



Staff Reports for October 2003

Texas Real Estate Commission

Monthly Staff Reports

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Licensing and Education Division

Fiscal Year Comparison

Fiscal Year 2004 - Year to Date

	This FY 09/03-10/03	Last FY 09/02-10/02	Count	Change Percent
Applications Received				
Broker Original Applications Received	261	208	53	25.48%
Sales Original Applications Received	<u>3,092</u>	<u>2,460</u>	<u>632</u>	<u>25.69%</u>
Total Original Applications	3,353	2,668	685	25.67%
Broker Late Renewal Applications Received	218	176	42	23.86%
Sales Late Renewal Applications Received	<u>801</u>	<u>678</u>	<u>123</u>	<u>18.14%</u>
Total Late Renewal Applications Received	1,019	854	165	19.32%
Licenses Issued from Applications				
Broker Licenses from Original Applications	213	169	44	26.04%
Sales Licenses from Original Applications	<u>2,263</u>	<u>1,489</u>	<u>774</u>	<u>51.98%</u>
Total Licenses from Original Applications	2,476	1,658	818	49.34%
Broker Licenses from Late Renewal Applications	228	182	46	25.27%
Sales Licenses from Late Renewal Applications	<u>784</u>	<u>668</u>	<u>116</u>	<u>17.37%</u>
Total Licenses from Late Renewal Applications	1,012	850	162	19.06%
Renewal Activity for Expirations				
	Oct 2003	Oct 2002		
Broker Timely Renewals Percentage	88.77%	88.64%		0.13%
Sales Timely (1 year) Renewals Percentage	78.06%	77.29%		0.77%
Sales Timely (2 year) Renewals Percentage	84.00%	84.57%		-0.57%

Licensing and Education Division

Licensee and Registrant Status

October 2003

Real Estate Licensees													
	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03
Broker Licensees													
Individual (Active)	33,126	33,084	33,038	33,075	33,100	33,046	32,993	32,955	32,905	32,889	32,847	32,817	32,787
Corporation (Active)	3,697	3,688	3,687	3,719	3,728	3,746	3,759	3,760	3,767	3,772	3,789	3,790	3,794
LLC (Active)	477	487	488	500	508	526	536	546	561	582	590	603	631
Non-resident (Active)	456	458	458	453	449	448	445	443	444	441	437	434	433
Partnership (Active)	2	2	2	2	2	2	3	3	3	3	3	2	2
Total Active Status	37,758	37,719	37,673	37,749	37,787	37,768	37,736	37,707	37,680	37,687	37,666	37,646	37,647
Inactive Status	1,763	1,742	1,739	1,732	1,737	1,720	1,717	1,720	1,712	1,696	1,700	1,695	1,708
Total Brokers	39,521	39,461	39,412	39,481	39,524	39,488	39,453	39,427	39,392	39,383	39,366	39,341	39,355
Sales Licensees													
Active Status	54,299	54,411	54,347	54,056	54,492	55,107	55,656	56,278	56,720	57,154	57,764	58,121	58,768
Inactive Status	24,282	24,306	24,561	25,322	25,183	25,077	24,940	24,695	24,763	24,754	24,532	24,553	24,693
Total Sales	78,581	78,717	78,908	79,378	79,675	80,184	80,596	80,973	81,483	81,908	82,296	82,674	83,461
Total Active	92,057	92,130	92,020	91,805	92,279	92,875	93,392	93,985	94,400	94,841	95,430	95,767	96,415
Total Inactive	26,045	26,048	26,300	27,054	26,920	26,797	26,657	26,415	26,475	26,450	26,232	26,248	26,401
Total Brokers & Sales	118,102	118,178	118,320	118,859	119,199	119,672	120,049	120,400	120,875	121,291	121,662	122,015	122,816
Inspectors													
	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03
Inspector Licensees													
Professional Inspectors	2,073	2,067	2,071	2,081	2,090	2,100	2,125	2,134	2,163	2,192	2,212	2,235	2,264
Real Estate Inspectors	172	173	167	175	179	181	185	188	191	183	179	179	188
Apprentice Inspectors	195	187	195	203	201	199	195	204	200	201	208	206	214
Total Inspectors	2,440	2,427	2,433	2,459	2,470	2,480	2,505	2,526	2,554	2,576	2,599	2,620	2,666
Easement & Right-of-way Registrants													
	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03
ERW Registrants													
Businesses	39	39	39	41	39	37	37	38	39	39	40	43	44
Individuals	858	843	845	836	799	799	785	775	769	775	770	760	758
Total Registrants	897	882	884	877	838	836	822	813	808	814	810	803	802
Total Licensees and Registrants													
	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03
All Licensees & Registrants	121,439	121,487	121,637	122,195	122,507	122,988	123,376	123,739	124,237	124,681	125,071	125,438	126,284

