



## Director's Message

I want to take this opportunity to introduce myself as the Office of Real Estate Appraisers' (OREA) new Acting Director. As I am sure you know, the previous Acting Director, Jerry R. Jolly, made the difficult decision to return to his previous assignment at the Department of Alcoholic Beverage Control. I say that because I know that Mr. Jolly enjoyed his work here and the interaction that he had with everyone in the appraisal industry.

We thank him for his great successes in improving OREA's programs. I very much appreciate the opportunity to follow his lead and work toward further improvements at OREA. I also appreciate the support that I continually receive from Business, Transportation and Housing Agency Secretary Maria Contreras-Sweet, who appointed me OREA's Acting Director effective August 1, 2000.

By way of illustrating the improvements that have taken place at OREA in the past couple of years, the Appraisal Subcommittee (ASC) recently completed its regularly scheduled review of OREA and I am pleased to report that ASC found us to have a model program. As Acting Director, I am committed to building upon this assessment by continuing to make program improvements. For example, we are currently in the process of performing a complete review of our regulations in order to make changes that will enhance licensing and enforcement programs, and improve service to the public.

We also continue to make improvements to our website. Visitors may now locate licensed real estate appraisers in their area, verify licenses and learn whether or not licenses are in good standing. Also, OREA has a new on-line e-mail service for contacting the office and has made it possible to complete customer surveys on our website and submit them electronically. In addition, OREA has grouped licensing forms according to function and visitors may now download forms for their convenience. We also continue to add links to other organizations in the real estate industry for greater access to pertinent information. If you have not visited our website lately, please do so at [www.orea.ca.gov](http://www.orea.ca.gov).

While many improvements have been made to OREA's programs, several challenges still remain. Currently, we are in the midst of our second renewal cycle. Our licensing staff is performing a remarkable job in processing renewal applications and issuing renewal licenses in approximately 25 days, and issuing initial applications in about 30 days.

Our enforcement staff are doing an equally exceptional job of handling a caseload of approximately 135 cases. To manage the workload, staff perform preliminary reviews of complaints to establish jurisdiction, assign priorities and determine the enforcement resources that must be dedicated to the investigations. Once opened, complaint cases are usually completed in about six to nine months.

My commitment as Acting Director is to continually improve OREA's operations and to strive for efficiencies that make the best, most effective use of our limited resources. We appreciate your support and look forward to your comments and suggestions.

*Anthony F. Majewski*

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Continuing Education  
Credit Available!

Register Early.  
Space Limited!

# Real Estate Fraud Seminars

OREA is offering two half-day seminars concerning real estate fraud during the first quarter of next year: one on March 7, 2001, in Burbank and the other on March 29, 2001, in Sacramento. The seminars are designed for licensed real estate appraisers, applicants, course providers and other interested persons. Both will cover the same material, each examining cases of real estate fraud from the appraiser's perspective, using actual cases OREA has investigated and a sampling of current real estate fraud cases from around the nation. Included in each seminar will be a

discussion of the Real Estate Appraisers' Licensing and Certification Law, OREA regulations and the enforcement program.

**TIME:** Check-in for each seminar will be from 7:00 a.m. to 8:00 a.m. Each seminar will begin promptly at 8:00 a.m. and conclude at 12 noon. All registrants must be checked in by 8:00 a.m. in order to receive continuing education credit. Certificates for continuing education credit will be distributed at the conclusion of each seminar. At check-in, a photo ID will be required of those requesting continuing education credit.

**COST AND REFUNDS:** To cover the cost of presenting each seminar, there will be a nominal fee of \$25 per person for registrations postmarked by February 7, 2001, for those attending in Burbank, and February 28, 2001, for those attending in Sacramento. Registrations postmarked after those dates, respectively, will cost \$38 per person. Your cancelled check will be your confirmation; no confirmation notices will be sent.

Please contact OREA if you need to cancel your registration. In this way, we are able to contact others on a waiting list who may wish to attend. No refunds will be made for cancellations received after 5:00 p.m. February 7, 2001, for those attending in Burbank and 5:00 p.m. February 28, 2001, for those attending in Sacramento.

OREA reserves the right to substitute instructors or to cancel these seminars if sufficient registrations are not received. In the event of cancellation, registration fees will be refunded; all other costs incurred are the registrant's responsibility.

**CONTINUING EDUCATION CREDIT:** Four hours of continuing education credit will be offered for the seminar. A minimum attendance of 90 percent of total classroom time is required to receive continuing education credit.

Course Approval Number: 00250C104

State of California

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1755 CREEKSIDE OAKS DRIVE, SUITE 190  
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PHONE: (916) 263-0722  
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WWW.OREA.CA.GOV

ANTHONY F. MAJEWSKI  
ACTING DIRECTOR

## SEMINAR LOCATIONS:

The Burbank seminar will be held on **March 7, 2001**, at:

**Burbank Hilton  
2500 Hollywood Way  
Burbank, California 91505-1019  
(818) 843-6000**

If you will be staying at the hotel on Tuesday night, March 6, 2001, for the seminar on Wednesday, contact the hotel's reservation department by calling the above telephone number. Parking for the seminar is \$7.00.

The Sacramento seminar will be held on **March 29, 2001**, at:

**Radisson Hotel Sacramento  
500 Leisure Lane  
Sacramento, California 95815  
(916) 922-2020**

If you will be staying at the hotel on Wednesday night, March 28, 2001, for the seminar on Thursday, contact the hotel's reservation department by calling the above telephone number. Parking is complimentary.

**SEMINAR REGISTRATION:** To reserve your spot at one of the seminars, complete and mail the registration form on page 23. There is limited space available at each seminar, so register early! Please make checks payable and mail to:

Office of Real Estate Appraisers  
1755 Creekside Oaks Drive, Suite 190  
Sacramento, California 95833  
Attention: Accounting

**OREA CONTACT:** If you have any questions concerning the seminars, contact Tom Morrison, Legislative and External Affairs Coordinator, by telephone at (916) 263-0722 or by FAX at (916) 263-0887. See you there!

## Improvement to OREA Website

**O**REA has prepared lists of licensing forms needed according to function (i.e., initial, renewal, upgrade). This allows, for example, a person interested in becoming licensed as a real estate appraiser to

download those forms that pertain to initial licensure. This enhancement will eliminate any uncertainty as to which forms are necessary to submit to OREA for a particular licensing application. Visit us at [www.orea.ca.gov](http://www.orea.ca.gov)!

## Increasing Awareness About Real Estate Fraud

**O**REA, along with the Department of Real Estate, Federal Bureau of Investigation and district attorney offices around the state are working together to fight real estate fraud in California. These agencies developed a seminar which was presented in Los Angeles recently for the purpose of educating the interested public about this pattern of fraud.

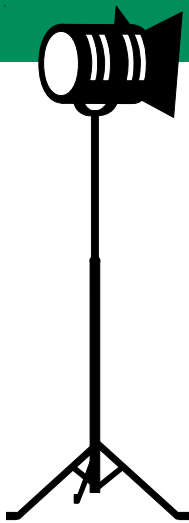
In addition, on September 21, 2000, OREA held a seminar entitled "Real Estate Fraud" in Buena Park. This half-day seminar examined cases of real estate fraud from the appraiser's perspective, using actual cases OREA has investigated and a sampling of current real estate fraud cases from around the nation.

*The number attending the seminar indicated that there was a lot of interest in the subject of real estate fraud.*

Four hours of continuing education credit were offered for attending the seminar.

