



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: Strategic Plan Update (page 1), From the Administrator (page 2), Agency Staffing Updates (page 3), Rule Actions (page 4), TREC Enforcement Matters (page 6)

Strategic Plan Update and Forecast

The agency is partway through our strategic planning process. First, a big "thank you" to the local boards in Houston, San Antonio, El Paso, Arlington, San Angelo and Austin who each hosted a 2-3 hour "listening tour" session. Each was well attended and included lively discussions of a variety of subjects. This interaction is critical to the success of the process and we truly appreciate all who attended. Over 100 license holders also offered input via the online survey.

The improvement of real estate and inspector education remains the overwhelming focus of comments and concerns. While Texas has the highest number of hours in the USA required prior to issuing a license, continued concerns exist regarding the quality of the content, the effectiveness of various delivery models, and the preparedness of instructors. These concerns are shared for some of the areas of continuing edu-

cation as well and you can expect to see some of the potential solutions discussed at these sessions develop into recommendations and proposals to be considered by the agency's policy making bodies.

The agency has found that is the most effective way to deliver well thought-out public policy is to identify problems, listen to and receive informal input from a large number of stakeholders, consider a variety of potential solutions, reach general consensus on a recommendation, propose rules, receive formal input and feedback, tailor proposals to respond to legitimate concerns, adopt the rules and implement them efficiently. Repeat as often as required to protect consumers and ensure professionalism. Thank you for helping us to remain securely on this path. Your participation is crucial to this agency.

Keeping the "fair" in Fair Housing

The idea behind Fair Housing is to ensure that prohibited discrimination does not serve as an obstacle to housing choice. As April is Fair Housing Month, it's a good time to ensure your knowledge of the federal Fair Housing Act.

The law prohibits discrimination in the sale, rental and financing of housing units, as well as in other housing-related transactions based on:

- Race
- Color
- National origin
- Religion
- Sex (gender)
- Handicap (disability)
- Familial status

Seems simple enough, but real estate professionals who do

not follow the law can find themselves in serious trouble. How? Some of the more common problem areas involve:

- Refusing to rent or sell housing
- Refusing to negotiate for housing
- Making housing unavailable
- Setting different terms, conditions, or privileges in the sale or rental of a dwelling
- Falsely stating that housing is unavailable for inspections, sale, or rent
- Making discriminatory statements regarding the availability of a unit
- Steering families with children or people with disabilities to the first floor

Still have questions about Fair Housing? Details are available at HUD.GOV.

From the Administrator

While spring is technically in full swing, the weather continues to be a bit unexpected in central Texas. I hope it is more predictable in your part of our great state. But I know three things that can be counted on - tax returns are due on April 15, Texas' economy and real estate are improving, and this agency continues to develop more effective tools to protect Texans and provide better services to our license holders.

An important piece of this agency's reliability is our stakeholders' high level of involvement in our biennial 5-year strategic plan development. Please read the separate article in this newsletter concerning this vital process. Thanks.

Since our last meeting, the agency has had a trio of long time team members announce their retirement. Pat Holder and Debbie Orosco retired in March and Mary Murphy will be retiring at the end of April. While we will miss them, we wish them well in their next phase of life and welcome the energy and ideas of newly recruited replacements. Every organization must plan for these changes and we do, allowing us to forge ahead on our mission with our philosophy and

WHO CAN SIGN A CHECK?

Last issue we discussed trust accounts. This month, let's talk about who can sign checks for trust and operating accounts. When it comes to a trust account, a broker may designate another person as a signatory on the account, but remains fully responsible. Rule §535.2(c).

Here's a quick recap of how we define trust funds: money that a license holder accepts belonging to others that is held in a fiduciary capacity. That money must be kept in a broker trust account. Rule §535.146(a). And while a salesperson may not have his or her own trust account – remember only a broker can hold a trust account – a broker may designate a salesperson as an authorized signatory on the broker's trust account. Rule §535.146(b). But the broker remains fully responsible for all activity regarding the account.

values secure.

The Commission will meet next on April 28 at 10 AM in Room 170 of the Stephen F. Austin State Office Building. If you cannot attend in person, please go to our website and watch our live webstream on that day. Agenda and materials are also available there. Tune in and stay involved.



Douglas E. Oldmixon

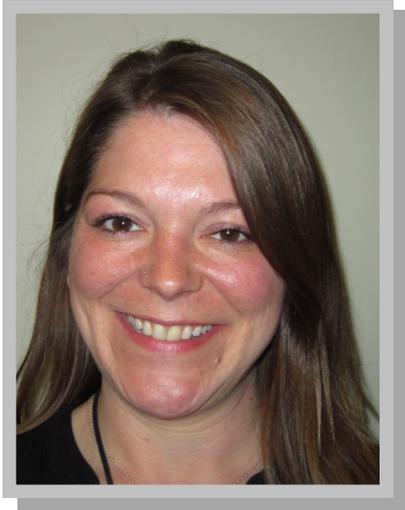
The Chair, General Counsel and I just returned from the ARELLO Midyear meeting. This meeting always provides a great opportunity to hear about what other states and nations are doing in public policy. Others are always interested in what Texas is doing, and we enjoy a great reputation for well-considered advancements in many areas of concern – especially professional standards and education. We will always work hard to uphold that reputation.

A trust account differs from an operating account because an operating account typically involves money that belongs to the business itself or the owner and does not include money belonging to another person that is held in a fiduciary capacity. Take for example the bank account from which you pay your office expenses - rent, utility bills, or employee salaries. An unlicensed person may be a signatory on an operating account.