Licensing and Education Division

Examination Activity

October 2003

Monthly Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	1,255	85	8	51
Examinations Failed	1,892	72	4	103
Examinations Taken	3,147	157	12	154
Applicants Examined	2,220	109	11	134
1st Time Passed	915	59	7	43
Examination Pass Rate	39.88%	54.14%	66.67%	33.12%
Applicant Pass Rate	56.53%	77.98%	72.73%	38.06%
1st Time Pass Rate	41.22%	54.13%	63.64%	32.09%

Year-to-Date Results

	<u>Salesperson</u>	<u>Broker</u>	<u>R. E. Inspector</u>	<u>Prof. Inspector</u>
Examinations Passed	2,343	144	14	90
Examinations Failed	3,596	129	5	199
Examinations Taken	5,939	273	19	289
Applicants Examined	3,718	177	17	208
1st Time Passed	1,565	93	12	57
Examination Pass Rate	39.45%	52.75%	73.68%	31.14%
Applicant Pass Rate	63.02%	81.36%	82.35%	43.27%
1st Time Pass Rate	42.09%	52.54%	70.59%	27.40%

Enforcement Division Report

Case Status

October 2003

October 2003	YTD
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Open at Beginning of the Month	850	-----
Opened During the Month	103	381
Closed During the Month	(273)	(438)
Open at End of Month	680	-----

	Sep 03	Oct 03	Nov 03	Dec 03	Jan 04	Feb 04	Mar 04	Apr 04	May 04	Jun 04	Jul 04	Aug 04	FY04
Opened During Month:	278	103											
Administrative	137	33											
Public Complaints	57	38											
Application Investigations	48	22											
Moral Character Determinations	30	10											
Non-Jurisdictional Complaints	6	0											
Closed During Month:	165	273											
Administrative	53	125											
Public Complaints	59	107											
Application Investigations	28	23											
Moral Character Determinations	19	18											
Non-Jurisdictional Complaints	6	0											
Open at End of Month	850	680											

