



# THE CALIFORNIA APPRAISER

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*Our Mission: To protect public safety by ensuring the competency and integrity of licensed real estate appraisers and registered Appraisal Management Companies.*

## Message from the Bureau Chief



Welcome to *The California Appraiser*, the return of the newsletter from BRE A! I am proud to present this forum to connect, share, and inform.

Shortly after being appointed to lead the Office of Real Estate Appraisers in July of 2012, I began to identify goals and priorities to further the consumer protection mission of the office, while implementing the many legal and administrative changes on the horizon. I am happy to say that one of those changes, the organizational move to the Department of Consumer Affairs (DCA) as the Bureau of Real Estate Appraisers (BRE A) is now complete.

Other administrative changes relate to new policy and rules from the Appraisal Qualifications Board and the Appraisal Subcommittee. This work in progress is addressed elsewhere in this newsletter.

Goal No. 1 has, and will always be, ensuring the competency and integrity of licensed real estate appraisers and registered appraisal management companies. A high degree of professionalism, knowledge, skill, and ethics is the objective for all professionals under BRE A jurisdiction. Enhancing services to both consumers and licensees is another priority which is always ongoing, as is improving efficiencies and reducing operating costs. License renewals, the licensing handbook, and temporary practice permits are all services now

available online. Real-time Federal Registry reporting and, coming soon, online license history, are important initiatives supporting greater access to information.

One of my principal roles as Bureau Chief is that of connecting with industry stakeholders, communicating issues of importance to the Bureau, and listening to feedback from licensees and consumers about appraisal reports. Thanks to my staff and the DCA Office of Publications, Design & Editing, I am very pleased to introduce one of the most important outreach tools available to me, the BRE A newsletter.

Over the coming months and years, we plan to bring you — our licensees, registrants, interested consumers, and members of the public — a publication designed to inform, educate, and share industry news and trends. With the primary objective of promoting the Bureau’s public protection mission, the newsletter will include articles of interest to all who provide and use real estate appraisal services. You can expect information on current issues in both the Licensing Division and the Enforcement Division, including the all-important section on Disciplinary Actions. Articles on professional practice, legal, regulatory, and legislative matters relevant to the industry will also be included. Statistics, trends, and frequently asked questions as well as your feedback are all topics we expect to include.

I hope you find the newsletter useful and informative. Please feel free to provide your feedback by using the BRE A survey available on our website at [www.brea.ca.gov](http://www.brea.ca.gov).

James S. Martin, *Bureau Chief*

## Tips for documenting appraisal experience

In response to the upcoming Appraiser Qualification Changes that become effective on January 1, 2015, the Bureau has been receiving a higher-than-average volume of applications for license upgrade and initial licenses. To help avoid delays in processing your application, please be aware of the following:

- » Your application must be complete with ALL required information.
- » Appraisal assignments must be documented on the BREA Log of Appraisal Experience Form (REA 3004). Other formats will not be accepted.
- » You must complete a separate Log of Appraisal Experience including the certification for each Supervising Appraiser.
- » Include only acceptable Categories of Experience on the Log of Appraisal Experience (See California Code of Regulations section 3542, *Acceptable Categories of Experience and Criteria for Each Category*).
- » Include only appraisal assignments for which you can provide a copy upon request.
- » Only appraisals performed for a business purpose and where you have signed the report, or were named in the report with an appropriate summary of the extent of the assistance performed, may be included on the Log of Appraisal Experience. Logs that do not meet this criteria could result in a deficiency of experience hours, rejection of the log and request for a revised log, and/or denial of your application.
- » The Supervising Appraiser must review and certify the accuracy of the Log of Appraisal Experience for the assignments completed under his or her supervision. Any false certifications, such as interior inspection or assistance with the appraisal may result in the denial of an application and action against the individuals signing the certification.
- » Submit the applicant or supervisor (page 2 of REA 3004) certification page for the Log of Appraisal Experience. The certification page must be from the Log of Appraisal Experience current as of the date the certifications are signed.
- » When submitting requested work samples, do not alter or redact the appraisal reports. Only “true and correct” copies of what was communicated to the client are acceptable as work samples. (NOTE: In substantiating appraisal experience, BREA may obtain report copies from a variety of sources, including the client. Work samples provided to BREA by the applicant must match the reports communicated to the client. The submission of altered work samples may result in the denial of an application and/or action against any individuals involved in, or having knowledge of, altering the work.)
- » Applications are processed as received. The processing time will be delayed if the application is deficient and/or incomplete.

