

*State of California*

***OFFICE OF***

***REAL ESTATE***

***APPRAISERS***



*Licensing Requirements Handbook*  
***Licensing Requirements Handbook***



State of California

## **OFFICE OF REAL ESTATE APPRAISERS**

**ARNOLD SCHWARZENEGGER**  
GOVERNOR

**JANUARY 1, 2007**



**1102 Q STREET, SUITE 4100  
SACRAMENTO, CALIFORNIA 95811  
Telephone (916) 552-9000  
fax (916) 552-9007**

**website: [www.orea.ca.gov](http://www.orea.ca.gov)**



# Table of Contents

INTRODUCTION.....	1
<i>Background.....</i>	1
<i>Office of Real Estate Appraisers .....</i>	1
<i>Purpose of the Handbook.....</i>	1
<i>Licensing Criteria.....</i>	2
<i>Licensing Criteria Effective January 1, 2008.....</i>	3
APPLICATION PROCEDURES .....	4
<i>Application Process.....</i>	4
<i>Initial Application.....</i>	4
<i>Reciprocal Application .....</i>	5
<i>Out-of-State Licensees.....</i>	5
<i>Upgrade Application .....</i>	6
<i>Renewal process .....</i>	7
<i>Temporary Practice Permit .....</i>	8
EDUCATION REQUIREMENTS.....	9
<i>Basic Education Requirements.....</i>	9
<i>Continuing Education Requirements.....</i>	10
<i>Acceptable Types of Courses .....</i>	12
<i>Course Credit Requirements.....</i>	13
<i>Determining Hours of Credit for College Courses.....</i>	13
<i>Foreign Education.....</i>	13
WORK EXPERIENCE.....	14
<i>Categories of Experience .....</i>	14
<i>Other Acceptable Experience .....</i>	16
<i>Documenting Experience .....</i>	16
<i>Earning Acceptable Experience as a Trainee.....</i>	17
<i>Obtaining Experience Without a License .....</i>	18
EXAMINATION AND ISSUANCE .....	18
OTHER APPLICATION INFORMATION .....	21
<i>Investigation of Offenses .....</i>	21
<i>Due Diligence.....</i>	22
<i>Refunds .....</i>	22
<i>Change of Address.....</i>	22
APPENDIX A BASIC EDUCATION TOPICS.....	23
APPENDIX B 2008 BASIC EDUCATION MODULES AND SUBTOPICS.....	24
APPENDIX C BASIC EDUCATION MODULE REQUIREMENTS.....	27
REFERENCE GUIDE.....	28



# INTRODUCTION

## BACKGROUND

In 1989, Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) was enacted by Congress, mandating all states to license real estate appraisers who appraise real property in federally related transactions.

In response to the federal mandate, the Real Estate Appraisers' Licensing and Certification law was passed by the California Legislature in 1990 (AB 527, Chapter 491 of 1990). The law charged the Office of Real Estate Appraisers (OREA) with licensing real estate appraisers in the State of California and enforcing national ethical and professional standards and qualifications that comply with the mandate.



## OFFICE OF REAL ESTATE APPRAISERS

### Mission

To protect public safety by ensuring the competency and integrity of licensed real estate appraisers.

### Program Components

OREA consists of two primary program components, Licensing and Enforcement.

The Licensing Unit ensures that applicants for appraisal licenses meet minimum requirements for education, experience, and examination that comply with federal mandates, and ensure that only qualified persons are licensed to conduct appraisals in federally related real estate loan transactions.

The Enforcement Unit investigates complaints of violations of the Uniform Standards of Professional Appraisal Practice and ensures that licensees adhere to all applicable laws and regulations.

## PURPOSE OF THE HANDBOOK

This handbook is current as of January 1, 2007. It is designed to assist applicants for licensure. It should be used in conjunction with instructions and requirements listed on the application forms. Every effort has been made to ensure that the information is current and accurate as of January 1, 2007. However, as with any program, changes may occur and the reader should consult current statutes, regulations and rules, which prevail over any information contained in this handbook.

OREA processes five types of applications. They are:

- Initial
- Reciprocal
- Temporary Practice Permits
- Upgrade
- Renewal

The basic procedures for real estate appraiser licensing are:

- Submission of application, including:
  - \* Application and background review fees;
  - \* Education;
  - \* Experience;
  - \* Information for criminal records check; and
  - \* Proof of legal presence in the United States.
- Examination process (Initial and Upgrade only):
  - \* *Admission to Examination* letter sent after application approval;
  - \* Scheduling of the examination by applicant; and
  - \* Payment of examination fee by applicant (paid directly to exam provider).
- Submission of license issuance request, including:
  - \* Issuance fee;
  - \* *Application for Issuance of a License* (REA 3008);
  - \* Original examination score results showing successful completion; and
  - \* Delinquent court-ordered child support review.

Each of these processes and their requirements are described in this handbook. Questions or clarification of these requirements may be obtained by calling (916) 552-9000.

## LICENSING CRITERIA

OREA License Levels	Education Requirements	Experience Requirements	Scope of Practice
<b>Trainee</b>	90 hours, including the 15-hour <i>National USPAP Course</i> (or its equivalent as determined by the Appraiser Qualifications Board)	None	Any property which the supervising appraiser is permitted to appraise
<b>Residential</b>	90 hours, including the 15-hour <i>National USPAP Course</i> (or its equivalent as determined by the Appraiser Qualifications Board)	2000 hours and encompassing no less than 12 months of acceptable appraisal experience*	Any non-complex 1-4 family property with a transaction value up to \$1 million; and non-residential property with a transaction value up to \$250,000
<b>Certified Residential</b>	120 hours, including the 15-hour <i>National USPAP Course</i> (or its equivalent as determined by the Appraiser Qualifications Board)	2,500 hours and encompassing no less than 2.5 years (30 months) of acceptable appraisal experience	Any 1-4 family property without regard to transaction value or complexity; and non-residential property with a transaction value up to \$250,000
<b>Certified General</b>	180 hours, including the 15-hour <i>National USPAP Course</i> (or its equivalent as determined by the Appraiser Qualifications Board)	3,000 hours and encompassing no less than 2.5 years (30 months) of acceptable appraisal experience, of which 1,500 hours must be non-residential	All real estate without regard to transaction value or complexity

\* Please see page 16 regarding broker experience.



## LICENSING CRITERIA

### EFFECTIVE JANUARY 1, 2008

OREA License Levels	Education Requirements	Experience Requirements	Scope of Practice
<b>Trainee</b>	150 hours, covering specific modules including the 15-hour <i>National USPAP Course</i> (or its equivalent as determined by the Appraiser Qualifications Board)	None	Any property which the supervising appraiser is permitted to appraise
<b>Residential</b>	150 hours, covering specific modules including the 15-hour <i>National USPAP Course</i> (or its equivalent as determined by the Appraiser Qualifications Board)	2000 hours and encompassing no less than 12 months of acceptable appraisal experience*	Any non-complex 1-4 family property with a transaction value up to \$1 million; and non-residential property with a transaction value up to \$250,000
<b>Certified Residential</b>	200 hours, covering specific modules, including the 15-hour <i>National USPAP Course</i> and an Associate Degree. In lieu of a degree, 21 semester credits in specific subject matters may be substituted.	2,500 hours and encompassing no less than 2.5 years (30 months) of acceptable appraisal experience	Any 1-4 family property without regard to transaction value or complexity; and non-residential property with a transaction value up to \$250,000
<b>Certified General</b>	300 hours, covering specific modules, including the 15-hour <i>National USPAP Course</i> and a Bachelors Degree. In lieu of a degree, 30 semester credits in specific subject matters may be substituted.	3,000 hours and encompassing no less than 2.5 years (30 months) of acceptable appraisal experience, of which 1,500 hours must be non-residential	All real estate without regard to transaction value or complexity

\* Please see page 16 regarding broker experience.

# APPLICATION PROCEDURES

## APPLICATION PROCESS

State and federal laws provide that applicants must meet minimum education and experience requirements and must pass an examination prior to being licensed to perform real estate appraisals in federally related transactions. Requirements include appropriate knowledge of the English language including reading, writing, spelling, and knowledge of arithmetic computations common to real estate and appraisal practices. The following information is provided to answer some of the most commonly asked questions and to provide assistance in understanding the application process.

California law requires every applicant for a real estate appraiser license to provide facts that establish his or her true identity, character, and competence.

Every fact requested in the application is necessary and required to determine eligibility for licensure. An applicant must disclose the requested information, including any criminal convictions, on the application. Failure or refusal to provide any fact or

information requested in the application may result in the application being rejected as incomplete or may subject the applicant to sanctions including, but not limited to, the denial of an application.

