

TREC Advisor

Texas Real Estate Commission ★ Volume 10, No. 3 • September 1999

New Contract Forms Effective September 1

TREC HAS ADOPTED two contract forms developed by the Texas Real Estate Broker-Lawyer Committee to replace existing forms. Beginning September 1, 1999, TREC No. 36-1, Addendum for Property Subject to Mandatory Membership in a Property Owners' Association and TREC No. 37-1, Subdivision Information, Including Resale Certificate for Property Subject to Membership in a Property Owners' Association must be used in place of their prior versions.

TREC adopted the new forms on an emergency basis at its August 2nd meeting to make the forms used by licensees and owners' associations consistent with Property Code amendments passed by the 76th Legislature also effective September 1. Copies of the new forms may be obtained by mail from TREC for \$3.94, postpaid, or at no charge from the TREC web site at <http://www.trec.state.tx.us>.

The 76th Legislature amended the Property Code to require a property owners' association to provide subdivision information, including a resale certificate, to an owner not later than the 10th day after a written request for the information is received from the owner, owner's agent, title insurance company, or its agent. The law also specifies the content of the resale certificate, including a statement whether the property is subject to foreclosure due to

the owner's failure to pay assessments to the owners' association. Only the new versions of the TREC forms should be used after September 1, because the content of the forms is different from the prior versions, and only the new versions will comply with the Property Code changes.

The new forms are adopted by reference in Chapter 537 of title 22 of the Texas Administrative Code. Because an emergency adoption is only effective for a maximum of 180 days, TREC is simultaneously proposing adoption of the new forms on a permanent basis (See *TREC Invites Comments On Five Proposed Forms*, page 8) along with other forms and changes to the rules governing reproduction of standard contract forms.

TREC Adopts Rule Clarifying Referral Fees

AT ITS AUGUST 2ND MEETING, TREC adopted an amendment to 22 TAC §535.20, concerning the procuring of prospects. The rule defines the act of referring a prospective buyer, seller, tenant or landlord to another person as activity for which a real estate license is required if the person making the referral expects to receive valuable consideration. Under the amended rule, gifts having a retail value no more than \$50 will not be considered valuable consideration. This change ensures that licensees who demonstrate appreciation for the referral of business by sending flowers and other gifts of nominal value would not inadvertently subject an unlicensed recipient to an allegation of unauthorized practice as a broker. A person making a referral with the expectation of receiving cash, discounts, or gifts valued at more than \$50 will still be required to be licensed. The amendment is effective August 25, 1999.

Real Estate Licensees Appointed to Statewide Advisory Committees

FOUR REAL ESTATE LICENSEES have been appointed by the Texas Real Estate Commission (TREC) to serve on two major statewide advisory committees.

During its meeting on August 2nd, TREC named Ann M. Walker from Houston and Avis Wukasch of Georgetown, to serve on the Texas Real Estate Broker-Lawyer Committee. Ms. Walker is a broker/owner of Keller Williams Realty, Greater Northwest, in Houston; and Ms. Wukasch, also a broker, is a sales manager for Prudential Owens Realty offices in Round Rock and Georgetown.

The primary function of the Broker-Lawyer Committee is to draft and recommend real estate contracts which may then be adopted by the Commission for required use by licensed brokers and salespersons. Membership consists of six real estate brokers appointed by TREC and six attorneys appointed by the President of the State Bar of Texas.

TREC also appointed Ronald C. Wakefield of San Antonio and Keno Torres of Houston to the newly created Texas Mort-

gage Broker Advisory Committee. Mr. Wakefield is a real estate broker and CEO of MEGAMERICA Mortgage Group, Inc. in San Antonio. Mr. Torres is a real estate salesperson and consultant with RE/MAX Professional Group in Houston.

The Mortgage Broker Advisory Committee is being established to advise and assist the Texas Savings and Loan Commissioner regarding implementation and administration of the Mortgage Broker License Act which was approved earlier this year by the legislature. It will have six members in total, four of which must be mortgage brokers appointed by the Commissioner and two TREC appointees who must either be licensed real estate brokers or salespersons.