Those attending the Buena Park seminar found it to be informative and very worthwhile.

*(Continued on page 4)*



# IN THE SPOTLIGHT



Paul has been with OREA since October 1996. His responsibilities include the review of residential appraisal reports for compliance with the Uniform Standards of Professional Appraisal Practice, screening incoming complaints and assisting with public inquiries.

Prior to OREA, Paul was employed for 12 years as a residential fee appraiser in the greater Sacramento area. He has a combined total of 13 years state service, including work with the Department of Health Services and the Board of Equalization.

Paul has resided in Sacramento for a number of years and is originally from Houlton, Maine. When away from OREA, Paul enjoys sports, traveling, music and spending time with his family.

**P**aul Ketchum is a Senior Property Appraiser Investigator in OREA's Enforcement Division. Paul holds a Bachelor of Science degree in Business Administration, with a major in real estate, from California State University, Sacramento.

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## OREA NEWS *(continued)*

OREA also provided one of the speakers at the Appraisal Institute's 2000 Annual Fall Conference in San Francisco, held on October 19, 2000. There, OREA made a presentation on real estate fraud, discussing common fraud and flipping schemes. In addition, we staffed a booth at the Conference's trade show and distributed licensing and enforcement materials, as well as information pertaining to real estate fraud.

We plan to periodically offer additional seminars on this subject in different areas of the State. For our current schedule, see the seminar announcements on page 2.

annual United California State Employees' Campaign (UCSEC), a fund raising effort to provide funding to charitable, non-profit organizations.

UCSEC was established in 1957 to provide a single charitable fund raising drive for State government agencies. There are approximately 37 regional campaigns across California. The Capital Region, of which OREA is a part, includes Sacramento, Yolo, El Dorado, Placer and Amador counties. We feel that the UCSEC is our chance to help our community, make an impact on our neighbors and change individual lives.

OREA has received many awards for percentage employee participation in the fund raising drive and for per capita giving to UCSEC. This year in particular, OREA far exceeded its goal in contributions. Congratulations!



**OREA Employees . . .  
Congratulations!**

**EVEN THOUGH OREA** is a relatively small state government agency, it has won multiple awards for its generous giving. OREA employees give in a big way to the

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# Customer Comment Line

*We do appreciate hearing from you! Following are a few of the comments that OREA has recently received.*

## *Danville*

I don't have any problem with licensing fees, as long as enforcement and penalties for fraud and "misleading" appraisals are continued. I see huge incompetence on a daily basis. I can't police the industry I have never found a career in. Continue your enforcement actions. Thanks.

## *Long Beach*

Appraisers have not received benefit from licensure commensurate with fees. You provide no service to the average appraiser. Licensing and enforcement are government requirements. Since you provide service and protection for the general public, your operating budget should be partially provided from the general revenue. [Response: OREA was created to provide licensing services to California's real estate appraiser population after Congress enacted Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act, which mandated that all states license real estate appraisers who appraise property for federally-related transactions. Since its inception in 1991, OREA has increased its services to our licensees and the general public in various ways, including the establishment of an enforcement unit, streamlining the application process and instituting a new website to provide convenient access to many of the services that we provide. We do recognize, however, that there are improvements to be made and additional services that may be provided and we are committed to doing just that.]

## *Madera*

[OREA was] very helpful, informative, professional and up-to-date with industry and all appraisal-related data.

## *Ontario*

Please start providing e-mail addresses for the licensed appraisers in the State of California. [Response: We are looking into it!]

## *Pleasanton*

I had the pleasure of dealing with Mr. Paul Ketchum. He was so very reassuring and very professional in explaining the way things are handled at OREA . . . I pride myself on my professional nature and Mr. Ketchum was wonderful in dealing with my telephone call.

## *Porterville*

Anytime I had trouble understanding the handbook or had questions concerning the next step in getting my license, your staff was very helpful and timely in answering all of my questions. Thanks!

## *Redding*

Our licensing fees are higher than are totally reasonable. [Response: OREA realizes that fees are high and we want to emphasize that OREA is committed to reducing costs and increasing operational efficiencies in the future.]

## *Riverside*

Karen Estampa—super person!

## *San Diego*

As a consumer, it was great to be able to verify that the appraiser I was thinking of using has an active and appropriate license without getting a telephone run around at the state. Thank you!

## *Santa Monica*

The renewal form could indicate fee payment "to the order of . . ." [Also,] the appraiser should get an option to pay an extra fee for quicker renewal services if received at OREA under 60 days before the license expiration date (allow Fed Ex overnight delivery of renewal license). Otherwise, the license may expire due to slow mail! [Response: OREA is currently working diligently to effectively manage renewals, which includes prioritizing those renewal applications where licenses are close to expiration. See *Director's Message*.]

## *Studio City*

Thank you very much for the information I needed. Everytime I call OREA . . . representatives are very friendly to me. The phone was answered right away. The support provided was excellent. Thank you again and I wish you a good day.

## *Location Not Specified*

I had a great experience with you guys! Keep up the good work!

*(Continued on page 6)*

# Customer Comment Line *(continued)*

## *Location Not Specified*

From April 1999 through March 2000, I registered for a number of courses subsequently cancelled—some the day before the scheduled class. OREA should insist that continuing education providers hold a class session once scheduled and publicized. [Response: We understand your frustration when courses are cancelled at the last minute. Many of our approved course providers are small businesses that cannot afford to offer courses when not economically viable. If OREA were to require that courses could not be cancelled once scheduled and publicized, the financial impact to many course providers could force them out of business, which would result in fewer available courses for our licensees.]

## *Location Not Specified*

Did you really read the “Request for Pre-Valuation Data” on page 14 [of the Spring/Summer 2000 edition of *The California Appraiser*]? . . . What lender cares? You either do it or you don’t work. The “golden rule” will never change and the lenders will always have the gold! [Response: The

opinions expressed in articles submitted to this office for publication are not in any way to be construed as opinions of the Office of Real Estate Appraisers. The information presented is provided solely by the author.]

## *Location Not Specified*

*The California Appraiser* has excellent information for an appraiser. It awakens thought and desire to re-read USPAP and other related materials. Thanks.

## *Location Not Specified*

The recent extreme increase in licensing fees is absurd and sleazy, pure profiteering by the State of California. A “fee” is \$10, \$20 or some reasonable amount for paperwork. The rest of it (99 percent or so) is a tax. Someone should be honest enough to call it that! Politicians will never change, which is why most of us don’t vote for them anymore. California already has a multi-billion dollar surplus—when will it end? [Response: As stated above, we realize licensing fees are high and are committed to additional cost reductions and increased operational efficiencies in the future.]

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## Change Notification and Miscellaneous Requests Form

State and federal statutes and regulations require that OREA maintain current information regarding all licensees and approved course providers. In addition, OREA desires to keep the industry informed regarding important changes in laws, practice and other concerns. Finally, if a complaint is filed against a licensee or course provider, OREA needs to make appropriate contacts. On occasion, OREA has been forced to revoke licenses because we have not been able to contact the licensee.

Applicants, course providers and licensees are required to notify OREA within 10 days of a change in the following areas, by using the *Change Notification and Miscellaneous Requests* form (REA 3011):

- Name
- Residence address and/or phone number
- Business address and/or phone number
- Mailing address

Also, form REA 3011 may be used to obtain a duplicate license, or request a *Certificate of Good Standing* or *Letter of License History*.

