



Real Estate Bulletin

DEPARTMENT OF REAL ESTATE

Fall 2023

Vol. 82, No. 4

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**Real Estate Commissioner
Douglas R. McCauley**

Commissioner's Update

Writing my last column brings about mixed emotions. I have enjoyed my time as Commissioner tremendously. Our talented executive team has been amazing to work with, and the updates in this edition underscore the great work they do to protect California consumers.

This is very cliché, but what I will miss most is the people. Because I came on-board during the height of the pandemic, I missed the opportunity to attend meetings of local licensee associations. But video conferencing technology let me connect with many groups at a rapid pace. When I asked my assistant to book appearances at the top 50 local associations, she gave me a look of disbelief. But, I felt compelled to connect with dozens of local groups to get a sense of the challenges in every market and region.

When I was finally able to do face-to-face presentations, it was very gratifying to interact with more than a computer screen. More than a few of the attendees commented with amazement that “you are tall” (I’m 6’ 5”), which is not readily apparent via the computer.

Those engagements left me with one important take-away: our licensees value DRE and the important work we do to regulate the marketplace and serve licensees and examinees. I enjoyed receiving the robust and diverse feedback. In areas where DRE falls short of our goals, there was usually an understanding of the challenges and impediments we face to provide quality services. In areas where our work was public-facing, I received helpful input to help shape our programs. It was very clear that there is strong support for DRE’s mission and respect for the organization.

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Real Estate Commissioner Doug McCauley Finishes 24-Year State Service Career

This fall, Doug McCauley, California’s 24th Real Estate Commissioner, announced his plans to retire from state service at the end of 2023. He has been at the helm of DRE since May of 2020.

“I’ve enjoyed my work at DRE tremendously. We have an incredible leadership team and I know they will carry on DRE’s tradition as a high-performance organization,” notes Commissioner McCauley.

Commissioner McCauley led DRE through the pandemic and demonstrated a firm commitment to ensuring the safety of DRE’s almost 400 employees while continuing to provide quality services. His work focused on establishing DRE as “more than just a licensing agency” and centering its strategic mission on consumer protection through prevention and education.

A few notable accomplishments are:

- Rebuilding the DRE-funded University of California - Real Estate Education Endowment, which had been dormant for more than 20 years. This investment will improve student access to real estate education and facilitate academic research into key housing, economic, and consumer protection issues.

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REAL ESTATE BULLETIN

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BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Lourdes M. Castro Ramirez, *Secretary*

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COMMISSIONER'S UPDATE (CONTINUED FROM PAGE 1)

The experience of engaging with so many groups and people gives me hope for the future of DRE. With me for many of the presentations were members of our executive team. Hearing their passion, and genuine curiosity about emerging issues and potential solutions, was both inspirational and confidence-building.

The next Commissioner will face some crucial challenges. DRE must navigate the “sunset review” process, and oversight exercise with the Legislature. The Department must also build its financial position for the future, which will also require action from the Legislature. The next generation of the examinations must be developed and launched. And emerging issues in the marketplace, such as AI, the metaverse, and the class action lawsuits alleging antitrust violations against industry trade organizations and brokerages legal actions involving commissions and dual agency, will all shape our consumer protection work.

I hope and believe that I have left DRE as a stronger organization than it was four years ago. With continued support from the profession and an unwavering commitment to consumer protection, DRE is well positioned to maintain its strong reputation as a high-performance organization. It has truly been an honor to serve as Commissioner and help DRE prepare for a bright future. ■

 @DougMcCauleyDRE

DRE Finalizes New UC Endowment Agreement

In November 2023, the California Department of Real Estate (DRE) Commissioner Doug McCauley signed a renewed agreement for the DRE/University of California Real Estate Education Endowment Fund (REEF). The finalizing of the amended agreement marks a major milestone in DRE’s efforts to revive the endowment fund.

The REEF was created 50 years ago, in 1973. Under the original agreement and prior amendments, DRE funded endowments at both UCLA and UC Berkeley that are now valued at approximately \$20 million. The purpose of DRE’s initial investments was to establish a professorship or chair in real estate and land economics at the Los Angeles and Berkeley campuses. Unfortunately, the REEF has been dormant for the past two decades.

Under Commissioner Doug McCauley’s direction, DRE reached out to the UC Office of the President and began discussions on how to breathe new life into the endowment.

