



# Real Estate Bulletin

CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS • BUREAU OF REAL ESTATE

FALL 2017

Vol. 76, No. 3



Wayne S. Bell  
*Commissioner*

## *Commissioner's Message*

*Communicate, Communicate, Communicate – Transparency, Accountability, Adding Value, and the Ongoing Reporting of Financial and Operations Information Regarding the California Bureau of Real Estate*

In the fall of 2016, the California Bureau of Real Estate (“CalBRE”) issued a “special” Bulletin that disclosed financial and operations information about CalBRE. In particular, it contained pertinent financial highlights and facts on CalBRE for the period from July 1, 2015, through the end of June 2016 -- including information pertaining to revenues, expenditures, and budget spending authority -- as well as reports covering CalBRE’s statewide operating programs and units for fiscal year 2015-2016.

Because we at CalBRE believe strongly in the importance of disclosing and communicating such information on how we are doing from a fiscal and operational standpoint to all of our stakeholders and to the general public, we are doing so again in this Bulletin for the 2016-2017 fiscal year, which ended at the end of June 2017, and plan to do the same following each fiscal year.

It is my hope, as the State’s Real Estate Commissioner and the chief officer of CalBRE, as well as the desire of CalBRE’s Executive Committee, that the self-explanatory information provided in this Bulletin is of interest and worthwhile, and provides you with a fuller understanding of the fiscal state, operations, programs, and outcomes of CalBRE.

And while the primary focus of this Bulletin is on CalBRE’s operations and fiscal data, the Bulletin also includes timely information on the laws - and the implementation of the same - regarding (i) broker associate reporting and (ii) petitions for removal of discipline from the CalBRE website.

As I mentioned in last year’s “special” issue, it is the dedication, work, and sustained commitment of the capable employees of CalBRE that has delivered the outcomes reflected in year-end reporting. Their hard work has also enabled us to implement the laws mentioned immediately above. And once again, to those employees, I offer my deep and sincere appreciation.

I am confident that our employees, managers, and executive committee members will work continuously to improve what we do in order to help safeguard and promote the public interests in real estate matters, and to add public value (Note: my Message in the next Bulletin will discuss, among other things, the idea of adding value and how that requires collaboration, deliberation, consultation, and teamwork).

Those of us who work at CalBRE thank all of you who are interested in our work – whether as a licensee, developer, real estate consumer, and/or member of government or the general public -- for your continuing engagement, feedback, collaboration, consultation, and support. Please let us know if you have any questions, or if you need or desire additional information about CalBRE.



**REAL ESTATE BULLETIN**

Official Publication of the California Bureau of Real Estate  
Vol. 76, No. 3 – Fall 2017

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## Fiscal Year 2016–17 Financial Statement

The California Bureau of Real Estate (CalBRE) maintains five district offices: Sacramento, Oakland, Fresno, Los Angeles, and San Diego, and has 332 employees.

CalBRE’s budget spending authority in Fiscal Year (FY) 2016–2017 was \$52,639,000. Revenue for FY 2016–2017 totaled \$52,128,255, and expenditures totaled \$51,254,441. CalBRE’s revenues exceeded expenditures by \$873,814.

**CalBRE’s budget: \$52,639,000**

**Revenue from:**

Examinations: \$4,205,683

Licensing and Nationwide Mortgage Licensing System (NMLS): \$37,641,210

Subdivisions: \$8,299,377

Other: \$1,981,985

**Total Revenues: \$52,128,255**

**Expenditures from:**

Personnel: \$32,337,329

Facilities: \$4,081,415

Department of Consumer Affairs pro rata costs: \$5,094,000

Enforcement costs (hearings, investigations, court reporters): \$2,042,626

Recovery account: \$1,902,847

Communication, printing, postage: \$1,219,392

Data center, data, software: \$1,017,532

Other: \$3,559,300

**Total Expenditures: \$51,254,441**

The *REAL ESTATE BULLETIN* (ISSN 07347839) is published quarterly by the State of California, Bureau of Real Estate, 1651 Exposition Boulevard, Sacramento, CA, 95815, as an educational service to all real estate licensees in the state under the provisions of Section 10083 of the Business and Professions Code. Reproduction, in whole or in part, is authorized with attribution to the Bureau of Real Estate.

