



# THE CALIFORNIA APPRAISER

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## Message from the Bureau Chief

My years spent in the appraisal profession have taught me that change is constant and inevitable. I remember hand-written one-page reports, and then reports prepared on typewriters. In-house institutional appraisal staffs did the majority of the appraisals. Being an independent fee appraiser often required competing for work, diversification, building a reputation, and paying attention to the business of being an appraiser. Eventually came computers, form software, electronic data, storage, photos, printers, reporting, USPAP, licensing, AMCs, HVCC/AIR, UAD, CFPB — and a landslide of changing rules and regulations, sometimes for the better, sometimes not. So here we are today, and change marches on.

Another lesson I learned over these years is that some things haven't changed all that much, particularly the business side of being an independent fee appraiser. As always, there are assignments for which you won't get paid. There are times when pressure will be applied, subtle or direct, to produce a result that favors the client. There are assignments that end up being more work than you anticipated, with no increase in the fee. There are times when you will be asked to consider irrelevant data or to meet guidelines that are unrealistic for the market area. And there will be a time when you lose a client without knowing why.

Two major changes on the horizon are an increased education requirement for licensure, and more federal oversight of financial institutions. Could it be that the upcoming change could be good news for independent fee appraisers? Might the number of qualified appraisers continue to decline? Could the balance of supply and demand for appraisal services shift to favor your business? Will there be upward pressure on appraisal fees as a result?

No matter what changes may be coming, you can go a long way toward ensuring your success by paying attention to the business of running your business:

- » Be mindful of customer service, and follow through with what you say you are going to do.
- » Demonstrate strong ethics, no fee is worth sacrificing your career.
- » Pay attention to detail.
- » Build and maintain relationships with your clients.
- » Diversify your business by developing clients in more than one market segment.
- » Make your continuing education count by staying current and up to date.
- » Take pride in the quality of your work; your reputation is your most valuable asset.

Finally, the one truth that will not change: You are only as good as your last appraisal!

James S. Martin, *Bureau Chief*

*Our Mission: Safeguard public trust by promoting professionalism in the real estate appraisal industry through licensing, education, and enforcement.*

## Just the FAQs

In this regular feature of *The California Appraiser*, we answer some of the most common and urgent questions from appraisers, lenders, Appraisal Management Companies (AMC), and the general public about appraiser licensing, AMC registration, and enforcement.

This month, BRE’s Education Coordinator answers questions about licensing education requirements.

**Q: How can I get a list of course providers?**

A: A listing of course providers is available on BRE’s website: [www.brea.ca.gov](http://www.brea.ca.gov). Once you log on, go to the “Online Services” drop-down; click the “Course Provider Search” link; and on the “Search Course Provider” screen, click the “Search” radio button near the bottom of the page.

You do not need to enter any information, just click on search for a list of course providers.

**Q: Can I use courses taken to upgrade my license toward continuing education credit?**

A: Yes, as long as courses are taken within the four-year renewal cycle. Reminder: You do not receive credit for the exam time.

**Q: What’s going to be on the exam? How do I study for the exam?**

A: The basic education modules will help prepare you for the exam. The exam is developed by the Appraisal Qualification Board (AQB), and additional information, including sample questions, is available on the Appraisal Foundation website

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## 2013 California Examination Results

License Level	All Examinees		
	Test Takers	Passed	Pass Rate
Certified General	87	24	28%
Certified Residential	204	104	51%
Residential	74	20	27%
Trainee	534	158	30%
<b>2013 Total</b>	<b>899</b>	<b>306</b>	<b>34%</b>

First Timers		
Test Takers	Passed	Pass Rate
34	11	32%
112	80	71%
33	11	33%
245	83	34%
<b>424</b>	<b>185</b>	<b>44%</b>

Repeaters		
Test Takers	Passed	Pass Rate
53	13	25%
92	24	26%
41	9	22%
289	75	26%
<b>475</b>	<b>121</b>	<b>25%</b>

## Just the FAQs *continued from page 2*

at [www.appraisalfoundation.org](http://www.appraisalfoundation.org). Use the AQB drop-down, then select “National Uniform Licensing and Certification Examinations.” This site also provides a link to download national exam sample questions.

