

DRE UPDATE

CALIFORNIA DEPARTMENT OF REAL ESTATE

Chika Sunquist, Real Estate Commissioner

Jeff Oboyski, Assistant Commissioner, Licensing



Thursday, April 18, 2024



Agenda

1) DRE Overview

2) Licensing Highlights

- Licensing Legislation Updates
- Exam Development Process

3) DRE Resources

4) Connect With Us

5) Question & Answer



DRE Overview

Chika Sunquist

Real Estate Commissioner



DRE by the Numbers

1917

First Authority

\$60.1 Million
Fiscal Year 23-24 Budget

330+

Employees

(as of 2/1/2024)

5 Offices **5** Exam Centers



Consumer Protection Priorities

- **Enhanced stakeholder engagement**
- **Proactive efforts**
 - ▷ **Outreach**
 - ▷ **Education**
 - ▷ **Resources**
 - ▷ **Communications**



Unlicensed Activity

- Wholly Unlicensed
- Licensed, but No Affiliation/Sponsorship (Salesperson)
- Licensed, but No Business Address (Broker)
- Expired License
- Licensed, but No MLO Endorsement
- Compensation for Unlicensed Activity



DRE Authority: Property Management

■ DRE Jurisdiction

- ▷ Acting as Agent for Another or Others, for Compensation
- ▷ More than 30 days

■ Not DRE Jurisdiction

- ▷ Principal, Unlicensed Activity
- ▷ Transient Occupancy
 - ▷ Business and Professions Code section 10131.01
 - ▷ Civil Code section 1940
 - ▷ Revenue and Taxation Code section 7280



Property Management Complaints

- **Unlicensed Activity**
- **Salespersons Managing Properties without Broker Consent**
- **Trust Fund Mishandling**
- **Security Deposit**
- **Failure to Disclose Ownership of “Third-Party” Vendors**
- **Up-Charging Repairs**



Trust Fund Handling Violations

- **Separate Beneficiary Records**
- **Columnar Control Records**
- **Trust Account Reconciliations**
- **Trust Accounts Not Designated Properly**
- **Improper Signatures**
- **Broker Supervision**



Residential Transaction Complaints

- Omission of Material Facts
- Lack of Clear Disclosure
- Discrimination
- Fraud
- Negligence



Broker Supervision

- **Establish policies, rules, procedures, and systems to review, oversee, inspect, and manage:**
 - ▷ **Transactions Requiring a License**
 - ▷ **Transactional Documents**
 - ▷ **Filing and Maintenance of Documents**
 - ▷ **Handling of Trust Funds**
 - ▷ **Advertising of Any Service Requiring a License**
 - ▷ **Familiarizing Salespersons with Federal & State Discrimination Laws**
 - ▷ **Regular Reports of Licensed Activities of Salespersons**



Broker Supervision

- **The form & extent of a broker's policies, rules, procedures, & systems must take into account:**
 - ▷ **Number of Salespersons Employed**
 - ▷ **Number & Location of Branch Offices**
- **Broker must establish a system to monitor compliance with policies, rules, procedures & systems.**
- **Associate brokers & salespersons may assist in administering the policies and procedures, so long as the broker retains overall responsibility for supervising his or her salespersons.**



Enforcement Statistics

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22		FY 2022-23
Complaints Received	6,497 541/Month	6,184 515/Month	5,863 489/Month	5,202 433/Month	Licenses Revoked	242
Complaints Referred for Investigation	4,088 341/Month	4,767 397/Month	3,801 317/Month	3,733 311/Month	Licenses Restricted	(Revocations Including Restrictions)
Complaints Referred for Disciplinary Action	1,081 91/Month	913 77/Month	946 79/Month	1,208 100/Month	Licenses Suspended	151
					Public Reprovals	17
					Licenses Surrendered	61
					TOTAL	1,096



Audit Statistics

Fiscal Year 2023-24 to February

Broker Activity	# of Audits Closed		#/% of Audits with Shortages				Amount of Shortage Found	
	22/23	7/1/23 to 2/29/24	22/23		7/1/23 to 2/29/24		22/23	7/1/23 to 2/29/24
Property Management	313	175	121	39%	72	41%	\$ 2,307,884	\$ 1,627,093
Broker Escrow	36	12	10	28%	2	17%	\$ 270,040	\$ 1,871
Mortgage Loan	78	33	4	5%	1	3%	\$ 49,603	\$ 1,512
Sales/Other	30	12	0	0%	0	0%	\$ -	\$ -
Total	457	232	135	30%	75	32%	\$ 2,627,527	\$ 1,630,476



