

The California Appraiser

Message from the Chief

Message From the Bureau Chief

Our mission statement is to safeguard public trust by promoting professionalism in the real estate appraisal industry through licensing, education, and enforcement is not just words left on a shelf to be dusted off every so often. But rather our mission statement serves as the life veins of our day in and day out existence. This summer the bureau took bold steps in our responsibility of education.

This was achieved through a strategic effort to undergird the success of AB 948 for our course providers by hosting an online discussion. The goal of the educational discussion was to identify and evaluate best practices for instruction related to cultural competency and elimination of biases in the real estate appraisal industry and to aid BREA in the development of future course requirements. This educational roundtable addressing Cultural Competency and the Elimination of Bias was the first in the nation by a Regulatory Agency. We are very proud to be seen as a leader in this capacity. You will find more discussion of AB 948 in this newsletter.

Also, if you missed attending the RoundTable discussion this summer, the recording was captured and is available on the bureau's home page. [BREA Roundtable Discussion on Cultural Competency and the Elimination of Bias](#). Additionally, you will find on our home page more resources on this topic.



The California Appraiser

Did You Know?

Applicants who have an active license in another state may apply by using the Reciprocal Application process. The appraiser must be in good standing in each state in which he or she is licensed.

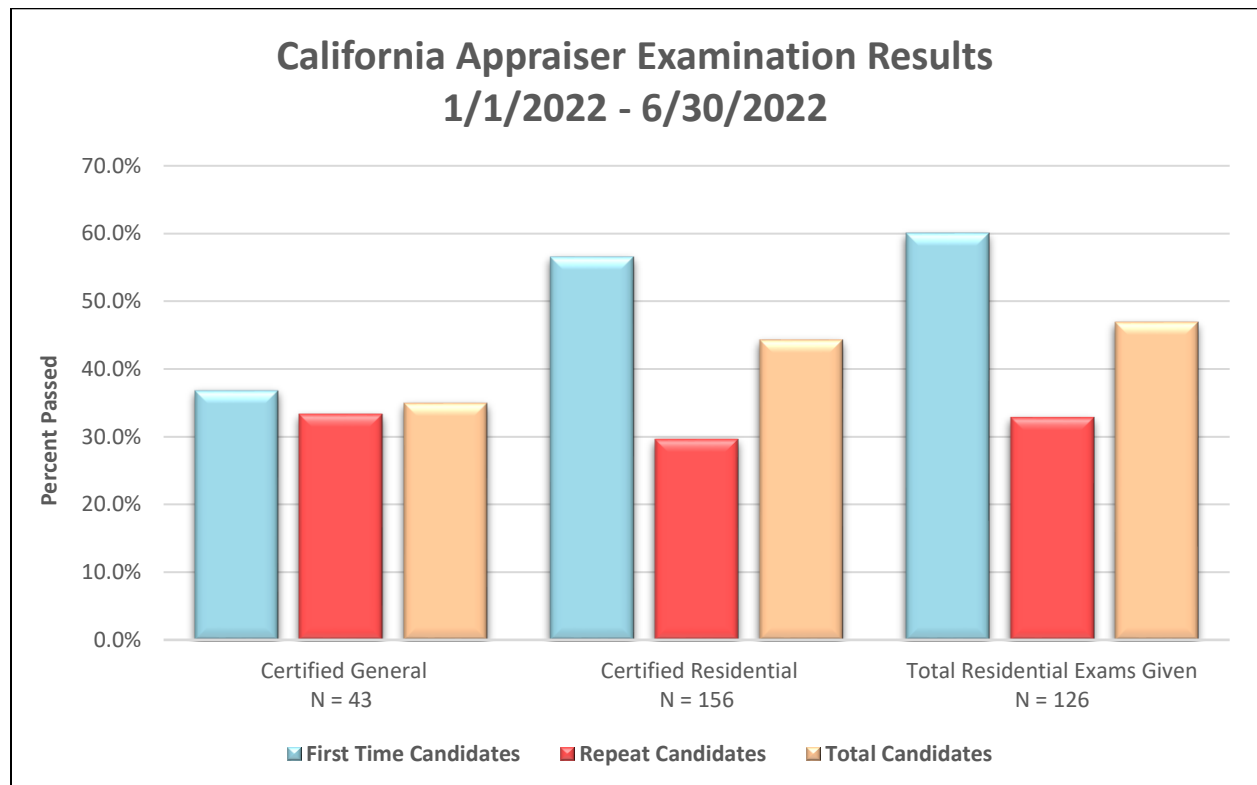
To apply for a Reciprocal License, applicants must complete and submit all of the following (see [list of forms](#) on the Bureau's website):

