



NEWS FROM THE CALIFORNIA BUREAU OF REAL ESTATE APPRAISERS

THE CALIFORNIA APPRAISER

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Our Mission: Safeguard public trust by promoting professionalism in the real estate appraisal industry through licensing, education, and enforcement.

Message from the Bureau



On October 25, 2024, the Appraisal Institute (AI) showcased the first two graduates from the first-ever launch of the **Practical Applications of Real Estate Appraisal (PAREA)** program. It was exciting to watch history unfold before us. According to the last reporting by AI, California has 23 students active in the program. In January 2024, the Bureau of Real Estate Appraisers (BREA) ratified in regulations the approval of 100% acceptance of practical experience from any Appraiser Qualifications Board (AQB)-sanctioned vendors of a PAREA program. Therefore, BREA encourages anyone considering upgrading their trainee or residential license and/or someone who just completed his or her qualifying educational requirement to consider the PAREA program option.

Also in 2024, BREA updated the regulatory language of practicum courses to also satisfy 100% credit for non-client experience. This language modification was very impactful because it gives aspiring appraisers and licensees desiring to upgrade their credential greater opportunities in gaining required work experiences accepted by the state and or the AQB.

BREA anticipates long- and short-term positive results within these new access roads into the appraisal profession. ■

Angela Jemmott, Bureau Chief



Did You Know?

Streamlining Licensing: Committing to Improved Services

BREA is dedicated to enhancing its licensing processes to provide appraisers with efficient, timely, and high-quality service. Recognizing the critical role appraisers play in California's real estate market, BREA has taken significant steps to address past challenges and ensure smoother application experiences moving forward.

In 2023, BREA faced a substantial backlog in processing license applications, largely due to unexpected staffing shortages. At the time, applications were managed in a single queue, resulting in an average processing time of 85 days for each step. For example, it took approximately 85 days for an analyst to review an initial application. If a deficiency letter was issued, an applicant's response faced similar delays. This cumulative timeline could extend the licensing process to several months—or even over a year—causing understandable frustration among applicants.

In 2024, BREA conducted a comprehensive review of its licensing procedures, resulting in the implementation of significant process improvements. Key changes include:

- **Separate Queues:** By establishing distinct queues for different stages of the application process, BREA eliminated the inefficiencies of the single-queue approach.
- **System Enhancements:** Updates include the introduction of automation, expanded electronic services, and email communication, all aimed at reducing manual processing times.

- **Improved Processing Times:** Application processing times have been reduced to less than 30 days. For example, licenses are now issued within seven days of completing the examination, and deficiency letter responses are advanced to the next stage within 7–10 days.

BREA also transitioned work sample submissions to an electronic format, eliminating the need for applicants to print and mail hundreds of pages. Deficiency letters are now sent via both email and traditional mail, resulting in faster response times and greater convenience for applicants.

One notable improvement is the accelerated processing of initial trainee applications, which are now handled within 7–10 days. These changes have allowed BREA to successfully eliminate its backlog, ensuring a more efficient licensing experience for both new and returning applicants.

Looking ahead, BREA remains committed to innovation and service excellence. Plans are underway to further enhance online offerings, including online applications, renewals, account management, and seamless information exchange with stakeholders.

