# Your complete guide to home buying and selling

Buying or selling a home can be stressful, but we’re here to help. Learn how to buy and sell a home with articles, videos, and tips from local Redfin Agents.



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# **How to Get Your House Ready to Sell**

Whether it’s a family home that you’ve inherited or a home where you’ve raised a family and created memories, letting go of a property can be an emotional experience. It’s important to carefully select a real estate agent with experience selling properties in your area and in a similar price range. A good place to start is reading [reviews of agents](https://www.redfin.com/real-estate-agents) online, and asking friends and family for recommendations. Your agent will evaluate your situation and help you prepare to sell your house, including identifying improvements that will increase your home’s value, getting professional photos taken of your home, and deciding on a listing price.

## **How to Make Your House Ready to Sell**

Discuss simple improvements with your agent that are cost-effective and will increase the value of your home, such as pressure-washing or painting your home’s exterior, tidying up your landscaping, replacing your front door, and other easy tasks. If your [home is in serious disrepair](https://www.redfin.com/blog/make-money-when-selling-your-home), however, with issues such as an outdated roof, it might be a good idea to take on a larger project to increase your home’s value. Your agent will be able to help you decide if it’s worth it to pay for a major project now in order to sell your home for a higher price later.

# **Checklist for Getting Your House Ready to Sell**

Ultimately, there are several steps in the process of getting your house ready to sell. This checklist outlines the essential steps and considerations to prepare for selling your property.

## **1. Determine whether it’s a good time to sell.**

Market conditions fluctuate regularly, and homes generally move faster in some areas during certain times of the year. Research market conditions and find a few local, comparable homes that have recently sold as a benchmark to get an idea of the market conditions. You can read about the latest real estate market conditions and trends on the [Redfin Blog](https://www.redfin.com/blog); you can also see what the median home sale price is in your area on the [Redfin Data Center](https://www.redfin.com/blog/data-center).

## **2. Find out if it’s financially feasible for you to sell your home.**

In less-than-ideal market conditions, you might find out that the market value of your home is less than the remaining balance on your mortgage.

## **3. Make updates and repairs to improve your home’s value.**

Evaluate the main structures of your home and take care of any pressing problems, such as leaking pipes, cracked windows, or other concerns that could turnoff potential buyers.

## **4. Clean and declutter.**

Rooms will look larger if there’s less stuff in them. You might consider renting a storage unit to temporarily store all but the most critical pieces of furniture and decor. But don’t go overboard; it’s better to leave some furniture in the room than to have it completely empty, so potential buyers can imagine where their furniture would go.

## **5. Focus on curb appeal.**

Keep your lawn mowed, your hedges trimmed, and consider adding flower beds for a bit of color. Replace your mailbox if it is damaged or in poor condition. Consider painting or replacing your front door. Check out our [home staging tips](https://www.redfin.com/blog/home-staging-tips-to-sell-home-redfin-concierge/) for more information.

## **6. Schedule a professional photo shoot.**

The majority of potential buyers will see your home online before they see it in person, and first impressions are important. One Redfin study found that homes with professional listing photos sell for [$3,400 to $11,200 more](https://www.redfin.com/blog/professional-real-estate-photos-sell-homes-for-more/) than their list price.

## **7. Decide on a competitive asking price.**

A competitive listing price is one that is similar to listing prices of comparable homes on the market (or those that have recently sold), yet high enough that you’ll make a healthy profit.

## **8. Discuss home tours and open houses with your agent.**

Let your agent know when it’s ok to let people into your home to see it, and decide on a date for an open house, if that’s what your agent recommends.

## **9. Let your agent take it from there.**

They’ll put your home on the multiple listing service in your area, which will get it on sites like Redfin.com and in front of other agents. They’ll also order and place a “for sale” sign in your yard, so passerbys will know. They’ll also start to market the property to potential buyers, via flyers, online advertising and other means.

## **10. Start looking for your next home.**

In the event that your home sells quickly, you’ll need to be ready to move. Here’s our advice on navigating the tricky situation of [selling your home and buying a new one](https://www.redfin.com/guides/faq/how-to-buy-and-sell-at-the-same-time) all at the same time.

# **How to Make the Most Money When Selling Your Home**

June 17, 2014 by [Redfin Real Estate Agent](https://www.redfin.com/blog/author/redfinrealestateagent/)

Updated on December 30th, 2021

*Reading Time: 5 minutes*

*Guest post by* [Alyssa Cokinos](https://www.redfin.com/real-estate-agents/alyssa-cokinos)*, Redfin real estate agent*

As a Redfin agent, I get a lot of questions from homeowners about what they can do to get the highest price possible when they sell their home. Here’s my advice on how to prepare your home to sell, when to list it and how to figure out what price to ask. If you have any questions, or if you’re thinking about selling your home in the [Hampton Roads, Virginia](https://www.redfin.com/city/8900/VA/Hampton), area, please feel free to [get in touch with me.](https://www.redfin.com/real-estate-agents/alyssa-cokinos)

## Make Sure You Can Afford to Sell

Figuring out how much you’ll make from selling your home isn’t as easy as subtracting your outstanding mortgage from the price you hope to get. Keep in mind that you’ll have to pay a number of fees when you sell your home, including the buyer agent commission, excise tax, title insurance and other closing costs, which vary by region. You can use the Redfin [Home Sale Calculator](https://www.redfin.com/sell-a-home/home-sale-calculator) to figure out how much money you’ll walk away with when it’s all said and done.

It only makes sense to sell if your proceeds are in the black. Unfortunately, many people who bought a home in the peak bubble years of 2007 and 2008 are still not in a position to sell. If that’s you, you should consider renting out your home if you really need to move.

This may sound self-promotional, but the numbers don’t lie. Each year, Redfin analyzes both Redfin listings and comparable listings, and each year homes sold with a Redfin agent [have sold faster and for more money](https://www.redfin.com/blog/2014/06/faster-for-more-money.html). Why? Redfin listings come up first in relevant searches on our site and Redfin provides clients with a customized, highly targeted email and online marketing campaign for their home.

In addition to getting a higher selling price, Redfin charges a lower commission. Instead of the typical 3 percent commission for selling your home, Redfin only charges 1.5 percent. When you combine the commission savings with the higher average sales price, sellers who list with Redfin save big.

## Set a Competitive Asking Price

Determining what your list price should be is an art and a science. Before you list your home, ask your real estate agent for a [comparative market analysis](https://www.redfin.com/sell-a-home/consultation?src=home_selling_guide), which will help you determine a reasonable price based on sales of similar homes in your area. It’s very important to set a good price the first time, so you don’t have to drop the price later. A Redfin study showed that the first week that a listing goes on the market, it receives nearly [four times](https://www.redfin.com/blog/2010/08/you-only-get-one-chance-to-make-a-first-impression.html) more visits online than it does a month later. Even if you drop the price later, it won’t get the same attention.

## More: [How to Sell Your Home Without an Agent](https://www.redfin.com/resources/how-to-sell-your-home-without-an-agent)

When in doubt, start with a lower asking price. Bidding wars are a good thing if you’re the one selling the home. If you underprice by, say, $10,000, you could get multiple buyers to bid up the price. If you overprice by $10,000, the home may sit on the market for months, and you’ll lose a lot more.

## Time it Right

If your timing is flexible, you should consider selling your home in winter or early spring. A recent [Redfin Report](https://www.redfin.com/blog/2013/12/why-winter-is-the-hottest-time-to-sell-your-home.html) looked at home sales from 2011 to 2013 and found that homes listed between December 21 and March 21 sold one week faster and for slightly more on average than any other season. This goes against the conventional wisdom that spring is the best time to sell your home.

You should also list on a Thursday or Friday, so you are fresh in people’s minds when they’re making plans with their agent to go see homes on the weekend. [Redfin found](https://www.redfin.com/blog/2013/02/top_five_home_selling_tips_from_redfin.html) that homes listed on Thursday or Friday sell closer to their original list price and have the best chance of selling. For a home listed for $400,000, the difference between listing on a Sunday and listing on a Friday could be a sale price $2,800 higher.

## Make Your Home Look Good, but Don’t Spend Too Much

If your kitchen and bathrooms are REALLY outdated, [it can pay to remodel them](https://www.redfin.com/blog/2014/03/home-projects-to-increase-value.html), and if your roof is in disrepair, that’s a [conversation to have with your agent](https://www.redfin.com/resources/should-you-repair-your-roof-or-sell-as-is), but those are the only reasons you should consider a major home improvement project. There are a lot of cheaper projects you can do to make a great first impression, including replacing your front door, installing dual-pane windows, adding a fresh coat of paint to the exterior and maintaining the yard. A deep clean is also very important: wash the windows, steam clean the carpets, pressure wash the deck and scrub your appliances. You should also declutter your space, putting things in storage if needed. But don’t go overboard; leave some furniture in the rooms so people can picture what it will look like.

Once your home is looking its best, you should hire a professional photographer to take the listing photos. Most people start their home search online, so photos are crucial to getting their attention. In a recent study, Redfin found that [homes with professional photos sold faster](https://www.redfin.com/blog/2013/12/professional-photos-2013.html?src=home_selling_guide) and for more money. If you sell your home with a Redfin agent, we’ll provide [free professional photography](https://www.redfin.com/sell-a-home/how-redfin-works?src=home_selling_guide) to make sure your home looks its best.

## Carefully Consider Offers, and Be Prepared to Negotiate

An experienced listing agent will know a good offer when they see it. A great agent can guide you through the whole process and advise you when to negotiate prices and terms. A quality agent will know what’s “normal” when it comes to offers, and when someone is trying to get a bargain. You should consider all the terms of the offer, not just the price, to make sure you get the best deal.

# 14 Home-Staging Tips from Redfin Concierge

February 20, 2019 by [Emily Hochberg](https://www.redfin.com/blog/author/emily-hochbergredfin-com/)

Updated on October 6th, 2021

*Reading Time: 4 minutes*

*Design and staging secrets on how to update your home and attract buyers without a major investment.*

With 2019’s [housing market off to a modest start](https://www.redfin.com/blog/2019/02/january-2019-housing-market-tracker.html), sellers must seek to stand out. With more homes for sale in formerly red hot markets like Seattle, there’s less competition for buyers. Fortunate for them, but as a result, sellers must make their homes shine in a way they haven’t had to in years.

One of the smartest ways to go about this is [staging](https://www.redfin.com/blog/how-to-stage-a-house/), which may help increase the home’s perceived value to buyers, said [Redfin Concierge](https://www.redfin.com/why-sell/concierge) Lauren Lindsey.

“Sellers have their personal taste and style, and it might not be what buyers want,” she said. “Buyers may be thinking of spending their life’s savings. If there’s yellow on one wall and purple on the next, an immediate to-do list can feel daunting. Staging helps the home feel as new as possible so there are less objections.”

Indeed for a 2 percent listing fee, the Redfin Concierge team provide all the benefits of a Redfin 1 percent listing, plus white-glove services to manage improvements in order to make a strong market debut. This includes a custom improvement plan for updates such as decor, lighting, paint, furniture placement, deep cleaning and decluttering.

“People don’t want to go into a home and see someone else’s life. They want to envision their future.

I make design choices to allow that, and also find out what the client needs, and how to accommodate them,” Lauren said. “If the seller will be living in the home while it’s being shown, I want them to sleep in their own bed and be comfortable, but eliminate pieces that might darken their space, or otherwise detract from the value of home.”

To learn how to best stage your home, read on for Lauren’s easy ideas and insider tips.

### **1. Replace outlet and light switch covers**

“Replacing yellowed outlet and light switch plates is an inexpensive, 28 cent way to change the perception of your home and make it look maintained. Yellowed fixtures can encourage the mind to go to negative places such as wondering whether there was smoking in the home.”

### **2. Cross line items off your closing list**

“Do simple things like replace old carbon monoxide detectors. This helps take line items off your inspection report. One line item less is always a good thing.”

### **3. Say ‘so long’ to dark sofas**

“If sofas are really dark, swap them for staging. Replace a dark brown leather sofa or reclining chair with softer grey pieces that look more modern. Pillows and throws helps, as does adding high end fake plants or succulents, which bring greenery and life to the home.”

### **4. Create systems to keep rooms neat**

“Anything that shows you’ve been living there, like a toothbrush, needs to be put away. I give clients caddy baskets, like the kind you took to the bathroom in college. It creates an easy daily system to pull out what you need and then put it away. These habits help so you don’t have to clean every day.”

### **5. Glaze your tiles**

“I had a bathroom with all purple tiles, and my seller couldn’t justify spending an exorbitant amount of money to replace it, so we glazed it white. This also works for kitchens if the tile and grout is really dirty, and marbled bathroom vanity counter tops. They can all be glazed instead of replaced. Glaze is one of the tools I use most, and it’s a no chip finish.”

### **6. Don’t show a bedroom as a home office**

“Stage all bedrooms as bedrooms, because the number affects the value of the home. If you’re staging one bedroom as an office, you’ve just lost a bedroom because your buyers aren’t going to come in and see it as a bedroom.”

[Sell for more with Redfin. Learn how at a free Home Selling class.](https://www.redfin.com/buy-a-home/classes-and-events?utm_source=Blog&utm_campaign=1014779)

### **7. Pay attention to scale**

“Scale of furniture should match the space. You want to have a nice weight to the room, so it feels livable without too much open area, and also not too cramped. In small bedrooms, stage with full size bed at minimum, and always a queen or king in the master. People have trouble envisioning scale in bedrooms and incorrectly assume what can fit.”

### **8. Choose white or sheer curtains**

“Remove dark or blackout curtains, and replace with sheer or semi sheer curtains. They endlessly let natural light in to give the room an airy feel, but with privacy so you don’t feel like you’re part of a zoo exhibit. My favorite are the $10 curtains from Ikea, which are all cotton, and come in a pair. You can’t find a better price than that and I take them from house to house. You can also hang curtain rods higher than your windows to make your windows look bigger and extend the room.”

### **9. Don’t forget to deep clean**

“Make sure baseboards and appliances are clean. Get a nice good deep clean before you put a home on the market. Before [open houses](https://www.redfin.com/blog/preparing-your-home-for-an-open-house/), do a quick sweep and make sure there are no dishes in the sink. Small things go a long way.”

### **10. Pick a simple backsplash**

“Avoid opinionated finishes. A trendy backsplash might appeal to some, but not others. Subway tile has been around since the ‘60s and hasn’t gone away for a reason. You can dress it up or down and it’s inexpensive. It’s a clean simple option and doesn’t make enough of a statement to truly dislike it.”

### **11. Make your home light and bright**

“Using 3K or bright white bulbs will brighten without overdoing it. You don’t want so much brightness that it looks like a hospital, and similarly, if lighting is too soft it won’t light the space accurately.”

### **12. Neutralize and modernize living spaces**

“When potential buyers walk through a house, we want them to focus on seeing their future, not on distracting elements of the seller’s personal taste and style. To do this, we neutralize and modernize the space. I use a lot of greys and love [Benjamin Moore’s color of the year](https://www.benjaminmoore.com/en-us/color-overview/color-palettes/color-trends-2019?gclid=EAIaIQobChMI8vztwcy74AIV2eDICh3WQw-XEAAYASAAEgLR8vD_BwE&gclsrc=aw.ds), Metropolitan, which I’ve been using for the last year and a half. It might sound boring, but it makes for a neutral palette, and it works.”

### **13. Depersonalize the home**

“Designing for selling is very different from designing for personal lifestyle. Take down family photos and replace them with abstract artwork, but nothing too opinionated. This helps sell it to someone who needs a clean slate and gives them the opportunity to envision how they’ll add their own personal touch.”

### **14. Make your bed**

“Create a bed setting stacked with pillows and shams for a nice polished look. Make the bed, and use white or grey duvet covers. You can give personality by adding pops of colors from throw blankets and extra pillows.”

# Homes Listed with Professional Real Estate Photos Sell Quicker and For More Money. This Is Why.

June 3, 2019 by [Lexi Klinkenberg](https://www.redfin.com/blog/author/lexi-klinkenberg/)

Updated on August 15th, 2023

*Reading Time: 6 minutes*

First impressions are everything, especially in home buying. A gorgeous exterior vs. a crummy one decides whether you walk in the front door. Inside, spotless interiors are more likely to inspire a life there than a cluttered house that’s clearly, well, someone else’s home.