Enforcement Division

Administrative Actions

October 2003

Name and Location	Order	Basis for Order
Hall, Darrell Roy (Madisonville); license# 85940	Reprimand of broker license, entered October 8, 2003	failing to disclose his status as a licensee when selling property of a limited partnership in which he held an ownership interest of more than 10%, in violation of 22 TAC §535.144 of the Rules of the Texas Real Estate Commission
Stroud, Jack Leonard (Arlington); license# 176254	Agreed reprimand of broker license, entered October 16, 2003; Agreed administrative penalty of \$250, entered October 16, 2003	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission
Kerr, Elaine Kay (Austin); license# 424787	Agreed reprimand of salesperson license, entered October 10, 2003	acting negligently or incompetently by having ownership in, as president of, and conducting her real estate brokerage services through a corporation that was conducting its real estate brokerage services without first holding a real estate broker license, in violation of §15(a)(6)(W) of The Real Estate License Act [§1101.652(b)(1) of the Texas Occupations Code, effective June 1, 2003]; and acting negligently or incompetently by paying a portion of monies held in trust for a party in a real estate transaction to a service vendor without the party's permission, in violation of §15(a)(6)(W) of The Real Estate License Act [§1101.652(b)(1) of the Texas Occupations Code, effective June 1, 2003]
Medinis, Richard Joseph (Dallas); license# 427644	Agreed reprimand of salesperson license, entered October 10, 2003; Agreed administrative penalty of \$250, entered October 10, 2003	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission
Carrithers, Charla Diane (Brady); license# 378047	Agreed 90-day suspension of broker license, fully probated for 6 months, effective October 15, 2003; Agreed administrative penalty of \$1000, entered October 15, 2003	offering real property for sale without the knowledge and consent of the owner or his authorized agent and on terms other than those authorized by the owner or his authorized agent, in violation of §15(a)(6)(O) of The Real Estate License Act [§1101.652(b)(20) of the Texas Occupations Code, effective June 1, 2003]; publishing or causing to be published advertisements of the residential listing of another broker which were likely to deceive the public or were misleading or created a misleading impression, in violation of §15(a)(6)(P) of The Real Estate License Act [§1101.652(b)(23) of the Texas Occupations Code, effective June 1, 2003]; unauthorized entry into and allowing unauthorized interior photography of real property belonging to another, in violation of §15(a)(6)(V) of The Real Estate License Act [§1101.652(b)(2) of the Texas Occupations Code, effective June 1, 2003]; acting negligently or incompetently in relation to the residential listing of another broker, in violation of §15(a)(6)(W) of The Real Estate License Act [§1101.652(b)(1) of the Texas Occupations Code, effective June 1, 2003]
McNiece, John Isaac (Katy); license# 494884	Agreed administrative penalty of \$250, entered October 27, 2003	performing unlicensed real estate brokerage activities, in violation of §1(b) of The Real Estate License Act [§1101.351(a)(1) of The Texas Occupations Code, effective June 1, 2003]
Miers, John Robert (Kerrville); license# 154269	Revocation of broker license, effective October 27, 2003	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Enforcement Division

Administrative Actions

October 2003

Name and Location	Order	Basis for Order
Inselmann, Michael Henry (Houston); license# 169982	Agreed reprimand of broker license, entered October 29, 2003; Agreed administrative penalty of \$250, entered October 29, 2003	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission
Roberts, Masa Scott (Austin); license# 290894	Agreed reprimand of broker license, entered October 13, 2003; Agreed administrative penalty of \$250, entered October 13, 2003	failing to complete mandatory continuing education hours within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission
Bennett, Gerrold Kevin Kasey (Fort Worth); license# 438028	Revocation of salesperson license, effective October 27, 2003	failing or refusing to produce documents, books or records related to a real estate transaction and failing within a reasonable time to produce information related to a complaint to the Commission, in violation of §15(a)(7) and §15(a)(8) of The Real Estate License Act [§1101.652(a)(5) and §1101.652(a)(6) of the Texas Occupations Code, effective June 1, 2003]; when selling a property in his own name, failing to disclose in writing that he held a real estate salesperson license and engaging in misrepresentation or dishonest or fraudulent action by permitting a buyer to lease and take possession of his property prior to closing while representing pending foreclosure would not occur before closing when in fact foreclosure did occur, in violation of 22 TAC §535.144 of the Rules of the Texas Real Estate Commission and §15(a)(3) of The Real Estate License Act [§1101.652(a)(3) of the Texas Occupations Code, effective June 1, 2003]
Loftin, Helen Marie (Livingston); license# 447600	Agreed 45-day suspension of salesperson license fully probated for 1 year, effective October 21, 2003; Agreed administrative penalty of \$1000, entered October 21, 2003	encouraging a seller to sign an extension of a prior contract in which the closing date had passed even though the seller had already signed a new contract with a different buyer and had signed an exclusive listing agreement with another broker, in violation of §15(a)(6)(N) and §15(a)(6)(W) of the Real Estate License Act [§1101.652(b)(22) and §1101.652(b)(1) of the Texas Occupations Code, effective June 1, 2003]; advising the seller about the legal validity of the prior contract, in violation of §16(a) of The Real Estate License Act [§1101.654(a)(2) of the Texas Occupations Code, effective June 1, 2003]; advertising using an assumed name, of which the Commission had not received written notice from her sponsoring broker and which included her name but did not also include the name or assumed name of her sponsoring broker, in violation of §535.154(c) of the Rules of the Texas Real Estate Commission; identifying herself in advertising as owner/agent of the brokerage business without including in the advertisement the name or assumed name of her sponsoring broker, thereby implying that a salesperson was responsible for the operation of the brokerage business, in violation of §535.154(e) of the Rules of the Texas Real Estate Commission
Behringer, Robert Michael (Plano); license# 386409	Agreed reprimand of broker license, entered October 23, 2003; Agreed administrative penalty of \$250, entered October 23, 2003	failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Enforcement Division

