



Real Estate Bulletin

DEPARTMENT OF REAL ESTATE

WINTER 2020/21

Vol. 79, No. 3



Commissioner's Message

The Winter 2020/21 edition of the Real Estate Bulletin is our annual report of Department of Real Estate (DRE) activities for the previous fiscal year (July 1, 2019 – June 30, 2020). The COVID-19 pandemic has certainly tested all of us over the past year. Just like with you and your business, those of us here at DRE have been forced to pivot, finding new and safer ways to do our jobs.

I'm proud to report that our staff has shown amazing flexibility and adaptability. We've found new efficiencies and adopted new processes and communications modes. As of this writing, almost 90% of our staff is able to telework for part or all of their work week. In many areas of our work, our performance has actually improved and the metrics demonstrate that.

Unfortunately, new regional Stay-at-Home orders late in 2020 have forced us to shut down our offices and exam centers to the public for a second time this year. We understand the set-back this makes in the lives of all our examinees, and will be ready to reopen as soon as health officials give us the okay to do so.

(CONTINUED ON PAGE 3)

COVID-19 Guidance for the Real Estate Industry

In light of the COVID-19 pandemic, DRE has been making efforts to protect and maintain the health and safety of consumers, the real estate industry, and DRE staff.

A part of these efforts is education regarding the California Department of Public Health (CDPH) and the California Department of Industrial Relations' (CalOSHA) COVID-19 Industry Guidance: Real Estate Transactions.

This document, available at <https://files.covid19.ca.gov/pdf/guidance-real-estate.pdf>, provides guidance specifically for the real estate industry on how to maintain the health and safety of industry workers, clients, consumers, and others involved in real estate transactions.

The guidance includes information about the following:

- Establishing and adhering to a COVID-19 prevention plan in the workplace and when showing properties



- Training workers on how to prevent COVID-19 from spreading
- Defining and performing cleaning and disinfecting protocols for the workplace and in shown properties
- Physical distancing in the workplace and when showing properties

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REAL ESTATE BULLETIN

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STATE OF CALIFORNIA

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BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Lourdes M. Castro Ramirez, *Secretary*

DEPARTMENT OF REAL ESTATE

Douglas R. McCauley, *Real Estate Commissioner*

REAL ESTATE BULLETIN

Bradley Evans, *Editor*

ADMINISTRATION

Marcus McCarther, *Chief Deputy Commissioner*

Tom Cameron, *Assistant Commissioner, Audits*

James Damrell, *Assistant Commissioner, Legislation and Regulations*

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Jeff Oboyski, *Assistant Commissioner, Licensing*

Chika Sunquist, *Assistant Commissioner, Enforcement*

Shelly Wilson, *Assistant Commissioner, Administrative Services*

NORTHERN ENFORCEMENT AREA—DISTRICT OFFICES

SACRAMENTO PRINCIPAL OFFICE

Tricia Parkhurst, *Supervising Special Investigator II*

1651 Exposition Blvd., Sacramento
Mailing Address:
P.O. Box 137011
Sacramento, CA 95813-7001
Consumer Information: (877) 373-4542

OAKLAND DISTRICT OFFICE

Stephanie Yee, *Supervising Special Investigator II*

1515 Clay St., Suite 702
Oakland, CA 94612-1462
Consumer Information: (877) 373-4542

CENTRAL ENFORCEMENT AREA—DISTRICT OFFICES

FRESNO DISTRICT OFFICE

Brenda Smith, *Supervising Special Investigator II*

2550 Mariposa Mall, Suite 3070
Fresno, CA 93721-2273
Consumer Information: (877) 373-4542

SOUTHERN ENFORCEMENT AREA—DISTRICT OFFICES

LOS ANGELES

Maria Suarez, *Supervising Special Investigator II*

320 West 4th St., Suite 350
Los Angeles, CA 90013-1105
Consumer Information: (877) 373-4542

SAN DIEGO DISTRICT OFFICE

Veronica Kilpatrick, *Supervising Special Investigator II*

1350 Front St., Suite 1063
San Diego, CA 92101-3687
Consumer Information: (877) 373-4542

SUBDIVISIONS NORTH—SACRAMENTO DISTRICT OFFICE

Christina Park, *Supervising Special Investigator II*

1651 Exposition Blvd., Sacramento
Mailing Address:
P.O. Box 137005
Sacramento, CA 95813-7005
Consumer Information: (916) 576-3374

SUBDIVISIONS SOUTH—LOS ANGELES DISTRICT OFFICE

Tony Fan, *Supervising Special Investigator II*

Angele Chemsian, *Supervising Special Investigator II, Budget Review*
Joseph Aiu, *Subdivisions Statewide Compliance*
320 West 4th St., Suite 350
Los Angeles, CA 90013-1105
Consumer Information: (213) 576-6983

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California Department of Real Estate's Annual Report

This *Real Estate Bulletin*, beginning on page 4, provides the reader with a summary of the actions and accomplishments of all our programs in our effort to fulfill our mission over the most recently completed fiscal year. We hope you, the readers, find it to be of interest. We still have so much to do, as is spelled out in our Strategic Plan covering 2019-2023 available on our website at www.dre.ca.gov under the "About DRE" tab.



