



# Real Estate Bulletin

DEPARTMENT OF REAL ESTATE

Fall 2022

Vol. 81, No. 3

P.3 Licensee ID Theft Scam Warning | P.5 Department of Real Estate Annual Report



**Real Estate Commissioner  
Douglas R. McCauley**

## Commissioner's Update

This edition of the DRE Bulletin is traditionally considered our annual report to licensees and other interested parties. It offers an opportunity to reflect on recent accomplishments and to look forward as we embark upon new initiatives.

In fiscal year 2021-22, all divisions within DRE continued their diligent efforts to fulfill our consumer protection mandate, to implement process improvements for applicants and licensees, and to respond to changes in the real estate industry.

The Licensing division launched the Online Exam License Application (OLEA), which allows for electronic applications; prepared for the legislatively mandated changes to continuing education requirements on fair housing and implicit bias that take effect January 1, 2023; and continued to make significant improvements in reducing call wait times, which includes a recently implemented “call back” feature so that people no longer need to wait on hold.

Central to consumer protection is the work of our Enforcement, Subdivisions, Legal, and Audits divisions. The Enforcement division received 5,202 complaints in fiscal year 2021-22, referred 1,208 of those for disciplinary action, and exceeded Department goals by completing close to 75 percent of its investigations in less than six months.

DRE also revoked 256 licenses and suspended 107 licenses, while the Consumer Recovery Account, housed within the Legal division, paid out over \$470,000 for 15 claims. The Audits division closed 440 audits, primarily focused on brokers who handle a high volume of trust funds to ensure compliance, and found \$9.5 million in shortages, of which \$6.4 million was replenished.

All of this work is supported by an enhanced Communications and Publications team using various communication channels to ensure that consumers and licensees have access to crucial and timely information.

**(CONTINUED ON PAGE 3)**

## New Required Continuing Education Courses Now Available

The new continuing education courses required by Senate Bill 263 (SB 263) are now available. Licensees can complete the classes through one of DRE's approved continuing education courses, a list of which [can be searched on DRE's website](#).

As highlighted in previous DRE Real Estate Bulletins ([Winter 2022](#), [Spring 2022](#), and [Summer 2022](#)), SB 263 requires that licensees renewing for the first time on or after January 1, 2023, complete a new two-hour course in implicit bias training and a revised three-hour course in fair housing that includes an interactive participatory component as part of the mandated 45 hours of continuing education. This requirement also applies to licensees who submit their first renewal on a late basis on or after January 1, 2023.

For all subsequent renewals, licensees must complete a new 9-hour survey course as part of their 45 hours of continuing education, along with a minimum of 18 hours of consumer protection courses.

**(CONTINUED ON PAGE 5)**



**REAL ESTATE BULLETIN**

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Gavin Newsom, *Governor*

**BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**

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Got a general licensing or exam question?  
Drop us an email  
Ask [DRElicensing@dre.ca.gov](mailto:DRElicensing@dre.ca.gov)

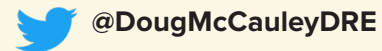
  
CALIFORNIA MORTGAGE RELIEF  
Help for those who've fallen behind on housing payments because of COVID-19  
[CAMortgageRelief.org](http://CAMortgageRelief.org)

**COMMISSIONER'S UPDATE (CONTINUED FROM PAGE 1)**

In addition, DRE's education and research fund underwrote a robust study by UC Berkeley's Turner Center for Housing Innovation on adaptive reuse in California. Repurposing underused office and retail space into housing represents an important opportunity to generate much-needed units. This is reflected in the \$400 million in Governor Gavin Newsom's 2022-23 state budget allocated to defray the costs of these crucial projects and in a number of bills the Governor signed recently, including legislation intended to streamline the approval process for adaptive reuse projects that meet certain criteria and to expand the construction of housing on sites previously zoned for commercial use.

For 2023, we are working to expand our efforts related to the DRE-funded real estate education endowments for the University of California, California State University system, and the California community colleges. First established in the 1970s, we are especially focused on bolstering academic research related to real estate matters. One compelling project underway is a Cal Poly study on "prop-tech" and its effect on brokers, salespersons, and the real estate economy.

We are proud of what DRE accomplished in fiscal year 2021-22, and are well positioned to expand on these successes in the coming year as we meet the challenge and privilege of serving you and all Californians. ■



## The Important Role of Enforcement in Regulating California's Real Estate Industry

As a licensing and regulatory agency with consumer protection as its primary mission, the Department of Real Estate (DRE) is responsible for enforcing California's Real Estate Law and Subdivided Lands Law.