All applications for licensure are valid for a maximum period of one year and cannot be extended.

### Minimum Age

Licensees must be at least 18 years of age.

### Payment of Fees

Application fees must be paid by preprinted personal or company check, certified check, cashier's check, money order, or government purchase order.

## INITIAL APPLICATION

This section applies to applicants who are applying for the first time, or for individuals previously licensed who are no longer eligible to renew. Applicants may apply at any level of licensure for which they meet the requirements.

### Application Process

To apply for an initial license, applicants must submit the following:

- A completed *Initial Application* (REA 3001);
- A completed *Basic Education Attachment* (REA 3002) to document basic education needed to qualify for the appropriate license level, along with copies of transcripts or course completion certificates;
- A completed *Log of Appraisal Experience* (REA 3004) documenting the number of hours, months and experience. The log must also contain certifications on page 2 of the form. (not required for the Trainee level);
- A completed *Experience Log Summary* (REA 3003), which summarizes information from the *Log of Appraisal Experience* (not required for the Trainee level);
- Two work samples for each category of experience claimed for each of the two most recent years listed on the *Log of Appraisal Experience* (not required for the Trainee level). (See *Work Samples* on page 16);

- A completed *Consent to Service of Process* (REA 3006), if the applicant's business, mailing or residence address is outside of California;
- A completed *Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits* (REA 3030), along with proof of legal presence in the United States; and
- All appropriate fees as required.

OREA processes applicant fingerprints via Live Scan for California residents at the time the application is approved. Please note, if you are applying for a California license but reside out of state, your fingerprints should be submitted on two (2) FD-258 fingerprint cards *with* your application.

Once an application is approved, OREA will issue an *Admission to Examination* letter and a "Request for Live Scan Service" fingerprinting form (see *Examinations and Issuance* on page 18). Upon successful completion of the exam, applicants then submit the *Application for Issuance of License* (REA 3008), a copy of the completed "Request for Live Scan Service" fingerprinting form (after being fingerprinted), and the balance of the license fee. The expiration date of an appraiser license is normally two years from the date of issuance.

## RECIPROCAL APPLICATION

This section applies to applicants who are licensed in another state that has entered into a reciprocity agreement with California, and who wish to apply for a reciprocal license of the same level in California.

### **Application Process**

To apply for a reciprocal license, applicants must submit the following:

- A completed *Application for Reciprocal License* (REA 3025);
- A completed *Consent to Service of Process* (REA 3006), if the applicant's business, mailing or residence address is outside of California;
- A completed *Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits* (REA 3030), along with proof of legal presence in the United States; and
- All appropriate fees as required.

OREA processes applicant fingerprints via Live Scan for California residents at the time the application is approved. Please note, if you are applying for a California license but reside out of state, your fingerprints should be submitted on two (2) FD-258 fingerprint cards with your application.

### **Additional Requirements**

Applicants are responsible for ensuring that a *Letter of License History*, not more than 30 days old, is forwarded directly to OREA from the applicant's "home state." The home state is the state in which an applicant was licensed based on a review of his or her education and experience, as well as successfully passing the examination at the license level for which he or she is applying in California.

Reciprocal licenses are valid until the expiration of the license issued in the applicant's home state or two years whichever is sooner. The home state license must then be renewed in order for the applicant to reapply for another California reciprocal license.

## OUT-OF-STATE LICENSEES

Applicants who have a current valid license in another state and who wish to apply for a California license may apply by using the *Initial Application* process as indicated on page 4. However, upon verification of satisfying the education and experience requirements, the out-of-state applicant will not be required to take the California examination if:

- The licensing examination taken in the home state was endorsed by the Appraiser Qualifications Board;
- The state in which the applicant is licensed has not been found to be out of compliance by the Appraisal Subcommittee; and
- The appraiser is in good standing in each state in which he or she is licensed.

### **Additional Requirements**

- Applicants are responsible for ensuring that a *Letter of License History*, not more than 30 days old, is forwarded directly to OREA from the state in which the applicant is currently licensed;
- OREA processes applicant fingerprints via Live Scan for California residents at the time the application is approved. Please note, if you are applying for a California license, but reside out of state, your fingerprints should be submitted on two (2) FD-258 fingerprint cards with your application.

## UPGRADE APPLICATION

This section describes the process for applying to upgrade a current California license to a higher level. Please note that expired licenses may not be upgraded. The expiration date of an upgraded license will remain the same as the expiration date of the current license. Therefore, upgrading a license does not extend its expiration date.

### Upgrade to Residential License

Appraisers who have a Trainee License may apply to upgrade to the Residential License level.

*Upgrading a license does not extend its expiration date..*

#### Application Process

To upgrade a Trainee License to the Residential License level, appraisers must submit the following:

- A completed *Upgrade Application* (REA 3023);
- A completed *Log of Appraisal Experience* (REA 3004) documenting the number of hours, months and experience. The log must also contain certifications on page 2 of the form. (not required for the Trainee level);
- A completed *Experience Log Summary* (REA 3003), which summarizes information from the *Log of Appraisal Experience*;
- Two work samples from each category of experience claimed for each of the two most recent years listed on the *Log of Appraisal Experience* (see *Work Samples* on page 15);
- A completed *Basic Education Attachment* (REA 3002) to document any additional basic education required for the Residential License (if necessary), along with copies of transcripts or course completion certificates;
- A completed *Consent to Service of Process* (REA 3006), if the appraiser's business, mailing or residence address is outside of California;
- All applicable fees; and
- A new *Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits* (REA 3030), along with proof of legal presence in the United States if the documentation previously submitted to this office expired.

Once the application is approved and all issuance fees have been paid, OREA will issue a Residential License with the same expiration date as the Trainee License.

### Effective January 1, 2008

In addition to the above requirements, applications to upgrade a Trainee License to the Residential License level received on or after January 1, 2008, must include a completed *Basic Education Attachment* (REA 3002) documenting the 2008 basic education requirements for the Residential License, along with copies of transcripts or course completion certificates. Additionally, all applicants upgrading from the Trainee License to the Residential License after January 1, 2008, will be required to pass the 2008 Residential License level examination. Upon approval of an application, OREA will issue an *Admission to Examination Letter* (see *Examination and Issuance* on page 18).

### Upgrade to Certified Level

Appraisers who have a California license may apply to upgrade to a Certified Residential or Certified General License as follows:

- Trainee License to a Certified Residential or Certified General License;
- Residential License to a Certified Residential or Certified General License; and
- Certified Residential License to Certified General License.

*All applicants upgrading from the Trainee License to the Residential License after January 1, 2008, will be required to pass the 2008 Residential License level examination*

#### Application Process

To upgrade to a certified level, licensees must submit the following:

- A completed *Upgrade Application* (REA 3023);
- A completed *Basic Education Attachment* (REA 3002) to document the additional basic education required for the higher classification, along with copies of transcripts or course completion certificates;
- A completed *Log of Appraisal Experience* (REA 3004) documenting the number of hours, months and experience. The log must also contain certifications on page 2 of the form;
- A completed *Experience Log Summary* (REA 3003), which summarizes information from the *Log of Appraisal Experience*;
- Two work samples for each category of experience claimed for each of the two most recent years listed on the *Log of Appraisal Experience* (see *Work Samples* on page 16);
- A completed *Consent to Service of Process* (REA 3006), if the appraiser's business, mailing or residence address is outside of California;
- All applicable fees; and

- A new *Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits* (REA 3030), along with proof of legal presence in the United States if the documentation previously submitted to this office expired.

Upon approval of the application, OREA will issue an *Admission to Examination* letter (see *Examinations and Issuance* on page 18).

### Effective January 1, 2008

In addition to the above requirements, applications to upgrade to a certified level received on or after January 1, 2008, must include a completed *Basic Education Attachment* (REA 3002) documenting the 2008 basic education requirements for the certified level, along with copies of transcripts or course completion certificates.

## RENEWAL PROCESS

This section applies to licensees who are applying for renewal of their license.

The term of a California real estate appraiser license is two years.

Although the term of a license is two years and the license must be renewed every two years with proof of completion of the *National USPAP Update Course* taken during the license term, proof of completion of the remaining continuing education is required once every four years (see *Continuing Education Requirements* on page 10). Therefore, there are two different types of renewal applications as indicated below.

