommendations. The Committee decided to meet again before August 9 to further consider these issues.

12. Discussion and possible action to approve the responses proposed by the Standards of Practice subcommittee to inquiries regarding inspection and reporting requirements for:
 - a. plumbing fixtures with limited amounts water pooling
 - b. exhaust ventilation strike language about competence
 - c. the absence of a fireplace damper clamp add not merely a log lighter; strike language about competence.
 - d. the absence of weep holes along the bottom course of brick and above steel lintels. strike competence language.
 - e. double-tapped neutral wires. changing standard to deficiencies in wiring part g. neutral should be grounded conductor.
 - f. evidence of a previous fire in an attic. passed because minimum standard
 - g. tape on a Type B vent. not enough information for a proper response
 - h. headroom clearance of stairs. flight of stairs.

Mr. Murphy moved to approve the responses, previously approved by the Standards of Practice subcommittee, to these items; Mr. Carr seconded. Motion passed.

13. Discussion and possible action to provide guidance to staff in responding, and/or approve the responses proposed by the Standards of Practice subcommittee, to inquiries regarding inspection and reporting requirements for:
- a. transite pipe. Mr. Phillips correct answer.
 - b. water heaters with a combined drain line for the drain pan and temperature and pressure relief drain.
 - c. gas lines made of various materials.
 - d. fire separation between a house, garage, and attic space(s)
 - e. reused gas line connectors no prepared response
 - f. dishwashers that are hard-wired into the electrical system
 - g. reporting type of foundation
 - h. the performance of foundations
 - i. retaining walls related to foundation performance
 - j. gas lines in the crawl space
 - k. powered attic ventilators
 - l. number of layers of roof covering materials
 - m. identification of fire-rated doors
 - n. connection of the electrical system to a grounding electrode system
 - o. testing smoke alarms using canned smoke
 - p. testing gas lines
 - q. reporting the absence of arc fault circuit interrupters (AFCIs)
 - r. inspection and accessibility of gas connections to appliances
 - s. water heater blankets
 - t. attic stairs that are not fire-rated
 - u. GFCI protection of outlets serving automatic garage door openers
 - v. lack of continuous handrail at stairs
 - w. light fixtures over bathtubs
 - x. double-cylinder deadbolts
 - y. carpet on a garage floor

The Committee approved responses to items a. through c. and items f. through m. Staff agreed to put the responses on the website, similar to "Frequently Asked Questions" for brokers and salespeople. The remaining questions and newly submitted inquiries would be addressed as discussed in item 4, above.

FUTURE MEETINGS AND ADJOURNMENT

14. Request for new business agenda items.

15. Scheduling of future meetings

- a. Texas Real Estate Inspector Committee – Wednesday, July 21 at 12 pm
- b. Education subcommittee – Monday, July 26 at 9 am (by teleconference)
- c. Enforcement subcommittee – Monday, July 26 at 1 pm (by teleconference)
- d. Standards of Practice subcommittee

16. Adjourn. 4:03 pm

In accordance with the Americans with Disabilities Act, any requests for reasonable accommodation needed by persons desiring to attend this open meeting should be submitted by that person to the Commission.

APPRENTICE INSPECTOR EDUCATION REQUIREMENTS

Staff proposal 21 July 2010

Pre-Licensure Education Requirements

No education is required.

Continuing Education Requirements

16 classroom hours of TREC-approved real estate inspection continuing education courses for each 12-month period.

An apprentice who currently has a 1-year license needs 16 hours, as follows:

- 8 hours in Texas Standards of Practice
- 8 hours in Texas Standard Report Form/Report Writing.

An apprentice with a 2-year license needs 32 hours, including, for the first 2-year renewal:

- 8 hours in Texas Standards of Practice
- 2 hours in Legal/Ethics
- 8 hours in Texas Standard Report Form/Report Writing
- 6 hours in Texas Standards of Practice/Legal/Ethics Update

REAL ESTATE INSPECTOR EDUCATION REQUIREMENTS

Staff proposal 21 July 2010

Pre-Licensure Education Requirements

Must complete 90 classroom hours of core real estate inspection courses, including:

- 8 hours in foundations
- 8 hours in framing
- 8 hours in building enclosure
- 8 hours in roof systems
- 8 hours in plumbing systems
- 8 hours in electrical systems
- 8 hours in HVAC systems
- 8 hours in appliances
- 8 hours in Texas Standards of Practice
- 2 hours in Legal/Ethics
- 16 additional hours in these subjects

AND one of the following:

A.) Under the Three Tier Progression Method (if you were an apprentice first)

Must have been actively licensed as an Apprentice for 3 months during the 12 month period prior to filing the inspector application **AND** must have completed 25 inspections while licensed as an Apprentice under the direct supervision of a qualified eligible licensed Professional Inspector.

