



TREC Advisor

The agency exists to safeguard the public interest and protect consumers of real estate services. In accord with state and federal laws the agency oversees real estate brokerage, appraisal, inspection, home warranty and timeshare interest providers. Through education, licensing and regulation, the agency ensures the availability of qualified and ethical service providers, thereby facilitating economic growth and opportunity in Texas.

Inside this issue: Other People's Money (page 1) From the Chair (page 2) Strategic Planning Tour Update (page 3) TREC Rule Actions (page 4) TREC Enforcement Matters (page 6)

When Dealing with OPM: Other People's Money

When a complaint is filed with TREC against a broker or a salesperson that is related to escrow or trust account issues, a TREC investigator may audit the broker's company records. Before this happens, it is important you follow the rules related to real estate transactions.

A broker who agrees to hold money belonging to others must deposit the money into a trust or escrow account at a bank. If a broker does maintain a trust account, that account must be clearly identified as such.

A broker who manages property for clients, who accepts a security deposit, or who collects rent or disburses money, is required to maintain a trust account for that money. A broker is **prohibited** from commingling that money with the broker's company's business operating account. Unless the broker has a written agreement signed by the client, the broker may **not** keep any interest earned on the money in the trust account.

Although the broker is responsible for properly handling money deposited into a trust account, the broker may designate a salesperson as a signatory on those accounts.

A salesperson is not, however, allowed to have an escrow or trust account and must deposit all money received from others into their sponsoring broker's trust account. A salesperson may own a property management company, but the business must be conducted through the salesperson's sponsoring broker.

Earnest money received from a buyer must be deposited into a broker's escrow account, or with a title company, by the close of business of the second working day after the execution of the contract by the principals, unless a different time is agreed upon in writing by the principals to the transaction. If the parties agree to deposit earnest money with a title company, the broker is responsible for making sure that the earnest money has been receipted at the title company within the required time frame. Simply putting a check in the mail is insufficient.

Because TREC may investigate a complaint related to a real estate transaction that occurred within the last four years, the broker should maintain a "paper trail" on all transactions, whether or not they come to fruition. TREC rules **require** that escrow and trust account records be retained for four years from the time of deposit or withdrawal from the account.

A violation of the rules related to holding money in trust for others is grounds for suspension or revocation of license. For further information regarding a broker's handling of escrow or trust accounts, see TREC Rules 535.146, 535.159 and 535.160.

To begin this new year, the Commission met on February 10th for its regular quarterly meeting. We reelected Bill Jones as Vice Chair and Joanne Justice as Secretary, and appointed committees and working group liaisons. We welcomed Kristen Worman as the new Deputy General Counsel and said goodbye to Pat Holder, our longtime Recording Secretary. Pat has been a reliable and professional member of the Commission team for over two decades in this role and we wish her all the best in her retirement. She will be replaced by Amber Hinton whose role as a Legal Assistant to the General Counsel makes her well prepared for these duties.

Remember that all of our meetings are webcast for the convenience of our license holders and the public. For links to watch from your computer or mobile device, check our www.trec.texas.gov website on meeting day. Videotapes and materials for prior meetings are also stored there for viewing at any time.

At our meeting, the Commission heard progress reports from three of its advisory committees – the Inspector Committee, the Educations Standards Advisory Committee and the Broker Responsibility Working Group – and from the Administrator and staff. We approved previously published amendments to several rules and several related forms were updated as well. We learned that the Recovery Fund is in fair shape, but will likely require some attention next legislative session to correct some of the current practices that require us to pay some questionable claims. In preparation for the 2015 Legislative session, the agency will hold a series of “Town Hall” meetings in six locations around the state starting March 5th. Details are found in this Advisor and we welcome you to come and be a part of this process.

The anticipated update to some standard form contracts will wait a little bit longer, as the Commission requested the Broker -Lawyer Committee to clarify a couple of areas that affect several forms. We did approve updates to the addenda for subdivision information, the propane gas service distribution area notice and the Third Party Financing Addendum for Credit Approval. We also approved the award of a new contract for all licensing exam administration to Pearson Vue, a major company with a long track record of successful performance in this service to Texas and other states.

Our next regularly scheduled meeting is on April 28th at 10 a.m. If you can, please stop by and meet the Commissioners and staff. We are always happy to see you. Until then, we hope to see you at one of our Town Hall meetings and may your Spring be filled with new energy and much success!



Avis Wukasch, Chair

Important Dates to Remember

Broker Responsibility Working Group—March 25

Broker Lawyer Committee Meeting —April 4

ESAC Committee Meeting—April 7

ARELLO Spring Meeting—April 9—12

TREC Commission Meeting—April 28

***TREC and TALCB Schedule Strategic
Plan Input Meetings***

The Texas Real Estate Commission and the Texas Appraiser Licensing & Certification Board are pleased to announce our biennial strategic planning listening tour. License holders and the public are invited to participate in the agency's preparation of its 2015-2019 Strategic Plan by offering input at one of the following sessions:

March 5th at 5:30pm

San Angelo Association of REALTORS

1902 Pecos Street

San Angelo, TX 76901

March 13th at 11am

Houston Association of REALTORS

3693 Southwest Freeway

Houston, TX 77027

March 7th at 9am

Arlington Board of REALTORS

916 West Interstate 20

Arlington, TX 76017

March 17th at 10am

El Paso Board of REALTORS

6400 Gateway Boulevard East

El Paso, TX 79905

March 12th at 10am

San Antonio Board of REALTORS

9110 West IH10

San Antonio, TX 78230

March 26th at 10am

Austin Board of REALTORS

10900 Stonelake Blvd., Ste. 100-A

Austin, TX 78759

We thank those of you who will be attending a meeting. If you are unable to participate in person, please [take our survey here](#).

The purpose of these two-hour meetings will be to help guide the Commission and Board members during the strategic planning process. These discussions are meant to be an open forum to gain insight on the needs and preferences of license holders and the public. If you are unable to attend, feel free to submit your comments via our [online survey](#).

ADOPTED RULES

The following amendments to rules were adopted at the February 10, 2014 meeting of the Commission.

§535.51 General Requirements for a License

The amendment corrects §535.51(d)(4) to increase the timeframe for an applicant to submit fingerprints from six months to twelve months to be consistent with the timeframe an applicant has to take an examination under §1101.401 of the Real Estate License Act and to meet the other requirements of an application under §535.51(d)(1).

