



**TEXAS REAL ESTATE INSPECTOR COMMITTEE  
MEETING AGENDA**

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

**Friday, October 10, 2014 at 11:00 am**

1. Call to order
2. Discussion and possible action to excuse absences, if any
3. Ratification of minutes for the July 28, 2014 meetings.
4. General comments from visitors on non-agenda items
5. Staff reports from Administration & Management Services, Standards & Enforcement Services and Education & Licensing Services
6. Reports from Subcommittees
7. Discussion and possible action regarding the proposed amendments to 22 TAC 535, Subchapter R resulting from the agency's quadrennial rule review.
8. Discussion and possible action regarding the experience requirements under §535.212 (f) and (g).
9. Discussion and possible action regarding requirements for correspondence course delivery method.
10. Discussion and possible actions regarding continuing education credit for attending inspector committee meetings.
11. Scheduling of future meetings
12. 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.**

## Education & Licensing Services Division

### Fiscal Year Comparison

#### Fiscal Year 2014 - Year-to-Date AUGUST

	This YTD 09/13 - 08/14	Last YTD 09/12- 08/13		Change Count	Percent	
<b><u>Applications Received</u></b>						
Professional Inspector Original Applications Received	466	338	128	37.87%		
Real Estate Inspector Original Applications Received	28	16	12	75.00%		
Apprentice Inspector Original Applications Received	85	80	5	6.25%		
<b>Total Original Applications</b>	<b>579</b>	<b>434</b>	<b>145</b>	<b>33.41%</b>		
Professional Inspector Reinstatement Applications	13	120	-107	-89.17%		
Real Estate Inspector Reinstatement Applications	1	6	-5	-83.33%		
Apprentice Inspector Reinstatement Applications	4	7	-3	-42.86%		
<b>Total Reinstatement Applications Received</b>	<b>18</b>	<b>133</b>	<b>-115</b>	<b>-86.47%</b>		
<b><u>Licenses Issued from Applications</u></b>						
Professional Inspector Licenses from Original Applications	389	351	38	10.83%		
Real Estate Inspector Licenses from Original Applications	19	16	3	18.75%		
Apprentice Inspector Licenses from Original Applications	79	76	3	3.95%		
<b>Total Licenses from Original Applications</b>	<b>487</b>	<b>443</b>	<b>44</b>	<b>9.93%</b>		
Professional Inspector Licenses from Reinstatement Applications	7	130	-123	-94.62%		
Real Estate Inspector Licenses from Reinstatement Applications	1	6	-5	-83.33%		
Apprentice Inspector Licenses from Reinstatement Applications	4	8	-4	-50.00%		
<b>Total Licenses from Reinstatement Applications</b>	<b>12</b>	<b>144</b>	<b>-132</b>	<b>-91.67%</b>		
<b><u>Renewal Activity</u></b>						
Professional Inspector Renewals and Percentage	802	73.71%	1,142	68.88%	-340	-29.77%
Real Estate Inspector Renewals and Percentage	25	69.44%	36	67.92%	-11	-30.56%
Apprentice Inspector Renewals and Percentage	6	42.86%	18	46.15%	-12	-66.67%
<b>**Total Renewals from Inspectors</b>	<b>833</b>	<b>73.19%</b>	<b>1,196</b>	<b>68.34%</b>	<b>-363</b>	<b>-30.35%</b>

Education & Licensing Services Division

Licensee and Registrant Status

AUGUST 2014

Real Estate Licensees

	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14
<b>Broker Licensees</b>													
Individual (Active)	34,915	34,851	34,843	34,791	34,756	34,747	34,741	34,714	34,650	34,596	34,543	34,469	34,407
Corporation (Active)	3,771	3,768	3,776	3,772	3,770	3,772	3,757	3,756	3,752	3,744	3,746	3,739	3,733
LLC (Active)	4,068	4,130	4,175	4,196	4,225	4,260	4,298	4,314	4,367	4,390	4,420	4,452	4,504
Non-resident (Active)	576	572	579	584	584	581	589	585	592	585	587	592	594
Partnership (Active)	55	56	63	64	66	64	65	65	66	72	73	76	79
<b>Total Active Status</b>	<b>43,385</b>	<b>43,377</b>	<b>43,436</b>	<b>43,407</b>	<b>43,401</b>	<b>43,424</b>	<b>43,450</b>	<b>43,434</b>	<b>43,427</b>	<b>43,387</b>	<b>43,369</b>	<b>43,328</b>	<b>43,317</b>
<i>Inactive Status</i>	1,453	1,457	1,431	1,405	1,411	1,412	1,425	1,405	1,401	1,387	1,365	1,382	1,364
<b>Total Brokers</b>	<b>44,838</b>	<b>44,834</b>	<b>44,867</b>	<b>44,812</b>	<b>44,812</b>	<b>44,836</b>	<b>44,875</b>	<b>44,839</b>	<b>44,828</b>	<b>44,774</b>	<b>44,734</b>	<b>44,710</b>	<b>44,681</b>
<b>Sales Licensees</b>													
Active Status	73,194	73,771	74,629	75,099	74,903	75,199	75,976	76,961	77,826	78,459	78,678	79,524	80,405
Inactive Status	24,214	24,177	24,246	24,031	24,733	25,024	24,947	24,758	24,518	24,436	25,345	25,393	25,329
<b>Total Sales</b>	<b>97,408</b>	<b>97,948</b>	<b>98,875</b>	<b>99,130</b>	<b>99,636</b>	<b>100,223</b>	<b>100,923</b>	<b>101,719</b>	<b>102,344</b>	<b>102,895</b>	<b>104,023</b>	<b>104,917</b>	<b>105,734</b>
Total Active	116,579	117,148	118,065	118,506	118,304	118,623	119,426	120,395	121,253	121,846	122,047	122,852	123,722
Total Inactive	25,667	25,634	25,677	25,436	26,144	26,436	26,372	26,163	25,919	25,823	26,710	26,775	26,693
<b>Total Brokers &amp; Sales</b>	<b>142,246</b>	<b>142,782</b>	<b>143,742</b>	<b>143,942</b>	<b>144,448</b>	<b>145,059</b>	<b>145,798</b>	<b>146,558</b>	<b>147,172</b>	<b>147,669</b>	<b>148,757</b>	<b>149,627</b>	<b>150,415</b>

Inspectors

	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14
<b>Inspector Licensees</b>													
Professional Inspectors(active)	2,129	2,148	2,162	2,168	2,173	2,196	2,203	2,193	2,198	2,213	2,217	2,233	2,255
Real Estate Inspectors (active)	90	93	91	92	92	91	90	96	99	102	105	102	107
Apprentice Inspectors(active)	96	97	97	104	105	105	108	109	115	116	115	113	118
Professional Inspectors(inactive)	556	566	553	546	549	556	559	571	575	569	566	560	564
Real Estate Inspectors(inactive)	13	12	13	12	11	10	11	11	11	11	11	13	10
Apprentice Inspectors(inactive)	11	11	11	11	11	11	11	11	11	12	17	18	19
<b>Total Active</b>	<b>2,315</b>	<b>2,338</b>	<b>2,350</b>	<b>2,364</b>	<b>2,370</b>	<b>2,392</b>	<b>2,401</b>	<b>2,398</b>	<b>2,412</b>	<b>2,431</b>	<b>2,437</b>	<b>2,448</b>	<b>2,480</b>
<i>Total Inactive</i>	580	589	577	569	571	577	581	593	597	592	594	591	593
<b>Total Inspectors</b>	<b>2,895</b>	<b>2,927</b>	<b>2,927</b>	<b>2,933</b>	<b>2,941</b>	<b>2,969</b>	<b>2,982</b>	<b>2,991</b>	<b>3,009</b>	<b>3,023</b>	<b>3,031</b>	<b>3,039</b>	<b>3,073</b>

Easement & Right-of-way Registrants

	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14
<b>ERW Registrants</b>													
Businesses	46	49	49	51	52	52	52	52	52	51	50	51	51
Individuals	2,165	2,219	2,073	2,034	1,976	1,996	1,978	1,994	1,940	1,938	1,935	1,949	1,939
<b>Total Registrants</b>	<b>2,211</b>	<b>2,268</b>	<b>2,122</b>	<b>2,085</b>	<b>2,028</b>	<b>2,048</b>	<b>2,030</b>	<b>2,046</b>	<b>1,992</b>	<b>1,989</b>	<b>1,985</b>	<b>2,000</b>	<b>1,990</b>

Total Licensees and Registrants

	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14
<b>All Licensees &amp; Registrants</b>	<b>147,352</b>	<b>147,977</b>	<b>148,791</b>	<b>148,960</b>	<b>149,417</b>	<b>150,076</b>	<b>150,810</b>	<b>151,595</b>	<b>152,173</b>	<b>152,681</b>	<b>153,773</b>	<b>154,666</b>	<b>155,478</b>





**Chapter 535 General Provisions  
Subchapter R REAL ESTATE INSPECTORS**

The Texas Real Estate Commission (TREC) proposes amendments to Chapter 535 General Provisions, Subchapter R Real Estate Inspectors. The Texas Real Estate Inspector Committee (TREIC) recommends the proposed amendments.