With this authority, DRE can deny a license to an applicant if they do not meet the requirements for licensure and discipline a license for proven violations of California law. DRE's discipline may range from license revocation for more serious violations to public reproof, issuing a corrective action letter, or issuing citations and fines for less significant violations. DRE also may issue Desist and Refrain Orders to stop activities that violate Real Estate Law or Subdivided Lands Law and issue Bar Orders for the most egregious offenses to prohibit a person or entity from engaging in real estate activities for up to three years.

DRE enforces these laws to achieve maximum protection for real estate consumers, while exercising impartiality and fairness toward both the consumer and the industry. Many of DRE's enforcement actions originate as consumer complaints.

DRE posts on its website [summaries of the most serious enforcement actions taken](#) against licensees, as well as [other disciplinary actions](#). ■

## Licensees Urged to Protect Themselves from ID Theft Scam

DRE has seen an increase in complaints from licensees about an old type of identity theft, but with a new twist.

Scammers take a licensee's personal or business name, along with information from current "For Sale" listings, and post the homes on other websites as "For Rent." There are also instances where scammers use homes that were previously posted online as "For Rent" and make it look as if the property is again for rent.

In a competitive rental market, some prospective renters will electronically transfer money over a mobile phone app for fees, security deposit, and rent without seeing the property in-person. These apps make it easier and faster for scammers to get the money.

DRE encourages licensees to be alert to any consumer that contacts you asking if one of your listings is actually a rental. Try and get more information from the caller on what may be a fraudulent rental listing and then contact DRE.

You also should regularly search online for the address of your listed properties to see if they appear anywhere as "For Rent."

DRE recently issued a [statewide Consumer Alert](#). ■



# DRE BY THE NUMBERS

## FISCAL YEAR 2021-2022

435,267

LICENSEES

307,478 127,789

LICENSED SALESPERSONS

LICENSED BROKERS



35,339

LICENSES ISSUED

30,670

SALESPERSON LICENSES ISSUED

4,669

BROKER LICENSES ISSUED



381

DRE STAFF POSITIONS



75%

PERCENTAGE OF APPLICATIONS SUBMITTED ONLINE

5,202

COMPLAINTS RECEIVED

278

COMPLAINTS THAT INVOLVED UNLICENSED ACTIVITY

\$57,015,000

2021-2022 FISCAL YEAR BUDGET



439

APPROVED CONTINUING EDUCATION COURSES



67,768

EXAMS ADMINISTERED



1,208

COMPLAINTS REFERRED TO LEGAL DIVISION

256

LICENSES REVOKED

107

LICENSES SUSPENDED



\$470,890

CONSUMER RECOVERY ACCOUNT FUNDS PAID



440

AUDITS CLOSED



3,470

FINAL SUBDIVISION APPLICATIONS RECEIVED



14,247

FACEBOOK FOLLOWERS



21,563

TWITTER FOLLOWERS



1,009

TWITTER (SPANISH) FOLLOWERS

10,035,503

DRE WEBSITE VISITORS



613,429

eLICENSING TRANSACTIONS



337,128

CALLS RECEIVED BY THE CONTACT CENTER



35,000+

EMAILS ANSWERED BY THE INFORMATION CENTER

**NEW REQUIRED CONTINUING EDUCATION COURSES NOW AVAILABLE (CONTINUED FROM PAGE 1)**

The following charts summarize the changes to the continuing education requirements.

<b>Licensees Renewing for the First Time</b>		
	<b>First Time Renewal Requirements for Licenses that Expire on or Before December 31, 2022</b>	<b>First Time Renewal Requirements for Licenses that Expire on or after January 1, 2023</b>
<b>Salesperson</b>	45 hours, including courses in ethics, agency, fair housing, risk management, trust fund handling, and a minimum of 18 hours of consumer protection courses.	45 hours, including courses in ethics, agency, <i>fair housing</i> , risk management, trust fund handling, <i>implicit bias training</i> , and a minimum of 18 hours of consumer protection courses.
<b>Broker Officer (if no individual broker license is held)</b>	45 hours, including courses in ethics, agency, fair housing, risk management, trust fund handling, management and supervision, and a minimum of 18 hours of consumer protection courses.	45 hours, including courses in ethics, agency, <i>fair housing</i> , risk management, trust fund handling, management and supervision, <i>implicit bias training</i> , and a minimum of 18 hours of consumer protection courses.

<b>Subsequent Renewals</b>		
	<b>Subsequent Renewal Requirements for Licenses that Expire on or Before December 31, 2022</b>	<b>Subsequent Renewal Requirements for Licenses that Expire on or after January 1, 2023</b>
<b>Salesperson</b>	45 hours, including an 8-hour survey course that covers the mandatory subjects, and a minimum of 18 hours of consumer protection courses.	45 hours, including a <i>9-hour survey course</i> that covers the mandatory subjects, and a minimum of 18 hours of consumer protection courses.
<b>Broker Officer (if no individual broker license is held)</b>	45 hours, including an 8-hour survey course that covers the mandatory subjects, and a minimum of 18 hours of consumer protection courses.	45 hours, including a <i>9-hour survey course</i> that covers the mandatory subjects, and a minimum of 18 hours of consumer protection courses.