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MISSION : The mission of the Texas Real Estate Commission is to assist and protect consumers of real estate services, and foster economic growth in Texas. Through its programs of education, licensing and industry regulation, the Commission ensures the availability of capable and honest real estate service providers.



TEXAS REAL ESTATE COMMISSION

Meeting Highlights

August 2, 1999

IN A MEETING of the Commission on August 2nd, discussion surrounded possible changes in courses (both mandatory continuing education and core) for the licensing of real estate brokers and salespersons. Consideration was given to repeal of §§535.61-535.66 and §§535.68-535.70, and adoption of new §§535.61-535.66 concerning examinations, acceptance of courses, education and experience requirements, schools, and instructors. Mandatory continuing education was included in the discussion under possible amendments to §§535.71-535.73. Commissioners agreed to begin their formal rule amendment process for these provisions by considering specific proposals at their next meeting in September.

A rule amendment process will also be initiated for 22 TAC §§537.11, 537.21, 537.36, 537.43, 537.44, and 537.46 which promulgates five standard contract forms that have been approved by the Broker-Lawyer Committee to replace forms currently in use. Two of these new forms, Addendum for Property Subject to Mandatory Membership in an Owners' Association, and Subdivision Information Including Resale Certificate for Property Subject to Mandatory Membership in an Owners' Association (issued under §§537.11, 537.43, and 537.44), were adopted on an emergency basis to become effective September 1, 1999. Promulgation of the two forms on a long term basis, however, must be done through normal amendment procedures. Emergency implementation, for a period not to exceed 180 days, was approved so the two revised forms would be in compliance with statutes passed earlier this year (effective September 1, 1999) by the state legislature concerning associations and resale certificates (Please see *New Contract Forms*, page 1).

Other suggested rule language will be offered at the September meeting to fine-tune a previous rule change under §535.1. Suggested new language would

require out-of-state individuals offering real estate brokerage services by way of the Internet, or other communication methods, to obtain a Texas license only if they are dealing with buyers and sellers who are legal residents of Texas, and the property is located at least partially within the state.

Final approval was given by the Commission on several items. A proposal to amend 22 TAC §535.20 was adopted. This section requires that a person making any referral of individuals connected with a prospective real estate transaction must be licensed if the referral is made with an expectation of receiving anything of value in return. "Valuable consideration," as defined under the amendment, includes but is not limited to money, rent bonuses and discounts, or gifts of merchandise having a retail value greater than \$50 (Please see *TREC Adopts Rule Clarifying Referral Fees*, page 1). Approval to readopt other sections of Chapter 535 regarding The Real Estate License Act (§§535.1-535.3, §§535.12, 535.13, 535.15-535.17, 535.19-535.21, §§535.31-535.35, §§535.41-535.42, and §§535.51-535.53, as amended) was given in conjunction with the Commission's continuing comprehensive rule review process.

In other final action taken by the Commission, two brokers were appointed to serve on the Texas Real Estate Broker-Lawyer Committee, and two licensees were named to the new Texas Mortgage Broker Advisory Committee (Please see *Licensees Appointed*, page 1). Three payments were authorized from the Real Estate Recovery Fund.

Commissioners also voted in favor of hosting next year's Southern Region Conference of the Association of Real Estate License Law Officials (ARELLO). This event is being planned for June 2000, and is expected to attract about 150 to 200 Real Estate Commissioners and staff from other states who partici-

Story continued next page.

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Texas Real Estate Commission
Volume 10, No. 3 • September 1999



State of Texas
George W. Bush, Governor

Commission Members:

Jay C. Brummett
Chairman
Broker member

Deanna Mayfield
Vice-Chairperson
Public member

Chris T. Folmer
Secretary
Broker member

C. Michael Brodie
Broker member

Pete Cantu, Sr.
Broker member

Maria Gonzalez-Gil
Public member

Mitchell Katine
Public member

Hazel W. Lewis
Broker member

Kay Sutton
Broker member

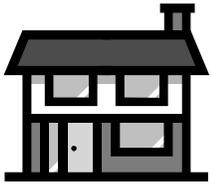
TREC Administrator
Wayne Thorburn

Desktop Publisher
Dan White, Jr.