Those discussions led to a newly amended agreement that focuses efforts on research and education in California real estate matters; advancing Diversity, Equity, and Inclusion principles within the real estate profession and industry; and invests in improving the quality of education for students, especially those enrolled in real estate programs at UC Berkeley or UCLA who are from economically or socially disadvantaged communities. It will also include opportunities for financial assistance via scholarships and paid internships.

The agreement also brings back an advisory committee, comprised of members appointed both by the Commissioner and the University President. The first meeting of the reconstituted advisory committee took place at the end of November, with a future meeting planned for Spring 2024. ■



COMMISSIONER MCCAULEY SIGNING THE RENEWED AGREEMENT



WHAT DO YOU KNOW?

A Quiz on The Department of Real Estate's History

How much do you know about the history of the Department? The answers are on Page 15.

1. When was the first official Department publication released?
 - A. William W. Mines
 - B. Pearl M. Vollmer
 - C. J. Mortimer Clark
 - D. Lucille T. Allan
3. In 2000 the Department released the annual Real Estate Law Book on CD Rom for the first time, available in a bundle with the book or as a stand-alone purchase. How much did it cost to purchase the Real Estate Law book with the CD-Rom?

New Pre-License Education Courses Now Available

Senate Bill 1495 (SB 1495), signed by Governor Gavin Newsom in September 2022, makes changes to the course content of the real estate practice class required of new real estate license applicants. SB 1495 takes effect on January 1, 2024.

Currently, all applicants for the salesperson or broker examination must complete a three semester or quarter equivalent course in real estate practice to qualify for the exam. Beginning January 1, 2024, these applicants will need to complete a revised course in real estate practice that includes the following content:

- A component on implicit bias, including education about the impact of implicit bias, explicit bias, and systemic bias on consumers, the historical and social impacts of those biases, and actionable steps students can take to recognize and address their own implicit biases.
- A component on the application of federal and state fair housing laws to the practice of real estate. The fair housing component must include an interactive participatory component, during which the applicant engages in role-play as both a consumer and a real estate professional. These new requirements effect individuals who submit an application received by DRE on or after January 1, 2024, to take either the real estate broker or the salesperson examination.

Over the last several months DRE staff have been working with California state colleges and universities, as well as with DRE private course providers to ensure their updated real estate practice course meets the new requirements.

Please check DRE's [Education Course Availability page](#) for information on approved courses. ■



DRE BY THE NUMBERS

FISCAL YEAR 2022-2023

434,401

LICENSEES

308,621 125,780

LICENSED SALESPERSONS

LICENSED BROKERS



26,717

LICENSES ISSUED

22,972

SALESPERSON LICENSES ISSUED

3,745

BROKER LICENSES ISSUED



380

DRE STAFF POSITIONS

\$ 60,110,000

2022-2023 FISCAL YEAR BUDGET



88%

PERCENTAGE OF APPLICATIONS SUBMITTED ONLINE



47,543

EXAMS ADMINISTERED

4,989

COMPLAINTS RECEIVED

378

COMPLAINTS THAT INVOLVED UNLICENSED ACTIVITY



936

COMPLAINTS REFERRED TO LEGAL DIVISION



593

APPROVED CONTINUING EDUCATION COURSES

242

LICENSES REVOKED

151

LICENSES SUSPENDED



\$581,951

CONSUMER RECOVERY ACCOUNT FUNDS PAID



457

AUDITS CLOSED



2,534

FINAL SUBDIVISION APPLICATIONS RECEIVED



14,763

FACEBOOK FOLLOWERS



22,718

TWITTER FOLLOWERS



1,000

TWITTER (SPANISH) FOLLOWERS

9,172,274

DRE WEBSITE VISITORS



620,795

eLICENSING TRANSACTIONS



123,170

CALLS HANDLED BY THE INFORMATION CENTER



20,900

EMAILS ANSWERED BY THE INFORMATION CENTER



Licensing

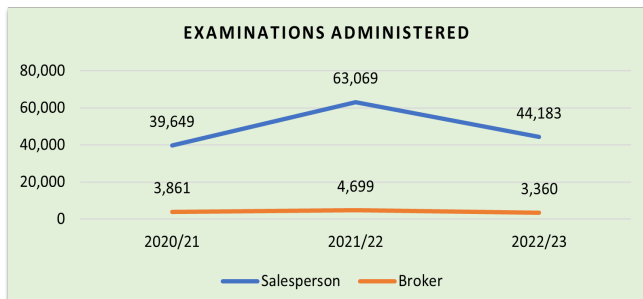
DRE's Licensing division administers real estate license examinations and issues and renews salespersons and broker licenses. The division also issues and renews mortgage loan originator (MLO) license endorsements through the Nationwide Multistate Licensing System (NMLS), issues approvals for pre-license and continuing education courses to private course providers and responds to thousands of incoming calls and emails each fiscal year (FY).