SPECIAL NOTE: We highly recommend both Supervising Appraisers and Trainee/Applicants search appraisal course providers for classes regarding the roles and responsibilities of the Supervisor and Trainee.

## Licensing and certification test results for first time test takers

2013 National Uniform Licensing and Certification Examination Statistics			
First-time test-takers in all states	Test Takers	Passed	Pass Rate
Licensed Residential	317	137	43%
Certified Residential	796	552	69%
Certified General	407	220	54%
TOTAL	1,520	909	60%

## Just the FAQs

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

This month, Barry Bates, a Senior Property Appraiser/ Investigator at BREAA, answers questions about AMCs.

### **Q: Are AMCs subject to the same kind of Federal and State oversight as individual appraisers?**

A: Not entirely. AMCs that order appraisals on property in California must be registered with BREAA, but they are not subject to the Uniform Standards of Professional Appraisal Practice (USPAP) compliance because that responsibility falls on the individual contract or staff appraiser. On the other hand, they can't convey assignment conditions that would inevitably result in a USPAP violation. AMCs and their designated officers, like individual appraisers, are expected to operate with "honesty, candor, integrity and trustworthiness" (California Code of Regulations, section 3702). AMCs must also comply with California laws and regulations enacted in response to the Dodd-Frank Act to ensure that appraisers are not subjected to a variety of illegal practices designed to influence or change an appraiser's value conclusion (California Business and Professions Code section 11345.4; portions of CCR section 3577).

### **Q: Can BREAA help me get my money when an AMC has refused to pay my appraisal fee?**

A: No. Payment recovery is a civil matter between vendor and client, but BREAA may have grounds under certain circumstances to discipline an AMC that withholds payment for a completed appraisal or review appraisal that was in substantial USPAP compliance (CCR sections 3577(f)(1)(A) and 3702). Though not within BREAA authority, lenders must comply with certain rules regarding oversight of AMCs.

### **Q: I'm a homeowner whose mortgage application has been declined, and the AMC and appraiser won't give me a copy of the appraisal report. Isn't that against the law?**

A: No. AMCs and appraisers are bound by confidentiality to their clients (in your case, the lender) that preclude providing a loan applicant with an appraisal report without the client's permission. But there are various State and Federal laws that require the appraiser's client (usually the lender) to provide

a copy of the appraisal to the loan applicant as long as the applicant paid for the appraisal and made a timely written request. For California real property, a loan applicant's written request for a copy of an appraisal must be received by the lender no later than 90 days after (1) the lender has provided notice of the action taken on the loan application, including a notice of incompleteness; or (2) the application has been withdrawn (B&P Code section 11423).

### **Q: I'm an appraiser; an AMC is sending me repeated reconsideration requests based on comps I already considered and ruled out. Do I have to respond?**

A: No, but the AMC is within its rights in requesting explanations, corrections, and reconsideration (with additional appropriate market data). Although AMCs cannot remove appraisers from their panel without due cause identified in CCR section 3577(j), staying on the panel may not automatically mean further assignments. One way to avoid lost time in the reconsideration process is to anticipate and cite rejected comps in the original report (without putting them in the "comp grid") and explain why they were not comparable.

### **Q: Some AMCs from which I accept appraisal assignments will not permit the use of significant real property appraisal assistance from a trainee. I do mostly mortgage work and some of my peers who use trainees omit the significant real property appraisal assistance acknowledgement in order to comply with the AMC or client policy. Is that OK?**

A: Absolutely not. If you obtain significant real property appraisal assistance in an appraisal assignment, but you don't include an acknowledgement of that assistance, you have committed an ethics violation. BREAA has no say over lender business practices or underwriting guidelines. Although AMCs must adopt reasonable procedures designed to ensure USPAP compliance by their appraisers (CCR section 3577(b)), an AMC is not encouraging or forcing the appraiser to violate USPAP, because the appraiser is free to use, or not to use, trainees, and is obligated by USPAP to honestly acknowledge significant real property appraisal assistance.

# Change is coming

## New college education requirements coming in 2015

On December 9, 2011, the Appraisal Qualifications Board (AQB) of the Appraisal Foundation adopted changes to the Real Property Appraiser Qualification Criteria that will become effective January 1, 2015.