Important Dates to Remember

TREC Commission Meeting—April 28

ESAC Committee Meeting—July 8



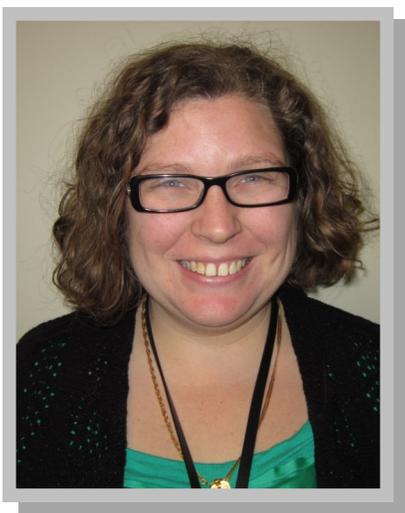
Stacey Cathey

Stacey joined TREC as an Education Specialist I on March 17, 2014. Stacey has held various administrative assistant positions over the years. For the past five years she has maintained Jerry Jeff Walker's Publishing and Music Labels, managed his royalties and online sales. In her free time she enjoys DIY household projects and hiking with her husband and their Standard Poodle, Bananas.



Brenda Kizsee

Brenda joined TREC as a Legal Assistant II in Standards & Enforcement Services on March 17, 2014. Before joining TREC, Brenda worked for the Travis County Juvenile Probation Office as their Administrative Assistant to the Director in the Special Services Division for over a year. She decided to return to State Government where she has over 22 years of service. She enjoys playing cards, dominoes and most of all spending time with her family which includes 12 grandchildren.



Jeni Fred

Jeni Fred joined TREC as an Education Specialist I on April 1, 2014. Jeni graduated from UT Arlington with a B.A. in English in 2006, and she is currently pursuing a MFA in creative and professional writing at Western Connecticut State University. Before coming to TREC, Jeni was the full-time keeper of the ELF (her small humanoid) and before that she worked as a legal assistant II for the Texas Commission on Environmental Quality. In her spare time, Jeni enjoys reading, writing, blogging, teaching online writing classes, and playing with her daughter, Emily.

of the Commission

PROPOSED RULES

The following rules were proposed at the February 10, 2014 meeting of the Commission and are on the agenda for adoption by the Commission at the upcoming April 28th, 2014 meeting.

§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, Cannons of Professional Ethics and Conduct

The amendments are proposed 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**

<i>Name & Location</i>	<i>Order</i>	<i>Basis for Order</i>			
<p>Case#: 131743 KELLEY, JOHN (license # 0) None LAREDO(WEBB) Effective Date: 2/14/2014</p> <table border="1" data-bbox="61 453 224 548"> <tr><td>Violation(s)</td></tr> <tr><td>1101.351(a)</td></tr> </table>	Violation(s)	1101.351(a)	<p>Agreed to cease and desist from engaging in all activities for which a person must first hold a real estate broker or salesperson license. Agreed administrative penalty of \$1,000.00.</p>	<p>Consumer Complaint Respondent engaged in unlicensed property management activity.</p>	
Violation(s)					
1101.351(a)					
<p>Case#: 131421 BEGGS, KIMBERLY ANN (license # 506865) Real Estate Broker / Salesperson-I HOUSTON(HARRIS) Effective Date: 2/18/2014</p> <table border="1" data-bbox="61 846 293 989"> <tr><td>Violation(s)</td></tr> <tr><td>22 TAC 535.002(a)</td></tr> <tr><td>22 TAC 535.002(i)</td></tr> </table>	Violation(s)	22 TAC 535.002(a)	22 TAC 535.002(i)	<p>Agreed reprimand of broker. Agreed administrative penalty of \$1,000.00.</p>	<p>Consumer Complaint Respondent did not have written office policies or procedures in place until January 2013, and did not provide training, advice, or supervision for her sponsored salesperson.</p>
Violation(s)					
22 TAC 535.002(a)					
22 TAC 535.002(i)					
<p>Case#: 130680 ALLEGRO, JOHN M (license # 298210) Real Estate Broker / Salesperson-I DALLAS(DALLAS) Effective Date: 2/18/2014</p> <table border="1" data-bbox="61 1276 313 1419"> <tr><td>Violation(s)</td></tr> <tr><td>1101.558(c)</td></tr> <tr><td>1101.558(d)</td></tr> </table>	Violation(s)	1101.558(c)	1101.558(d)	<p>Agreed reprimand of broker. Agreed administrative penalty of \$1,000.00.</p>	<p>Consumer Complaint Respondent failed to follow appropriate steps to represent lessee and lessor in lease transaction.</p>
Violation(s)					
1101.558(c)					
1101.558(d)					
<p>Case#: 140553 GAIRE, SATISH (license # 0) None DALLAS(DALLAS) Effective Date: 2/21/2014</p> <table border="1" data-bbox="61 1665 302 1759"> <tr><td>Violation(s)</td></tr> <tr><td>1101.351(a)</td></tr> </table>	Violation(s)	1101.351(a)	<p>Agreed to cease and desist from engaging in all activities for which a person must first hold a real estate broker or salesperson license. Agreed administrative penalty of \$1,000.00.</p>	<p>Consumer Complaint Respondent engaged in real estate brokerage services for another in exchange for or with the expectation of receiving a fee or other valuable consideration by procuring real estate prospects for license holders and by procuring prospects to lease real estate without first holding an active license or a license issued by the Commission.</p>	
Violation(s)					
1101.351(a)					