### Q: Why can't I use the 15-hour National USPAP Course to satisfy the continuing education requirement to complete the seven-hour National USPAP Update Course for license renewal?

A: The Real Property Appraiser Qualification Criteria requires the seven-hour National USPAP Update Course as continuing education every two calendar years. The seven-hour course concentrates on the most recent changes to USPAP, common problem areas, and application of USPAP to real-world situations. This course is appropriate for practicing appraisers who already have a baseline understanding of USPAP but need to be apprised of recent developments and updates affecting their practice. The 15-hour National USPAP Course is geared to the beginning appraiser who has a limited understanding of USPAP. The coverage and treatment of changes or emerging issues is not the focus of this course, thus it does not meet the educational objectives of the seven-hour course.

### Q: Will courses taken more than five years ago still apply toward a Trainee License?

A: No. Coursework for the Trainee License cannot be taken more than five years prior to the application date.

### Q: What are the additional education requirements if I submit my renewal late?

A: Late renewal licensees are required to submit proof of completion of seven additional hours of continuing education for each six-month period the application is received after the expiration of the continuing education cycle. A late renewal fee is also required. Applications are considered late if they are postmarked after the expiration date of the license or if any of the required continuing education is completed after the expiration date of the license.

### Q: What is the Supervisory and Trainee education requirement effective January 2015?

A: The Trainee Appraiser and the Supervisory Appraiser are both required to complete an AQB-approved Supervisory/Trainee Appraisers course. The Trainee Appraiser must complete the course prior to obtaining a Trainee Appraiser License and the Supervisory Appraiser must complete the course prior to supervising a Trainee Appraiser. The course regarding the roles and responsibilities of the Supervisor and Trainee can be used for continuing education credit for existing credential holders.

### Q: What are the new education requirements effective January 2015 for a Licensed Residential Appraiser, a Certified Residential Appraiser, and a Certified General Appraiser?

A: Licensed Residential Appraisers must complete 30 semester credit hours of college-level education from an accredited college, university, junior college, community college OR have an associate degree or higher (in any field).

Certified Residential and Certified General Appraisers must have a bachelor's degree or higher (in any field) from an accredited college or university.

### Q: As a Licensed Residential Appraiser applicant, what courses will qualify for the 30 semester credit hours of college-level education for the 2015 education requirements?

A: There are no specific subject course requirements. Any college-level course from an accredited college or university, junior or community college will satisfy the 30 semester credit-hour requirement.

### Q: As a Certified Residential or Certified General Appraiser applicant, what qualifies for 20- or 30-hour elective courses?

A: Elective courses must be on appraisal subjects and be a minimum of 15 hours with a final exam (see Basic Education modules). Some course providers offer “Appraisal Subject Matter Electives” courses.

## Did You Know?

Private mail box companies such as Mail Boxes Etc. and the UPS Store, and a person receiving mail there, are required by law to sign an agreement requiring the operator of the company to act as an agent for service of process for its mail-receiving customers. The owner or operator is required to place the documents served upon them (summons, etc.) in the mailbox

and mail a copy to the home address of the customer. This requirement continues for a period of two years after termination of service to that customer.

Also, the Superior Court in most counties has a webpage with useful information—sometimes under a “self-help” section—for small claims actions and other things. Orange County’s is especially good.

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## Enforcement Perspective

### ***2006 Called – the Departure Rule Boilerplate is Missing***

As a senior investigator for the Bureau of Real Estate Appraisers, in the midst of reading an appraisal report with an effective date of 2010, I noticed the appraiser reported the Cost Approach and Income Approach were not developed in compliance with the Departure Rule. I have to admit that I am a self-proclaimed Uniform Standards of Professional Appraisal Practice (USPAP) junky and was fully aware the Departure Rule was retired from USPAP as of July 2006. Nonetheless, appraisers are required to take a seven-hour USPAP course every two years, so I have to believe that, even if the appraiser had barely stayed awake for the USPAP update, they would have been aware of this retired rule.