### Full Continuing Education Renewal Application

#### Application Process

To apply for renewal of a license at the end of the continuing education cycle (every four years), applicants must submit the following:

- A completed *Renewal Application* (REA 3012);
- A completed *Continuing Education Attachment* (REA 3017), documenting the required continuing education to renew, along with copies of transcripts or course completion certificates, including:
  - \* The 7-hour National USPAP Update Course or its equivalent as determined by the Appraiser Qualifications Board (AQB); and
  - \* The four-hour course entitled *Federal and State Laws and Regulations*, or a signed certification statement that all applicable Federal and State Laws and Regulations have been read and understood.

- All appropriate fees.

In addition, the following items may be required:

- A completed *Consent to Service of Process* (REA 3006), if the appraiser's business, mailing or residence address is outside of California; and
- A new *Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits* (REA 3030), along with proof of legal presence in the United States if the documentation previously submitted to this office expired.

Once the application is approved, OREA will issue a new certificate. The expiration date of a license is normally two years from the date of issuance.

### “USPAP Only” Renewal Application

#### Application Process

To apply for renewal of a license after the first two years of the continuing education cycle, applicants must submit the following:

- A completed *Renewal Application* (REA 3012);
- Proof of completion of the 7-hour *National USPAP Update Course* or its equivalent as determined by the AQB; and
- All appropriate fees.

In addition, the following items may be required:

- A completed *Consent to Service of Process* (REA 3006), if the appraiser's business, mailing or residence address is outside of California; and
- A new *Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits* (REA 3030), along with proof of legal presence in the United States if the documentation previously submitted to this office expired.

Once the application is approved, OREA will issue a new certificate. The expiration date of a license is normally two years from the date of issuance.

the license must  
be renewed every two years  
with proof of completion of the  
National USPAP Update  
Course. . .



## TEMPORARY PRACTICE PERMIT

Appraisers who hold a valid license in good standing in another state may apply for a Temporary Practice Permit to perform real property appraisal assignments in California.

### General Guidelines

The following are general guidelines regarding Temporary Practice Permits:

- Permits will only be issued at the same classification as the current license issued by the state in which an applicant is licensed;
- Permits are valid for one year and for one assignment or until the expiration of the license in an applicant's home state, whichever is sooner;
- The appraisal field inspections must be completed within the term of the permit; and
- The state in which the applicant is licensed must not have been found to be out of compliance by the Appraisal Subcommittee.

### When Not Required

A Temporary Practice Permit is not required if:

- The appraisal to be performed is not associated with a federally related transaction;
- The assignment is an appraisal review and the review appraiser does not physically enter California; or
- The out-of-state appraiser affiliates with a California licensed appraiser. In such instances, the out-of-state appraiser's work is limited to assisting the California licensed appraiser in the preparation of the appraisal. The out-of-state appraiser is not permitted to reach a final conclusion of value and may not sign the report. The California licensed appraiser must make the determination of value, sign the report, disclose the assistance provided by the out-of-state appraiser and accept full responsibility for the entire appraisal.

### Application Process

To receive a Temporary Practice Permit, licensed out-of-state appraisers must submit the following:

- A completed and notarized *Request for Temporary Practice Permit* (California form REA 3009) or *Non-Resident Appraiser Application for Temporary Practice and Affidavit of Applicant* (national form);
- A completed and notarized *Consent to Service of Process* (California form REA 3006) or *A Consent to Service of Process Form* (national form);

- A completed *Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits* (California form REA 3030), along with proof of legal presence in the United States;
- A copy of the contract or letter of engagement which shows the physical address(es) or location(s) of the property or properties to be appraised;
- An original *Letter of License History* or *Certificate of Good Standing*, not more than 30 days old from the home state; and
- The required fee for each application submitted.



# EDUCATION REQUIREMENTS

There are two types of education used to meet licensing requirements:

- Basic (or qualifying) education, which is used to qualify for a license; and
- Continuing education, which is used to renew a license.

Basic education may be used for either basic or continuing education purposes, but the same course cannot be used for both. Therefore, courses that were used in qualifying for an upgraded license may not also be used to satisfy continuing education requirements or vice versa.

## BASIC EDUCATION REQUIREMENTS

All applicants must meet the basic education requirements before they can qualify for licensure.

### Minimum Basic Education Requirements

Basic education requirements for a real estate appraiser license include:

- The minimum number of hours for the particular level (see *Licensing Criteria* on pages 2-3);
- Coverage of all required topics for the particular level (see *Basic Education Topics* in Appendix A); and
- Completion of education courses within five years of the date of the application submittal (Initial Trainee applications only).

### **Effective January 1, 2008**

Effective with initial and upgrade applications received on or after January 1, 2008, the education requirements to qualify for an appraiser license will change significantly.

To qualify for an appraiser license, applicants will have to complete a core curriculum for each license level (see *2008 Basic Education Modules and Subtopics* in Appendix B). Applicants must complete a minimum number of acceptable hours and specific modules (see *Basic Education Module Requirements* in Appendix C) as required by the AQB.

The required number of basic education hours for each level are as follows:

### **Trainee License**

150 hours, which must include a 15-Hour *National USPAP Course*. In addition, course work cannot be taken more than five years prior to the application date.

### **Residential License**

150 hours, which must include a 15-Hour *National USPAP Course*.

### **Certified Residential License**

200 hours, which must include a 15-Hour *National USPAP Course* and an Associate Degree from a Regionally Accredited College.

In lieu of the Associate Degree, applicants can qualify by completing 21 college semester credits in courses covering specific subject matters as follows:

1. English Composition;
2. Principles of Economics (Micro or Macro);
3. Finance;
4. Algebra, Geometry or higher mathematics;
5. Statistics;
6. Introduction to Computers; and
7. Business or Real Estate Law.

### **Certified General License**

300 hours, which must include a 15-Hour *National USPAP Course* and a Bachelors Degree from a Regionally Accredited College.

In lieu of the Bachelors Degree, applicants can qualify by completing 30 college semester credits in courses covering specific subject matters as follows:

1. English Composition;
2. Micro Economics;
3. Macro Economics;
4. Finance;
5. Algebra; Geometry or higher mathematics;
6. Statistics;
7. Introduction to Computers;
8. Business or Real Estate Law; and
9. Two elective courses in the following:
  - accounting;
  - geography;
  - ag-economics;
  - business management; or
  - real estate

### **Uniform Standards of Professional Appraisal Practice**

All applicants must successfully complete a minimum of 15 hours on the Uniform Standards of Professional Appraisal Practice (USPAP). The course must be the 15-hour *National USPAP Course* or its equivalent as determined by the AQB.

### **OREA Course Approval**

Basic education courses, both classroom and distance, must meet the requirements of the AQB. The requirements for OREA approval of basic education courses are:

- Course must be a minimum of 15 classroom hours in length (a classroom hour means 50 minutes within a one-hour period actually spent in presenting the course content);
- Courses must include a closed book final examination which covers the course material; and
- Courses must cover at least one of the specific topics required by AQB (see *Basic Education Topics* in Appendix A).

#### **Effective January 1, 2008**

- Courses must cover at least a portion of one module required by the AQB (see *Basic Education Module Requirements* in Appendix C).

**NOTE:** Credit can only be given for the portion or portions of the class that covers required modules.

*Example:* An approved course is 50 hours in length but only 30 hours of the course covers the module *Real Estate Appraisal Principles*. The remaining 20 hours do not cover any of the required modules. Therefore, the applicant can only receive credit for 30 of the 50 course hours.

### **Examination Preparation Courses**

Examination preparation courses (i.e., courses designed solely to prepare a person to pass the licensing examination) may not be used to meet the basic education requirements.

### **Distance Education Courses**

The AQB does not permit OREA to accept correspondence courses for basic education unless the courses are approved by OREA and meet the following requirements:

- The course was either offered by a college/university that is accredited by a regional accrediting body of the U.S. Office of Education, or was approved by the International Distance Education Certification Center (IDECC);
- The individual successfully completed a written examination;
- The examination was administered by an appropriate official;
- The course met the requirements for AQB appraisal-related courses; and
- The course was a minimum of 15 hours in length.

## **CONTINUING EDUCATION REQUIREMENTS**

All licensed appraisers must meet continuing education requirements before they may renew their license.

The current term of a California real estate appraiser license is two years. Although proof of completion of the 7-hour *National USPAP Update Course* is required every two years and must be submitted with each renewal application, proof of completion of the remaining continuing education courses is required every four years. Applicants for license renewal must complete a total of 56 hour of continuing education during the four year cycle.

Continuing education must be completed during the continuing education cycle. The cycle starts with the issuance date of the current license (unless the license is the second in a four-year cycle). In addition, if a license is renewed during its two-year grace period, continuing education hours will accumulate during the grace period.

