



**TEXAS REAL ESTATE INSPECTOR COMMITTEE
MEETING AGENDA**

TREC Headquarters Office
Room 400A, Stephen F. Austin Building
1700 North Congress Avenue, Austin, Texas

Monday, February 1, 2016 at 9:00 AM

1. Call to order
2. Election of Officers
3. Ratification of the minutes of the October 5, 2015 meeting and approval of the minutes of the December 4, 2015 Meeting
4. General comments from visitors on non-agenda items
5. Reports from Subcommittees
6. Staff reports from Administration & Management Services, Services and Education & Licensing Services
7. Discussion and possible action regarding comments concerning amendments to 22 TAC 535.210, Fees.
8. Request for future meeting agenda items
9. Discussion of future meeting dates
10. Adjourn

The Texas Real Estate Inspector Committee may meet with its attorney in executive session on any item listed above as authorized by the Texas Open Meetings Act, Tex. Gov't Code, §551.071.



TEXAS REAL ESTATE INSPECTOR COMMITTEE

**DECEMBER 4, 2015 MEETING MINUTES
MEETING HELD VIA TELECONFERENCE**

AGENDA ITEM 1 - Call to order

The chair called the meeting to order at 9:01 am.

Committee Members Attending via telephone: Steve Rinehart (Chair), Matt Hart, Diana Rose, Greg Eakin, Dr. Barbara Evans, Brian Woods, Lee Warren.

Bill Jones (TREC Commissioner)

Committee Members Attending in person: Brad Phillips

TREC Staff in Attendance: Kerri Lewis (General Counsel), Gwen Jackson (Director, TREC ELS), Mike Sample-Deal (Education Specialist), Jennifer Wheeler (Education Manager), and Tony Slagle (Government Affairs).

Members of the public attending via telephone: Roy Carter (Champions School) and Stan, Donna Harbuck (School for Better Inspection) and Laura Grace Peak (American Home Inspectors Training)

Members of the public attending in person: Brian Murphy (Real Estate Training Systems)

AGENDA ITEM 2 - Discussion regarding review and recommendations for the following inspector qualifying courses:

- a. Champions School of Real Estate – 8 Hour Electrical
- b. Real Estate Training Systems – 8 Hour Texas Standard Report Form/Report Writing
- c. A Better School of Building Inspection – 4 Hour Texas Standards of Practice

Prior to the review of courses, Tony Slagle gave a brief summary of the purpose of the meeting and the authority granted to the Inspector Committee to review inspector related courses and provide recommendations to TREC staff related to those courses. Kerri Lewis provided the committee guidance for the most effective method of discussing the courses in an open meeting setting to protect any possible provider/course information of a proprietary nature. She further explained that any observations made by the committee members that may be applicable to staff's ongoing review of inspector courses will be integrated into the review of any future courses.

AGENDA ITEM 3 (December 4, 2015 minutes)

The committee took up each course in the order above and provided comments regarding the subject matter of the course and the comprehensibility of the courses. The committee provided recommendations based on those observations.

Each provider was allowed to comment on those recommendations after the review of their course and staff provided some initial feedback to the providers regarding ways to correct any issues.

AGENDA ITEM 3 - Discussion and possible action regarding the ongoing review of inspector qualifying courses.

Mr. Slagle provided a brief summary on how staff envisioned moving forward with future reviews. A recommendation was made to delegate the authority granted to the full inspector committee to the education subcommittee to provide a more flexible review process.

Brad Phillips made a motion, seconded by Barbara Evans, to delegate the authority granted to the full inspector committee to the education subcommittee.

The motion passed unanimously.

Gwen Jackson and Jennifer Wheeler both thanked the committee for their time and effort in reviewing and providing the staff feedback on the courses.

Roy Carter also thanked the committee and staff.

AGENDA ITEM 4 -Request for future meeting agenda items

No future agenda items were proposed.

