

Barclays Official California Code of Regulations Currentness

Title 10. Investment

Chapter 6. Real Estate Commissioner

Article 11. Licensee Ethics (Refs & Annos)

10 CCR § 2785

§ 2785. Improper Influence of Real Property Appraisers.

(a) In conformance with [Civil Code section 1090.5](#), real estate licensees engaged in a real estate transaction involving an appraisal shall not improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan. For the purposes of the Real Estate Law, “improper influence” as the term is used in [Civil Code section 1090.5](#), includes but is not limited to:

- (1) withholding or threatening to withhold timely payment or partial payment for a completed appraisal report, regardless of whether a sale or financing transaction closes;
- (2) withholding or threatening to withhold future business from an appraiser, or demoting or terminating or threatening to demote or terminate an appraiser;
- (3) expressly or impliedly promising future business, promotions, or increased compensation for an appraiser;
- (4) conditioning the ordering of an appraisal report or the payment of an appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from an appraiser;
- (5) requesting that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that an appraiser provide estimated values or comparable sales at any time prior to the appraiser’s completion of an appraisal report;
- (6) providing to an appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- (7) requesting the removal of language related to observed physical, functional or economic obsolescence, or adverse property conditions noted in an appraisal report;

(8) providing to an appraiser, appraisal company, or appraisal management company, stock or other financial or non-financial benefits.

(b) Subdivision (a) does not prohibit a person with an interest in a real estate transaction from asking an appraiser to do any of the following:

(1) Consider additional, appropriate property information.

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

(3) Correct errors in the appraisal report.

(c) Nothing in this section shall be construed to authorize communications that are otherwise prohibited under existing law.

Note: Authority cited: [Section 10080, Business and Professions Code](#). Reference: [Section 1090.5, Civil Code](#).

HISTORY

1. New article 11 (section 2785) and section filed 9-26-2011; operative 10-26-2011 (Register 2011, No. 39). For prior history of article 11, section 2785, see Register 96, No. 46.

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10 CCR § 2785, 10 CA ADC § 2785

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Barclays Official California Code of Regulations Currentness

Title 10. Investment

Chapter 6.5. Real Estate Appraisers

Article 1. Definitions

10 CCR § 3500

§ 3500. Meaning of Words and General Definitions.

(a) Words shall have their usual meaning unless the context or a definition clearly indicates a different meaning. Words used in their present tense include the future tense and words in the singular form include the plural form. Use of the word “shall” or “must” denotes mandatory conduct; “may” denotes permissive conduct; and “should” denotes recommended conduct.

(b) As used in these regulations, the following words and phrases shall have the following definitions:

(1) “Applicant” means a natural person who has made application to be a State Licensed Real Estate Appraiser, a State Certified Real Estate Appraiser, a Course Provider or a person who has applied for a Trainee License, a Reciprocal License or a Temporary Practice Permit. Applicant also means an entity or Controlling Person that has applied for a Certificate of Registration as an Appraisal Management Company;

(2)(A) “Appraisal Management Company” means any person or entity that satisfies all of the following conditions:

1. Maintains an approved list or lists, containing 11 or more independent contractor appraisers licensed or certified pursuant to Part 3 (commencing with section 11300), of Division 4 of the Business and Professions Code or employs 11 or more appraisers licensed or certified pursuant to that Part.

2. Receives requests for appraisals from one or more clients.

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

(B) “Appraisal Management Company” does not include any of the following, when that person or entity directly contracts with an independent appraiser:

1. 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.

2. 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.

3. 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.

4. 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.

(C) “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;

(3) “Appraisal Standards Board (ASB)” means the board of The Appraisal Foundation;

(4) “Appraisal Subcommittee (ASC)” means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(5) “Appraiser” means an individual who holds a license issued by the Bureau of Real Estate Appraisers;

(6) “Appraiser Qualifications Board (AQB)” means the subcommittee of The Appraisal Foundation. The “Appraiser Qualifications Board” (AQB) is the board of The Appraisal Foundation which promulgates the minimum national requirements for licensure for licensed appraisers. The minimum national requirements includes the interpretations and clarification’s of the appraiser qualifications criteria issued by AQB;

(7) “Certificate of Registration” means a certificate issued by the California Bureau of Real Estate Appraisers verifying the registration of a person or entity as approved to conduct business in California as an Appraisal Management Company.

