



Staff Reports for July 2003

Texas Real Estate Commission

Monthly Staff Reports

Contents

<u>Report</u>	<u>Report Description</u>	<u>Division</u>	<u>Director</u>
L1	Fiscal Year Comparison	Licensing & Education	Sabrina Hassumani
L2	Real Estate Licensee Status	Licensing & Education	Sabrina Hassumani
L3	Examination Statistics	Licensing & Education	Sabrina Hassumani
E1	Case Status	Enforcement	Linda Bayless
E2	Administrative Orders	Enforcement	Linda Bayless
I1	Electronic Information Outlet Statistics	Information Services	Lyndon Clements
S1	Agency Financial Statement	Staff Services	Alan Waters
S2	Real Estate Recovery Fund Investments - Current Securities	Staff Services	Alan Waters
S3	Real Estate Recovery Fund Payments and Repayments	Staff Services	Alan Waters
S4	Inspection Recovery Fund Status	Staff Services	Alan Waters

Licensing and Education Division

Fiscal Year Comparison

Fiscal Year 2003 - Year to Date

	This FY 09/02-07/03	Last FY 09/01-07/02	Change Count	Percent
Applications Received				
Broker Original Applications Received	1,195	1,454	(259)	-17.81%
Sales Original Applications Received	<u>14,402</u>	<u>13,613</u>	<u>789</u>	<u>5.80%</u>
Total Original Applications	15,597	15,067	530	3.52%
Broker Late Renewal Applications Received	971	1,029	(58)	-5.64%
Sales Late Renewal Applications Received	<u>3,701</u>	<u>3,324</u>	<u>377</u>	<u>11.34%</u>
Total Late Renewal Applications Received	4,672	4,353	319	7.33%
Licenses Issued from Applications				
Broker Licenses from Original Applications	1,037	1,337	(300)	-22.44%
Sales Licenses from Original Applications	<u>12,793</u>	<u>14,272</u>	<u>(1,479)</u>	<u>-10.36%</u>
Total Licenses from Original Applications	13,830	15,609	(1,779)	-11.40%
Broker Licenses from Late Renewal Applications	1,030	1,068	(38)	-3.56%
Sales Licenses from Late Renewal Applications	<u>5,748</u>	<u>5,108</u>	<u>640</u>	<u>12.53%</u>
Total Licenses from Late Renewal Applications	6,778	6,176	602	9.75%
Renewal Activity for Expirations				
Broker Timely Renewals Percentage	88.42%	88.41%		0.01%
Sales Timely (1 year) Renewals Percentage	76.67%	76.55%		0.12%
Sales Timely (2 year) Renewals Percentage	83.41%	83.40%		0.01%

Licensing and Education Division

Licensee and Registrant Status

July 2003

Real Estate Licensees

	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
Broker Licensees													
Individual (Active)	33,294	33,246	33,174	33,126	33,084	33,038	33,075	33,100	33,046	32,993	32,955	32,905	32,889
Corporation (Active)	3,672	3,692	3,695	3,697	3,688	3,687	3,719	3,728	3,746	3,759	3,760	3,767	3,772
LLC (Active)	448	461	469	477	487	488	500	508	526	536	546	561	582
Non-resident (Active)	464	464	456	456	458	458	453	449	448	445	443	444	441
Partnership (Active)	2	2	2	2	2	2	2	2	2	3	3	3	3
Total Active Status	37,880	37,865	37,796	37,758	37,719	37,673	37,749	37,787	37,768	37,736	37,707	37,680	37,687
<i>Inactive Status</i>	1,808	1,794	1,776	1,763	1,742	1,739	1,732	1,737	1,720	1,717	1,720	1,712	1,696
Total Brokers	39,688	39,659	39,572	39,521	39,461	39,412	39,481	39,524	39,488	39,453	39,427	39,392	39,383
Sales Licensees													
Active Status	53,136	53,663	53,925	54,299	54,411	54,347	54,056	54,492	55,107	55,656	56,278	56,720	57,154
Inactive Status	24,253	24,423	24,315	24,282	24,306	24,561	25,322	25,183	25,077	24,940	24,695	24,763	24,754
Total Sales	77,389	78,086	78,240	78,581	78,717	78,908	79,378	79,675	80,184	80,596	80,973	81,483	81,908
Total Active	91,016	91,528	91,721	92,057	92,130	92,020	91,805	92,279	92,875	93,392	93,985	94,400	94,841
Total Inactive	26,061	26,217	26,091	26,045	26,048	26,300	27,054	26,920	26,797	26,657	26,415	26,475	26,450
Total Brokers & Sales	117,077	117,745	117,812	118,102	118,178	118,320	118,859	119,199	119,672	120,049	120,400	120,875	121,291

