DEPARTMENT OF CONSUMER AFFAIRS
TITLE 10. INVESTMENT
Chapter 6.5.
BUREAU OF REAL ESTATE APPRAISERS

NOTICE OF PROPOSED REGULATORY ACTION CONCERNING:

Petitions to Remove Published Discipline from Bureau's Website

NOTICE IS HEREBY GIVEN that the Bureau of Real Estate Appraisers (hereafter "Bureau") is proposing to take the action described in the Informative Digest below, after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Bureau has not scheduled a public hearing on this proposed action. However, the Bureau will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days prior to the close of the written comment period. A hearing may be requested by making such request in writing addressed to the individuals listed under "Contact Person" in this notice.

WRITTEN COMMENT PERIOD

Written comments relevant to the action proposed, including those sent by mail, facsimile, or e-mail to the addresses listed under "Contact Person" in this Notice, must be **received by the Bureau at its office no later than Monday, October 5, 2026**, or must be received by the Bureau at the hearing, should one be scheduled.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by section(s) 11313, 11317.2, 11340, 11343, 11350, 11352, 11360, 11361, 11400, 11401, 11404, 11405, 11406, 11406.5, 11408 and 11422 of the Business and Professions Code (BPC), 17520 of the Family Code; and to implement, interpret, or make specific BPC sections 11317.2, 11350, 11400, 11401, 11404, 11406 and 11406.5, the Bureau is considering amending sections 3581 and 3582, and adopting section 3734 of title 10 of the California Code of Regulations (CCR).

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

Background

The Bureau of Real Estate Appraisers (Bureau) licenses, regulates, and disciplines real estate appraisers, trainees, and registers appraisal management companies (AMC). In 1989, Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act (“FIRREA” 12 U.S.C. § 3331 et seq.) was adopted by Congress mandating states to license and certify real estate appraisers who appraise property for federally related transactions. The federal law was enacted as a result of the savings and loan disaster. In response to the federal mandate, the Real Estate Appraisers Licensing and Certification Law was enacted by the California Legislature in 1990 (AB 527, Chapter 491 of 1990) and the Bureau of Real Estate Appraisers (“Bureau”) was later established within the Department of Consumer Affairs, a department within the Business, Consumer Services, and Housing Agency. The Bureau is charged with developing and implementing a real estate appraiser licensing and certification program compliant with the federal mandate. Section 4 of Stats.1990, c. 491 (Assembly Bill (AB) 527), provides:

> “It is the intent of the Legislature in enacting this act to implement the policy of the Congress as expressed in the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law No. 101-73 (FIRREA), and to establish a state program to license and certify real estate appraisers.” (See Bus. & Prof. Code §11300.)

Business and Professions Code (BPC) section 11317 requires that the Bureau publish a summary of disciplinary actions taken by the office, including resignations while under investigation and the violations upon which these actions are based, which shall meet, at a minimum, the requirements of the appraisal subcommittee. Additionally, Business and Professions Code section 11317.2 provides, in pertinent part, that: “. . . the bureau shall provide on the internet information regarding the status of every license and registration issued by the bureau in accordance with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code) and the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). Subdivision (2) of Business and Professions Code section 11317.2 states that, “[T]he public information to be provided on the internet shall include information on suspensions and revocations of licenses and registrations issued by the bureau and accusations filed pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) relative to persons or businesses subject to licensure, registration, or regulation by the bureau.”

On September 22, 2024, Senate Bill (SB) 1225 (Chapter 461, Statutes 2024) was enacted, which amended Business and Professions Code section 11317.2, effective January 1, 2025, to allow certain licensees and immediate family members or heirs of deceased licensees to remove certain disciplinary matters from the Bureau's summary of public actions on its internet website. BPC section 11317.2 provides that the Bureau may develop, through regulations, the amount of the fee and the minimum information to be included in a licensee's petition including, but not limited to, a written justification and evidence of rehabilitation pursuant to BPC section 482, and the amount of the fee and the minimum information to be included in a petition submitted by an immediate family member or heir of a deceased licensee. The Bureau currently does not have regulations to implement these statutory amendments. This rulemaking seeks to promulgate the fees, processes and criteria for petitioning for removal of disciplinary information from the Bureau of Real Estate Appraisers' summary of disciplinary actions on its internet website by either a licensee or immediate family or heirs of deceased licensee, as specified in a proposed new CCR section 3734. The proposal would also specify the process and standards the Bureau would use in reviewing, granting or denying such petitions, including the adoption of a proposed form incorporated by reference.