**§535.62 Acceptable Courses of Study,
§535.64, Obtaining Approval to Offer a Course**

The amendments to §535.62 add Law of Contracts and Promulgated Contract Forms as new subsection (e), which are 30 hour core courses with specific topics, subtopics, and units, with mandated time periods in which instructors must teach each topic or subtopic. The addition of subsection (e) required the re-lettering of the remaining subsections in the rule.

Chapter 537 Professional Agreements and Standard Contracts

The following revised or new contract forms were adopted by reference through amendment to Chapter 537:

- TREC Form No. 37-5 Subdivision Information, Including Resale Certificate for Property Subject to Mandatory Membership in a Property**
- TREC Form No. 40-6, Third Party Financing Addendum for Credit Approval**
- TREC Form No. 47-0, Addendum for Property in a Propane Gas System Service Area**

(The remaining Contract Forms previously proposed were sent back to the Broker-Lawyer Committee for additional consideration)

§535.231 Standards of Practice: Minimum Inspection Requirements for Plumbing

Systems

Amendments to §535.231 were adopted on an emergency basis to correct parts of subsection (a) which are misnumbered. The error in numbering affected the interpretation of the section, inadvertently requiring action that is not actually required, resulting in misunderstanding of the rule.

PROPOSED RULES

The following rules were proposed at the February 10, 2014 meeting of the Commission. Comments must be submitted to the general counsel at general.counsel@trec.texas.gov before April 7, 2014.

§535.212 Education and Experience Requirements for a License

The proposed amendments are recommended by the Texas Real Estate Inspector Committee (TREIC) to further clarify the implementation of the field work requirement permitted by House Bill 2911. The amendments create two options for obtaining substitute experience going forward that emphasize the importance of hands on training and keep a third option from the rules in effect prior to HB 2911 until February 28, 2015, to allow providers time to develop courses that comply with the first two options. The proposed rule also reduces the number of hours required for the classroom or alternative delivery interactive training modules in the first two options to help control costs and promote hands-on training.

§535.218 Continuing Education

The proposed amendments are recommended by the Texas Real Estate Inspector Committee (TREIC) to increase the number of hours a licensee can take in any one subject area per renewal period, to adopt by reference a course approval form for the Texas Standards of Practice/Legal/Ethics Update Course, and to clarify that government entities and certain nationally recognized building organizations do not have to be a Commission approved provider

for licensees to receive continuing education credit for courses that have been approved by those entities.

§535.223 Standard Inspection Report Form

The proposed amendments are recommended by the Texas Real Estate Inspector Committee (TREIC) to notify consumers that an inspector may include contractual terms or attach a service agreement or inspection contract to the standard form, to clarify that an inspector may change the standard form as necessary to allocate additional space for comments in the "Additional Information Provided by Inspector" section and in the sections for each inspected item, to clarify that an inspector may also attach additional pages for comments and to adopt by reference changes to the standard inspection form, Property Inspection Report Form REI 7□4. The Property Inspection Report Form was revised to add a notice to the consumer that although the inspector may include contractual terms in or attached the form, the Commission does not regulate contractual terms between the parties and consumers should consult an attorney if they do not understand those terms.

§535.231 Standards of Practice: Minimum Inspection Requirements for Plumbing Systems

Amendments to §535.231 were proposed to correct parts of subsection (a) which are misnumbered. The error in numbering affected the interpretation of the section, inadvertently requiring action that is not actually required, resulting in misunderstanding of the rule.

§535.62 Acceptable Courses of Study, §535.64, Obtaining Approval to Offer a Course

The proposed amendments to §535.62 add Real Estate Finance as new subsection (f), which is a 30 hour core course with specific topics, subtopics, and units, with mandated time periods in which instructors must teach each topic or subtopic. The addition of subsection (f) requires the re-lettering of the remaining subsections in the rule. The proposed amendments to §535.64 add a new subsection (h)(5) to adopt by reference a form to be used by schools in requesting approval to offer the new Real Estate Finance course.

22 TAC Chapter 531, Canons of Professional Ethics and Conduct

The proposed amendments are made following a comprehensive rule review for this chapter to provide clarity and consistency by restructuring, and correcting terminology. Please see our website for the specific proposed amendments.

22 TAC Chapter 533, Practice and Procedure

The proposed amendments are made following a comprehensive rule review for this Chapter to better reflect current TREC procedures and to simplify, use consistent terminology and clarify where needed. To this end, several sections were restructured, modified and expanded. Please see our website for the specific proposed amendments.

22 TAC Chapter 534, General Administration

The proposed amendments are made following a comprehensive rule review for this Chapter to provide standard citations and consistent terminology and clarify where needed. Please see our website for the specific proposed amendments.

RULE REVIEW

The following chapters were opened for a comprehensive rule review:

- a. 22 TAC Chapter 535, General Provisions
- b. 22 TAC Chapter 541, Rules Relating to the Provisions of the Texas Occupations Code, Chapter 53

NEW/REVISED FORMS

The following new forms were adopted at the February meeting of the Commission. All are effective as of February 10, 2014:

- ED CA-2, Course Application
- ED ICE_CA-0, Inspector Continuing Education (ICE)-Course Application