And while this is where [staging can play a huge role](https://www.redfin.com/blog/home-staging-tips-to-sell-home-redfin-concierge/), it’s the listing pictures buyers see online that is often the first barrier of entry. So they better be *really* good.

In fact, a 2013 Redfin study found that homes professionally photographed with high-performance Digital Single-Lens Reflex (DSLR) sold quicker and for thousands of dollars, more than homes shot with amateur photos. DSLR cameras are also the preferred camera of Redin’s national photography manager, Drew Larrigan. Redfin provides professional photography to all its listing clients, free of charge.

## **Why Professional Real Estate Photos Sell Homes for More**

“The iPhone is the number one camera on the market right now, but we are still very far from it replacing a DSLR, which offers a higher quality image with higher pixelation. It’s the level necessary in this business, that will be continued to be used in the market for years to come.”

But you need more than just a fancy high-tech camera, you also need the know-how.

“The number one thing people get wrong with listing photography is having the mindset that anyone can do it and deliver a beautiful photo,” he said. “There is a lot of behind-the-scenes work you don’t see, capturing layers of [High Dynamic Range](https://www.digitaltrends.com/home-theater/what-is-hdr-tv/) (HDR) images to create one beautiful shot.”

Layers, he explained refers to multiple exposures. “This allows us to highlight shadows and bring out brightness or darkness through the windows. And then you stack those layers, which creates the beautiful windows in our photos.”

As online searching and browsing is a critical part of the home-buying process, it makes sense that professional photos will entice people to visit the home as they know what they are getting before they even set foot in the home.

“Today we have [more shoppers buying from abroad or out of state](https://www.redfin.com/blog/sight-unseen-offers/) and making an offer sight unseen, and really want to see a home documented,” Drew said. “They want to see every corner of the home, and that’s the beauty of the DSLR is offering a resolution that allows the out of state or city buyer a chance to see the home in full.”

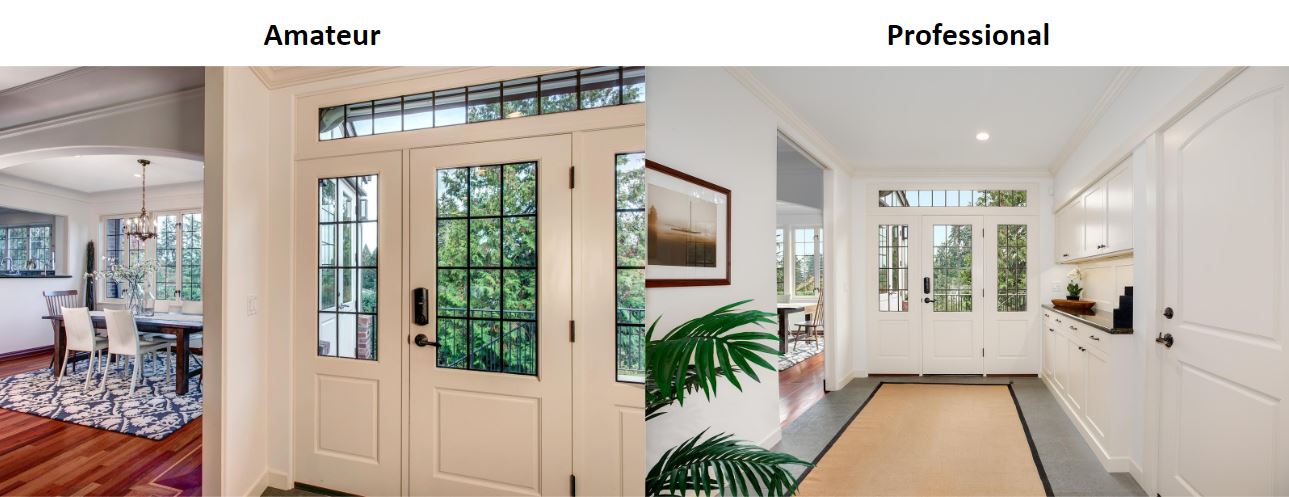
## **Thinking of selling?**

## Lock in a competitive rate for your next home.

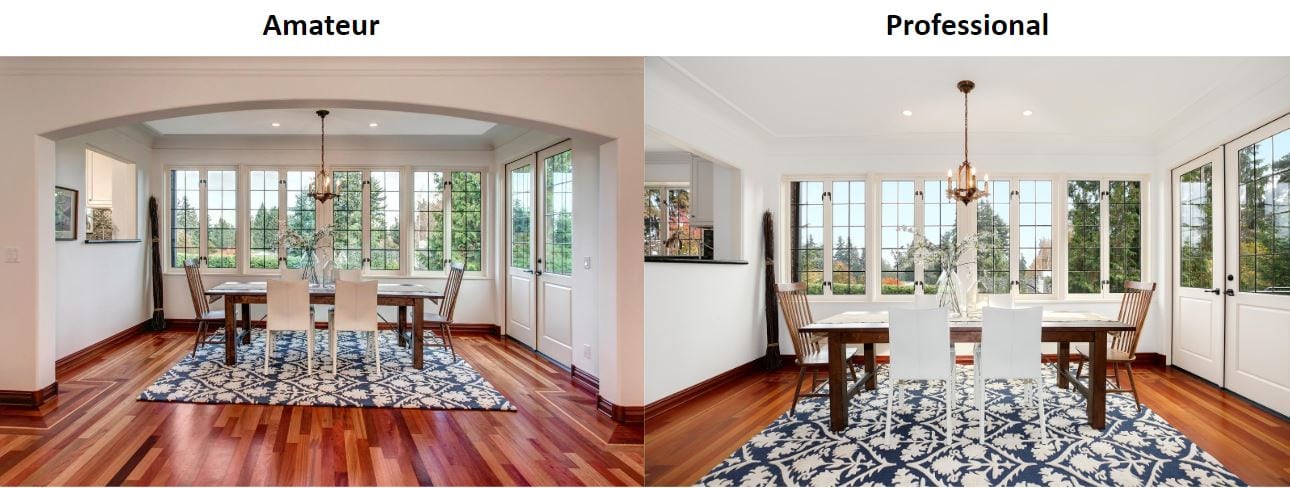
## [Get pre-approved](https://www.redfin.com/mortgage-get-pre-approved?context=61)

## **Amateur vs. Professional Real Estate Photos**

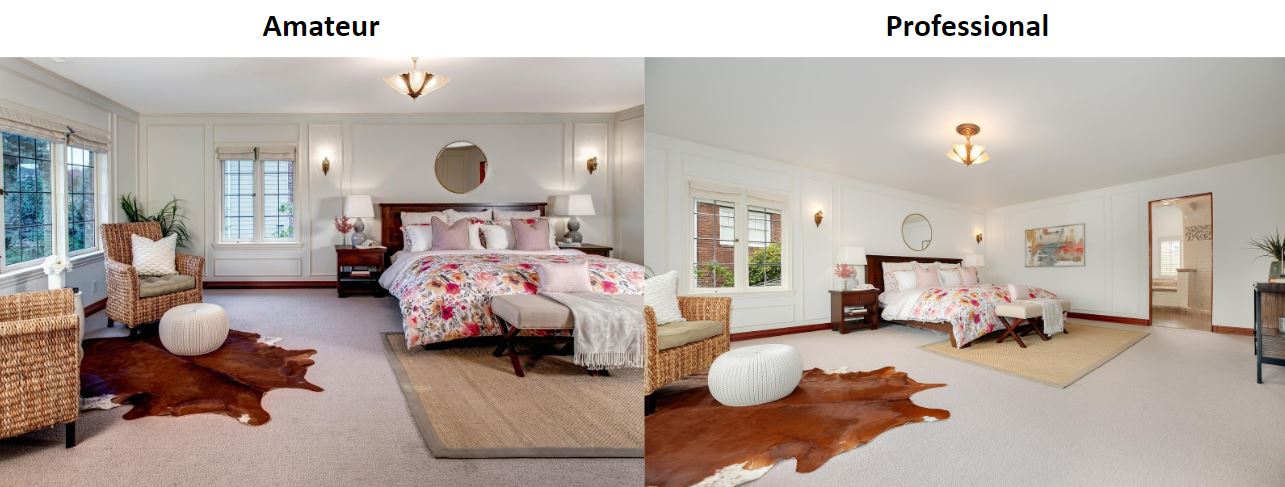
To see these differences in action, Drew shared listing photos comparing those shot by an amateur, and those professionally photographed. “These examples are a chance to really look at the data visually, of the difference between a team approach that builds out quality, versus independent third parties,” he said. “It goes to show how important it is for Redfin to offer quality to the client, and how important it is to make sure our listings are as beautiful as possible.”



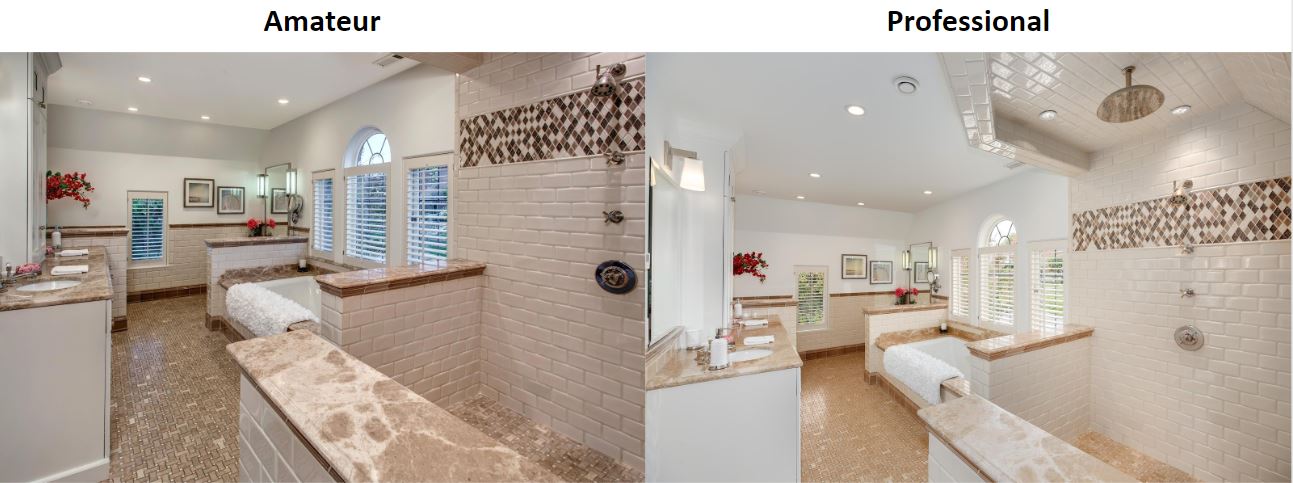
“In the above photo to the left, the photographer attempts to connect the front door with the dining area, but in the process, misses all the wonderful entry storage, and the white walls look brown. Redfin’s professional photo on the right chose to instead focus on the expansive hallway, beautiful entry, great storage, and crisp color tones. The professional photographer fully utilizes this space and frames key assets in the hallway.”



“In the professionally shot photo above on the right, the color tones, wood tones, and white balance are perfect. The walls are WHITE. The frame orientation is centered around the chandelier and the photo invites you into this room. In contrast, in the other photo, the room appears to be leaning, the white balance is off, and the colors are dark, almost reddish.”



“Once again, a proper color balance comes into play here. When incorrect, the master bedroom feels small. It also misses an opportunity to show the adjoining bathroom. The composition should highlight the full room to its entirety.”



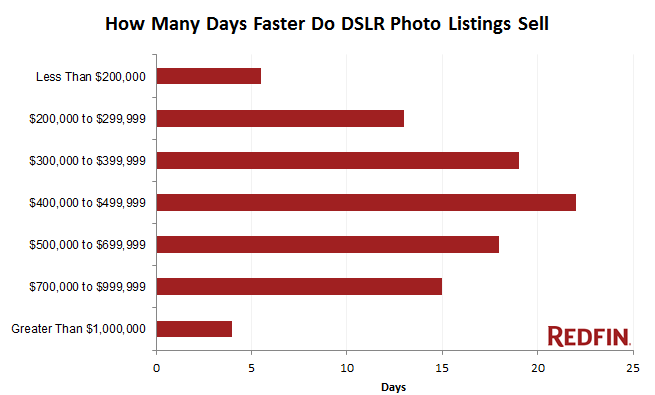
“This bathroom is bright and light but the white balance is off, and as a result, the images miss key features like the upscale shower head, vanity and lighting.”



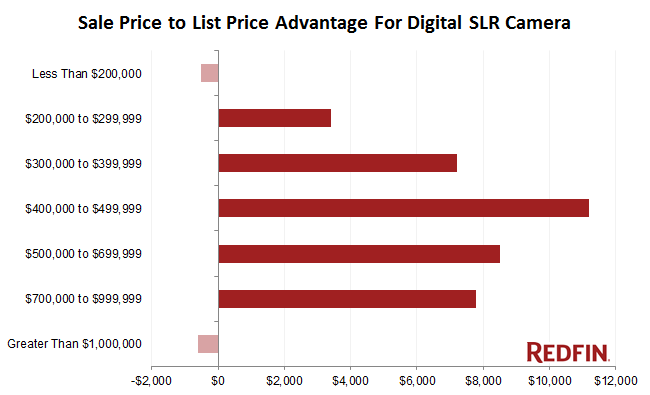
“In the first photo, your eye is drawn to other objects, rather than the house itself. The basketball hoop, open umbrella, neighbors to the left and right are distracting and more obvious. Additionally, the home isn’t centered, and the lens distortion bends the horizon line. When photographed correctly, you will notice the sky and the framing. This is a shot that is composed, center and square. The color tones are natural and the backyard feels private.”

## **Homes professionally photographed with DSLR cameras are proven to sell quicker and for thousands of dollars more than homes shot with amateur photos.**

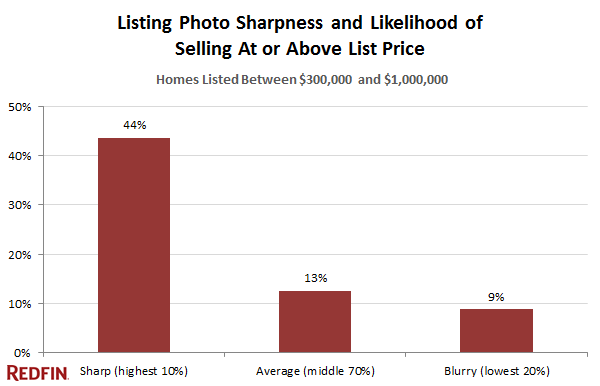
Inspired by Drew’s insight, we took a look back at the 2013 study. The data revealed that professionally photographed homes priced in the $400,000 range sold three weeks faster and for more than $10,000 relative to their list price, than their counterparts with amateur photos.

Data 2013 study by Redfin

The 2013 findings also found that homes listed between $200,000 and $1 million sold for $3,400 to $11,200 more relative to their list prices when photographed professionally with a DSLR camera. At the high end of the spectrum, professionally photographed homes for more than $1 million sold at prices similar to those with amateur photographs.

Data based on 2013 Redfin study

Additionally, The 2013 findings also looked at photo sharpness, or, the detail added to a picture by using a good camera, lens and lighting. Whether a crisp reflection, or bright flowers, a sharper picture will show a house in its best light. The sharpest 10 percent of photos sold at or above list price 44 percent of the time, while listings with average sharpness sold at or above list just 13 percent of the time.

Data based on 2013 Redfin study

## Drone Photography

Drone photography is becoming increasingly popular within the real estate industry. [Aerial photography](https://www.v1dronemedia.com/v1dronemedia-blog/2020/6/12/why-use-drones-in-real-estate-photography-and-video) provides agents and sellers with a new way to display property highlights, acreage, and features. Using drone photography for your real estate listing can show your home from a unique perspective. It can allow you to show the surrounding areas of your home in a single shot. As real estate drone photography is becoming more popular, many listings are still solely using traditional images to feature their home. Adding aerial images to your listing will draw more attention to your home and help you stand out among your competitors, potentially leading to a faster sale.

