



California Office of Real Estate Appraisers

Department Update

Bob Clark, Director

License Statistics

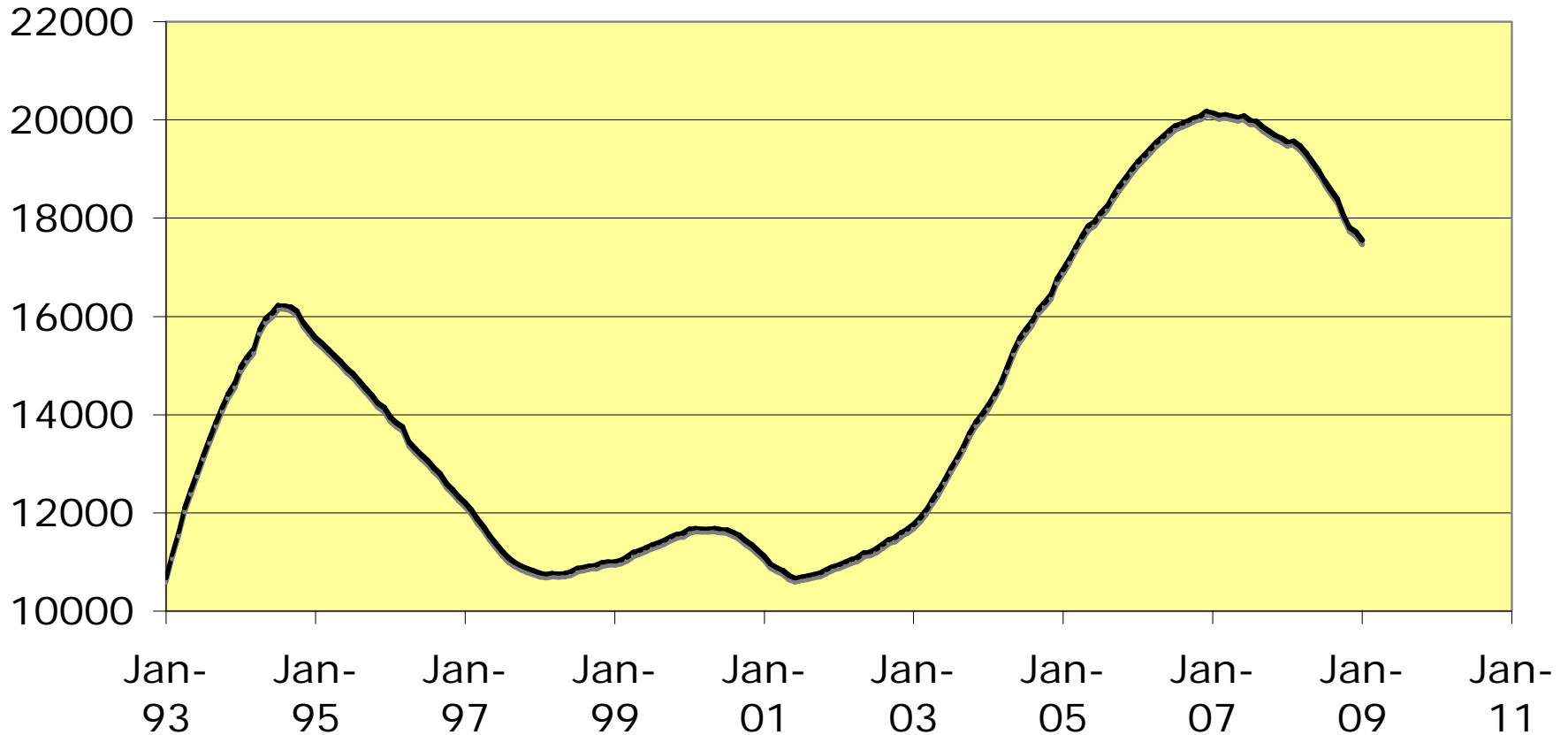
- Active Licenses 1/16/09 17,547 *
- Active Licenses 1/1/08 19,573
- Active Licenses 1/1/07 20,164