Name and Location	Order	Basis For Order							
<p>Case#: 121865 FIRST STAR PROPERTIES INC (license # 0) None DALLAS(DALLAS) Effective Date: 1/10/2014</p> <table border="1" data-bbox="115 443 326 533"> <tr><th>Violation(s)</th></tr> <tr><td>1101.351(a-1)</td></tr> </table>	Violation(s)	1101.351(a-1)	<p>Ordered to cease and desist all unlicensed real estate brokerage activities. Assessment of an administrative penalty of \$5,000.00.</p>	<p>Consumer Complaint Respondent engaged in real estate brokerage activities without a real estate license by listing and advertising for sale a deeded timeshare interest.</p>					
Violation(s)									
1101.351(a-1)									
<p>Case#: 140090 SAJI, ROBERT MASOUD (license # 10287) Inspector-I PEARLAND(BRAZORIA) Effective Date: 1/21/2014</p> <table border="1" data-bbox="115 739 326 829"> <tr><th>Violation(s)</th></tr> <tr><td>22 TAC 535.223</td></tr> </table>	Violation(s)	22 TAC 535.223	<p>Agreed reprimand of professional inspector. Agreed administrative penalty of \$200.00.</p>	<p>Consumer Complaint Respondent performed a real estate inspection, did not use an inspection form adopted by the Commission, and altered his inspection form in ways not allowed by the Commission.</p>					
Violation(s)									
22 TAC 535.223									
<p>Case#: 130876 FISHER, JOHNTA LAMARK (license # 570935) Real Estate Broker / Salesperson-I HOUSTON(HARRIS) Effective Date: 1/8/2014</p> <table border="1" data-bbox="115 1073 367 1308"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(b)(02)</td></tr> <tr><td>1101.652(b)(09)</td></tr> <tr><td>1101.652(b)(10)</td></tr> <tr><td>1101.654(a)(2)</td></tr> </table>	Violation(s)	1101.652(b)(02)	1101.652(b)(09)	1101.652(b)(10)	1101.654(a)(2)	<p>Revocation of salesperson license. Assessment of an administrative penalty of \$14,000.00.</p>	<p>Consumer Complaint Respondent filled out a lease agreement and signed the landlord's name without a power of attorney or any other authority from landlord to sign the lease. In the section of the lease that identified the property manager, Respondent used an assumed name that was not registered with the Commission. Respondent provided legal advice to the tenant regarding the validity of the lease. Respondent collected cash from the tenant, did not deposit the money into a trust account, and retained the money.</p>		
Violation(s)									
1101.652(b)(02)									
1101.652(b)(09)									
1101.652(b)(10)									
1101.654(a)(2)									
<p>Case#: 130064,130804,130839,131811 TREVINO, VIRGINIA (license # 521617) Real Estate Broker / Salesperson-I HOUSTON(HARRIS) Effective Date: 1/25/2014</p> <table border="1" data-bbox="115 1621 367 1950"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(a)(05)</td></tr> <tr><td>1101.652(a)(06)</td></tr> <tr><td>1101.652(b)(01)</td></tr> <tr><td>1101.652(b)(02)</td></tr> <tr><td>1101.652(b)(09)</td></tr> <tr><td>1101.652(b)(23)</td></tr> </table>	Violation(s)	1101.652(a)(05)	1101.652(a)(06)	1101.652(b)(01)	1101.652(b)(02)	1101.652(b)(09)	1101.652(b)(23)	<p>Revocation of salesperson license. Assessment of an administrative penalty of \$29,000.00.</p>	<p>Consumer Complaint Respondent posted advertisements in a Spanish language newspaper marketing to individuals with no Social Security number or bad credit. Consumers would contact the Respondent and Respondent would set them up to meet an unlicensed mortgage broker. Together the Respondent and unlicensed mortgage broker would instruct consumers to provide them money up front on the promise to use the money to purchase a home. Respondent would show consumers' available homes and even submit offers but all transactions would never close for various reasons provided by both the Respondent and the unlicensed mortgage broker. Consumers would demand the return of their money, however, the money would not be returned. Respondent also failed to timely respond to the Commission's investigation.</p>
Violation(s)									
1101.652(a)(05)									
1101.652(a)(06)									
1101.652(b)(01)									
1101.652(b)(02)									
1101.652(b)(09)									
1101.652(b)(23)									

<p>Case#: 130384 DAWSON, RANDALL B (license # 492580) Real Estate Broker / Salesperson-I CARROLLTON(DENTON) Effective Date: 1/10/2014</p> <table border="1" data-bbox="110 438 383 579"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(01)</td> </tr> <tr> <td>1101.652(a)(09)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	1101.652(a)(09)	<p>Automatic suspension of salesperson license.</p>	<p>Administrative Complaint Respondent failed to comply with the terms of an agreed order entered by the Commission by failing to timely make administrative penalty payments to the Commission.</p>
Violation(s)					
1101.652(a)(01)					
1101.652(a)(09)					
<p>Case#: 140357 BAELLOW, JOSHUA D (license # 610362) Real Estate Broker / Salesperson-I AUSTIN(TRAVIS) Effective Date: 1/27/2014</p> <table border="1" data-bbox="110 890 367 989"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(01)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	<p>Agreed five-year suspension of salesperson license fully probated for five years.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense.</p>	
Violation(s)					
1101.652(a)(01)					
<p>Case#: 131032 LANE, MARK F (license # 622940) Real Estate Broker / Salesperson-I FORT WORTH(TARRANT) Effective Date: 1/31/2014</p> <table border="1" data-bbox="110 1283 358 1423"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(01)</td> </tr> <tr> <td>1101.652(a)(02)</td> </tr> </table>	Violation(s)	1101.652(a)(01)	1101.652(a)(02)	<p>Agreed nine-year suspension of salesperson license fully probated for nine years. Agreed administrative penalty of \$2,000.00.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense and failed to disclose multiple crimes in his application.</p>
Violation(s)					
1101.652(a)(01)					
1101.652(a)(02)					

<p>Case#: 121600 GABRIEL, CASS AUSTIN (license # 523855) Real Estate Broker / Salesperson-I CORPUS CHRISTI(NUECES) Effective Date: 1/16/2014</p> <table border="1" data-bbox="110 426 365 569"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(b)(26)</td> </tr> <tr> <td>22 TAC 535.154(e)</td> </tr> </table>	Violation(s)	1101.652(b)(26)	22 TAC 535.154(e)	<p>Automatic suspension of broker license.</p>	<p>Administrative Complaint Respondent failed to comply with the terms of an agreed order entered by the Commission by failing to timely make administrative penalty payments to the Commission.</p>
Violation(s)					
1101.652(b)(26)					
22 TAC 535.154(e)					
<p>Case#: 131331 TURCIOS, CARLOS ROBERTO (license # 534129) Real Estate Broker / Salesperson-I EL PASO(EL PASO) Effective Date: 1/21/2014</p> <table border="1" data-bbox="110 837 365 980"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(02)</td> </tr> <tr> <td>1101.652(a)(09)</td> </tr> </table>	Violation(s)	1101.652(a)(02)	1101.652(a)(09)	<p>Agreed surrender of salesperson license. Agreed to not renew , attempt to renew, or file an application to obtain any license or certificate issued by the Commission for four years.</p>	<p>Administrative Complaint Respondent failed to notify the Commission within 30 days after entry of a plea of of guilty or nolo contendere and failed to disclose this in his renewal.</p>
Violation(s)					
1101.652(a)(02)					
1101.652(a)(09)					
<p>Case#: 131905 GUIDRY, DEMETRIA CHANTE (license # 637374) Real Estate Broker / Salesperson-I RICHMOND(FORT BEND) Effective Date: 1/21/2014</p>	<p>Agreed three-year probationary salesperson license issued.</p>	<p>Applications Commission of an offense that directly relates to the duties and responsibilities of the occupation of a licensed real estate salesperson under 22 Tex. Admin. Code §541.1. Applicant provided documentation addressing the factors outlined in Tex. Occ. Code §53.023 and, subject to reasonable terms of a probationary license, demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson under Tex. Occ. Code §1101.354(2).</p>			