The fastest, easiest way to manage your real estate license!

Examination Services

- Schedule Exam (After Application Has Been Processed)
- Reschedule or Apply to Retake Exam
- Change Exam Mailing Address
- View Exam Records
- Check Exam Date, Time & Location
- View Exam Results
- Request Duplicate Schedule or Result Notices
- Find Out if License Has Been Issued

Brokers

- Add/Change Main Office & Mailing Address
- Certify Salesperson Renewal or Employment Change
- Remove Salesperson from License
- Renew License
- Print License Certificate
- Update Phone Numbers/Email Address

Salespersons

- Add/Change Employing Broker
- Change Mailing Address
- Renew License
- Print License Certificate
- Update Phone Numbers/Email Address

Corporation Officers

- Certify Salesperson Renewal or Employment Change
- Remove Salesperson from License
- Print License Certificate
- Update Phone Numbers/Email Address

COMMISSIONER'S MESSAGE (CONTINUED FROM PAGE 1)

In our personal lives the impact of COVID-19 is more profound. Currently, more than nine-percent of Californians are unemployed, and many more have had their hours or wages reduced. That number is likely to go up with the new Stay-at-Home orders.

This is placing tremendous pressure on rental households. Many of you in property management have first-hand experience with the challenges both landlords and tenants are experiencing.

To provide assistance to tenants struggling to pay rent, on August 31, 2020, Governor Newsom signed into law Assembly Bill (AB) 3088, the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020. The bill contains a variety of protections for landlords and tenants, and went into effect immediately.

Due to the critical threat of evictions, it was important to implement the act quickly. DRE was asked to take the lead on educating the public and we delivered.

In short order, DRE developed and launched a website (HousingIsKey.com). It includes crucial information about the new protections, including the required declarations for tenants in multiple languages. We also updated the popular California Tenants: A Guide to Residential Tenants' and Landlords' Rights and Responsibilities. We collaborated with the UC Irvine Law School and NeotaLogic to create an information app to walk users through key provisions of the law to understand how it applies to their situation. In addition, we partnered with the California Department of Public Health (CDPH) to include information about eviction protections on their 2-1-1 call center.

The success of this effort would not have been possible without an integrated team effort involving staff from throughout DRE. I am proud of the fact that DRE was entrusted with the work to operationalize this important



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legislation, but I am doubly proud of how exceptionally well our team delivered. We demonstrated that we are more than a licensing agency.

During the past year DRE also maintained its focus on providing quality services. When we reopened our exam centers after closing for two months earlier this year, our capacity was cut by 50%. By making the exam process more robust, including adding Saturday exams, we were able to administer more exams than we did pre-COVID.

With our offices and exam centers now closed, I encourage all licensees to use our eLicensing system for your online renewals and other administrative activities. We hope to have some new online services available in 2021, including online exam applications, which will further help reduce processing times.

The real estate profession has been resilient in adapting to this new world. Virtual home tours and e-signatures have all helped licensees provide efficient services while also observing public safety protocols.

With positive signs that vaccines are becoming available, we all need to redouble our commitment to the industry guidelines developed by CDPH and available on DRE's COVID-19 Updates web page, as well as general safety requirements from CDPH and local health authorities.

How well we stay the course will help dictate how soon we'll start getting back to a more normal life.

Please stay safe and wear a mask. ■





Licensing

DRE's licensing program is responsible for administering real estate license examinations and issuing and renewing salesperson and broker licenses. The program also issues and renews mortgage loan originator (MLO) license endorsements through the Nationwide Multistate Licensing System (NMLS).

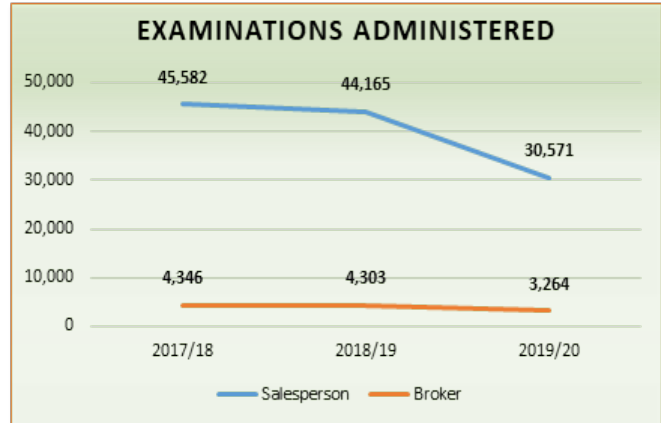
Licensing staff also run DRE's Virtual Call Center, responding to thousands of phone calls and emails each year from licensees, consumers, as well as potential applicants.