Exam Administrations

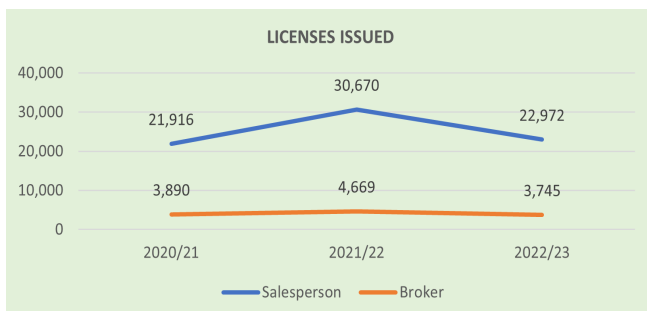
In FY 2022-23, DRE administered 44,183 salespersons exams, compared to 63,069 salesperson exams administered in FY 2021-22, and 39,649 in FY 2020-21, a 30 percent decrease and 11 percent increase respectfully.

Additionally, in FY 2022-23, DRE administered 3,360 broker exams, compared to 4,699 in FY 2021-22, and 3,861 in FY 2020-21, decreases of 28 percent and 13 percent respectfully.

The chart below compares the number of exams administered over the past three FYs.



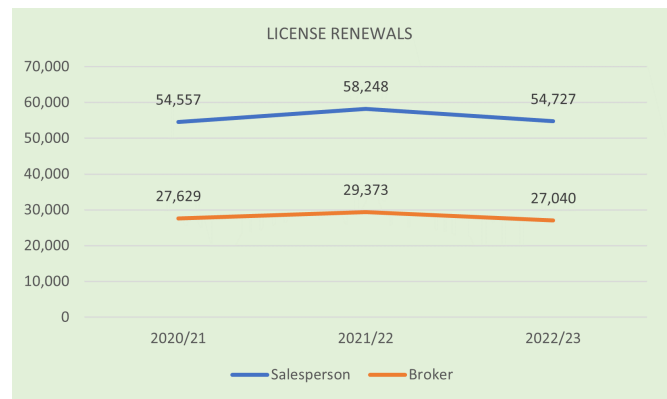
The next chart reflects a 25 percent decrease in the issuance of new salesperson licenses and a 20 percent decrease in the issuance of new broker licenses in FY 2022-23, as compared to the prior FY, and a 5 percent increase, and a 4 percent decrease when compared to FY 2020-21.



License Renewals

License renewals for FY 2022-23 were down slightly, with 75 percent of salespersons and 91 percent of brokers renewing their licenses.

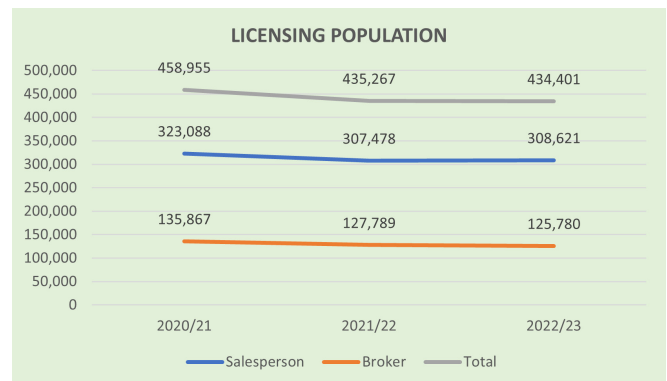
In FY 2022-23, 3,521 or 6 percent less salespersons, and 2,333 or 8% less brokers renewed their licenses compared to the prior FY.



License Population

At the end of FY 2022-23, DRE's license population was 434,401, which included 308,621 salespersons, and 125,780 brokers.

The total DRE license population was down just 866 licensees when compared to the prior FY.



