

AGENDA FOR TEXAS REAL ESTATE INSPECTOR COMMITTEE MEETING

Monday, October 16, 2023, at 10:00 a.m.

Meeting location:
Stephen F. Austin Building
1700 N. Congress Ave., Room 400a
Austin, Texas 78701
Teleconference option:

Microsoft Teams teleconference

Meeting ID: 234 817 393 538
Passcode: qDwCe4
Call in (audio only):
+1 512-372-4166 United States,
Austin (Toll) Phone Conference ID:

871 806 931#

To participate by providing public comment during the meeting, contact general.counsel@trec.texas.gov by 5:00 p.m. Friday, October 13, 2023, along with the agenda item number you wish to speak on.

In accordance with normal Commission practice, meeting materials will be available on the TREC website before the meeting at the following URL: https://www.trec.texas.gov/apps/meetings/

- 1. Call to order
- 2. Discussion and possible action to excuse Committee member's absence(s), if any
- 3. Housekeeping
- 4. Remarks from the Chair
- 5. Ratification of the minutes of the July 17, 2023, meeting
- 6. General comments from visitors or written comments on non-agenda items
- 7. Reports from Subcommittees:
 - a. Education Subcommittee
 - b. Standards of Practice Subcommittee

- 8. Staff Reports:
 - a. Executive Division
 - b. TREC Enforcement Division
 - c. Education and Examinations Division
 - d. Licensing Division
- Discussion and possible action regarding Texas Practicum Evaluation form and Texas Credit Request form
- 10. Discussion and possible action regarding education requirements for apprentice inspector licensure
- 11. Discussion and possible action regarding fillable fields on the Property Inspection Report Form REI 7-6
- 12. Discussion and possible action regarding revisions to instruction sheet for inspection report
- 13. Request for future meeting agenda items
- 14. Discussion and possible action regarding future meeting dates:

Future dates:

Tuesday, January 16, 2024, at 10:00 a.m.

Monday, April 15, 2024, at 10:00 a.m.

Alternative dates:

Wednesday, January 17, 2024, or Thursday, January 18, 2024

Tuesday, April 16, 2024, or Thursday, April 28, 2024

15. Adjourn

The Texas Real Estate Inspector Committee may meet with its attorney in executive session on any item listed above as authorized by the Texas Open Meetings Act, Tex. Gov't Code, §551.071.

In accordance with the Americans with Disabilities Act, any requests for reasonable accommodation needed by persons desiring to attend this open meeting should be submitted by that person to Amber Hinton at 512-936-3000.

Pursuant to Section $\underline{30.06}$, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter \underline{H} , Chapter $\underline{411}$, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

Pursuant to Section <u>30.07</u>, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter <u>H</u>, Chapter <u>411</u>, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

From: Brian Greul

Sent: Sunday, July 30, 2023 1:25 PM

To: General Counsel <<u>general.counsel@trec.texas.gov</u>> **Subject:** Builder activities that suppress client inspections

