CALIFORNIA CODE OF REGULATIONS
TITLE 10. INVESTMENT
CHAPTER 6.5. BUREAU OF REAL ESTATE APPRAISERS
SECTIONS 3500 ET SEQ.

NOTICE: THIS DOCUMENT WAS CURRENT WHEN ASSEMBLED; HOWEVER, STATUTES AND REGULATIONS ARE SUBJECT TO CHANGE. BREA MAKES NO REPRESENTATION AS TO THE ACCURACY OF THE CONTENTS OF THIS DOCUMENT. IT IS THE RESPONSIBILITY OF THE READER TO CONSULT CURRENT CODE BOOKS.

ARTICLE 1. DEFINITIONS

§ 3500. Meaning of Words and General Definitions.

(a) Words shall have their usual meaning unless the context or a definition clearly indicates a different meaning. Words used in their present tense include the future tense and words in the singular form include the plural form. Use of the word “shall” or “must” denotes mandatory conduct; “may” denotes permissive conduct; and “should” denotes recommended conduct.

(b) As used in these regulations, the following words and phrases shall have the following definitions:

(1) “Applicant” means a natural person who has made application to be a State Licensed Real Estate Appraiser, a State Certified Real Estate Appraiser, a Course Provider or a person who has applied for a Trainee License, a Reciprocal License or a Temporary Practice Permit. Applicant also means an entity or Controlling Person that has applied for a Certificate of Registration as an Appraisal Management Company;

(2) “Appraisal management company” means any person or entity as defined in Business and Professions Code section 11302.

(3) “Appraisal management services” as defined in Business and Professions Code section 11302.

(4) “Appraisal Standards Board (ASB)” means the board of The Appraisal Foundation;

(5) “Appraisal Subcommittee (ASC)” means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(6) “Appraiser” means an individual who holds a license issued by the Bureau of Real Estate Appraisers;

(7) “Appraiser Qualifications Board (AQB)” means the subcommittee of The Appraisal Foundation. The “Appraiser Qualifications Board” (AQB) is the board of The Appraisal Foundation which promulgates the minimum national requirements for licensure for licensed appraisers. The minimum national requirements include the interpretations and clarifications of the appraiser qualifications criteria issued by AQB;

(8) “Asynchronous” means any distance education course where course instruction and licensee participation in the course do not occur simultaneously and that requires completing and passing an assessment or examination of the course content at the conclusion of course instruction.

(9) “Bias” means basing, either partially or completely, an analysis or opinion of market value upon any of the personal characteristics or criteria listed in Section 11424 of the Business and Professions Code.

(10) “BREA” means the California Bureau of Real Estate Appraisers;

(11) “Bureau” means the California Bureau of Real Estate Appraisers;

(12) “Certificate of Registration” means a certificate issued by the California Bureau of Real Estate Appraisers verifying the registration of a person or entity as approved to conduct business in California as an Appraisal Management Company.

(13) “Chief” means the Chief of BREA or their designee;

(14) “Controlling Person” means one or more of the following:

(A) An officer or director of an Appraisal Management Company, or an individual that holds 10% or greater ownership interest in an Appraisal Management Company.

(B) An individual employed, appointed or authorized by an Appraisal Management Company that has the authority to enter into a contractual relationship with clients for the performance of appraisal services and that has the authority to enter into agreements with independent appraisers for the completion of appraisals.

(C) An individual who possesses the power to direct or cause the direction of the management or policies of an Appraisal Management Company.

(15) “Course Provider” means a person or organization that has been approved by the Bureau of Real Estate Appraisers to provide educational courses within the parameters set forth herein.

(16) “Designated Officer” means a Controlling Person authorized by the governing structure of the Appraisal Management Company to act on behalf of the company for purposes of application for, and compliance with, a Certificate of Registration to operate as an Appraisal Management Company pursuant to California law. The Designated Officer shall be responsible for the supervision and control of activities conducted on behalf of the Appraisal Management Company by its officers and employees as necessary to secure full compliance with the Real Estate Appraisers' Licensing and Certification Law and these regulations as related to Appraisal Management Companies.

(17) “Distance Education” means transmission of instruction to students at a location separate from the educational provider's location.

(18) “FIRREA” means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law 101-73 and any amendments thereto;

(19) “Non-residential property” means all other property except one to four unit residential structures and land suitable for one to four unit residential use;

(20) “Registrant” means a person or entity authorized to conduct business as an Appraisal Management Company in California through issuance of a Certificate of Registration by the California Bureau of Real Estate Appraisers.

(21) “Registration” means the procedures and requirements with which a person or entity shall comply in order to qualify to conduct business as an Appraisal Management Company;

(22) “Residential property” means real property containing, and land suitable for, four or fewer residential units.

(23) “Synchronous Distance Education” means any distance education course and any form of systematic learning where the instructor and students interact simultaneously.

(24) “Uniform Standards of Professional Appraisal Practice; (USPAP)” means those standards as adopted by the Appraisal Standards Board of the Appraisal Foundation.

Note: Authority cited: Sections 11313, 11314, 11350 and 11361, Business and Professions Code. Reference: Sections 10, 11302, 11310, 11360, 11361 and 11424, Business and Professions Code.

ARTICLE 2. GENERAL REQUIREMENTS

§ 3521. Scope of Practice.

The types of federally related transactions which shall be performed by each class of licensed appraisers shall be as provided in Section 323.3 of Part 323 of Subchapter B of Chapter III of Title 12 of the Code of Federal Regulations.

Note: Authority cited: Section 11325, Business and Professions Code. Reference: 12 C.F.R., Part 323, Section 323.3.

§ 3522. License or Certificate of Registration.

Each license or Certificate of Registration shall show on its face in clear and concise language the following information:

(a) The name of the holder;

(b) The license number or Certificate of Registration number;

(c) The scope of authority conferred by the document;

(d) Whether restricted or limited in any manner, and if so, the nature of the restriction or limitation; and

(e) The dates of issuance and expiration of the document.

Note: Authority cited: Section 11314, Business and Professions Code. Reference: Sections 11320 and 11321, Business and Professions Code.

§ 3523. License or Certificate of Registration Property of the Bureau.

Each license or Certificate of Registration shall remain the property of the Bureau and shall be surrendered to the Bureau or its authorized representative upon order of the Chief, unless otherwise ordered pursuant to these regulations.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Sections 11315 and 11319, Business and Professions Code.

§ 3524. Term of License or Certificate of Registration.

Every original license or Certificate of Registration shall be valid for the term set forth in Sections 11341 and 11345.1 of the Business and Professions Code unless otherwise ordered pursuant to these regulations.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Sections 11341 and 11345.1, Business and Professions Code.

§ 3525. Temporary Practice Permit.

(a) In lieu of obtaining a license, a person with currently a valid unrestricted appraiser licenses issued by another state may be issued a Temporary Practice Permit to perform a single appraisal assignment.

(b) A Temporary Practice Permit is not required if a person from another state associates with an appraiser licensed in California and the work is limited to assisting in the preparation of an appraisal under the conditions specified in Business and Professions Code Section 11324.

(c) The applicant must have a license from a state or territory recognized by the Appraisal Subcommittee.

(d) The license held shall be current and in good standing with the issuing state or territory.

(e) A Temporary Practice Permit is required when any person licensed in a state other than California enters California to conduct an appraisal in a federally related transaction and the person is not licensed in California.

(f) Application for a Temporary Practice Permit shall be made on Request for Temporary Practice Permit Form REA 3009 (Rev. 1/1/17) which is herein incorporated by reference to the Bureau at its principal office in Sacramento, together with the fees specified in Section 3582 and such information as may be requested by the Chief.

(g) An appraisal assignment under such temporary practice shall be completed within one year after issuance of the Temporary Practice Permit, or within the period of time that the applicant holds a valid, current license in his or her issuing state, whichever is sooner. Should the applicant's license from the issuing state expire less than one year from the issuance date of the Temporary Practice Permit, the Bureau shall extend the term of the Temporary Practice Permit for up to one year from the initial date of issuance upon proof of renewal of the license from the applicant's issuing state. The term of the Temporary Practice Permit shall not be extended beyond one year from the initial date of issuance.

Note: Authority cited: Sections 11313, 11314, 11324, 11340, 11350 and 11352, Business and Professions Code. Reference: Sections 11350 and 11351, Business and Professions Code.

§ 3526. Consent to Service of Process.

(a) Each applicant for a license or temporary practice permit who is a non-resident of California shall complete the Consent to Service of Process Form REA 3006 (Rev. 01/01/2017), which is herein incorporated by reference or any federally-approved equivalent form.

(b) Any Controlling Person applicant who is a non-resident of California shall complete the Consent to Service of Process Form REA 3006 (Rev. 01/01/2017).