While Senate Bill 263 also made changes to the required pre-license statutory courses, more recent legislation (Senate Bill 1495, Statutes of 2022) signed into law by Governor Gavin Newsom modifies these changes.

Beginning January 1, 2024, all applicants for the real estate salesperson or broker examination will need to complete a real estate practice course, which includes the following:

- 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 federal and state fair housing laws and their application to the practice of real estate, which also includes an interactive participatory component where the student role-plays as both a consumer and a real estate professional.

Over the course of the next year, DRE will work with California state colleges and universities, as well as DRE course providers, to ensure that the new course meets the legislative requirements of SB 1495. We will post further updates on this topic on the [DRE website](#). ■



## Licensing

DRE’s Licensing division administers real estate license examinations and issues and renews salesperson 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 each month.

In fiscal year 2021-22, DRE saw significant increases in a number of areas, including exams administered and, subsequently, licenses issued.

### Licensing and Examination Activity

#### Online Applications

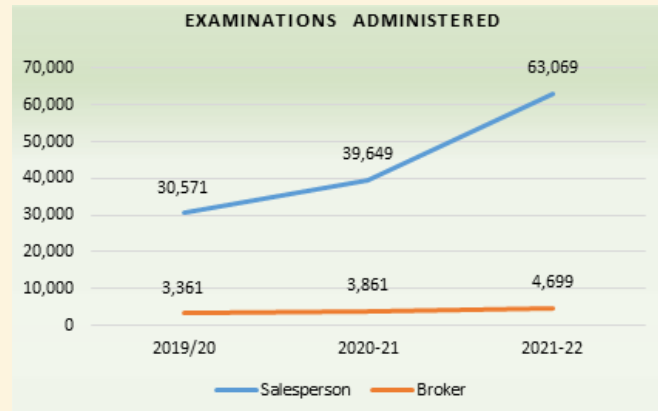
In fall 2021, DRE launched the Online Exam License Application system (OELA), which allows users to submit either the exam or exam and license application electronically. The system also allows applicants to upload supporting documentation and to pay online. OELA guides users through the application process and requires that an application be complete before it can be submitted.

As of June 30, 2022, DRE received approximately 75 percent of exam and exam and license applications through OELA, making the process more efficient for both applicants and DRE staff. DRE expects to make further enhancements to the system in the year ahead.

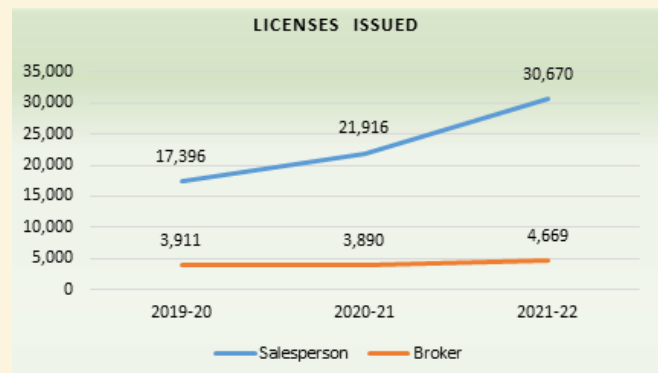
#### Exam Administration

DRE’s five examination centers (Sacramento, Oakland, Fresno, La Palma, and San Diego) continued to operate at 50 percent capacity throughout most of FY 2021-22 because of health and safety concerns associated with the pandemic. With the installation of acrylic dividers at all exam stations in June 2022, DRE exam capacity returned to 100 percent at all sites. In FY 2021-22, DRE administered 63,069 salesperson exams and 4,699 broker exams, a 59 percent and 22 percent increase respectfully, when compared to the prior fiscal year.

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

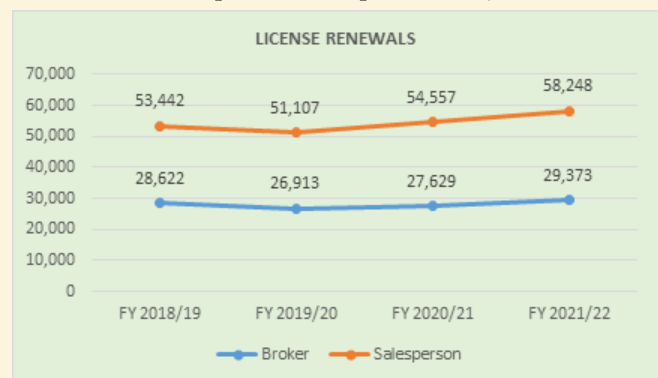


The chart below shows a 40 percent increase in the issuance of new salesperson licenses and a 20 percent increase in the issuance of new broker licenses in FY 2021-22, as compared to the prior fiscal year, and a 76 percent and 19 percent increase respectfully when compared to FY 2019-20.