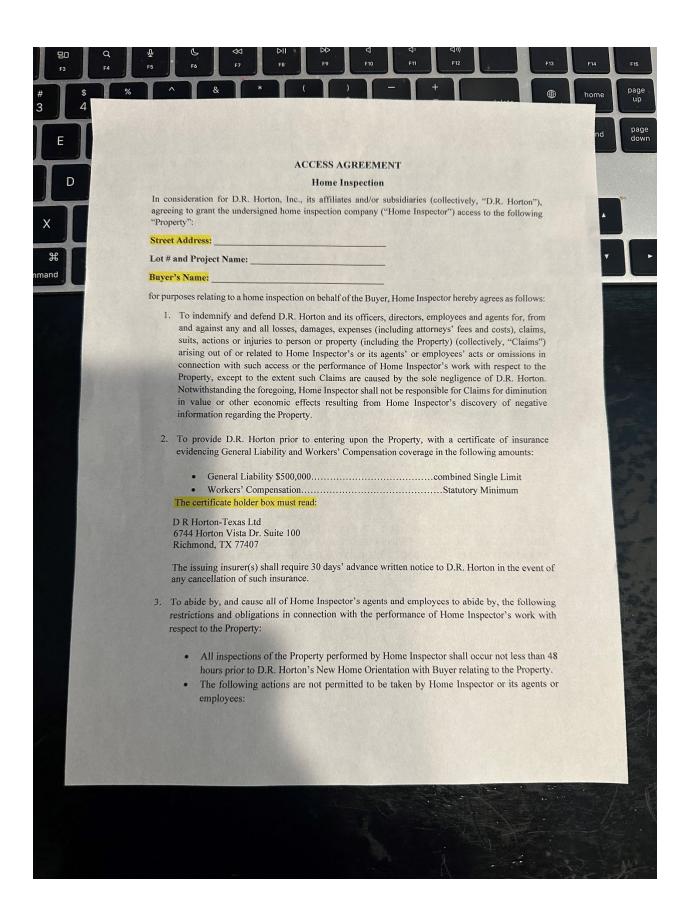
Good afternoon,

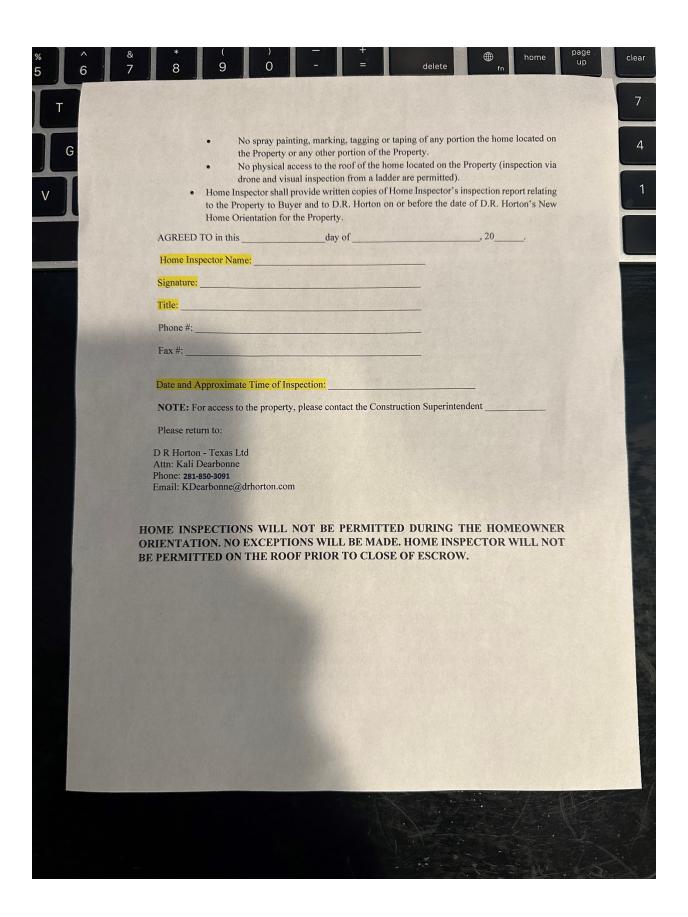
It has become more common for builders to impose "conditions" and require an executed contract for inspectors to be able to perform inspections for a client. I know that TREC does not regulate builders, but TREC does regulate inspectors. TREC and the Inspector Advisory Committee should consider taking action to reduce builder interference in the inspection process. Today I had a builder refuse access for an inspection after I pointed out that their agreement was in violation of TAC 535.220 Professional Conduct and Ethics (e)(7) Inspectors shall not disclose inspection results or client information without prior approval from the client. I also explained to them that I would not be able to modify my insurance (even if I wanted to) on a Sunday at Noon. I explained politely to the builder that the client has the ability to send a copy of the report to the builder, but that I am not allowed to promise to do so without the client's permission.

A copy of the builder's contract they wanted signed is attached.

This type of agreement makes it difficult for home buyers to get a 3rd party inspection by a licensed inspector. It imposes onerous terms on the inspector and presents a number of over-rides on the Inspection Standards of Practice that limit the activities of the inspector. It requires the inspector to provide insurance to the builder and "indemnify and defend" the builder "against any and all losses, damages, expenses, claims, suits, actions or injuries to people or property" "arising out of or of related to the Inspectors acts or omissions." Basically it's a blank check insurance requirement that benefits the builder. It succeeds in making it difficult for the client to get an inspection.

Best Regards,
Brian Greul, Inspector
GreenLight Inspections https://txgreenlight.com
TREC Professional Inspector 24271
ICC Residential Combination Inspector 10031662-R5





Inspector Complaints Resulting in Formal Disciplinary Action (since last Inspector Committee Meeting)

Date Closed	File No. / Disposition	Reason For Disciplinary Action	Parts, Component, or System Involved	Other
7/10/2023	226412/Agreed Order/\$100 administrative penalty	Failed to use an inspection form as adopted by the Commission in a property inspection for a buyer	N/A	Complainant was buyer
7/18/2023	224146/Agreed Order/\$500 Administrative Penalty/Reprimand/Education	Failed to inspect the operation and performance of HVAC/Heat Pump. Improper departure.	HVAC	Complainant was buyer
7/18/2023	232265/Agreed Order/\$1,600 Administrative Penalty/Reprimand/Education	Failed to use an inspection form as adopted by the Commission; failed to report the absense of drip edge around roof, GFCI in kitchen, missing receptacles that were open ground, and open junction box in garage.	Structural systems & Electrical	Complainant was another inspector
8/9/2023	226399/Agreed Order/\$2,500 Administrative Penalty/Probated Suspension/Education	Failed to operate and report deficiencies in the heating elements of HVAC heater; failed to report absense of dryer exhaust	HVAC & Ventilation	Complainant was buyer
FY2024				
9/1/2023	234319/Agreed Order/\$100 Administrative Penalty/Reprimand	Failed to use an inspection form as adopted by the Commission in a property inspection for a buyer	N/A	Complainant was buyer
9/21/2023	234251/Agreed Order/\$600 Administrative Penalty/Reprimand/Education	Failed to use an inspection form as adopted by the Commission; failed to indicate the temperature differential between supply air and return air.	HVAC	Complainant was buyer

Inspector Complaints Resulting in Formal Disciplinary Action FY 2023

1 1 2025											
Date Closed	File No. / Disposition	Reason For Disciplinary Action	Parts, Component, or System Involved	Other							
9/26/2022	220110/Agreed Order/\$500 Administrative Penalty/Reprimand	Engaged in false or misleading advertising	N/A	Complainant was a licensed professional engineer							
9/26/2022	220920/Agreed Order/\$1,000 Administrative Penalty/Cease and Desist	Conducted a real estate inspection with an expired and inactive license	N/A	Complainant works in mortgage lending							
11/7/2022	221508/Agreed Order/\$500 Administrative Penalty/Reprimand/Education	Performed inspection in negligent or incompetent manner	Heating system, heat pump	Complainant was Buyer							
11/14/2022	221970/Agreed Order/\$750 Administrative Penalty/Reprimand/Education	Performed inspection in negligent or incompetent manner	Plumbing systems, drains, wastes and vents	Complainant was Buyer							
11/15/2022	222956/Agreed Order/\$2000 Administrative Penalty/Reprimand	Performed inspection in negligent or incompetent manner	Roof Structure and Attic, Attached Porches, Heating	Complainant was Buyer							
11/16/2022	222403/Agreed Order/\$500 Administrative Penalty/Reprimand	Performed inspection in a negligent or incompetent manner	Heating/Ventilation/AC	Complainant was Buyer							
12/5/2022	223479/Agreed Order/\$1,000 Administrative Penalty/Cease and Desist	Performed a real estate inspection without a license	N/A	Complainant was the listing agent (TREC licensed sales agent)							
2/9/2023	224039/Agreed Order/\$100 administrative penalty	Failed to use an inspection form as adopted by the Commission in a property inspection for a buyer	N/A	Complainant was the buyer's agent							
2/13/2023	225736/Agreed Order/\$500 Administrative Penalty/Reprimand	Performed a real estate inspection in a negligent or incompetent manner by incorrectly stating on the inspection report that the whole house was wired with aluminum wiring	N/A	Complainant was the seller							

