



TEXAS REAL ESTATE COMMISSION
EDUCATION STANDARDS ADVISORY COMMITTEE (ESAC)
Conference Room 430B, TREC Headquarters Office
1700 N. Congress, Austin, Texas
April 9, 2018 10:00 a.m.

1. Call to order
2. Discussion and possible action to approve the January 2018 meeting minutes
3. Public comment on non-agenda items
4. Staff reports on comments from the Strategic Plan Listen Tour and education enforcement actions
5. Discussion and possible action regarding development of a certification program for specialty areas of real estate:
 - a. Property Management
 - b. Farm & Ranch
6. Discussion and possible action regarding the increase of required continuing education hours per renewal period from 18 hours to 21 hours.
7. Discussion and possible action regarding time and agenda items for next meeting
8. Adjourn

Pursuant to the Americans with Disabilities Act, any requests for reasonable accommodation needed by persons wishing to attend this meeting should call Christine Anderson at 512-936-3000.

Pursuant to Section 46.035(c) of the Texas Penal Code, handgun license holders are prohibited from carrying a handgun at this government meeting. This prohibition applies to both concealed and open carry handguns.



MINUTES FOR TEXAS REAL ESTATE COMMISSION
EDUCATION STANDARDS ADVISORY COMMITTEE (ESAC)
January 10, 2018 10:00 a.m.

1. Call to order

The meeting was called to order at 10:03 am

Members in attendance: Susan Jones, Reba Saxon, Dianne McCoy, Pat Strong, Bob Baker, Sarah Norman, Jason Woodward, Felicia Peters, Rebecca Ray, Marcela Gomez, Scott Kesner, Rob Cook.

Staff in attendance: Kerri Lewis, Gwen Jackson, Jennifer Wheeler, Jennifer Grube, Christine Anderson, Pim Mayo

2. Discussion and possible action to elect officers

Susan Jones was elected Chair and Dianne McCoy was elected Vice Chair.

3. Discussion and possible action to approve the October 2017 meeting minutes

The minutes were approved with no changes.

4. Public comment on non-agenda items

No comments were received.

5. Discussion and possible action regarding development of a certification program for specialty areas of real estate:

a. Property Management

The committee reviewed materials presented by staff. After a lengthy discussion relating to how the program would be established and maintained, the committee voted to proceed with a voluntary property management specialty certification. The certification would not be a requirement to be able to practice property management but could be used to give notice to the public that an agent or broker has met additional education, experience and examination requirements specific to property management to be certified in property management by the Commission.

The Committee's initial proposal is to have two paths to achieve certification in property management. If a license holder has more experience in property management (1500 experience points or more) the requirements are a 30 hour TREC approved qualifying course in property management taken within the past 4 years and passing the certification exam. If the license holder does not pass the certification examination, the license holder will be required to take an additional 30 hours of property management CE courses before retaking the exam. The other path requires at least 750 experience points in property management, a 30 hour TREC approved qualifying course in property management taken within the past 2 years, an additional 30 hours of property management CE courses, and passing the certification exam. In order to get additional stakeholder input, the committee requested that the Executive Director include this proposal as an item on his Strategic Planning Listen Tour in March. The committee will be reviewing a proposed program outline at their next meeting.



b. Farm & Ranch

The committee agreed to take up this topic at their next meeting.

6. Discussion and possible regarding the increase of required continuing education hours per renewal period from 18 hours to 21 hours.

After discussion, the committee agreed to recommend an increase of required CE from 18 to 21 hours. The increase reflects the committee's desire to require that 6 hours of CE be devoted to contracts. This requirement can be met by taking one or more TREC approved CE courses dealing with contracts. The choice of the courses will be up to the license holder. In order to get additional stakeholder input, the committee requested that the Executive Director include this recommendation as an item on his Strategic Planning Listen Tour in March. The committee will be reviewing the proposal for this recommendation at their next meeting.

7. Discussion and possible action regarding time and agenda items for next meeting

The next meeting will be held on April 9 at 10am.

8. Adjourn

The meeting was adjourned at 12:30pm

§535.58 Specialty Certifications

(a) Application.

(1) A person who intends to be certified by the Commission in a specialty area must file an application for the certification:

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

(B) on the form prescribed by the Commission for that purpose; and

(C) submit the required fee under §535.101 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 Specialty Certification.

(1) To be eligible to be a TREC Certified Residential Property Manager (CRPM), an applicant must:

(A) be currently licensed by the Commission as an individual sales agent or broker;

(B) provide the Commission with satisfactory evidence of either:

(i) completion of a Commission approved 30 hour elective qualifying course in Property Management defined in §535.64(b)(1) within four years prior to the filing of the application for certification; and

(ii) at least 1500 qualifying experience points in residential property management;

or

(iii) completion of a Commission approved 30 hour elective qualifying course in Property Management defined in §535.64(b)(1) within two years prior to the filing of the application for certification;

(iv) an additional 30 hours of Commission approved continuing education courses in residential property management; and

(v) at least 750 qualifying experience points in residential property management;

and

(C) take and pass a written certification examination in accordance with §535.57 of this subchapter.

