

***Texas Real Estate Commission
Chapter 539, Rules Relating to the Residential Service Company Act
Rules Adopted at the May 17, 2009 Meeting***

**Subchapter E. Disclosures
§539.41.**

The Texas Real Estate Commission (TREC) adopts a new title for 22 TAC Chapter 539, new Subchapter E, concerning Disclosures, and new §539.41 concerning Disclosures without changes to the proposed text as published in the February 26, 2010 issue of the *Texas Register* (35 TexReg 1565), and will not be republished. The rule requires a licensed residential service company to include a disclosure in its residential service contracts if the company pays persons other than a residential service company employee for the sale, advertising, inspection or processing of a residential service contract.

No comments were received on the rule as proposed. The reasoned justification for the rule is enhanced consumer protection for purchasers of residential service contracts.

The rule is adopted under Texas Occupations Code, §1303.051, which authorizes the Texas Real Estate Commission to adopt rules necessary to implement Chapter 1303.

The statute affected by this adoption is Texas Occupations Code, Chapter 1303. No other statute, code or article is affected by the rule.

**CHAPTER 539. RULES RELATING TO THE
RESIDENTIAL SERVICE COMPANY ACT**

Subchapter E. Disclosures

§539.41 Disclosures. A residential service company that pays persons not employed by the company for the sale, advertising, inspection, or processing of a residential service contract under Texas Occupations Code §1303.304 may not offer to sell a residential service contract unless the contract contains the following statement in at least 10-point bold type:

NOTICE: THIS COMPANY PAYS PERSONS NOT EMPLOYED BY THE COMPANY FOR THE SALE, ADVERTISING, INSPECTION, OR PROCESSING

OF A RESIDENTIAL SERVICE CONTRACT UNDER TEXAS OCCUPATIONS CODE §1303.304.

This agency hereby certifies that the adoption has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Issued in Austin, Texas, on May 24, 2010.

TRD #: 201000621

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Texas Real Estate Commission

Effective Date: September 1, 2010