#### License Renewals

License renewals for FY 2021-22 remained steady, with 80 percent of salespersons and 94 percent of brokers renewing their licenses. In FY 2021-22, 3,691 or 7 percent more salespersons, and 1,744 or 6 percent more brokers renewed their licenses compared to the prior fiscal year.



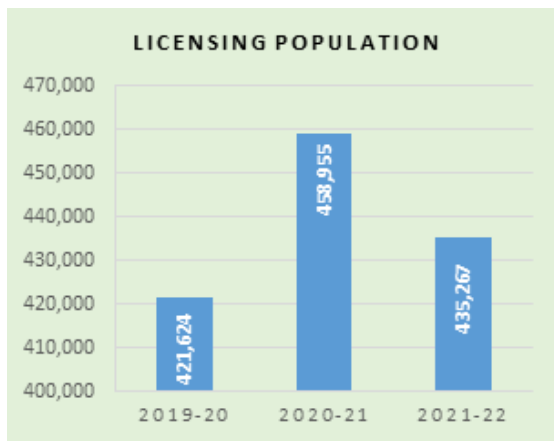
(CONTINUED ON PAGE 7)

LICENSING ANNUAL REPORT (CONTINUED FROM PAGE 6)

**License Population**

At the end of FY 2021-22, DRE’s license population stood at 435,267, which included 307,478 salespersons and 127,789 brokers. This was a 5 percent decrease from the prior fiscal year.

Note: On July, 1, 2021, DRE’s license population stood at 423,874. The 35,081 decrease from the close of FY 2020-21, the day prior, resulted from those licensees that fell under the Governor’s Executive Order that extended renewal dates but who did not satisfy those requirements by June 30, 2021.

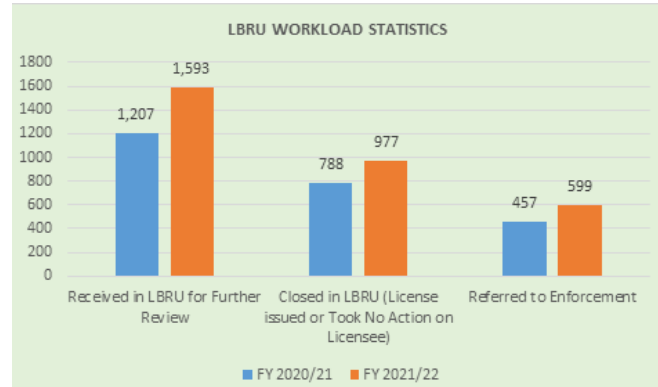


**Licensing Background Review Unit**

As part of the licensing process, DRE conducts a detailed background review of all applicants, which includes mandatory fingerprinting. DRE may deny a license to an applicant or issue the applicant a restricted license if the licensee has been convicted of a substantially related crime or been the subject of professional license disciplinary action (see Commissioner Regulation Section 2910).

The 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 division for further investigation. LBRU then recommends that a license be issued, denied, or revoked.

The chart below shows the LBRU workload statistics for FY 2021-22, and the prior fiscal year.



**Information Section**

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

Fiscal year 2021-22 again saw a high call volume to DRE, and Licensing staff handled approximately 116,000 calls. In addition to increasing staff in the Contact Center, the Licensing division recently implemented a new feature that allows callers to leave their number in a queue for a call-back without needing to wait on hold.

**“Ask DRE Licensing” Email**

In addition to DRE’s public phone line, applicants and licensees can email licensing-related questions to [Ask.DRELicensing@dre.ca.gov](mailto:Ask.DRELicensing@dre.ca.gov). In FY 2021-22, Licensing division staff responded to approximately 35,000 emails.

**Occupational Analysis and Exam Development Study**

In June 2022, DRE concluded a five year effort to update its exams to ensure that they accurately reflect current industry practice. The project, which relied on assistance from examination consultants, (the Office of Professional Educational Services and PSI Services), and hundreds of subject matter experts from the real estate industry, involved four phases:

1. Occupational analysis, where thousands of real estate professionals were surveyed on the minimum competency necessary to practice real estate. That information was then used to update the knowledge, skills, and abilities content for the examinations.