The proposed amendments to Subchapter R are made following a comprehensive quadrennial rule review of Chapter 535 to better reflect current TREC procedures and to simplify and clarify where needed.

The proposed amendments capitalize the terms "Commission" and "Committee" and replace the term "licensee" with "license holder" throughout the subchapter. The proposed amendments also remove redundant or unused provisions and restructure certain rules to improve readability. Other specific amendments are as follows:

The proposed amendments to §535.201 add a definition of the term Committee to make clear that use of that term refers to the Texas Real Estate Inspector Committee.

The proposed amendments to §535.208 restructure the rule for readability and add provisions related to license renewal for members of the military and military spouses. These amendments mirror the requirements for other license holders subject to the Commission's jurisdiction.

The proposed amendments to §535.209 make clear that an applicant is not eligible to take the inspector examination until the applicant provides evidence to the Commission that all education and experience requirements in this subchapter have been met.

The proposed amendments to §535.210 restructure inspector license fees, effective January 1, 2015, as part of the FY2015 budget adopted by the Commission. The proposed amendments also slightly reduce the examination fee and significantly reduce the contribution to the Real

Estate Inspection Recovery Fund.

The proposed amendments to §§535.213 and .218 restructure those provisions for improved readability without substantive changes.

No amendments are proposed for §§535.212, .222, and .226 -.233.

Kristen Worman, Deputy General Counsel, has determined that for the first five-year period the proposed amendments are in effect there will be no fiscal implications for the state or for units of local government as a result of enforcing or administering the sections. There is no anticipated impact on small businesses, micro-businesses or local or state employment as a result of implementing the sections. There is no anticipated significant economic cost to persons who are required to comply with the proposed amendments.

Ms. Worman also has determined that for each year of the first five years the sections as proposed are in effect, the public benefit anticipated as a result of enforcing the sections will be better clarity and requirements that are easier to understand, apply, and process.

Comments on the proposal may be submitted to Kristen Worman, Deputy General Counsel, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188 or via email to [general.counsel@trec.texas.gov](mailto:general.counsel@trec.texas.gov). The deadline for comments is 30 days after publication in the *Texas Register*.

The amendments are proposed under Texas Occupations Code, §1101.151, which authorizes the Texas Real Estate Commission to adopt and enforce rules necessary to administer Chapters 1101 and 1102; and to establish standards of conduct and ethics for its licensees to fulfill the purposes of chapters 1101 and 1102 and ensure compliance with Chapters 1101 and 1102.

The statutes affected by this proposal are Texas Occupations Code, Chapters 1101 and 1102. No other statute, code or article is affected by the proposed amendments.

**RULE §535.201. Definitions**

The following definitions shall apply to this subchapter.

(1) Code organization--A non-profit organization whose primary mission is to develop and advocate scientifically-based codes and standards relating to one or more of the systems found in an improvement to real estate.

(2) Committee-- The Texas Real Estate Inspector Committee.

(3) [(2)] Texas Standards of Practice/Legal/Ethics Update--Course addressing developments related to the inspection field, including the requirements of Chapter 1102, rules of the Commission [Rules], case law, and agency enforcement actions.

(4) [(3)] Trade association--A cooperative, voluntarily joined association of business or professional competitors that is designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

**RULE §535.206. The Texas Real Estate Inspector Committee.**

(a) The functions of the Committee [committee] are as prescribed by Chapter 1102.

(b) The Committee [committee] consists of nine members appointed by the Commission [commission] as follows:

(1) – (2) (No change.)

(c) Appointments to the Committee [committee] shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointee.

(d) Inspector members of the Committee [committee] serve staggered six-year terms, with the terms of two inspector members expiring on February 1 of each odd-numbered year. Public members of the Committee [committee] serve staggered two year terms, with the term of one public member expiring on February 1 of each even-numbered year and the terms of two public members expiring on February 1 of each odd-numbered year. Initial appointments may be made for terms shorter than six or two years, respectively, in order to establish staggered terms. A member whose term has expired holds office until the member's successor is

appointed. If a vacancy occurs during a member's term, the Commission [commission] shall appoint a person to fill the unexpired term.

(e) At a regular meeting in February of each year, the Committee [committee] shall elect from its members a presiding officer, assistant presiding officer, and secretary.

(f) The Commission [commission] may remove a Committee [committee] member if the member:

(1) does not have the qualifications required by subsection (b)(1) of this section;

(2) cannot discharge the member's duties for a substantial part of the member's term;

(3) is absent from more than half of the regularly scheduled Committee [committee] meetings that the member is eligible to attend during each calendar year, unless the absence is excused by majority vote of the Committee [committee]; or

(4) violates Chapter 1102.

(g) If the administrator of the Commission [commission] has knowledge that a potential ground for removal exists, the administrator shall notify the presiding officer of the Commission [commission] that the potential ground exists.

(h) The validity of an action of the Committee [committee] is not affected by the fact that it is taken when a ground for removal of a Committee [committee] member exists.

(i) The Committee [committee] may meet at the call of a majority of its members. The Committee [committee] shall meet at the call of the Commission [commission].

(j) A quorum of the Committee [committee] consists of five members.

(k) The Committee [committee] shall conduct its meetings in substantial compliance with Robert's Rules of Order.

(l) The secretary of the Committee [committee], or in the secretary's absence, a member designated by the chair [chairman], shall prepare written minutes for [of] each meeting and submit the minutes to the Committee [committee] for approval [and for filing with the commission].

(m) At least twice a year, the Committee Chair [The committee] shall report on the activities of the Committee to the Commission [submit semiannual reports to the commission on or before March 1 and September 1 of each year detailing the performance of the committee. The commission may require the report to be submitted on a form approved by the [commission] for that purpose]. The Committee

~~[committee]~~ may submit its written recommendations concerning the licensing and regulation of real estate inspectors to the Commission ~~[commission]~~ at any time the Committee ~~[committee]~~ deems appropriate. If the Commission ~~[commission]~~ submits a rule to the Committee ~~[committee]~~ for development, the chair ~~[chairman]~~ of the Committee ~~[committee]~~ or the chair's designee ~~[chairman's designate]~~ shall report to the Commission ~~[commission]~~ after each meeting at which the proposed rule is discussed on the Committee's ~~[committee's]~~ consideration of the rule.

(n) The Committee ~~[committee]~~ is automatically abolished on September 1, 2019 unless the Commission ~~[commission]~~ subsequently establishes a different date.

**RULE §535.208. Application for a License.**

(a) Application.

(1) A person who intends [desiring] to be licensed by the Commission must file an application for the license [shall]:

(A) through the online process approved by the Commission; or

(B) on a form approved [file an application using forms prescribed] by the Commission for that purpose; and [commission-]

(C) submit the required fee under §535.210 of this title;

(2) The Commission will reject an application submitted without a sufficient filing fee.

(3) The Commission may request additional information be provided to the Commission relating to an application.

(b) General Requirements for Licensure.

(1) To be eligible for a real estate license, an applicant must:

(A) meet the following requirements at the time of the application:

(i) be 18 years of age;

(ii) meet any applicable residency requirement;

(iii) be a citizen of the United States or a lawfully admitted alien;

(B) comply with the fingerprinting, education, experience and examination requirements of the Act, Chapter 1102, or the rules of the Commission;

(C) meet the honesty, trustworthiness, and integrity requirements under the Act;

(D) provide proof of financial responsibility as required by of Chapter 1102; and

~~[The commission may require an applicant to furnish materials such as source outlines, syllabi, course~~

~~descriptions or official transcripts to verify course content or credit to meet education requirements.~~

~~The commission may not accept an application for filing if the application is materially incomplete or the application is not accompanied by the appropriate fee. The commission may not issue a license unless the applicant:~~

~~(1) pays the fee prescribed by the commission;~~

~~(2) satisfies any experience or education requirements established by Texas Occupations Code, Chapter 1102 (Chapter 1102), or by these sections;~~

~~(3) successfully completes any qualifying examination required by Chapter 1102;~~

~~(4) provides all supporting documentation or information requested by the commission in connection with the application; and~~

~~(5) submits proof of financial responsibility as required by §1102.1141 of Chapter 1102 using a form approved by the commission for that purpose.~~

~~(b) A person also may apply for a license by accessing the commission's web site, entering the required information on the application form and paying the appropriate fee in accordance with the instructions provided at the site by the commission.~~

(E) An applicant for an apprentice inspector license must provide the Commission [commission] with the applicant's photograph prior to issuance of a license certificate.

(2) Texas residents who enter military service and resume their Texas residence immediately upon separation from the military are not considered to have lost their Texas residence unless they have affirmatively established legal residence elsewhere.

(3) The fact that an individual has had disabilities of minority removed does not affect the requirement that an applicant be 18 years of age to be eligible for a license.

(c) Expedited license for military spouses. This subsection applies to an applicant who is the spouse of a person serving on active duty as a member of the armed forces of the United States. The Commission shall issue on an expedited basis a license to an applicant who holds a current certificate or license issued by a country, territory, or state other than Texas for other than Texas that has licensing requirements that are substantially equivalent to the requirements for the certificate or license issued in Texas.

(d) Credit for military service. This subsection applies to an applicant who is serving on active duty or is a veteran of the armed forces of the United States.