College education requirements are a fundamental component of these newly adopted changes. Applicants for a Residential license will be required to have a minimum of 30 college semester units, whereas applicants for either a Certified Residential or a Certified General license will be required to have a four-year college degree (see table below).

These requirements apply to individuals seeking a real property appraiser credential after January 1, 2015. The requirements will also apply to existing real property appraisers seeking to upgrade a license. Appraisers wishing to upgrade their license will have to meet these new minimum criteria.

If you will be seeking an initial license and have not yet begun to compile the experience component for a Certified Residential or Certified General application, you **MUST** comply with the 2015 minimum criteria because experience must be completed over a period of no less than 30 months.

All initial and upgrade applicants wishing to qualify under the existing 2008 AQB minimum criteria must submit a complete application which includes the required education, experience, and successful examination results by December 31, 2014. Applicants are **STRONGLY** advised to submit complete applications for the desired license level as soon as possible and no later than October 1, 2014, if they wish to qualify under the existing 2008 AQB minimum criteria. If an application has not been submitted with all required education, experience, and successful examination results before January 1, 2015, the applicant **MUST** comply with the 2015 AQB minimum criteria.

For example: If the application, education evidence, and certified Log of Appraisal Experience have been submitted but the applicant has not hand-delivered or mailed the passing examination results postmarked no later than December 31, 2014, the applicant will have to comply with the 2015 AQB minimum criteria.

**ALL APPLICANTS ARE ADVISED TO UNDERSTAND THE NEW MINIMUM CRITERIA.** For more information visit the Appraisal Foundation website at **[www.appraisalfoundation.org](http://www.appraisalfoundation.org)**.

### College Level Education Requirement Changes

Classification	Current Requirements	January 1, 2015 Requirements
Trainee Appraiser (AT)	None	None
Licensed Residential Appraiser (AL)	None	30 semester credit hours of college-level education from an accredited college, junior college, community college or university OR an associate degree or higher (in any field).
Certified Residential Appraiser (AR)	21 semester credit hours in specified collegiate subject matter courses from an accredited college or university OR an associate degree or higher.	Bachelors degree or higher (in any field) from an accredited college or university.
Certified General Appraiser (AG)	30 semester credit hours in specific collegiate subject matter courses from an accredited college or university OR a bachelors degree or higher.	Bachelors degree or higher (in any field) from an accredited college or university.

## 2015 Supervisory Appraiser and Trainee Appraiser Requirement changes

### Supervisory Appraiser

Must be State-certified, in good standing with the training jurisdiction and not subject to any disciplinary action within the last three years that affects the Supervisory Appraiser's legal ability to engage in appraisal practice. Must be State-certified for a minimum of three years prior to being eligible to become a Supervisory Appraiser. May not supervise more than three licensed Trainee Appraisers at one time.

### Trainee Appraiser

California has been in compliance with these new Federal requirements since 2008. Must complete all qualifying education within the five-year period prior to the date of submission of an application for a Trainee Appraiser credential. Each trainee may have more than one Supervisory Appraiser.

The Supervisory Appraiser and Trainee Appraiser share responsibility to ensure the appraisal experience log for the Trainee Appraiser is accurate, current, and complies with the requirements of the Trainee Appraiser's credentialing jurisdiction. Both the Trainee Appraiser and Supervisory Appraiser must complete a course that, at a minimum, complies with the specification for course content established by the AQB. The course will be oriented toward the requirements and responsibilities of Supervisory Appraisers and expectations for Trainee Appraisers. The course must be completed by the Trainee before obtaining a Trainee Appraiser credential and completed by the Supervisory Appraiser before supervising a training appraiser.



## Introducing the Legal Corner

Welcome to the Legal Corner! As a relatively new Bureau staff member, I'd like to introduce myself in this edition.

My name is Alec Stone, and I've been a California-licensed attorney for more than nine years — mostly with various State agencies. I'm very happy to have joined BREa as Legal Counsel in July 2013.

