



TEXAS REAL ESTATE COMMISSION

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PRESS RELEASE

TEXAS REAL ESTATE COMMISSION TO CONSIDER LIMITATIONS ON LICENSING EXAMS; AND ADMINISTRATIVE PENALTIES FOR UNLICENSED ACTIVITY

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Texas Real Estate Commission

FOR IMMEDIATE RELEASE:
Thursday, January 7, 1999

At its next meeting scheduled for Monday, January 11th, the Texas Real Estate Commission (TREC) will consider requesting a statutory amendment to limit the number of times an applicant may take real estate licensing examinations within a specified time. Revised language under the Texas Real Estate License Act (TRELA) would propose that if an applicant fails their licensing exam four consecutive times, the examinee must wait for a period of six months before applying to take a further examination. This suggested approach is the result of concern expressed by Commission members that some applicants who fail their initial tests were simply retaking the exam without adequate preparation, or actual understanding of information, needed to become a qualified and legally licensed real estate professional.

Administrative penalties upon individuals engaging in real estate business practices without a license may be reviewed during the meeting as a potential request by TREC for a legislative amendment. An administrative penalty is a civil fine assessed against a person for violation of the law. During its previous December meeting, a majority of Commissioners felt some type of administrative sanction authority is needed for TREC in order to counteract instances of unlicensed persons illegally acting as real estate agents for prospective buyers, sellers, landlords, or tenants.

Action is expected on a proposed filing of an intention to review TREC rules concerning criminal offense guidelines. This review is part of the agency's ongoing comprehensive evaluation of all

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rules to determine if they remain valid or are in need of revision. TREC's criminal offense guidelines list types of criminal convictions that the Commission considers grounds for refusing to license an applicant, or for taking disciplinary action against a licensee.

Final action is anticipated on a proposal regarding the streamlining of reporting requirements for attendance at mandatory real estate continuing education (MCE) courses. The number of forms handled and processed would be reduced under this proposal by doing away with individual computer scanned course completion cards currently filled-out by each student. Individual forms would be replaced with a single roster signed by all attendees and then submitted by the MCE provider to TREC.

Commissioners also plan to discuss possible development of TREC policy statements regarding referral fees and real estate activities involving another broker's clients. Prospective policies on these points stem from the nationwide issue of referral fee demands made by firms, affinity groups, and similar entities providing real estate relocation services to consumers who are moving into other geographic areas. The national Association of Real Estate License Law Officials (ARELLO) is also in the process of examining these issues in an effort to resolve and clarify what constitutes involvement with an existing agent-client business relationship; and under what circumstances demands for referral fees are legally acceptable and appropriate.

The Commission meeting will begin at 9:00 AM on Monday, January 11th, in Conference Room #235 of the Texas Real Estate Commission Headquarters; 1101 Camino La Costa, in Austin.