

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

PROPOSED REGULATORY LANGUAGE
License Requirements

Legend:	Added text is indicated with an <u>underline</u> . Deleted text is indicated by strikeout .
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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 to read as follows:

§ 3527. Personal Information or Contact Change.

(a) All applicants for and holders of a license, temporary practice permit or course provider approval permit shall submit written notice to BREa of any change to the following within 10 days on the Change Notification and Miscellaneous Requests Form REA 3011 (Rev. 04/01/2020), which is herein incorporated by reference:

- (1) Name;
- (2) Residence telephone number;
- (3) Business telephone number;
- (4) Business name; or
- (5) Mailing address.

(b) All holders of a Certificate of Registration, or a Controlling Person for an Appraisal Management Company shall submit written notice to BREa of any change to the following within 10 days on the Appraisal Management Company Change Notification and Miscellaneous Requests Form REA 5011 (Rev. ~~04/01/2020~~01/01/2023), which is herein incorporated by reference:

- (1) Name Change (addition or deletion of a Controlling Person);
- (2) Residence telephone number;
- (3) Business telephone number;
- (4) Business name; or
- (5) Mailing address.

Any Form REA 5011 (Rev. ~~04/01/2020~~01/01/2023) submitted to BREa must be signed by the Designated Officer of the Appraisal Management Company.

(c) The mailing address shall be the applicant's, licensee's₁, or Registrant's address of record for all purposes. The address of record, business name₁, and business telephone number shall be public record.

Note: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Sections 11340, 11345, and 11345.05, Business and Professions Code.

§ 3561. Application for Licensing.

(a) Applications for licensing shall be valid for one year from date of receipt by the Bureau, during which time the applicant must qualify for admission to the examination. The one-year period shall not be extended. If the applicant wishes to be considered for licensure after expiration of the one-year period, ~~he or she~~ the applicant must reapply, including submission of all necessary documents and payment of all applicable fees in accordance with then existing requirements.

(b) Applicants for licensing shall have an appropriate knowledge of the English language, including reading, writing, and spelling, and of arithmetical computations common to real estate and appraisal practices.

(c) Applicants for licensing must submit an Initial License Application REA 3001 (Rev. 01/01/2021) and applicable related forms REA, 3002 (Rev. 04/01/2020), and REA 3004, (Rev. ~~04/01/2020~~01/01/2023), which are herein incorporated ~~herein~~ by reference.

Note: Authority cited: Sections ~~444.5, 115.5, 135.4, 11313 and 11340~~, Business and Professions Code. Reference: Sections 30, 31, 114.5, 115.5, 135.4, 494.5, 11340, 11343, 11344, 11401 and 11408, Business and Professions Code; ~~and Sections 11361.5 and 11361.7, Health and Safety Code.~~

§ 3563. Evidence of Experience Qualifications.

(a) Documentation of work experience shall be made available to the Bureau by the applicant upon request.

(b) Documentation of work experience shall include the following:

(1) Log of Appraisal Experience Form REA 3004 (Rev. ~~04/01/2020~~01/01/2023) which is herein incorporated ~~herein~~ by reference.

(2) Samples of completed appraisals reports selected by the Bureau from the applicant's Log of Appraisal Experience Form REA 3004 (Rev. ~~04/01/2020~~01/01/2023). Samples of completed appraisals reports submitted to verify work experience are subject to the confidentiality provisions of USPAP. All samples made available to the Bureau must be exact copies of the appraisal report(s) provided to the client. Applicants desiring return of any samples submitted to the Bureau shall include a written request at the time of submission, ~~a true and correct copy of each sample submitted~~ and a self-addressed envelope

of sufficient size and with adequate postage for return of the original samples.

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 applicants shall satisfy the following minimum requirements:

(1) Education:

(A) Completion of basic education which covers the minimum number of hours and specific topics required by AQB for a residential level license and meets the minimum requirements of Section 3543;~~and~~

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

(C) Completion of a BRE A 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.

(D) 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, trainee licensees shall:

~~(1) Acquire experience pursuant to Section 3542.~~

~~(2)~~ (21) Work under the direct technical supervision of an appraiser licensed at the certified level and in good standing.