Best Practices

■ Check the License

- ▷ Name
- ▷ Status
- ▷ Affiliation
- ▷ DBA's
- ▷ Offices

The screenshot shows the 'Public License Information' search page on the California Department of Real Estate website. The page includes a search form with the following fields: 'Licensee/Company Name', 'Mailing Address City (optional)', and 'License ID'. There are 'Find' and 'Clear' buttons below the 'License ID' field. The page also contains a disclaimer and a note about mailing address cities.

CA.GOV California Department of Real Estate
HOME CONSUMERS LICENSEES EXAMINEES DEVELOPERS
About DRE | Contact Us | Newsroom | Forms | Publications

Public License Information

Please enter the Licensee's Name (Last Name, First Name), Company Name or License Identification Number. [Name Search Help](#)

If you would like to search for a real estate broker or corporation by the main office or branch address, [click here](#).

If you would like to search for a Prepaid Rental Listing Service (PRLS), [click here](#).

Disclaimer: DRE is aware of fraudulent attempts by unlicensed persons to use the names and/or information of real estate licensees to illegally engage in real estate licensed activities. For more information please read our [consumer alert here](#).

Licensee/Company Name:

Mailing Address City (optional):

OR

License ID:

Note: The "Mailing Address City" may differ from the licensee's main office and/or branch office city.



Best Practices

- **Remember:**
 - ▷ **Agency**
 - ▷ **Fiduciary Duties**
 - ▷ **Brokerage**
 - ▷ **Supervision**



Military Servicemembers & Spouses

California Department of Real Estate

HOME CONSUMERS LICENSEES EXAMINEES DEVELOPERS

Home | Examinees | Military

REAL ESTATE LICENSE OPTIONS & DRE ASSISTANCE FOR MILITARY SERVICEMEMBERS & THEIR FAMILIES

Thank you for your service to California and to the United States of America.

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

The options are outlined below. Click on the group of which you are a member to get additional information.

We look forward to having you as an important member of California's real estate industry.

- > I AM A MILITARY VETERAN
- v I AM AN ACTIVE-DUTY SERVICEMEMBER
 - > I WANT TO GET A CALIFORNIA REAL ESTATE LICENSE
 - > I HAVE A LICENSE IN ANOTHER STATE, DISTRICT, OR TERRITORY, AND WANT TO WORK UNDER THAT LICENSE IN CALIFORNIA
- v I AM THE SPOUSE OF AN ACTIVE-DUTY SERVICEMEMBER
 - > I WANT TO GET A CALIFORNIA REAL ESTATE LICENSE
 - > I HAVE A LICENSE IN ANOTHER STATE, DISTRICT, OR TERRITORY, AND WANT TO WORK UNDER THAT LICENSE IN CALIFORNIA

