



TEXAS REAL ESTATE COMMISSION

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PRESS RELEASE

POTENTIAL YEAR 2000 REGULATORY BURDEN PREEMPTED

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FOR IMMEDIATE RELEASE:

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As a state agency, all computer systems for the Texas Real Estate Commission (TREC) have been in full compliance with Y2K standards of operation for quite some time. But earlier this week TREC took an extra measure to assure that consumers and licensed real estate professionals can make the transition into the 21st Century with a minimum of cost and inconvenience.

Commissioners have granted an exception to strict rules in order to allow licensed real estate brokers and salespersons to alter preprinted "19__" dates on legal contract forms that are promulgated by TREC. The year 2000 exception was unanimously approved as a means of preventing costly delays and legal problems that consumers or licensees might have otherwise encountered. Contract documents for advanced property sales are already being negotiated and drawn up in the current fall season for anticipated closure early next year.

Concern has been expressed that insertion of the year 2000 into pre-existing date fields on standard contract forms could lead to legal challenges over contract provisions, or complaints against licensed brokers or salespersons for rule violations. A long-standing TREC rule absolutely prohibits any changes or additions (except as the rules specifically allow) in the reproduction of standard promulgated contract forms. Prohibiting the alteration of standard contract forms is intended to reduce the legal risk of fraud, misinformation, misrepresentation or other illegalities or misunderstandings that could result from such changes.

Although this exception appears to offer a simple foregone solution, its importance rests in addressing a potential problem before it creates a needless regulatory and legal burden upon buyers, sellers, and real estate licensees alike. This is a preemptive measure that also maintains TREC's high standards of legal and ethical practice for the protection of all concerned in real estate transactions.

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