Licensing and Examinations

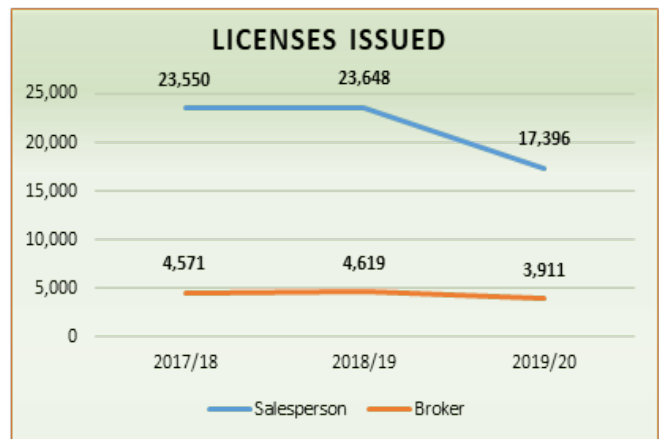
In fiscal year (FY) 2019-20, DRE's licensing program was severely hampered by the COVID-19 pandemic. DRE's five exam centers (Sacramento, Oakland, Fresno, La Palma, and San Diego) were closed from mid-March through May. The closures directly led to a reduction in number of exams administered, and licenses issued. A reduction in license renewals can likely be attributed to the pandemic as well.

When exam centers re-opened in June, DRE implemented a number of health and safety procedures. These included social distancing and face covering requirements and disinfecting the exam centers and test stations after every exam administered. Also, capacity in each exam center was cut by one-half. To offset the number of tests that can be given at one time, DRE began offering Saturday exams in both Sacramento and La Palma (Orange County). This step, along with other efforts to fill exam seats, enabled DRE to administer more exams after the closure than before.

The first chart demonstrates the number of exams administered during FY 2019-20, compared with the prior two fiscal years. The number of salesperson exams administered dropped 31% from FY 2018-19, while the number of broker exams administered dropped 24%.



The next chart demonstrates a 26% drop in issuance of new salesperson licenses in FY 2019-20, compared to FY 2018-19, and a decrease in issuance of new broker licenses of 15%.



Governor Gavin Newsom issued three executive orders during FY 2019-20 that affected DRE and its licensing population. Executive orders N-52-20, N-69-20, and N-71-20 extended deadlines associated with taking the real estate exam, applying for licensure, and license renewals.

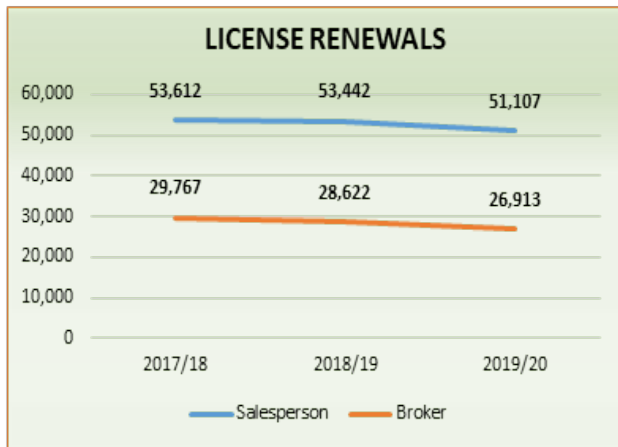
Although after the end of FY 2019-20, it's notable that in late October, 2020, Governor Newsom signed Executive Order N-83-20, which extended exam, licensing, and renewal deadlines that expired on or after April 16, 2020 until June 30, 2021.

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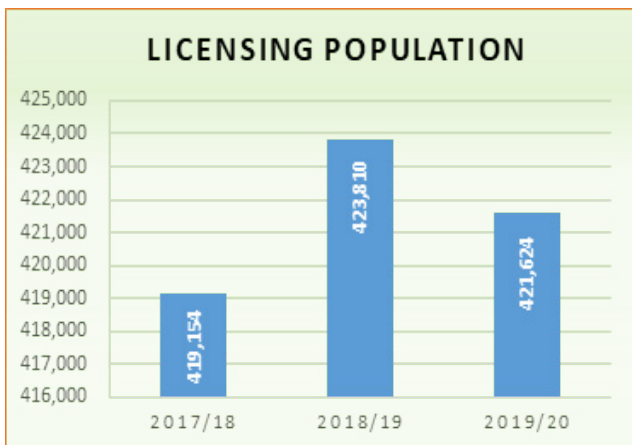
LICENSING (CONTINUED FROM PAGE 6)

Licensing Population

For FY 2019-20, license renewals for both salespersons and brokers remained steady. Seventy-nine percent of salespersons, and 92% of brokers renewed their licenses during the fiscal year.



At the end of FY 2019-20, DRE's licensing population stood at 421,624, which included 291,759 salespersons and 129,865 brokers. This was a decrease of just 1% from the prior fiscal year.



Also, in FY 2019-20, 24,229 MLOs successfully renewed their license endorsement. By the end of the fiscal year, 26,436 MLOs were either in an approved or approved-inactive status.

