STATE OF CALIFORNIA
OFFICE OF REAL ESTATE APPRAISERS
CALIFORNIA BUSINESS AND PROFESSIONS CODE
DIVISION 4, PART 3
SECTIONS 11300 *et seq.*

(January 1, 2012)

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CALIFORNIA BUSINESS AND PROFESSIONS CODE SECTIONS 11300-11423

PART 3. LICENSING AND CERTIFICATION OF REAL ESTATE APPRAISERS

11300. This part may be cited as the Real Estate Appraisers' Licensing and Certification Law.

11301. There is hereby created within the Business, Transportation and Housing Agency an Office of Real Estate Appraisers to administer and enforce this part.

CHAPTER 1. DEFINITIONS

11302. For the purpose of applying this part, the following terms, unless otherwise expressly indicated, shall mean and have the following definitions:

(**a**) "Agency" means the Business, Transportation and Housing Agency.

(**b**) "Appraisal" means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion in a federally related transaction as to the market value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

The term "appraisal" does not include an opinion given by a real estate licensee or engineer or land surveyor in the ordinary course of his or her business in connection with a function for which a license is required under Chapter 7 (commencing with Section 6700) or Chapter 15 (commencing with Section 8700) of Division 3, or Chapter 3 (commencing with Section 10130) or Chapter 7 (commencing with Section 10500) and the opinion shall not be referred to as an appraisal. This part does not apply to a probate referee acting pursuant to Sections 400 to 408, inclusive, of the Probate Code unless the appraised transaction is federally related.

(**c**) "Appraisal Foundation" means the Appraisal Foundation that was incorporated as an Illinois not-for-profit corporation on November 30, 1987.

(**d**) (**1**) "Appraisal management company" means any person or entity that satisfies all of the following conditions:

(**A**) Maintains an approved list or lists, containing 11 or more independent contractor appraisers licensed or certified pursuant to this part, or employs 11 or more appraisers licensed or certified pursuant to this part.

(**B**) Receives requests for appraisals from one or more clients.

(**C**) For a fee paid by one or more of its clients, delegates appraisal assignments for completion by its independent contractor or employee appraisers.

(**2**) "Appraisal management company" does not include any of the following, when that person or entity directly contracts with an independent appraiser:

(**A**) Any bank, credit union, trust company, savings and loan association, or industrial loan company doing business under the authority of, or in accordance with, a license, certificate, or charter issued by the United States or any state, district, territory, or commonwealth of the United States that is authorized to transact business in this state.

(**B**) Any finance lender or finance broker licensed pursuant to Division 9 (commencing with Section 22000) of the Financial Code, when acting under the authority of that license.

(**C**) Any residential mortgage lender or residential mortgage servicer licensed pursuant to Division 20 (commencing with Section 50000) of the Financial Code, when acting under the authority of that license.

(**D**) Any real estate broker licensed pursuant to Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code, when acting under the authority of that license.

(**3**) "Appraisal management company" does not include any person licensed to practice law in this state who is working with or on behalf of a client of that person in connection with one or more appraisals for that client.

(**e**) "Appraisal Subcommittee" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

(**f**) "Controlling person" means one or more of the following:

(**1**) An officer or director of an appraisal management company, or an individual who holds a 10 percent or greater ownership interest in an appraisal management company.

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

(**3**) An individual who possesses the power to direct or cause the direction of the management or policies of an appraisal management company.

(**g**) "Director" means the Director of the Office of Real Estate Appraisers.

(**h**) "Federal financial institutions regulatory agency" means the Federal Reserve Board, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Office of Thrift Supervision, Federal Home Loan Bank System, National Credit Union Administration, and any other agency determined by the director to have jurisdiction over transactions subject to this part.

(**i**) "Federally related real estate appraisal activity" means the act or process of making or performing an appraisal on real estate or real property in a federally related transaction and preparing an appraisal as a result of that activity.

(**j**) "Federally related transaction" means any real estate-related financial transaction which a federal financial institutions regulatory agency engages in, contracts for or regulates and which requires the services of a state licensed real estate appraiser regulated by this part. This term also includes any transaction identified as such by a federal financial institutions regulatory agency.

(**k**) "License" means any license, certificate, permit, registration, or other means issued by the office authorizing the person to whom it is issued to act pursuant to this part within this state.

(**l**) "Licensure" means the procedures and requirements a person shall comply with in order to qualify for issuance of a license and includes the issuance of the license.

(**m**) "Office" means the Office of Real Estate Appraisers.

(**n**) "Registration" means the procedures and requirements with which a person or entity shall comply in order to qualify to conduct business as an appraisal management company.

(**o**) "Secretary" means the Secretary of Business, Transportation and Housing.

(**p**) "State licensed real estate appraiser" is a person who is issued and holds a current valid license under this part.

(**q**) "Uniform Standards of Professional Appraisal Practice" are the standards of professional appraisal practice established by the Appraisal Foundation.

(**r**) "Course provider" means a person or entity that provides educational courses related to professional appraisal practice.

CHAPTER 2. ADMINISTRATION

11310. The Governor shall appoint, subject to confirmation by the Senate, the Director of the Office of Real Estate Appraisers who shall, in consultation with the Governor and secretary, administer the licensing and certification program for real estate appraisers. In making the appointment, consideration shall be given to the qualifications of an individual that demonstrate knowledge of the real estate appraisal profession.

(**a**) The director shall serve at the pleasure of the Governor. The salary for the director shall be fixed and determined by the secretary with approval of the Department of Personnel Administration.

(**b**) The director shall not be actively engaged in the appraisal business or any other affected industry for the term of appointment, and thereafter the director shall be subject to Section 87406 of the Government Code.

