

Department of Consumer Affairs
TITLE 10. Investment
CHAPTER 6.5
BUREAU OF REAL ESTATE APPRAISERS

INITIAL STATEMENT OF REASONS

Hearing Date: No hearing has been scheduled.

Subject Matter of Proposed Regulations: Forms

Sections Affected: Amend Sections 3527, 3561, 3563, 3568, 3570, 3575, 3602, 3603, 3681, and 3726 of Chapter 6.5 of Title 10 of the California Code of Regulations (CCR)¹

Specific Purpose of Each Adoption, Amendment, or Repeal

1. Background and Statement of the Problem:

The Bureau of Real Estate Appraisers (Bureau) licenses, regulates, and disciplines real estate appraisers and trainees, and registers, regulates, and disciplines appraisal management companies (AMC). As part of these functions, the Bureau requires that applicants, licensees, and registrants use its forms, which are incorporated by reference in its regulations. Laws and processes have changed, requiring the Bureau to make changes to some required forms. The Bureau proposes changes to some of these forms to add questions to conform to existing Bureau regulations, remove unnecessary questions, and simplify questions. The Bureau also proposes to create a complaint form to make complaints uniform and comply with recent legislation. Finally, the Bureau proposes to update the regulations that incorporate these forms by reference with the new proposed revision dates of these forms and make other non-substantive amendments.

The Bureau was created within Part 3 of Division 4 of the Business and Professions Code (BPC)² and is under the supervision and control of the Department of Consumer Affairs. Business and Professions Code sections 11313 and 11345 authorize the adoption of regulations reasonably necessary to carry out the purposes of this part. The duty of enforcing and administering the laws, including adopting regulations necessary for carrying out the purposes of the part, are vested in the Bureau Chief.

The proposal implements Assembly Bill (AB) 948 (Holden) Chapter 352, Stats. 2021 by formalizing the Bureau's complaint form and requesting certain information regarding the complainant, which helps to standardize complaints submitted to the Bureau

¹ All CCR references are to Title 10 unless otherwise noted.

² All statutory references or references to the Code are to the Business and Professions Code unless otherwise noted.

regarding its licensees in order to better track the types of complaints that the Bureau receives to report to the Legislature.

This proposal:

- Amends section 3527 to amend and update the revision date of Appraisal Management Company Change Notification and Miscellaneous Requests Form REA 5011, and adds BPC section 11345 to the Reference section of the Note.
- Amends section 3561 to delete gender pronouns and refer generally to “the applicant,” make grammatical changes, names the forms for consistency, amends and updates the revision date of Initial License Application Form REA 3001, and makes changes to the Authority and Reference sections of the Note.
- Amends section 3563 to amend and update the revision date of Log of Appraisal Experience Form REA 3004 and makes minor grammatical changes.
- Amends section 3568 to delete a reference to a regulatory section that no longer exists, delete gender pronouns, amend and update the revision date of Log of Appraisal Experience Form REA 3004, make minor grammatical and formatting changes, and make changes to the Authority and Reference sections of the Note.
- Amends section 3570 to refer to forms that might also be submitted with the Initial License Application form, update the revision date of Log of Appraisal Experience Form REA 3004, make minor grammatical changes, and make changes to the Authority and Reference sections of the Note.
- Amends section 3575 to update the revision date to Appraisal Management Company Certificate of Registration Application Form REA 5001, make minor grammatical changes, and make changes to the Authority and Reference sections of the Note.
- Amends section 3602 to make minor grammatical changes to delete gender pronouns, update the revision date of Log of Appraisal Experience Form REA 3004, and make changes to the Authority and Reference sections of the Note.
- Amends section 3603 to delete gender pronouns, update the revision date of Log of Appraisal Experience Form REA 3004, make minor formatting changes, and make changes to the Authority and Reference sections of the Note.
- Amends section 3681 to make minor grammatical changes, amend and update the revision date of Appraisal Management Company Renewal

Application Form REA 5012, and make changes to the Authority and Reference sections of the Note.

- Amends section 3726 to add a new Complaint Form, REA 4001, incorporate it by reference, make minor grammatical changes, and make changes to the Authority and Reference sections of the Note.

2. Anticipated Benefits from this Regulatory Action:

These proposals will be beneficial in that they will make general grammatical changes to improve the readability of the Bureau's regulations, update several of the most used forms to assist applicants and licensees in providing required information to the Bureau to achieve their goals, and add a new form related to the Bureau's disciplinary process to standardize information and allow the collection of information that the Bureau will be required to report to the Legislature. Greater consumer protection will result from a standardized complaint form that asks about possible bias. Correcting the authority and reference sections will help applicants, licensees, and consumers to understand the underlying statutes.

3. Specific Purpose of and Rationale for the Proposed Changes:

Section 3527, Personal Information or Contact Change

Specifically:

Section 3527, subdivision (b)

- Strikes the revision date of "04/01/20" for Appraisal Management Company Change Notification and Miscellaneous Requests Form REA 5011 (REA 5011) and replaces it with "01/01/2023" in two places in subdivision (b); and
- Revises Appraisal Management Company Change Notification and Miscellaneous Requests Form REA 5011.

Purpose:

The amendments reflect that the Bureau is revising REA 5011 to:

- Update the address of the Bureau in the header and instructions on page 1 and on page 6 of the form;

- Strike “Certificate of Good Standing \$15” in Part II, and replace it with “Letter of License History \$40” on page 1;
- Add an item 6, “Type of AMC,” with check boxes that allow the AMC to choose either “Single State with a panel of more than 15 appraisers” or “Multi-state with a panel of 25 or more appraisers in two or more states” on page 1;
- Strike the certification on page 4 regarding abiding by certain named legal requirements;
- Add on page 4, “If the applicant is not a person or entity domiciled in this state, (the name and contact number of a person or entity) is acting as agent of service of process in this state and irrevocably consents to service of process in favor of the Bureau”;
- Amend various items under “Privacy Information” on page 6;
- Add the Employment Development Department and California Department of Tax and Fee Administration in the final paragraph in the Instructions accompanying the application on page 6; and
- Change the revision date of the form in the footer.

