

*Note: these are my personal notes from the meeting and are in no way intended to be considered as official in any way....M Boyett*

**AGENDA FOR TEXAS REAL ESTATE COMMISSION (TREC)  
INSPECTOR ADVISORY COMMITTEE MEETING**  
Conference Room 235, TREC Headquarters Office  
1101 Camino La Costa, Austin, Texas

**October 26, 2007 at 10:00 a.m.**  
**to continue if necessary October 27, 2007 at 9:00 a.m.**

**CALL TO ORDER**

1. Call to order TEXAS REAL ESTATE INSPECTOR ADVISORY COMMITTEE meeting
  - Done @ 10:00 am, Friday, Oct. 26<sup>th</sup>
  - IC members introduced and the 3 new public members described their expectations

**STAFF REPORTS**

2. Reports from TREC staff
  - 3 requests for copies of staff reports went unanswered. Promise made to mail them to me.
  - Devon briefly discussed types of complaints and Aug complaint totals
  - Karen Alexander & Barbara Cole described the new Advisory Committee expense reimbursement policy & procedure. There is \$3,000 available for all committee members for the entire year.

**PUBLIC COMMENTS**

3. General comments from visitors
  - None

**COMMITTEE COMPOSITION**

4. Discussion of Committee & subcommittee tasks and goals
5. Appointment of subcommittees on Standards of Practice, Enforcement, and Education
  - SOP – Willcox, Carr, Murphy
  - Enforcement – Phillips, Frankel, Wheeler
  - Education – Armenderiz, Foster, Burgess
  - TREC counsel strongly recommended a public member be appointed to each sub-committee. The Advisory Committee chair elected not to do that. Primary reason being that a public member of the SOP sub-committee would be overwhelmed with the technical nature and jargon involved and would waste the public member's time and/or slow the sub-committee down by having to continuously explain things to the public member.
6. Discussion and possible action to determine lengths of Committee members' terms to create staggered terms
  - 2 Years - Willcox, Murphy, Burgess
  - 4 Years – Wheeler, Armenderiz, Foster
  - 6 years – Phillips, Carr, Frankel
7. Election of officers
  - Chair – Larry Foster
  - Vice Chair – Brian Murphy
  - Sec'y – Jill Frankel

**RECESS**

8. Recess for subcommittee meetings on Standards of Practice, Enforcement, and Education
  - Started at approximately 11:30 am Friday, Oct. 26<sup>th</sup>
9. Return to full Committee meeting
  - Returned from subcommittees at approximately 11:00 am, Saturday, Oct. 27<sup>th</sup>

## COMMITTEE REPORTS

### 10. Reports from Standards of Practice, Education, and Enforcement subcommittees

- Enforcement
  - Reviewed 15 closed inspector complaint cases
  - No trends identified with such a small sample of cases
  - One Seller complaint case involved verbal discussions that the Inspector had with the Buyer that were not in the report yet resulted in the Buyer not going through with the purchase.
  - The only general comment on the 15 cases was the common thread of deficiencies in the report writing and the proper completion of all sections the report form.
  
- Education
  - Reviewed the August Emergency Rule to provide for students in the system now and to provide ability for schools to continue operating.
  - Reviewed course outlines, textbooks, provider approval process, etc.
  - Discussed how the 120 Experience hours was arrived at and how it should be incorporated into the education process. For example, should it continue to be part of the 320 hours required as provided in the Emergency Rules or should it be in addition to the 320 hours.
  - Motion made to have Inspectors providing the 120 hour ride-along experience be approved as a Sponsor and meeting all of the requirements of a Sponsor.
  
- SOP
  - Described the work done on definitions, scope, limitations, etc and leveraging of the prior SOP work done by the prior Inspectors Committee
  - The sub-committee has begun re-working the specific SOP sections
  - Propose removing requirement for inspector to provide a written opinion on the foundation
  - A planned sub-committee video tele-conference is tentatively planned for Dec. 12<sup>th</sup>. Details and the ability and method for public participation to follow.
  - Discussed the possibility of adding a 'consumer notice' form that would more fully describe a home inspection and help set the client's expectations as to what an inspection is and is not.

## RULES

11. Discussion and possible action to recommend amendments to 22 TAC §§535.227-535.231 concerning Standards of Practice for inspectors

- None at this time

12. Discussion and possible action to recommend amendments to 22 TAC §535.223 concerning standard inspection report form

- None at this time

13. Discussion and possible action to recommend amendments to 22 TAC §§535.212-535.218 concerning pre-licensing and continuing education requirements.

- None at this time

14. Discussion and possible action on recommendation for rule development from the Enforcement Subcommittee

- None at this time

## NEW BUSINESS

15. Discussion and possible action on matters related to the new liability insurance requirements in Texas Occupations Code Section 1102.114

- Discussed the possibility that TREC counsel has a conflict of interest in advising both TREC and the Inspector's Advisory Committee on the legality of the E&O issue.
- Motion made to request TREC to provide permission and funds to allow the IC to retain outside counsel to advise on the E&O issue.

- Voice vote seemed to pass the motion
- Request was made for a show of hands to confirm the vote
- The show of hands was 3 in favor of the motion, 4 against (2 abstained?) therefore motion actually failed.
- Subsequent motion made to have the IC draft a position statement indicating the committee's recommendation that TREC not enforce the E&O requirement. This would simply be for the committee to formally and officially go on record as opposing the E&O requirement.
- That motion passed 9/0

16. Request for new business agenda items

- None

#### **SCHEDULING OF FUTURE MEETINGS**

17. Scheduling of future meetings

- Tentatively scheduled for March 7<sup>th</sup> and 8<sup>th</sup>, 2008

#### **ADJOURNMENT**

18. Adjourn

- Done at approximately 1:30 pm, Saturday, Oct. 27th