- *Request for Live Scan Service* (BCIA 8016) or two FD-258 completed fingerprint cards*
- *Reciprocal Application* (REA 3025)
- *Consent to Service of Process* (REA 3006) (if address is outside of California)
- As of January 1st, 2017, all reciprocal applicants must complete an approved California state and federal laws course prior to obtaining a license.
- As of January 1st, 2023, all reciprocal applicants must complete at least one hour of Cultural Competency course.

* Fingerprints are processed via Live Scan for California residents. If the applicant resides out-of-state, fingerprints must be rolled on two FD-258 fingerprint cards with the application.

CA Exam Results

The following graph shows the California Appraisers Examination statistics from January 1, 2022, through June 30, 2022, as provided by PSI Services. The numbers indicate the pass rate by candidate and exam type.



The California Appraiser

CHART DESCRIPTION FOR ADA VERSION

43 Certified General examinations were given. Of those exams, 36.8% of candidates passed the first time, 33.3% passed after a repeat attempt, with a total of 34.9% passing.

156 Certified Residential examinations were given. Of those exams, 56.5% of candidates passed the first time, 29.6% passed after a repeat attempt, with a total of 44.2% passing.

126 Residential examinations were given. Of those exams, 60.0% of candidates passed the first time, 32.8% passed after a repeat attempt, with a total of 46.8% passing.

What counts as “experience” towards a license?

Prior to April 1, 2020, applicants for an AL, AR, or AG license had to fit their experience into one or more “Categories of Experience.” Experience had to meet specific criteria to fit into one of these categories. For example, most of an applicant’s experience had to fit into Category One. In order to qualify as Category One experience, an applicant must have participated in 100 percent of the appraisal process for that assignment. It was very easy for an applicant to understand if an assignment met the criteria for that category. They either did or did not participate in 100 percent of the appraisal process.

Since April 1, 2020, however, BREAs no longer use the categories of experience and changed the experience log to include a series of check boxes corresponding with the different parts of an appraisal report. Without Category One, an applicant no longer has to participate in 100 percent of the assignment to get experience credit towards a license. On the log, an applicant can indicate which parts of the assignment they participated in by checking the box that corresponds to those parts of the assignment. But, without the black and white definition of the old categories, how can an applicant know if their work will qualify for experience credit?

All experience must be obtained after January 30, 1989, and must be USPAP-compliant. An applicant’s experience must be in appraisal work conforming to Standards 1 and 2, *where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions*. The work experience must be for a business purpose, (i.e., mock appraisal experience is ineligible). Restricted Appraisal Reports and Review Appraisal Reports are not eligible for experience credit.

The key is an applicant’s experience must demonstrate proficiency in appraisal principles, methodology, procedures, and reporting conclusions. For example: Can an applicant claim experience credit for the time they spent inspecting a property? If the scope of the applicant’s participation in that assignment included using and performing appraisal principles, methodology, procedures, and reporting conclusions, then “yes”. If an applicant’s participation in the assignment did not include analysis and valuation of the subject property, then “no”. In that case, the applicant’s participation in the assignment did not involve anything that would demonstrate the aforementioned items.

As another example: Can an applicant claim experience for participation in the various parts of an appraisal report by typing up that report? If their participation in the appraisal process is only

The California Appraiser

secretarial/administrative in nature, and they're merely typing up a report prepared by another, then "no". But when an applicant prepares a report in which they participated in the analysis and approach(es) to value, then "yes". Participation that is solely secretarial or administrative in nature does not count towards experience for a license.