AGENDA ITEM 5 - Discussion of future meeting dates

The next inspector committee meeting is scheduled for February 1, 2016.

AGENDA ITEM 6 - Adjourn

The chair adjourned the meeting at 10:52 am.

AGENDA ITEM 6 (Standards and Enforcement Report)

Inspector Complaints Resulting in Disciplinary Action (since last Inspector Committee Meeting)				
Date Closed	File No. / Disposition	Reason For Disciplinary Action	Parts, Component, or System Involved	Other
10/20/2015	160045/Agreed Order, \$1,000 administrative penalty	Unlicensed activity	N/A	Complainant was seller
11/4/2015	152151 and 160204/Final Order, \$3,750 administrative penalty, reprimand, temporary suspension until penalty paid in full	Failure to deliver two reports; failure within 10 days to provide information requested by the Commission	N/A	Complainants were buyers
11/10/2015	151266/Agreed Order, \$4,000 administrative penalty, two-year probated suspension	Acting in a manner or engaging in a practice that involves deceit or misrepresentation; failing to maintain professional liability insurance coverage	Plumbing	Complainant was buyer
12/1/2015	160263 and 160285/Final Order, \$4,500 administrative penalty, reprimand and suspension until penalty paid in full	Failure to deliver two reports within three days; failure within 10 days to provide information requested by the Commission's investigation	N/A	Complainant was buyer
12/16/2015	152047/Agreed Order, \$4,100 administrative penalty, two-year probated suspension	Failure to use inspection form adopted by the commission, failure to report deficiencies in foundation, roof, stairways, doors and hardware, water heater pan/drain, vent pipe, thermostat accuracy in oven, and fail to report: the location of main water shutoff valve, and static water pressure.	Foundation/Structure, Plumbing, HV/AC, and Appliances,	Complainant was buyer

AGENDA ITEM 6 (Standards and Enforcement Report)

Inspector Complaints Resulting in Disciplinary Action FY 2016				
Date Closed	File No. / Disposition	Reason For Disciplinary Action	Parts, Component, or System Involved	Other
9/9/2015	152309/Agreed Order, \$100 administrative penalty	Failed to use the proper form.	N/A	Complainant was the buyer's agent
9/14/2015	151965/Agreed Order, \$200 administrative penalty	Failed to use the proper form.	N/A	Complainant was buyer
9/16/2015	152245/Agreed Order, \$300 administrative penalty	Failed to use the proper form. Failed to register DBA	N/A	Complainant was buyer
9/16/2015	151790/Agreed Order, \$200 administrative penalty	Failed to use the proper form.	N/A	Complainant was buyer
9/25/2015	151143/Final Order, \$5,000 administrative penalty	Unlicensed activity	N/A	Complainant was seller
9/28/2015	151991/Agreed Order, \$500 administrative penalty	Failed to use the proper form. Failed to register DBA	N/A	Complainant was buyer
10/20/2015	160045/Agreed Order, \$1,000 administrative penalty	Unlicensed activity	N/A	Complainant was seller
11/4/2015	152151 and 160204/Final Order, \$3,750 administrative penalty, Reprimand, Temporary Suspension until penalty paid in full	Failure to deliver two reports within three days; failure within 10 days to provide information requested by the Commission's investigation	N/A	Complainants were buyers

Inspector Complaints Resulting in Disciplinary Action FY 2016				
Date Closed	File No. / Disposition	Reason For Disciplinary Action	Parts, Component, or System Involved	Other
11/10/2015	151266/Agreed Order, \$4,000 administrative penalty, two-year probated suspension	Acting in a manner or engaging in a practice that involves deceit or misrepresentation; failing to maintain professional liability insurance coverage	Plumbing	Complainant was buyer
12/1/2015	160263 and 160285/Final Order, \$4,500 administrative penalty, reprimand and suspension until penalty paid in full	Failure to deliver two reports within three days; failure within 10 days to provide information requested by the Commission's investigation	N/A	Complainant was buyer
12/16/2015	152047/Agreed Order, \$4,100 administrative penalty, two-year probated suspension	Failure to use inspection form adopted by the commission, failure to report deficiencies in foundation, roof, stairways, doors and hardware, water heater pan/drain, vent pipe, thermostat accuracy in oven, and fail to report: the location of main water shutoff valve, and static water pressure.	Foundation/Structure, Plumbing, HV/AC, and Appliances	Complainant was buyer