(CONTINUED ON PAGE 14)



## 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 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 FY 2021-22 (July 1, 2021 to June 30, 2022), DRE closed 440 audits - 166 investigative audits and 274 proactive audits.

Given DRE’s number of auditors as compared to its licensee population, audit efforts in FY 2021-22 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 2021-22, DRE staff found trust fund shortages totaling more than \$9.5 million.

Broker Activity	Number of Audits Closed	Number (%) of audits with shortage		Dollar amount of shortage found
Property management	330	124	38%	\$9,019,436
Broker escrow	38	15	39%	\$538,592
Mortgage loan	56	2	4%	\$6,563
Sales/Other	16	0	0%	\$0
<b>Total</b>	<b>440</b>	<b>141</b>	<b>32%</b>	<b>\$9,564,591</b>

As a result of these audits, \$6.4 million of the \$9.5 million shortage was replenished into the trust accounts, with either the broker making a cash deposit or correcting their books.

The following table breaks down the results of the 440 audits DRE performed in FY 2021-22:

	Number	Percentage
Major violations	82	18.6%
Cite and fine	36	8.2%
Corrective action letters	101	23.0%
Minor violations	113	25.7%
No violations	108	24.5%
<b>Total audits performed</b>	<b>440</b>	<b>100%</b>

(CONTINUED ON PAGE 14)



## 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 Audits 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 2021-22, MLA staff conducted 365 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. At the end of fiscal year 2021-22, there were 345 reporting threshold brokers and 128 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 via 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. Each fiscal year, on average, staff respond to approximately 2,500 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.

### Looking Forward

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



DRE HEADQUARTERS, SACRAMENTO



## Legal

The Legal division plays a critical role in DRE’s 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 2021-22, DRE revoked 256 licenses, suspended 107 licenses, accepted the voluntary surrender of 52 licenses, and denied 90 license applications.

The Legal 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 2021-22, the fund received 31 new claims for payment, paid 15 claims totaling \$470,890, and denied seven 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 below shows fiscal year 2021-22 administrative prosecutions:

Activity	Cases Filed	Orders Issued
Statement of Issues Cases	167	--
Accusation Cases	416	--
Desist & Refrain Cases	--	44
Petitions for Reinstatement	--	110
Petitions for Removal of Restrictions	--	49
Petitions for Removal of Discipline History from Website	--	63
License Revocations (including restricted)	--	256
License Suspensions	--	107
Voluntary Surrenders	--	52
Stipulations and Waivers/Agreements	--	128
Dismissals (Accusations or Statements of Issues)	--	107
Public Repeals	--	10
License Denials (including Restricted)	--	90
Final Bar Orders	--	2
<b>Total</b>	<b>583</b>	<b>1,018</b>



## Enforcement

The Enforcement division plays a critical role in fulfilling DRE’s 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.

### Investigative Process

DRE is required by law to open an investigation of an alleged violation of Real Estate Law or the Subdivided Lands Act if it receives a written complaint. DRE also will open an investigation if it learns of an alleged violation.

Staff review all complaints to determine if the alleged act falls within the applicable statute of limitations and if DRE 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 there is sufficient evidence of a violation of Real Estate Law and/or the Subdivided Lands Act, the case is referred to DRE’s Legal division for consideration of administrative prosecution. In cases where the allegations prove to be either incorrect or unsubstantiated, DRE cannot move forward with discipline because there is insufficient evidence to establish a violation.

DRE has available multiple forms of regulatory or disciplinary action:

- Denying a license when an applicant does not meet the qualifications for licensure.
- Suspending or revoking an existing license.
- 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.
  - Citations issued to real estate licensees are typically for relatively minor violations of the law that do not merit greater disciplinary action.
  - 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 (Fiscal Year 2021-22)

The Enforcement division regularly participates in task force meetings with various law enforcement agencies, local real estate associations, and related industry representatives. In fiscal year 2021-22, Enforcement staff held regular meetings with seven real estate fraud task forces, discussing topics such as real estate fraud, mortgage fraud, and financial/economic crimes.

In fiscal year 2021-22, Enforcement received and reviewed 5,202 complaints.

- 3,077 complaints involved transaction-related issues
- 278 complaints primarily involved unlicensed activity
- 1,208 cases were referred to the DRE Legal division recommending disciplinary action
- DRE issued 318 citations to licensees with \$455,450 in fines assessed, and 69 citations to unlicensed persons with \$249,000 in fines assessed

(CONTINUED ON PAGE 14)



## Subdivisions

As part of DRE’s consumer protection provisions, before a subdivision can be marketed in California, the subdivider must obtain a Subdivision Public Report (California project), or a permit (out-of-state timeshare), or confirmation of their registration (non-California project located within the United States) from the California Department of Real Estate. The public report/permit discloses to prospective buyers pertinent information about the subdivision. Subdividers must submit evidence to DRE that adequate financial arrangements have been made for completion prior to a public report or permit being issued.

