

From: [Sunset Advisory Commission](#)
To: [Elizabeth Saenz](#)
Subject: FW: Public Input Form for Agencies Under Review (Private/Before Publication)
Date: Wednesday, November 13, 2024 11:37:09 AM

From: Texas Sunset Advisory Commission <sunset.website@brightleafgroup.com>
Sent: Tuesday, November 12, 2024 4:54 PM
To: Sunset Advisory Commission <sunset@sunset.texas.gov>
Subject: Public Input Form for Agencies Under Review (Private/Before Publication)

Submitted on Tue, 11/12/2024 - 15:50

Submitted by: Visitor

Submitted values are:

Choose the agency that you would like to provide input about

[Texas Real Estate Commission](#)

Public Comments

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First Name

Amanda

Last Name

Thomas

Email

City

Plano

State

Texas

Your Comments or Concerns

In 2019, Governor Greg Abbott directed state agencies to review and overhaul their licensing requirements to reduce barriers to entry for Texans seeking employment, emphasizing the need to reduce unnecessary state intrusion. This directive, however, has led to significant misinterpretations and implementations by TREC that potentially compromise consumer safety. The Texas Real Estate Commission's (TREC) current practices for granting and renewing real estate licenses have raised serious concerns regarding the protection of consumers.

Key Issues:

Lack of Consumer Protection: TREC's interpretation and implementation of Governor Abbott's directive allow individuals with serious criminal offenses and undisclosed histories to obtain and renew real estate licenses. This practice puts consumers at risk by allowing potentially untrustworthy individuals access to homes, valuables, and significant financial transactions.

Inconsistent Application of Chapter 53: Texas Occupations Code, Chapter 53, outlines specific offenses that should disqualify individuals from obtaining or renewing a real estate license. These offenses include crimes against the person (such as sexual assault, aggravated assault, and indecency with a child), distribution of fentanyl, methamphetamine, and other drugs; fraud, misrepresentation, forgery, perjury, and other offenses involving moral turpitude. However, TREC's lenient and inconsistent application of these guidelines fails to adequately safeguard consumers from individuals with histories of such serious crimes.

Revenue Over Safety: The fees associated with occupational licenses generate significant revenue for the state. Prioritizing this revenue over the safety and trust of Texas consumers undermines the primary purpose of licensing and TREC's prime directive – to ensure the public's protection.

Judicial Downgrading of Offenses: Our court system frequently downgrades offenses and releases individuals who may still pose a risk to consumers. This judicial leniency further exacerbates the risk to the public when these individuals are granted or allowed to retain real estate licenses.

Lack of Public Awareness: Consumers are often unaware of their agent's criminal record unless they conduct extensive research on the TREC website. This lack of transparency puts consumers at risk of unknowingly engaging with potentially dangerous individuals.

Lack of Sponsoring Broker Awareness: As licensing standards have historically strongly matched the Provisions of Texas Occupations Code Chapter 53, Texas brokerages have not routinely conducted background checks on sponsored agents, trusting instead TREC's licensing process to qualify and requalify candidates. TREC's interpretation changes have altered licensing determinations, but brokerage onboarding and sponsorship practices have not changed to compensate for the gap in historical proxy reliance.

Need for Emergency Suspension Policy: There is currently no policy in place for the emergency suspension of licenses in cases involving violent crimes. This gap allows individuals who have committed severe offenses, including human trafficking, to continue holding a license and interacting with the public.

Your Proposed Solution

Clarify Guidelines and Increase Transparency: Provide clear and transparent guidelines on how Chapter 53 offenses are evaluated and ensure consistent application of these standards across all licensing decisions for both new applicants and current license holders. Require TREC to seek formal opinion from the Governor's Office regarding recent implementation of staff interpretations

pertaining the 2019 directive, specifically relating to the fiduciary roles of practitioners in the field of real estate, as opposed to other occupational licenses which do not afford the same levels of consumer exposure and vulnerability.

Consumer-Centric Policies: Prioritize consumer safety over revenue generation by enforcing stricter eligibility criteria for real estate licenses, ensuring only individuals with proven honesty, trustworthiness, and integrity are licensed and allowed to continue holding a license. Recommend adopting policies that match and mirror financial and banking industry standards, similar to policies found within Finance Code § 157.0132 and Finance Code § 180.054, The Texas SAFE Act, and Tex. Admin. Code § 81.110.

Emergency Suspension Policy: In January 2020, TREC implemented the FBI rap back program to receive criminal history information on our license holders in real-time. While background information and criminal activity flags have improved, actionable enforcement capability has not. Establish a policy for the immediate suspension of real estate licenses in cases involving violent crimes, such as human trafficking, sexual assault, aggravated assault, and other severe offenses.

Public Accountability: Increase transparency and accountability by publicly disclosing TREC staff's exception-based criteria and rationale(s) for granting and renewing licenses to individuals with criminal histories, including making this information readily accessible to consumers.

Restore License Lookup Information: Since SB 510 was passed (2024) consumers and others are provided very little information about licensees on TREC's website, as phone number, email address, and office location have all been redacted. Reinstating licensee contact information enables consumers to perform verification functions relating to licenseholder identity & background, and a point of public record to connect a licenseholder with sponsoring broker information.

Regular Audits and Reviews: Conduct regular audits and reviews of TREC's licensing practices to ensure compliance with consumer protection standards and adjust policies as necessary to address any shortcomings.

My Comments Will Not Be Made Public

Yes