Licensing Background Review Unit

As part of the licensing process, DRE conducts a detailed background review on all applicants, which includes mandatory fingerprinting. DRE may deny a license to an applicant or discipline the license of a licensee if they have

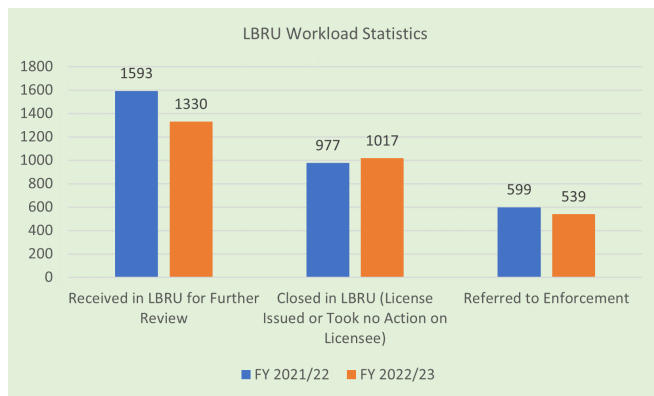
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been convicted of a substantially related crime or been the subject of professional license disciplinary action (see Commissioner Regulation Section 2910).

DRE’s Licensing Background Review Unit (LBRU) collects information for background reviews, which may include certified court documents, police reports, and disciplinary action documentation associated with other professional licenses. When warranted, this information is forwarded to the Enforcement section for further investigation. LBRU then recommends that a license be issued, denied, or revoked.

The chart below shows the LBRU workload statistics for FY 2022-23, and the prior FY.



Information Section

DRE’s Licensing division responds to inquiries from licensees, license applicants, and others.

FY 2022-23 again saw a high call volume to DRE, and Licensing staff handled approximately 123,000 of those calls. When contacting the Licensing division, most callers chose to use the “Call-back” feature allowing them to leave their number in a queue for a call-back without needing to wait on hold, an enhancement that has been well-received since its implementation in 2022.

Got a Licensing Question?

@sk DRE Licensing

“Ask DRE Licensing” Online Enhancement

In addition to DRE’s public phone line, applicants and licensees were able to email licensing-related questions directly to DRE. In FY 2022-23, Licensing division staff responded to approximately 20,900 emails. Due to the large number of applicants and licensees using this electronic method of communication, in October 2023, DRE launched an [on-line messaging portal](#) to submit licensing-related questions, essentially an upgrade to the prior Ask DRE Licensing email option.

The new portal increases efficiencies for both external users and staff, resulting in shorter review and response timeframes.

Occupational Analysis and Exam Development Process

In 2023, DRE partnered with third party testing provider PSI to conduct a multi-year Exam Development Process (EDP). The purpose of the EDP is to update the real estate license exams to ensure that they accurately reflect current industry practice and continue to be legally defensible.

The first of four phases, or the Occupational Analysis, kicked-off in July when approximately 30 subject matter experts from the real estate industry, many of whom are active members of diverse professional real estate organizations, gathered in Sacramento to develop a job analysis survey. During this meeting SMEs reviewed and updated essential tasks and knowledge required to perform the duties of a licensed real estate professional in the state of California.

The information gathered was used to prepare a large scale-survey, which was sent out to California real estate licensees this past September. The results of the survey will assist in the development work for DRE’s updated real estate exams.

Phases two and three, Exam Development and Content Review, are expected to take place in 2023/24, with phase four, the Creation and Administration of new exams, to occur early 2025.

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Audits

External Audits

DRE’s Audits division protects consumers by conducting financial compliance audits of both real estate licensees and subdivision developments. These audits primarily focus on the handling of trust funds by licensees and subdividers to ensure compliance with the requirements of Real Estate Law and Subdivided Lands Law.

DRE staff perform two types of audits:

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

DRE audits licensees that perform the following activities: property management, mortgage loan origination and loan servicing, broker-controlled escrows, business opportunities, and subdivisions.

In Fiscal Year (FY) 2022-2023 (July 1, 2022 to June 30, 2023), DRE closed 457 audits. A total of 179 were investigative audits; 278 were proactive audits.

Given DRE’s number of auditors as compared to its licensee population, audit efforts in FY 2022-2023 focused on brokers who handle a high volume of trust funds. Audit cases completed during the fiscal year revealed a troubling high incidence of trust fund shortages.