Through the public report process, DRE oversees the creation of new standard, common interest, and timeshare developments. To protect purchasers from fraud and misrepresentation, 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 about the availability of fire protection, water supply and quality, vehicular access, latent natural hazards, reservations of mineral rights and easements, and community association assessments.

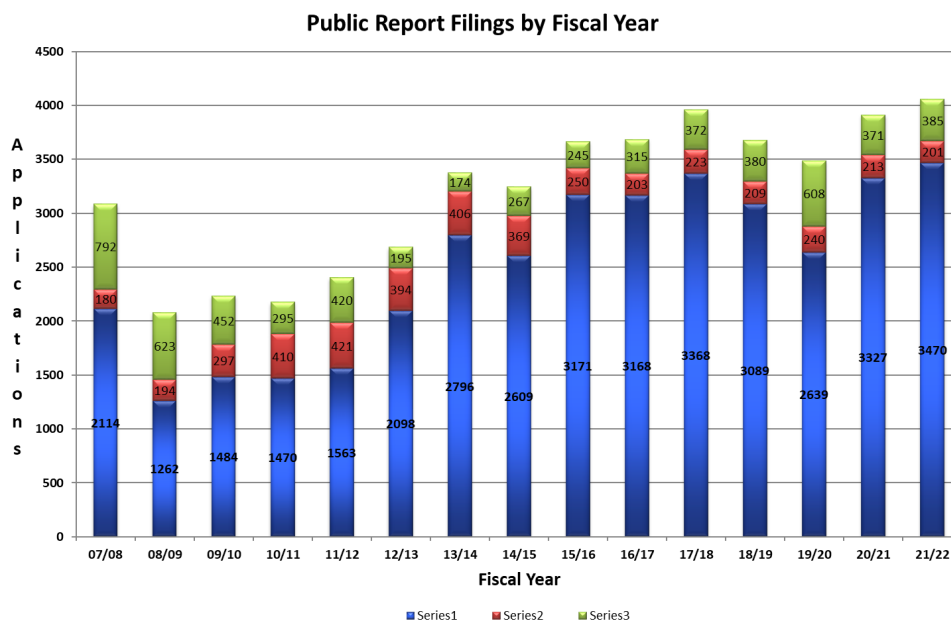
DRE’s Subdivision section also seeks to ensure that the intricate arrangements required for managing common interest developments, including association budgets and governing instruments, are established in a way that balances the needs of the builder with those of purchasers.

### Fiscal Year 2021-22 Statistics

DRE received 3,470 Final Subdivision Public Report (Original) applications in fiscal year 2021-22, a 4.29 percent increase from the 3,327 received during the prior fiscal year. For context, over the last 15 years, the highest number of Original applications received was 3,368 (FY 2017-18) and the lowest 1,262 (FY 2008-09), with a 15-year average of 2,509 applications per year. In fiscal year 2021-22, DRE received its highest number of original applications during that 15-year timeframe and exceeded our 15-year average by 38 percent.

Amended Subdivision Public Report applications increased 3.77 percent in FY 2021-22, while Renewed Subdivision Public Report applications decreased 5.17 percent.

The following chart illustrates fiscal year workload over the last 15 years:





## Communications

During fiscal year 2021-22, DRE’s Communications and Publications division focused on a number of projects with direct benefits for licensees and consumers.

### DRE Website

The Communications and Publications division kept the DRE website updated with information about the effect of COVID-19 on DRE operations. This included status updates on DRE exam centers, as well as changing mask and other health and safety requirements for those entering a DRE office.

In fiscal year 2021-22, the DRE website had over 10,000,000 visitors. To help improve the site, DRE conducted a voluntary survey for website users to gather information about its functionality and features as updates continue ahead of a planned relaunch.

### Industry Presentations

Due to ongoing in-person meeting concerns related to the COVID-19 pandemic, the majority of presentations given by the Real Estate Commissioner and DRE staff were virtual.

Between July 1, 2021 and June 30, 2022, the Communications and Publications division supported 17 presentations to industry groups throughout California. The Commissioner also pre-recorded video comments for an officer installation event.

### 2022 Real Estate Law

The Communications and Publications division coordinated updates for the 2022 Real Estate Law Book, which includes statutes and regulations with which all licensees should be familiar. The book is updated and published on an annual basis, and can either be downloaded at no cost from the DRE website or purchased from DRE.