The TREC Advisor (ISSN 1047-4579) is published by the Texas Real Estate Commission (TREC) as an educational service to licensees in the state of Texas. The purpose of the newsletter is to promote a better understanding of The Real Estate License Act and to inform all licensees of changes affecting laws and practices in the real estate industry. The TREC Advisor is funded through legislative appropriations and subscriptions collected from TREC licensees. The official text of TREC rules is filed with the Office of the Secretary of State, *Texas Register*. TREC encourages reproduction of this newsletter with the appropriate acknowledgments. Subscriptions are available for \$4.00 for two years. Single issues are \$1.00. To order a subscription or a single issue write to: TREC Advisor, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188. For information regarding TREC, contact:

Texas Real Estate Commission
P.O. Box 12188
Austin, Texas 78711-2188
(512) 459-6544
(800) 250-TREC
<http://www.trec.state.tx.us>
TREC Fax (512) 419-1623

First Time Homebuyer Program



POTENTIAL TEXAS HOMEOWNERS will now have access to more information when seeking to purchase their first home. It takes more than flexible underwriting in lending to expand homeownership opportunities for very low, low, and moderate income households.

Through homebuyer education, first-time homebuyers can resolve bad credit, access affordable mortgages, reduce delinquency rates, and prevent foreclosures. With these goals in mind, the 75th Texas Legislature passed HB 2577 which in part charged the Texas Department of Housing and Community Affairs (TDHCA or the Department) with the development and implementation of a statewide program designed to provide information and counseling to prospective homebuyers. The Texas Statewide Homebuyer Education Program (TSHEP) was created as an extension of this legislative initiative. TSHEP aims to bring comprehensive homebuyer education to all 254 Texas counties with-

out duplicating the efforts of existing successful homebuyer education programs.

TDHCA is committed to increasing home ownership across the State of Texas through homebuyer education. Expansion of homeownership spurs new production and sales of goods and services, thereby strengthening the economy and creating jobs.

To ensure uniform quality of homebuyer education is provided throughout the state, TSHEP is sponsoring a "Train the Trainer" workshop September 21-23 in Fort Worth. The purpose of the training will be to teach local organizations the principles and applications of comprehensive pre- and post purchase homeowner education, and to certify par-

ticipants as TSHEP providers. TDHCA contracted with the Neighborhood Reinvestment Corporation to conduct three training seminars in 1999: two have been held in Austin and San Antonio. Non-profit organizations from across Texas will attend the comprehensive course and, upon passing the final exam, will be certified by TDHCA as homebuyer education providers. Due to the overwhelming response to the workshops, additional training seminars will be conducted in the future.

In addition to the "Train the Trainer" seminars, TDHCA will soon award funds to be used to provide comprehensive pre- and post-purchase homebuyer education classes statewide. TDHCA is confident that more than 20 nonprofit homebuyer education providers will be awarded funds, and a potential 2,000 Texans will enroll in the classes during the initial implementation phase.

Please turn to page 4.

Meeting Highlights

continued from page 2.

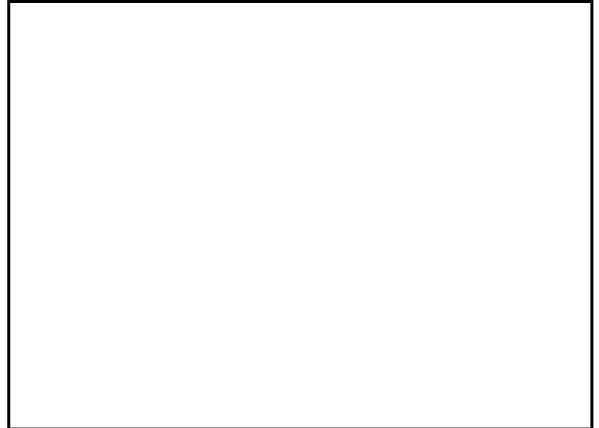
pate as members of ARELLO. No direct financial costs would be incurred by TREC as the host agency.

