



Texas Real Estate Commission

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FOR IMMEDIATE RELEASE

FOR INFORMATION CONTACT

FEBRUARY 24, 2003

PAT HOLDER

STATEMENT BY MIKE BRODIE
CHAIRMAN
TEXAS REAL ESTATE COMMISSION

At a meeting on February 24, 2003, the Texas Real Estate Commission proposed the repeal of subsection (d) of §535.2 of the Rules of the Commission. The rule has been the subject of much debate since it was adopted in November 2002. At issue is whether the rule, among other things, prohibits fee-for-service listing agreements or whether the minimum standards defined in the rule could be waived by the client. The Commission proposed and adopted the rule to protect consumer interests by ensuring that consumers were fully informed as to the level of service they could expect from a licensed broker serving as their agent in a real estate transaction. The Commission did not intend to prohibit fee for service real estate listing agreements or to deny consumers the right to choose the type or level of service they want from a licensed broker.

At a public commission meeting on January 6, 2003, persons spoke against the rule, for the rule, and for modification of the rule. After a thorough review of the comments received, the Commission is proposing the repeal the subsection for further study of the issue consistent with the purposes for which the rule was originally enacted. The commission may propose a replacement provision in the future that addresses all of the concerns raised by interested parties. The proposal repealing the subsection will go through the normal 30 day notice and comment period as required by the Texas Administrative Procedures Act before final action is taken to adopt the repeal. Final action on the repeal of the subsection may occur at the Commission's next regularly scheduled meeting on April 7, 2003.

Comments regarding the proposed repeal should be directed in writing to the Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, or general.counsel@trec.state.tx.us