

By: Isett

H.B. No. 3738

A BILL TO BE ENTITLED

AN ACT

relating to requirements for correspondence courses for licensing as a real estate broker, salesperson, or inspector.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 1101, Occupations Code, is amended by adding Subchapter G-1 to read as follows:

SUBCHAPTER G-1. REGISTRATION OF CORRESPONDENCE COURSE

Sec. 1101.331. DEFINITION. In this subchapter, "educational institution" means an accredited school, college, or university authorized under this chapter or Chapter 1102 to offer a real estate or real estate inspection educational course or program of study.

Sec. 1101.332. REGISTRATION REQUIRED. A correspondence course is not acceptable as a core real estate course or continuing education course under this chapter or a core real estate inspection course or continuing education course under Chapter 1102 unless the educational institution offering the course holds a certificate of registration issued by the commission under this subchapter.

Sec. 1101.333. APPLICATION; ISSUANCE OF CERTIFICATE. (a) An educational institution may submit an application to hold a certificate of registration under this subchapter by applying to the commission on the form prescribed by the commission. The application must include:

1 (1) the institution's name, address, telephone number,
2 and any other contact information required by the commission;

3 (2) the name, address, and telephone number of the
4 person in an academic department of the institution who reviews and
5 approves real estate correspondence course content and ensures the
6 educational integrity of the course before information about the
7 course is submitted to the commission for the commission's
8 approval;

9 (3) the name, address, and telephone number of any
10 additional person responsible for administering the course or
11 program of study that has as a component a correspondence course;

12 (4) the name, address, and telephone number of any
13 marketing firm or proprietary real estate course provider that is
14 associated with providing the course at the institution;

15 (5) the institution's accreditation information and
16 evidence to demonstrate that the accreditation is acceptable to the
17 commission and authorizes the institution to offer noncredit adult
18 education programs;

19 (6) information on the ownership or copyright
20 interests in the correspondence course materials;

21 (7) the name of the person designated to issue the
22 official completion certificate on a student's successful
23 completion of the course and the procedure for timely issuance of
24 the certificate if the regular procedures cannot be followed
25 because of an institutional holiday or break or for other reasons;
26 and

27 (8) a statement by a representative of the institution

1 attesting that the institution will uphold the professional and
2 academic standards required for completion of an approved
3 correspondence course.

4 (b) An educational institution that holds a certificate of
5 registration issued under this subchapter shall notify the
6 commission of any changes to the information provided under
7 Subsection (a) not later than the 30th day after the date of the
8 change.

9 (c) The commission shall issue a certificate of
10 registration to an educational institution that meets the
11 applicable requirements of this chapter, Chapter 1102, and
12 commission rules. The commission may not unreasonably deny the
13 issuance of a certificate of registration to an educational
14 institution that otherwise meets the applicable requirements under
15 this chapter, Chapter 1102, and commission rules.

16 Sec. 1101.334. CERTIFICATE EXPIRATION AND RENEWAL; FEES.

17 (a) The commission may issue or renew a certificate of registration
18 for a period not to exceed 24 months.

19 (b) The commission may charge a fee for the issuance of a
20 certificate of registration under this subchapter in an amount that
21 is reasonable and necessary to cover the costs of administering
22 this subchapter.

23 Sec. 1101.335. APPROVAL OF CORRESPONDENCE COURSE OR PROGRAM

24 OF STUDY. (a) An educational institution that holds a certificate
25 of registration issued under this subchapter shall submit for the
26 commission's approval of a correspondence course or program of
27 study offered by the institution a letter describing the course or

1 program. The letter must:

2 (1) be on the institution's letterhead; and

3 (2) be signed by a representative of the school who is
4 responsible for supervising correspondence course content and
5 approval under this subchapter.

6 (b) The commission shall add a correspondence course or
7 program of study that meets the applicable requirements of this
8 chapter, Chapter 1102, and commission rules to the commission's
9 list of approved correspondence courses or programs for that
10 educational institution.

11 (c) An educational institution that holds a certificate of
12 registration issued under this subchapter may not submit a
13 correspondence course or program of study to the commission for
14 approval by the commission unless the course or program has been
15 reviewed by a member of the institution's academic department. The
16 person reviewing the course or program must examine the content,
17 educational quality, and standards of the course or program to
18 ensure that the course or program complies with the applicable
19 provisions of this chapter, Chapter 1102, and commission rules.

20 Sec. 1101.336. CORRESPONDENCE COURSE REQUIREMENTS. (a) An
21 educational institution may not offer a correspondence course under
22 this subchapter unless the course:

23 (1) is based primarily on information found in a
24 textbook;

25 (2) provides each student with the option of
26 completing the course requirements using a paper format;

27 (3) provides each student with printed copies of any

1 material other than the textbook that constitutes a significant
2 portion of the course;

3 (4) is divided into multiple units of instruction
4 unless the course is a continuing education course or a core real
5 estate inspection course that is four hours or less in duration;

6 (5) provides a diagnostic assessment of each student's
7 performance at regular intervals during each unit of instruction to
8 measure the student's acquired knowledge; and

9 (6) for a core real estate course or core real estate
10 inspection course, complies with the applicable provisions of this
11 chapter, Chapter 1102, or commission rules.