*Example:* On July 15, 2002, Appraiser A submits the “full continuing education required” renewal application along with proof of the required continuing education, and is issued a 2-year renewal license effective October 1, 2002, expiring on September 30, 2004. The issuance date of this new license starts the beginning of Appraiser A’s “CE cycle start date.”

On July 15, 2004, Appraiser A submits the “USPAP only” renewal application along with proof of the required 7-hour *National USPAP Update Course* and is issued a 2-year renewal license effective October 1, 2004, expiring on September 30, 2006. The renewal of this license will require proof of completion of 49 hours (7 hours would have been submitted in the prior renewal) of continuing education, which must include an additional offering of the 7-hour *National USPAP Update Course*.

Please note examination hours are not allowable toward continuing education hours. Therefore, the final examination does not need to be completed in order to gain credit for continuing education.

### **Minimum Continuing Education Requirements**

Continuing education requirements for a real estate appraiser include:

- An average of 14 hours of continuing education per year of the license term; and
- Coverage of the required topics (see page 11).

*Continued on Page 11*



Although all licensees must complete an average of 14 hours for each calendar year, continuing education is not required to be completed in each specific year.

#### **Required topics for all licenses:**

- *USPAP* — Each licensee must complete the 7-hour *National USPAP Update Course* or its equivalent as determined by the AQB) every two years. The course must also be taught by an AQB Certified USPAP Instructor who is a Certified Residential or Certified General appraiser in good standing.
- *Laws and Regulations* —Licensees must complete the four-hour course entitled *Federal and State Laws and Regulations*, or licensees may certify that they have read and understand all applicable federal and state laws and regulations. However, the certification does not provide a 4-hour “credit” towards the required hours of continuing education.

#### **Late Renewals**

Licensees may renew a license within two years of the license expiration. However, licenses renewed during the two-year grace period are considered late and are subject to additional fees and education requirements. Late renewal licensees must pay late renewal fees and submit proof of completion of seven additional hours of continuing education for each six-month period the application is received after the license expiration date.

*Appraisers whose licenses have expired cannot legally perform appraisals in federally related transactions until the license is renewed.*

Applications are considered late if they are postmarked after the expiration date of the license or if any of the required continuing education is completed after the expiration date of the license. Appraisers whose licenses have expired cannot legally perform appraisals in federally related transactions until the license is renewed.

Note: If a USPAP Only renewal application is submitted on a late basis, the additional continuing education will not be required until the Full Continuing Education renewal application is submitted.

#### **OREA Course Approval**

Continuing education courses, both classroom and correspondence, must meet the requirements of the AQB. The requirements for OREA approval of continuing education courses are:

- Courses must be a minimum of two classroom hours long (classroom hour means 50 minutes within a one-hour period actually spent in presenting the course content).

- Participants must have been present for at least 90 percent of the course hours to obtain credit for the course.

#### **OREA Approved Courses**

Continuing education courses that have already been approved by OREA allow for faster processing of renewal applications. Courses offered by providers that are private vocational schools or professional organizations are assigned an OREA course approval number. In addition, college and university courses may also be acceptable if the courses cover one of the topics listed below. The AQB allows, and OREA may grant, continuing education credit for courses that cover AQB approved topics.

The continuing education topics include:

- Ad valorem taxation;
- Arbitration;
- Business courses related to practice of real estate appraisal;
- Development cost estimating;
- Ethics and standards of practice;
- Land use planning, zoning, taxation;
- Management, leasing, brokerage, timesharing;
- Property development;
- Real estate appraisal, valuation;
- Real estate law;
- Real estate litigation;
- Real estate financing and investment;
- Real estate appraisal related computer applications;
- Real estate securities and syndication; and
- Real property exchange.

#### **Equivalent Activities**

Continuing education credit may be granted for other activities, such as writing published articles or textbooks on appraisal, and developing appraisal education programs. Additionally, up to 50% of continuing education may be completed by instructing appraisal classes.

Please visit OREA’s website ([www.orea.ca.gov](http://www.orea.ca.gov)) for details.

#### **Distance Education Courses**

The AQB does not permit OREA to accept distance education courses unless they meet the following requirements:

- Courses must be a minimum of two hours in length;
- Courses must meet the requirements for AQB appraisal-related courses;

*Continued on Page 12*

- Courses must be presented by an accredited college or university, or they must be approved by the International Distance Education Certification Center (IDECC); and
- Any course which is 15 hours or more includes a final examination which must be proctored by an official appointed by the presenting entity or by the sponsoring organization, consistent with the requirements of the course accreditation.

Distance education courses of less than 14 hours in duration that are not approved by either an accredited college or university or IDECC may be approved for continuing education at the Trainee and Residential License levels only, provided the courses meet all other OREA and AQB requirements.

### **Course Completion Certificates**

Course providers must provide course completion certificates to those who successfully complete course. Appraisers must not send completion certificates to OREA until it is time to renew their licenses. Appraisers must retain their completion certificates and attach them (photocopies are acceptable) to their application for renewal of their license.

NOTE: See *Course Credit Requirements* on page 13.

## **ACCEPTABLE TYPES OF COURSES**

There are four types of courses which applicants may take to meet the minimum education requirements for either basic or continuing education. The four types of courses are:

### **Courses Accredited by OREA**

Basic and continuing education courses that are accredited by OREA have an OREA approval number. They include courses from professional organizations and vocational schools. Applicants can verify approved schools and individual courses by visiting the OREA website ([www.orea.ca.gov](http://www.orea.ca.gov)) and/or by calling OREA at (916) 552-9000.

### **Courses Requiring a Petition for Equivalency**

Courses that have not been approved by OREA may still be considered acceptable if they meet the minimum qualification requirements of the AQB. For example, applicants may petition for course credit courses taken from vocational schools or professional organizations which are no longer in business, and courses that are no longer offered.

Applicants must submit a *Petition for Equivalency Credit* (REA 3005), all required attachments, and the required fee for each course. OREA will review the petitions to determine the acceptability of each course.

## **January 1, 2008 Basic Education Requirements**

A timed course outline and *OREA Topic Matrix Addendum* must also be submitted for each course as part of the review process to meet the 2008 requirements.

### **Courses Exempt from OREA Accreditation**

The following courses are exempt from OREA accreditation and may meet the minimum basic education requirements if they meet the following criteria:

- They are college and university courses. Courses covering approved topics taken from accredited universities, colleges or community colleges are acceptable without prior OREA accreditation.
- They have been approved by the Department of Real Estate. Real Estate Appraisal or Advanced Real Estate Appraisal basic education courses given by real estate schools which have been approved by the California Department of Real Estate as part of the requirement for a broker license may also be acceptable without prior OREA accreditation.

OREA approval is not required for accredited college or university courses that cover one or more of the AQB topics, or for basic education real estate appraisal courses approved by the California Department of Real Estate as part of the requirement for a broker license. However, many colleges and universities submit their courses to OREA for review to allow faster processing of applications. For courses not on file with OREA, a *Petition for Equivalency Credit* form is required, along with a course outline or syllabus with sufficient detail to enable OREA to determine the specific topics and number of hours covered by the course. Additionally, a timed course outline and *OREA Topic Matrix Addendum* must also be submitted for review of basic education courses to meet the 2008 requirements. However, the fee is not required.

### **Instructing Appraisal Courses**

Up to 50% of education credit may be awarded to instructors of real estate appraisal courses. To request such credit, the instructor must submit written verification from the department dean or other appropriate school official that includes the following:

- Name of school;
- Name of course;
- OREA Approval number;
- Date(s) the course was taught;
- Course outline or other description detailing the specific topics covered; and
- Date and original signature of the department dean or other appropriate school official signed under penalty of perjury.

## COURSE CREDIT REQUIREMENTS

To receive credit for a course, an applicant must submit a course completion certificate, a transcript from the school, an official school grade slip or other documentation acceptable to OREA for proof of course completion. The documentation must be submitted with the application and must include the following information:

- Name of the school;
- Name and address of the student;
- Course number or title of the course;
- Number of hours or units of credit;
- Date of successful completion;
- Whether the course is classroom or correspondence; and
- Identity and signature of verifier of course completion, completed under penalty of perjury.

In addition:

- Basic education completion certificates must include the length of time allowed for the final examination.
- Continuing education completion certificates must indicate that the student completed at least 90 percent of the class.

