Over the past year and a half, the DRE has committed considerable resources to combat loan modification scams. The Department is currently investigating over 1,300 loan modification complaints and, in just the past 12 months, has issued over 400 desist and refrain orders and accusations against respondents for illegally collecting advance fees. Most of the cases involve an unlicensed scammer who has collected an advance fee in exchange for a promise that the homeowner will receive a sustainable loan modification; yet once the fee was paid little or nothing was done to get the borrower’s loan modified. A list of persons and companies that the Department has taken action against can be found at http://www.dre.ca.gov/cons_drs.asp.

But, late last year, help arrived. On October 11, 2009, the Governor signed Senate Bill 94. This measure goes right to the heart of the fraud as it prohibits any person, including real estate licensees and attorneys, from demanding, claiming, charging, collecting or receiving an upfront fee from a borrower in connection with a promise to modify the borrower’s residential loan or to do some other form of mortgage loan forbearance. The advance fee prohibition for loan modification and forbearance services will be repealed on 1/1/2013 unless extended by the legislature. The requirement to provide a written disclosure that it is not necessary to pay a third party for loan modification services will not sunset in 2013.

While it is unlikely SB 94 will stop all mortgage fraud scams, the bill will help immensely in ridding the marketplace of unlicensed and unscrupulous profiteers, and that will help ensure consumers receive the protections they deserve.

For a copy of Senate Bill 94, visit www.leginfo.ca.gov and click on “Bill Information”. Information is also available from the California Department of Real Estate at www.dre.ca.gov.
Homeowners and private investors - beware!

It is important for licensees to be vigilant in this challenging real estate market and be well informed of investment schemes meant to defraud the public. One such scheme is a home-saving program allegedly involving private investors wanting to assist struggling homeowners. Those who market this plan say that they assist private investors in identifying and acquiring distressed mortgages from lenders whose borrowers are no longer able to afford their mortgages. These companies promise to make it possible for private investors to obtain very high returns in short periods of time and to capitalize on reduced home prices, while also making it possible for the distressed homeowner to be able to keep their home. Private investors and distressed homeowners should beware of these offerings.

Under these cleverly devised schemes, purported to be "foreclosure reinstatement programs", the company promises to match delinquent borrowers with private investors who are willing to purchase the now under-secured mortgage asset from the lenders and refinance the distressed borrower into a new fixed payment mortgage, ultimately lowering their monthly payment. They suggest that the program is a win-win situation and claim that their emphasis is to purchase mortgage notes from lenders at discounts, and then to restructure the new loan terms at an affordable monthly mortgage and give the homeowner-turned-buyer/borrower an equity interest in the property while at the same time, the private investor has an immediate profit. An example of how the "foreclosure reinstatement program" allegedly works is as follows:

<table>
<thead>
<tr>
<th>Loan Balance (now in default):</th>
<th>$550,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Current&quot; Market Value:</td>
<td>$325,000</td>
</tr>
<tr>
<td>Re-purchase price (by investors):</td>
<td>$200,000</td>
</tr>
<tr>
<td>Borrower refinances to a new loan (to investors) amount of:</td>
<td>$308,725</td>
</tr>
<tr>
<td>(95% LTV of &quot;Current&quot; Market Value)</td>
<td></td>
</tr>
<tr>
<td>Homeowner/Borrower Equity (5% LTV)</td>
<td>$16,250</td>
</tr>
<tr>
<td>Investors Immediate profit</td>
<td>$108,725</td>
</tr>
<tr>
<td>($308,725 - $200,000 = $108,725)</td>
<td></td>
</tr>
</tbody>
</table>

The program may call for the homeowners to pay a one-time set-up fee of $3,500.00 or more, with additional fees required per month if a notice of default had been filed against the property. In addition, homeowners may be required to make payments into a reserve account instead of to their original lender; all indications of possible fraudulent and misleading acts. First of all, pursuant to California Business and Professions Code (B&P) Section 10131(d), it is unlawful to solicit borrowers or lenders for or negotiate loans, collect payments, or perform services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or on a business opportunity unless they are licensed as a real estate broker. Second, these types of transactions are misleading at best and fraudulent at worst since lenders are under no obligation to enter into negotiations with the companies’ representatives nor are lenders required to consider such offerings. Licensees are urged to be aware of these schemes and are encouraged to educate their clients to become vigilant to these types of solicitations and forward this information to the Department so that we may seek disciplinary action against those intent on harming the public.

In addition, we recommend licensees inform their clients who are private investors that the Securities and Exchange Commission (SEC) has filed a complaint in June of 2009 against such a company, alleging that in 2006 and 2007, the company recruited approximately 150 investors in California and several other states promising returns of 40% in as little as 30 days raising approximately $6 million. The SEC alleged that the company assured the investors that their investments were secured by deeds of trust; they were not. These are very unsettling times in the real estate market and it is important that as licensees you become familiar with the schemes being perpetrated against the public to protect your clients from such unsavory characters.
Another update on the SAFE Mortgage Licensing Act

In the last two issues of the Real Estate Bulletin and the Spring 2009 issue of the Mortgage Loan Bulletin, we discussed the Federal Secure and Fair Enforcement Mortgage Licensing Act (SAFE Act) of the Housing and Economic Recovery Act of 2008. The bill was signed into law on July 30, 2008, to enhance consumer protection and reduce fraud in mortgage loan transactions. SAFE requires all 50 states and 5 territories to put into place a licensing system for residential mortgage loan originators that meets the minimum requirements of the SAFE Act. We reported that the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) created, and will maintain, the Nationwide Mortgage Licensing System and Registry (NMLS&R) with oversight by the Department of Housing and Urban Development (HUD). The NMLS&R will contain a single license record for each mortgage loan lender, broker, branch and mortgage loan originator which can be used to apply for, amend, and renew a license in any state.

California State Senate Bill 36 (SB 36) was signed in October and allows DRE to implement the requirements of the SAFE Act. SB 36 also has a mandatory activity notification requirement for all mortgage loan originators, including residential, commercial, non-residential, and loan servicers which must be completed on RE Form 866. The form must be completed at the DRE web site or submitted to DRE by January 31, 2010.