(8) “Controlling Person” means one of more of the following:

(A) An officer or director of an Appraisal Management Company, or an individual that holds 10% or greater ownership interest in an Appraisal Management Company.

(B) 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.

(C) An individual who possesses the power to direct or cause the direction of the management or policies of an Appraisal Management Company.

(9) "Course Provider" means a person or organization that has been approved by the Bureau of Real Estate Appraisers to provide educational courses within the parameters set forth herein.

(10) "Designated Officer" means a Controlling Person authorized by the governing structure of the Appraisal Management Company to act on behalf of the company for purposes of application for, and compliance with, a Certificate of Registration to operate as an Appraisal Management Company pursuant to California law. The Designated Officer shall be responsible for the supervision and control of activities conducted on behalf of the Appraisal Management Company by its officers and employees as necessary to secure full compliance with the provisions of SB 237 (Chapter 173, Statutes of 2009), including contract services provided to the Appraisal Management Company for the performance of appraisal activities for which a California Real Estate Appraisal license is required.

(11) "Chief" means the Chief of BREA or his or her designee;

(12) "FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, [Public Law 101-73](#) and any amendments thereto;

(13) "Non-residential property" means all other property except one to four unit residential structures and land suitable for one to four unit residential use;

(14) "Bureau" means the Bureau of Real Estate Appraisers, and/or the Chief;

(15) "BRE" means the Bureau of Real Estate Appraisers;

(16) "Registrant" means a person or entity authorized to conduct business as an Appraisal Management Company in California through issuance of a Certificate of Registration by the California Bureau of Real Estate Appraisers.

(17) “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;

(18) “Residential property” means real property containing, and land suitable for, four or fewer residential units.

(19) “Uniform Standards of Professional Appraisal Practice; (USPAP)” means those standards as adopted by the Appraisal Standards Board of the Appraisal Foundation.

Note: Authority cited: [Sections 11310, 11313, 11314, 11316, 11350 and 11361, Business and Professions Code](#). Reference: [Sections 10, 11302, 11310, 11360 and 11361, Business and Professions Code](#).

HISTORY

1. New chapter 6.5, article 1 and section filed 6-7-94; operative 6-7-94 (Register 94, No. 23). For prior history, see Register 93, No. 8.
2. Amendment of section and Note filed 11-1-96; operative 11-1-96 pursuant to [Government Code section 11343.4\(d\)](#) (Register 96, No. 44).
3. Amendment of subsection (b)(1), new subsection (b)(6), subsection renumbering and amendment of Note filed 8-8-2006; operative 9-7-2006 (Register 2006, No. 32).
4. Amendment filed 1-21-2010 as an emergency; operative 1-21-2010 (Register 2010, No. 4). A Certificate of Compliance must be transmitted to OAL by 7-20-2010 or emergency language will be repealed by operation of law on the following day.
5. Amendment refiled 7-21-2010 as an emergency; operative 7-21-2010 (Register 2010, No. 30). A Certificate of Compliance must be transmitted to OAL by 10-19-2010 or emergency language will be repealed by operation of law on the following day.
6. Amendment refiled 10-18-2010 as an emergency; operative 10-18-2010 (Register 2010, No. 43). A Certificate of Compliance must be transmitted to OAL by 1-18-2011 or emergency language will be repealed by operation of law on the following day.
7. Certificate of Compliance as to 10-18-2010 order transmitted to OAL 12-17-2010 and filed 1-31-2011 (Register 2011, No. 5).
8. Change without regulatory effect amending subsections (b)(5), (b)(7), (b)(9), (b)(11) and (b)(14)-(16) filed 2-11-2014 pursuant to [section 100, title 1, California Code of Regulations](#) (Register 2014, No. 7).

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