TALCB Bulletin



TALCB was created by an act of the Texas Legislature in 1991 to license, certify and regulate real estate appraisers in Texas under state and federal laws. In 2011, TALCB's jurisdiction was expanded to register and regulate appraisal management companies.

Inside this issue: Changes to Appraiser Qualifications Coming (page 1) Customary and Reasonable Fee Survey (page 1) From the Chair (page 2) Board Rule Actions (page 3) Enforcement Actions (page 4)

CHANGES COMING TO REAL PROPERTY APPRAISER QUALIFICATIONS

On December 9, 2011, the Appraiser Qualifications Board of The Appraisal Foundation adopted changes to the *Real Property Appraiser Qualification Criteria* that will become effective January 1, 2015. These changes represent minimum national requirements that each state must implement no later than January 1, 2015.

These changes may effect your license. TALCB encourages you to read more about the upcoming changes and contact us if you have any questions.

For more information and a full list of changes please go to the [Appraisal Foundation's website](#).

Customary and Reasonable Fee Survey

As you know customary and reasonable fees made a stir back in the 2011 legislative session with the passage of HB 1146. This bill gave TALCB the authority to regulate Appraisal Management Companies (AMCs). Since then TALCB has been at the forefront of this process and a model for other states to follow.

For more on this survey and customary and reasonable fees please see the article recently published in "[Appraisal Buzz](#)" by Joan Trice.

Clearbox LLC recently updated their fee survey tool, allowing appraisers to enter their fee schedules for free. Even better than that, registered participants can see the average fees paid to appraisers in their coverage areas.

To enter your fees go to [clearbox.com](#) and select "Sign Up".

Important Dates to Remember

AARO Spring Meeting—April 11-13

TALCB Board Meeting— May 9

Check our website regularly for postings of all of our upcoming meetings. Click on Meetings and Agenda on the homepage.

“Texas Rocks!” This was the summary of the report offered by Jenny Tidwell, lead ASC Policy Manager to the Board on February 21 after a 3 day visit to TALCB to audit our compliance with the federal guidelines we operate under. TALCB was determined to be in full compliance in all seven areas the audit examines. This is a distinguished accomplishment and a pinnacle reached for the first time in the 23 year history of the Board! Substantial credit is due to the many appraisers and public members, who served on the Board over the years and steadily guided our processes toward increased effectiveness and transparency. The dedicated board staff especially the TALCB enforcement division led by Mark Mrnak, have implemented these continuous policy improvements and the process changes required to reach this new milestone. Several former Board members and Chairs including Wayne Mayo, Jamie Ratliff and Donna Walz were in attendance to share the joyous occasion. Congratulations to all!

The Board also met for its regular quarterly meeting that day and welcomed Kristen Worman, our new inside General Counsel and Deputy Commissioner, for her first meeting. Her first accomplishment was coordinating the ASC audit – no small task in the first month of her tenure. The Board also adopted several rules designed to clarify and make our processes more effective, including approving some new forms for use by appraisal management companies. Based on recommendations from our Education Committee, we adopted a requirement for a new sponsor and trainee course for use after January 1, 2015 and proposed minor updates to Chapter 155 and 157 of TAC Section 22 based on our formal rule review process which is underway. We do this once every four years. Details of the rule review process are found on the agency’s website.

As part of our biennial strategic planning process, in March, we will be co-hosting a series of public input

sessions across Texas and invite appraisers, AMC staff and the public to come and offer your ideas for how the agency can better serve this great state. We invite your lively participation, discussion and suggestions. Details can be found on the agency’s website.

I’d like to remind appraisers that the Appraiser Qualification Board (AQB) of the Appraisal Foundation has adopted many upgrades to the requirements for new licenses and certifications issued after January 1, 2015. A copy of the summary is included in this Bulletin as a refresher. Note especially that the requirement for any certification will include a 4-year college degree. I also invite you to participate in the AQB’s Appraiser Job Profile survey prior to March 26th to assist them in ensuring the qualifications they establish are reasonably connected to actual skills required in the work appraisers do. See the note from AQB elsewhere in this Bulletin for more details and the web link. This is a critical part of the requirements process. Thanks for helping.

Lastly, if you’ve ever considered serving on the Board in the future, the process begins with an application filed with the Governor’s Appointments Office. Check out the Board member page of the TALCB website (www.talcb.texas.gov) for more details and a link to the Governor’s office. If you’d like a personal perspective of what this service means to the profession and to the public, I’m sure any Board member would be willing to share their experiences with you. Contact information for each of us is also found on that same page. We welcome your interest.



Chair, Jamie Wickliffe

ABQ Survey Announced

On February 12, 2014, the Appraiser Qualifications Board (AQB) began distributing an online survey to licensed and certified real estate appraisers as part of a practice analysis. **The deadline to complete the survey is March 26, 2014.**

The purpose of the practice analysis is to identify tasks and competencies reflective of the real estate appraiser job role in order to update the examination content outlines for the AQB National Uniform Licensure and Certification examinations.

The survey can be found at:

<https://www.surveymonkey.com/s/AQBSURVEY>

Participation is essential to the success of the practice analysis. This is a great way for licensed and certified appraisers to give back to the profession and make sure their perspective is counted in the development of a comprehensive and representative reflection of the job role. In appreciation of participants contribution, AQB will be raffling off \$50 gift cards to ten randomly-selected respondents who complete the survey.

Please direct all inquiries about this survey to:

aqbsurvey@appraisalfoundation.org.