Think of when you got your driver's license. That license had the same three components as an appraiser's license – Education, Experience, and an Examination. The experience portion, or driver's training, did not consist of an instructor who drove you around the neighborhood, pointing out stop signs and demonstrating how to make a three-point turn. Rather, that portion of the process involved you driving the car, getting from point A to point B, while the instructor watched, gave you feed back, and if necessary, stepped on the brake. Taking the wheel was a necessary part of the experience process. In order to get experience toward an appraiser's license, you must take the wheel.

BREA's FAQs

Q: I am in the process of becoming a Certified Residential appraiser. Do I need to become a licensed trainee first before I can move forward with getting the Certified license?

A: No, an applicant may apply at any level of licensure for which he or she meets the requirements.

Q: I am a trainee appraiser am I permitted to work for more than one supervising appraiser?

A: Yes, a trainee appraiser is permitted to have more than one supervising appraiser. However, the trainee must keep a separate Log of Appraisal Experience for each supervising appraiser.

Q: I have been approved to take the National Examination for the Certified Residential level. Where can I find information on the exam?

A: Information on the exam can be found on The Appraisal Foundations website: www.appraisalfoundation.org, under Standards & Qualifications, then select Qualification Criteria, and click National Uniform Licensing and Certification Exam.

Q: I will be on my 4-year renewal cycle after January 1, 2023, if I submit my renewal application before the effective date of January 1, 2023, will I need to complete the cultural competency and elimination of bias courses?

A: Yes, because your 4-year renewal cycle falls after the effective date of January 1, 2023, you will need to complete the courses.

Q: I will be on my 2-year renewal cycle after January 1, 2023, will I need to complete the cultural competency and elimination of bias courses?

A: No, the new mandatory courses are due at the 4-year renewal cycle.

The California Appraiser

Legal Corner

The existing law requires the protection of the public to be the highest priority for the Bureau in exercising its licensing, regulatory, and disciplinary functions.

Assembly Bill (AB) 948 was signed into law on September 28, 2021. There are three key components that impact the Bureau, licenses, or the public at large. These components include the addition of the Business and Professions Code (BPC) 11424, educational requirements, and codification and modification of the Bureau's complaint form. Each component takes effect at various times.

AB 948 Adds 11424 to the Bureau's Statutes

The bill is important for many reasons, one of which is that BPC 11424 ensures the Bureau's statutes mirror the federal and state laws; thus, the BPC states that market value not be based on discriminatory status. It took effect January 1, 2022. The BPC 11424 reads:

"(a) Licensees shall not base, either partially or completely, their analysis or opinion of market value on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, source of income, sexual orientation, familial status, employment status, or military status of either the present or prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property, or on any other basis prohibited by the federal Fair Housing Act."

In codifying the prohibition of bias influencing market value, California aligns itself with federal laws addressing bias in the appraisal industry. Along with the addition of BPC 11424, AB 948 tackles the concept of bias – a concept that has been around for years in our society.

For example, USPAP's Ethics Rule currently states that an appraiser must not perform an assignment with bias. USPAP also states that an appraiser must not use or rely on unsupported conclusions relating to characteristics and subsequently delineates the protected classes.

Similarly, Fannie Mae's Form 1004 requires an appraiser to certify that "I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report."

AB 948 requires applicants, initial and renewal, to take education that brings awareness to individuals who work in culturally diverse environments, so individuals can do so inclusively, openly, fairly, and free of bias.

Changes to Education Requirements

In a broader context, knowledge and awareness are key to self-management and change. This bill introduces a means of imparting knowledge and awareness of cultural dynamics and the broader concept of bias.

Ultimately, as individuals, as we become more aware of our identity and factors related to diversity, equity, and inclusion, we must also become aware that we are responsible for biases. Biases are not always explicit, yet we all need to recognize and acknowledge our own biases,

The California Appraiser

and we must find ways to mitigate their impact on our behavior and decisions in our interactions in every aspect of our lives. Knowledge and awareness are key to producing change as individuals, employees, self-employed appraisers, and as a society.

Beginning January 1, 2023, initial applicants must take at least **one hour of Cultural Competency**. Also beginning January 1, 2023, renewing applicants must take at least **one hour of Cultural Competency** and at least **two hours of Elimination of Bias**.