(**c**) The director, in consultation with the secretary and in accordance with the State Civil Service Act, may appoint and fix the compensation of legal, clerical, technical, investigation, and auditing personnel as may be necessary to carry out this part. All personnel shall perform their respective duties under the supervision and direction of the director.

(**d**) The director may appoint not more than four deputy directors as he or she deems appropriate. The deputy directors shall perform their respective duties under the supervision and direction of the director.

(**e**) Every power granted to or duty imposed upon the director under this part may be exercised or performed in the name of the director by the deputy directors, subject to conditions and limitations as the director may prescribe.

11310.1. Protection of the public shall be the highest priority for the Office of Real Estate Appraisers in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

11313. The office is under the supervision and control of the secretary. The duty of enforcing and administering this part is vested in the director and he or she is responsible to the secretary therefor. The director shall adopt and enforce rules and regulations as are determined reasonably necessary to carry out the purposes of this part. Those rules and regulations shall be adopted pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

11313.2. (**a**) The secretary shall review and evaluate the office, and make recommendations to the Legislature by October 1, 2014, regarding whether the office should be consolidated within the Department of Real Estate, or consolidated within any other state department or office, and shall provide appropriate justification for that recommendation.

(**b**) Notwithstanding any other provision of law, on and after January 1, 2015, the office shall be subject to review by the appropriate policy committees of the Legislature. The review shall include, but shall not be limited to, the recommendations of the secretary regarding the office.

11314. The office is required to include in its regulations requirements for licensure and discipline of real estate appraisers that ensure protection of the public interest and comply in all respects with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of

1989, Public Law 101-73 and any subsequent amendments thereto. Requirements for each level of licensure shall, at a minimum, meet the criteria established by the Appraiser Qualification Board of the Appraisal Foundation. The office may additionally include in its regulations requirements for the registration of appraisal management companies consistent with this part.

11315. (**a**) The director may issue to a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation a citation that may contain an order to pay an administrative fine assessed by the office if the person or entity is in violation of this part or any regulations adopted to carry out its purposes.

(**b**) A citation shall be written and describe with particularity the nature of the violation, including a specific reference to the provision of law determined to have been violated.

(**c**) If appropriate, the citation may contain an order of abatement fixing a reasonable time for abatement of the violation.

(**d**) (**1**) If appropriate, the citation may contain an order to enroll in and successfully complete additional basic or continuing education courses.

(**2**) When a citation imposes an education course or courses, the completion of the course or courses by the licensee shall be subject to the following conditions:

(**A**) The citation imposing the education requirement may specify the specific course content, the number of hours to be completed, the date by which the course is to be completed, and the method by which satisfaction of the order is to be reported to the office.

(**B**) An education course imposed by citation may not be credited towards the licensee's continuing education requirements pursuant to Section 11360.

(**C**) Only courses accredited by the office shall be accepted for purposes of fulfilling education imposed by citation.

(**D**) Any failure to satisfactorily complete or timely report an education course to the office by the date specified in the citation shall result in the automatic suspension of the licensee's real estate appraiser license as of that date.

(**E**) Reinstatement of a license suspended pursuant to subparagraph (D) shall be made only if all of the following events occur:

(**i**) Satisfactory verification of the completion of the education course or courses imposed by the citation.

(**ii**) Completion and filing of a reinstatement application.

(**iii**) Payment of all applicable fees, fines, or penalties.

(**e**) In no event shall an administrative fine assessed by the office by citation or order exceed ten thousand dollars ($10,000) per violation. In assessing a fine, the office shall give due consideration to the appropriateness of the amount of the fine with respect to factors such as the gravity of the violation, the good faith of the person who committed the violation, and the history of previous violations.

(**f**) A citation or fine assessment issued pursuant to a citation shall inform the person cited that, if he or she desires a hearing to contest the finding of a violation, he or she must request a hearing by written notice to the office within 30 days of the date of issuance of the citation or assessment. Hearings shall be held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The citation or fine assessment shall also inform the person cited that failure to respond to the citation or fine assessment shall result in any order or administrative fine imposed becoming final, and that any order or administrative

fine shall constitute an enforceable civil judgment in addition to any other penalty or remedy available pursuant to law.

(**g**) (**1**) If a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation fails to pay a fine, penalty, or required installment payment on the fine or penalty by the date when it is due, the director shall charge him or her interest and a penalty of 10 percent of the fine or installment payment amount. Interest shall be charged at the pooled money investment rate.

(**2**) Failure of a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation to pay a fine or required installment payment on the fine within 30 days of the date ordered in the citation, unless the citation is being appealed, shall be cause for additional disciplinary action by the office.

(**3**) If a citation is not contested and a fine or fine payment is not paid within 30 days of the date ordered in the citation or other order of the director, the full amount of the unpaid balance of the assessed fine shall be added to any fee for renewal of a license. A license shall not be renewed prior to payment of the renewal fee and fine.

(**4**) The director may order the full amount of any fine to be immediately due and payable if any payment due on a fine is not received by the office within 30 days of its due date.

(**5**) Any fine, or interest thereon, not paid within 30 days of a final citation or order shall constitute a valid and enforceable civil judgment.

(**6**) A certified copy of the final order, or the citation with certification by the office that no request for hearing was received within 30 days of the date of issuance of the citation, shall be conclusive proof of the civil judgment, its terms, and its validity.

(**h**) A citation may be issued without the assessment of an administrative fine.

(**i**) Any administrative fine or penalty imposed pursuant to this section shall be in addition to any other criminal or civil penalty provided for by law.

(**j**) Administrative fines collected pursuant to this section shall be deposited in the Real Estate Appraisers Regulation Fund.

11315.1. (**a**) The director may issue to a registrant or person who acts in a capacity that requires a certificate of registration under this part, a citation that may contain an order to pay an administrative fine assessed by the office, if the person is in violation of this part or any regulations adopted to carry out its purposes.