(1) The Commission shall credit any verifiable military service, training or education obtained by an applicant that is relevant to a license toward the requirements of a license.

(2) This subsection does not apply to an applicant who holds a restricted license issued by another jurisdiction.

(3) The applicant must pass the qualifying examination for the type of license sought.

(e) A person applying for license under Subsection (c) or (d) of this section must also:

(1) submit the Commission's approved application form for the type of license sought;

(2) submit the appropriate fee for that application;

(3) submit the supplemental form approved by the Commission applicable to Subsection (c) or (d) of this section;

(4) provide proof of financial responsibility as required by Chapter 1102; and

(5) comply with fingerprinting requirements for all license applicants and satisfy the Commission as to the applicant's honesty, trustworthiness and integrity.

(f) The administrator may issue a license under Subsection (c) or (d) by endorsement in the same manner as the Texas Commission of Licensing and Regulation to an applicant under this subsection.

(g) ~~(e)~~ Terminated application. An application will ~~will~~ be terminated ~~[considered void]~~ and subject to no further evaluation or processing ~~if the~~ ~~[when one of the following events occurs.~~

~~(1) The~~ applicant fails to satisfy the requirements of Subchapter (b)(1) of this section ~~[a current education requirement or examination requirement]~~ within one year ~~[12 months]~~ from the date the application is filed ~~[accepted for filing]~~.

~~(2) The applicant fails to provide information or documentation within 60 days after the commission makes written request for the information or documentation.~~

~~(3) The applicant fails to submit a required fee within twenty (20) days after the commission makes written request for payment of the fee.~~

~~(4) The applicant fails to submit the required proof of professional liability insurance, or any other insurance that provides coverage for violations of Subchapter G of Chapter 1102, within 60 days after the~~

~~commission makes written request for proof of insurance.~~

~~(5) The applicant fails to provide fingerprints to the Department of Public Safety within 12 months from the date the application is filed.~~

~~(d) A person may not file an application while another application for the same license type is pending. An application submitted while another is pending will be returned to the applicant with no further processing.~~

~~(c) ~~(e)~~ Denial of application.~~

(1) An application for a license may be denied if the Commission ~~[commission]~~ determines that the applicant has failed to satisfy the Commission ~~[commission]~~ as to the applicant's honesty, trustworthiness and integrity or if the applicant has been convicted of a criminal offense which is grounds for disapproval of an application under §541.1 of this title ~~[(relating to Criminal Offense Guidelines)]~~. Notice of the denial and any hearing on the denial shall be as provided in Texas Occupations Code, §1101.364, and §533.34 of this title ~~[(relating to Commencement of ADR)]~~.

(2) ~~(f)~~ Procuring or attempting to procure a license by fraud, misrepresentation or deceit or by making a material misstatement of fact in an application is grounds to deny the application or suspend or revoke the license. It is a violation of this section for a sponsoring professional inspector knowingly to make a false statement to the Commission ~~[commission]~~ in an application for a license for an apprentice or a real estate inspector.

#### **RULE §535.209. Examinations.**

(a) Examinations for licensure.

(1) The ~~[Effective January 1, 2013, there shall be an]~~ examination for a real estate inspector license and for a professional inspector license consists ~~[, consisting]~~ of a national part and a state part.

(2) The Commission ~~[commission]~~ adopts the National Home Inspector Examination developed by the Examination Board of Professional Home Inspectors for the national portion ~~[part]~~ of the examination. For the state portion ~~[part]~~ of the examination, questions shall be used which measure competency in the subject areas required for a license by Chapter 1102, and which demonstrate an awareness of its provisions relating to inspectors.

(3) Each real estate inspector applicant must achieve a score of at least 70% on the state portion ~~[part]~~ of the examination. Each professional inspector applicant

must achieve a score of at least 75% on the state portion [part] of the examination.

(b) Administration of examination. Except as otherwise required by Chapter 1102 or this section, examinations shall be conducted as provided by §535.57 [§535.61] of this title [~~(relating to Examinations)~~]. An applicant is not eligible to take a qualifying examination for a license until the Commission has received evidence of completion of all education and experience required by this subchapter.

(c) Waiver of national portion of examination requirement. The Commission [commission] may waive the national portion [part] of the examination of an applicant for a real estate or professional inspector license if the applicant maintains an active license in another state and has passed the National Home Inspector Examination developed by the Examination Board of Professional Home Inspectors.

~~[(d) An applicant who, as of December 31, 2012, has a current application open, has taken and failed the inspector examination in effect prior to January 1, 2013 ("Prior Examination") and who qualifies for reexamination under Texas Occupations Code §1102.155, may choose to retake the Prior Examination in lieu of taking both the national and state parts of the examination required by this section by notifying the commission in writing of that selection when the applicant applies for reexamination.]~~

#### RULE §535.210. Fees

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

(1) a fee of \$60 [§84] for filing an original or reinstatement application for a license as an apprentice inspector;

(2) a fee of \$100 [§89] 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 [§104] 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 [§27] for the timely [annual] renewal of the license of an apprentice inspector;

(5) a fee of \$50 [§32] for the timely [annual] renewal of the license of a real estate inspector;

(6) a fee of \$60 [§32] for the timely [annual] 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)[(7)] a fee of \$220 [§230] for taking a license examination consisting of a national portion [part] and a state portion [part] or retaking the national part of the license examination;

(10)[(8)] a fee of \$60 [§61] for taking a license examination without a national portion [part] or retaking the state part of the license examination;

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

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

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

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

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

(16)[(14) unless a core inspector program of study is accredited as part of a program under Texas Occupations Code §1101.301,] a fee of \$400 for filing an application for accreditation of a qualifying [core] inspector education program for a period of four years [under Texas Occupations Code Chapter 1101];

(17)[(15)] after initial approval of accreditation [under paragraph (14) of this subsection], a fee of \$200 a year for operation of a qualifying [core] inspector education program [under Texas Occupations Code Chapter 1101];

(18)[(16)] a fee of \$50 plus \$10 per classroom hour approved by the Commission [commission] for each qualifying [core] inspector education course for a period of four years;

(19)[(17)] a fee of \$400 for filing an application for accreditation as a [an Inspector] Continuing Education [ICE] provider for a period of two years [under Texas Occupations Code §1102.205];

(20)[(18)] a fee of \$50 plus \$10 per classroom hour approved by the Commission [commission] for each continuing education [ICE] course for a period of two years;

~~(21)~~~~(19)~~ a fee of \$50 for the filing of an application for approval as an instructor for a two-year period for qualifying ~~core~~ or continuing education ~~ICE~~ courses~~;~~ or both;

~~(22)~~~~(20)~~ a fee of \$30 for processing a check or other equivalent instrument returned by a bank or depository as dishonored for insufficient funds;

~~(23)~~~~(21)~~ a fee of \$10 ~~[\$100]~~ for deposit in the real estate inspection recovery fund upon an applicant's successful completion of an examination;

~~(24)~~~~(22)~~ fee of \$20 for filing any application, renewal, change request, or other record on paper that a person may otherwise file with the Commission ~~commission~~ electronically by accessing the Commission's ~~commission's~~ website, entering the required information online, and paying the appropriate fee;

~~[(23) a fee of \$40.50 for the annual late renewal of an apprentice inspector license for a person whose license has been expired 90 days or less;~~

~~-(24) a fee of \$54 for the annual late renewal of an apprentice inspector license for a person whose license has been expired more than 90 days but less than six months;~~

~~-(25) a fee of \$48 for the annual late renewal of a real estate or professional inspector license for a person whose license has been expired 90 days or less;~~

~~-(26) a fee of \$50 ~~64~~ for the annual late renewal of a real estate or professional inspector license for a person whose license has been expired more than 90 days but less than six months;~~

and

~~(25)~~~~(27)~~ 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) Fees established by this section must be ~~which are~~ paid when an application is filed and are not refundable once an application has been accepted for filing.

(c) If the Commission receives an application that requires payment of a fee, and a sufficient fee was not submitted with the application, the Commission will return the application and notify the person filing the application that the person must pay the fee before the application will be processed.

**RULE §535.211. Professional Liability Insurance, or Any Other Insurance that Provides Coverage for Violations**

**of Subchapter G of ~~[Texas Occupations Code,]~~ Chapter 1102**

(a) When an applicant for a license issued under ~~[Texas Occupations Code,]~~ Chapter 1102 ~~[(Chapter 1102),]~~ has met all other licensing requirements, the Commission ~~commission~~ shall notify the applicant that the applicant must provide proof of professional liability insurance, or any other insurance that provides coverage for violations of Subchapter G of ~~[Texas Occupations Code,]~~ Chapter 1102, before the license will be issued.

(b) An inspector must maintain professional liability insurance coverage, or any other insurance that provides coverage for violations of Subchapter G of Chapter 1102, during the period the license is active.

(c) The applicant must provide proof of insurance using a Certificate of Insurance form approved by the Commission ~~commission~~ and signed by the applicant's insurance agent, or any other proof of insurance acceptable to the Commission ~~commission~~.

(d) An inspector must notify the Commission ~~commission~~ within 10 days of the cancellation or non-renewal of professional liability insurance coverage, or any other insurance that provides coverage for violations of Subchapter G of Chapter 1102.

