



# 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 Bureau Chief



Earlier this year, I had the distinct pleasure of serving as the keynote speaker for the Monterey Bay Appraisal Seminar hosted by the Appraisal Institute—Northern California Chapter. It was a galvanizing experience, thus meriting a few highlights in this newsletter.

We began the discussion with some very good news collected by the U.S. Bureau of Labor Force Statistics. Their research indicated an expected growth of 5% in the valuation profession over the next eight years.

While the demand for appraisal services is linked to the real estate market, which may fluctuate in the short term, it is projected employment growth will be driven by economic expansion; the need for business valuations; and general demand for residential, personal, and other properties. It was also projected that productivity would rise as workers embrace the usage of mobile technology and automated valuation models, which will enable them to appraise and assess properties more efficiently.

Although this projected growth of 5% is good news on one hand, our data shows a precipitous decline in our population of appraisers. Quite frankly, our aging population and declining labor force poses economic challenges through various industries in California, not just the valuation market. This is why we are pleased to hear Practical Applications of Real Estate Appraisal (PAREA) has 155 participants currently in the program and 23 of those are from California. We are also very pleased about the development of practicum programs being designed for aspiring appraisers.

We candidly shared BREA's internal operational efforts. We recognized our opportunities in our processing times, which demanded our attention in streamlining our licensing controls and the insertion of modernization of systems where possible. BREA is on target by the close of the year to dramatically upgrade our application review processing times, which is in line with the preparation of bringing qualified professionals into the industry. I believe the attendees of the Monterey Bay Appraisal Seminar left hopeful and encouraged for the future.

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The sharing of the few highlights of the Monterey Bay Appraisal Seminar was important, but I have more good news! As you all know, we publish within every newsletter the results of exams taken within the last quarter. In watching the continuous poor scores in 2023, the staff and I were concerned over the low passing rate of Californians in comparison to the national averages. We sought out the reasons causing the disparities of exams scores in California.

After working with the Appraiser Qualification Board (AQB) and BREAs examination provider PSI, it was discovered that California exam takers were not scoring lower than the national average, but rather the statistical information provided to BREAs by PSI was incorrect. We were reassured by AQB Chair Brad Swinney *“that PSI was unaware that the migration issue had impacted the CA reports as well. These incorrect reports showed a lower-than-expected pass rate for first-time candidates on two of the examinations. The issue causing inaccurate reporting has since been fixed.”*

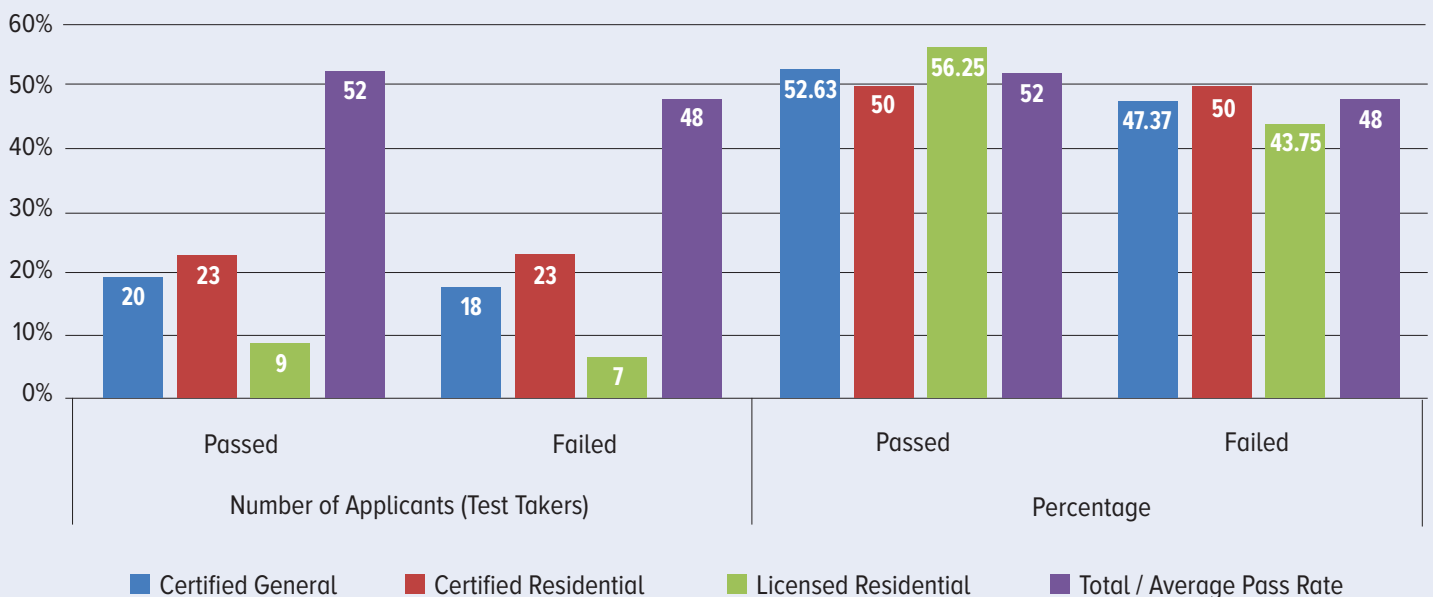
We are proud to provide you with updated data statistics for 2024 and our current quarterly results. ■