## A Look Back at FY 2016–2017: CalBRE Units Hard at Work

Each section of the California Bureau of Real Estate (CalBRE)—although performing separate functions—has the common goal of consumer protection. Find out what CalBRE’s different sections have been up to during Fiscal Year (FY) 2016–2017 to safeguard and promote the public’s interests in real estate matters.

### Audit Section

The mission of CalBRE’s Audit section is to protect consumers through financial compliance audits of real estate licensees and subdivision developments. The primary focus of CalBRE audits is trust fund handling by licensees and subdividers. Auditors determine if real estate brokers or subdividers, as reflected in their business records, comply with the requirements of the Real Estate Law and the Subdivided Lands Law.

These audits are focused on determining whether real estate licensees are properly handling and accounting for trust funds—funds belonging to the public.

CalBRE auditors perform two types of audits. The first type is an investigative audit, which is an audit related to a complaint or a follow-up audit to some previous disciplinary action or report. The second type of audit is a proactive routine audit. The subjects of these proactive routine audits are often brokers who handle a large volume of trust funds. For FY 2016–2017, the Audit section closed 364 investigative audits and 234 routine audits.

Since we have a limited number of auditors as compared to the population of real estate licensees, we focused our audits on brokers who handle a high volume of trust funds. Audit cases completed revealed a very high incident and dollar amount of trust fund shortages. Our 598 audits completed resulted in more than \$10.2 million in trust fund shortages; of these audits, 53 had trust fund shortage findings of greater than \$10,000. The highest incidence of shortage was found on audits of brokers involved with property management or broker escrow activities, as follows:

Broker Activity	Number of Audits Closed	Number (%) of Audits With Shortage	Dollar Amount of Shortage Found
Property management	391	152 (38.87%)	\$7,792,215.60
Broker escrow	37	9 (24.32%)	\$965,560.83
Mortgage loan	74	10 (13.51%)	\$1,493,130.43
Sales	96	0 (0%)	\$0
<b>Total</b>	<b>598</b>	<b>171 (28.60%)</b>	<b>\$10,250,906.86</b>

Of the total audits closed during the fiscal year, 61 percent were investigative audits and 65 percent were focused on brokers who performed property management activities.

The tables to the right and on page 4 show more information on audit results and trust fund shortages.

### Audit Details

Major violations	144	24%
Cite and fine	37	6%
Corrective action letters	72	12%
Minor violations	198	33%
No violations	147	25%
<b>Total audits performed</b>	<b>598</b>	<b>100%</b>



A LOOK BACK AT FY 2016–2017: CALBRE UNITS HARD AT WORK (CONTINUED FROM PAGE 3)

**Trust Fund Shortages**

Total found with shortages	171	29%
Total amount of shortages found		\$10,250,906.86
Total shortages cured during audit		\$2,811,838

In FY 2017–2018, the Audit section will continue to provide a critical role in public protection and the education of real estate licensees through the performance of investigative and routine audits.

**Enforcement Section**

The Enforcement section plays a vital role in CalBRE’s mission to enforce the Real Estate Law and the Subdivided Lands Law to protect purchasers of real property and those persons conducting business with real estate licensees.

CalBRE accomplishes this mission by investigating complaints that have been filed against real estate licensees, subdividers, and unlicensed individuals and entities. CalBRE also launches investigations based on other sources of information. These 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**

CalBRE investigates the actions of any person engaged in the business of or acting in the capacity of a real estate licensee upon receipt of a verified written complaint. When a complaint is initially received, it is reviewed to determine whether CalBRE has jurisdiction in the matter. For CalBRE to have jurisdiction, the complaint must involve a real estate licensee, subdivider, or unlicensed person who has performed acts that require a real estate license. Additionally, the issues of the complaint must present a potential violation of the Real Estate Law or Subdivided Lands Law and be within CalBRE’s statute of limitations.