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

§ 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. 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. 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's or Registrant's address of record for all purposes. The address of record, business name 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.

§ 3528. Minimum Requirements.

(a) All applicants for, and holders of, any license or permit authorized by this chapter shall meet the minimum requirements set forth in this chapter or those established by the Appraiser Qualifications Board, whichever is greater.

(b) Notwithstanding any other provision in this Chapter, applicants shall be evaluated based on the minimum requirements in effect on the date both a complete application is received by the Bureau and the applicant has successfully passed the examination.

(1) “Complete application,” as used in this section, includes, but is not limited to, completed education and experience requirements.

(2) “Applicant,” as used in this section, includes, but is not limited to, existing BREA licensees applying for a different BREA-issued license, including appraisers licensed pursuant to §3541(d) applying for a federally recognized license.

(c) Any holder of a Certificate of Registration issued by the Bureau of Real Estate Appraisers as authorized by this chapter, and any person or entity acting in a capacity that requires a Certificate of Registration under this chapter, shall meet the requirements set forth in Article 4 for registration as an Appraisal Management Company.

Note: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Sections 11328, 11328.1 and 11340, Business and Professions Code; and Section 1112, Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law 101-73 (FIRREA).

§ 3529. Audits.

The Bureau may review and audit the records of applicants, licensees, educational providers, registered Appraisal Management Companies and persons or entities acting in a capacity that requires a Certificate of Registration, to determine compliance with the requirements of this chapter and state and federal law. Applicants, licensees, educational providers, and registered Appraisal Management Companies shall cooperate with the Bureau in the conduct of such audits and provide access during normal business hours to records and such information as the Bureau deems reasonably necessary for the completion of the audit.

Note: Authority cited: Sections 11313, 11314, 11328 and 11340, Business and Professions Code. Reference: Sections 11320.5, 11328, 11328.1, 11340 and 11345.45, Business and Professions Code.

ARTICLE 3. EXPERIENCE AND EDUCATION REQUIREMENTS

§ 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 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(s) 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 programs that are approved by the AQB Course Approval Program or the Bureau. 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 competition 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.

(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.

§ 3542. Minimum (Basic) Education Requirements for Licensure.

(a) To be eligible for licensure, an applicant shall meet the following minimum education requirements:

(1) Successful completion of all minimum education hours and course requirements for the license level applied for as prescribed by the AQB, including the Appraisal Foundation's 15-hour National Uniform Standards of Professional Appraisal Practice (USPAP) course;

(2) For the issuance of an initial or reciprocal license, a Bureau-approved four-hour course on federal and California appraisal-related statutory and regulatory law. A course will be deemed to be “Bureau-approved” if it is accredited pursuant to Article 9 of the Bureau's regulations; and

(3) For an applicant for an initial or reciprocal license submitting a completed application that is received by the Bureau on or after January 1, 2023, at least one hour of instruction in cultural competency as defined in Section 11340 of the Business and Professions Code. Instruction on cultural competency shall include, at a minimum, subject matter that covers an overview of historical and current discriminatory practices in the real estate appraiser industry, which may include consideration of various cultures and stereotypes of cultures; an examination of one's own attitudes and values; and the acquisition of the values, knowledge, skills, strategies and abilities that will allow an individual to work in cross cultural situations.

(b) All courses satisfying the requirements of subdivision (a)(1) shall:

(1) Be a minimum of 15 hours in length and include a closed-book, proctored, final examination that covers the course material;

(2) Have their course content approved by the AQB through its Course Approval Program (CAP), a state real estate appraiser licensing agency or comparable regulatory jurisdiction, or a college, community college, or university that is accredited by a regional, institutional, national, or programmatic accreditation association that is recognized by the U.S. Department of Education;

(3) If it is an asynchronous distance education course, have its course delivery mechanism approved by one of the following:

(A) AQB through its Course Approval Program (CAP);

(B) The International Distance Education Certification Center;

(C) The Appraisal Foundation; or

(D) An accredited college, community college, or university described in subparagraph (b)(2) that awards academic credit for the distance education course.

(4) Be taken through a school, provider, or program that is accredited by either:

(A) The Bureau; or

(B) Any regional, institutional, national, or programmatic accrediting agency that is recognized by the U.S. Department of Education.

(c) An applicant who possesses a current and active license to practice as a real estate appraiser issued by another state or territory of the United States and meets the requirements in section 3569(a) shall be deemed to have completed the minimum education requirements in (a)(1).

Note: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Sections 11314, 11340 and 11361, Business and Professions Code; 12 U.S.C. section 3345.

§ 3543. Continuing Education Requirements for Renewal.

(a) To renew a license every two-year renewal period, a licensee shall complete the seven-hour National USPAP Update Course (or its equivalent as determined by the AQB). A licensee must provide the documentation with each renewal application as required by section 3681.

(b) For renewal of a license every other two-year renewal period ("four-year cycle"), a licensee shall complete an average of 14 hours of Bureau-accredited continuing education per year, for a required minimum of 56 hours reported in accordance with section 3681. Course time allotted for exam administration does not count as qualifying toward the required hours of accredited continuing education. In addition to the seven-hour National USPAP Update Course required every two-year period in subsection (a), of the required hours for the four-year cycle a licensee must complete:

(1) A minimum four (4) hour Bureau-approved course on federal and California appraisal-related statutory and regulatory law. A course will be deemed to be "Bureau-approved" if it is accredited pursuant to Article 9 of the Bureau's regulations; and

(2) For a license that expires on or after January 1, 2023:

(A) At least one hour in cultural competency, as defined in Section 11360 of the Business and Professions Code. Instruction shall include the subject matter required in section 3542(a)(3). If offered as an individual course, it need not meet the minimum length of two hours, as required by AQB.

(B) At least two hours in elimination of bias training, as bias is defined in section 3500. Instruction on the elimination of bias shall include, at a minimum, the following:

(i) An overview of historical and current discriminatory practices in the real estate appraiser industry.

(ii) Examples of how implicit, explicit, and institutional bias affects perceptions, analyses, and decisions of appraisers, leading to disparities in performing appraisals along lines of race, ethnicity, religion, gender identity, sexual orientation, age, socioeconomic status, or other personal characteristics or criteria listed in Section 11424 of the Business and Professions Code.

(iii) Exploration of causes of bias and solutions and strategies to increase understanding and counteract how biases may contribute to disparities by shaping behavior and producing differences in performing appraisals. For the purposes of this subsection, strategies may include the utilization of tests, assessment tools, educational resources, and options for eliminating stereotypical responses.

(c) To qualify for renewal, in addition to the other requirements of this section, continuing education coursework shall meet the following:

(1) Each course shall meet the minimum AQB requirements, except as otherwise indicated in this section.

(2) All classroom attended courses shall be taken through a school, provider or program that is accredited by either:

(A) The Bureau; or

(B) Any regional, institutional, national, or programmatic accrediting agency recognized by the U.S. Department of Education.

(3) Course content is approved by the AQB through its Course Approval Program (CAP), a state real estate appraiser licensing agency or comparable regulatory jurisdiction, or a college, community college, or university that is accredited by a regional, institutional, national, or programmatic accreditation agency that is recognized by the U.S. Department of Education;

(4) Distance education courses, synchronous or asynchronous, are acceptable if:

(A) Course content is approved as above in subparagraph (3); and

(B) For asynchronous distance education, the course delivery mechanism is approved by one of the following:

(i) AQB's CAP;

(ii) The International Distance Education Certification Center;

(iii) The Appraisal Foundation; or

(iv) A college, community college, or university that qualifies for content approval in paragraph (3) above that awards academic credit for the distance education course.

(d) To qualify for renewal, the seven-hour National USPAP Update Course required in subsection (a) shall be completed after the date on which the previous license was issued, or after the previously issued license's expiration date, or during the two-year period following the expiration of the previously held license in which the license can be renewed pursuant to section 3682. To qualify for renewal, the remaining hours required in subsection (b) shall be completed after the expiration date of the previous four-year continuing education cycle.

(e) Except for the seven-hour National USPAP Update Course, duplicate continuing education coursework will not be counted toward meeting the required hours of this section if completed more than once within the same four-year continuing education cycle.

Note: Authority cited: Sections 11313, 11314, 11360 and 11361, Business and Professions Code. Reference: Sections 11360, 11361 and 11424, Business and Professions Code.

§ 3544. Credit for Teaching Appraisal Courses.

(a) Instructors of appraisal courses may receive credit for up to one-half of the continuing education requirement. Teaching of appraisal courses shall not be acceptable to meet minimum experience requirements.

(b) Instructors must submit written verification of their instructor experience, which shall include:

(1) Name of School;
(2) Name of Appraisal Course;
(3) Dates each course was taught;
(4) Number of hours each course was taught;
(5) Description of course content for each course taught;
(6) Certification by school official verifying the information; and
(7) Applicant's signed certification under penalty of Perjury.

