



Staff Reports for December 2002

Texas Real Estate Commission

Monthly Staff Reports

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Licensing and Education Division Fiscal Year Comparison

Fiscal Year 2003 - Year to Date

	This FY	Last FY	Change	
	09/02-12/02	09/01-12/01	Count	Percent
Applications Received				
Broker Original Applications Received	390	857	(467)	-54.49%
Sales Original Applications Received	4,585	6,400	(1,815)	-28.36%
Total Original Applications	4,975	7,257	(2,282)	-31.45%
Broker Late Renewal Applications Received	333	344	(11)	-3.20%
Sales Late Renewal Applications Received	1,247	1,161	86	7.41%
Total Late Renewal Applications Received	1,580	1,505	75	4.98%
Licenses Issued from Applications				
Broker Licenses from Original Applications	315	440	(125)	-28.41%
Sales Licenses from Original Applications	3,837	4,638	(801)	-17.27%
Total Licenses from Original Applications	4,152	5,078	(926)	-18.24%
Broker Licenses from Late Renewal Applications	327	336	(9)	-2.68%
Sales Licenses from Late Renewal Applications	1,913	1,699	214	12.60%
Total Licenses from Late Renewal Applications	2,240	2,035	205	10.07%
Renewal Activity for Expirations				
	Dec 2002	Dec 2001		
Broker Timely Renewals Percentage	87.79%	86.35%		1.44%
Sales Timely (1 year) Renewals Percentage	75.64%	74.97%		0.67%
Sales Timely (2 year) Renewals Percentage	83.59%	82.75%		0.84%

Licensing and Education Division

Licensee and Registrant Status

December 2002

Real Estate Licensees													
	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02
Broker Licensees													
Individual (Active)	33,177	33,240	33,291	33,296	33,289	33,260	33,285	33,294	33,246	33,174	33,126	33,084	33,038
Corporation (Active)	3,615	3,625	3,643	3,633	3,649	3,668	3,667	3,672	3,692	3,695	3,697	3,688	3,687
LLC (Active)	396	402	412	422	434	432	443	448	461	469	477	487	488
Non-resident (Active)	477	475	476	478	476	472	467	464	464	456	456	458	458
Partnership (Active)	2	2	2	2	2	2	2	2	2	2	2	2	2
Total Active Status	37,667	37,744	37,824	37,831	37,850	37,834	37,864	37,880	37,865	37,796	37,758	37,719	37,673
Inactive Status	1,859	1,867	1,871	1,871	1,855	1,849	1,835	1,808	1,794	1,776	1,763	1,742	1,739
Total Brokers	39,526	39,611	39,695	39,702	39,705	39,683	39,699	39,688	39,659	39,572	39,521	39,461	39,412
Sales Licensees													
Active Status	50,368	50,088	50,632	51,034	51,603	52,296	52,568	53,136	53,663	53,925	54,299	54,411	54,347
Inactive Status	23,284	24,243	24,166	24,199	24,131	24,074	24,155	24,253	24,423	24,315	24,282	24,306	24,561
Total Sales	73,652	74,331	74,798	75,233	75,734	76,370	76,723	77,389	78,086	78,240	78,581	78,717	78,908
Total Active	88,035	87,832	88,456	88,865	89,453	90,130	90,432	91,016	91,528	91,721	92,057	92,130	92,020
Total Inactive	25,143	26,110	26,037	26,070	25,986	25,923	25,990	26,061	26,217	26,091	26,045	26,048	26,300
Total Brokers & Sales	113,178	113,942	114,493	114,935	115,439	116,053	116,422	117,077	117,745	117,812	118,102	118,178	118,320
Inspectors													
	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02
Inspector Licensees													
Professional Inspectors	1,901	1,919	1,923	1,938	1,944	1,964	1,968	1,994	2,033	2,074	2,073	2,067	2,071
Real Estate Inspectors	180	175	175	175	170	169	175	174	170	168	172	173	167
Apprentice Inspectors	191	187	184	189	191	189	184	189	196	196	195	187	195
Total Inspectors	2,272	2,281	2,282	2,302	2,305	2,322	2,327	2,357	2,399	2,438	2,440	2,427	2,433
Easement & Right-of-way Registrants													
	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02
ERW Registrants													
Businesses	41	45	39	39	38	39	39	41	41	40	39	39	39
Individuals	896	892	858	861	878	883	868	866	875	869	858	843	845
Total Registrants	937	937	897	900	916	922	907	907	916	909	897	882	884
Total Licensees and Registrants													
	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02
All Licensees & Registrants	116,387	117,160	117,672	118,137	118,660	119,297	119,656	120,341	121,060	121,159	121,439	121,487	121,637