Despite the fact that the reporting of this rule was antiquated, you may be asking yourself why this was an issue. It’s probably just a case of some old “boilerplate addendum” language the appraiser forgot to take out of the report. In this case, the issue was that this language was in direct violation of the 2010 edition of USPAP Standard Rules 1-4 and 2-2 (a, b and c)(viii). Standard Rule 1-4 requires that in developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results. Whereas, Standard Rules 2-2 (a, b and c) each require an explanation for why the Sales Comparison, Cost, and Income Approaches have been excluded. Two Standard Rule violations all because an appraiser forgot to clean up the boilerplate language!

You may be thinking that would never happen to you because, although not a card-carrying member of the USPAP junky club, you know your way around the standards. You sign up for your seven-hour update every November of the odd year just to ensure that your boilerplate language has been updated to reflect the new version of USPAP. You’re golden, right? Wrong!

Many residential fee appraisers in particular, and often general appraisers, who work in the same geographic areas, tend to rely on nonspecific boilerplate. The problem often arises when assignment-specific language is added to the report that is in direct contradiction to the boilerplate language already in the template or cloned report.

Examples exist everywhere, but some of my favorites from residential reports are references to Home Valuation Code of Conduct (HVCC) after 2010 (it was retired) and Appraisal Independence Requirements (AIRs) within the same report. Another one of my favorites is when the appraiser develops an Income Approach for a two- to four-unit assignment but includes a reconciliation boilerplate addendum statement similar to: “The Income Approach does not apply because the market segment is primarily owner occupied.” Really? You just reported four comparable sales that were tenant occupied.

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## Enforcement Perspective *continued from page 4*

And let's not forget the ever-present market conditions boilerplate found in the narrative style report that has varying references to real estate booms and crashes. The appraiser leaves the reader with a dated reference to the catastrophic decline in property values as a result of the recent economic crash. In the meantime, the appraiser has completed a market analysis documenting an increase in the market and applies the appropriate appreciation adjustment to the comparable sales. This same studious appraiser summarizes the support used for the upward market adjustments.

What is the reader of the report to believe? How does the reader know which of these statements is accurate? Since the 2004 edition of USPAP, the Preamble has established USPAP's purpose as promoting and maintaining a high level of public trust in

appraisal practice. It goes on to say, in part, that it is essential appraisers develop and communicate to the user in a manner that is meaningful and not misleading.

Boilerplate that is not assignment-specific is **not** meaningful, and when combined with contradictory language, **is** misleading. How is the public to trust that?

Read your report from the perspective of the specific assignment, intended use, and intended user. Then have yourself a belly laugh at the absurd, contradictory, and sometimes significantly obsolete language as you correct the report PRIOR to submitting it to your client—or worse yet, prior to it being submitted to BREA.



## Legal Corner

In litigation, it's called a "battle of the experts." One side's hired witness says something and the other side's says the opposite. In some cases, the witness is a licensed appraiser acting in that role.

While the attorney is ethically required to zealously advocate on behalf of the client, a witness acting as a licensed appraiser is ethically forbidden from doing so. Can these cross purposes be reconciled? They must be.

Appraisers in this situation should remember a few things: (1) The Uniform Standards of Professional Appraisal Practice (USPAP) apply; (2) neither the attorney nor the evidence code has authority to exempt you from USPAP; and (3) you "must not advocate the cause or interest of any party or issue[.]"

The appraiser considering litigation work should carefully consider USPAP standards that potentially apply, in addition to the duty to refrain from advocacy, including the Jurisdictional Exception Rule, rules regarding drafts, rules regarding intended use and user, as well as all Advisory Opinions and frequently asked questions illustrating them. Following is a general outline.

California statute and BREA regulations provide that USPAP applies, whether the work is for a federally related transaction or not.