Aerial photographs were most common among luxury agents, solo agents with a large operating budget, and brokerages. These photos of listings were previously very expensive and cost agents and buyers a large sum of money. However, the invention of drones has significantly reduced this high cost and has given more buyers and sellers access to the latest affordable technology. While there are many things to take into consideration when hiring an aerial photographer, we suggest focusing on prospects with a developed portfolio, proper licensing, and favorable customer reviews. This will help you find the perfect aerial photographer for your listing.

# **Buying and Selling at the Same Time**

## **How to Buy a House While Selling Your Own**

Purchasing a house while selling your old one is the best path to take for many [home sellers](https://www.redfin.com/guides/how-to-sell-a-house) turned [home buyers](https://www.redfin.com/blog/what-you-need-to-buy-a-house/). In a perfect world, this transition would take place in one day. You'd simply sell your old one, then go on to closing on the new one. However, in the real world, it's not that simple, and you'll need to expect some time between selling your house and buying your new one or vice versa.  
  
The process is a difficult dance full of complex steps and a rhythm that is hard to get just right. If you're wondering how to buy a house while also selling your current house, extensive knowledge of the process is important, and empowering yourself with the information you need can save you a great deal of time and money.  
  
So, you may be wondering, can I buy another house before I sell mine? The answer to that is, yes, you can, but the bigger question is whether you will want to once you understand the entire process. First, consider what you have to gain and lose by either selling before buying or buying before selling.

## **Pros and Cons of Selling Before Buying**

### **Pros - The Benefits of Selling Before Buying:**

* You won't have to risk paying for two mortgages at the same time
* Cash will be easily accessible for a [down payment](https://www.redfin.com/guides/down-payments-and-home-loans) for your new property
* You will have a better idea of the equity that can be put into your new home.
* You may not qualify to carry two mortgages, so this option can be ideal for those with less-than-stellar credit
* You won't have the pressure to reduce your asking price to sell your home quickly
* You will be able to let go of one home before taking on the responsibility of a new home, which can make things feel properly ordered

### **Cons - The Negative Aspects of Selling Before Buying:**

* Finding a temporary place to live before settling in a new home can be chaotic
* You will probably have to deal with moving two separate times which can be exhausting
* You may feel pressure to find a new home in a hurry
* Paying for storage and additional moving costs for two moves can add up
* Your investment will temporarily be out of the real estate market

## **Pros and Cons of Buying Before Selling**

### **Pros: The Benefits of Buying Before Selling**

* The process of house hunting can be more relaxed and enjoyable
* You only move one time, so you won't face expensive storage fees or doubled moving expenses
* You are less likely to have regrets from rushing into buying a house in a hurry
* You'll have a place to go right away before you even let go of your current house
* You have a cushion in case something goes wrong during the process of purchasing the new home. That way, if the deal falls through, you still have your old home to stay in

### **Cons: The Negative Aspects of Buying Before Selling**

* If your cash is tied up in the investment in your current home, you may not have as much freedom to make a larger down payment or high offer for the new home
* You might be pressured to accept a lower offer on your house if you are then in a rush to sell
* You may end up paying for two residences at once until you sell your home
* You will also be responsible for two sets of taxes
* If you decide to rent out your current home until it sells, you may face many challenges that come with being a landlord. They may be more complex given the fact that you are trying to show and sell the home with a tenant
* You may not qualify for a new mortgage when you have your existing one

## **The Steps of Selling First**

When you are trying to navigate how to buy a house contingent on selling yours, you may decide that selling first makes the most sense for your special circumstances. If so, take these steps to sell first:

* To sell your house before buying a new one, first contact a real estate agent about listing your home for sale. Then, once you have a concrete offer from a hopeful buyer, it's okay to start looking for your new home. That can help the process go smoothly and not leave too much time between the selling and buying.
* Decide on where you'll live before you find a new home. Life happens, and some sellers find that they can't find the right home for them for weeks or months. It sometimes takes even longer than they. Be sure that you will have a steady, secure place to live from the moment you sell your home until you are moving into your new one.
* Fulfill all your obligations as a seller, once you know that you will have a secure place to stay until you find your dream home.

## **The Steps of Buying First**

Sometimes buying first is just the best way to go. If you want to know how to buy a house before selling your current house, follow these steps:

* Start house hunting right away. Be proactive since you do still want to get the ball moving on selling, yet it's important to find just the right home for you.
* Make an offer on your dream home and request an extended closing. In this situation, you can request an extended closing if you feel that you are close to selling your home. That will give you time to better coordinate the sell of your old home while you purchase the new one. Please note that this only applies to a situation when you are close to selling your old home while buying the new one. If you decide not to list the home for sale until you have a new one, the next step would be to contact the real estate agent to list your home for sale.
* If you have savings, you may use that to purchase the home. Alternately, consider purchasing the house with a home equity line of credit. That can allow you to borrow against the equity in your current house until it sells. That way, your available cash isn't tied up in the old home.
* Close on the new home.
* Consider renting your old home until it sells. That can prevent you from paying excessive costs.

## **Conclusion and Further Reading**

The complex processes of both buying a new home and selling your old home can have a major impact on your financial health for many years to come. Weigh the pros and cons, then assess your circumstances. If you struggle with making this decision on your own, speak to your attorney, financial adviser, or Redfin agent to decide how to best proceed.

## Information Regarding Recovery Funds

TREC has two funds to help reimburse consumers who suffer damages caused by TREC license holders: the Real Estate Recovery Trust Account and the Real Estate Inspection Recovery Fund. Each recovery fund has different filing requirements and payment limits.

Consumers may file an application for payment from the Real Estate Recovery Trust Account after filing suit and obtaining a final judgment in civil court for damages against a licensed real estate broker, sales agent or easement/right-of-way agent (or an employee or agent of such a license holder) for certain conduct.

The Real Estate Inspection Recovery Fund was repealed by [HB 1363 (88th Leg., R.S.)](https://capitol.texas.gov/tlodocs/88R/billtext/html/HB01363F.htm). However, for an application in which the events giving rise to the claim occurred before September 1, 2023, consumers have until March 1, 2026, to file for payment from the Real Estate Inspection Recovery Fund, after filing suit and obtaining a final judgment in civil court for damages against a licensed inspector for certain conduct.

These recovery funds are "funds of last resort." They have been created to reimburse consumers for out-of-pocket damages caused by license holders when the license holders cannot pay for those damages.  If you have received any payment or settlement towards the amount of judgment from a license holder, another defendant, or the license holder’s insurance company, the amount of that payment or settlement may reduce the amount you may recover from the recovery funds.

### What are the payment limits for the recovery funds?

Regardless of the number of applicants, payments from the Real Estate Recovery Trust Account may not exceed $125,000 per transaction, with a maximum of $250,000 per license holder for multiple transactions. Payments from the Real Estate Inspection Recovery Fund may not exceed $12,500 per transaction, with a maximum of $30,000 per license holder for multiple transactions.

### What is the difference between a recovery fund claim and a complaint with TREC?

You do not have to file a complaint with TREC to apply for payment from one of the recovery funds. When you file a complaint, TREC will investigate and may assess an administrative penalty as part of the disciplinary action taken against a license holder. The administrative penalty is paid to TREC for deposit into the recovery funds. It is not paid to the person who filed the complaint.

You may only file an application for payment from one of the recovery funds after you have obtained a civil court judgment awarding damages against a TREC license holder and complied with other requirements.

### Filing a Claim for Reimbursement

The process for filing an application for payment from the recovery fund is not the same for everyone.  We have provided some general guidelines below for your reference.  You may also email TREC staff at [recoveryfund@trec.texas.gov](mailto:recoveryfund@trec.texas.gov) to help answer general questions about the process.

#### Obtain a Final Judgment

Before you file an application for payment from one of the recovery funds, you must file a lawsuit in court and obtain a civil judgment from the court against a TREC license holder. You must file your lawsuit in the court within two years after the events giving rise to your claim occurred. So, even if you file a complaint with TREC, do not wait until the TREC complaint process is complete before you file a civil lawsuit or you run the risk of the statute of limitations expiring.  After the court grants a final judgment in your lawsuit, you must also obtain an abstract of judgment and writ of execution before filing an application for payment from the recovery fund with TREC. Please note that if you are going to obtain an agreed judgment, it must be submitted to TREC BEFORE being signed by the judge if you intend to request reimbursement from the Real Estate Recovery Trust Account.

#### Obtain an Abstract of Judgment

Once you obtain a final judgment from the court, you will need to obtain an Abstract of Judgment. Each Texas county may have different requirements for obtaining an abstract of judgment. You will need to check with the County Clerk's Office in the county where you obtained the judgment and follow the requirements to obtain an abstract of judgment.

After you obtain an abstract of judgment, you will need to file it with the County Clerk in the real property records of the county in which the court judgment was obtained. For example, if you sued a license holder and obtained a judgment in a Travis County court, you would file the abstract of judgment with the Travis County Clerk in the Travis County real property records. You will need to submit a file-stamped copy of the abstract of judgment to the TREC with your recovery fund application.

#### Obtain a Writ of Execution Returned Nulla Bona

You must ask the court to issue a writ of execution.  A writ of execution is a written order to the constable or sheriff to locate the defendant and demand payment of the judgment.  If the defendant has no assets that can be sold to satisfy the judgment, the constable or sheriff usually will return the writ of execution to the court “nulla bona,” which is a Latin phrase meaning “no goods.”

The words “nulla bona” (or its equivalent) must appear on the writ return.  You must submit a copy of the writ of execution and the officer's return stating “nulla bona” to TREC with your recovery fund application.

#### Filing Your Application

After obtaining a judgment, abstract of judgment, and writ of execution, you may file an Application for Order Directing Payment from the Real Estate Recovery Trust Account or Real Estate Inspection Recovery Fund. This application must be filed in the same court and cause number in which you obtained the judgment. You will need to submit a file-stamped copy of the application, along with copies of the final judgment, abstract of judgment, and writ of execution to TREC. It is not necessary to set a court date at this time.  Most claims can be resolved without the need to go to court for a hearing.

#### Review and Approval

Once TREC receives your application, and the documents mentioned above, we will review the documents you have submitted and send you an acknowledgment letter describing any additional information that is needed to review your application. Some of the most common information requested includes documents like a file-stamped copy of the original petition, an explanation of the facts and circumstances surrounding the case, and attorney billing statements. If your application is eligible for payment from the recovery fund, we will recommend approval and payment of the application to the Commission at their next regularly scheduled meeting. Depending on the date of the next Commission meeting and the receipt of ALL information requested, it may take several months to complete this process. If your application is not eligible for payment from the recovery fund, we will recommend denial and you may contact the Office of the Attorney General to request a hearing to contest the denial.

If the Commission approves the application for payment, some additional paperwork must be completed before payment can be made. We will prepare an Order Directing Payment and an Assignment of Judgment. These documents must be reviewed and approved by the Attorney General. Once approved, the Attorney General will send these two documents to the applicant or their attorney with instructions on how to sign the documents, file them with the Court, and send them back to the Office of the Attorney General. The Attorney General will return the documents to TREC for final processing. Once the TREC receives the documents from the Attorney General, it usually takes 2-3 weeks for TREC to process the application and mail out the checks.

As you can see, filing an application for payment from one of the recovery funds is a long and somewhat complicated process. You may submit an application on your own or hire an attorney to help you with this process.  If you hire an attorney, you may seek reimbursement for reasonable attorney’s fees paid as part of your application for payment from one or both of the recovery funds.  Reasonable attorney’s fees are eligible for payment from the recovery funds, but only up to the payment limits of each fund.

Consumer Guide To The Texas Real Estate Commission

[](https://www.trec.texas.gov/sites/default/files/Agent%20and%20Family.jpg)Buying a home is often the single biggest investment a person can make. Selling a home can be an overwhelming and confusing transaction.  Because of the size and complexity of buying or selling a home, most buyers and sellers hire a professional advisor to help them with the process. The Texas Real Estate Commission (TREC) is responsible for licensing real estate service providers in Texas to ensure they are qualified to advise consumers about these transactions. If you are looking for information about the home buying or selling process be sure to check out our [consumer resources page](https://www.trec.texas.gov/more-consumer-resources) where we highlight tools that could help you.

There are two major categories of real estate professionals licensed by TREC.

* Sales Agents, who must be sponsored by a broker. Sales agents work with clients on behalf of the broker.
* Brokers, who are responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.

Looking for Other Related Real Estate Organizations or Professions? Be sure to check out our [Related Regulatory and Consumer Protection Groups page](https://www.trec.texas.gov/related-regulatory-and-protection-groups).

Why are brokers and sales agents required to be licensed?

Real estate brokers and sales agents are licensed for the protection of consumers.  Before someone can be licensed to act for a buyer or seller in a real estate transaction, the person must meet certain requirements. To become licensed, each applicant must pass a background check to assess their honesty, trustworthiness, and integrity. Applicants must also complete qualifying education and experience, and pass the licensing exam before they are granted the authority to help guide you through the complicated process of buying or selling a home.

Each company that provides brokerage services must be licensed as a broker and must operate under the direct oversight of an individual who also holds a broker license. Every sales agent is sponsored and supervised by a broker. A broker or sales agent licensed by TREC is not required to become a REALTOR; although many do voluntarily join this private professional organization.

TREC enforces the laws and rules which govern sales agents and brokers. If you have issues or concerns with the broker or sales agent assisting you, or if you feel you are not being represented fairly, you can [file a complaint with TREC](https://www.trec.texas.gov/public/how-file-complaint). TREC has the authority to take action against a licensed broker or sales agent who is not in compliance with the rules and laws of Texas. Additionally, licensed brokers and agents are required by law to put your interests as their client above all others, including the broker’s own interests. This is called acting as a “fiduciary”. It also involves providing the following minimum services:

* inform the client of any material information about the property or the transaction received by the broker;
* answer the client’s questions and present any offer to or counter offer from the client; and
* treat all parties to a real estate transaction honestly and fairly.

Finally, license holders are required to provide certain consumer notices to you. The first time you communicate about a specific property with a license holder, the broker or agent is required to provide you with a form called the [“Information About Brokerage Services”](https://www.trec.texas.gov/sites/default/files/pdf-forms/IABS%201-0.pdf). This form describes the different ways a professional can represent you, the minimum services they must provide to you and key business names, licenses and contact information for the sales agent, their sponsoring broker, and any delegated supervisor. All licensed professionals' websites must also contain a link to a copy of the [“Consumer Protection Notice”](https://www.trec.texas.gov/sites/default/files/pdf-forms/CN%201-2.pdf) that contains information about filing a complaint and recovery funds.

Do your homework before choosing a broker or sales agent.

It’s important to make sure you work with an agent or broker that you believe will best meet your needs.  Talk to a trusted neighbor, family member or friend to get a recommendation. Be sure to interview any persons you may be interested in hiring and ask them questions about their services. Online research can also be a valuable aid in helping you decide. Check out any licensed sales agent or broker using [TREC's License Holder Lookup tool](https://www.trec.texas.gov/apps/license-holder-search/) and our [consumer resources page](https://www.trec.texas.gov/more-consumer-resources), where we highlight tools available for homebuyers and sellers. The license holder lookup tool will provide you information about a license holder’s background history; any prior violations of laws or TREC rules; education they have taken in connection with their license; and if the person is an agent, information about the broker who sponsors them.

Fees are not regulated by TREC.

TREC does not regulate the fees paid to any real estate license holder, including buyer’s agents, seller’s agents, brokers, inspectors or appraisers. All fees are set by your agreement with each professional. Before you sign any representation agreement or service agreement, you should carefully review the fees each individual will be charging.

Standard Contract Forms

When buying or selling a home in Texas, professionals licensed by TREC are required to use the appropriate standard form contracts and addenda drafted by TREC’s Broker-Lawyer Committee and adopted by the agency. These forms are carefully written to meet the needs of a typical home sale or purchase and to balance the interests of all the parties involved.   A broker or sales agent is permitted to complete these form contracts to reflect the needs of their client, but cannot make recommendations or offer advice which exceeds their level of expertise. Complex or specialized situations may require the use of an attorney to express and protect the client’s interest.