Licensing and Education Division

Examination Activity

December 2002

Monthly Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	706	53	4	22
Examinations Failed	1,240	56	4	68
Examinations Taken	1,946	109	8	90
Applicants Examined	1,453	73	7	77
1st Time Passed	543	34	4	16
Examination Pass Rate	36.28%	48.62%	50.00%	24.44%
Applicant Pass Rate	48.59%	72.60%	57.14%	28.57%
1st Time Pass Rate	37.37%	46.58%	57.14%	20.78%

Year-to-Date Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	2,847	205	8	52
Examinations Failed	5,076	207	14	238
Examinations Taken	7,923	412	22	290
Applicants Examined	4,290	236	13	191
1st Time Passed	1,728	115	6	26
Examination Pass Rate	35.93%	49.76%	36.36%	17.93%
Applicant Pass Rate	66.36%	86.86%	61.54%	27.23%
1st Time Pass Rate	40.28%	48.73%	46.15%	13.61%

Enforcement Division Report

Case Status

December 2002

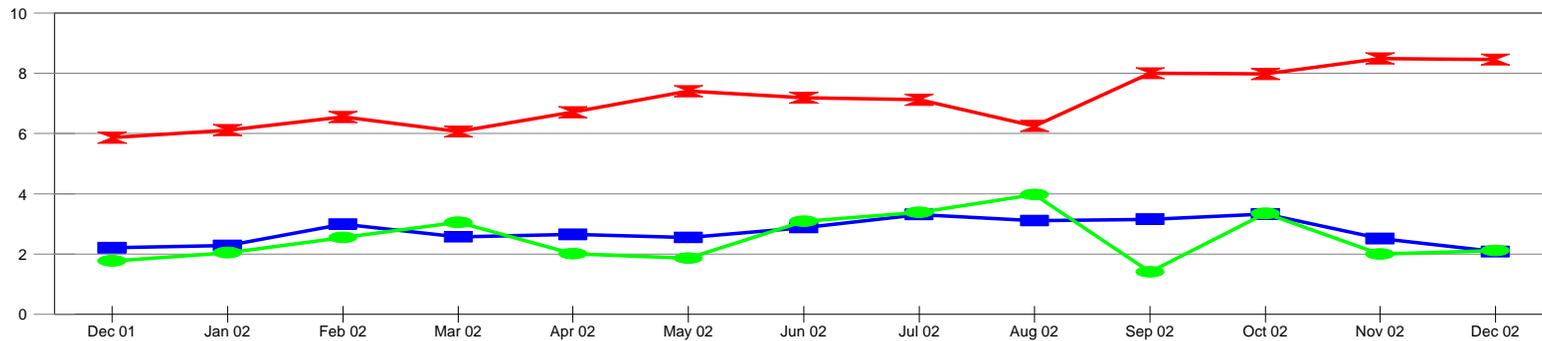
	December 2002	YTD
Open at Beginning of the Month	849	-----
Opened During the Month	208	1,107
Closed During the Month	(211)	(886)
Adjustment *	0	0
Open at End of Month	846	-----

* Cases not accounted for in previous monthly reports

	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02
Opened During Month	220	229	299	257	265	255	288	331	311	315	333	251	208
Closed During Month	177	204	255	305	201	186	309	338	398	140	335	200	211
Open at End of Month	586	611	655	607	671	740	719	712	625	800	798	849	846