For FY 2022-2023, DRE staff found trust fund shortages totaling more than \$2.6 million. Those shortages are outlined below:

Broker Activity	Number of Audits Closed	Number (%) of audits with shortage		Dollar amount of shortage found
Property management	313	121	39%	\$2,307,884
Broker escrow	36	10	28%	\$270,040
Mortgage loan	78	4	5%	\$49,603
Sales/Other	30	0	0%	\$0
Total	457	135	30%	\$2,627,527

As a result of these audits, \$1.5 million of the \$2.6 million in trust shortages were corrected.

The following table breaks down the results of the 457 audits DRE performed in FY 2022-2023:

	Number	Percentage
Major violations	85	18.6%
Cite and fine	32	7.0%
Corrective action letters	74	16.2%
Minor violations	120	26.3%
No violations	146	31.9%
Total audits performed	457	100%

(CONTINUED ON PAGE 14)

Enforcement

DRE's Enforcement division plays a critical role in fulfilling our mission to protect consumers by enforcing Real Estate Law and the Subdivided Lands Act.

DRE accomplishes this, in part, by investigating complaints against real estate licensees, subdividers, and unlicensed individuals and entities. DRE also initiates investigations based on other sources of information. These investigations determine if violations of the Real Estate Law or Subdivided Lands Act occurred and, if so, provide recommendations about the appropriate disciplinary action that should be brought against the parties involved.

Where appropriate, DRE Enforcement staff, called facilitators, may attempt to resolve disputes or minor issues between consumers and licensees or subdividers before violations of Real Estate Law may occur. Many of the issues that DRE facilitators work to resolve include a breakdown in communication between licensees and their principals. It is important to note that in many of the instances, facilitators endeavor to reestablish and facilitation communication, thus resolving the issue.

Investigative Process

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

DRE staff review all complaints to determine if the alleged act falls within the applicable statute of limitations and if it has jurisdiction, specifically assessing if the complaint involves a real estate licensee, subdivider, or unlicensed person or entity who has performed acts that require a real estate license.

Complaints where DRE has jurisdiction are assigned for investigation. If it is determined that there is sufficient evidence of a violation of Real Estate Law and/or the Subdivided Lands Act, the case is sent to DRE's Legal division for consideration of administrative prosecution. In many instances, there is insufficient evidence to establish a cause for discipline because the allegations prove to be either incorrect or unsubstantiated.

DRE has available multiple forms of disciplinary action:

- When challenging an applicant's qualifications for licensure, DRE may file a statement of issues.
- When seeking to suspend or revoke an existing license, DRE may file an accusation.
- To stop ongoing violations of either Real Estate Law or the Subdivided Lands Act, DRE may file a desist and refrain order.
- To enjoin people from working in real estate or related industries, DRE may file a bar order.
- DRE has authority to issue citations and impose fines for violations of Real Estate Law and the Subdivided Lands Act.
 - o Citations issued to real estate licensees are typically for relatively minor violations of the law that do not merit greater disciplinary action.
 - o DRE can issue a citation and impose a fine on an unlicensed person engaged in an activity for which a real estate license is required.

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

Enforcement Achievements

In Fiscal Year (FY) 2022-23, Enforcement received and reviewed 4,989 complaints.

- 2,390 complaints involved transaction-related issues.
- 378 primarily involved unlicensed activity.

(CONTINUED ON PAGE 15)



Mortgage Loan Activities

As part of DRE's Enforcement division, the Mortgage Loan Activities (MLA) unit is responsible for a variety of work associated with real estate brokers who are engaged in the mortgage business, including:

- **Mortgage loan compliance and enforcement:** MLA staff conduct investigations on a wide range of mortgage loan-related topics, including private money transactions, unlicensed loan activity, and advertising compliance. They also perform broker office surveys to review the books, accounts, and records of brokers who engage in mortgage loan and broker-controlled escrow activities both for compliance and for appropriate broker supervision. These surveys often involve working in concert with auditors from DRE's Audit division.
- **Background investigations:** MLA staff conduct background investigations on salesperson, broker, and corporation licensees applying for a mortgage loan originator (MLO) license endorsement. These investigations involve any prior criminal convictions, disciplinary actions, civil litigation, or other issues related to financial responsibility to determine if issuing a license endorsement would pose a risk to the public. In Fiscal Year (FY) 2022-23, MLA staff conducted 813 MLO background investigations.
- **Reports compliance:** Staff in the MLA unit track and monitor brokers who meet a prescribed level in private money mortgage activity (threshold brokers) and in multi-lender servicing activity

(multi-lender brokers). Threshold and multi-lender brokers are required to submit quarterly and annual reports to DRE. As of the end of FY 2022-23, there are 344 reporting threshold brokers and 122 reporting multi-lender brokers.