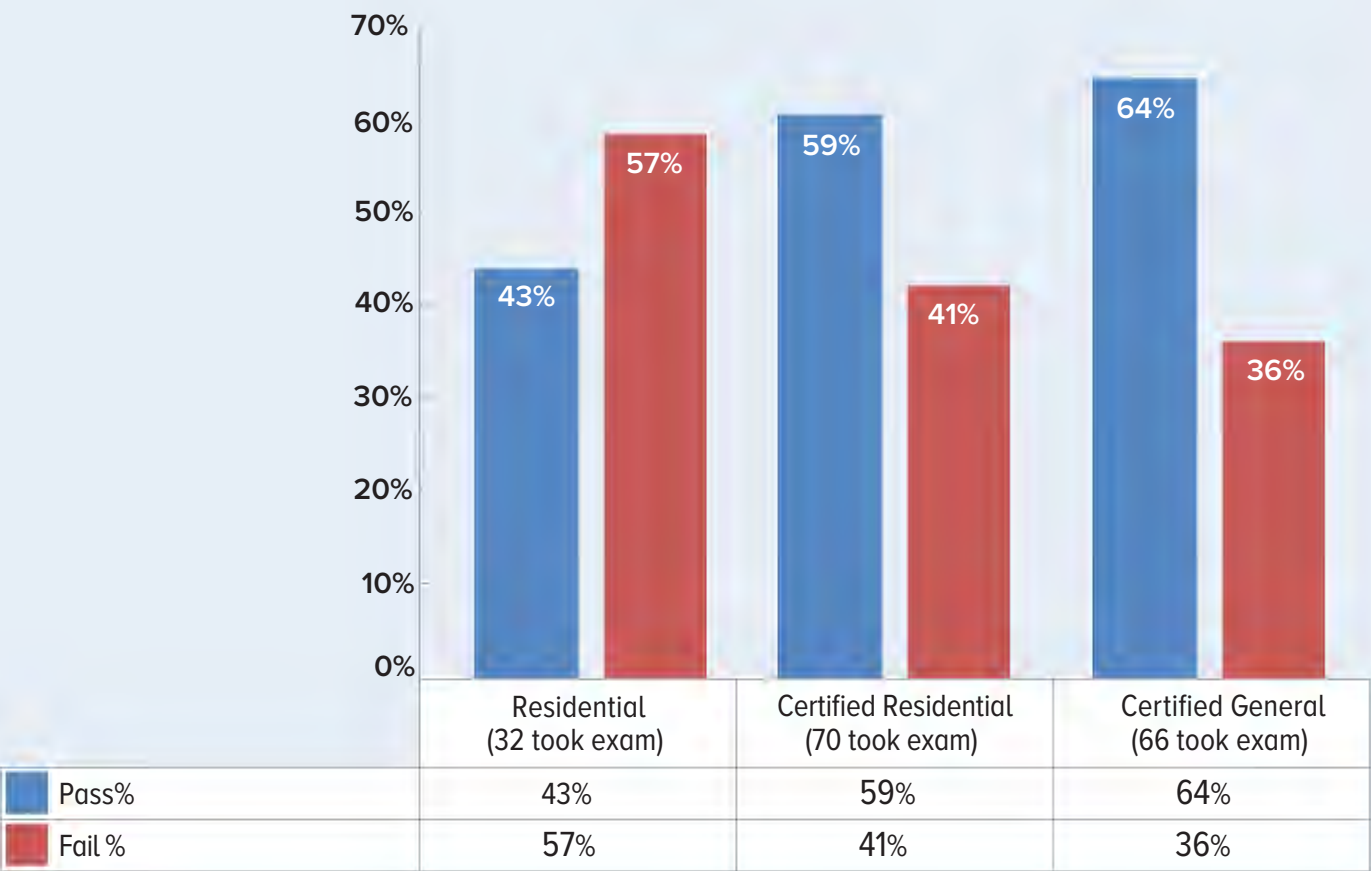
Take the next step in your career with confidence—apply today for your appraiser license and experience the benefits of BREA's new streamlined process. ■



California Appraisers Examination Results:

The following graph shows the California Appraisers Examination statistics from July 1, 2024, through December 30, 2024, as provided by PSI Services. ■

National Uniform Licensing and Certification Examination
July–December 2024





Developing a Credible Opinion of Market Rent for Residential Income Property

Developing a credible opinion of market rent is a critical component in the analysis of residential income-producing properties. Like any value analysis, developing an opinion of market rent involves collecting data, analyzing, and reconciling that data, and reporting it to a reader.

When accepting an assignment to appraise a residential rental property, an important factor to consider is that the scope of data collection and verification for rental data may be greater than the sales data in the Sales Comparison Approach. Whereas, in the Sales Comparison Approach, a Multiple Listing Service (MLS) may be sufficient for the gathering and verification of sales data, it may not be for rental data. It may be necessary for an appraiser to use other sources beyond MLS, such as local rental agencies, to gather sufficient rental data. Extra steps to verify rental data may be necessary as well. An appraiser may need to call the agents named in the listing to verify that the rent listed is what was paid, and lease terms and dates are

accurate. An appraiser who is unable or unwilling to complete the scope of work necessary for credible assignment results should not accept the assignment.

When it comes to analysis, remember that closed verifiable data is necessary. It is not sufficient to rely on projected rents in place of actual rents. Consider the Sales Comparison Approach: Would you complete a Sales Comparison Approach based on “projected sale prices” of properties that have not sold? Would a client (particularly a lender) consider an analysis without closed sales data credible? In the same way, it doesn’t make sense to base an opinion of market rent on unsubstantiated projections. A credible opinion of market rent should include support from closed rental transactions.