Case Status

13 Month Trend



■ Opened During Month
 ● Closed During Month
 ✕ Open at End of Month

Enforcement Division

Administrative Actions

December 2002

Name and Location	Order	Basis for Order
Sanderson, David Stuart (Houston); license# 452153	Revocation of broker license, effective December 2, 2002	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission
Davis, Lenae Bryant (Houston); license# 444083	Revocation of salesperson license, effective December 2, 2002	failing within a reasonable time to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC Section 535.91(a) of the Rules of the Texas Real Estate Commission
Pavlic, Virginia Kay (Addison); license# 289439	Agreed reprimand of broker license, entered December 16, 2002	failed to remit a real estate consulting fee upon request by the client when there was no written agreement for the fee to be nonrefundable, in violation of Section 15(a)(6)(E) of The Real Estate License Act
Jetrink, Inc. (The Colony); license# 482577	Agreed reprimand of broker license, entered December 5, 2002; Agreed administrative penalty of \$500, entered December 5, 2002	associated with and paid fees to a person after the time the person's license as a real estate salesperson had expired, in violation of Section 15(a)(6)(F) and Section 15(a)(6)(S) of The Real Estate License Act
Bergmann, George Alvin (Kemah); license# 336889	Agreed reprimand of salesperson license, entered December 18, 2002; Agreed administrative penalty of \$250, entered December 18, 2002	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission
Knight, Anthony (Houston); license# 412191	Revocation of salesperson license, effective December 13, 2002	falsely representing to a customer that money collected from the customer would be used for a down payment on a particular property, thereby making a material misrepresentation, in violation of Section 15(a)(6)(A); converting this money to his own use and failing to refund the money upon demand by the rightful owner, thereby failing within a reasonable time properly to account for or remit money coming into his possession which belongs to others or commingling money belonging to others with his own funds, in violation of Section 15(a)(6)(E); mishandling funds given to him and failing to be truthful as to the status of the customer's attempted purchase of property, thereby engaging in dishonest dealings, bad faith, or untrustworthiness, in violation of Section 15(a)(6)(V); failing to ensure that necessary instruments were executed to effect the purchase of property by the customer and failing to rectify this error in the face of concerns expressed by the customer, thereby acting negligently or incompetently in performing an act for which a person is required to hold a real estate license, in violation of Section 15(a)(6)(W); failing within a reasonable time to deposit money received as escrow agent in a real estate transaction, either in trust with the title company authorized to do business in this state, or in a custodial, trust, or escrow account maintained for that purpose in a banking institution authorized to do business in this state, in violation of Section 15(a)(6)(Y) of The Real Estate License Act
Rivers, Linda Raye (Houston); license# 399460	Revocation of salesperson license, effective December 18, 2002	payment of \$50,000.00 made by the Texas Real Estate Commission from the Real Estate Recovery Fund toward satisfaction of a judgment against Linda Raye Rivers, in violation of Section 8(i) of The Real Estate License Act

Enforcement Division

Administrative Actions

December 2002

Name and Location	Order	Basis for Order
Petrie, Thomas Joseph (Austin); license# 310365	Agreed reprimand of broker license, entered December 5, 2002; Agreed administrative penalty of \$200, entered December 5, 2002	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission
Taylor, Opal Jean (Dallas); license# 312646	Agreed reprimand of salesperson license, entered December 20, 2002; Agreed administrative penalty of \$200, entered December 20, 2002	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC Section 535.92(f) of the Rules of the Texas Real Estate Commission

Information Services Division

Electronic Information Outlet Statistics

December 2002

	Current Month	YTD
World Wide Web		
Total Pages Viewed	1,048,547	4,491,076

TREC-L List Server		
Current Subscribers	34,086	

	Total	Online	Online Percent
Online Transactions			
Broker Renewals	1,132	298	26.33%
Salesperson Renewals	1,690	479	28.34%
Salesperson Applications	1,068	513	48.03%
Professional Inspector Renewals	155	5	3.23%
Real Estate Inspector Renewals	10	0	0.00%
Apprentice Inspector Renewals	10	0	0.00%