**Angela Jemmott, Bureau Chief**

## CA Exam Results

The following graph shows the California Appraisers Examination statistics from January 1, 2024, through June 30, 2024, as provided by PSI Services. The numbers indicate the pass rate by candidate and exam type. ■

### National Uniform Exam for Licensing and Certification (January 1–June 30, 2024)





## Did You Know?

Practical Applications of Real Estate Appraisal (PAREA) has been approved by California effective January 1, 2024!

PAREA is an online classroom/virtual environment that combines real-world appraisal problems with appraisal methodology and theory to provide aspiring appraisers an alternative to the supervisory/trainee model to gather the experience hours necessary for licensure of the Residential and Certified Residential license. For more information on the program, please visit the Appraisal Institute website at [www.appraisalinstitute.org](http://www.appraisalinstitute.org). ■

# Unfamiliar Assignments

We often receive inquiries from appraisers seeking advice on how to complete unfamiliar assignments. For example, “Should a single-family residence with two accessory dwelling units be completed on a 2–4-unit form?”

It is important to clarify that we cannot provide advice on which forms to use for specific assignments. However, we can point you toward resources that may help in your decision-making process.

## Things to consider:

**Ensure Competency:** Assess your own competency before you take on the assignment. If you lack experience in a particular area, inform your client, seek out additional training, and consult and/or partner with peers. Know when to decline an assignment.

**Understand Your Client’s Needs:** What specific information are they seeking, and how will the appraisal be used?

**Understand Zoning Regulations:** Familiarize yourself with the zoning regulations governing the subject property by utilizing the primary data source (planning departments, zoning administrators, municipal codes, zoning ordinances, etc.), not a third-party data

source (tax records, MLS, etc.). Determine the type of structure(s) that are permitted and any restrictions that may apply.

**Assess Market Conditions:** Analyze the subject’s market to determine if the demand for properties like the subject exists. Ask yourself, “What does the subject’s market support?” and is the property at its highest and best use?

**Consult Guidelines:** If applicable, reference the selling guides and handbooks provided by Fannie Mae, Freddie Mac, and the Department of Housing and Urban Development (HUD).

Here are some useful links:

- Fannie Mae Selling Guide: [selling-guide.fanniemae.com](https://www.fanniemae.com/selling-guide)
- Freddie Mac Guide: [guide.freddiemac.com](https://www.freddiemac.com/guide)
- HUD Handbook 4000.1: [hud.gov/program\\_offices/housing/sfh/handbook\\_4000-1](https://www.hud.gov/program_offices/housing/sfh/handbook_4000-1)

Understanding your assignment, the intended use, the subject’s market, and the resources you need to consult are keys to delivering a reliable appraisal report.

