

The California Appraiser

News From The California Bureau Of Real Estate Appraisers

Fall 2020

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

Message from the Bureau

This year, the Bureau's appraisers, members of the public, and staff have faced many new challenges. Modified business practices were implemented with short notice. Office hours were changed due to various events. Through it all, the Bureau's whole community has worked admirably together to continue business as normal.

The successful changes of the past few months have been possible due to plenty of patience and flexibility. While change can often bring about frustration, it can also bring opportunities for growth and success. At the Bureau, we will continue to adapt as needed to provide services and safeguard the public trust in the real estate appraisal industry.

As always, the Bureau will continue to deliver updates and information through email, Facebook, and its website. The office is a call or email away at (916) 552-9000 or info@brea.ca.gov.

Did You Know?

Form Revision Dates

Using the most up-to-date forms is crucial for timely application processing and can help avoid delays in getting a license or certification. The forms provided on the Bureau's website, www.brea.ca.gov, under *Forms and Publications* are the current versions.

Application Processing Times

The Bureau has up to 90 days to respond to applications! Thanks to the hard work of the Bureau's Licensing Unit, processing typically does not take that long. However, ensuring the application is complete will help eliminate delays for missing items or incorrect information.

Keeping Up With The Appraisal Foundation

Want to stay on top of breaking news from The Appraisal Foundation or receive drafts of proposed changes by the Appraisal Standard Board (ASB) and Appraiser Qualifications Board (AQB)? Go to www.theappraisalfoundation.org, click on Sign In, and register!

Practical Applications Of Real Estate Appraisal

The Appraisal Foundation's AQB adopted the Practical Applications of Real Estate Appraisal (PAREA), effective January 1, 2021. These new minimum criteria may provide an option for aspiring residential appraisers to fulfill up to 50% of the California experience requirement. As this is a new development, it is unknown when providers will have approved PAREA programs and if they will qualify for experience.

Exam Results

California Appraisers Examination statistics from January 1 through June 30, 2020, as provided by PSI Services (formerly Applied Measurement Professionals, Inc.). These numbers indicate the pass rate by candidate and exam type.

A total of 33 Certified General examinations were given. Of those exams, 58% of candidates passed the first time, 44% passed after a repeat attempt, with a total of 55% passing.

A total of 64 Certified Residential examinations were given. Of those exams, 67% of candidates passed the first time, 38% passed after a repeat attempt, with a total of 50% passing.

A total of 39 Residential examinations were given. Of those exams, 50% of candidates passed the first time, 12% passed after a repeat attempt, with a total of 33% passing.

Enforcement/Licensing

Trainee/Supervisor's Corner

These tips can help applicants with the experience hours.

- Applicants with a Trainee License must ensure the supervisor has passed the Supervisor/Trainee course before the trainee can accrue experience hours for the log of appraisal experience signed by that supervisor.
- Applicants can only include appraisal reports on their log when they were a signatory or they were identified by name in the report as having provided significant real property appraisal assistance. See the Bureau's spring 2016 newsletter on writing Significant Real Property Appraisal Assistance Statements. (The Bureau's newsletters are available at www.brea.ca.gov, under *Forms and Publications*.)
- Applicants should understand that who inspects the subject and comparable properties is a scope of work issue. Appraisers must read and adhere to all language regarding inspection in the engagement letter and the certifications in the appraisal form (if using a form). For example,

the appraiser who signs on the left side of a URAR form certifies they personally performed a complete interior and exterior inspection the subject property, so it would be inappropriate for the trainee to be the only one who inspected unless he/she signed on the left. (See the Scope of Work section and Appraiser's Certification #2 on pages 4 and 5 of the URAR.)

Look at the new Log of Appraisal Experience! The Categories of Experience are no longer applicable. Now the applicant and supervisor just check the box of the tasks/analyses performed. There is a completed example of the new experience log online; find it at www.brea.ca.gov, under Forms and Publications, then All Forms, then Log of Appraisal Experience (Form 3004) Example.

The Bureau has an investigator on staff who devotes time specifically to answering questions from trainees and supervisors. Call the Bureau's main line, (916) 552-9000, select "Enforcement" and ask for the "Trainee Outreach Coordinator." For more information, see the Bureau's licensing handbook, available at www.brea.ca.gov under Licensing & Registration.

CAUTION! Zoning Is Critical!