<i>Name & Location</i>	<i>Order</i>	<i>Basis for Order</i>				
<p>Case#: 130001 QUINONES, SUSAN MARIE (license # 492186) Real Estate Broker / Salesperson-I COPPERAS COVE(CORYELL) Effective Date: 1/24/2014</p> <table border="1" data-bbox="58 489 396 678"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(b)(01)</td></tr> <tr><td>1101.652(b)(09)</td></tr> <tr><td>22 TAC 535.146(d) (1/11)</td></tr> </table>	Violation(s)	1101.652(b)(01)	1101.652(b)(09)	22 TAC 535.146(d) (1/11)	<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 provide evidence of completion of 30 hours in a property management course.</p>
Violation(s)						
1101.652(b)(01)						
1101.652(b)(09)						
22 TAC 535.146(d) (1/11)						
<p>Case#: 131846 HENDERSON, CARL ARTHUR (license # 508923) Real Estate Broker / Salesperson-I ARLINGTON(TARRANT) Effective Date: 2/27/2014</p> <table border="1" data-bbox="58 940 371 1035"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(a)(01)</td></tr> </table>	Violation(s)	1101.652(a)(01)	<p>Agreed ten-year suspension of salesperson license fully probated for ten years.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense.</p>		
Violation(s)						
1101.652(a)(01)						
<p>Case#: 130621 HAMILTON, RICKY PAUL (license # 9036) Inspector-I BURLESON(JOHNSON) Effective Date: 2/20/2014</p> <table border="1" data-bbox="58 1266 406 1407"> <tr><th>Violation(s)</th></tr> <tr><td>22 TAC 535.220(a)</td></tr> <tr><td>22 TAC 535.220(c)</td></tr> </table>	Violation(s)	22 TAC 535.220(a)	22 TAC 535.220(c)	<p>Automatic suspension of professional inspector 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)						
22 TAC 535.220(a)						
22 TAC 535.220(c)						
<p>Case#: 140279 WINSKI, JESSICA JEAN (license # 533278) Real Estate Broker / Salesperson-I MONTGOMERY(MONTGOMERY) Effective Date: 2/21/2014</p> <table border="1" data-bbox="58 1785 313 1879"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(a)(01)</td></tr> </table>	Violation(s)	1101.652(a)(01)	<p>Agreed three-year suspension of salesperson license fully probated for three years.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense.</p>		
Violation(s)						
1101.652(a)(01)						

<i>Name & Location</i>	<i>Order</i>	<i>Basis for Order</i>		
<p>Case#: 130940 MARTINEZ, JESSICA (license # 626244) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR) Effective Date: 2/10/2014</p> <table border="1" data-bbox="61 491 378 575"> <tr> <td>Violation(s)</td> </tr> <tr> <td>1101.652(a)(10)</td> </tr> </table>	Violation(s)	1101.652(a)(10)	<p>Probation revoked. Revocation of salesperson license.</p>	<p>Administrative Complaint Respondent failed to comply with the terms of a probationary license by failing to provide required reference letters to the Commission.</p>
Violation(s)				
1101.652(a)(10)				
<p>Case#: 140294 GUEVARA, DIEGO (license # 638144) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR) Effective Date: 2/14/2014</p>	<p>Agreed seven-year probationary 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>		
<p>Case#: 140792 APPLEBY, ROBERT BENJAMIN (license # 519436) Real Estate Broker / Salesperson-I DALLAS(DALLAS) Effective Date: 2/25/2014</p>	<p>Agreed two-year probationary salesperson license issued.</p>	<p>Applications Applicant conducted brokerage activities through a real estate broker without holding a real estate license. Applicant demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson.</p>		
<p>Case#: 140757 REALTY ONE DFW, LLC (license #) None FLOWER MOUND(DENTON) Effective Date: 3/18/2014</p> <table border="1" data-bbox="61 1713 407 1797"> <tr> <td>Violation(s)</td> </tr> <tr> <td>1101.351(a-1)</td> </tr> </table>	Violation(s)	1101.351(a-1)	<p>Agreed to cease and desist from engaging in all activities for which a person must first hold a real estate broker or salesperson license. Agreed administrative penalty of \$1,000.00.</p>	<p>Consumer Complaint Respondent conducted real estate brokerage activities without a real estate license by performing acts in Texas constituting an act of a broker or salesperson as defined under Tex. Occ. Code §1101.002(1).</p>
Violation(s)				
1101.351(a-1)				

