

**From:** [Sunset Advisory Commission](#)  
**To:** [Janet Wood](#)  
**Subject:** FW: Public Input Form for Agencies Under Review (Public/After Publication)  
**Date:** Monday, November 19, 2018 8:05:27 AM

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

From: sunset@sunset.texas.gov <sunset@sunset.texas.gov> On Behalf Of Texas Sunset Commission  
Sent: Monday, November 19, 2018 5:34 AM  
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: Greg

Last Name: House

Title: Director

Organization you are affiliated with: Texas Association of Real Estate Inspectors (TAREI)

Email: greg@houseinspects.com

City: Carrollton

State: Texas

Your Comments About the Staff Report, Including Recommendations Supported or Opposed:

The current Sunset Commission Review fails to identify the current and ongoing conflict of interest issue within TREC and the Home Inspection Industry. This issue of conflict of interest is not only present in the theoretical and organizational sense, but also present in the actions of TREC over decades time. Please remember, this conflict of interest was first identified by the Sunset Commission in their 1990 report. The most recent evidence of this conflict is the attempt by TREC to directly change or remove any limitation of liability language in any business contact between a home inspector and their client. This type of action is unheard of in any other service industry, and would expose our industry and insurance providers to a catastrophic increase in frivolous lawsuits. In addition, TREC recently made the attempt to manipulate the current mandated insurance requirements causing the inspection industry to pass on more costs to the consumer. This recent attempt to change the interpretation of the mandated insurance would have caused 3500 professional inspectors to almost triple their current insurance coverage. Specifics of these matters were previously forwarded to TREC and the Sunset Commission by many inspectors as well as the TAREI organization.

Any Alternative or New Recommendations on This Agency: The home inspection industry is designed as an advocate for the consumer by nature of our industry. TAREI feels strongly that moving the home inspection licensing and regulation to the Texas Dept of Licensing and Regulation, or the creation of an independent "Inspector Board" will better protect the consumer in addition to allowing for the growth and health of the home inspection industry.

My Comment Will Be Made Public: I agree

Greg House



November 14, 2018

Texas Sunset Advisory Commission  
Kay Hricik, Project Manager  
Commission Members

RE: Texas Real Estate Commission Review.  
Inspection Industry Conflict of Interest & Industry Issues

Commission Members,

The Texas Association of Real Estate Inspectors (TAREI) wishes to submit written testimony to the Texas Sunset Advisory Commission regarding their current review of the Texas Real Estate Commission. TAREI would like to officially record, and strongly encourage Sunset Commission members to be made aware of and review the ongoing conflict of interest relationship between the Home Inspection Profession, the Inspector Advisory Committee, and the Texas Real Estate Commission. This matter does not appear in the current Sunset Commission Review Report. TAREI requests that this matter be added to the current review.

By nature, the Home Inspection Profession is based on providing consumer protection services for the public. The current regulatory structure of the home inspection industry, under TREC, has continued to hinder our services on the consumers behalf. Specific examples of these concerns are outlined in TAREI's letter to the Sunset Commission dated October, 24, 2018.

TAREI wishes to petition the following from the Texas Sunset Advisory Commission:

- The 1990 Sunset Commission correctly identified this conflict of interest matter on pages 25-27, and recommended that the *"The authority for the regulation of real estate inspectors should be transferred to the Texas Department of Licensing and Regulation."* TAREI requests the same recognition of conflict of interest and same recommendation be placed in the current review and forwarded to the Texas Legislature for review.
- If the Sunset Commission is unable to make this recommendation, TAREI would request that recommendation be made for an independent board be created within TREC. In concept, this would be similar to the Appraisal Board allowing the inspection industry to provide fair representation to both the consumer and to TREC. Again, TAREI would request this to be added to the current review and forwarded to the Texas Legislature for review.

The Home Inspection Industry is designed as an advocate for the consumer. TAREI feels strongly that the current regulation of our industry under TREC does not contribute to either consumer protection or the health of our industry. In fact, ongoing issues within TREC continue to threaten and undermine our ability to provide ongoing consumer protection services at a high level.

Thank you for your attention to this matter.

TAREI  
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