Lease dates are important. Again, think about the analysis you do in the Sales Comparison Approach. Knowing when a sale closed is important so that the appraiser can account for market conditions since the date of sale. In the same way, it is important to know lease dates so that market conditions can

be accounted for. Even when rent is on a month-to-month basis, an appraiser must know when that rental agreement was signed and what amount was paid to account for any change in market conditions. It is not sufficient to simply acknowledge that a rent is on a month-to-month basis. When was this rent to be paid agreed upon? Was this from a year ago? Two years ago? Or last month?

Additionally, an appraiser must know and understand state and local rent control. If the subject falls under local rent control, how does it interact with state requirements? This may be of particular significance when the rental data includes rents paid by long-term tenants who have been in place for multiple years.

After collecting and analyzing rental data, the appraiser must explain and reconcile their data so that the intended user(s) can understand it. For example, how did the appraiser get from three or more rents on a page to their opinion of the subject's market rent? Did the appraiser consider the rent per square foot? Per unit? Per bedroom? Or was some other methodology used? Which rents were given the most weight in the analysis, and why? Describe what you did that led to your market rent conclusion and maintain all support within your work file.

USPAP Standards Rule 2-2(a) says:

“The content of an Appraisal Report must be appropriate for the intended use of the appraisal and, at a minimum:

(x) provide sufficient information to indicate that the appraiser complied with the requirements of STANDARD 1 by:

(1) summarizing the appraisal methods and techniques employed; ... and

(5) summarizing the information analyzed and the reasoning that supports the analyses, opinions, and conclusions, including reconciliation of the data and approaches.”



An appraiser must show the information they examined, how they analyzed it, and how the analysis led to their opinion of market rent. Over-reliance on non-assignment-specific boilerplate writing may not be sufficient for your appraisal assignment. Writing to address the specific data, analysis, and reconciliation you performed will not only help you comply with Uniform Standards of Professional Appraisal Practice (USPAP) minimums; it will add to the credibility of your report by demonstrating to your client(s) and intended user(s) that you performed the necessary data collection and analysis.

The process of gathering and analyzing rental data may involve more than pulling a few listings from MLS. The appraiser who completes this assignment must be willing to take all the steps necessary to gather sufficient data, verify it, do the analysis, and explain it in a way that the reader can follow. If they are not willing to do so, they must turn down the assignment so that another appraiser who is willing and capable can complete it. (See also, “The Appraisal of 2-4 Unit Properties” in BRE’s **Winter 2002 newsletter** for further reading on appraising small income properties.) ■



BREA's FAQs

Q: Can I use education from my license upgrade to renew my license?

A: Yes, if the education was taken during the four-year continuing education (CE) cycle of the license renewal, education used to upgrade a license can also be used to renew a license. However, the exam time will not be counted towards credit.

Q: Can I receive CE credit if I completed the same continuing education CE course within my four-year renewal cycle?

A: No, Appraisers may not receive credit for completing the same continuing education course within the same four-year renewal CE cycle. BREA recommends licensees complete a variety of CE courses in real property appraisal-related topics to increase their knowledge in appraisal.

Q: I am changing the designated officer from my appraisal management company (AMC). What do I need to do?

A: All changes to designated officers and controlling persons must be reported to BREA within 10 days. To update this information, complete form REA 5011, AMC Change Notification and Miscellaneous Requests. The form provides detailed instructions on what sections need to be filled out and the additional documentation that is needed to add or remove controlling persons.

Q: I am on my four-year CE cycle. What am I required to submit?

A: Appraisers on their four-year CE cycle must submit proof of completion of the following:

- Seven-hour National USPAP Update Course (one is required for each two-year renewal cycle).
- Four-hour course titled "Federal and State Laws and Regulations."
- Three-hour course titled "Cultural Competency and Elimination of Bias."
- Thirty-five hours of additional BREA-approved CE courses.

Please note: The seven-hour National USPAP Update course taken on the two-year renewal cycle is already on file and counted for you, totaling 56 hours.

Q: I am a licensed trainee and just found a supervisor willing to train me. What do I need to know prior to training with the supervisor?