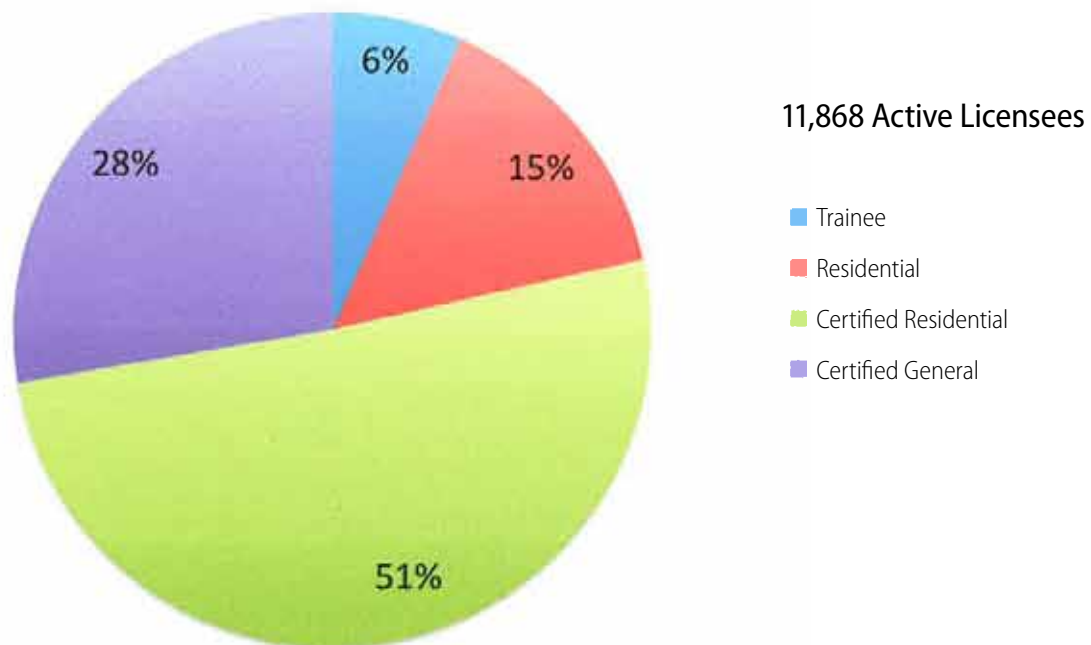
I've worked in diverse legal fields, including Managed Health Care (HMOs), Insurance, Earthquake, and now Real Estate Appraisers. I've promulgated regulations, advocated in administrative hearings, and provided all manner of legal and policy advice to executive staff decision makers.

Here at BREa, I conduct rulemakings — adding, deleting, and amending regulations — in accordance with the Financial Institutions Reform, Recovery and Enforcement Act, the Business

and Professions Code, Appraisal Subcommittee Policy, Appraisal Qualifications Board updates, and other authority. I process Public Records Act requests, assist decisions regarding initial licensing and licensee discipline, research any and all legal issues, and otherwise do whatever it is lawyers do.

In future editions, I'll use this space to address legal issues relevant to the Real Estate Appraiser profession. They can be everyday issues, or issues that are thorny, gray-area, pressing, hot-button, or otherwise interesting. The Legal Corner won't necessarily have answers, and certainly can't be relied on as legal advice, but I'm hoping it will be useful nevertheless. If you'd like me to address something specific, shoot me a suggestion ([alec.stone@orea.ca.gov](mailto:alec.stone@orea.ca.gov)). I may not respond but I'll consider every e-mail I receive.

## BREA licensing stats for February 12, 2014



## Enforcement actions

Enforcement 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 BREA in enforcement matters, please refer to Title 10, Article 12 (commencing with section 3721) of the California Code of Regulations. Additional information on the individual actions is also available on the BREA website [www.brea.ca.gov](http://www.brea.ca.gov):