To make it easier for you to notify OREA of any changes, form REA 3011 is available on OREA’s website ([www.orea.ca.gov](http://www.orea.ca.gov)). Periodically, OREA also includes the form in *The California Appraiser*. Of course, you may always contact OREA directly by calling (916) 263-0722.

# *F*rom the Secretary... *F*rom the Secretary... *F*rom the Secretary...

*Secretary of the Business, Transportation and Housing Agency,  
Maria Contreras-Sweet*

**T**hese are very challenging times for those of us who care about housing. Increasingly, the public, press, business community and government officials are recognizing the importance of an adequate supply of diverse housing choices.

Record-high job growth, economic prosperity and the beautiful resources of this State may lead us to think that all is well. In reality, California is suffering a chronic shortage of new housing, which has driven up housing costs and threatens California's economic prosperity and quality of life. Homeownership is the most enduring of our dreams. When people own their homes they take pride in the community, they are concerned about the neighborhood schools and parks and the safety of the community. They feel economically more secure and their quality of life is improved.

Last year marked the ninth consecutive year of housing production at roughly fifty percent of what is needed statewide. In 1999, only 140,000 new homes were built, while the Department of Finance estimated the annual need to be between 230,000 and 250,000. And, in some of California's job centers, a professional's annual salary can be as much as \$100,000 short of what is needed to afford to buy the median-priced home.

The Davis Administration recognizes the importance of the State's role in addressing California's housing needs. To ensure that a lack of housing for California's work force does not derail our economic prosperity, the May revision of the Governor's Budget added \$500 million in housing initiatives--the largest augmentation for State housing programs of any previous administration.

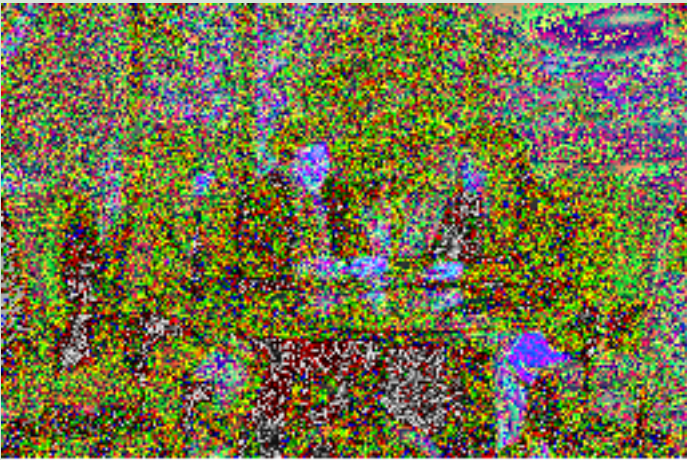
This year's budget was a bipartisan collaboration of hard work and perseverance by key leaders in the Legislature. On June 30, 2000, Governor Davis signed the largest housing budget in the history of the state: \$570 million for housing programs to improve housing opportunities for all Californians. Key components include:

- **Homeownership:** The California Housing Finance Agency will provide \$50 million for down payment assistance to low- and moderate-income first-time homebuyers. Additionally, the Department of Housing and Community Development will provide \$50 million for the new Cal Home Program, which provides loans and grants to local governments for a variety of homeowner assistance programs.
- **Rental Housing:** The budget includes \$188 million for the Multifamily Housing Program for construction, conversion, acquisition and/or rehabilitation of affordable rental housing.
- **Jobs-Housing Balance:** In addition, the budget includes \$25 million in continuing funding for the Downtown Rebound program, which aims to promote intelligent planning, housing closer to jobs and transit, infill housing and conversion of non-residential buildings into safe housing mixed with commercial uses.

Governor Davis' historic housing budget provides important leadership in meeting our state's diverse housing needs. It is now time to call on all of the entities within the Business, Transportation and Housing Agency that support housing--the Office of Real Estate Appraisers, California Housing Finance Agency, Housing and Community Development, the Department of Real Estate, and even the California Department of Transportation.

I applaud Acting Director Anthony F. Majewski and the Office of Real Estate Appraisers' employees for the work that they do to better California's housing climate. In particular, I appreciate their efforts to increase the awareness of and educate the public with regard to current trends in the real estate industry.

I look forward to working with all of you to improve the quality of life for all Californians by making the dream of homeownership a reality for more Californians. For additional information concerning the Business, Transportation and Housing Agency and its departments, please visit our website at [www.bth.ca.gov](http://www.bth.ca.gov).



Your business may  
***NOW*** qualify for . . .

“Small Business”  
Certification  
with the State of  
California!

**On January 1, 1999, the legal definition of “small business” changed, making it possible for more small businesses to qualify for this valuable certification.**

Does your firm have:

- Annual receipts of \$10 million or less?
- One-hundred or fewer employees?
- Is your firm’s principal office located in California and its owners and officers living in California?
- Is it independently owned and operated?

If so, your firm might be eligible for the benefits that small business certification offers.

*Contact us to find out more at:*

**Department of General Services  
Procurement Division  
Office of Small Business Certification and  
Resources  
1500-5th Street  
Sacramento, California 95814**

Receptionist: (916) 323-5478  
24-hour recording: (916) 322-5060  
Fax: (916) 442-7855  
Website: [www.dgs.ca.gov/osbcr](http://www.dgs.ca.gov/osbcr)



# The Expert Appraiser and USPAP

*Submitted by Lee R. Hess, Ph.D. and Richard D. McKissock*

Meeting the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) is a challenge for the expert appraiser. Although USPAP established the minimum standards for all appraisal practice, many appraisers do not appreciate its application when the intended use is not for mortgage lending. For example, USPAP states the appraiser must identify the type and definition of value to be developed. The appraiser has to think carefully about which definition of value to use, because different kinds of litigation require different definitions. Litigation involving eminent domain and inverse condemnation often requires the appraiser to consider the “highest price” rather than the most probable price a buyer would pay (see Code of Civil Procedure 1263.310-1263.330). Some bankruptcy appraisals require the appraiser to use the concept of “fair value” as it was used during the great depression (Law 12-USC 29, 7.3025(d) of the Comptroller’s Manual for National Banks).

Litigation appraisals often require a date of value different from the date of inspection. This may require the appraiser to use retrospective value opinions (see USPAP Statement on Appraisal Standards No. 3). Choosing the most appropriate comparable sales to use is a challenge. USPAP allows the use of data subsequent to the effective date of the appraisal, and puts the responsibility to determine a reasonable cut-off date directly on the appraiser. This requires sound judgement to support the comparables used in the appraisal. The appraiser should determine a logical cut-off because, at some point distant from the effective date, the subsequent data will not reflect the relevant market.

Diminution in value is very important in many litigation appraisals. Patent defects (those observable or having an effect) can be dealt with using cost-to-cure and post-repair-stigma analyses, but what does one do with latent defects? The Aas Case currently under appeal will speak to this, but what does one do now? The diminution in value caused by latent defects such as improper framing and missing shear wall must be properly developed and reported in accordance with USPAP Standards Rules 1 and 2.

In the course of giving testimony, an appraiser is often asked to address a hypothetical condition. If an appraiser answers a hypothetical, which changes the facts, and the opinion of value, the result is a new appraisal. Lacking judicial instruction, this would be a violation of Standards Rule 1. The proper response is to state that you haven’t performed

this analysis and you can’t address the hypothetical condition without properly developing a new opinion of value.