After a complaint is received and it is determined that the issues are within CalBRE’s jurisdiction, it

is assigned for investigation. After a case is set up for investigation, CalBRE takes disciplinary action when there is “clear and convincing” evidence that a violation of the Real Estate Law has occurred. 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.

Once a case is developed that merits formal disciplinary action, it is sent to CalBRE’s Legal section for administrative prosecution. Disciplinary actions are initiated by filing either a statement of issues when challenging an applicant’s qualifications for licensure or an accusation when seeking to suspend or revoke an existing license. CalBRE also issues desist and refrain orders to stop ongoing violations of either the Real Estate Law or the Subdivided Lands Law, and bar orders enjoining unlicensed persons from working in real estate or related industries. CalBRE also has authority to issue citations and impose fines for any violation of the Real Estate Law. Citations issued to real estate licensees are typically for relatively minor, or de minimis, violations of the law that do not merit higher disciplinary action. Citation authority also permits CalBRE to 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 assigned for investigation in FY 2016–2017, and the results of those investigations, as well as the number of citations issued, are detailed in the table on page 5:

(Continued on page 5)

## A LOOK BACK AT FY 2016–2017: CALBRE UNITS HARD AT WORK (CONTINUED FROM PAGE 4)

	FY 2016–17	FY 2015–16
Received	4,282	5,341
Referred for investigation	1,394	2,495
Referred to Legal section	1,265	1,241
Citations issued	714	733

The investigative process can be time-consuming, as Enforcement staff must take care to gather all pertinent documentation involved in the transaction, as well as carefully document the testimony of witnesses to the events that transpired. In its efforts to administer the Real Estate Law, CalBRE must approach the disciplinary process in a fair and impartial manner, being mindful of the rights of both licensees and consumers in seeking to achieve justice and public protection.

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### Information Technology Systems Section

The Information Technology Systems (ITS) section spent the past fiscal year providing a variety of technological services geared to support CalBRE's program areas.

During the first half of 2017, ITS—along with Microsoft and California Department of Technology staff—completed an e-mail migration to Microsoft Office 365, as required by the state of California. Microsoft Office 365 introduces the following benefits:

- Reduces the cost of delivering services.
- Enables agility in a changing operating environment.
- Increases user productivity.
- Streamlines IT operations.
- Improves organizational communication.

In addition, Microsoft Office 365 allows all state departments to share one central, global address list and provides enhanced e-mail security, disaster recovery, and archiving of e-mails. Concurrently, ITS also rolled out a new version of Microsoft Office to version 2016, with an updated user interface and new features within Word, Excel, PowerPoint, and Outlook.

ITS staff made improvements to the online broker escrow activity reporting system, as well as Enforcement's online complaint form, and continues to work on completing the Subdivision Online Public Application Report System. Staff also completed numerous enhancements to CalBRE's Enterprise Information System database system, including changes to implement the provisions of Assembly Bill 2330 regarding broker-associates and petitions for discipline. (See articles on page 10.)



A LOOK BACK AT FY 2016–2017: CALBRE UNITS HARD AT WORK (CONTINUED FROM PAGE 5)

## Legal Section

CalBRE's Legal section plays a critical role in application review and license discipline processes, including the preparation of statements of issues to deny license applications and accusations to discipline license rights. The Legal section's attorneys regularly appear before administrative law judges to argue in favor of application denials or license discipline. Through its efforts, the Legal section protected consumers during FY 2016–2017 by revoking 362 licenses, suspending 105 licenses, accepting the voluntary surrender of 81 licenses, and denying 232 license applications.

