

**DEPARTMENT OF CONSUMER AFFAIRS
TITLE 10. BUREAU OF REAL ESTATE APPRAISERS**

**PROPOSED REGULATORY LANGUAGE
License Requirements**

Legend:	Added text is indicated with an <u>underline</u> . Deleted text is indicated by strikeout . Omitted text is indicated by (* * * *)
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Amend Section 3541 of Article 3 and Section 3568 of Article 4 of Chapter 6.5 of Title 10 of the California Code of Regulations to read as follows:

§ 3541. Minimum Experience Requirements.

(a) To meet the minimum experience requirements, certified general applicants shall have a minimum of 3,000 hours of real property appraisal experience obtained cumulatively over a period of not less than 18 months. Of the 3,000 hours, certified general applicants must have a minimum of 1,500 hours of non-residential appraisal experience.

(b) To meet the minimum experience requirements, certified residential applicants shall have a minimum of 1,500 hours of real property appraisal experience obtained cumulatively over a period of not less than 12 months.

(c) To meet the minimum experience requirements, residential applicants shall have a minimum of 1,000 hours of real property appraisal experience obtained cumulatively over a period of not less than 6 months.

(d) A holder of a valid real estate broker license shall be deemed to have completed appraisal license application experience requirements upon substantiation that ~~he or she~~ the license holder has accumulated 1,000 hours of experience in the valuation of real property.

(1) Appraisers licensed pursuant to subsection (d) who have not provided the Bureau with substantiation of the minimum 1,000 hours of real property appraisal experience are not in compliance with minimum AQB licensing criteria. Accordingly, such appraisers do not hold a federally recognized credential, are not authorized to perform federally related real estate appraisal activity as defined in Business and Professions Code section 11302(~~it~~) and will not be reported to ASC for inclusion on the National Registry.

(e) The following are requirements for appraisal experience:

- (1) Only appraisals that conform to USPAP may be credited for purposes of meeting the minimum experience requirements; and
- (2) Only appraisals performed for a business purpose (e.g., loans, litigation, etc.) may be credited for purposes of meeting the minimum experience requirements, except for experience gained through case studies and practicum courses that are approved by the AQB Course Approval Program or the Bureau. ~~Experience gained through case studies and practicum courses may be credited for no more than 50 percent of the total minimum experience requirement.~~ Experience credit shall be granted for the actual classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

(f) Applicants who successfully complete a Practical Applications of Real Estate Appraisal (PAREA) program approved by the AQB shall receive the following experience credit:

- (1) After completion of an approved licensed residential PAREA program:
 - A. Licensed residential applicants will receive up to 100 percent of the required experience hours.
 - B. Certified residential applicants will receive up to 67 percent of the required experience hours.
 - C. Certified general applicants will receive up to 33 percent of the total experience, none of which is eligible towards the required non-residential hours.
- (2) After completion of an approved certified residential PAREA program:
 - A. Licensed residential applicants will receive up to 100 percent of the required experience hours.
 - B. Certified residential applicants will receive up to 100 percent of the required experience hours.
 - C. Certified general applicants will receive up to 50 percent of the required experience hours, none of which is eligible towards the required non-residential hours.

(3) For purposes of this section, the following terms are defined as:

- A. “Licensed residential” means a residential level license

B. “Certified residential” means a certified residential level license.

C. “Certified general” means a certified general level license.

~~(f)~~(g) Each applicant shall meet those requirements established by the AQB.

Note: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

§ 3568. Trainee Licenses and Supervising Appraiser Responsibilities.

(a) To obtain a Trainee License, an applicant shall satisfy the following minimum education requirements:

~~(1)~~ Education:

~~(A)~~ (1) Completion of basic education that covers the minimum number of hours and specific topics required by AQB for a ~~residential level~~ trainee license and meets the minimum requirements of Section 3542;

~~(B)~~ 15 hours of USPAP which consists of the 15-hour National USPAP Course or its equivalent; and

~~(C)~~ (2) Completion of a BREAA approved course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of supervising appraisers and trainee appraisers. The course is not eligible towards the qualifying education required to obtain the license; and

~~(D)~~ (3) All education shall be completed within the five-year period immediately preceding the date the application was received by the Bureau.

(b) To accrue acceptable experience for a Residential or Certified Residential License, trainee licensees shall:

(1) Acquire experience pursuant to Section 3541.

(2) Work under the direct technical supervision of an appraiser licensed at the certified level and in good standing; and

(3) Maintain an appraisal log in conformance with the requirements of Section 3563.

(c) Trainees shall maintain copies of appraisal reports which appear on the log; and

~~(d)~~ Trainees shall comply with the continuing education requirements of Section 3543.

~~(e)~~(d) The supervising appraiser shall:

(1) Personally inspect the property with the trainee until the trainee is competent to make unsupervised inspections in accordance with the Competency Rule of USPAP for the type of property being appraised;

(2) Review the trainee's appraisal report;

(3) Accept responsibility for the appraisal report by signing and certifying that the report is in compliance with USPAP;

(4) Review and initial each page of the trainee's Log of Appraisal Experience Form REA 3004 (Rev. 01/01/2023) and verify under penalty of perjury that the work was completed under the supervising appraiser's supervision; and

(5) Maintain records of the trainee's appraisals in accordance with USPAP;

~~(f)~~ Supervising appraisers shall:

~~(1)~~(6) Be licensed at the certified level for a minimum of three years with the Bureau prior to being eligible to become a supervising appraiser;

~~(2)~~(7) Be in good standing with the Bureau for a period of at least three years;

~~(3)~~(8) Not supervise more than three trainees at one time;

~~(4)~~(9) Not be subject to any disciplinary action within any jurisdiction within the last three years, that affects the supervisor's legal eligibility to engage in appraisal practice; and

~~(5)~~(10) Complete a BREAA approved course that, at a minimum, complies with the specifications for course content established by the AQB and that is specifically oriented to the requirements and responsibilities of supervising appraisers and trainee appraisers. The course shall be completed by the supervising appraiser prior to supervising trainee appraisers.

Note: Authority cited: Sections 11313, 11314, 11327 and 11340, Business and Professions Code. Reference: Section 11341, Business and Professions Code.