Other people involved in the buying and selling of a home?

In addition to brokers and sales agents, there are other people involved in the buying and selling of a house. Some of these are also licensed by TREC.

[Real Estate Inspectors](https://www.trec.texas.gov/become-licensed/professional-real-estate-inspector)

Real estate inspectors are individuals licensed by TREC to perform inspections of real property that is part of a real estate transaction. Inspectors provide information on the performance of certain systems that are part of the property. They are required to use the TREC standard report form and are guided by their “standards of Practice” to ensure consistency throughout the home inspection process. There are three types of inspectors:

* Apprentice Inspector, who must be sponsored and directly supervised;
* Real Estate Inspectors, who must be sponsored and indirectly supervise; and
* Professional Inspectors, who can inspect without sponsorship or supervision

[Appraisers](https://www.talcb.texas.gov/)

Whenever a loan is involved with a real estate transaction, the property will need to be appraised. An appraisal is essentially a written estimate of a home or property’s value based on current market conditions. This estimate is determined by a licensed appraiser and is delivered in an official appraisal report. In most cases, the appraisal will be requested by the buyer’s lender because the lender is looking for assurance that the property is sufficient collateral and worth the amount that the borrower has agreed to pay. Appraisers are licensed by the Texas Appraiser Licensing and Certification Board (TALCB), which is an independent subdivision of TREC. Information concerning licensed appraisers can be found on the [TALCB website](https://www.talcb.texas.gov/).

[Residential Service Companies](https://www.trec.texas.gov/residential-service-companies) (Home Warranty Companies)

Residential Service Companies or more commonly known as Home Warranties, are licensed by [Texas Department of Licensing and Regulation (TDLR) as part of its Service Contract Providers](https://www.tdlr.texas.gov/scp/scp.htm) program. These companies offer contracts to consumers for services related to the maintenance of certain systems in the home. Typically, these contracts are offered at the point of sale of a home. The contract can cover a wide range of systems including appliances, plumbing, electrical, pools, and water heaters. Make sure you review each contract and its details before choosing the one. It’s important to note that a residential service company contract is not required when purchasing a home.

## Advertising

What is considered an advertisement?

Under Rules 535.154 and 535.155 (effective May 15, 2018), an advertisement is defined as “any form of communication by or on behalf of a license holder designed to attract the public to use real estate brokerage services and includes, but is not limited to, all publications, brochures, radio or television broadcasts, all electronic media including email, text messages, social media, the Internet, business stationery, business cards, displays, signs and billboards." An advertisement does not include a communication from a license holder to the license holder's current client.

What is the required information that must be provided in advertisements such as signs, email and business cards?

All advertisements must comply with TRELA §1101.652(b)(23) and Rules 535.154 and 535.155.

Rule 535.155 requires each advertisement to include the following items in a  readily noticeable location in the advertisement:

1. The name of the license holder or team placing the advertisement; and
2. The broker’s name in at least half the size of the largest contact information for any sales agent, associated broker, or team name contained in the advertisement.

Notes:

* A broker’s name includes a broker’s assumed business name that has been registered with TREC.
* Requirements for an assumed business name and team name are set out in Rule 535.154
* There is no requirement that a phone number or email address included in an advertisement belong to the broker.
* Are signs permitted which display the word "broker" or "agent?"
* Yes. Although this is not mandatory, it may still be placed on a sign.

Are there any restrictions on the placement of a license holder's signs?

Yes. TREC may suspend or revoke a license if the license holder places a sign on a property offering it for lease or rental without the written permission of the owner or the owner's authorized agent. [TRELA §1101.652(b)(18)]. Also, although TREC does not regulate where a license holder places a sign, a license holder is responsible for compliance with any rules, restrictions, or regulations covering placement of a sign in their local area. Placement of signs in violation of city ordinance could be considered an act of negligence or incompetence that authorizes disciplinary action against the license holder as well as subject the license holder and possibly even their principal to enforcement actions by the appropriate authorities. [TRELA §1101.652(b)(1)] Typically, sign ordinances prohibit placing a sign on a utility pole, traffic signal box, or in a road median.

I am a sales agent, Sally White. I am sponsored by a broker but want to use an assumed name for my advertisements. Can I use “Sally’s Spectacular Properties” or “White Real Estate” for my business name on my advertising?

You cannot use either company name because each implies that Sally, a sales agent, is in charge. An advertisement cannot in any way imply that a sales agent is the person responsible for the operation of a real estate brokerage. [TRELA §1101.652(b)(23) ]. A sales agent may use her name with the term “Team” or “Group,” so long as the advertisement also includes the broker’s name, and so long as the broker has registered the team or group name with the Commission.

If I represent the seller, can I advertise that I will rebate part of my compensation to the buyer?

Yes, but the ad must disclose that payment of the rebate is subject to the consent of the seller and if the rebate is contingent upon certain restrictions, such as the use of a particular service provider, the ad must contain a disclosure that payment of the rebate is subject to restrictions. [Rule 535.155 (effective May 15, 2018)] A sales agent must also have their sponsoring broker's authorization to offer a rebate.

I only represent buyers. Can I advertise that I will rebate a part of my compensation to the buyer?

Yes, as long as the advertisement complies with Rule 535.155 (effective May 15, 2018) regarding any restrictions that might apply. However, a rebate to a buyer from a license holder may be subject to restrictions by the buyer’s lender. You should contact your broker or private attorney to find out how you should notify and obtain the consent of the buyer’s lender to address any impact the rebate may have on the determination regarding the buyer’s creditworthiness.

Can I advertise a service provider such as an inspector, moving company, or repair contractor on my website?

Yes, but if you offer, recommend, or promote the use of a service provider and expect to receive compensation from the service provider when a party uses the service, the ad must disclose that you may receive the compensation. [Rule 535.155 (effective May 15, 2018)] You may advertise an inspector’s services, however, an inspector may not pay a fee or other valuable consideration for (1) a referral, (2) inclusion on a list of inspectors or preferred providers, or a similar arrangement; or (3) inclusion on a list of inspections contingent on other financial agreements. [Rule 535.220(e)(3)] Also, acceptance of a fee from a service provider may violate the Federal Real Estate Settlement Procedures Act (RESPA), which prohibits certain referral fees and kickbacks.

May a license holder who is a rental locator advertise that they will pay a prospective tenant a portion of their fee received from an apartment complex if the tenant uses the locator’s services?

Yes, as long as the ad complies with Rule 535.155 (effective May 15, 2018), which requires the consent of the party the license holder represents in a transaction. When a rental locator represents an apartment complex, the locator needs the consent of the apartment complex. When the rental locator represents a tenant and not an apartment complex, as demonstrated by a written representation agreement or other evidence of representation, the locator is not required to obtain the consent of the apartment complex because the complex is not his client. Regardless of representation, however, it is misleading advertising to advertise a rebate for an apartment complex that the locator knows has a “no rebate” policy.

Is a license holder required to put their license number on a sign or other advertising?

No.

When can an agent say that they “sold” a property in an advertisement?

Any agent who worked with the seller or the buyer in a transaction that resulted in the sale of a property may correctly state in an advertisement that they “sold” the property. If the license holder did not participate in that specific transaction, he cannot state or imply that his actions resulted in the sale of that property. An example of a misleading advertisement of this nature would be if a license holder sent out “Just Sold” postcards with her contact information and a picture of a recently sold property that she did not help to sell. She didn’t state that she sold it but an average person reading the card could surely and reasonably imply an erroneous claim of involvement. Another potential example of a misleading advertisement is a license holder who included a list of “Recently Sold Homes” in his advertisement that included many properties where he had no role in the transaction, but he failed to make it clear in the ad which – if any – of those transactions he was involved in. Under Texas law, a license holder may not “create a misleading impression” in their advertisement. A broker must review all ads to ensure this result is avoided.

I am a sales agent. Can TREC review my advertising and advise me whether my advertising complies with TREC Rules?

No. TREC does not review a sales agent’s advertising. TREC will only discuss advertising questions with a broker directly. Your sponsoring broker should review your advertising because your sponsoring broker is responsible for ensuring that your advertising complies with TREC’s advertising rules, and both you and your sponsoring broker can be disciplined if your advertising violates TREC rules. [See §§535.2(g), 535.154, and 535.155 (effective May 15, 2018); TRELA 1101.652(b)(23)]. Your broker must maintain, on a current basis, written policies and procedures to ensure that each sponsored sales agent complies with the Commission’s advertising rules. [See §535.2(i)(6)].

What is the difference between an assumed business name and a team name?

Assumed Business Name (also known as a dba) is another name for the broker’s business that can be used by all sponsored sales agents and brokers associated with this broker. Another name that indicates a broker’s line of business, e.g.  property management or commercial, is also an assumed business name of the broker, even though it may not be available for use by all sponsored agents and associated brokers. [Rule *535.154(a)(4)]*

Team Name is a name used only by a team or group of one or more sponsored sales agents or brokers associated with this broker. Team names must end in “team” or “group” and cannot contain the words “brokerage”, “company”, “associates” or other similar terms.*[Rule 535.154(a)(5)]*

Can a name used in advertising be both an assumed business name and a team name?

No. It will be one or the other. See question regarding the difference between the types of names to figure out which one is appropriate for your situation.

Can a broker use the words "team" or "group" in the broker's licensed name or assumed business name?

Yes. TREC Rules do not prohibit a broker from using the word “team” or “group” anywhere in a broker’s licensed or assumed business name.

Can an individual broker use an assumed business name in advertising?

Yes, as long as the broker has the legal authority to use that name in the State of Texas and it is registered with TREC before it is used in advertisements. [Rule 535.154(d)]

What is proof of legal authority to use an assumed business name in Texas?

Generally, in Texas, filing an assumed business name is required to put the public on notice that you are doing business under a name other than your legal name. For most business entities, the assumed business name is filed with the Secretary of State. For a general partnership or individual broker, the assumed business name is filed with the county clerk in the county or counties where you do business.  See <https://www.sos.state.tx.us/corp/namefilingsfaqs.shtml>

Evidence of registration of the assumed business name with the Secretary of State or in the county or counties where the broker does business is adequate proof of authority to do business under that name. [Rule 535.154(d)]

Can an individual sales agent use an assumed business name in advertising?

No. Any name used by an individual sales agent, other than the name on the license or a registered alternate name, is considered a team name under TREC rules and must meet the team name requirements. [Rule 535.154(a)(5)]

Who registers an assumed business name, team, or alternate name?

Assumed Business Name: Broker [Rule 535.154(d)(1)]

Team Name: Broker [Rule 535.154(c)(3)]

Alternate Name: Individual License Holder [Rule 535.154(b)(1)]

Remember -- all these types of names must be registered with TREC before use in advertising.

If a sales agent’s last name is contained in the broker’s licensed or assumed business name, how can the sales agent let the consumer know the agent is not the broker?

To avoid an advertisement that implies the sales agent is responsible for the operation of the brokerage in this situation, the sales agent should make sure that the ad clearly indicates that the sales agent is not the broker. One simple way to accomplish this is to put “sales agent” next to the agent’s name. Using “REALTOR” or “agent” is insufficient to distinguish the license status of sales agent. [TRELA §1101.652(b)(23) and Rule 535.155(d)(7)]

What is an associated broker?

Associated broker means a broker who associates with and is paid through another broker under a relationship that is intended to be a continuous relationship, including but not limited to, an employment or ongoing independent contractor relationship. [Rule 535.154(a)(3)]

Can an associated broker refer to himself or herself as a "broker" in an advertisement?

No. This could “tend to mislead” the public that the associated broker is in charge of the brokerage operation. The public needs to know the broker with whom they will have a legal agreement (remember listing agreements, etc. are taken in the name of the broker, not the sales agent or the associated broker). The associated broker could use “associated broker”, “broker associate” or “associate broker”, since that distinguishes his or her role. [TRELA §1101.652(b)(23)]

Can an associated broker use his or her own assumed business name in advertising?

No.A name used in advertising by an associated broker that is not the associated broker’s licensed name must be registered as a team name by the broker he or she is associated with and meet all the requirements for a team name. [TRELA §1101.652(b)(23) and Rule 535.154(a)(5)]

Can the team name used by an associated broker be the same as the assumed name used by the associated broker when he or she is not associating with another broker?

Yes, if the assumed business name of the associated broker meets the requirements for a team name since a team name must be used when the associated broker is associating with another broker. Keep in mind that the associated broker registers the assumed business name that is used when they are not associating with another broker and the broker that they are associating with registers the team name being used when associating with that broker. [Rule 535.154(a)(5)]

Note on Exclusive Name Use:  TREC does not, and is not, required to vet names submitted for registration as an assumed name or team name for exclusivity. A brokerage should decide whether it makes good sense from a liability exposure standpoint to allow an associated broker (or a sales agent who owns a business entity) to use the same name for a team name under the brokerage that they have registered as an assumed name under their own licensed business entity.

Does TREC consider a license holder’s URL or domain name or email address to be advertising?

TREC does not consider URLs or email addresses to be advertisements in and of themselves. However, an advertisement that contains a URL or email address of a sales agent that includes a title that implies responsibility for a brokerage violates TREC Rule 535.155(d)(4). Further, TREC will consider all advertisements in their entirety and if an email address or URL] makes the advertisement misleading or deceptive, it violates the law. [Rule 535.155(b)(4) and TRELA §1101.652(b)(23)]

Does TREC consider promotional items and sponsorships to be advertising?

Yes. If a sales agent’s name or team name is on them, the broker’s name must also be present (in at least half the size). A broker’s name alone is okay. [Rule 535.155(b)(1)]

Does TREC consider a sign on a building to be an advertisement?

Yes. If a sales agent’s name or team name is on a building sign, the broker’s name must also be present (in at least half the size). A broker’s name alone is okay. [Rule 535.155(b)(1)]

Does TREC consider a logo that contains the broker’s full name sufficient for the broker name requirement?

Yes, as long as the size of the broker’s name itself (not the whole logo) is at least ½ the size of the largest contact information. [Rule 535.155(b)(3)]

## Applying for a License

Do partnerships need to be licensed if real estate brokerage activity is performed under the partnership name?

Yes. All business entities engaged in real estate brokerage activity, including partnerships, need to be licensed. [TRELA §1101.002] Further to receive or maintain a license, a business entity must designate an individual holding an active Texas real estate broker license, in good standing, who is an officer, manager, or general partner of the entity to act for it. [TRELA §1101.355 and Rules 535.50(5) and 535.53]

Does the designated broker own 10% or more of a licensed business entity if the designated broker owns 10% or more of another business entity that owns 100% of the licensed business entity?

Yes because the designated broker own 10% or more of the licensed business entity through the broker's ownership of the other entity.

I have completed several courses for my law degree. Can any of these courses be used towards the required qualifying courses to obtain a sales agent license?

No.  All sales agent applicants must complete the[required education.](https://www.trec.texas.gov/become-licensed/sales-agent)

I have a license in another state. Can I be exempt from taking the National portion of the exam?

You can be exempt from taking the National portion of the exam if you hold an active license in a state that participates in the National exam accreditation with ARELLO.  Submit a license history from the state in which you are licensed when you file your application so we can determine if you are exempt.

My real estate application was filed with a name that is different than the name on my government issued ID. Will this prevent me from taking the exam?

Yes.  The name on your government issued photo ID must match the name on your real estate license application.  If the names do not match, please submit a name change request.  Include your name as it appears on the application, a copy of your government-issued photo ID, and your telephone number to [TREC](https://www.trec.texas.gov/agency-information/contact-us).

I am a broker licensed in another state and would like to apply in Texas. Can I apply online?

No.  To apply as an out of state broker, you must submit the paper [Application for Broker License](https://www.trec.texas.gov/forms/real-estate-broker-license-individual)by an Individual along with requested documents and the applicable fee.

Do I need to be fingerprinted in Texas?

No. If youreside outside the service area of IdentoGO by IDEMIA, you may request a Hard Card to get fingerprinted. A TREC-specific Hard Card must be obtained from TREC because it contains coding required by the DPS and FBI. IdentoGO by IDEMIA has details on how a Texas Non-resident can complete the fingerprinting process using a Hard Card.