TREC's budget for fiscal years 2000 and 2001 was reviewed and adopted. To adequately fund the level of expenditures approved by the state legislature, it was determined that minimal fee increases should be proposed for consideration at the Commissioner's September meeting. These proposed fees consist of a fifty cent increase in the yearly TREC Advisor subscription; an increase of \$10 for an original inspector license application for all inspector license levels; a \$10 increase for all levels of inspector license renewals; a \$2 per year increase in renewal fees for real estate brokers and salespersons; and an additional \$10 in per test administration fees, with \$5 of the increase per test going to the agency, and the remainder retained by the test vendor.

Future Commission meeting dates were set for September 20, and November 8, 1999.

Tom Cass Honored...

The San Patricio County Association of Realtors was pleased to announce the recognition of Tom Cass (right), of Cass Real Estate who was honored for his 50 years licensure with the Texas Real Estate Commission. Wayne Thorburn (left, Administrator for the Texas Real Estate Commission presented him with a plaque and congratulations letter from Governor George W. Bush at a luncheon meeting at the Corpus Christi Association of Realtors. Photo courtesy Portland News



TREC at Your Fingertips

Telephone: (512) 459-6544 1-800-250-TREC (8732)

Fax: (512) 465-3998

World Wide Web: <http://www.trec.state.tx.us>

E-mail: general_delivery@trec.state.tx.us

TRECFax Fax on Demand: (512) 419-1623

Street Address:

Texas Real Estate Commission
1101 Camino La Costa
Austin, Texas 78752



Mailing Address:

Texas Real Estate Commission
P.O. Box 12188
Austin, Texas 78711-2188



TREC Recognizes Fifty Year Real Estate Licensees

First Time Homebuyer Program continued from page 3.

TDHCA consulted with the following organizations during the initial planning phase to define goals and performance measures for the program, approve curriculum, and to create an instructor certification process: Fannie Mae, Freddie Mac, Neighborhood Reinvestment Corporation, Wells Fargo/Norwest Mortgage, the Consumer Credit Counseling Service, the Enterprise Foundation, Texas Workforce Commission, the Real Estate Center at Texas A&M University, Texas Department of Human Services, Texas Agricultural Extension Service, United Cerebral Palsy of Texas, Inc., Experienced homebuyer education providers, nonprofit housing providers, low income housing advocates, and lenders.

The initial phases of TSHEP will concentrate on the underserved populations (e.g. low, very low, and moderate income individuals, minority populations, and persons with disabilities). In addition, recipients of TSHEP funds will be encouraged to expand their existing service area in an attempt to reach underserved areas of the State — areas that do not already have existing homebuyer education providers.

For additional information regarding TSHEP, including a list of certified providers, please visit the TDHCA web site at <http://www.tdhca.state.tx.us>.

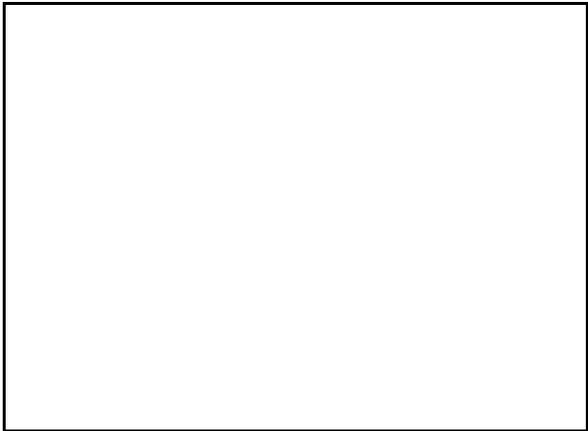
AS PART OF ITS 50TH ANNIVERSARY as a state agency, the Texas Real Estate Commission has made special recognition of those real estate licensees who have remained active for at least 50 years. Among the approximately 110,00 current real estate licensees in Texas, slightly more than seventy have served as brokers for 50 years or more.

