

**MINUTES FOR TEXAS REAL ESTATE COMMISSION (TREC)
INSPECTOR ADVISORY COMMITTEE MEETING**
Conference Room 235, TREC Headquarters Office
1101 Camino La Costa, Austin, Texas

Friday, October 10, 2008, at 10:00 a.m.

The chairman Larry Foster called the meeting to order at 10:08 am on October 10. A break was taken from 11 to 11:10 am.

Minutes of July 21, 2008 meeting. A motion was made to accept the minutes by Fred Wilcox and seconded by Curtis. Motion carried unanimously.

Due to technical difficulties, there were no TREC staff reports.

General comments from visitors. Rodney George, Joe Gonzales, Mike Wagner, Leigh Masey, Mike Boyette were in the attendance. Leigh Masey represents World RC. a relocation company. Wants an exclusion for practitioners to use ERC form for property assessment form. It is a business to business assessment form to look at value, when employers buy home from relocating employee. Claims it is not a consumer inspection. Concerned that if on TREC form it will prevent home inspections. Could add not add a TREC form. This was looked at in KY, during the past year. KY uses ERC form with disclosure now. Larry brought up that in KY a non-licensed person can complete ERC form. Leigh thinks only licensed home inspectors are being used. Texas has a lot of relocating volume and this is a large percentage of real estate volume in Texas. The only way the buyer gets ERC is through disclosure. Sellers in this situation, have a high duty for disclosure.

Larry TREC used to have an exemption if notification. TREC made change because inspectors comments appeared changed. Never seen required notification form, TREC industry not serious so that's why TREC form is required.

Leigh said but this is a new form now that should address TREC's previous concerns. Fred our form makes clear it is a limited inspection, the industry's representations appear less clear. Larry we have been working on this for years and this seems best. Brian is this a mandated or voluntary form. Trade association employers, brokers, movers, lots more people. A new group of people designed this with several state boards. Texas was not included because they did not talk to the right people.

Brad Phillips what is the difference between an assessment and inspection? Directives how want properties judged may not be the same as our standards of practice. Geared how to take properties into inventory.

Larry someone could use a different form. Trade association cannot mandate use of their form.

Mike Wagner with REL, on ERC task force. Now TX and KY have forced industry to take it seriously. TX had addressed it so did not talk with TREC, did not realize industry did not use it. There are four big inspection groups for these relocation inspections. He believes their disclosure is adequate now for its purposes. He is serving corporate America not individual consumers. Could add disclosure language to each page.

Brian who should we contact for next discussion. Mike recommends ERC. Brian they are supposed to use our form and standards of practice. Mike inspections to TREC standards with TREC inspectors. Larry reports used to be changed for purchaser's wants.

Fred wants it referred to SOP sub-committee, as does everyone else.

Discussion and possible action to recommend amendments to 22 TAC §§535.227-535.231 concerning Standards of Practice for inspectors.

SOP comments. The first comment discussed visibility. Inspectors only inspect visible per the definitions. Brian we clarified some things do not think this needs it.

Sidewalks and driveways are optional. In-place appliances, optional can be added under other. Roof penetration issue can go any place in report just needs to be there.

Brian recommends line item g we do not state deficiencies with fixtures. Larry thinks we dealt with it before. Joe Gonzales found it.

Comment 4 requests clarification this is an otherwise specified area. It can be addressed in a comment or commentary area.

Comment 5 nothing we need to do today.

Comment 6 is of the same nature an otherwise specified item.

Comment 7 is a clarification question not to be addressed today. Gutters are there document deficiencies. Otherwise leave alone unless a drainage problem.

Comment 8 Brian says he is now comfortable with a reasonable sample for roofing inspection and we do nothing with this comment.

Comment 9 we locate water main shut off valve not the meter. Fred nothing we need to address. Leave trash compactors where they are because there are a lot of them.

Comment 10 When Rodney did this, he had an edited version, which we already discussed. Consensus already been addressed. Grading and drainage systems should only be in one place or mirror each other. Not a visible component because system is not visible. Consensus leave alone. Brian wants to add surface to D 3 even though it is redundant.

Walking boards not present, not safe so no need to inspect.

Discussion and possible action to recommend 22 TAC §535.222 concerning inspection reports

Comment 1 commenter obviously is dissatisfied with the changed form, but neither TREC nor the TREIC has authority to reimburse his or other inspectors' expenses in upgrading to the new form.

Comment 2 our form is consistent and will be left alone

Comment 3 is a question.

Comment 4 too many commas either way is correct. leave it alone

Comment 5 same thing

Comment 6 we already did it

Comment 7 it is already covered no changes.

Brian's comments Electrical D 10 pg. 7 compare to branch sections in G. Consensus leave alone. Receptacles and switches what about damp and wet areas. Improper weather proof covers if applicable. Larry would like approved for location. After G after junction boxes we added devices, after fixtures, we added including improper locations. Ray moved to accept modification and Mary and Curtis seconded. Motion carried.

Discussion and possible action to recommend amendments to 22 TAC §535.223 concerning standard inspection report form

Discussion and possible action to recommend amendments to form OP-I, Texas Real Estate Consumer Notice Concerning Hazards or Repairs Recommend this go to commission for adoption. We recommend this should go into effect in 120 days. Devon recommends it go into effect on the first day of a month. Consensus was for it to be effective on February 1. Fred moved for this Ray seconded it and it passed. Rodney last time could use either form for a time period. Devon because of rule change. This will be a situation where one day it will be the old form the next day the new. Does not harm to use new stuff because nothing was removed and the new exceeds the old standards.

Discussion and possible action to recommend amendments to pre-licensing education requirements for inspectors. Ray they will continue to review and make recommendations in the future.

Discussion and possible action to recommend amendments to continuing education requirements for inspectors. Ray they will continue to review and make recommendations in the future.

Discussion and possible action to recommend amendments regarding experiential learning. Ray they will continue to review and make recommendations in the future.

Discussion and possible action to recommend amendments regarding online learning, Ray they will continue to review and make recommendations in the future.

Discussion and possible action to recommend penalty matrix for disciplinary action in enforcement cases. Brad Phillips reported. Enforcement is looking at standardized plan for enforcement. Staff is working on it to report by the first of the new year. We are seeing more complaints since our last meeting. About 25 since our last meeting. Reports are failure to report or inspect in the recent ones, one is a failure to report termination of a gas dryer vent and the consumer reported significant CO poisoning. Over the next few months we will see if this is an aberration, said Devon. It may be market cycles because people tend to move in the summer, said Robert.

Request for new business agenda items Brian wants to discuss KS limit of liability of 10,000. Devon that would need to be legislated. We missed this one to be on the legislators' agenda. Larry industry can try to get a change. Two appeals court limit to cost of inspection. Thus we may not want it. Fred needs to come from industry not those to protect consumers.

Scheduling of future meetings. Sub-committees to meet soon, but whole committee in February. Sub committees TBD.

Chairman Foster adjourned the meeting at 12:38