Published Disciplinary Actions				
Varon, Brett A.	AR039506	Huntington Beach	1/7/13	Additional education, fine, probation
Pelayo, Isidoro	AG009866	Canoga Park	2/9/13	Additional education, fine, probation
Brown, Diane	AL034869	San Diego	3/11/13	Additional education, fine, probation
Valenzuela, Esteban S.	AR039137	Sun City	3/22/13	Additional education, fine, probation
Weller, Steven B.	AR034778	Sun City	3/22/13	Additional education, fine, probation
Baker, Christopher N.	AL039361	Sacramento	4/22/13	Additional education, fine, probation
Manrao, Ravi K.	AR036694	San Jose	4/22/13	Additional education, fine, probation
Hall, Laron M.	AL030819	Rancho Cucamonga	5/13/13	Additional education, fine, probation
Forte, Ikenna, T.	AL027939	Oakland	5/20/13	Additional education, fine, probation
Grubb, Noreen C.	AR011155	Del Mar	6/21/13	Additional education, fine, probation
Rennia, Jennifer L.	AR027749	Cotati	11/4/13	Additional education, fine, probation
Lee, Olivia	AR030240	Millbrae	1/7/13	Additional education, fine, probation, suspension
Mosley, Robin L.	AR021004	Murrieta	3/1/13	Additional education, fine, probation, suspension
Kim, Willie	AL015875	Cerritos	7/5/13	Additional education, fine, probation, suspension
Curtis, Kimberly E.	AL026946	Beaumont	8/9/13	Additional education, fine, probation, suspension
Greene, Kevin S.	AR034138	San Diego	1/24/13	Fine, probation
Frohlich, Eric A.	AG028756	Santa Monica	2/15/13	Fine, probation
Hung, George	AR041215	Foster City	8/15/13	Fine, probation, suspension
Acree, Nathaniel H.	AL029820	City of Industry	3/1/13	Revocation
Ugonwa, Bonaventure	AL040685	Lancaster	3/20/13	Revocation
Cheng, Amy	AL032931	Oakland	3/29/13	Revocation
Adeokun, Richard A.	AR032969	San Pablo	5/27/13	Revocation
Ankenbruck, James H.	AL034469	Merced	7/12/13	Revocation
Alvarez, Antonio	AR039238	Whittier	2/5/13	Surrender
Gulparast, Farah H.	AL038505	Tracy	2/13/13	Surrender
Curtis, Sharon A.	AR009530	Temecula	6/29/13	Surrender
Hausel, James L.	AR009954	Castro Valley	7/26/13	Surrender
Montgomery, Richard P.	AG022371	Manhattan Beach	10/7/13	Surrender
Chen, John G.	AG014225	Los Altos	11/29/13	Surrender

## Citations

The following disciplinary actions are examples of citations issued in 2013. A total of 61 citations were issued in 2013 to the following Licensees: 3 Certified General; 40 Certified Residential; 17 Residential; and 1 Residential Trainee.

Licensee	Fine	Violation
Certified General Licensee	\$2,500 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule: failure to control digital signature and staff by allowing an unlicensed staff member to participate in an appraisal requiring a license, failure to adequately analyze market conditions, failure to reconcile the analysis of Sale Comparison Approach indicators to value in a credible manner.
Certified Residential Licensee	\$1,500 fine, 15 hrs. USPAP, 15 hrs. basic education.	Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule and California Code of Regulations Section 3705: failure to describe the subject property in a credible manner, failure to report and analyze the sale history of the subject property accurately, failure to complete the Sale Comparison Approach correctly, failure to adequately supervise production of the appraisal report.
Certified Residential Licensee	\$1,500 fine, deferred until such time as Respondent applies to the BRE for a license or registration.	Violations of USPAP S.R. 1 and 2: Respondent falsely stated market conditions while failing to apply relevant time adjustments. Respondent utilized Comparable Sales not demonstrated as exposed to the open market and failed to utilize more relevant comparable sales. Respondent failed to adequately report analysis of relevant physical characteristics of the comparable sales, all resulting in a value conclusion that was not credible.
Certified Residential Licensee	\$1,000 fine, 15 hrs. USPAP.	Violations of S.R. 1 and 2, Scope of Work Rule, Conduct Section of the Ethics Rule. Respondent, the sole signer of the appraisal report, falsely certified inspecting the interior of the subject property improvements.
Certified Residential Licensee	\$1,000 fine, 15 hrs. USPAP.	Violations of USPAP S.R. 1 and 2, Scope of Work Rule, Competency Rule, Conduct section of the Ethics Rule, California Code of Regulations section 3568(f): failure to accurately summarize the physical condition of the subject property; failure to accurately verify and report zoning, failure to develop a credible Sales Comparison Approach to value, supervising a trainee appraiser when not appropriately licensed to do so.
Certified Residential Licensee	\$1,000 fine, 15 hrs. basic education.	Violations of USPAP S.R. 1 and 2, Scope of Work Rule, Competency Rule, California Code of Regulations section 3521: commercial space in mixed use building treated as storage space only, non-credible analysis of the commercial space led to flawed Highest and Best Use analysis and a non credible Sales Comparison Approach to value, assignment outside the scope of practice of level of licensure.
Certified Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education including Residential Sales Comparison.	Violations of USPAP S.R. 1 and 2: Failure to accurately describe market conditions (said "Stable" when they were steeply declining), opinion of value was not credible due to the use of two Trustee Sales as open market transactions in the Sales Comparison Approach, and failure to use relevant sales located near the subject with sale prices lower than the opinion of value.