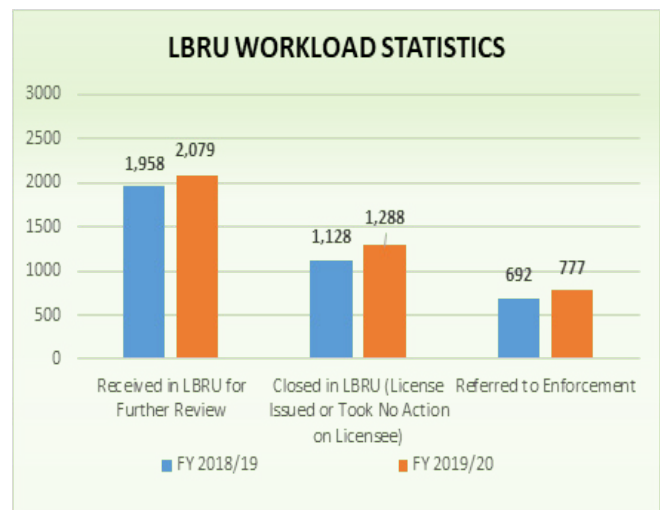
Licensing Background Review Unit (LBRU)

As part of the licensing process, DRE conducts a detailed background review on all applicants, including mandatory fingerprinting. DRE has the legal authority to deny the issuance of a license to an applicant, or to discipline the license of a licensee, if he or she has been convicted of a substantially related crime, or has been the subject of professional license disciplinary action.

As part of background review, DRE's Licensing Background Review Unit (LBRU) gathers and evaluates all pertinent documents and certified records, as well criminal background and professional license disciplinary action information, if applicable, to determine if the applicant or licensee has committed any substantially related crime(s) or act(s) which would serve as a basis for disciplinary action. (See Commissioner Regulation Section 2910.) In cases where further investigation or interviews are necessary, DRE's enforcement staff may be involved.

LBRU then makes recommendations regarding the issuance, denial, or revocation of a license.

Below are LBRU workload statistics for FY 2019-20, as compared to FY 2018-19.



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LICENSING (CONTINUED FROM PAGE 7)

Phone Calls

DRE's Licensing program is responsible for responding to inquiries from licensees, license applicants, and others. The majority of contacts are via the telephone or through email.

During FY 2019-20, was able to fully utilize a new state-of-the-art Virtual Contact Center (VCC) phone system. The system, which helps distribute calls across DRE's program areas, was installed in December 2018 and replaced an Interactive Voice Response system. In FY 2019-20, DRE received 275,944 calls, with Licensing staff handling 129,026 of them. DRE staff are available to speak to callers Monday through Friday from 8:00 a.m. to 5:00 p.m.

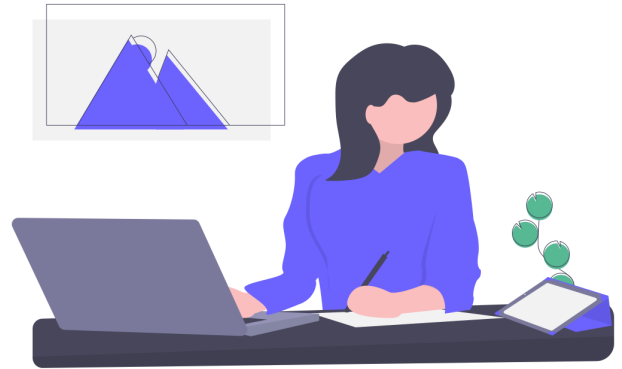
"Ask DRE Licensing" By Email

To provide additional access and responses to general licensing and examination questions, the Licensing program implemented "Ask DRE Licensing By Email" in March 2020. Ask DRE emails are answered in the order received, and typically within two business days. Since March, Licensing staff have been responding to over 1,500 emails per month.

Occupational Analysis and Exam Development

The Licensing program also is responsible for ensuring its real estate exams accurately reflect current industry practice. In FY 2019-20, DRE's Examination Administration and Development completed two phases of an examination validation study. The completed occupational analysis phase identified the knowledge, skills, and abilities (KSAs) that are a necessary part of the practice of real estate so they may be reflected in the real estate licensing examinations.

A scope of the practice of real estate in California is then defined through a survey which is then used to develop a current occupational analysis. The second phase of the examination validation study consisted of written examination development. This task also involved the participation of industry subject matter experts who



revised and created examination items that reflect the results of the new occupational analysis. Additional phases of the examination validation study will continue throughout Fiscal Year 2020-21 and beyond.

Education and Research

The Licensing Program's Education and Research section is responsible for the review and approval of all real estate license continuing education course offerings, as well as pre-license/statutory qualification courses offered by private schools. In FY 2019-20, 256 continuing education course offerings were reviewed and approved. In addition, 172 pre-license/statutory courses, and 73 continuing education equivalency petitions were reviewed and approved. At the conclusion of FY 2019-20, there were 96 continuing education course providers offering 544 approved courses and 142 pre-license/statutory course providers offering 819 approved courses.

Looking Forward

DRE's Licensing program continues to respond to the challenges associated with providing timely delivery of services while preserving the integrity of the results. To achieve this goal, the Licensing program continues to expand the use of technologies, such as the phone system update and improvements to our eLicensing system. In Fiscal Year 2020-21 it's expected eLicensing will be further enhanced to include the ability to submit online examination/license applications. ■

Enforcement

DRE's Enforcement section is responsible for enforcing California Real Estate Law and the Subdivided Lands Law. Its work is accomplished, in part, by investigating complaints that have been filed against real estate licensees, subdividers, and unlicensed individuals and entities.

The Enforcement section also initiates investigations based on other sources of information. Investigations determine if violations of the Real Estate Law or Subdivided Lands Law occurred in a transaction and provide recommendations on the appropriate type of disciplinary action that should be brought against the parties involved.