Rules Actions from the February 21st Meeting of the Board

ADOPTED RULES

The adopted rules will be effective March 18, 2014 and can be found on our website at <http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp>.

22 TAC §153.11. Examinations: Amendments were adopted to simplify the requirements for additional education following three consecutive examination failures.

22 TAC §153.20. Guidelines for Revocation, Suspension, Denial of Licensure or Certification; Probationary Licensure: Amendments were adopted to clarify that a sponsor who refuses to sign an appraiser trainee's experience log and affidavit for experience actually and lawfully acquired is subject to sanctions by TALCB.

22 TAC §153.21. Appraiser Trainees and Sponsors: Amendments were adopted to implement a new Appraiser Trainee & Supervisor Course to meet the Appraiser Qualifications Board 2015 criteria and remove a sponsor's ability to designate another certified appraiser, who is not already approved as a sponsor, as an authorized supervisor of a trainee.

PROPOSED RULES

The proposed rules will be up for adoption at the May 2014 meeting of the Board and can be found on our website at <http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp>. Comments on proposed rules should be sent to general.counsel@talcb.texas.gov on or before April 13, 2014.

22 TAC §153.1. Definitions: Amendments are proposed to correct grammatical errors, clarify or remove outdated and redundant definitions, and better reflect the current qualification criteria of the Appraiser Qualification Board.

22 TAC Chapter 157:

- a. 22 TAC §157.3. Scope of Rules
- b. 22 TAC §157.4. Computation of Time
- c. 22 TAC §157.5. Conduct and Decorum
- d. 22 TAC §157.6. Request for Advisory Opinions
- e. 22 TAC §157.7. Denial of a License
- f. 22 TAC §157.8. Adverse Action Against a Licensee or Registrant
- g. 22 TAC §157.9. Notice of Hearing
- h. 22 TAC §157.11. Contested Cases; Entry of

Appearance; Continuance

i. 22 TAC §157.12. Failure to Attend Hearing; Default Judgment

j. 22 TAC §157.13. Ex Parte Consultations

k. 22 TAC §157.14. Informal Disposition

l. 22 TAC §157.15. Decision

m. 22 TAC §157.17. Final Decisions and Orders n.

22 TAC §157.18. Motions for Rehearing; Finality of Decisions

o. 22 TAC §157.20. Judicial Review

p. 22 TAC §157.25. Temporary Suspension

Amendments are proposed following a comprehensive rule review for this chapter to better reflect current TALCB procedures and to simplify and clarify where needed. The proposed amendments capitalize the term "Board" and replace the term "licensee" with "license holder" throughout the Chapter. In addition, proposed amendments to §157.7 clarify the action the Board takes when it determines an application should be denied.

RULE REVIEW

Chapter 153, Rules Relating to Provisions of the Texas Appraiser Licensing and Certification Act, was opened for a comprehensive rule review.

NEW/REVISED FORMS – The following new forms were adopted at the February meeting of the Board and are effective February 21, 2014:

- a. Appraisal Management Company (AMC) Request for Active Status
- b. Appraisal Management Company (AMC) Change of AMC Place of Business
- c. Appraisal Management Company (AMC) Change of Designated In-State Agent Information
- d. Appraisal Management Company (AMC) Change of Appraiser Information
- e. Notice of DBA for an AMC
- f. Change of Name for License Holder

<i>Name & Location</i>	<i>Action Taken</i>	<i>Reason</i>	<i>Summary</i>
<p>SMITH, William Eugene Lic. # TX-1320169-R Round Rock</p>	<p><i>Board Action Taken:</i> The Board ORDERS:</p> <p>1. MENTORSHIP. On or before August 21, 2014. Respondent shall complete four (4) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. a. Four (4) hours of mentorship, concerning the above-noted violations, on or before August 21, 2014.</p> <p>2. WRITTEN REPORT. On or before August 21, 2014. Respondent shall submit to the Board a one (1) page report detailing the topics addressed in the mentorship session.</p>	<p><i>Complaint No.:</i> 11-015</p> <p><i>Reason for Complaint:</i> The complaint, numbered 11-015, was filed with the Board by staff after an experience audit. The Board investigated the complaint to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (3).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(9) by making omissions of material fact.</p>
<p>RAGLAND, Lee Lic. # TX-1331036-R Whitney</p>	<p><i>Board Action Taken:</i> The Board ORDERS:</p> <p>1. EDUCATION. On or before February 21, 2015. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. a. A classroom course on USPAP, a minimum of fifteen (15) class hours, on or before February 21, 2015. b. A classroom course on the Sales Comparison Approach, a minimum of seven (7) class hours, on or before February 21, 2015.</p> <p>2. EXPERIENCE LOG. On or before August 21, 2015. Respondent shall submit to the Board an appraisal experience log on a form prescribed by the Board for the period of six (6) months starting after the due dates for the education (from February 21, 2015 to August 21, 2015). The log shall detail all real estate appraisal activities Respondent has conducted during that six (6) month period. This log shall be signed by Respondent and contain a notarized affidavit attesting the log is true, complete and accurate. Upon request from the Board, Respondent shall provide copies of his appraisal reports and work files for any appraisal assignments Respondent performs during the course of this six (6) month period within twenty (20) days of receiving any such request.</p>	<p><i>Complaint No.:</i> 13-200</p> <p><i>Reason for Complaint:</i> Thereafter, the complaint, numbered 13-200, was filed with the Board by Deb Nikodym (Rels). The Board investigated the complaint to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (6).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(12) by making omissions of material fact.</p>

