



Texas Real Estate Commission

A large, modern skyscraper with a glass facade and a prominent "GRAND HYATT" sign on the top. The building is set against a blue sky with scattered white clouds. In the foreground, there is a lower building with a grid of windows and balconies. An American flag is visible in the bottom left corner.

Legal Update

Part 2
Edition 7.0

Hot Topics

CSST Lightning Safety Awareness

Corrugated stainless steel tubing (CSST) has been included as an approved gas piping material in the National Fuel Gas Code (NFPA 54) since 1988 and has also been included in the ICC International Fuel Gas Code and the IAPMO Uniform Plumbing Code. Over 1 billion feet of CSST have been installed in accordance with its national consensus standard ANSI LC-1, these model fuel gas codes, and the manufacturer's installation instructions. The design of CSST allows it to stretch and bend rather than break when exposed to the forces of nature that are all too common in Texas. CSST offers several advantages over conventional rigid steel piping including a significant reduction in joints (75 percent) and resilience against building movements that can crack and break rigid piping (tornadoes, hurricanes, floods, foundation settlement, earthquake).

While CSST has its benefits, lightning strikes to structures with CSST can cause electrical arcing damage. Currently, the CSST industry has identified, independently evaluated, and is offering remedies for electrical arcing damage from lightning strikes based on science and technical precedence. The solutions include either direct bonding of CSST to the grounding electrode system or the use of special arc-resistant jacketed CSST. The State of Texas requires the additional bonding of all CSST products including the attachment of a bonding clamp to the gas piping system and the installation of a copper conductor (at least a #6 gauge) that is connected to the grounding electrode, grounding electrode conductor or to the service enclosure. Industry-sponsored research, accepted by NFPA, indicates that bonding in this fashion will minimize electrical arcing damage to CSST induced by lightning strikes. The CSST industry has organized a nationwide public awareness campaign through the auspices of the National Association of State Fire Marshals and many other national organizations to alert homeowners about the need for CSST safety.

In May 2015, TREC amended the preamble to the standard inspection report form, as well as the OPI form, to add text related to the potential hazards of CSST and similar gas distribution lines if not properly bonded. The notice does not require any additional actions by inspectors, but its mere inclusion may prompt a discussion with a client on the use of and risks associated with CSST. Some inspectors already include such educational materials with their current reports.

Bonding of the Gas Supply System: What is the Inspector's Duty Under the Standards of Practice?

Do the Standards of Practice (SOPs) require an inspector to check the bonding of a gas supply system?

Yes. Section 535.229 of the SOPs (22 TAC 535.227-535.332) requires an inspector to report as deficient any "deficiencies in bonding and grounding."

Does this requirement include Corrugated Stainless Steel Tubing (CSST)?

Yes. This requirement applies to ALL metal pipes, including CSST, which is just one of the materials that may be used in a gas supply or distribution system.

Do the SOPs require an inspector to determine if CSST is present?

No. The SOPs don't require an inspector to determine if CSST is present in a home. However, if CSST is noted during an inspection, the inspector is required to determine if CSST is bonded, subject to any limitations in the SOPs. This determination does not prevent an inspector from specifically reporting the presence of CSST or referring a client to additional information regarding the product.

Do the SOPs require an inspector to determine if CSST is properly bonded?

No. The inspector is only required to determine if the gas supply system is bonded and not whether it is "properly" bonded. The determination as to whether a gas supply system is properly bonded should be left to a person with the required expertise to do so, such as a licensed master electrician.

Does the recent addition to the preamble of the Inspection Report Form, which lists the lack of bonding of the gas supply system as a hazard, place any additional burdens on the inspector?

No. An inspector is required by the SOPs to report the lack of bonding of the gas supply system, regardless of any language in the preamble of the inspection report form. The added language in the preamble of the report enhances consumer protection by providing the consumer with notice regarding the potential hazard caused by lack of bonding.

Consumer Financial Protection Bureau (CFPB)

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the CFPB.

Core Functions

Congress established the CFPB to protect consumers by carrying out federal consumer financial laws. The CFPB gives consumers the information they need to understand the terms of their agreements with financial companies and to make regulations and guidance as clear and streamlined as possible.

The CFPB has a number of duties including

- * writing rules, supervising companies, and enforcing federal consumer financial protection laws;
- * restricting unfair, deceptive, or abusive acts or practices;
- * taking consumer complaints;
- * promoting financial education;
- * researching consumer behavior;
- * monitoring financial markets for new risks to consumers; and
- * enforcing laws that outlaw discrimination and other unfair treatment in consumer finance.

Section 1032(f) of the Dodd-Frank Act required the CFPB to propose a rule to combine RESPA (Real Estate Settlement Procedures Act) and TILA (Truth in Lending Act). Issued in November, 2013, the goals of the new rule, commonly called "know before you owe," are to

- * make easier to use mortgage disclosure forms,
- * improve consumer understanding,
- * aid comparison shopping, and
- * prevent surprises at closing for the borrower.

There are two new forms: the Loan Estimate (LE) and the Closing Disclosure (CD).

The Loan Estimate form is provided to a consumer within three business days after submission of a loan application. The CFPB considers a business day for the LE to be a day in which creditors' offices are open to the public. The LE form replaces