



# 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 Chief

### Are single point value opinions realistic?

Historically, lenders and users of appraisal services have required a single point value opinion in appraisal reports. Appraisers almost universally provide reports with a single number as a value opinion that can have the appearance of an authoritative prediction.

In the case of a typical property sale, an arm’s-length transaction involving a property that was exposed to the open market and meets the requirements of the definition of market value, a single point value is a reasonable conclusion. A market-exposed property generally falls into a value range derived from thorough analysis of applicable market data. If the subject sale transaction amount is within that range, it would be challenging to reconcile a single point value that was not consistent with the negotiated sale price. That’s why appraisals for a sale often indicate a final opinion of value that coincides with the negotiated sale price.

In nonsale appraisal assignments, that is, without the benefit of the added analysis opportunity provided by a negotiated sale price, a single point value opinion may be more difficult to support. That single point value opinion may be even more dependent upon the quantity and quality of data available and the analysis made.

Appraisers do not determine value. An appraiser attempts to replicate an informed buyer’s decision-making process and

define a range of value that is supported by the credible analysis of available imperfect market data.

For appraisal purposes, a property’s “value” is only precisely known the day it is sold, and only if the conditions of the sale are consistent with the definition of market value. At that point, the sale information becomes market data for appraisers to use in developing an opinion of value for another property.

A more realistic communication of an appraiser’s opinion would be providing an estimated value range together with an appraiser’s rating of the level of confidence.

For now, the industry generally demands that appraisers provide a single point value opinion as defined in the report. Appraisers should continue to provide reports consistent with an acceptable scope of work that meets client requirements. As always, appraisers must develop a credible and reliable report that is compliant with the Uniform Standards of Professional Appraisal Practice. It is important for everyone to understand that a single point value conclusion is often a client requirement that may confirm a legitimate market sale. But, it’s possible that a client’s needs may be met by an appraisal specifying a value range. This possibility can be explored with the client when discussing the intended use of the appraisal at the time of engagement.

