

Real property disclosure statements required by FHA

Real property transfer disclosure statements required to be given to buyers (transferees) under California law must be submitted to FHA-insured lenders, according to the U.S. Department of Housing and Urban Development (HUD).

Effective January 1, FHA regulations require sellers and brokers of real property in states, such as California which require the seller (transferor) to give a disclosure statement to the buyer (transferee) about the condition of that real property, to also provide a copy of the disclosure statement to a lender who applies for an FHA-insured mortgage on that property.

The disclosure report will be provided by the lender to the FHA appraiser.

"The appraiser must be able to review any property condition disclosure statement or report already in existence or which will be required prior to completion of a sales transaction," said Harold A. Matzoll, deputy manager of HUD's Santa Ana office. "This information will be used by the appraiser to ensure that repair requirements identified by the (disclosure statement) are not missed, or defects identified by the disclosure are examined."

The FHA appraiser will not rely solely on the information contained in the disclosure statement, Matzoll noted, but may identify any other repairs that are required to insure viability of the mortgage.

Clarification

The legislative summary published in the Winter 1990 *Real Estate Bulletin* included a description of AB 2607 (Moore) Chapter 834, Loans Secured by Real Property. The summary stated that the bill increased the maximum amount which could be charged to a borrower by a real estate broker for arranging real property secured loans from \$350 to \$750. The bill reads, "... (a) The maximum amount of all costs and expenses referred to in subdivision (a) of Section 10241, exclusive of actual title charges and recording fees, shall not exceed 5 percent of the principal amount of the loan or three hundred ninety dollars (\$390), whichever is greater but in no event to exceed seven hundred dollars (\$700), provided that in no event shall said maximum amount exceed actual costs and expenses paid, incurred or reasonably earned."

Reminder:

Mandatory salesperson course completion requirements

by Pete Saverien, Real Estate Manager I, Post Licensing

Individuals who now wish to take the real estate salesperson examination are required to first successfully complete a three semester unit college level course (or the quarter-unit equivalent) in real estate principles from an accredited institution or an equivalent institution, (Business and Professions Code Section 10153.3). The applicant must submit evidence of said completion in the form of a transcript when submitting an examination scheduling request. Only those applicants who are members of the California State Bar are exempt from this requirement. If the applicant passes the exam, but has only completed the principles course and not the two additional accredited courses required by Business and Professions Code Section 10153.4, upon application, the applicant will be given a conditional license.

Business and Professions Code Section 10153.4 requires that all licensed salespersons who qualified for and were issued an 18 month Conditional Salesperson License under Section 10153.3, must within 18 months after issuance, submit evidence satisfactory to the commissioner that they have successfully completed two additional real estate courses from an accredited institution selected from the following courses:

- | | |
|------------------------------|-----------------------------------|
| Real estate practice | Real estate finance |
| Real estate appraisal | Real estate economics |
| Legal aspects of real estate | Real estate office administration |
| Property management | Escrows |
| Accounting | Business law - |

Salespersons who qualified to take their original license examination by completing only the real estate principles course will have their licenses

automatically suspended, effective 18 months after issuance of the conditional license, unless the two additional courses have been completed and verification submitted to the department within that time period. This type of suspension will not be removed until the licensee has submitted the required evidence of course completion to the department and the commissioner has given written notice to the licensee that the suspension has been lifted. Evidence of successful course completion must be submitted within the 30

month period immediately following the suspension of the conditional license or the license right will expire, with no right to renewal. There are no renewal or late renewal privileges for expired conditional licenses. Should an individual with an expired conditional license wish to conduct activity which requires a real estate license, that person would first need to requalify for the salesperson license by passing the salesperson examination.

All first time salesperson licensees upon first renewal of the licenses are only required to complete six hours of required continuing education courses in

two specified subjects in order to be eligible to renew. The required courses are a three hour course in ethics, professional conduct and legal aspects of real estate and a three hour course in agency relationships and duties in a real estate brokerage practice. When those same salespersons renew their licenses the second and all subsequent times, the law currently requires that 45 hours of continuing education courses be completed, including the aforementioned agency and ethics courses with a minimum of 18 hours in the category of consumer protection. The remaining 21 hours can be completed in either the consumer protection or consumer service categories.



REAL ESTATE BULLETIN

Official Publication of the
California Department of Real Estate

Vol. 51, No. 1 Spring 1991

STATE OF CALIFORNIA
PETE WILSON, Governor

BUSINESS, TRANSPORTATION AND HOUSING AGENCY
CARL D. COVITZ, Secretary

DEPARTMENT OF REAL ESTATE
JOHN R. LIBERATOR, Acting Real Estate Commissioner

EXECUTIVE OFFICE

107 South Broadway, Room 8107, Los Angeles 90012
Consumer Information (213) 620-5903

PRINCIPAL OFFICE

2201 Broadway, P.O. Box 187000, Sacramento, 95818-7000
Consumer Information (916) 739-3684
Mortgage Loan Activities (916) 739-3587

LICENSING NUMBERS

General Licensing Information (916) 739-3758
Broker Examinations (916) 739-3725
Salesperson Examinations (916) 739-3726
Original Licensing (sales/brokers) (916) 739-3730
TDD for the hearing impaired only (916) 739-3753

John R. Liberator, Chief Deputy Commissioner
Robin T. Wilson, Chief Legal Officer
Betsy R. Ludeman, Assistant Commissioner, Regulatory
Martin Dingman, Acting Assistant Commissioner, Subdivisions
Edward F. Quinteros, Jr. Asst. Commissioner, Administrative Services
Eileen E. Parker, Manager, Legislation and Public Information Services
Danio Fajardo, Acting Chief Auditor
Larry W. Smith, Managing Deputy Commissioner IV, Mortgage Lending Activities
Charles W. Koenig, Managing Deputy Commissioner IV, Education and Research Program
Thomas R. Hensley, Managing Deputy Commissioner IV, Licensing and Examinations
Harold E. McDonadd, Deputy Commissioner III, Publications Deputy
Laura Curry, Acting Bulletin Editor

NORTHERN REGULATORY AREA

Robert McCabe, Managing Deputy Commissioner IV

REGULATORY DISTRICT OFFICES

San Francisco, Room 3400, 185 Berry Street, 94107
Consumer Information (415) 904-5925
Edward V. Chiolo, Managing Deputy Commissioner III
Sacramento, 2201 Broadway, P.O. Box 187000, 95818-7000
Consumer Information (916) 739-3684
Les R. Beltencourt, Managing Deputy Commissioner III
Fresno, Room 3070, 2550 Mariposa Street, 93721
Consumer Information (209) 445-5009
Jerry Fiscus, Managing Deputy Commissioner II

SOUTHERN REGULATORY AREA

Randy Brenda, Managing Deputy Commissioner IV

REGULATORY DISTRICT OFFICES

Los Angeles, Room 8107, 107 S. Broadway, 90012
Consumer Information (213) 620-5903
Steve Ellis, Managing Deputy Commissioner III
William Moran, Managing Deputy Commissioner II
San Diego, Room 3064, 1350 Front Street, 92101-3687
Consumer Information (619) 237-7345
J. Chris Graves, Managing Deputy Commissioner II
Santa Ana, Room 324, 28 Civic Center Plaza, 92701
Consumer Information (714) 558-4491
Thomas McCurdy, Managing Deputy Commissioner III

SUBDIVISIONS

Principal Office: Sacramento, P.O. Box 187005, 95818-7005
Martin Dingman, Acting Assistant Commissioner, Subdivisions
South - Los Angeles, Room 7111, 107 S. Broadway, 90012
Consumer Information (213) 620-2700
Mike Decker, Managing Deputy Commissioner III
North - Sacramento, P.O. Box 187005, 95818-7005
Consumer Information (916) 739-3631
Margret Siroh, Managing Deputy Commissioner III

STATE REAL ESTATE ADVISORY COMMISSION MEMBERS

To be appointed by the Real Estate Commissioner.