California Department of Real Estate

HOME CONSUMERS LICENSEES EXAMINEES DEVELOPERS

REAL ESTATE LICENSE OPTIONS & DRE ASSISTANCE FOR MILITARY SERVICEMEMBERS & THEIR FAMILIES

Last Updated: 04/03/2024

DRE Registration Number	Name	California Address	California Supervising Broker or Corporation	Originating State, District or Territory License			
				State, District, or Territory	License Type	License Number	Date of License Expiration
MSLRA001	Gavilanes, Sandra	8700 Pershing Dr Unit 2305 Playa Del Rey, CA 90293	Registered-NBA- No Current Responsible Broker	Massachusetts	Salesperson	9572850	07/29/2025
MSLRA002	Nelson, Maria	1058 Straightway Court, Oceanside, CA 92057	Call It Closed International Inc 02126255	Virginia	Salesperson	225255044	04/30/2025
MSLRA003	Martin, Rebecca	1407 Lexington Ave Ridgecrest, CA 93555	Dosen Real Estate Incorporated 0205414	Florida	Sales Associate	SL3464993	09/30/2025
MSLRA004	Ellis, Karoline Margaret Kent	854 Thomas Ave San Diego, CA 92109	Registered-NBA- No Current Responsible Broker	Maryland	Salesperson	664208	09/27/2024
MSLRA005	Burley, Michele	49588 Minelli Street Indio, CA 92091	Broker Registrant	North Carolina	Broker	329384	09/30/2024
MSLRA006	Gomez, Adriel Jason	5089 Grasscreek Drive Roseville, CA 95747	Jason Kenneth Lopez 01180951	Hawaii	Salesperson	RS-82172	12/31/2024
MSLRA007	LaBorde, Steve James Jr.	38713 Tierra Subida Ave #200 PMB213 Palmdale, CA 93551	HomeBased Realty 01916653	Florida	Salesperson	SL354957	03/31/2026
MSLRA008	Johnson, Ashley Lehuani	29835 Woodrowth Lane Stevenson Ranch, CA 91381	Rahih Corp 01378477	Georgia	Salesperson	418015	03/31/2025
				Texas	Sales Agent	739677	07/31/2024
MSLRA009	Hanselton, Dianne Lea	4355 Stamford Pl La Mesa, CA 91942	Fathom Realty Group Inc. 01991202	Mississippi	Salesperson	S-50442	03/31/2026
				Hawaii	Salesperson	RS-85321	12/31/2024



Complaint Resolution & Facilitation

- **Attempt to resolve disputes or minor issues.**
- **DRE facilitators respond quickly and informally to concerns.**
- **Reestablish and facilitate communication.**



Consumer Recovery Account

- Fund of last resort
- Victims of licensees
- Fraud
- Civil judgment or criminal restitution order