OR

B.) Under the Education/Experience Alternative Method

1. In addition to the 90 hours, must complete an additional **30** hours, including:
 - 8 hours in Texas Standard Report Form/Report Writing
 - 6 hours in Texas Standards of Practice/Legal/Ethics Update

and

- a) 60 hours in an experience training module (provide a course completion certificate); **or**
- b) 60 hours inspecting with a qualified eligible licensed Professional Inspector who can provide a letter certifying attendance; **or**
- c) 3 years of personal experience in a field directly related to home inspecting (provide 2 reference letters from persons other than the applicant who has personal knowledge of the applicant's work). Each reference letter must be from a different source and include a contact number and signature.

OR

2. Must have at least 2 years of experience as an active practicing licensed or registered architect, professional engineer, or engineer-in-training (provide a license history documenting active practice) **AND**, in addition the 90 hours, must complete an additional 8 hours in Texas Standard Report Form/Report Writing and **6** 8 hours in Texas Standards of Practice/Legal/Ethics Update.

Continuing Education Requirements

16 classroom hours of TREC-approved continuing education real estate inspection courses for each 12-month period. A real estate inspector with a two-year license needs 32 hours, including 6 hours in Texas Standards of Practice/Legal/Ethics Update.

PROFESSIONAL INSPECTOR EDUCATION REQUIREMENTS

Staff proposal 21 July 2010

Pre-Licensure Education Requirements

Must complete a total of **128** classroom hours of core real estate inspection courses, including:

- 8 hours in foundations
- 8 hours in framing
- 8 hours in building enclosure
- 8 hours in roof systems
- 8 hours in plumbing systems
- 8 hours in electrical systems
- 8 hours in HVAC systems
- 8 hours in appliances
- 8 hours in Texas Standards of Practice
- 2 hours in Legal/Ethics
- 54 additional hours in any core inspection subject(s)

AND one of the following:

A.) Under the Three Tier Progression Method

Must have been actively licensed as a Real Estate Inspector for at least 12 months during the 24 month period prior to filing the Professional Inspector application **AND** must have completed 175 inspections under indirect supervision while licensed as a Real Estate Inspector.

OR

B.) Under the Education/Experience Alternative Method

1. In addition to the 128 hours, must complete an additional **200** classroom hours of core inspector education, as follows:
 - 30 hours in Foundation Systems
 - 25 hours in Roof Systems
 - 30 hours in Framing
 - 25 hours in Electrical Systems
 - 25 hours in HVAC Systems
 - 25 hours in Plumbing
 - 12 hours in Building Enclosure
 - 6 hours in Appliances
 - 8 hours in Texas Standards of Practice/Legal/Ethics
 - 8 hours in Texas Standard Report Form/Report Writing
 - 6 hours in other core inspection approved courses

AND

One of the following requirements must be met:

- a) 120 hours in an experience training module (provide a course completion certificate); **or**
- b) 120 hours inspecting with a qualified eligible licensed Professional Inspector and provide a letter certifying attendance; **or**
- c) 5 years of personal experience in a field directly related to home inspecting (provide 2 reference letters from persons other than the applicant who has personal knowledge of the applicant's work). Each reference letter must be from a different source and include a contact number and signature.

OR

- 2. Must have at least **3** years of experience as an active practicing licensed or registered architect, professional engineer, or engineer-in-training (provide a license history documenting active practice) **AND**, in addition to the 128 hours, must complete an additional 8 hours in Texas Standard Report Form/Report Writing and **6 8** hours in Texas Standards of Practice/Legal/Ethics Update.

Continuing Education Requirements

16 classroom hours of TREC-approved continuing education real estate inspection courses for each 12-month period. A professional inspector with a two-year license needs 32 hours, including 6 hours in Texas Standards of Practice/Legal/Ethics Update.

Other recommended substantive changes to inspector rules
Staff proposal 21 July 2010

2-year expiration on all courses

2-year terms on Inspector Committee, renewable up to three times

535.201 Definitions [new definition section for inspector rules, (2) and (3) moved from .212(a)(2)]

The following definitions shall apply to Subchapter R, Chapter 535:

(1) Alternative delivery method – a method of course delivery other than classroom or correspondence. Alternative delivery method courses include online courses and webinars.

(2) Code organization – a non-profit organization the primary purpose of which is to develop and advocate scientifically based codes and standards relating to one or more of the systems found in an improvement to real estate.