**James S. Martin**, *Bureau Chief*

## Did You Know?

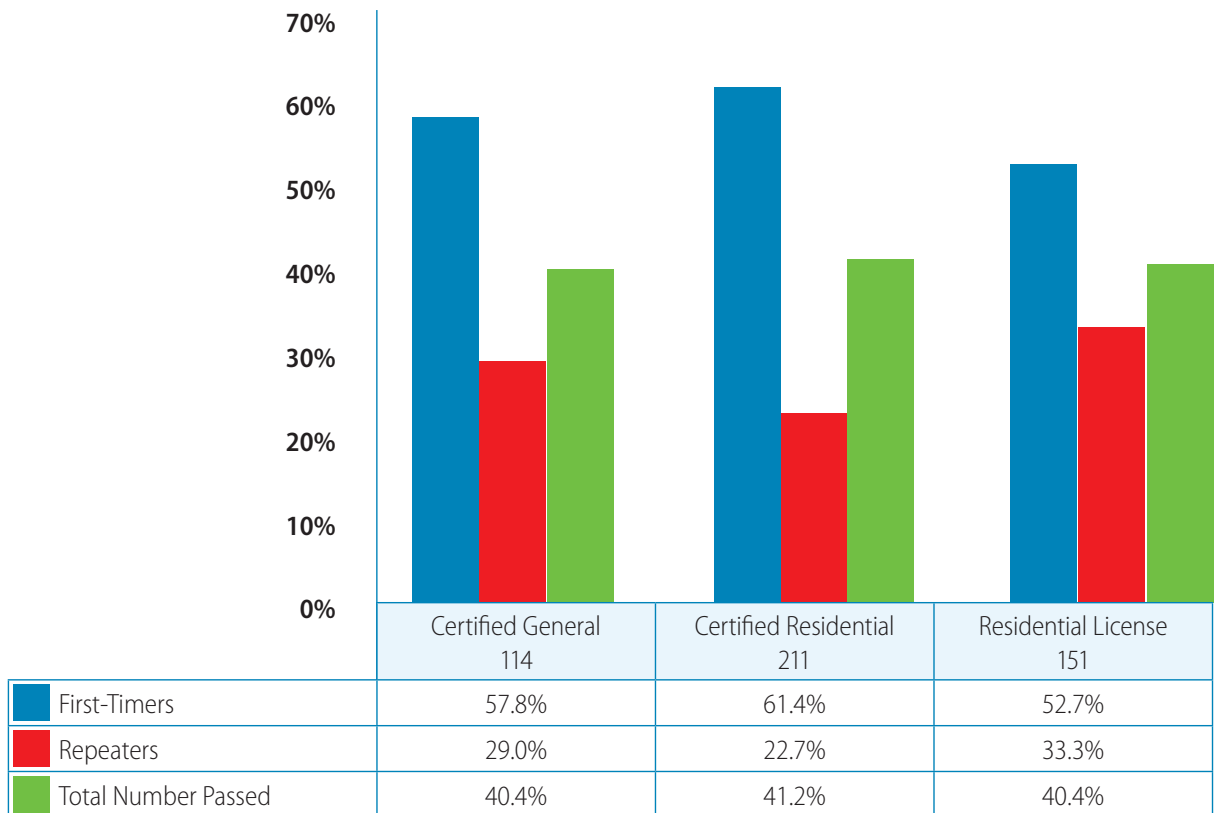
- **The Bureau has been updating the appraiser search feature on [www.brea.ca.gov](http://www.brea.ca.gov).** These enhancements have allowed for easier access to the information as well as updated compliance to Americans with Disabilities Act standards. The appraiser search feature can be found under the “How Do I...” header on the front page or under the “Online Services” tab.
- **The Bureau sends license renewal notifications to all licensees six months prior to expiration.** These letters request that renewal applications be submitted 90 days prior to the license expiration. Should a licensee not submit their renewal application with enough lead time, they may be deleted from the Bureau’s website as an “active” appraiser and show on the Appraisal Subcommittee’s National Registry as “inactive” until the renewal license is issued. Although the Bureau makes every effort to process renewal applications prior to expiration of the previous license, it is important that applications are submitted in a timely manner. Please do not wait until the last week or month to submit a renewal request.



## California Exam Results

The following graph shows the California Appraisers Examination statistics from April 2018 through June 2019, as provided by PSI Services LLC.

### April 2018–June 2019 California Examination Statistics



# BREAs FAQs

## Licensing, Education, Enforcement, Legal

### Has the Bureau implemented the new Appraiser Qualifications Board (AQB) experience requirements yet?

As of September 1, 2019, the Bureau has not implemented the new AQB experience requirements as the required changes to the regulations have not occurred. However, the comment period has ended and the Bureau has now entered the final phase of the regulatory process. The Bureau anticipates an early 2020 effective date. Once the changes occur, the Bureau will provide notice when the changes go into effect via mass email and through Facebook.

### Can I use education from my upgrade to renew my license?

Yes, as long as the education was taken during the four-year full continuing education cycle of the license renewal, education used to upgrade a license can also be used to renew a license.

### How can I make sure my application is not delayed by missing items?

The following actions can help ensure an application is considered complete and help avoid delays:

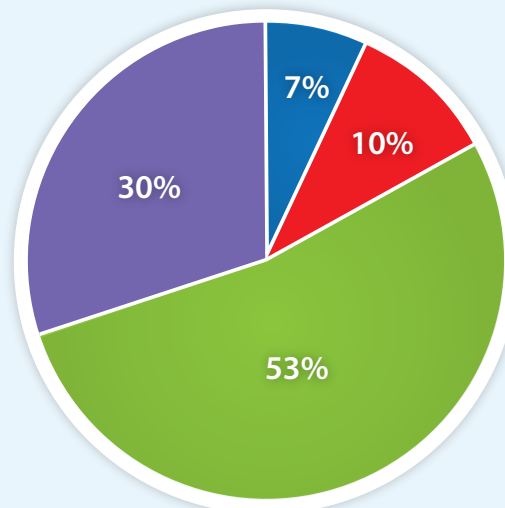
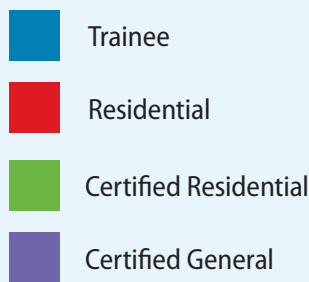
- 1. Verify** that all of the required forms are present. Check the “BREA Forms Grouped by Type of Application” on our website, under the “Licensing and Registration” tab at [www.brea.ca.gov/html/FormsByAppType.html](http://www.brea.ca.gov/html/FormsByAppType.html).
- 2. Read** all questions carefully, answer them accurately and check to make sure every applicable field on the form is filled out.
- 3. Confirm** that every form is signed and dated where designated.
- 4. Ensure** there are copies of completion certificates or background information, as needed.
- 5. Determine** the appropriate fees associated with the application and include it in the package. Use the licensing fee chart on our website under the “Forms and Publications” tab at [www.brea.ca.gov/forms/LicensingFeeChart.pdf](http://www.brea.ca.gov/forms/LicensingFeeChart.pdf).
- 6. Double-check** that the application is being sent to the correct address:

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

## Licensing Stats

The following chart shows the breakdown of the licensed appraiser population by license level type:

### BREA Licensing Stats for September 21, 2019 Active Licensees: 10,056



(Continued on page 4)

(Continued from page 3)

## Appraiser Populations Across the State

The following table shows a breakdown of how appraisers are spread out across California's counties as of August 1, 2019.

County Name	License No.	County Population <sup>1</sup>	Appraisers per 100,000	County Sq. Miles <sup>2</sup>	Population Density per Sq. Mile	Appraiser Density per 10 Sq. Mi.
Alameda	310	1,666,753	19	739	2,255	4
Alpine	1	1,101	< 1	738	1	< 1
Amador	7	39,383	< 1	595	66	< 1
Butte	74	231,256	32	1,636	141	< 1
Calaveras	18	45,602	< 1	1,020	45	< 1
Colusa	3	21,627	< 1	1,151	19	< 1
Contra Costa	455	1,150,215	40	716	1,607	6
Del Norte	3	27,828	< 1	1,006	28	< 1
El Dorado	87	190,678	46	1,708	112	< 1
Fresno	187	994,400	19	5,958	167	< 1
Glenn	4	28,047	< 1	1,314	21	< 1
Humboldt	34	136,373	25	3,568	38	< 1
Imperial	11	181,827	6	4,177	44	< 1
Inyo	6	17,987	< 1	10,181	2	< 1
Kern	106	896,764	12	8,132	110	< 1
Kings	14	151,366	9	1,389	109	< 1
Lake	13	64,382	< 1	1,256	51	< 1
Lassen	3	30,802	< 1	4,541	7	< 1
Los Angeles	1,860	10,105,518	18	4,058	2,490	5
Madera	15	157,672	10	2,137	74	< 1
Marin	106	259,666	41	520	499	2
Mariposa	7	17,471	< 1	1,449	12	< 1
Mendocino	24	87,606	< 1	3,506	25	< 1
Merced	41	274,765	15	1,935	142	< 1
Modoc	0	8,777	< 1	3,918	2	< 1
Mono	8	14,250	< 1	3,049	5	< 1
Monterey	78	435,594	18	3,281	133	< 1
Napa	33	139,417	24	748	186	< 1
Nevada	59	99,696	< 1	958	104	< 1
Orange	1,274	3,185,968	40	791	4,030	16
Placer	221	393,149	56	1,407	279	2
Plumas	9	18,804	< 1	2,553	7	< 1
Riverside	530	2,450,758	22	7,206	340	< 1
Sacramento	390	1,540,975	25	965	1,597	4
San Benito	16	61,537	< 1	1,389	44	< 1
San Bernardino	388	2,171,603	18	20,057	108	< 1
San Diego	867	3,343,364	26	4,207	795	2
San Francisco	187	883,305	21	47	18,846	40