(e) An inspector must retain sufficient records of professional liability insurance coverage, or any other insurance that provides coverage for violations of Subchapter G of Chapter 1102, to document to the Commission ~~commission~~ continuous coverage for the preceding two year license period.

(f) (No change.)

**RULE §535.212. Education and Experience Requirements for a License.** (No change.)

**RULE §535.213. Qualifying Real Estate Inspector Instructors and Courses** (Repeal and propose new language).

**RULE §535.213. Qualifying Real Estate Inspector Instructors and Courses.**

(a) Approval of Qualifying Real Estate Inspection Instructors. Qualifying real estate inspector instructors are approved and regulated as required by §535.63 of this title.

(b) Approval of Qualifying Real Estate Inspection Courses. Qualifying real estate inspector courses are approved and regulated as required by §535.62 of this title.

(c) A classroom course may include up to 50% of total course time for appropriate field trips relevant to the course topic. Field trips may not be included as part of correspondence or alternative delivery courses.

(d) A course approved to satisfy a specific subject matter requirement under §535.212 of this title must address each part of the subject as described by this section.

(e) **Approved Qualifying Courses of Study.** The subjects approved for credit for qualifying inspector courses are those courses prescribed by §1102.001(5), Texas Occupations Code and the following:

(1) **Foundations**, which shall include the following topics:

- (A) site analysis/location;
- (B) grading;
- (C) foundations;
- (D) flat work;
- (E) material;
- (F) foundation walls;
- (G) foundation drainage;
- (H) foundation waterproofing and damp proofing;
- (I) columns; and
- (J) under floor space.

(2) **Framing**, which shall include the following topics:

- (A) flashing;
- (B) wood frame - stick/balloon;
- (C) roof structure - rafters/trusses;
- (D) floor structure;
- (E) porches/decks/steps/landings/balconies;
- (F) doors;
- (G) ceilings;
- (H) interior walls;
- (I) stairways;
- (J) guardrails/handrails/balusters;
- (K) fireplace/chimney;
- (L) sills/columns/beams/joist/sub-flooring;
- (M) wall systems/structure - headers;
- (N) rammed earth;
- (O) straw bale;
- (P) ICF;
- (Q) panelized;
- (R) masonry;
- (S) wood I joist;
- (T) roof sheathing;
- (U) wood wall;
- (V) steel wall;
- (W) wood structural panel; and
- (X) conventional concrete.

(3) **Building Enclosure**, which shall include the following topics:

- (A) review of foundation and roofing relation;
- (B) review of flashing;
- (C) cladding;
- (D) windows/glazing;
- (E) weather barriers;
- (F) vapor barriers;
- (G) insulation;
- (H) energy codes; and
- (I) ingress/egress.

(4) **Roof Systems**, which shall include the following topics:

- (A) review - rafters, roof joist, ceiling joist, collar ties, knee walls, purling, trusses, wood I joist, roof sheathing, steel framing;
- (B) roof water control;
- (C) skylights;
- (D) flashing;
- (E) ventilation/non-ventilation;
- (F) attic access;
- (G) re-roofing;
- (H) slopes - step roof/low slope/near flat;
- (I) materials - asphalt, fiberglass, wood shake, wood shingle, slate, clay tile, concrete tile, fiber cement (asbestos cement, mineral cement), metal, roll, build up, modified bitumen, synthetic rubber (EPDM), plastic (PVC); and
- (J) valleys.

(5) **Plumbing Systems**, which shall include the following topics:

- (A) water supply systems;
- (B) fixtures;
- (C) drains;
- (D) vents;
- (E) water heaters (gas and electric);
- (F) gas lines; and
- (G) hydro-therapy equipment.

(6) **Electrical Systems**, which shall include the following topics:

- (A) general requirements, equipment location and clearances;
- (B) electrical definitions;
- (C) services;
- (D) branch circuit and feeder requirements;
- (E) wiring methods;
- (F) power and lights distribution;
- (G) devices and light fixtures; and
- (H) swimming pool.

(7) HVAC Systems, which shall include the following topics:

- (A) heating;
- (B) ventilation;
- (C) air conditioning; and
- (D) evaporative coolers.

(8) Appliances, which shall include the following topics:

- (A) dishwasher;
- (B) food waste disposer;
- (C) kitchen exhaust hood;
- (D) range, cooktop, and ovens (electric and gas);
- (E) microwave cooking equipment;
- (F) trash compactor;
- (G) bathroom exhaust fan and heater;
- (H) whole house vacuum systems;
- (I) garage door operator;
- (J) doorbell and chimes; and
- (K) dryer vents.

(9) Texas Standards of Practice, which shall include the following topics:

- (A) review of general principles and specific Texas practice standards;
- (B) inspection guidelines for structural systems;
- (C) inspection guidelines for electrical systems;
- (D) inspection guidelines for heating, ventilation, and air conditioning systems;
- (E) inspection guidelines for plumbing systems;
- (F) inspection guidelines for appliances; and
- (G) inspection guidelines for optional systems.

(10) Legal/Ethics, which shall include the following topics:

- (A) Chapter 1102;
- (B) rules of the Commission related to inspectors;
- (C) agency enforcement action relating to inspectors; and
- (D) related case law.

(11) Texas Standard Report Form/Report Writing, which shall include the following topics:

- (A) use of the required inspection report form;
- (B) allowed reproductions;
- (C) allowed changes;
- (D) exceptions from use of the form;
- (E) review of typical comments for each heading in the report; and
- (F) review of generally accepted technical writing techniques.

(12) Other approved courses as they relate to real estate inspections, which shall include one or more of the following topics:

- (A) Environmental Protection Agency;
- (B) Consumer Product Safety Commission; and
- (C) general business practices.

(f) Composite Courses.

(1) A course that combines more than one subject into a composite course may be approved by the Commission to satisfy real estate inspector core course education requirements.

(2) Composite courses will not satisfy the requirements for coursework in specific subject areas, unless they are approved for a specific number of hours for each subject area.

**RULE §535.214. Providers of Real Estate Inspection Courses. REPEAL – LANGUAGE MOVED ELSEWHERE**

**RULE §535.215. Inactive Inspector Status.**

(a) For the purposes of this section, an "inactive" inspector is a licensed professional inspector, real estate inspector, or apprentice inspector who is not authorized by law to engage in the business of performing real estate inspections as defined by Chapter 1102.

(b) The Commission may place an inspector ~~[, and who has been placed]~~ on inactive status ~~[by the commission]~~ for any of the following reasons:

(1) the written request of the inspector to be placed on inactive status; or

(2) the inspector's failure to satisfy continuing education requirements. In addition, the inspector's license is inactive when the following occurs:

~~(A) [(2)]~~ termination of sponsorship by a professional inspector;

~~(B) [(3)]~~ the death of the inspector's sponsoring professional inspector;

~~(C) [(2) the failure of the licensee to satisfy continuing education requirements for an active license;]~~

(D) [(2)] the expiration, suspension, or revocation of the license of the inspector's sponsoring professional inspector;

(E) [(6)] the failure of the license holder ~~[licensee]~~ to provide to the Commission ~~[commission]~~ proof of financial responsibility as required by Chapter 1102 and on a form approved by the Commission for that purpose ~~[professional liability insurance or any other insurance that provides coverage for violations of Subchapter G of Chapter 1102];~~ or

(F) [(7)] the expiration or non-renewal of the inspector's financial responsibility as required by

**Chapter 1102** ~~[professional liability insurance or any other insurance that provides coverage for violations of Subchapter G of Chapter 1102.]~~

(b) (No change.)

(c) A professional inspector ~~[who has been placed]~~ on inactive status may apply to the **Commission** ~~[commission]~~ for return to active status by filing a request online or on a form approved by the **Commission** ~~[commission]~~ and submitting any required fee. A professional inspector may apply on a form approved by the **Commission** ~~[commission]~~ to sponsor an apprentice inspector or real estate inspector who has been on inactive status. The **Commission** ~~[commission]~~ may not return an inspector to active status or issue a license certificate to the inspector unless the inspector has completed, within two years ~~before~~ ~~[prior to the]~~ filing the request for return to active status, any applicable continuing education courses required for renewal of the type of license held by the inspector, or satisfied the continuing education requirements in order to obtain the current license.

(d) An inspector who applies to renew a license and pays the applicable fee, but who fails to complete any continuing education required by the Act as a condition of license renewal, shall be placed on inactive status by the **Commission** ~~[commission]~~. The inspector must comply with the requirements of this section in order to return to active status.

(e) ~~Apprentice~~ ~~[If a professional inspector terminates the sponsorship of an apprentice real estate inspector or real estate inspector, the license of the apprentice inspector or real estate inspector becomes inactive. The apprentice]~~ real estate ~~inspectors and~~ ~~[inspector or]~~ real estate ~~inspectors~~ ~~[inspector]~~ must be sponsored by a professional inspector ~~[in order to return]~~ to **be on** active status.