<i>Name & Location</i>	<i>Order</i>	<i>Basis for Order</i>			
<p>Case#: 121487 KING, CHARLENE STARK (license # 325865) Real Estate Broker / Salesperson-I BOERNE(KENDALL) Effective Date: 3/4/2014</p> <table border="1" data-bbox="82 478 427 621"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(b)(01)</td></tr> <tr><td>1101.652(b)(09)</td></tr> </table>	Violation(s)	1101.652(b)(01)	1101.652(b)(09)	<p>Agreed reprimand of broker. Agreed administrative penalty of \$1,000.00. Agreed completion of 30 classroom hours in a property management course due on or before June 10, 2014.</p>	<p>Consumer Complaint When Owner terminated the property management agreement, Respondent failed to properly account for the tenant security deposits due to the owner within a reasonable time and made improper deductions.</p>
Violation(s)					
1101.652(b)(01)					
1101.652(b)(09)					
<p>Case#: 131421 CHALAS, TONY C (license # 405883) Real Estate Broker / Salesperson-I SPRING(MONTGOMERY) Effective Date: 3/3/2014</p> <table border="1" data-bbox="82 884 422 1026"> <tr><th>Violation(s)</th></tr> <tr><td>1101.651(b)</td></tr> <tr><td>1101.652(a)(03)</td></tr> </table>	Violation(s)	1101.651(b)	1101.652(a)(03)	<p>Agreed four-year suspension of salesperson license fully probated for four years. Agreed administrative penalty of \$4,000.00.</p>	<p>Consumer Complaint Respondent posted a for sale sign representing himself as owner although he did not own the property. Respondent showed the property to prospective buyers and accepted a \$5,000 check, intended as a down payment, made out to his company. Respondent did not sell the property to prospective buyers but he did not return the check. Prospective buyers later signed a buyers representation agreement with Respondent, by and through his sponsoring broker, that provided that they would pay a \$5,000.00 flat fee for services. Respondent deposited the \$5,000 check from prospective buyers into the bank account of his company.</p>
Violation(s)					
1101.651(b)					
1101.652(a)(03)					
<p>Case#: 140049 SAIE, BABAK ATTAYI (license # 552623) Real Estate Broker / Salesperson-I HOUSTON(HARRIS) Effective Date: 3/4/2014</p> <table border="1" data-bbox="82 1440 433 1583"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(a)(03)</td></tr> <tr><td>22 TAC 535.144(b)</td></tr> </table>	Violation(s)	1101.652(a)(03)	22 TAC 535.144(b)	<p>Agreed reprimand of salesperson. Agreed administrative penalty of \$1,500.00.</p>	<p>Consumer Complaint Respondent prepared a lease agreement and named his mother as the landlord even though the property was owned by Respondent's wife. Respondent also misrepresented to tenants that the property was owned by Respondent's aunt, not his wife. Respondent failed to disclose in writing that he was a license holder acting on behalf of his spouse.</p>
Violation(s)					
1101.652(a)(03)					
22 TAC 535.144(b)					
<p>Case#: 110777,110219,110314 JUPE, TAMMY FELIECE (license # 443743) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR) Effective Date: 3/5/2014</p> <table border="1" data-bbox="82 1843 410 1940"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(b)(09)</td></tr> </table>	Violation(s)	1101.652(b)(09)	<p>Revocation of broker license. Assessment of an administrative penalty of \$32,500.00</p>	<p>Consumer Complaint Respondent entered into multiple property management agreements. Respondent kept rent and other money that she held in trust for multiple owners. Respondent failed within a reasonable time to properly account for money that was received by the license holder and that belonged to other persons. Respondent also commingled money that belonged to other persons with the licensee holder's own money.</p>	
Violation(s)					
1101.652(b)(09)					

<i>Name & Location</i>	<i>Order</i>	<i>Basis for Order</i>				
<p>Case#: 130388 GARZA, ALBERT (license # 552050) Real Estate Broker / Salesperson-I MCALLEN(HIDALGO) Effective Date: 3/10/2014</p> <table border="1" data-bbox="61 516 406 705"> <thead> <tr> <th>Violation(s)</th> </tr> </thead> <tbody> <tr> <td>1101.651(b)</td> </tr> <tr> <td>1101.652(a)(05)</td> </tr> <tr> <td>1101.652(a)(06)</td> </tr> </tbody> </table>	Violation(s)	1101.651(b)	1101.652(a)(05)	1101.652(a)(06)	<p>Agreed two-year suspension of broker license fully probated for two years. Agreed administrative penalty of \$5,000.00.</p>	<p>Consumer Complaint Respondent closed on several transactions where he represented buyers and sellers in the purchase, sale or lease of property. Respondent received the commission directly without permission from his sponsoring broker. Respondent failed or refused to produce on request, for inspection by the Commission or a Commission representative, a document, book, or record that is in the license holder's possession and relates to a real estate transaction conducted by the license holder. Respondent failed to provide, within a reasonable time, information requested by the Commission that relates to a formal or informal complaint to the Commission.</p>
Violation(s)						
1101.651(b)						
1101.652(a)(05)						
1101.652(a)(06)						
<p>Case#: 130832,131708 JIMENEZ, SONNY ALLEN (license # 549644) Real Estate Broker / Salesperson-I HOUSTON(HARRIS) Effective Date: 3/15/2014</p> <table border="1" data-bbox="61 1119 412 1262"> <thead> <tr> <th>Violation(s)</th> </tr> </thead> <tbody> <tr> <td>1101.652(b)(02)</td> </tr> <tr> <td>1101.652(b)(23)</td> </tr> </tbody> </table>	Violation(s)	1101.652(b)(02)	1101.652(b)(23)	<p>Agreed one-year suspension of broker license fully probated for one year. Agreed administrative penalty of \$3,000.00.</p>	<p>Consumer Complaint Respondent represented buyers and prepared a sales contract and short sale addendum which buyers and sellers executed. Respondent misrepresented to his clients that the sellers were bound by the contract to sell the property when in fact it was contingent upon approval by sellers' lienholder. Respondent misrepresented to the title company that buyers would pay cash for the property. Respondent misrepresented to the seller's real estate agent and to the sellers' lienholder that buyers were contemplating legal action against the sellers. Respondent's website contained reviews and articles which had been copied verbatim from other sources, including a real estate website of real estate agents in Eugene, Oregon, and no credit was given to those sources.</p>	
Violation(s)						
1101.652(b)(02)						
1101.652(b)(23)						
<p>Case#: 131740 PRICE, LEE (license # 431170) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR) Effective Date: 3/28/2014</p> <table border="1" data-bbox="61 1782 386 1925"> <thead> <tr> <th>Violation(s)</th> </tr> </thead> <tbody> <tr> <td>1101.652(b)(11)</td> </tr> <tr> <td>1101.652(b)(26)</td> </tr> </tbody> </table>	Violation(s)	1101.652(b)(11)	1101.652(b)(26)	<p>Agreed reprimand of broker. Agreed administrative penalty of \$3,000.00. Agreed completion of a 30 hour real estate brokerage course on or before July 1, 2014. Agreed completion of 30 hour property management course on or before October 1, 2014.</p>	<p>Consumer Complaint Respondent associated with an unlicensed entity that acted as a license holder. Respondent split commissions and fees for compensation for services as a real estate agent with the unlicensed entity.</p>	
Violation(s)						
1101.652(b)(11)						
1101.652(b)(26)						