Many appraisers use oral reports instead of written reports for litigation work. USPAP Standards Rule 2-4 requires the appraiser to, “at a minimum, address the substantive matters set forth in Standards Rule 2-2(b)”, a summary report. Standards Rule 2-4, a specific requirement, allows the appraiser to address only those items of a summary report that are required when giving testimony.

Many appraisers prepare a file memorandum or a trial notebook to meet USPAP recordkeeping requirements. The minimum workfile requirements for oral reports are the items necessary to meet the reporting requirements of a summary appraisal report. A workfile must be in existence prior to and contemporaneous with the issuance of a written or oral report. A written summary of an oral report must be added to the workfile within a reasonable time after the issuance of the oral report. A signed and dated certification is an additional workfile requirement that is often overlooked by appraisers when giving oral reports.

*(The opinions expressed in this article are not in any way to be construed as opinions of the Office of Real Estate Appraisers. The information presented is provided solely by the author.)*

## THE CALIFORNIA APPRAISER WANTS YOU!

OREA continues to invite its readers to submit articles for consideration for publication in *The California Appraiser*. Authors need not be appraisers; however, articles should address issues of interest to the appraisal industry.

OREA will review the information submitted and, if appropriate, publish the article in a future edition of *The California Appraiser* newsletter. *All articles are subject to editing for length and content. Articles submitted cannot be returned.*

*Submit your articles to Tom Morrison, Legislative and External Affairs Coordinator, Office of Real Estate Appraisers, 1755 Creekside Oaks Drive, Suite 190, Sacramento, California 95833.*

# OREA and DRE Licensed?

**T**here has been some confusion regarding the ability of a licensed real estate appraiser also licensed with the Department of Real Estate (DRE) in providing value estimates while acting in the capacity of a real estate broker or salesperson. The question that is often raised is, "When a value estimate is stated, does it have to conform to USPAP?"

OREA realizes that it is a common day-to-day task for a real estate broker or salesperson to perform valuation analyses such as a Competitive Market Analysis (CMA) or Broker Price Opinion (BPO) during the normal course of business for existing and prospective clients. CMA's and BPO's are generally opinions of suggested list prices with consideration given to marketing strategy, pricing of a property relative to its competition and the motivation of the seller. When acting in this capacity, it is recommended that the individual refer only to his or her DRE license number and/or real estate

brokerage company in order to avoid confusion and provide specific distinction between the two professions.

Any reference on the CMA's or BPO's to an OREA license number or to being a licensed real estate appraiser is not recommended, as it could mislead the clients or intended users of the report. In addition, it is not recommended that valuation analysis be done using universal appraisal forms for the same reason. Particularly when ranges or specific opinions of value are stated, the intended CMA's or BPO's have the appearance of being actual appraisals, which then must be in full compliance with Standards 1, 2, 4 and 5 of USPAP. Failure to conform to USPAP may result in disciplinary action by OREA. For further information or clarification, you may contact OREA at (916) 263-0722.

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## Changes in Late Renewal Grace Period

**D**ue to recent changes in our statute and regulations, the late renewal grace period changed from two (2) years to one (1) year, effective with licenses expiring on or after July 15, 2000. Licensees with expiration dates prior to July 15, 2000, will continue to have a two-year late renewal grace period.

The late renewal fee will remain \$125.00 for licenses renewed within the one-year grace period. In addition, late renewal applications will still require seven (7) hours of additional continuing education for each six-month period following the expiration of the licenses.

Individuals who hold expired licenses are not eligible to legally perform appraisals in federally related transactions until the license is renewed. If a licensee does not renew his or her license on time or during the eligible renewal grace period and later makes the decision to pursue licensure, he or she will be required to submit a new Initial Application (REA 3001), all required fees, meet all current qualifying requirements and pass the current examination in order to again be licensed.

# Submitting Last-Minute Renewal Applications

## CE CYCLE START DATE

**T**he Licensing Unit has made great strides in taking steps to decrease the processing time of applications. However, an increasing number of renewal applications received by OREA may impact processing time. Therefore, OREA strongly encourages individuals with licenses due to expire to submit their renewal applications at least 90 days prior to their expiration date to ensure adequate processing time.

Other steps that renewal applicants can take to ensure that their renewal applications are processed without delay include submitting all required fees and the following items:

- *Renewal Application* (REA 3012);
- *Continuing Education Attachment* (REA 3017);
- All course completion certificates (photocopies are acceptable); and
- *Statement of Citizenship Alienage, and Immigration Status for State Public Benefits* (REA 3030), which must include documentation of legal presence in the United States.

**C**ontinuing education must be taken during a licensee's "continuing education cycle" in order to be accepted by OREA. The continuing education cycle is a four-year cycle. Any continuing education taken prior to the continuing education cycle start date or after the continuing education cycle end date cannot be counted towards the required continuing education hours for that particular cycle.

Since new licenses are valid for two years and proof of completion of continuing education is only required once every four years, confusion may exist as to the continuing education cycle start date. Keeping in mind that continuing education must be submitted once every four years (or every other renewal), the continuing education cycle start date will be the last issuance date of a license that was renewed based on submitting proof of continuing education.

The two-year license that does not require proof of continuing education, in which only renewal fees are submitted to OREA, does not impact the continuing education cycle start date. In addition, if a license is upgraded, the continuing education cycle start date will not be impacted.

## REMINDER!

### **Legal Presence Verification for All Appraisers**

***You may be aware that OREA requires proof of legal presence in the United States from all applicants for a real estate appraiser license, including applicants for renewal of an existing license. What you may not know is that OREA can accept your proof of legal presence at any time prior to issuing a license. Therefore, if you plan to apply for any license or renew a license within the next few years, you may wish to avoid any potential delay in processing your application by submitting documentation now!***

***For your convenience, the Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits form (REA 3030) is located on our web page. If you are unsure of acceptable forms of proof, you may refer to the Spring/Summer edition of The California Appraiser, Volume 10, No. 1 or download the information from our website.***

# Course Completion Certificates

With an increasing number of renewal applications being received by OREA, we are seeing a commensurate number of incorrect completion certificates provided to real estate appraisers by course providers. There have been many errors in the completion certificates including incorrect OREA approval numbers, course titles and course hours.

In addition, OREA regulations require that each course completion certificate contain the name and address of the student, the method of instruction (classroom or correspondence), date of course completion, and the identity and signature of the verifier of course completion signed under penalty of perjury. Completion certificates for basic education courses must also include the date of successful completion of the final examination. Completion certificates for continuing education courses must also include a statement that the student was in attendance at least 90% of the class time.

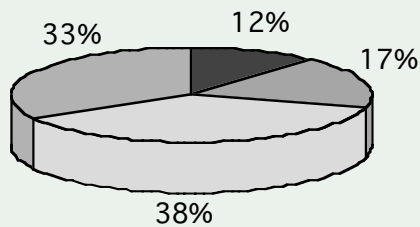
In order to ensure an easier renewal process for everyone, please review your completion certificates for all required information prior to submitting them to OREA. If necessary, have the course provider provide you with the missing information on the certificate itself. Photocopies of completion certificates are now acceptable.

## REMEMBER, USPAP IS ON-LINE!

The 2000 Uniform Standards of Professional Appraisal Practice can be viewed on The Appraisal Foundation's web site under the heading "Appraisal Standards Board." There is a link to their web site through OREA's web page under the heading "Office of Real Estate Appraisers—Related Sites."