3/6/2023	224702/Agreed Order/\$600 administrative penalty/Reprimand/Education	Failed to use an inspection form as adopted by the Commission in a property inspection and failed to report a foundation with exposed or damaged reinforcement as "Deficient" in an inspection performed for a buyer.	Foundation	Complainant was the buyer
3/13/2023	224612/Agreed Order/\$500 Administrative Penalty/Reprimand	Failed to deal with the general public in a professional manner	N/A	Complainant was seller
3/13/2023	226205/Agreed Order/\$100 Administrative Penalty	Failed to use an inspection form as adopted by the Commission in a property inspection for a buyer	N/A	Complaint was the buyer
3/17/2023	230478/Agreed Order/\$1,100 Administrative Penalty/One Year Probated Suspension	Apprentice inspector performed inspection while not under the direct supervision of sponsor. Failed to use current form.	N/A	Complainant was Listing Agent
3/22/2023	232047/Agreed Order/\$1500 Administrative penalty/Reprimand/Education	Failed to include license number in inspection report, failed to report built-up creosote and chimney crown deficiencies, and failed to operate installed GFCI protection devices	Fireplace/Chimney & Electrical Systems	Complainant was buyer
4/5/2023	226369/Agreed Order/\$600 administrative penalty/Reprimand	Engaged in false or misleading advertising and failed to register his assumed business name with the Commission	N/A	Complainant was buyer
7/10/2023	226412/Agreed Order/\$100 administrative penalty	Failed to use an inspection form as adopted by the Commission in a property inspection for a buyer	N/A	Complainant was buyer
7/18/2023	224146/Agreed Order/\$500 Administrative Penalty/Reprimand/Education	Failed to inspect the operation and performance of HVAC/Heat Pump. Improper departure.	HVAC	Complainant was buyer

AGENDA ITEM 8B

7/18/2023	232265/Agreed Order/\$1,600 Administrative Penalty/Reprimand/Education	Failed to use an inspection form as adopted by the Commission; failed to report the absense of drip edge around roof, GFCI in kitchen, missing receptacles that were open ground, and open junction box in garage.	Structural systems & Electrical	Complainant was another inspector
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TREC Education Report

August 2023

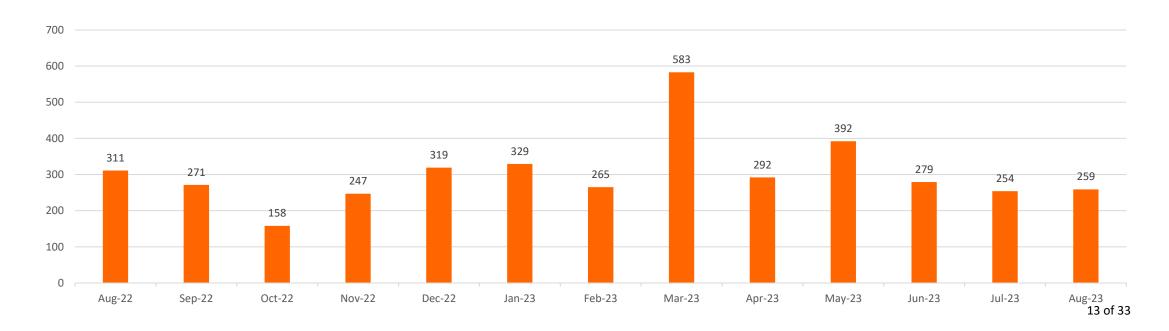


TREC Qualifying Education Provider and Course Applications													
TV 2000		0 : 00				- 1 - 2 - 2							,,,,,
FY 2023	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	YTD
Applications Received													
Providers													
Initial Provider	1	1	0	3	1	1	0	3	0	0	1	0	11
4-year Renewal Provider	0	5	2	2	1	0	1	3	0	1	2	0	
Annual Fee for Provider	6	10	2	5	0	1	6	6	0	1	10	5	52
Real Estate Courses	26	45	35	11	9	11	37	10	15	20	9	8	236
Initial	15	7	29	9		6		2		18	9		
Renewal	11	38	6			5		8		2			
													42
Inspector Courses Initial	0	0	4	0		1 1	0	0		6			12 12
	0	0	0		_	0		0		0	_	0	
Renewal	U	U	U	U	U	0	U	U	U	U	U	U	U
ERW Courses				2	0	0	0	0	0	0	0	0	2
Initial				2	0	0		0		0			
Renewal				0		0		0	_	0			
Tonoma.				·				·				Ĭ	
Total Applications Received	33	61	43	23	11	14	44	22	15	28	22	14	330
	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	YTD
Applications Approved													
Providers													
Initial Provider	0	1	0	2	1	0	2	0	2	0	0	1	9
4-year Renewal Provider	0	0	0		1	2		1		0			
Annual Fee for Provider	5	5	1	6		0		2		5	2	2	
Real Estate Courses	34	29	41	4	16	21	21	18	18	28	8	3	
Initial	15	6	16	4		15	17	2		21	2	2	
Renewal	19	23	25	0	7	6	4	16	9	7	6	1	123
Inspector Courses	0	0	0	0	2	5	0	0	0	0	0	0	7
Initial	0	0				5		0		0			
Renewal	0	0				0				0			
ERW Courses	0	0	0	_		1	0	0		0	0		
ERW Courses Initial	0	0	0	2	0	1	0	0	0	0	0	0	3
	0	0	0	_	0		0		0		0	0	3

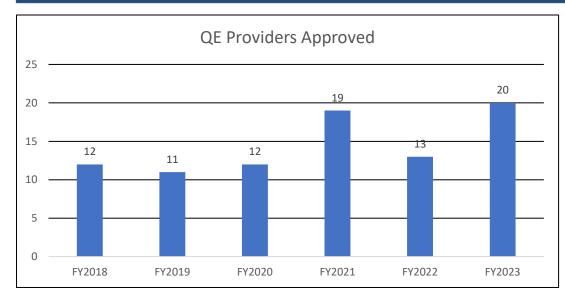
		Conti	nuing Edu	ıcation Pr	ovider ar	nd Course	Applicat	ions					
FY 2023	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	YTD
Applications Received													
Providers	22	18	26	27	36	43	30	24	19	28	29	40	342
Initial Provider	9	11	15	14	21	27	21	13	7	11	14	20	183
Renewal Provider	13	7	11	13	15	16	9	11	12	17	15	20	159
Real Estate CE Courses	154	205	289	229	280	324	251	227	232	197	175	209	2772
Inspector CE (ICE) Courses	8	24	4	16	27	14	4	10	26	26	16	55	230
ERW Courses				1	0	1	1	0	0	1	2	0	6
Total Applications Received	184	247	319	273	343	382	286	261	277	252	222	304	3350
	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	YTD
Applications Approved													
Providers	20	12	12	22	44	22	30	23	42	36	28	26	317
Initial Provider	6	8	6	9	16	19	17	15	25	18	11	13	163
Renewal Provider	14	4	6	13	28	3	13	8	17	18	17	13	154
Real Estate CE Courses	190	104	179	286	258	189	491	240	320	191	202	211	2861
Inspector CE (ICE) Courses	27	12	15	1	7	22	37	10	8	23	14	13	189
ERW Courses				1	0	3	1	0	0	1	0	2	8
Total Applications Approved	237	128	206	310	309	236	559	273	370	251	244	252	3375