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

ARTICLE 4. APPLICATION PROCESS

§ 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, 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. 01/01/2023), which are herein incorporated by reference.

Note: Authority cited: Sections 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, 11401 and 11408, Business and Professions Code.

§ 3562. Examination Preparation Courses.

Courses designed solely to prepare an applicant to pass the licensing examination may not be used to meet the basic or continuing education requirements.

Note: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions 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. 01/01/2023) which is herein incorporated by reference.

(2) Samples of completed appraisal reports selected by the Bureau from the applicant's Log of Appraisal Experience Form REA 3004 (Rev. 01/01/2023). Samples of completed appraisal 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 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.

§ 3564. Evidence of Basic and Continuing Education Qualifications.

Verification required for basic and continuing education qualifications shall include the following information:

(1) Name of school;
(2) Name of student;
(3) Name of course;
(4) Date course was taken; and
(5) Course grade or other evidence of satisfactory completion.

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

§ 3565. Course Description Documentation.

(a) Upon request by the Bureau, the applicant shall submit course description documentation.

(b) Course description documentation shall include but not be limited to:

(1) Course syllabus;
(2) Course outline;
(3) Copies of the table of contents or copies of the index pages of the textbook used during the course; and

(4) Letters of verification from instructors, signed under penalty of perjury, verifying the following:

(A) Name of school;
(B) Name of student;
(C) Name of course;
(D) Date course was taken;

(E) Course grade or other evidence of satisfactory completion;
(F) Topic areas taught in the course; and
(G) Signature and date of instructor or other appropriate school official.

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

§ 3566. Challenge Courses.

Challenge courses are not acceptable to meet basic education requirements.

Note: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Public Law 101-73 (FIRREA); and Section 11340, Business and Professions Code.

§ 3567. Petition For Equivalency Credit.

(a) An applicant may submit a petition for equivalency credit for those courses which have not been accredited pursuant to Article 9 of these regulations.

(b) The petition for equivalency credit shall be submitted with all applicable fees pursuant to Section 3582 on Petition for Equivalency Credit, Form REA 3005 (Rev. 04/01/2020), which is herein incorporated by reference.

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, 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) Completion of basic education that covers the minimum number of hours and specific topics required by AQB for a trainee license and meets the minimum requirements of Section 3542;

(2) Completion of 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 is not eligible towards the qualifying education required to obtain the license; and

(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 comply with the continuing education requirements of Section 3543.

(d) 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.

(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.

§ 3569. Reciprocity.

(a) An applicant for a reciprocal license shall hold a valid credential from a state that is in compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as determined by the Appraisal Subcommittee. The credentialing requirements of the applicant’s credentialing state (as the requirements exist at the time of application for reciprocal license) must meet or exceed those of BREA (as the requirements exist at the time of application for reciprocal credential).

(b) Applicants for a reciprocal license shall complete and submit the following:

(1) Application for Reciprocal License Form REA 3025 (Rev. 01/01/2021) and form REA 3006 (Rev. 04/01/2020); and

(2) Evidence that the applicant holds a valid credential from another state.

(c) A reciprocal licensee shall comply with all statutes and rules governing licensed appraisers in California.

Note: Authority cited: Sections 114.5, 115.5, 135.4, 11313, 11314, 11340 and 11350, Business and Professions Code. Reference: Sections 30, 135.4, 11341 and 11350, Business and Professions Code.; and Sections 11361.5 and 11361.7, Health and Safety Code.

§ 3570. Time Limits for Processing Applications.

(a) Within 90 days of receipt of the Initial License Application Form REA 3001 (Rev. 01/01/2021)and applicable related forms REA 3002 (Rev. 04/01/2020), REA 3004 (Rev. 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) The application is complete; or

(2) 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 section constitute grounds in and of itself for the issuance of a license or approval of accreditation.

Note: Authority cited: Sections 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.

§ 3571. Due Diligence.

(a) An application shall be denied whenever an applicant does not exercise due diligence in the completion of an application or examination.

(b) Failure to exercise due diligence includes, but is not limited to, the following:

(1) Failure to appear for an examination within one year of issuance of the initial admit letter;

(2) Failure to complete an application within one year of submission to the Bureau;

(3) Failure to respond to a written request from the Bureau for additional information within 60 days of the request.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Sections 15376 and 15378, Government 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 Form REA 5001 (Rev. 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 Form 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.

§ 3576. Background Requirements for Controlling Persons in Appraisal Management Companies.

(a) No individual can act as a Controlling Person of an Appraisal Management Company who has had a license or certificate to act as an appraiser, or to engage in any activities related to real estate lending or the transfer of real property refused, denied, canceled, or revoked in California or any other state.

(b) A Controlling Person of an Appraisal Management Company that holds a Certificate of Registration who has entered a plea of guilty or no contest to, or been convicted of, a felony, must report this occurrence to the Bureau within 10 calendar days of the date of the action above. Any owner of any Appraisal Management Company that holds a certificate of registration, without regard to the percentage owned, who has had a real estate appraiser's license or certificate refused, denied, cancelled, revoked, or surrendered in lieu of revocation, in California or any other state must report the action to the Bureau within 10 calendar days of the date he or she has knowledge of the action.

(c) Any Controlling Person applicant who is licensed or certified as a real estate appraiser in any other jurisdiction must have a license in good standing in that jurisdiction and provide the Bureau with a certificate of license history.

(d) Any Controlling Person applicant who is not licensed or certified by the Bureau must submit fingerprint images to be used by the Department of Justice for the purpose of obtaining information relating to the existence or content of state and federal records of arrests or convictions.

(e) An Appraisal Management Company must disclose the name of the Designated Officer of the Appraisal Management Company.

(f) An Appraisal Management Company shall notify the Bureau in writing within 10 days of its registration being refused, denied, canceled, suspended, or revoked in any state.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Sections 11302, 11343 and 11345.2, Business and Professions Code.

§ 3577. Minimum Standards of Practice for Appraisal Management Companies.

All Appraisal Management Companies must ensure that they adhere to the following business practices when performing appraisal management services for properties located within the State of California:

(a) Appraisal Management Companies must adopt reasonable procedures designed to ensure that all appraisal assignments completed by its independent contractor or employee appraisers are performed in accordance with the Uniform Standards of Professional Appraisal Practice.

(b) Appraisal Management Companies must maintain records of each of the following for each service request for at least five years:

(1) Date of the receipt of the request;

(2) The name of the person from whom the request was received;

(3) The name of the client for whom the request was made, if different from the name of the person from whom the request was received.

(4) The name of the appraiser or appraisers assigned to perform the contracted service;

(5) The date of delivery of the appraisal product to the client;

(6) Client contract;

(7) Engagement letter; and

(8) The appraisal report.

(c) Appraisal Management Companies must maintain records of all appraisal fees dispersed to contracted appraisers and the final fee charged to the lender/client for at least five years.

(d) An Appraisal Management Company cannot prohibit a contracted appraiser/client from disclosing the fee paid to the appraiser/client for an appraisal assignment in the body of the appraisal report.

(e) No Appraisal Management Company shall improperly influence or attempt to improperly influence the development, reporting, result, or review of an appraisal report or review by engaging in coercion, extortion, inducement, collusion, bribery, intimidation, compensation, or instruction. In addition to the acts set forth in Business and Professions Code section 11345.4, prohibited acts include, but are not limited to, the following:

(1) Withholding or threatening to withhold the timely payment for a contracted appraisal assignment that is completed in accordance with the Uniform Standards of Professional Appraisal Practice and with contractual provisions as agreed to by the Appraisal Management Company and the appraisal contractor;

(2) Withholding or threatening to withhold future business with an appraisal contractor solely based on an appraisal result;

(3) Basing the appraisal fee for an appraisal assignment on a pre-determined value;

(4) Providing an appraiser with an anticipated, estimated, encouraged, or desired valuation before or after the completion of the appraisal report;

(5) Expressly or impliedly promising future business, promotions, or increased compensation for a contracted appraiser based on certain business practices not in compliance with the Uniform Standards of Professional Appraisal Practice.

(f) The Appraisal Management Company shall not base the payment of an appraisal fee on a mortgage-related event occurring subsequent to completion of the appraisal, i.e. close of escrow.

(g) The appraiser shall not be required to provide the Appraisal Management Company with the appraiser's digital signature.

(h) The Appraisal Management Company shall not alter, amend, or change an appraisal report submitted by a licensed or certified appraiser by removing the appraiser's signature or seal or by adding information to or removing information from the appraisal report.

(i) The Appraisal Management Company shall not remove an appraiser from their panel of approved appraisers without prior written notice The notice shall state the reason(s) for the appraiser’s removal.