In addition, the Legal section manages CalBRE'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 2016–2017, the fund received 70 new claims for payment; paid 89 claims totaling \$2,022,602 million; and denied 46 claims. CalBRE paid or denied more claims than it received during the fiscal year since most claims were filed during prior fiscal years.

Here are the summary statistics for administrative prosecutions for FY 2016–2017:

Activity	Cases Filed	Orders Issued
Statement of issues	197	--
Accusation cases	455	--
Desist and refrain cases	--	142
Petitions for reinstatement	--	109
Petitions for removal of restrictions	--	45
License revocations (including restricted)	--	350
License suspensions	--	106
Voluntary surrenders	--	69
Dismissals (accusations or statement of issues)	--	67
Public reprovals	--	5
License denials (including restricted)	--	232
Final bar orders	--	3
<b>Total</b>	<b>652</b>	<b>1,128</b>

## Licensing Section

CalBRE's Licensing section is responsible for the administration of real estate license examinations and the issuance and renewal of salesperson and broker licenses, as well as the issuance and renewal of mortgage loan originator license endorsements through the Nationwide Multistate Licensing System (NMLS). The section also receives and responds to a large volume of phone inquiries from licensees, consumers, and potential applicants.

### Licensing and examination activity

The workload statistics for FY 2016–2017, as well as the prior two fiscal years are outlined in the charts on page 7. The number of applications for salesperson examinations administered increased 10 percent in FY 2016–2017 compared to FY 2015–2016. The issuance of new salesperson licenses increased by 12 percent over the last fiscal year, while the issuance of broker licenses increased by 9 percent.

A LOOK BACK AT FY 2016–2017: CALBRE UNITS HARD AT WORK (CONTINUED FROM PAGE 6)

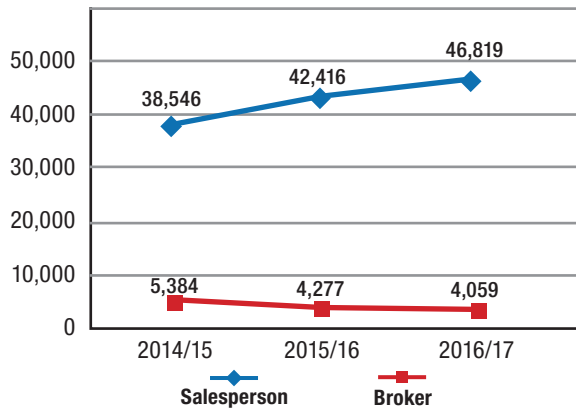
## Licensing population

License renewals for FY 2016–2017 among salespersons and broker remained steady, with 81 percent of all salespersons and 89 percent of all brokers renewing their license. Strong renewal rates and the increasing number of new salesperson licenses translated into a licensing population of 415,458 at the end FY 2016–2017, which included 133,542 brokers and 281,916 salespersons. This reflects an increase of 2 percent over the number of licensees over the prior fiscal year.

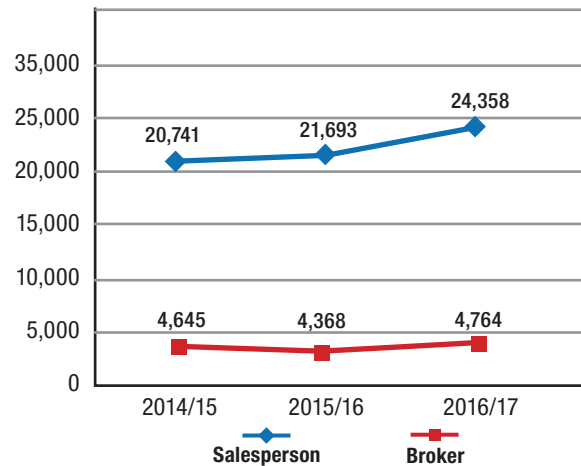
## Phone calls

The increase in workload as well a large licensing population means the number of calls CalBRE receives continues to be high. For FY 2016–2017, licensing staff handled more than 230,000 calls.