Licensing

Jeff Oboyski

Assistant Commissioner, Licensing

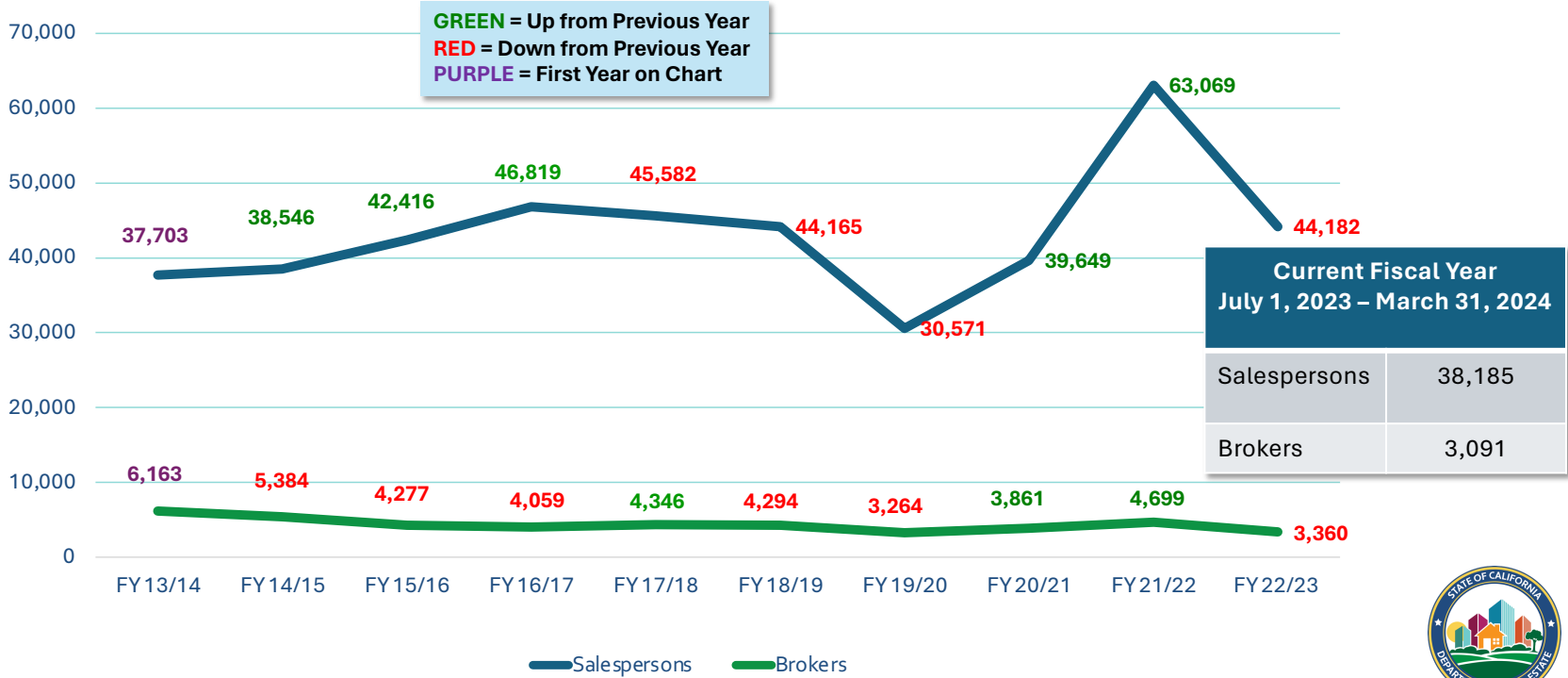


Current Market Conditions

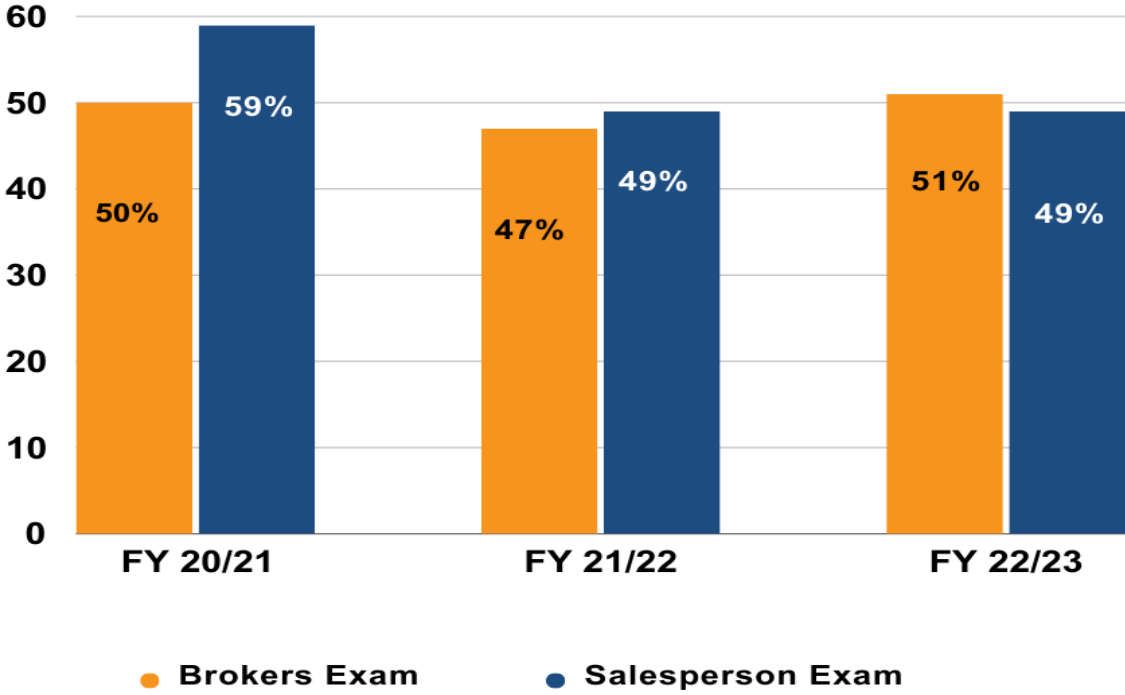
- Higher interest rates
- Lower housing inventories
- Class-action lawsuits against National Association of Realtors (NAR) and large national brokerages