## Did You Know . . .

The total number of active licensees in California by license level:\*

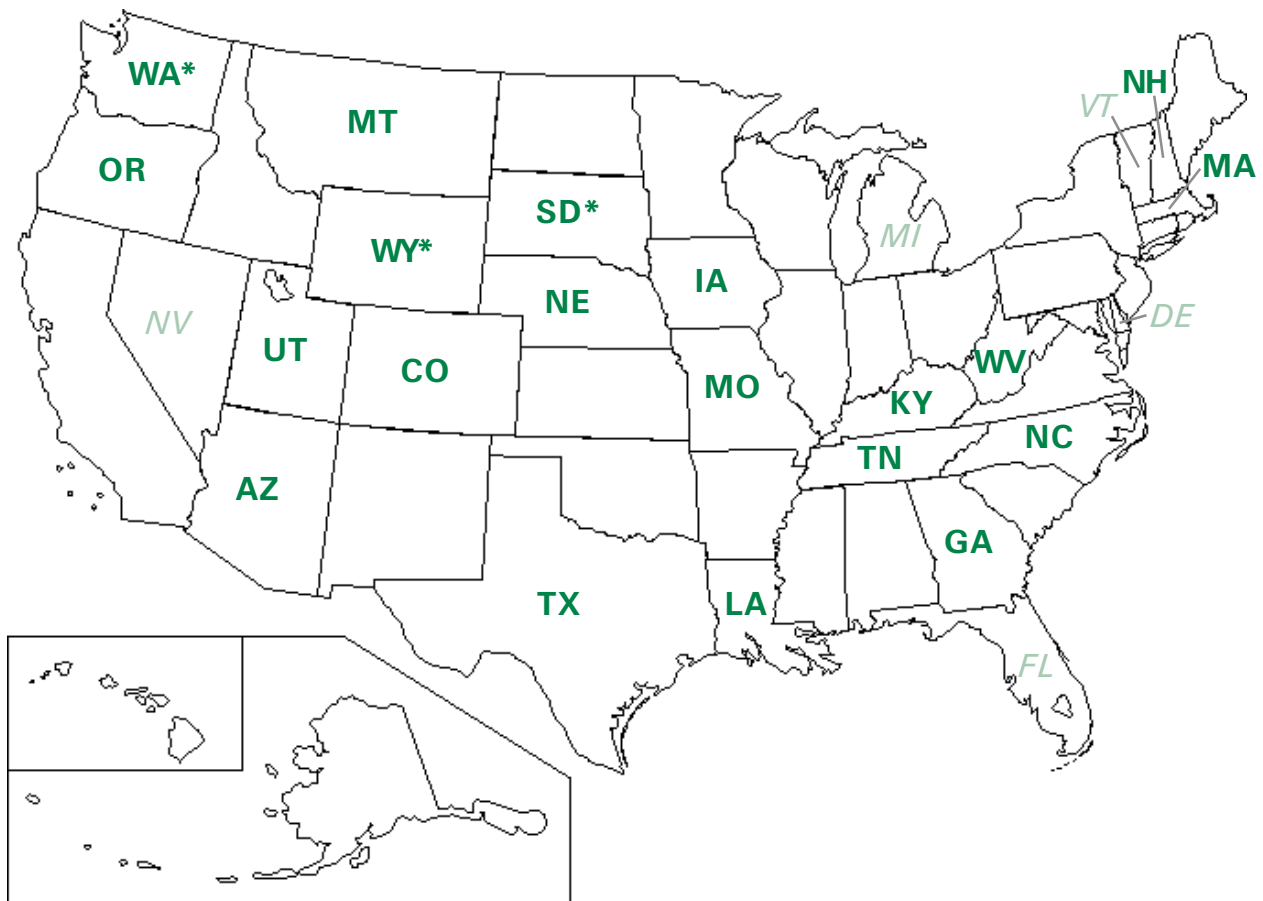


Trainee (AT)	1,329
Residential (AL)	1,985
Certified Residential (AR)	4,308
Certified General (AG)	<u>3,751</u>
	11,373

\*As of October 16, 2000

# Reciprocal Agreements

**OREA** recently made regulatory changes that allow the office to enter into mutual agreements with other states so that it will be able to issue California licences without additional testing of real estate appraisers who hold licenses in those states. As of October 26, 2000, twenty states had entered into reciprocal agreements with the state of California. States that have entered into agreements are indicated in bold face and those that have declined to do so in light-face italics. Typically, states that decline to enter into reciprocity agreements do not have the authority to do so. If you have any questions regarding a particular state's status, please contact the appropriate real estate appraiser office in that state.



\*Reciprocal agreement is valid at the certified level only.

**If you've got a question,  
we've got the answer:**

**E-mail OREA**



**at [www.orea.ca.gov](http://www.orea.ca.gov)  
“Contact Us”**

**OREA will make every effort to respond to your questions  
and concerns within twenty-four hours.**

# 10 MOST COMMON APPRAISAL VIOLATIONS

To assist appraisers in avoiding potential violations of the Uniform Standards of Professional Appraisal Practice (USPAP) and federal and state statutes and regulations, OREA has identified the ten most common problems with appraisal reports that we have reviewed:

1. Failure to disclose reporting option [USPAP Standards Rule (S.R.) 2-2];
2. Failure to address scope of work [USPAP S.R. 1-2(f)];
3. Failure to analyze any current agreement of sale [USPAP S.R. 1-1(a) and 1-5(a)] or previous sales history of subject property within prescribed USPAP time frames [USPAP S.R. 1-5(b)];
4. Failure to identify client, intended use, and intended users of the report [USPAP S.R. 1-2(a) and (b)], related to disclosure of original client (Advisory Opinion 10);
5. Failure to incorporate license number with signature on appraisal reports (California Code of Regulations, Title 10, Chapter 6.5, Section 3705);
6. Non-compliance with USPAP Competency Rule in accepting and developing appraisal report;
7. Inaccurate or insufficient property descriptions [USPAP S.R. 1-2(e) and (i)]:
  - Reliance on “boilerplate” language;
  - Insufficient discussion of recent upgrades, repairs, etc.;
  - Incorrect zoning [USPAP S.R. 1-3(a)]; and
  - Incorrect neighborhood boundaries.
8. Problems with Cost Approach [USPAP S.R. 1-4(b)]:
  - No support for cost/ square foot even though Marshall Swift is a reference;
  - Land value by abstraction, but not credible; and
  - Minimal support for depreciation estimates.
9. Problems with Direct Sales Comparison Approach [USPAP S.R. 1-4(a)]:
  - Boilerplate discussion, minimal support for adjustments;
  - Inconsistency of adjustments between comparable sales;
  - Comparable sales out of neighborhood, when sales are available in immediate neighborhood; and
  - Failure to exercise required due diligence, such as using MLS as a data source.
10. Problems with Income Approach (2-4 units) [USPAP S.R. 1-4(c)]:
  - Boilerplate discussion for rental comparables, no discussion of relative comparability; and
  - Lack of due diligence in GRM extraction. Based on actual rents, not the particular investors perception of economic rents (actual versus projected).

## OREA'S CUSTOMER SERVICE SURVEY

*One of the goals of the Office of Real Estate Appraisers (OREA) is to provide you with the best possible customer service. Your input is vital to OREA's success. Please help us serve you better by taking a few minutes to complete the survey on page 25 and mail it to the address indicated on the form, or fill out the survey found on our web site and submit it automatically.*

# Enforcement Actions

**E**nforcement actions are based upon 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 OREA in enforcement matters, please refer to Title 10, Article 12 (commencing with Section 3721) of the California Code of Regulations. The following actions do not include letters of warning.

