

Our agency protects consumers of real estate services in Texas by ensuring qualified and ethical service providers through education, licensing, and regulation. We oversee the providers of real estate brokerage, appraisal, inspection, home warranty, right-of-way services, and timeshares, thereby safeguarding the public interest while facilitating economic growth and opportunity across Texas.

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Notice to Qualifying Education Providers Regarding Course Completion Certificates

Section 535.65(j) of the Rules of the Commission require that course completion certificates include the provider's name and approval number; the instructor's name and instructor license number assigned by the Commission; the course title; course number; the number of classroom credit hours; the printed name and signature of an official of the provider on record with the Commission; and the dates the student registered for, began and completed the course. Following inquiries from several providers, the Commission has determined that it can calculate compliance

with all required statutory time frames based on just two dates.

Effective immediately the Commission will accept certificates without the course registration date provided the certificate includes the date the student actually started the course and the date the student completed the course.

The Commission will propose a corresponding amendment to the rule at the May Commission meeting.

When Do You Deliver the IABS to Prospective Tenants?

The IABS must be delivered at the time of the first substantive communication regarding a specific property if the proposed transaction is for a lease for one year or more. If the proposed lease is for less than one year but a sale is also being considered, the IABS must still be delivered. So what constitutes a substantive communication in leasing? If the communication is made by a license holder and it relates to an act that requires licensure (e.g. marketing or showing a property, negotiating a lease), then it is a substantive communication. Communication by an

unlicensed assistant that does not relate to an activity that requires a license (e.g. confirming information advertised about a property), does not trigger delivery of the IABS. If you do not know whether the prospective tenant will be leasing for one year or a lesser period, the best practice is to give them the IABS. Remember, the purpose of the IABS is consumer education, so it is best to give it out an extra time or two than to not give it out timely when it turns out you should have done so.

From the Chair...

The Commission held its regular quarterly meeting on Monday February 8 with 100% of members in attendance. While it was a regularly scheduled quarterly meeting, with typical business of reports, rules and disciplinary matters, there were several firsts as well. This was the first time that license holders in attendance could receive continuing education credit for observing and participating in the practical and policy discussions which take place at this meeting. Thanks to those who made the time to be there. Because the TAR Winter meeting was in session, dozens of folks were in attendance who had never before had that opportunity. We hope that becomes an annual ritual for more of you.

At the meeting, Bill Jones was reelected as the Vice-chair and TJ Turner, an Austin attorney and public member, was elected as the Secretary. Thanks to each of them for stepping up to serve in this manner. We recognized outgoing Commissioners JoAnne Justice and Jamie Hensley for their service over 6 years and also welcomed new Commissioners Bob Leonard of San Antonio and Rayito Stephens of Pearland. Both were well prepared for this meeting and actively engaged, which we greatly appreciate.

A major topic of discussion leading up to our meeting was the proper use and disclosure of the new Consumer Protection Notice and the Information About Brokerage Services forms. More FAQs are being added to the website to ensure all of your questions are answered. Feel free to call if your specific question is not addressed and watch for more published information as we develop it. Thanks.

One of the other major items that has come up for discussion is how to best update the current rules regarding advertising. A draft potential rule was included in the materials for the meeting and on the agenda for discussion. After

review, the Executive Committee suggested that the draft be published on the TREC website and feedback solicited during the strategic planning listening tour. All agreed this would be a great way to engage the conversation before any rule-making steps are undertaken.

We also approved an agency policy allowing any lawful carry of a handgun on agency premises; but please note that under Texas law, carry is not allowed at posted Open Meetings such as ours. So if you come to a future meeting, please leave your handgun in your vehicle.

We then approved a list of topics and a schedule for our Strategic Planning process in 2016. More details are elsewhere in this newsletter. We strongly encourage each of you to either attend one of the nine "listening tour" locations across the state in March, or to go to our website and submit your comments via the online survey tool not later than April 18th (or both). We count on your thoughtful inputs to ensure that we are making fully informed policy recommendations.

For complete information on all the activities of the Commission on February 8th, please go to the website and watch the video of the meeting.



Avis Wukasch, Chair

IMPORTANT DATES TO REMEMBER

ESAC Committee Meeting—April 18

TREC Executive Committee Meeting—April 19

TREC Commission Meeting—May 2

Check the TREC website regularly for postings of all of our upcoming meetings.

