



# TEXAS REAL ESTATE COMMISSION

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## PRESS RELEASE

### INTERNET ADVERTISING RULES SET BY TEXAS REAL ESTATE COMMISSION;

#### AUTHORITY TO ESTABLISH LIMITS ON LICENSING EXAMS PROPOSED

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FOR IMMEDIATE RELEASE:

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After completing a lengthy review and seeking public input over the past several months, the Texas Real Estate Commission (TREC) has given final approval to applying its current rules on real estate advertising to Internet, E-mail, and similar means of electronic communication. During their meeting on Monday, February 22<sup>nd</sup>, Commissioners agreed that new technology and electronic-based formats, particularly over the Internet, require current TREC advertising rules be applied to such methods of communication. Rules applicable to the Internet and other electronic formats will help assure adequate protection for consumers against advertising that is fraudulent, deceptive, misleading, or misrepresents information regarding the sale of property or other real estate business activities.

Current TREC advertising rules require license status disclosure and identification of advertisers as a real estate broker or salesperson. Listing of only a salesperson's name without the sponsoring broker's name in an ad is prohibited; and any advertising that implies a salesperson is a broker, or is responsible for the operation of a real estate brokerage, is also not permissible.

During their meeting on Monday, Commissioners included Internet, E-mail, and related types of communications under the definition of advertising by way of electronic media. Real estate advertising over the Internet, electronic bulletin boards, or similar mechanisms, must now display the same type of information as required through print or broadcast. This includes a disclosure relating to the advertiser's license status as a broker or agent on each electronic page of a web

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site that contains a real estate ad.

Real estate licensees who place other types of advertisements electronically, including E-mail, through E-mail discussion groups, or by attachments on E-mail messages, must also include the required information and license status disclosure in all such communications. E-mail which is not considered to be advertising, such as personal correspondence on an individual basis, either informally or with established clients or customers, would not be subject to the rules.

Among other matters addressed during Monday's meeting was the issue of whether the Commission should have the authority to issue rules limiting the number of real estate license examinations that can be taken by applicants within a specified length of time. Commissioners decided to request rule-making authority from the legislature in order to give TREC the option of establishing test limits for those who, after repeated attempts, still fail to pass their licensing exam. Rules adopted by the Commission under this proposal could also allow a person to file another application to retake a licensing exam without regard to limits or required waiting periods if additional specified courses of study are completed by the individual.

A similar type of exam limitation already exists statutorily for the licensing of real estate inspectors. Rather than define such limits by statute however, the new legislative proposal would make inspector licensing exams consistent with brokers and salespersons by allowing test limits to be set at the discretion of the Commission under its rule-making authority.

Those in favor of test limits, waiting periods, and optional provisions to take additional core education courses, feel that these standards will result in a higher pass rate among applicants who take licensing exams for the first time; and that applicants will be encouraged to more carefully study details of required information in order to become better prepared for any necessary reexamination.