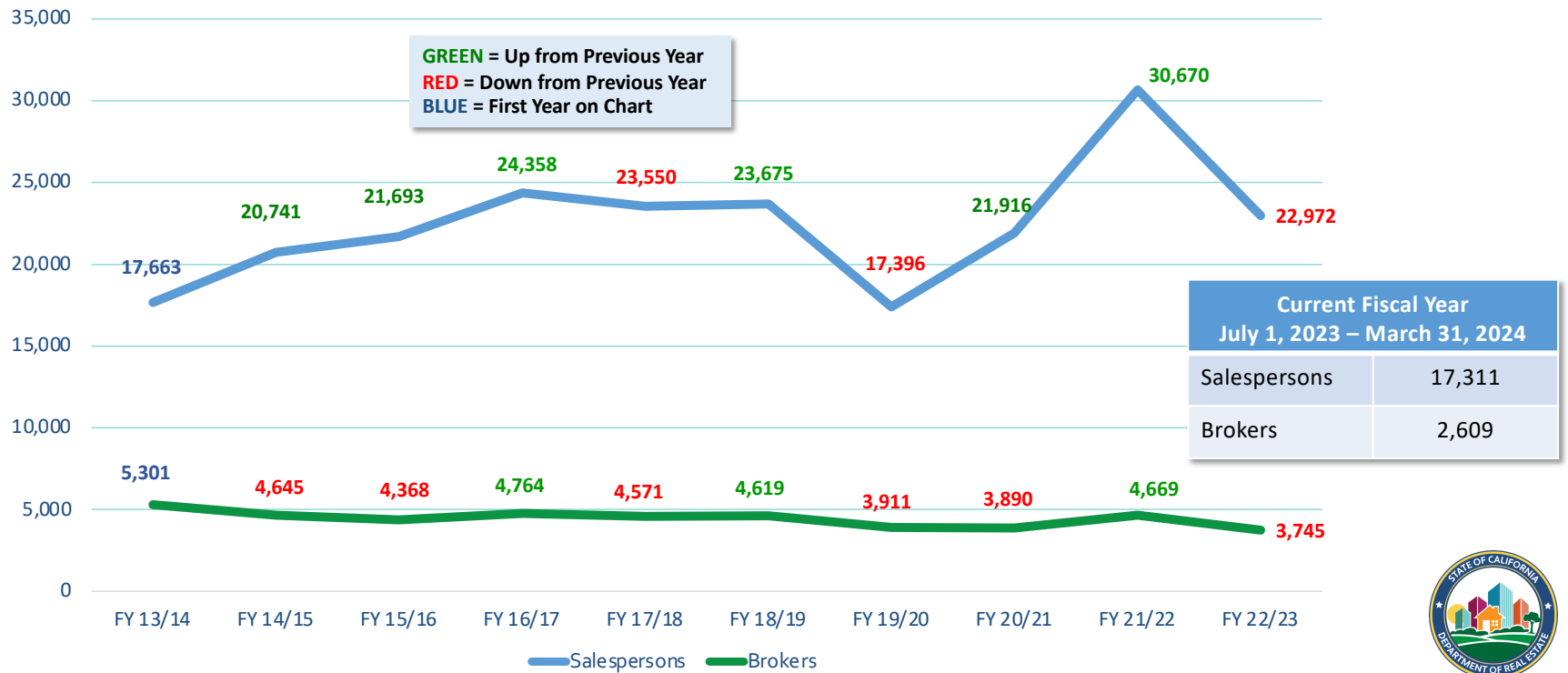
Exams Administered (2013-Today)