Investigative Process

DRE will open an investigation of an alleged violation of the Real Estate Law or Subdivided Lands Law if it receives a verified written complaint. DRE also will open an investigation on its own initiative if it learns of an alleged violation.

DRE staff review all complaints to determine if it has jurisdiction, specifically assessing whether or not the complaint involves a real estate licensee, subdivider, or unlicensed person or entity who has performed acts that require a real estate license. Additionally, DRE also considers whether or not the alleged act falls within the applicable statute of limitations.

If DRE has jurisdiction over a complaint, it is assigned to DRE's Enforcement section for investigation. If, after a thorough review of the evidence, it is determined that there is sufficient evidence that a violation of the Real Estate Law and/or Subdivided Lands Law has occurred, the evidence will be sent to DRE's Legal section for consideration of administrative prosecution. In many cases, sufficient evidence to establish a cause for discipline cannot be developed because the allegations made by the complainant prove to be either incorrect or unsubstantiated.

There are multiple levels and forms of disciplinary action available to DRE. When challenging an applicant's qualifications for licensure, a statement of issues may

be filed. When seeking to suspend or revoke an existing license, an accusation may be filed. To stop ongoing violations of either the Real Estate Law or the Subdivided Lands Law, a desist-and-refrain order may be filed. To enjoin persons from working in real estate or related industries, a bar order may be filed.

In addition, DRE has authority to issue citations and impose fines for violations of the Real Estate Law and the Subdivided Lands Law. Citations issued to real estate licensees are typically for relatively minor violations of the law that do not merit higher disciplinary action.s DRE also can issue a citation and impose a fine on an unlicensed person engaged in an activity for which a real estate license is required.

The number of complaints DRE received, assigned for investigation, and subsequently referred to DRE's Legal section recommending disciplinary action in FY 2019–20 are outlined in the chart below:

Complaint Statistics

	FY 2019-20	FY 2018-19	FY 2017-18
Complaints Received	6,184	6,497	6,197
Complaints Referred for Investigation	4,767	4,088	4,181
Complaints Referred for Disciplinary Action	913	1,081	1,093

As part of the investigative process, DRE Enforcement staff gather and review all pertinent documentation involved in the transaction as well as carefully document the testimony of witnesses to the events that transpired. DRE approaches the investigative and disciplinary process in a fair and impartial manner, being mindful of the rights of both licensees and consumers when seeking to achieve justice and public protection.

Proactive Efforts

As part of its efforts to further increase visibility and interaction with the industry, in FY 2019-20, the Enforcement section continued to place an emphasis on proactive outreach initiatives. These proactive

(CONTINUED ON PAGE 8)



ENFORCEMENT (CONTINUED FROM PAGE 4)

efforts consisted of conducting proactive broker office surveys and meeting and working with local licensee associations, including real estate, mortgage loan, property management, and escrow associations throughout the state. These efforts provided both licensees and local associations with increased opportunities to interact with and provide input to Enforcement staff, discuss and learn about changes in the law, and provide comments and feedback about compliance requirements.

Looking Forward

In FY 2020–21, DRE’s Enforcement section is continuing its proactive efforts to provide information and assist the real estate community, and ensuring licensees are aware of, and are complying with, applicable real estate and subdivided lands laws and regulations.

Mortgage Loan Activities

DRE’s Mortgage Loan Activities (MLA) unit is the part of the Enforcement section responsible for a variety of functions associated specifically with real estate brokers engaged in the mortgage business. Its functions primarily include the following:

Mortgage Loan Compliance and Enforcement

MLA performs investigations related to a wide range of mortgage loan-related topics, including private money transactions, unlicensed loan activity, and advertising compliance. MLA also performs broker office surveys to review books, accounts, and records of brokers performing mortgage loan activities and broker-controlled escrow activities for compliance and for appropriate broker supervision, often working in concert with auditors from the DRE’s Audit section.

Background Investigations

MLA performs background investigations on salesperson, broker, and corporation licensees applying for the MLO license endorsement. Investigations are conducted with respect to prior criminal convictions,

disciplinary actions, civil litigation, and other financial responsibility issues, to determine if issuing a license endorsement to that person or corporation would pose a risk to the public. In FY 2019-20, MLA performed 344 total MLO background investigations.

Reports Compliance

MLA tracks and monitors the activities of brokers who meet a prescribed level of activity in private money mortgage activity (threshold brokers) and in multilender servicing activity (multilender brokers). The threshold and multilender brokers are required to submit quarterly and annual reports to DRE. Currently there are 337 reporting threshold brokers and 131 reporting multilender brokers.

MLA also monitors compliance with respect to the online submission of Business Activity Reports and Escrow Activity Reports via DRE’s website and the Mortgage Call Reports (MCRs) submitted via the National Mortgage Licensing System (NMLS).

Voluntary Mortgage Loan Advertising Reviews

MLA performs reviews of mortgage loan advertisements submitted voluntarily by brokers requesting DRE approval. Brokers may submit their advertisements with the “Mortgage Loan Advertising Submittal” (RE 884) form along with the required fee for the review.

Industry and Consumer Resource

Each day, MLA fields a high volume of phone calls from licensees and consumers who have questions regarding various compliance issues and complaints. MLA receives and responds to written correspondence as well. Every fiscal year, MLA responds to approximately 2,500 calls and letters combined. MLA is also involved in enforcement outreach through visits to brokers’ offices and by participating in industry and consumer events.