Administrative Actions

October 2003

Name and Location	Order	Basis for Order
Denton, William Buck (Cumming, Georgia); license# 190612	Agreed reprimand of broker license, entered October 29, 2003;	failing to complete mandatory continuing education hours and pay the \$200 fee entered within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the administrative penalty of \$250, Texas Real Estate Commission entered October 29, 2003

Information Services Division

Electronic Information Outlet Statistics

October 2003

	Current Month	YTD
World Wide Web		
Total Pages Viewed	1,326,064	2,644,288

TREC-L List Server	
Current Subscribers	60,905

	Total	Online	Online Percent	YTD Online Percent
Online Transactions				
Broker Renewals	1,586	444	28.0%	26.8%
Salesperson Renewals	2,257	700	31.0%	30.6%
Salesperson Applications	1,572	863	54.9%	55.2%
Professional Inspector Renewals	146	10	6.8%	8.2%
Real Estate Inspector Renewals	12	1	8.3%	11.5%
Apprentice Inspector Renewals	4	0	0.0%	22.2%
Easement ROW Business Renewals	0	0	0.0%	0.0%
Easement ROW Individual Renewals	32	6	18.8%	20.0%

Staff Services Division

Agency Financial Statement

October 2003

THRU 2nd MONTH OF FISCAL YEAR 2004

STRATEGIES	FY 2004 APPROPRIATION *	2/12 ANNUAL APPROPRIATION	TWO MONTHS EXPENDITURES A/P AND ENC.	DOLLAR VARIANCE OVER(-) OR UNDER	PERCENT VARIANCE OVER(-) OR UNDER
Licensing	\$ 1,097,582.74	\$ 182,930.46	\$ 324,983.20	\$ (142,052.74)	-77.65%
Enforcement	1,226,933.25	204,488.88	312,005.59	(107,516.71)	-52.58%
Communication/Information	475,428.30	79,238.05	100,296.51	(21,058.46)	-26.58%
Indirect Administration	1,185,064.71	197,510.79	370,856.50	(173,345.71)	-87.77%
TOTAL	\$ <u>3,985,009.00</u> *	<u>664,168.18</u>	\$ <u>1,108,141.80</u>	\$ <u>(443,973.62)</u>	-66.85% **

* Total appropriations have been increased by \$41,013 for benefit replacement pay. In the Licensing strategy, subscription fees in the amount of \$34,017 have been collected and remitted to the Texas Online vendor. The Communication strategy has been increased by \$180,000 to reflect anticipated appropriated receipts.