<i>Name & Location</i>	<i>Order</i>	<i>Basis for Order</i>				
<p>Case#: 131740 J & L COMBS ENTERPRISES INC (license # 0) None SAN ANTONIO(BEXAR) Effective Date: 3/28/2014</p> <table border="1" data-bbox="58 457 407 596"> <tr><th>Violation(s)</th></tr> <tr><td>1101.351(a-1)</td></tr> <tr><td>1101.652(a)(02)</td></tr> </table>	Violation(s)	1101.351(a-1)	1101.652(a)(02)	<p>Agreed reprimand of broker. Agreed administrative penalty of \$2,000.00.</p>	<p>Consumer Complaint Respondent conducted real estate brokerage activities without a real estate license by negotiating the lease of real estate; procuring, or assisting in procuring, prospects and property to lease real estate; and by controlling the acceptance or deposit of rent from residents of single-family residential real property. Respondent, through its designated broker, filed an application for a real estate broker license by a business entity with the Commission, which was approved. Respondent made material misstatements of fact in its application.</p>	
Violation(s)						
1101.351(a-1)						
1101.652(a)(02)						
<p>Case#: 130680 ALLEGRO, JOHN M (license # 298210) Real Estate Broker / Salesperson-I DALLAS(DALLAS) Effective Date: 3/18/2014</p> <table border="1" data-bbox="58 974 394 1108"> <tr><th>Violation(s)</th></tr> <tr><td>1101.558(c)</td></tr> <tr><td>1101.558(d)</td></tr> </table>	Violation(s)	1101.558(c)	1101.558(d)	<p>Automatic suspension of broker license until payment in full of the administrative penalty.</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)						
1101.558(c)						
1101.558(d)						
<p>Case#: 140694 TRUETT, PAUL MOSER IV (license # 477059) Real Estate Broker / Salesperson-I BELTON(BELL) Effective Date: 3/24/2014</p> <table border="1" data-bbox="58 1369 397 1558"> <tr><th>Violation(s)</th></tr> <tr><td>1101.652(a)(01)</td></tr> <tr><td>1101.652(a)(06)</td></tr> <tr><td>1101.652(a)(09)</td></tr> </table>	Violation(s)	1101.652(a)(01)	1101.652(a)(06)	1101.652(a)(09)	<p>Revocation of broker license. Assessment of an administrative penalty of \$5,000.00.</p>	<p>Administrative Complaint Respondent pled guilty to a felony offense. Respondent failed to provide, within a reasonable time, information requested by the Commission that relates to a formal or informal complaint to the Commission. Respondent failed to notify the Commission within 30 days after entry of a plea of guilty to a felony offense.</p>
Violation(s)						
1101.652(a)(01)						
1101.652(a)(06)						
1101.652(a)(09)						
<p>Case#: 131741 TONTHAT, MYHANH N (license # 408046) Real Estate Broker / Salesperson-I SUGAR LAND(FORT BEND) Effective Date: 3/5/2014</p> <table border="1" data-bbox="58 1818 422 1915"> <tr><th>Violation(s)</th></tr> <tr><td>1101.655</td></tr> </table>	Violation(s)	1101.655	<p>Revocation of broker license.</p>	<p>Administrative Complaint Respondent failed to repay the Commission for payment of \$50,000.00 plus interest made from the Real Estate Recovery Trust Account towards satisfaction of a judgment.</p>		
Violation(s)						
1101.655						