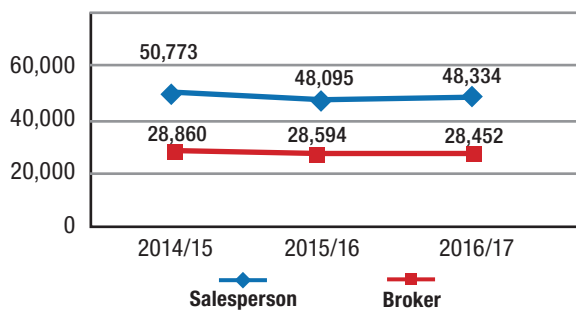
**Examinations Administered**



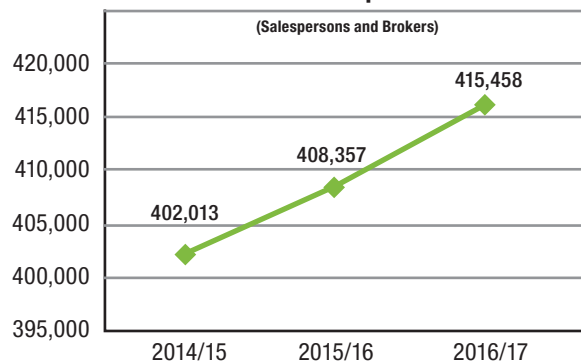
**Licenses Issued**



**License Renewals**



**Licensee Population**



## Occupational analysis and exam development study

As part of its program to ensure real state exams accurately describe current industry practice, CalBRE, in agreement with the Department of Consumer Affairs' Office of Professional Examination Services, began the first phase of an examination validation study. An important task of this project is to obtain the assistance of industry practitioners to help define the scope of the business through a survey. As the first step in this process, this survey was sent out to more than 40,000 newly licensed salespersons and brokers.



## A LOOK BACK AT FY 2016–2017: CALBRE UNITS HARD AT WORK (CONTINUED FROM PAGE 7)

### Education and research

The Education and Research section, within the Licensing program, is responsible for the review and approval of all real estate license continuing education course offerings, as well as prelicense/statutory qualification courses offered by private schools. In FY 2016–2017, the section reviewed and approved 244 continuing education course offerings, 96 prelicense/statutory courses, and 33 continuing education equivalency petitions. At the conclusion of FY 2016–2017, there were 118 continuing education course providers offering 665 approved courses and 325 pre-license/statutory course providers offering 1,980 approved courses.

### Looking forward

The CalBRE Licensing program continues to respond to the challenges associated with providing timely delivery of services while preserving the integrity of the results. Going forward, the Licensing program will build upon the licensing benchmarks by continuing to expand the use of technologies, such as improvements to our eLicensing system and improvements to our public information phone system.

### Mortgage Loan Activities Section

The Mortgage Loan Activities (MLA) section is an arm of the Enforcement program and is responsible for a variety of functions associated with real estate brokers engaged in the mortgage business. These functions primarily include:

#### **Mortgage loan compliance and enforcement** –

MLA performs investigations related to a wide range of mortgage loan-related topics, including advance fees taken for loan modifications, lender fraud, loan servicing, private money transactions, unlicensed loan activity, and advertising compliance. MLA also performs broker office surveys to review mortgage loan brokers' books, accounts, and records for compliance and appropriate broker supervision.

**Background investigations** – MLA performs background investigations on individuals applying for a mortgage loan originator (MLO) license endorsement, 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 would pose a risk to the public. Last year, MLA performed approximately 337 MLO background investigations.

**Reporting 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). These licensees are required to submit quarterly and annual reports to CalBRE. There are currently 342 reporting threshold brokers and 135 reporting multilender brokers. MLA also tracks and monitors compliance with respect to the submission of NMLS Mortgage Call Reports, which are required of brokers who conduct residential mortgage loan origination activity. These licensees are required to submit residential loan data and financial condition reports to the NMLS. There are approximately 5,882 brokers required to submit Mortgage Call Reports.

