

**State of California
Office of Administrative Law**

In re:
Bureau of Real Estate Appraisers

Regulatory Action:

Title 10, California Code of Regulations

Amend sections: 3541, 3568

**NOTICE OF APPROVAL OF REGULATORY
ACTION**

Government Code Section 11349.3

OAL Matter Number: 2023-1130-04

OAL Matter Type: Regular Resubmittal (SR)

This action by the by the Bureau of Real Estate Appraisers ("Bureau") amends existing regulations that concern real estate appraisal licenses issued by the Bureau. The amendments will allow license applicants to complete a Practical Applications of Real Estate ("PAREA") program approved by the Appraisal Qualifications Board to satisfy a percentage of the experience requirement depending on the PAREA program completed and the license level being applied for. In addition, the amendments reduce the educational requirement for trainee licenses from 150 hours to 75 hours. The Bureau also made technical and grammatical nonsubstantive changes.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 1/3/2024.

Date: January 3, 2024



**Stephen P. Mehlert
Senior Attorney**

**For: Kenneth J. Pogue
Director**

**Original: Angela G. Jemmott, Bureau
Chief**

Copy: Whitney Spatz

NOTICE PUBLICATION/REGULATIONS SUBMISSION

STD. 400 (REV. 10/2019)

RESUBMITTAL

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER Z- 2023-0519-02	REGULATORY ACTION NUMBER 2023-1130-04	EMERGENCY NUMBER SR
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY Department of Consumer Affairs, Bureau of Real Estate Appraisers			AGENCY FILE NUMBER (If any)

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

JAN . 3 2024

1:52p-m-

OFFICE OF ADMIN. LAW
2023 NOV. 30, 4:30PM

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE License Requirements		TITLE(S) 10	FIRST SECTION AFFECTED 3541	2. REQUESTED PUBLICATION DATE June 2, 2023
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON Whitney Spatz	TELEPHONE NUMBER 916.610.9927	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) License Requirements		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2023-0908-03S	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)		ADOPT	
TITLE(S) 10		AMEND 3541 & 3568	
3. TYPE OF FILING		REPEAL	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)			
<input checked="" type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> File & Print <input type="checkbox"/> Print Only			
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) <input type="checkbox"/> Other (Specify)			
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1) First Modified Text 7/24/23 - 8/8/23; Second Modified Text 10/20/23 - 11/4/23; Third Comment Period 11/8/23 - 11/23/23			
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100) <input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input checked="" type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> \$100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify)			
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY <input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input checked="" type="checkbox"/> Other (Specify) Kimberly Kirchmeyer, Director, Department of Consumer Affairs			
7. CONTACT PERSON Whitney Spatz		TELEPHONE NUMBER 916.610.9927	FAX NUMBER (Optional) E-MAIL ADDRESS (Optional) whitney.spatz@brea.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE

11/27/23

TYPED NAME AND TITLE OF SIGNATORY

Angela Jemmott, Bureau Chief, Bureau of Real Estate Appraisers

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

JAN 03 2024

Office of Administrative Law

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

**ORDER OF ADOPTION
License Requirements**

Amend Section 3541 of Article 3 and Section 3568 of Article 4 of Chapter 6.5 of Title 10 of the California Code of Regulations to read as follows:

§ 3541. Minimum Experience Requirements.

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

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

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

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

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

(e) The following are requirements for appraisal experience:

(1) Only appraisals that conform to USPAP may be credited for purposes of meeting the minimum experience requirements; and

(2) Only appraisals performed for a business purpose (e.g., loans, litigation, etc.)

may be credited for purposes of meeting the minimum experience requirements, except for experience gained through case studies and practicum ~~courses~~ programs that are approved by the AQB Course Approval Program or the Bureau. ~~Experience gained through case studies and practicum courses may be credited for no more than 50 percent of the total minimum experience requirement.~~ Experience credit shall be granted for the actual classroom hours of instruction and hours of documented research and analysis as awarded from the practicum program approval process.

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

(1) After completion of an approved licensed residential PAREA program:

- A. Licensed residential applicants shall receive 100 percent of the required experience hours.
- B. Certified residential applicants shall receive 67 percent of the required experience hours.
- C. Certified general applicants shall receive 33 percent of the total experience, none of which is eligible towards the required non-residential hours.

(2) After completion of an approved certified residential PAREA program:

- A. Licensed residential applicants shall receive 100 percent of the required experience hours.
- B. Certified residential applicants shall receive 100 percent of the required experience hours.
- C. Certified general applicants shall receive 50 percent of the required experience hours, none of which is eligible towards the required non-residential hours.

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

- A. "Licensed residential" means a residential level license.
- B. "Certified residential" means a certified residential level license.
- C. "Certified general" means a certified general level license.

(4) 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 PAREA programs that are approved by the AQB.

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

(h) The Bureau will randomly audit AQB-approved or Bureau-approved practicum programs and PAREA programs to ensure appraisal compliance with USPAP and may provide suggestions to the practicum program or PAREA program if any USPAP noncompliance is identified.

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

§ 3568. Trainee Licenses and Supervising Appraiser Responsibilities.

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

~~(1)~~ Education:

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

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

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

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

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

(1) Acquire experience pursuant to Section 3541;

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

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

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

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

~~(e)~~ (d) The ~~s~~Supervising appraisers shall be required to:

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

(2) Review the trainee's appraisal report;

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

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

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

~~(f)~~ (e) Supervising appraisers shall meet the following requirements:

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

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

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

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

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

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