Rationale:

- The form updates the Bureau’s address in three places to reflect its new address in Rancho Cordova to reduce confusion and provide accurate information for the Bureau. This is a change without regulatory effect.
- The Bureau replaces “Certificate of Good Standing” with “Letter of License History” because a letter of license history more accurately reflects what the Bureau provides upon request, rather than a certificate of good standing, as it is simply a statement of fact as opposed to a qualitative statement. The fee for the letter of license history is set forth in CCR section 3582(b)(8) as \$40.
- The Bureau is adding item 6 for Type of AMC to allow an AMC to indicate whether it is a single or multi-state AMC, informing the Bureau as to how the entity meets the definition of AMC under BPC section 11302(d)(1).
- The Bureau is deleting the second part of the certification as unnecessary and duplicative because the certification statement already requires compliance with all California laws, which include BPC section 11345.3. In addition, it is subsumed within the previous paragraph, which declares that the signatory will abide by all federal and California laws for AMCs.

- The Bureau adds the sentence beginning with “If the applicant is not...” above the signature because section 11345(c) of the Code requires an application for a certificate of registration to provide the name and contact number of a person or entity acting as agent for service of process in this state, along with an irrevocable consent to service of process in favor of the office.
- In the final paragraph labeled “Privacy Information,” the Bureau proposes to: (1) delete the “s” from “authorizes” so that the subject of the sentence agrees with the verb; (2) delete the citation to “Chapter 1361, Section 1,” as unnecessary because the citation to BPC section 30 is sufficient, and add section 31, since the forms that collect that information implement both sections; (3) add an “s” to “section” and delete the “s” from “requires” for grammatical correctness; (4) replace “his or her” with “the registrant’s” as a purely grammatical, gender-neutralizing change implementing Assembly Concurrent Resolution No. 260 of 2018 (Low, Chapter 190, Statutes of 2018) (ACR 260); (5) replace the reference to the “Department of Business Oversight” with “Department of Financial Protection and Innovation” to reflect the new name of that department under Financial Code section 321(b); (6) add “Employment Development Department (EDD) and California Department of Tax and Fee Administration (CDTFA),” agencies which with the Bureau shares information pursuant to BCP sections 30 and 31; (7) update “Bureau” of Real Estate to read “Department” of Real Estate; and (8) add the notice regarding the purpose for which the SSN is used by the Employment Development Department. This satisfies the requirements of the Information Practices Act (Civil Code 1798 *et seq.*) and are changes without regulatory effect.
- The Bureau amends the footer on the form to reflect the revision date January 1, 2023.

Section 3527, subdivision (c)

Adds commas after “licensee’s” and “name” for grammatical correctness, enhancing readability and clarity.

Note

- The amendment adds BPC section 11345 to the Reference section to reflect the addition of the requirement to the form to provide the name and contact number of a person or entity acting as agent for service of process in this state, along with an irrevocable consent to service of process in favor of the office.

Section 3561, Application for Licensing

Specifically:

Section 3561, subdivision (a)

- Adds a hyphen between “one” and “year” in two places.
- Strikes “he or she” and replaces the terms with “the applicant.”

Purpose:

These amendments correct a grammatical error and make the language of the regulation gender neutral.

Rationale:

Making the language of the regulation gender neutral implements the policy goal stated ACR 260, as described above. Grammatical correctness enhances readability and clarity.

Section 3561, subdivision (c)

- Adds “and applicable related forms” after “REA 3001 (Rev. 01/01/2021);”
- Strikes the comma after “(Rev. 01/01/2021)” adds “REA” before “3002” and “3004”;
- Strikes “04/01/2020” and replaces it with “01/01/2023”;
- Strikes “herein” after “incorporated” and moves it to before “incorporated”;
- and
- Revises Log of Appraisal Experience Form REA 3004.

Purpose:

The amendments add clarifying language to the regulation, clarify the purpose of the forms identified after REA 3001, insert a missing form designation before “3002” and “3004,” make the regulation consistent with other regulations, and revise Log of Appraisal Experience Form REA 3004.

Rationale:

The amendments are necessary because the Initial License Application is designated as REA 3001. Presently, the language suggests that the forms identified after REA 3001 are the Initial Licensing Application. Moving the phrase “and applicable related forms” clarifies that REA 3001 is the Initial License Application and the forms following REA 3001 are related to it (related to the education and experience required for licensure).

The Bureau inserts “REA” before 3002 and 3004 to clarify that 3002 and 3004 refer to forms REA 3002 and REA 3004, since all the Bureau’s forms are titled “REA” followed by the applicable number of the form.

The Bureau must amend the revision date of REA 3004, the Log of Appraisal Experience, to reflect changes to that form since it is required as part of the application for licensure. The Bureau moves “herein” in section 3561 (c) to be consistent with other regulations.

Note

- Moves the citation to BPC section 114.5 from Authority to Reference since Form REA 3001, which is incorporated by reference in this regulation, implements that section of the BPC.
- Adds BPC section 31 to Reference since this section implements this section,
- Adds BPC section 115.5 to Reference since Form REA 3001 also implements this section of the BPC,
- Adds BPC section 494.5 to Reference since this section implements this section,
and
- Deletes the citations to BPC section 11344 and Health and Safety Code sections 11361.5 and 11361.7 as unnecessary.

Changes to the Note are without regulatory effect yet aid the reader in understanding.

Form 3004. REA 3004, Log of Appraisal Experience, is revised as follows:

- *Deletion of first page*

The Bureau recently promulgated a regulation to simplify the licensure process by eliminating categories of experience and reducing the hours necessary to qualify for licensure. (§ 3541, operative 4-1-2020.) The Bureau now proposes to modify its licensing form to integrate these changes and include some others. Accordingly, the Bureau proposes to delete the first page of the form and replace it with a similar but updated form, which will become the first page.

The Appraiser Qualification Board (AQB) is an independent board of the Appraiser Foundation. Under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (Public Law 101-73), AQB establishes the minimum education, experience, and examination requirements for appraisers to qualify for state licensure or certification, which is published as the Real Property Appraiser Qualification Criteria (effective January 1, 2022) (RPAQC 2022 or Criteria). Pursuant to section 11314 of the Code, requirements for each level of

licensure shall, at a minimum, meet the criteria established by the AQB. To accomplish this, this new first page asks the applicant to fill out seven columns of information for each appraisal.

The AQB Criteria provide:

The verification for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency, which shall include:

1. Type of property;
2. Date of report;
3. Address of appraised property;
4. Description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
5. Number of actual work hours by the trainee/applicant on the assignment; and
6. The signature and state certification number of the supervising appraiser, if applicable. Separate appraisal logs shall be maintained for each supervising appraiser, if applicable. (RPAQC 2022, p. 15.)