(**b**) A citation shall be written and shall describe with particularity the nature of the violation, including a specific reference to the provision of law determined to have been violated.

(**c**) If appropriate, the citation may contain an order of abatement fixing a reasonable time for abatement of the violation.

(**d**) In no event shall an administrative fine assessed by the office by citation or order exceed ten thousand dollars ($10,000) per violation. In assessing a fine, the office shall give due consideration to the appropriateness of the amount of the fine with respect to factors such as the gravity of the violation, the good faith of the person that committed the violation, and the history of previous violations.

(**e**) A citation or fine assessment issued pursuant to a citation shall inform the person cited that, if the person desires a hearing to contest the finding of a violation, he or she or one of its controlling persons must request a hearing by written notice to the office within 30 days of the date of issuance of the citation or assessment. Hearings shall be held pursuant to Chapter 5

(commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The citation or fine assessment shall also inform the person cited that failure to respond to the citation or fine assessment shall result in any order or administrative fine imposed becoming final, and that any order or administrative fine shall constitute an enforceable civil judgment in addition to any other penalty or remedy available pursuant to law.

(f) **(1)** If a registrant or person who acts in a capacity that requires a certificate of registration fails to pay a fine, penalty, or required installment payment on the fine or penalty by the date when it is due, the director shall charge that person interest and a penalty of the fine or installment payment amount. Interest shall be charged at the pooled money investment rate.

(2) Failure of a registrant or person who requires a certificate of registration to pay a fine or required installment payment on the fine within 30 days of the date ordered in the citation, unless the citation is being appealed, shall be cause for additional disciplinary action by the office.

(3) If a citation is not contested and a fine or fine payment is not paid within 30 days of the date ordered in the citation or other order of the director, the full amount of the unpaid balance of the assessed fine shall be added to any fee for renewal of a certificate of registration. A certificate of registration shall not be renewed prior to payment of the renewal fee and fine.

(4) The director may order the full amount of any fine to be immediately due and payable if any payment due on a fine is not received by the office within 30 days of its due date.

(5) Any fine, or interest thereon, not paid within 30 days of a final citation or order shall constitute a valid and enforceable civil judgment.

(6) A certified copy of the final order, or the citation with certification by the office that no request for hearing was received within 30 days of the date of issuance of the citation, shall be conclusive proof of the civil judgment, its terms, and its validity.

(g) A citation may be issued without the assessment of an administrative fine.

(h) Any administrative fine or penalty imposed pursuant to this section shall be in addition to any other criminal or civil penalty provided for by law.

(i) Administrative fines collected pursuant to this section shall be deposited in the Real Estate Appraisers Regulation Fund.

11315.5. Notwithstanding any other provision of law, the office may, at any time the director deems it to be in the public interest, enter into a settlement of any administrative allegation of violation of this part, or of regulations promulgated pursuant thereto, upon any terms and conditions as the director deems appropriate. Those settlements may include, but are not limited to, a plan for abatement of the violation or rehabilitation or requalification of the applicant, licensed appraiser, course provider, registrant, or person acting in a capacity requiring a license, certificate of registration, or course provider accreditation within a specified time.

11316. **(a)** The director may assess a fine against a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation for violation of this part or any regulations adopted to carry out its purposes.

(b) **(1)** Failure of a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation to pay a fine or make a fine payment within 30 days of the date of assessment shall result in disciplinary action by the office. If a licensee, applicant for licensure, person who acts in a capacity that requires a

license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation fails to pay a fine within 30 days, the director shall charge him or her interest and a penalty of 10 percent of the fine or payment amount. Interest shall be charged at the pooled money investment rate.

(**2**) If a fine is not paid, the full amount of the assessed fine shall be added to any fee for renewal of a license. A license shall not be renewed prior to payment of the renewal fee and fine.

(**3**) The director may order the full amount of any fine to be immediately due and payable if any payment on the fine, or portion thereof, is not received within 30 days of its due date.

(**4**) Any fine, or interest thereon, not paid within 30 days of a final order shall constitute a valid and enforceable civil judgment.

(**5**) A certified copy of the final order shall be conclusive proof of the validity of the order of payment and the terms of payment.

(**c**) Any administrative fine or penalty imposed pursuant to this section shall be in addition to any other criminal or civil penalty provided for by law.

(**d**) Administrative fines collected pursuant to this section shall be deposited in the Real Estate Appraisers Regulation Fund.

11317. The office shall publish a summary of public disciplinary actions taken by the office, including resignations while under investigation and the violations upon which these actions are based, which shall meet, at a minimum, the requirements of the appraisal subcommittee. The office shall not publish identifying information with respect to private reprovals or letters of warning, which shall remain confidential.

11317.2. (**a**) In addition to publishing the summary required by Section 11317, the office shall provide on the Internet information regarding the status of every license and registration issued by the office in accordance with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). The public information to be provided on the Internet shall include information on suspensions and revocations of licenses and registrations issued by the office and accusations filed pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) relative to persons or businesses subject to licensure, registration, or regulation by the office. The information shall not include personal information, including home telephone number, date of birth, or social security number. The office shall disclose a licensee's or registrant's address of record. However, the office shall allow a licensee or registrant to provide a post office box number or other alternate address, instead of his or her home address, as the address of record. This section shall not preclude the office from also requiring a licensee or registrant who has provided a post office box number or other alternative mailing address as his or her address of record to provide a physical business address or residence address only for the office's internal administrative use and not for disclosure as the licensee's or registrant's address of record or disclosure on the Internet.

(**b**) The office shall not provide on the Internet identifying information with respect to private reprovals or letters of warning, which shall remain confidential.

(**c**) For purposes of this section, "Internet" has the meaning set forth in paragraph (6) of subdivision (f) of Section 17538.