Helen Grace Gould was honored by both the Texas Real Estate Commission and Governor George W. Bush for more than 50 years of service to the people of Texas as a real estate professional. TREC's General Counsel Mark Moseley made the presentation at the luncheon meeting of the Wichita Falls Association of Realtors while State

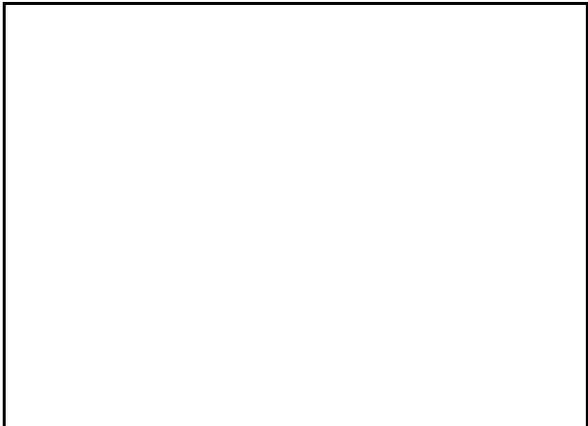
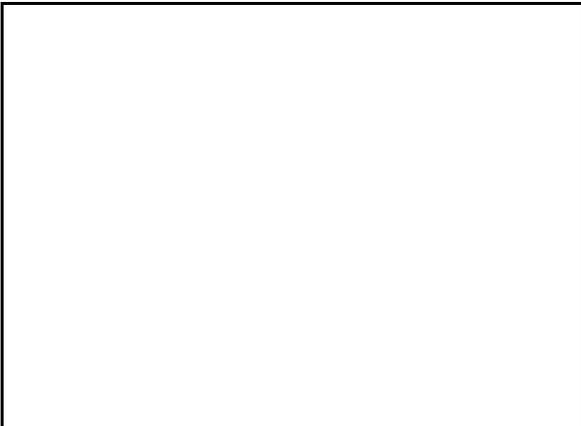
Representative David Farabee read a letter from Governor Bush praising her long service and devotion to the industry. In addition to her real estate career, Gould spent 46 years as dean of women at Wichita Falls High School.

At a recent meeting of the Arlington Board of Realtors, Happy King, a 50-plus year licensee, was presented many awards, including a resolution of recognition presented by TREC Administrator Wayne Thorburn. King, a past president of the Arlington Board of Realtors, also received a personal letter of commendation from Governor George W. Bush.

Arlington broker Happy King receives TREC commendation from Administrator Wayne Thorburn. Photo courtesy Arlington Star-Telegram



At left, Helen Grace Gould listens as Mark Moseley, TREC General Counsel, reads a citation honoring her for 50 years of real estate service, while at right, Representative David Farabee reads Gould a letter from Governor Bush. Photo courtesy Wichita Falls Times Record News.



New Video will be helpful to Texas Real Estate Professionals

The Duties of Representation Agency Requirements of the Texas Real Estate License Act

THE TEXAS REAL ESTATE COMMISSION (TREC) and the Real Estate Center at Texas A&M University teamed up earlier this year to produce an informative and educational video about the duties of broker representation under requirements of the Texas Real Estate License Act. The recently released 14 minute program is a realistic depiction of situations routinely encountered in real estate transactions that can easily result in consumer complaints when proper procedures are not followed.

Throughout the scenario, brokers are encouraged to learn about, and comply with, the legal requirements for notifying clients about the rules pertaining to agency.

TREC Chairman, Jay Brummett, is the host / narrator of the program. He points out that, "We at the Commission believe that education, not enforcement, is the best way to insure compliance." By learning the law, and applying the rules, Brummett comments, "You'll have satisfied clients. And you'll never have to experience what Craig (the broker in the story who learns a hard lesson regarding agency representation) went through."

In the storyline, Craig Johnson is an honest and hard working broker who "...doesn't know as much as he should know about the laws of agency." He has unwittingly left himself open for the filing of a complaint by neglecting to properly inform a prospective home buying couple that he legally represents the seller, not the couple.

Above: Craig Johnson played by David Pavliska discusses agency law with Nancy Fielding, a Texas Real Estate Commission investigator played by Jeannie Mayer.

Below: Jay Brummett, chairman of the Texas Real Estate Commission hosts "The Duties of Representation."

What follows are realistic scenes in which Craig meets with Nancy Fielding, a Texas Real Estate Commission investigator; the discovery of how Craig made his mistake; how he could have avoided getting into trouble in the first place; and what he does to protect himself in the future.