Real estate licensees who meet the definition of a residential mortgage loan originator (MLO) must meet the requirements outlined in the SAFE Act by December 31, 2010. After all of the requirements are met, DRE will issue a mortgage loan originator (MLO) license endorsement as authorized under a separate real estate license. This endorsement will need to be renewed every year. This endorsement will carry a nationwide identification number known as a “unique identifier” which will be assigned by the NMLS&R when a MLO applicant registers on the system. The DRE license identification number will continue to be used for the “base” real estate license and the term of the real estate license will not change. Real estate licensees will continue to be responsible for filing the necessary renewal and change requirements to maintain their four year real estate license.

Following are the requirements to obtain an MLO license endorsement for existing real estate licensees. New licensees who obtained their original state license after December 31, 2009, and who wish to conduct MLO license activities, should consult the DRE website for the most current requirements.

Applicants must successfully complete both the National and California Unique State component of the SAFE written examination, administered by a NMLS&R vendor. The two components are administered separately. The National component of the examination is currently available to be taken by all applicants. For further information regarding the examination application and scheduling process, fees, and examination content, you may visit the NMLS&R Resource Center at http://mortgage.nationwidelicensingsystem.org and click on the Professional Requirements tab. The California State component is under development and expected to be available in late February. Additional information will be added to the DRE Web site as it becomes available.

The SAFE Act prohibits the issuance of a MLO license endorsement if an applicant has ever been convicted of a felony involving an act of fraud, dishonesty, breach of trust, or money laundering, or convicted of any felony in the seven year period before filing an application for an endorsement. In addition, the SAFE Act prohibits the issuance of a MLO endorsement if an applicant has ever had a loan originator license revoked in any governmental jurisdiction. Finally, the SAFE Act requires that applicants have demonstrated financial responsibility, character, and general fitness as to command the confidence of the community and warrant a determination that the MLO will operate honestly, fairly, and efficiently. Applicants are cautioned to not initiate examination arrangements if their background history conflicts with any of these requirements, since examination and MLO license application fees are non-refundable.

Applicants must have completed 20 hours of pre-licensure education in specified areas through a provider approved by CSBS. Current DRE licensees with pre-licensure education which was completed for their real estate license may have already satisfied this requirement. DRE is awaiting a final determination that will be posted on the DRE Web site as soon as it is known.

Applicants will be required to file an on-line MLO license endorsement application on the NMLS&R which will include the payment of application fees after DRE officially becomes part of the system in March 2010. Fees are charged by the registry and the DRE. Check the DRE Web site for further details and updates.

All applicants must submit a new set of fingerprints using a NMLS&R live scan vendor. This is a separate set of fingerprints from those which were previously taken to obtain a real estate license. Applicants will be allowed to make an appointment to get their fingerprints taken during the on-line MLO license application process.

All applicants will be required to authorize the NMLS&R to obtain a credit report from a consumer reporting agency as part of the on-line application process.

Current licensees who complete the requirements to obtain a MLO license endorsement prior to January 1, 2011, will be expected to complete eight hours of continuing education in specific topics by the end of 2011 in order to renew their license endorsement for 2012. That continuing education requirement is distinct and separate from the 45 hour continuing education requirement to renew a real estate license.

SB 36 provides that licensees may not conduct MLO activities after December 31, 2010 without complying with the mandatory activity notification requirement (RE 866) and having MLO license endorsement. Failure to comply with both requirements can result in an assessed penalty of fifty dollars ($50) per day for the first 30 days and $100 per day thereafter up to a total of $10,000.

Licensees who intend to conduct residential MLO activities beyond December 31, 2010, are encouraged to start completing the MLO license endorsement requirements as early as possible in 2010, due to the number of steps that must be completed. Reasonable efforts should be made to complete all necessary application requirements no later than November 1, 2010 in order to allow for any needed application corrections.

Additional information on the SAFE Act and NMLS&R can be obtained at http://mortgage.nationwidelicensingsystem.org and at www.csbs.org. Questions can also be directed to the DRE’s Mortgage Loan Activities Unit at (916) 227-0770.
Disciplinary action: June 2009 - August 2009

- A list of actions is not published in this Bulletin until the 30-day period allowed for court appeal has expired or, if an appeal is filed and the disciplinary action is stayed, until the stay is dissolved. Names of persons to whom licenses are denied on application are not published.

- Licensees are listed alphabetically by the District Office region of responsibility.

- The license type is listed in parentheses after the licensee’s name. [REB – Real Estate Broker; RREB – Restricted Real Estate Broker; RES – Real Estate Salesperson; RRES – Restricted Real Estate Salesperson; PRLS – Prepaid Rental Listing Service; RPRLS – Restricted Prepaid Rental Listing Service; REO – Real Estate Officer; REC – Real Estate Corporation]

- Below are brief summaries of various regulations and code sections. The full text of the sections is available on the DRE Web site www.dre.ca.gov under Real Estate Law and/or Regulations.

- Disciplinary actions that are "stayed" means there is "a delay in carrying out" all or part of the recommended discipline.