Homeowner Counseling

by Larry W. Smith, Managing Deputy Commissioner IV, Mortgage Lending Activities

All real estate brokers who make, arrange, or service loans should be aware of the federal Housing and Community Development Act of 1987. Section 169 of this act requires creditors of delinquent home loans to notify the homeowner of the availability of homeowner counseling offered by the creditor, if any, as well as counseling services offered by HUD-approved counseling agencies and, where appropriate, the Department of Veterans Affairs.

To be eligible for the notification a homeowner must occupy the property as a principal residence and must be delinquent in loan payments due to involuntary loss of the homeowner's income or the income of any person who contributes to the homeowner's income.

Creditor

A "creditor" is defined as a person or entity that is servicing a home loan either on its own behalf or on behalf of another. It is the servicing function and not the actual ownership of the mortgage that brings it under the provisions of Section 169 of the Act.

It should also be noted that the definition of "creditor" is broad enough to cover personally financed transactions where for example the "lender" holds a purchase money mortgage.

Home Loan Delinquency

The purpose of the notice relating to counseling services is to assist the eligible homeowner in avoiding the consequences of delinquency - the loss of the property. Lenders are to notify homeowners of the availability of home ownership default counseling services no later than 45 days after a mortgage payment is due but has not been paid.

Noncompliance with the requirements could effect the mortgagee's ability to carry out foreclosure in a timely manner. A real estate broker servicing a loan for a lender/investor must comply with these requirements. A real estate broker who has in some manner arranged a loan, whether it be a seller carry back in a sale transaction or when acting as a mortgage broker must advise the party holding the seller carry back or the lender/investor of the need to possibly advise the mortgagor of homeowners counseling if they are servicing the loans themselves. Failure of a broker to advise of these requirements could subject the broker to disciplinary action.

The US Department of Housing and Urban Development (HUD) makes available a pamphlet entitled *Avoiding Mortgage Default* (HUD-426-H) that provides discussions on the avoidance of foreclosure and provides office addresses and telephone numbers of HUD offices for counseling services. Obtain the pamphlet by contacting the US Government Printing Office or a HUD office.

Subdivision Advertising

by Subdivisions Technical Staff, Sacramento Principal Office

Clearly the field of subdivision advertising presents great opportunities for creativity. Just as clearly, unbridled creativity can, whether deliberate or not, produce advertising which misrepresents one or more attributes of a subdivision offering.

Subdividers and their agents are enjoined by statute from using advertising which is false, misleading or deceptive. The Department of Real Estate uses certain regulations and policies to evaluate subdivision advertising. While all subdivision advertising must comply with these regulations and policies, only advertising for out-of-state subdivisions and in-state "land projects" (basically, subdivisions of 50 or more lots without structures located in sparsely populated areas) must be submitted for Department review (see Business and Professions Code Section 11000.5). The Department accomplishes this review primarily at the Principal Office in Sacramento.

While it is beyond the scope of any article to treat exhaustively the varieties and concomitant requirements of subdivision advertising, the following are some of the major aspects which must be

considered by subdividers and their agents.

Use: Advertising must not imply a use of the subdivision interest which is not supported and accepted as part of the application for Public Report (or Permit in the case of an out-of-state subdivision). For example, raw land cannot be touted as suitable for residential use. Raw land is undeveloped and lacks any current or foreseeable use.

Location: Distance from a metropolitan area to the subdivision must be expressed in miles, not minutes or hours. If a map is used to show the location of the subdivision, the map must be drawn to an indicated scale or include mileage to metropolitan areas shown on the map.

Price: An advertisement of discounted prices can only be made if base prices for application of the discount have been established through a significant number of sales. Also, minimum prices can only be cited if the number of subdivision interests available at that price comprise at least 10% of the unsold inventory of the subdivider, or the advertisement clearly discloses the number of subdivision

Advertising, continued on page 7

The REAL ESTATE BULLETIN (ISSN 07347839) is published quarterly by the State of California, Department of Real Estate, 2201 Broadway, Sacramento, CA 95818, as an educational service to all real estate licensees in the state under the provisions of Section 10083 of the Business and Professions Code. Second Class Postage paid at Sacramento, California.

Postmaster, send address changes to REAL ESTATE BULLETIN, P.O. Box 187000, Sacramento, CA 95818-7000.

Water rights

For all of its natural splendor, much of California is semi-arid. Spring's green pastures soon give way to the brown of summer. Landowners, especially in drought years such as this one, may wonder whether there will be enough water for domestic consumption, agriculture and industry. Planning to meet these demands is the job of various federal, state and local agencies working together.

The issue of water and water rights frequently arises in real property transactions. Some real estate brokers question whether property offered for sale is vested with water rights and how water rights may be transferred, or if none exist, how they can be acquired.

California's Constitution prescribes that the state's water resources belong to all citizens. Anyone can use water for beneficial purposes as long as that person has a water right.

For most residential homeowners the question of water rights is unlikely to become a critical issue in the transfer of real property. Water is supplied by a municipal entity, or a special district such as an irrigation or water district. The district holds the right to obtain the water from a source and supply it to its customers.

"There are, essentially two types of water rights in California, riparian and appropriative," explained Glenn K. Mork, chief of the Investigation and Compliance Section, Water Resources Control Board.

Riparian rights are part of lands juxtaposed to streams, lakes, or ponds, he said. They remain with the land when the land is sold, unless they are expressly held back.

A landowner with riparian water rights is entitled to divert a reasonable amount of water for beneficial use. However, the right to take the water is correlative with the requirements of other riparian users. "If you were going to irrigate an orchard, you can take the amount you need to irrigate as long as you don't deprive your neighbors of the same right," Mork said. "If there are two of you on the stream, and only enough water for the two of you, you'd have to divide it."

There's a hierarchy of water use, he noted. Domestic use commands the highest priority, agricultural use is second and other uses fall in descending order behind those. "Say you were irrigating and your neighbor downstream was taking water for domestic use, but there's only enough water for one of you. You would have to leave the water for domestic use."

Water cannot be stored for deferred use — from season to season — under a riparian right. However, the Water Resources Control Board (Board) can issue a diverter a water right permit or certificate of domestic registration which authorizes such storage. When riparian lands are subdivided, parcels removed from the water source lose riparian rights.

The right to use groundwater is similar to a riparian right in that all owners of overlying land share subsurface water equally. Property owners may extract

water from wells for beneficial use on overlying land just as any other owner may do. If shortages occur the available supply must be equitably apportioned.

Discovery of gold at Sutter's Mill at Coloma in 1848 led to a redistribution of the population of the United States. 49ers came in droves. They needed water to work their mines. According to Mork, many of California's existing appropriative water rights were developed during this period.