## DETERMINING HOURS OF CREDIT FOR COLLEGE COURSES

To determine the maximum number of hours of education credit which OREA may grant for acceptable college level courses, multiply the number of semester or quarter units of credit awarded by the college times the number of weeks in the semester or quarter.

*Example:* A three unit course taken at a school with 18 week semesters equals a maximum of 54 hours of education credit. A five unit course taken at a school with 10 week quarters equals a maximum of 50 hours of education credit. The hours spent taking the final examination for a course are already included in these hours and may not be added separately.

## FOREIGN EDUCATION

Transcripts showing education or a degree earned outside the United States require translation and/or evaluation at a credentialing service. In addition to translating transcripts from colleges outside the United States, the credentialing service can determine if a degree is equivalent to an AA degree or a BA degree earned from an accredited college in the United States. A credentialing service can also be used to determine if a specific course is equivalent to the same course taken at an accredited college in the United States.

If a credentialing service is used to determine if a degree is equivalent to a degree earned in the United States, documentation from a credentialing service must be submitted indicating that the college is accredited and the degree is equivalent to a degree earned from an accredited college in the United States.

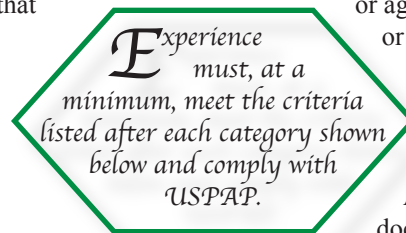
If a credentialing service is used to determine if a specific course is equivalent to a course taken from an accredited college in the United States, documentation from a credentialing service must be submitted that the college is accredited, the course is equivalent to a specific course taken at an accredited college in the United States, and the number of semester units the course is equivalent to in the United States.



# WORK EXPERIENCE

**C**redit toward meeting the minimum appraisal work experience requirements may be granted in the categories shown below. To be acceptable, experience must, at a minimum, meet the criteria listed after each category shown below and comply with USPAP.

**NOTE:** All work for which experience is claimed must have been performed for a business purpose (mock appraisal experience is ineligible). Effective January 1, 2008, experience may be gained through case studies and practicum courses that are approved by the AQB Course Approval Program. However, experience cannot be credited for more than 50% of the total experience requirement.



## Mass Appraisal

Experience in this category shall:

- Use highest and best use analysis, model specification (developing the model), and model calibration (developing adjustments to the model); and
- Be performed in accordance with Standards Rule 6 of USPAP.

This category is limited to appraisals performed as an employee or agent of a county assessor's office in another state, or the other state's equivalent of the California Board of Equalization.

Effective January 1, 2005, verification of work experience by affidavit is no longer acceptable. All applicants for Category 2 experience must document their work experience on the *Log of Appraisal Experience* (REA 3004) and the *Experience Log Summary* (REA 3005) forms. In addition, submission to OREA of two work samples from the two most recent years of appraisal experience is required for this category.

**NOTE:** Other components of the mass appraisal process, by themselves, are not eligible for experience credit.

## CATEGORIES OF EXPERIENCE

### Category 1. Fee and Staff Appraisal

A real property appraisal prepared by a person who is employed by another, usually a lending institution or government agency, or who is paid a fee for the appraisal assignments he or she performs shall:

- Be a written document;
- Use the entire appraisal process;
- Use all appraisal methods (market, cost, income) customarily used for a particular property type (i.e., residential, commercial, industrial, etc.);
- Conform to USPAP, particularly Standards Rules 1 and 2; and
- Include analysis completed by the applicant.

### Category 2. Ad Valorem Tax Appraisal

A real estate appraisal prepared by an appraiser to estimate a value that is used for property tax purposes:

#### Appraisal

Experience in this category shall:

- Be a written document;
- Use techniques to value properties similar to those used by appraisers; and
- Effectively use the appraisal process.

### Category 3. Review Appraisal

#### A Field or Desk Review

Experience in this category shall:

- Be limited to a maximum of 400 hours towards meeting the minimum experience hours required, but only after obtaining 1,600 hours of acceptable experience in other categories;
- Not contain more than 50 percent of the hours in the performance of desk reviews;
- Be a written document separate from the appraisal itself;
- Be an appraisal prepared by employees, associates or others;
- Not be signed by the reviewer of the appraisal being reviewed;
- Be a "technical review," where the review appraiser forms an opinion as to whether the analyses, opinions and conclusions in the appraisal report under review are appropriate and reasonable, as opposed to an "administrative review," which is work performed by clients and users of appraisal services as a due diligence function in the context of making a business decision, such as underwriting, buying or selling; and
- Conform to USPAP, particularly Standards Rule 3.

#### **Category 4. Appraisal Analysis**

Experience in this category shall:

- Be a written document; and
- Conform to USPAP, particularly Standards Rules 4 and 5.

#### **Category 5. Real Estate Consulting**

Experience in this category shall:

- Be a written document; and
- Conform to USPAP, particularly Standards Rules 4 and 5.

NOTE: “Real Estate Consulting” does not include consulting done by a real estate broker or real estate salesperson to help a client determine list price or how much they should offer in purchasing property.

#### **Category 6. Highest and Best Use Analysis**

Experience in this category shall:

- Be a written document; and
- Conform to USPAP, particularly Standards Rules 4 and 5.

#### **Category 7. Feasibility Analysis and Study**

Experience in this category shall:

- Be a written document; and
- Conform to USPAP, particularly Standards Rules 4 and 5.

#### **Category 8. Teaching of Appraisal Courses**

(No longer eligible for experience credit)

#### **Category 9. Setting Forth Opinions of Value of Real Property for Tax Purposes**

Experience as an employee of a California County Assessor’s Office or the California Board of Equalization in setting forth opinions of value of real property for tax purposes may be counted towards work experience (see *Documenting Experience* on page 16).

Effective January 1, 2005, verification of work experience by affidavit is no longer acceptable. All applicants for Category 9 experience must document their work experience on the *Log of Appraisal Experience* (REA 3004) and the *Experience Log Summary* (REA 3005) forms. In addition, two work samples from the two most recent years of appraisal experience must be submitted to OREA for this category.

#### **Category 10. Assisting in the Preparation of Appraisals**

Experience in this category shall:

- Be limited to a maximum of 400 hours towards meeting the experience requirements;
- Be a written document;
- Effectively use the appraisal process performing market research, data analysis and applying the appropriate appraisal techniques; and
- Conform to all applicable USPAP standards, state laws and OREA regulations.

NOTE: Seventy-five percent of the professional work in the appraisal report must have been completed by the applicant. The work experience must go beyond such tasks as taking photographs, typing the report, measuring improvements, or finding sales that may or may not be used in the appraisal.

#### **Category 11. Real Estate Valuation Experience as a Real Estate Lending Officer or Real Estate Broker**

##### **Appraisal**

- Same requirements as Category 1.

##### **Review of Appraisals**

- Same requirements as Category 3.

##### **Consulting**

Experience in this category shall:

- Be a written document; and
- Conform to USPAP, in particular Standards Rules 4 and 5.



## OTHER ACCEPTABLE EXPERIENCE

### Real Estate Brokers

Applicants who hold a current valid California real estate broker license in good standing may be awarded 1,000 hours of experience credit toward a Residential License. However, the 1,000 hours may not be used to qualify for either of the certified levels. Applicants claiming 1,000 hours as a broker must also document an additional 1,000 hours of acceptable appraisal experience in one or more of the categories described above. To receive credit, applicants must attach an original Letter of License History, not more than 30 days old, from the Department of Real Estate to their application for a Residential License.

NOTE: California Code of Regulations, Title 10, Section 3541(d) provides that the Office of Real Estate Appraisers may issue appraiser licenses to holders of current real estate broker licenses who are able to document 1,000 hours of residential real estate appraisal experience. However, the Appraiser Qualifications Board (AQB) of the Appraisal Foundation requires a minimum 2,000 hours of documented experience for the state license level. Consequently, licenses issued with the broker experience credit allowance are not in full compliance with minimum AQB requirements. Because of this discrepancy, the Appraisal Subcommittee classifies such licenses as non-AQB compliant on the National Registry. Some federally regulated lenders may not accept appraisals performed by those licensees. Those licenses, however, can become fully compliant with AQB requirements with a subsequent submission of an appraisal log documenting the necessary hours to achieve the minimum 2,000-hour requirement. AL licensees in this category must submit their additional experience for compliance on the *Log of Appraisal Experience* (REA 3004) form.

### Practicum Courses

Effective January 1, 2008, applicants may gain up to 50% of the experience requirements through case studies and practicum courses that are approved by the AQB Course Approval Program.