Looking Forward

MLA will continue its enforcement efforts while working with industry to increase consumer protection, knowledge, and compliance. ■

Subdivisions

Before a subdivision can be marketed in California, the subdivider must apply for and get the following from DRE:

- Subdivision Public Report (California project);
- Permit (out-of-state timeshare); or
- Confirmation of Their Registration (non-California project located within the United States).

The public report/permit discloses to prospective purchasers pertinent information about the subdivision. Before DRE will issue a public report or permit, the subdivider must submit evidence that adequate financial arrangements have been made for the project's completion.

Through the public report process, DRE oversees the creation of new standard, common interest, and timeshare developments.

To protect purchasers from fraud and misrepresentation in subdivision sales, DRE maintains uniform minimum statewide standards for site suitability, financing of improvements and facilities, sales agreements, purchase money handling, the release of blanket encumbrances,

and vital disclosures concerning the availability of fire protection, water supply and quality, vehicular access, latent natural hazards, reservations of mineral rights and easements, and community association assessments.

DRE's Subdivision section also seeks to ensure that the intricate arrangements required for managing common interest developments, including association budgets and governing instruments, are established in a way which balances the needs of the builder with those of purchasers.

Subdivision Statistics

In FY 2019-20, DRE received 2,639 Final Subdivision Public Report (Final) applications. This was a decrease of 14.6% from the FY 2018-19 total of 3,089, but 1.5% higher than the average number of Final applications (2,598) DRE received annually over the past 15 years.

The highest number of Final applications received was in FY 2005/06 (4,538); the lowest was in FY 2008/09 (1,262).

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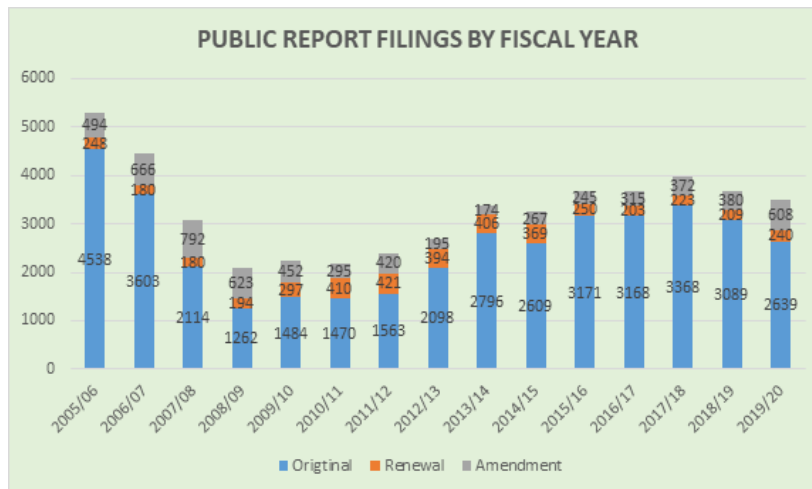




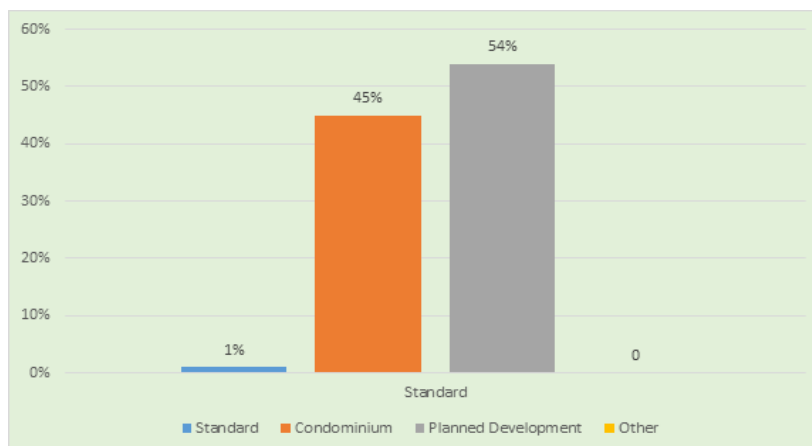
SUBDIVISIONS (CONTINUED FROM PAGE 9)

In FY 2019-20, Amended Subdivision Public Report (Amendment) applications increased 60% (380 to 608), while Renewed Subdivision Public Report (Renewal) applications increased 14.8% (209 to 240).

Increased Amendment numbers may reflect changing market conditions and modified development plans. Typically, increased Renewal numbers reflect fewer subdivision sale-outs were able to be made within the five-year term of the Final Public Report.



The following chart illustrates FY 2019-20 issued public reports by subdivision type:



Looking Forward

DRE’s Subdivision section will continue to partner with state and federal agencies to address issues of mutual concern aimed at improving consumer protection. A primary focus is being placed on expanding consumer education on the home-buying/selling process as well as to increase their awareness of inappropriate actions and real estate fraud.