There developed an informal system by which water could be taken — or appropriated — from a stream or river. "They'd go down to the stream and post a notice at the point of diversion," Mork said. "The notice would say something like, 'I, Bob Smith, am going to take water from this stream! I'm going to take 25 miner's inches and use it for mining!'" To reinforce the claim, some water users recorded their declaration of appropriation with a county recorder. (A miner's inch is the volume of water that flows through a square inch opening six inches below the surface; roughly 1.5 cubic feet per minute.)

Anyone else who wanted to appropriate water from the same source could make an appropriation behind the first claimant in priority. In 1914 the Legislature affirmed the "first in time, first in right" principal and set new requirements for appropriation of water.

Today, two kinds of appropriative water rights exist, those that pre-date 1914, and those which follow afterwards. Water rights established prior to 1914 may be transferred without permission of the W.R.C. Board. Post-1914 water rights require Board authorization before they may be sold or transferred.

An appropriative water right permit or license, issued by the Board, specifies an amount of water, its source, the intended use, the specific location of use, and the period of time that water may be used. There is a \$100 minimum fee assessed by the Board and further charges for water use are based on a scale determined by the volume of water diverted and used.

When appropriative water rights are granted, the Board will issue a permit which enables a water project to be constructed. Once the project is up and running, a license will be issued to operate the project indefinitely.

Unlike riparian rights, which are considered part of the land to which they attach, appropriative rights may be lost by abandonment or nonuse. Generally, the Board will revoke water rights after five years of nonuse.

No permit or license is required to divert water for riparian use. However, the Board requires riparian users to file a statement of water diversion and use. There is no cost to the property owner associated with this filing. The information contained in the statement is used by the Board to inventory water resources. Filing the statement may represent a prudent measure by a property owner to establish a record of water use.

If you want to know whether appropriative water rights exist for a property, or need additional information, contact the Board in Sacramento at (916) 322-4503, or write: Water Resources Control Board, 901 P Street, Sacramento, CA 95814.

Real estate educators' conferences

California community colleges real estate educators' conferences will be held at northern and southern California locations this spring for the benefit of full-time and part-time real estate instructors and program coordinators throughout the state.

The northern California conference will be held Friday, April 26 in the Oakland Airport Hilton Hotel. A southern California conference is scheduled Friday, May 3 in the Holiday Inn, Orange County Airport, Irvine.

The conference agenda includes a featured presentation titled, "How Not To Lose Your License — The DRE Suspension Process." A panel of Department of Real Estate officials will participate.

Registration is open to all instructors, both public and private, and others interested in real estate education in the state. Members of ethics committees of real estate organizations also are invited.

The registration fee is \$20 for instructors affiliated with a community college; \$50 for non-community college educators. Advance registration is recommended. Preregistration deadlines are Wednesday, April 17 for northern California and Wednesday, April 24 for the southern California conference.

Late registration will be accepted on the day of the conference on a space-available basis. The late registration fee is \$25 for community college educators, \$55 for non-community college educators.

The California Community Colleges Real Estate Education Center in Modesto sponsors conferences each semester funded by earnings from the Community Colleges Real Estate Education Advancement Endowment Fund. The fund was established in 1975 by a grant from the Department of Real Estate to the California community colleges board of governors.

For additional information, contact:

California Community Colleges
Real Estate Education Center
P.O. Box 4065
Modesto, CA 95352
Telephone (209) 575-6465

DISCIPLINARY ACTION — AUGUST 1990 TO DECEMBER 1990

- 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 taken on the disciplinary action stayed, until the stay is dissolved. Names of persons to whom licenses are denied on application are not published.
- The license type is listed in parenthesis 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]
- The following are brief summaries of the numerical code sections listed. The full text of the various sections is found in the Business and Professions Code and the Regulations of the Real Estate Commissioner, both of which are printed in the *Real Estate Law* book. The *Real Estate Law* book is available for purchase from the Department of Real Estate.

Commissioner's Regulations

<p>2715 Broker's failure to maintain current address with DRE</p> <p>2725 Failure of broker to review and initial agreements</p> <p>2726 Broker-salesperson agreements</p> <p>2752 Notification of change of employing broker</p> <p>2794 Failure to provide a public report</p> <p>2800(c) Subdivision material change</p> <p>2830 Failure to maintain trust fund account</p> <p>2831 Inadequate trust fund records</p> <p>2831.1 Inadequate trust fund records</p> <p>2831.2 Reconciliation of trust account records</p> <p>2832 Failure to comply with provisions for handling trust funds</p> <p>2832.1 Broker's failure to obtain permission to disburse trust funds from an account involving multiple beneficiaries</p> <p>2834 Trust account withdrawals by unauthorized person with trust fund rules</p> <p>2970 Misleading advance fee advertising material</p>	<p>10130 Acting without license</p> <p>10137 Unlawful payment of compensation</p> <p>10145 Trust fund handling</p> <p>10145(a) Trust fund handling</p> <p>10145(c) Trust fund handling</p> <p>10148 Retention and availability of real estate broker records</p> <p>10159.2(a) Supervision of licensed acts of a corporation</p> <p>10159.5 Fictitious business license</p> <p>10162 Office abandonment</p> <p>10163 Branch office license requirement</p> <p>10165 Covers various violations</p> <p>10167.10 Failure of PRLS broker to refund advance fee paid</p> <p>10176(a) Making any substantial misrepresentation</p> <p>10176(b) Making false promises</p> <p>10176(c) Course of misrepresentations through salespersons</p> <p>10176(d) Failure to disclose dual agency</p> <p>10176(e) Commingling trust funds</p> <p>10176(f) Listing agreement without definite termination date</p> <p>10176(g) Secret or undisclosed profit</p> <p>10176(i) Fraud or dishonest dealing in licensed capacity</p> <p>10177(a) Procuring a real estate license by misrepresentation or material false statement</p> <p>10177(b) Conviction of crime</p> <p>10177(d) Violation of real estate law or regulations</p> <p>10177(f) Conduct that would have warranted denial of a license</p> <p>10177(g) Negligence or incompetence as licensee</p>	<p>10177(h) Failure to supervise salespersons</p> <p>10177(i) Improper use of governmental employment</p> <p>10177(j) Fraud or dishonest dealing not in licensed capacity</p> <p>10177(k) Violation of restricted license condition</p> <p>10177(n) Violation of real estate syndicate provisions of corporate securities law</p> <p>10177.5 Judgement of fraud in a civil action</p> <p>10232 Threshold broker</p> <p>10232(e) Failure to notify of threshold broker status</p> <p>10232.1 MLB advertising</p> <p>10232.25 Failure to file trust fund status reports</p> <p>10232.4 Failure to give lender/purchaser disclosure</p> <p>10233 Failure of MLB to have written servicing contract</p> <p>10233.1 Failure to notify that servicing broker has made advances on mortgage loan obligations</p> <p>10242 Exceeding allowable commissions, charges or interest rate on mortgage loan</p> <p>11010 Failure to file notice of intention to sell or lease subdivision</p> <p>11012 Material change in subdivision without notice</p> <p>11018.2 Illegal subdivision sales (sale of subdivision lots without public report)</p>
---	---	--

Business and Professions Codes

<p>480(a) Denial of real estate license on grounds of conviction of crime, dishonest or fraudulent act, or act which would warrant suspension or revocation of license</p> <p>490 Relationship of conviction to licensed activity</p>	<p>10177(b)</p> <p>10177(d)</p> <p>10177(f)</p> <p>10177(g)</p>
---	---