Key components of the changes to continuing education include:

- The new law is effective January 1, 2023.
- **The courses are due on the 4-year cycle.**
- Cultural Competency and Elimination of Bias are two separate courses. However, they can be combined into at least a three-hour course or be taken as individual courses.

Changes to Complaint Form

AB 948 additionally requires the Bureau to modify its BREA Complaint Form. The new form can be found here: [BREA Complaint Form \(Form 4001\)](#). The complaint form was modified and available to use in paper form and online form by January 1, 2022; the bill's effective deadline was July 1, 2022.

The Bureau changed the Complaint Form to reflect the following:

- Clear, concise, and easy to use;
- Allows a representative to file on behalf of a stakeholder;
- Allows a complainant to select if the appraisal was below, at, or above market value;
- Allows a complainant to volunteer personal demographic information; and
- Requires BREA to report on discrimination complaints and demographics in 2024.

To review the entire BPC section 11424, click here:

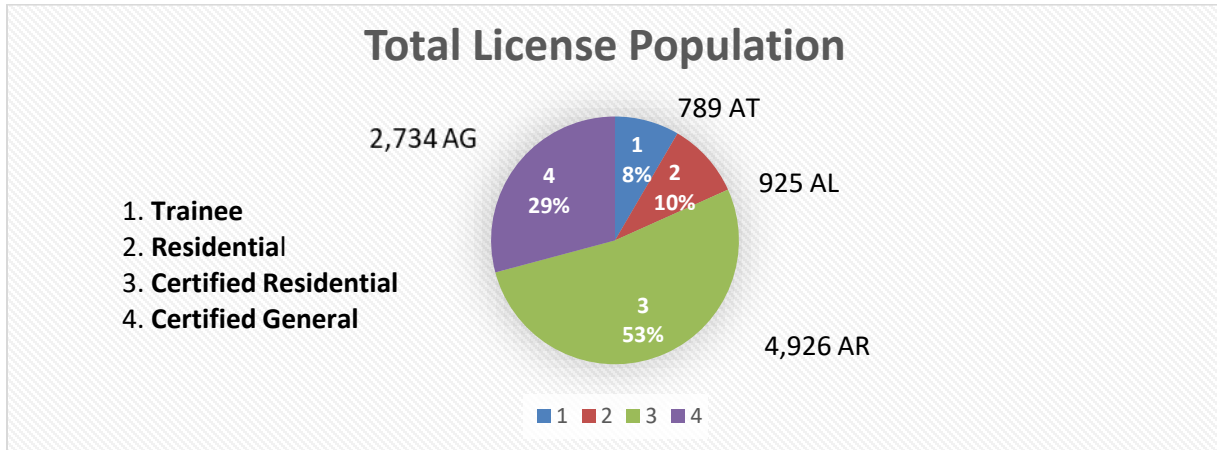
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=BPC§ionNum=11424.

Licensing Stats

The following chart shows the breakdown of the licensed appraiser population by license level type. As of October 1, 2022, there are 9,374 active appraisers. 8% are Trainee level, 10% are Residential level, 53% are Certified Residential level, and 29% are Certified General level.

The California Appraiser

Active Licensees as of October 1, 2022: 9,374



Revisiting Manufactured Home Appraisal Considerations

If you are appraising manufactured homes, realize these considerations:

- Mobile homes built prior to June 15, 1976, are considered personal property and should NOT be appraised as real property nor should sales of such be included as a real property comparable sale in a real property appraisal. They do not qualify to be certified as having a permanent foundation and be issued HUD tags, as verified in the following HUD FAQ (frequently asked question):

Will HUD issue certification labels (HUD tags) if my home was built before 1976?

No. The Department will not issue tags for a manufactured (mobile) home constructed prior to the enforcement of the Manufactured Home Construction and Safety Standards, effective June 15, 1976.¹

- As a licensed appraiser, you are required to be competent. You can gain competency by completing a manufactured home appraisal course to hone your skills and knowledge.

In *The California Appraiser* Fall 2009 edition of our newsletter, the following article entitled *Manufactured Home Appraisal Considerations* was published. The article's information warrants revisiting, and the article is republished below.