Education & Licensing Services Division

Fiscal Year Comparison

Fiscal Year 2016 - Year-to-Date DECEMBER

	This YTD 09/15 – 12/15	Last YTD 09/14– 12/14		Change Count	Percent
Applications Received					
Professional Inspector Original Applications Received	244	157	87	55.41%	
Real Estate Inspector Original Applications Received	13	5	8	160.00%	
Apprentice Inspector Original Applications Received	31	22	9	40.91%	
Total Original Applications	288	184	104	56.52%	
Professional Inspector Reinstatement Applications	5	4	1	25.00%	
Real Estate Inspector Reinstatement Applications	0	1	-1	-100.00%	
Apprentice Inspector Reinstatement Applications	0	0	0	0.00%	
Total Reinstatement Applications Received	5	5	0	0.00%	
Licenses Issued from Applications					
Professional Inspector Licenses from Original Applications	195	143	52	36.36%	
Real Estate Inspector Licenses from Original Applications	9	8	1	12.50%	
Apprentice Inspector Licenses from Original Applications	25	20	5	25.00%	
Total Licenses from Original Applications	229	171	58	33.92%	
Professional Inspector Licenses from Reinstatement Applications	8	8	0	0.00%	
Real Estate Inspector Licenses from Reinstatement Applications	0	1	-1	-100.00%	
Apprentice Inspector Licenses from Reinstatement Applications	0	0	0	0.00%	
Total Licenses from Reinstatement Applications	8	9	-1	-11.11%	
Renewal Activity					
Professional Inspector Renewals and Percentage	176	70.12%	469	74.56%	-293
Real Estate Inspector Renewals and Percentage	6	60.00%	12	85.71%	-6
Apprentice Inspector Renewals and Percentage	1	11.11%	6	37.50%	-5
**Total Renewals from Inspectors	183	67.77%	487	73.89%	-304

Education & Licensing Services Division

Licensee and Registrant Status

DECEMBER 2015

Real Estate Licensees

	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15
Broker Licensees													
Individual (Active)	34,164	34,126	34,126	34,085	34,045	34,002	33,934	33,830	33,788	33,725	33,731	33,698	33,648
Corporation (Active)	3,739	3,745	3,743	3,743	3,732	3,735	3,728	3,730	3,731	3,716	3,722	3,720	3,722
LLC (Active)	4,608	4,662	4,698	4,729	4,739	4,801	4,837	4,888	4,928	4,963	4,996	5,012	5,069
Non-resident (Active)	609	609	607	604	599	598	593	595	592	591	599	600	601
Partnership (Active)	82	84	84	85	87	88	87	88	83	85	85	82	83
Total Active Status	43,202	43,226	43,258	43,246	43,202	43,224	43,179	43,131	43,122	43,080	43,133	43,112	43,123
Inactive Status	1,379	1,395	1,395	1,407	1,418	1,424	1,434	1,432	1,420	1,397	1,387	1,401	1,418
Total Brokers	44,581	44,621	44,653	44,653	44,620	44,648	44,613	44,563	44,542	44,477	44,520	44,513	44,541
Sales Licensees													
Active Status	82,098	82,207	83,255	84,376	85,480	86,115	86,178	86,926	88,115	88,941	89,656	89,725	89,898
Inactive Status	26,684	27,432	27,143	27,065	26,550	26,502	27,243	26,841	26,645	26,489	26,812	27,475	27,555
Total Sales	108,782	109,639	110,398	111,441	112,030	112,617	113,421	113,767	114,760	115,430	116,468	117,200	117,453
Total Active	125,300	125,433	126,513	127,622	128,682	129,339	129,357	130,057	131,237	132,021	132,789	132,837	133,021
Total Inactive	28,063	28,827	28,538	28,472	27,968	27,926	28,677	28,273	28,065	27,886	28,199	28,876	28,973
Total Brokers & Sales	153,363	154,260	155,051	156,094	156,650	157,265	158,034	158,330	159,302	159,907	160,988	161,713	161,994