How do appraisers best determine the zoning for a property? They verify the zoning through a primary source such as the local jurisdiction's:

- Planning website
- Zoning map(s)
- Planner

Zoning reported on secondary data sources might be inaccurate! Secondary sources can state the wrong zoning or not be up to date with the correct zoning. Appraisers must report the correct zoning. Thus, relying on a secondary source can result in a violation of the Uniform Standards of Professional Appraisal Practice (USPAP). Consider the following example:

Property A is a 10,000-square-foot lot within the city limits and improved with a house. The secondary source reported the zoning for Property A as *R1*, or *SFR*, or *Res*. However, when the appraiser contacts the city planner, the appraiser learns the zoning is *R-2000*. If the appraiser relied on the secondary source they would have reported the wrong zoning, which would result in an incorrect highest and best use analysis and a potential reduction in support for the comparables selected.

The appraiser is a professional their client relies on for knowledgeable opinions. Appraisal credibility requires the analysis and reporting of correct zoning obtained from a primary source.

How Does Fingerprinting Work?

All new applicants must submit their fingerprints and related information to the Department of Justice for review. The applicant's location determines the required method of delivery of their fingerprint images.

1. Live Scan—Applicants residing in California shall deliver their fingerprints via Live Scan with the form BCIA 8016, Request for Live Scan Service. The fingerprint results will be submitted

electronically and returned to the Bureau electronically. Live Scan locations can be found here: <https://oag.ca.gov/fingerprints/locations>.

2. Fingerprint Cards (FD-258)—Applicants residing outside of California shall have their fingerprints rolled on two standard FD-258 cards and then mail the cards to the Bureau. The Bureau will submit the fingerprints on the FD-258 for review and the results will be returned to the Bureau electronically.

Use the Request for Live Scan Service form from our website, as it has important application information on it. The form can be found under *Forms & Publications* and *All Forms*.

Can't find FD-258 fingerprint cards? The Bureau can help. Give the Licensing Unit a call at (916) 552-9000 and they will forward the cards via mail.

When visiting fingerprinting locations, it is recommended that applicants follow all posted and verbal instructions regarding physical distancing and hand sanitation. The Department of Justice has issued recommended best practices for visiting these locations: Go to <https://oag.ca.gov/search-results/?query=fingerprints>.

Frequently Asked Question

Licensing, Education, Enforcement, Legal

I am changing the designated officer for my Appraisal Management Company (AMC). What do I need to do?

First and most importantly, all changes to designated officers and controlling persons **must** be reported to the Bureau within 10 days. To update this information, complete form REA 5011, AMC Change Notification and Miscellaneous Requests. The form provides detailed instructions on what sections need to be filled out and the additional documentation that is needed to add or remove controlling persons.

Licensing Stats

The following chart shows the breakdown of the licensed appraiser population by license level type. As of October 16, 2020, there are 9,630 active appraisers. Six percent are at the Trainee level, 10% are at the Residential level, 54% are at the Certified Residential level, and 30% are at the Certified General level.

BREA Licensing Stats for October 16, 2020

Active Licensees: 9,630

Trainee 6%

Residential 10%

Certified Residential 54%

Certified General 30%

Enforcement Actions

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

For a description of the criteria followed by the Bureau in enforcement matters, refer to Title 10, Article 12 (commencing with section 3721) of the California Code of Regulations. Additional information on the individual published actions is also available on the Bureau's website, www.brea.ca.gov.

CITATIONS			
Licensee	Final Order on Citation Date	Discipline	Violation(s)
Trainee Licensee	3/27/2020	\$10,000 fine.	Violations of California Business and Professions Code 11320, 11321(a), and 11328: used a license number in a report when not an active licensee, used a false date of license expiration in a report that created the impression of being an active licensee, and failed to respond in a timely manner to a written request to produce documentation to facilitate an investigation.
Certified Residential Licensee	6/23/2020	\$1,000 fine, 4 hours Appraiser Self-Protection: Documentation and Record Keeping.	Violations of USPAP Standards 1 and 2, Conduct section of the Ethics Rule, and Record Keeping Rule: failed to develop a credible opinion of site value, removed trademark/logos from third-party photographs of comparable sales without providing alternate citation as to their true source, and failed to maintain a copy of

			the engagement letter in the work file.
Residential Licensee	7/3/2020	\$2,500 fine, 4 hours Scope of Work: Appraisals and Inspections, and 4 hours What Am I Signing and Why.	Violations of USPAP Standards 1 and 2, Conduct section of the Ethics Rule, and Scope of Work Rule: failed to correctly report the subject's zoning classification/description, failed to reconcile the relevance of all three approaches to value, false certification of an interior inspection of the subject property, false certification that no one provided significant real property appraisal assistance, removed trademark/logos from third-party photographs of comparable sales without providing alternate citation as to their true source, failed to use original photographs of comparable sales as required by the scope of work.
Certified Residential Licensee	8/18/2020	\$1,000 fine and 4 hours Appraiser Self Protection: Documentation and Record Keeping.	Violations of USPAP Confidentiality section of the Ethics Rule and Record Keeping Rule: disclosed confidential information to a third party without client authorization and did not maintain a compliant work file.