12 (b) An educational institution that holds a certificate of
13 registration issued under this subchapter and that offers as a
14 correspondence course a core real estate course described by
15 Section 1101.003(a)(1), (2), or (3) shall select a textbook for the
16 course from the commission's list of acceptable published
17 textbooks.

18 (c) An educational institution that holds a certificate of
19 registration under this subchapter shall establish reasonable
20 procedures to ensure that a student who completes the work for a
21 correspondence course is the student who is enrolled in the course.

22 (d) On completion of a correspondence course authorized
23 under this subchapter and before credit is granted for the course, a
24 student enrolled in the course shall attest in a written statement
25 submitted to the educational institution and the commission that
26 the person enrolled in and receiving credit for the course is the
27 same person who completed the required course work.

1 (e) An educational institution may not issue a
2 correspondence course completion certificate through the use of a
3 computer printout generated by a computer course program on
4 completion of the course.

5 Sec. 1101.337. CORRESPONDENCE COURSE FINAL EXAMINATION. (a)
6 An educational institution may not offer a correspondence course
7 under this subchapter unless the final examination questions for
8 the course:

9 (1) differ significantly from the questions used in
10 the diagnostic assessments for the course; and

11 (2) are kept confidential.

12 (b) Subsection (a)(2) does not prohibit a student from
13 reviewing under controlled conditions a final examination taken by
14 the student after the examination has been graded.

15 (c) A final examination for a correspondence course
16 approved under this subchapter may be conducted as an open or closed
17 book examination. Course credit may not be granted for the
18 correspondence course unless a student completes all diagnostic
19 assessments and successfully completes:

20 (1) a proctored final examination that is:

21 (A) administered under controlled conditions to
22 a student whose identity has been verified at a location and by an
23 official approved by the commission; and

24 (B) graded by the instructor, an approved
25 representative of the educational institution, or, for an
26 examination graded mechanically or electronically, by the use of
27 answer keys approved by the instructor or institution; or

1 (2) a final examination administered through the use
2 of a computer program with timed questions that verifies that the
3 person taking the examination is the student who enrolled in the
4 course or through another method approved by the commission to
5 verify the student's identity.

6 Sec. 1101.338. CORRESPONDENCE COURSE ETHICS. (a) An
7 educational institution that holds a certificate of registration
8 under this subchapter shall cooperate with the commission to
9 maintain the highest educational standards for real estate
10 education. The commission may suspend or revoke an educational
11 institution's certificate of registration issued under this
12 subchapter if:

13 (1) the institution does not supervise a noncredit
14 real estate course; or

15 (2) a correspondence course does not comply with the
16 minimum correspondence course standards established by this
17 chapter, Chapter 1102, or commission rules.

18 (b) A representative of an educational institution that
19 holds a certificate of registration issued under this subchapter
20 shall sign an agreement to maintain the ethical and academic
21 standards required by the commission for correspondence courses and
22 programs of study under this chapter or Chapter 1102.

23 (c) An educational institution may not enter a business
24 relationship with an outside provider for the provider to offer a
25 correspondence course that:

26 (1) uses the name of the institution for a fee without
27 any additional institutional involvement in the creation or

1 administration of the course; or

2 (2) uses a textbook for core real estate courses or
3 core real estate inspection courses that is not on the list of
4 textbooks approved by the commission.

5 (d) An educational institution that outsources the
6 creation, administration, or marketing of a correspondence course
7 or program of study to an outside provider or subcontractor is
8 responsible for the actions of the provider or subcontractor.

9 Sec. 1101.339. ADVERTISING. (a) In any print or electronic
10 advertisement of a correspondence course approved under this
11 subchapter, an educational institution that holds a certificate of
12 registration issued under this chapter shall ensure that the
13 institution's name or logo is prominently displayed in a manner
14 that adequately informs the consumer which institution is offering
15 the course.

16 (b) A broker, salesperson, or inspector licensed under this
17 subtitle may not participate in a student recruiting scheme that
18 advertises a real estate correspondence course or program of study
19 in a manner that compromises the integrity of the course or program
20 by:

21 (1) suggesting the course or program may be completed
22 in less time than the number of credit hours granted for successful
23 completion of the course or program; or

24 (2) providing answer keys to diagnostic assessments or
25 final examinations.

26 Sec. 1101.340. LICENSING EXAMINATION PASSING PERCENTAGE
27 DATA. The commission shall adopt rules requiring an educational

1 institution that holds a certificate of registration under this
2 subchapter to establish that at least 55 percent of the program's
3 graduates passed the licensing examination the first time the
4 examination was taken by the graduates before the commission may
5 renew the program's certificate of registration under this
6 subchapter.

7 SECTION 2. (a) Not later than January 1, 2010, the Texas
8 Real Estate Commission shall adopt the rules required to implement
9 Subchapter G-1, Chapter 1101, Occupations Code, as added by this
10 Act.

11 (b) Notwithstanding Subchapter G-1, Chapter 1101,
12 Occupations Code, as added by this Act, an educational institution
13 providing a real estate correspondence course or program of study
14 is not required to comply with that subchapter before September 1,
15 2010.

16 SECTION 3. This Act takes effect September 1, 2009.