

Texas Real Estate Commission Legislation/Regulation Updates

Based on Texas Legislature Senate Bill 747, we have created an effective dates overview in response to the coming changes.

September 1, 2011:

- All license applicants must provide TREC with an e-mail address, if one is available.
- A business entity must designate one of its managing officers as its agent and maintain errors and omissions insurance of \$1 million if the managing agent owns less than 10% of the entity.
- All business entities must be licensed in order to act as a real estate broker. Any business entity that receives compensation on behalf of licensees must be licensed.
- License applicants are given one year (up from six months) from the date an application is filed to pass the licensing exam.
- A licensee will be allowed to renew late if a license has been expired for more than 90 days but less than six months (down from one year).
- If a license has been expired for six months (down from one year) or longer, that license may not be renewed.
- New licensing requirements imposed on individuals who collect rent, provide broker price opinions, and are attorneys who are not licensed in Texas.

December 1, 2011:

- TREC must adopt rules regarding exam pass rates, accreditation of real estate schools, what constitutes active experience, and creation of broker responsibility course.
- Current licensees must provide TREC with an e-mail address, if one is available, and update the address provided if necessary.
- Easement and right-of-way registrants must undergo criminal background check.
- Easement and right-of-way registrant business entities must designate, as an agent, one of its managing officers who is registered with TREC.

January 1, 2012:

- A salesperson must meet the educational requirements and have four years active experience for issuance of a broker license (up from two years).

September 1, 2012:

- A broker who sponsors a salesperson, or a license holder who supervises another license holder, must take a 6-hour broker responsibility course, which will count toward the required 15 hours of MCE all license holders must complete.
- An applicant for a salesperson license must have completed at least 12 semester hours (180 classroom hours) education consisting of the courses required under current law (Principles, Agency Law, Contract Law), plus a promulgated contract forms and addenda course, and a real estate finance course.
- TREC waiver of education requirements based on applicant being previously licensed – only for applicants licensed within the prior six months (down from one year).
- An applicant applying for the first renewal of a salesperson license must provide, to the commission, satisfactory evidence of completion of 6 semester hours (90 classroom hours) of core real estate courses within the first (two-year) renewal period. Pre-licensing Education + 1st Renewal Education = 270 hours of core real estate education (up from 210 hours)