Does Texas have reciprocity with any other state?

No.  Texas does not have reciprocity with any state.  To become licensed, you must satisfy all current Texas licensing requirements.

My business entity is a series LLC. What documents are required to be submitted with the Franchise Tax Account Status page?

If the business entity is a series LLC, you must include a copy of the Certificate of Filing from the Secretary of State's Office with the Franchise Tax Account Status page. The Certificate of Filing must show that the business entity is a registered series of the business entity listed on the Franchise Tax Account Status page.

What the New Broker Succession Rule Means

During the August TREC Meeting, the Commission adopted new rule 535.124, Death of a Designated Broker, to detail agency practice and provide better guidance in the event the designated broker of a licensed business entity which sponsors sales agents dies.

Under TREC rules, the death of a sponsoring or designated broker will cause any sponsored sales agent’s license to become inactive, meaning the sales agent cannot perform any real estate services that require a license—even if the agent is in the middle of a transaction. This is true regardless of whether the agents are sponsored by an individual broker or a business entity broker.

The new rule gives business entities and sponsored sales agents 14 days from the broker’s death before their licenses go inactive, so they have time to designate a new broker that satisfies the requirements without having to go inactive and disrupting business.

Scenario 1: Death of an Individual Broker Who Sponsors Sales Agents

If a sales agent is sponsored by an individual broker (and not the designated broker for a business entity), the sponsored sales agent’s license will become inactive. Importantly, the agent can quickly utilize [TREC’s Online Relationship Management Tool](https://mylicense.trec.texas.gov/datamart/mainMenu.do) and request a new broker, typically without any delay.

Scenario 2: Death of a Designated Broker (TREC Rule 535.124)

For a business entity to obtain a broker’s license, the entity must name a designated broker that satisfies certain requirements. According to The Real Estate License Act (TRELA) and TREC rules, a designated broker must hold an active broker’s license in good standing and have managing authority for the business entity (think a corporate officer, an LLC manager, an LLC member with managing authority, or a general partner).

Similarly, when a designated broker for a business entity dies, the business entity license becomes inactive, as does any sponsored sales agent’s license. However, because the business entity still exists (and possibly representation agreements as well), then in most cases, the sponsored sales agent is not going to want to find a new broker. The entity simply needs to designate a new broker with TREC and the sponsored sales agents can resume business. Still, as outlined above, this new designated broker can’t just be anyone: TREC has to verify that the new broker is in good standing and has managing authority for the entity. And if this new broker doesn’t have this authority already, it can take time to get it. This is where TREC Rule 535.124 comes into play.

The new rule is effective September 11, 2024.

Comment on Proposed Contract Form Changes

The Broker-Lawyer Committee (BLC) recommended several changes to the TREC contract forms. Most of these changes are the culmination of two years’ worth of work on the part of the committee, with other changes recommended in response to industry practice changes around broker compensation affecting many license holders. The following changes were proposed at the [August TREC Meeting](https://www.trec.texas.gov/article/proposed-contract-form-changes-broker-succession-rule-adopted-during-august-2024-trec).

[You can provide public comment on proposed changes](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules) until October 6.

Recommended Proposals Related to Compensation Language

In light of recent industry changes surrounding broker compensation, Paragraph 12A(1)(a) and 12A(2) adds that each party pays the brokerage fees that they each have agreed to pay. Paragraph 12A(1)(b) is amended to allow for a specific seller contribution to the buyer’s brokerage fees.

A new Paragraph 12A(1)(c) has been added to separately address other seller contributions (that was previously in Paragraph 12A(1)(b)) and the prior language that specified the order in which any contribution was to be paid, as well as a limitation on the type of fee that could be paid, is removed. Conforming changes are also made in the *Amendment to Contract*.

The compensation disclosure in the Broker Information section of the contracts (except for the *Farm and Ranch Contract*) removes the parenthetical referencing the MLS and to add checkboxes to allow for the fee to be reflected either as a percentage or a dollar amount.

Recommended Proposals Related to the *One to Four Family Residential Contract (Resale)* Form

* Paragraph 4 is amended to add the term “geothermal” to the definition of Natural Resource Leases as a result of a 2023 law change that stipulates property owners own the geothermal energy below the surface of their land and can drill or produce that energy and associated resources.
* To be consistent with a recently updated Texas Department of Insurance procedural rule, Paragraph 6C(1) is amended to include the option of providing the T-47.1 Declaration (which does not need to be notarized)—in lieu of the T-47 Affidavit—when the Seller furnishes the Buyer an existing survey. In lieu of providing a “no survey required” option, Paragraph 6C(2) is amended to read “Buyer may obtain a new survey” instead of “Buyer shall obtain a new survey”, and adds that if the Buyer ultimately fails to obtain the survey, the Buyer does not have the right to terminate the contract under Paragraph 2B of the *Third Party Financing Addendum* because the survey was not obtained.
* Because Texas law requires a seller to provide a buyer a copy of any mold remediation certificate issued during the five years preceding the sale of the property, new Paragraph 6E(11) is added to provide information regarding this requirement (except in the *Unimproved Property Contract*).
* Paragraph 6E(12) is modified to add specific examples of the types of notices that should be listed in the paragraph and to add a caution that Seller’s failure to provide required notices may provide Buyer with certain remedies, like the ability to terminate the contract. For consistency with that paragraph and with applicable statutory requirements, Paragraphs 6E(4), (7), and (9) are amended to remove references to a separate related addendum.
* Paragraph 8B is changed to add a statement that brokers’ fees are not set by law and are negotiable.
* The title of Paragraph 20 is changed to “Federal Requirements” from “Federal Tax Requirements.” In new Paragraph 20B of the *Farm and Ranch Contract*, information regarding the obligations related to the federal Agriculture Foreign Investment Disclosure Act has been added.

[Review the redline draft of the *One to Four Family Residential Contract (Resale)*](https://www.trec.texas.gov/sites/default/files/20-18%20draft_1.pdf).

Recommended Proposals Related to the *Third Party Financing Addendum*

In the *Third Party Financing Addendum*, to ensure the buyer is terminating appropriately, Paragraph 2A, Buyer Approval, has been changed to require both a notice of termination and a copy of a written statement of the lender’s determination like in Paragraph 2B, Property Approval. The language in Paragraph 2B is modified because the language related to notice of termination timing was different than in other contract provisions and was causing confusing. “Requirements” in Paragraph 4 is made singular and a conforming change is made to a paragraph citation.

[Review the redline draft of the *Third Party Financing Addendum*.](https://www.trec.texas.gov/sites/default/files/40-11%20draft.pdf)

Recommended Proposals Related to the *Condominium Resale Certificate*

The *Condominium Resale Certificate* is amended to conform the language in Paragraphs K and L with section 82.157, Texas Property Code.

[Review the redline draft of the *Condominium Resale Certificate*](https://www.trec.texas.gov/sites/default/files/32-5%20draft.pdf).

Recommended Proposals Related to the *Unimproved Property Contract*, *Addendum for “Back-Up” Contract*

In the *Unimproved Property* contract, Paragraph 3D is amended to include the same sales price adjustment language as in the *Farm and Ranch* contract. A dollar sign is also added to Paragraph 3D in the *Farm and Ranch Contract*.

Out of concern about confusion and improper use of Paragraph 11, Special Provisions, by license holders, the *Addendum for “Back-Up” Contract*is modified to provide more clarity on the timing and payment of the earnest money and option fee by incorporating similar language from Paragraph 5 of the contract and by addressing timing and payment of additional fees.

[Review the redline draft of the *Unimproved Property Contract*](https://www.trec.texas.gov/sites/default/files/9-17%20draft.pdf).

[Review the redline draft of the *Addendum for "Back-Up" Contract*](https://www.trec.texas.gov/sites/default/files/11-8%20draft.pdf).

Recommended New *Addendum for Section 1031 Exchange Form*

The committee drafted a new *Addendum for Section 1031 Exchange* form that allows the seller or buyer to disclose an intent to use the subject property as a 1031 exchange and includes a statement that the parties will reasonably cooperate with one another. Providing this as an addendum, rather than in the contract, allows the parties to use it when applicable without causing unnecessary confusion. A reference to the new *Addendum for Section 1031 Exchange* is also added to Paragraph 22 of the contract.

Review the draft [*Addendum for Section 1031 Exchange*](https://www.trec.texas.gov/sites/default/files/60-0%20draft.pdf).

The BLC will review the public comments it receives to determine whether it should make changes to their proposals or recommend the Commission adopt the changes as proposed at the [November TREC Meeting](https://www.trec.texas.gov/apps/meetings/view.php?meeting_id=674).

Rules and Laws

A small white house on top of a stack of books

Description automatically generatedOur license holders are governed by the [The Real Estate License Act](http://www.statutes.legis.state.tx.us/Docs/OC/htm/OC.1101.htm" \t "_blank), [the Inspector Act](http://www.statutes.legis.state.tx.us/Docs/OC/htm/OC.1102.htm), and [the Timeshare Act](http://www.statutes.legis.state.tx.us/Docs/PR/htm/PR.221.htm). These Acts establish the makeup of the Commission and its advisory committees and outline procedures by which a person can become real estate license holders in Texas. The Acts also describe TREC’s jurisdiction over license holders and registrants.

TREC has the authority to adopt administrative rules to provide specificity to provisions of the Acts. TREC may also adopt rules to establish a policy regarding certain practices. Both the Acts and TREC rules are a great resource for helping consumers know what to expect from a real estate service provider.

TREC Rules

The tables below show all of our recently proposed and adopted rules. Written comments on proposed rules are accepted for 30 days after publication in the Texas Register. After that period, comments can be made in person at the next Commission meeting. Please send written comments to TREC's [general.counsel@trec.texas.gov](mailto:general.counsel@trec.texas.gov). For the complete version of our current rules go to:

* [TREC Rules Page](https://www.trec.texas.gov/agency-information/rules-and-laws/trec-rules) or
* [Secretary of State's Website](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=22&pt=23).

Recently Adopted Rules

**Rule Number**

**Rule Name**

**Proposed**

**Adopted**

**Effective**

[22 TAC §533.8](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438445&p_tloc=&p_ploc=&pg=1&p_reg=438445&ti=22&pt=23&ch=533&rl=8&issue=09/06/2024&z_chk=)

Motion for Rehearing

05/20/2024

08/19/2024

09/11/2024

The amendment to this section is made as a result of the Commission’s quadrennial rule review.    
The amendment corrects a typographical error in subsection (h) of the rule—changing the word “supersedes” to “supersedeas.”

La enmienda a esta sección se realiza como resultado de la revisión cuatrienal de las normas de la Comisión.    
La enmienda corrige un error tipográfico en la subsección (h) de la regla—cambiando la palabra “supersedes” por “supersedeas”.

[22 TAC §534.4](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438449&p_tloc=&p_ploc=&pg=1&p_reg=438449&ti=22&pt=23&ch=534&rl=4&issue=09/06/2024&z_chk=)

Historically Underutilized Businesses Program

05/20/2024

08/19/2024

09/11/2024

The amendments are made as a result of the Commission’s quadrennial rule review. The amendments correct references to applicable regulations in the Texas Administrative Code.

Las enmiendas se realizan como resultado de la revisión cuatrienal de las normas de la Comisión. Las enmiendas corrigen las referencias a las regulaciones aplicables en el Código Administrativo de Texas.

[22 TAC §534.7](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438450&p_tloc=&p_ploc=&pg=1&p_reg=438450&ti=22&pt=23&ch=534&rl=7&issue=09/06/2024&z_chk=)

Vendor Protest Procedures

05/20/2024

08/19/2024

09/11/2024

The amendments are made as a result of the Commission’s quadrennial rule review. The amendments correct references to applicable regulations in the Texas Administrative Code.

Las enmiendas se realizan como resultado de la revisión cuatrienal de las normas de la Comisión. Las enmiendas corrigen las referencias a las regulaciones aplicables en el Código Administrativo de Texas.

[22 TAC §535.64](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438495&p_tloc=&p_ploc=&pg=1&p_reg=438495&ti=22&pt=23&ch=535&rl=64&issue=09/06/2024&z_chk=)

Content Requirements for Qualifying Real Estate Courses

05/20/2024

08/19/2024

09/11/2024

The amendments reflect changes to the course approval forms incorporated by reference in subsections (a)(1)-(3) of the rule related to the Principles of Real Estate I, Principles of Real Estate II, and Law of Agency courses. These course approval form revisions were recommended by the Education Standards Advisory Committee. These changes reorder and remove content from the course approval forms to ensure relevancy and that course objectives are being met.

Las enmiendas reflejan cambios en los formularios de aprobación de cursos incorporados por referencia en las subsecciones (a)(1)-(3) de la regla relacionada con los cursos de Principios de Bienes Raíces I, Principios de Bienes Raíces II y Ley de Agencia. Estas revisiones del formulario de aprobación de cursos fueron recomendadas por el Comité Asesor de Estándares Educativos. Estos cambios reordenan y eliminan el contenido de los formularios de aprobación del curso para garantizar la relevancia y el cumplimiento de los objetivos del curso.

Attachment(s)

PDF icon [LOA-1 Draft](https://www.trec.texas.gov/sites/default/files/535.64.LOA-1_draft.pdf), PDF icon [PRINS1-1 Draft](https://www.trec.texas.gov/sites/default/files/535.64.PRINS1-1_draft.pdf), PDF icon [PRINS2-1 Draft](https://www.trec.texas.gov/sites/default/files/535.64.PRINS2-1_draft.pdf)

[22 TAC §535.121](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438497&p_tloc=&p_ploc=&pg=1&p_reg=438497&ti=22&pt=23&ch=535&rl=121&issue=09/06/2024&z_chk=)

Inactive Sales Agent License

05/20/2024

08/19/2024

09/11/2024

Under the amendments, the business entity and sponsored sales agents will be given a “safe harbor” or grace period of 14 days from the broker’s death before their licenses inactivate. This will provide the entity with time to name a new designated broker that satisfies the statutory requirements under the Act prior to going inactive. The changes also remove the word "immediately” from §535.121 and §535.123.

Bajo las enmiendas, la entidad comercial y los agentes de ventas patrocinados recibirán una “salvaguarda de  seguridad” o período de gracia de 14 días a partir del fallecimiento del corredor antes de que se desactiven sus licencias. Esto le dará tiempo a la entidad para nombrar a un nuevo corredor designado que cumpla con los requisitos estatutarios de la Ley antes de quedar inactiva. Los cambios también eliminan la palabra "inmediatamente" de §535.121 y §535.123.

[22 TAC §535.123](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438498&p_tloc=&p_ploc=&pg=1&p_reg=438498&ti=22&pt=23&ch=535&rl=123&issue=09/06/2024&z_chk=)

Inactive Broker Status

05/20/2024

08/19/2024

09/11/2024

Under the amendments, the business entity and sponsored sales agents will be given a “safe harbor” or grace period of 14 days from the broker’s death before their licenses inactivate. This will provide the entity with time to name a new designated broker that satisfies the statutory requirements under the Act prior to going inactive. The changes also remove the word "immediately” from §535.121 and §535.123.

Bajo las enmiendas, la entidad comercial y los agentes de ventas patrocinados recibirán una “salvaguarda de  seguridad” o período de gracia de 14 días a partir del fallecimiento del corredor antes de que se desactiven sus licencias. Esto le dará tiempo a la entidad para nombrar a un nuevo corredor designado que cumpla con los requisitos estatutarios de la Ley antes de quedar inactiva. Los cambios también eliminan la palabra "inmediatamente" de §535.121 y §535.123.

[22 TAC §535.124](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438499&p_tloc=&p_ploc=&pg=1&p_reg=438499&ti=22&pt=23&ch=535&rl=124&issue=09/06/2024&z_chk=)

Death of a Designated Broker

05/20/2024

08/19/2024

09/11/2024

Under the new rule, the business entity and sponsored sales agents will be given a “safe harbor” or grace period of 14 days from the broker’s death before their licenses inactivate. This will provide the entity with time to name a new designated broker that satisfies the statutory requirements under the Act prior to going inactive.