CITATIONS (continued)

Licensee	Final Order on Citation Date	Discipline	Violation(s)
Certified Residential Licensee	8/28/2020	\$3,000 fine, 15-hour USPAP, 30 hours General Appraiser Sales Comparison Approach, 4 hours Scope of Work: Appraisals and Inspections, 4 hours Appraiser Self Protection: Documentation and Record Keeping.	Violations of USPAP Standards 1 and 2, Competency Rule, and Scope of Work Rule: failed to report and analyze the subject's development density restrictions under the zoning code, failed to support the excess land determination and its impact on value of the subject's undeveloped area, failed to report and analyze the Highest and Best Use of the subject, improperly utilized unsupported income and dissimilar yard rent comparables, failed to provide market support for adjustments applied to the comparable sales, and failed to provide a credible reconciliation of the values presented in the appraisal report.
Certified Residential Licensee	9/8/2020	\$2,000 fine, 15-hour Advanced Residential Applications and Case Studies, and 4 hours Scope of Work: Appraisals and Inspections.	Violations of USPAP Standards 1 and 2, Conduct section of the Ethics Rule, and Scope of Work Rule: failed to correctly report the subject's zoning classification/description/compliance, failed to provide the highest and best use analysis, failed to identify/analyze adverse external influences, failed to provide a credible cost approach, removed trademark/logos from third-party photographs

			of comparable sales without providing alternate citation as to their true source, failed to use original photographs of comparable sales as required by the scope of work.
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PUBLISHED DISCIPLINARY ACTIONS				
Licensee	License No.	Business City	Order Effective	Outcome
Straaberg, Laura	028791	Vacaville	3/11/2020	Probation
Galvan, Sky	044405	Kent	3/27/2020	Monetary fine, probation
Hill, Leland	004947	Westminster	5/1/2020	Revocation
McVicker, Patrick	029525	Oxnard	5/4/2020	Voluntary surrender
AMR Appraisals, Inc. dba Got Appraisals	001253	San Ramon	5/27/2020	Monetary fine
Kim, Justin	010418	Los Angeles	6/5/2020	Voluntary surrender
Jacobs, Michael	029338	Laguna Niguel	7/11/2020	Monetary fine, revocation
Bowden, David	037110	Benecia	7/20/2020	Additional education, monetary fine, probation
Anthem Marketing Services, Inc. dba Apex Appraisals	3005204	Cerritos	9/5/2020	Monetary fine, revocation
Gordon, Darrell	006484	Cardiff by the Sea	10/28/2020	Surrender
Tish, Stanley	012697	Tracy	11/01/2020	Suspension

Reminders: Failure to Notify BREA in a Timely Manner Can Result in License Discipline

1. Notify the Bureau of any changes to your contact information. California Code of Regulations section 3527 requires written notification to BREa within 10 days of any change to:

- (1) Name.
- (2) Residence or business phone number.
- (3) Residence, business, or mailing address.
- (4) Out-of-state address.

(a) Changes to an out-of-state address require a Consent to Service of Process form (REA 3006).

Use the Change Notification and Miscellaneous Requests form (REA 3011) available on our website, www.brea.ca.gov; click on Forms. Submit by mail the completed and signed form, the required fee, and any necessary documentation to:

Bureau of Real Estate Appraisers
3075 Prospect Park Drive, Suite 190
Rancho Cordova, CA 95670

Note: Although not a requirement, you can also use form REA 3011 to provide or update your email address, which will allow BREa to send you newsletters and other important information.

2. Notify BREa of any convictions, felony charges, or other license discipline. Business and Professions Code section 11318 requires that all licensees, applicants, and course providers report to BREa in writing within 30 days of any of the following:

- (1) Felony charges.
 - (2) Misdemeanor or felony convictions (including pleas).
 - (3) 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 license or course provider by any other regulatory agency.
3. If you have questions about these notification requirements, contact BREa at (916) 552-9000.

State of California

Department of Consumer Affairs

Bureau of Real Estate Appraisers

3075 Prospect Park Drive, Suite 190

Rancho Cordova, CA 95670

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www.brea.ca.gov