*10.35% decline since 1/1/08 ~ 12.98% decline since 1/1/07

License History

OREA Licensees

1-16-09



Active Licenses

License Population as of January 16, 2009

		<u>Percent of Total Population</u>
▪ Trainee	3,344	(19.06% - 32.5% on 1/1/07)
▪ Residential	4,442	(25.31% - 27.9% on 1/1/07)
▪ Certified Residential	6,225	(35.48% - 23.1% on 1/1/07)
▪ Certified General	3,536	(20.15% - 16.5% on 1/1/07)
TOTAL	17,547	

New AQB Exam Results

January 1, 2008 through November 5, 2008

<u>License Level</u>	<u># of Exams</u>	<u>Pass Rate</u>
Trainee Appraiser (AT)	911	19.54 %
Licensed Appraiser (AL)	78	26.92 %
Certified Residential (AR)	1,345	33.46 %
Certified General (AG)	228	54.39 %
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Overall Combined Rate	2,562	30.17 %

OREA Goals

- Communicate to the profession that we are not just “Appraiser Cops”, but that we are here to serve our appraisal licensees, and that we welcome feedback.
- Consistently encourage ethical appraisal practice, and be actively involved in appraisal educational issues.
- Renew publication of *The California Appraiser*, utilizing OREA’s new email subscriber list for distribution.
- Expand online licensing functions to include all renewal and initial appraisal applications.
- Convert file storage system from paper files to secure electronic database system.
- Optimize the use of information technology for communication with appraisal professionals, constantly improving the OREA website.

<http://www.orea.ca.gov>

QuickTime™ and a
TIFF (Uncompressed) decompressor
are needed to see this picture.

Multiple Department License Lookup

This lookup will search licensing information for the Department of Corporations, Department of Financial Institutions, Department of Real Estate and the Office of Real Estate Appraisers.

Please indicate the type of search desired, either by person name or company name and then enter the desired name. For persons, specify the name as Last Name, First Name.

[Name Search Help](#)

Person Name (Last Name, First Name)

Company Name

Name:

License #	Agency	Company Name	License Type	Company/Contact/DBA	License Status	Address	Phone
00060974	DRE	Countrywide Real Estate (DBA)	Broker		Licensed	CHINO HILLS, CA	N/A
00351782	DRE	Countrywide Funding Corporation	Corporation	DES: Gissinger, Andrew III	Licensed	WEST HILLS, CA	N/A
00351782	DRE	Countrywide Home Loans Inc	Corporation	DES: Gissinger, Andrew III	Licensed	WEST HILLS, CA	N/A
00419352	DRE	Countrywide Lending Group (DBA)	Broker		Licensed	OAKLAND, CA	N/A
00419352	DRE	Countrywide Realty Group (DBA)	Broker		Licensed	OAKLAND, CA	N/A
00426838	DRE	Country Wide Real Estate (DBA)	Broker		Licensed	FAIRFIELD, CA	N/A
00467239	DRE	Countrywide Home Lenders (DBA)	Broker		Licensed	LAGUNA NIGUEL, CA	N/A
00478295	DRE	Countrywide Real Estate (DBA)	Broker		Licensed	EXETER, CA	N/A
00479970	DRE	Countrywide Realty (DBA)	Broker		Expired	VISTA, CA	N/A
00533003	DRE	Countrywide Real Estate (DBA)	Broker		Licensed	CRESTLINE, CA	N/A
00569214	DRE	Countrywide Mortgage And Investment (DBA)	Broker		Expired	BELLA VISTA, CA	N/A
00569214	DRE	Countrywide Properties (DBA)	Broker		Expired	BELLA VISTA, CA	N/A
00569214	DRE	Countrywide Properties/Countrywide Property Management (DBA)	Broker		Expired	BELLA VISTA, CA	N/A
00587488	DRE	Countrywide Realty (DBA)	Broker		Licensed	GARDEN GROVE, CA	N/A
00587488	DRE	Countrywide Realty & Investments (DBA)	Broker		Licensed	GARDEN GROVE, CA	N/A
00595055	DRE	Countrywide Realty (DBA)	Broker		Licensed	PAUMA VALLEY, CA	N/A
00644163	DRE	Countrywide Real Estate Loans (DBA)	Broker		Expired	OAKHURST, CA	N/A



California Office of Real Estate Appraisers

Current Issues & Appraisal Deficiencies

Current Issues & Appraisal Deficiencies

Overview

- A. Current Issues
- B. Assessor Qualifications Criteria
- C. Mission Statement
- D. Key USPAP Enforcement Issues
- E. Appraisers Complicity in Fraud
- F. How Not To Become A Victim