Therefore, the Bureau proposes to incorporate each of these questions and requirements on the new form. One criterion (#4, description of work performed and scope of supervisor's review) from the Criteria above is actually broken out into two "columns." Additionally, the "column" for "description of work performed," is further broken down to list the appraisal tasks the applicant and their supervisor completed. Below is each category of information requested on new page 1.

- *Date of Report*

The Bureau asked this question on the current form and it will remain on the new form. It is necessary to identify the date of the report to ensure it complies with the AQB, which sets the federal minimum standards for licensing appraisers. Pursuant to the AQB: All experience must be obtained after January 30, 1989, (RPAQC 2022, p. 15) and must be Uniform Standards of Professional Appraisal Standards (USPAP) compliant. Therefore, the date is critical to obtain to ensure that it is after January 30, 1989.

- *Property Address (Include full address)*

The Bureau asked this question on the current form and it will remain on the new form. It is necessary for the Bureau to identify the property when selecting work samples to evaluate for USPAP compliance. The Bureau selects five work samples identified by the property address and date of report to examine when evaluating the applicant's qualifications for licensure.

- *Type of Property*

The Bureau asked this question on the current form and it will remain on the new form. Applicants are licensed at four different levels, depending in part on their experience in performing appraisals, and whether the type of property is residential or non-residential (such as commercial, industrial, or retail). It is necessary to determine if experience is valid for the license level the applicant is seeking. For example, if the applicant is seeking a certified general license there must be at least 1,500 hours of non-residential experience.

- *Scope of Supervising Appraiser's Review*

The Bureau asked this question on the current form and it will remain on the new form. The supervisor describes their steps of verification and analysis of the applicant's work. It is necessary to meet AQB's requirements identified above.

- *Supervisor (S) and Applicant (A) Tasks*

This is a new set of "columns" to improve the current form that asks for a "Description of Work Performed by Applicant," which is required by RPAQC 2022 to be on the form, as set out above. Applicants struggle to complete the "Description of Work" section on the current form because the prompt is too open-ended. This causes some applicants to provide insufficient information or excessive detail where there is insufficient space on the form. This makes it difficult to evaluate and approve experience creating deficiencies that slow down application processing time and burden staff who process the applications. Accordingly, the Bureau's amended form identifies eight specific tasks an appraiser completes when developing an appraisal report. These eight tasks are the primary elements of an appraisal that are required by USPAP to be addressed in a report either specifically indicating whether it was done (i.e., did/did not inspect), or by action (i.e., completion of an analysis) or explanation of an omission (e.g., "the income analysis was not performed because ..."). This breakdown of the description of work will make it easier for applicants as they will only need to check a box to confirm what tasks were addressed for each appraisal, rather than write a description of the work performed but omitting some tasks and having the description be incomplete, slowing down processing of their application. This will allow the Bureau to know what tasks were performed to determine if the hours claimed are appropriate.

- *Applicant Hours*

The current form asks for "Number of Hours." Because the new form identifies greater detail in the task columns requiring the Supervisor (*S*) and Applicant (*A*) to check what tasks were worked on by each individual, the new form clarifies whose number of hours should be included by indicating "Applicant Hours." This is because the RPAQC 2022 requires the form to include the number of actual work hours spent by the trainee/applicant on the assignment so that the minimum number of hours required to

qualify for licensure can be verified. The current form is vague as to whose hours should be captured, and with the inclusion of supervisor tasks causing greater confusion, BREA added applicant to the title to ensure that only applicant hours are captured/identified.

- *Supervising Appraiser Initials and Date*

The Bureau asked this question on the current form and it will remain on the new form. It is necessary to ensure the supervising appraiser acknowledges the accuracy of the applicant's answers, especially regarding the tasks completed and hours earned because the applicant's experience is an important, statutorily required, measure of their qualifications for licensure.

- *Client and Intended User*

Section 11314 of the Code requires an applicant to meet the Criteria at a minimum. In addition, section 3541(e)(2) of the Bureau's regulations provides:

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.

The Bureau proposes to include this category on the new form to determine if the appraisal was used for a business purpose or if the experience was gained through case studies or practicum courses to verify that it qualifies for hours toward licensure. The current version of the form asks for identification of the "intended user" and the Bureau proposes to add "client" to determine who maintains a copy of the appraisal report if the Bureau needs it as a work sample, since there are times when the Bureau must verify whether, in evaluating an applicant's credentials, the report provided to the Bureau has been modified from its original.

Items on page one of the REA 3004 form that are being deleted are:

- "Category of Experience." Effective May 1, 2018, the AQB changed the minimum experience requirements. BREA submitted a regulation package to comply with the new experience requirements which became effective April 1, 2020. BREA removed California's additional requirements described in section 3542 (retired) thereby eliminating the categories of experience.
- "Complex Assignment." Complex assignment was removed because it was undefined and created a lack of uniformity and confusion amongst our applicants. The form instruction did not address complexity.

- “Description of Work Performed by Applicant.” This column was removed and replaced with the specific items identified in the columns to the right of the page.
- “Scope of Supervising Appraiser’s Supervision (Level of Supervision).” This column was removed and replaced with the row labeled “S” under each of the eight specific tasks identified in the columns to the right of the page.

- *Page Three – DIRECTIONS*

The Bureau updates the revised date at the beginning of the directions.

The Bureau deletes the Category of Experience section in the left column. This information is no longer relevant because former section 3542 of the Bureau’s regulations which included these categories was repealed in 2020 in a package unrelated to this one.

The Bureau inserts this instruction:

DATE OF REPORT - The date the appraisal report was completed/signed. The span of log(s) must total at least the minimum required for the licensing level sought (18 months for AG, 12 months for AR, and 6 months for AL) but need not involve consecutive months.

The Bureau asks for the date the appraisal report was completed/signed as required by the Criteria and states the law regarding how the experience must be earned over a period of months depending on the license level requested to ensure that the applicant is aware of the provisions contained in section 3541 of the regulations.

The Bureau deletes the Complex Assignment section because whether the assignment was complex is not relevant as a qualification for licensure and that section was deleted from the form itself.

The Bureau includes an instruction on this question:

CLIENT AND OTHER INTENDED USERS – The name of the client and any other intended users (if identified in the report by name).

The Bureau added “Client” because Intended Users is comprised of two types of users:

1. The “Client”. The Client is always an intended user.
2. “Other Intended Users”. These are non-Clients who are named as intended users by the appraiser.