(f) Inactive inspectors may not perform inspections. Performance of inspections while on inactive status is grounds for disciplinary action against the inactive **license holder** ~~[licensee]~~. **A** ~~[An]~~ professional inspector who has been placed on inactive status may not return to practice or sponsor apprentices or inspectors until the professional inspector has completed applicable continuing education requirements and, if the inspector was placed on inactive status at the inspector's own request, applied to the **Commission** ~~[commission]~~ for return to active status and paid the applicable fee for the filing. An apprentice inspector or real estate inspector who has been placed on inactive status may return to practice if the inspector has completed

applicable continuing education requirements, and the inspector's sponsoring professional inspector has requested that the apprentice inspector or real estate inspector be returned to active status under the professional inspector's sponsorship in accordance with the provisions of this section. It is a violation of this section and grounds for disciplinary action against a professional inspector for the professional inspector to permit an inactive apprentice inspector or an inactive real estate inspector to perform inspections in association with, or on behalf of, the professional inspector.

**RULE §535.216. Renewal of License.**

(a) A person licensed by the **Commission** ~~[commission]~~ under Chapter 1102 may renew the license by timely filing the prescribed application for renewal, complying with the fingerprinting and TGSLC requirements in §535.95 of this title ~~[(relating to Miscellaneous Provisions Concerning License or Registration Applications or Renewals, Including Fingerprinting Requirements)]~~, paying the appropriate fee to the **Commission** ~~[commission]~~ and satisfying applicable continuing education requirements as required by Chapter 1102~~[,]~~ and ~~[by §535.218 of]~~ this **subchapter** ~~[title (relating to Continuing Education)]~~, and providing to the **Commission** ~~[commission]~~ proof of financial responsibility as required by ~~[\$1102.1141 of]~~ Chapter 1102 using a form approved by the **Commission** ~~[commission]~~ for that purpose.

(b) A **license holder** ~~[licensee]~~ also may renew an unexpired license by accessing the **Commission's website** ~~[commission's Internet web site]~~, entering the required information on the renewal application form, satisfying applicable education and professional liability insurance, or any other insurance that provides coverage for violations of Subchapter G of Chapter 1102 requirements and paying the appropriate fee in accordance with the instructions provided at the site by the **Commission** ~~[commission]~~.

(c) The **Commission** ~~[commission]~~ shall send a renewal notice to each **license holder** ~~[licensee]~~ at least 90 days prior to the expiration of the license. An apprentice inspector or a real estate inspector must be sponsored by a licensed professional inspector in order to renew a license on an active status. It is the responsibility of the **license holder** ~~[licensee]~~ to apply for renewal, and failure to receive a renewal notice does not relieve the **license holder** ~~[licensee]~~ of the responsibility of applying for renewal.

(d) A license holder [licensee] shall provide information requested by the Commission [commission] in connection with an application to renew a license within 30 days after the Commission [commission] requests the information. Failure to provide information requested by the Commission [commission] in connection with a renewal application within the required time is grounds for disciplinary action under ~~§1101.656 of~~ the Act.

(e) Licensed professional inspectors, real estate inspectors and apprentice inspectors may renew a license on inactive status. Inspectors are not required to complete continuing education courses as a condition of renewing a license on inactive status but must satisfy continuing education requirements before returning to active status.

(f) If the license has expired, the license holder [licensee] may not renew but must file an original application to reinstate the license and may not practice until the new license is received. If the applicant for reinstatement has held a professional inspector or real estate inspector license during the 24 months preceding the date the application is filed, no examination is required.

(g) It is the responsibility of the license holder on inactive status to pay all required license renewal fees timely to prevent the inactive license from expiring.

**RULE §535.217. Mailing Address and Other Contact Information.** Each license holder [licensee] shall provide [furnish] a mailing address, phone number, and email address, if available, to the Commission [commission] and shall report all subsequent changes not later than the 10th day [within 10 days] after the date of a change of any of the listed contact information. If a license holder [licensee] fails to update the contact information [mailing address], the last known contact information provided to the Commission is [mailing address for the licensee will be deemed to be] the license holder's contact information [licensee's mailing address].

**535.218. Continuing Education Required for Renewal. Repealed and propose new language**

**535.218. Continuing Education Required for Renewal.**

(a) Continuing education required for renewal.

(1) Prior to renewal of a real estate inspector or professional inspector license, a license holder must

take the 32 hours of continuing education which shall include the following:

(A) 24 hours of qualifying course subjects as described in §535.213(e)(1) - (8), (11) and (12) of this title, with a maximum of 16 hours on any one single subject; and

(B) eight hours of Texas Standards of Practice/Legal/Ethics Update. The Texas Standards of Practice/Legal/Ethics Update is a non-elective course and must consist of the following coursework:

(i) 4 hours of Standards of Practice;

(ii) 2 hours of Legal; and

(iii) 2 hours of Ethics.

(2) A real estate inspector or professional inspector who files an application for reinstatement of a expired license within two years of the expiration date of the previous license, must provide evidence satisfactory to the Commission that the applicant has completed any continuing education that would have been otherwise required for timely renewal of the previous license had that license not expired.

(b) Ride-along inspection course.

(1) Up to eight hours of continuing education credit per two year license period can be given to a license holder for completion of ride-along inspection course.

(2) At a minimum, a ride-along inspection course must:

(A) consist of one full residential property inspection; and

(B) review applicable standards of practice and departure provisions contained in §§535.227 - 535.233 of this title.

(3) In order to qualify for real estate inspector continuing education credit, a ride-along inspection course shall consist of no more than two students per session.

(4) The instructor of a ride-along inspection course may:

(A) review report writing;

(B) deliver a notice regarding the ride along session on a form approved by the Commission to the prospective buyer or seller of the home being inspected.

(c) Continuing education credit for students.

(1) Courses submitted for inspector continuing education credit must be successfully completed during the term of the current license.

(2) The Commission may not grant continuing education credit twice for a course with the same

course content taken by a licensee within a two year period.

(3) Unless a real estate inspection continuing education course is offered by alternative delivery methods, completion of a final examination is not required for a license holder to receive continuing education credit for a course.

(4) The commission will not grant partial credit to an inspector who attends a portion of a course.

(d) Continuing education credit for instructors.

(1) Providers may request continuing education credit be given to instructors of real estate inspection courses subject to the following guidelines:

(A) instructors may receive credit for only those portions of the course which they teach; and

(B) instructors may receive full course credit by attending all of the remainder of the course.

(2) An Instructor of ride along inspection course is eligible to receive continuing education credit for a ride-along inspection course conducted by the instructor if the Commission is provided a certification of course completion within one week of completion of the course, on a form approved by the Commission.

(3) Instructors of ride along inspection course sessions may only receive up to 8 hours of continuing education credit for teaching the course per two year license renewal period.

#### **RULE §535.219. Schedule of Administrative Penalties.**

(a) The **Commission** ~~[commission]~~ may suspend or revoke a license or take other disciplinary action authorized by Chapter 1102 ~~[of the Texas Occupations Code]~~ in addition to or instead of assessing the administrative penalties set forth in this section.

(b) The administrative penalties set forth in this section **consider** ~~[take into consideration]~~ the criteria listed in §1101.702(b) of the **Act** ~~[Texas Occupations Code]~~.

(c) An administrative penalty range of \$100 - \$1,500 per violation per day may be assessed for violations of the following sections of **Chapter 1102 and this subchapter** ~~[of the Texas Occupations and Administrative Codes]~~:

- (1) §1102.118;
- (2) §1102.364;
- (3) 22 TAC §535.216(d);
- (4) 22 TAC §535.220(a) - (d);
- (5) 22 TAC §535.221; and
- (6) 22 TAC §535.223.

(d) An administrative penalty range of \$500 - \$3,000 per violation per day may be assessed for violations of the

following sections of **Chapter 1102 and this subchapter** ~~[of the Texas Occupations and Administrative Codes]~~:

- (1) §1102.301;
- (2) 22 TAC §535.222;
- (3) 22 TAC §535.224(b)(1) - (3);
- (4) 22 TAC §535.226(d) - (e); and
- (5) 22 TAC §§535.227 - 535.233.

(e) An administrative penalty of \$1,000 - \$5,000 per violation per day may be assessed for violations of the following sections of **Chapter 1102 and this subchapter** ~~[of the Texas Occupations and Administrative Codes]~~:

- (1) §1102.101;
- (2) §1102.102;
- (3) §1102.103;
- (4) §1102.302;
- (5) §1102.303;
- (6) §1102.304;
- (7) 22 TAC §535.208(f);
- (8) 22 TAC §535.211;
- (9) 22 TAC §535.215;
- (10) 22 TAC §535.220(e)(1), (3) - (7); and
- (11) 22 TAC §535.224(b)(4) - (5).

(f) The **Commission** ~~[commission]~~ may assess an administrative penalty of up to two times that outlined under subsections (c), (d), and (e) of this section, subject to the maximum penalties authorized under §1101.702(a) of the, if a person has a history of previous violations **Act** ~~[Texas Occupations Code]~~.

#### **RULE §535.220. Professional Conduct and Ethics.**

(a) The responsibility of those persons who engage in the business of performing independent inspections of improvements in real estate transactions imposes integrity beyond that of a person involved in ordinary commerce. Each inspector must maintain a high standard of professionalism, independence, objectivity and fairness while performing inspections in a real estate transaction. Each inspector **license holder** ~~[licensee]~~ must also uphold, maintain, and improve the integrity, reputation, and practice of the home inspection profession.

(b) The relationship between an inspector and a client should at a minimum meet the following guidelines.