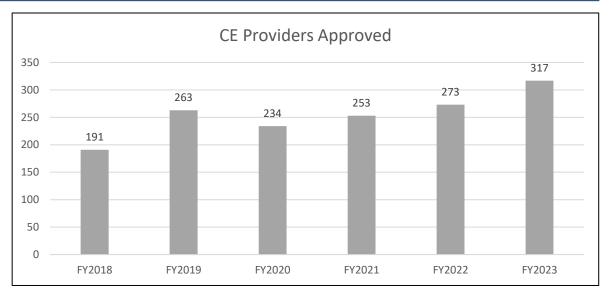
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TREC Applications Approved 13-Month Comparison													
	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Qualifying Provider	0	0	1	0	3	2	2	3	1	4	0	2	4
Qualifying Real Estate Courses	19	34	29	41	4	16	21	21	18	18	28	8	3
Qualifying Inspector Courses	0	0	0	0	0	2	5	0	0	0	0	0	0
Qualifying ERW Courses					2	0	1	0	0	0	0	0	0
All Qualifying Applications	19	34	30	41	9	20	29	24	19	22	28	10	7
Continuing Education Provider	33	20	12	12	22	44	22	30	23	42	36	28	26
Continuing Real Estate Courses	233	190	104	179	286	258	189	491	240	320	191	202	211
Continuing Education Inspector Courses	26	27	12	15	1	7	22	37	10	8	23	14	13
Continuing Education ERW Courses					1	0	3	1	0	0	1	0	2
All Continuing Education Applications	292	237	128	206	310	309	236	559	273	370	251	244	252
			_										
All Applications Approved	311	271	158	247	319	329	265	583	292	392	279	254	259