(Continued on page 5)

County Name	License No.	County Population <sup>1</sup>	Appraisers per 100,000	County Sq. Miles <sup>2</sup>	Population Density per Sq. Mile	Appraiser Density per 10 Sq. Mi.
San Joaquin	129	752,660	17	1,391	541	< 1
San Luis Obispo	108	284,010	38	3,299	86	< 1
San Mateo	174	769,545	23	448	1,716	4
Santa Barbara	94	446,527	21	2,735	163	< 1
Santa Clara	406	1,937,570	21	1,290	1,502	3
Santa Cruz	85	274,255	31	445	616	2
Shasta	55	180,040	31	3,775	48	< 1
Sierra	0	2,987	< 1	953	3	< 1
Siskiyou	11	43,724	< 1	6,278	7	< 1
Solano	74	446,610	17	822	543	< 1
Sonoma	178	499,942	36	1,576	317	1
Stanislaus	127	549,815	23	1,495	368	< 1
Sutter	19	96,807	< 1	602	161	< 1
Tehama	7	63,916	< 1	2,950	22	< 1
Trinity	2	12,535	< 1	3,179	4	< 1
Tulare	64	465,861	14	4,824	97	< 1
Tuolumne	16	54,539	< 1	2,221	25	< 1
Ventura	271	850,967	32	1,843	462	1
Yolo	38	220,408	17	1,015	217	< 1
Yuba	8	78,041	< 1	632	124	< 1

Sources: <sup>1</sup> U.S. Census Bureau, Annual Estimates of the Resident Population: April 1, 2010, to July 1, 2018. U.S. Census Bureau, Population Division. Web. May 2019.

[www.census.gov](http://www.census.gov)

<sup>2</sup> U.S. Census Bureau, Census of Population and Housing. Land area is based on current information in the TIGER® database, calculated for use with Census 2010.

[www.census.gov/geo/www/tiger/index.html](http://www.census.gov/geo/www/tiger/index.html)

## Average Application Processing Times

The following tables show average processing times for complete initial and upgrade applications. Please note, these statistics are based on applications that were complete, meaning they were not deficient on any items. Additionally, these numbers reflect how long, on average, an application was at the Bureau being processed or awaiting processing. By law, the Bureau has up to 90 days to process an application.

Average Processing Time for Complete Initial Applications July 2018 June 2019	
Application Type	Average Processing Time (in days)
Trainee	4
Residential	30
Certified Residential	25
Certified General	34

Average Processing Time for Complete Upgrade Applications July 2018 June 2019	
Application Type	Average Processing Time (in days)
Trainee to Residential	23
Trainee to Certified Residential	15
Trainee to Certified General	37
Residential to Certified Residential	20
Residential to Certified General	20
Certified Residential to Certified General	36



# Legal Corner

## 2020–21 USPAP Changes

On April 5, 2019, the Appraisal Standards Board (ASB) adopted modifications to the Uniform Standards of Professional Appraisal Practice (USPAP). These modifications will be incorporated in the 2020–21 edition of USPAP and associated guidance material with an effective date of January 1, 2020. There were many changes and appraisers should complete the seven-hour USPAP course before January 1, 2020, so they know all of the new requirements before the changes are effective. The most notable changes include allowing intended users, beyond the client, to be added to restricted appraisal reports, as long as the intended users are named in the report (i.e., not merely identified “by type”). The restricted appraisal reports warning language will no longer include a reference to the appraiser’s work file. Standards Rules 2–3 and 4–3 were revised regarding situations where an assignment requires the use of a certification that does not include all of the certification elements in the respective Standards Rule. In such cases, an appraiser is required to include a supplemental certification, which includes the remaining required certification elements. Notably, the ASB is also clarifying that such supplemental certifications do not require signature by the appraiser(s). The ASB also adopted revisions to enumerate and clarify the minimum level of reporting necessary under the reporting requirements for an appraisal report in Standards Rule 2. There were also changes to the scope of work and competency rules, definitions, and advisory opinions.