Licensee	Fine	Violation
Certified Residential Licensee	\$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2: Respondent failed to report and analyze relevant characteristics of the subject property, and failed to utilize more relevant comparable sales while failing to appropriately discuss and analyze the relevant characteristics of the comparable sales used, resulting in an appraisal that was not credible. Additionally, Respondent failed to obtain and utilize relevant data sources such as MLS, in order to produce a credible appraisal report. Respondent chose not to obtain MLS access as of the date of the report.
Certified Residential Licensee	\$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education to include Residential Sales Comparison and Income Approaches.	Violations of USPAP S.R. 1 & 2, Scope of Work Rule, & Conduct section of the Ethics Rule: Physical attributes of the comps were grossly underreported and/or misreported (condition, garage count, pool, golf/water frontage) in a direction favoring, and resulting in, an overvaluation. Omitted more appropriate and lower priced comparable sales that were available. Omitted reporting/analysis of the MLS listing of the subject within the year prior to the date of the report.
Certified Residential Licensee	\$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education to include Residential Sales Comparison and Income Approaches.	Violations of USPAP S.R. 1 & 2, Scope of Work Rule, & Conduct section of the Ethics Rule: Utilized unverified sales, claimed MLS as a data source when it was not, failed to analyze comps zoned for more intensive development, misreported financing of all comps, claimed there was no listing activity of the subject when there was an active listing 14% less than the market value estimate, and created a misleading report.
Certified Residential Licensee	\$1,500 fine, 15 hrs. Basic Education in Uniform Standards of Professional Appraisal Practice, 15 hrs.	Violations of USPAP S.R. 1 and 2, and Scope of Work Rule, and Ethics Rule: failure to comply the Scope of Work for the assignment when the respondent reassigned the appraisal assignment order, in direct contradiction of the order instructions, plagiarized another appraiser's work, failure to report significant real property appraisal assistance that resulted in a false certification.
Certified Residential Licensee	\$2,000 fine, 15 hrs. USPAP, 15 hrs. basic education.	Violations of USPAP S.R. 1 and 2, Competency Rule: inadequate market analysis, failure to describe the subject property adequately, failure to analyze the marketability of the guesthouse on the subject property and any zoning restrictions applicable thereto, failure to complete the Cost Approach correctly, failure to complete the Sales Comparison Approach properly.
Certified Residential Licensee	\$2,500 fine, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2: Respondent committed a series of errors and omissions, including inconsistent and unsupported adjustments on multiple reports, resulting in appraisals that were not credible.
Certified Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2; failure to properly describe neighborhood, identify significant negative externality, use the most recent, proximate and similar comparable sales available (which supported a lower value conclusion).