LICENSES REVOKED

Fresno Region

<p>Andrews, Amos Lee (RES) 1911 11th St., Los Osos Effective: 9/6/90 Violation: 10177(k)</p> <p>Emis, Ben Arthur (REB) 410 N. Main St., Porterville Effective: 9/18/90 Violation: 2725, 2795(a)(9), 2831, 2832, 10148, 10176(a)(i), 10177(d)(g)(h)(j), 11018.2</p> <p>Hutchinson, Francis Gerard (REB) 950 Los Osos Valley Rd., Ste. E, Los Osos Effective: 11/29/90 Violation: 10176(a)(b), 10177(j)</p> <p>Musselman, Robert Earl (REB) 1300 S. Mooney Blvd., Ste. 6, Visalia Effective: 11/19/90 Violation: 490, 10177(b)</p>	<p>Hanover Funding Association Inc. (REC) 15760 Ventura Blvd., Ste. 1902, Encino Effective: 10/4/90 Violation: 2831, 2831.1, 2831.2, 2832.1, 2834, 10177(d), 10137, 10138</p> <p>Lainez, Miguel Aston (RES) P.O. Box 26453, Los Angeles Effective: 9/11/90 Violation: 10130, 10176(c)(1), 10177(d)</p> <p>Loscalzo, Robert J. (RES) 7300 Franklin Ave., #355, Hollywood Effective: 10/30/90 Violation: 490, 10177(b)</p> <p>Lueders-Geib, Jannette Lynn (RES) 8380 Hendrie St., Long Beach Effective: 10/3/90 Violation: 490, 10177(a)(b)</p>
--	---

Los Angeles Region

<p>Buchanan, Kevin Michael (RES) 9229 W. Sunset Blvd., Los Angeles Effective: 10/16/90 Violation: 490, 10177(b)</p> <p>Evans, Nancy Suzanne (REB) 25880 Hwy 243, Idyllwild Effective: 10/17/90 Violation: 10145, 10176(i), 10177(d)</p> <p>Gurton, Mary Frances (RES) 229 Linden Ave., Long Beach Effective: 11/28/90 Violation: 490, 10177(a)(b)</p>	<p>Malmed, Rahim Haim (RES) 11640 Kiowa Ave., #204, Los Angeles Effective: 10/16/90 Violation: 490, 10177(a)(b)</p> <p>Merritt, Kevin Scott (REB) 3940 W. Compton Blvd., Ste. A, Lawndale Effective: 9/11/90 Violation: 10177(g)(h)</p> <p>Montes, Alexander (RES) 413 N. Glendale Ave., Glendale Effective: 10/18/90 Violation: 490, 10177(a)(b)</p>
---	---

Orion Secured Acquisitions Inc. (REC)

<p>4857 Hayvenhurst, Encino Effective: 11/20/90 Violation: 2830, 2831, 2831.1, 10137, 10145, 10148, 10176(c), 10177(d)(f)</p> <p>Perkins, Curtis Graham (RES) 880 Emily Ct., Upland Effective: 9/11/90 Violation: 490, 10177(b)</p> <p>Sandoval, Fidel (RES) 16057 Wedgeworth, Hacienda Heights Effective: 11/8/90 Violation: 490, 10177(a)(b)</p> <p>Shyne, Janelle Jo (REB) 3005 E. Palmdale Blvd., Ste. 12, Palmdale Effective: 10/16/90 Violation: 490, 10177(b)</p> <p>Tran, Larry Hung (RES) P.O. Box 396, Rosemead Effective: 11/14/90 Violation: 10177(a)(d)(f)(j)</p>	<p>Santa Ana Region</p> <p>Bin, Luis Michael (RES) 10665 Jurupa Rd., Mira Loma Effective: 10/3/90 Violation: 490, 10177(a)(b)</p> <p>Brower, Steven Kent (RES) 7911 23rd St., #5, Westminster Effective: 9/6/90 Violation: 490, 10177(b)</p> <p>Kiesel, Jens F.M. (RES) P.O. Box 8275, Anaheim Effective: 9/26/90 Violation: 490, 10177(b)</p>
--	--

Lam, Minh (RES)

<p>13631 Malibu St., Garden Grove Effective: 10/2/90 Violation: 490, 10177(a)(b)</p> <p>Lewis, Jeffrey Walker (RREB) 108 McFadden Pl., Newport Beach Effective: 9/17/90 Violation: 2831, 2832, 2832.1, 10177(d)</p> <p>Neill, Walter Kenneth (RES) 220 Oregon Trail, Palm Springs Effective: 10/16/90 Violation: 490, 10177(b)</p> <p>Ngo, Thai Huu (RES) 621 S. Dennis, Santa Ana Effective: 11/8/90 Violation: 490, 10177(a)(b)</p> <p>Specht, Ronald Lee (REB) 722 W. Chapman Ave., Ste. H, Orange Effective: 11/8/90 Violation: 10148, 10176(i), 10177(d)</p> <p>Swann, Patrick E. (RES) 161 N. Main St., Ste. 111, Lake Elsinore Effective: 10/2/90 Violation: 490, 10177(b)</p>	<p>Hafizi, Hamid (REB) 1918 28th St., Sacramento Effective: 10/3/90 Violation: 10176(a)(i), 10177(j)</p> <p>Hamburger, Robert Alan (RES) 110 Hilltop Dr., #128, Redding Effective: 9/6/90 Violation: 490, 10177(b)</p> <p>Kane, Ray E. (RES) 6142 Peoria Dr., Citrus Heights Effective: 9/11/90 Violation: 10177.5</p> <p>Maryam & David Inc. (REC) 1918 28th St., Sacramento Effective: 10/3/90 Violation: 10176(a)(i), 10177(j)</p> <p>Roussel, William Eugene Sr. (REB) 1418 Castle Oaks Dr., Stockton Effective: 10/15/90 Violation: 490, 10177(b)</p> <p>Vaughn, Danny Eugene (RES) 1961 Country Club Ct., Marysville Effective: 9/6/90 Violation: 490, 10177(b)</p>
---	---

Ngo, Thai Huu (RES)

<p>621 S. Dennis, Santa Ana Effective: 11/8/90 Violation: 490, 10177(a)(b)</p>	<p>Sacramento Region</p> <p>Cunningham, Thomas George (RES) 3828 Jasmine St., Sacramento Effective: 11/19/90 Violation: 490, 10177(b)</p>
--	---

Sacramento Region

<p>Cunningham, Thomas George (RES) 3828 Jasmine St., Sacramento Effective: 11/19/90 Violation: 490, 10177(b)</p>	<p>Ezell, Debra Teresa (RES) 2604 El Camino Real, Ste. B, Carlsbad Effective: 10/30/90 Violation: 10177(a)(b)</p>
--	---

Hart, Henry Clay Jr. (REB)
2548 State St., Carlsbad
Effective: 9/11/90
Violation: 10176(i),
10177(j)(n)

National Bankers Acceptance Corp.
(REC)
330B Rancheros Dr.,
San Marcos
Effective: 10/30/90
Violation: 10176(i), 10177(j)

San Francisco Region

Allman, Marina (RES)
1811 Alderwood Ct.,
San Mateo
Effective: 11/5/90
Violation: 490, 10177(b)

Bartlett, Gene Edward (RES)
5655 Glen Haven Ct., San Jose
Effective: 11/13/90
Violation: 490, 10177(b)

Gissat, Karl L. (REB)
860 E. Lowelling Blvd.,
Hayward
Effective: 10/30/90
Violation: 2715, 2831,
2831.1, 10145, 10162, 10165,
10176(c)(i), 10177(d)

Karimabadi, Mostafa (RES)
P.O. Box 10547, Oakland
Effective: 10/24/90
Violation: 490, 10177(b)

REVOKED WITH A RIGHT TO A RESTRICTED LICENSE

Fresno Region

Cuttone & Co. (REC)
450 West 21st St., Ste. 1,
Merced
Effective: 11/15/90
Violation: 2830, 2831,
2831.1, 2831.2, 10145,
10176(c), 10177(d)
Right to RREC license on terms
and conditions.