**COMMISSIONER’S REGULATIONS**

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<th>Description</th>
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<td>Licensee’s failure to maintain current business or mailing address with DRE</td>
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<td>Failure of broker to exercise reasonable supervision over the activities of his or her salespersons</td>
</tr>
<tr>
<td>2726</td>
<td>Failure to have broker-salesperson agreements</td>
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<td>2752</td>
<td>Broker's failure to notify DRE of salesperson employment</td>
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<tr>
<td>2753</td>
<td>Broker’s failure to retain salesperson’s license at main office or return the license at termination of employment</td>
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<tr>
<td>2831</td>
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<tr>
<td>2831.1</td>
<td>Inadequate separate trust fund beneficiary records</td>
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<td>2832</td>
<td>Failure to comply with trust fund handling provisions</td>
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<td>2832(a)</td>
<td>Failure of broker to place trust funds into hands of owner, into neutral escrow depository or trust fund account within three business days of receipt</td>
</tr>
<tr>
<td>2832(d)</td>
<td>Failure of broker holding trust funds contingent on offer of acceptance to properly place funds within three days of acceptance.</td>
</tr>
<tr>
<td>2832(e)</td>
<td>Failure of broker acting as escrow holder to deposit trust funds in trust account by next business day following receipt</td>
</tr>
<tr>
<td>2832.1</td>
<td>Failure to obtain permission to reduce trust fund balance in a multiple beneficiary account</td>
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<td>Failure of broker handling escrows to maintain records and accounts</td>
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<td>Failure to deposit escrow trust funds</td>
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<tr>
<td>2950(g)</td>
<td>Broker-handled escrow disbursement without written instructions</td>
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<td>2951</td>
<td>Improper record keeping for broker handled escrows</td>
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**BUSINESS AND PROFESSIONS CODE**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
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<tbody>
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<td>490</td>
<td>Substantially related criminal conviction</td>
</tr>
<tr>
<td>10085</td>
<td>Failure to submit advance fee materials</td>
</tr>
<tr>
<td>10130</td>
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</tr>
<tr>
<td>10137</td>
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</tbody>
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**FINANCIAL CODE**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
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<tbody>
<tr>
<td>4973(b)(1)</td>
<td>Violation of covered loan prohibitions regarding negative amortization &amp; installment payment totals</td>
</tr>
<tr>
<td>4973(k)(1)</td>
<td>Failure to provide covered loan consumer notice</td>
</tr>
<tr>
<td>4975 et seq.</td>
<td>Violation of covered loan requirements</td>
</tr>
</tbody>
</table>
Bedol, Michael David (RES)  
11 E Huntington Dr., Arcadia  
Effective: 6/11/09  
Violation: 10145(c), 10176(a)(j), 10177(d)(g)

Berinsky, Ronald (REC)  
430 Via Calinas, Westlake Village  
Effective: 8/12/09  
Violation: 490, 10177(b)

Blake, Rebecca Suanne (REC)  
9901 Irvine Center Dr., Irvine  
Effective: 7/11/09  
Violation: 10085, 10130, 10145, 10146, 10176(a)(b), 10177(d)(g)(j)

BLoans Financial, Inc. (REC)  
56925 Yucca Trail PMB 213, Yucca Valley  
Effective: 8/11/09  
Violation: 2742, 10177(d)(f)(g)

Blomfield, Jeanne Bonnie (RES)  
129 Oliver Rd., Santa Barbara  
Effective: 6/22/09  
Violation: 490, 10177(b)

Broadway Financial Group, Inc. (REC)  
17418 Chatsworth St., Ste. 102, Granada Hills  
Effective: 7/9/09  
Violation: 10130, 10162, 10177(d)(g)

Coleman, Craig Lee (RES)  
1791 Ravencrest Dr., Brea  
Effective: 6/23/09  
Violation: 490, 10177(b)

Costa, Richard George (RES)  
24872 Sherwood Way #A, Dana Point  
Effective: 8/31/09  
Violation: 490, 10177(b)

David H. Chung (REB, REO)  
4037 Phelan Rd., Ste. C-1, Phelan  
Effective: 7/20/09  
Violation: 2715, 2724(c), 10148, 10159.2, 10162, 10165, 10176(i), 10177(d)(f)(g)(j)

Eldreda, Mohamad Khalil (RES)  
6310 Ottis Ave. #B, Bell  
Effective: 6/22/09  
Violation: 490, 10177(b)

Epstein, Scott Allen (RES)  
28834 W. Hot Springs Pl., Calabasas  
Effective: 8/11/09  
Violation: 490, 10177(b)

Frances, Guadalupe (REB)  
8860 E. Florence Ave., Downey  
Effective: 8/3/09  
Violation: 2848(a)(2), 2848(a)(9), 10176(a)(g), 10177(d)(g), 10225, 10235.5

Grice, Aggie Lamon (RES)  
11100 Sepulveda Blvd. #337, Mission Hills  
Effective: 8/3/09  
Violation: 490, 10177(b)(j)

Griggs, John Clinton (RES)  
1537 San Bernardino Rd. #E, West Covina  
Effective: 7/9/09  
Violation: 490, 10177(b)

Hamari, Roy Donald (RES)  
4011-2H Callie Sonora, Laguna Hills  
Effective: 7/20/09  
Violation: 10177.5

Hartford Mortgage Services, Inc. (REC)  
108 Pacifica, Ste. 200, Irvine  
Effective: 6/15/09  
Violation: 2731, 2831, 2831.1, 2832(a), 2840, 10145, 10159.5, 10176(a)(e)(g), 10177(d)(g), 10240, 10236.4

Healstone Investment Real Estate, Inc. (REC)  
18817 Teller Ave., Ste. 270, Irvine  
Effective: 7/15/09  
Violation: 2726, 2731, 2752, 10160, 10177(d)(g)

Hollis, Sunday Norma (RES)  
2508 N. Soto St. #423, Los Angeles  
Effective: 8/25/09  
Violation: 490, 10177(b)

John Alle Co. (REC)  
301 N. Lake Ave., Ste. 1000-A, Pasadena  
Effective: 7/20/09  
Violation: 2742, 10177(d)

Kanode, Barbara Louise (RES)  
26402 Paseo Toscana, San Juan Capistrano  
Effective: 6/15/09  
Violation: 490, 10177(b)

Lyon, Edward (RES)  
26086 Amable Ct., Valencia  
Effective: 6/22/09  
Violation: 10177(k)

MacArthur, William Frederick (RES)  
14118 Estate Way, Victorville  
Effective: 6/22/09  
Violation: 490, 10177(b)

Macias, Lee Moses (RES)  
13385 Seneca Rd., Victorville  
Effective: 7/23/09  
Violation: 490, 10177(b)

Mendez, Gustavo Cerda (RES)  
9072 Buhman Ave, Downey  
Effective: 6/10/09  
Violation: 490, 10177(b)