<i>Name & Location</i>	<i>Order</i>	<i>Basis for Order</i>					
<p>Case#: 140780 HOGAN, KENNETH EARLE (license # 382084) Real Estate Broker / Salesperson-I ABILENE(TAYLOR) Effective Date: 3/5/2014</p> <table border="1" data-bbox="61 508 423 604"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.655</td> </tr> </table>	Violation(s)	1101.655	<p>Agreed revocation of broker license fully probated for three months, or until the date the Real Estate Recovery Trust Account is repaid in full, whichever occurs first.</p>	<p>Administrative Complaint Respondent failed to repay the Commission for payment of \$16,752.45 plus interest made from the Real Estate Recovery Trust Account towards satisfaction of a judgment.</p>			
Violation(s)							
1101.655							
<p>Case#: 140780 THOMAS, SUSAN MARIE (license # 498334) Real Estate Broker / Salesperson-I TUSCOLA(BREWSTER) Effective Date: 3/5/2014</p> <table border="1" data-bbox="61 871 428 968"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.655</td> </tr> </table>	Violation(s)	1101.655	<p>Agreed revocation of salesperson license fully probated for 3 months, or until the date the Real Estate Recovery Trust Account is repaid in full, whichever occurs first.</p>	<p>Administrative Complaint Respondent failed to repay the Commission for payment of \$16,752.45 plus interest made from the Real Estate Recovery Trust Account towards satisfaction of a judgment.</p>			
Violation(s)							
1101.655							
<p>Case#: 131316,111257,120133,120905 MASSIE, BRITT JOSEPH (license # 424587) Real Estate Broker / Salesperson-I EDINBURG(HIDALGO) Effective Date: 3/5/2014</p> <table border="1" data-bbox="61 1230 431 1465"> <tr> <th>Violation(s)</th> </tr> <tr> <td>1101.652(a)(01)</td> </tr> <tr> <td>1101.652(a)(02)</td> </tr> <tr> <td>1101.652(a)(09)</td> </tr> <tr> <td>1101.655</td> </tr> </table>	Violation(s)	1101.652(a)(01)	1101.652(a)(02)	1101.652(a)(09)	1101.655	<p>Revocation of salesperson license. Assessment of an administrative penalty of \$15,000.00.</p>	<p>Administrative Complaint Respondent pled guilty to two felony offenses. Respondent failed to notify the Commission within 30 days after entry of pleas of guilty to the felony offenses and failed to disclose this in his application for real estate broker license. Respondent failed to repay the Commission for a payment of \$100,000.00 made from the Real Estate Recovery Trust Account towards satisfaction of a judgment.</p>
Violation(s)							
1101.652(a)(01)							
1101.652(a)(02)							
1101.652(a)(09)							
1101.655							
<p>Case#: 141051,131740 COMBS, LINDA (license # 639573) Real Estate Broker / Salesperson-I SAN ANTONIO(BEXAR) Effective Date: 3/28/2014</p>	<p>Agreed one-year probationary salesperson license issued. Agreed administrative penalty of \$2,000.00.</p>	<p>Applications Applicant conducted brokerage activities through a real estate broker without holding a real estate license by negotiating the lease of real estate; procuring, or assisting in procuring, prospects and property to lease real estate; and by controlling the acceptance or deposit of rent from residents of single-family residential real property. Applicant demonstrated that Applicant possesses the requisite honesty, trustworthiness, and integrity to qualify to be licensed as a real estate salesperson.</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: (page 1) AMC Issues (page 1) From the Commissioner (page 2) Standard 3-The Misunderstood Review Standard (page 3) Board Rule Actions (page 5) Enforcement Actions (page 6)

AMC Panel Management Tool Required in Texas

As a reminder, an Appraisal Management Company (AMC) doing business in Texas must designate and maintain with TALCB, a current list of the actively licensed Texas appraisers it contracts with for appraisal reports. The AMC must use the agency's online "Panel Management" tool for this purpose.

The tool allows registered AMCs to "invite" appraisers to join their panel by identifying the appraiser by name or license number from the Board's list of appraisers currently certified in Texas. Once the AMC has selected the appraiser it wishes to add to its panel, an electronic notification is sent to the appraiser notifying the appraiser.

The individual appraiser can accept or decline the invitation and both parties will be notified once the relationship has been created. There is no limit to how many appraisers may serve on an AMC's panel. The relationship can be terminated at any time by either the AMC or the appraiser, upon notification by the terminating party. Additionally, an AMC that terminates a relationship with an appraiser after the first 30 days is required to send notice to the appraiser citing reason for the termination.

Additional information regarding AMCs, including FAQs is available on the [TALCB website](#).

Is it time to Renew Your AMC registration?

March 2014 marked two years since TALCB began the registration process for AMCs doing business in Texas. Since AMC registrations are for a two year period, any AMC that registered at that time must renew their registration to continue doing business in Texas. The renewal of an AMC must be completed within 180 days of the expiration date of the AMC's current registration. An AMC must renew its panel at the same time the AMC renews its registration.

An AMC cannot renew on inactive status but may elect to be placed on inactive status subsequent to renewal by submitting the Appraisal Management Company (AMC) Request For Inactive Status form.

Details about renewing an AMC's registration can be found on the [TALCB Website](#).

Future AMC Articles on the Horizon

The next couple of issues of the TALCB Bulletin will contain articles concerning various AMC-related issues, including:

- *An appraiser's duty to verify an AMC's status before accepting assignments;*
- *Fannie Mae's "Appraiser Quality Monitoring (AQM)" system;*
- *Required appraiser monitoring and reporting; and*
- *New Federal Regulations issued by the CFPB.*

From The Commissioner

The Board is extremely proud to announce that for the first time in the agency's history, the Appraisal Subcommittee (ASC) - our federal oversight body - has delivered a preliminary audit report without a finding of any areas of non-compliance! While the report is not yet finalized, this is a major milestone of which we can be justifiably proud. The Board's staff from across the agency worked incredibly hard to ensure this outcome and the Board offered the staff their profound gratitude when ASC delivered their report at the Board's last meeting in February.

The Appraiser Qualification Board (AQB) has proposed some clarifications to the standards planned to go into effect on January 1, 2015 - including the fingerprint based criminal history review requirement. This proposal was a hot topic at the AARO Midyear Meeting last week. AQB has delayed the mandatory implementation date of fingerprint-based criminal history checks until January 1, 2017. We expect AQB to announce other decisions on the requirements for this program by this summer. This will give us time to seek Texas' legislative approval in 2015 for the changes prior to final implementation. Regardless of the precise outcome, rest assured that the Board will take the steps necessary to remain in full compliance.

Six federal agencies involved in mortgage lending oversight have issues draft "final" rules as required by the Dodd-Frank Act (DFA) concerning state regulation of appraisal management companies (AMCs). The Board's AMC Committee will be considering these and offering comments to assist these agencies in keeping the regulations true to the intent of the DFA.