Cuttone, Frank Joseph (REB, REO)
450 West 21st St., Ste. 1,
Merced
Effective: 11/15/90
Violation: 2830, 2831,
2831.1, 2831.2, 10145,
10176(c), 10177(d)
Officer of: Cuttone & Co.
Right to RREC license on terms
and conditions.

Eads, Lynda Lee (RES)
2890 E. Huntington Blvd.,
#135, Fresno
Effective: 11/15/90
Violation: 490, 10177(a)
Right to RREC license on terms
and conditions.

Ennis Realty Inc. (REC)
410 N. Main St., Porterville
Effective: 9/18/90
Violation: 2725, 2795(a)(9),
2831, 2832, 10148, 10176(a)(i),
10177(d)(g)(h)(j), 1018.2
Right to RREC license on terms
and conditions.

Jamison, John O'Neal (REB)
49269 Golden Oak Dr., #204,
Oakhurst
Effective: 10/9/90
Violation: 2725, 2731, 2830,
2831, 2831.1, 2831.2, 2832,
2832.1, 10145, 10177(d)
Right to RREC license on terms
and conditions.

Root, Glen Eldon (REB)
944 Spring St., Paso Robles
Effective: 10/17/90
Violation: 10137, 10177(h)
Right to RREC license on terms
and conditions.

Los Angeles Region

Abadia, Robert (RES)
17631 Collins St., Encino
Effective: 11/13/90
Violation: 490, 10177(b)
Right to RREC license on terms
and conditions.

Anderson, Robert Burke (REO)
21915 S. Figueroa St., Carson
Effective: 10/23/90
Violation: 2715, 2830, 2831,
10177(d)
Right to RREC license on terms
and conditions.

Belmar Realty (REC)
21915 S. Figueroa St., Carson
Effective: 10/23/90
Violation: 2830, 2831,
10177(d)
Right to RREC license on terms
and conditions.

Campbell, John George (REB)
2305 Hidden Valley Ct., Oxnard
Effective: 11/1/90
Violation: 10177(h)
Right to RREC license on terms
and conditions. RREC license
suspended for 20 days.

Coast Financial Service Corpora-
tion (REC)
2918 W. Compton Blvd.,
Gardena
Effective: 9/11/90
Violation: 10177(g)
Right to RREC license on terms
and conditions.

Compton, Todd (REB)
141 El Camino Dr., Beverly Hills
Effective: 10/11/90
Violation: 2830, 2832,
10145(a), 10148, 10177(g)
Right to RREC license on terms
and conditions.

Dunakoskie, Benny (RES)
1836 West Avenue J, Lancaster
Effective: 10/25/90
Violation: 10177(g)
Right to RREC license on terms
and conditions.

Higgins, Angie Marie (RES)
6227 N. Muscatel Ave.,
San Gabriel
Effective: 10/9/90
Violation: 490, 10177(b)
Right to RREC license on terms
and conditions.

Keller, Linda (RES)
12300 Wilshire Blvd., #100,
Los Angeles
Effective: 11/15/90
Violation: 10177(d)(f)(j)
Right to RREC license after six
months on terms and condi-
tions.

Neilon, Ethel Lucile (REB)
3141 W. Century Blvd.,
Inglewood
Effective: 11/13/90
Violation: 10130, 10159.5,
10177(d)
Right to RREC license on terms
and conditions.

Otarola, Graciela M. (RES)
14456 Foothill Blvd., #42,
Sylmar
Effective: 11/29/90
Violation: 490, 10177(a)(b)
Right to RREC license on terms
and conditions.

Perez, Enrique Manuel (RES)
3720 Lowell Ave., Los Angeles
Effective: 10/17/90
Violation: 490, 10177(a)(b)
Right to RREC license on terms
and conditions.

Satterfield, Benjamin Robert (REB)
32 W. Calle Laureles, Santa
Barbara
Effective: 11/13/90
Violation: 2830, 2831,
2831.1, 2831.2, 2832.1, 10145,
10177(d)
Right to RREC license on terms
and conditions.

Shiipe, Fred George (RES)
11347 Sunshine Terrace, Studio
City
Effective: 10/16/90
Violation: 490, 10177(b)
Right to RREC license on terms
and conditions.

Standberry, Marvin Lee (REB)
1826 Orange Tree Ln., #112,
Redlands
Effective: 9/11/90
Violation: 10177.5
Right to RREC license on terms
and conditions.

Stumm, Alan Dean (RES)
10055 Woodley Ave.,
Sepulveda
Effective: 10/2/90
Violation: 490, 10177(b)
Right to RREC license on terms
and conditions.

Todd Compton Company Inc.
(REC)
141 El Camino, Beverly Hills
Effective: 10/11/90
Violation: 2830, 2832,
10145(a), 10148, 10177(g)
Right to RREC license on terms
and conditions.

Sacramento Region

Andrews, Dennis Edward (REB)
1686 Filbert, Chico
Effective: 11/19/90
Violation: 490, 10177(b)
Right to RREC license on terms
and conditions.

Cambra Mortgage (REC)
10060 Wolf Rd., Ste. A,
Grass Valley
Effective: 10/10/90
Violation: 2831, 2831.1,
10137, 10145(a), 10176(a)(i),
10177(d)(g)(h)(j)
Right to RREC license on terms
and conditions.

Cambra, Jerry M. (REB, REO)
10055 Wolf Rd., Ste. 2,
Grass Valley
Effective: 10/10/90
Violation: 10130, 10145(c),
10176(a)(i), 10177(d)(g)(j)
Right to RREC license on terms
and conditions.

Montalvo, Joseph (REB)
3400 Cottage Way, Ste. 300,
Sacramento
Effective: 11/26/90
Violation: 2830, 2832.1,
2834, 10145, 10176(c),
10177(d)
Right to RREC license on terms
and conditions.

Peppers, James Ronald (RES)
7929A Auburn Blvd., Citrus
Heights
Effective: 10/9/90
Violation: 490, 10177(b)
Right to RREC license on terms
and conditions.

Wells, Kenneth Bartleson
(REB, REO)
23685-33 Marble Quarry Rd.,
Columbia
Effective: 10/10/90
Violation: 2831, 2831.1,
10137, 10145(a), 10176(a)(i),
10177(d)(g)(h)(j)
Right to RREC license on terms
and conditions.

San Diego Region

All Coast Financial Inc. (REC)
10731 Treena St., Ste. 200,
San Diego
Effective: 11/20/90
Violation: 10130, 10137,
10148, 10177(d)
Right to RREC license on terms
and conditions.