**Voluntary mortgage loan advertising reviews** – MLA performs reviews of mortgage loan advertisements submitted voluntarily by brokers requesting to have their advertisements approved by CalBRE. Brokers may submit their advertisements with the “Mortgage Loan Advertising Submittal” (RE 884) form along with a fee for the review. Last year, 39 advertisements were submitted by brokers for approval.

**Industry and consumer resource** – Each day, MLA receives numerous phone calls and correspondence from both licensees and consumers regarding various compliance issues, as well as questions concerning mortgage loan transactions. MLA responds to approximately 4,000 calls and letters each year. MLA also takes part in enforcement outreach through broker office visits and industry and consumer events.



A LOOK BACK AT FY 2016–2017: CALBRE UNITS HARD AT WORK (CONTINUED FROM PAGE 8)

## Subdivisions Section

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 CalBRE. 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 CalBRE that adequate financial arrangements have been made for completion.

Through the public report process, CalBRE oversees the creation of new standard, common interest, and timeshare developments. To protect purchasers from fraud and misrepresentation in subdivision sales, CalBRE 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. CalBRE’s subdivision program also seeks to ensure that the intricate arrangements required for managing common interest developments, including association

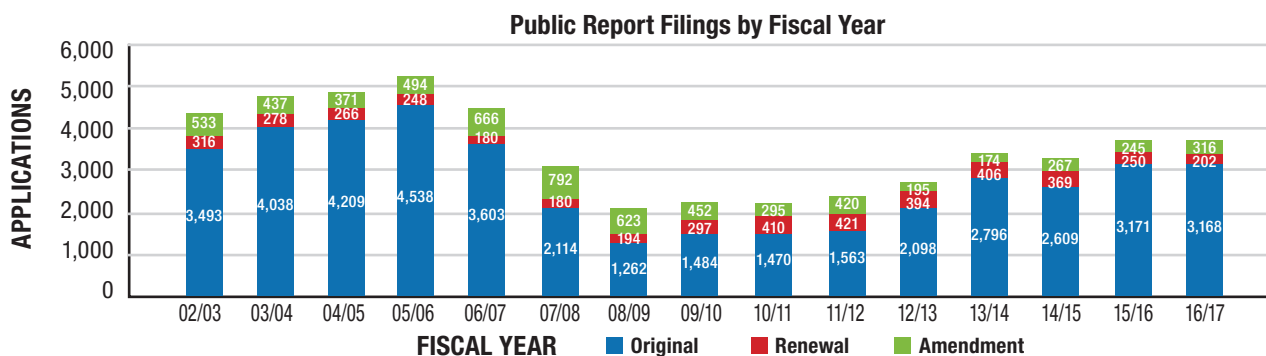
budgets and governing instruments, are established in a way that balances the needs of the builder with those of purchasers.

## Statistics

CalBRE received 3,168 Final Subdivision Public Report (Final) applications during FY 2016–2017. This was a decrease of 0.09 percent compared to the previous fiscal year total of 3,171. To put these numbers in perspective, over the last 15 years, the highest number of Final applications received occurred in 2005–2006 (4,538) and the lowest in 2008–2009 (1,262). Final applications received in FY 2016–2017 were slightly above our 15-year average of 2,775 files per year. The fact that the numbers were almost identical year-over-year substantiates several forecasts that called for slow or no growth during the current timeframes.

Amended Subdivision Public Report (Amendments) applications increased 30.4 percent in FY 2016–2017, while Renewed Subdivision Public Report (Renewals) applications declined 19.8 percent. The decrease in renewal applications is a positive sign as it reflects more subdivision sale-outs were able to be made within the five-year term of the Final Public Report.

Subdivision section staffing increased slightly over the past year to better serve the needs of the industry and consumers.



## Future Plans

The Subdivision section’s efforts moving forward are ambitious but fully achievable. We are progressing with our electronic application process, which will enhance our core principles that promote public protection while supporting economic growth. When complete, this process will improve productivity and service to the public.