Inspectors

	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
Inspector Licensees													
Professional Inspectors	1,994	2,033	2,074	2,073	2,067	2,071	2,081	2,090	2,100	2,125	2,134	2,163	2,192
Real Estate Inspectors	174	170	168	172	173	167	175	179	181	185	188	191	183
Apprentice Inspectors	189	196	196	195	187	195	203	201	199	195	204	200	201
Total Inspectors	2,357	2,399	2,438	2,440	2,427	2,433	2,459	2,470	2,480	2,505	2,526	2,554	2,576

Easement & Right-of-way Registrants

	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
ERW Registrants													
Businesses	41	41	40	39	39	39	41	39	37	37	38	39	39
Individuals	866	875	869	858	843	845	836	799	799	785	775	769	775
Total Registrants	907	916	909	897	882	884	877	838	836	822	813	808	814

Total Licensees and Registrants

	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
All Licensees & Registrants	120,341	121,060	121,159	121,439	121,487	121,637	122,195	122,507	122,988	123,376	123,739	124,237	124,681

Licensing and Education Division

Examination Activity

July 2003

Monthly Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	1,067	65	4	43
Examinations Failed	1,674	47	3	95
Examinations Taken	2,741	112	7	138
Applicants Examined	1,977	81	6	119
1st Time Passed	791	47	3	37
Examination Pass Rate	38.93%	58.04%	57.14%	31.16%
Applicant Pass Rate	53.97%	80.25%	66.67%	36.13%
1st Time Pass Rate	40.01%	58.02%	50.00%	31.09%

Year-to-Date Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	9,808	654	39	261
Examinations Failed	15,906	612	46	877
Examinations Taken	25,714	1,266	85	1,138
Applicants Examined	12,703	715	54	596
1st Time Passed	5,690	384	26	122
Examination Pass Rate	38.14%	51.66%	45.88%	22.93%
Applicant Pass Rate	77.21%	91.47%	72.22%	43.79%
1st Time Pass Rate	44.79%	53.71%	48.15%	20.47%

Enforcement Division Report

Case Status

July 2003

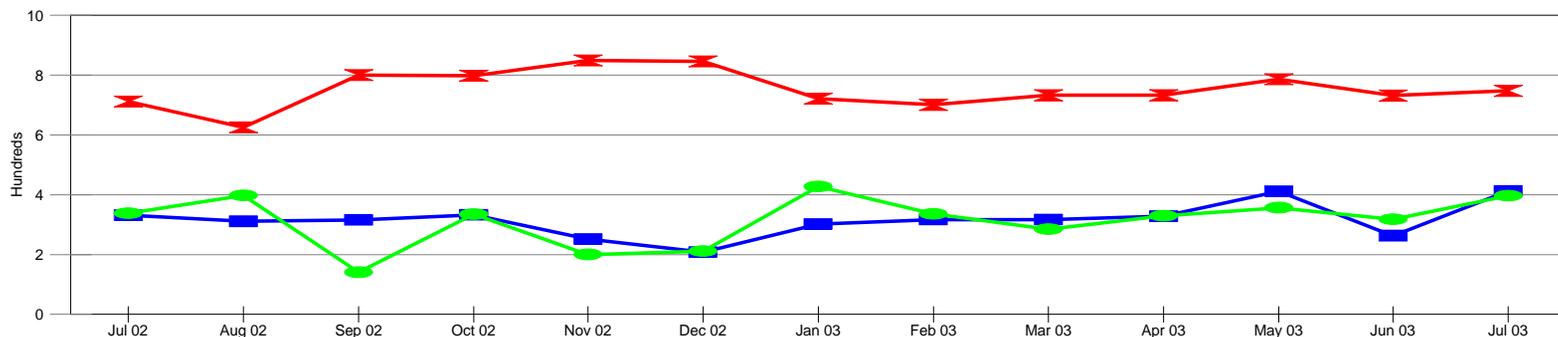
	July 2003	YTD
Open at Beginning of the Month	731	-----
Opened During the Month	412	3,455
Closed During the Month	(396)	(3,333)
Adjustment *	0	0
Open at End of Month	747	-----

