



# TEXAS REAL ESTATE COMMISSION

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## PRESS RELEASE

### TEXAS REAL ESTATE COMMISSION TO RECEIVE INTERNET ADVERTISING UPDATE; WILL CONSIDER LEGISLATIVE AND REGULATORY PROPOSALS

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FOR IMMEDIATE RELEASE:  
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Several policy and program initiatives are scheduled to be considered by the Texas Real Estate Commission (TREC) during its meeting on Monday, October 26.

Commissioners plan to discuss how TREC can better enforce current legal requirements governing real estate advertising and transactions through the Internet. This issue is the result of concern over use of the Internet and related technologies that may not be in compliance with current real estate advertising requirements. If these requirements are not met, consumers may be at risk from Internet advertising that could promote deception, misrepresentation, and misleading content regarding property being sold or other real estate business activities.

A policy option for consideration would be to include the word "Internet" within Texas Real Estate License Act provisions regarding real estate advertising standards. Such a proposal could also include a distinct reference through existing TREC rules that would restate current regulations on advertising and make them specifically applicable to the Internet. No new statutes or separate rules would need to be added in order to include Internet formats under current advertising requirements.

\*\*\*More\*\*\*

In other policy items, consideration will be given to specific draft language for several legislative proposals which the Commission approved during its previous meeting in September for submission to the state legislature.

The issue of how to deal with “after-the-fact” referral fees will also be discussed. “After-the-fact” referral fees charged by relocation companies or affinity groups have become a concern for many licensees. The problem occurs when a client signs a buyer or listing representation agreement with an individual broker, but has also previously dealt with a relocation firm or affinity group that offers relocation services. Legal and ethical questions are raised when payment of “after-the-fact” referral fees are then subsequently demanded by these relocation agencies. A discussion is planned regarding how “after-the-fact” referral fees might be addressed through changes in TREC rules.

Commissioners will be looking at how they can streamline and simplify several existing rules. Final action is anticipated on amending rules to eliminate an original 14-page standard inspection report form, effective January 1, 1999. Lengthy forms are being replaced by a simplified five-page version that was approved and made available for use earlier this year. In addition to its shortened length, the new inspection form gives discretion to licensed inspectors to add any comments they feel would be helpful in reporting on the condition of property being sold.

Other rule and procedural simplifications will be examined through possible revision of attendance report records for mandatory continuing education courses (MCE). Additionally, as part of TREC’s ongoing comprehensive rule review process, provisions will be evaluated relating to practices and procedures for rule making and contested cases. Elimination of 30 existing rules within this section are being proposed; nine new rules with references to the Texas Administrative Procedure Act would provide a simplified replacement for these existing requirements.

**The Commission meeting will begin at 9:00 AM on Monday, October 26<sup>th</sup>, in Conference Room #235 of the Texas Real Estate Commission Headquarters; 1101 Camino La Costa, in Austin.**