(2) To be eligible to be a TREC Certified Farm & Ranch Specialist (CFRS), an applicant must:

(A) be currently licensed by the Commission as an individual sales agent or broker;

(B) have successfully completed:

(i) the Commission approved 30 hour qualifying course in Farm & Ranch Realty (new course to be written?); and

(ii) an additional XX hours of Commission approved continuing education courses in farm and ranch realty matters;

(C) have at least XX years of experience in farm and ranch transactions; (how will experience be substantiated –transaction points) and

(D) take and pass a written certification examination in accordance with §535.57 of this subchapter.

(3) To be eligible to be a TREC Certified Commercial Investment Specialist (CCIS), an applicant must:

- (A) be currently licensed by the Commission as an individual sales agent or broker;
(B) have successfully completed:
(i) the Commission approved 30 hour qualifying course in Real Estate Investments;
and
(ii) an additional XX hours of Commission approved continuing education in commercial investment transactions;
(C) have at least XX years of experience in commercial investment transactions; (how will experience be substantiated –transaction points) and
(D) take and pass a written certification examination in accordance with §535.57 of this subchapter.

(c) Professional Designation Courses Acceptable of Continuing Education Credit. A course taken by a license holder to obtain any of the following professional designations, or any other real estate related professional designation course deemed relevant by the Commission for the specialty certification being sought, may be approved on an individual basis for continuing education specialty certification credit. The license holder must file for course credit using a CE Elective Credit Request for a Professional Designation Course form and provide the Commission with a copy of the course completion certificate.

- (1) CPM--Certified Property Manager
(2) CCIM--Certified Commercial Investment Member
(3) IREM--Institute of Real Estate Management
(4) SIOR--Society of Industrial and Office Realtors

(d) Qualifying Experience Points.

(1) An applicant must use Commission approved form SC-A, Supplement A-Qualifying Experience Report for Specialty Certification to report qualifying experience when the application is filed. An applicant must use Commission approved form SC-B, Supplement B-Qualifying Experience Report for Specialty Certification After an Application Has Been Filed, to report qualifying experience after an application for a specialty certification has been filed.

(2) An applicant shall have the burden of establishing to the satisfaction of the Commission that the applicant actually performed the work associated with the real estate transaction claimed for experience points.

(3) Experience Point Calculation. Experience points shall be credited to an applicant in accordance with the following schedule for active licensed sales agent or broker activity only:

(A) For Residential Property Manager on a residential transactions involving single family, condominium or co-op unit:

- (i) an executed lease, renewal or extension for a landlord-50 points (?); and
(ii) rental property management rent collection – 25 points per property per year.

(B) For Farm and Ranch Specialist on farm and ranch transactions:

(i); and

(ii).

(C) For Commercial Specialist on commercial transactions, including apartments, office, retail, industrial, mixed use, hotel/motel, parking facility/garage, and specialty:

(i); and

(ii).

(e) Termination of application. An application is terminated and is subject to no further evaluation or processing if, within one year from the date the application is filed:

(1) the applicant fails to satisfy a current, education, experience, or examination requirement; or

(2) the applicant fails to provide information or documentation requested by the Commission.

(f) Completion of applicable education and experience.

(1) An applicant is not eligible to take a certification examination until the Commission has received evidence of completion of all education and experience required by this subchapter.

(2) The Commission will not grant credit to an applicant for completing a continuing education course with substantially the same content as a continuing education course for which the applicant received credit within the previous two-year period.

(3) Except as provided by this subchapter and the Act, the Commission will not accept a person's license in another state to meet experience requirements.

(g) Use of Specialty Certification. Only a license holder who has received a specialty certification from the Commission may advertise that they are a "TREC Certified" specialist in the specialty area for which they received the certification.

(h) Maintenance of Specialty Certification. In order to maintain a specialty certification, a license holder must take at least XX hours of continuing education in the specific specialty area prior to each license renewal. These hours can count toward the total continuing education hours required under §535.92 of this chapter.

§535.57

(a) Administration of licensing and specialty certification examinations.

(1) An examination required for any license or specialty certification issued by the Commission will be conducted by the testing service with which the Commission has contracted for the administration of examinations.

(A) The testing service shall schedule and conduct the examinations in the manner required by the contract between the Commission and the testing service.

(B) The examination fee must be paid each time the examination is taken.