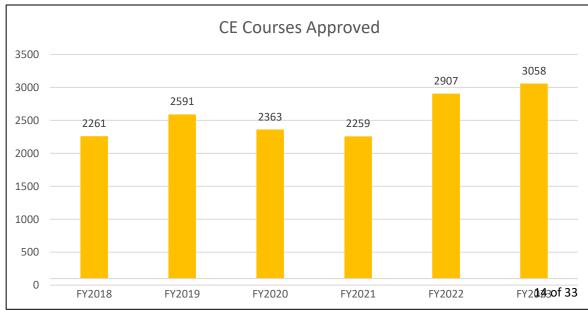


Education & Examinations Division TREC Total Applications Approved - Fiscal Year

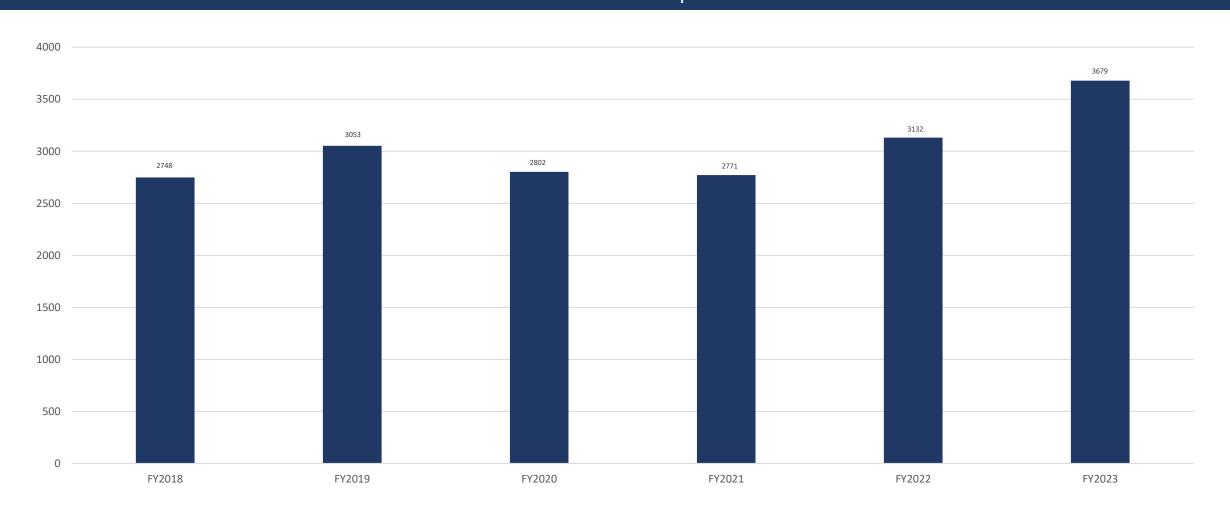




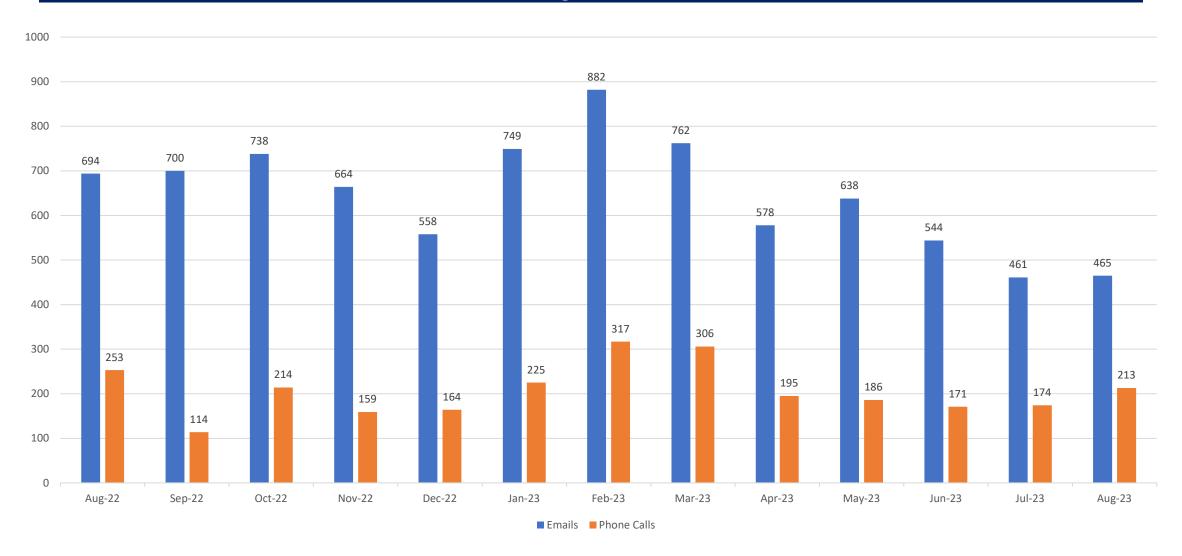




All TREC Applications Approved Year-Over-Year Comparison

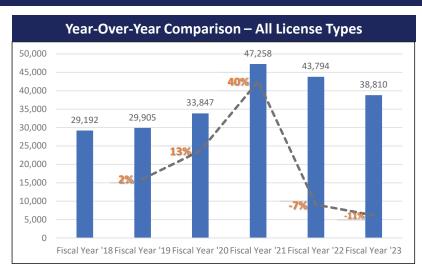


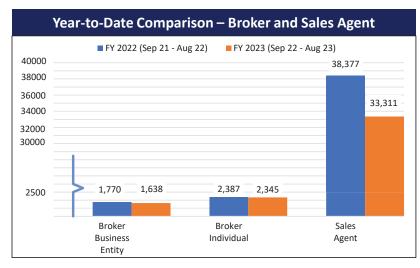
Phone and Email Volume 13-Month Comparison August 2023

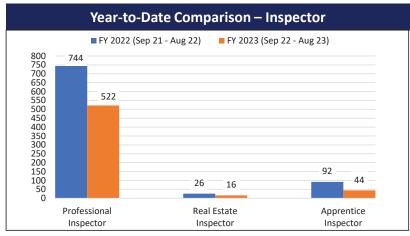


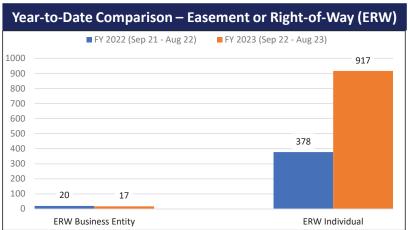
TREC Licensing Report August 31, 2023

Licensing Applications Received

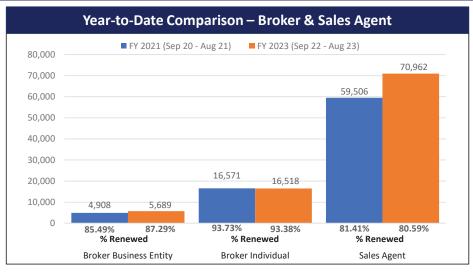


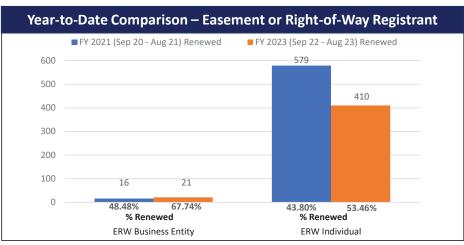


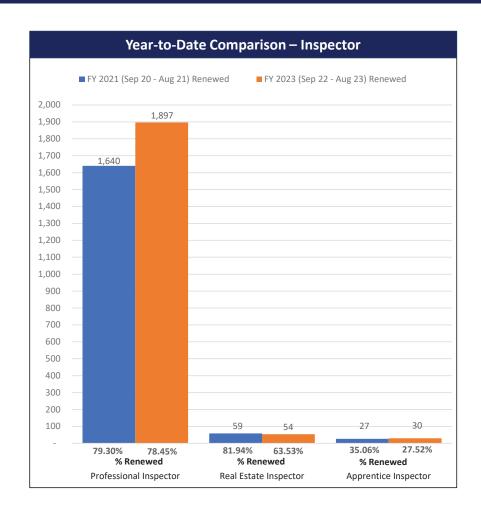




Licensing Renewal Activity





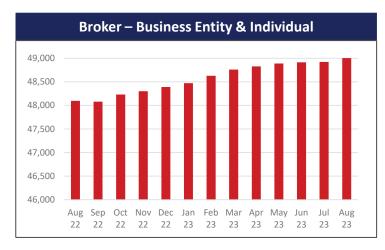


License Holder Counts

			Tota			and Regis	strants						
					Ionth Con	•							
	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 2
Brokers	48,096	48,078	48,230	48,301	48,391	48,471	48,628	48,758	48,826	48,888	48,913	48,922	49,01
Active Business Entity Brokers	13,575	13,609	13,672	13,711	13,758	13,822	13,930	14,005	14,072	14,154	14,192	14,214	14,26
Active Individual Brokers	32,695	32,648	32,722	32,733	32,780	32,795	32,857	32,905	32,930	32,919	32,935	32,921	32,96
Sales Agents	178,183	177,971	179,351	179,322	179,462	179,723	180,126	180,892	181,078	181,112	181,563	181,926	182,47
Active Sales Agents	143,687	143,736	144,343	144,243	143,298	142,918	143,501	144,369	144,756	144,948	144,065	144,680	145,59
Brokers & Sales Agents	226,279	226,049	227,581	227,623	227,853	228,194	228,754	229,650	229,904	230,000	230,476	230,848	231,48
Inspectors	4,956	4,945	4,981	4,952	4,929	4,909	4,975	4,874	4,834	4,811	4,801	4,793	4,78
Active Inspectors	4,331	4,313	4,331	4,305	4,263	4,222	4,287	4,192	4,149	4,124	4,108	4,093	4,07
Easement or Right-of-Way Registrants	1,722	1,742	1,766	1,764	1,782	1,784	1,760	1,755	1,734	1,730	1,710	1,686	1,66
All License Holders	232,957	232,736	234,328	234,339	234,564	234,887	235,489	236,279	236,472	236,541	236,987	237,327	237,93
% Change		-0.09%	0.68%	0.00%	0.10%	0.14%	0.26%	0.34%	0.08%	0.03%	0.19%	0.14%	0.259
240,000 — 232,957 — 232,736	234,32	8 234,33	39 234,	.564 23	4,887	235,489	236,279	236,472	236,541	236,98	237,3	23	7,930 —
230,000 —												\blacksquare	
225,000 —													
215,000													
210,000 —													
205,000 —													
200,000 Aug 22 Sep 22	Oct 22	Nov 2	2 Dec		an 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 2		ug 23