The MLA unit also monitors compliance of the online submission of Business Activity Reports and Escrow Activity Reports via DRE's website as well as the Mortgage Call Reports (MCRs) submitted in the National Mortgage Licensing System (NMLS).

- **Voluntary mortgage loan advertising reviews:** MLA staff review mortgage loan advertisements submitted voluntarily by brokers asking DRE to approve their ads. 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, staff in the MLA unit field a high volume of calls from both licensees and consumers with questions about various compliance issues and complaints. MLA staff also receive and respond to written correspondence. In each fiscal year, on average, staff respond to approximately 3,500 calls and letters combined. In addition, staff are also involved in enforcement outreach through visits to brokers' offices and participation in industry and consumer events.

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





Legal

DRE’s Legal Affairs division plays a critical role in the application review and license discipline processes, including preparing 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 as part of DRE’s effort to protect consumers. In fiscal year 2022-2023, DRE revoked 242 licenses, suspended 151 licenses, accepted the voluntary surrender of 61 licenses, and denied 127 license applications.

The Legal Affairs Division also manages DRE’s Consumer Recovery Account 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 fiscal year 2022-2023, the fund received 23 new claims for payment, paid 9 claims totaling \$ 581,591, and denied 15 claims. 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 takes more than a year to process.

The chart shows fiscal year 2022-2023 administrative prosecutions:

Activity	Cases Filed	Orders Issued
Statement of Issues Cases	135	--
Accusation Cases	367	--
Desist & Refrain Cases	--	23
Petitions for Reinstatement	--	117
Petitions for Removal of Restrictions	--	58
Petitions for Removal of Discipline History from Website	--	73
License Revocations (including restricted)	--	242
License Suspensions	--	151
Voluntary Surrenders	--	61
Stipulations and Waivers/Agreements	--	132
Dismissals (Accusations or Statements of Issues)	--	92
Public Reprovals	--	17
License Denials (including Restricted)	--	127
Final Bar Orders	--	3
Total	502	1,096



Subdivisions

Before a subdivision can be marketed in California, the subdivider must obtain a Subdivision Public Report (California project), permit (out-of-state timeshare) or confirmation of their registration (non-California project located within the United States) from DRE.

The public report/permit discloses to prospective purchasers pertinent information about the subdivision. Prior to issuance of a public report or permit, the subdivider must submit evidence to DRE that adequate financial arrangements have been made for 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 Division 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.

Statistics

DRE received 2,534 Final Subdivision Public Report (Original) applications in Fiscal Year (FY) 2022/23. This was a decrease of 26% compared to the previous FY total of 3,470.

To put these numbers in perspective, over the last 15 years, the highest number of Original applications received occurred in 2021/22 (3,470) and lowest in 2008/09 (1,262).

Original applications received in FY 2022/23 were almost identical to our 15-year average of 2,537 applications per year. Amended Subdivision Public Report (Amendment) applications decreased 5.7% in FY 2021/22, while Renewed Subdivision Public Report (Renewal) applications increased 3%.

	FY 21/22	FY 22/23	% Change
Final Public Reports	3,470	2,534	-26%
Number of Lots/Units for Issued Final Public Reports	35,168	33,910	-3.7%

(CONTINUED ON PAGE 15)



DRE Offers License and Assistance Options for Military Servicemembers and Their Families

DRE offers several options for veterans, active-duty servicemembers, and the spouses of active-duty servicemembers to work in California's licensed real estate profession. That assistance includes expedited processing of license applications, and in some cases, portability of a license from another state, district, or territory.

In January 2023, President Joe Biden signed into law the [Military Spouse Licensing Relief Act \(MSLRA\)](#). Under the act, if a service member or their spouse is professionally licensed in another state, district, or territory and relocates to California due to military orders, their license may be considered valid in California at a similar scope of practice, for the duration of the military orders.

In 2023, the California Legislature passed and the Governor signed Senate Bill 143 that codified the federal MSLRA into state law as [Business and Professions Code 115.10](#).

