

DEPARTMENT OF CONSUMER AFFAIRS  
TITLE 10. INVESTMENT  
CHAPTER 6.5  
BUREAU OF REAL ESTATE APPRAISERS

NOTICE OF PROPOSED REGULATORY ACTION CONCERNING:  
**Minimum Basic and Continuing Education Requirements**

**NOTICE IS HEREBY GIVEN** that the Bureau of Real Estate Appraisers (hereafter Bureau or BREAA) is proposing to take the action described in the Informative Digest below, after considering all comments, objections, and recommendations regarding the proposed action.

**PUBLIC HEARING**

The Bureau has not scheduled a public hearing on this proposed action. However, the Bureau will hold a hearing if it receives a written request for a public hearing from any interested person, or the interested person's authorized representative, no later than 15 days prior to the close of the written comment period. A hearing may be requested by making such request in writing addressed to the individuals listed under "Contact Person" in this notice.

**WRITTEN COMMENT PERIOD**

Written comments relevant to the action proposed, including those sent by mail, facsimile, or e-mail to the addresses listed under "Contact Person" in this Notice, must be **received by the Bureau at its office no later than 5:00 pm on Tuesday, November 8, 2022**, or must be received by the Bureau at the hearing, should one be scheduled.

**AUTHORITY AND REFERENCE**

Pursuant to the authority vested by sections 11313, 11314, 11340, 11360, and 11361 of the Business and Professions Code (BPC) and to implement, interpret, or make specific BPC sections 11340, 11360, 11361, and 11424, the Bureau is considering amending sections 3500, 3543, and 3568 of, and adding section 3542 to, title 10 of the California Code of Regulations (CCR).

**INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW**

Existing federal law, Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (Public Law 101-73), established the Appraiser Foundation. The Appraiser Qualifications Board is an independent board of the

Appraiser Foundation and establishes the minimum education, experience, and examination requirements for appraisers to qualify for state licensure or certification.

Assembly Bill 948 (Holden) Chapter 352, Stats. 2021 (AB 948), prohibits a licensee from basing their appraisal of the market value of a property on the basis of race, color, religion, gender, gender expression, age, national origin, 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. It requires the Bureau to adopt regulations to require, beginning January 1, 2023, an applicant to complete at least one hour of instruction in cultural competency. It further enacts continuing education (CE) requirements in order to renew a license, beginning on or after January 1, 2023, at least two hours of elimination of bias training and at least one hour of instruction in cultural competency every four years. (It made additional changes not relevant here.)

Business and Professions Code sections 11314 and 11340 provide the Bureau broad rulemaking authority to establish the education requirements necessary for initial licensure. Sections 11360 and 11361 provide the Bureau with rulemaking authority to establish the CE requirements necessary for licensure renewal. The Bureau proposes to separate those different education requirements, which are currently in one section, for greater clarity and easier reading. In addition, the Bureau proposes to specify the new requirements for an applicant for licensure to receive education in cultural competency in order to better serve a diverse California. It also proposes to specify the new continuing education requirements for renewal of a license in cultural competency and training in the elimination of bias to better serve the diverse population in California and ensure more fair appraisals.

### **Anticipated Benefits of Proposal**

The proposal will implement AB 948 by specifying the requirements for instruction in cultural competency for applicants as a requirement of their basic education for licensure, and CE in cultural competency and training in the elimination of bias for licensees as a condition of renewal. This will allow applicants and licensees to understand their obligations and inform providers as to the minimum elements of the respective curriculums in order to create courses that will meet the requirements. By separating out the basic education requirements from the CE requirements, prospective and current licensees will be able to discern more easily which requirements apply to them. This regulatory proposal does not affect the health and welfare of California residents, worker safety, or the state's environment.

## **Consistency and Compatibility with Existing State Regulations**

During the process of developing this regulatory proposal, the Bureau has conducted a search of any similar regulations on these topics and has concluded that these regulations are neither inconsistent, nor incompatible with, existing state regulations.