Agency Strategic Planning Listening Tour Dates Announced

We are pleased to announce our biennial strategic planning listening tour. The following is a list of the remaining tour stop locations:

March 18th 10:00pm

[Waco Association of REALTORS](#)

March 22nd 10:00am

[Houston Association of REALTORS](#)

March 23rd 12:00pm

[McAllen Association of REALTORS](#)

March 24th 8:30am

[Harlingen Board of REALTORS](#)

March 24th 12:00pm

[Brownsville Board of REALTORS](#)

The purpose of these meetings will be to help guide the Commission and Board members during the strategic planning process. The agency has [published a list of questions on the website](#) which will act as a guideline for discussion for this year's tour. These discussions are meant to be an open forum to gain insight on the needs and preferences of

license holders and the public. Each session is planned for two hours and CE credit will be offered for license holders in attendance for the entire session.

In addition to the published questions, the Commission would like to hear license holder feedback on changes to its current advertising rule. Please give us your thoughts on the [draft new advertising proposal](#). Your input will be considered by the Commission's Executive Committee prior to proposal of an updated advertising rule.

Also, the Appraiser Qualifications Board (AQB) has published a [draft of several initiatives](#) it is considering to add more flexibility to appraiser qualifications. TALCB would like to hear your thoughts on these.

If you are unable to attend a listening tour session, feel free to submit your comments [via our online survey](#). Your responses are vital to this process.

TREC Enforcement Actions

The Texas Real Estate Commission has published enforcement actions. To read the full report and get access to all of the enforcement actions taken by the Commission, please go to the TREC website and click on, "Complaints, Consumer Info" and then [click "Disciplinary Actions"](#).

TREC Tip: Giving Us a Call

The RCS Division handles a high volume of calls. We want you to know, the greeting message does not provide the exact amount of time the caller should expect to hold. The average hold time is the average amount of time that callers have held for the day.

The best time to call is between 7:00 to 8:00 am or 5:00 to 6:00 pm. You also have the option to send an email to information@trec.texas.gov and should expect a response within two business days.

Your Broker is a Valuable Resource

As a sales agent, your broker is responsible for all of your brokerage activities. To make sure your broker ensures they are properly supervising you, they have put policies and procedures in place for you to follow. For example, if you engage in property management, your broker must maintain the trust account you use. These policies and procedures lay out what you can and cannot do while your broker sponsors you.

What you may not realize is that your broker is also a valuable resource to you and your real estate business. Your broker has completed additional education and has experience working as an agent that can be an asset to you. This additional training and experience means that your broker is familiar with the rules you must follow as an agent and can help you become a better sales agent.

Ways your broker is a valuable resource to you:

- Contract questions: The Commission can't advise you on how to fill out a contract, but your broker often can. If you are unsure about what a provision in a contract means or what form to use, your broker is a great resource.
- Advertising: Your broker is ultimately responsible for ensuring that your advertising is in compliance. If you aren't sure what should be in your advertising or if you can use an assumed business name, your broker can help you.
- Handling difficult clients and situations: A good way to avoid having a complaint filed against you is to be proactive. Your broker can give you strategies on how to handle a difficult situation before it gets out of hand.
- Many brokers provide extensive training opportunities to the sales agents they sponsor. Why not take advantage of your broker's knowledge and expertise before you run into a problem?

Rule actions from the February Meeting of the Commission

Adopted:

The following amendments or new rules were adopted at the February 8, 2016, meeting of the Commission and are effective February 29, 2016. You can see the full text of these rules on the "Recently Adopted Rules" section of the TREC Website.

§535.210, Fees (regarding inspectors). The amendments align the rule with statutory changes to Chapter 1101, Texas Occupations Code, adopted by the 84th Legislature, and rule changes to the education course delivery standards. A charge for providing certified copies of documents was also added.

Proposed:

The following amendments or new rules were proposed at the February 8, 2016, meeting of the Commission and are up for adoption at the May 2, 2016, meeting. You can see the full text of these rules on the "Proposed Rules" section of the TREC website.

§535.63, Approval of Instructors of Qualifying Courses. The proposed amendments clarify qualifications needed to become an approved instructor of a TREC approved adult instructor training course. This amendment was recommended by the Commission's Education Standards Advisory Committee.

§535.64, Content Requirements for Qualifying Real Estate Courses. The proposed amendments provide consistency and better quality in Property Management qualifying courses and are recommended by the Commission's Education Standards Advisory Committee.

§535.73, Approval of Elective Continuing Education Courses. The proposed amendments correct the language so that it will not be misinterpreted. The statute and the intention of the Commission was to limit the daily presentation to 10 hours, not limit the length of the entire course.