<p>MOLNARI, Michael Lidney Lic. # TX-1336760-R Baytown</p>	<p><i>Board Action Taken:</i> The Board ORDERS that:</p> <ol style="list-style-type: none"> 1. EDUCATION. On or before August 21, 2014. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. <ol style="list-style-type: none"> a. Attend and complete a minimum (7) classroom course in the use of adjustments in the sales comparison approach; <ol style="list-style-type: none"> i. No examination shall be required for this course; b. Attend and complete a minimum (7) classroom course in the cost approach and site valuation; <ol style="list-style-type: none"> i. No examination shall be required for this course; 2. MENTORSHIP. On or before May 21, 2014. Respondent shall complete eight (8) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. The 8 hours of mentorship shall include: <ol style="list-style-type: none"> a. 3 hours on analyzing and supporting adjustments made in the sales comparison approach; b. 3 hours on recognized methods and techniques for determining site value; and, c. 2 hours on how zoning impacts highest and best use. 4. ADMINISTRATIVE PENALTY. On or before March 13th, 2014, Respondent shall pay to the Board by certified funds an administrative penalty of five hundred dollars (\$500.00), which shall be fully probated, subject to timely compliance with the following conditions: <ol style="list-style-type: none"> A. WRITTEN REPORTS. On or before June 21st, 2014, Respondent shall submit to the Board a 1 page report for each of the three mentorship topic areas itemized above in which: <ol style="list-style-type: none"> (i) he explains the deficiencies in his appraisal of the property relative to the specific mentorship topic; (ii) he describes what he learned from the specific mentorship session; and, (iii) explains how he intends to apply what he learned during the specific mentorship session to his appraisal practice going forward in order to avoid future problems with his work product. 	<p><i>Complaint No.:</i> 13-314</p> <p><i>Reason for Complaint:</i> Thereafter, a complaint was filed with the Board by Jessica Nayden, an employee of LSI, claiming the appraisal report contained various deficiencies under the Uniform Standards of Professional Appraisal Practice. The Board reviewed the complaint to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (6).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(12) by making material misrepresentations and material omissions of material fact.</p>
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<p>JORDAN, Susie Lic. # TX-1329421-G Nacogdoches</p>	<p><i>Board Action Taken:</i> The Board ORDERS:</p> <ol style="list-style-type: none"> 1. MENTORSHIP. On or before August 21, 2014. Respondent shall complete four (4) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. <ol style="list-style-type: none"> a. Four (4) hours of mentorship, concerning the above-noted violations, on or before August 21, 2014. 2. EDUCATION. On or before August 21, 2014. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. <ol style="list-style-type: none"> a. A classroom course in USPAP, a minimum of fifteen (15) class hours, on or before August 21, 2014. 	<p><i>Complaint No.:</i> 13-244</p> <p><i>Reason for Complaint:</i> Thereafter, the complaint, numbered 13-244, was filed with the Board by staff, based on a referral from the U.S. Department of Housing and Urban Development. The Board investigated the complaint to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (6).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(12) by making omissions of material fact.</p>
<p>HAWKINS, Abbie Gail Lic. # TX-1338340-R Houston</p>	<p><i>Board Action Taken:</i> The Board ORDERS that Respondent's Texas appraiser certification be suspended for a period of 6 months, effective 5:00 p.m. (CST) on February 21st, 2014.</p> <p>IT IS FURTHER ORDERED that beginning at 5:00 p.m. (CST) on February 21st, 2014, the suspension is to be fully probated for 6 months ending 5:00 p.m. (CST) on August 20th, 2014, subject to the following terms and conditions:</p> <ol style="list-style-type: none"> 1. EDUCATION. On or before July 21st, 2014, Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. <ol style="list-style-type: none"> A. A minimum 15 classroom hour course in USPAP; and, B. A minimum 7 classroom hour course in the sales comparison approach; <ol style="list-style-type: none"> i. No examination shall be required for this course; 2. MENTORSHIP. On or before May 21st, 2014, Respondent shall complete 20 hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. The 20 hours of mentorship shall include: <ol style="list-style-type: none"> A. 7 hours on the sales comparison approach; B. 7 hours on the cost approach; C. 3 hours on listing and sales history analysis; and, D. 3 hours on report writing. 	<p><i>Complaint No.:</i> 13-099</p> <p><i>Reason for Complaint:</i> A staff-initiated complaint was filed with the Board based upon a referral from The Fraud Unit of the Texas Department of Insurance. The complaint alleged that the Respondent produced an appraisal report for the property that contained violations of the Uniform Standards of Professional Appraisal Practice ("USPAP").</p>	<p><i>Summary of Violations Found:</i></p> <p>(1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (6).</p> <p>(2) Respondent made material misrepresentations or omissions of material facts as prohibited by 22 TEX. ADMIN. CODE § 153.20(a)(12).</p>

<p>GALINDO, Israel R. Lic. # TX-1337554-R Tyler</p>	<p><i>Board Action Taken:</i> The Board ORDERS that Respondent's Texas appraiser certification be suspended, effective 5:00 p.m. (CST) on February 21st, 2014 and ending at 5:00 p.m. (CST) on February 21st, 2017.</p> <p>IT IS FURTHER ORDERED that beginning at 5:00 p.m. (CST) on February 21st, 2014, the suspension is to be fully probated for 36 months ending 5:00 p.m. (CST) on February 21st, 2017, subject to the following terms and conditions:</p> <p>1. EDUCATION. On or before August 21st, 2014, Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. A. A minimum 15 classroom hour course in USPAP; B. A minimum 7 classroom hour course in report writing; C. A minimum 7 classroom hour course in the sales comparison approach; i. No examination shall be required for this course;</p> <p>2. MENTORSHIP. On or before May 21st, 2014, Respondent shall complete 10 hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. In addition, on or before August 21st, 2014, Respondent shall complete an additional 5 hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. The aggregate total of 15 hours of mentorship shall include: A. 4 hours on the site analysis and valuation; and, B. 3 hours on the recognized methods and techniques for developing a site value; C. 3 hours in how to select and analyze comparable sales; D. 4 hours in how to analyze, make and support adjustments to comparable sales; E. 1 hours in how to research a property's sales history and document and analyze any such sales history;</p> <p>3. ADMINISTRATIVE PENALTY. (For additional information please submit an open records request.)</p>	<p><i>Complaint No.:</i> 13-124 & 14-052</p> <p><i>Reason for Complaint:</i> Thereafter, a complaint with respect to the Amber Leaf property was filed with the Board by Dwaine Daugherty, a real estate appraiser. The complaint alleged that the Respondent produced an appraisal report for the property that contained various deficiencies and the application of improper appraisal methods and techniques. In addition, staff-initiated complaint with respect to the Dogwood, 5th Street and Cross Fence properties was filed. This complaint was the result of a probationary audit co</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(6). (2) Respondent made material misrepresentations or omissions of material facts as prohibited by 22 TEX. ADMIN. CODE § 153.20(a)(12).</p>
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<p>DAVIS, Ronald Owlen Lic. # TX-1322256-R Pasadena</p>	<p><i>Board Action Taken:</i> The Board ORDERS that Respondent's Texas state certification, TX-1322256-R, is hereby suspended for twelve (12) months, beginning on February 21, 2014, with this suspension being fully probated under the following terms and conditions:</p> <p>1. EDUCATION. On or before February 21, 2015. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. All classes required by this Agreed Final Order must be classes approved by the Board. a. A classroom course in USPAP, a minimum of fifteen (15) class hours, on or before February 21, 2015.</p> <p>2. MENTORSHIP. On or before February 21, 2015. Respondent shall complete eight (8) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. a. Eight (8) hours of mentorship concerning the above-noted violations in the findings of fact, on or before February 21, 2015.</p>	<p><i>Complaint No.:</i> 13-196</p> <p><i>Reason for Complaint:</i> Thereafter, the complaint, numbered 13-196, was filed with the Board by Rachel Short. The Board investigated the complaint to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (6). (2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(12) by making material omissions of material fact.</p>
<p>DAGLEY, Elbert Eugene Lic. # TX-1328317-R Baytown</p>	<p><i>Board Action Taken:</i> The Board ORDERS that Respondent's Texas state certification (TX-1328317-R) is hereby suspended for twelve (12) months, beginning on February 21, 2014, with this suspension being fully probated under the following terms and conditions:</p> <p>1. EDUCATION. On or before February 21, 2015. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. a. A classroom course on USPAP, a minimum of fifteen (15) class hours, on or before February 21, 2015. b. A classroom course on Market Analysis, a minimum of fifteen (15) class hours, on or before February 21, 2015. c. A classroom course on Report Writing, a minimum of fifteen (15) class hours, on or before February 21, 2015.</p> <p>2. ADMINISTRATIVE PENALTY. On or before March 13, 2014. Respondent shall pay to the Board an administrative penalty of one thousand dollars (\$1,000.00), by certified funds, within twenty (20) days of the effective date of this Agreed Final Order (i.e. on or before</p>	<p><i>Complaint No.:</i> 13-215 & 13-236</p> <p><i>Reason for Complaint:</i> Thereafter, the complaint, numbered 13-215, was filed with the Board by staff. Thereafter, the complaint, numbered 13-236, was filed with the Board by ACT Appraisal. The Board investigated the complaints to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the Act) and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the Rules).</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (6). (2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(12) by making omissions of material fact.</p>