## **Public Disciplinary Actions**

### ***Revocations***

**Besnyl, Glenn**  
AG025836

9/27/00. Accusation/Default Decision revoking appraiser license. Violation of Penal Code section 314(1), indecent exposure.

**Camerer, Shirley**  
AG007584

8/8/00. Director adopted Administrative Law Judge's proposed decision revoking appraiser's license. Violations of USPAP S.R. 1 and 2 and the Conduct section of the Ethics Rule: misrepresentation of the subject property's locational characteristics; fraudulent misrepresentation of the comparable sales; gross overvaluation of the subject property.

**Talley, Sarah**  
AR013822

8/29/00. Director adopted Administrative Law Judge's proposed decision revoking appraiser's license. Violations of Title 10, California Code of Regulations, Section 3721(a)(2) and (6), and the Conduct section of the Ethics Rule in USPAP: signing the name of another to appraisal reports without permission.

**Berry, Jimmy**  
AG004596

8/23/00. Settlement reached pending Administrative Hearing revoking appraiser's license, \$5,000 enforcement costs. Violations of USPAP S.R. 1, 2, and Conduct Section of the Ethics Provision: failure to analyze current agreements of sale; failure to accurately analyze and describe the comparable sales used in the analyses; commission of gross overvaluations of the subject properties.

### ***Resignations***

**Caldwell, David**  
AR012399

5/17/00. Resigned license in lieu of completing terms of prior disciplinary action.

**DeMeo, Rick**  
AR010872

8/24/00. Resigned license in lieu of completing terms of prior disciplinary action.

**Dixon, Kenneth**  
AR012265

8/23/00. Resigned license pending Administrative Hearing and agreed to pay \$2,000 fine by Settlement Agreement. Alleged violations of USPAP S.R. 1 and 2, Competency Rule, and Ethics: failure to consider and analyze previous sales within one year of the subject properties; failure to provide adequate support for the rental conclusion; commission of a substantial overvaluation of the subject properties.

**Hooker, Robert**  
AR007105

7/12/00. Resigned license. \$4,000 enforcement costs. Alleged violations of USPAP S.R. 3 and Ethics Provision: knowingly performed misleading appraisal review reports by failing to analyze current agreements of sale; failure to use comparable sales that were truly representative of the subject properties market areas; failure to adequately support the value estimates.



**Kealing, Christopher**  
AL012005

9/5/00. Resigned license pending Administrative Hearing. Alleged violations of USPAP S.R. 1 and 2: failure to consider and analyze the previous sale within one year of the subject property; commission of a substantial overvaluation of the subject property.

**Swanson, Scott**  
AG003114

6/16/00. Resigned license while under investigation.

**Van Aken, Lynn**  
AL024574

4/25/00. Resigned license while under investigation.

**Waite, James**  
AL002525

08/24/00. Resigned license in lieu of completing terms of prior disciplinary action.

***Suspensions***

**Bailey, Linnea**  
AG001535

7/20/00. License suspended due to failure to comply with terms of prior disciplinary action.

**Kaminski, Ronald**  
AG006120

8/28/00. Stay of 90-day suspension lifted for failure to comply with terms of prior disciplinary action.

**Klofkorn, Alan**  
AG003099

10/4/00. Director adopted Administrative Law Judge's proposed decision suspending appraiser's license for 60 days, \$4,000 fine, two year probation, and 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2 and the Conduct section of the Ethics Rule: misrepresentation of the subject property's physical characteristics; failure to employ correct methodology in the Direct Sales Comparison Approach; failure to support the final value estimate.

**Nill, Timothy**  
AR013523

5/10/00. License suspended for failure to comply with terms of prior disciplinary action.

**Smith, Dorothy**  
AG008334

5/2/00. Settlement agreement, 90 day suspension effective 5/1/00, with 45 days stayed, submit appraisal log and work samples, review fee of \$275, attend an OREA discretionary conference, \$100 conference fee. Alleged violations of USPAP S.R. 1 and 2: failure to accurately describe subject property; failure to use appropriate adjustments in Direct Sales Comparison Approach.

***Public Reprovals/Fines***

**Annigian, Victor**  
AG001851

8/11/00. Settlement Agreement, \$250 fine, public reproof. Alleged violations of Business and Professions Code Section 11321(a): signing an appraisal with an expired license number.

**Cintura, Thad**  
AL018693

5/30/00. Settlement agreement, \$1,500 fine, 15 hrs. USPAP, 40 hrs. basic education, public reproof, submit appraisal log and work samples, review fee of \$275, attend an OREA discretionary conference, \$100 conference fee. Alleged violations of USPAP S.R. 1 and 3: incorrectly reported the previous sales price and neighborhood

*(Continued on page 18)*

# Enforcement Actions (continued)

**Hamilton, Jack**  
AG012927

description of subject property; failure to select appropriate comparables resulting in gross overvaluation.

7/3/00. Director adopted Administrative Law Judge's proposed decision issuing \$500 fine and public reproof. Violation of Business and Professions Code section 11320, 11321(a) and 11321(b): appraising without a license and using the title of a licensed appraiser without being licensed. License expired 10/30/97.

**Lakes, Roland**

7/28/00. Default Decision, \$4,000 fine and public reproof. Violations of Business and Professions Code section 11320 and 11321, and Penal Code section 470(a), referencing a state certification number without being licensed.

**Mericle, David**  
AR013219

7/7/00. Director vacated previous decision revoking license after prior felony conviction (Penal Code section 487) was reduced to a misdemeanor.

**Valo, Daniel**  
AL25132

7/7/00. Director adopted Administrative Law Judge's proposed decision issuing \$7,500 fine, 15 hrs. USPAP, 45 hrs. basic education, public reproof. Violations of USPAP S.R. 1 and 2 and Ethics Provision: prepared misleading appraisal reports with significant overvaluations; failed to accurately report key physical characteristics of subject properties; failed to utilize comparable sales that were truly representative of the subject properties.

## ***License/Application Denied***

**Nixon, Erik**  
Trainee applicant

6/9/00. Director adopted Administrative Law Judge's proposed decision denying application for real estate appraiser license. Violation of California Code of Regulations section 3721(a)(4), committed an act which if done by the holder a license to practice real estate appraisal would be grounds for revocation or suspension of such license.

**Tucker, Gary**  
Trainee applicant

4/21/00. Director adopted Administrative Law Judge's proposed decision denying application for license. Violations of California Code of Regulations, sections 3721(a)(2) and 3722(a)(9), cheating on the licensing exam.

## **Private Reprovals**

Certified Residential licensee

5/25/00. Citation/Final Order, \$750 fine, 15 hrs. USPAP, 15 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to adequately describe subject property and property location; failure to adequately research comparable sales.

Certified Residential licensee

5/1/00. Citation/Final Order, \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: omission of comparable sales available in the subject neighborhood; failure to accurately identify and describe subject property.

Certified Residential licensee

9/19/00. Citation/Final Order, \$1,000 fine, 15 hrs. USPAP, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to analyze and disclose previous listing history of the subject property; failure to employ correct methodology in the Direct Sales Comparison Approach; failure to provide adequate support for the final value estimate.