Further, we will continue to partner with state and federal agencies to address issues of mutual concern aimed at improving consumer protection. We acknowledge the importance of enhancing efforts to educate consumers on the home-buying and -selling process, as well as to increase their awareness of inappropriate actions and real estate fraud. We will explore methods to increase exposure of critical information to consumers, including the distribution of electronic and print media, as well as the expansion of consumer educational materials posted on CalBRE’s website ([www.calbre.ca.gov](http://www.calbre.ca.gov)).



## New ‘Broker-Associate’ Notification Requirements Effective January 1, 2018

By Jeff Oboyski, Licensing Manager

In 2016, the Governor signed Assembly Bill (AB) 2330. Among other things, AB 2330 requires that whenever a real estate broker acting in the capacity of a salesperson (i.e., a broker-associate) enters the employ of another real estate broker or corporation, the responsible broker shall immediately notify the Commissioner of this arrangement in writing. The bill also requires that whenever the employment of a broker-associate is terminated, the responsible broker shall immediately notify the Commissioner in writing. The broker-associate notification requirements go into effect on January 1, 2018, and will apply to all broker-associates, including those whose affiliation with a responsible broker commenced prior to January 1, 2018.

For purposes of clarification, a broker-associate is an individual licensed as a real estate broker, but who works in the capacity of a salesperson for another responsible broker. Furthermore, a “responsible broker” is the broker responsible for the exercise of control and supervision of a salesperson, or a licensee subject to discipline, pursuant to

Business and Professions Code Section 10177(h), for failure to supervise activity requiring a license. It is also worth noting that a responsible broker can either be an individual broker or corporation depending on the broker-associate’s employment affiliation.

To ensure compliance with the notification requirements set forth in AB 2330, CalBRE created the “[Broker-Associate Affiliation Notification](#)” (RE 215) form, which is currently available on the California Bureau of Real Estate’s (CalBRE’s) website. The form is to notify CalBRE of a broker-associate/responsible broker affiliation or termination. All other changes pertaining to an individual broker license, such as changes of mailing or main office addresses, adding or canceling fictitious business names, or updates to contact information, should continue to be submitted using the “[Broker Change Application \(For Broker Licensees\)](#)” (RE 204) form or for certain transactions using eLicensing.

CalBRE previously released an advisory titled, “[Advisory and Guidance to Licensees Regarding Assembly Bill 2330, Effective January 1, 2018, Pertaining to Broker-Associates](#),” as well as published “[Frequently Asked Questions Regarding Broker-Associate Affiliation Notification](#).” Both are available on CalBRE’s website at [www.calbre.ca.gov](http://www.calbre.ca.gov).

For more information, call CalBRE’s Licensing program toll-free at (877) 373-4542.

## New Regulation: Licensees Can Petition for Removal of Discipline From CalBRE Website

Business and Professions (B&P) Code Section 10083.2 requires the California Bureau of Real Estate (CalBRE) to post specified licensee discipline information to the CalBRE website ([www.calbre.ca.gov](http://www.calbre.ca.gov)). Commencing January 1, 2018, as specified in B&P Code Section 10083.2, a licensee will be able to petition the Commissioner to request the removal of license discipline information posted for public review on the CalBRE website. To be eligible for removal, the relevant license disciplinary action taken by CalBRE must have occurred at least 10 years prior to the petition for removal. For purposes of this requirement, the statute specifies that “posted” is the date the disciplinary action was taken by CalBRE.

Furthermore, to gain removal of disciplinary action posted on the website, the licensee must demonstrate evidence of rehabilitation indicating that the disciplinary notice is no longer required to prevent a credible risk to members of the public utilizing licensed services of the licensee. In evaluating the petition, the Commissioner will take into consideration other violations that might present evidence that there is a credible risk to the public since the posting of discipline that is being requested for removal.