TREC greatly appreciates the time and resources provided by the Real Estate Center at Texas A&M University in making this video production possible. TREC also wishes to sincerely thank Wendell Fuqua of the Real Estate Center who was Producer / Director of the project.

Casting and on-site location facilities were provided totally on a voluntary basis. A special thanks goes to Kirby Parsons and Cara Cone of Henry S. Miller Realtors in Austin for allowing the use of their offices for filming.

Additionally, TREC congratulates and thanks the all-volunteer cast, many of whom are actual licensed real estate brokers or salespersons, for their invaluable assistance and excellent performance. Cast members from Austin are David Pavliska, Jeannie Mayer, Carlos Fernandez, Pamela Price, Jim Olenbush, Suzanna Scott, and Commission Chairman Jay Brummett as the narrator, along with Susie

Sharp of San Antonio, and Debbie Huff from Lockhart.

Copies of the video are available from the Real Estate Center for a charge of \$10.00 to help cover costs of duplication and handling. The Real Estate Center may be contacted by writing to the Real Estate Center Publication Room, Mail Stop 2115, Texas A&M University, College Station, TX 77843-2115; or by FAX at 409-845-0460. The Center may also be reached by calling 409-845-2031, or toll free at 800-244-2144.

PLEASE REMEMBER

You must notify the Commission when:

- 1. You change your business address**
- 2. You change your residence mailing address**
- 3. You change your sponsoring broker**
- 4. You change your name or your business name**
- 5. You change your license status; Active or Inactive**

Disciplinary Actions June and July 1999

Bordeaux, Jane N. (Fort Worth); license #143483 Agreed reprimand of broker license, entered June 16, 1999; Agreed administrative penalty of \$1,000.00; failing to properly enter into an intermediary relationship; failing to make clear which party she was acting for; acting negligently or incompetently; failing or refusing on demand to furnish copies of a listing agreement to the seller in violation of Sections 15C, 15(a)(6)(D), 15(a)(6)(W) and 15(a)(6)(T) of The Texas Real Estate License Act (TRELA).

Carey, John Theodore (Fort Worth); license #398947 Agreed reprimand of salesperson license, entered June 30, 1999; Agreed administrative penalty of \$500.00; conducting business and advertising under an assumed name which lead the public to believe a salesperson was responsible for the operation of a real estate brokerage in violation of 22 TAC 535.154(d) & (e) of the Rules of the Texas Real Estate Commission (the Rules).

Danna, Susan Mary (Fort Worth); license #225106 Agreed reprimand of broker license, entered June 21, 1999; Agreed administrative penalty of \$250.00; sponsoring a salesperson who conducted business and advertised under an assumed name which lead the public to believe the salesperson was responsible for the operation of a real estate brokerage in violation of 22 TAC 535.154(d) & (e) of the Rules.

Greer, Linda (Houston); license #315847 Revocation of broker license, effective July 26, 1999 failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate broker license, in violation of Section 15B(b) of TRELA, Article 6573a, Texas Civil Statutes and 22 TAC 535.91(a) of the Rules.

Kucherka, Charlie Louis (Schertz); license #157677 Agreed reprimand of broker license, entered June 3, 1999; Agreed administrative penalty of \$500.00; failing to supervise a salesperson who failed to use, and used out-of-date, Commission

promulgated contract forms and addenda when negotiating a transaction, in violation of Section 1(c) of TRELA.

Kucherka, Dennis Gordon (Schertz); license #371463 Agreed reprimand of salesperson license, entered June 3, 1999; failing to use current and correct Commission-promulgated contract forms and addenda when negotiating a real estate transaction in violation of Section 15(a)(6)(W) of TRELA and 22 TAC §537.11(d) of the Rules.

Lavergne, Reginald (Houston); license #323276 Revocation of salesperson license, effective July 28, 1999; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of Section 15B(b) of TRELA, Article 6573a, Texas Civil Statutes and 22 TAC Section 535.91(a) of the Rules.