Since OREA does not approve case studies and practicum courses, information for this program must be obtained from the AQB.

## DOCUMENTING EXPERIENCE

Applicants for a Residential License, Certified Residential License or Certified General License must document their experience on the *Log of Appraisal Experience* (REA 3004) and the *Experience Log Summary* (REA 3003). Please follow the instructions printed on the forms.

A *Log of Appraisal Experience* is required for all categories of experience. The log must document sufficient acceptable experience to meet the requirements for the desired classification. The log must also contain certifications on page 2 of the form.

### Work Samples

Applicants are required to submit work samples of experience that is documented on the applicant's *Log of Appraisal Experience* (REA 3004). OREA will request these work samples after receipt of the application. All work samples must be complete and in full conformance with USPAP requirements. If any of the work samples are found not to conform with any portion of USPAP, the experience claimed may be rejected and the application may be denied. The work samples submitted to OREA should cover a representative sampling of the applicant's work. Additionally, work samples for the certified levels should demonstrate the applicant's ability to perform complex assignments.

OREA reserves the right to require the submission of additional samples and/or complete workfiles.

State law requires that documentation of work experience be made available to OREA upon request. Work samples are one such form of documentation and must be exact copies of completed appraisals submitted to clients for a business purpose.

### Acceptable Appraisal Reports

OREA can only accept "Self-Contained" and "Summary" appraisal reports performed in accordance with Standards Rules 1 and 2 of USPAP. "Restricted" or "Restricted Use" appraisal reports cannot be accepted to meet experience requirements. In order to fully evaluate the experience, copies of workfiles and additional information may also be requested.

The log must also contain certifications on page 2 of the form.

## EARNING ACCEPTABLE EXPERIENCE AS A TRAINEE

### General

To earn acceptable hours of experience, a Trainee licensee must work under the direct technical supervision of a licensed appraiser in good standing. The supervisor must be licensed at the appropriate level for the type of property being appraised. "Technical supervision" does not mean that the Trainee is required to be an employee of the supervising appraiser, but must receive direct supervision in the duties performed as an appraiser. In addition, a Trainee may work for more than one supervisor. The Trainee must either:

- Sign the appraisal report as the appraiser; or
- Be recognized in the certification statement (or the Reconciliation Section of the report) with a description of the specific tasks performed while assisting with the appraisal.

**NOTE:** A maximum of 400 hours of Category 10 experience may be credited toward meeting the minimum experience requirements.

In addition, work experience and the appraisal report must fully conform to both the requirements of USPAP and Title 10, Chapter 6.5, California Code of Regulations (commencing with Section 3500).

### **Effective January 1 2008**

Supervising appraisers must be licensed and in good standing at the Certified Residential or Certified General level. Additionally, supervisors must have no more than three trainees under their supervision at any one time.

### Trainee Duties

Trainees must:

- Maintain copies of appraisal reports which appear on the log in accordance with the Record Keeping section of the Ethics Rule of USPAP. Since OREA will examine work samples when a Trainee wishes to upgrade his or her license, all appraisals on the log must be available for review; and
- Maintain an appraisal log. A separate log must be maintained for each supervising appraiser. The log must contain, at a minimum, the following information for each appraisal:
  - \* Category of experience;
  - \* Address or other description of the property appraised;
  - \* Type of property (single family residential, 2-4 units, other residential, commercial, industrial, land or other);
  - \* Date of appraisal report;
  - \* Number of hours spent performing the appraisal;
  - \* Name of client for whom the appraisal was prepared; and
  - \* Type of report (form or narrative).

The *Log of Appraisal Experience* (REA 3004) must be used to document the Trainee's experience.

### Supervisor Duties

Supervising appraisers must do the following:

- Personally inspect the property with the Trainee until the supervisor determines the Trainee is competent to make unsupervised inspections, in accordance with the Competency Rule of USPAP for the type of property being appraised;
- Review the Trainee's appraisal report;
- Accept responsibility for the appraisal report by signing and certifying that the report is in compliance with USPAP;
- Review and sign each page of the Trainee's appraisal log to verify that the work was completed under his/her supervision; and
- Maintain records of the appraisals in accordance with USPAP.

## OBTAINING EXPERIENCE WITHOUT A LICENSE

An individual who is unlicensed may obtain appraisal experience in any of the following ways:

- By providing “significant real property appraisal assistance” to a licensed appraiser and properly identifying the assistance in the appraisal report. If unlicensed individuals perform at least 75% of the professional appraisal work and the appraisal conforms to USPAP, the experience can qualify under Category 10 (Assistance in the Preparation of Appraisals), up to a maximum of 400 hours;
- By performing the entire appraisal process under the direct technical supervision of a licensed appraiser. The final

conclusion to value is made by and the appraisal is signed by the licensed appraiser, with the unlicensed individual’s duties properly identified in the report. If the unlicensed individual performs all appraisal methods customarily used for the assignment and the appraisal conforms to USPAP, the experience can qualify under Category 1 (Fee and Staff Appraisal); or

- By performing appraisals in non-federally related transactions. If the appraisals were performed for a business purpose and conform to USPAP, the experience can qualify under Category 1.

NOTE: Individuals unlicensed in California may not sign appraisals in federally related transactions, even if co-signed by a licensed California appraiser.

## EXAMINATION AND ISSUANCE

Applicants must successfully complete the examination for the license level for which they have applied. After OREA reviews and makes a preliminary determination that an applicant has met the minimum requirements, the applicant will be sent an *Admission to Examination* letter, a “Request for Live Scan Service” fingerprinting form, and information explaining the examination scheduling procedures.

### Payment of Examination Fees

Applicants pay examination fees directly to the exam provider.

### Scheduling the Examination

Applicants who receive an *Admission to Examination* letter should verify that the examination level indicated on the letter conforms to the license level for which they applied. Applicants may then call the test administrator to schedule an examination date and choose a testing center. Applicants who require special accommodations in order to test must inform the test administrator when making the appointment. Note that testing dates, facilities and seating are limited.

*The examination must be successfully completed within 5 attempts and no later than the expiration date shown on the Admission to Examination letter.*

The examination must be successfully completed within five attempts and no later than the expiration date shown on the *Admission to Examination* letter. Since reservations are subject to space availability, applicants should reserve space as early as possible. Failure to successfully complete the examination within five attempts or prior to the expiration date on the *Admission to Examination* letter will result in expiration of the application. After five attempts and/or the expiration date of the *Admission to Examination* letter, it will be necessary for applicants to reapply for licensure. This will require a new application, supporting documentation and payment of all appropriate fees in accordance with the requirements in existence at the time the new application is submitted.

NOTE: It is the responsibility of applicants to ensure that the correct examination is taken at the testing center.

### Examination Results

Examinations are scored upon completion and applicants should receive their results immediately after completing the exam.

NOTE: Applicants should not leave the testing center without the original copy of the examination results containing the applicant’s photograph, and the appropriate OREA form as described below.



### **Instructions for Applicants Who Pass the Examination**

Applicants who pass the examination will receive proof of successful completion from the test provider and an *Application for Issuance of a License* (REA 3008). In order to request issuance, applicants must forward the original examination score results sheet showing successful completion, the completed *Application for Issuance of a License*, a copy of the completed "Request for Live Scan Service" fingerprinting form (after being fingerprinted) and all appropriate fees to OREA.

NOTE: Examination results are only valid for one year. Applications for issuance must be received by OREA within one year from the date the examination was successfully completed. After one year, applicants who still desire to pursue licensure must reapply as indicated above.

### **Instruction for Applicants Who Fail the Examination**

Applicants who fail the examination will receive a score sheet and a *Request for Re-Examination* (REA 3007). The score sheet will indicate the examination score and an analysis of the examination showing any areas of weakness.

Applicants who choose to re-take the examination must submit the *Request for Re-Examination* to OREA in order for it to be received by OREA at least five days prior to the expiration date of the original *Admission to Examination* letter. A new *Admission to Examination* letter will be issued and will have the same expiration date as shown on the applicant's original *Admission to Examination* letter provided the applicant has not exceeded the maximum of five attempts to successfully complete the examination. No extensions of time or additional attempts to complete the examination will be granted.

### **Criminal Records Search**

Identification and fingerprint information will be used by the Department of Justice (DOJ) and/or the Federal Bureau of Investigation (FBI) to assist OREA in determining if applicants have a criminal record. This information will be provided to OREA as part of the application process and will be automatically updated should a subsequent criminal conviction occur during the period of licensure.