*continued on next page*

## Citations *continued*

Licensee	Fine	Violation
Certified Residential Licensee	30 hrs. basic education.	Violations of USPAP S.R. 1 and 2: failure to properly analyze the listing history of the subject property, failure to recognize negative externalities affecting the subject property, failure to develop a credible Sales Comparison Approach, failure to properly analyze all sales of the subject property within the three years prior to the effective date of value.
Certified Residential Licensee	\$1,500 fine, 15 hrs. basic education.	Violations of USPAP S.R. 1 and 2, Competency Rule: misrepresented the subject property improvements as a legally permitted three units, failed to support the opinion of highest and best use, developed and reported misleading Sales Comparison and Income Approaches to value, failed to state the correct date of report.
Certified Residential Licensee	\$1,500 fine, 15 hrs. basic education.	Violations of USPAP S.R. 1 and 2, Competency Rule: failure to correctly report the subject property zoning and applicable zoning restrictions, failure to properly describe and analyze sale properties utilized in the Sales Comparison Approach to value, failure to complete a credible Income Approach to value.
Certified Residential Licensee	\$1,500 fine, 30 hrs. basic education.	Violations of S.R. 1 and 2, Scope of Work Rule, Competency Rule: failure to identify relevant characteristics of the subject property, failure to disclose the use of an extraordinary assumption in two reports, failure to properly identify and apply the scope of work necessary for credible assignment results, failure to identify more proximate and similar comparable sales for use in the Sales Comparison Approach to value.
Certified Residential Licensee	\$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2: Respondent falsely certified inspection of the interior of the subject property when he did not. Respondent also failed to disclose that an unlicensed trainee appraiser performed the only interior inspection. 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	\$1,000 fine, 45 hrs. of basic education.	Violations of USPAP S.R. 1 and 2: failure to report the zoning restrictions for the subject property; failure to complete the highest and best use analysis; failure to analyze comparable sales logically; failure to describe the scope of work completely and coherently.
Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 15 hrs. basic education.	Violations of USPAP S.R. 1 and 2: failure to accurately analyze the subject property three year sale history, failure to recognize and report that the subject property was located within an age restricted development, failure to complete a credible Highest and Best Use analysis, failure to perform a credible Sales Comparison Approach.
Residential Licensee	\$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2: Respondent failed to utilize more relevant comparable sales while failing to appropriately discuss and analyze the relevant characteristics of the comparable sales used, resulting in an appraisal that was not credible. Additionally, Respondent misrepresented subject residence characteristics, zoning, and market trends.

Licensee	Fine	Violation
Residential Licensee	\$2,500 fine, 15 hrs. USPAP, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2, Conduct section of Ethics Rule, Scope of Work Rule: failure to disclose significant real property appraisal assistance; falsely certifying an interior inspection, omitting relevant comparable sales resulting in a non-credible value conclusion, and failure to analyze current and prior transactions of the comparable sales resulting in a selection of non-arms length transaction sales that were not credible.
Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 45 hrs. basic education.	Violations of USPAP S.R. 1 and 2, and the Conduct section of Ethics Rule: Respondent failed to adequately analyze the comparables utilized in the Sales Comparison Approach, failed to provide adequate analysis in the Cost Approach, failed to report a prior service involving the subject property, falsely certified an interior and exterior inspection of the subject property subsequent to the original inspection.
Residential Licensee	\$2,500 fine, 15 hrs. USPAP, 30 hrs. basic education.	Violations of USPAP S.R. 1 and 2 involving two appraisal reports, Conduct section of Ethics Rule, Record Keeping section of the Ethics Rule: Respondent misrepresented property values as stable during a time of declining property values, Respondent failed to disclose and analyze external obsolescence regarding the subject property, failed to adequately describe the subject property, failed to adequately report and analyze physical and transaction characteristics of the comparable sales, failed to provide adequate analysis in the Cost Approach, and failed to provide one of the two appraisal reports.
Residential Licensee	\$1,000 fine, 30 hrs. basic education.	Violations of S.R. 1 and 2, Competency Rule: failure to accurately and/or adequately analyze or report market conditions, zoning, or comparable sales; failure to complete credible Cost and Sales Comparison Approaches to value, failure to reconcile value indicators developed within the Sales Comparison Approach or within the report.
Residential Licensee	\$1,000 fine, 15 hrs. USPAP, 15 hrs. basic education.	Violations of USPAP S.R. 1 and 2: failure to determine the appropriate scope of work necessary to develop credible assignment results; failure to describe the subject property correctly; failure to complete a highest and best use analysis correctly; and failure to analyze the sales in the sale comparison approach correctly.
Residential Licensee	\$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education. Residential Sales Comparison and Income Approaches.	Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule. Respondant erroneously reported MLS as a data source when it was not, represented multiple comparable sales as open-market transaction when they were foreclosure actions, failed to report active listings of multiple comparables with asking prices significantly less than their sale price, and made an unsupported view adjustment.

## Changing your contact information? Let us know

California Code of Regulations section 3527 requires licensees to notify the Bureau in writing of any change in their name or business name; residence, mailing, or business address; or business or residence phone number within 10 days of the change.

Notification must be made using Change Notification and Miscellaneous Requests, Form 3011. The form is available on our website, [www.brea.ca.gov](http://www.brea.ca.gov). Click on "Forms." The signed form, the required fee, and any needed documentation should be submitted 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 to send out e-mail blasts.



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