Bajo la nueva regla, la entidad comercial y los agentes de ventas patrocinados recibirán una “salvaguarda de  seguridad” o período de gracia de 14 días a partir del fallecimiento del corredor antes de que se desactiven sus licencias. Esto le dará tiempo a la entidad para nombrar un nuevo corredor designado que cumpla con los requisitos estatutarios de la Ley antes de quedar inactiva.

[22 TAC §535.209](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438501&p_tloc=&p_ploc=&pg=1&p_reg=438501&ti=22&pt=23&ch=535&rl=209&issue=09/06/2024&z_chk=)

Examinations

05/20/2024

08/19/2024

09/11/2024

The amendments—which primarily rearrange existing requirements—clarify that the Texas Practicum is an experience requirement (categorized by statute as field work) and is separate and apart from an educational course. Education providers can still offer the Texas Practicum, but will no longer need to submit a course application for the Texas Practicum or issue course completion certificates to students. Instead, students will submit the credit request form to the agency to obtain credit. The Texas Real Estate Inspector Committee recommended the amendments.

Las enmiendas—que principalmente reorganizan los requisitos existentes—aclaran que la Práctica de Texas es un requisito de experiencia (categorizado por estatuto como trabajo de campo) y es independiente y aparte de un curso educativo. Los proveedores de educación aún pueden ofrecer la Práctica de Texas, pero ya no tendrán que presentar una solicitud de curso para la Práctica de Texas ni emitir certificados de finalización del curso a los estudiantes. En su lugar, los estudiantes enviarán el formulario de solicitud de crédito a la agencia para obtener crédito. El Comité de Inspectores de Bienes Raíces de Texas recomendó las enmiendas.

[22 TAC §535.213](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438502&p_tloc=&p_ploc=&pg=1&p_reg=438502&ti=22&pt=23&ch=535&rl=213&issue=09/06/2024&z_chk=)

Qualifying Real Estate Inspector Instructors and Courses

05/20/2024

08/19/2024

09/11/2024

The amendments—which primarily rearrange existing requirements—clarify that the Texas Practicum is an experience requirement (categorized by statute as field work) and is separate and apart from an educational course. Education providers can still offer the Texas Practicum, but will no longer need to submit a course application for the Texas Practicum or issue course completion certificates to students. Instead, students will submit the credit request form to the agency to obtain credit. The Texas Real Estate Inspector Committee recommended the amendments.

Las enmiendas—que principalmente reorganizan los requisitos existentes—aclaran que la Práctica de Texas es un requisito de experiencia (categorizado por estatuto como trabajo de campo) y es independiente y aparte de un curso educativo. Los proveedores de educación aún pueden ofrecer la Práctica de Texas, pero ya no tendrán que presentar una solicitud de curso para la Práctica de Texas ni emitir certificados de finalización del curso a los estudiantes. En su lugar, los estudiantes enviarán el formulario de solicitud de crédito a la agencia para obtener crédito. El Comité de Inspectores de Bienes Raíces de Texas recomendó las enmiendas.

[22 TAC §535.214](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438505&p_tloc=&p_ploc=&pg=1&p_reg=438505&ti=22&pt=23&ch=535&rl=214&issue=09/06/2024&z_chk=)

Education and Experience Requirements for a License

05/20/2024

08/19/2024

09/11/2024

The amendments—which primarily rearrange existing requirements—clarify that the Texas Practicum is an experience requirement (categorized by statute as field work) and is separate and apart from an educational course. Education providers can still offer the Texas Practicum, but will no longer need to submit a course application for the Texas Practicum or issue course completion certificates to students. Instead, students will submit the credit request form to the agency to obtain credit. The Texas Real Estate Inspector Committee recommended the amendments.

Las enmiendas—que principalmente reorganizan los requisitos existentes—aclaran que la Práctica de Texas es un requisito de experiencia (categorizado por estatuto como trabajo de campo) y es independiente y aparte de un curso educativo. Los proveedores de educación aún pueden ofrecer la Práctica de Texas, pero ya no tendrán que presentar una solicitud de curso para la Práctica de Texas ni emitir certificados de finalización del curso a los estudiantes. En su lugar, los estudiantes enviarán el formulario de solicitud de crédito a la agencia para obtener crédito. El Comité de Inspectores de Bienes Raíces de Texas recomendó las enmiendas.

Recently Proposed Rules

**Rule Number**

**Rule Name**

**Proposed**

**Earliest Possible Date of Adoption**

[22 TAC §537.20](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438507&p_tloc=&p_ploc=&pg=1&p_reg=438507&ti=22&pt=23&ch=537&rl=20&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 9-16, Unimproved Property Contract

08/19/2024

11/04/2024

See description of changes under rule 22 TAC §535.28.

Attachment(s)

PDF icon [9-17 Draft](https://www.trec.texas.gov/sites/default/files/9-17%20draft.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.22](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438508&p_tloc=&p_ploc=&pg=1&p_reg=438508&ti=22&pt=23&ch=537&rl=22&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 11-7, Addendum for "Back-Up" Contract

08/19/2024

11/04/2024

Out of concern about confusion and improper use of Paragraph 11, Special Provisions, of the contract by license holders, the Addendum for “Back-Up” Contract is modified to provide more clarity on the timing and payment of the earnest money and option fee by incorporating similar language from Paragraph 5 of the contract and by addressing timing and payment of additional fees.

Debido a la preocupación acerca de la confusión y el uso indebido del Párrafo 11, Disposiciones Especiales, del contrato por parte de los titulares de licencias, se modifica el Anexo para el Contrato de "Respaldo" para proporcionar más claridad sobre el calendario y el pago del depósito en garantía y tasa de opción incorporando un lenguaje similar al Párrafo 5 del contrato y abordando el calendario y el pago de cargos adicionales.

Attachment(s)

PDF icon [11-8 Draft](https://www.trec.texas.gov/sites/default/files/11-8%20draft.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.28](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438509&p_tloc=&p_ploc=&pg=1&p_reg=438509&ti=22&pt=23&ch=537&rl=28&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 20-17, One to Four Family Residential Contract (Resale)

08/19/2024

11/04/2024

The changes listed below apply to all contract forms unless specified otherwise. Paragraph numbers referenced are from the One to Four Family Residential Contract (Resale).

Paragraph 4 is amended to add the term “geothermal” to the definition of Natural Resource Leases as a result of a 2023 law change that stipulates property owners own the geothermal energy below the surface of their land and can drill or produce that energy and associated resources.

To be consistent with a recently updated Texas Department of Insurance procedural rule, Paragraph 6C(1) is amended to include the option of providing the T-47.1 Declaration (which does not need to be notarized)—in lieu of the T-47 Affidavit—when the Seller furnishes the Buyer an existing survey. In lieu of providing a “no survey required” option, Paragraph 6C(2) is amended to read “Buyer may obtain a new survey” instead of “Buyer shall obtain a new survey”, and adds that if the Buyer ultimately fails to obtain the survey, the Buyer does not have the right to terminate the contract under Paragraph 2B of the Third Party Financing Addendum because the survey was not obtained.

Because Texas law requires a seller to provide a buyer a copy of any mold remediation certificate issued during the five years preceding the sale of the property, new Paragraph 6E(11) is added to provide information regarding this requirement (except in the Unimproved Property Contract).

Paragraph 6E(12) is modified to add specific examples of the types of notices that should be listed in the paragraph and to add a caution that Seller’s failure to provide required notices may provide Buyer with certain remedies, like the ability to terminate the contract. For consistency with that paragraph and with applicable statutory requirements, Paragraphs 6E(4), (7), and (9) are amended to remove references to a separate related addendum

Paragraph 8B is changed to add a statement that brokers’ fees are not set by law and are negotiable.

In light of recent discussions surrounding broker compensation, Paragraph 12A(1)(a) and 12A(2) adds that each party pays the brokerage fees that they each have agreed to pay. Paragraph 12A(1)(b) is amended to allow for a specific seller contribution to the buyer’s brokerage fees. A new Paragraph 12A(1)(c) has been added to separately address other seller contributions (that was previously in Paragraph 12A(1)(b)) and the prior language that specified the order in which any contribution was to be paid, as well as a limitation on the type of fee that could be paid, is removed.

The title of Paragraph 20 is changed to “Federal Requirements” from “Federal Tax Requirements.” In new Paragraph 20B of the Farm and Ranch contract, information regarding the obligations related to the federal Agriculture Foreign Investment Disclosure Act has been added.

A reference to the new Addendum for Section 1031 Exchange is added to Paragraph 22 of the contract.

The compensation disclosure in the Broker Information section of the contracts (except for the Farm and Ranch Contract) has been modified to remove the parenthetical referencing the MLS and to add checkboxes to allow for the fee to be reflected either as a percentage or a dollar amount.

In the Unimproved Property contract, Paragraph 3D is amended to include the same sales price adjustment language as in the Farm and Ranch contract. A dollar sign is also added to Paragraph 3D in the Farm and Ranch contract.

Los cambios enumerados a continuación se aplican a todos los formularios de contrato salvo que se especifique lo contrario. Los números de párrafo a los que se hace referencia son del Contrato Residencial de Una a Cuatro Familias (Reventa).

Se enmienda el párrafo 4 para agregar el término “geotérmico” a la definición de Arrendamientos de Recursos Naturales como resultado de un cambio en la ley de 2023 que estipula que los propietarios poseen la energía geotérmica debajo de la superficie de sus tierras y pueden perforar o producir esa energía y los recursos asociados.

Para ser coherente con una regla de procedimiento del Departamento de Seguros de Texas recientemente actualizada, el Párrafo 6C (1) se enmienda para incluir la opción de proporcionar la Declaración T-47.1 (que no necesita ser notariada), en lugar de la Declaración Jurada T-47, cuando el Vendedor proporciona al Comprador una encuesta existente. En lugar de ofrecer la opción de “no se requiere encuesta”, se enmienda el párrafo 6C(2) para que diga “El comprador puede obtener una nueva encuesta” en lugar de “El comprador deberá obtener una nueva encuesta”, y agrega que si el Comprador finalmente no obtiene la encuesta, el Comprador no tiene derecho a rescindir el contrato en virtud del Párrafo 2B del Anexo de Financiamiento de Terceros porque la encuesta no se obtuvo.

Debido a que la ley de Texas requiere que un vendedor proporcione a un comprador una copia de cualquier certificado de remediación de moho emitido durante los cinco años anteriores a la venta de la propiedad, se agrega un nuevo Párrafo 6E(11) para proporcionar información sobre este requisito (excepto en el Contrato de Propiedad No Mejorada).

El Párrafo 6E(12) se modifica para agregar ejemplos específicos de los tipos de avisos que deben enumerarse en el párrafo y para agregar una advertencia de que el hecho de que el Vendedor no proporcione los avisos requeridos puede proporcionar al Comprador ciertas medidas compensatorias, como la capacidad de rescindir el contrato. Por fines de coherencia con dicho párrafo y con los requisitos estatutarios aplicables, se modifican los Párrafos 6E(4), (7) y (9) para eliminar las referencias a un anexo conexo separado

Se modifica el Párrafo 8B para agregar una declaración de que los honorarios de los corredores no están establecidos por ley y son negociables.

A la luz de los recientes debates en torno a la remuneración de los corredores, el Párrafo 12A(1)(a) y 12A(2) agrega que cada parte paga los honorarios de corretaje que cada una ha acordado pagar. Se enmienda el Párrafo 12A(1)(b) para permitir una contribución específica del vendedor a los honorarios de corretaje del comprador. Se ha agregado un nuevo Párrafo 12A.1)c) para abordar por separado otras contribuciones del vendedor (que anteriormente figuraba en el párrafo 12A.1)b)) y se elimina el texto anterior que especificaba el orden en que debía pagarse cualquier contribución, así como una limitación al tipo de honorario que podía pagarse.

El título del Párrafo 20 se cambia de “Requisitos Fiscales Federales” a “Requisitos Federales”. En el nuevo Párrafo 20B del contrato de Granjas y Ranchos, se ha agregado información sobre las obligaciones relacionadas con la Ley Federal de Divulgación de Inversiones Extranjeras Agrícolas.

En el Párrafo 22 del contrato se agrega una referencia al nuevo Anexo para la Sección Intercambio 1031.

La divulgación de compensación en la sección de Información del Corredor de los contratos (excepto para el Contrato de Granjas y Ranchos) se ha modificado para eliminar la referencia entre paréntesis al MLS y para agregar casillas de verificación para permitir que el honorario se refleje como un porcentaje o un monto en dólares.

En el contrato de Propiedad No Mejorada, el Párrafo 3D se enmienda para incluir el mismo lenguaje de ajuste del precio de venta que en el contrato de Granjas y Ranchos. También se agrega un signo de dólar al Párrafo 3D en el contrato de Granjas y Ranchos.

Attachment(s)

PDF icon [20-18 Draft](https://www.trec.texas.gov/sites/default/files/20-18%20draft_1.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.30](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438510&p_tloc=&p_ploc=&pg=1&p_reg=438510&ti=22&pt=23&ch=537&rl=30&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 23-18, New Home Contract (Incomplete Construction)

08/19/2024

11/04/2024

See description of changes under rule 22 TAC §537.28.

Attachment(s)

PDF icon [23-19 Draft](https://www.trec.texas.gov/sites/default/files/23-19%20draft_0.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.31](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438511&p_tloc=&p_ploc=&pg=1&p_reg=438511&ti=22&pt=23&ch=537&rl=31&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 24-18, New Home Contract (Completed Construction)

08/19/2024

11/04/2024

See description of changes under rule 22 TAC §537.28.

Attachment(s)

PDF icon [24-19 Draft](https://www.trec.texas.gov/sites/default/files/24-19%20draft_0.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.32](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438512&p_tloc=&p_ploc=&pg=1&p_reg=438512&ti=22&pt=23&ch=537&rl=32&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 25-15, Farm and Ranch Contract

08/19/2024

11/04/2024

See description of changes under rule 22 TAC §537.28.

Attachment(s)

PDF icon [25-16 Draft](https://www.trec.texas.gov/sites/default/files/25-16%20draft_0.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.37](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438513&p_tloc=&p_ploc=&pg=1&p_reg=438513&ti=22&pt=23&ch=537&rl=37&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 30-16, Residential Condominium Contract (Resale)

08/19/2024

11/04/2024

See description of changes under rule 22 TAC §537.28.

Attachment(s)

PDF icon [30-17 Draft](https://www.trec.texas.gov/sites/default/files/30-17%20draft_0.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.39](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438514&p_tloc=&p_ploc=&pg=1&p_reg=438514&ti=22&pt=23&ch=537&rl=39&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 32-4, Condominium Resale Certificate

08/19/2024

11/04/2024

The Condominium Resale Certificate is amended to conform the language in Paragraphs K and L with section 82.157, Texas Property Code.

El Certificado de Reventa de Condominio se enmienda para que el lenguaje de los Párrafos K y L se ajuste al de la sección 82.157, Código de Propiedad de Texas.

Attachment(s)

PDF icon [32-5 Draft](https://www.trec.texas.gov/sites/default/files/32-5%20draft.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.46](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438515&p_tloc=&p_ploc=&pg=1&p_reg=438515&ti=22&pt=23&ch=537&rl=46&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 39-9, Amendment to Contract

08/19/2024

11/04/2024

In light of recent discussions surrounding broker compensation, changes are also made to Paragraph 4 of the Amendment to Contract to conform with the proposed changes in Paragraph 12A of the contract.

A la luz de los recientes debates en torno a la compensación de los corredores, también se realizan cambios en el Párrafo 4 de la Enmienda al Contrato para ajustarse a los cambios propuestos en el Párrafo 12A del contrato.

Attachment(s)

PDF icon [39-10 Draft](https://www.trec.texas.gov/sites/default/files/39-10%20draft.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.47](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438516&p_tloc=&p_ploc=&pg=1&p_reg=438516&ti=22&pt=23&ch=537&rl=47&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 40-10, Third Party Financing Addendum

08/19/2024

11/04/2024

In the Third Party Financing Addendum, to ensure the buyer is terminating appropriately, Paragraph 2A, Buyer Approval, has been changed to require both a notice of termination and a copy of a written statement of the lender’s determination like in Paragraph 2B, Property Approval. The language in Paragraph 2B is modified because the language related to notice of termination timing was different than in other contract provisions and was causing confusing. “Requirements” in Paragraph 4 is made singular and a conforming change is made to a paragraph citation.