(1) In accepting employment as an inspector, the inspector should protect and promote the interest of the **[his]** client to the best of **the inspector's** ~~[his]~~ ability and knowledge, recognizing that the client has placed **[his]** trust and confidence in the inspector.

(2) In the interest of **the** ~~[his]~~ client and **the inspector's** ~~[his]~~ profession, the inspector should

endeavor always to maintain and increase the inspector's [his] level of knowledge regarding new developments in the field of inspection.

(3) The inspector should conduct the inspector's [his] business in a manner that will assure the [his] client of the inspector's independence from outside influence and interests that might compromise the inspector's [his] ability to render a fair and impartial opinion regarding any inspection performed.

(c) The relationship between an inspector and the public should at a minimum meet the following guidelines.

(1) The inspector should deal with the general public at all times and in all manners in a method that is conducive to the promotion of professionalism, independence and fairness to the inspector's [himself], the inspector's [his] business and the inspection industry.

(2) – (3) (No change.)

(d) The relationship of the inspector with another inspector should at a minimum meet the following guidelines.

(1) – (2) (No change.)

(3) If an inspector has knowledge of a possible violation of the rules of the Commission [rules of the Texas Real Estate Commission] or [Texas Occupations Code] Chapter 1102, the inspector should report the possible violation to the [Texas Real Estate] Commission.

(e) An inspector shall comply with the following requirements.

(1) An inspector shall not inspect a property when [properties under contingent arrangements whereby] any compensation or future referrals depend [are dependent] on reported findings or on the closing or settlement of a property.

(2) In this section, "settlement service" means a [any] service provided in connection with a prospective or actual settlement, and "settlement service provider" includes, but is not limited to, any one or more of the following:

(A) federally [Federally] related mortgage loan originator;

(B) mortgage [Mortgage] broker;

(C) title [Title] service provider;

(D) attorney [Attorney];

(E) a [A] person who prepares documents, including notarization, delivery, and recordation;

(F) appraiser [Appraiser];

(G) inspector [Inspector];

(H) settlement [Settlement] agent;

(I) a [A] person who provides mortgage insurance services;

(J) a [A] person who provides services involving hazard, flood, or other casualty insurance or homeowner's warranties;

(K) real [Real] estate agent or broker; and

(L) a [A] person who provides any other services for which a settlement service provider requires a borrower or seller to pay.

(3) – (8) (No change.)

(f) The inspector should make a reasonable attempt to cooperate with other professionals and related tradespersons at all times and in all manners in a method that is conducive to the promotion of professionalism, independence and fairness to the inspector [himself], the inspector's [his] business, and the inspection industry.

#### **RULE §535.221. Advertisements.**

(a) (No change.)

(b) Advertisements by a person licensed as an inspector must contain the name or assumed business name of the license holder [licensee]. The advertisements must also contain the license number of the person. If the person is licensed as a real estate inspector or as an apprentice inspector, the advertisements must also contain the following:

(1) the name or assumed name of the person's sponsoring professional inspector; and

(2) a statement indicating that the person is sponsored by that professional inspector.

(c) A licensed professional inspector, real estate inspector or apprentice inspector shall notify the Commission [commission] in writing within 30 days after the inspector starts or stops using a name in business other than the name in which the inspector is licensed.

(d) Websites containing advertising by one or more inspectors must include the license number of each licensed person whose name or assumed business name appears on the website. For the purposes of an inspector's or inspection company's own website, it is sufficient for the license number(s) to appear on a single prominent page of the website, such as the main page or the "About Us" page. For the purposes of social networking websites, including websites through which license holders [licensees] may transmit electronic messages to other members of the same site, it is

sufficient for license number(s) to appear on the inspector's main or profile page.

(e) The Commission ~~[commission]~~ may reprimand or suspend or revoke the license of a person who is found to have engaged in false or misleading advertising or to have failed to comply with provisions of this section.

**RULE §535.222. Inspection Reports. (No change.)**

**RULE §535.223. Standard Inspection Report Form.** The ~~[Texas Real Estate]~~ Commission adopts by reference Property Inspection Report Form REI 7-4, approved by the Commission for use in reporting inspections results. This document is published by and available from the ~~[Texas Real Estate]~~ Commission website: [www.trec.texas.gov](http://www.trec.texas.gov), or by writing to the Commission at Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188.

(1) – (5) (No change.)

(6) This section does not apply to the following:

(A) re-inspections of a property performed for the same client;

(B) inspections performed for or required by a lender or governmental agency;

(C) inspections for which federal or state law requires use of a different report;

(D) quality control construction inspections of new homes performed for builders, including phased construction inspections, inspections performed solely to determine compliance with building codes, warranty or underwriting requirements, or inspections required by a municipality and the builder or other entity requires use of a different report, and the first page of the report contains a notice either in bold or underlined reading substantially similar to the following: "This report was prepared for a builder or other entity in accordance with the builder's requirements. The report is not intended as a substitute for an inspection of the property by an inspector of the buyer's choice. Standard inspections performed by a license holder ~~[Texas Real Estate Commission licensee]~~ and reported on ~~[Texas Real Estate]~~ Commission promulgated report forms may contain additional information a buyer should consider in making a decision to purchase." If a report form required for use by the builder or builder's employee does not contain the notice, the inspector may attach the notice to the first page of the report at the time the report is prepared by the inspector;

(E) an inspection of a building or addition that is not substantially complete; or

(F) inspections of a single system or component as outlined in clause (ii) of this subparagraph, provided that the first page of the report contains a notice either in bold or underlined reading substantially similar to the following: "This report was prepared for a buyer or seller in accordance with the client's requirements. The report addresses a single system or component and is not intended as a substitute for a complete standard inspection of the property. Standard inspections performed by a license holder ~~[Texas Real Estate Commission licensee]~~ and reported on a ~~[Texas Real Estate]~~ Commission promulgated report form may contain additional information a buyer should consider in making a decision to purchase."

(i) If the client requires the use of a report form that does not contain the notice, the inspector may attach the notice to the first page of the report at the time the report is prepared by the inspector.

(ii) An inspection is considered to be of a single system or component if the inspection only addresses one of the following or a portion thereof:

(I) foundation;

(II) framing/structure, as outlined in §535.213(e)(2) of this title ~~[relating to Approval of Courses in Real Estate Inspection]~~;

(III) building enclosure;

(IV) roof system;

(V) plumbing system;

(VI) electrical system;

(VII) HVAC system;

(VIII) a single appliance; or

(IX) a single optional system as stated in the Standards of Practice.

**RULE §535.224. Practice and Procedure.**

(a) Proceedings shall be conducted in the manner contemplated by §§533.1 - 533.8, 533.20, 533.30 - 533.37 and 533.40 of this title ~~[relating to Practice and Procedure]~~ and with the Texas Government Code, Chapter 2001, et seq.

(b) In addition to the grounds for disciplinary action provided in ~~[Texas Occupations Code,]~~ Chapter 1102 ~~[Chapter 1102]~~, a license of an inspector may be suspended or revoked by the Commission ~~[commission]~~ if the inspector:

(1) fails to make good a payment ~~[check]~~ issued to the Commission not later than the 15<sup>th</sup> day ~~[commission within 30 days]~~ after the date the Commission mails ~~[commission had mailed]~~ a request for payment by certified mail to the inspector's

[inspector] last known mailing address as reflected by the [Commission's](#) [commission's] records;

(2) fails or refuses on demand to produce a document, book or record in his possession concerning a real estate inspection conducted by him for examination by the [Commission](#) [commission] or its authorized agent;

(3) fails within 10 days to provide information requested by the [Commission](#) [commission] or its authorized agent in the course of an investigation of a complaint;

(4) fails to maintain professional liability insurance coverage or any other insurance that provides coverage for violations of Subchapter G of Chapter 1102 during the period a license is active; or

(5) fails to notify the [Commission](#) [commission] within 10 days of the cancellation or non-renewal of professional liability insurance coverage, or any other insurance that provides coverage for violations of Subchapter G of Chapter 1102.

**RULE §535.226. Sponsorship of Apprentice Inspectors and Real Estate Inspectors.**

(a) (No change.)

(b) A change in sponsorship shall be reported to the [Commission](#) [commission] immediately. If the sponsorship has ended because the professional inspector has terminated the sponsorship, the professional inspector shall immediately so notify the apprentice or real estate inspector in writing. If the sponsorship has ended because the apprentice inspector or real estate inspector has left the sponsorship, the apprentice inspector or real estate inspector shall immediately so notify the professional inspector in writing.

(c) An apprentice inspector or real estate inspector who is on active status may act for the new sponsoring professional inspector once the [Commission](#) [commission] has been notified of the change and any required fee has been submitted. If the apprentice or real estate inspector is on inactive status, the return to active status shall be subject to the requirements of §535.215 of this title [~~(relating to Inactive Inspector Status)~~].

(d) A licensed professional inspector is responsible for the conduct of a sponsored apprentice inspector. At a minimum, a licensed professional inspector shall provide direct supervision of the apprentice inspector by:

(1) accompanying the apprentice inspector during the performance of all inspections performed by the apprentice or arranging for a real estate inspector to accompany the apprentice; and

(2) reviewing any written inspection report prepared by the apprentice inspector for compliance with the provisions of the standards of practice adopted by the [Commission](#) [commission].