### Quarterly DRE Bulletin Newsletters and Industry Advisories

The Communications and Publications division published and distributed four editions of the DRE Real Estate Bulletin. The bulletin is sent via email to all DRE licensees and other interested parties on a quarterly basis. The division also distributed seven industry advisories in

fiscal year 2021-22 to keep licensees apprised of timely information.

### Social Media

The Communications and Publications division is responsible for running DRE’s social media channels. These include Twitter (English & Spanish), Facebook, and LinkedIn.

The number of followers on DRE’s various social media channels at the end of fiscal year 2021-22, were:

- Twitter – English 21,563
- Twitter – Spanish 1,009
- Facebook 14,247
- LinkedIn 2,457

### Videos

The Communications and Publications division produced seven videos for applicants, licensees, and consumers during fiscal year 2021-22:

- DRE FAQs – eLicensing: Licensing Made Easy (18,505 views)
- DRE FAQs – Scheduling Your Exam (1,610 views)
- Materials to Gather Before You Apply for Your California Real Estate License (3,814 views)
- What to Expect on Exam Day – California Department of Real Estate (5,686 views)
- Foreclosure Information for Homeowners – English (1,433 views)
- Foreclosure Information for Homeowners – Spanish (275 views)
- What Might Discrimination Look Like? Fair Housing Month 2022 (726 views)

The videos were shared via YouTube and/or posted on the DRE website, and promoted on social media.

### Looking Forward

The Communications and Publications division will continue to educate DRE licensees and consumers through a variety of electronic, print, video/virtual, and social media outreach. Work is underway to develop a robust first-time homebuyer outreach program for fiscal year 2022-23. ■

**LICENSING ANNUAL REPORT (CONTINUED FROM PAGE 7)**

2. Examination development, which relied on subject matter experts from the real estate industry who reviewed, revised, and developed exam questions to ensure that the content reflected the updated occupational analysis.
3. A further review of the exam content by the Exam Administration and Development Unit along with subject matter experts.
4. Creation and use of new exams at all five DRE exam centers that continue to be legally defensible and that appropriately test and measure the competency of salesperson and broker applicants.

These efforts involved a comprehensive, meaningful, and relevant review of the practical knowledge levels required to enter the real estate profession.

### *Education and Research*

The Licensing division's Education and Research section reviews and approves all real estate license continuing education course offerings, as well as pre-license/statutory qualification courses offered by private schools. In fiscal year 2021-22, staff reviewed and approved 258 continuing education course offerings, 106 pre-license/statutory courses, and 86 continuing education equivalency petitions. As of June 30, 2022, there were 58 continuing education course providers offering 439 approved courses, and 154 pre-license/statutory course providers offering 884 approved courses.

### *Looking Forward*

DRE's Licensing division continues to respond to the challenges associated with providing timely delivery of services while preserving the integrity of the results. To achieve this, DRE regularly expands the use of technologies, and in fiscal year 2022-23 plans to further enhance eLicensing to include more electronic services for licensees and will continue to explore third-party exam delivery options in order to improve accessibility to exam centers, especially for those residing in underserved areas throughout California. ■

**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 2022-23, 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. ■

**ENFORCEMENT ANNUAL REPORT (CONTINUED FROM PAGE 11)**

- 74 percent of investigations were completed in less than six months

Additionally, Enforcement handled 59,356 calls, answering questions related to compliance, complaints, and other consumer issues.

### *Looking Forward*

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 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. ■

# SAVE OUR WATER

Since water is a limited resource and it is important to each of us every day, water conservation is essential. By following these water conservation tips you can help conserve water every day.

## INSIDE THE HOME

### Kitchen

- » Wash vegetables in a container, not under running water.
- » Use dishwasher for full loads only.
- » Washing dishes by hand uses more water than a dishwasher. Save up to 24 gallons of water per load by using a dishwasher.

### Laundry Room

- » Use washing machine for full loads only. You can save 15–45 gallons per load.
- » Check with your local water agency for any current rebate.

### Bathroom

- » Install low-flow shower heads.
- » Take shorter showers. (Showers kept under 5 minutes can save you about 12.5 gallons per shower.)
- » If you take a bath, fill bathtub less than halfway. (You can save 17–25 gallons per bath.)
- » Install a high efficiency (HET) toilet. You can save 6–35 gallons per day. (Check with your local water agency for current rebate.)
- » Install aerators on bathroom faucets. (Most homes built after 1980 already have these features.)
- » Turn water off when brushing teeth, washing hands or shaving.