## **DISCLOSURES REGARDING THIS PROPOSED ACTION**

The Bureau has made the following initial determinations:

### **FISCAL IMPACT ESTIMATES**

**Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:** The proposed regulations do not result in a fiscal impact to the state. The amendments clarify and specify basic educational and continuing education requirements, but do not increase workload or costs to the state. The regulations do not result in costs or savings in federal funding to the state.

**Nondiscretionary Costs/Savings to Local Agencies:** None

**Local Mandate:** None

**Cost to any Local Agency or School District for which Government Code Sections 17500 - 17630 Require Reimbursement:** None

### **RESULTS OF ECONOMIC IMPACT ASSESSMENT / ANALYSIS: BUSINESS IMPACT ESTIMATES**

#### **Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete**

The Bureau has made the initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. No business is required to develop new coursework.

#### **Impact on Jobs / Businesses**

The Bureau has determined that this regulatory proposal will not impact the creation of jobs or new businesses, the elimination of jobs or existing businesses, or the expansion of businesses in the State of California.

#### **Benefits of Regulation**

This regulatory proposal does not affect the health and welfare of California residents, worker safety, or the state's environment.

### **Business Reporting Requirements**

The regulatory action does not require businesses to file a report with the Bureau.

### **Effect on Small Business**

The Bureau has determined that the proposed regulations will not affect small businesses. While many licensees are small businesses, the amendments clarify and specify basic educational and continuing education requirements, but do not increase costs to small businesses in the state.

### **Cost Impact on Representative Private Person or Business**

The Bureau is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. The amendments clarify and specify basic educational and continuing education requirements, but do not increase costs to individuals in the state.

### **Significant Effect on Housing Costs: None**

## **CONSIDERATION OF ALTERNATIVES**

In accordance with Government Code section 11346.5, subdivision (a)(13), the Bureau must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed; as effective and less burdensome to affected private persons than the proposal described in this Notice; or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may submit comments to the Bureau in writing relevant to the above determinations at 3075 Prospect Park Drive, Suite 190, Rancho Cordova, CA 95670, or via e-mail to the Contact Person listed below.

## **AVAILABILITY OF STATEMENT OF REASONS AND RULEMAKING FILE**

The Bureau has compiled a record for this regulatory action, which includes the Initial Statement of Reasons (ISR), proposed regulatory text, and all the information on which this proposal is based. This material is contained in the rulemaking file and is available for public inspection upon request to the contact persons named in this notice.

## **TEXT OF PROPOSAL**

Copies of the exact language of the proposed regulations, and any document incorporated by reference, and of the initial statement of reasons, and all of the

information upon which the proposal is based, may be obtained upon request from the Bureau at 3075 Prospect Park Drive, Suite 190, Rancho Cordova, CA 95670.

### **AVAILABILITY OF CHANGED OR MODIFIED TEXT**

After considering all timely and relevant comments, the Bureau, upon its own review or at the request of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal, with the modifications clearly indicated, will be available for review and written comment for 15 days prior to its adoption from the person designated in this Notice as the Contact Person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

### **AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE**

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below.

You may obtain a copy of the Final Statement of Reasons once it has been prepared by making a written request to the Contact Person named below or by accessing the website listed below.

### **CONTACT PERSONS**

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Name: Loretta Dillon  
Address: Bureau of Real Estate Appraisers  
3075 Prospect Park Drive, Suite 190  
Rancho Cordova, CA 95670.  
Telephone No.: (916) 610-9879  
Email: [Loretta.Dillon@brea.ca.gov](mailto:Loretta.Dillon@brea.ca.gov)

The backup contact person is:

Name: Mary Ann Lopez  
Address: Bureau of Real Estate Appraisers  
3075 Prospect Park Drive, Suite 190

Telephone No.: Rancho Cordova, CA 95670.  
(916) 610-9891  
Email: [Maryann.Lopez@brea.ca.gov](mailto:Maryann.Lopez@brea.ca.gov)

**AVAILABILITY OF DOCUMENTS ON THE INTERNET**

Copies of this Notice of Proposed Actions, the Initial Statement of Reasons, and the text of the regulations, as well as the Final Statement of Reasons when completed and text modified from the original proposed text, if any, can be accessed through the Bureau's website at <https://www.brea.ca.gov/html/Rulemaking.html>.