(3) Trade association – a nonprofit, cooperative, and voluntarily joined association of business or professional competitors that is designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting the common interest of its members

535.209 Examinations [moved from .214]

(a) There shall be an examination for a real estate inspector license and for a professional inspector license. Questions shall be used which will measure competency in the subject areas required for a license by Texas Occupations Code, Chapter 1102 (Chapter 1102), and which will demonstrate an awareness of its provisions relating to inspectors. Each real estate inspector applicant must achieve a score of at least 70% on the examination. Each professional inspector applicant must achieve a score of at least ~~80%~~ **75%** on the examination.

(b) Except as otherwise required by Chapter 1102 or this section, examinations shall be conducted as provided by §535.61 of this title (relating to Examinations).

535.213(b) A classroom course may include up to ~~10%~~ **50%** of total course time for appropriate field work relevant to the course topic. Field work may not be included as part of correspondence or alternative delivery courses.

535.221 Advertisements

(a) For the purposes of this section, advertisements **are all communications created or caused to be created by a licensed inspector for the purpose of inducing or attempting to induce a member of the public to use the services of the inspector, including include,** but ~~are~~ not limited to **the following types of communications when disseminated for this purpose:** inspection reports, business cards, invoices, signs, **brochures,** ~~all electronic media including e-~~

mail E-mail, the Internet, electronic transmissions, text messages, purchased telephone directory displays and advertising by newspaper, radio and television.

(b) Advertisements by a person licensed as an inspector must contain the name or assumed business name of the licensee. The advertisements must also contain the license number of the person. If the person is licensed as a real estate inspector or as an apprentice inspector, the advertisements must also contain the following:

(1) the name or assumed name of the person's sponsoring professional inspector; and

(2) a statement indicating that the person is sponsored by that professional inspector.

(c) A licensed professional inspector, real estate inspector or apprentice inspector shall immediately notify the commission in writing of the licensee's use of an assumed name in the inspection business.

(d) **Websites containing advertising by one or more inspectors must include the license number of each licensed person whose name appears on the website. For the purposes of an inspector's or inspection company's own website, it is sufficient for the license number(s) to appear on a single prominent page of the website, such as the main page or the "About Us" page. For the purposes of social networking websites, including websites through which licensees may transmit electronic messages to other members of the same site, it is sufficient for license number(s) to appear on the inspector's main or profile page.**

(e) The commission may reprimand or suspend or revoke the license of a person who is found to have engaged in false or misleading advertising or to have failed to comply with provisions of this section.

535.222 Inspection Reports

(a) For each inspection, the inspector shall:

(1) prepare a written inspection report noting observed deficiencies and other items required to be reported; and

(2) deliver the report within a reasonable period of time to the person for whom the inspection was performed.

(b) The inspection report shall include:

(1) the name and license number of **each inspector who participated in performing the inspection or preparing the report the responsible inspector**;

(2) the name and license number of the apprentice or real estate inspector, and the signature of the inspector's sponsoring professional inspector, if applicable;

(3) the address or other unique description of the property on each page of the report; and

(4) the client's name.

Changes in rule language to enable the agency to move toward e-mailed renewal notices, electronic delivery of licenses, online changes, etc.

Proposed Legislative Items for TRE Inspector Committee Consideration

“Cleanup” Bill Items

WITHDRAWN 1102.101 – require Apprentice to work under direct supervision of their sponsor Professional Inspector? (Law currently allows direct supervision by a Real Estate Inspector.) Rather require signature on report of all inspectors materially involved.

1102.107 – add 16 hours of pre-license education for Apprentice license (none now)

1102.109 – change “or” to “and” when describing the Standards of Practice course
- change “eight” to “ten” hours to add 2 hours for Legal/Ethics course

1102.153 – change “six” to “twelve” months for the duration of a license application

1102.155 – amend to provide no waiting period after 3rd test failure if applicant provides proof of taking at least 16 hours of additional education since date last test was taken

Repeal 1102.252 – allowable payment methods are authorized in the Government Code

Separate Bill Items

1102.114 – repeal (or) change \$100,000 to \$50,000 for required “professional” liability insurance

1102.359 – change claim limit from \$12,500 to \$25,000 and cap from \$30,000 to \$50,000

1102.353 – change Recovery Fund cap from \$600,000 to \$1,200,000

1102.352 – change \$300,000 to \$600,000 for Recovery Fund minimum balance; and change target from \$450,000 to \$900,000

TITAC Session Item

Limitation of 3rd Party liability – not a license related issue. TITAC should handle this