The act applies if the active-duty servicemember or their spouse:

1. Has actively used their license during the two years immediately preceding the relocation required by the military orders;
2. Provides DRE with a copy of the military orders showing the relocation to California;

3. Remains in good standing with both:
 - a. The licensing authority that issued the license; and
 - b. If licensed in more than one state, district, or territory, remains in good standing with every licensing authority that has issued them a license at a similar scope of practice and in the discipline applied; and
4. Submits to DRE's authority for the purposes of standards of practice, discipline, and fulfillment of any continuing education requirements.

Learn more about DRE services and assistance available to servicemembers, both veterans and active-duty, at <https://dre.ca.gov/Examinees/Military.html>.

A list of Active-Duty Servicemembers/Spouses currently registered to work in California with an Out-of-State license is available at: https://dre.ca.gov/examinees/Military_List.html.

Please address any questions you have regarding DRE's Military Application Assistance Program to DRE's Licensing division, Monday through Friday from 8 a.m. to 5 p.m. at (877) 373-4542, or via email to: military@dre.ca.gov. ■



**LICENSING ANNUAL REPORT (CONTINUED FROM PAGE 7)*****Education and Research***

DRE's Education and Research section is responsible for the review and approval of all real estate license continuing education course offerings, as well as statutory/pre-license qualification courses offered by private schools.

In FY 2022-23, the section reviewed and approved 288 continuing education course offerings, 90 statutory/pre-license courses, and 13 continuing education equivalency petitions. At the conclusion of FY 2022-23, there were 64 continuing education course providers offering 593 approved courses and 162 statutory/pre-license course providers offering 956 approved courses.

Implementation of SB 1495 (Pre-licensing Education requirements)

Beginning January 1, 2024, all applicants for the real estate salesperson or broker examination will need to complete a revised statutory/pre-license course in real estate practice, containing the following:

- A component on implicit bias, including education regarding the impact of implicit bias, explicit bias, and systemic bias on consumers, the historical and social impacts of those biases, and actionable steps students can take to recognize and address their own implicit biases; and
- A component on federal and state fair housing laws as those laws apply to the practice of real estate. The fair housing component shall include

an interactive participatory component, during which the applicant shall role play as both a consumer and real estate professional.

In FY 2022-23, DRE staff conducted informational webinars for private course providers and California State Colleges and Universities to update them on DRE's upcoming new education requirements, and to ensure SB 1495 compliant real estate practice courses were available for applicants to complete prior to January 1, 2024.

These outreach efforts proved to be of much benefit as by mid-October 2023, DRE staff had approved 20 SB 1495 compliant real estate practice courses submitted by private course providers and reviewed 64 updated real estate practice courses offered by California State Colleges and Universities.

Looking Forward

As the division responsible for the examination and licensing statutory functions, it's imperative that DRE's Licensing division continues to provide timely delivery of services while preserving the integrity of the results.

In FY 2023-24, Licensing plans to further enhance eLicensing to include additional electronic services for both applicants and licensees, while continuing efforts to ensure the real estate salesperson and broker's exams accurately reflects current industry practice, are legally defensible, and adhere to DRE's consumer protection statutory mandate. ■

AUDITS ANNUAL REPORT (CONTINUED FROM PAGE 8)***Internal Audits***

The Audits division also performs internal audits within DRE to provide management with independent and objective guidance to mitigate risks and improve operations, as well as to assist management with completion of the State Leadership and Accountability Act report.

Looking Forward

In FY 2023-2024, the Audit section will continue to fulfill its critical public protection role, promote compliance, and educate real estate licensees through investigative and proactive routine audits. ■

WHAT DO YOU KNOW?

A Quiz on The Department of Real Estate’s History

(CONTINUED FROM PAGE 3)

1. The *California Real Estate Broker and Salesmen Bulletin* was first published October 1, 1940.
2. The answer is A – William W. Mines.

He was one of three people issued broker license number 1 under the original real estate licensing law, with Mines’ license being issued on August 8, 1917 and the other two licenses issued on August 9th.

Coincidentally, after the original act was declared unconstitutional Mr. Mines was again issued broker license number 1 under the Real Estate Act of 1919.