Molina, George Walter (RES)  
11926 Beatty St., Norwalk  
Effective: 8/11/09  
Violation: 810, 490, 10177(b)

Namjou, Sean (RES)  
1753 Appleton, Apt. G, Long Beach  
Effective: 6/11/09  
Violation: 490, 10177(b)

Nguyen, Tuanson (RES)  
305 Knight Ln., Santa Ana  
Effective: 8/25/09  
Violation: 10177(b)

O’Brien, James Michel (RES)  
PO Box 932, Running Springs  
Effective: 6/22/09  
Violation: 490, 10177(b)

On Line Funding (REC)  
3915 W. 102nd St., Ingleswood  
Effective: 6/10/09  
Violation: 2725, 10160, 10165, 10177(d)(g)

Perry, Marion Anthony (RES)  
22 Honey Locust, Irvine  
Effective: 7/13/09  
Violation: 10085, 10130, 10145, 10146, 10176(a)(b), 10177(d)(g)(j)

Pineda, Ariel Dixon (RES)  
14827 Sherman Way #1, Van Nuys  
Effective: 7/9/09  
Violation: 490, 10177(b)

Ramos, Luis F. (REC)  
P.O. Box 1021, Pomona  
Effective: 6/12/09  
Violation: 490, 10177(b)

Recendez, Ray F. (RES)  
1503 N. Second Ave., Upland  
Effective: 6/10/09  
Violation: 490, 10177(b)

Rockefeller, Devin (REB)  
940 S. Coast Dr.#245, Costa Mesa  
Effective: 7/20/09  
Violation: 490, 10177(b)

Saremi, Kamron (RES)  
27023 McBean Parkway #419, Santa Clarita  
Effective: 6/22/09  
Violation: 490, 10177(b)

South Coast Financial Mortgage (REC)  
950 S. Coast Dr. #419, Costa Mesa  
Effective: 7/20/09  
Violation: 10148, 10177(d)

Suh, Robin (RES)  
710 Lemonwood, La Habra  
Effective: 6/22/09  
Violation: 490, 10177(b)

Switzer, Dale Alan (REB)  
4231 Apricot Rd., Simi Valley  
Effective: 7/9/09  
Violation: 490, 10177(b)

Team One Enterprises, Inc. (REC)  
9455 Heil Ave., Fountain Valley  
Effective: 7/6/09  
Violation: 2715, 2725, 2742(c), 2752, 10161.8, 10177(d)(g)

The Real Estate Bank - A Full Service Real Estate and Mortgage Corporation (REC)  
870 N. Diamond Bar Blvd., Diamond Bar  
Effective: 6/18/09  
Violation: 10137, 10177(d)

Udall, Casey (RES)  
141 S. Princeton Ave., #5, Fullerton  
Effective: 6/10/09  
Violation: 490, 10177(b)

Vasconez, Monica P. (RES)  
9230 Appleby St., Downey  
Effective: 8/25/09  
Violation: 490, 10177(b)

Wahl, Jeremy Lawrence (RES)  
1128 Glenville Dr. #2, Los Angeles  
Effective: 6/15/09  
Violation: 490, 10177(b)

Williams, John Clyde (RES)  
2521 Ladoga Ave., Long Beach  
Effective: 6/22/09  
Violation: 490, 10177(b)

Wilshire Financial Group (REC)  
10500 Sepulveda Blvd., Ste. 103, Mission Hills  
Effective: 6/1/09  
Violation: 10137, 10177(d)(g)(j)
FRESNO REGION

Abel, John Scott (REB, REO)
231 Mitchell Pl, Boulder Creek
Effective: 7/22/09
Violation: 2831, 2831.1, 2832, 2832.1, 2834, 10130, 10145, 10159.2, 10176(e), 10177(d)(g)(h)
Right to RRES license on terms and conditions

Martinez, Shannon (REB)
1301 Paseo Alamos, San Dimas
Effective: 6/10/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Medrano, Mario Emilio (RES)
2116 W. Forry St., Lancaster
Effective: 6/10/09
Violation: 10177(k)
Right to RRES license on terms and conditions

Pacheco, Harry Estrada (RES)
36487 Colbert St., Newark
Effective: 6/17/09
Violation: 10176(a), 10177(j)(i)
Right to RRES license on terms and conditions

LOS ANGELES REGION

Cupp, Cheryl Lynn (RES)
18415 Tamarind St., Fountain Valley
Effective: 8/25/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Duhaine, Teala (RES)
8651 Foothill Blvd. #138, Rancho Cucamonga
Effective: 8/31/09
Violation: 10177(k)
Right to RRES license on terms and conditions

Irvin, Desiree L. (RES)
19671 Beach Blvd., #101, Huntington Beach
Effective: 6/10/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Kamar, Taleen K. (REB)
4460 Alta Canyon Rd,, La Canada Flintridge
Effective: 7/8/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Kennedy, Charlie Frank (RES)
24562 Aguirre, Mission Viejo
Effective: 7/16/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Kenney, William Preston (RES)
1048 Irvine Ave. #323, Newport Beach
Effective: 6/30/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Lee, Young Jae (REB)
3700 Wilshire Blvd. #740, Los Angeles
Effective: 7/10/09
Violation: 10176(j), 10177(b)
Right to RRES license on terms and conditions

Martinez, Shannon (REB)
1301 Paseo Alamos, San Dimas
Effective: 6/10/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Medrano, Mario Emilio (RES)
2116 W. Forry St., Lancaster
Effective: 6/10/09
Violation: 10177(k)
Right to RRES license on terms and conditions

Miranda, James Michael (RES)
PO Box 4343, San Clemente
Effective: 7/20/09
Violation: 10177(k)
Right to RRES license on terms and conditions

Nunez-Espinnoza, Maria C. (RES)
3124 W. Beverly Blvd., Montebello
Effective: 8/26/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Pita, Frank (RES)
29251 N. Discovery Ridge, Saugus
Effective: 6/11/09
Violation: 10130, 10177(d)
Right to RRES license on terms and conditions