(j) An Appraisal Management Company shall not be registered if the Appraisal Management Company, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause. As used in this section, substantive cause is any cause included in section 3721(a).

(k) An Appraisal Management Company is not barred by paragraph (j) of this section from being registered if the license or certificate of the appraiser with an ownership interest was not revoked for a substantive cause and has been reinstated by the State or States in which the appraiser was licensed or certified.

(l) All Appraisal Management Companies shall submit to the Bureau the Appraisal Management Company National Registry form REA 5030 (Rev. 1/1/19), which is hereby incorporated by reference, with payment of the national registry fee as determined by 12 C.F.R. section 1102.402 (Rev. 11/24/17) which is hereby incorporated by reference, and the Bureau’s state processing fee. The form is due twelve months after the issue date of the initial registration or renewal on or after June 1, 2020, and every twelve months thereafter. Failure to submit form REA 5030 (Rev. 1/1/19) with payment to the Bureau within thirty days of the due date shall result in automatic suspension until the form REA 5030 (Rev. 1/1/19) is submitted with payment to the Bureau. Additionally, if an Appraisal Management Company fails to renew its registration before it expires and then seeks an initial registration, the

Bureau cannot issue the registration until the Appraisal Management Company submits form REA 5030 (Rev. 1/1/19) with payment for the most recent 12 months the Appraisal Management Company was registered.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Sections 11345.3, 11345.4, 11345.45, 11345.6, and 11345.8 Business and Professions Code; Section 1090.5, Civil Code; and 12 C.F.R. Sections 1102.402 and 1102.403.

ARTICLE 5. FEES

§ 3581. Fees.

(a) Fees paid to the Bureau shall be submitted in the form of a money order, certified check, cashiers' check, preprinted personal or company check, or governmental purchase order which shall clearly indicate the name of the applicant or licensee to whom it applies. Notwithstanding any other section, the Bureau may delay performance of any service until the personal or company check clears and the funds are deposited in the Bureau's accounts.

(b) Cash is not acceptable for payment of any fee.

(c) Payment of any fee, fine or penalty submitted in the form of a preprinted personal or company check which was subsequently dishonored by the issuing institution shall be submitted to the Bureau in the form of a money order, certified check, cashiers' check, or government purchase order.

Note: Authority cited: Sections 11313 and 11400, Business and Professions Code. Reference: Section 11400, Business and Professions Code.

§ 3582. Fee Schedule.

(a) Fees are scheduled pursuant to Sections 11400 through 11408, Business and Professions Code.

(b) In addition to (a) above, the following is a schedule of additional fees:

1) Initial Application Fees	
Application Review fee for new, renewal, upgrade, reciprocal, reinstatement, Certificate of Registration, and Certificate of Registration renewal applications	$400
Background fee for new, reciprocal, reinstatement, and controlling person applications	$70
Child Support Review fee for new, reciprocal, reinstatement, and controlling person applications	$10
Federal Registry fee for new, trainee upgrade, renewal, reciprocal, and reinstatement applications	
Federal – Appraiser	(as prescribed by the ASC)
Federal – Appraisal Management	(as prescribed by the ASC)

Company State Processing for Appraiser State Processing for Appraisal Management Company	 $25 $110
2) Issuance of Original or Renewal fee for new, renewal, upgrade, reciprocal, reinstatement, Certificate of Registration, and Certificate of Registration renewal applications Trainee Level Residential Level Certified Levels Appraisal Management Company Certificate of Registration	 $450 $450 $525 $4,600
3) Late Renewal Fee (all license levels and Certificate of Registration) 0 - less than 12 months	$125
4) Reinstatement After Child Support Suspension	$140
5) Temporary Practice Permit	$235
6) Petition for Equivalency (per course)	$55
7) Course Provider Application Review Fee Course Review Fee	$300 per submission $200 per course
8) Miscellaneous Fees: Certification of Documents Change of Name (Business or Personal) Duplicate License Duplicate Admit Letter Dishonored Check Fee Laws & Regulations Package Letter of License History Photocopy Costs Retrieve File/Records from Archives State Registry (available on disk only) Full List Special Request	 $5 $10 $50 with certification of loss $10 with certification of loss $25 plus collection costs $15 plus tax and postage $40 $.10 each page plus postage $25 $55 plus tax and postage $90 plus tax and postage

(c) Notwithstanding any other provision, a license or Certificate of Registration shall be automatically suspended if payment of any fees is dishonored by the issuing institution for any reason. The license or Certificate of Registration shall remain suspended and shall not be renewed until receipt of all accumulated fees and penalties. Such a suspension shall be in addition to and not in place of any penalties imposed pursuant to this chapter and shall not relieve the licensee of his or her continuing education requirements.

(d) The fee to take an examination or reexamination for a license shall be set at an amount not to exceed the cost to the Bureau as determined by competitive bid. The Chief may provide that the applicant pay the fee directly to the examination provider.

Note: Authority cited: Sections 11313, 11343, 11350, 11352, 11400, 11401, 11404, 11405, 11406, 11406.5, 11408, and 11422, Business and Professions Code; and Section 17520 of the Family Code. Reference: Sections 11350, 11401, 11404, 11406 and 11406.5, Business and Professions Code.

§ 3583. Temporary Reduction in Issuance Fees.

This section shall be in effect with the operable date of these regulations and shall be operable through June 30, 2014, and shall thereupon expire:

Issuance fees specified in section 3582(b)(2) notwithstanding, the issuance fees for new and renewal licenses shall be

(a) Trainee Level $150

(b) Residential Level $150

(c) Certified Levels $200

Note: Authority cited: Sections 11350, 11400, 11401, 11402, 11403, 11404, 11405, 11406, 11407 and 11422, Business and Professions Code; Section 11350.6, Welfare and Institutions Code. Reference: Sections 11350, 11401, 11402, 11403, 11404, 11406 and 11407, Business and Professions Code.

ARTICLE 6. CHANGE/CONVERSION PROCEDURES

§ 3601. Change in the Status of an Application for License.

Applicants may change the status of their application during the application review process pursuant to the following:

(a) If an applicant wishes to change the status of his or her application to a higher classification and no examination admit letter has been mailed, the applicant must submit the following information to the Bureau:

(1) Written request to change the application stating the new classification requested;

(2) Additional education and/or experience documentation necessary to qualify at the higher classification; and

(3) All applicable fees pursuant to Section 3582.

(b) If an applicant has received his or her examination admit letter or has passed the examination but has not been issued a License and wishes to change the status of the application to a higher classification, the applicant must submit the following to the Bureau:

(1) Written request to change the application stating the new classification requested;

(2) Original examination admit letter as issued by the Bureau or the original examination results issued by the test center, plus the difference in or new examination fee, as appropriate;

(3) All applicable fees pursuant to Section 3582; and

(4) Additional education and/or experience documentation as necessary to qualify at the higher classification.

(c) If an applicant wishes to change his or her application to a lower classification and the examination has been taken, the applicant must submit the following to the Bureau:

(1) Written request to change the application stating the new classification requested; and

(2) All applicable fees pursuant to Section 3582.

(d) If an applicant wishes to change his or her application to a lower classification and the examination has not been taken, the applicant must submit the following to the Bureau:

(1) Written request to change the application stating the new classification requested.

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

§ 3602. Change in the Status of License.

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

(1) Completed License Upgrade Application 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. 01/01/2023), 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 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.

§ 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 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. 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 (a) and (c), 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 the applicant wishes to convert.

Note: Authority cited: Sections 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.

ARTICLE 7. EXAMINATIONS

§ 3621. Examinations.

(a) Examination results shall be valid for one year from the date issued.

(b) The licensing examinations shall be held in locations and at times as designated by the Bureau.

(c) As a condition for entry to the examination, each applicant shall be required to present one of the following forms of identification each of which must bear a photograph, signature and birth date of the applicant:

(1) A currently valid drivers license or identification card issued by a state Department of Motor Vehicles or equivalent agency;

(2) A currently valid military identification card; or

(3) A currently valid identification document issued by the United States Immigration and Naturalization Services.

(d) Also as a condition for entry to the examination, each applicant shall be required to present the original examination admit letter as issued by the Bureau.

Note: Authority cited: Sections 11313, 11314, 11340 and 11408, Business and Professions Code. Reference: Sections 123 and 11340, Business and Professions Code.

§ 3622. Re-Examination.

(a) Applicants who fail an examination may apply for re-examination by submitting the following:

(1) Request for Re-Examination, Form REA 3007 (Rev. 5/8/00), which is herein incorporated by reference; and

(2) All applicable fees pursuant to Section 3582.

(b) Applicants shall not be permitted to take any subsequent examination without a scheduled time and payment of applicable fees.

(c) Applicants shall not be allowed more than 5 attempts to pass the examination in any 12-month period.