MANUFACTURED HOME APPRAISAL CONSIDERATIONS *(Previously Published in Fall 2009 Newsletter)*

Manufactured Home appraisals involve special considerations not encountered in site-built housing assignments. The Scope of Work problem identification in any appraisal assignment necessitates an understanding of the subject of the assignment and its relevant characteristics. So, what is a "Manufactured Home"?

The California Appraiser

In general terms, there are several types of homes at least partially manufactured in a factory setting:

- Panelized or “pre-cut” homes leave the factory as flat wall units or pre-measured and cut components that are transported to the building site where considerable assembly is required.
- Modular homes are factory-built as essentially complete homes or in sections that can be quickly assembled at the building site. Unlike Manufactured homes, Modular homes are built to the local or state codes where the home is ultimately sited. They do not have HUD Certification Labels (see below). Modular homes may be built without a permanent chassis, which would distinguish one so built from a Manufactured home.
- Mobile homes were factory built prior to the June 15, 1976, effective date of the HUD Code (see below). Mobile homes may consist of single or multiple sections and are often referred to as “pre-HUD Code” or “trailer” homes.
- Manufactured homes are factory-built to the Housing and Urban Development Title 6 Construction Standards, commonly referred to as the HUD Code, on or after June 15, 1976. Manufactured homes may include one or more sections, each of which must incorporate a non-removable steel chassis. A more detailed definition of a Manufactured home may be found in the Code of Federal Regulations Title 24 Part 3280. The CFR definition refers to the home itself and how it was constructed at the factory but does not pertain to the foundation. Manufactured homes may be placed on permanent foundations or nonpermanent foundations.

Verification of construction to the HUD Code may be obtained during the subject property inspection by the presence of:

- The HUD Certification Label which is a 2 inch by 4-inch red metal tag with silver lettering located on the exterior of each transportable section of the Manufactured home. Each label contains a unique label number.
- The Data Plate (or “Compliance Certificate”) which is a paper document located inside the home, often near the electrical breaker box, in a closet near the washer and dryer, or on the base cabinet under the kitchen sink. The Data Plate contains the manufacturer’s name, the trade/model name, year of manufacture, and other pertinent information.

USPAP compliance and credible appraisal methodology require identification of the subject’s foundation system and whether the subject Manufactured home is real or personal property. If the intended use of your appraisal report is for a mortgage finance transaction subject to Fannie Mae (FNMA) purchase, underwriting, or form reporting (FNMA form 1004C), then the assignment involves the appraisal of a real property interest. To verify the real property status of a Manufactured home, find out if a California Department of Housing and Community Development (HCD) form number 433A has been recorded in the County where the home is located. A recorded form 433A confirms that a Manufactured home on private property was affixed to an approved foundation as certified by a California licensed engineer; and that the Manufactured home is no longer personal property but is instead real property subject to real property taxes. Sources for form 433A recordation verification may include:

- Viewing the owner’s copy at the time of property inspection;
- A preliminary title report;
- The local building department, County Assessor’s Office, or County Recorder’s Office.

A 433C form may be recorded when a Manufactured home is placed on an approved foundation in a resident-owned mobile home park.

The California Appraiser

You are obligated by USPAP and your signed FNMA Form 1004C certification (if applicable) to use the most appropriate comparable sales for the subject property. However, there are times when a scarcity of Manufactured home transactions necessitates the use of site-built home comparables. When this is the case, be extremely careful in site-built comparable selection and analysis. There may be difficulties in extracting and supporting adjustments for differences in:

- Market acceptance and a different potential buyer pool;
- Aesthetic and architectural attributes and appeal;
- Building codes;
- Quality of Construction;
- Construction costs and depreciation rates;
- Loan underwriting and availability of financing.

Because of these and other differences, Manufactured homes often perform differently in the marketplace than site-built homes.

Make sure when you accept an assignment for a Manufactured home appraisal that you comply with the USPAP Competency Rule. These appraisals are often complex due to the unique nature of Manufactured housing, which is often compounded when the subject property is located in a rural market area.

¹ U.S. Department of Housing and Urban Development (HUD) Frequently Asked Questions (General) accessed via following website
https://www.hud.gov/program_offices/housing/rmra/mhs/faqs.