Bianco, Gregory James
(REB)(REO)
930 W. Washington St., Ste. 9,
San Diego
Effective: 10/30/90
Violation: 2832.1, 10145,
10177(h)
Right to RREC license on terms
and conditions.

Centre City Property Management
Company (REC)
930 W. Washington St., Ste. 11,
San Diego
Effective: 10/30/90
Violation: 2832.1, 10145,
10177(d)
Right to RREC license on terms
and conditions.

Johnson, Lorraine Mary (RES)
2326 Catalina Cir., #388,
Oceanside
Effective: 11/29/90
Violation: 490, 10177(a)(b)
Right to RREC license on terms
and conditions.

McCombs, William Clyde (REB)
564 Broadway, El Centro
Effective: 9/11/90
Violation: 2831, 2831.1,
2832.1, 10145, 10177(d)
Right to RREC license on terms
and conditions.

Shockney, Robert Jasen (RES)
1891 Avenida Mimosa,
Encinitas
Effective: 11/14/90
Violation: 10176(i)(j)
Right to RREC license on terms
and conditions.

Takim, Ismet Matthew (RES)
P.O. Box 2547, Rancho Santa Fe
Effective: 9/4/90
Violation: 490, 10177(b)
Right to RREC license on terms
and conditions.

Wisniewski, Kelly Marie (REB)
10426 Mission Gorge Rd.,
Santee
Effective: 10/4/90
Violation: 10145(c),
10177(d)
Right to RREC license after 30
days on terms and conditions.

San Francisco Region

Armstrong, Hermine Anton (RES)
2831 Medina Dr., San Bruno
Effective: 9/13/90
Violation: 490, 10177(b)
Right to RREC license on terms
and conditions.

Baghai, Mehrdad (REB)
825 College Ave., Santa Rosa
Effective: 10/3/90
Violation: 10177(i)(g)
Right to RREC license on terms
and conditions. RREC license
suspended 180 days — stayed
for 1 year on terms and
conditions.

Hengehold, Richard Lee (REB, REO)
5976 W. Las Positas Blvd.,
Ste. 216, Pleasanton
Effective: 9/4/90
Violation: 10159.2(a),
10177(d)(h)
Right to RREC license on terms
and conditions.

Mann, Babu W.S. (RES)
P.O. Box 21393, San Jose
Effective: 9/9/90
Violation: 10177(f)
Right to RREC license on terms
and conditions.

Philco Mortgage Company Inc.
(REC)
2901 Moorpark Ave., Ste. 170,
San Jose
Effective: 10/9/90
Violation: 2725, 2726,
2832.1, 10137, 10145, 10158,
10159.2, 10176(c), 10177(d),
10232, 10232.25, 10233,
10233.1
Right to RREC license on terms
and conditions.

Princeton Properties Inc. (REC)
1975 Hamilton Ave., Ste. 11,
San Jose
Effective: 11/23/90
Violation: 10176(a)(c)(i)
Right to RREC license on terms
and conditions.

Russell, Thomas Alan (REB)
1975 Hamilton Ave., Ste. 11,
San Jose
Effective: 11/23/90
Violation: 10176(a)(c)(i)
Right to RREC license on terms
and conditions.

Stonehenge Commercial Real
Estate Inc. (REC)
5976 W. Las Positas Blvd.,
#216, Pleasanton
Effective: 9/4/90
Violation: 2752, 10177(d)(f)
Right to RREC license on terms
and conditions.

Santa Ana Region

Davidson, Douglas Ross (REB, REO)
20271 Acacia St., Santa Ana
Effective: 10/5/90
Violation: 10148, 10177(d)
Right to RREC license on terms
and conditions.

Diversified Real Estate & Property
Management Inc. (REC)
5750 Division St., Ste. 202,
Riverside
Effective: 11/27/90
Violation: 2831, 2831.2,
2832.1, 10137, 10176(c)(i),
10177(d)
Right to RREC license on terms
and conditions.

Evans, Norman F. (REB, REO)
5750 Division St., Ste. 202,
Riverside
Effective: 11/27/90
Violation: 2831, 2831.2,
2832.1, 10137, 10176(c)(i),
10177(d)(h)
Officer of: Diversified Real
Estate & Property Mgt. Inc.
Right to RREC license on terms
and conditions.

United Western Mortgage Corporation (REC)
20271 Acacia St., Santa Ana
Effective: 10/5/90
Violation: 10148, 10177(d)
Right to RREC license on terms and conditions.

SUSPENDED

San Diego Region

Lahitte, Arnold Mario (REB)
5858 Mt. Alifan Dr., Ste. 220, San Diego
Effective: 9/25/90
Violation: 2830, 2831, 2831.1, 2831.2, 2832.1, 2834, 10177(d)
Suspended for 30 days.

Whytock, Michael Joseph (RES)
2726 Pepper Tree Dr., Oceanside
Effective: 11/13/90
Violation: 10145(c), 10177(d)(g)
Suspended for 45 days.

Santa Ana Region

Levans, Ray C. (RES)
P.O. Box 3972, San Clemente
Effective: 10/31/90
Violation: 490
Suspended for six months.

SUSPENDED WITH STAYS

Fresno Region

Braly, Donna Louise (RES)
P.O. Box 871, Porterville
Effective: 9/18/90
Violation: 10177(d), 11018.2
Suspended 10 days — stayed for 1 year on terms and conditions.

Cannon, Robert Earl (REB)
1717 Oakdale Rd., Ste. O, Modesto
Effective: 10/24/90
Violation: 10177(g)
Suspended 120 days — all but 15 days stayed for 1 year on terms and conditions.

Cowart, Crystal Lynn (REB)
509 N. Westwood, Porterville
Effective: 9/18/90
Violation: 10177(d), 11018.2
Suspended for 10 days — stayed for 1 year on terms and conditions.

Letsinger, Gerald Raymond (REB)
1 W. Morton Ave., Porterville
Effective: 11/20/90
Violation: 2794, 10177(d), 11018.2
Suspended 40 days — stayed for 1 year on conditions.

McCusker, Patrick James (RES)
410 N. Main St., Porterville
Effective: 9/18/90
Violation: 10177(d), 11018.2
Suspended 10 days — stayed for 1 year on terms and conditions.

Schuler, Terry Lee (RES)
P.O. Box 211, Porterville
Effective: 11/20/90
Violation: 2794, 10177(d), 11018.2
Suspended 60 days — all but 40 days stayed for 1 year on condition.

Shaw, Joyce Alene (RES)
1616 Randazzo, Modesto
Effective: 10/24/90
Violation: 10176(a)
Suspended 180 days — all but 30 days stayed for 1 year on terms and conditions.

Los Angeles Region

American Equity Mortgage Company Inc. (REC)
12426 Burbank Blvd., North Hollywood
Effective: 9/4/90
Violation: 2832.1, 10145, 10177(d)
Suspended 30 days — stayed for 1 year on condition.

Cruz, Mark A. (REB, REO)
12416 Burbank Blvd., North Hollywood
Effective: 9/4/90
Violation: 10177(h)
Suspended 30 days — stayed 1 year on condition.

Fisher, La Mott Wilcox (REB)
71-B N. San Marcos Rd., Santa Barbara
Effective: 10/18/90
Violation: 2731(a), 10137, 10177(d)
Suspended for 1 year — stayed for 1 year on terms and conditions.