3. The 2000 Real Estate Law book with CD-Rom cost \$35 – you could also purchase the book or CD-Rom separately for \$20 each. ■

ENFORCEMENT ANNUAL REPORT (CONTINUED FROM PAGE 9)

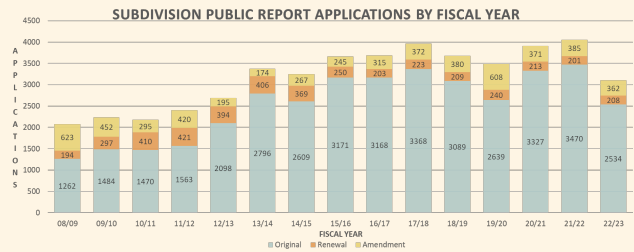
- 1,078 cases were referred to the DRE Legal division, recommending disciplinary action.
- DRE issued 675 citations to licensees with \$821,975 in fines assessed, and 68 citations to unlicensed persons with \$179,500 in fines assessed.
- 70.9% of investigations were completed in less than six months.
- Enforcement handled 40,756 calls, answering questions related to compliance, complaints, and other consumer issues.

While the past few fiscal years presented challenges, the Enforcement division nimbly adjusted to the changed work circumstances and continued both its investigative work and proactive initiatives.

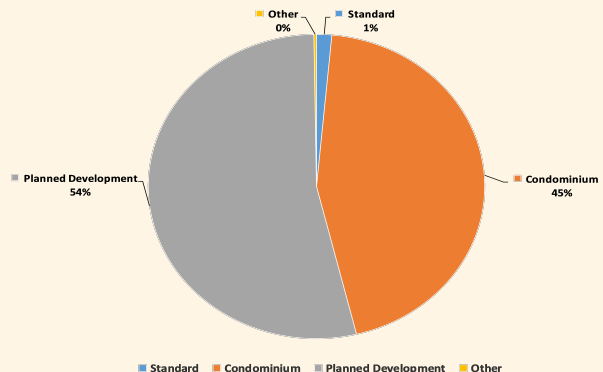
Looking ahead, DRE will continue its proactive efforts to provide information and assist the real estate community to ensure that licensees are aware of, and complying with, applicable real estate laws and regulations. ■

SUBDIVISIONS ANNUAL REPORT (CONTINUED FROM PAGE 12)

The following chart illustrates FY workload over the last 15 years:



The following chart illustrates FY 2022/23 issued Original public reports by subdivision type:





REAL ESTATE COMMISSIONER DOUG MCCAULEY FINISHES 24-YEAR STATE SERVICE CAREER(CONTINUED FROM PAGE 1)

- Early and strong advocacy for “adaptive reuse” (converting office/retail space into housing), which Governor Newsom prioritized and invested \$450 million in via the 2022-23 State Budget.
- Establishing a first-time buyer education program (First Home - California), which features DRE’s first-ever podcast to provide information to consumers on a convenient platform.
- Expanding DRE’s policy portfolio to include landlord/tenant issues, including launching the initial Housing is Key initiative to provide renters and homeowners with crucial information on their rights and responsibilities pursuant to urgent new protections during the pandemic.

“It has truly been an honor to serve under Governor Gavin Newsom. His Administration has taken bold and meaningful strides toward his vision of a California for All, and I have been proud to be part of his team,” Commissioner McCauley said.

Previously in his state service career, Commissioner McCauley served as Chief Deputy and Acting Director of the Department of Housing and Community Development (2018-2020) and Executive Officer of the California Architects Board (2001-2017). ■



DRE SACRAMENTO HEADQUARTERS

STORM SEASON SAFETY

Hey Californians! As cooler months bring new, interrelated challenges to our state, like floods, wind, power outages, mudslides, deep snow and cold temperatures, Listos California is taking action to protect our communities.

While the California Governor's Office of Emergency Services (Cal OES) and first responders across our state prepare for this climate-driven extreme weather, there are a few simple steps YOU can take today to keep yourself, your loved ones and neighbors safe.

STAY SAFE



IN A FLOOD

PREPARE



FOR POWER
OUTAGES

GET SET



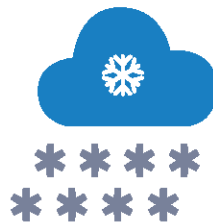
FOR HIGH WINDS

KEEP WARM



IN THE COLD

BE READY



FOR DEEP SNOW

WATCH OUT



FOR MUDSLIDES



Go to ListosCalifornia.org/StormSeason for tips and resources to help you and your loved ones stay safe in the colder, wetter months ahead.



Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

ListosCalifornia.org



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For the latest real estate information for consumers, licensees, examinees, and developers, check out our website and social media channels.

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Threads https://threads.net/@ca_deptofrealestate
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YouTube https://www.youtube.com/@CA_DRE/videos

We'd like to hear from you!



Email us at editor@dre.ca.gov

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