11318. (**a**) A licensee, applicant for licensure, course provider, or applicant for course provider accreditation shall report to the office, in writing, the occurrence of any of the following events within 30 days of the date he or she has knowledge of any of these events:

(**1**) The bringing of an indictment or information charging a felony against the licensee, applicant for licensure, course provider, or applicant for course provider accreditation.

(**2**) The conviction of the licensee, applicant for licensure, course provider, or applicant for course provider accreditation of any felony or misdemeanor.

As used in this section, a conviction includes an initial plea, verdict, or finding of guilty, plea of no contest, or pronouncement of sentence by a trial court even though that conviction may not be final, the sentence may not be imposed, or all appeals may not be exhausted.

(**3**) The cancellation, revocation, or suspension of a license, other authority to practice, or refusal to renew a license or other authority to practice as an occupational or professional licensee or course provider, by any other regulatory entity.

(**4**) The cancellation, revocation, or suspension of the right to practice before any governmental body or agency.

(**b**) The report required by subdivision (a) shall be signed by the licensee, applicant for licensure, course provider, or applicant for course provider accreditation and clearly set forth the facts that constitute the reportable event. The report shall include the title of the matter, court or agency name, docket number, and dates of occurrence of the reportable event.

(**c**) The licensee, applicant for licensure, course provider, or applicant for course provider accreditation shall also promptly obtain and submit a certified copy of the police or administrative agency's investigative report and certified copies of the court or administrative agency's docket, complaint or accusation, and judgment or other order.

(**d**) A licensee, applicant for licensure, course provider, or applicant for course provider accreditation shall promptly respond to oral or written inquiries from the office concerning the reportable events.

(**e**) Failure to make a report required by subdivision (a) shall constitute a cause for discipline or denial of an application.

11319. Notwithstanding any other provision of this code, the Uniform Standards of Professional Appraisal Practice constitute the minimum standard of conduct and performance for a licensee in any work or service performed that is addressed by those standards. If a licensee also is certified by the Board of Equalization, he or she shall follow the standards established by the Board of Equalization when fulfilling his or her responsibilities for assessment purposes.

11319.2. (**a**) A license of a licensee or a certificate of a registrant shall be suspended automatically during any time that the licensee or registrant is incarcerated after conviction of a felony, regardless of whether the conviction has been appealed. The office shall, immediately upon receipt of the certified copy of the record of conviction, determine whether the license of the licensee or certificate of the registrant has been automatically suspended by virtue of the licensee's or registrant's incarceration, and if so, the duration of that suspension. The office shall notify the licensee or registrant in writing of the license or certificate suspension and of his or her right to elect to have the issue of penalty heard as provided in subdivision (d).

(**b**) If after a hearing before an administrative law judge from the Office of Administrative Hearings it is determined that the felony for which the licensee or registrant was convicted was substantially related to the qualifications, functions, or duties of a licensee or registrant, the director upon receipt of the certified copy of the record of conviction, shall suspend the license

or certificate until the time for appeal has elapsed, if no appeal has been taken, or until the judgment of conviction has been affirmed on appeal or has otherwise become final, and until further order of the director.

(c) Notwithstanding subdivision (b), a conviction of a charge of violating any federal statute or regulation or any statute or regulation of this state regulating dangerous drugs or controlled substances, or a conviction of Section 187, 261, 262, or 288 of the Penal Code, shall be conclusively presumed to be substantially related to the qualifications, functions, or duties of a licensee or registrant and no hearing shall be held on this issue. However, upon its own motion or for good cause shown, the director may decline to impose or may set aside the suspension when it appears to be in the interest of justice to do so, with due regard to maintaining the integrity of, and confidence in, the practice regulated by the office.

(d) (1) Discipline may be ordered against a licensee or registrant in accordance with the laws and regulations of the office when the time for appeal has elapsed, the judgment of conviction has been affirmed on appeal, or an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code allowing the person to withdraw his or her plea of guilty and to enter a plea of not guilty, setting aside the verdict of guilty, or dismissing the accusation, complaint, information, or indictment.

(2) The issue of penalty shall be heard by an administrative law judge from the Office of Administrative Hearings. The hearing shall not be had until the judgment of conviction has become final or, irrespective of a subsequent order under Section 1203.4 of the Penal Code, an order granting probation has been made suspending the imposition of sentence, except that a licensee or registrant may, at his or her option, elect to have the issue of penalty decided before those time periods have elapsed. Where the licensee or registrant so elects, the issue of penalty shall be heard in the manner described in subdivision (b) at the hearing to determine whether the conviction was substantially related to the qualifications, functions, or duties of a licensee or registrant. If the conviction of a licensee or registrant who has made this election is overturned on appeal, any discipline ordered pursuant to this section shall automatically cease. Nothing in this subdivision shall prohibit the office from pursuing disciplinary action based on any cause other than the overturned conviction.

(e) The record of the proceedings resulting in a conviction, including a transcript of the testimony in those proceedings, may be received in evidence.

(f) Any other provision of law setting forth a procedure for the suspension or revocation of a license or certificate issued by the office shall not apply to proceedings conducted pursuant to this section.

CHAPTER 3. SCOPE OF PRACTICE

11320. No person shall engage in federally related real estate appraisal activity governed by this part or assume or use the title of or any title designation or abbreviation as a licensed appraiser in this state without first obtaining a license as defined in Section 11302. Any person who willfully violates this provision is guilty of a public offense punishable by imprisonment in the state prison, or in a county jail for not more than one year, or by a fine not exceeding ten thousand dollars ($10,000), or by both the imprisonment and fine. The possession of a license issued pursuant to this part does not preempt the application of other statutes including the requirement for specialized training or licensure pursuant to Article 3 (commencing with Section 750) of Chapter 2.5 of Division 1 of the Public Resources Code.