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## Supporting Your Highest and Best Use Opinion

USPAP Standards Rule 2-2(a)(xii) requires, “the content of an Appraisal Report must be appropriate for the intended use of the appraisal and, at a minimum, when an opinion of highest and best use was developed by the appraiser, state that opinion and summarize the support and rationale for that opinion.” There are two important words to be aware of in that rule, “state” and “summarize,” and it requires the appraiser do two things: “state” their opinion of highest and best and “summarize” the support and rationale for that opinion.

Typically, residential appraisers use printed Fannie Mae or Freddie Mac forms to report their assignment results.

Dimensions	Area	Shape	View						
Specific Zoning Classification		Zoning Description							
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)									
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe									
S I T E	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private	
	Electricity	<input type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	<input type="checkbox"/>	Street	<input type="checkbox"/>	<input type="checkbox"/>
	Gas	<input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>
	FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone	FEMA Map #	FEMA Map Date				
Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe									
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe									

Image from Uniform Residential Appraisal Report (URAR) Fannie Mae Form 1004/Freddie Mac Form 70.

If you determine through your analysis that the current use is the highest and best use, the form helps you meet the requirements for stating highest and best use. The form contains the question, “Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?” Check “yes” next to this question to indicate the current use is the highest and best use.

Adding a summarization of the analysis that led you to that conclusion in an addendum will assist you in ensuring compliance with the requirement to summarize.

A brief summarization of the relevant legal, physical, and economic factors you analyzed will ensure you meet the Uniform Standards of Professional Appraisal Practice (USPAP) requirement.

A nonspecific example narrative example could read something like this:

“The subject’s highest and best use as improved is the current use as a single-family home.

The subject is legally permissible as a single-family home per the city of Somewhere, California’s specific zoning classification and requirements and the subject conforms with the market area, is located in a subdivision with like properties, and is expected to remain a single-family home.”

Regardless of the form used, an appraiser must always state their opinion of highest and best use, and summarize the support and rationale for that opinion when reporting their assignment results. If the form the appraiser uses does not provide sufficient space, the appraiser must supplement the form to comply with USPAP’s reporting requirements. ■

## BREA's FAQs

**Q: I have been approved to take the Residential Examination. Where can I find information on the exam?**

**A:** Information on the exam can be found on The Appraisal Foundation's website at [www.appraisalfoundation.org](http://www.appraisalfoundation.org). Under "Standards & Qualifications," select "Qualification Criteria," then click "National Uniform Licensing and Certification Exam."

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**Q: I am in the process of becoming a certified general appraiser. Do I need to become a licensed trainee first before I can move forward with getting the Certified General license?**

**A:** No, an applicant may apply at any level of licensure for which he or she meets the requirements.

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**Q: How do I know which two-year renewal cycle I'm in?**

**A:** You can check your licensing renewal cycle on the BREA website at [www.brea.ca.gov](http://www.brea.ca.gov).

Click "Online Services," then select "Search for an Appraiser." Enter your license number in the "Search Parameters" section and click "Submit." You will see "USPAP" or "Full CE" in the "Next Renewal" field on the Licensee Details page.

NOTE: It is the licensee's responsibility to submit a timely renewal and know which renewal is required.



**Q: What if my renewal is late?**

**A:** Applications are considered late if postmarked after the expiration date of the license or if any of the required continuing education (CE) is completed after the expiration date of the license. Licensees must pay a late penalty fee and submit proof of completion of seven additional CE hours for each six-month period the application is received after the expiration of the CE cycle.

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**Q: How often do I have to renew my license?**

**A:** License renewals are required every two years. The expiration date of an appraiser license is normally two years from the date of issuance.

NOTE: Appraisers with an expired license cannot legally perform appraisals in federally related transactions until their license is renewed. ■

# Legal Corner

## Expedited Licensure for Honorably Discharged Members of the United States Armed Forces

Each Department of Consumer Affairs (DCA) licensing program is required to expedite the licensure or registration process for applicants who served as active-duty members of the U.S. armed forces and were honorably discharged.