### **Child Support Check**

The Department of Child Support Services provides OREA with a list of persons who are delinquent in court ordered child support payments. If an applicant's name is on this list and is otherwise qualified for licensure, a temporary license will be issued and will be valid for 150 days. During this time the applicant must have the County Department of Child Support Services that placed the applicant on the list submit a release with OREA. The 150 day temporary license cannot be extended and no fees submitted can be refunded.

### **Proof of Legal Presence**

In accordance with the Federal Personal Responsibility and Work Opportunity Act of 1996, applicants for licensure or renewal are required to provide proof of legal presence in the United States. The following documents may be acceptable proof of legal presence:

1. A copy of a birth certificate issued in or by a city, county, state, or other governmental entity within the United States or its outlying possessions.
2. A U.S. Certificate of Birth Abroad (FS-545, DS-135) or a Report of Birth Abroad of a U.S. Citizen (FS-240).
3. A birth certificate or passport issued from:
  - Puerto Rico, on or after January 13, 1941;
  - Guam, on or after April 10, 1989;
  - U.S. Virgin Islands, on or after February 25, 1927;
  - Northern Mariana Islands, after November 4, 1986;
  - American Samoa;
  - Swain's Island; or
  - District of Columbia.
4. A U.S. passport (expired or unexpired).
5. Certificate of Naturalization (N-550, N-57, N-578).
6. Certificate of Citizenship (N-560, N-561, N-645).
7. U.S. Citizen Identification Card (I-179, I-197).
8. An individual Fee Register Receipt (Form -G-711) that shows that the person has filed an application for a New Naturalization or Citizenship Paper (Form N-565).
9. Any other document which establishes a U.S. place of birth or indicates U.S. Citizenship.

### **Privacy Act Notice**

All information required on applications is personal information within the meaning of the Information Practices Act of 1977, as amended (California Civil Code, Section 1798, *et seq.*). The information may not be used for any purpose other than to determine an applicant's identity and eligibility for licensure. Disclosure of the information on an application to others for any other purpose without the applicant's consent or otherwise in accordance with law is restricted by law.

NOTE: The following is public information and is disclosed upon request: name, business address (or other physical address) of record, mailing address, business telephone and/or facsimile number of record, type of license, license number, issuance and expiration dates of license and final public disciplinary actions, if any.

### **Social Security Number**

Disclosure of applicant social security numbers (SSN) is mandatory under California Business and Professions Code, Sections 30 and 11340(c), and Public Law 94-455 -(42 USCA 405(c)(2)(C)). State and federal laws require that applicants provide a SSN issued by the U.S. Social Security Administration as part of the licensure process for legally authorized purposes. Failure or refusal to provide the SSN may result in an application being rejected as incomplete or subject the applicant to sanctions including, but not limited to, the denial of the application. The applicant will also be reported to the Franchise Tax Board, which may assess a \$100 penalty against the applicant.

### **Denial of Your License Application Based on Failure to Meet Minimum Requirements**

If an application is denied due to the applicant's failure to meet minimum requirements, the applicant may have certain rights to have the decision reviewed in a hearing. These rights are contained in California Government Code, Section 11500 *et seq.* and California Business and Professions Code, Section 475 *et seq.* and Article 13, Title 10, California Code of Regulations, Section 3741. Applicants should become familiar with these sections as failure to timely protect these rights may result in the loss of any right.



## OTHER APPLICATION INFORMATION

### INVESTIGATION OF OFFENSES

Before an application is approved, OREA is required by law to verify the identity of the applicant and determine if the applicant has committed any crimes or acts which constitute grounds for denial of an application for licensure.

#### Disclosure of Prior Convictions

Applicants must disclose to OREA any and all prior misdemeanor and felony convictions. If a conviction has been purged, the applicant must still disclose the conviction unless entitled to an exemption based upon successful completion of a diversion program, a judicial determination of factual innocence or other order of court which expressly provides for such exemption. Applicants claiming this exemption must provide OREA with a certified copy of the court order or other authority for the exemption. A Certificate of Rehabilitation (Penal Code, Section 4852.01) or termination of probation and dismissal of the information or accusation (Penal Code, Section 1203.4) does not exempt an applicant from disclosing a conviction when applying for a license issued by OREA.

The following pleas or convictions must also be disclosed:

#### *Nolo Contendere or No Contest*

- Applicants who pled *Nolo Contendere or No Contest* to a crime must still disclose the resulting conviction on the application.

#### *Convictions when you were under the age of 18*

- Applicants are required to disclose any conviction which occurred while under the age of 18 unless the records have been sealed or expunged by order of a court. Even if sealed or expunged, however, the applicant may still be required to produce proof of the existence of the court order.

#### Requirements of Substantial Relationship

OREA will review prior acts or convictions to determine whether or not they are substantially related to the qualifications, functions or duties of an appraiser; or if an act or crime was willful or intentional; and/or if the act or offense involved the use of fraud, deceit or dishonesty for profit or gain. The specific criteria used by OREA in making this determination is set forth in Article 12, Title 10, California Code of Regulations, Section 3722.

#### Evidence of Rehabilitation

Applicants will be given an opportunity to explain any offense or criminal conviction. Applicants may be asked to do this in writing and/or be required to participate in an office conference to provide the explanation. In addition to providing an explanation, applicants may be required to demonstrate proof of rehabilitation since the acts or the actions that are the basis of the conviction in accordance with the Criteria for Rehabilitation as stated in Article 12, Title 10, California Code of Regulations, Section 3723.

#### Records

Applicants will be required to provide certified copies of the court records, including the complaint, complete docket, judgment and sentence and probation report, if any, for any convictions. Applicants will also be required to provide copies of police and/or other investigating agency reports, as well as certified copies of decisions from other state or federal agencies, if applicable. Providing these documents with the application will assist OREA in processing the application as quickly as possible. If an applicant is unable to obtain these records, the applicant must provide OREA with a sworn declaration signed by the applicant under penalty of perjury stating the efforts the applicant made to obtain the records, the inability to obtain them, and the reasons why.

#### Denial of Applications Based on Prior Act or Convictions

If OREA determines the applicant is not qualified to receive a license due to the prior acts or convictions, the applicant may have certain rights to have this decision reviewed in a hearing. These rights are stated in California Government Code, Section 11500 *et seq.* and California Business and Professions Code Section 475 *et seq.*, as well as California Code of Regulations, Title 10, Section 3741. Applicants should become familiar with these sections as failure to timely protect these rights may result in the loss of any right the applicant may have to a hearing.

Applicants must disclose to OREA any and all prior misdemeanor and felony convictions.



## DUE DILIGENCE

Applicants must exercise due diligence in pursuing an application for licensure. This means the applicant must timely respond to any inquiries or requests for additional information or documents from OREA and ensure that OREA is immediately notified of any change in the applicant's personal information, such as any address or telephone number listed on the application.

Failure to exercise due diligence in pursuing an application or responding to a request from OREA may result in an application being closed or denied. Should this occur and the applicant subsequently decides to pursue licensure or application for upgrade or renewal, the applicant will be required to submit a new application, supporting documentation, and all appropriate fees in accordance with requirements in existence at that time.

## REFUNDS

Pursuant to state statute, all fees are deemed earned upon receipt. No refunds will be granted.

## CHANGE OF ADDRESS

A licensee who has a change of personal information such as mailing, home or business address, or telephone number change, must notify OREA within 10 days of the change, in accordance with Article 2, Title 10, California code of Regulations, Section 3527. The new information must be submitted on the *Change Notification and Miscellaneous Requests* (REA 3011) form. In addition to the potential failure of receiving important information, failure to notify OREA of any change in such information may subject a licensee to disciplinary action, which may include a fine and/or denial or revocation of his or her license.



# APPENDIX A

## BASIC EDUCATION TOPICS

(Required for all Initial and Upgrade Applications Received Through December 31, 2007)

AQB Topic	License Level		
	Trainee/ Residential	Certified Residential	Certified General
Influences on Real Estate Value	X	X	X
Legal Considerations in Appraisal	X	X	X
Types of Value	X	X	X
Economic Principles	X	X	X
Real Estate Markets and Analysis	X	X	X
Valuation Process	X	X	X
Property Description	X	X	X
Highest and Best Use Analysis	X	X	X
Appraisal Statistical Concepts	X	X	X
Sales Comparison Approach	X	X	X
Site Value	X	X	X
Cost Approach	X	X	X
Valuation of Partial Interests	X	X	X
Narrative Report Writing		X	X
Uniform Standards of Professional Appraisal Practice (USPAP)	15 hours – See below for additional USPAP requirements		
Required Income Approach Topics:			
Gross Rent Multiplier	X	X	X
Estimation of Income and Expenses	X	X	X
Operating Expense Ratios	X	X	X
Direct Capitalization		X	X
Cash Flow Estimates			X
Measures of Cash Flow			X
Discounted Cash Flow Analysis			X

## APPENDIX B

### 2008 BASIC EDUCATION MODULES AND SUBTOPICS

The following are the subtopics for each module. Not all module subtopics are required for credit toward completion of a module. The examination, however, will be based on all of the subtopics. Courses may contain one module or parts of one or more modules.