(2) The testing service administering the examinations is required to provide reasonable accommodations for any applicant with a verifiable disability. Applicants must contact the testing service to arrange an accommodation. The testing service shall determine the method of examination, whether oral or written, based on the particular circumstances of each case.

(3) To be authorized for admittance to an examination, the applicant must present to the testing service administering the examinations appropriate documentation required by the testing service under contract with the Commission. The testing service shall require official photo-bearing personal identification of individuals appearing for an examination and shall deny entrance to anyone who cannot provide adequate identification. The testing service may refuse to admit an applicant who arrives after the time the examination is scheduled to begin or whose conduct or demeanor would be disruptive to other persons taking examinations at the site. The testing service may confiscate examination materials, dismiss the applicant, and fail the applicant for violating or attempting to violate the confidentiality of the contents of an examination.

(4) An applicant is permitted to use hand-held calculators. If a calculator has printout capability, the testing service must approve use of such calculator before the examination. No other electronic devices are permitted.

(b) Conduct during examination.

(1) The following conduct with respect to licensing and specialty certification examinations is prohibited and is grounds to impose disciplinary action against any applicant, license holder, education provider accredited by the Commission, or instructor approved by the Commission, and shall further be grounds for disapproval of an application for any license, accreditation, certification, or approval issued by the Commission:

(A) obtaining or attempting to obtain specific questions or answers from an applicant, a Commission employee or any person hired by or associated with the testing service;

(B) removing or attempting to remove questions or answers from an examination site; or

(C) providing or attempting to provide examination questions or answers to another person.

(2) The Commission, or the testing service under contract with the Commission, may file theft charges against any person who removes or attempts to remove an examination or any portion thereof or any written material furnished with the examination whether by actual physical removal or by transcription.

(c) Passing Scores. A broker applicant must attain a passing score of at least 75% in each portion of the broker licensing examination. A sales agent applicant must attain a passing score of at least 70% in each portion of the sales agent licensing examination. All applicants for a specialty certification must attain a passing score of 75% on the certification examination.

(d) Waiver of examination requirement for licensure.

(1) The Commission shall waive the examination requirement for an applicant for a broker license who has been licensed as a broker in this state within two years before the filing of the

application. The Commission shall waive the examination requirement for an applicant for a sales agent license who has been licensed in this state as a broker or sales agent within two years before the filing of the application.

(2) The Commission may waive the national portion of the examination of an applicant for a broker or sales agent license if the applicant maintains an active license in another state equivalent to the license being applied for, and has passed a comparable national examination accredited or certified by a nationally recognized real estate regulator association.

(e) Examination results for the national part and state part of the examination are valid for a period of one year from the date each part of the examination is passed.

(f) An applicant who fails **a licensing [the]** examination three consecutive times may not apply for reexamination or submit a new license application unless the applicant submits evidence satisfactory to the Commission that the applicant has completed additional mandatory qualifying education listed in §535.64(a) as follows, after the date the applicant failed the examination for the third time:

- (1) for an applicant who failed the national part of the examination, 30 hours;
- (2) for an applicant who failed the state part of the examination, 30 hours; and
- (3) for an applicant who failed both parts of the examination, 60 hours.

(g) An applicant who qualified to take the Residential Property Manager certification examination under §535.58(b)(1)(B)(ii), and who fails the certification examination, may not apply for reexamination unless the applicant submits evidence satisfactory to the Commission that the applicant has completed an additional 30 hours of Commission approved continuing education courses in residential property management.

ALC Courses

104 Land U hours required: 56 mandatory/48 elective

Required courses (56 hours total):

Land 101: Fundamentals of Land Brokerage (16 hours)

Land Investment Analysis (24 hours)

Tax Deferred 1031 Exchanges (16 hours) or ADVANCED Tax Deferred 1031 Exchanges (8 hours)

*If taking Advanced Tax Deferred 1031 Exchanges in place of Tax Deferred 1031 Exchanges will need to complete 8 additional elective course hours in order to meet the 104 hours required.

Elective Courses (to fulfill remaining 48 hours):

National Land Conference Option (16 hours)

Advanced Tax Deferred 1031 Exchanges for Land Professionals (8 hours)

Agricultural Land Brokerage and Marketing (16 hours)

Basics of Eminent Domain Law (8 hours)

Google Earth Mapping for Real Estate (16 hours)

International Aspects of Real Estate (16 hours)

Introduction to Land Valuation (16 hours)

Legal Aspects of Real Estate (16 hours)

Marketing Strategies for Real Estate Professionals (16 hours)

Mastering Real Estate Negotiations (16 hours)

Mineral, Oil, and Property Rights (16 hours)

Real Estate Auctions (16 hours)

Real Estate Land Development (16 hours)

Real Estate Mapping Technologies & Techniques (16 hours)

Site Selection (16 hours)

Strategic Planning for Your Business (16 hours)

Timberland Real Estate (16 hours)

Transitional Land Real Estate Transactions (16 hours)

Other course equivalencies may be considered on a case-by-case basis to satisfy elective hours. Course outline(s), proof of completion and related documents must be submitted for consideration. Applicants may request no more than 2 elective equivalencies. Course equivalencies are not considered in lieu of required courses.