This form change to “Client and other Intended Users” more clearly communicates to an applicant what Intended Users are and what information is being requested by BREA. An appraiser can identify Intended users by type instead of by name in an appraisal report; therefore, Intended User(s) must be identified by name when requested by a Client, so that BREA can determine if the experience is valid by determining if the report

was for a business purpose as per section 3541(e)(1) of the regulations. Depending on the purpose for the appraisal, there can be many intended users, such as the clients, investors, estate executors, AMCs, investment companies, lenders, family members, etc.

The Bureau deletes the “Description of Work Performed by Applicant” paragraph because the new form now breaks down the tasks that are performed as part of an appraisal to help the applicant know what information to provide. The instructions tell the applicant how to complete the checkboxes in this way:

Checkboxes 1-8 - This section describes the work performed by the applicant and, if applicable, the scope of the supervising appraiser’s direction, control, or management of the applicant. The applicant must check the applicable box(es) to describe their work performed in the row labeled “A”. The supervising appraiser must check the applicable box(es) to describe their level of supervision performed in the row labeled “S”. The level of supervision is not the same as the scope of supervising appraiser’s review. For example, if the supervising appraiser supervised the applicant during the on-site physical inspection, both applicant and supervising appraiser would check the box for On-Site Physical Inspection. Alternatively, if the supervising appraiser did not complete the sales comparison analysis with the applicant but only reviewed the applicant’s analysis, the applicant would check the box for Sales Comparison Analysis and the supervising appraiser would not.

The Bureau instructs the applicant and supervisor how to complete checkboxes 1-8 to indicate what work the applicant completed and what work the supervisor supervised. The checkboxes for each task that is part of an appraisal replace the description of work for the reasons set out above.

The Bureau proposes to delete the “Scope of Supervising Appraiser’s Supervision” paragraph because the instructions for the checkboxes cover the information as described above.

The Bureau proposes to delete the “Date of Report” sentence from its current location because the Bureau has revised it as set out above and relocated it closer to the top of the page in the instructions.

The Bureau proposes to delete the “Intended User” sentence because the instructions now refer to the updated column on the form called “Client and Intended User” as described above.

The Bureau proposes to remove the word “NUMBER OF” because the Bureau now requests “APPLICANT HOURS.” The Bureau has re-worded the directions for clarity.

The Bureau is keeping the lower right total hour count as it currently is.

In the final paragraph, “Privacy Information,” the Bureau proposes to: (1) delete the “s” from “authorizes” for grammatical correctness, (2) delete the citation to “Chapter 1361, Section 1,” as unnecessary because the citation to BPC section 30 is sufficient, and add in section 31 because the form also implements that section, (3) add an “s” to “Section” as the paragraph now refers to two Sections, (4) delete the “s” from “requires” for grammatical correctness, (5) replace “his or her” with “the licensee’s” as a grammatical, gender-neutralizing change under ACR 260, (6) replace the reference to the Department of Business Oversight with a reference to the Department of Financial Protection and Innovation to reflect the new name of that department under Financial Code section 321(b), (7) update the Bureau of Real Estate as the Department of Real Estate, (8) add Employment Development Department, and California Department of Tax and Fee Administration because the Bureau also may provide information to those departments pursuant to BCP sections 30 and 31, and (9) add the advisement regarding what uses may be made of the SSN by other departments and the warning in section 31 that the license may be suspended if tax obligations are not paid. This satisfies the requirements of the Information Practices Act (Civil Code 1798 *et seq.*) and are changes without regulatory effect.

Amend Section 3563, Evidence of Experience Qualifications

Specifically:

Section 3563, subdivisions (b)(1) and (b)(2)

- Strike the revision date of “04/01/20” for Log of Appraisal Experience Form REA 3004 and replace it with “01/01/2023” in subdivisions (b)(1) and (b)(2) to reflect the amendments made and described above in section 3561.
- Strike “herein” after “incorporated” and moves it to before “incorporated.”
- Amend “appraisals” to read “appraisal reports” in two places.
- Add the following sentence to subdivision (b)(2): “All samples submitted to the Bureau must be exact copies of the appraisal report(s) as provided to the client.”
- Delete “, a true and correct copy of each sample submitted” from subdivision (b)(2).

Purpose:

The purpose of the amendments is to make the regulation consistent with other regulations and reflect that the Bureau has amended Log of Appraisal Experience Form REA 3004 in the respects described above in section 3561. Amending “appraisals” to

read “appraisal reports” in two places is consistent with the use of “report” in Form 3004. Adding a new third sentence in (b)(2) clarifies that the samples that applicants are required to submit must be exact copies of the reports delivered to clients.

Rationale:

These amendments are necessary to reflect the correct revision date of Log of Appraisal Experience Form REA 3004, and to make the regulation consistent with other regulations that place the term “herein” before “incorporated.” In addition, referring to “appraisal reports” instead of simply “appraisals” in subdivision (b)(2) makes the language consistent with that in Form REA 3004. While the terms are usually used interchangeably, using a single term consistently improves clarity and reduces confusion. Lastly, the current language is confusing in that it combines two thoughts – providing correct copies of the samples that were actually provided to clients and the process for the return of those samples. Separating out these ideas clarifies the Bureau’s requirements and improves readability.

Amend Section 3568, Trainee Licensees and Supervising Appraiser Responsibilities

Specifically:

Section 3568, subdivision (a)

- Adds “an” before “applicants” and strike “s” from “applicants.”
- Deletes “and” at the end of (a)(1)(A) and the period at the end of (a)(1)(B) and adds “; and” at the end of (a)(1)(B).

Purpose:

These amendments make the sentence grammatically correct.

Rationale:

The amendments are necessary to make the singular “Trainee Licensee” agree with a singular “applicant” for grammatical correctness and moving the “and” is necessary because there are multiple forms being referenced.

Section 3568, subdivision (b)(1)

- Strikes subdivision (b)(1) in its entirety as a requirement for acceptable experience.

Purpose:

Deleting subdivision (b)(1) removes the now inoperative regulatory section 3542.

Rationale:

Section 3542 was repealed, operative April 1, 2020, in an unrelated rulemaking.

Section 3568, subdivision (b)(2)

- Subdivision (b)(2) is being re-numbered as subdivision (b)(1) based on the deletion of subdivision (b)(1). Re-numbering is a change without regulatory effect.

Section 3568, subdivision (b)(3)

- Subdivision (b)(3) is being re-numbered as subdivision (b)(2) based on the deletion of subdivision (b)(1). Re-numbering is a change without regulatory effect.