## Regulatory Changes

On January 1, 2019, the Bureau amended its regulations to state Bureau investigators are prohibited from completing appraisal or appraisal reviews. Investigators complete investigations to determine whether there were violations of the law.

On April 1, 2019, the Bureau amended its appraisal management company (AMC) regulations. These amendments included revising definitions to comply with the recently revised statutory changes, requiring controlling persons to timely notify the Bureau when changes occur, and increasing the minimum standards of practice for AMCs.

On October 1, 2019, the Bureau will have amended 10 licensing forms to make them easier to use.

## Statutory Changes

On January 1, 2019, the California Legislature amended the Bureau’s statute to allow intended users on certain restricted appraisal reports with some limitations. This amendment was made only for 2019 and will not be extended.



## At the Capitol—Legislative Spotlight



The California Legislature returned to session on August 12, 2019, from summer recess. Throughout the year, the Bureau follows bills that may impact its consumer protection mission. Please note, the Bureau does not provide opinions on bills; this material is provided solely for informational purposes. This year there is only one bill being considered:

Below is information on a bill that was introduced in the House of Representatives on July 5, 2019:

### Assembly Bill 1018 (Frazier, 2019)

**Summary:** A home inspector shall not give an opinion of valuation on a property and a real estate appraiser, performing a real estate appraisal, shall not engage in the activity of a home inspector performing a home inspection.

Additional information may be found on this bill at [www.leginfo.legislature.ca.gov](http://www.leginfo.legislature.ca.gov).

### H.R. 3619 (Clay, 2019)

**Summary:** This bill would amend the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to allow the Appraisal Subcommittee to modify annual registry fees for appraisal management companies, maintain a registry of trainees, charge a lower trainee registry fee, and allow grants to states to assist appraiser and potential appraiser compliance with the Real Property Appraiser Qualification Criteria.

Additional information on this bill may be found at [www.congress.gov/bill/116th-congress/house-bill/3619/text](http://www.congress.gov/bill/116th-congress/house-bill/3619/text).

## Education

### Finding Course Providers

Finding an approved course provider is easy! One way to best utilize the “Course Provider Search” found on our website under the “Online Services” tab is to just click the “Search” button. This produces a full list of all active California-approved course providers. When the search is performed this way, the providers’ profiles and courses are listed in an easy to navigate format. The “Course Provider Search” can be found here: [www.brea.ca.gov/html/SearchCourseProviders.html](http://www.brea.ca.gov/html/SearchCourseProviders.html)

### Become a Real Estate Appraiser Instructor

Teaching real estate appraiser courses at local community colleges is a great way to help new appraisers enter the industry and earn money. The California Community Colleges Real Estate Education Center (CCCREEC) hosts two conferences a year, one in Northern and one in Southern California, to provide information on how to become an instructor at local community colleges. The CCCREEC provides information and resources for instructors on its website at [www.ccreec.org/resources](http://www.ccreec.org/resources).

The next CCCREEC Conference will be held on **Friday, October 4, 2019**, in Newport Beach. For more information, visit [www.eventbrite.com/e/fall-2019-ccc-real-estate-education-center-conference-tickets-61047290088](http://www.eventbrite.com/e/fall-2019-ccc-real-estate-education-center-conference-tickets-61047290088).