San Diego Region

C.W. Clark Inc. (REC)
4180 La Jolla Village Dr., Ste. 300, La Jolla
Effective: 9/4/90
Violation: 10137, 10177(d)
Suspended 45 days — stayed for 1 year on condition.

Clark, Craig William (REB)
4180 La Jolla Village Dr., Ste. 300, La Jolla
Effective: 9/4/90
Violation: 10177(h)
Suspended 45 days — stayed for 1 year on condition.

Drake, Bruce Vernon (REB, REO)
1335 Felicita Ln., Escondido
Effective: 11/20/90
Violation: 10177(h)
Suspended 30 days — stayed for 1 year on conditions.

Garrett, Eugene B. (REB)
7777 Alvarado Rd., #601, La Mesa
Effective: 10/23/90
Violation: 10177(h)
Suspended 30 days — all but 20 days stayed for 1 year on condition.

Miotke, Donald J. (REB)
904 Rancheros Dr., #M, San Marcos
Effective: 10/9/90
Violation: 2830, 2832, 10145(a), 10177(g)
Suspended 30 days — stayed for 6 months on condition.

Pacific Express Mortgage Corp. (REC)
3675 Ruffin Rd., Ste. 230, San Diego
Effective: 11/20/90
Violation: 2830, 2831, 2831.1, 2832, 10145, 10177(d), 10232(e), 10232.4
Suspended 30 days — stayed for 1 year on condition.

San Diego Loan Exchange (REC)
7777 Alvarado Rd., #601, La Mesa
Effective: 10/23/90
Violation: 2830, 2831, 2831.1, 10177(d), 10232.25
Suspended 30 days — all but 20 days stayed for 1 year on condition.

Wilson, David Richard (REB)
629 3rd Ave., Chula Vista
Effective: 11/12/90
Violation: 10177(g)
Suspended for 30 days — stayed for 1 year on condition.

San Francisco Region

Hook, Jeffrey Stewart (RES)
3832 Happy Valley Rd., Lafayette
Effective: 9/4/90
Violation: 10137, 10177(d)
Suspended 30 days — all but 20 days stayed for 1 year on condition.

Santa Ana Region

Armstrong, John Warren (REB, REO)
24196 Alicia Pky., Ste. C, Mission Viejo
Effective: 10/4/90
Violation: 2831, 2831.1, 10137, 10177(d)
Suspended 30 days — stayed for 1 year on condition.

Lobland Waring Realty (REC)
73-350 El Pasco, Ste. 105, Palm Desert
Effective: 11/15/90
Violation: 10176(d)
Suspended for 20 days — stayed for 1 year on terms and conditions.

Lobland, Tish (RES)
73-350 El Pasco, #105, Palm Desert
Effective: 11/15/90
Violation: 10176(d)
Suspended 20 days — stayed for 1 year on terms and conditions.

Mission Viejo Home Loans Inc. (REC)
24196 Alicia Pky., Ste. C, Mission Viejo
Effective: 10/4/90
Violation: 2831, 2831.1, 10137, 10177(d)
Suspended 30 days — stayed for 1 year on conditions.

Stice, Cheryl June (REB)
35-325 Date Palm, Ste. 1511, Cathedral City
Effective: 11/15/90
Violation: 10176(d)
Suspended 20 days — stayed for 1 year on terms and conditions.

Waring, William Griffith (REB, REO)
73-350 El Pasco, Ste. 105, Palm Desert
Effective: 11/15/90
Violation: 10177(h)
Officer of: Lobland Waring Realty
Suspended 20 days — stayed for 1 year on terms and conditions.

INDEFINITE SUSPENSIONS (under Recovery Fund provisions)

Fresno Region

Christensen, Clifford C. (RES)
40879 Hwy 41, Oakhurst
Effective: 8/27/90

Los Angeles Region

Goldfield, Stephen Gary (RES)
98 Bell Canyon Road, Bell
Effective: 11/14/90

Hanover Mortgage, Inc (REC)
15760 Ventura Blvd., Ste. 1902, Encino
Effective: 11/14/90

Harvick, Bill
250 N. Linden, #143, Rialto
Effective: 11/2/90

Thomas, Fred (REB)
3622 1/2 West 107th St., Ingelwood
Effective: 11/14/90

Sacramento Region

All Mortgage Service Co., Inc. (REC)
2625 Fair Oaks Blvd., Ste. 9, Sacramento
Effective: 9/27/90

Binder, Morton (REB)
159 Lago Dr., Rancho Murieta
Effective: 9/27/90

Intracostal Investment & Mtge Co. (REC)
2625 Fair Oaks Blvd, Sacramento
Effective: 9/27/90

San Diego Region

Carey, Barbara Hunter (REB)
1610 Union St., Ste. G, San Diego
Effective: 11/30/90

Lochmiller Industries Inc. (REC)
995 Postal Way, Ste. 108, Vista
Effective: 11/14/90

Lochmiller, Jo Alice (REB)
P. O. Box 848 Brookside, Madill, OK
Effective: 11/14/90

Myers, Edward George (REB)
408 S. Strand, #1, Oceanside
Effective: 11/14/90

San Francisco Region

Atencio, Joseph Anthony (RES)
One Sutter St., Ste. 200, San Francisco
Effective: 11/2/90

Santa Ana Region

Currie, James Lane (REB)
P. O. Box 3784, Riverside
Effective: 11/13/90

Jungers, Mylo Clarence (RES)
3230 W. Lincoln, #101, Anaheim
Effective: 11/30/90

PUBLIC REPROVALS

San Diego Region

Hahn, Paul Philip (RES)
11271 Fuerte Dr., El Cajon
Effective: 9/26/90
Violation: 10177(f)

Hahn, Marlene Fay (RES)
1408 Horizon Pointe, El Cajon
Effective: 9/26/90
Violation: 10177(f)

NARELLO Digest published

The National Association of Real Estate License Law Officials (NARELLO) has announced publication of its 1991 *Digest of Real Estate License Laws*. The *Digest* is edited for real estate executive officers, educators, attorneys, license law officials, and others involved in real estate transactions.

The *Digest* contains:

- Licensing requirements state-by-state
- Educational requirements for licensure
- Significant real estate case law summaries
- Reciprocity/non-residency information
- Legislative updates affecting licensees
- Subdivided lands and time share data

The *NARELLO Digest of Real Estate License Laws* is available for \$30. Make checks payable and addressed to *NARELLO Digest*, P.O. Box 129, Centerville, Utah 84014-0129.

Advertising

continued from page 2

interests available at that price. Otherwise, prospective purchasers might be attracted by the low price of a single parcel which has unique disadvantages. Such an advertising tactic would parallel the familiar "bait and switch" technique.

Amenities: An advertisement that mentions recreational and other types of facilities which are part of the subdivision must disclose the assessments which will support such facilities or refer to a fact sheet and how it can be obtained. The fact sheet must include the current assessment figure

and a listing of the facilities supported by the assessments. The Public Report or Permit may fulfill this function so long as the advertising makes appropriate reference to that document.

If the facilities are privately owned and are not part of the subdivision, disclosure must be made that the owner of the facilities sets the fees and conditions of use and is not obligated to continue to make the facilities available to subdivision purchasers. In either case, uncompleted facilities must be the subject of financial arrangements to insure completion, and the references to them must be in the future tense. Finally, the estimated date of completion must be included in the advertising.