Certified General licensee	5/16/00. Citation/Final Order, \$500 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to analyze and report the long-term vacancy of the subject property; failure to disclose the use of a hypothetical condition used in the value estimate.
Residential licensee	8/24/00. Citation/Final Order, \$500 fine, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately report key physical characteristics of the subject site; failure to analyze current agreement of sale and listing of the subject property; failure to provide adequate support for final conclusion of value in the Direct Sales Comparison Approach.
Certified Residential licensee	6/20/00. Citation/Final Order, \$250 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: omission of comparable sales available in the subject neighborhood without justification or explanation.
Certified Residential licensee	4/24/00. Accusation/Default Decision issuing \$1,000 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to disclose prior appraiser-client relationship in the report; failure to adequately describe the subject property.
Certified Residential licensee	6/8/00. Accusation/Default Final Decision issuing \$1,000 fine; 15 hrs. USPAP; 40 hrs. basic education. Violations of USPAP S.R. 1 and 2, Ethics and Competency Rules: inflated property values in neighborhood description; failure to demonstrate knowledge and experience as it extends to geographic competency.
Certified Residential licensee	3/31/00. Citation/Final Order, \$500 fine, 15 hrs. USPAP, 15 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately describe subject property; failure to report sales history of subject property.
Certified Residential licensee	6/12/00. Accusation/Default Decision issuing \$2,000 fine; 15 hrs. USPAP; 40 hrs. basic education. Violations of USPAP S.R. 1 and 2, Competency and Ethics Rules: inflated property values in neighborhood description; failure to demonstrate knowledge and experience as it extends to geographic competency.
Certified Residential licensee	5/24/00. Citation/Final Order, \$500 fine. Violations of USPAP S.R. 1 and 2: failure to disclose previous listing history of the subject property.
Certified Residential licensee	5/18/00. Citation/Final Order, \$500 fine. Violations of USPAP S.R. 1 and 2: failure to adequately analyze and discuss prior sale of subject.
Certified Residential licensee	6/2/00. Citation/Final Order, \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately describe subject property; failure to adequately support estimate of value.
Certified General License	6/7/00. Citation/Final Order. \$500 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to employ correct methodology in the Income and Direct Sales Comparison Approaches; failure to consider and use a hypothetical condition in analyzing the subject property's assigned site size.
Certified Residential licensee	9/26/00. Settlement Agreement. \$2,500 fine, 15 hrs. USPAP. Alleged violations of USPAP S.R. 1 and 2: failure to employ correct methodology in the Direct Sales

*(Continued on page 20)*

# Enforcement Actions (continued)

	Comparison Approaches; failure to adequately supervise appraiser trainees; failure to monitor and adequately control access to digital signature.
Trainee applicant	5/16/00. Citation/Final Order, \$250 fine. Convicted of violation of Penal Code Section 273.5(a), inflicting corporal injury on a spouse or cohabitant.
Certified Residential licensee	5/5/00. Citation/Final Order, \$750 fine, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately identify and describe subject property and neighborhood; failure to properly use Direct Sales Comparison Approach to value.
Certified Residential licensee	8/16/00. Citation/Final Order, \$750 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to provide sufficient support for the final value estimate; failure to analyze a current agreement of sale for the subject property; failure to disclose and analyze a previous sale within one year of the appraisal date of the subject property.
Residential licensee	5/25/00. Citation/Final Order, \$500 fine, 15 hrs. USPAP, 15 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately describe the physical characteristics of the subject property; failure to employ comparable sales similar to the subject property.
Certified Residential licensee	8/25/00. Citation/Final Order, \$500 fine. Violations of USPAP S.R. 1 and 2: failure to accurately report key physical characteristics of the subject property's site and improvements; failure to correctly adjust for differences between the comparable sales and the subject property.
Certified General licensee	8/8/00. Settlement Agreement, \$2,500 fine, \$2,500 enforcement costs, 15 hrs. USPAP, 30 hrs, basic education, private reproof. Violations of USPAP S.R. 1 and 2, and Conduct Section of the Ethics Rule: failure to accurately report all physical characteristics of the subject property; falsely certifying an interior inspection of the subject property when only an exterior inspection was performed.
Certified Residential licensee	5/2/00. Citation/Final Order, \$1,000 fine. Violations of USPAP S.R. 1 and 2: failure to adequately support exclusion of adjustments for comparables; failure to support estimated land value conclusion.
Certified General licensee	10/11/00, Citation/Final Order, \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to utilize correct methodology in the Cost Approach; failure to accurately analyze the comparable sales used in the Direct Sales Comparison Approach.
Certified Residential licensee	7/24/00. Citation/Final Order, \$500 fine, 15 hrs. USPAP, 15 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately report key physical characteristics of the subject property; failure to provide adequate support for the final estimate of valuation.
Certified Residential licensee	7/24/00. Citation/Final Order. \$500 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to analyze the current lease agreement for the subject property; failure to support the estimate of economic rents.
Residential license	7/10/00. Citation/Final Order, \$250 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to correctly report key physical

	characteristics of subject property; failure to properly analyze the comparable sales used in Direct Sales Comparison Approach; failure to analyze current agreement of sale.
Certified Residential licensee	9/1/00. Settlement agreement: \$375 enforcement cost, abide by terms of court ordered probation. Violation of Penal Code 2800.2(a) and 2002, reckless driving and evading police officer; hit and run.
Certified General license	7/24/00. Citation/Final Order, \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately represent physical characteristics of the subject property; failure to support adjustments in the Direct Sales Comparison Approach.
Certified Residential licensee	5/23/00. Citation/Final Order, \$750 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to analyze and discuss subject property's current agreement of sale or support the final conclusion of value.
Trainee licensee	5/18/00. Citation/Final Order, \$500 fine. Violations of USPAP S.R. 1 and 2: failure to address external obsolescence in subject property; failure to make adjustments for superior location on comparables.
Certified Residential licensee	5/10/00. Citation/Final Order, \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to support the estimate of land value in cost approach; omission of comparable sales available in the subject neighborhood without justification or explanation.
Certified General license	8/4/00. Citation/Final Order, \$500 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to analyze prior sale and current agreement of sale of the subject property; failure to support the concluded estimated absorption period for the residential finished lot sales for the subject property.
Certified Residential license	7/24/00. Citation/Final Order, \$750 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of S.R. 1 and 2: failure to employ correct methodology in the development of the Direct Sales Comparison and Income Approaches to value; failure to disclose current agreement of sale for the subject property.
Trainee licensee	9/19/00. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately identify the subject property's neighborhood; failure to employ correct methodology in the Direct Sales Comparison Approach.
Applicant Trainee	9/12/00. Statement of Issues/Director's Decision to deny application. Violations of Insurance Code section 1871.4, willfully made false statements of fact for the purpose of obtaining worker's compensation benefits; violations of Penal Code section 417(a)(1), exhibiting a deadly weapon.
Residential licensee	4/25/00. Settlement agreement, \$350 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to include sufficient information to enable proper understanding of the report.