Additionally, existing Section 3582 of Title 10 of the California Code of Regulations (CCR) sets forth a filing fee table describing the fees associated with filing of specific documents. Because this rulemaking will be establishing new fees associated with the filing of a petition for removal of discipline, CCR section 3582 will need to be amended to include the fees associated with such petitions.

Business and Professions Code section 11400(b) states that the Bureau may accept credit cards for payment of fees but does not specify how or under what conditions credit cards will be accepted for payment by the Bureau. The proposed amendment to CCR section 3581 will set those standards and clarify that the Bureau will accept "authorized" credit cards (VISA and Mastercard) as specified for payment of fees.

The proposed regulatory action establishes the framework by which a petitioner may petition the Bureau for the removal of qualifying disciplinary actions posted on the Bureau's website. The regulations are necessary to ensure that the process is transparent, standardized, and fair, while protecting the public interest.

The proposed regulations will include:

- Eligibility criteria that a petitioner must meet in order to petition for removal of a disciplinary record, including the type of discipline, time elapsed since the action, and evidence of rehabilitation.

- Define the petition process, including required documentation, timelines, and review procedures.

- Establish a standardized application form to be used by petitioners.

- Set fees to cover the costs associated with processing the petitions.

- Provide the Bureau with established criteria to exercise its discretion to grant or deny a petition based on the petitioner's compliance with the established criteria and any additional information deemed relevant to the decision.

- Establish a process for the Bureau to accept fees made via authorized credit card (VISA or Mastercard) as specified, and will adopt a new form for credit card payments.

Anticipated Benefits of Proposal

The Bureau has determined that this regulatory proposal will have the following benefits to the health and welfare of California residents:

This regulatory action benefits the health and welfare of California residents by establishing a clear, efficient and transparent process for applications submitted pursuant to Business and Professions Code section 11317.2 (c) and (d). These sections pertain to licensees' or immediate family members or heirs of deceased licensees' ability to remove certain disciplinary information from the Bureau's website.

By specifying the required fees, forms, documentation and procedures, the regulations eliminate ambiguities for applicants and ensure consistency in how applications are received and reviewed. This increases fairness and transparency in the petition process.

Additionally, the fees established through this regulatory action are designed to cover the reasonable costs associated with reviewing and processing applications, and removing the disciplinary information from the Bureau's website, which promotes fiscal responsibility and ensures that the process does not place an undue burden on other licensees.

Overall, by ensuring that applicants meet statutory and regulatory requirements through a structured and well-defined process, this regulatory action supports the Bureau's highest priority: protection of the public while also seeking to eliminate barriers for licensees where posting of the discipline is no longer required to prevent a credible risk to members of the public.

This regulatory proposal does not affect worker safety or the state's environment as it is not related to either of those issues.

Evaluation of Consistency and Compatibility with Existing State Regulations
During the process of developing this regulatory proposal, the Bureau has conducted a search of any similar regulations on these topics and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

INCORPORATION BY REFERENCE

This proposal would incorporate the following forms by reference:

(1) “Authorized Credit Card Payments,” REA 2031 (New 8/2025)
(2) “Petition Application for Removal of Discipline, REA 3070 (New 2/2026),” (REA 3070)

DISCLOSURES REGARDING THIS PROPOSED ACTION

FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:
The Bureau estimates approximately 300 individuals are currently eligible to submit a petition and projects up to 16 individuals would be eligible annually thereafter. A licensee would be required to pay a $200 petition fee and family members would pay a $116 petition fee. However, the Bureau does not maintain data on whether these individuals are alive or deceased and because submitting a petition is voluntary, it is difficult to project the number of petitions submitted per year either by a licensee or by a family member.