TREC Employee Anniversaries



Christine Anderson

5 Years

Christine Anderson has been with the agency for 5 years. She works as the agency's public affairs specialist, handling agency communications, public relations, press and also acts as the executive assistant to the administrator. Christine truly enjoys what she does and feels lucky she is able to help the public every day.



Catherine Sanchez

10 Years

Catherine has been with the agency in the Communications Department for 10 years. She works hard to ensure that each call is answered in a timely manner and provides accurate information to our license holders. Ms. Sanchez stated, "time flies by when you're doing what you enjoy best, interacting with the public."



Cindy Mahoney

15 Years

Cindy has been with the agency for 15 years. Cindy is a legal assistant and also serves as the Residential Service Company Ombudsman. She loves assisting the residents of Texas and loves her position here at TREC!



Angelo Jones

20 Years

Angelo has been with the agency for 20 years. In Feb. of 1996 she was hired to work in our support and staff services cashier department. Later, she held a position in our reception and communication services division before moving on to our standards and enforcement services division. Currently she is a legal assistant with job duties that include processing consumer complaints, drafting and preparing legal documents, and assisting attorneys with case management.



Sharon Harris

20 Years

Sharon has been employed as an attorney in the Standards & Enforcement Services division for over twenty years. As Deputy Director, Sharon assists the division's Director, oversees the application process in matters related to criminal convictions, represents the agency in contested hearings, and serves as the agency's expert witness. As a trained mediator, Sharon also serves the Commission in the fair and efficient resolution of many complaint matters. For over 32 years, Sharon has been in and around the real estate industry as a sales agent, a real estate broker, and a TREC employee. Sharon has great respect for the industry and enjoys her diverse position with the agency.

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.

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From the Chair...

The Board held its regular quarterly meeting on Friday February 19th with all members but one in attendance. While it was a typical meeting in many ways, it was also extraordinary in a MAJOR way – the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC) was in town for its once every two years, in-depth audit of our agency's operations. And we ACED it... they found no areas of non-compliance! For the first time ever, we should receive an EXCELLENT rating!

Congratulations are owed especially to our hard working staff who enabled us to shine so brightly. While we had a tremendous audit in 2014, a single statutory change that awaited the 2015 legislative session to amend – even while our rule and practice were in full compliance – prevented us from the highest possible rating. Well, this year we had no such technicality to hold us back. Great work by all!

At the meeting, Jim Jeffries was elected as the Vice-chair and new member Earl "Buster" Renfrow was elected as the Secretary. Thanks to each of them for stepping up to serve in this manner. We then recognized outgoing Board member Mark McAnally for his extraordinary service over 12 and a half years – the longest tenure in the Board's history. We also approved nine Peer Investigative Committee members for another two-year term. We really appreciate their assistance and perspective.

The Board adopted three new innovative rules at this meeting. First, allowing attendees at certain future meetings in February of each even-numbered year to receive up to four hours of ACE credit, and also permitting ACE credit to be awarded for certain presentations by Board members or staff. Secondly, for a modest fee, allowing licensed trainees to submit appraisal reports and work files for review by PIC members as a new training tool. And third, eliminating the necessity for appraisers seeking a license in Texas to produce proof of good standing if

licensed in another jurisdiction – since the National Registry now reliably provides the needed documentation.

We also approved an agency policy allowing any lawful carry of a handgun on agency premises; but please note that under Texas law, carry is not allowed at posted Open Meetings such as ours. So if you come to a future meeting, please leave your handgun in your vehicle.

We were also informed that the AQB has published a series of discussion items regarding potentially adding some flexibility to the education and experience requirements. We agreed that these topics should be published to seek feedback during our 2016 Strategic Planning process. We encourage each of you to either attend one of the nine "listening tour" locations across the state in March and participate in the conversation, or to go to our website and submit your comments via the online survey tool (or both). More details are elsewhere in this newsletter. Both the Board and AQB count on your thoughtful inputs to ensure better informed policy recommendations.

We are awaiting decisions by the Governor on appointment of several new members to serve on the Board. Until that happens, we will carry on to ensure Texas remains the example for others. Aim high!



Chair, Jamie Wickliffe

When Do I Have to Report an Appraiser to TALCB

Mandatory Reporting of an Appraiser to TALCB

There are mandatory reporting requirements under both Texas and Federal law that apply when you discover certain activity or actions by an appraiser. Some reporting requirements apply to Appraisal Management Companies (AMCs), and some apply to individual appraisers.

When do AMCs have to report?