Current Issues

- A. Housing & Economic Recovery Act of 2008 (HR 3221)
- B. Home Valuation Code of Conduct (HVCC)
- C. Assessor Qualifications Criteria

Housing and Economic Recovery Act of 2008 (HR 3221)

- Effective Dates
- Requirements
- 4150.2 Handbook
- Verifiable Education

Home Valuation Code of Conduct (HVCC)

- Effective 5/1/09
- Independence of Appraisal Process
- Appraisal Management Companies (AMCs)

Assessor Qualifications Criteria

- A. Experience must be USPAP compliant.
- B. *A Log of Appraisal Experience* (REA 3004) is required.
- C. Work samples are required.

Office of Real Estate Appraisers

Mission Statement

“We protect public safety by ensuring the competency and integrity of licensed real estate appraisers.”

Appraisal Deficiencies

- A. Business Practices/Due Diligence
- B. Advocacy Issues
- C. Complicity in Fraudulent Transactions
- D. Criminal Activity

Key USPAP Enforcement Issues

Common Deficiencies

1-2(a) Identify the intended user...

1-2(b) Identify the intended use...

These are drivers of the Scope of Work which helps to define objectivity.

Key USPAP Enforcement Issues

1-2(e) Identify the characteristics...that are relevant to the type of and definition of value and intended use of the appraisal...

(i) its location, physical, legal, and economic attributes;

Often a result of lack of due diligence, competency, and failure to identify scope of work. If intentional, it may involve ethics.

Key USPAP Enforcement Issues

1-2(f) Identify any extraordinary assumption necessary in the assignment;

Must have a reasonable basis and result in a credible analysis. Often underutilized and misunderstood.

Key USPAP Enforcement Issues

1-3(a) identify and analyze the effect on use and value of existing land use regulations...;

1. As related to zoning is often incorrect
2. General plans and market trends often not developed
3. Results in unsupported Highest and Best Use; i.e., misleading report

Key USPAP Enforcement Issues

1-4 In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

1. Sales comparables often misrepresented
2. Primary data sources are often necessary in assignments

Key USPAP Enforcement Issues

1-4 Continued

3. Typical Violations

- a) Land attributes misrepresented for large or complex parcels
- b) Outbuildings not addressed
- c) Marshall Swift used for cost estimates but not understood
- d) Failure to analyze leased fee attributes of sales comparables and properly relate to the subject property

Key USPAP Enforcement Issues

1-5(a) analyze all agreements of sale, options, and listings...;

1-5(b) analyze all sales of the subject property...;

1. Requirement is to analyze, not just disclose
2. Omission of key data can be basis for Ethics violations

USPAP

Conduct Section of Ethics Rule

“...An appraiser must not engage in criminal conduct. An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interest.”

1. The degree of violations may constitute a breach of Conduct section of Ethics Rule
2. Errors in one direction
3. Evidence of impartiality, objectivity, or independence in an assignment is a segue to violation of Conduct section of Ethics rule.

Competency Rule

1. Lack of technical competency is often a factor in Complex appraisal assignments
2. Geographic competency is especially a concern
3. These violations result in misleading reports and are a cause for significant discipline

Definition of *Fraud*

Fraud:

1. An intentional perversion of truth.
2. False misrepresentation of a matter of fact.

Appraisers Complicity in Fraud

- A. Pre-determined values due to client pressure
- B. Misrepresentation of relevant property characteristics
- C. Failure to disclose sales/listing history
- D. Intentional misrepresentation of sales comparables

“No Money Down” Transactions

- A. Requires significant overvaluation
- B. Occurring in a down trending market
- C. Perpetrators prey on geographic competency