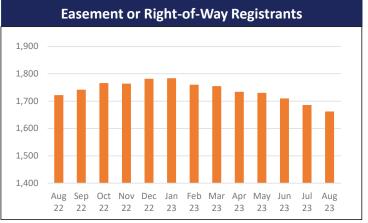
License Holder Counts

13-Month Comparisons by License Type









Licensing Application Processing Time

		Ave	rage Numb	er of Calend	ar Days to P	rocess a Lice	ense Applic	ation					
13-Month Comparison - Goal: 14 days													
	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23
Broker Business Entity	5.21	5.79	7.72	7.53	10.29	9.33	11.73	7.06	7.20	6.51	6.22	7.83	7.33
Broker Individual	8.53	8.55	7.43	7.58	10.53	8.21	9.84	7.93	9.96	7.61	9.03	9.60	11.09
Sales Agent	3.67	3.54	3.78	3.74	4.81	3.53	4.09	3.97	4.20	4.21	3.71	4.05	3.53
Professional Inspector	4.34	4.78	5.73	7.83	7.46	8.39	7.09	5.58	5.17	5.83	6.87	6.41	4.32
Real Estate Inspector	1.38	4.56	4.33	7.64	n/a	4.63	7.66	3.55	n/a	n/a	2.39	3.95	4.28
Apprentice Inspector	n/a	3.00	3.50	6.43	n/a	7.00	8.03	2.41	2.89	5.00	5.02	5.54	n/a
Easement or Right-of-Way Business Entity	n/a	1.4	n/a	1.35	n/a	8.45	n/a	n/a	n/a	n/a	7.62	n/a	n/a
Easement or Right-of-Way Individual	1.90	1.66	3.31	2.59	4.52	2.86	n/a	2.66	3.66	3.22	3.42	4.37	4.35

Applications Received Month-Over-Month Comparison													
	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23
Broker Business Entity	183	141	120	146	120	154	174	160	137	126	130	107	118
Broker Individual	115	237	230	210	186	171	252	215	166	191	178	208	203
Sales Agent	3,225	3,442	2,961	2,649	2,449	2,140	3,016	3,053	2,692	3,329	3,123	3,001	3,270
Professional Inspector	61	63	47	38	38	29	51	44	43	62	36	45	46
Real Estate Inspector	0	2	4	0	0	1	1	1	0	1	3	2	3
Apprentice Inspector	2	5	2	3	4	5	2	9	4	3	4	5	2
Easement or Right-of-Way Business Entity	0	1	2	2	2	0	1	0	1	2	1	3	3
Easement or Right-of-Way Individual	25	45	67	91	96	76	59	65	68	88	86	85	84



Texas Practicum Evaluation Form

Submit this form to education@trec.texas.gov

Name of Education Provider or Instructor	Completion Date
Your Name (optional)	Email Address (optional)
 Did you complete at least five in-person inspections? Were you actively involved in the inspections? 	☐ Yes ☐ No
3. Were you required to complete a written inspection report for at least five4. Did the instructing inspector evaluate each report and provide feedback?	
5. Did the instructing inspector actively engage students in the inspections?6. Was the instructing inspector well-prepared and knowledgeable?7. After completing the Practicum, do you feel competent to conduct a comp	Yes No Yes No Yes No
8. How many students participated in the Practicum? 9. How many instructors participated in the Practicum?	
10. What could have been done to make the Practicum experience more value.	uable?

Completion and submission of this form will not impact your license application.

To file a complaint against a provider, please visit the <u>TREC website</u>.



Texas Practicum Credit Request

${\bf Submit\ this\ form\ to\ documents@trec.texas.gov}$

This form is to b	This form is to be submitted by an initial inspector applicant to request qualifying credit for completing the 40 Hour Texas Practicum.					
Student Name		Start Date	Completion Date			
A student may reque	est credit for completing the 40 Hour Texas Pra	cticum based upon satisfactio	n of the following criteria.			
 At least five (5) 	racticum consisted of:) complete and in-person inspections. four (4) students per Supervising Inspector.					
Was coDemois concej	nector: n inspection report for the properties listed be onsidered satisfactory for release to a consument of the constrated an understanding of report writing, copts critical for the positive outcome of the inspect to the student.	r; and ient interaction, personal prop	perty protection and			
List the property add	dresses inspected. If additional space is neede	d, please include as an attachr	nent.			
Property #1			Date			
Property #2			Date			
Property #3			Date			
Property #4	·		Date			
Property #5			Date			
	ector Certification fy that all Texas Practicum requirements have ause: I have been actively licensed as a Texas Profess I have at least three years of experience superv I have performed at least 200 real estate inspec	ional Inspector for at least five y ising and/or training inspectors;	ears; and or			
Supervisor Name	Supervisor Signature	Inspector License Number	Date 24 of 33			



Texas Real Estate Commission P.O. Box 12188 Austin, TX 78711-2188 512-936-3000

QUALIFYING INSPECTOR COURSE APPROVAL FORM Apprentice Module

Provider Name					
Title of Course					
Name of Text or Workbook and Author					
Length of Course 4 hours			^	FOR	TREC USE ONLY
	Length of Unit in Minutes	Daga #1	Included I	Not	Comments
Introduction to Home Inspection	Williates	Page #'s	iliciadea i	riciuded	Comments
What is and isn't Considered a Home Inspection					
Responsibilities to a Client					
Proper Etiquette When Conducting a Home Inspection					
SUBTOTAL	50				
Responsibilities of the Sponsor and Apprentice	Y				
Responsibilities of the Sponsor					
Responsibilities of the Apprentice SUBTOTAL	50				
Laws and Rules Related to Home Inspection in Texas (TOC CH. 1102 & TREC Rules Ch. 535 Subchapter R	21				
Where to Find Them and How to Use Them					
Introduction to Legal and Ethical Requirements					
Standards of Practice					
Mandatory Report Form					
SUBTOTAL	100				
TOTAL MINUTES	200				