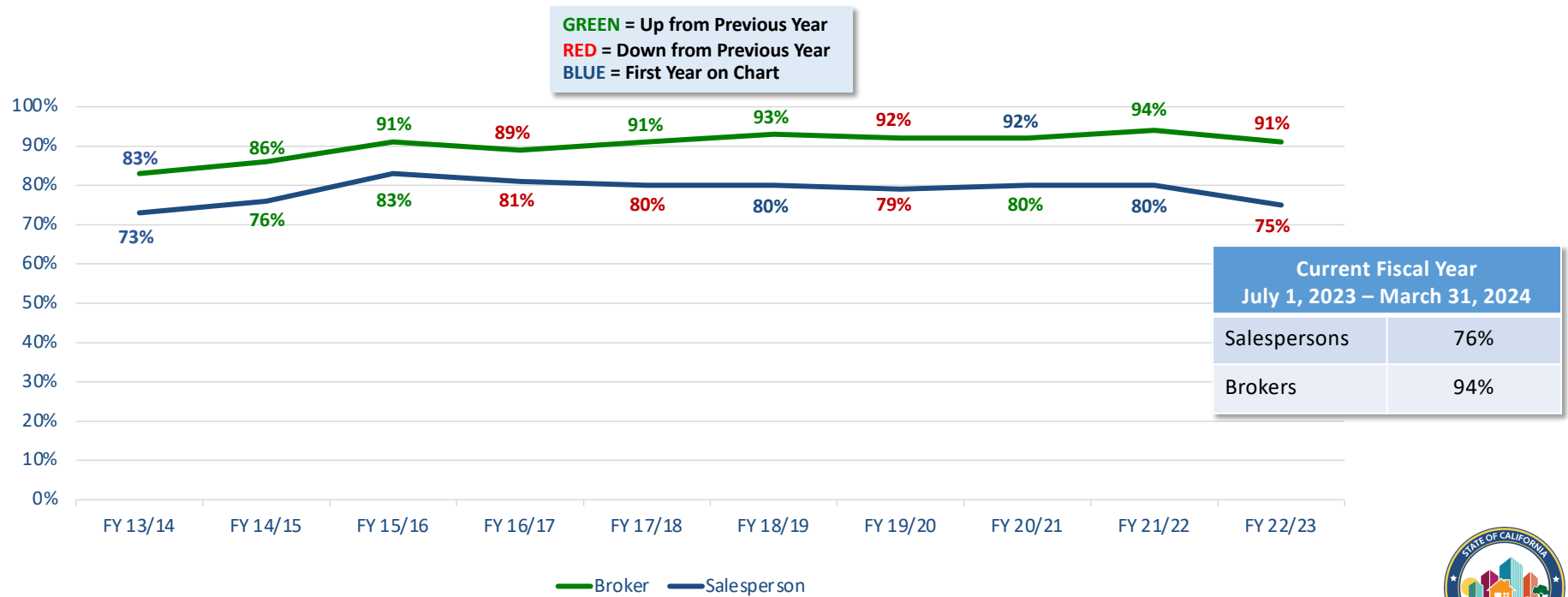
Examination Passage Rates



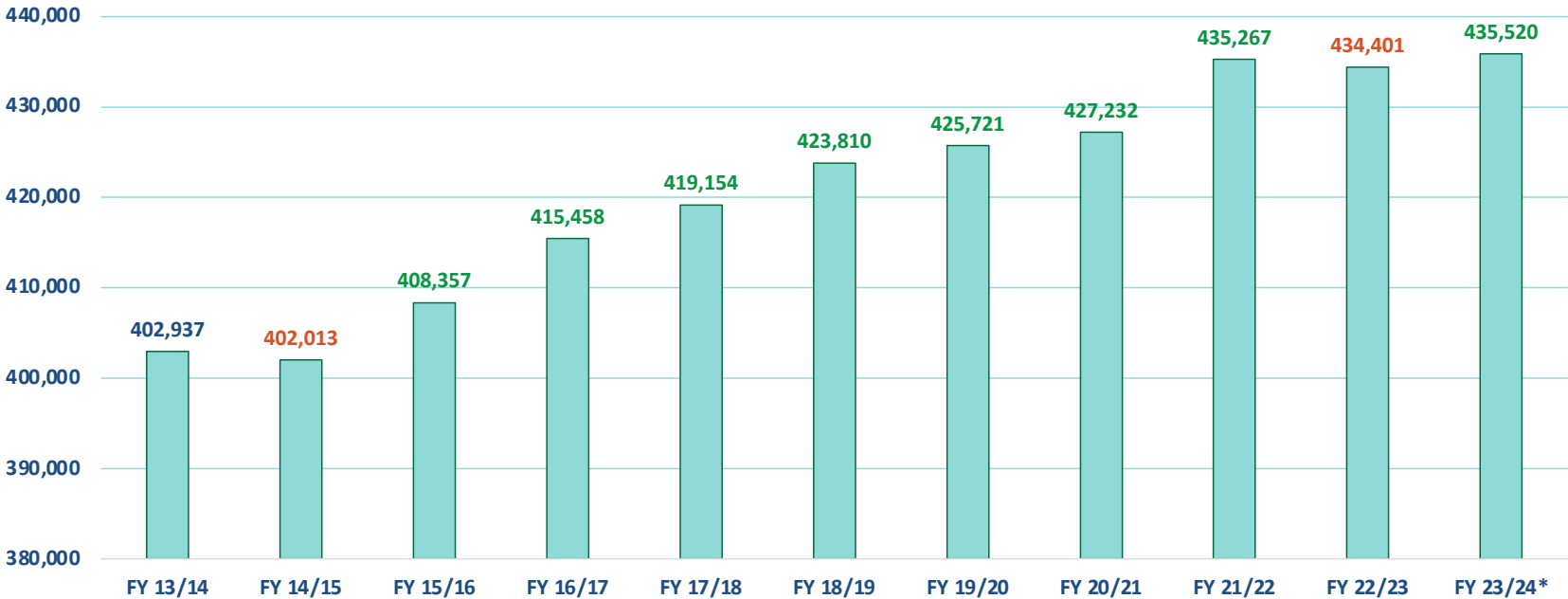
Licenses Issued (2013-Today)