USPAP's paramount purpose is instructive. That purpose is to promote public trust—accomplished by communicating analyses, opinions, and conclusions in a manner that is meaningful and not misleading. Moreover, an appraiser must perform assignments with "impartiality, objectivity, and independence." These are the overarching standards.

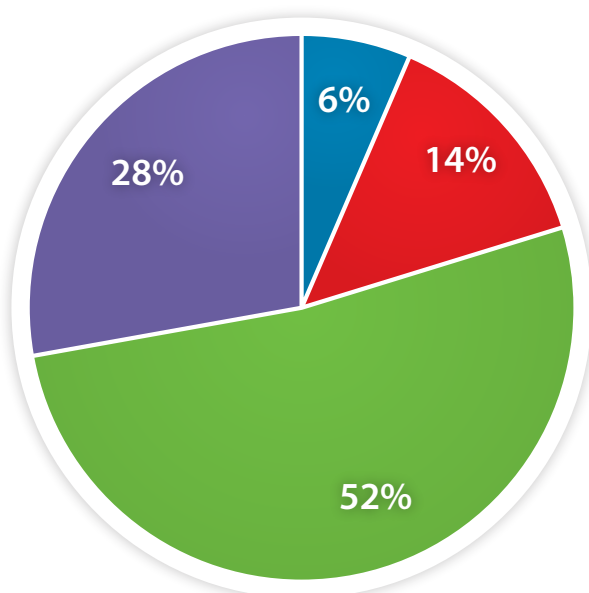
The Jurisdictional Exception Rule has many valid uses. Litigation is not one of them. Appraisers do not have to comply with the Evidence Code—the attorney does. And though an attorney may have an expansive view of their powers, waiving USPAP rules isn't one of them.

Rules regarding drafts may be relevant. Don't let the attorney use your "draft" in a manner that is misleading. Clearly identify drafts as such.

Misidentification of the intended use or user may also lead to USPAP violations. You are obligated to know whether the attorney is going to use your work as a sword or shield in battle.

In short, don't let the client's cause become yours. You're a better, more credible witness (and can charge more money), when your opinions are based on thorough analysis and sound reasoning.

## BREA Licensing Statistics for 10/9/2014 11,685 Active Licensees



● Trainee (AT)	701
● Residential (AL)	1,636
● Certified Residential (AR)	6,076
● Certified General (AG)	3,272

# Enforcement Actions

Enforcement actions are based on the totality of the circumstances and the merits of each matter on a case-by-case basis, including the nature and severity of the offenses involved, prior disciplinary actions (if any), and circumstances that support a finding that the offender has been rehabilitated. Violation descriptions may be partial and summarized due to space limitations.

For these reasons, cases may appear similar on their face yet warrant different sanctions. For a description of the criteria followed by BREA in enforcement matters, please refer to Title 10, Chapter 6.5, Article 12 (commencing with section 3721) of the California Code of Regulations. Additional information on the individual actions is also available on the BREA website [www.brea.ca.gov](http://www.brea.ca.gov).

Published Disciplinary Actions				
Licensee	License No.	Business City	Order Effective	Outcome
Fridlyand, Vladimir	AR030727	San Jose	2/28/14	Additional education, fine, probation
Talley, Christopher C.	AR027955	Chico	4/21/14	Additional education, fine, probation
Roth, Timothy R.	AG005758	Hermosa Beach	2/24/14	Additional education, fine, probation
Stout, Jason D.	AR036142	Corona	3/21/14	Additional education, fine, probation
Smith, Gene N.	AR032514	Huntington Beach	10/3/14	Additional education, fine, probation
Hill, Leland R.	AG004947	Seal Beach	6/12/14	Additional education, fine, probation
Mooney, Michael P.	AL024068	Woodland Hills	4/14/14	Additional education, fine, probation, suspension
Lienke, Tupper W.	AG001740	Los Angeles	3/17/14	Additional education, fine, probation, suspension
Toman, Terry John	AG003109	Costa Mesa	5/30/14	Additional education, fine, probation, suspension
Quary, Joel W.	AR038873	Los Angeles	7/1/14	Additional education, fine, probation, suspension
Bailey, Robert E.	AL039837	Bloomington	6/15/14	Fine, probation, suspension
Costelli, Steven A.	AR020097	Danville	5/26/14	Revocation
Barrera, Ernie Q.	AL012759	San Jose	9/29/14	Revocation
Thomas, Lee R.	AR017014	Fresno	7/16/14	Revocation
Van Sloten, Breton E.	AR007966	Spokane	3/24/14	Revocation
Champion, William G.	AL040739	Rialto	10/3/14	Surrender
Ezeokoli, Owen A.	AR030220	San Diego	6/5/14	Surrender
Roy, Paul P.	AR012587	La Crescenta	8/29/14	Surrender
Mosley, Robin L.	AR021004	Murrieta	6/6/14	Surrender
Bolognese, Mackeen	AR029054	Los Angeles	7/9/14	Surrender