Leonard, Cecilia (Odessa); license #451932 Agreed reprimand of broker license, entered July 23, 1999; Agreed administrative penalty of \$1,000.00, entered July 23, 1999 splitting commissions received for leasing with an individual and a corporation not licensed as real estate agents in violation of Section 15(a)(6)(F) of TRELA; establishing an association with an individual and a corporation who engaged in leasing activities and did not hold Texas real estate licenses in violation of Section 15(a)(6)(S) of TRELA.

Little, Rodney Wayne (Crawford); license #160546 Revocation of salesperson license, effective July 27, 1999; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate broker license, in violation of Section 15B(b) of TRELA, Article 6573a, Texas Civil Statutes and 22 TAC Section 535.91(a) and 22 TAC Section 535.92(d) of the Rules.

McDermed, Donna L. (Houston); license #444446 Agreed reprimand of salesperson license, entered June 8, 1999; Agreed administrative penalty of

\$250.00; performing property management services through an unlicensed corporation in violation of Sections 15(a)(6)(F) and 15(a)(6)(S) of TRELA.

Ochoa, Emanuel (Houston); license #455726 Revocation of salesperson license, effective July 9, 1999; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of Section 15B(b) of TRELA, Article 6573a, Texas Civil Statutes and 22 TAC Section 535.91(a) and 22 TAC Section 535.92(d) of the Rules.

Powell, Barry Gladstone (Houston); license #254597 Agreed reprimand of broker license, entered June 15, 1999; Agreed administrative penalty of \$1,250.00; sponsoring a salesperson who performed property management services through an unlicensed corporation in violation of Sections 15(a)(6)(F) and 15(a)(6)(S) of TRELA and failing to file a branch office license for the location at which the salesperson conducted business in violation of 22 TAC 535.112 of the Rules.

Sharp, Dudley Crawford, III (Houston); license #275534 Revocation of broker license, effective July 26, 1999; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate broker license, in violation of Section 15B(b) of TRELA, Article 6573a, Texas Civil Statutes and 22 TAC Section 535.91(a) of the Rules.

A new examination site in McAllen has opened and will provide a new presence in the Valley for real estate examinations. The site is located at :
McAllen Area Center
McAllen National Bank Building
100 Savannah, Suite 340
McAllen, TX 78503

TREC Commends Commissioners with Terms Expiring in 1999

ON JUNE 7, 1999, the Texas Real Estate Commission (TREC) gave special recognition to Pete Cantu, Sr., Mitchell Katine, and Hazel W. Lewis who have served on the Commission since 1993. Their official six year term of appointment as Commissioners came to a conclusion as of January 31st of this year.

TREC ADMINISTRATOR Wayne Thorburn presented commemorative plaques to each and a resolution was adopted unanimously by the Commission in recognition of all three for their dedicated service to the citizens of Texas.

Mr. Cantu has served on the Commission as a broker member. During his tenure on the Commission, Cantu was appointed as an ex-officio member of the Real Estate Center Advisory Committee at Texas A&M University. He held that position between 1995 and 1999.

Professionally, he is the owner of Pete Cantu Real Estate-Insurance in San Antonio. After graduating from San Antonio Tech High School, Mr. Cantu went on to receive his Bachelor of Arts degree from Texas A&M University in College Station.

Mitchell Katine has been one of three public, non-broker, Commission members. There are nine members in total. Commissioners elected him to serve as Secretary of TREC from 1995 to 1996 and he was later elected as Vice-Chairman in 1997. He also was designated as Chairman of the Commission's Education Committee.

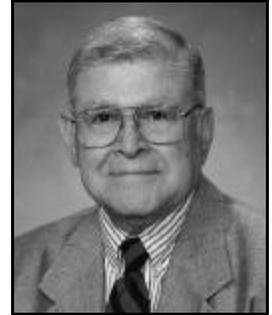
Mr. Katine is a partner with the law firm of Williams, Birnberg & Anderson, L.L.P., in Houston. His practice includes real estate litigation, including community association mat-

ters. He is an adjunct professor at South Texas College of Law and is a frequent lecturer on real estate matters. Additionally, Katine serves on many Houston Bar Association committees, as well as on the State Bar Grievance Committee.

He holds a bachelor's degree from the University of South Florida. While obtaining his legal education from the South Texas College of Law, Katine worked on the law review before graduating, summa cum laude.