Section 3568, subdivision (e)(4)

- Amends the revision date of Log of Appraisal Experience Form REA 3004 to reflect its amended date of 01/01/23 as a result of the amendment to section 3561(c).
- Strikes “his/her” and replaces it with “the supervising appraiser’s” to make the subdivision gender neutral in accordance with ACR 260.

Section 3568, subdivisions (f)(1)-(f)(5)

- Capitalize the first letter of subdivisions (f)(1) through (f)(5) for consistency with other Bureau regulations. This is a change without regulatory effect.

Note

- Adds BPC section 11327 to the Authority section of the Note because this statute authorizes the adoption of regulations governing the process and procedure of applying for a trainee license.

Amend Section 3570, Time Limits for Processing Applications

Specifically:

Section 3570, subdivision (a)

- Strikes the “s” after “Forms”;
- Strikes the comma after “(Rev. 01/01/2021)”;
- Adds “and applicable related forms” after “REA 3001 (Rev. 01/01/2021)”;
- Adds “REA” before “3002”;
- Strikes “and” after “(Rev. 04/01/2020)”;
- Strikes the comma after “3004”;
- Strikes “04/01/2020” and replaces it with “01/01/2023” after the revision date for REA 3004; and
- Capitalizes the first letter of subdivisions (a)(1) and (a)(2) for consistency with other Bureau regulations.

Purpose:

These amendments make the regulation grammatically correct, clarify which forms are related to the Initial License Application, reflect the updated revision date of Log of Appraisal Experience Form REA 3004, and make the language consistent with the Bureau’s other regulatory provisions.

Rationale:

These amendments are necessary so that the subdivision correctly identifies the forms in the subdivision, the subdivision is grammatically correct, and the subdivision reflects the correct revision date of Log of Appraisal Experience Form REA 3004.

Section 3570, subdivision (b)

- These amendments add commas after “Issuance,” “Application,” and “3012” so the form titles are read together with their form numbers and revision dates and are consistent with other regulations, which do not contain commas between the form titles and numbers.

Section 3570, subdivision (f)

- Strikes “S” and replace it with “s” for the word “Section” for consistency with other regulations.

Note

- The Bureau deletes BPC section 114.5 from the Authority section of the note because the statute does not authorize the adoption of regulations. The Bureau adds BPC sections 114.5, 115.5, and 494.5 to the Reference citation list because this regulation makes those statutes specific. The Bureau deletes citations to Health and Safety Code sections 11361.5 and 11361.7 because the regulation does not implement those statutes.

Amend Section 3575, Appraisal Management Company Certificate of Registration Application

Specifically:

Section 3575, subdivision (c)

- Strikes “f” and replaces it with “F” for the word “Form”;
- Strikes the revision date of “04/01/2020” of Appraisal Management Company Certificate of Registration Application Form REA 5001 and replaces it with “01/01/2023”; and
- Revises Appraisal Management Company Certificate of Registration Application Form REA 5001.

Purpose:

The amendment makes the regulation’s capitalization consistent with other regulations and reflects that the Bureau is revising Appraisal Management Company Certificate of Registration Application Form REA 5001.

Rationale:

The Bureau capitalizes “F” in form for consistency with the Bureau’s other regulations.

Section 3575, subdivision (d)

- Strikes “f” and replace it with “F” for the word “form,” and adds a comma before “which.”

Purpose:

The purpose of the amendment is to make the grammar in the subdivision consistent with other regulations.

Rationale:

The Bureau capitalizes “F” in “Form” because other regulations capitalize this term, and adds a comma so the subdivision is consistent with other regulations.

Note

- The Bureau adds BPC sections 11313 and 11345 to the Authority section in the Note because BPC section 11313 authorizes the Bureau to adopt regulations generally and BPC section 11345 directs the Bureau to adopt regulations with respect to Appraisal Management Companies. Sections 31 and 494.5 of the Business and Professions Code and Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (Public Law 101-73) are added to the References because the regulation implements those statutes. The Bureau deletes Health and Safety Code sections 11361.5 and 11361.7 from the References because the regulation does not implement those statutes.

Form 5001. The Bureau revises REA 5001, Appraisal Management Company Certificate of Registration Application, in the following respects:

- Federal Employer Identification Number (FEIN). The Bureau adds this list item to Part IA. as item 5. The Bureau is adding this item to comply with BPC section 30(a)(1), which mandates that boards (including bureaus, per BPC section 22) require partnership applicants to provide their FEIN, as it was inadvertently omitted originally.
- AMC Type. The Bureau is adding this list item to Part IC. as item 3, with check boxes for the applicant to indicate whether it is a single state AMC with a panel of more than 15 appraisers, or a multi-state AMC with a panel of 25 or more appraisers in two or more states. The definition of AMC is set forth in BPC section 11302(d). One of the requirements to be an AMC is overseeing an appraiser panel of more than 15 state-certified or state-licensed appraisers in a state or 25 or more state-certified or state-licensed appraisers in two or more states. (§ 11302(d)(1)(C).) The Bureau is adding this item to know how the AMC proposes to qualify for the registration. Further, this information is necessary when adding the AMC to the AMC National Registry. Title XI of FIRREA requires the states to provide certain information to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, which maintains this Registry.
- Question regarding AMC federal regulation. The Bureau is adding this question to Part IC. as item 4. The question asks whether the AMC is federally regulated. Section 11302(r) of the Code defines the term “federally regulated appraisal management company” as an appraisal management company that is owned and controlled by an insured depository institution, as defined in Section

1813 of Title 12 of the United States Code and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation. The Bureau is adding this item to know whether the AMC is a federally regulated AMC, as defined. This information is necessary when adding the AMC to the AMC National Registry.³

- Ownership history question. The Bureau is adding a question to Part II as item 3, asking whether the AMC is, in whole or in part, directly or indirectly, owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state. Section 3577(j) of the Bureau's regulations prohibits registering an AMC that is, in whole or in part, directly or indirectly, owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause. By asking simply for the information regarding refusal, denial, cancellation, surrender, or revocation of a license in another state, the Bureau can then investigate as necessary to determine whether such action was for a substantive cause.
- Question regarding discipline of certificate of registration. The Bureau is amending the question in Part III by adding “, other than by the California Bureau of Real Estate Appraisers.” The Bureau is amending this question because it can track discipline it has imposed against an AMC, but it cannot do so where the discipline has occurred by another agency within or outside the state. Therefore, the Bureau needs the AMC to report any such discipline occurring in any state so that it is aware of other states' and/or other agencies' actions against the AMC renewing its license.
- Deletion of certification. The Bureau is deleting the second part of the certification under Part IV as unnecessary because all AMCs must comply with all Bureau laws, including BPC section 11345.3. In addition, it is subsumed within the previous paragraph which declares that the signatory will abide by all federal and California laws for AMCs.
- Question regarding agent of service. The Bureau adds a sentence to Part IV requiring applicants domiciled outside of California to designate an agent of service of process because section 11345(c) of the Code requires an application for a certificate of registration to include the name and contact number of a person or entity acting as agent for service of process in this state, along with an irrevocable consent to service of process in favor of the office.