Douglas E. Oldmixon

The Board will next meet on May 9 at 10 AM in Room 170 of the Stephen F. Austin state office building. We are pleased to welcome two new public members to the Board - attorney Jesse Barba, Jr of McAllen and environmental engineer Brian Padden of Austin. We look forward to their contributions to the Board's work of improving our public policy regulation. We also thank attorneys Shannon McClendon and Keith Kidd whose terms expired for their exceptional service to the Board and wish them well.

Important Dates to Remember

TALCB Enforcement Committee Meeting - April 29

TALCB Executive Committee Meeting - April 29

TALCB Board Meeting - May 9

TALCB AMC Advisory Committee Meeting - May 22

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

Click on Meetings and Agenda on the homepage.

Standard 3 – The Misunderstood Review

Standard (Part 1)

With the high volume of review work occurring in the appraisal field, this is an opportune time to refresh our understanding of the appraiser's essential responsibilities under USPAP. Standard 3 addresses the requirements for appraisal reviews and is the subject of this article.

The article will be published in two parts. Part two will appear in the next issue of the Bulletin.

This article will cover:

- What constitutes an appraisal review assignment;
- When must an appraiser comply with Standard 3;
- How to comply with USPAP's Standard 3 when doing a review; and
- When and how are other portions of USPAP triggered in an appraisal review?
- What is an Appraisal Review?

The good news is USPAP provides us with a clear definition of appraisal review that has not materially changed for a number of years. An appraisal review is defined as follows:

APPRAISAL REVIEW: the act or process of developing and communicating an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.

Comment: The subject of an appraisal review assignment may be all or part of a report, workfile, or a combination of these.

Source: 2014-25 USPAP

As stated in the above definition, a review required to comply with Standard 3 the reviewer develops and communicates an opinion about the quality of another appraiser's work performed as part of an appraisal or appraisal review assignment. A review may include all or part of the report, the workfile or a combination. Standard 3 applies to all appraisal disciplines; however our focus will be on real property appraisal reviews.

Should the assignment not conform to the above definition it is not a review requiring compliance with Standard 3.

However, the reviewer should recognize when providing a valuation service (service pertaining to aspects of property value) and the service is part of appraisal practice (valuation services provided by an appraiser) USPAP still applies. Even though the Standards may not apply, there must still be compliance with those portions of USPAP that apply generally to appraisal practice (the DEFINITIONS, the PREAMBLE, the ETHICS RULE, the COMPETENCY RULE, and the JURISDICTION EXCEPTION RULE).

Appraisal Review Development Requirements

As with the other Standards, the requirements for a Standard 3 compliant appraisal review require the reviewer to develop and communicate a credible opinion. As stated in Standard 3:

"In developing an appraisal review assignment, an appraiser acting as a reviewer must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal review. In reporting the results of an appraisal review assignment, an appraiser acting as a reviewer must communicate each analysis, opinion, and conclusion in a manner that is not misleading".

Source: 2014-25 USPAP

Simply put our opinion(s) must be worthy of belief (e.g. credible) and not be communicated in a manner that is misleading.

Addressing the development requirements, Standards Rule 3-1 states that the reviewer must: 1) be aware of, understand, and employ correctly those methods and techniques that are necessary to produce a credible appraisal review; 2) not commit a substantial error of omission or commission that significantly affects an appraisal review; and 3) not render appraisal review services in a careless or negligent manner, such as a series of errors that, although individually might not significantly affect the results of an appraisal review, in the aggregate affects the credibility of those results.

The scope of work requirements for developing an appraisal review are covered under Standards Rule 3-2. The re-

Standard 3 – The Misunderstood Review
Standard (Part 1) continued

viewer must develop a scope of work that includes the identification or determination of: 1) the client and other intended users; 2) the intended use; 3) the purpose of the appraisal review, including whether the assignment includes the reviewer's own opinion of value or review opinion; 4) the work under review including the relevant characteristics; 5) the effective date of the reviewer's opinions and conclusions; 6) any extraordinary assumptions, and 7) any hypothetical conditions. The result of this process should be the scope of work necessary to produce credible assignment results in accordance with the SCOPE OF WORK RULE.

Standards Rule 3-3 covers the development of the reviewer's opinions and conclusions related to the appraisal review. In part, it states that when necessary for credible assignment results, in reviewing the analysis, opinions and conclusions of the appraisal under review, the reviewer must develop an opinion: 1) whether the analyses are appropriate; 2) whether the opinions and conclusions are credible; and 3) the reasons for any disagreement.

Also if necessary for credible assignment results, the reviewer must develop: 1) an opinion whether the report is credible and not misleading; and 2) the reasons for any disagreement.

Review Appraisal Report Requirements

Two Standards Rules address the reporting requirements. Under Standards Rule 3-4, an appraisal review report should be separate from the work under review and must: 1) clearly and accurately set forth the appraisal review in a manner that is not misleading; 2) contain sufficient information so to enable intended users to understand the report properly; and 3) clearly and accurately disclose all assumptions, extraordinary assumptions, and hypothetical conditions.

Standards Rule 3-5 discusses the content of the appraisal review report and requires it to be consistent with the intended use. At a minimum the report must state: 1) the identity of the client and any intended users; 2) the intended use; 3) the purpose of the review; 4) sufficient information to identify the work under review including any ownership in-

terest; 5) the date of the work under review; 6) the effective date of the work under review; 7) the appraiser(s) of the work under review; 8) the effective date of the appraisal review; 9) the date of the appraisal review report; 10) all extraordinary assumptions; 11) all hypothetical conditions; 12) the reviewer's scope of work; and 13) the reviewer's opinions and conclusions, including the reasons for any disagreement.