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

ARTICLE 8. ISSUANCE PROCEDURES

§ 3641. Issuance of License.

Applicants requesting the issuance of a license shall submit an Application for Issuance of License, Form REA 3008 (Rev. 04/01/2020), which is herein incorporated by reference, examination results and all applicable fees within one year of successful completion of the examination.

Note: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Sections 11340 and 11408, Business and Professions Code.

ARTICLE 9. BASIC AND CONTINUING EDUCATION ACCREDITATION

§ 3661. General Requirements for Basic and Continuing Education Accreditation.

(a) Basic and continuing education accreditation requirements shall be as follows:

(1) Each course sponsor shall provide a copy of each of the following to each student upon enrollment:

(A) Course outline;
(B) Enrollment fee refund policy; and
(C) Grading policy.

(2) Each completion certificate shall be completed under penalty of perjury and include the following:

(A) Bureau course approval number;
(B) Name and address of student;
(C) Course title;
(D) Statement that course was either correspondence or classroom attended;
(E) Dates of course completion and date of successful completion of basic education final examination;
(F) For continuing education courses, a statement that the student was in attendance at least 90% of class time;
(G) Identity and signature of verifier of course completion; and

(H) The course sponsor may include such additional information in this document as it deems necessary.

(3) Participants shall be physically present during at least 90% of the offering time (54 minutes out of each 60 minutes of instruction time), exclusive of the time allocated to the administering of a basic education final examination; and

(4) Each instructor shall have at least one of the following:

(A) A bachelor's degree or higher degree in a field related to real estate appraising from a school listed as an institution of higher learning by the U.S. Office of Education, or from a comparable school of a foreign country;

(B) A valid teaching credential or certificate authorizing the holder to teach in the field of knowledge covered in the offering;

(C) Five years full-time experience in the field being taught; or

(D) A combination of full-time experience and full time college-level education totaling at least five years.

(b) In addition to (a) above, requirements for basic education accreditation shall be as follows:

(1) Each course shall have a final exam per AQB established appraiser qualification criteria; and

(2) Examination questions to be included in the final examination shall not be reviewed with students before, during or after the course.

(3) Each course shall meet the minimum course length requirements established by AQB.

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

§ 3662. Accreditation Application.

(a) Course providers desiring to be accredited and/or to have a course accredited shall submit Course Provider Accreditation, REA Form 3013 (Rev. 04/01/2020), Course Accreditation and Description, REA Form 3014 (Rev. 04/01/2020) and BREA Topic Matrix, REA Form 3015 (Rev. 5/8/00), which are herein incorporated by reference, as applicable.

(b) The application shall be signed by the course provider's Chief Executive Officer.

(c) The Chief Executive Officer of the course provider may delegate authority to sign the Course Provider Accreditation, REA Form 3013 (Rev. 04/01/2020), Course Accreditation and Description, REA Form 3014 (Rev. 04/01/2020) and BREA Topic Matrix, REA Form 3015 (Rev. 5/8/00), by filing with BREA a written delegation of authority to act on behalf of the course provider for accreditation matters.

(d) Only one such delegation of authority shall be valid at any point in time for the education activities of the course provider within a particular state.

(e) The delegation of authority shall be valid for a maximum of four years, and may be revoked by the Chief Executive Officer by filing a written revocation of the delegation of authority with BREA. A new delegation of authority, in writing, must be submitted to, and received by, BREA within 30 days of a change in the course provider's Chief Executive Officer.

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

§ 3663. Additional Approval.

(a) Proposed course offerings may also require the approval of the Council of Private Post Secondary and Vocational Education pursuant to the Private Post Secondary and Vocational Education Reform Act of 1989 (Education Code Sections 94300, et seq.) If such approval is required by the Council of Private Post Secondary and Vocational Education, the course provider shall forward a copy of said approval to the Bureau as part of their Application.

(b) It is the responsibility of the course provider to ensure that any such responsibilities under that Act are satisfied, and that BREA is provided satisfactory notification.

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

§ 3664. Material Change in Education Course Offering, School Management or School Operating Policies.

(a) Any proposed material change to an accredited education offering, school management or school operating policies shall be submitted by the provider to the Bureau for consideration and approval prior to use, together with a new accreditation application and fee.

(b) “Material change” means a significant deviation in one or more aspects from the course offering, school ownership, management or operating policies as approved by the Bureau, including but not limited to a change in curriculum, course length, form or substance of the final examination, workbooks, texts or syllabi, but not including changes designed exclusively to reflect recent changes in statutes, regulations or decisional law;

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

§ 3665. Record Keeping.

(a) The course provider shall maintain a student record for each participant for a period of at least five years from completion of the course. The record shall include, at a minimum, the following information:

(1) The Bureau's accreditation number for the offering;
(2) Name and address of each participant;

(3) Course title and hours of credit approved;
(4) Date(s) of course and date course is completed;
(5) Name and address of course provider;
(6) Identity of verifier of attendance; and
(7) Course grade or other evidence of satisfactory completion.

(b) The course provider shall maintain business records for a period of at least five years. The records shall include, at a minimum, the following information:

(1) Business and mailing address of course provider as on file with the Bureau;

(2) Written records of attendance and grades for each student; and

(3) The principal place of business or the mailing address at which each of the accredited basic education and continuing education instructors can be contacted.

(c) Upon receipt of a request from the Chief, the records specified in this section shall be submitted to the Bureau within 30 days.

(d) Whenever there is a change in the business or mailing address of the course provider, the course provider shall notify the Chief in writing within 10 days of the change.

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

§ 3666. Advertising.

Any advertising by or on behalf of a course provider for real estate or real estate appraisal related educational services shall:

(a) Clearly identify the provider as being an BREA approved real estate appraisal educational course provider and the provider's BREA approval number;

(b) Clearly identify those courses which have been accredited by BREA and their BREA approval number, or, in the alternative, include:

(1) A clear statement that not all courses offered by the course provider are necessarily BREA approved; and

(2) A clearly legible telephone number and address for the course provider which may be utilized by those interested in determining if a specific course offered by the provider has been approved by BREA, and its approval number.

(c) Clearly contain the date of initial publication or distribution;

(d) Not state or imply an endorsement of the course provider or any courses by BREA or the State of California other than the fact of accreditation as indicated in (a) and (b) of this section;

(e) Not include any false, misleading or deceptive information;

(f) Not contain any asterisk or other reference symbol to contradict or to change the ordinary meaning of the material in the body of the advertisement; and

(g) Not contain any offers or inducements precluded by law.

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Sections 11360 and 11406, Business and Professions Code.

§ 3667. Subcontractors, Agents and Franchisees.

(a) Course providers shall be responsible for the actions of their subcontractors, agents and franchisees for activities subject to this article and shall ensure that said persons and entities comply with this article's provisions.

(b) Contracts entered into by or on behalf of course providers for services subject to this article shall contain a requirement that the service provider comply with the provisions of this Article.

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Sections 11360 and 11406, Business and Professions Code.

§ 3668. Denial or Withdrawal of Education Accreditation.

(a) A course shall not be accredited if the Chief determines that the course or course provider fails to satisfy the requirements of Article 9 of these regulations.

(b) Accreditation shall be withdrawn if the Chief determines that the course or course provider fails to satisfy or has violated the requirements of Article 9 of these regulations.

(c) The process for denial or withdrawal shall be as follows:

(1) The determination by the Chief shall be submitted to the course provider in writing setting forth the reasons for the determination;

(2) Within 30 days of receipt of the Chief's written determination, the course provider may submit a written request for a hearing;

(3) The Chief shall hold a hearing within 90 days of receipt of the written request for a hearing unless another hearing date is agreed upon by both parties;

(4) The Chief shall issue a written decision within 30 days of completion of the hearing; and

(5) If a hearing is not held pursuant to (3) above or a decision is not issued pursuant to (4) above, accreditation will be deemed to have been given by the Chief.

(d) Accreditation shall automatically expire after four years or any time the course has not been offered by the course provider in two consecutive years.

(e) In any hearing, the burden of proving that the course complies with the requirements of Article 9 of these regulations is on the party seeking the accreditation.

(f) No applicant shall be given credit for any course work commenced after the effective date of withdrawal of accreditation.

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

§ 3669. Course Credit After Revocation.

If an offering was accredited at the time of registration by an appraiser, credit for the offering shall be given to the appraiser at the time of initial licensure or upon renewal notwithstanding the fact that approval may have been revoked at the time that the applicant successfully completed the offering except in the event of collusion.

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

ARTICLE 10. RENEWAL PROCEDURES

§ 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), 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 article.

(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. 10/19/2023), 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 115.5, 11313, 11314, 11340, 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.

§ 3682. Late Renewals.

(a) If an appraiser fails to renew his or her license prior to its expiration, the appraiser may renew the license within two years after expiration of the previously held license by satisfying all of the requirements for renewal of the license and by the payment of all applicable fees.