<p>CORNELIUS, George William Lic. # TX-1323630-G Crystal Beach</p>	<p><i>Board Action Taken:</i> The Board ORDERS:</p> <p>1. EDUCATION. On or before February 21, 2015. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. All classes required by this Order must be classes approved by the Board.</p> <p>a. A classroom course on USPAP, a minimum of fifteen (15) class hours, on or before February 21, 2015.</p> <p>b. A classroom course on Residential Case Studies, a minimum of fifteen (15) class hours, on or before February 21, 2015.</p> <p>c. A classroom course on Market Analysis, a minimum of fifteen (15) class hours, on or before February 21, 2015.</p>	<p><i>Complaint No.:</i> 13-269</p> <p><i>Reason for Complaint:</i> Thereafter, the complaint, numbered 13-269, was filed with the Board by Nancy Harris, the Property owner. The Board investigated the complaint to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (6).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(12) by making omissions of material fact.</p>
<p>CLEMMER, Burton Craig Lic. # TX-1320486-G Dallas</p>	<p><i>Board Action Taken:</i> The Board ORDERS that Respondent's Texas state certification (TX-1320486-G) is hereby suspended for twelve (12) months, beginning on February 21, 2014, with this suspension being fully probated under the following terms and conditions:</p> <p>1. EDUCATION. On or before February 21, 2015. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board.</p> <p>a. A classroom course on USPAP, a minimum of fifteen (15) class hours, on or before February 21, 2015.</p> <p>b. A classroom course on the Sales Comparison Approach, a minimum of fifteen (15) class hours, on or before February 21, 2015.</p> <p>c. A classroom course on Report Writing, a minimum of fifteen (15) class hours, on or before February 21, 2015.</p> <p>2. ADMINISTRATIVE PENALTY. On or before March 13, 2014. Respondent shall pay to the Board an administrative penalty of five hundred dollars (\$500.00), by certified funds, within twenty (20) days of the effective date of this Agreed Final Order (i.e. on or before March 13, 2014).</p>	<p><i>Complaint No.:</i> 13-240</p> <p><i>Reason for Complaint:</i> The complaint, numbered 13-240, was filed with the Board by Rels Valuation. The Board investigated the complaint to ensure compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the Act) and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the Rules).</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (6).</p> <p>(2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(12) by making omissions of material fact.</p>

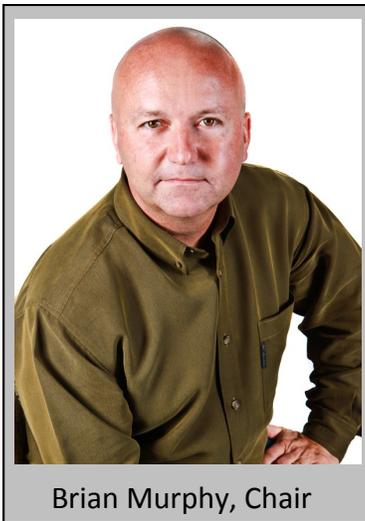
<p>CATECHIS, Christos Lic. # TX-1320570-R 1320570</p>	<p><i>Board Action Taken:</i> NOW, THEREFORE, IT IS ORDERED that certification number TX-1320570-R hereto issued to CHRISTOS CATECHIS, to practice real property appraisal in the State of Texas, be revoked without formal charges, notice of hearing, or a formal hearing.</p>	<p><i>Complaint No.:</i> 14-034 <i>Reason for Complaint:</i></p>	
<p>AKANJI, Lateef A. Lic. # TX-1335567-R Dallas</p>	<p><i>Board Action Taken:</i> The Board ORDERS that Respondent's Texas appraiser certification be suspended for a period of 12 months, effective 5:00 p.m. (CST) on February 21st, 2014 and ending on February 20th, 2015.</p> <p>IT IS FURTHER ORDERED that beginning at 5:00 p.m. (CST) on February 21st, 2014, the suspension is to be fully probated for the entire 12 months, ending on 5:00 p.m. (CST) on February 20th, 2015, subject to the following terms and conditions:</p> <p>1. EDUCATION. On or before November 21, 2014. Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board.</p> <p>a. Attend and complete a minimum (15) classroom course in USPAP.</p> <p>b. Attend and complete a minimum (7) classroom course in the sales comparison approach;</p> <p>i. No examination shall be required for this course;</p> <p>c. Attend and complete a minimum (14) classroom course in residential case studies;</p> <p>2. MENTORSHIP. On or before May 21, 2014. Respondent shall complete eight (8) hours of in-person mentorship conducted by a certified USPAP instructor approved by the Board in accordance with the schedule and topics set out below. The 8 hours of mentorship shall include:</p> <p>a. 4 hours in the selection and analysis of comparable sales; and,</p> <p>b. 4 hours in analyzing and supporting adjustments made in the sales comparison approach.</p> <p>3. NO TRAINEES. Respondent shall not sponsor or supervise any appraiser trainees for the duration of the above-referenced 12 month probation period.</p>	<p><i>Complaint No.:</i> 13-305 <i>Reason for Complaint:</i> Thereafter, a complaint was filed with the Board by Patty Drescher with Supreme Lending claiming the appraisal report contained various deficiencies.</p>	<p><i>Summary of Violations Found:</i> (1) Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a) (6). (2) Respondent violated 22 TEX. ADMIN. CODE § 153.20(12) by making material misrepresentations and material omissions of material fact.</p>