En el Anexo de Financiamiento de Terceros, para garantizar que el comprador esté terminando adecuadamente, el Párrafo 2A, Aprobación del Comprador, se ha modificado para requerir tanto un aviso de terminación como una copia de una declaración escrita de la determinación del prestamista como en el Párrafo 2B, Aprobación de la Propiedad. El lenguaje en el Párrafo 2B se modifica porque el lenguaje relacionado con el momento del aviso de terminación era diferente al de otras disposiciones contractuales y causaba confusión. “Requisitos” en el Párrafo 4 se hace singular y se hace un cambio adecuado a una cita del párrafo.

Attachment(s)

PDF icon [40-11 Draft](https://www.trec.texas.gov/sites/default/files/40-11%20draft.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

[22 TAC §537.67](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=R&app=1&p_dir=&p_rloc=438517&p_tloc=&p_ploc=&pg=1&p_reg=438517&ti=22&pt=23&ch=537&rl=67&issue=09/06/2024&z_chk=)

Standard Contract Form TREC No. 60-0, Addendum for Section 1031 Exchange

08/19/2024

11/04/2024

The committee drafted a new Addendum for Section 1031 Exchange that allows the seller or buyer to disclose an intent to use the subject property as a 1031 exchange and includes a statement that the parties will reasonably cooperate with one another. Providing this as an addendum, rather than in the contract, allows the parties to use it when applicable without causing unnecessary confusion. A reference to the new Addendum for Section 1031 Exchange is also added to Paragraph 22 of the contract.

El comité redactó un nuevo Anexo para la Sección Intercambio 1031 que permite al vendedor o comprador divulgar la intención de usar la propiedad en cuestión como un intercambio 1031 e incluye una declaración de que las partes cooperarán razonablemente entre sí. Proporcionar esto como un anexo, en lugar de hacerlo en el contrato, permite a las partes usarlo cuando corresponda sin causar confusión innecesaria. En el Párrafo 22 del contrato también se agrega una referencia al nuevo Anexo para la Sección Intercambio 1031.

Attachment(s)

PDF icon [60-0 Draft](https://www.trec.texas.gov/sites/default/files/60-0%20draft.pdf)

[Comment](https://www.trec.texas.gov/rules-and-laws/comment-on-proposed-rules?id=0)

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| TITLE 22 | EXAMINING BOARDS |
| PART 23 | TEXAS REAL ESTATE COMMISSION |
| CHAPTER 533 | PRACTICE AND PROCEDURE |
| SUBCHAPTER B | GENERAL PROVISIONS RELATING TO PRACTICE AND PROCEDURE |
| RULE §533.8 | Motions for Rehearing |
| ISSUE | 09/06/2024 |
| ACTION | Final/Adopted |

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| [Preamble](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=T&app=2&p_dir=N&p_rloc=438445&p_tloc=-1&p_ploc=&pg=1&p_reg=202403884&z_chk=52759&z_contains=) |  | [Texas Admin Code Rule](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=5&p_dir=&p_rloc=220490&p_tloc=&p_ploc=&pg=1&p_tac=220490&ti=22&pt=23&ch=533&rl=8) |

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| (a)The timely filing of a motion for rehearing is a prerequisite to appeal. The motion must be filed with the Commission by:    (1)delivering the motion in-person to the Commission's headquarters;    (2)sending the motion via email to administration@trec.texas.gov; or    (3)sending the motion via fax to (512) 936-3788, ATTN: TREC General Counsel.  (b)Motions for rehearing are controlled by the APA, §§2001.145 - 2001.147 and this section.  (c)A motion for rehearing shall set forth the particular finding of fact, conclusion of law, ruling, or other action which the complaining party asserts caused substantial injustice to the party and was in error, such as violation of a constitutional or statutory provision, lack of authority, unlawful procedure, lack of substantial evidence, abuse of discretion, other error of law, or other good cause specifically described in the motion. In the absence of specific grounds in the motion, the Commission will take no action and the motion will be overruled by operation of law.  (d)The Commission delegates authority to hear and rule on motions for rehearing to the Commission's Enforcement Committee, consisting of three Commission members appointed by the Commission chair. A motion for rehearing may be ruled upon pursuant to §2001.146(d), Texas Government Code.  (e)Any party may request oral arguments before the Enforcement Committee prior to the final disposition of the motion for rehearing. If the Enforcement Committee grants a request for oral argument, oral arguments will be conducted in accordance with paragraphs (1) - (5) of this subsection.    (1)The chair of the Enforcement Committee or the member designated by the chair to preside (the presiding member) shall announce the case. Upon the request of any party, the presiding member may conduct a prehearing conference with the parties and their attorneys of record. The presiding member may announce reasonable time limits for any oral arguments to be presented by the parties.    (2)The hearing on the motion shall be limited to a consideration of the grounds set forth in the motion. Testimony by affidavit or documentary evidence, such as excerpts of the record before the presiding officer, may be offered in support of, or in opposition to, the motion; provided, however, a party offering affidavit testimony or documentary evidence must provide the other party with copies of the affidavits or documents at the time the motion is filed. New evidence may not be presented on the substance of the case unless the party submitting the evidence can establish that the new evidence was not reasonably available at the time of the original hearing, or the party offering the evidence was misled by a party regarding the necessity for offering the evidence at the original hearing.    (3)In presenting oral arguments, the party filing the motion will have the burden of proof and persuasion and shall open and close. The party responding to the motion may offer rebuttal arguments. Parties may request an opportunity for additional rebuttal, subject to the discretion of the presiding member.    (4)After being recognized by the presiding member, the members of the Enforcement Committee may ask questions of the parties. If a party is represented by counsel, the questions must be directed to the party's attorney. Questions must be limited to the grounds asserted for the motion to be granted and to the arguments made by the parties.    (5)Upon the conclusion of oral arguments, questions by the members of the Enforcement Committee, and any discussion by the members of the Enforcement Committee, the presiding member shall call for a vote on the motion. A member of the Enforcement Committee need not make a separate motion or second a motion filed by a party. The presiding member may vote on the motion. A motion may be granted only if a majority of the Enforcement Committee members are present and vote in favor of the motion. In the event of a tie vote, the presiding member shall announce that the motion is overruled.  (f)A petition for judicial review must be filed in a District Court of Travis County Texas as provided by the APA. A party filing a petition for judicial review must also comply with the requirements of Texas Occupations Code, §1101.707.  (g)A party who appeals a final decision in a contested case must pay all costs for the preparation of the original or a certified copy of the record of the agency proceeding that is required to be transmitted to the reviewing court.  (h)If, after judicial review, the administrative penalty is reduced or not assessed, the Executive Director shall remit to the person charged the appropriate amount, plus accrued interest if the administrative penalty has been paid, or shall execute a release of the bond if a supersedeas bond has been posted. The accrued interest on amounts remitted by the Executive Director under this subsection shall be paid at a rate equal to the rate charged on loans to depository institutions by the New York Federal Reserve Bank, and shall be paid for the period beginning on the date that the assessed administrative penalty is paid to the Commission and ending on the date the administrative penalty is remitted.  The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.  Filed with the Office of the Secretary of State on August 22, 2024  **TRD-202403884**  Abby Lee  Deputy General Counsel  Texas Real Estate Commission  Effective date: September 11, 2024  Proposal publication date: June 7, 2024  For further information, please call: (512) 936-3057 |

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| TITLE 22 | EXAMINING BOARDS |
| PART 23 | TEXAS REAL ESTATE COMMISSION |
| CHAPTER 534 | GENERAL ADMINISTRATION |
| RULE §534.4 | Historically Underutilized Businesses Program |
| ISSUE | 09/06/2024 |
| ACTION | Final/Adopted |

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| [Preamble](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=T&app=2&p_dir=N&p_rloc=438449&p_tloc=-1&p_ploc=&pg=1&p_reg=202403885&z_chk=53015&z_contains=) |  | [Texas Admin Code Rule](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=5&p_dir=&p_rloc=220491&p_tloc=&p_ploc=&pg=1&p_tac=220491&ti=22&pt=23&ch=534&rl=4) |

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| To comply with Texas Government Code §2161.003, the Commission adopts by reference the rules of the Comptroller of Public Accounts in 34 TAC Part 1, Chapter 20, Subchapter D, Division 1 (relating to the Historically Underutilized Business Program).  The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.  Filed with the Office of the Secretary of State on August 22, 2024  **TRD-202403885**  Abby Lee  Deputy General Counsel  Texas Real Estate Commission  Effective date: September 11, 2024  Proposal publication date: June 7, 2024  For further information, please call: (512) 936-3057 |

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| TITLE 22 | EXAMINING BOARDS |
| PART 23 | TEXAS REAL ESTATE COMMISSION |
| CHAPTER 534 | GENERAL ADMINISTRATION |
| RULE §534.7 | Vendor Protest Procedures |
| ISSUE | 09/06/2024 |
| ACTION | Final/Adopted |

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| (a)The purpose of this section is to provide a procedure for vendors to protest purchases made by the Commission and the Board. Protests of purchases made by the TFC on behalf of the Agency are addressed in 1 TAC Chapter 111, Subchapter C (relating to Complaints and Dispute Resolution). Protests of purchases made by DIR on behalf of the Agency are addressed in 1 TAC §201.1 (relating to Procedures for Vendor Protests and the Negotiation and Mediation of Certain Contract Disputes and Bid Submission, Opening and Tabulation Procedures). Protests of purchases made by the Statewide Procurement Division of the Comptroller on behalf of the Agency are addressed in 34 TAC Chapter 20, Subchapter F, Division 3 (relating to Protests and Appeals). The rules of TFC, DIR, and the Comptroller are in the Texas Administrative Code, which is on the Internet website of the Office of the Secretary of State, Texas Register Division at: www.sos.state.tx.us/tac/index.shtml.  (b)Any actual or prospective bidder, offeror, or contractor who believes they are aggrieved in connection with the solicitation, evaluation, or award of a contract may formally protest to the Agency. Such protests must be in writing and received in the office of the Chief Financial Officer within ten working days after such aggrieved person knows, or should have known, of the occurrence of the action which is protested. Formal protests must conform to the requirements set forth in subsection (c) of this section. Copies of the protest must be mailed or delivered by the protesting party to all vendors who have submitted bids or proposals for the contract involved.  (c)A formal protest must be sworn and contain:    (1)a specific identification of the statutory provision(s) that the action complained of is alleged to have violated;    (2)a specific description of each act alleged to have violated the statutory provision(s) identified in paragraph (1) of this subsection;    (3)a precise statement of the relevant facts;    (4)an identification of the issue or issues to be resolved;    (5)argument and authorities in support of the protest; and    (6)a statement that copies of the protest have been mailed or delivered to other identifiable interested parties.  (d)The Chief Financial Officer shall have the authority, prior to appeal to the Executive Director or the Executive Director's designee, to settle and resolve the dispute concerning the solicitation or award of a contract. The Chief Financial Officer may solicit written responses to the protest from other interested parties.  (e)If the protest is not resolved by mutual agreement, the Chief Financial Officer will issue a written determination on the protest.    (1)If the Chief Financial Officer determines that no violation of rules or statutes has occurred, the Chief Financial Officer shall so inform the protesting party and interested parties by letter which sets forth the reasons for the determination.    (2)If the Chief Financial Officer determines that a violation of the rules or statutes has occurred in a case where a contract has not been awarded, the Chief Financial Officer shall so inform the protesting party and other interested parties by letter which sets forth the reasons for the determination and any appropriate remedial action.    (3)If the Chief Financial Officer determines that a violation of the rules or statutes has occurred in a case where a contract has been awarded, the Chief Financial Officer shall so inform the protesting party and other interested parties by letter which sets forth the reasons for the determination and any appropriate remedial action. Such remedial action may include, but is not limited to, declaring the purchase void, reversing the award, and re-advertising the purchase using revised specifications.  (f)The Chief Financial Officer's determination on a protest may be appealed by an interested party to the Executive Director or the Executive Director's designee. An appeal of the Chief Financial Officer's determination must be in writing and must be received in the office of the Executive Director or the Executive Director's designee no later than ten working days after the date of the Chief Financial Officer's determination. The appeal shall be limited to review of the Chief Financial Officer's determination. Copies of the appeal must be mailed or delivered by the appealing party to other interested parties and must contain an affidavit that such copies have been provided.  (g)The general counsel shall review the protest, the Chief Financial Officer's determination, and the appeal and prepare a written opinion with recommendation to the Executive Director or the Executive Director's designee. The Executive Director or the Executive Director's designee may, in their discretion, refer the matter to the Commission at a regularly scheduled open meeting or issue a final written determination.  (h)When a protest has been appealed to the Executive Director or the Executive Director's designee under subsection (f) of this section and has been referred to the relevant Commission or Board by the Executive Director or the Executive Director's designee under subsection (g) of this section, the following requirements shall apply:    (1)Copies of the appeal, responses of interested parties, if any, and the general counsel's recommendation shall be mailed to the Commission members and interested parties. Copies of the general counsel's recommendation and responses of interested parties shall be mailed to the appealing party.    (2)All interested parties who wish to make an oral presentation at the Commission's open meeting are requested to notify the office of general counsel at least two working days in advance of the open meeting.    (3)The Commission may consider oral presentations and written documents presented by staff, the appealing party, and interested parties. The chair of the Commission shall set the order and amount of time allowed for presentations.    (4)The Commission's determination of the appeal shall be by duly adopted resolution reflected in the minutes of the open meeting and shall be final.  (i)Unless good cause for delay is shown or the Executive Director or the Executive Director's designee determines that a protest or appeal raises issues significant to procurement practices or procedures, a protest or appeal that is not filed timely will not be considered.  (j)In the event of a timely protest or appeal under this section, a protestor or appellant may request in writing that the Agency not proceed further with the solicitation or with the award of the contract. In support of the request, the protestor or appellant is required to show why a stay is necessary and that harm to the Agency will not result from the stay. If the Executive Director determines that it is in the interest of the Agency not to proceed with the contract, the Executive Director may make such a determination in writing and partially or fully suspend contract activity.  (k)A decision issued either by the Commission in open meeting, or in writing by the Executive Director or the Executive Director's designee, shall constitute the final administrative action of the Agency.  The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.  Filed with the Office of the Secretary of State on August 22, 2024  **TRD-202403885**  Abby Lee  Deputy General Counsel  Texas Real Estate Commission  Effective date: September 11, 2024  Proposal publication date: June 7, 2024  For further information, please call: (512) 936-3057 |

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| TITLE 22 | EXAMINING BOARDS |
| PART 23 | TEXAS REAL ESTATE COMMISSION |
| CHAPTER 535 | GENERAL PROVISIONS |
| SUBCHAPTER F | REQUIREMENTS FOR EDUCATION PROVIDERS, COURSES AND INSTRUCTORS FOR QUALIFYING EDUCATION |
| RULE §535.64 | Content Requirements for Qualifying Real Estate Courses |
| ISSUE | 09/06/2024 |
| ACTION | Final/Adopted |

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| [Preamble](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=T&app=2&p_dir=N&p_rloc=438495&p_tloc=-1&p_ploc=&pg=1&p_reg=202403887&z_chk=53527&z_contains=) |  | [Texas Admin Code Rule](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=5&p_dir=&p_rloc=220493&p_tloc=&p_ploc=&pg=1&p_tac=220493&ti=22&pt=23&ch=535&rl=64) |

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| TITLE 22 | EXAMINING BOARDS |
| PART 23 | TEXAS REAL ESTATE COMMISSION |
| CHAPTER 535 | GENERAL PROVISIONS |
| SUBCHAPTER F | REQUIREMENTS FOR EDUCATION PROVIDERS, COURSES AND INSTRUCTORS FOR QUALIFYING EDUCATION |
| RULE §535.64 | Content Requirements for Qualifying Real Estate Courses |
| ISSUE | 09/06/2024 |
| ACTION | Final/Adopted |