11320.5. No person or entity shall act in the capacity of an appraisal management company without first obtaining a certificate of registration from the office.

11321. (**a**) No person other than a state licensed real estate appraiser may assume or use that title or any title, designation, or abbreviation likely to create the impression of state licensure as a real estate appraiser in this state.

(**b**) No person other than a licensee may sign an appraisal. A trainee licensed pursuant to Section 11327 may sign an appraisal if it is also signed by a licensee.

(**c**) No person other than a licensee holding a current valid license at the residential level issued under this part to perform, make, or approve and sign an appraisal may use the abbreviation SLREA in his or her real property appraisal business.

(**d**) No person other than a licensee holding a current valid license at a certified level issued under this part to perform, make, or approve and sign an appraisal may use the term "state certified real estate appraiser" or the abbreviation SCREA in his or her real property appraisal business.

11323. No licensee shall engage in any appraisal activity in connection with the purchase, sale, transfer, financing, or development of real property if his or her compensation is dependent on or affected by the value conclusion generated by the appraisal.

11324. An individual who is not a licensee may assist in the preparation of an appraisal under the following conditions:

(**a**) The assistance is under the direct supervision of an individual who is a licensed appraiser and the final conclusion as to value is made by a licensed appraiser.

(**b**) The final appraisal document is approved and signed, with acceptance of full responsibility, by the supervising individual who is licensed by the state pursuant to this part, identifies the assisting individual, and identifies the scope of work performed by the individual who assisted in preparation of the appraisal.

11325. (**a**) The director shall adopt regulations which determine the parameters of appraisal work which may be performed by licensed appraisers.

(**b**) Regulations adopted by the director pursuant to this section shall, at a minimum, meet the standards established by federal financial institution regulatory agencies as required by Section 1112 of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law 101-73.

11326. (**a**) The county assessor shall, upon request, disclose information, furnish abstracts, copies of maps, construction permits, notices of completion, sales confirmation, and permit access to all records in his or her office or branch offices, to the Office of Real Estate Appraisers when it is conducting an investigation related to professional conduct of appraisers.

(**b**) Whenever the assessor discloses information, furnishes abstracts, and all of the above and permits access to records to the Office of Real Estate Appraisers, the office shall reimburse the assessor for any reasonable cost incurred as a result thereof.

11327. The director shall adopt regulations governing the process and procedure of applying for a trainee license, which shall meet, at a minimum, the requirements of the Appraisal Foundation.

11328. To substantiate documentation of appraisal experience, or to facilitate the investigation of illegal or unethical activities by a licensee, applicant, or other person acting in a capacity that requires a license, that licensee, applicant, or person shall, upon the request of the director, submit copies of appraisals, or any work product which is addressed by the Uniform Standards of Professional Appraisal Practice, and all supporting documentation and data to the office. This material shall be confidential in accordance with the confidentiality provisions of the Uniform Standards of Professional Appraisal Practice.

11328.1. If the director has a reasonable belief that a registrant, or person or entity acting in a capacity that requires a certificate of registration, has engaged in activities prohibited under this part, he or she may submit a written request to the registrant, person, or entity, requesting copies of written material related to his or her investigation. Any registrant, person, or entity receiving a written request from the director for information related to an investigation of prohibited activities shall submit that information to the director or the office within a reasonable period of time, which shall be specified by the director in his or her written request. Any material submitted shall be kept confidential by the director and the office.

CHAPTER 4. LICENSES AND CERTIFICATION APPLICATION

11340. The director shall adopt regulations governing the process and the procedure of applying for a license which shall include, but not be limited to, necessary experience or education, equivalency, and minimum requirements of the Appraisal Foundation, if any.

(**a**) For purposes of the educational background requirements established under this section, the director shall grant credits for any courses taken on real estate appraisal ethics or practices pursuant to Section 10153.2, or which are deemed by the director to meet standards established pursuant to this part and federal law.

(**b**) For the purpose of implementing and applying this section, the director shall prescribe by regulation "equivalent courses" and "equivalent experience." The experience of employees of an assessor's office or of the State Board of Equalization in setting forth opinions of value of real property for tax purposes shall be deemed equivalent to experience in federally related real estate appraisal activity. Notwithstanding any other law, a holder of a valid real estate broker license shall be deemed to have completed appraisal license application experience requirements upon proof that he or she has accumulated 1,000 hours of experience in the valuation of real property.

(**c**) The director shall adopt regulations for licensure which shall meet, at a minimum, the requirements and standards established by the Appraisal Foundation, the Resolution Trust Corporation, and the federal financial institutions regulatory agencies acting pursuant to Section 1112 of the Financial Institutions Reform Recovery and Enforcement Act of 1989, Public Law 101-73 (FIRREA). The director shall, by regulation, require the application for a real estate appraiser license to include the applicant's social security number.

(**d**) In evaluating the experience of any applicant for a license, regardless of the number of hours required of that applicant, the director shall apply the same standards to the experience of all applicants.

(**e**) No license shall be issued to an applicant who is less than 18 years of age.

11341. A license issued with an effective date of January 1, 2000, or later shall be valid for two years unless otherwise extended or limited by the director.

11343. (**a**) The office shall submit to the Department of Justice fingerprint images and related information required by the Department of Justice of all real estate appraiser license applicants and each controlling person of each applicant for registration as an appraisal management company, for the purposes of obtaining information as to the existence and content of a record of state or federal convictions and state or federal arrests and also information as to the existence and content of a record of state or federal arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance pending trial or appeal.

(**b**) When received, the Department of Justice shall forward to the Federal Bureau of Investigation requests for federal summary criminal history information received pursuant to this section. The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the office.

(**c**) The Department of Justice shall provide a response to the office pursuant to paragraph (1) of subdivision (p) of Section 11105 of the Penal Code.