### How to Qualify for Expedited Processing:

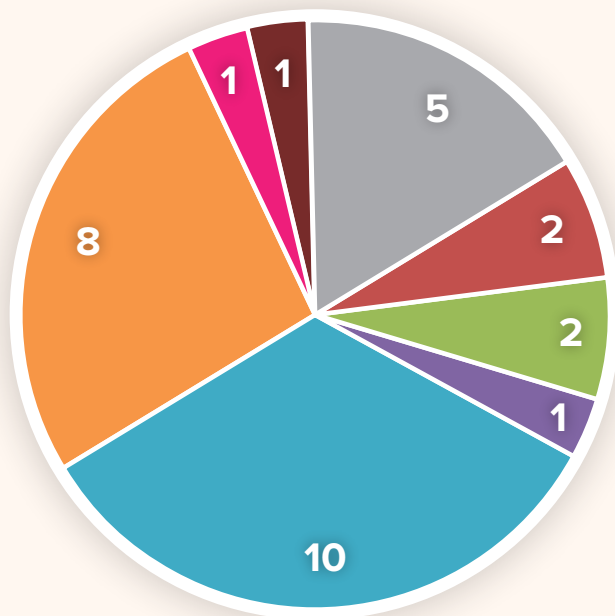
- Provide evidence of active-duty service in the U.S. armed forces and honorable discharge.

Please note, expedited processing does not guarantee the issuance of a license or registration; it only ensures a faster review process as per Business and Professions Code section 115.4.

For inquiries, please contact BREa at [licensing@brea.ca.gov](mailto:licensing@brea.ca.gov), and provide the license details. Additional contact information for BREa is available at [brea.ca.gov/html/Contact.html](http://brea.ca.gov/html/Contact.html).

If you are inquiring on behalf of a relative, please include the relative's license details. Additionally, staff may only be able to release limited licensee information to a relative. ■

**Total Active Duty/Retired Military Status, BREa Applications, 01/2024–06/2024**



- Initial
- Late Renewal—Full CE
- Late Renewal—USPAP
- Reciprocal
- Renewal—Full CE
- Renewal—USPAP
- Temporary Practice Permit
- Upgrade

# COURSE PROVIDERS OFFERING THE CALIFORNIA STATE LAWS AND REGULATION COURSE







# Education

## Course Providers Offering the California State Laws and Regulation Course

As of August 2024, BREA has approved 11 course providers for the State Laws and Regulations course. We look forward to continued submissions of course providers.

This list of course providers can be found on our website at [www.brea.ca.gov](http://www.brea.ca.gov); select “Online Services,” click “Course Provider Search,” then enter the search criteria. ■