Assuming the Bureau receives a petition from every current (300) and ongoing (16) eligible individuals either from the licensee or from a family member, the Bureau estimates workload costs and revenues as follows:

Workload Costs:

- **Licensee:** Workload costs (including 2.5% credit card convenience charge) up to $61,500 in year-one of implementation and ranging from approximately $3,400 to $4,300 per year thereafter and up to $95,700 over a ten-year period.

- **Family Member:** Workload costs (including 2.5% credit card convenience charge) up to approximately $17,800 in year-one of implementation and ranging from approximately $2,000 to $2,500 per year thereafter and up to $37,700 over a ten-year period.

Additionally, the Bureau will incur one-time information technology costs of approximately $1,000 to create and post the two application forms to the Bureau’s website.

Revenues:

- **Licensee:** Revenues up to $60,000 in year-one of implementation and $3,200 annually thereafter and up to $88,800 over a ten-year period.

- **Family Member:** Revenues up to $17,400 in year-one of implementation and approximately $1,900 annually thereafter and up to $34,100 over a ten-year period

The proposed regulations do not result in costs or savings in federal funding to the state.

Nondiscretionary Costs/Savings to Local Agencies: None.

Cost to any Local Agency or School District for which Government Code Sections 17500 - 17630 Require Reimbursement: None.

Mandate Imposed on Local Agencies or School Districts: None.

Significant Effect on Housing Costs: None.

BUSINESS IMPACT ESTIMATES

The Bureau has made the initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. This initial determination is based on the following facts:

This regulation establishes a process for a Petition to Remove Discipline for licensees and immediate family members or heirs of deceased licensees who meet certain criteria. Thus, not every individual who has published discipline on the Bureau's website will be eligible to have it removed and the fees for individuals ($200) and family members ($116) are minimal and reasonable.

The Bureau estimates approximately 300 individuals are currently eligible to submit a petition and projects up to 16 individuals would be eligible annually thereafter. A licensee would be required to pay a $200 petition fee and family members would pay a $116 petition fee. However, the Bureau does not maintain data on whether these individuals are alive or deceased and because submitting a petition is voluntary, it is difficult to project the number of petitions submitted per year either by a licensee or by a family member.

Assuming the Bureau receives a petition from every current (300) and ongoing (16) eligible individuals either from the licensee or from a family member, the Bureau estimates workload costs and revenues as follows:

- **Licensee:** Costs up to $60,000 in year-one of implementation and up to $3,200 annually thereafter and up to $88,800 over a ten-year period.

- **Family Member:** Costs up to $17,400 in year-one of implementation and up to approximately $1,900 annually thereafter and up to $34,100 over a ten-year period.

Please see the Bureau's Initial Statement of Reasons for further details.

Cost Impact on Representative Private Person or Business

The cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action and that are known to the Bureau are:

The cost to a current licensee and immediate family member/heir of a deceased licensee who chooses to file a petition to request removal of a disciplinary action from the Bureau's website would consist of the non-refundable petition filing fee (either $116 or $200), which is set by the proposed regulations to cover the Bureau's administrative costs for processing the petition.

The Bureau estimates approximately 300 individuals are currently eligible to submit a petition and projects up to 16 individuals would be eligible annually thereafter. A licensee would be required to pay a $200 petition fee and family members would pay a $116 petition fee. However, the Bureau does not maintain data on whether these individuals are alive or deceased and because submitting a petition is voluntary, it is difficult to project the number of petitions submitted per year either by a licensee or by a family member.

Assuming the Bureau receives a petition from every current (300) and ongoing (16) eligible individuals either from the licensee or from a family member, the Bureau estimates workload costs and revenues as follows:

- **Licensee:** Costs up to $60,000 in year-one of implementation and up to $3,200 approximately annually thereafter and up to $88,800 over a ten-year period.