A: There are criteria the supervisor must meet that are detailed in section 3568 of the California Code of Regulations. In part, trainees must make sure their supervisors complete an AQB-approved supervisory/trainee course and are licensed at the certified level for a minimum of three years in good standing. ■

Legal Corner



California Business and Professions Code section 11317.2 requires BREA to provide, on the internet, information regarding every license and registration issued by BREA, including information on discipline of licensees and registrants.

The purpose of this statute is to promote public protection and promote consumer education. However, this statute has no time limit, meaning that disciplinary actions that occurred ten or more years ago are still posted to BREA's website, even when the licensee has since remained in full compliance with all BREA regulations and the licensee or registrant no longer represents a credible risk to the public. Recognizing this, the Legislature addressed this issue in the context of the Department of Real Estate in 2016 by providing the Department of Real Estate with the authority to remove certain instances of discipline that are at least 10 years old from its website. To afford the same authority to BREA, the California Senate passed SB 1225, which was signed by Governor Gavin Newsom on September 22, 2024.

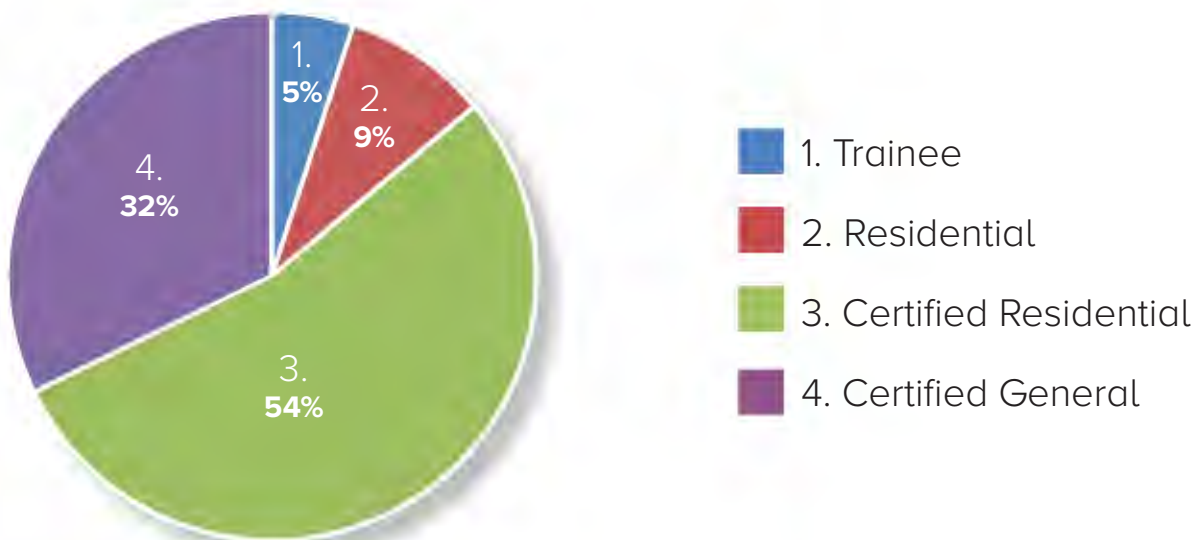
SB 1225 balances the authority of BREA to remove remote disciplinary actions against a licensee with

BREA's policy of consumer protection. In this vein, SB 1225 amends Business and Professions Code section 11317.2 to allow BREA to remove certain disciplinary matters from its website. Specifically, it provides BREA with such authority in two instances: (1) upon petition by a deceased licensee's family member, without regard to how much time has elapsed since the discipline sought to be removed; and (2) a disciplinary item that has been posted on BREA's website for no less than 10 years and for which the licensee provides evidence of rehabilitation indicating that the notice is no longer required to prevent a credible risk to members of the public utilizing licensed activity of the licensee. In evaluating such a petition, consideration shall be given to other violations that present a credible risk to members of the public since the posting of the discipline sought to be removed. SB 1225 also authorizes BREA to establish a fee and form for such a petition through the regulatory process. BREA is currently in the rulemaking process of establishing such a fee and form and will update its licensees once a form has been developed and approved for use. ■

Licensing Stats

The following chart shows the breakdown of the licensed appraiser population by license level type. As of 11/01/2024, there are **8,142** active appraisers. **5%** are trainee level, **9%** are residential level, **54%** are certified residential level, and **32%** are certified general level. ■

Active licensees as of November 1, 2024: **8,142**



A photograph of three people in a bright, modern office. On the left, a man in a dark suit and white shirt holds a clipboard and gestures with his right hand. In the center, a woman in a white blazer over a red top and blue jeans walks towards the camera. On the right, a man in a blue jacket over a white shirt and blue jeans walks alongside her. They are all smiling. The background features large windows and a modern interior design.