(b) Appraisals in federally related transactions may not be performed during the two year grace period immediately following the date the appraiser's license expires, unless and until a renewed license is issued.

(c) An appraiser applying for late renewal shall, prior to the submission of his or her application for late renewal, complete at least 10 hours (prorated semiannually) of continuing education for each year since the expiration of the license for the period occurring up to and including December 31, 1997, and at least 14 hours (prorated semiannually) of continuing education for each year since the expiration of the license for the period occurring on or after January 1, 1998, in addition to meeting the requirements of Section 3543.

(d) Any person whose license expires and does not renew within two years of the date of expiration, must submit the following:

(1) A new application;

(2) Proof of compliance with the requirements for new applicants in existence at the time of the new application; and

(3) All applicable fees.

Note: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Sections 11341 and 11360, Business and Professions Code.

ARTICLE 11. RULES OF PROFESSIONAL CONDUCT

§ 3701. Standards of Professional Appraisal Practice.

Every holder of a license under this part shall conform to and observe the Uniform Standards of Professional Appraisal Practice (USPAP) and any subsequent amendments thereto as promulgated by the Appraisal Standards Board of The Appraisal Foundation which standards are herein incorporated into these regulations by reference as if fully set forth herein.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Chapter 491 Statutes of 1991, Section 4; Business and Professions Code 11340(c); Section 1103 of Public Law 101-73 (12 USC 3301, etc.) Title XI (Real Estate Reform Amendment).

§ 3702. Special Qualifications of Appraisers and Controlling Persons of Appraisal Management Companies.

(a) The Chief finds and declares as follows:

(1) That the profession of real estate appraisal is vested with a fiduciary relationship of trust and confidence as to clients, lending institutions, and both public and private guarantors or insurers of funds in federally-related real estate transactions and that the qualifications of honesty, candor, integrity, and trustworthiness are directly and substantially related to and indispensable to the practice of the appraisal profession;

(2) That registered Appraisal Management Companies are vested with a relationship of trust and confidence as to their clients, lending institutions, and both public and private guarantors or insurers of funds in federally-related real estate transactions and that the qualifications of honesty, candor, integrity, and trustworthiness are directly and substantially related to and indispensable to their business operations; and

(3) Every holder of a license to practice real estate appraisal, Registrant, Controlling Person of an Appraisal Management Company, or person or entity acting in a capacity requiring a license or Certificate of Registration shall be required to demonstrate by his or her conduct that he or she possesses the qualifications of honesty, candor, integrity, and trustworthiness.

(b) The Chief may require such proof as he may deem advisable concerning the special qualifications of an applicant for or holder of an appraisers' license or a Certificate of Registration.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Chapter 491 Statutes of 1991, Section 4; Sections 11340(c), 11345.1, 11345.2, 11345.3, 11345.4, 11345.45 and 11345.6, Business and Professions Code; and Section 1103 of Public Law 101-73 (12 USC 3301, etc.) Title XI (Real Estate Reform Amendment).

§ 3703. Complaints of Unlawful or Unprofessional Conduct.

Any person may file a complaint alleging that any applicant for a license, holder of a license, or any Registrant or person or entity acting in a capacity requiring a Certificate of Registration, has committed acts or omissions constituting unethical or unprofessional conduct by following the procedure set forth in Section 3726 (Initiation of Disciplinary Proceedings). Such complaint may, but need not, specify the provisions of law, regulations or USPAP alleged to have been violated.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Sections 11313, 11314 and 11328, Business and Professions Code.

§ 3704. Employees of BREA.

An employee of the Bureau shall not perform appraisals or appraisal reviews.

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

§ 3705. Responsibility for Appraisal Reports, Signatures.

(a) Every appraisal report subject to the Uniform Standards of Professional Appraisal Practice upon final completion shall bear the signature and license number of the appraiser and of the supervising appraiser, if appropriate. The affixing of such signature and number constitute the acceptance by the appraiser and supervising appraiser of full and personal responsibility for the accuracy, content, and integrity of the appraisal under Standards 1 and 2 of USPAP.

(b) Every appraisal review report upon final completion shall bear the signature and license number of the reviewer. The affixing of such signature and number shall constitute acceptance by the reviewer of responsibility for the review under Standards 3 and 4 of USPAP.

(c) The license number of the appraiser, and of the review appraiser if the report is a review, shall appear with each signature throughout the appraisal or review document.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Chapter 491 Statutes of 1991, Section 4; Business and Professions Code 11340(c); Section 1103 of Public Law 101-73 (12 USC 3301, etc.) Title XI (Real Estate Reform Amendment); USPAP Ethics Provision, Record Keeping.

ARTICLE 12. DISCIPLINE

§ 3721. Revocation, Suspension, Denial of Licenses or Certificate of Registration.

(a) The Chief may issue a citation, order of abatement, assess a fine or private or public reproval, suspend or revoke any license or Certificate of Registration, and/or may deny the issuance or renewal of a license or Certificate of Registration of any person or entity acting in a capacity requiring a license or Certificate of Registration who has:

(1) Been convicted of a felony or any crime which is substantially related to the qualifications, functions, or duties of the profession of real estate appraisal;

(2) Done any act involving dishonesty, fraud or deceit with the intent to benefit himself or another, or to injure another;

(3) Been convicted for a commission or solicitation of a criminal act which involved or threatened bodily harm to others;

(4) Done any act which if done by the holder of a license to practice real estate appraisal would be grounds for revocation or suspension of such license;

(5) Knowingly made a false statement of material fact required to be disclosed in an application for a license authorizing the practice of real estate appraisal or Certificate of Registration;

(6) Violated any provision of USPAP;

(7) Violated any provision of the Real Estate Appraisers' Licensing and Certification Law, Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code, or regulations promulgated pursuant thereto; or any provision of the Business and Professions Code applicable to applicants for or holders of licenses or Certificate of Registration;

(8) Been prohibited from participating in the affairs of an insured depository institution pursuant to Section 19(a) of the Federal Deposit Insurance Act (12 U.S.C. Section 1829.); or

(9) Submitted a financial instrument to BREA for the payment of any fee, fine or penalty which instrument is subsequently dishonored by the issuing institution due to an act or omission of that person.

(b) Before issuing any private or public reproval or denying, suspending, or revoking any license or Certificate of Registration issued or issuable under the provisions of the Real Estate Appraisers Licensing and Certification Law or these regulations, the Bureau shall proceed as prescribed by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code (the Administrative Procedure Act) and the Bureau shall have all the powers granted therein.

(c) Any person or entity issued a citation containing a fine or order of abatement may contest the citation by filing a written notice with the Bureau within 30 calendar days that states with specificity the basis of the appeal. Upon receipt of such notice, the Bureau shall proceed as prescribed by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code (the

Administrative Procedure Act) and the Bureau shall have all the powers granted therein.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Sections 480, 490, 11315, 11315.1, 11315.5, 11320 and 11321, Business and Professions Code.

§ 3722. Substantial Relationship Criteria.

(a) For the purposes of the denial, suspension, or revocation of a license pursuant to Section 141 or Division 1.5 (commencing with section 475) of the Business and Professions Code, a crime, professional misconduct, or act shall be considered to be substantially related to the qualifications, functions, or duties of a licensee if to a substantial degree it evidences present or potential unfitness to hold such a license to perform the functions authorized by the license in a manner consistent with the public health, safety, or welfare.

(b) In making the substantial relationship determination required under subdivision (a) for a crime, the Bureau shall consider the following criteria:

(1) The nature and gravity of the offense;

(2) The number of years elapsed since the date of the offense; and

(3) The nature and duties of the profession in which the applicant seeks licensure or in which the licensee is licensed.

(c) For purposes of subdivision (a), the crimes, professional misconduct, or acts deemed to be substantially related to the qualifications, functions, or duties of a licensee include, but are not limited to, the following:

(1) Crimes or Acts involving the use of fraud, deceit or dishonesty for profit or gain;

(2) Taking, appropriating or retaining the funds or property of another;

(3) Forging, counterfeiting or altering any instrument affecting the rights or obligations of another;

(4) Evasion of a lawful debt or obligation, including but not limited to tax obligations;

(5) Traffic in any narcotic or controlled substance in violation of law;

(6) Driving under the influence of alcohol or drugs, while conducting business related to real estate appraisals; conviction of felony driving under the influence of alcohol or drugs; or conviction of two or more misdemeanor driving under the influence of alcohol or drugs within any three year period, whether or not while conducting business:

(7) Violation of a relation of trust or confidence;

(8) Theft of personal property or funds;

(9) Crimes or acts of violence or threatened violence against persons or property;

(10) The commission of any crime or act punishable as a sexually related crime, if that crime or act is substantially related to the duties and functions of the licensee; or

(11) Misrepresentation of facts or information on the appraisal license application and/or cheating on the examination.