Hazel W. Lewis is President and CEO of Lewis and Associates Realtors, Inc., of Arlington. Recently, Ms. Lewis received special recognition at a meeting of the Arlington Board of Realtors for her many years of service as a broker member on the Commission, and for her well-known professional contributions within the Arlington community.

In addition to the Arlington Board of Realtors, her many professional memberships and associations include the Texas Association of Realtors; National Association of Realtors; Texas Association of Real Estate Brokers; National Association of Real Estate Brokers; Women's Council of Realtors; Commercial Investment Brokers Network; Commercial Real Estate Women; and Board Member of Chase Bank of Texas. Ms. Lewis received her B.B.A. degree from the University of Texas at Arlington.



Pete Cantu, Sr.



Mitchell Katine



Hazel W. Lewis

Calendar of Events

Commission Meetings:

September 20, 1999
November 8, 1999

Broker-Lawyer Meeting:

October 7-8, 1999

Inspector Committee Meeting:

November 5, 1999

Web site: <http://www.trec.state.tx.us>

TRECFax: (512) 419-1623

Phone: (800) 250-TREC (8732) or
(512) 459-6544

Amendment Proposed to Clarify License Requirements for Nonresidents

THE COMMISSION HAS AUTHORIZED the publication of a proposed amendment to 22 TAC §535.1, concerning when a real estate license is required. Under the current section, a non-resident conducting brokerage business from another state would be considered acting within this state and therefore required to be licensed as a Texas real estate broker or salesperson. Under the proposal, the nonresident acting from another state would not be required to be licensed in Texas unless all the prospective buyers, sellers, landlords, or tenants are legal Texas residents and the property concerned is located wholly or in part in Texas. Persons physically acting within Texas still would be subject to the Texas Real Estate License Act. Nonresident brokers would still be permitted to cooperate with, and receive fees from, Texas brokers.

TREC Invites Comments On Five Proposed Forms

AT ITS MEETING on August 2nd TREC voted to propose amendments to 22 TAC Chapter 537, adopting by reference five proposed forms developed by the Texas Real Estate Broker-Lawyer Committee. In addition to the Addendum for Property Subject to Mandatory Membership in an Owners' Association, and the Subdivision Information, Including Resale Certificate for Property Subject to Mandatory Membership in an Owners' Association (see *TREC Adopts Rule Clarifying Referral Fees*, page 1), TREC is proposing to adopt modified versions of the Addendum for Abstract of Title, Addendum for Sale of Other Property by Buyer, and the Amendment form. Final action on the proposed forms could be taken at the TREC meeting scheduled for September 20, 1999. TREC withdrew pending amendments to Chapter 537 to permit all the forms and rule text changes to be implemented at the same time.

The Addendum for Abstract of Title has been modified to clarify when the supplemental abstract is to be provided and when the buyer may object to matters revealed in the supplemental abstract. The Addendum for Sale of Other Property by Buyer has been changed to eliminate a provision relating to the seller's continued showing of the property because that subject is addressed in the main contract form. Non-substantive changes are also proposed to make the form consistent in style with other TREC forms. Space has been added to the Amendment form to

Employee of the Quarter

TREC IS PROUD TO ANNOUNCE that Gwen Jackson recently received the third Employee of the Quarter award for fiscal year 1999.

Gwen works in the Enforcement Division as the Program Administrator for the Residential Service Company program. She has been employed by the Commission for over 17 years, starting with the Residential Service Company program in November 1981. Her current duties include review of Residential Service Company provider applications and review and resolution of consumer complaints.

We consider Gwen a valued member of the Enforcement Division. Her professionalism and dedication to the work of the Commission are laudable.

TREC commends Gwen's dedication and is pleased to recognize her performance.

permit licensees to insert additional changes in the blanks and boxes marked on the main contract. A note to the broker has been added to caution the broker to use the space for this limited purpose so as to avoid the unauthorized practice of law.

Comments on the forms may be directed to the TREC Office of General Counsel, P.O. Box 12188, Austin, Texas 78711-2188 or by e-mail to mark.moseley@trec.state.tx.us.