* Cases not accounted for in previous monthly reports

	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
Opened During Month	331	311	315	333	251	208	302	316	316	328	411	263	412
Closed During Month	338	398	140	335	200	211	427	336	284	329	357	318	396
Open at End of Month	712	625	800	798	849	846	721	701	733	732	786	731	747

Case Status

13 Month Trend



—■— Opened During Month
 —●— Closed During Month
 —×— Open at End of Month

Enforcement Division

Administrative Actions

July 2003

Name and Location	Order	Basis for Order
Frankel, Ronald (Surfside); license# 386485	Revocation of broker license, effective July 2, 2003	criminal conviction of the felony offense of injury to a child, in violation of 22 TAC Section 541.1 of the Rules of the Texas Real Estate Commission and Section 53.021(a), Texas Occupations Code
Chang, Grace Tung (Houston); license# 413498	Agreed reprimand of salesperson license, entered July 3, 2003; Agreed administrative penalty of \$250, entered July 3, 2003	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
Gilbert, Charlene (Coppell); license# 130730	Agreed reprimand of broker license, entered July 9, 2003; Agreed administrative penalty of \$250, entered July 9, 2003	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
Sawai, Sarah Baker (Plano); license# 467365	Agreed reprimand of salesperson license, entered July 2, 2003; Agreed administrative penalty of \$250, entered July 2, 2003	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
Thomson, Christopher Allan (Dallas); license# 458360	Agreed reprimand of broker license, entered July 11, 2003; Agreed administrative penalty of \$250, entered July 11, 2003	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
Lough, Lori Ann (Houston); license# 437738	Agreed reprimand of salesperson license, entered July 25, 2003; Agreed administrative penalty of \$250, entered July 25, 2003	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
Willoughby, Cathy J. (Kilgore); license# 459072	Revocation of salesperson license, effective July 17, 2003	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
Stevenson, John Paul, Jr. (Austin); license# 436012	Agreed reprimand of salesperson license, entered July 3, 2003; Agreed administrative penalty of \$250, entered July 3, 2003	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
Harmon, Thomas Patrick (Laredo); license# 308200	Agreed reprimand of broker license, entered July 9, 2003; Agreed administrative penalty of \$250, entered July 9, 2003	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
Carter, Stanwyn Jay (Houston); license# 429956	Agreed administrative penalty of \$1,000 against broker license, entered July 14, 2003	sponsored a salesperson and, after the expiration of the salesperson's license, the salesperson continued to be associated with the broker and to engage in acts of a real estate salesperson, in violation of Section 15(a)(6)(S) of The Real Estate License Act; paid commissions to a person for real estate brokerage services performed after the person's salesperson license expired, in violation of Section 15(a)(6)(F) of The Real Estate License Act

Enforcement Division

Administrative Actions

July 2003

Name and Location	Order	Basis for Order
Batista, Fernando (Dallas); license# 313995	Agreed reprimand of salesperson license, entered July 21, 2003; Agreed administrative penalty of \$250, entered July 21, 2003	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
Kubinski, Daniel John (San Antonio); license# 262512	Agreed 2 month suspension of broker license fully probated for 1 year, effective July 21, 2003	acting negligently or incompetently by signing the buyers' names to a written statement concerning their intentions to apply for a loan without their consent, in violation of Section 15(a)(6)(W) of The Real Estate License Act
Dizdar, Mark Wallace (McAllen); license# 298271	Agreed reprimand of broker license, entered July 23, 2003; Agreed administrative penalty of \$500, entered July 23, 2003	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
Chau, Nguyet Thi (Dallas); license# 470259	Agreed administrative penalty of \$500 against salesperson license, entered July 28, 2003	used an alias name as a real estate agent for the buyer, when engaged in a real estate transaction as the buyer under her legal name and failed to inform the seller that she was the buyer and a real estate licensee by either disclosure in the sales contract or in any other writing given prior to entering into the sales contract, in violation of 22 TAC Section 535.144 of The Rules of the Texas Real Estate Commission
Radoccia, Stephen David (Dallas); license# 356548	Agreed reprimand of salesperson license, entered July 8, 2003; Agreed administrative penalty of \$250, entered July 8, 2003	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
Anderson, Jane C. (Austin); license# 224011	Agreed reprimand of broker license, entered July 8, 2003; Agreed administrative penalty of \$250, entered July 8, 2003	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
Trivett, Brian Scott (Houston); license# 439968	Agreed reprimand of salesperson license, entered July 28, 2003; Agreed administrative penalty of \$250, entered July 28, 2003	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