(12) Any willful violation of the Real Estate Appraisers' Licensing and Certification Act or provisions of the Business and Professions Code applicable to appraisers.

Note: Authority cited: Section 481, 11313, and 11314, Business and Professions Code. Reference: Sections 141, 475, 480, 481, 490, and 493, Business and Professions Code.

§ 3723. Criteria of Rehabilitation.

(a) Denial of License

(1) When the Bureau is considering denying a license under Section 480 of the Business and Professions Code on the ground that the applicant has been convicted of a crime, the Bureau shall consider whether the applicant made a showing of rehabilitation, if the applicant has completed the criminal sentence at issue without a violation of parole or probation. In making this determination, the Bureau shall consider the following criteria:

(A) The nature and gravity of the crime(s);

(B) The length(s) of the applicable parole or probation period(s);

(C) The extent to which the applicable parole or probation period was shortened or lengthened, and the reason(s) the period was modified;

(D) The terms or conditions of parole or probation and the extent to which they bear on the applicant’s rehabilitation;

(E) The extent to which the terms or conditions of parole or probation were modified, and the reason(s) for modification;

(F) The effect of the passage of time since the most recent conviction or offense;

(G) Restitution to any person who has suffered monetary losses through “substantially related” acts or omissions of the applicant;

(H) Judicial relief from the consequences of criminal convictions resulting from immoral or antisocial acts including, but not limited to, Release from Probation (PC 1203.4), Certificate of Rehabilitation (PC 4852.01), finding of factual innocence (PC 841.8, 851.85), Diversion (completed), or other comparable orders of a court, including federal courts;

(I) Successful completion or early discharge from probation or parole;

(J) Abstinence from the use of controlled substances or alcohol for not less than two years if the crime or offense is attributable in part to the use of controlled substances or alcohol;

(K) Payment of any fine or other monetary penalty imposed in connection with a criminal conviction or quasi-criminal judgment;

(L) Stability of family life and fulfillment of parental and familial responsibilities subsequent to the conviction or offense;

(M) Completion of, or sustained enrollment in, formal education or vocational training courses for economic self-improvement;

(N) Discharge of, or bona fide efforts toward discharging, adjudicated debts or monetary obligations to others;

(O) Correction of business practices resulting in injury to others or with the potential to cause such injury;

(P) Significant or conscientious involvement in community, church or privately-sponsored programs designed to provide social benefits or to ameliorate social problems;

(Q) New and different social and business relationships from those which existed at the time of the crime or offense; and

(R) Change in attitude from that which existed at the time of the crime or offense as evidenced by any or all of the following:

(i) Testimony of applicant or licensed appraiser;

(ii) Evidence from family members, friends or other persons familiar with applicant's previous conduct and with his or her subsequent attitudes and behavioral patterns;

(iii) Evidence from probation or parole officers or law enforcement officials competent to testify as to applicant's social adjustments; or

(iv) Evidence from psychiatrists or other persons competent to testify with regard to psychiatric or emotional disturbances.

(2) If the applicant has not completed the criminal sentence at issue without a violation of parole or probation, the bureau determines that the applicant did not make the showing of rehabilitation based on the criteria in subdivision (a)(1), or the denial is based on professional misconduct, the bureau shall apply the following criteria in evaluating an applicant’s rehabilitation:

(A) The nature and gravity of the act(s), professional misconduct, or crimes(s) under consideration as grounds for denial;

(B) Evidence of any act(s), professional misconduct, or crime(s) committed subsequent to the act(s), professional misconduct, or crime(s) under consideration as grounds for denial;

(C) The number of years that has elapsed since the commission of the act(s), professional misconduct, or crime(s) under consideration as grounds for denial;

(D) Whether the applicant has complied with any terms of parole, probation, restitution, or any other sanctions lawfully imposed against the applicant;

(E) Evidence, if any, of rehabilitation submitted by the applicant; and

(F) The criteria in subdivision (a)(1)(A) through (R), as applicable.

(b) Suspension or revocation of a license

(1) When considering suspending or revoking a license, the Bureau, in evaluating the rehabilitation of a licensee, shall consider the following criteria:

(A) Nature and gravity of the act(s), professional misconduct, or crime(s);

(B) The number of years that has elapsed since commission of the act(s), professional misconduct, or crime(s) under consideration as grounds for suspension or revocation;

(C) Total history of act(s), professional misconduct, or crime(s);

(D) Whether the licensee has complied with all terms of parole, probation, restitution, or any other sanctions lawfully imposed against the licensee;

(E) Evidence, if any, of rehabilitation submitted by the licensee;

(F) The criteria in subdivision (a)(1)(A) through (R), as applicable; and

(G) If applicable, evidence of dismissal proceedings pursuant to Section 1203.4 of the Penal Code.

Note: Authority cited: Sections 482, 11313, and 11314, Business and Professions Code. Reference: Sections 480, 481, 482, 488, 493, and 11340, Business and Professions Code.

§ 3724. Citations for Unprofessional Conduct.

(a) Where the Chief has verified a notice of acts or omissions by a licensed appraiser, Registrant or person or entity acting in a capacity requiring a license or Certificate of Registration which constitute a violation of statute, regulation or USPAP, he/she may issue a citation in writing which describes with particularity the nature of the violation and including specific reference to the law, regulation or

professional practice standard determined to have been violated. The citation may include a notice of abatement fixing a reasonable period of time for abatement of the violation, assessment of private or public reproval, suspension, revocation, restriction of license, fine or any combination of these actions.

(b) Fines shall not exceed $10,000 per incident. In assessing a fine, the Chief shall give due consideration to:

(1) The gravity of the violation;

(2) The good or bad faith of the person cited;

(3) The history of previous violations;

(4) Evidence that the violation was willful;

(5) The extent to which the cited person has cooperated with the Bureau;

(6) The extent to which the cited person has mitigated or attempted to mitigate any loss or potential loss caused by the violation; and

(7) Such other matters as the Chief determines are in the interest of justice.

(c) Citations issued hereunder shall be subject to review as provided in subsection (b) of Section 3721.

Note: Authority cited: Sections 11313, 11314, 11315 and 11315.1, Business and Professions Code. Reference: Section 11314, Business and Professions Code.

§ 3725. Unlicensed Activity.

Where the Chief determines that a person is acting in the capacity of a licensee under the jurisdiction of the Bureau in violation of Section 11320 of the Business and Professions Code, and said person commits acts or omissions which constitute a violation of statute or these regulations, the Chief may issue a citation to that person in accordance with Section 3724. Any sanction authorized under this section shall be separate from and in addition to any other civil or criminal remedies.

Note: Authority cited: Sections 11313, 11314, 11315 and 11320, Business and Professions Code. Reference: Section 11314, Business and Professions Code.

§ 3726. Initiation of Disciplinary Proceedings.

(a) Any person may request the Chief to initiate disciplinary action against an applicant, 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. 01/01/2023), which is incorporated herein by reference.

(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 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.

§ 3728. Confidential Report of Investigation.

(a) Each complaint shall result in a confidential investigative report showing a summary of the acts and/or omissions alleged, and a summary of the supporting evidence together with a recommendation for appropriate enforcement action, if any.

(b) Where the confidential investigation report shows that the allegations are supported by credible evidence that a violation of law or regulations has occurred and that the applicant, licensed appraiser, Registrant or person or entity acting in a capacity requiring a license or Certificate of Registration has committed the violation, and that the violation is substantially related to the qualifications, duties, or functions of an appraiser, the Bureau shall issue a citation and/or order of abatement, or shall file an accusation or statement of issues against the applicant, licensed appraiser, Registrant or person or entity acting in a capacity requiring a license or Certificate of Registration.

(c) Where the confidential investigative report shows that the allegations, even if true, do not constitute a violation of the law or regulations, that the allegations are not supported by sufficient credible evidence, or that the facts show a complete defense or legal justification, the investigation shall be closed.

(d) Notwithstanding any other provision of this chapter, the Chief may release information concerning confidential investigations and complaints to a law enforcement agency or to another regulatory agency to which the appraiser or Registrant has applied for licensure.

Note: Authority cited: Sections 11314 and 11315, Business and Professions Code. Reference: Sections 480, 490 and 11320, Business and Professions Code.

§ 3729. Conference to Consider Allegations, Notice.

(a) Not less than 30 calendar days after a Notice of Conference has been issued, unless the applicant or licensed appraiser requests an earlier date, an informal conference may, at the discretion of the Bureau, be held, in which the applicant or licensed appraiser shall have an opportunity to show why the Bureau should not proceed with a disciplinary action.