~~(3)~~ (32) 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.

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

(e) The supervising appraiser shall:

(1) Personally inspect the property with the trainee until the trainee is competent to make unsupervised inspections in accordance with the Competency Rule of

- USPAP for the type of property being appraised;
- (2) Review the trainee's appraisal report;
- (3) Accept responsibility for the appraisal report by signing and certifying that the report is in compliance with USPAP;
- (4) Review and initial each page of the trainee's Log of Appraisal Experience Form REA 3004 (Rev. ~~04/01/2020~~01/01/2023) and verify under penalty of perjury that the work was completed under ~~his/her~~ the supervising appraiser's supervision; and
- (5) Maintain records of the trainee's appraisals in accordance with USPAP.

(f) Supervising appraisers shall:

- (1) ~~B~~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) ~~B~~be in good standing with the Bureau for a period of at least three years;
- (3) ~~N~~Not supervise more than three trainees at one time;
- (4) ~~N~~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) ~~C~~Complete a BREAA approved course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of supervising appraisers and trainee appraisers. The course 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.

§ 3570. Time Limits for Processing Applications.

(a) Within 90 days of receipt of the Initial License Application, ~~Forms~~ REA 3001 (Rev. 01/01/2021), ~~and applicable related forms~~ REA 3002 (Rev. 04/01/2020), ~~and~~ REA 3004, (Rev. ~~04/01/2020~~01/01/2023), License Upgrade Application, Form REA 3023 (Rev. 04/01/2020), License Renewal Application, Form REA 3012 (Rev. 04/01/2020), Course Provider Accreditation Form REA 3013 (Rev. 04/01/2020), or Course Accreditation and Description Form REA 3014 (Rev. 04/01/2020), the Bureau shall give written notice to the applicant that:

- (1) ~~t~~the application is complete; or
- (2) ~~t~~the application is deficient, describing what information is deficient and/or inadequate.

(A) An application is deficient if the applicant has not completed and provided the Bureau with all of the items required by Article 4 of these

regulations, or any other information requested by the Bureau to complete the application.

(b) Within 90 days of receipt of a completed Request for Issuance, Form REA 3008 (Rev. 04/01/2020), License Renewal Application, Form REA 3012, (Rev. 04/01/2020), Course Provider Accreditation Form REA 3013 (Rev. 04/01/2020), or Course Accreditation and Description Form REA 3014 (Rev. 04/01/2020), the Bureau shall issue or deny the requested license or accreditation provided that:

- (1) The applicant has provided all required information;
- (2) All required fees have been received by the Bureau; and
- (3) Results of applicable criminal records checks have been received from the Department of Justice and/or Federal Bureau of Investigation, and any background check has been completed.

(c) A notice of deficiency pursuant to (a)(2) above shall include written notice of the following:

(1) That the applicant shall have the right to request a hearing by the Chief on the grounds that:

- (A) The Bureau did not send the applicant a deficiency notice or a completed application notice within the time provided in (a) above; or
- (B) The Bureau did not issue the license or submit to the applicant a deficiency notice within the time provided in (b) above.

(2) A request for hearing under this section shall be made to the Chief, in writing, clearly specifying the violations alleged, within 30 days from the date the notice of deficiency is mailed from the Bureau.

(3) If the Chief determines that the Bureau exceeded the time limits without good cause the applicant shall be reimbursed in full of any and all filing fees paid by the applicant and actually received by the Bureau.

(d) The time necessary to complete an informal conference in accordance with Section 3729 of these regulations, and/or a hearing pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, shall be excluded in determining whether or not the Bureau has complied with the 90-day requirement of subsections (a) and (b) above.

(e) Every adjudicatory hearing to determine whether an application should be granted shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) In no event shall a failure to comply with the requirements of this sSection constitute grounds in and of itself for the issuance of a license or approval of accreditation.

Note: Authority cited: Sections ~~444.5~~, 115.5, 135.4, 11313 and 11314, Business and Professions Code. Reference: Sections 30, 114.5, 115.5, 135.4, 494.5, and 11340, Business and Professions Code; and Sections ~~11361.5 and 11361.7,~~ Health and Safety Code.