Current Course Providers

This list of course providers can be found on our website: www.brea.ca.gov, select Online Services, then Course Provider Search, then click Search.

Course Providers	Phone Number	Address
ACE Appraisal Consulting & Education	(805)490-3606	199 S. Figueroa Street, 3rd Floor, Ventura, CA 93001
Affiliated Appraisers Workshop	(866) 944-8583	2239 Townsgate Road, Suite 100, Westlake Village, CA 91361
Allterra Consulting Group, LLC	(513) 490-0226	11115 Lake View Lane, Box 1727, Berlin, MD 21811
American River College	(916) 484-8361	4700 College Oak Drive, Sacramento, CA 95841
American Society of Appraisers	(703) 733-2127	2121 Cooperative Way, #210, Herndon, VA 20171
American Society of Farm Managers and Rural Appraisers	(303) 758-3513	720 South Colorado Boulevard, Suite 360-S, Glendale, CO 80246
Appraisal Institute	(312) 335-4100	200 W. Madison, Suite 1500, Chicago, IL 60606

The California Appraiser

Appraiser eLearning	(615) 965-5705	3314 West End Avenue, Suite 102, Nashville, TN 37203
Bender Rosenthal, Inc.	(916) 978-4900	2825-Watt Avenue, Suite 200, Sacramento, CA 95821
California Probate Referees Association	(510) 886-5987	P.O. Box 2863, Castro Valley, CA 94546
Calypso Continuing Education	(802) 728-4015	28 North Main Street P.O. Box 176, Randolph, VT 05060
Champions School of Real Estate, LTD	(800) 284-1525	5627 Cypress Creek Parkway, Houston, TX 77069
Citrus College	(626) 914-8794	1000 West Foothill Boulevard, Glendora, CA 91741
CLE International	(303) 810-1355	7995 E. Prentice Ave. Ste. 200, Greenwood Village, CO 80111
CMP Appraisals	(949) 388-4943	32565 Golden Lantern St. B368, Dana Point, CA 92629
CoBank, FCB	(406) 880-8314	6340 South Fiddlers Green Circle, #1908, Greenwood Village, CO 80111
Connect Group Media	(213) 393-3939	515 Figueroa Street, Suite 350, Los Angeles, CA 90071
Debra Little	(530) 320-2107	502 B Factory Street, Nevada City, CA 95959
Dennis Badger & Associates, Inc	(859) 309-6871	P.O. Box 34064, Louisville, KY 40232
Dynasty School	(800) 888-8827	2379 South Hacienda Boulevard, Hacienda Heights, CA 91745
El Camino College	(626) 644-0231	16007 Crenshaw Boulevard, Torrance, CA 90506
Franklin Energy	(510) 298-5497	300 Frank H. Ogawa Plaza, Suite 620, Oakland, CA 94612
George Dell	(619) 297-6816	3133 Hawk Street, San Diego, CA 92103
Glendale Community College	(818) 240-1000	1500 N. Verdugo Road, Glendale, CA 91208
Green Training USA	(678) 381-8513	P.O. Box 4225, West Mclean, VA 22103
International Right of Way Association	(310) 538-0233	19210 South Vermont Avenue, Building. A Suite 100, Gardena, CA 90248
Ken Hunsinger	(916) 482-1110	2244 Loma Vista Drive, Sacramento, CA 95825