Internally, Subdivision section staff are working with DRE’s Information Technology team on the second phase of an electronic application system. The Subdivision Online Public Report Application System (SOPRAS) will fully automate the application process by establishing paperless submittals and instantaneous communications. It is expected that the SOPRAS will save time and resources while maintaining the highest level of public protection. When fully implemented, this process will improve productivity and service to the public. ■

Legal

DRE's Legal section plays a critical role in protecting consumers through its work during the application review and license discipline processes. This includes the preparation of statements of issues to deny license applications and accusations to discipline license rights.

DRE attorneys regularly appear before administrative law judges to argue in favor of application denials or license discipline. In FY 2019-20, the Legal section revoked 162 licenses, suspended 87 licenses, accepted the voluntary surrender of 62 licenses, and denied 113 license applications.

In addition to administrative prosecutions described above, the Legal section also manages DRE's Consumer Recovery Fund, a fund of last resort where victims of real estate fraud may recover some or all of their actual losses when a licensee lacks assets to pay for that loss.



During FY 2019-20, the fund received 40 new claims for payment, paid 41 claims totaling \$947,411, and denied eight claims. The fact that DRE paid or denied more claims than it received during the fiscal year is not unusual since most claims were filed during prior fiscal years and each claim takes more than one year to process.

The following chart highlights FY 2019-20 administrative prosecutions:

Activity	Cases Filed	Orders Issued
Statement of Issues Cases	184	--
Accusation Cases	442	--
Desist & Refrain Cases	--	18
Petitions for Reinstatement	--	58
Petitions for Removal of Restrictions	--	2
Petitions for removal of Discipline History from Website	--	5
Licensing Revocations (including restricted)	--	162
License Suspensions	--	87
Voluntary Surrenders	--	62
Stipulations and Waivers/Agreements	--	164
Dismissals (Accusations or Statements of Issues)	--	60
Public Reprovals	--	8
License Denials (including restricted)	--	113
Final Bar Orders	--	4
TOTAL	626	743



Audits

DRE's Audit section protects consumers through financial compliance audits of real estate licensees and subdivision developments. The primary focus of the Audit section is trust fund handling by licensees and subdividers. DRE auditors determine if real estate brokers or subdividers comply with the requirements of the Real Estate Law and the Subdivided Lands Law.

DRE staff performs two types of audits:

1. Investigative Audit – Related to a complaint or a follow-up audit to a previous disciplinary action or report
2. Proactive Routine Audit – Often targets brokers who handle a large volume of trust funds

In FY 2019-20, the Audit section closed 533 audits. This was comprised of 277 investigative audits and 256 proactive audits.

Given DRE's limited number of auditors as compared to its license population, audit efforts in FY 2019-20 was focused on brokers who handle a high volume of trust funds. Audit cases completed during the fiscal year revealed a very high incident and dollar amount of trust fund shortages.

For FY 2019-20, DRE audit staff found trust fund shortages totaling more than \$5 million. Two-thirds of the shortages were found on audits of brokers involved with property management or broker escrow activities, as follows:

Broker Activity	Number of Audits Closed	Number/Percentage of Audits with Shortage		Amount of Shortage Found
Property Management	348	148	43%	\$4,720,363
Broker Escrow	62	14	23%	\$254,735
Mortgage Loan	52	4	8%	\$31,797
Sales/Other	71	0	0%	\$0
Total	533	166	31%	\$5,006,895

During audits, a total of \$1.5 million of the above shortage was replenished into the trust accounts, with either the broker making a cash deposit or correcting the books.

The following table breaks down the results of the 533 audits performed:

Result	# of Audits	% of Audits
Major Violations	103	19.3%
Cite and Fine	16	3%
Corrective Action Letters	95	17.8%
Minor Violations	189	35.5%
No Violations	130	24.4%
Total Audits Performed	533	100%

Looking Forward

In FY 2020-21, DRE's Audit section will continue fulfilling its critical public protection role by enhancing its education of real estate licensees through the performance of investigative and proactive routine audits. ■

Legislative Update

During the 2019-20 legislative session, the State Legislature introduced 2,798 bills (not counting assessor resolutions). But, the onset of the COVID-19 pandemic compelled the Legislature to significantly reduce the number of bills it would consider. By the end of the session, it approved 584 bills. Of those, Governor Gavin Newsom signed 528 into law and vetoed 56.

Below is a summary of those signed bills that affect real estate licensees and subdividers. These summaries are intended to alert you to pertinent changes to California law.

For more detailed information, please view the statute online at <http://leginfo.legislature.ca.gov>. Please note that “SB” refers to a Senate Bill and “AB” to an Assembly Bill. The name appearing after the bill number is the name of the author. All statutes are effective January 1, 2021, unless otherwise indicated.

AB 100 (Assembly Committee on Budget, Chapter 2 Statutes of 2020)

Reorganized the state’s Seismic Safety Commission and ordered an update to the Homeowner’s Guide Earthquake Safety

Previously, the Seismic Safety Commission was an independent unit with the Business, Consumer Services and Housing Agency. This bill re-established the commission as a unit within the Governor’s Office of Emergency Services. The bill also ordered the Commission to update the Homeowner’s Guide to Earthquake Safety, distributed by real estate licensees pursuant to Section 2079.8 of the Civil Code. This bill was part of the 2020 State Budget and went into effect on June 29, 2020.