*(Continued on page 22)*

# Enforcement Actions (continued)

Residential licensee	9/19/00. Citation/Final Order. \$500 fine. Violations of USPAP S.R. 1 and 2: failure to identify and disclose a hypothetical condition; failure to provide support for adjustments in the Direct Sales Comparison Approach.
Residential licensee	3/29/00. Citation/Final Order, \$1,000 fine, 15 hrs. USPAP, 40 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately describe subject property; failure to support value estimate.
Certified Residential licensee	8/7/00. Citation/Final Order, \$500 fine, 15 hrs. USPAP. violations of USPAP S.R. 1 and 2: failure to value the site by an appropriate method; failure to support subject property's income and expense estimates.
Certified Residential licensee	5/25/00. Citation/Final Order, \$750 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to correctly analyze comparable sales; failure to discuss negative external influence on subject property.
Certified General licensee	5/19/00. Citation/Final Order, \$250 fine, 15 hrs. USPAP, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: omission of comparable sales and rentals available in the subject neighborhood without justification or explanation.
Certified Residential licensee	8/23/00. Citation/Final Order, \$950 fine, 15 hrs. USPAP, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to analyze the current agreement of sale for the subject property; failure to adequately research the subject property's market area and determine marketability of the subject property.
Residential licensee	9/5/00. Citation/Final Order, \$500 fine, 15 hrs. of USPAP, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately identify and describe the subject property's neighborhood; failure to select similar comparable sales from the subject property's neighborhood.
Certified General licensee	5/26/00. Citation/Final Order, \$1,500 fine, 15 hrs. USPAP, 20 hrs. basic education, submit appraisal log and work samples, review fee of \$275, attend an OREA discretionary conference, \$100 conference fee. Violations of USPAP S.R. 1 and 2: failure to accurately describe the subject neighborhood and comparable sales.

## **Child Support Actions**

Birnbaum, Stefan AR006514	8/2/00: License reinstated. 7/11/00: License suspended. Violation of Welfare and Institutions Code, Section 11350.6
Durkee, Murvin AG002976	10/16/00: License reinstated. 9/5/00: License suspended. Violation of Welfare and Institutions Code, Section 11350.6
Kellander, Fredrick AG003706	10/11/00: License reinstated. 7/17/00: License suspended. Violation of Welfare and Institutions Code, Section 11350.6
Miller, Richard AL016157	7/11/00: License suspended. Violation of Welfare and Institutions Code, Section 11350.6

Mudgett, Kenneth  
AL008628

6/13/00: License suspended. Violation of Welfare and Institutions Code,  
Section 11350.6

Powell, George  
AG012669

9/13/00: License reinstated. 7/18/00: License suspended. Violation of Welfare and  
Institutions Code, Section 11350.6

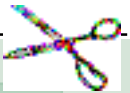
Sage, Christopher  
AR002034

5/26/00: License suspended. Violation of Welfare and Institutions Code,  
Section 11350.6

Winters, David  
AR011216

10/24/00: License reinstated. 8/1/00: License suspended. Violation of Welfare and  
Institutions Code, Section 11350.6

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**REGISTRATION FORM  
OREA  
REAL ESTATE FRAUD SEMINARS**



**Seminar Choice:  
(circle one)**

**Burbank**  
(March 7, 2001)

**Sacramento**  
(March 29, 2001)

Name(s) \_\_\_\_\_

Firm \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Business Phone \_\_\_\_\_ FAX \_\_\_\_\_ Home Phone \_\_\_\_\_

Enclosed is \$ \_\_\_\_\_ for (#) \_\_\_\_\_ persons

Mail check and registration to: Office of Real Estate Appraisers, 1755 Creekside Oaks Drive, Suite 190,  
Sacramento, California 95833, Attention: Accounting.

For Office Use Only

Amount

Source Code  
991937-12

# Independent Contractor Reporting

- ◆ In 1999, SB 542 was passed to require that businesses or government entities report specified information to the Employment Development Department (EDD) on independent contractors.
- ◆ On September 28, 2000, AB 1358 modified the law to require the reporting of independent contractors' addresses and authorized a penalty for late filing or failure to file.
- ◆ Any business or government entity that is required to file a federal Form 1099-MISC for services performed by an independent contractor must report.
- ◆ The effective date of the modifications to the law concerning independent contractor reporting is January 1, 2001.
- ◆ As of January 1, 2001, you must report within 20 days of either making payments totaling \$600 or more or entering into a contract for \$600 or more with an independent contractor.
- ◆ EDD maintains a hotline with customer service staff to help you to understand and meet the reporting requirements. **For assistance, call (916) 657-0529.**
- ◆ In addition, you may contact your local Employment Tax Customer Service Office. You may also order forms on-line or download them from **EDD's website at [www.edd.ca.gov](http://www.edd.ca.gov).**
- ◆ **Mail completed forms to: Employment Development Department, P.O. Box 997350, MIC 99, Sacramento, California 95899-7350.**
- ◆ EDD may assess a penalty of \$24 for each failure to comply within the required time frames. A penalty of \$490 may be assessed for failure to report such information if due to a conspiracy.
- ◆ The information you provide to EDD will increase child support collection by helping to locate parents who are delinquent in their child support obligations.





STATE OF CALIFORNIA  
 GRAY DAVIS  
 GOVERNOR

MARIA CONTRERAS-SWEET  
 SECRETARY, BUSINESS, TRANSPORTATION AND HOUSING AGENCY

## OFFICE OF REAL ESTATE APPRAISERS CUSTOMER SERVICE SURVEY

Since our goal is to provide you with the best possible service, your input is vital to our success. Please help us serve you better by taking a few minutes to answer the questions below. Please return the completed survey to: Office of Real Estate Appraisers, 1755 Creekside Oaks Drive, Suite 190, Sacramento, California 95833. Thank you for responding.

(Optional)

Name:

Address:

Telephone:

What was the nature of your most recent (within the past 6 months) contact with us? (Please check, as appropriate)

- |  |  |
|--|--|
| <input type="checkbox"/> Licensing assistance<br><input type="checkbox"/> Initial/Upgrade<br><input type="checkbox"/> Renewal<br><input type="checkbox"/> Course Approval<br><input type="checkbox"/> Other: (please explain) _____<br><input type="checkbox"/> Enforcement assistance | <input type="checkbox"/> General information<br><input type="checkbox"/> Other: (please explain) _____<br><br><input type="checkbox"/> By phone<br><input type="checkbox"/> In person<br>Month/Year: _____ |
|--|--|

Statements	Check As Appropriate					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Not Applicable
Staff was courteous and helpful						
Staff provided complete and accurate information						
A timely response was provided						
My overall experience was positive						
In addition, please complete the section below if your contact with us involved licensing assistance						
The application forms were understandable						
The application forms were easy to use						
The Real Estate Appraiser Licensing Handbook was understandable						

Please indicate your type of employment (check only one):

- \_\_\_ Independent fee appraiser
- \_\_\_ Employee of bank or savings and loan
- \_\_\_ Government employee as an appraiser
- \_\_\_ Employee of fee shop of consulting firm
- \_\_\_ Real estate appraiser employee or accounting firm
- \_\_\_ Review appraiser for one of the above
- \_\_\_ Other (please explain) \_\_\_\_\_

Please state license level:

- \_\_\_ Certified General (AG)
- \_\_\_ Certified Residential (AR)
- \_\_\_ Residential License (AL)
- \_\_\_ Trainee License (AT)

Other Comments:

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**OREA**

**State of California**

**GRAY DAVIS**

*Governor*

**Business, Transportation and Housing Agency**

**MARIA CONTRERAS-SWEET**

*Secretary*

**Office of Real Estate Appraisers**

**ANTHONY F. MAJEWSKI**

*Acting Director*

**Office of Real Estate Appraisers**  
**1755 Creekside Oaks Drive, Suite 190**  
**Sacramento, CA 95833**

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