The ALC Fast Track Program

A “Fast Track” to the Accredited Land Consultant designation is available to those real estate professionals who hold the following designations:

- CCIM (Certified Commercial Investment Member);
- SIOR (Industrial & Office Realtor);
- CRE (Counselor of Real Estate);
- AFM (Accredited Farm Manager of ASFMRA);
- ARA (Accredited Rural Appraiser of ASFMRA);
- RPRA (Real Property Review Appraiser of ASFMRA);
- AAC (Accredited Agricultural Consultant of ASFMRA);
- MAI (Member, Appraisal Institute);
- CAI (Certified Auctioneer Institute);
- SR/WA (Senior Right of Way Professional of IWRA); or
- A B.S. or M.S. with a major in real estate or a program related specifically to land.

Individuals who apply for Fast Track consideration must provide proof of holding one of the approved designations or degrees prior to acceptance to the program. The ALC Fast Track applicant must take the 56 hours of required LANDU courses and will be extended a credit of 48 hours for the courses taken to earn the above designations and/or degree. The Fast Track candidates must fulfill all other ALC requirements.

Accredited Land Consultants (ALC) Designation Requirements

License Requirements

All applicants must hold a current real estate license.

Education

Land University (LANDU) is the education arm of the REALTORS® Land Institute (RLI). The education requirements for the Accredited Land Consultant (ALC) designation include 56 hours in mandatory courses and another 48 hours in elective courses. Courses may be offered by authorized chapters of the RLI, which include

Experience Resume

Applicants must submit a resume that demonstrates a minimum of 2 years of experience in land sales/brokerage or a minimum of 3 years of comparable real estate experience in auction, appraisal, leasing, development, farm management, consulting, brokerage management, or related services in land.

Exam

All applicants are required to pass an online exam with a minimum score of 70%. If an applicant fails the exam the first time, he/she may take the exam a second time, provided the second attempt is within one year of the first attempt. If the applicant fails the second attempt, they are required to complete a review course before

Letters of Recommendation

Applicants must submit at least two letters of recommendation, one from an ALC and one from a local or state board confirming that the applicant is a member in good standing.

Experience Portfolio

Applicants must create and submit a formal portfolio that substantiates land sales and/or other real estate services related to land. Categories of transactions include: sales; brokerage; development; consulting; and land transactions in investing/development. Portfolio must include a minimum of 5 closed land transactions totalling \$10,000,000 or 25 separate land transactions of which no more than 20 percent involve residential parcel sales. An equivalency may be considered on a case by case basis depending upon the land specialty and type(s) of real

Additional Requirements:

- The value of the land must account for at least 51% of the total sale of the transaction in order for the transaction to be eligible.
- Transactions must have been completed no more than 5 years prior to the submission of the ALC portfolio.

ALC Accreditation Committee

The ALC Accreditation Committee considers each application to determine if all requirements have been satisfied. Members of the Committee reserve the right to request additional information or an interview (via phone or in person) with any ALC designation applicant should they have questions regarding the applicant's qualifications. The Chairman of the ALC Accreditation Committee serves as the liaison to all applicants.

Applicants who are determined not to have satisfied the requirements will be advised of the reasons for that

Farm and Ranch Designation Overview

Designation	Awarding Body	Gen Info	Requirements	Maintenance Requirements
Accredited Land Consultant (ALC)	Realtors Land Institute	Members of the REALTORS® Land Institute specialize in land brokerage related to all types of land and specialty properties, including: farms; ranches; recreational land; timberland; vineyards; orchards; undeveloped tracts of land; transitional and development land; subdivision and lot wholesaling; site selection and assemblage of land parcels; appraisals and land valuation; auctions; and farm and land management. Membership is open to all land professionals practicing in the industry as well as industry partners. Candidates for the ALC designation must hold a real estate license.	<ol style="list-style-type: none"> 1) Hold a membership in Realtors Land Institute; 2) Complete 104 hours of Land University coursework (56 mandatory/48 elective); 3) Submit a resume showing 2 years of land sales/land brokerage experience or 3 years of comparable real estate experience in auction, appraisal, leasing, development, farm management, consulting, brokerage management, or related services in land; 4) Pass the online exam; 5) Provide two letters of recommendation; 6) Submit an experience portfolio; 7) File the ALC application. 	Membership in the REALTORS® Land Institute must be maintained to continue to use the ALC designation. There are no CE requirements required to maintain the designation.