(e) A licensed professional inspector is responsible for the conduct of a sponsored real estate inspector. A licensed professional inspector shall provide indirect supervision in a manner which protects the public when dealing with the real estate inspector. At a minimum a professional inspector shall provide indirect supervision of the real estate inspector by:

(1) communicating with the real estate inspector on a regular basis about the inspections being performed by the real estate inspector; and

(2) reviewing on a regular basis written inspection reports prepared by the real estate inspector for compliance with the provisions of the standards of practice adopted by the [Commission](#) [commission].

(f) A sponsoring professional inspector may delegate the supervision of an apprentice inspector or real estate inspector to another professional inspector who is qualified to sponsor, but the sponsor remains responsible for the conduct of the sponsored inspector.

**RULE §§535.226-535.233 (No change.)**

**RULE §535.240. Proration of Payments from the Real Estate Inspection Recovery Fund.** In the event of multiple [and](#) valid pending claims against a [license holder](#) [licensee] or certificate holder in excess of the limitations in §1102.359, [~~Texas Occupations Code,~~] the claims [are](#) [~~shall be~~] prorated as follows.[: ]

(1) Actual damages shall be allocated first. If the total of the eligible actual damages of all claims exceeds the maximum that may be paid from the Real Estate Inspection Recovery Fund, the actual damages [are](#) [~~shall be~~] prorated, and no interest, attorney fees, or court costs [are](#) [~~shall be~~] paid.

(2) If, after allocating the actual damages as provided by paragraph (1) of this section, the limitations in §1102.359 [of Chapter 1102,](#) [~~Texas Occupations Code,~~] interest on actual damages (pre-judgment and post-judgment) [are](#) [~~shall be~~] allocated second. If the total of the interest on eligible actual damages of all claims exceeds the amount remaining to be paid from the Real Estate Inspection Recovery Fund, the interest on eligible

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actual damages are ~~[shall be]~~ prorated, and no other interest, attorney fees, or court costs are ~~[shall be]~~ paid.

(3) If, after allocating the actual damages and interest thereon as provided by paragraph (1) and (2) of this section, the limitations in §1102.359 of Chapter 1102, [Texas Occupations Code,] are not reached, other interest, attorney fees, and court costs are ~~[shall be]~~ allocated third. If the total of the other interest, attorney fees, and court costs of all claims exceeds the amount remaining to be paid from the Real Estate Inspection Recovery Fund, the other interest, attorney fees, and court costs are ~~[shall be]~~ prorated.

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

Filed with the Office of the Secretary of State on 2014.

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Kristen Worman  
Deputy General Counsel  
Texas Real Estate Commission  
Earliest possible date of adoption: November 17,  
2014

**22 TAC 535.212**

- (a) To become licensed as a real estate inspector or professional inspector, a person must satisfy:
- (1) the education and experience requirements outlined in §1102.108 and §1102.109 of Chapter 1102;
- or
- (2) the education requirements outlined in §1102.108 and §1102.109 of Chapter 1102 and the substitute experience requirements established by the Commission pursuant to §1102.111 in subsection (f) or (g) of this section.
- (b) A person may satisfy the 90-hour education requirement for licensure as a real estate inspector pursuant to subsection (a)(1) or (2) of this section by completing the following coursework:
- (1) 10 hours in foundations;
  - (2) 8 hours in framing;
  - (3) 10 hours in building enclosure;
  - (4) 10 hours in roof systems;
  - (5) 8 hours in plumbing systems;
  - (6) 10 hours in electrical systems;
  - (7) 10 hours in heating, ventilation, and air conditioning systems;
  - (8) 8 hours in appliances;
  - (9) 4 hours in Texas Standards of Practice;
  - (10) 4 hours in Texas Standard Report Form/Report Writing; and
  - (11) 8 hours in Texas Legal/Ethics.
- (c) Effective September 1, 2013, a person may satisfy the 130-hour education requirement for licensure as a professional inspector pursuant to subsection (a)(1) or (2) of this section by completing the following coursework:
- (1) the courses required for licensure as a real estate inspector in subsection (b) of this section;
  - (2) 8 additional hours in Texas Standard Report Form/Report Writing;
  - (3) 8 additional hours in Texas Standards of Practice/Legal/Ethics Update as defined in §535.218 of this title (relating to Continuing Education); and
  - (4) 24 additional hours in any core inspection subject(s).
- (d) For the purpose of measuring the number of inspections required to receive a license or to sponsor apprentice inspectors or real estate inspectors, the Commission considers an improvement to real property to be any unit capable of being separately rented, leased or sold, subject to the following restrictions:
- (1) An inspection of an improvement to real property that includes the structural and equipment/systems of the unit constitutes a single inspection.
  - (2) Half credit will be given for an inspection limited to structural components only or to equipment/systems only.
  - (3) No more than 80% of the inspections for which experience credit is given may be limited to structural components only or to equipment/systems components only.
  - (4) A report addressing two or more improvements is considered a single inspection.
  - (5) The Commission may not give experience credit to the same applicant or professional inspector for more than three complete or six partial inspections per day. No more than three applicants may receive credit for the inspection of the same unit within a 30 day period, and no more than three apprentice inspectors may receive credit for an inspection of the same unit on the same day.
- (e) For the purpose of satisfying any requirement that an applicant hold a license for a period of time in order to be eligible for a license as a real estate inspector or professional inspector, the Commission shall not give credit for periods in which a license was on inactive status. An applicant for a real estate

inspector license must have been licensed on active status for a total of at least three months within the 12 month period prior to the filing of the application. An applicant for a professional inspector license must have been licensed on active status for a total of at least 12 months within the 24 month period prior to the filing of the application.

(f) Effective January 1, 2014, a person may satisfy the substitute experience requirements for licensure as a real estate inspector pursuant to subsection (a)(2) of this section as follows:

(1) A person who does not have two years of experience as an architect, engineer, or engineer-in-training must:

(A) complete a total of 32 additional hours of core inspection coursework, which must include the following:

- (i) 8 hours in Texas Standard Report Form/Report Writing;
- (ii) 8 hours in Texas Standards of Practice/Legal/Ethics Update as defined in §535.218 of this title;
- (iii) 16 hours in any core inspection subject(s); and

(B) either:

(i) complete 20 hours of field work through ride along inspection course sessions as defined in §535.218 of this title, except there may be up to 10 students per session and 12 hours of an approved classroom or alternative delivery interactive experience training module;

(ii) complete 8 hours of Commission approved live interactive webinar sessions that meet all the requirements of a ride along inspection course session as defined in §535.218 of this title, except participation is via the internet and there may be up to 20 students per session, and 40 hours of an approved classroom or alternative delivery interactive experience training module;

(iii) upon delivery of a Commission approved affidavit form that the applicant is unable to reasonably complete clause (i) or (ii) of this subparagraph, complete 60 hours of an approved interactive experience training module presented by a licensed professional inspector; or

(iv) have three years of experience in a field directly related to home inspection, including but not limited to installing, servicing, repairing or maintaining the structural, mechanical and electrical systems found in improvements to real property and provide two affidavits from persons who have personal knowledge of the applicant's work, detailing the time and nature of the applicant's relevant experience.

(2) A person who has at least two years of experience as an active practicing licensed or registered architect, professional engineer, or engineer-in-training must:

(A) complete a total of 16 additional hours of core inspection coursework, which must include the following:

- (i) 8 hours in Texas Standard Report Form/Report Writing; and
- (ii) 8 hours in Texas Standards of Practice/Legal/Ethics Update; and

(B) submit a license history from the regulatory agency that issued the license or registration documenting the period of practice as a licensed or registered architect, professional engineer, or engineer-in-training.

(3) Subsection (f)(1)(B)(iii) of this section will only be accepted to satisfy the substitute experience requirement if completed prior to March 1, 2015.

(g) Effective January 1, 2014, a person may satisfy the substitute experience requirements for licensure as a professional inspector pursuant to subsection (a)(2) of this section as follows:

(1) A person who does not have three years of experience as an architect, engineer, or engineer-in-training must:

(A) complete a total of 200 additional hours of core inspection coursework, which must include the following:

- (i) 30 hours in foundations;
- (ii) 30 hours in framing;
- (iii) 24 hours in building enclosure;

- (iv) 24 hours in roof systems;
- (v) 16 hours in plumbing systems;
- (vi) 24 hours in electrical systems;
- (vii) 24 hours in heating, ventilation, and air conditioning systems;
- (viii) 6 hours in appliances;
- (ix) 8 hours in Standards of Practice/Legal/Ethics Update as defined in §535.218 of this title;
- (x) 8 hours in Standard Report Form/Report Writing; and
- (xi) 6 hours in any core inspection subject(s); and

(B) either:

- (i) complete 40 hours of field work through ride along inspection course sessions as defined in §535.218 of this title, except there may be up to 10 students per session and 24 hours of an approved classroom or alternative delivery interactive experience training module;
- (ii) complete 16 hours of Commission approved live interactive webinar sessions that meet all the requirements of a ride along inspection course session as defined in §535.218 of this title, except participation is via the internet and there may be up to 20 students per session, and 80 hours of an approved classroom or alternative delivery interactive experience training module;
- (iii) upon delivery of a Commission approved affidavit form that the applicant is unable to reasonably complete clause (i) or (ii) of this subparagraph, complete 120 hours of an approved interactive experience training module presented by a licensed professional inspector; or
- (iv) have five years of experience in a field directly related to home inspection, including but not limited to installing, servicing, repairing or maintaining the structural, mechanical and electrical systems found in improvements to real property, and provide two affidavits from persons who have personal knowledge of the applicant's work, detailing the time and nature of the applicant's relevant experience.