³ See BPC section 11345.8, which requires a federally regulated AMC operating in the state to “report to the bureau the information the bureau is required to submit to the Appraisal Subcommittee, pursuant to the Appraisal Subcommittee's policies regarding the determination of the Appraisal Management Company Registry fee.”

- Instructions. Under Part V (“Instructions”), the Bureau adds instructions regarding how to complete item 5 in Part IA. (“Employer Identification Number”), item 3 in Part 1.C. (“AMC TYPE”), and item 4 in Part IC (“Federally Regulated”). Under C.
- Instructions Part III, Registration Details, “other than by this bureau” is added, for the reasons discussed above. These instructions are necessary, so the applicant understands how to complete the questions on the form. The Bureau aligns the instructions for Part III with the amendment to the question on the form.
- Privacy Information. The Bureau proposes to: (1) delete the “s” from “authorizes” for grammatical correctness, (2) delete the citation to “Chapter 1361, Section 1,” as unnecessary because the citation to BPC section 30 is sufficient, and add section 31 as this form implements that section as well, (3) replace “his or her” with “the licensee’s” as a purely grammatical, gender-neutralizing change under ACR 260, (3) replace the reference to the Department of Business Oversight with a reference to the Department of Financial Protection and Innovation to reflect the new name of that department, (4) update the Bureau of Real Estate to be the Department of Real Estate, (5) include “the Employment Development Department and California Department of Tax and Fee Administration (CDTFA),” with which the Bureau may also share information pursuant to BCP sections 30 and 31, (6) add that the CDTFA and Franchise Tax Board (FTB) may share taxpayer information with the Bureau pursuant to BPC sections 31 and 494.5, and (7) add the advisement regarding what uses may be made of the FEIN/SSN by other departments and the warning in BPC section 31 that the license may be suspended or the application denied if tax obligations are not paid. This satisfies the requirements of the Information Practices Act (Civil Code 1798 *et seq.*) and are changes without regulatory effect.

Amend Section 3602, Change in the Status of License

Specifically:

Section 3602, subdivision (a)(1)

- Strikes “his/her” and replaces it with “their.”
- Capitalizes “form,” capitalize “r” for “rev.”
- Strikes the revision date of “04/01/2020” for Log of Appraisal Experience Form REA 3004 and replace it with “01/01/2023.”

Purpose:

The amendments make the subdivision gender neutral and consistent with other regulations and reflect the updated revision date of Log of Appraisal Experience Form REA 3004.

Rationale:

These amendments are necessary so the subdivision is gender neutral in accordance with ACR 260, to create consistency with other regulations, and to reflect that the Bureau amended Log of Appraisal Experience Form REA 3004.

Note

- The Bureau deletes BPC section 114.5 from the Authority section of the note because the statute does not authorize the adoption of regulations. The Bureau adds BPC sections 114.5, 115.5 and 494.5 to the Reference section because this regulation implements or makes those statutes specific. The Bureau deletes the Health and Safety Code reference because this regulation does not implement or make those statutes specific.

Amend Section 3603, Converting a Trainee License to a Full License or Higher Classification

Specifically:

Section 3603, subdivision (a)

- Capitalizes “form,” capitalizes “r,” and strikes the revision date of “04/01/2020” for Log of Appraisal Experience Form REA 3004 and replaces it with “01/01/2023.”

Purpose:

The amendment makes the subdivision consistent with other regulations, and reflects the updated revision date of Log of Appraisal Experience Form REA 3004.

Rationale:

The amendments are necessary for consistency with other regulations and to reflect that the Bureau amended Log of Appraisal Experience Form REA 3004.

Section 3603, subdivision (d)

- Replaces “1” and “3” with “a” and “c,” respectively, and replaces “he or she” with “the applicant.”

Purpose:

The amendments correct erroneous cross-references and make the subdivision gender-neutral in accordance with ACR 260.

Rationale:

The amendments are necessary because the regulation erroneously cross-references non-existent subdivisions (1) and (3), and so the subdivision is gender neutral in accordance with ACR 260.

Note

- The Bureau deletes BPC section 114.5 from the Authority section of the note because the statute does not authorize the adoption of regulations. The Bureau adds BPC sections 114.5, 115.5 and 494.5 to the Reference section because this regulation implements or makes those statutes specific. References to the Health and Safety Code are deleted as not relevant.

Amend Section 3681, Renewal Application

Specifically:

Section 3681, subdivision (a)(4)

- Strikes a comma and “License Renewal Application” and places it in front of “Form.”

Purpose:

The amendment makes the subdivision consistent with other regulations.

Rationale:

The amendment is necessary because the titles of forms in the regulation precede “Form” and the form number. This amendment will make this subdivision consistent with other regulations.

Section 3681, subdivision (b)

- Capitalizes the word “article.”

Purpose:

The amendment makes the subdivision consistent with other Bureau regulations.

Rationale:

The amendment is necessary because other Bureau regulations capitalize “article.” This amendment will make this subdivision consistent with other regulations.

Section 3681, subdivision (d)(3)

- Strikes the revision date of “04/01/2020” for Appraisal Management Company Renewal Application Form REA 5012 (REA 5012), and replaces it with “01/01/2023”; and
- Revises Appraisal Management Company Renewal Application REA 5012.