PROPERTY INSPECTION REPORT FORM

Name of Client	Date of Inspection
Address of Inspected Property	-
Name of Inspector	TREC License #
Name of Sponsor (if applicable)	TREC License #

PURPOSE OF INSPECTION

A real estate inspection is a visual survey of a structure and a basic performance evaluation of the systems and components of a building. It provides information regarding the general condition of a residence at the time the inspection was conducted. *It is important* that you carefully read ALL of this information. Ask the inspector to clarify any items or comments that are unclear.

RESPONSIBILITY OF THE INSPECTOR

This inspection is governed by the Texas Real Estate Commission (TREC) Standards of Practice (SOPs), which dictates the minimum requirements for a real estate inspection.

The inspector IS required to:

- use this Property Inspection Report form for the inspection;
- inspect only those components and conditions that are present, visible, and accessible at the time of the inspection;
- indicate whether each item was inspected, not inspected, or not present;
- indicate an item as Deficient (D) if a condition exists that adversely and materially affects the performance of a system or component **OR** constitutes a hazard to life, limb or property as specified by the SOPs; and
- explain the inspector's findings in the corresponding section in the body of the report form.

The inspector IS NOT required to:

- identify all potential hazards;
- turn on decommissioned equipment, systems, utilities, or apply an open flame or light a pilot to operate any appliance;
- climb over obstacles, move furnishings or stored items;
- prioritize or emphasize the importance of one deficiency over another;
- provide follow-up services to verify that proper repairs have been made; or
- inspect system or component listed under the optional section of the SOPs (22 TAC 535.233).

RESPONSIBILTY OF THE CLIENT

While items identified as Deficient (D) in an inspection report DO NOT obligate any party to make repairs or take other actions, in the event that any further evaluations are needed, it is the responsibility of the client to obtain further evaluations and/or cost estimates from qualified service professionals regarding any items reported as Deficient (D). It is recommended that any further evaluations and/or cost estimates take place prior to the expiration of any contractual time limitations, such as option periods.

Please Note: Evaluations performed by service professionals in response to items reported as Deficient (D) on the report may lead to the discovery of additional deficiencies that were not present, visible, or accessible at the time of the inspection. Any repairs made after the date of the inspection may render information contained in this report obsolete or invalid.

REPORT LIMITATIONS

This report is provided for the benefit of the named client and is based on observations made by the named inspector on the date the inspection was performed (indicated above).

ONLY those items specifically noted as being inspected on the report were inspected.

This inspection IS NOT:

- a technically exhaustive inspection of the structure, its systems, or its components and may not reveal all deficiencies;
- an inspection to verify compliance with any building codes;
- an inspection to verify compliance with manufacturer's installation instructions for any system or component and DOES NOT imply insurability or warrantability of the structure or its components.

AGENDA ITEM 11

NOTICE CONCERNING HAZARDOUS CONDITIONS, DEFICIENCIES, AND CONTRACTUAL AGREEMENTS

Conditions may be present in your home that did not violate building codes or common practices in effect when the home was constructed but are considered hazardous by today's standards. Such conditions that were part of the home prior to the adoption of any current codes prohibiting them may not be required to be updated to meet current code requirements. However, if it can be reasonably determined that they are present at the time of the inspection, the potential for injury or property loss from these conditions is significant enough to require inspectors to report them as Deficient (D). Examples of such hazardous conditions include:

- malfunctioning, improperly installed, or missing ground fault circuit protection (GFCI) devices and arc-fault (AFCI) devices;
- ordinary glass in locations where modern construction techniques call for safety glass;
- malfunctioning or lack of fire safety features such as smoke alarms, fire-rated doors in certain locations, and functional emergency escape and rescue openings in bedrooms;
- malfunctioning carbon monoxide alarms;
- excessive spacing between balusters on stairways and porches;
- improperly installed appliances;
- improperly installed or defective safety devices;
- lack of electrical bonding and grounding; and
- lack of bonding on gas piping, including corrugated stainless steel tubing (CSST).

Please Note: items identified as Deficient (D) in an inspection report DO NOT obligate any party to make repairs or take other actions. The decision to correct a hazard or any deficiency identified in an inspection report is left up to the parties to the contract for the sale or purchase of the home.

This property inspection report may include an inspection agreement (contract), addenda, and other information related to property conditions.

INFORMATION INCLUDED UNDER "ADDITIONAL INFORMATION PROVIDED BY INSPECTOR", OR PROVIDED AS AN ATTACHMENT WITH THE STANDARD FORM, IS NOT REQUIRED BY THE COMMISSION AND MAY CONTAIN CONTRACTUAL TERMS BETWEEN THE INSPECTOR AND YOU, AS THE CLIENT. THE COMMISSION DOES NOT REGULATE CONTRACTUAL TERMS BETWEEN PARTIES. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY CONTRACTUAL TERM CONTAINED IN THIS SECTION OR ANY ATTACHMENTS, CONSULT AN ATTORNEY.