### Current as of August 2024:

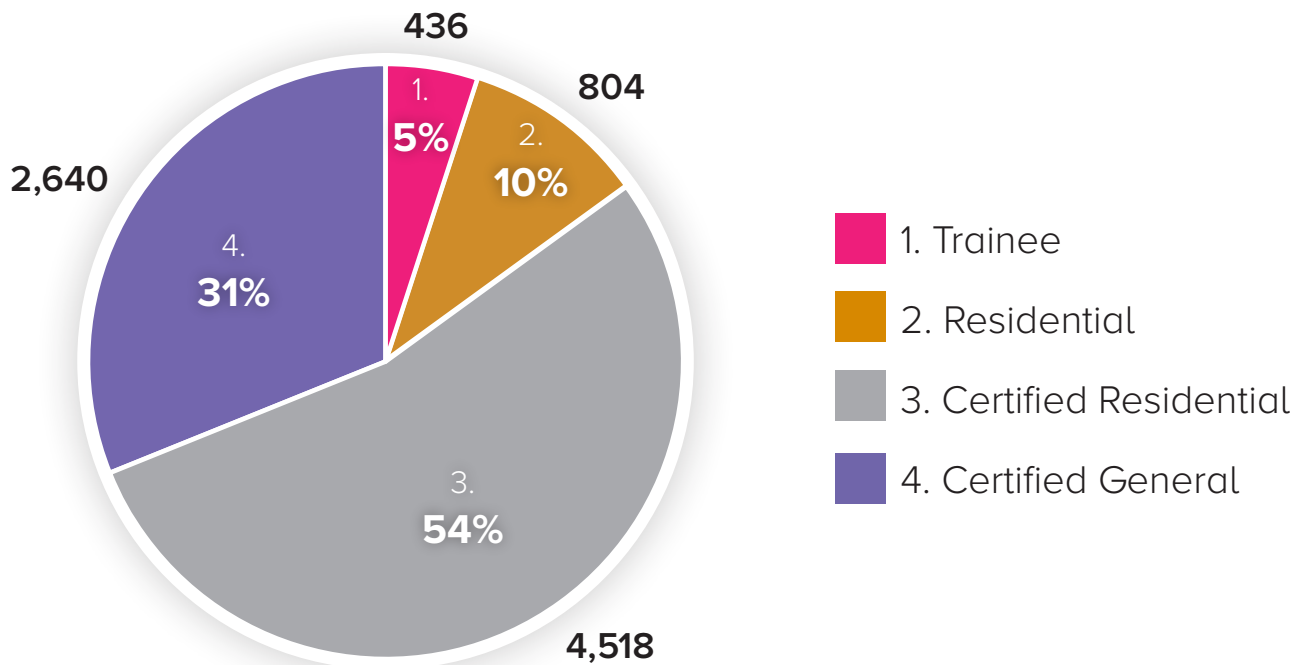
California State Laws & Regulations Courses	Course Providers	Phone Number
Federal and California State Laws & Regulations	Affiliated Appraisers Workshop	(866) 944-8583
Federal and California Statutory and Regulatory Laws	Appraisal Institute	(312) 335-4144
California Laws and Regulations for Real Estate Appraisers	Calypso Continuing Education	(802) 565-8238
California State Laws and Regulations	Dynasty School	(800) 888-8827
Federal & State Laws & Regulations	Ken Hunsinger	(916) 420-0032
Laws and Regulations for California Appraisers	McKissock, LLC	(800) 328-2008
Navigating California's Laws and Regulations	OREP Education Network	(888) 347-5273
Federal Regulations and State Laws Course	Real Estate Appraisers Association	(916) 764-7535
California Federal and State Laws and Regulations	The CE Shop	(262) 565-5369
Federal and California Laws & Regulations for Appraisers—With Real-World Relevance	Valuation Education, LLC	(805) 696-2600
Federal and State Laws and Regulations	West Los Angeles College	(310) 849-5415



## Licensing Stats

The following chart shows the breakdown of the licensed appraiser population by license level type. As of **July 1, 2024** there are **8,398** active appraisers—**5%** are Trainee level, **10%** are Residential level, **54%** are Certified Residential level, and **31%** are Certified General level. ■

Active Licensees as of July 1, 2024: **8,398**





## 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). ■

DISCIPLINARY ACTIONS				
Licensee	License No.	City of Business	Order Effective	Discipline
Barton Jordan	8575	Newport Beach	1/19/24	Stayed Revocation, Probation, Monetary Fine, Education
Gary Lev	28453	Oakdale	3/1/24	Surrender
Mahmoud Q. Masadeh	36538	Lodi	4/19/24	Revocation
Brett R. Modeer	44999	Alhambra	4/24/24	Surrender
Anthony Santos	30440	Pittsburg	5/20/24	Stayed Revocation, Probation, Monetary Fine, Education
Nancie A. Haas	27603	Santa Clarita	6/14/24	Stayed Revocation, Probation, Monetary Fine, Education



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

### 1. Notify the Bureau of any changes to your contact information.

California Code of Regulations section 3527 requires written notification to the Bureau **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 "Forms." 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 e-mail address, which allows the Bureau to send you newsletters and other important information.*

### 2. Notify the Bureau of any convictions, felony charges, or other license discipline. Business and Professions Code section 11318 requires all licensees, applicants, and course providers report to BREA in writing **within 30 days** any of the following:

- (1) Felony charges.
- (2) Misdemeanor or felony convictions (including pleas).
- (3) The 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 the Bureau at (916) 552-9000. ■**



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