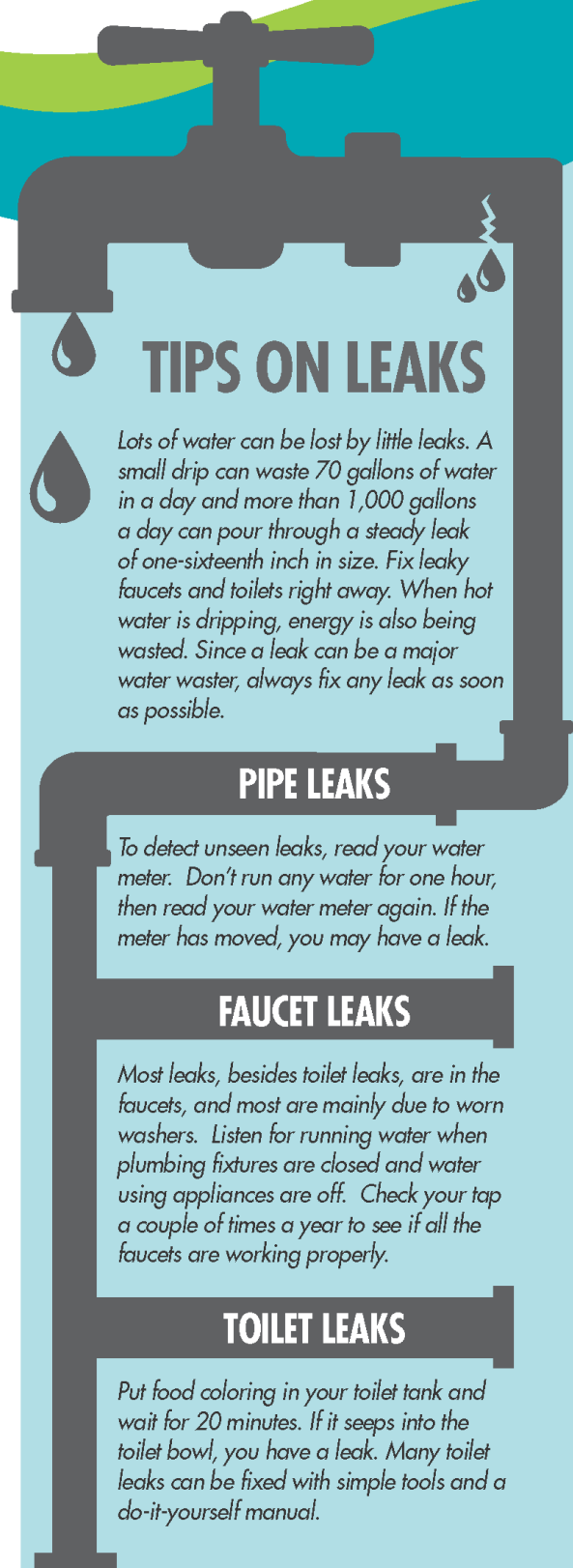
## OUTSIDE THE HOME

### Landscape

- » Water in the morning when it is cooler and use a layer of mulch to help retain soil moisture.
- » Check your sprinkler system frequently and adjust sprinklers so only your lawn is watered and not the house, sidewalk, or street.
- » Choose water-efficient irrigation systems such as drip irrigation for your trees, shrubs, and flowers.
- » Water deeply but less frequently to create healthier and stronger landscapes.
- » Plant drought-resistant trees and plants.

### Clean-up

- » Use a broom to clean driveways, sidewalks, patios and walkways.
- » Wash cars with a bucket, sponge, and hose with self-closing nozzle.



### TIPS ON LEAKS

*Lots of water can be lost by little leaks. A small drip can waste 70 gallons of water in a day and more than 1,000 gallons a day can pour through a steady leak of one-sixteenth inch in size. Fix leaky faucets and toilets right away. When hot water is dripping, energy is also being wasted. Since a leak can be a major water waster, always fix any leak as soon as possible.*

### PIPE LEAKS

*To detect unseen leaks, read your water meter. Don't run any water for one hour, then read your water meter again. If the meter has moved, you may have a leak.*

### FAUCET LEAKS

*Most leaks, besides toilet leaks, are in the faucets, and most are mainly due to worn washers. Listen for running water when plumbing fixtures are closed and water using appliances are off. Check your tap a couple of times a year to see if all the faucets are working properly.*

### TOILET LEAKS

*Put food coloring in your toilet tank and wait for 20 minutes. If it seeps into the toilet bowl, you have a leak. Many toilet leaks can be fixed with simple tools and a do-it-yourself manual.*



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CALIFORNIA DEPARTMENT OF REAL ESTATE  
1651 EXPOSITION BLVD.  
SACRAMENTO, CA 95815

# Real Estate Bulletin

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For all the latest real estate information for consumers, licensees, examinees, and developers, visit the DRE website and follow us on Facebook and Twitter.

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We'd like to hear from you!



Email us at [editor@dre.ca.gov](mailto:editor@dre.ca.gov)