### College Level Education Options for Certified Residential Applicants

As a reminder, effective May 1, 2018, California adopted changes to the education requirements for the certified residential license. The requirements became effective for individuals seeking a real property appraiser credential after May 1, 2018. The requirements also apply to existing real property appraisers seeking to upgrade a license. Applicants for a certified residential license now have six options to meet the education requirements, shown on the following pages:

(Continued on page 8)

### College Level Education Options for Certified Residential License

<b>Option No. 1</b>	Bachelor's degree from an accredited college or university in any field of study.
<b>Option No. 2</b>	Associate's degree from an accredited college or university in a field of study related to: <i>business administration, accounting, finance, economics; or real estate.</i>
<b>Option No. 3</b>	Successful completion of 30 semester units of college-level courses from an accredited college or university that cover <b>each</b> of the following specific topic areas and are at least three units each: (1) <i>English composition</i> ; (2) <i>microeconomics</i> ; (3) <i>macroeconomics</i> ; (4) <i>finance</i> ; (5) <i>algebra, geometry, or higher math</i> ; (6) <i>statistics</i> ; (7) <i>computer science</i> ; (8) <i>business law or real estate law</i> ; (9)(10) <i>two elective courses in any of the above topics, or in: accounting, geography, agricultural economics, business management, or real estate.</i>
<b>Option No. 4</b>	Successful completion of at least 30 semester units of College Level Examination Program® (CLEP®) examinations that cover each of the specific topic areas in Option No. 3 (see Equivalency Table below).
<b>Option No. 5</b>	Any combination of option No. 3 and option No. 4 that includes all of the topics identified in option No. 3.
<b>Option No. 6</b>	No college-level education required if an appraiser has held a licensed residential credential for a minimum of five years <b>and</b> has no record of any adverse, final, and non-appealable disciplinary action affecting the licensed residential appraiser's legal eligibility to engage in the appraisal practice within the five years immediately preceding the date of application for a certified residential credential.

### College Level Examination Program® (CLEP®) Equivalency Table

CLEP® exams	CLEP® semester units granted	Applicable college courses
College algebra	3	Algebra, geometry, statistics, or higher mathematics
College composition	6	English composition
College composition modular	3	English composition
College mathematics	6	Algebra, geometry, statistics, or higher mathematics
Principles of macroeconomics	3	Macroeconomics or finance
Principles of microeconomics	3	Macroeconomics or finance
Introductory business law	3	Business law or real estate law
Computer science	3	Information systems

\*Degrees and college credit must be from an accredited college or university.





## Enforcement Actions

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

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

### PUBLISHED DISCIPLINARY ACTIONS

Licensee	License No.	Business City	Order Effective	Outcome
Masadeh, Mahmoud	036538	Lodi	7/25/2018	Education, monetary fine, probation
Blocker, Marvin	034785	Bakersfield	8/10/2018	Voluntary surrender
Styring, James	020343	Newport Beach	9/12/2018	Voluntary surrender
Bryan, Kenneth	035160	El Dorado Hills	10/25/2018	Voluntary surrender
Pavenick, Peter	3004457	Folsom	11/16/2018	Voluntary surrender
Smith, Stephen	015716	Lake Arrowhead	11/20/2018	Monetary fine, revocation
Pelayo, Isidoro	009866	Granada Hills	11/29/2018	Voluntary surrender
Mores, Thomas	008686	Long Beach	11/30/2018	Education, monetary fine, probation, suspension
Valuation Concepts Group	3005126	Woodland Hills	1/15/2019	Monetary fine, revocation
Tang, William	041944	Rowland Heights	3/4/2019	Voluntary surrender
O'Hara, Roisin	042328	Milpitas	3/15/2019	Voluntary surrender
Carleton, Angela	033036	Beverly Hills	4/23/2019	Monetary fine, revocation
Haddon, Howard	006196	Monrovia	5/3/2019	Education, monetary fine, probation
CoesterVMS.com, Inc.	1445	Gaithersburg	6/18/2019	Monetary fine, revocation
Lehman, Blake	030648	Garberville	6/27/2019	Monetary fine, revocation