ADDITIONAL INFORMATION PROVIDED BY INSPECTOR				
Page 2 of				

Report Identification:

I=Inspected				NI=Not Inspected	NP=Not Present	D=Deficient	
I	NI	NP	D				
				I. S A. Foundations Type of Foundation(s): Comments:	ΓRUCTURAL S	YSTEMS	
			☐ B	3. Grading and Drainage Comments:			
				C. Roof Covering Materials Types of Roof Covering: Viewed From: Comments:			
				O. Roof Structures and Attics Viewed From: Approximate Average Depth of Comments:	f Insulation:		
			_ E	E. Walls (Interior and Exterior) Comments:			
			_ F	F. Ceilings and Floors Comments:	71		
				G. Doors (Interior and Exterior) Comments:			
			□ H	H. Windows Comments:			
			<u> </u>	. Stairways (Interior and Exter Comments:	rior)		
				J. Fireplaces and Chimneys Comments:			
			_ F	K. Porches, Balconies, Decks, an Comments:	nd Carports		
				C. Other Comments:			

Report Identification: NI=Not Inspected NP=Not Present **D=Deficient** I=Inspected NI NP D II. ELECTRICAL SYSTEMS ☐ ☐ ☐ A. Service Entrance and Panels Comments: ☐ ☐ ☐ B. Branch Circuits, Connected Devices, and Fixtures Type of Wiring: Comments: ☐ ☐ ☐ C. Other Comments: III. HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS ☐ ☐ ☐ A. Heating Equipment Type of Systems: Energy Sources: Comments: ☐ ☐ ☐ B. Cooling Equipment Type of Systems: Comments: C. Duct Systems, Chases, and Vents Comments: ☐ ☐ ☐ D. Other Comments: IV. PLUMBING SYSTEMS ☐ ☐ ☐ A. Plumbing Supply, Distribution Systems and Fixtures Location of water meter: Location of main water supply valve: Static water pressure reading: Type of supply piping material: Comments: ☐ ☐ ☐ B. Drains, Wastes, and Vents *Type of drain piping material:* Comments: C. Water Heating Equipment Energy Sources: Capacity:

Comments:

I=Inspected			NI=Not Inspected	NP=Not Present	D=Deficient		
I	NI	NP	D				
				D. Hydro-Massage Therap Comments:	py Equipment		
				E. Gas Distribution System Location of gas meter: Type of gas distribution Comments:			
				F. Other Comments:			
					V. APPLIA	NCES	
				A. Dishwashers Comments:	V. 74. 1 E		
				B. Food Waste Disposers Comments:			
				C. Range Hood and Exhau	ust Systems		
				D. Ranges, Cooktops, and Comments:	Ovens		
				E. Microwave Ovens Comments:			
				F. Mechanical Exhaust Vo	ents and Bathroom Heaters		
				G. Garage Door Operators Comments:	S		
				H. Dryer Exhaust Systems Comments:	s		
				I. Other Comments:			

Page 5 of ____

I=Inspected		NI=Not Inspected	NP=Not Present	D=Deficient	
I NI NP	D				
		V Landscape Irrigation (Spi Comments:	/I. OPTIONAL SY rinkler) Systems	STEMS	
	□ B.	Swimming Pools, Spas, He Type of Construction: Comments:	ot Tubs, and Equipment		
	☐ C.	Outbuildings Comments:			
	□ D.	Private Water Wells (A co Type of Pump: Type of Storage Equipmen Comments:		anded.)	
	□ E.	Private Sewage Disposal S Type of System: Location of Drain Field: Comments:	Systems		
	□ F.	Other Built-in Appliances Comments:			
	☐ G .	Other Comments:			



PROPERTY INSPECTION REPORT FORM INSTRUCTIONS

This document is designed to provide guidance to an inspector on how to properly check the various boxes on the Property Inspection Report Form.

Per TREC rule (22 Tex. Admin. Code §535.223):

An inspector is required to check the appropriate box for every item on the Property Inspection Report Form, to indicate whether that item was:

- (I) Inspected;
- (NI) Not Inspected;
- (NP) Not Present; or
- (D) Deficient

In addition to checking the appropriate boxes, an inspector <u>MUST</u> explain the inspector's findings for each item under the corresponding section of the form.

WHEN IS A PARTICULAR BOX APPROPRIATE?

(I) Inspected – This box should be checked when any portion of a component or system is inspected.

(NI) Not Inspected – This box should be checked when a component or system:

- is present but is not inspected
- should be present but is not and as a result could not be inspected; or
- when a system or component is present but cannot be <u>fully inspected</u> due to existing conditions or limitations.

(NP) Not Present – This box should be checked when a component or system is not present in the dwelling.

(D) Deficient – This box <u>must be checked</u> when a component or system exhibits a "Deficiency" as defined by the Standards of Practice (22 Tex. Admin. Code §535.227 – 535.233):

Deficiency - In the reasonable judgment of the inspector, a condition that:

- adversely and materially affects the performance of a system, or component; or
- constitutes a hazard to life, limb, or property as specified by these standards of practice.

Page | 1 32 of 33

PROPERTY INSPECTION REPORT FORM INSTRUCTIONS

CAN AN INSPECTOR CHECK MULTIPLE BOXES FOR A PARTICULAR COMPONENT OR SYSTEM?

YES. An inspector may check more than one box for a particular system or component. The inspector <u>MUST</u> provide an explanation for why multiple boxes were checked. For example:

"(I) Inspected" and "(D) Deficient" - Both boxes should be checked any time a component or system is inspected and exhibits a deficiency.

"(NP) Not Present" and "(NI) Not Inspected" - Both boxes should be checked anytime a component or system should be present, but is not, and was not inspected as a result.

NOTE: An inspector may also need to check "(D) Deficient" if absence of component or system results in a deficiency.

"(NI) Not Inspected" and "(D) Deficient" - Both boxes should be checked any time a component or system is present but is not inspected because of the judgment of the inspector and the reason it was not inspected meets the definition of a deficiency.

"(I) Inspected" and "(NI) Not Inspected" - Both boxes should be checked when a component or system is only partially inspected. The inspector must explain what portions were inspected and not inspected, and why.

NOTE: An inspector may also need to check "(D) Deficiency" if the reason both boxes are checked results in a definition of a deficiency.

DO I NEED TO USE THE PROPERTY INSPECTION REPORT FORM WHEN CONDUCTING A SINGLE ITEM INSPECTION?

YES. If the inspection is conducted for a real estate transaction, or potential real estate transaction, you must use the Property Inspection Report Form for any inspection, including a single item inspection.

When doing a single item inspection, simply fill out the form as required for the items you did inspect and check "(NI) Not Inspected" for those items you did not inspect. Explain that the item was not inspected because you conducted a single item inspection of the property. **Do not delete any required sections from the report.**

DO I NEED TO USE THE PROPERTY INSPECTION REPORT FORM FOR REINSPECTIONS?

NO. The Property Inspection Report Form is not required when an inspector reinspects the property that was the subject of the original inspection and for same client.

Page | 2 33 of 33