Professionalism is Not Just Beneficial to an Appraiser ... It's Required!

Our profession enjoys a fiduciary relationship of trust and confidence with our clients and the institutions that rely on our work. A real estate appraiser's role requires honesty, candor, integrity, and trustworthiness. These requirements are outlined in both the Ethics Rule of Uniform Standards of Professional Appraisal Practice and the California Code of Regulations section 3702(a). Embodying these qualities not only enhances compliance, but also helps to contribute to the credibility of the entire profession.

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**A real estate appraiser's role
requires honesty, candor,
integrity, and trustworthiness.**

As an appraiser, it is your responsibility to provide a well-reasoned and supported valuation that will be trusted by buyers, sellers, and intended users alike. The person you interact with while conducting your inspection may not necessarily be your client, but they deserve to be treated no less professionally or respectfully. Every interaction is an opportunity for that appraiser to present themselves in a manner that conveys expertise, professionalism, and integrity.

When someone feels heard and their questions and concerns have been answered, they can walk away and feel comfortable about the process; trust can be built, and the chances for misunderstandings are minimized. These skills can be crucial in defusing potential conflicts or misunderstandings, especially in cases in which the final outcome may not meet a client's expectations. A person who is respected, heard, and listened to is less likely to feel misled or unfairly treated, and they are more likely to see the appraiser as a trusted professional acting in good faith.

Here are do's and don'ts to help avoid professionalism- and behavior-based complaints:

Do

- Respect the customs and the property you have been invited to inspect.
- Listen attentively to comments made about the property; taking a note or snapping a photo may let them know they have been heard.
- Be clear to your inspection contact that your work does not end with the inspection. Let them know you will still need to complete your analysis before the results will be ready.

Don't

- Get involved in discussions on controversial topics.
- Rush through the inspection to the extent it would appear slipshod or uncaring.
- Express ideas of approval or disapproval about the borrower, the property, the loan process, etc.
- Reject industry partners that have concerns about your appraisal. (Respond to concerns with thoughtful, well supported and professional language).

Providing good customer service, polite behavior, and professionalism does not mean you will never have a complaint made against you, but it can help minimize your odds. ■





Education

Current Course Providers

This list of course providers can be found on our website at www.brea.ca.gov: Select "Online Services," click "Course Provider Search," then click "Search" to see the entire list. ■

COURSE PROVIDERS	PHONE NUMBER	ADDRESS
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
Aloft, Inc.	(855) 795-1004	83 Columbia St. Suite 305 Seattle, WA 98104
American River College	(916) 484-8361	4700 College Oak Drive Sacramento, CA 95841
American Society of Appraisers (ASA)	(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
Appraiser eLearning	(615) 965-5705	3314 West End Avenue, Suite 102 Nashville, TN 37203
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. Suite. 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
Collateral Risk Network, Inc.	(513) 490-0226	1405 Wesley Drive Salisbury, MD 21801
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 Mountain eLearning, LLC	(802) 505-8623	29 Stone Road Williamstown, VT 05679
Harbor Pacific Valuation Services, Inc.	(805) 218-7227	15000 7th Street Suite 205 Victorville, CA 92395
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
Los Angeles City College	(323) 953-4000	855 North Vermont Avenue Los Angeles, CA 90029
Marin, College of	(415) 461-0325	835 College Avenue Kentfield, CA 94904

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McKissock, LLC	(800) 382-8002	218 Liberty Street Warren, PA 16365
Monterey Peninsula College	(831) 646-4039	980 Fremont Street Monterey, CA 93940
Mount San Antonio Community College	(909) 274-6428	1100 N. Grand Avenue Walnut, CA 91789
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 Avenue Suite 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
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
Stewart Heller	(510) 816-2974	21 York Drive Piedmont, CA 94611
The CE Shop, LLC	(262) 565-5369	5670 Greenwood Plaza Blvd Suite 340 Greenwood Village, CO 80111
Valuation Education, LLC	(805) 696-2600	P.O. Box 5768 Santa Barbara, CA 93150
West Los Angeles College	(310) 287-4200	9000 Overland Avenue Culver City, CA 90230



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 yet warrant different sanctions. For a description of the criteria followed by BREa 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 BREa's website: www.brea.ca.gov.