Additionally, each written report must contain a signed certification similar to the content of Standards Rule 3-6. This certification is similar to, but differs somewhat from the certification for a real property appraisal report as required under Standards Rule 2-3.

Standards Rule 3-7 addresses the requirements of an oral appraisal review report, stating, to the extent both possible and appropriate, the oral report must address the substantive matters set forth in Standards Rule 3-5.

Also note the RECORD KEEPING RULE covers the workfile requirements for documenting compliance with all Standards, including those for appraisal and appraisal review assignments.

[Part 2 will be published in the next issue of the Bulletin]

Ever Considered Serving on the Board?

The TALCB is a nine-member Board composed of four certified real estate appraisers and four public members appointed by the Governor to serve staggered two-year terms. The Executive Secretary of the Texas Veterans Land Board is the ex-officio ninth member. Daily administration of the Board is entrusted to the Commissioner, who also serves as Administrator of the Texas Real Estate Commission.

If you would like to be considered for potential appointment to serve on the Board, please contact the Governor's office to submit an application package. Details may be found at this link: <http://governor.state.tx.us/appointments/>

PROPOSED RULES

The following rules were proposed at the February 21, 2014 meeting of the Board and are on the agenda for adoption by the Commission at the upcoming May 14, 2014 meeting. The can be accessed on our website at [http://www.talcb.state.tx.us/ ActAndRules/TALCB-Rules.asp](http://www.talcb.state.tx.us/ActAndRules/TALCB-Rules.asp).

22 TAC §153.1. Definitions

Amendments are proposed for adoption 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

- **22 TAC §157.3. Scope of Rules**
- **22 TAC §157.4. Computation of Time**
- **22 TAC §157.5. Conduct and Decorum**
- **22 TAC §157.6. Request for Advisory Opinions**
- **22 TAC §157.7. Denial of a License**
- **22 TAC §157.8. Adverse Action Against a Licensee or Registrant**
- **22 TAC §157.9. Notice of Hearing**
- **22 TAC §157.11. Contested Cases; Entry of Appearance; Continuance**
- **22 TAC §157.12. Failure to Attend Hearing; Default Judgment**

- **22 TAC §157.13. Ex Parte Consultations**
- **22 TAC §157.14. Informal Disposition**
- **22 TAC §157.15. Decision**
- **22 TAC §157.17. Final Decisions and Orders n. 22 TAC §157.18. Motions for Rehearing; Finality of Decisions**
- **22 TAC §157.20. Judicial Review**
- **22 TAC §157.25. Temporary Suspension**

Amendments are proposed for adoption 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.

<i>Name & Location</i>	<i>Action Taken</i>	<i>Reason</i>	<i>Summary</i>
<p>HAWKINS, Robert Wyman Jr. Lic. # TX-1335830-R</p>	<p><i>Board Action Taken:</i> Based on the above findings of fact and conclusions of law, the Board ORDERS that Respondent's Texas state certification (TX-1335830-R) is hereby suspended for twenty-four (24) months, beginning on February 21, 2014, with this suspension being fully probated under the following terms and conditions:</p> <ol style="list-style-type: none"> 1). REPRIMAND. Respondent is hereby reprimanded for the above-noted acts and omissions alleged by the Board. 2). ADMINISTRATIVE PENALTY. On or before March 13, 2014. Respondent shall pay to the Board an administrative penalty of one thousand five hundred dollars (\$1,500.00) 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><i>Complaint No.:</i> 13-197 & 13-277</p> <p><i>Reason for Complaint:</i> The complaint, numbered 13-197, was filed with the Board by Valerie Fischer (borrower). Thereafter, the complaint, numbered 13-277, was filed with the Board by Dustin Chase/LenderVend, LLC. 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>SMITH, William Eugene Lic. # TX-1320169-R Round Rock</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. 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><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> (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). (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> <ol style="list-style-type: none"> 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. <ol style="list-style-type: none"> 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. 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><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> (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>

TALCB Enforcement Actions

<i>Name & Location</i>	<i>Action Taken</i>	<i>Reason</i>	<i>Summary</i>
<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> (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>

TALCB Enforcement Actions

<i>Name & Location</i>	<i>Action Taken</i>	<i>Reason</i>	<i>Summary</i>
<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>

TALCB Enforcement Actions

<i>Name & Location</i>	<i>Action Taken</i>	<i>Reason</i>	<i>Summary</i>
<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 Administrator (page 1)

From the Administrator



Douglas E. Oldmixon

The Commission's inspector advisory committee met on April 14 with a full agenda of items to consider. Major topics included significant clarifications to the rules and policies regarding qualifying core and continuing education, plus potential additions to the key consumer disclosures in the standard inspection report form.

As part of the agency's quadrennial rule review process and biennial strategic planning process, significant clarifications to both the core qualifying education and the always developing continuing education component are indicated. The

development of the Inspector Continuing Education (ICE) program from its rudimentary form as a "core-lite" version is one key example. Recent expansion of the hands-on experience requirements through ride-along programs is another example. Stay tuned for other specifics that the committee may recommend to the Commission.

We truly appreciate the outstanding level of stakeholder participation in this process. Most homes receive a functional systems inspection at the time of purchase, and buyers rely on the expertise of our license holders for important facts and opinions in this valuable report. Please stay engaged so that we can ensure sound policy recommendations in this important area of consumer protection. Your comments are always sought and welcomed.

Please read the article on the Strategic Plan update and forecast in the Advisor and know that we value your input. Thank you.

Important Dates to Remember

TREIC Education Subcommittee Meeting - July 22

TREIC SOP Subcommittee Meeting - July 28

TREIC Committee Meeting - July 28