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CITATIONS		
Licensee	Discipline	Violation(s)
Certified General	30 hours "General Appraiser Market Analysis and Highest and Best Use," and 4 hours "Scope of Work: Appraisals and Inspections"	Violations of USPAP Standards 1 and 2, Scope of Work Rule, and Competency Rule: Failed to identify and report relevant property characteristics including severe development constraints of vacant land which impacted the highest and best use, failed to identify and perform an adequate scope of work, failed to prepare a credible sales comparison approach, made substantial errors of omission/commission, created misleading appraisals, and failed to report sufficient information to enable the intended users of the appraisal to understand the reports properly.
Certified Residential	\$2,000 fine, 4 hours "Appraiser Self Protection: Documentation and Record Keeping," and 4 hours "Residential Report Writing vs. Form Filing"	Violations of USPAP Standards 1 and 2, and Conduct section of the Ethics Rule: failed to correctly identify characteristics of the subject property, failed to develop a credible sales comparison approach by not analyzing the differences in zoning and inconsistently comparing gross/net lot sizes, used a non-arm's-length sale without verification while falsely citing the multiple listing service as the data source, and provided an opinion of site value that was not credible.



Licensee	Discipline	Violation(s)
Residential	\$2,500 fine and 4 hours "Residential Report Writing vs. Form Filling"	Violations of USPAP Standards 1 and 2, Competency Rule, Conduct section of the Ethics Rule, and Record Keeping Rule: provided false comparable sale data, failed to obtain sufficient data and data verification sources to complete the assignment competently, failed to report sufficient information to enable the intended users of the appraisal to understand the report properly, performed the assignment in a grossly negligent manner, failed to maintain a copy of the third-party inspection report relied upon to complete the assignment, and failed to maintain a copy of all appraisal reports transmitted to the client.
Certified Residential	"15-hour USPAP"	Violations of Confidentiality section of the Ethics Rule: communicated assignment results to someone other than the client without the client's permission.
Certified Residential	\$3,500 fine, 15 hours "Advanced Residential Applications and Case Studies," and 4 hours "Report Writing vs. Form Filling"	Violations of USPAP Standards 1 and 2, Conduct section of the Ethics Rule, and California Business and Professions Code 11320.5: failed to properly identify/analyze the legal and locational characteristics for multiple subject properties, failed to support the highest and best use, failed to correctly develop and report credible sales comparison approaches, made contradictory and false statements in appraisals, and represented licensee's company to the public as an appraisal management company without a certificate of registration.
Certified General	\$4,000 fine, "15-hour USPAP," and 30 hours "General Appraiser Market Analysis and Highest and Best Use"	Violations of Standards 1 and 2, Scope of Work Rule, and Competency Rule: Failed to identify and report a going concern, failed to identify and perform an adequate scope of work, failed to prepare a credible cost approach, failed to prepare a credible sales comparison approach, made substantial errors of omission/commission, created a misleading appraisal, and failed to include sufficient information to enable the intended users of the appraisal to understand the report properly.

## VIOLATION NOTICE

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

1. **Notify the Bureau of Real Estate Appraisers (BRE A) of any changes to your contact information.** California Code of Regulations section 3527 requires written notification to BRE A *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](http://www.brea.ca.gov). Click on the "Forms & Publications" tab, then the "All Forms" link. 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 BRE A to send you newsletters and other important information.*

2. **Notify BRE A of any convictions, felony charges, or other license discipline.** Business and Professions Code section 11318 requires all licensees, applicants, and course providers report to BRE A in writing *within 30 days* any of the following:
  - (1) Felony charges
  - (2) Misdemeanor or felony convictions (including pleas)
  - (3) 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 BRE A at (916) 552-9000.**



STATE OF CALIFORNIA  
**dca**  
DEPARTMENT OF CONSUMER AFFAIRS

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



[WWW.BREA.CA.GOV](http://WWW.BREA.CA.GOV)