§ 3575. Appraisal Management Company Certificate of Registration Application.

(a) Applications for a Certificate of Registration shall be valid for one year from the date of receipt by the Bureau. The one-year period shall not be extended.

(b) Applicants for a Certificate of Registration shall have an appropriate knowledge of the English language, including reading, writing and spelling, and of arithmetic computations common to real estate and appraisal practice.

(c) Applicants for a Certificate of Registration must submit an Appraisal Management Company Certificate of Registration Application Fform, REA 5001 (Rev. ~~04/01/2020~~01/01/2023), which is hereby incorporated by reference.

(d) Applicants for a Certificate of Registration must also submit a separate application for each Controlling Person for the company. Each Controlling Person must complete an Appraisal Management Company (AMC) Controlling Person Application Fform, REA 5002 (Rev. 04/01/2020), which is hereby incorporated by reference.

(e) All applicants for a Certificate of Registration must submit the names of all Controlling Persons, including the name of the Designated Officer, as these terms are defined herein.

Note: Authority cited: Sections 11313, 11314, and 11345 Business and Professions Code. Reference: Sections 30, 31, 494.5, 11320.5, 11343 and 11345, Business and Professions Code; and Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (Public Law 101-73)~~Sections 11361.5 and 11361.7,~~ Health and Safety Code.

§ 3602. Change in the Status of License.

(a) If a licensed appraiser wishes to change the status of ~~his/her~~their license to a higher classification, the appraiser must submit the following information to the Bureau:

(1) Completed License Upgrade Application Fform REA 3023 (Rev. 04/01/2020) and forms REA 3001 (Rev. 01/01/2021), REA 3002 (Rev. 04/01/2020), and REA 3004, (Rev. 04/01/202001/01/2023), as applicable (excluding the fingerprint

- card) pursuant to Section 3561;
- (2) All applicable fees; and
- (3) Education and/or experience documentation as necessary to qualify at the certified residential or certified general level.

Note: Authority cited: Sections ~~444.5~~, 115.5, 135.4, 11313, 11314 and 11340, Business and Professions Code. Reference: Sections 30, 114.5, 115.5, 135.4, 494.5, and 11340, Business and Professions Code; and Sections ~~11361.5 and 11361.7~~, ~~Health and Safety Code~~.

§ 3603. Converting a Trainee License to a Full License or Higher Classification.

Trainee licensed appraisers wishing to convert to a residential license or higher classification must submit the following to the Bureau:

(a) License Upgrade Application ~~F~~form REA 3023 (Rev. 04/01/2020) and forms REA 3001 (Rev. 01/01/2021), REA 3002 (Rev. 04/01/2020), and REA 3004, (Rev. ~~04/01/2020~~01/01/2023).

(b) All applicable fees as required;

(c) If the Trainee License was obtained based on education, documentation shall be submitted to verify completion of the required hours of experience in accordance with Section 3563.

(d) Notwithstanding subsections (~~4a~~) and (~~3c~~), the applicant shall submit such documentation as the Bureau deems necessary to determine whether or not the holder of the trainee license meets the minimum requirements for the license level to which ~~he~~ or she the applicant wishes to convert.

Note: Authority cited: Sections ~~444.5~~, 115.5, 135.4, 11313, 11314 and 11340, Business and Professions Code. Reference: Sections 30, 114.5, 115.5, 135.4, 494.5, and 11340, Business and Professions Code; and Sections ~~11361.5 and 11361.7~~, ~~Health and Safety Code~~.

§ 3681. Renewal Application.

(a) A license may be renewed by submitting the following to the Bureau:

(1) Appropriate fees including state and federal registry fees pursuant to Section 3582;

(2) Every other renewal period, proof of completion of approved continuing education by one of the following:

- (A) Official transcript;
- (B) Report card; or
- (C) Completion certificates.

(3) Every renewal period, proof of completion of the 7-hour National USPAP Update Course;

(4) License Renewal Application Form REA 3012 (Rev. 04/01/2020), ~~License Renewal Application~~ which is herein incorporated by reference.