Staff Services Division

Agency Financial Statement

December 2002

THRU 4TH MONTH OF FISCAL YEAR 2003

STRATEGIES	FY 2003 APPROPRIATION *	4/12 ANNUAL APPROPRIATION	4 MONTHS EXPENDITURES A/P AND ENC.	DOLLAR VARIANCE OVER(-) OR UNDER	PERCENT VARIANCE OVER(-) OR UNDER
Licensing	\$ 1,358,217.00	\$ 452,739.00	\$ 555,445.66	\$ (102,706.66)	-22.69%
Enforcement	986,225.00	328,741.67	423,892.23	(95,150.56)	-28.94%
Communication/Information	594,549.00	198,183.00	254,676.23	(56,493.23)	-28.51%
Indirect Administration	1,412,876.00	470,958.67	582,471.36	(111,512.69)	-23.68%
TOTAL	\$ <u>4,351,867.00</u> *	\$ <u>1,450,622.34</u>	\$ <u>1,816,485.48</u>	\$ <u>(365,863.14)</u>	-25.22% **

* Total appropriations have been increased by \$47,236 for benefit replacement pay, \$33,840 for longevity increase, \$118,103 for the salary increase authorized by the Legislature, and \$205,700 to pay subscription fees for electronic payments. Indirect Administration has been decreased by \$27,833, the amount appropriated for relocation of 15 employees, which is reserved for lapse.

** Variance reflects annual hardware maintenance and software support due at the beginning of a new fiscal year and the legislative provision which requires the encumbrance of all contractual obligations through the end of the fiscal year.

Staff Services Division

Real Estate Recovery Fund No. 971 Investments

Current Securities

December 2002

Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
10/21/1999	200,000.00	201,500.00	202,000.00	(875.00)	201,125.00	4,687.50	U.S. T-Notes, 6.25%	02/15/2003
10/21/1999	100,000.00	98,937.50	103,000.00	(218.75)	102,781.25	2,156.25	U.S. T-Notes, 5.75%	08/15/2003
10/31/1996	100,000.00	97,656.25	103,000.00	(218.75)	102,781.25	2,156.25	U.S. T-Notes, 5.750%	08/15/2003
01/22/1997	300,000.00	291,375.00	315,187.50	375.00	315,562.50	6,609.38	U.S. T-Notes, 5.875%	02/15/2004
09/28/2000	100,000.00	100,312.50	106,843.75	562.50	107,406.25	2,250.00	U.S. T-Notes, 6.00%	08/05/2004
09/28/2000	300,000.00	307,406.25	330,187.50	3,000.00	333,187.50	2,437.50	U.S. T-Notes, 6.50%	05/15/2005
09/28/2001	100,000.00	107,968.75	109,062.50	1,531.25	110,593.75	718.75	U.S. T-Notes, 5.75%	11/15/2005
02/15/2001	300,000.00	309,000.00	327,281.25	5,250.00	332,531.25	6,328.13	U.S. T-Notes, 5.625%	02/15/2006
03/07/2002	100,000.00	96,500.00	102,000.00	2,187.50	104,187.50	437.50	U.S. T-Notes, 3.50%	11/15/2006
03/07/2002	100,000.00	107,968.75	112,562.50	2,312.50	114,875.00	2,343.75	U.S. T-Notes, 6.25%	02/15/2007
08/23/2002	300,000.00	300,468.75	300,281.25	7,781.25	308,062.50	3,656.25	U.S. T-Notes, 3.25%	08/15/2007
Totals	\$ 2,000,000.00	\$ 2,019,093.75	\$ 2,111,406.25	\$ 21,687.50	\$ 2,133,093.75	\$ 33,781.26		

	Current Month	Cumulative Totals
Receipts:		
Licenseses' Remittances to Recovery Fund	\$ 13,440.00	\$ 4,480,950.08
Interest Realized	0.00	5,320,209.76
Repayments to Recovery Fund (Principal and Interest)	4,489.04	903,438.45
Administrative Penalties	1,150.00	201,600.00
Total Received	\$ 19,079.04	\$ 10,906,198.29
Disbursements:		
Investments Purchased (See Securities List)	\$ 0.00	\$ 2,019,093.75
Accrued Interest Purchased (See Securities List)	0.00	211.96
Payments from Recovery Fund	20,000.00	8,696,683.87
Rider Disbursements	10.00	9,314.08
Total Disbursed	20,010.00	10,725,303.66
Totals	\$ (930.96)	\$ 180,894.63
	(Current Month)	
Reserved for Payments (Security)		0.00
Reserved for Payments Within Next 90 Days		(116,878.76)
Balance		\$ 64,015.87

Investment Position: The Fund is capable of meeting all known obligations.
Investment Compliance: The Investment Policy of the Commission has been followed.