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| **Texas Register** |

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| TITLE 22 | EXAMINING BOARDS |
| PART 23 | TEXAS REAL ESTATE COMMISSION |
| CHAPTER 535 | GENERAL PROVISIONS |
| SUBCHAPTER F | REQUIREMENTS FOR EDUCATION PROVIDERS, COURSES AND INSTRUCTORS FOR QUALIFYING EDUCATION |
| RULE §535.64 | Content Requirements for Qualifying Real Estate Courses |
| ISSUE | 09/06/2024 |
| ACTION | Final/Adopted |

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| [Preamble](https://texreg.sos.state.tx.us/public/regviewer$ext.RegPage?sl=T&app=2&p_dir=N&p_rloc=438495&p_tloc=-1&p_ploc=&pg=1&p_reg=202403887&z_chk=53527&z_contains=) |  | [Texas Admin Code Rule](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=5&p_dir=&p_rloc=220493&p_tloc=&p_ploc=&pg=1&p_tac=220493&ti=22&pt=23&ch=535&rl=64) |

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Filed with the Office of the Secretary of State on August 22, 2024  **TRD-202403887**  Abby Lee  Deputy General Counsel  Texas Real Estate Commission  Effective date: September 11, 2024  Proposal publication date: June 7, 2024  (a)The license of a sales agent becomes inactive upon:    (1)the death of the sales agent's sponsoring broker;    (2)the expiration, suspension, revocation or inactivation of the license of the sponsoring broker;    (3)if the sponsoring broker is a business entity, the dissolution of the entity or the forfeiture of its charter;    (4)if the sponsoring broker is a business entity, the expiration, suspension, revocation, or inactivation of the license of the designated broker of the entity;    (5)termination of sponsorship by the sales agent or sponsoring broker;    (6)failure to timely complete continuing education required under the Act and this chapter; or    (7)receipt by the Commission of an application for inactive status.  (b)If the broker intends to terminate the sponsorship, the broker must immediately:    (1)notify the sales agent in writing; and    (2)terminate the sponsorship:      (A)through the online process approved by the Commission; or      (B)on the appropriate form delivered to the Commission.  (c)If the sales agent intends to terminate the sponsorship, the sales agent must immediately:    (1)notify the broker in writing; and    (2)terminate the sponsorship:      (A)through the online process approved by the Commission; or      (B)on the appropriate form delivered to the Commission.  (d)If a sponsorship is terminated on a form under this section, the effective date of the termination of the sponsorship is the date the Commission receives the completed form and any applicable fee.  (e)It is the responsibility of the sales agent on inactive status to pay all required license renewal fees timely to prevent the inactive license from expiring.  The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.  Filed with the Office of the Secretary of State on August 22, 2024  **TRD-202403890** |

What TREC and TALCB look for in a vendor:

* Quotes prices correctly, including any shipping/handling charges or specifying that charges are included in the price.
* Adhere to bid instructions included in the bid documents.
* Signs and returns bids or quotes by scheduled deadlines.
* Provides samples and/or literature with bid response, when requested.
* Communicates effectively with TREC and TALCB staff to resolve any problems with orders.
* Delivers on or before delivery deadlines.
* Follows all delivery instructions; records purchase order number on packing slips and cartons.
* Responds promptly to requests, telephone messages, etc.
* Meets or exceeds performance standards as set out in the purchasing document.
* Submits accurate invoices to TREC and TALCB Financial Services Division with all necessary information (purchase order number, vendor ID, etc.)

Typical Purchases

TREC and TALCB purchases a variety of office products and services that support the agency’s operations. Typical purchases include general office supplies and equipment; computer and telecommunications equipment and services; and other services such as professional, temporary personnel, and training services.

Purchase Orders and Other Contractual Documents

A purchase order constitutes a legal contract between the agency and a vendor. Only TREC and TALCB purchasers are authorized to issue a purchase order to procure goods and services on behalf of the agency. A vendor that fills an order is agreeing to the price and the terms on the purchase order. If the price listed on the purchase order is incorrect or if the vendor cannot comply with the terms, it is the vendor's responsibility to contact the Financial Services Division before filling the order. Please note that some procurements require other contractual documents such as written agreements executed by both TREC or TALCB and the vendor.

How to learn about TREC and TALCB procurement opportunities

All state procurement opportunities over $25,000 must be posted on the [Electronic State Business Daily](http://www.txsmartbuy.com/sp) (ESBD), which is operated by the Texas Comptroller of Public Accounts.

Delivery

Most deliveries are made to[TREC and TALCB's offices in Austin.](https://www.trec.texas.gov/agency-information/contact-us)

Invoicing

Payment will not be made until the products or services ordered have been received, evaluated, tested, and accepted. Vendors must submit a completed invoice to Financial Services at:

Email:

[Accounts.payable@trec.texas.gov](mailto:Accounts.payable@trec.texas.gov)

Or

Mail:

Texas Real Estate Commission   
Attn: Financial Services

PO Box 12188  
Austin, TX 78711-2188

The purchase order number and vendor identification number or taxpayer-identification number must be included on the invoice. For questions about billing, call the Financial Services Division at 512-936-3000.

Historically Underutilized Business Program

The mission of TREC and TALCB's Historically Underutilized Business (HUB) Program is to provide assistance to minority, woman-owned, and Service Disabled Veteran Businesses affording them a fair opportunity to participate in the competitive procurement process. TREC and TALCB are committed to increasing awareness, providing education and encouraging participation to HUBs in the State of Texas Procurement process.

TREC and TALCB Contract Management Guide and Other Forms

TREC and TALCB have created a helpful guide with full details on the agency's purchasing and contract administration program.

* [TREC Contract Management Guide](https://www.trec.texas.gov/forms/trec-contract-management-guide)

Other Forms

* [Request for Taxpayer ID Number and Certification](https://www.trec.texas.gov/forms/request-taxpayer-id)
* [TREC Standard Terms and Conditions](https://www.trec.texas.gov/forms/trec-standard-terms-and-conditions)
* [Direct Deposit Form](https://www.trec.texas.gov/forms/direct-deposit-form)
* [Vendor Protest Procedures](https://www.trec.texas.gov/agency-information/rules-and-laws/trec-rules#section534.7)

Agency POs and Contracts

Pursuant to Senate Bill 20 passed during the 84th Texas Legislative Session, this information is made available to comply with the requirements for transparency in state agency contracting and procurements set forth in the bill.

* [2024 Purchase Orders and Contracts through 8/31/2024](https://www.trec.texas.gov/forms/fy2024-purchase-orders-and-contracts-through-93023)
* [2023 Purchase Orders and Contracts](https://www.trec.texas.gov/forms/2022-purchase-orders-and-contracts-through-9302022)
* [2022 Purchase Orders and Contracts](https://www.trec.texas.gov/forms/2022-purchase-orders-and-contracts-through-august-31-2022)
* [2021 Purchase Orders and Contracts](https://www.trec.texas.gov/forms/fy21-purchase-orderscontracts-through-83121)

Purchasing Contact

Email:

[Procurement@trec.texas.gov](mailto:Procurement@trec.texas.gov)

or

Mail:

Texas Real Estate Commission   
Attn: Financial Services - Procurement

PO Box 12188  
Austin, TX 78711-2188

Will Your Criminal Record or Disciplinary History Keep You from Getting Licensed?

Prospective license holders must meet TREC’s qualifications for honesty, trustworthiness, and integrity. Certain elements of your background may disqualify you from obtaining a license, but you don’t have to wait until the final steps of the licensing process to find out. Save your time and money and request a Fitness Determination, or FD.

Prior criminal offenses, unpaid judgments, disciplinary actions against you associated with professional or occupational licenses you hold, or performing unlicensed activity are all reasons why you might want to request a FD from TREC and submit a *Fitness Determination (FD)* form.

Although optional, requesting a FD as your first step in the licensing process means you can find out whether you’re eligible to become licensed before you take qualifying education courses, pay for an application, and take the exam.

[What You Should Know About a Fitness Determination](https://www.trec.texas.gov/forms/fitness-determination#1)

[Do's and Don'ts for Requesting a Fitness Determination from TREC](https://www.trec.texas.gov/forms/fitness-determination#2)

[How To Request a Fitness Determination from TREC](https://www.trec.texas.gov/forms/fitness-determination#3)

[How Criminal Offenses Factor Into Getting a Texas Real Estate License](https://www.trec.texas.gov/forms/fitness-determination#4)

What You Should Know About a Fitness Determination

What is a Fitness Determination (FD)?

Before you apply for a license, you can request that the Commission determine whether your fitness meets TREC’s qualifications for honesty, trustworthiness, and integrity. You must submit a completed *Fitness Determination (FD)* form along with any additional required documentation before TREC will review your eligibility.

Who should request a Fitness Determination (FD)?

If you have any criminal offenses, unpaid judgments, had discipline taken against a professional or occupational license, or have performed unlicensed activity, you should consider requesting a FD. The FD process is an affordable way to determine if you are eligible to pursue a license.

Am I required to request a Fitness Determination (FD)?

Requesting a FD is optional, a FD request can save you time and money if you submit the form and undergo the process prior to taking your qualifying education, or at the very least, before you submit your application for licensure.

Can I request a Fitness Determination (FD) after I have already applied for a license?

If you have already submitted your application, it is too late to request a FD.

Can I request a Fitness Determination (FD) at the same time as my license application?

No. You should not submit your license application at the same time as your request.

How is a Fitness Determination different from a background check?

TREC’s fitness determination is based only on the information you provide, and it is not a full background check.

If you have a criminal background, you should disclose all misdemeanors and felonies, even if they are old offenses. You should also disclose all criminal offenses where you were placed on parole, probation, or community supervision—also known as deferred adjudication—even if the case was later dismissed.

Does a Fitness Determination replace a background check?

No. You are required by law to have fingerprints on file with the Texas Department of Public Safety (DPS) so a background check can be performed, even if you are cleared through the Fitness Determination. A license will not issue if the background check has not been passed. Expect a delay if you are notified of an investigation into your background history.

For which license types can someone request a Fitness Determination (FD)?

Anyone seeking a TREC-issued license or certificate can request a FD and submit the *Fitness Determination (FD)* form.

How long does it take TREC to process a Fitness Determination (FD) after I submit my form and information?

For a faster processing time, submit a fully completed *Fitness Determination (FD)* form with any additional required documentation. After all required documentation is obtained by TREC, either initially filed with the form or following subsequent requests for additional information, the Commission will review the information and make a fitness determination within 30 days.

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Do’s and Don’ts for Requesting a Fitness Determination from TREC

* **Do fully complete your *Fitness Determination (FD)* form.**
* **Do submit your court documents** with your form.
* **Do disclose everything.** TREC’s fitness determination is based only on the information provided with your request and it is not a full background check. If you have a criminal background, you should disclose all misdemeanors and felonies, even if they are old offenses. You should also disclose all criminal offenses where you were placed on parole, probation, or community supervision—also known as deferred adjudication—even if the case was later dismissed.
* **Don't send materials by mail or fax.**
* **Don’t request a FD if you don’t need one.** It is not useful if you do not have any criminal offenses, unpaid judgments, had discipline taken against a professional or occupational license, and have not performed unlicensed activity.
* **Don’t request an FD at the same time you submit an application**, or if you have a pending application with TREC.

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How To Request a Fitness Determination from TREC

Submit the $52 nonrefundable fee for your FD using our [Online Services platform](https://mylicense.trec.texas.gov/datamart/login.do). You may need to register if you don’t already have a username and password. The only way you will receive your *Fitness Determination (FD)* form and information on whether you are eligible is through email. Make sure you register for the [Online Services platform](https://mylicense.trec.texas.gov/datamart/login.do) with an email account that you can readily access. Once your $52 nonrefundable fee payment is complete, you will receive an email within five business days with a link to the *Fitness Determination (FD)* form and instructions on how to submit the form for review. Emails from TREC may end up in your spam folder, so be sure to check if you have paid but not received the form and instructions as expected.

TREC does not accept *Fitness Determination (FD)* forms or materials via mail or fax.

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How Criminal Offenses Factor Into Getting a Texas Real Estate License

[Chapter 53 of the Texas Occupations Code](https://statutes.capitol.texas.gov/Docs/OC/htm/OC.53.htm) authorizes licensing agencies to deny a license if they have a criminal offense that is directly related to the license.

You can find a list of criminal offenses that are directly related to real estate broker and real estate sales agent licenses in Commission Rule [541.1(a)](https://www.trec.texas.gov/agency-information/rules-and-laws/trec-rules#section541.1). The list of criminal offenses directly related to professional inspector, real estate inspector, apprentice inspector and easement or right-of-way agents is in Commission Rule [541.1(b)](https://www.trec.texas.gov/agency-information/rules-and-laws/trec-rules#section541.1).

Having a criminal offense does not automatically disqualify an applicant from holding a license. The Commission must look at several factors to determine if an applicant is eligible for a license. Specifically, the Commission must consider the factors in Section 53.023, Texas Occupations Code:

* The extent and nature of the person's past criminal activity
* The age of the person when the crime was committed
* The amount of time that has elapsed since the person's last criminal activity
* The conduct and work activity of the person before and after the criminal activity
* Evidence of the person's rehabilitation or rehabilitative effort while incarcerated or after release
* Evidence of the person's compliance with any conditions of community supervision, parole, or mandatory supervision
* Other evidence of the person's fitness, including letters of recommendation.

While Chapter 53 of the Texas Occupations Code allows licensing agencies to deny a license for certain criminal convictions, it is ultimately designed so that eventually an individual can become licensed. In other words, a conviction that may prevent someone from obtaining a license now is not a permanent bar from obtaining a license.

In cases where a license holder is convicted after they have been licensed, TREC can only consider felonies and any offense involving fraud. The Commission must consider the factors listed above to determine what discipline to take.

The Commission must also consider if the license holder notified the Commission within 30 days of a final conviction or the entry of plea of guilty or *nolo contendre* to the felony or offense involving fraud. The failure to timely notify the Commission can lead to additional discipline and an administrative penalty.

Information About Brokerage Services (IABS) & Consumer Protection Notice

What is the IABS?

Texas law requires all brokers and sales agents to provide written notice regarding information about brokerage services at the first substantive communication with prospective buyers, tenants, sellers, and landlords concerning specific real property.  The [Information About Brokerage Services form](https://www.trec.texas.gov/forms/information-about-brokerage-services) (or the IABS) is the required method to provide that information to those parties.

Posting and delivery are BOTH required

It is important to remember that the IABS must both be delivered at the first substantive communication, and the completed IABS must be posted on the homepage of the license holders’  business website. A business website is a website controlled by the license holder, accessible to the public, and that contains information about a license holder’s real estate brokerage services.

Posting the IABS

Make sure to comply by following these simple rules.

* All fields in the IABS must be correctly filled out.
* Post a link to the IABS form labeled "Texas Real Estate Commission Information About Brokerage Services,"  in at least 10 point font or "TREC Information About Brokerage Services" in at least 12 point font on the homepage of the business' website, in a readily noticeable place.
* On social media, TREC added flexibility for posting a link to the IABS. Just make sure a link to the homepage of  the business’ website with the completed IABS is linked in the social media profiles .

Delivery of the IABS

What are some acceptable ways to deliver the IABS?

1. Via email

* In the body of an email.  The link to the IABS must be above the email signature block and specifically reference the IABS form.
* As an attachment to an email. The body of the email must specifically reference the IABS in the body of the email.

1. Physically

* Give the completed IABS form directly to  a client at the first substantive conversation.
* First class mail or overnight common carrier delivery service.

What is the Consumer Protection Notice?

[The Consumer Protection Notice](https://www.trec.texas.gov/forms/consumer-protection-notice)provides information about filing a complaint with TREC, and information regarding the two TREC recovery funds.  This notice must be displayed in a readily noticeable location in each place of business the broker maintains and must be posted on your business website homepage in a readily noticeable place.  The link on the website must either state "Texas Real Estate Commission Consumer Protection Notice," in at least 10 point font or "TREC Consumer Protection Notice," in at least 12 point font.

Still, have more questions?

Review or [Frequently Asked Questions](https://www.trec.texas.gov/public/frequently-asked-questions)on the TREC website.  Search by “IABS” or “Information About Brokerage Services”.