(b) The renewed license shall be valid for a maximum of two years from the date of expiration of the prior license, provided the Renewal Application is received by the Bureau before midnight of the last day of the period for which the previous license was issued, accompanied by the applicable renewal fees and evidence of good faith compliance with the provisions of this aArticle.

(c) Complete applications for renewal of licenses should be submitted to the Bureau at least 90 days prior to the license expiration date. However, applications for renewal shall not be accepted by the Bureau more than 180 days prior to the expiration of the existing license.

(d) A Certificate of Registration may be renewed by submitting the following to the Bureau:

(1) Appropriate fees including state and federal registry fees pursuant to section 3582;

(2) Every renewal period, a designated Controlling Person with the authority to enter into contractual relationships with independent appraisers or who is involved in the appraiser selection approval process must submit proof of completion of the 7-hour National USPAP Update Course, approved by the Appraiser Qualifications Board of the Appraisal Foundation; and

(3) Appraisal Management Company Renewal Application Form REA 5012 (Rev. ~~04/01/2020~~01/01/2023), which is herein incorporated by reference.

(4) Appraisal Management Company Controlling Person Renewal Application Form REA 5013 (Rev. 04/01/2020), which is herein incorporated by reference, for each controlling person.

(e) The renewed Certificate of Registration shall be valid for a maximum of two years from the date of expiration of the prior registration, provided the Renewal Application is received by the Bureau before 5 p.m. Pacific Standard Time of the last day of the period for which the previous Certificate of Registration was issued, accompanied by the applicable renewal fees.

(f) Complete applications for renewal of Certificate of Registration should be submitted to the Bureau at least 90 days prior to the Certificate of Registration expiration date. However, application for renewal shall not be accepted by the Bureau more than 180 days prior to the expiration of the existing Certificate of Registration.

Note: Authority cited: Sections ~~444.5, 115.5, 11313, 11314, 11340, 44341, 11360 and 11361~~, Business and Professions Code. Reference: Sections ~~30, 31, 114.5, 115.5, 494.5, 11340, 11341, 11343, 11345.1, 11345.2, 11345.3, 11360 and 11361~~, Business and Professions Code; and Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (Public Law 101-73)~~Sections 11361.5 and 11361.7, Health and Safety Code.~~

§ 3726. Initiation of Disciplinary Proceedings.

(a) Any person may request the Chief to initiate disciplinary action against an applicant, ~~a~~-licensed appraiser, Registrant, or person or entity acting in a capacity requiring a license or Certificate of Registration by submitting a Complaint Form REA 4001 (New, 01/01/2024 01/01/2023), which is incorporated herein by reference. as follows:

~~(1) The request shall be in writing, shall identify the applicant, licensed appraiser, or Registrant to be charged and shall set forth in ordinary and concise language the particular acts or omissions with which the applicant, licensed appraiser, or Registrant is charged in such detail as is reasonably necessary to enable the Chief to understand the nature of the charges and their significance. Such request may, but need not, specify the statutes or regulations alleged to have been violated;~~

~~(2) Where the acts or omissions alleged are not within the personal knowledge of the person filing the request, such request shall be accompanied by verified statements of facts from one or more persons who do have personal knowledge of the acts or omissions alleged;~~

~~(3) Each such request shall be dated and signed and shall include the following verification: "I certify under penalty of perjury of the laws of the State of California that the facts stated herein are true and correct", and shall show the county or place where subscribed.~~

(b) 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.

(c) If the complaint is not within the jurisdiction of the Chief, or if the Chief is unable to make a satisfactory disposition of the complaint, the Chief, if appropriate, shall transmit the complaint, together with any appropriate evidence or information ~~to or she~~ to the Chief has concerning the complaint to the agency, public or private, whose authority in the opinion of the Chief will provide the most effective means to secure the relief sought.

The Chief shall notify the complainant of such action and of any other appropriate means which may be available to the complainant to secure relief.

(d) An investigation may be initiated by the Chief upon information and belief.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code; and Section 11180, Government Code. Reference: Sections 480, 490, 11310.3, 11320 and 11328.1, Business and Professions Code.