- **Family Member:** Costs up to $17,400 in year-one of implementation and up to approximately $1,900 annually thereafter and up to $34,100 over a ten-year period.

RESULTS OF ECONOMIC IMPACT ASSESSMENT / ANALYSIS

Impact on Jobs / Businesses

The Bureau has determined that this regulatory proposal is not expected to have a significant impact on the creation or elimination of jobs within the state. The petition process is voluntary and will apply to a limited number of current or former licensees whose disciplinary actions could be subject to removal from the Bureau's website. As such, the economic activity is expected to be minimal and will not meaningfully impact jobs.

The proposed action is not anticipated to have a significant impact on the creation of new businesses, the elimination of existing businesses, or the expansion of businesses currently operating in the state. The regulation establishes a process available only to current or former licensees who wish to remove posted discipline and does not impose new operational or compliance burdens on businesses.

Benefits of Regulation:

The Bureau has determined that this regulatory proposal will have the following benefits to the health and welfare of California residents:

This regulatory action benefits the health and welfare of California residents by establishing a clear, efficient and transparent process for applications submitted pursuant to Business and Professions Code section 11317.2 (c) and (d). These sections pertain to licensees' or immediate family members or heirs of deceased licensees' ability to remove certain disciplinary information from the Bureau's website.

This regulatory proposal does not affect worker safety or the state's environment, as this proposal is not related to any of those issues.

Business Reporting Requirements

The regulatory action does not require businesses to file a report with the Bureau.

Effect on Small Business

The Bureau has determined that the proposed regulations may affect small businesses, including businesses owned or employee licensees, as stated in the "Business Impact Estimates" section of this Notice. Any costs associated with the proposed regulations involving removal of public discipline from the Bureau's website will be borne by the petitioners and the fees for individuals ($200) and family members ($116) are minimal and reasonable.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Bureau must determine that no reasonable alternative it considered to the regulations or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed; would be as effective and less burdensome to affected private persons than the proposal described in this Notice; or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may submit comments to the Bureau in writing relevant to the above determinations at 3075 Prospect Park Drive, Suite 190, Rancho Cordova, CA 95670 during the written comment period, or at the hearing if one is scheduled or requested.

AVAILABILITY OF STATEMENT OF REASONS AND RULEMAKING FILE

The Bureau has compiled a record for this regulatory action, which includes the Initial Statement of Reasons (ISOR), proposed regulatory text, and all the information on which this proposal is based. This material is contained in the rulemaking file and is available for public inspection upon request to the contact persons named in this Notice.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations, and any document incorporated by reference, and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained upon request from the Bureau, at 3075 Prospect Park Drive, Suite 190, Rancho Cordova, CA 95670.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments, the Bureau, upon its own motion or at the request of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal, with the modifications clearly indicated, will be available for review and written comment for 15 days prior to its adoption from the persons designated in this Notice as the Contact Persons and will be mailed to those persons who submit written comments or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below.

You may obtain a copy of the Final Statement of Reasons once it has been prepared by making a written request to the Contact Persons named below or by accessing the website listed below.

CONTACT PERSONS

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Name:	Tinna Morlatt, Deputy Bureau Chief of Enforcement
Address:	Bureau of Real Estate Appraisers 3075 Prospect Park Drive, Suite 190 Rancho Cordova, CA 95670
Telephone No.:	(916) 610-9893
Fax No.:	(916) 464-0131
E-Mail Address:	regulations@brea.ca.gov

The backup contact person is:

Name:	Mujiburrahman Khateer, Deputy Chief
Address:	Bureau of Real Estate Appraisers 3075 Prospect Park Drive, Suite 190 Rancho Cordova, CA 95670
Telephone No.:	(916) 610-9883
Fax No.:	(916) 464-0131
E-Mail Address:	regulations@brea.ca.gov

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations with modifications noted, as well as the Final Statement of Reasons when completed, and modified text, if any, can be accessed through the Bureau's website at https://brea.ca.gov/html/rulemaking.html