Form 5012. The Bureau revises REA 5012, Appraisal Management Company Renewal Application, in the following respects:

- Adds a direction in the instructions on page 1 to submit this form with Form REA 5013;
- Relocates question 7 in Part A of the form, “Is the AMC, in whole or in part, directly or indirectly, owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State?” to Part C;
- Inserts the following new language in box 7 of Part A: Federal Employer Identification Number;
- Inserts questions 1-3 in Part C of the form, now entitled AMC TYPE AND OWNERSHIP:
 - AMC Type: Single State with a panel of more than 15 appraisers or Multi-state with a panel of 25 or more appraisers in two or more states.
 - Is the AMC federally regulated? Yes or No.;
 - Is the AMC, in whole or in part, directly or indirectly, owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State? Yes or No.
 - Strikes the remainder of Part C of the form, as well as the related Instructions 4-9;
- Amends the declaration above the signature line to begin with “As Designated Officer,”;

- In the Instructions on p. 3, amends #7 in Part A to reflect that it is now a box for the Federal Employer Identification Number and instructs the applicant to fill in the AMC's Federal Employer Identification Number (FEIN);
- Adds instructions for the new Part C, which now asks the three questions set forth above, and directs the applicant to Business and Professions Code section 11302, subdivisions (d) and (r), to help determine whether their AMC is a single or multistate AMC and whether it is federally regulated;
- Adds instructions explaining that the signature of the applicant must be the original signature of the AMC's Designated Officer and must be dated;
- Amends the following items under "Privacy Information": (1) deletes the "s" from "authorizes," (2) add "s" to Sections, deletes "," after 30, (3) deletes the citation to "Chapter 1361, Section 1," and adds a citation to BPC section 31, (4) replaces "his or her" with the licensee's," (5) after Franchise Tax Board adds "Employment Development Department, and California Department of Tax and Fee Administration (CDTFA)," (6) adds the sentence "The EDD will use your number to determine compliance with any possible family support obligations.," (7) replaces the reference to the "Department of Business Oversight" with "Department of Financial Protection and Innovation," (8) replaces "Bureau" with "Department" in referring to the Department of Real Estate, and (9) adds advisements that other agencies may share the applicant's SSN and that a license may be suspended or the application denied if tax obligations are not paid; and
- Changes the revision date of the form in the footer.

Rationale:

Form REA 5013 (AMC Controlling Person Renewal Application) instructs the applicant to submit the form together with Form REA 5012. For consistency and clarity, Form REA 5012 should reflect that it is associated with Form REA 5013 and should be submitted along with it. In addition, the questions in Part C are being removed as redundant of those in Form REA 5013; accordingly, it is important that the applicants are directed consistently on both forms to submit them together.

Ownership history question. The Bureau is relocating question 7 as question 3 in Part C because the question relates to AMC ownership so is more appropriately located in Part C. Section 3577(j) of the regulations provides that an AMC shall not be registered if the AMC is, in whole or in part, directly or indirectly, owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause.

Part C: AMC Type. The Bureau adds new question 1 in Part C about whether the AMC is a single state AMC with a panel of more than 15 appraisers, or a multi-state AMC with a panel of 25 or more appraisers in two or more states. The definition of AMC is set

forth in BPC section 11302(d). One of the requirements to be an AMC is overseeing an appraiser panel of more than 15 state-certified or state-licensed appraisers in a state or 25 or more state-certified or state-licensed appraisers in two or more states. (§ 11302(d)(1)(C).)

The Bureau is adding this item to know how the AMC proposes to qualify for the registration. This information is also necessary when adding the AMC to the AMC National Registry.

Question regarding AMC federal regulation. The Bureau adds new question 2 in Part C because it needs to determine whether the AMC is federally regulated, as defined by BPC section 11302(r). “Federally regulated appraisal management company” means an appraisal management company that is owned and controlled by an insured depository institution, as defined in Section 1813 of Title 12 of the United States Code and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation. Further, identifying whether an AMC is federally regulated is necessary when adding the AMC to the AMC National Registry.

The Bureau is striking the remainder of Part C on the form because it is unnecessary and redundant since the designated officer completes this information with their controlling person renewal application, Form REA 5013, which directs that it be submitted with Form REA 5012. To ensure that the Bureau receives all the relevant information, Form REA 5012 now directs applicants to submit it along with Form REA 5013.

In the final paragraph labeled “Privacy Information,” the Bureau: (1) deletes the “s” from “authorizes” for grammatical correctness because “authorizes” does not agree with the subject of the sentence; (2) deletes the citation to “Chapter 1361, Section 1,” as unnecessary because the citation to BPC section 30 is sufficient, and adds a citation to BPC section 31 because the form also implements that section; (3) replaces “his or her” with the licensee’s” as a purely grammatical, gender-neutralizing change under ACR 260; (4) replaces the reference to the Department of Business Oversight with Department of Financial Protection and Innovation to reflect the new name of that department under Financial Code section 321(b); (5) adds “Employment Development Department, and California Department of Tax and Fee Administration (CDTFA),” with which the Bureau may share information pursuant to BCP sections 30 and 31; (6) updates the reference to the Bureau of Real Estate, since it is now the Department of Real Estate; and (7) to satisfy any due process concerns, adds the advisement to inform the applicant what uses may be made of the SSN by those other departments and the warning in section 31 that the license may be suspended or the application denied if tax obligations are not paid. This satisfies the requirements of the Information Practices Act (Civil Code 1798 *et seq.*) and are changes without regulatory effect.

The Bureau amends the footer on the form to reflect the revision of the form effective January 1, 2023.

Note

- The Bureau deletes BPC section 114.5 from the Authority section of the note because the statute does not authorize the adoption of regulations. The Bureau adds BPC sections 31, 114.5, 115.5, 494.5, and Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (Public Law 101-73) because this regulation implements or makes those statutes specific. Health and Safety Code sections are deleted as irrelevant.

Amend Section 3726, Initiation of Disciplinary Proceedings

Specifically:

Section 3726, subdivision (a)

- Deletes the article “a” before “licensed appraiser”;
- Adds the words “by submitting a Complaint Form REA 4001 (New 01/01/2023)”;
- Strikes “as follows,” and subdivisions (a)(1) through (a)(3).

Purpose:

These amendments eliminate unnecessary words from the regulation for clarity, and incorporate a new Bureau form, Complaint Form REA 4001, by reference.

Rationale:

The Bureau is deleting subdivisions (a)(1) through (a)(3), which lay out what information the Bureau seeks from a complainant, and instead has developed a new complaint form, REA 4001, in order to assist the complainant, standardize the content and format of the information to ensure completeness and ease of Bureau review, and implement the new statutory requirements in AB 948.

Section 3726, subdivision (c)

- Strikes “he or she” and replaces it with “Chief” to make the subdivision gender neutral in accordance with ACR 260.

Note

- Adds BPC section 11313 to the Authority section because it authorizes the adoption of regulations. Adds BPC section 11310.3 to the Reference section because this regulation implements that statute.