Rodriguez, Angelina Vanessa Michelle (RES)
2528 Calaveras Pl, Ontario
Effective: 6/10/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Rosenthal, Jay Steven (REB)
1169 Mountain Quail Cir., San Jose
Effective: 8/17/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

SALVADOR, Mohammad Ali (RES)
6238 Lean Ave., San Jose
Effective: 7/27/09
Violation: 10137, 10176(a), 10177(d)
Right to RRES license on terms and conditions

SILVEIRA, Brian Lester (RES)
6509 Snake Rd., Oakland
Effective: 8/10/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

SACRAMENTO REGION

Amin, Malahat Michelle (REB)
3776 W. Granitline Rd., Tracy
Effective: 8/3/09
Violation: 490, 10177(b)(f)(j)
Right to RRES license on terms and conditions

Bontrager, Lawrence L. (REB)
9335 E. Stockton Blvd., Ste. 100, Elk Grove
Effective: 7/21/09
Violation: 10159.2, 10177(b)
Right to RRES license on terms and conditions

Figueras, Lionel Robert (RES)
360 Frances St., Manteca
Effective: 6/23/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Myers, Linda E. (REB)
3166 Godman Ave., Chico
Effective: 8/17/09
Violation: 2731, 2831, 2831.1, 2831.2, 2832.1, 10145, 10148, 10177(d)(g)(h)
Right to RREB license on terms and conditions

OAKLAND REGION

Cook, Nathan O’Neal (RES)
1012 107th Ave., Oakland
Effective: 6/2/09
Violation: 10130, 10137, 10177(d)
Right to RRES license on terms and conditions

Madar, Satpal Singh (RES)
PO Box 360507, Millpitas
Effective: 8/20/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Pacheco, Harry Estrada (RES)
36487 Colbert St., Newark
Effective: 6/17/09
Violation: 10176(a), 10177(j)(i)
Right to RRES license on terms and conditions

Pfingst, Vicki Anne (REB)
9978 Fohsom Blvd., Sacramento
Effective: 8/24/09
Violation: 2831, 2831.1, 2832, 2832.1, 10145, 10148, 10177(d)(g)(h)
Right to RREB license on terms and conditions

Ussery, John Joseph (REB)
313 Judah St., Ste. 1, Roseville
Effective: 7/21/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

SAN DIEGO REGION

Ecklund, Kimberly Ann (RES)
1330 West 8th St. #20, Corona
Effective: 8/25/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Gamlalinda, Rossini Grizallo (REB, REO)
11440 W. Bernardo Ct., Ste. 157, San Diego
Effective: 6/1/09
Officer of: Wilshire Financial Group
Violation: 10137, 10177(d)(g)(h)
Right to RRES license on terms and conditions

Haflich, Jeffrey Dayton (RES)
37650 Remuda Dr., Temecula
Effective: 6/8/09
Violation: 10177(b)
Right to RRES license on terms and conditions

Hook-Finch, Michelle Dawn (RES)
548 Fruit Tree Way, Oceanside
Effective: 8/20/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Jara, Jamie Paul (RES)
4810 Eastgate Mall #203, San Diego
Effective: 6/24/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Lara, Anthony George (RES)
30668 Hidden Springs Rd. #C-50, Wildomar
Effective: 7/20/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Stevenson, Barbara A. (RES)
917 La Salle Cir., Corona
Effective: 8/25/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Waite, Eric Lancaster Jr. (REB)
7019 Goldenrod Way, Carlsbad
Effective: 7/16/09
Violation: 10177(b)
Right to RREB license on terms and conditions

Vizireana, Simona Nicoleta (REB)
166 N. Moorpark Rd., Ste. 106, Thousand Oaks
Effective: 6/30/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions

Zebdieh, Mustafa (RES)
12300 Sycamore St., Victorville
Effective: 8/25/09
Violation: 490, 10177(b)
Right to RRES license on terms and conditions
SUSPENDED WITH STAY

LOS ANGELES REGION

Tu Vivienda Real Estate Investments, Inc. (REC)
14916 Burbank Blvd., Van Nuys
Effective: 7/16/09
Violation: 2831.1, 2832.1, 2834, 10145, 10177(d), 10240
Suspended for 60 days—30 days stayed for 2 years on terms and conditions

Accelerated Funding, Inc. (REC)
190 Sierra Ct., Ste. B-203, Palmdale
Effective: 7/8/09
Violation: 10177(g)
Suspended for 90 days—45 days stayed for 2 years on terms and conditions

All Nations Lending, Inc. (REC)
2505 N. Glenoaks Blvd., Burbank
Effective: 6/26/09
Violation: 2840, 10145, 10176(g), 10177(d)(g)(h), 10236, 10240
Suspended for 60 days—30 days stayed for 2 years on terms and conditions

Loans Unlimited Mortgage Group, Inc. (REC)
14151 Newport Ave., Ste. 200, Tustin
Effective: 6/26/09
Violation: 2831, 2831.1, 2834, 2950(d), 10145, 10177(d)
Suspended for 60 days—stayed for 2 years on terms and conditions

Mattson Real Estate Services, Inc. (REC)
4633 W. El Segundo Blvd., Hawthorne
Effective: 8/12/09
Violation: 2731, 2831.1, 2832.1, 2834, 10145, 10159.5, 10177(d)(g)
Suspended for 60 days—stayed for 2 years on terms and conditions

Mattson, Roger Glenn (REB, REO)
4633 W. El Segundo Blvd., Hawthorne
Effective: 8/12/09
Officer of: Mattson Real Estate Services, Inc.
Violation: 2731, 2831.1, 2832.1, 2834, 10145, 10177(d)(g)(h)
Suspended for 60 days—stayed for 2 years on terms and conditions

Nam, Jenny Sung-Won (REB, REO)
9625 Garden Grove Blvd., Garden Grove
Effective: 6/18/09
Officer of: New Star Realty, Inc.
Violation: 2753, 2950(d), 10145, 10177(d)
Suspended for 60 days—stayed for 2 years on terms and conditions