AB 1864 (Limón, Chapter 157, Statutes of 2020)

Expansion and re-naming of the Department of Business Oversight into the Department of Financial Protection and Innovation

(CONTINUED ON PAGE 14)



COVID-19 GUIDANCE FOR THE REAL ESTATE INDUSTRY (CONTINUED FROM PAGE 1)

In addition to the guidance, CDPH and CalOSHA have published a COVID-19 General Checklist for Real Estate Transactions, available at <https://files.covid19.ca.gov/pdf/checklist-real-estate.pdf>. This document synthesizes the information in the guidance into a useful checklist.

For general information and updates on COVID-19, please visit www.covid19.ca.gov.

For DRE-related updates on COVID-19, impacts to licensees and license applicants, and links to guidance and resources, please visit DRE’s COVID-19 page at https://www.dre.ca.gov/About/covid19_info.html. ■



LEGISLATIVE UPDATE (CONTINUED FROM PAGE 13)

This bill re-named the Department of Business Oversight as the Department of Financial Protection and Innovation (DFPI). The bill expanded the authority of DFPI to include financial services that are presently unregulated or that may enter the market in the future. This bill was part of the 2020 State Budget and went into effect on September 25, 2020.

AB 3088 (Chiu, Chapter 37, Statutes of 2020)

Temporary relief for tenants, homeowners, and small landlords impacted by the COVID-19 pandemic

Among other provisions, this bill imposed a moratorium from March 1, 2020 through January 31, 2021 on evictions for non-payment of rent due to the tenant's COVID-19 related financial hardship and provides other tenant protections. The bill expanded the Homeowners Bill of Rights temporarily to cover small landlords, as defined, and added other COVID-19 related requirements upon mortgage servicers. This bill went into effect on August 31, 2020.

AB 3182 (Ting, Chapter 198, Statutes of 2020)

Nullification of home owner association (HOA) rules against specified rental of units or accessory units

This bill nullifies any language within HOA governing documents that restricts the ability of a member/owner to rent or lease their unit, an accessory dwelling unit, or a junior accessory dwelling unit.

SB 1079 (Skinner, Chapter 202, Statutes of 2020)

Foreclosure notices to tenants in residence

This bill temporarily requires a specified notice to a tenant in residence in a home subject to foreclosure, and establishes a process tenants may pursue to purchase the property at foreclosure.

SB 1190 (Durazo, Chapter 205, Statutes of 2020)

Authority for a tenant to terminate a lease early when a violent crime occurs

Existing law allows a tenant to terminate a lease when the tenant or household occupant is victim of a violent crime. This bill expanded that authority by adding crimes to the list of qualifying crimes, and by authorizing termination of the lease where the crime victim is an immediate family member of the tenant.

SB 1473 (Senate Committee on Governance and Finance, Chapter 371, Statutes of 2020)

Clarified the Department of Real Estate's (DRE) scope of review of apartment developments

A prior amendment of the Subdivided Lands Law left open the possibility that DRE would require a public report when a developer constructed an apartment complex for sale to an apartment management company. Although DRE did not interpret the existing law to cover apartment developments, this bill eliminated that possibility. The bill also clarified that the non-residential units in a mixed-use development are counted along with residential units when determining the "five or more units" minimum limit for the public report requirement, consistent with the existing DRE interpretation of the law.

SB 1474 (Senate Committee on Business, Professions and Economic Development, Chapter 312, Statutes of 2020)

Extended the deadline for a DRE legislative oversight hearing

Because of limitations imposed by the pandemic, the Legislature chose to postpone oversight hearings that were originally calendared for Spring 2020, including DRE's scheduled hearing. This bill modified the statutory date for completion of the hearing. ■



COVID-19 CALLING ALL CALIFORNIANS!

Every Californian can safely help their community during these difficult times. Here are some ways you can make a difference:



Deliver Meals

Vulnerable seniors are at greatest risk amid COVID-19. Let's help keep them safe and cared for. Contact your local Meals on Wheels organization, visit www.mealsonwheelsamerica.org.



Donate to a shelter or food bank

During this time organizations are running low on food items, help them stay well stocked for those in need. Visit www.serve.ca.gov to find one near you.



Volunteer at a food bank

Food banks are in great need of volunteers to help pack and sort food. They are taking precautions to prioritize volunteer safety. Visit California Association of Food Banks at www.CAfoodbanks.org



Support Nonprofits

Nonprofit organizations serving vulnerable communities – like seniors and low-income families – need your help. Find a fund to donate to nonprofits in your community on the Philanthropy California COVID-19 Response Page: www.philanthropyca.org/covid-19-response.



Wellness Checks

Check on Older Neighbors with a Call, Text or Talk through the door



Hygiene Kits

Create hygiene kits and drop off at a shelter for people experiencing homelessness to help them stay healthy.



Donate Blood

Donated blood has decreased dramatically. Healthy, eligible donors are urged to come out and give to ensure there's lifesaving blood on the shelves for those who need it most. Visit the American Red Cross: www.redcrossblood.org/give.html/find-drive



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- Commissioner's Message
- COVID-19 Guidance for the Real Estate Industry
- California Department of Real Estate's Annual Report

We'd like to hear from you!



Email us at editor@dre.ca.gov