(**d**) The office shall request from the Department of Justice subsequent arrest notification service, as provided pursuant to Section 11105.2 of the Penal Code, for persons described in subdivision (a).

(**e**) The Department of Justice shall charge a fee sufficient to cover the cost of processing the request described in this section.

11344. (**a**) Notwithstanding Section 11341, a temporary license may be issued pending the outcome of the fingerprint and background check or as otherwise prescribed by the director. A temporary license is valid for up to 150 days. Unless otherwise prohibited pursuant to Section 11350.6 of the Welfare and Institutions Code, a temporary license may be renewed once at the discretion of the director.

(**b**) The director may issue a probationary license as follows:

(**1**) By term.

(**2**) By conditions to be observed in the exercise of the privileges granted.

11345. The director shall adopt regulations governing the process and procedure of applying for registration as an appraisal management company. Applications for a certificate of registration shall require, at a minimum, all of the following:

(**a**) The name of the person or entity seeking registration.

(**b**) The business address and telephone number of the person or entity seeking registration.

(**c**) If the applicant is not a person or entity domiciled in this state, the name and contact number of a person or entity acting as agent for service of process in this state, along with an irrevocable consent to service of process in favor of the office.

(**d**) The name, address, and contact information for each controlling person employed by the applicant who has operational authority to direct the management of, and establish policies for, the applicant. If the applicant employs more than 10 individuals meeting the criteria of this subdivision, the applicant may list the names, addresses, and contact information for the 10 individuals meeting the criteria who hold the greatest level of management responsibility within its organization.

11345.05. (**a**) A registrant shall notify the office within 10 business days, on a form developed by the office, of any additions, deletions, or changes in the names, addresses, and contact information for the individuals listed on its application.

(**b**) A registrant shall correct information on file with the office within 10 business days of discovering an error in that information, and shall not be subject to disciplinary action by the director or the office for incorrect information the registrant corrects within 10 business days of its discovery as being inaccurate.

11345.1. A certificate of registration as an appraisal management company shall be valid for a period of two years, unless otherwise extended or limited by the director.

11345.2. (**a**) No individual may act as a controlling person for a registrant if any of the following apply:

(**1**) The individual has entered a plea of guilty or no contest to, or been convicted of, a felony.

(**2**) The individual has had a license or certificate to act as an appraiser or to engage in activities related to the transfer of real property refused, denied, canceled, or revoked in this state or any other state.

(**b**) Any individual who acts as a controlling person of an appraisal management company and who enters a plea of guilty or no contest to, or is convicted of, a felony, or who has a license or certificate as an appraiser refused, denied, canceled, or revoked in any other state shall report that fact or cause that fact to be reported to the office, in writing, within 10 days of the date he or she has knowledge of that fact.

11345.3. The director may not issue a certificate of registration to an appraisal management company unless the appraisal management company confirms in its application for registration that all of its contracts with clients include provision of each of the following as standard business practices, as and where applicable:

(**a**) Ensuring that independent contractor appraisers contracted by the applicant possess all required licenses and certificates from the office.

(**b**) Reviewing the work of all independent contractor appraisers contracted by the applicant to ensure that appraisal services are performed in accordance with the Uniform Standards of Professional Appraisal Practice.

(**c**) Maintaining records of each of the following for each service request:

(**1**) Date of receipt of the request.

(**2**) Name of the person from whom the request was received.

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

(**4**) The appraiser or appraisers assigned to perform the contracted service.

(**5**) Date of delivery of the appraisal product to the client.

11345.4. No person or entity acting in the capacity of an appraisal management company shall improperly influence or attempt to improperly influence the development, reporting, result, or review of any appraisal through coercion, extortion, inducement, collusion, bribery, intimidation, compensation, or instruction. Prohibited acts include, but are not limited to, the following:

(**a**) Seeking to influence an appraiser to report a minimum or maximum value for the property being valued. Such influence may include, but is not limited to, the following:

(**1**) Requesting that an appraiser provide a preliminary estimate or opinion of value for one or more properties prior to entering into a contract with that appraiser for appraisal services related to that property or properties.

(2) Conditioning whether to hire an appraiser based on an expectation of the value conclusion likely to be returned by that appraiser.

(3) Conditioning the amount of an appraiser's compensation on the value conclusion returned by that appraiser.

(4) Providing an appraiser with an anticipated, estimated, encouraged, or desired valuation prior to their completion of an appraisal.

(b) Withholding or threatening to withhold timely payment to an appraiser because the person does not return a value at or above a certain amount.

(c) Implying to an appraiser that current or future retention of that appraiser depends on the amount at which the appraiser estimates the value of real property.

(d) Excluding an appraiser who prepares an appraisal from consideration for future engagement because the appraiser reports a value that does not meet or exceed a predetermined threshold.

(e) Conditioning the compensation paid to an appraiser on consummation of the real estate transaction for which the appraisal is prepared.

(f) Requesting the payment of compensation from an appraiser for purposes of enabling that appraiser to achieve higher priority in the assignment of appraisal business.

(g) Nothing in this section prohibits a person or entity acting in the capacity of an appraisal management company from doing any of the following:

(1) Asking an appraiser to do any of the following:

(A) Consider additional, appropriate property information, including information about comparable properties.

(B) Provide further detail, substantiation, or explanation for the appraiser's value conclusion.

(C) Correct errors in an appraisal report.

(2) Obtaining multiple valuations, for purposes of selecting the most reliable valuation.

(3) Withholding compensation due to breach of contract or substandard performance of services.

(4) Providing a copy of the sales contract in connection with a purchase transaction.

11345.45. A person or entity may not structure an appraisal assignment or a contract with an independent appraiser for the purpose of evading the provisions of this part relating to appraisal management companies.