New Haven Financial, Inc. (REC)
24205 Park Sorrento #150, Calabasas
Effective: 7/7/09
Officer of: Loans Unlimited Mortgage Group, Inc.
Violation: 2831, 2831.1, 2834, 2950(d), 10145, 10177(d)
Suspended for 60 days—stayed for 2 years on terms and conditions

Sison, Edith Abuda (REB)
3695 Inland Empire Blvd., Bldg 3, Ontario
Effective: 8/31/09
Violation: 10177(d), 11018.2
Suspended for 60 days—stayed for 2 years on terms and conditions

Tamkin, Robert Michael (REB)
15380 Ventura Blvd., Ste. 500, Sherman Oaks
Effective: 7/3/09
Violation: 2715, 2731, 2832(a), 10130, 10145, 10177(d)
Suspended for 30 days—stayed for 2 years on terms and conditions

Camul Residential Group, Inc. (REC)
4633 W. El Segundo Blvd., Hawthorne
Effective: 7/2/09
Violation: 2831, 2831.1, 2834, 2950(d), 10145, 10177(d)
Suspended for 60 days—stayed for 2 years on terms and conditions

Vega, Humberto (REB, REO)
815 Classic Ave., Beaumont
Effective: 7/7/09
Officer of: The Capstone Mortgage Group, Inc.
Violation: 2753, 10160, 10176(a)(g), 10177(d)(g), 10236.4
Suspended for 60 days—30 days stayed for 2 years on terms and conditions

Wolfe, Ronald Leagh (REB, REO)
173 Chapel St., Santa Barbara
Effective: 7/16/09
Officer of: Ronald L. Wolfe & Associates, Inc.
Violation: 10145, 10177(d)
Suspended for 60 days—stayed for 2 years on terms and conditions

OAKLAND REGION

Anderson, Steven Lee (REB)
38665 Fremont Blvd., Fremont
Effective: 7/16/09
Violation: 2831, 2831.1, 2832.1, 2832, 2834, 2950(d), 10145, 10177(d)
Suspended for 90 days—stayed for 2 years on terms and conditions

Birdchield Property Management Incorporated (REC)
3353 Ross Ave. #303, San Jose
Effective: 6/17/09
Violation: 10177(g)(h)
Suspended for 100 days—stayed for 2 years on terms and conditions

Uribe, Felipe (REB)
2180 Story Rd., Ste. 202, San Jose
Effective: 6/17/09
Violation: 10177(g)
Suspended for 60 days—stayed for 2 years on terms and conditions

SUN DIEGO REGION

Burns, Gregory S. (REC)
15739 Camino Real, Moreno Valley
Effective: 7/2/09
Violation: 2731, 2831, 2831.1, 2831.2, 2832(d), 2950(d)(g), 2951, 10145, 10159.5, 10177(d), 10240
Suspended for 60 days—stayed for 2 years on terms and conditions

Selin, Sarah McBride (REB)
4062 Lago Grata Circle, San Diego
Effective: 8/31/09
Violation: 2715, 2715, 2832.1, 2832.1, 10130, 10145, 10177(d)(e)
Suspended for 45 days—stayed for 2 years on terms and conditions

Stone, Gregory Neal (REB)
815 Classic Ave., Beaumont
Effective: 7/2/09
Violation: 10177(g)
Suspended for 30 days—stayed for 2 years on terms and conditions
License ID number disclosure requirement

Continued from page 1

Regulation §2773, which requires that the name and eight (8) digit license number of a broker or salesperson, when engaging in acts for which a license is required, be disclosed on materials intended to be the “first point of contact” with consumers. If those materials also include the name of a corporate broker, or an employing broker of a licensed employee or broker associate whose solicitation it is, the license number of the corporate broker or individual employing broker need not also be included on that licensed employee or broker associate's solicitation materials.

B&P §10140.6 (b)(2) states that the term “solicitation materials intended to be the first point of contact with consumers” includes business cards, stationery, advertising fliers, and other materials designed to solicit the creation of a professional relationship between the licensee and the consumer.

The new Commissioner’s Regulation clarifies the materials which require disclosure of the license number. In addition to business cards and stationery, the regulation also requires the license number to be included on (i) websites owned, controlled, and/or maintained by the soliciting real estate licensee, and (ii) promotional and advertising fliers, brochures, email and regular mail, leaflets, and any marketing or promotional materials designed to solicit the creation of a professional relationship between the licensee and a consumer, or which is intended to incentivize, induce or entice a consumer to contact the licensee about any service for which a license is required.

Some promotional materials, such as giant pencils and refrigerator magnets, would likely not qualify as solicitation materials “designed to solicit the creation of a professional relationship”… and thus, would not require the license number.

The new law also excludes certain materials from the license number requirement. Namely, advertisements in print or electronic media, “for sale” signs, and classified advertisements that provide the telephone number at the premises of properties offered for rent or the address of the property offered for rent. “Advertisements in electronic media” includes radio, cinema and television ads, and the opening section of streaming video and audio. Also excluded is print advertising in any newspaper or periodical, as well as “For Sale” signs placed on or around a property intended to alert the public the property is available for lease, purchase or trade.

Recapitulation:

➢ Where a licensee’s name appears in a solicitation, as defined by the statute, the eight (8) digit number of that licensee should also appear.

➢ Where more than one licensee’s name appears (as with a “team” concept), each licensee’s name should be accompanied by their license number. This does not apply to employing brokers or to corporate brokers whose name or logo appears on a solicitation by their employed salespersons or affiliated brokers, so long as the name and number of the employed salesperson or affiliated broker does appear on that solicitation.

Finally, there are no exceptions or qualifications within the code section or new regulation excluding particular real estate market types or segments, such as “commercial” or “industrial” real estate brokerage. “Consumer” as used in the statute includes all potential clients/customers of all real estate licensees.