July 2003

	Current Month	YTD
World Wide Web		
Total Pages Viewed	1,311,872	14,081,953

TREC-L List Server	
Current Subscribers	53,420

	Total	Online	Online Percent	YTD Online Percent
Online Transactions				
Broker Renewals	1,646	411	25.0%	24.7%
Salesperson Renewals	2,293	672	29.3%	26.5%
Salesperson Applications	1,482	762	51.4%	48.7%
Professional Inspector Renewals	149	9	6.0%	8.1%
Real Estate Inspector Renewals	15	2	13.3%	8.2%
Apprentice Inspector Renewals	9	0	0.0%	6.8%
Easement ROW Business Renewals	2	0	0.0%	0.0%
Easement ROW Individual Renewals	28	1	3.6%	5.0%

Staff Services Division Agency Financial Statement

July 2003

THRU 11TH MONTH OF FISCAL YEAR 2003

STRATEGIES	FY 2003 APPROPRIATION *	7% SAVINGS TRANSFER**	11/12 ANNUAL APPROPRIATION	11 MONTHS EXPENDITURES A/P AND ENC.	DOLLAR VARIANCE OVER(-) OR UNDER	PERCENT VARIAN OVER(-) OR UNDE
Licensing	\$ 1,310,652.07	\$ 35,965.00	\$ 1,168,463.15	\$ 1,171,543.14	\$ (3,079.99)	-0.26%
Enforcement	1,007,427.84	23,954.00	901,517.69	975,202.83	(73,685.14)	-8.17%
Communication/Information	777,596.19	115,383.00	607,028.76	545,802.06	61,226.70	10.09%
Indirect Administration	1,445,355.67	108,345.00	1,225,593.11	1,229,016.56	(3,423.45)	-0.28%
TOTAL	<u>\$ 4,541,031.77</u>	<u>\$ 283,647.00</u>	<u>\$ 3,902,602.71</u>	<u>\$ 3,921,564.59</u>	<u>\$ (18,961.88)</u>	-0.49% ***

* Total appropriations have been increased by \$47,236 for benefit replacement pay, \$33,840 for longevity increase, and \$118,103 for the salary increase authorized by the Legislature. In the Licensing strategy, subscription fees in the amount of \$171,695.00 have been collected and remitted. Communication has been increased by \$180,000 to reflect anticipated receipts.

** Total transfer was \$290,790. Of that amount \$7,143 represented unexpended capital budget from FY 2002.

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

Staff Services Division
Real Estate Recovery Fund No. 971 Investments
Current Securities
July 2003

Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
10/21/1999	100,000.00	98,937.50	100,562.50	(406.25)	100,156.25	2,635.42	U.S. T-Notes, 5.75%	08/15/2003
10/31/1996	100,000.00	97,656.25	100,562.50	(406.25)	100,156.25	2,635.42	U.S. T-Notes, 5.750%	08/15/2003
01/22/1997	300,000.00	291,375.00	309,093.75	(1,406.25)	307,687.50	8,078.13	U.S. T-Notes, 5.875%	02/15/2004
09/28/2000	100,000.00	100,312.50	105,531.25	(625.00)	104,906.25	2,750.00	U.S. T-Notes, 6.00%	08/05/2004
09/28/2000	300,000.00	307,406.25	329,062.50	(3,468.75)	325,593.75	4,062.50	U.S. T-Notes, 6.50%	05/15/2005
09/28/2001	100,000.00	107,968.75	110,093.75	(1,593.75)	108,500.00	1,197.92	U.S. T-Notes, 5.75%	11/15/2005
02/15/2001	300,000.00	309,000.00	331,781.25	(5,250.00)	326,531.25	7,734.38	U.S. T-Notes, 5.625%	02/15/2006
03/07/2002	100,000.00	96,500.00	105,468.75	(2,375.00)	103,093.75	729.17	U.S. T-Notes, 3.50%	11/15/2006
03/07/2002	100,000.00	107,968.75	115,062.50	(2,937.50)	112,125.00	2,864.58	U.S. T-Notes, 6.25%	02/15/2007
08/23/2002	300,000.00	300,468.75	313,312.50	(9,375.00)	303,937.50	4,468.75	U.S. T-Notes, 3.25%	08/15/2007
02/28/2003	180,000.00	203,231.25	205,256.25	(7,031.25)	198,225.00	4,537.50	U.S. T-Notes, 5.50%	02/15/2008
Totals	\$ 1,980,000.00	\$ 2,020,825.00	\$ 2,125,787.50	\$ (34,875.00)	\$ 2,090,912.50	\$ 41,693.77		

