

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-2016-0412-06	2016-0719-015	

For use by Office of Administrative Law (OAL) only

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

AUG 29 2016

3:15 p.m

2016 JUL 19 A 11:01

OFFICE OF
ADMINISTRATIVE LAW

NOTICE

REGULATIONS

AGENCY FILE NUMBER (If any)

AGENCY WITH RULEMAKING AUTHORITY

Bureau of Real Estate Appraisers

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

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE Notice re Proposed <input type="checkbox"/> Regulatory Action <input type="checkbox"/> Other <input type="checkbox"/>		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE		NOTICE REGISTER NUMBER	PUBLICATION DATE
<input type="checkbox"/> Approved as Submitted	<input type="checkbox"/> Approved as Modified	<input type="checkbox"/> Disapproved/Withdrawn	2016, 17-2	4/22/16

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Trainee License & Supervising Appraiser Responsibilities	of agency request <i>em</i>	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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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	N/A
	AMEND	3568
	REPEAL	N/A
TITLE(S)	10	

3. TYPE OF FILING

<input checked="" 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 type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<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)

N/A

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input checked="" type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> §100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)
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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 56660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify)		

7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
Kyle Muteff	916.341.6126		

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

TYPED NAME AND TITLE OF SIGNATORY

Awet Kidane, Director, Department of Consumer Affairs

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

AUG 29 2016

Office of Administrative Law

BUREAU OF REAL ESTATE APPRAISERS

ORDER OF ADOPTION

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

§ 3568. Trainee Licenses and Supervising Appraiser Responsibilities.

(a) To obtain a Trainee License, 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.

(C) Completion of 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 is not eligible towards the qualifying education required to obtain the license.

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

~~(2) Successful passage of the National Uniform Appraiser License examination or its equivalent.~~

(b) To accrue acceptable experience, trainee licensees shall:

(1) Acquire experience pursuant to Section 3542.

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

(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.

(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 Provision 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. 4/7/08) and verify under penalty of perjury that the work was completed under his/her supervision; and

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

(f) Supervising appraisers shall:

(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; and

(4) not be subject to any disciplinary action within any jurisdiction within the last ~~two~~ 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, 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 and 11340, Business and Professions Code.

Reference: Section 11341, Business and Professions Code.

BUREAU OF REAL ESTATE APPRAISERS

FINAL STATEMENT OF REASONS

Hearing Date: June 7, 2016

Subject Matter of Proposed Regulations: Trainee and Supervisor Responsibilities

Section Affected: Amend Section 3568 of Title 10 of the California Code of Regulations

Updated Information

The Initial Statement of Reasons is included in the file. There was one comment to change “Competency Provision” to “Competency Rule” in subdivision (e)(1). The Bureau incorrectly referred to the Competency Rule as the Competency Provision in subdivision (e)(1) because USPAP does not have a Competency Provision.

The Summary and Response to Comments contained in Tab VIII of the rulemaking file in hereby incorporated by reference.

Local Mandate

A mandate is not imposed on local agencies or school districts.

Small Business Impact

This action does not have a significant adverse economic impact on small businesses. No alternatives were proposed to the Bureau that would lessen any adverse economic impact on small business.

The benefit will be compliance with Business and Professions Code section 11350, less burdens to obtain an out of state license, and continue ASC approval for appraisers to conduct appraisals for federally related transactions.

Consideration of Alternatives

No reasonable alternative which was considered or that has otherwise been identified and brought to the attention of the bureau would be more effective in carrying out the purpose for which it was proposed or would be as effective and less burdensome to affected private persons than the adopted regulation or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Objections or Recommendations/Responses

There was one comment regarding “Competency Rule” as stated above.