	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15
Inspector Licensees													
Professional Inspectors(active)	2,307	2,311	2,318	2,327	2,354	2,367	2,379	2,419	2,433	2,446	2,489	2,495	2,536
Real Estate Inspectors (active)	113	116	118	119	120	121	123	124	125	123	124	124	123
Apprentice Inspectors(active)	114	117	114	114	114	113	124	125	122	127	130	132	134
Professional Inspectors(inactive)	531	534	514	501	497	494	496	487	477	470	465	481	490
Real Estate Inspectors(inactive)	11	11	12	13	15	16	16	15	14	14	12	14	14
Apprentice Inspectors(inactive)	18	19	22	27	27	26	25	24	25	22	21	20	20
Total Active	2,534	2,544	2,550	2,560	2,588	2,601	2,626	2,668	2,680	2,696	2,743	2,751	2,793
Total Inactive	560	564	548	541	539	536	537	526	516	506	498	515	524
Total Inspectors	3,094	3,108	3,098	3,101	3,127	3,137	3,163	3,194	3,196	3,202	3,241	3,266	3,317

Easement & Right-of-way Registrants

	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15
ERW Registrants													
Businesses	53	51	53	51	47	47	44	44	44	46	45	45	46
Individuals	2,045	2,063	2,116	2,132	2,151	2,137	2,149	2,125	2,145	2,169	2,173	2,193	2,202
Total Registrants	2,098	2,114	2,169	2,183	2,198	2,184	2,193	2,169	2,189	2,215	2,218	2,238	2,248

Total Licensees and Registrants

	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15
All Licensees & Registrants	158,555	159,482	160,318	161,378	161,975	162,586	163,390	163,693	164,687	165,324	166,447	167,217	167,559

Education & Licensing Services Division - TREC: L3 Report

Inspector Examination Activity

DECEMBER

Year-to-Date Comparison	2015		2014	
	<u>R.E. Inspector</u>	<u>Prof. Inspector</u>	<u>R.E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	5	194	15	105
Examinations Failed	16	169	12	81
<i>Examinations Taken</i>	21	363	27	186
Applicants Examined	14	262	22	148
Passed on First Attempt	2	123	11	89
Examination Pass Rate	23.8%	53.4%	55.6%	56.5%
Applicant Pass Rate	35.7%	74.0%	68.2%	70.9%
First Attempt Pass Rate	14.3%	46.9%	50.0%	60.1%

Education & Licensing Services Division - L4 Report

Instructor Distribution

DECEMBER 2015

Approved Real Estate Instructor Distribution

	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	June 15	July 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15
CE Electives Only - Real Estate	2,511	2,530	2,565	2,611	2,657	2,690	2,726	2,747	2,784	2,806	2,843	2,852	2,876
Qualifying and CE Electives	1,238	1,204	1,219	1,227	1,280	1,289	1,300	1,304	1,314	1,324	1,335	1,348	1,359
CE Legal Update	490	490	493	495	497	497	498	498	497	497	497	497	497
CE Ethics	489	489	492	494	497	497	498	498	497	497	497	497	497
Broker Responsibility	247	247	248	246	248	259	260	260	260	261	262	262	267