License Surrender

<table>
<thead>
<tr>
<th>REGION</th>
<th>NAME</th>
<th>ADDRESS</th>
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<tbody>
<tr>
<td>FRESNO REGION</td>
<td>Able Property Management, Inc.</td>
<td>4444 Scotts Valley Rd., Ste. 8-B, Scotts Valley</td>
<td>7/27/09</td>
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<td></td>
<td>Robinson, William Curtis</td>
<td>6766 N. Tamera, Fresno</td>
<td>7/15/09</td>
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<td>LOS ANGELES REGION</td>
<td>Airway Lending, Inc.</td>
<td>3151 Airway Ave., Ste. M-1, Costa Mesa</td>
<td>7/22/09</td>
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<td></td>
<td>Corrodi, John Theron Jr.</td>
<td>28811 Pacific Coast Hwy., Malibu</td>
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<td>King, Dana Renee</td>
<td>1530 Cedar Ave., Long Beach</td>
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<td>Loffardi, Thomas Charles</td>
<td>12400 Ventura Blvd. #126, Studio City</td>
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<td>Saxton, Richard Craig</td>
<td>1421 E. Cooley Dr., Colton</td>
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<td>Tuttle, Elizabeth</td>
<td>1090 Marcine St., La Habra</td>
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<td>OAKLAND REGION</td>
<td>Consos, James Michael</td>
<td>PO Box 111, Pleasanton</td>
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<td>Querard, Michael John</td>
<td>2122 Centre East, Tiberon</td>
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<td>San Francisco Funding, Inc.</td>
<td>250 Bel Marin Keys Blvd., Ste. A, Novato</td>
<td>8/31/09</td>
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<td>SACRAMENTO REGION</td>
<td>Garcia, Michael</td>
<td>420 N. Lexington Dr., Folsom</td>
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<td>Hastert, Thomas John</td>
<td>101 Providence Mine Rd. #105, Nevada City</td>
<td>6/16/09</td>
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<td>Kimball Hills California, Inc.</td>
<td>9355 E. Stockton Blvd., Ste. 100,</td>
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PUBLIC REPROVAL

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<tr>
<td>LOS ANGELES REGION</td>
<td>Becerra, Ruben Gomez</td>
<td>17408 Chatsworth St. #101, Granada Hills</td>
<td>8/20/09</td>
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<td>Officer of: Broadway Financial Group, Inc.</td>
<td>10159.2, 10177(b)</td>
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<td>Shepherd, Markus Steven</td>
<td>17407 Napa St., Northbridge</td>
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<td>Effective: 8/25/09</td>
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INDEFINITE SUSPENSIONS (under Recovery Act provisions)

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<td>LOS ANGELES REGION</td>
<td>Farias, Ruth Georgene</td>
<td>131 N. Tustin Ave., Ste. 210, Tustin</td>
<td>06/25/09</td>
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<td>McGregor, Anita Marie</td>
<td>45287 Shaugnessy, Indio</td>
<td>08/25/09</td>
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<td>Rent Ready, Inc.</td>
<td>3200 E. Inland Empire Blvd., #210, Ontario</td>
<td>08/05/09</td>
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<td>OAKLAND REGION</td>
<td>Pollio, Gennaro James</td>
<td>831A Stannage Ave., Albany</td>
<td>08/25/09</td>
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</table>
New requirement for mortgage brokers

California State Senate Bill 36 was signed into law and added Section 10166.02 to the Business and Professions Code (B&P). That section requires real estate brokers who make, arrange, or service loans secured by real property and any salespersons who act in a similar capacity under the supervision of a broker to report to the Department of Real Estate by January 31, 2010 or within 30 days of commencing the activities, whichever is later. See the Excerpts from B&P §10131.1 and §10131.1(d) and (e) below for the descriptions of the applicable activities.

Instructions for submitting the required RE 866 report electronically are available at www.dre.ca.gov. Licensees are asked for identifying information such as name, real estate license number, and licensed real estate corporation information. They are asked to identify the mortgage loan activities being performed as well as any mortgage loan originator activities. It is important to note that failure to submit the required report in a timely manner may result in the assessment of penalty fees of fifty dollars ($50) per day for the first 30 days the report is not filed and one hundred dollars ($100) per day for every day thereafter for a maximum of $10,000.

Excerpt from B&P §10131.

A real estate broker within the meaning of this part is also a person who engages as a principal in the business of making loans or buying from, selling to, or exchanging with the public, real property sales contracts or promissory notes secured directly or collaterally by liens on real property, or who makes agreements with the public for the collection of payments or for the performance of services in connection with real property sales contracts or promissory notes secured directly or collaterally by liens on real property. As used in this section:

(1) "In the business" means any of the following:

(A) The acquisition for resale to the public, and not as an investment, of eight or more real property sales contracts or promissory notes secured directly or collaterally by liens on real property during a calendar year.

(B) The sale to or exchange with the public of eight or more real property sales contracts or promissory notes secured directly or collaterally by liens on real property during a calendar year. However, no transaction negotiated through a real estate broker who meets the criteria of subdivision (a) or (b) of §10232 shall be considered in determining whether a person is a real estate broker within the meaning of this section.

(2) "Sale," "resale," and "exchange" include every disposition of any interest in a real property sales contract or promissory note secured directly or collaterally by a lien on real property, except the original issuance of a promissory note by a borrower or a real property sales contract by a vendor, either of which is to be secured directly by a lien on real property owned by the borrower or vendor.

(3) "Own funds" means either of the following:

(A) Cash, corporate capital, or warehouse credit lines at commercial banks, savings banks, savings and loan associations, industrial loan companies, or other sources that are liability items on the person's financial statements, whether secured or unsecured.

(B) Cash, corporate capital, or warehouse credit lines at commercial banks, savings banks, savings and loan associations, industrial loan companies, or other sources that are liability items on the person's financial statement of an affiliate of the person, whether secured or unsecured.

(4) "Own funds" does not include funds provided by a third party to fund a loan on condition that the third party will subsequently purchase or accept an assignment of the loan.

Questions about these new reporting requirements should be directed to the Mortgage Loan Activity Section at (916) 227-0770.
October 11, 2009 marked the end of the year of the 2009/2010 legislative session. Last year, 948 bills made it to the Governor’s desk, of which 694 were signed and 254 were vetoed.