## Citations

The following disciplinary actions are examples of citations issued January–September 2014. A breakdown of the 60 total citations issued is: 5 Certified General; 44 Certified Residential; and 11 Residential.

Licensee	Fine	Violation
Certified General Licensee	\$1,500 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2: Use of unqualified sales in the Sales Comparison Approach to value, false claim of Jurisdictional Exception, use of sales out of subject city with no disclosure or analysis, use of unsupported indicators in the Income Approach to value, failure to reconcile disparate sales comparison and income indicators, all resulting in misleading appraisal reports that lacked credibility and understandable analysis.
Certified General Licensee	\$2,500 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2; Conduct section of the Ethics Rule, Record Keeping Rule, Scope of Work Rule: Respondent performed the appraisal in a negligent manner by failing to identify and analyze zoning and improvement characteristics, failed to properly identify market trends for warehouse spaces, failed to consider positive trends attributed to owner/user market in the H & B Use analysis, failed to include adequate information regarding the comparable sales and to analyze their differences, failed to base projections of income and expenses on appropriate evidence, used inappropriate rental comparables, and failed to maintain a work file.
Certified General Licensee	\$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education: Gen. Appraiser Sales Comparison Approach.	Violations of USPAP S.R. 1 and 2; Conduct section of the Ethics Rule, Scope of Work Rule: Respondent created a misleading report by failing to correctly identify and analyze the characteristics of the subject property that are relevant, including its location, physical, legal, and economic attributes, failed to analyze all current listings affecting the subject property, failed to report and analyze all recent sales and transfers of the subject property that occurred within three years prior to the effective date of the report; and failed to perform a credible Sales Comparison Approach.
Certified General Licensee	\$1,000 fine.	Violations of USPAP S.R. 1 and 2: Respondent failed to utilize more relevant comparable sales while using less relevant comparable sales, resulting in an appraisal that was not credible.
Certified Residential License	\$1,000 fine, 15 hrs. basic education: Residential Report Writing and Case Studies.	Violations USPAP S.R. 1 and 2: Failure to determine the intended use of the appraisal report that was for a purchase, failure to correctly describe the subject golf course-oriented neighborhood and price range, failure to correctly describe the subject property physical characteristics and view, failure to accurately report physical and transaction characteristics of comparable sales, and failure to reconcile the purchase price with the final estimate of value.
Certified Residential Licensee	\$2,000 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2: Respondent falsely certified inspecting the interior of the subject property when Respondent did not, failed to disclose the professional assistance provided by a spouse/trainee appraiser, who performed the only interior inspection of the subject property, and failed to report the characteristics of the comparable sales accurately.
Certified Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2: Respondent made gross errors in describing the subject property, neighborhood and market, reported the incorrect zoning, and made inadequate selection of and adjustment to the comparable sales.