#### Basic Appraisal Principles (30 hours required at all levels)

- A. Real Property Concepts and Characteristics
  - Basic Real Property Concepts
  - Real Property Characteristics
  - Legal Description
- B. Legal Consideration
  - Forms of Ownership
  - Public and Private Controls
  - Real Estate Contracts
  - Leases
- C. Influences on Real Estate Values
  - Governmental
  - Economic
  - Social
  - Environmental, Geographic and Physical
- D. Types of Value
  - Market Value
  - Other Value Types
- E. Economic Principles
  - Classical Economic Principles
  - Application and Illustrations of the Economic Principles
- F. Overview of Real Estate Markets and Analysis
  - Market Fundamentals, Characteristics, and Definitions
  - Supply Analysis
  - Demand Analysis
  - Use of Market Analysis
- G. Ethics and How They Apply in Appraisal Theory and Practice

#### Basic Appraisal Procedures (30 hours required at all levels)

- A. Overview to Approaches to Value
- B. Valuation Procedures
  - Defining the Problem
  - Collecting and Selecting Data
  - Analyzing
  - Reconciling and Final Value Opinion
  - Communicating the Appraisal
- C. Property Description
  - Geographical Characteristics of the Land/Site
  - Geologic Characteristics of the Land/Site
  - Location and Neighborhood Characteristics
  - Land/Site Considerations for Highest and Best Use
  - Improvements – architectural Styles and Types of Construction
- D. Residential Applications

#### The 15-Hour National USPAP Course or It's Equivalent (required at all levels)

#### Residential Market Analysis and Highest and Best Use (15 Hours required at AT, AL & AR Levels)

- A. Residential Markets and Analysis
  - Market Fundamentals, Characteristics and Definitions
  - Supply Analysis
  - Demand Analysis
  - Use of Market Analysis
- B. Highest and Best Use
  - Test Constraints
  - Application of Highest and Best Use
  - Special Considerations
  - Market Analysis
  - Case Studies

**Residential Appraiser Site Valuation and Cost Approach  
(15 Hours required at AT, AL & AR Levels)**

- A. Site Valuation
  - Methods
  - Case Studies
- B. Cost Approach
  - Concepts and Definitions
  - Replacement/Reproduction Cost New
  - Accrued Depreciation
  - Methods of Estimating Accrued Depreciation
  - Case Studies

**Residential Sales Comparison and Income Approaches  
(30 Hours required at AT, AL & AR Levels)**

- A. Valuation Principles & Procedures – Sales Comparison Approach
- B. Valuation Principles & Procedures – Income Approach
- C. Finance and Cash Equivalency
- D. Financial Calculator Introduction
- E. Identification, Derivation and Measurement of Adjustments
- F. Gross Rent Multipliers
- G. Partial Interests
- H. Reconciliation
- I. Case Studies and Applications

**Residential Report Writing and Case Studies  
(15 Hours required at AT, AL & AR Levels)**

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Form Reports
- D. Report options and USPAP Compliance
- E. Case Studies

**Statistics, Modeling and Finance  
(15 Hours required at AR & AG Levels)**

- A. Statistics
- B. Valuation Models (AVM's and Mass Appraisal)
- C. Real Estate Finance

**Advanced Residential Applications and Case Studies  
(15 Hours at AR Level)**

- A. Complex Property, Ownership and Market Conditions
- B. Deriving and Supporting Adjustments
- C. Residential Market Analysis
- D. Advanced Case Studies

**General Appraiser Market Analysis and Highest and Best Use  
(30 Hours required at AG Level)**

- A. Real Estate Markets Analysis
  - Market Fundamentals, characteristics and Definitions
  - Supply Analysis
  - Demand Analysis
  - Use of Market Analysis
- B. Highest and Best Use
  - Test Constraints
  - Application of Highest and Best Use
  - Special Considerations
  - Market Analysis
  - Case Studies

**General Appraiser Sales Comparison Approach  
(30 Hours required at AG Level)**

- A. Value Principles
- B. Procedures
- C. Identification and Measurement of Adjustments
- D. Reconciliation
- E. Case Studies

**General Appraiser Site Valuation and Cost Approach  
(30 Hours required at AG Level)**

- A. Site Valuation
  - Methods
  - Case Studies
- B. Cost Approach
  - Concepts and Definitions
  - Replacement/Reproduction Cost New
  - Accrued Depreciation
  - Methods of Estimating Accrued Depreciation
  - Case Studies

**General Appraiser Income Approach**  
**(60 Hours required at AG Level)**

- A. Overview
- B. Compound Interest
- C. Lease Analysis
- D. Income Analysis
- E. Vacancy and Collection Loss
- F. Estimating Operating Expenses and Reserves
- G. Reconstructed Income and Expense Statement
- H. Stabilized Net Operating Income Estimate
- I. Direct Capitalization
- J. Discounted Cash Flow
- K. Yield Capitalization
- L. Partial Interests
- M. Case Studies

**General Appraiser Report Writing and Case Studies**  
**(30 Hours required at AG Level)**

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Report Options and USPAP Compliance
- D. Case Studies



# APPENDIX C

## BASIC EDUCATION MODULE REQUIREMENTS

Effective January 1, 2008

(Required for All Initial and Upgrade Applications Received on or after January 1, 2008)

Minimum Hour	Basic Education Modules	License Level		
		Trainee/ License	Certified Residential	Certified General
30	Basic Appraisal Principles	X	X	X
30	Basic Appraisal Procedures	X	X	X
15	15-Hour National USPAP Course	X	X	X
15	Residential Market Analysis and Highest and Best Use	X	X	
15	Residential Appraiser Site Valuation and Cost Approach	X	X	
30	Residential Sales Comparison and Income Approach	X	X	
15	Residential Report Writing & Case Studies	X	X	
15	Advanced Residential Applications and Case Studies		X	
15	Statistics Modeling and Finance		X	X
30	General Appraiser Market Analysis and Highest and Best Use			X
30	General Appraiser Sales Comparison Approach			X
30	General Appraiser Site Valuation and Cost Approach			X
30	General Appraiser Report Writing and Case Studies			X
60	General Appraiser Income Approach			X
	Appraisal Subject Matter Electives. May include hours over the minimum requirement in the above modules or in modules not required		20 hours	30 hours

See Appendix B for the subtopics of each module

## REFERENCE GUIDE

### **The Appraisal Foundation**

1155 15<sup>th</sup> Street, NW, Suite 1111  
Washington, DC 20005  
Telephone: (202) 347-7722  
Fax: (202) 347-7727  
[www.appraisalfoundation.org](http://www.appraisalfoundation.org)

### **Appraiser Qualifications Board (AQB)**

1155 15<sup>th</sup> Street, NW, Suite 1111  
Washington, DC 20005  
Telephone: (202) 347-7722  
Fax: (202) 347-7727  
[www.appraisalfoundation.org](http://www.appraisalfoundation.org)

### **Appraisal Standards Board**

1155 15<sup>th</sup> Street, NW, Suite 1111  
Washington, DC 20005  
Telephone: (202) 347-7722  
Fax: (202) 347-7727  
[www.appraisalfoundation.org](http://www.appraisalfoundation.org)

### **Department of Real Estate**

2201 Broadway  
Sacramento, California 95814  
Telephone: (916) 227-0931  
[www.dre.ca.gov](http://www.dre.ca.gov)

### **International Distance Education Certification Center (IDECC)**

Post Office Box 230159  
Montgomery, Alabama 36123-0159  
Telephone: (334) 260-2928  
Fax: (334) 260-2903  
[www.idecc.org](http://www.idecc.org)

### **Office of Real Estate Appraisers (OREA)**

1102 Q Street, Suite 4100  
Sacramento, California 95811  
Telephone: (916) 552-9000  
Fax: (916) 552-9007  
[www.orea.ca.gov](http://www.orea.ca.gov)



**OFFICE OF REAL ESTATE APPRAISERS  
1102 Q STREET, SUITE 4100  
SACRAMENTO, CA 95811**

**BOOKS**