The following brief legislative summaries are of legislation from 2009 that affect real estate licensees and subdividers. These summaries are intended to alert you to pertinent changes to the law. We encourage you to consult the statutes for complete information. Copies of the bills can be obtained on-line at [http://www.leginfo.ca.gov/bilinfo.html](http://www.leginfo.ca.gov/bilinfo.html). Please note that “SB” refers to a Senate bill and “AB” to an Assembly bill and the Chapter number refers to sequence that the bill was filed with the Secretary of State. The name appearing after the bill number is the name of the author. All statutes are effective January 1, 2010 unless otherwise noted.

AB 260 (Lieu) Mortgage Loans (Chapter 629)

This bill places restrictions on higher cost mortgages including limiting the use of, among other things, prepayment penalties, yield spread premiums and negative amortization. The bill also codifies that mortgage brokers are fiduciaries of the borrower and prohibits a broker from steering a borrower into a loan that is more beneficial to the broker than the borrower.

AB 313 (Fletcher) Assessments for Common Interest Developments (Chapter 431)

This bill prohibits a homeowners association (HOA) in a common interest development from basing the HOA dues on the assessed value of the homeowner’s property, unless the governing documents of the HOA allowed for this practice on or before December 31, 2009.

AB 329 (Feuer) Reverse Mortgages (Chapter 236)

This bill enacts the Reverse Mortgage Elder Protection Act of 2009. Specifically, this bill restricts cross-selling of some financial products to an applicant in connection with a reverse mortgage and requires lenders and counseling agencies to provide applicants with information on the risks and suitability of reverse mortgages prior to the applicant making application for a reverse mortgage. The bill also increases the number of choices of HUD certified housing counselors a lender can refer an applicant to for counseling from five to at least ten.

AB 899 (Torres) Common Interest Developments; Disclosures (Chapter 848)

This bill requires a homeowners association (HOA) in a common interest development (CID) to distribute annually to its members a Disclosure Documents Index that cross references a homeowner’s right to receive various reports with the specific code section that requires a HOA to provide the report. This bill also allows for electronic distribution of these disclosures. Additionally, this bill provides that the required Assessment and Reserve Funding Disclosure Summary include a specified statement regarding the assumed interest rate earned on reserve funds and the assumed inflation rate applied to major component repair and replacement costs.

AB 957 (Galgiani) Buyers Choice Act; Escrow and Title Insurance (Chapter 264)

AB 957 prohibits any seller who acquired the property as the result of a foreclosure sale (REOs) from requiring a buyer of the property, as a condition of the sale, to use the seller’s choice of title insurer or escrow company if the buyer is paying for these services. As an urgency measure, it became effective upon the Governor’s signature on October 11, 2009.

AB 1061 (Lieu) Common Interest Developments; Landscaping (Chapter 503)

This bill makes void and unenforceable any provisions of governing documents of a common interest development that prohibit or include conditions that have the effect of prohibiting or restricting compliance with a local water-efficient landscape ordinance or water conservation measure.

AB 1094 (Conway) Confidential Destruction of Records (Chapter 134)

This bill requires all licensed businesses, including real estate firms, to take all reasonable steps to confidentially dispose of records containing personal information. Records containing, but not limited to, a name, social security number, signature, address, telephone number, and account numbers are generally considered records containing personal information. This bill allows customers to recover civil penalties for violations of the law. Check out the Office of Privacy Protection Web site: [www.oispp.ca.gov](http://www.oispp.ca.gov) for more information.

AB 1160 (Fong) Translation of Loan Terms (Chapter 274)

This bill requires lenders to provide a summary of the loan terms in Spanish, Chinese, Tagalog, Vietnamese, or Korean if the loan was negotiated primarily in one of those languages.

SB 36 (Calderon) Enacts the Federal SAFE Act (Chapter 160) in CA

This measure resulted from the passage federal legislation; see Title V of HR 3221. SB 36 requires residential mortgage loan originators to pass an exam and register in a national database. It also requires residential mortgage loan originators licensed by DRE to obtain an endorsement on his or her license in order to originate residential loans. Finally, the bill requires real estate brokers that originate residential mortgage loans to submit business activity reports. Residential mortgage loan originators licensed by the DRE will need an endorsement on his or her license by January 1, 2011. See related article in this edition of the bulletin.

SB 94 (Calderon) Bans Advance Fees for Loan Modification Services (Chapter 630)

This urgency legislation prohibits any person, including real estate licensees and lawyers, from demanding or collecting Continued on page 12
an advance fee from a consumer for loan modification or mortgage loan forbearance services affecting 1 – 4 unit residential dwellings. As an urgency measure, it became effective upon the Governor’s signature on October 11, 2009. Most of the provisions of SB 94 will sunset on 1/1/2013 unless otherwise extended by new legislation.

**SB 237 (Calderon) Appraisal Management Companies (Chapter 173)**

The Real Estate Appraisers’ Licensing and Certification Law provides for the licensure and regulation of real estate appraisers and vests the duty of enforcing and administering that law with the Office of Real Estate Appraisers (OREA). Current law does not regulate “appraisal management companies” (AMCs). This bill creates a registration program for AMCs within the OREA, and would require AMCs to meet similar existing licensing program requirements for independent appraisers. This bill also specifies and clarifies prohibited acts by AMCs as well as others who have an interest in a real estate transaction involving an appraisal.

**SB 239 (Pavley) Mortgage Fraud (Chapter 174)**

This bill makes it a crime to commit mortgage fraud. The bill broadly defines fraud as providing false information to any party in a mortgage loan transaction that is relied upon by any party to the mortgage transaction.

**SB 407 (Padilla) Property Transfers: Plumbing Fixtures Replacement (Chapter 587)**

This bill requires the replacement of all non-water conserving plumbing fixtures, as defined, in commercial and residential properties built prior to 1994 with water-conserving fixtures by either 2017 or 2019, depending on the type of property.

**SB 633 (Wright) Impound Accounts (Chapter 57)**

This measure creates new exceptions in regard to when an impound or trust account can be required as a condition of a real property sales contract, or a mortgage or deed of trust on single-family, owner-occupied real property.