(2) A person who has at least three years of experience as an active practicing licensed or registered architect, professional engineer, or engineer-in-training must:

(A) complete a total of 16 additional hours of core inspection coursework, which must include the following:

- (i) 8 hours in Texas Standard Report Form/Report Writing; and
- (ii) 8 hours in Texas Standards of Practice/Legal/Ethics Update as defined in §535.218 of this title;

and

(B) submit a license history from the regulatory agency that issued the license or registration documenting the period of practice as a licensed or registered architect, professional engineer, or engineer-in-training.

(3) Subsection (g)(1)(B)(iii) of this section will only be accepted to satisfy the substitute experience requirement if completed prior to March 1, 2015.

(h) For purposes of this section, "core inspection coursework" means course work on the subject matters listed in §535.213(e) of this title (relating to Approval of Core Courses in Real Estate Inspection).

**Distance/Correspondence Education  
Regional, Association and National Accreditor Comparisons**

**AGENDA ITEM 9**

	Southern Association of Colleges & Schools (SACS)	United States Distance Learning Association (USDLA)	Distance Education & Training Council (DETC)
<b>Type of Organization</b>	Regional	Association that offers certification (not recognized by U.S. Dept. of Education)	National
<b>Definition of Correspondence</b>	As defined by the U.S. Dept. of Education	See definition of distance learning media below	As defined by the U.S. Dept. of Education
<b>Definition of Distance Education</b>	As defined by the U.S. Dept. of Education	See definition of distance learning below	As defined by the U.S. Dept. of Education
<b>Types of Programs/Institutions Accredited</b>	Onground, Distance Ed and Correspondence	Distance Ed (incl. Correspondence)	Distance Ed and Correspondence (Correspondence is not eligible for Title IV Financial Aid)
<b>Accreditation period</b>	10 years	5 year certification (subject to reporting and annual renewal fee)	3-year initial, 5-year after initial period
<b>Credit/Clock Hour Conversion specific to CE/DE</b>	Traditional, not specific to DE/CE	n/a	15 hours academic engagement and 30 hours prep = 1 semester credit; 10 hours academic engagement and 20 hours prep = 1 quarter credit (based on the traditional 45 student work hours = 1 semester credit; 30 student work hours = 1 quarter credit)
<b>Student Authentication Procedures include secure login; proctored exams; or new/other technologies</b>	yes	no	yes
<b>Mission consistency required?</b>	yes	yes	yes
<b>Academic Standard the same as classroom?</b>	yes	yes	n/a
<b>System of program evaluation?</b>	yes	yes	yes
<b>Faculty Training and Support</b>	yes	yes	yes
<b>Student Access to Faculty</b>	yes	yes	yes
<b>Accreditation of Adult Ed/Continuing Ed Programs (non-credit)</b>	no	yes	yes

**USDLA definition of distance learning:** The acquisition of knowledge and skills through mediated information and instruction, encompassing all technologies and other forms of learning at a distance. Sometimes also referred to as digital learning, distributed learning, online learning, e-learning, etc.

**USDLA definition of distance learning media:** While distance learning principles are reasonably consistent in their application, techniques tend to vary with the medium being used. Because of the dominance of online learning, that medium was the default medium in writing the USDLA Quality Standards. USDLA Quality Standards, however, recognize all distance learning media including print/mail, satellite, teleconference, optical/magnetic media or “hybrid” applications of these media.

**DEFINITIONS ACCORDING TO THE US DEPARTMENT OF EDUCATION:**

**Correspondence** –(1) A course provided by an institution under which the institution provides instructional materials, by mail or electronic transmission, including examinations on the materials, to students who are separated from the instructor. **Interaction between the instructor and student is limited, is not regular and substantive, and is primarily initiated by the student.** Correspondence courses are typically self-paced.

**Distance Education** – Distance education means education that uses one or more of the following technologies to deliver instruction to students who are separated from the instructor and **to support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously.**

- (1) The internet;
- (2) One-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices;
- (3) Audio conferencing; or
- (4) Video cassettes, DVDs, and CD-ROMs, if the cassettes, DVDs, or CD-ROMs are used in a course in conjunction with any of the technologies listed in paragraphs (1) through (3) of this definition.

**ADULT EDUCATION PROGRAMS**

The U.S. Department of Education has 3 divisions within the realm of “continuing education”. The USDE does not provide for any regulation of these programs.

- 1. **Adult Education and Literacy** – responsible for enabling adults to acquire the basic skills necessary to function in today’s society so that they can benefit from the completion of secondary school, enhanced family life, attaining citizenship and participating in job training and retraining programs.
- 2. **Career and Technical Education** – responsible for helping all students acquire challenging academic and technical skills and be prepared for high-skill, high-wage, or high-demand occupations in the 21<sup>st</sup> century global economy.
- 3. **Community College** – provides national leadership to strengthen the role of community colleges in expanding access to postsecondary education for youth and adults and advancing workforce development.

**The US Department of Education** requires that an institution offering distance education or correspondence education have a process through which the institution establishes that the student who registers in a distance education or correspondence education course is the same

student who participates in and completes the course to receive academic credit. Examples of such methods include:

1. A secure login and pass code
2. Proctored examinations
3. New or other technologies

**CORRESPONDENCE COURSE LIMITS FOR DEGREE GRANTING UNIVERSITY:**

**Texas State University** - For Texas State students, there is a limit on the number of correspondence courses that may be applied to a degree program. A maximum of eighteen hours of correspondence credit may be applied toward a bachelor's degree. Students should seek advice from their academic advisor before enrolling in a correspondence course

**Sam Houston State University** -A student will not be allowed to complete by extension(satellite location of university) and correspondence courses from all sources more than one-fourth (thirty semester hours) of the work required for a bachelor's degree. Of this thirty hours, a maximum of eighteen may be completed by correspondence courses

## **SUGGESTED REVISIONS TO CORRESPONDENCE COURSE REQUIREMENTS**

As it concerns correspondence courses, we discovered that accreditation applies to institutions and programs and not to specific course delivery methods. In fact, many national accreditors do not accredit correspondence education programs, including the Council on Occupational Education. It may also be noteworthy that the U.S. Department of Education requires that an institution offering correspondence education meet certain criteria and that an institution will not qualify for Title IV (Federal Financial Aid) if more than 50% of the school's programs are offered via correspondence or if more than 50% of the students are enrolled in correspondence programs.

While most real estate regulatory agencies accept "distance learning" courses for qualifying education, many also require IDEC/ARELLO certification and we know that IDEC/ARELLO does not certify correspondence courses. If the Commission continues to accept correspondence courses for credit there are some requirements listed below that could be added or clarified by rule to help strengthen this delivery method. This list might serve as a starting point of items to consider.

1. **Limit Hours Awarded for Credit** - Allow only a percentage of qualifying and/or continuing education be completed via this delivery method.
2. **Mastery of Course Material** - Require the use of multiple assessment techniques throughout the course instead of showing mastery through one multiple choice exam or true-false quizzes. Require that writing assignments be included that reflect mastery of the course content for each unit or chapter. Require that the writing assignments be graded and returned to the student. If the student does not pass a written assignment, additional assignments must be provided and graded. The student should be unable to progress to the next unit or chapter until the written assignments for the previous unit or chapter are successfully completed.
3. **Student Identity** – The provider must explain how the student's identity is verified and how they determine that the person who took the exam is the same person who enrolled and completed the course material.
4. **Proctored exams** – Require the student to take the final exam at a physical proctoring center. The exam could be sealed and only accessible by the proctor. A proctoring center could be a university, community college, library, or high school.
5. **Multiple versions of the final exam** – Require that the provider submit more than one version of the final to the Commission. If a student fails the final, he/she takes a different version.
6. **Limit Use of True/False Questions** – Require that the final exam include a variety of questions such as short answer, fill in the blank, essay, and limit the number of multiple choice or true/false allowed (and how frequently answers can be "all/none of the above.")
7. **Rename "Correspondence" to "Independent Study"**- to avoid confusion, when the changes are instituted, rename "correspondence" to "independent study". Please see definition below for rationale.

### **DEFINITION OF INDEPENDENT STUDY ACCORDING TO THE ACCREDITING COUNCIL FOR INDEPENDENT COLLEGES AND SCHOOLS (ACICS)**

Independent study involves a high level of independence and self-direction on the part of the student to read, conduct research, and complete written assignments, reports, research papers, and similar assignments designed to measure the student's grasp of the subject matter. Under the supervision of a faculty member, a learning contract signed by the student and institution shall be developed which outlines specific learning objectives, texts, supplemental readings, course requirements, evaluative criteria, and examination dates. Because independent study classes are the exception and not the rule, the number of courses that a student will be allowed to take independently should be limited.