Alan R. Waters, Investment Officer



Karen Alexander, Alternate Investment Officer

Staff Services Division
Real Estate Recovery Fund No. 971
Payments and Repayments
December 2002

Month-Year	Payment Total	Repayment Total	Admin. Penalties Total	Rider Disbursements	Payments FY 2003 To Date	Number of Payments
December 2001	23,563.01	12,718.15	0.00	0.00		
January 2002	11,380.39	3,976.40	(4,350.00)	47.42		
February 2002	50,000.00	2,230.15	900.00	10.00		
March 2002	3,979.13	4,364.65	1,500.00	0.00		
April 2002	44,612.05	2,148.00	1,200.00	11.00		
May 2002	35,673.90	3,297.40	900.00	55.92		
June 2002	95,919.01	3,316.15	1,400.00	9.00		
July 2002	0.00	2,830.15	900.00	46.11		
August 2002	79,902.83	2,276.15	3,150.00	94.38		
September 2002	16,809.75	7,449.15	2,050.00	0.00	16,809.75	2
October 2002	0.00	9,594.17	1,950.00	9.00	0.00	0
November 2002	50,000.00	2,299.55	1,250.00	15.41	50,000.00	1
December 2002	20,000.00	4,489.04	1,150.00	10.00	20,000.00	1
	431,840.07	60,989.11	12,000.00	308.24	86,809.75	4

Payment History		
Fiscal Year	# of Payments	Total Payments
thru 1988	221	\$2,236,975.54
1989	47	\$642,518.64
1990	42	\$579,467.82
1991	39	\$423,560.08
1992	35	\$467,668.69
1993	33	\$384,067.85
1994	31	\$394,466.36
1995	29	\$404,449.31
1996	26	\$385,724.99
1997	20	\$365,445.94
1998	27	\$497,406.17
1999	21	\$568,326.88
2000	18	\$509,279.95
2001	11	\$189,405.09
2002	19	\$561,110.81

Projected Payments *

Next 3 Months 116,878.76



* Projected Payments: Payments could be made in the time periods indicated. Several time/work variables can affect the actual payment dates.

Staff Services Division

Real Estate Inspection Recovery Fund No. 988

December 2002

Monthly Activity		
Beginning Balance	Current Month	Cumulative Totals

Payment History		
Fiscal Year	Number of Payments	Total Payments

Beginning Balance	\$	657,822.73	\$	657,822.73
Receipts:				
Licensees' Remittances to Recovery Fund		2,000.00		
Interest Realized		1,204.07		
Repayments		0.00		
Administrative Penalties		0.00		
Total Received in Current Month		3,204.07	\$	3,204.07
Disbursements:				
Payments from Recovery Fund	\$	7,500.00		
Cash Transfer to General Revenue		0.00		
Rider Disbursements		0.00		
Total Disbursed in Current Month		7,500.00	\$	7,500.00
Fund Balance			\$	<u>653,526.80</u>

1991	2	\$	4,309.26
1992	0		0.00
1993	2		15,000.00
1994	5		31,473.40
1995	4		25,668.83
1996	2		7,500.00
1997	1		7,500.00
1998	4		30,000.00
1999	1		7,500.00
2000	6		45,000.00
2001	0		0.00
2002	2		15,000.00
2003	1		7,500.00
		\$	<u>196,451.49</u>

Investment Position: The Fund is capable of meeting all known obligations.
 Investment Compliance: The Investment Policy of the Commission has been followed.



Alan R. Waters, Investment Officer



Karen Alexander, Alternate Investment Officer