Form 4001. The Complaint Form, REA 4001, will request and collect the following information:

- Name, telephone number, email address, address, the complainant's position with respect to the property (seller, buyer, owner seeking to refinance, authorized representative for the property, or other), and the contact information for the person who provided an authorized representative with the authority to act.

The Bureau seeks information about the complainant, including their name, telephone number, email address (optional), physical address, and relationship with the property. This provides the Bureau with the ability to contact the complainant as is required by section 3726(b) of the regulations, which states the complainant shall be notified that a confidential investigation has been commenced within ten working days of receipt of the verified complaint; and shall be notified of final action taken on the complaint. In addition, under newly added section 11310.3(d) of the Code (AB 948 (Holden) Chapter 352, Stats. 2021) the Bureau must also confirm whether the complainant is the seller, someone seeking to refinance, the buyer, or a representative authorized in real estate transactions. The section further requires an authorized representative to provide a contact telephone number, email address if available, and home address of the person who provided the authorization.

- Information about the appraiser or appraisal management company (AMC)

The Bureau asks for the name of the appraiser and/or AMC and the appraiser license number and/or AMC registration number. The Bureau asks for this information so it can identify the appraiser and/or AMC that is the subject of the complaint.

- Information about the property

The Bureau asks for the address of the property appraised in order to validate the appraisal is prepared for the property the complainant has identified.

- General information

- The Bureau asks whether the complaint is related to an action filed in any court or complaint submitted to any government agency and for the name of the court or agency and the case or complaint number, if any. This is necessary to determine if there is additional

information the Bureau may be able to obtain from other sources regarding the complaint.

- The Bureau asks for the name and contact information of witnesses who have knowledge regarding the events described in the complaint for the same reasons.
- The Bureau asks if the complainant believes the opinion of the value of the real estate is below, at, or above the market value. Effective January 1, 2022, BPC section 11310.3(b) requires the Bureau to ask if the complainant believes the appraised value is below market value. The Bureau also proposes to ask if the complainant believes the opinion of the appraised value is below, at, or above market value to allow the Bureau to better understand the nature of the complaint. If the opinion values the property at market value, then the Bureau knows that the value is not likely to be a source of the complaint. If the opinion values the property at above market value, that signals to the Bureau to look for reasons why the opinion may have over-valued the property.
- The Bureau asks whether the complainant is a member of one or more protected classes because BPC section 11310.3(c)(1) requires the Bureau to collect this information. The question will appear on the form with boxes to select and the internet website version will be a drop-down menu as required by section BPC sections 11310.3(c)(1)(A) and (B). The protected classes included are those listed in Civil Code section 1102.6g, as required by BPC section 11310.3(b). The primary categories are listed without listing every possible identity in order to keep the form “short, simple, and easy to complete,” and not “excessively lengthy, complex, or difficult to complete,” consistent with legislative intent. (BPC § 11310.3(c)(2).)
- The Bureau asks the complainant to indicate the documentation submitted in support of the complaint. There are check boxes next to the most commonly submitted documents, including complete appraisal report(s) and email/correspondence pertinent to the complaint. There is also a box allowing the complainant to identify other types of documents. The question also asks how many pages and if the document has attachments. The Bureau asks these questions because complainants often submit documents, and this provides an easy and organized way for the documents to be submitted. It also ensures the Bureau receives all the pages submitted by the complainant.

- The Bureau asks for a brief statement to provide the factual details of the complaint. This section invites the complainant to explain what happened in a narrative format. Allowing the complainant to explain details not otherwise captured in the complaint assists the Bureau in conducting its investigation and determining the merits of the complaint.

Finally, the form has a certification the complainant must sign and date. Certification under penalty of perjury helps to ensure that the documentation contains truthful, factual representations made in good faith. (See e.g., *In re Marriage of Reese & Guy* (1999) 73 Cal.App.4th 1214, 1223 [judicial explanation for the use of certifications under penalty of perjury: “The whole point of permitting a declaration under penalty of perjury, in lieu of a sworn statement, is to help ensure that declarations contain a truthful factual representation and are made in good faith”] [holding modified by *Laborde v. Aronson* (2001) 92 Cal.App.4th 459].) Accordingly, the certification under penalty of perjury in the form is necessary to ensure that complainants submit truthful and accurate information to the Bureau.

In addition, the certification under penalty of perjury helps ensure the reliability of the statements to the Bureau (since certifying under penalty of perjury can have a deterrent effect on those who may be considering not providing true, accurate or complete information), and provides the Bureau with the option of seeking sanctions and referring the matter to law enforcement in the event that such information is not true, complete or accurate. [“The oath or declaration must be in such form that criminal sanctions of perjury might apply where material facts so declared to be true, are in fact not true or are not known to be true.” *In re Marriage of Reese & Guy* (1999) 73 Cal.App.4th 1214, 1223.

The last page contains the notice required by Civil Code section 1798.17 regarding the collection of personal information so that the complainant understands the potential uses of the information and the consequences of providing or not providing it.

Underlying Data

- Real Property Appraiser Qualification Criteria, effective January 1, 2022
- Appraisal Subcommittee Annual Report, 2020
- REA Form 5013
- Assembly Bill 948 (Holden) Chapter 352, Stats. 2021

Business Impact

This regulation will not have a significant adverse economic impact on businesses. This initial determination is based on the fact that the Bureau already receives complaints with an existing form. The establishment of an updated form is intended to allow the Bureau to collect more detailed information related to the complaint and is not anticipated to increase or decrease the number of complaints received.

Additionally, the changes to the other forms are not anticipated to have any effect on the rate of submission of those forms nor result in an economic impact to businesses operating in the state.

Economic Impact Assessment

The regulatory proposal will have the following effects:

- It will not create or eliminate jobs within the State of California because the modifications do not impose any new requirements on applicants or licensees. The revised forms reorder or restate how required information is collected.
- It will not create new businesses or eliminate existing businesses within the State of California because the modifications do not impose any new requirements on businesses. The revised forms reorder or restate the collection of currently required information, and the new form only collects more specific information about complaints.
- It will not affect the expansion of businesses currently doing business within the State of California because the modifications do not change how businesses operate.
- The regulatory proposal does not affect the health and welfare of California residents.
- The regulatory proposal does not affect worker safety because it does not relate to worker safety.
- The regulatory proposal does not affect the state's environment because it does not relate to the environment.

Specific Technologies or Equipment

This regulation does not mandate the use of specific technologies or equipment.

Consideration of Alternatives

The Bureau has initially determined that no reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be less burdensome to affected private persons and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific. However, the Bureau welcomes comments from the public.