Appraisal Management Companies are covered by Texas Occupations Code § 1104.160, which requires reporting when an AMC "has a reasonable basis to believe" that an appraiser is:

- failing to comply with USPAP "in a manner that materially affects a value conclusion,"
- violating applicable laws, or
- otherwise engaging in unethical or unprofessional conduct

Reporting is *not* satisfied by simply sending an email or placing a call to TALCB. The law requires that an official complaint form be completed and sent to TALCB. This form is available on [our website](#).

When do individual appraisers have to report?

Appraisers are covered by a federal regulation, 12 C.F.R. § 1026.42(g)(1), which requires reporting when one:

- reasonably believes an appraiser has not complied with USPAP or ethical or professional requirements, and
- it is likely to significantly affect the value assigned to the consumer's principal dwelling.

As you can see, the federal regulation for individual reporting only applies if the appraisal report covers a consumer's principal dwelling, and only if it is likely to significantly affect the value. However, we encourage you to notify us if you discover misconduct by an appraiser even if mandatory reporting is not required.

What happens when I report an appraiser?

Reporting an appraiser will not always result in disciplinary action against the appraiser, but it will usually trigger an investigation by Board staff. On the other hand, failing to report when it is required could result in disciplinary action against the person or entity who failed to report. In fact, the law provides for this possibility. See 22 TAC 159.201(1); 22 TAC 153.20(a)(1).

Because you are the "eyes and ears" of the profession on the ground, we rely on your cooperation to make sure that *all* appraisers are engaging in competent and honest work. This benefits the profession as a whole, as it helps us determine who simply needs more guidance on current requirements, and who might need disciplinary action to ensure the public is protected. In addition, it gives credibility and effectiveness to our enforcement program, which in turn reassures the Appraisal Subcommittee (our federal oversight body) that Texas continues to meet its regulatory obligations under federal law.

By helping ensure the same professional standards are upheld by all appraisers, you will help maintain and elevate the public's high opinion of appraisers, keep competition in the profession fair for all, and support the reasonableness of your professional fees.

TALCB Enforcement Actions

The Texas Appraiser Licensing and Certification Board publishes their enforcement actions regularly on the new TALCB website. To read the reports please go to the [TALCB website and click](#) on, public and disciplinary actions.

Rules Actions from the February 19th Board Meeting

The Board took the following actions regarding rules and forms at its meeting on February 19, 2016. You may review the full text of all rules actions on the Rules and Laws section of the TALCB website. The revised forms are available on the Forms section of the TALCB website.

ADOPTED RULES

The Board adopted a new rule and amendments to the following rules at its meeting on February 19, 2016. These amendments will take effect March 13, 2016.

22 TAC §153.18, Appraiser Continuing Education (ACE)

The amendments to this rule add additional opportunities for appraiser license holders to obtain continuing education credits consistent with criteria established by the Appraiser Qualifications Board and statutory changes to

Chapter 1103, Texas Occupations Code, adopted by the 84th Legislature.

22 TAC §153.22, Voluntary Appraiser Trainee Experience Reviews

This new rule establishes a voluntary program through which an appraiser trainee may receive feedback about their appraisal work product from the Board before submitting an application for licensure.

22 TAC §153.27, License by Reciprocity

The amendments to this rule streamline the Board's process for verifying an applicant's licensure in another state and will lower the cost and simplify the application process for applicants who apply for a license under this section.

FORMS

The Board took no action regarding forms at its meeting on February 19, 2016.

TALCB Employee Update



Mark Lee

TALCB Standards & Enforcement Services

Mark joined TALCB in February 2016 as its new Staff Attorney, where he will assist the Director in resolving licensing and complaint issues. Mark previously worked as a Hearing Officer for the Texas Workforce Commission, and prior to that he was in private law practice with a significant amount of consumer protection cases. Law is Mark's third profession, having started out as a naval officer and also doing engineering for IBM, Lockheed, and for armed forces research facilities. Mark grew up in the northeast, but got to Texas as quickly as he could. He has resided in and around Austin since 1992. He has a bachelor's in Electrical & Computer Engineering from Drexel University, and went to Baylor Law School.

IMPORTANT DATES TO REMEMBER

TALCB AQB Background Check Working Group—March 17

TALCB Executive Committee Meeting—March 31

TALCB Board Meeting—May 13

Check the TALCB website regularly for postings of all of our upcoming meetings.

