



November 9, 2018

TO: Sunset Commission for Agencies Considerations to Item 2 Pertaining to Inspector Licenses

Austin/Round Rock Campus
3203 South IH-35, Ste 520
Round Rock, TX 78664
Phone 512-244-3545

ChampionsLive! Broadcast
Phone 713-580-4946
Toll Free 866-272-5962

Dallas Campus
3721 Mapleshade Ln
Plano, TX 75075
Phone 972-867-4100
Toll Free 866-713-0055

Fort Worth Campus
6324 Waverly Way, Ste 100
Fort Worth, TX 76116
Phone 214-687-0000

Houston Galleria Campus
1001 West Loop South, Ste 205
Houston, TX 77027
Phone 713-629-4543
Toll Free 866-802-4267

Houston North Campus
5627 Cypress Crk Pkwy, Ste 100
Houston, TX 77069
Phone 281-893-4484
Toll Free 800-284-1525

Houston West Campus
738 Highway 6 South, Ste 150
Houston, TX 77079
Phone 281-496-7386

National
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Toll Free 800-969-2599

Online Campus
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San Antonio, TX 78216
Phone 210-349-7600
Toll Free 866-428-9900

During the last Inspector Committee meeting there was some discussion pertaining to the Ride Along, lack of sponsorship and the increase or decrease in inspector license being issued that we would like to bring forward.

535.212 - Stan Harbuck spoke to the need of those in rural areas to have an opportunity to obtain the Ride-Along through another method. Discussion to the Ride Along course development, and whether there was a need to have a different option of approval.

535.213 - Jim Shumaker with AHIT spoke to the proposed change from 10 students to 2 students per instructor during a Ride-Along. He spoke to the cost that it would increase to the students and schools.

To address the committee members comments made in reference to the Ride Along Instructors, we are not sure how accurate the comments are since no vetting of people on the TREC's approved Ride Along instructor list to our knowledge has been performed.

Please note that there are two individuals on the TREC approved list that are deceased.

We would ask the questions of these instructors on the list:

- How many Ride Along have they done?
- How many per year?
- Why did they get Ride Along?
 - Was it just to train an Inspector they were hiring?
 - On behalf of a school or etc?

Committee Member Comments in reference to Mr. Harbuck and Mr. Shumaker's discussion above:

1:59:50 on Video, Lee Warren - *(Tony Slagle-subcommittee removed, it was a compromise, was not being utilized and removed to streamline the rule.)* It has been proven that this is NOT the case and there have been substantial increase and continual licensure of ride along instructors.

Continuing on with the committee member comments, it is important to note that the increase to Ride Along Instructors was primarily due to the schools being able to offer Ride Along of up to 10 students.

*The TREC 2017 L1a report listed 903 total licenses from original application & the TREC 2018 L1a report listed 888; reflective of **15 less licenses issued.***



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Plano, TX 75075
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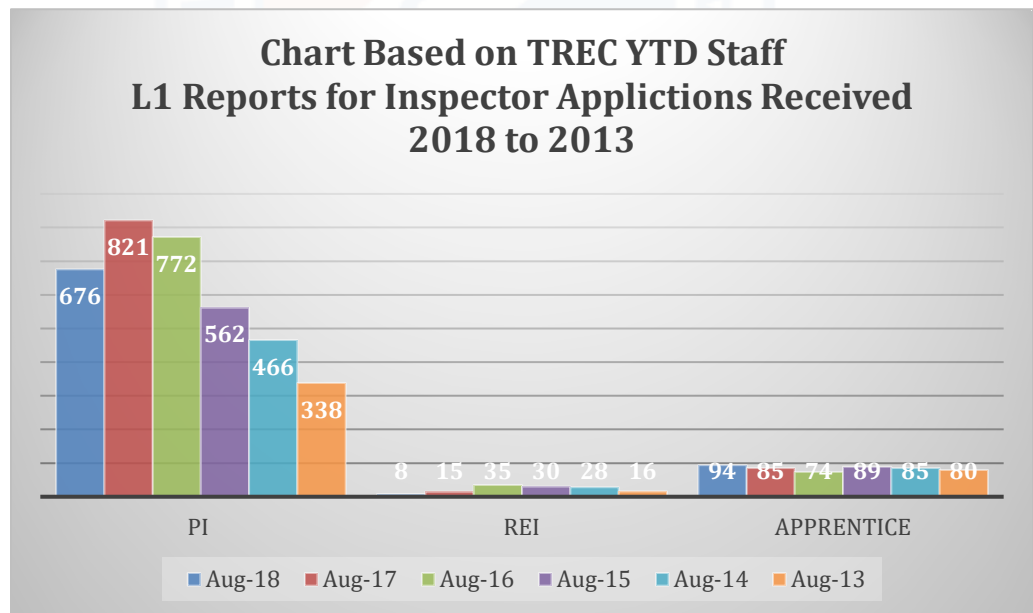
Per the committee member comments, we don't believe that will be the case once you go to expecting the inspectors that are approved to take students out on a regular basis, because there can only be 2 per instructor.

Keep in mind that individual instructors not associated with a school may not perform this on a regular basis because of their clients/agents/homeowners, all of which, increases an inspector's liability and limits their ability to take students on inspections.

? How many of the TREC Inspector Committee are also Ride Along Instructors and Conduct Ride Along?