Further Division: Advertising cannot represent that subdivision interests being offered for sale can be further divided unless a full disclosure is included as to the legal requirements for further division of the interest. This would include the requirement of obtaining a map for the further division.

Direct Mail—Giveaway Advertising: Many sponsors of time-share projects use "sweepstakes" type advertising to induce prospects to travel to the subdivision and attend a sales presentation. The following are the most notable requirements which pertain to this type of advertising:

Advertising, continued on page 8

REAL ESTATE PUBLICATION REQUEST

ORDERING INFORMATION <i>Please Read</i>	DRE	RE#	Title of Publication, Brochure, Report or Video	Cost	Quantity	Your Cost
	<ul style="list-style-type: none"> • Make check or money order payable to: Department of Real Estate • Mail To: Department of Real Estate Book Orders P. O. Box 187006 Sacramento, CA 95848-7006 • Do not send cash. • DRE cannot accept returns or make refunds. • Prices are subject to change. • Orders received with incorrect amounts will be returned. • Allow 4-6 weeks for delivery. • Orders originating in California must include state sales tax. Requests and fees will be returned if the appropriate sales tax is not included. 		1	1989-90 Reference Book	\$15.00	
		2	1989 Real Estate Law Book (1990 Supplement included)	\$15.00		
		3	1990 Supplement to Real Estate Law (brochure)	\$2.00		
		4	Instructions to License Applicants (brochure)	free		
		6	Disclosures in Real Estate Transactions (1987; brochure)	\$2.00		
		7	A Homeowner's Guide to Foreclosure in California (1987; brochure)	\$2.00		
		11	Consumer Protection and Licensee Liability Protection (1987; report)	\$9.00		
		12	Deregulation of Financial Institutions (1987; report)	\$9.00		
		14	Mortgage Financing for the Elderly (1990; report)	\$9.00		
		15	Fixed Rate Mortgages and Adjustable Rate Mortgages: Availability and Borrower and Lender Preferences (1990; report)	\$9.00		
		17	Future of California Housing Resale Market (1986; report)	\$9.00		
		18	Licensee Interaction With Respect to Marketing REOs (1987; report)	\$9.00		
		19	Common Interest Homeowners' Assoc. Management Study (1987; report)	\$9.00		
		20	Payment and Interest Rate Shock (1987; report)	\$9.00		
		21	Job Analysis and Testing Procedures Study (1987; report)	\$9.00		
		22	Licensee's Role in Marketing of Housing to the Elderly (1986; report)	\$9.00		
		23	Real Estate Specialization — Need for Special Licenses and/or Educational Requirements (1987; report)	\$9.00		
		24	Reasons for Today's Foreclosures (1987; report)	\$9.00		
		25	Rental Housing Data Base (1986; report)	\$9.00		
		26	Restructuring of the Real Estate Brokerage Industry (1986; report)	\$9.00		
		27	Review of California's Continuing Education Program — including testing requirements (1987; report)	\$9.00		
		28	Supervision of the Real Estate Office (1987; video)	\$25.00		
		29	Trust Funds (1987; video)	\$25.00		
		30	Study of California's R.E. Appraisal Industry (1988; report)	\$9.00		
		32	Compliance with the Real Estate Transfer Disclosure Law (1988; video)	\$25.00		
		33	Agency Disclosures in Residential Real Estate Transactions (1988; video)	\$25.00		
		34	A Guide to Mobilehome Park Purchases by Residents (1986; brochure)	\$2.00		
		35	Trust Deed Investments — What You Should Know (1989; brochure) and	\$2.00		
		35A	Using the Services of a Mortgage Broker (1990; brochure) (35 & 35A are a set)	per set		
		36	Private Mortgage Insurance: Its Effects on Real Estate Transactions and Its Benefits to Real Estate Licensees (1988; report)	\$9.00		
		37	Reserves Study Guidelines for Homeowner Association Budgets (1989; report)	\$9.00		
		38	Analysis of California's Escrow Industry as it Affects Real Estate Licensees (1988; report)	\$9.00		
		39	Common Interest Development Brochure (1989; brochure)	free		
		40	Study of Home Equity Lending by Mortgage Loan Brokers (1989; report)	\$9.00		
		41	The Effects of California's Residential Transfer Disclosure Requirements (1989; report)	\$9.00		
		42	Study of the Use of Computers by Real Estate Licensees for Mortgage Loan Services (1989; report)	\$9.00		
		43	A Review of Secondary Mortgage Market Activities (1990; report)	\$9.00		

SHIPPING NAME

SUBTOTAL

SHIPPING ADDRESS

+ CALIFORNIA TAX

CITY

STATE

ZIP CODE

TOTAL ENCLOSED \$



Advertising

continued from page 7

1. The retail value of the gifts must be disclosed and must be derived from an authoritative source. Because "retail value" can vary greatly, the advertising must include the disclaimer that "these or comparable items may cost less at some retail outlets".
2. The subdivider must make financial arrangements acceptable to the Department of Real Estate to guarantee that the offered gifts will be available. These arrangements commonly take the form of a bond, letter of credit, or cash deposit, with escrow instructions (RE 609) to secure the possible liability for major gifts and prepurchase of the minor, commonly-awarded gift.
3. There must be disclosure of the odds of receipt of the various gifts. For example, the odds for receipt of the commonly-awarded gift will be something like 99.988%. The other gifts will carry miniscule odds (e.g., .001% which equals 1 in 100,000).
4. The advertisement must clearly disclose the intention/requirement that the recipient must attend a sales presentation for time-share interests in the subject subdivision before claiming the gift.

The Department of Real Estate urges that proposed direct mail/giveaway advertising for *in-state* subdivisions also be submitted for review.

Limited: An advertisement which includes an offer or inducement which is represented to be "limited" as to quantity or duration must include an equally prominent statement of the pertinent limitations. For example, advertising of special financing "for a limited time only" must disclose, with equal prominence, for how long such financing will be available.

As with all advertising, an agent or subdivider must make certain that the subdivision final Public Report and/or the documentation in the Department of Real Estate subdivision file support the representations being made.

Address Check

To ensure that your Real Estate Bulletin, renewal notices and other correspondence reach you in a timely manner, please take a moment to verify the address listed below.

- Is the street address or post office box correct?
- Is the city field accurate? The city field should reflect the actual city of residence, mailing address city, or approved post office name.
- Is the zip code accurate?

If there is any doubt regarding the city or zip code please contact your local Post Office. If you have moved or a correction needs to be made, please send the appropriate change form to the Department.

- RE 204 Change Application (for Broker licensees)
- RE 204A Corporation Change Application
- RE 214 Salesperson Change Application

For Your Information

EXAMINATION FEES		ORIGINAL LICENSE FEES	RENEWAL FEES	
Salesperson	\$25.00	Qualified for exam with R.E. Principles only and is not including remaining two courses with license application.	\$172.00	Salesperson (on time) \$120.00 Salesperson (late) \$160.00
Broker	\$50.00	Either qualified for exam with all three courses or is including remaining two courses with license application.	\$147.00	Broker (on time) \$165.00 Broker (late) \$220.00
M.O.G. Broker	\$50.00			



Official Publication

CALIFORNIA DEPARTMENT OF REAL ESTATE

P.O. BOX 187000

Sacramento, California 95818-7000

Second Class Postage

PAID

at

Sacramento, California