The following are frequently asked questions that explain who will be eligible to petition for removal of discipline from the CalBRE website, and how the process will work:

A LOOK BACK AT FY 2016–2017: CALBRE UNITS HARD AT WORK (CONTINUED FROM PAGE 10)

## **Who may petition for removal of discipline information?**

B&P Code Section 10083.2 specifies that a person must be a licensee to be eligible to petition for removal. This means that the petitioner must have a valid real estate license or have license rights. A non-licensee, meaning a person who does not have a valid real estate license or is not within the two-year eligibility to renew a license, cannot petition for removal of previously posted discipline from the CalBRE website until he or she becomes licensed.

## **Can a restricted licensee petition for removal of discipline information?**

A licensee currently holding a restricted sales or broker license would need to petition for removal of restrictions or a reinstatement of that license. This petition for removal of restrictions or reinstatement of a license could be done concurrently with the petition for removal of discipline information from the website, and both petitions would be investigated at the same time.

## **How will a licensee petition for removal of license discipline from the CalBRE website?**

A Proposed Commissioner's Regulation, Regulation 2915 (still being finalized), will set the minimum criteria needed to submit a petition, including disclosure of past or pending criminal convictions, license discipline, and civil actions, as well as providing proof of rehabilitation. The Commissioner will assess the submitted information and information arising from the petition investigation, to determine whether the petitioner poses a credible risk to the public or, in the alternative, demonstrates a propensity to honestly, fairly, and efficiently engage in activities that require a real estate license.

To assist licensees with this process, CalBRE will publish a form that includes the minimum information to be submitted that the petitioner may (but is not required to) use. As long as the petitioner submits the minimum information required, fingerprints, and the fee, the petition will be evaluated. The burden is on the petitioner to submit sufficient and competent, corroborated evidence of rehabilitation.

## **Can a licensee petition for removal of discipline information in advance of the 10-year mark?**

No, the petitioner must wait until 10 years after the effective

date of the order that imposed the subject discipline to petition for its removal from the CalBRE website.

## **Will a filed petition for removal of posted discipline automatically result in the removal of that discipline from the CalBRE website?**

Whether the discipline information is removed from the CalBRE website will depend on the information and evidence provided by the petitioner, the results of the investigation, and the determination of whether the petitioner no longer poses a credible risk to the public. If a petition for removal of license discipline information is denied, the licensee can petition again one year after the date of the denied petition.

## **Is there a cost for petitioning for removal of discipline information from the CalBRE website?**

The fee for processing a petition for removal of discipline, which covers the costs of investigation, legal review, and administrative review, will be \$1,275. If a licensee concurrently petitions for removal of restrictions from a license (or reinstatement of a license), as well as removal of disciplinary information from the CalBRE website, the cost of \$1,275 will cover both petition types, as they will be covered by the same investigatory, legal, and administrative review.

## **What criteria will the Commissioner use to determine whether a petitioner poses a credible risk to the public?**

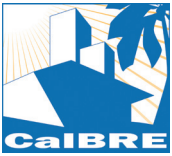
The criteria for rehabilitation, as set forth in Commissioner's Regulation 2911, will apply where a petitioner seeks removal of discipline information from the CalBRE website. These criteria, along with any other material indications that consumers should continue to have access to on the CalBRE website, will be evaluated in total to determine whether the licensee poses a credible risk to the public.

## **Before submitting the \$1,275 fee, can I get an indication of my chances of approval?**

No. A decision on approval or denial can only be made after assessing the submitted information and factual information arising from the petition investigation.

## **If my petition for removal of discipline is not approved, will my fee be refunded?**

No. The fee covers CalBRE's costs to assess, investigate, and make a decision about a petition.



*Official Publication of the California Bureau of Real Estate*

CALIFORNIA BUREAU OF REAL ESTATE  
1651 EXPOSITION BOULEVARD  
SACRAMENTO, CA 95815

# Real Estate Bulletin

VOL. 76, NO. 3

FALL 2017

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