You will notice in the below chart the data does not reflect a steady increase in inspector applications received.

Committee Member Comments:
*2:03:00 on Video, Lee Warren stated there were 30 to 45 Ride Along Instructors and we are currently over 70 and have seen a pretty steady increase.
*2:03:13 on Video, Tony Slagle – if we look at the number of licenses that have issued and there is a ride along component in that, and the numbers just don't speak to the fact that it is only people doing it for a relative.
*2:03:30 on video, Lee Warren - 1600 of new licenses issued by TREC in the last 2-years. Mr. Harbuck - mentioned license going down due to the ride along requirement. Lee Warren does not see the licensee numbers going down, it is actually go UP!



With the fluctuating numbers for Professional Inspector applications being filed, and with the low numbers seen for the Apprentice and Real Estate Inspector, which are primary unable to find acceptable sponsors, the consumers are at the mercy of the industry. As of TREC's August 2018, the **L2 Report indicates there are only a combined total of 3,230 Professional Inspectors to server the great State of Texas.**



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Committee Member Comments: 2:12:37 on Video Brad Phillips 2:13:29 (Secretary) the pass rate has nothing to do with the Ride Along. He gets calls from students who ask him to teach them how to inspect, which tells him the Ride Along is not working. Cutting it down to 2 will give more hands on. **Mr. Phillips would like to go one step further and do away with the Fast-Track program and go back to the Apprentice program.**

The above committee member comments would be truly detrimental from a **Public Protection** as the number of inspectors would decline considerably. We all can recall how it was in the past to find a sponsor. It still “remains” today very difficult to get a Professional Inspector to sponsor new potential inspectors. It is often stated by students that come in and sign up to go through the Real Estate Inspector route that, *“They couldn’t obtain a sponsoring inspector before signing up for a course.”* Only after not being able to work through a PI sponsor do that, they chose to sign up for the Fast Track Professional Inspector program.

The Committee members comment wouldn’t give the student more hands on, because of the instructor’s need to provide focused information. Whether the instructor has 2 or 10 students, as the instructor would rotate students out in the various systems as they conduct the inspection. **Also, note that the majority of the Ride Along do not have 10 students.**

Committee Member Comment:
Cutting it down to 2 will give more hands on. He would like to go one step further and do away with the Fast-Track program and go back to the Apprentice program.

Sunset’s recommendation is noted in Item #2, we would like the Committee to look at decreasing some of the hours from the 90-, 40-, and 200-Hour licensing programs. Additionally, increase the 24-hour Interactive to 30 hours and the Ride Along from 40 hours to 60 hours, while keeping the Instructor for up to 10 students in place. As students now still have the option to find an Independent Ride Along Instructor.

Committee Member Comment: The statues have set number of hours; but for the Fast-Track it is “UP TO” a certain number of hours, so those could be reduced without going back to legislator.

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Fred Buck spoke to ask, "The question remains is that a good idea and how are you going to maintain it?" "The decision to go from 10 to 2 instructors was designed for the Apprentice program. The FastTrack allowed for more folks to be present for training purposes, somewhere there needs to be balances for reality as training is important for both tracks."

We concur that there are real benefits to students when there is a group, and some continue that support well beyond the class.

Committee Member
Comments: Steve spoke to having to take the Legal/Ethics and SOP Review 2 times in the Fast-Track. Wants test data on specific data on test results, Gwen was to get this to them but not received yet.

The Legal/Ethics and SOP Review courses could be removed from the 40- and 200-Hour QE course topics, as they are already required for each continuing education renewal. The SOP Review topics are covered in the 90-Hour QE individual course topics.

Please see the additional attached letters that directly relates to the Sunset Commission's statement below.

"Additionally, certain pre-licensing requirements, such as home inspectors' redundant education requirements, serve as barriers to entry and do not help ensure new licensees can competently serve the public."

"Aligning the commission's and board's statutes, rules, and procedures with best practices would help protect consumers and the public, reduce burden on licensees, and match the level of regulation with the level of risk posed to the public."

I greatly appreciate the Commission's considerations and value their thoughts regarding the issues brought forth.

Thank you,

Roy Carter
Director of Inspector Education
Champions School of Real Estate
281-893-4484 Houston
Roy@ChampionsSchool.com

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From: [Sunset Advisory Commission](#)
To: [Janet Wood](#)
Subject: FW: Public Input Form for Agencies Under Review (Public/After Publication)
Date: Monday, November 12, 2018 8:00:32 AM

-----Original Message-----

From: sunset@sunset.texas.gov <sunset@sunset.texas.gov> On Behalf Of Texas Sunset Commission
Sent: Friday, November 9, 2018 5:49 PM
To: Sunset Advisory Commission <Sunset@sunset.texas.gov>
Subject: Public Input Form for Agencies Under Review (Public/After Publication)

Agency: TEXAS REAL ESTATE COMMISSION

First Name: Roy

Last Name: Carter

Title: Director of Inspector Education

Organization you are affiliated with: Champions School of Real Estate

Email: Roy@ChampionsSchool.Com

City: Houston

State: Texas

Your Comments About the Staff Report, Including Recommendations Supported or Opposed: Supported concerning issue number 2 and referenced by the attached documents.

Any Alternative or New Recommendations on This Agency: Not at this time

My Comment Will Be Made Public: I agree