(b) The conference shall be closed to all except the applicant or licensed appraiser and his or her representative, if any, and the person or persons designated by the Chief. The Bureau shall not release or give out any information received in the conference or in connection with the confidential

investigation report to any person not authorized by law to receive such information.

(c) Within 60 calendar days after the conference, the licensed appraiser shall be given written notice either that:

(1) The Bureau has determined that further action or proceedings are not warranted;

(2) The matter has been resolved by stipulation or agreement, together with the terms and conditions thereof; or

(3) An accusation or statement of issues will be filed or a citation issued against him or her.

Note: Authority cited: Section 11314, Business and Professions Code. Reference: Sections 11503 and 11504, Government Code.

§ 3730. Suspension of License After Informal Conference.

(a) The Chief may, after an informal conference, suspend the license of any person who procured the issuance of a license for himself or herself by fraud, misrepresentation, deceit, or by the making of any material misstatement of fact in his or her application for such license.

(1) The authority of the Chief to order such suspension of a license shall expire 180 days after the date of issuance of said license.

(2) The suspension itself shall remain in effect only until the effective date of a decision of the Chief after a hearing conducted pursuant to these regulations.

(b) The Chief may, after an informal conference, suspend the license of any person who is convicted of a crime which is, or that there is probable cause to believe that it is, substantially related to the duties of an appraiser and continuation of the licensed activity poses a serious threat of harm to the health, safety or welfare of the public.

(c) The Chief may, after an informal conference, suspend the license of any person who is alleged to have committed an act, or there is probable cause to believe that an act has been committed that is substantially related to the duties of an appraiser and continuation of the licensed activity poses a serious threat of harm to the health, safety or welfare of the public.

(d) Notwithstanding Section 3729, an informal conference regarding allegations subject to this section may be held not less than 10 calendar days after a Notice of Conference has been issued, unless the applicant or licensed appraiser requests an earlier date.

(e) Upon issuance of a suspension under this section, the Chief shall proceed as prescribed by Chapter 3 (commencing with Section 490) of Division 1.5 of the Business and Professions Code and the Bureau shall have all the powers granted therein.

Note: Authority cited: Sections 11313, 11314 and 11315, Business and Professions Code. Reference: Section 494, Business and Professions Code.

§ 3731. Renewal of Suspended or Revoked License or Certificate of Registration.

(a) A license or Certificate of Registration which is suspended is subject to expiration.

(b) A licensee or Registrant whose license or Certificate of Registration is suspended may apply for renewal as provided in this chapter. Such renewal does not entitle the licensee or Registrant, while the license or Certificate of Registration remains suspended, and until it is reinstated, to engage in the licensed activity, or in any other activity or conduct in violation of the order or judgement by which the license or Certificate of Registration was suspended. The holder of a suspended license or the Controlling Person of an Appraisal Management Company with a suspended Certificate of Registration shall comply with all continuing education requirements.

(c) A license or Certificate of Registration which is revoked shall not be renewed. Petition for reinstatement may be made by the former licensee or Registrant not less than one year after revocation or denial of a prior petition for reinstatement by submitting a new application for licensure or Certificate of Registration in accordance with Article 4, including the payment of all fees in accordance with then existing requirements, plus any outstanding fees, fines or penalties. The former licensee or Registrant shall include with the application a written statement signed and dated under penalty of perjury detailing how the Criteria of Rehabilitation contained in Section 3723 apply to his or her circumstances.

Note: Authority cited: Sections 11313, 11314, 11320, 11321 and 11340, Business and Professions Code. Reference: Sections 11313, 11314 and 11340, Business and Professions Code.

§ 3732. Restricted or Conditional License.

A restricted or conditional license issued pursuant to this chapter shall contain the restriction or condition until it is lifted, in writing, by the Chief.

(a) In order to have the condition or restriction removed, the licensee shall submit to the Bureau a letter requesting the condition or restriction be lifted, along with appropriate evidence of compliance with any restriction or condition, and the appropriate fee as provided in Section 3582.

(b) The Chief may, without hearing, issue an order suspending a licensee's right to further exercise any privileges granted under a restricted or conditional license pending final determination made after formal hearing, except, that a restricted or conditional license requiring completion of educational requirements shall be automatically suspended upon the licensee's failure to comply with the condition or restriction. The suspension shall not be lifted until the suspended licensee has submitted the required evidence of course completion with the appropriate fees as provided in Section 3582, and the Chief has given written notice to the licensee of the lifting of the suspension.

Note: Authority cited: Sections 11313, 11314, 11320 and 11321, Business and Professions Code. Reference: Sections 11313, 11314 and 11320, Business and Professions Code.

§ 3733. Disciplinary Guidelines.

In reaching a decision on a disciplinary action under the Administrative Procedure Act (Government Code Section 11400 et seq.), the Bureau shall consider the disciplinary guidelines entitled “A Manual of Disciplinary Guidelines and Model Disciplinary Orders” [Rev. 2024] which are hereby incorporated by

reference. Deviation from these guidelines and orders, including the standard terms of probation, is appropriate where the Bureau and/or administrative law judges in its/his or her discretion determines that the facts of the particular case warrant such a deviation -- for example: the presence of mitigating factors; the age of the case; evidentiary problems.

Note: Authority Sections 11313 and 11314, Business and Professions Code; and Section 11425.50, Government Code. Reference: Sections 11310.1, 11315.5, and 11320, Business and Professions Code; and Section 11425.50(e), Government Code.

ARTICLE 13. INVESTIGATIONS AND HEARINGS

§ 3741. Consent Determinations.

(a) At any time after the Chief has served a Notice of Conference, or after the Chief has served a Statement of Issues or an Accusation against an applicant, licensed appraiser, or Registrant and a Notice of Defense has been filed, the applicant, licensee, or Registrant and the Bureau may enter into a settlement upon terms which include a plan for abatement of the violation or rehabilitation or re-qualification of the applicant, licensed appraiser, or Registrant within a specified time, consistent with other provisions of law and regulations.

(b) If the Chief determines that the public interest would not be prejudiced by a settlement of the disputed facts by the issuance of a restricted license or Certificate of Registration he/she may order such issuance upon such lawful terms and conditions as he/she may deem appropriate to impose and which the applicant, licensed appraiser, or Registrant may deem appropriate to accept.

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

ARTICLE 14. PERSONAL INFORMATION

§ 3761. Personal Information, Access.

(a) Unless otherwise exempted by law, every person or his or her designated representative upon reasonable notice, identification and payment of copy fees shall have the following rights to inspect Bureau records containing personal information about himself or herself:

(1) To know if the BREA maintains any record about him or her;

(2) To inspect and to obtain a readable copy of such record if it exists;

(3) To request correction or amendment of such record if it is inaccurate or incomplete;

(4) To know if such record has been disclosed to any other person or agency, and the times and conditions of such disclosure;

(5) To be heard by the Chief if any of these rights are abridged or denied;

(6) If the Chief denies a request for correction or amendment of a personal record, to receive a

concise statement of the reasons for the Chief's denial, and to file a statement of reasonable length setting forth the reasons for the disagreement; and to have copies of such reasons and statement of disagreement made available by BREA to any persons or agency to whom the disputed record has been or is disclosed.

(b) All personal records about persons regulated by the Bureau are maintained at its office. Requests for access to such records should be addressed as follows:

BUREAU OF REAL ESTATE APPRAISERS
3075 PROSPECT PARK DRIVE, SUITE 190
RANCHO CORDOVA, CA 95670
(916) 552-9000

(c) The rights specified in (a)(1) through (6) are not exclusive, and do not foreclose rights which may be available under other provisions of law.

(d) Inquiries relating to whether or not licenses are current and in good standing are excluded from the requirement contained in (a)(4) above.

Note: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Section 1798.30, Civil Code.

Article 15. Office of Real Estate Appraisers – Conflict of Interest Code

§3780. General Provisions.

It having been found, pursuant to Government Code section 11344, that the printing of regulations constituting the Conflict of Interest Code is impractical and these regulations being of limited and particular application are not published in full in the California Code of Regulations. The Regulations are available to the public for review or purchase at cost at the following locations:

OFFICE OF REAL ESTATE APPRAISERS

1102 “Q” STREET, SUITE 4100

SACRAMENTO, CA 95811

FAIR POLITICAL PRACTICES COMMISSION

1100 “K” STREET

SACRAMENTO, CA 95814 ARCHIVES

SECRETARY OF STATE

1020 “O” STREET

SACRAMENTO, CA 95814

The conflict of interest code is designated as article 15 of chapter 6.5 of title 10 of the California Code of Regulations, and consists of sections numbered and titled as follows:

Article 15. Office of Real Estate Appraisers - Conflict of Interest Code

Section	
3780	General Provisions
	Appendix A
	Appendix B

Note: Authority cited: Sections 81008, 87300 and 87306, Government Code. Reference: Section 87302, Government Code.