Approved Inspector Instructor Distribution

	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	June 15	July 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15
ICE Electives Only - Inspector			20	20	21	24	23	23	23	24	24	26	31
Qualifying and ICE Electives			76	77	81	91	94	96	96	104	101	92	89
Texas SOP/Legal/Ethics Update			23	24	27	27	27	29	31	34	35	38	41
Ride Along Course			21	22	24	24	25	28	31	34	35	38	40



CHAPTER 535 GENERAL PROVISIONS
Subchapter R. Real Estate Inspectors
535.210, Fees

535.210 Fees

(a)The Commission shall charge and collect the following fees:

(1)a fee of \$60 for filing an original or reinstatement application for a license as an apprentice inspector;

(2)a fee of \$100 for filing an original or reinstatement application for a license as a real estate inspector, which includes a fee for transcript evaluation;

(3)a fee of \$120 for filing an original or reinstatement application for a license as a professional inspector, which includes a fee for transcript evaluation;

(4)a fee of \$30 for the timely renewal of the license of an apprentice inspector;

(5)a fee of \$50 for the timely renewal of the license of a real estate inspector;

(6)a fee of \$60 for the timely renewal of the license of a professional inspector;

(7)a fee equal to 1-1/2 times the timely renewal fee for the late renewal of a license within 90 days of expiration;

(8)a fee equal to 2 times the timely renewal fee for the late renewal of a license more than 90 days but less than six months after expiration;

(9)a fee of \$220 for taking a license examination consisting of a national portion and a state portion or retaking the national part of the license examination;

(10)a fee of \$60 for taking a license examination without a national portion or retaking the state part of the license examination;

(11)a fee of \$20 for requesting a change of a license holder name, or to establish a relationship with a sponsoring professional inspector;

(12)a fee of \$50 to request an inactive professional inspector license be returned to active status;

(13)a fee of \$40 for preparing a certificate of license history, active licensure, or sponsorship;

(14)a fee of \$50 for the filing of a moral character determination;

(15)the fee required by the Department of Information Resources as a subscription or convenience fee for use of an online payment system;

(16)a fee of \$400 for filing an application for accreditation of a qualifying inspector education program for a period of four years;

(17)after initial approval of accreditation, a fee of \$200 a year for operation of a qualifying inspector education program;

(18)a fee of \$50 plus the following fees [-\$10] per classroom hour approved by the Commission for each qualifying inspector education course for a period of four years:[-]

(A)\$5 for content and examination review;

(B)\$5 for classroom delivery design and presentation review; and

(C)\$10 for distance education delivery design and presentation review.

(19)a fee of \$400 for filing an application for accreditation as a continuing inspector education provider for a period of two years;

(20)a fee of \$50 plus the following fees [-\$5] per classroom hour approved by the Commission for each continuing inspector education course for a period of two years:[;]

(A)\$2.50 for content and examination review;
(B)\$2.50 for classroom delivery design and presentation review; and
(C)\$5 for distance education delivery design and presentation review.

(21)the fee required under paragraphs (18)(C) and (20)(C) of this subsection will be waived if the course has already been certified by a distance learning certification center acceptable to the Commission.

(22)[(21)] a fee of \$50 for the filing of an application for approval as an instructor for a two-year period for qualifying or continuing inspector education courses;

(23)[(22)] a fee of \$30 for processing a check or other equivalent instrument returned by a bank or depository as dishonored for insufficient funds;

(24)[(23)] a fee of \$10 for deposit in the real estate inspection recovery fund upon an applicant's successful completion of an examination;

(25)[(24)] a fee of \$20 for filing any application, renewal, change request, or other record on paper that a person may otherwise file with the Commission electronically by accessing the Commission's website, entering the required information online, and paying the appropriate fee;

~~and~~

(26)a fee of \$20 per certification when providing certified copies; and

(27)[(25)] the fee charged by the Federal Bureau of Investigation and Texas Department of Public Safety for fingerprinting or other service for a national or state criminal history check in connection with a license application or renewal.

(b) - (c)(No change.)