	Current Month	Cumulative Totals
Receipts:		
Licensees' Remittances to Recovery Fund	\$ 17,765.00	\$ 4,599,175.08
Interest Realized	0.00	5,373,122.80
Repayments to Recovery Fund (Principal and Interest)	103.89	925,890.13
Administrative Penalties	3,350.00	218,450.00
Total Received	\$ 21,218.89	\$ 11,116,638.01
Disbursements:		
Investments Purchased (See Securities List)	\$ 0.00	\$ 2,020,825.00
Accrued Interest Purchased (See Securities List)	0.00	355.52
Payments from Recovery Fund	0.00	8,838,798.80
Rider Disbursements	11.00	9,470.13
Total Disbursed	11.00	10,869,449.45
Totals	\$ 21,207.89	\$ 247,188.56
	(Current Month)	
Reserved for Payments (Security)		0.00
Reserved for Payments Within Next 90 Days		(90,000.00)
Balance		\$ 157,188.56

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

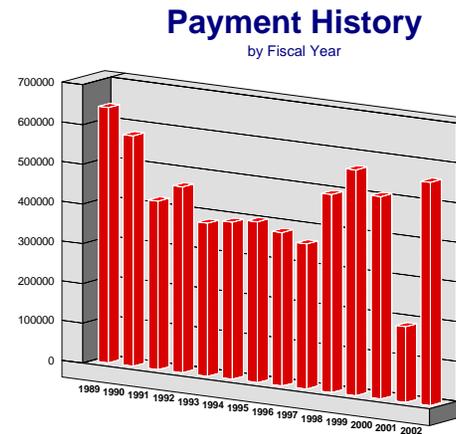
Staff Services Division
Real Estate Recovery Fund No. 971
Payments and Repayments
July 2003

Month-Year	Payment Total	Repayment Total	Admin. Penalties Total	Rider Disbursements	Payments FY 2003 To Date	Number of Payments
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
January 2003	56,361.25	3,491.30	200.00	56.30	56,361.25	3
February 2003	(3,769.10)	3,645.71	2,000.00	57.75	(3,769.10)	-1
March 2003	0.00	4,481.68	2,750.00	0.00	0.00	0
April 2003	71,605.18	4,586.22	3,750.00	0.00	71,605.18	2
May 2003	9,379.69	3,980.30	3,300.00	0.00	9,379.69	1
June 2003	8,537.91	2,162.58	1,500.00	31.00	8,537.91	2
July 2003	0.00	103.89	3,350.00	11.00	0.00	0
	308,827.51	51,389.89	27,300.00	330.95	228,924.68	11

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 90,000.00



* 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

July 2003

Monthly Activity		
Beginning Balance	Current Month	Cumulative Totals

Payment History		
Fiscal Year	Number of Payments	Total Payments

Beginning Balance	\$	628,688.76	\$	628,688.76
Receipts:				
Licensees' Remittances to Recovery Fund		4,300.00		
Interest Realized		845.21		
Repayments		501.38		
Administrative Penalties		0.00		
Total Received in Current Month		5,646.59	\$	5,646.59
Disbursements:				
Payments from Recovery Fund	\$	0.00		
Cash Transfer to General Revenue		0.00		
Rider Disbursements		0.00		
Total Disbursed in Current Month		0.00	\$	0.00
Fund Balance			\$	634,335.35

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
			\$ 196,451.49

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