



TEXAS REAL ESTATE COMMISSION

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PRESS RELEASE

TEXAS REAL ESTATE COMMISSION MOVES TO APPLY ADVERTISING STANDARDS TO THE INTERNET; OTHER EMERGING POLICY ISSUES ALSO ADDRESSED

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Texas Real Estate Commissioners agreed to propose statutory and rule amendments that would apply existing standards and requirements to real estate advertising appearing over the Internet. During its meeting held on Monday, October 26, the Commission agreed that real estate advertising is becoming increasingly frequent through Internet communication, and these practices should be consistent with the same standards and requirements currently applicable to advertising by way of print or broadcast.

Without the means of enforcing established safeguards, consumers may be at risk from advertising that promotes deception, misrepresentation, and misleading information regarding property being sold or other real estate business activities. No new statutes or separate rules would need to be added in order to include Internet activities under existing advertising provisions. A specific proposal for amendment of current rules and statutory requirements will be submitted for consideration during the next Commission meeting scheduled on December 7.

Another rule change that was introduced for future consideration pertains to streamlining and simplification of attendance report records for mandatory continuing education (MCE) courses. This would eliminate use of computer-scanned course completion cards that are currently completed by each student and filed with the Texas Real Estate Commission (TREC) by education providers. In its place, a single roster would be signed by students in attendance and

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can then be transmitted by FAX to TREC.

Final action was taken at the meeting to eliminate 14-page real estate property inspection report forms, effective January 1, 1999. These forms have been replaced by a simplified and shorter five-page version. Commissioners also adopted specific language content for legislative proposals that had been previously accepted at their September meeting, including further technical amendments to clarify existing Texas Real Estate License Act provisions.

Other developing real estate policy issues were addressed during Monday's session. Several Commissioners expressed concern over recent suggestions from within the national Association of Real Estate License Law Officials (ARELLO) advocating reciprocal real estate licensing between states. Some believe that problems might be encountered if reciprocal provisions allow licensees from out-of-state to obtain a Texas real estate license without first meeting the higher standards of qualification which Texas requires in comparison to other state jurisdictions. Commissioners will be looking into this issue as it develops further.

A discussion was also held on the issue of "after-the-fact" referral fees being requested after a buyer or listing agreement has been signed between clients and individual real estate licensees. "After-the-fact" fees are sometimes assessed by companies which, unknown to the individual broker, are providing relocation and similar types of services to their clients. Such fees have raised legal and ethical questions, and can have a significant impact upon any prospective commissions that would normally be received by the broker. Commissioners stated their intention to monitor future developments at the state and federal levels regarding potential regulation of these and related activities.

Finally, it was noted that on occasion, members of the Commission are invited by various real estate course providers to instruct students who are taking license preparation or continuing education classes. Some providers have suggested that students would benefit from the information and expertise made available from such presentations. Commissioners voted to request an opinion from the State Ethics Commission to advise whether they may teach real estate classes for course credit.