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## Citations *continued from page 8*

Licensee	Fine	Violation
Certified Residential Licensee	\$1,500 fine, 15 hrs. USPAP, 15 hrs. basic education: Advanced Residential Applications.	Violations of USPAP S.R. 1 and 2: Respondent failed to utilize more relevant comparable properties while failing to appropriately discuss and analyze the relevant characteristics of the subject property and comparable sales and listings used, resulting in an appraisal that was not credible.
Certified Residential Licensee	\$1,000 fine, 15 hrs. basic education.	Violations of the Competency Rule, USPAP S.R. 1 and 2: Failure to disclose the subject's external obsolescence, failure to explain the omission of other relevant sales within the immediate neighborhood that had sold lower than the opinion of value, and failure to select arms-length transactions and credible value indicators in the Sales Comparison Approach resulting in a value conclusion and an assignment result that was not credible.
Certified Residential Licensee	\$1,500 fine, 15 hrs. USPAP, 15 hrs. basic education.	Violations of USPAP S.R. 1 and 2: Respondent failed to appropriately discuss and analyze the relevant characteristics of the subject property and comparable sales used. Additionally, Respondent failed to utilize more relevant comparable sales, resulting in an appraisal that was not credible.
Certified Residential Licensee	\$2,500 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2: Respondent falsely certified inspecting the interior of the subject property when Respondent did not. Respondent also failed to disclose that an unlicensed appraiser whose trainee license had expired performed the only interior inspection of the subject property. Additionally, Respondent failed to appropriately discuss and analyze the relevant characteristics of the subject property and comparable sales used, resulting in an appraisal that was not credible.
Certified Residential Licensee	\$2,500 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2: Respondent falsely certified inspecting the subject property when Respondent did not. Respondent also failed to disclose the professional assistance provided by trainee appraiser, who performed the only inspection of the subject property, failed to appropriately discuss and analyze the relevant characteristics of the subject property and comparable sales used. Additionally, Respondent failed to utilize more relevant comparable sales, resulting in an appraisal that was not credible.
Certified Residential Licensee	\$1,500 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2: Respondent falsely certified inspecting the interior of the subject property when Respondent did not.
Certified Residential Licensee	\$2,500 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2, Scope of Work Rule, Ethics Rule and Section 3721 of the California Code of Regulations: Failure to identify the subject's locational attributes, failure to report the subject's correct zoning classification, failure to accurately report market trends, failure to adequately disclose the scope of work pertaining to significant real property assistance provided by another appraiser, participating in unethical appraisal practice by falsely certifying a complete interior and exterior inspection of the subject property when not done, instead had another appraiser complete the inspection.

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## Citations *continued from page 9*

Licensee	Fine	Violation
Certified Residential Licensee	\$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education: Residential Sales Comparison and Income Approach.	Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule and Scope of Work Rule: Respondent performed the appraisal in a negligent manner when Respondent failed to identify and analyze actual legal, physical, and economic characteristics of the subject property, failed to develop an opinion of H & B Use that addressed the correct zoning and aspects of the vacation rentals, failed to report adequate information regarding the sale comparables and analyze their differences, failed to base projections of income on appropriate evidence.
Certified Residential Licensee	\$1,000 fine, 30 hrs. basic education.	Violations of Competency Rule, USPAP S.R. 1 and 2: Failure to disclose and adequately describe the extent of the subject's remodeling, misrepresenting the condition of the subject as being in average condition, failure in recognizing and adjusting the superior overall condition of the subject to the comparable sales resulting in a value conclusion that was not credible.
Certified Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 30 hours basic education: Residential Sales Comparison and Income Approaches.	Violations of USPAP S.R. 1 and 2, Competency Rule, Record Keeping Rule: Failure to adequately describe subject and subject zoning, failure to prepare credible Sales Comparison Approach, failure to prepare credible Income Approach, failure to reconcile indicators of value in report and also within Sales and Income Approaches, failure to employ recognized methods and techniques, performed a misleading appraisal.
Certified Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2: Failure to adequately disclose and analyze the intended use of the assignment, failure to analyze the subject's market conditions, failure to analyze the affect on marketability of the subject's foundation problem, failure to support a credible Sales Comparison Approach, and failure to employ acceptable methodology in determining the site value in the Cost Approach.
Certified Residential Licensee	\$1,500 fine, 15 hrs. USPAP, 15 hrs. basic education: Advanced Residential Applications.	Violations of USPAP S.R. 1 and 2: Respondent failed to utilize more relevant comparable properties while failing to appropriately discuss and analyze the relevant characteristics of the subject property and comparable sales and listings used, resulting in an appraisal that was not credible.
Certified Residential Licensee	\$500 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2: Respondent failed to disclose using a rear view and interior photographs from a prior inspection and appraisal report. Additionally, Respondent utilized MLS photographs of the comparable sales used while cropping off the MLS trademarks.
Certified Residential Licensee	\$1,000 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2 and the California Code of Regulations, Title 10, Chapter 6.5, Section 3500 et seq.: Respondent signed a Supervising Appraiser Certification in conjunction with a Log of Appraisal Experience falsely attesting as to the validity of the log (CA Code of Reg. 3568(e)(4) and 3721(a)(5)); and Respondent failed to adequately summarize the scope of work used to develop an appraisal by failing to adequately summarize the extent of significant real property appraisal assistance.