DISCIPLINARY ACTIONS

Licensee	License No.	City of Business	Order Effective	Discipline
Michael Yates	026353	Irvine	07/17/2024	Stayed Revocation, 60-day Suspension Probation, Restricted License, Monetary Fine, Enforcement Cost, Education
Randall Wallace	3007818	Oakdale	07/18/2024	Monetary Fine, Education
Chris S. Friesen	044120	Carlsbad	07/22/2024	Stayed Revocation, Probation, Restricted License, Monetary Fine, Education
Ha Seoup Bang	030151	Los Angeles	08/02/2024	Stayed Revocation, Probation, Restricted License, Monetary Fine, Education
Eric R. Evans	0386354	Ontario	08/07/2024	Revocation
Derek Huang	032296	Sunnyvale	09/05/2024	Surrender

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DISCIPLINARY ACTIONS				
Licensee	License No.	City of Business	Order Effective	Discipline
Richard Alonzo	036377	West Covina	09/11/2024	Stayed Revocation, Probation, Restricted License, Monetary Fine, Education
Keith Nord	028366	Oakley	09/16/2024	Stayed Revocation, Probation, Monetary Fine, Education
Dieu H. Nguyen	038910	Irvine	09/18/2024	Stayed Revocation, Probation, Restricted License, Monetary Fine, Education
Gary Young	033452	Auburn	09/23/2024	Stayed Revocation, Probation, Restricted License, Monetary Fine, Education
Tudor Costea	029115	Los Altos	10/02/2024	Stayed Revocation, Probation, Restricted License, Monetary Fine, Education
Timothy G. Schneider	040658	Modesto	10/11/2024	Stayed Revocation, Probation, Monetary Fine, Enforcement Costs, Education
Eric McIntyre	028423	Santa Rosa	10/18/2024	Stayed Revocation, Probation, Restricted License, Monetary Fine, Education

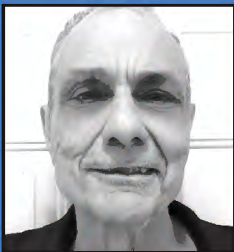
In Remembrance

The Bureau Salutes Michael Eady and John Schmidt



Michael Eady became a licensed appraiser in 1992 and upgraded to the certified residential license in 1995. In June 2018, he joined BREa to work for the licensing division. While he was no longer an active appraiser, his prior experience afforded him a special insight into helping aspiring and renewing appraisers successfully through the licensing process.

Michael dedicated daily offerings of excellent customer service to licensees and appraiser management companies' registrants. Michael was steady and reliable; you always knew what to expect with him. He was a straight shooter and would express what he really thought about the topic of the moment. His wit was equal to none.



In 1998, after working as a real estate appraiser for 11 years, John Schmidt joined the formerly named Office of Real Estate Appraisers. For almost 25 years, John worked as a senior real property appraiser investigator. He successfully worked on some of the most complex, egregious, and criminal cases. He was a dynamic individual and an amazing deep well of knowledge and experience. He was an appraiser through and through and freely shared what he knew. John had a strong passion for appraising and protection of the public trust.

Michael and John are sincerely missed by their working colleagues. We'd like to publicly thank the families of Michael and John for sharing them with us.

Reminders: Failure to Notify BREA in a Timely Manner Can Result in License Discipline

1. **Notify BREA of any changes to your contact information.**

California Code of Regulations section 3527 requires written notification to BREA **within 10 days** of any change to:

- (1) Name.
- (2) Residence or business phone number.
- (3) Residence, business, or mailing address.
- (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 at 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 email address, which will allow BREA to send you newsletters and other important information.

2. **Notify BREA of any convictions, felony charges, or other license discipline.** Business and Professions Code section 11318 requires all licensees, applicants, and course providers report to BREA in writing **within 30 days** any of the following:

- (1) Felony charges.
- (2) Misdemeanor or felony convictions (including pleas).
- (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 BREA at (916) 552-9000. ■



Bureau of Real Estate Appraisers
3075 Prospect Park Drive
Suite 190
Rancho Cordova, CA 95670
(916) 552-9000



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