11345.6. (a) No registered appraisal management company may alter, modify, or otherwise change a completed appraisal report submitted by an independent appraiser, including, without limitation, by doing either of the following:

(1) Permanently removing the appraiser's signature or seal.

(2) Adding information to, or removing information from, the appraisal report with an intent to change the value conclusion.

(b) No registered appraisal management company may require an appraiser to provide it with the appraiser's digital signature or seal. However, nothing in this subdivision shall be deemed to prohibit an appraiser from voluntarily providing his or her digital signature or seal to another person.

11345.7. No person or entity preparing an appraisal or performing appraisal management functions in connection with the origination, modification, or refinancing of a mortgage loan

shall have a prohibited direct or indirect interest, financial or otherwise, in the property or the transaction for which the appraisal or appraisal management functions are performed, within the meaning of Section 226.42(d) of Title 12 of the Code of Federal Regulations and the accompanying commentary contained in Volume 75 of the Federal Register, page 66554, dated October 28, 2010.

11346. The provisions of this part relating to appraisal management companies shall cease to be operative 60 days after the effective date of a federal law that mandates the registration or licensing of appraisal management companies with an entity other than the state regulatory authority with jurisdiction over licensed and certified appraisers.

CHAPTER 5. RECIPROCITY OF LICENSES AND CERTIFICATION

11350. The director shall adopt regulations governing the process and procedure of applying for reciprocity, which shall meet, at a minimum, the requirements of the Appraisal Subcommittee.

11351. Temporary practice is not required under this chapter if the appraiser from another state assists in the performance of the appraisal as provided by Section 11324.

11352. The director shall adopt regulations governing the process and procedure of applying for temporary practice, which shall meet, at a minimum, the requirements of the Appraisal Subcommittee.

CHAPTER 6. CONTINUING EDUCATION

11360. (**a**) The director shall adopt regulations governing the process and procedures for renewal of a license which shall include, but not be limited to, continuing education requirements, which shall be reported on the basis of four-year continuing education cycles.

(**b**) An applicant for renewal of a license shall be required to demonstrate his or her continuing fitness to hold a license prior to its renewal. Applicants shall also fulfill continuing education requirements established pursuant to this section and may certify that they have read and understand all applicable California and federal laws and regulations pertaining to the licensing and certification of real estate appraisers in lieu of being required to take a minimum of four hours of federal and California appraisal related statutory and regulatory law every four years.

(**c**) This section shall remain in effect only until January 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2013, deletes or extends that date.

11360. (**a**) The director shall adopt regulations governing the process and procedures for renewal of a license which shall include, but not be limited to, continuing education requirements, which shall be reported on the basis of four-year continuing education cycles.

(**b**) An applicant for renewal of a license shall be required to demonstrate his or her continuing fitness to hold a license prior to its renewal. Applicants shall also fulfill continuing education requirements established pursuant to this section and shall be required to take a minimum of four hours of federal and California appraisal related statutory and regulatory law every four years.

(**c**) This section shall become operative on January 1, 2013.

11361. The director shall adopt regulations for implementation of this chapter to ensure that persons engaged in appraisal activity have current knowledge of real estate appraisal theories, practices, and techniques which will provide a high degree of service and protection to the public.

CHAPTER 7. FEES

11400. (**a**) Initial application fees shall be paid to the office at the time of application.
(**b**) All issuance-related fees shall be paid to the office at the time the issuance application is submitted to the office.
(**c**) All fees shall be paid by cashier's check, certified check, money order, or government purchase order. In addition, the office may accept personal checks or credit cards for the payment of fees. All fees shall be deemed earned by the office upon receipt and are refundable at the discretion of the director.

11401. (**a**) The fee to take an examination or reexamination for a license shall be set at an amount not to exceed the cost to the office as determined by competitive bid.
(**b**) The director may provide that the applicant pay the fee directly to the examination provider.

11404. The fee for an original or renewal real estate appraiser license or appraiser trainee license shall not exceed four hundred fifty dollars ($450), which includes the application and issuance fees.

11405. The fee for an original or renewal certification as a state certified real estate appraiser shall not exceed five hundred twenty-five dollars ($525), which includes the application and issuance fees.

11406. (**a**) The director shall by regulation establish fees for approval of basic education and continuing education courses or their equivalent, or for the evaluation of petitions of applicants based upon claims of equivalency pursuant to Section 11340. The fees established by regulation shall be sufficient to cover the costs incurred by the office in processing applications for course approvals and petitions for equivalency.
(**b**) The director shall by regulation establish fees for approval of courses of study required to be taken by applicants for licenses. The fees established by regulation shall be sufficient to cover the costs incurred by the office in processing applications for course approvals and petitions for equivalency.

11406.5. The director shall, by regulation, establish the fees to be imposed on appraisal management companies. The fees shall be sufficient to cover the costs incurred by the office in administering the changes to this part made by the act adding this section.

11407. The director may by regulation prescribe fees lower than the maximum fees established by this chapter if he or she determines that lower fees will be adequate to offset the costs incurred by the office and the committee in the administration of this part.

11408. (**a**) Application for issuance of a license must be submitted to the office within one year of the successful completion of the examination.

(**b**) Every applicant or licensee shall pay federal registry fees and state registry processing fees to the state as required as part of issuance-related fees.

11409. (**a**) Except as otherwise provided by law, any order issued in resolution of a disciplinary proceeding may direct a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, registrant, applicant for a certificate of registration, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation found to have committed a violation or violations of statutes or regulations relating to real estate appraiser practice to pay a sum not to exceed the reasonable costs of investigation, enforcement, and prosecution of the case.

(**b**) Where an order for recovery of costs is made and payment is not made within 30 days of the date directed in the office's decision, the order for recovery shall constitute a valid and enforceable civil judgment. This judgment shall be in addition to, and not in place of, any other criminal or civil penalties provided for by law.