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## Citations *continued from page 10*

Licensee	Fine	Violation
Certified Residential Licensee	\$1,000 fine, 30 hrs. basic education: 15 hrs. Residential Report Writing and Case Studies, 15 hrs. Residential Applications and Case Studies.	Violations of USPAP S.R. 1 and 2: Respondent failed to provide support for market trends conclusion; failed to provide adequate support for the subject's quality and condition ratings, and did not correlate the condition rating to the subject's effective age; misrepresented the quality and condition of some comparables, utilized comparables outside of the defined neighborhood boundaries without supporting rationale, failed to reconcile prior sale prices per the Statement of Work (SOW), and to report a locational externality for one comparable sale. Within the Cost Approach, Respondent failed to provide a verifiable cost data source, omitted some improvements and failed to reconcile subject's condition to the effective age. Omissions and commissions resulted in a value conclusion that was not credible.
Residential Licensee	15 hrs. USPAP, 30 hrs. basic education: Residential Sales Comparison and Income Approaches.	Violations of USPAP's Record Keeping Rule, Scope of Work Rule and S.R. 1 and 2: Failure to produce a credible Sales Comparison Approach by creating a series of errors throughout analysis (failed to support declining subject neighborhood property values; failed to define subject neighborhood boundaries; failed to report the accurate subject project site size; use of inappropriate comparable sales when more appropriate comparable sales were available, failure to reconcile within the SCA).
Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2: Failure to report and analyze negative externalities, use of two trustees' deeds as comparable sales (falsely claimed to be MLS-verified), failure to analyze prior sale of property used as a comparable sale, failure to adjust for superior amenities of three comparable sales, failure to disclose, analyze and adjust for declining market conditions.
Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 15 hrs. basic education: Residential Report Writing.	Violations of USPAP S.R. 1 and 2: Respondent failed to appropriately discuss and analyze the relevant characteristics of the subject property and comparable sales used, resulting in an appraisal that was not credible. Respondent falsely certified as to having inspected the exterior of the comparables.
Residential Licensee	\$1,500 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2: Failure to keep a true copy of the appraisal report; to employ sufficiently recent, proximate and similar comparable sales; to accurately estimate gross living area; and failure to disclose the use and source of online property sale photographs.
Residential Licensee	\$1,000 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2, Ethics Rule, and Section 3721 of the California Code of Regulations: Participating in unethical appraisal practice by completing the only interior and exterior inspection of the subject for an appraisal assignment that was being signed by another appraiser who was certifying completion of the interior and exterior inspection.

## Changing your contact information? Let us know

California Code of Regulations section 3527 requires written notification to BREA of any change to a name or business name; residence, mailing, or business address; or business or residence phone number within 10 days of the change.

Use the Change Notification and Miscellaneous Requests, Form 3011, available on our website, [www.brea.ca.gov](http://www.brea.ca.gov). Click on "Forms." Submit the signed form, the required fee, and any needed documentation by mail.

Although not a requirement, you can also use the REA 3011 to provide or update your e-mail address, which the Bureau will use for e-mail blasts.



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