**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

October 2003

Purchase Date	Par Value	Purchase Price	Beginning Market Value	Additions Changes	Ending Market Value	Accrued Interest	Description	Maturity Date
01/22/1997	300,000.00	291,375.00	305,343.75	(1,312.50)	304,031.25	3,671.88	U.S. T-Notes, 5.875%	02/15/2004
09/28/2000	100,000.00	100,312.50	104,250.00	(531.25)	103,718.75	1,250.00	U.S. T-Notes, 6.00%	08/05/2004
09/28/2000	300,000.00	307,406.25	325,218.75	(2,812.50)	322,406.25	8,937.50	U.S. T-Notes, 6.50%	05/15/2005
09/28/2001	100,000.00	107,968.75	108,781.25	(1,031.25)	107,750.00	2,635.42	U.S. T-Notes, 5.75%	11/15/2005
02/15/2001	300,000.00	309,000.00	327,843.75	(3,375.00)	324,468.75	3,515.63	U.S. T-Notes, 5.625%	02/15/2006
03/07/2002	100,000.00	96,500.00	104,468.75	(1,250.00)	103,218.75	1,604.17	U.S. T-Notes, 3.50%	11/15/2006
03/07/2002	100,000.00	107,968.75	113,406.25	(1,625.00)	111,781.25	1,302.08	U.S. T-Notes, 6.25%	02/15/2007
08/23/2002	300,000.00	300,468.75	309,656.25	(4,406.25)	305,250.00	2,031.25	U.S. T-Notes, 3.25%	08/15/2007
02/28/2003	180,000.00	203,231.25	201,881.25	(3,431.25)	198,450.00	2,062.50	U.S. T-Notes, 5.50%	02/15/2008
08/27/2003	200,000.00	218,625.00	226,187.50	(4,562.50)	221,625.00	5,041.67	U.S. T-Notes, 5.50%	02/15/2008
Totals	<u>\$ 1,980,000.00</u>	<u>\$ 2,042,856.25</u>	<u>\$ 2,127,037.50</u>	<u>\$ (24,337.50)</u>	<u>\$ 2,102,700.00</u>	<u>\$ 32,052.10</u>		

	Current Month	Cumulative Totals
Receipts:		
Licenses' Remittances to Recovery Fund	\$ 17,040.00	\$ 4,648,020.08
Interest Realized	0.00	5,415,123.53
Repayments to Recovery Fund (Principal and Interest)	145.97	930,538.56
Administrative Penalties	3,750.00	225,700.00
Total Received	<u>\$ 20,935.97</u>	<u>\$ 11,219,382.17</u>
Disbursements:		
Investments Purchased (See Securities List)	\$ 0.00	\$ 2,042,856.25
Accrued Interest Purchased (See Securities List)	0.00	3,108.70
Payments from Recovery Fund	0.00	8,838,798.80
Rider Disbursements	0.00	9,488.13
Total Disbursed	<u>0.00</u>	<u>10,894,251.88</u>
Totals	<u>\$ 20,935.97</u> (Current Month)	<u>\$ 325,130.29</u>
Reserved for Payments (Security)		0.00
Reserved for Payments Within Next 90 Days		<u>(50,000.00)</u>
Balance		<u>\$ 275,130.29</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

Alan R. Waters, Investment Officer

Karen Alexander

Karen Alexander, Alternate Investment Officer

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

Month-Year	Payment Total	Repayment Total	Admin. Penalties Total	Rider Disbursements	Payments FY 2004 To Date	Number of Payments
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	0.00	0
December 2002	20,000.00	4,489.04	1,150.00	10.00	0.00	0
January 2003	56,361.25	3,491.30	200.00	56.30	0.00	0
February 2003	(3,769.10)	3,645.71	2,000.00	57.75	0.00	0
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	0.00	0
May 2003	9,379.69	3,980.30	3,300.00	0.00	0.00	0
June 2003	8,537.91	2,162.58	1,500.00	31.00	0.00	0
July 2003	0.00	103.89	3,350.00	11.00	0.00	0
August 2003	0.00	2,250.21	2,000.00	0.00	0.00	0
September 2003	0.00	2,252.25	1,500.00	18.00	0.00	0
October 2003	0.00	145.97	3,750.00	0.00	0.00	0
	212,114.93	43,482.87	28,450.00	208.46	0.00	0

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
2003	11	\$228,924.68

Projected Payments *

Next 3 Months 50,000.00



* 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

October 2003

Monthly Activity

Beginning Balance	Current Month	Cumulative Totals
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Beginning Balance	\$	655,630.40	\$	655,630.40
Receipts:				
Licensees' Remittances to Recovery Fund		5,800.00		
Interest Realized		784.14		
Repayments		501.38		
Administrative Penalties		1,000.00		
Total Received in Current Month			\$	8,085.52
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
Fund Balance			\$	<u>656,215.92</u>

Payment History

Fiscal Year	Number of Payments	Total Payments
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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
2004	1		7,500.00
		\$	<u>203,951.49</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