(**c**) (**1**) Failure of a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, registrant, applicant for a certificate of registration, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation to pay recovery costs or make a recovery cost payment within 30 days of the date ordered, shall result in disciplinary action by the office. If the person fails to pay recovery costs within 30 days, that person shall pay interest and a penalty of 10 percent of the recovery costs or payment amount. Interest shall be charged at the pooled money investment rate.

(**2**) If recovery costs are not paid as ordered, the full amount of the assessed fine shall be added to any fee for renewal of a license or a certificate of registration. A license or a certificate of registration shall not be renewed prior to payment of the renewal fee and recovery costs.

(**3**) The director may order the full amount of any recovery costs to be immediately due and payable if any payment on the recovery costs, or portion thereof, is not received within 30 days of its due date.

(**4**) Any recovery costs, or interest thereon, not paid within 30 days of a final order shall constitute a valid and enforceable civil judgment.

(**d**) A certified copy of the office's decision shall be conclusive proof of the validity of the order and its terms.

(**e**) The office shall not renew or reinstate the license of any licensee or the certificate of registration of any registrant who has failed to pay all of the costs ordered under this section.

(**f**) Nothing in this section shall preclude the office from including the recovery of the costs of investigation and enforcement of a case in any default decision or stipulated settlement.

CHAPTER 8. REAL ESTATE APPRAISERS REGULATION FUND

11410. The Real Estate Appraisers Regulation Fund is hereby created in the State Treasury to consist of moneys raised by fees and assessments imposed pursuant to this part. Interest shall be paid at the pooled money investment rate on all money transferred to the General Fund from the Real Estate Appraisers Regulation Fund, notwithstanding the provisions of Section 16310 of the Government Code.

11411. There shall be separate accounts in the Real Estate Appraisers Regulation Fund for purposes of administration and for purposes of recovery. These accounts shall be known respectively as the Administration Account and the Recovery Account. On and after January 1, 2003, 5 percent of the amount of any license or certificate fee collected under this part shall be credited to the Recovery Account. The Recovery Account is a continuing appropriation for carrying out this chapter.

11412. (**a**) On or before January 1, 2002, the director shall determine the number of complaint cases containing judicial findings of fraud that may be eligible for recovery pursuant to future regulations that are closely analogous to those which have been adopted for the Real Estate Recovery Fund established in Chapter 6.5 (commencing with Section 10470) of Part 1. This information shall be used by the director to determine whether a real estate appraiser Recovery Account is necessary or whether to recommend that it should be eliminated.

(**b**) On or before January 1, 2004, regulations shall be adopted for administration of the Recovery Account, which shall include claims, funding, and administrative procedures closely analogous to those which have been adopted for the Real Estate Recovery Fund established in Chapter 6.5 (commencing with Section 10470) of Part 1.

(**c**) The statute of limitations for claims against the fund arising between the effective date of this part and the creation of the fund shall be tolled until the date the fund is created.

CHAPTER 9. MISCELLANEOUS

11422. The office shall, on or before February 1, 1994, and at least annually thereafter, transmit to the appraisal subcommittee specified in subdivision (e) of Section 11302 a roster of persons licensed pursuant to this part.

11423. (**a**) For purposes of this section:

(**1**) "Applicant" means a person who has made a written request for an extension of credit which is proposed to be secured by real property. The term does not include a guarantor, surety, or other person who will not be directly liable on the loan.

(**2**) "Appraisal" shall have the same meaning as set forth in subdivision (b) of Section 11302.

(**3**) "Residential real property" means real property located in the State of California containing only a one-to-four family residence.

(**b**) A lender in a loan transaction secured by real property shall provide notice as described in this section to a loan applicant of the applicant's right to receive a copy of the appraisal, provided he or she has paid for the appraisal.

An 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 application, including a notice of incompleteness, or (2) the application has been withdrawn.

(**c**) The lender shall mail or deliver a copy of an appraisal within 15 days after receiving a written request from the applicant, or within 15 days after receiving the appraisal, whichever occurs later.

(**d**) Where the loan is proposed to be secured by residential real property, the notice of the applicant's right to a copy of the appraisal as provided in subdivision (b) shall be given in at least 10-point boldface type, as a separate document in a form that the applicant may retain, and no later than 15 days after the lender receives the written application. The notice shall specify that

the applicant's request for the appraisal must be in writing and must be received by the lender no later than 90 days after the lender provides notice of the action taken on the application or a notice of incompleteness, or in the case of a withdrawn application, 90 days after the withdrawal. An address to which the request should be sent shall be specified in the notice. Release of the appraisal to the applicant may be conditioned upon payment of the cost of the appraisal.

(**e**) Where the loan is proposed to be secured by nonresidential real property, the notice of the applicant's right to a copy of the appraisal shall be given within 15 days of receiving the appraisal. The notice shall specify that the applicant's request for a copy of the appraisal must be in writing and that the request must be made within the time specified in subdivision (b) and that the applicant is only entitled to receive the appraisal or appraisals obtained by the lender for the purpose of evaluating the applicant's pending request for an extension of credit. Release of the appraisal to the applicant may be conditioned upon payment of the cost of the appraisal and the cost of duplicating the appraisal.

(**f**) Nothing in this section is intended to effect a change in current law in any manner with respect to reliance on an appraisal by anyone other than the lender who released the appraisal.

(**g**) This section does not apply to appraisals obtained by lenders on property owned by the lender, nor to appraisals obtained by the lender in anticipation of modifying any existing loan agreement if the lender has not charged for the appraisal.

(**h**) In the case of loans secured by residential real property, compliance with Regulation B (12 CFR Part 202 et seq.) of the Federal Reserve Board is deemed to be compliance with the provisions of this section and Section 10241.3.

(**i**) This section is in addition to any right of access to appraisals that exists under any other provision of state or federal law.