The California Appraiser

Marin, College of	(415) 461-0325	835 College Avenue, Kentfield, CA 94904
Market Data Services, LLC	(801) 406-8900	765 E. Gordon Ave., Layton, UT 84041
Marshall & Swift	(817) 699-9969	3001 Hackberry Rd., Irving, TX 75063
McKissock, LLC	(800) 382-8002	218 Liberty Street, Warren, PA 16365
Monterey Peninsula College	(831) 646-4039	980 Fremont Street, Monterey, CA 93940
Noblefields School of Real Estate	(415) 608-1388	6121 Mission Street, Daly City, CA 94015
Northridge, CSU	(818) 677-2905	18111 Nordhoff Street - CTED, Northridge, CA 91330
Nossaman, LLP	(949) 477-7651	18101 Von Karman Ave. Ste. 1800, Irvine, CA 92612
OREP Education Network	(888) 347-5273	6760 University Avenue Suite 250, San Diego, CA 92115
Palomar Community College	(760) 744-1150	1140 West Mission Road, San Marcos, CA 92069
Real Estate Appraisers Association	(916) 988-9442	9111 Orangevale Avenue, Orangevale, CA 95662
RICS Americas	(202) 602-1455	60 East 42nd Street, Ste. 2810, New York, NY 10165
Saddleback College	(949) 582-4410	28000 Marguerite Parkway, Mission Viejo, CA 92692
Santiago Canyon College	(714) 628-5912	8045 East Chapman Avenue, Orange, CA 92869
Southland Educational Services	(714) 961-8973	1301 Montevideo Drive, Placentia, CA 92870
Stewart Heller	(510) 816-2974	21 York Drive, Piedmont, CA 94611
The Appraisal School, Inc.	(818) 715-0953	22647 Ventura Blvd, #371, Woodland Hills, CA 91364
The Hagar Institute	(206) 236-0787	7433 SE 27th Street, Mercer Island, WA 98040
Valuation Education, LLC	(805) 696-2600	P.O. Box 5768, Santa Barbara, CA 93150
West Los Angeles College	(310) 287-4200	9000 Overland Ave., Culver City, CA 90230

The California Appraiser

Enforcement Actions

Enforcement actions are based on the totality of the circumstances and the merits of each matter on a case-by-case basis, including the nature and severity of the offenses involved, prior disciplinary actions (if any), and circumstances that support a finding that the offender has been rehabilitated. Violation descriptions may be partial and summarized due to space limitations. For these reasons, cases may appear similar on the face yet warrant different sanctions.

For a description of the criteria followed by the Bureau in enforcement matters, refer to Title 10, Article 12 (commencing with section 3721) of the California Code of Regulations. Additional information on the individual actions is also available on the Bureau's website, www.brea.ca.gov.

DISCIPLINARY ACTIONS				
Licensee	License No.	City of Business	Order Effective	Discipline
Jeremy Rice	3002317	Anderson	7/6/2022	Voluntary Surrender
David Gribin	004809	Woodland Hills	9/16/2022	Monetary Fine

The California Appraiser

Reminders: Failure to Timely Notify the Bureau Can Result in License Discipline

1. **Notify the Bureau of Real Estate Appraisers (Bureau) of any changes to your contact information.** California Code of Regulations section 3527 requires written notification to the Bureau within 10 days of any change to:
 - (1) name;
 - (2) residence or business phone number;
 - (3) residence, business, or mailing address; or
 - (4) out of state address;
 - (a) Changes to an out of state address requires a *Consent to Service of Process* form (REA 3006) Use the *Change Notification and Miscellaneous Requests* form (REA 3011) available on our website, www.brea.ca.gov; click on "Forms." Submit by mail the completed and signed form, the required fee, and any necessary documentation to:

Bureau of Real Estate Appraisers
3075 Prospect Park Drive, Suite 190
Rancho Cordova, CA 95670

Note: Although not a requirement, you can also use form REA 3011 to provide or update your e-mail address, which will allow the Bureau to send you newsletters and other important information.

2. **Notify the Bureau of any convictions, felony charges, or other license discipline.** Business and Professions Code section 11318 requires all licensees, applicants, and course providers report to BRE in writing within 30 days any of the following:
 - (1) felony charges;
 - (2) misdemeanor or felony convictions (including pleas); or
 - (3) the cancellation, revocation, or suspension of a license, other authority to practice, or refusal to renew a license or other authority to practice as an occupational or professional license or course provider, by any other regulatory agency.

If you have questions about these notification requirements, contact the Bureau at (916) 552-9000.

State of California

Department of Consumer Affairs
Bureau of Real Estate Appraisers
3075 Prospect Park Drive, Suite 190
Rancho Cordova, CA 95670

The California Appraiser

1. List of links and full URLs for DCA Reference:

www.appraisalfoundation.org

[BREIA Complaint Form \(Form 4001\)](#)

https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=BPC§ionNum=11424.

https://www.hud.gov/program_offices/housing/rmra/mhs/faqs

www.brea.ca.gov