“No Money Down” Transaction

Structure of “No Money Down” Transaction

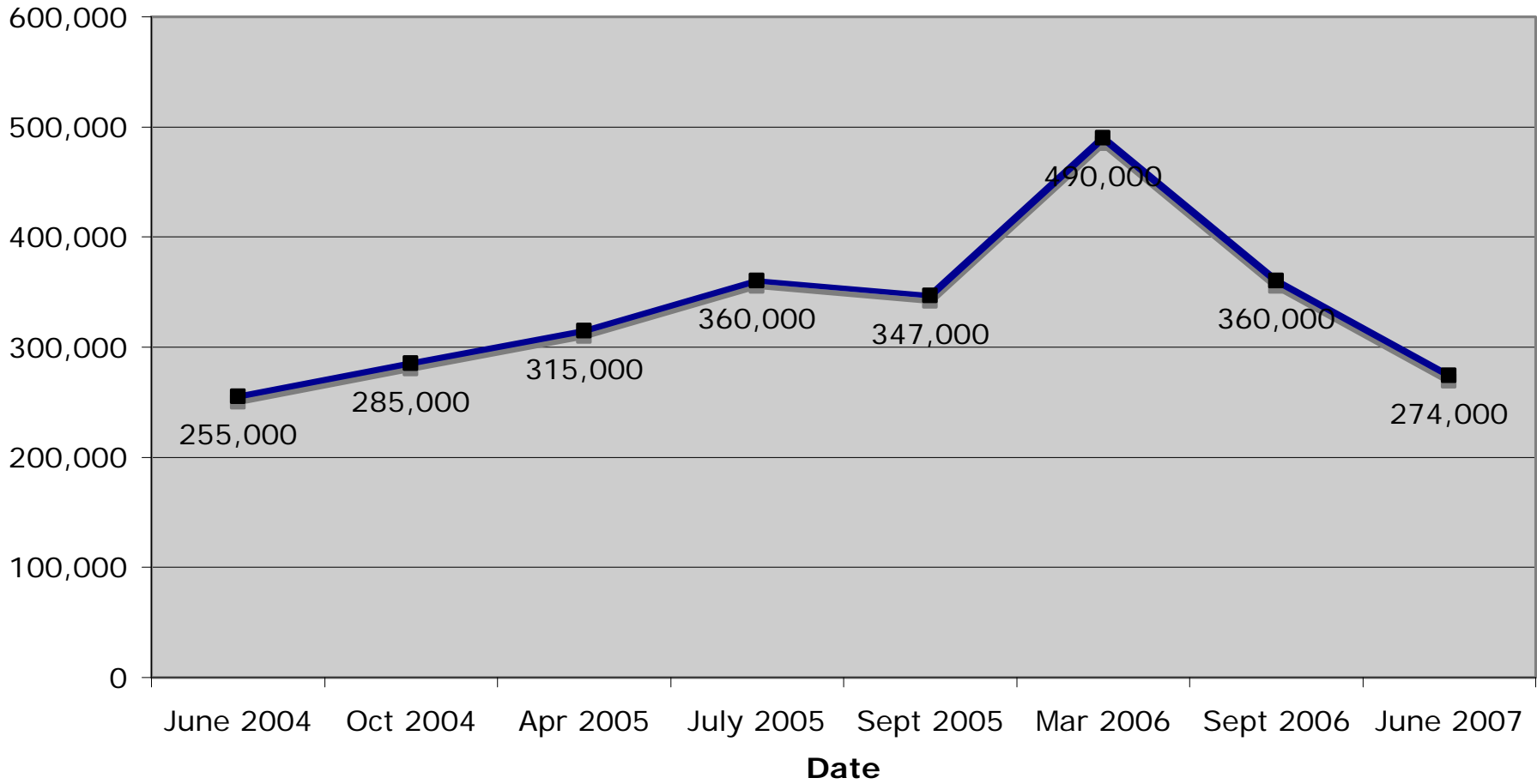
List Price	\$435,000
List Date	11/01/2005
Revised List Price	\$393,000
Date	2/01/2006
Sales Price	\$460,000
Date	2/20/2006
Loan Amount	\$405,000
“Repairs” Set Aside	\$55,000

“No Money Down” Transaction

Appraisers Complicity in Transaction

- Misrepresentation of subject property
- Misrepresentation of sales comparables
- Lacked geographic competency
- Failure to disclose and analyze current listing information

"No Money Down" Transactions



How Not to Become a Victim

1. Adhere to sound appraisal practice
2. Always comply with USPAP
3. Practice due diligence
4. Be cognizant of physical defects
5. Pictures as protection
6. Practice technical and geographic competency
7. Proper use of extraordinary assumptions and hypothetical conditions
8. “When in doubt, disclose.”

How Not to Become a Victim (Continued)

9. Practice effective record keeping
10. Primary tenets of Conduct section of Ethics rule:
 - a) Objectivity
 - b) Impartiality
 - c) Independence

OREA

QUESTIONS?

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