Inspector Insight



The Texas Real Estate Inspector Committee is as an advisory committee to the Texas Real Estate Commission on matters pertaining to the licensing and regulation of real estate inspectors. The Committee recommends rules and policies that ensure inspections meet high professional standards and enhance consumer protection.

Inside this Issue: From the Chair (page 1) Education Provider Update (page 2)



Brian Murphy, Chair

From the Chair...

The Inspector Committee met on February 3rd for another well-attended meeting to discuss current issues and rule proposals. Thank you to all who made time to attend and make your views known. We truly value the input we receive from inspectors, our professional associations, educators and others.

I had the great honor of being elected to serve as the Chair for the next year and I consider this service as a great privilege. Know that I am available to any inspector who wishes to communicate on any issue of concern to the industry and our unique role in the housing market. I welcome your contacts.

I trust all of you have become very familiar with the new Standards of Practice and associated Standard Report form. The Committee believes this careful update provides additional clarity and meaningful enhancements to the service level you provide to your customers, while retaining

the right to include important consumer notices about your services to your clients in the section for "Additional Information provided by the Inspector". Despite some recent publicity alleging "watering down" of the standards, we firmly believe the new standards provide more opportunities to convey relevant information to your clients in a manner that is less confusing and more helpful.

At our meeting, we voted to recommend to the Commission certain changes to the education rules that will assist new inspectors to provide better services to the public right away as they begin their career. This is accomplished primarily through an enhanced "ride-along" education program element that we hope to see more experienced inspectors and qualified instructors participate in. We are retaining the current options for an extended transition period as we work to build up the experienced instructor pool for this program.

You may also have seen that the Texas State Fire Marshall has a new public education campaign ongoing addressing the potential risks associated with corrugated stainless steel tubing (CSST), a material used in natural gas systems. Inspectors have no requirement to identify or report the type of gas distribution piping being used in a structure or report the presence of CSST in a structure. However Inspectors are required to report deficiencies in bonding and grounding within the electrical system, including bonding of CSST – if present. Expect to see some additional information being circulated about this product. Check out the information at <http://www.csstsafety.com/>

I look forward to working with all of you to continue to address the issues and concerns of the public and our industry. Our next meeting is on April 14th. We welcome your participation.

Important Dates to Remember

TREIC Education Subcommittee Meeting -
April 14

TREIC Enforcement Subcommittee Meeting -
April 14

TREIC Committee Meeting– April 14

Attention Inspector Education Providers

As reported in the last two editions of the TREC Advisor, amendments to §535.212 and §535.218 were adopted to comply with the new statutory education requirements established by HB 2911 and to develop a more comprehensive continuing education program for inspectors. Please reference past issues of the Advisor and TREC website for additional information regarding the specific amendments. This article focuses on the changes that apply specifically to educators.

Inspector Continuing Education Providers & Courses

Amendments to §535.218 include a process and requirements for approval of courses, providers, and instructors for real estate inspector continuing education. This process, for the most part, is the same as has been in effect for real estate continuing education for years.

- The process for the new inspector continuing education program became effective January 1, 2014.
- Letters were sent to providers of inspector courses to encourage them to submit Inspector Continuing Education (ICE) provider applications by February 14 if they want to continue to offer inspector continuing education courses for credit towards the renewal of an inspector license.
- As ICE courses expire or are updated, education providers are required to submit an ICE course application for review and approval.
- For credit to be awarded for the completion of an ICE course, a provider must become an approved ICE provider by submitting an ICE Provider Application (MCE ICE PA-0) and Principal Information form (MCE ICE PIF-0). Forms may be found at our website.

Inspector Continuing Education Instructors

It is the responsibility of the ICE provider to make

sure that the instructors used to teach these courses are qualified and that they can provide a copy of their approval letter from TREC indicating that they are approved as an instructor of Core (pre-license) inspector courses or approved as an ICE elective course instructor.

- Instructors who are qualified and interested in teaching ICE elective courses may apply by submitting the ICE Instructor Application (Form ICE-IAE-0).
- Instructors who are interested in teaching the Texas Standards of Practice Legal/Ethics Update course or ride along field inspection training course must meet more strict requirements and may apply by submitting the Instructor Application for Inspector Core and ICE Non-Elective Courses (INS ED INE-0).

Acceptable Inspector Core (Pre-License) Providers & Courses

Amendments to §535.212 included revisions to the pre-license education and experience requirements for the real estate inspector and professional inspector. These revisions were highlighted in the December 2013 issue of the TREC Advisor. We want to remind education providers of the following:

- Providers offering the 200 additional hours of core inspection courses must update these courses based on the January 1, 2014 rule requirements for them to be acceptable for pre-licensure credit.
- Providers must submit revisions to these courses on inspector course application forms which are located at the TREC website.

If you have any questions or need assistance locating a form, contact us at information@trec.texas.gov or 512-936-3000. TREC education forms can be found at www.trec.texas.gov.