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: Public Member Needed for Inspector Committee (page 1)

Have You Thought About Being a Ride-Along Instructor? (page 1) From the Chair (page 2)

Public Member Needed for Inspector Committee

The Texas Real Estate Commission invites interested persons to apply for appointment to an open public member position on the Texas Real Estate Inspector Committee.

The inspector committee is an advisory committee consisting of both inspector and public members. Its purpose is to make recommendations to the Commission regarding a variety of inspection-related matters with the goal of ensuring a high degree of service to, and protection of, the public. Public members serve for two-year terms.

Individuals wishing to be considered for appointment as a public member cannot hold occupational licenses in the real estate field (e.g. appraiser, real estate broker or sales agent,

mortgage broker, etc.); however, a municipal development planner, construction or safety code enforcement official, commercial banker, CPA or attorney is permitted. The committee is permitted to meet via teleconference, however, some travel to Austin may be necessary. While committee members can be reimbursed for travel expenses, members are not compensated for their time.

Individuals wishing to be considered for appointment as a public member of the committee should send a letter of interest and a current resume to the Texas Real Estate Commission, Attn: Executive Director Douglas Oldmixon, PO Box 12188 Austin, TX 78711-2188 or by e-mail to executivedirector@trec.texas.gov.

Have you thought about being a Ride-Along Instructor?

As of March 1, inspector applicants are required to complete some hands on training via an in-person ride-along course. This allows an applicant to witness inspections and learn about the process first hand with an experienced inspector. An inspector conducting a ride-along inspection for an applicant also benefits. Not only is the inspector able to earn money for conducting the ride-along, that inspector is also eligible to receive continuing education credit.

If you have five years of active licensure as a Texas professional inspector, have performed a minimum of 200 inspections as a Texas professional inspector, and have three years of experience in teaching and/or sponsoring trainees or inspectors, you qualify to be a ride-along instructor. There is a particular need for instructors to conduct ride-along inspections in West Texas and the Valley. You can find the [application form](#) and more information about this opportunity on the [TREC website](#).

From the Chair...

The Inspector Committee met on Monday, February 1 at the agency headquarters in Austin. One main focus of the meeting was the election of officers for the upcoming year. I was reelected as the Chair of the Committee and am honored to serve again in this capacity. Lee Warren was reelected as Vice-chair and Dianna Rose was reelected as Secretary. I am committed, as I am sure all members of the Committee are, to continue to do my very best to keep the Committee moving forward in a productive manner, taking all viewpoints into account as we make important recommendations to the Commission.

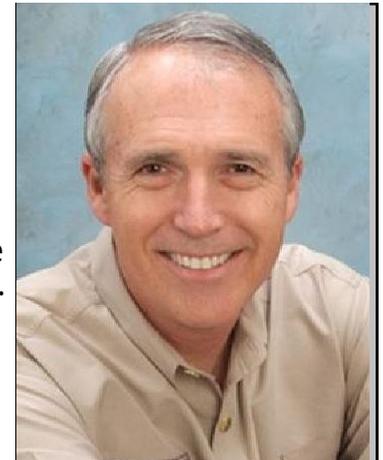
With that in mind, I want to encourage you to attend one of the stops on the agency's biennial strategic planning listening tour. This listening tour is something the agency does every non-legislative year in preparation for updating the agency's 5-year strategic plan. It allows the agency to get input directly from stakeholders across the state. This is the perfect opportunity to provide feedback directly to the Commission and the executive director. (We'll add a link to the website page with schedule and topics.)

Remember you are always invited to attend our Committee meetings. Meetings of the full

Committee are also video recorded and available for viewing from a link on the meetings page of the Commission website. If you can't attend, I encourage you to watch the meetings and provide feedback to the Committee on any issue or concerns you may have. Your involvement is essential to keeping the Committee informed of the issues impacting the industry and the consumers of Texas.

Over the next year, the Committee will continue to examine ways to improve inspector education. The Committee will be reviewing the education requirements to obtain a license in Texas, focusing on reducing redundancy in qualifying courses where applicable, and moving the emphasis onto the quality of education, rather than the quantity of hours.

Additionally, the Standards of Practice Subcommittee will be continuing its work reviewing the Standards of Practice to ensure they adequately cover the scope of items that are reasonably necessary for consumers to make informed purchase and sale decisions. As always, thank you for all you do to ensure the Committee and Commission remain true to their charge to protect and serve the people of Texas.



Steven Rinehart, Chair

IMPORTANT DATES TO REMEMBER

TREIC Committee Meeting— April 18, 2016

Check the [TREC website](#) regularly for postings of all of our upcoming meetings.