License Renewal Rates (2013-Today)



License Population (2012-Today)



*FY 23/24 Through March 31, 2024



DRE License Population

Number of Licensees – As of March 31, 2024

435,520

124,554
29%

Brokers

310,966
71%

Salespersons



Bias & Fair Housing Education

Pre-Licensure Education (SB 1495)

- All applicants will need to complete a real estate practice course, which includes the following components:
 1. Implicit & Explicit Bias
 2. Federal & State Fair Housing Laws

For license applications starting:

January 1, 2024



Bias & Fair Housing Education

Pre-Licensure Education (SB 1495)

1. Implicit & Explicit Bias

- ▷ Impact of Implicit, Explicit, & Systemic Bias on Consumers
- ▷ Historical & Social Impacts of Biases
- ▷ Actionable Steps Students Can Take to Address Their Own Implicit Bias

2. Federal & State Fair Housing Laws

- ▷ Interactive Participatory Component – Including Role Play as Both Consumer & Real Estate Professional.

For license applications starting:

January 1, 2024

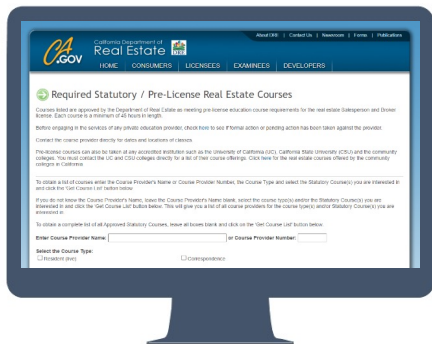


Senate Bill 1495 Stats

SB 1495 Compliant Real Estate Practice Courses Approved by DRE

63 Private Course Providers

74 California Colleges / Universities



<https://secure.dre.ca.gov/publicasp/cestatutory.asp>



Exam Development Process (EDP)

- **Update the real estate license exams (5-7 years)**
- **Multi-Phased Process**
- **Subject Matter Experts (SMEs)**
- **Diversity, Equity & Inclusion (DEI) Opportunity**



Exam Development Process (EDP)

Four Phases of the Process

1. **Occupational Analysis – Completed.**
2. **Item Review – In Process.**
3. **Gap Analyses/Item Writing – Expected to begin July 2024.**
4. **Creation and Administration of New Exams – Expected to begin January.**



DRE Informational Resources

- Real Estate Bulletin
- First Home California Podcast – New Series
- DRE Publications
- DRE Daily News Clips



A daily compilation of real estate related news articles intended to help keep staff informed of matters that may relate to their work. The daily roundup is compiled Monday through Friday each week, with the exception of holidays.

Thursday, April 11, 2024

Top Stories

President Kevin Sears pulls back curtain on changes ahead for NAR

TAYLOR ANDERSON, Inman (Subscription)
National Association of Realtors President Kevin Sears on Tuesday said he's looking forward — not dreading — the 1.56-million member organization across tricky terrain in the aftermath of its \$418 million con-

Rent prices rise as high mortgage rates trap would-be homebuyers

CANDYD MENDOZA, Mortgage Professional America
The cost of renting continues to climb, with the median asking rent rising to \$1,987 in March, as the applica- tion in rent prices follows three consecutive months of increases and comes after a brief period of modest 0.3% rise from February, the growth in rental costs—driven by high mortgage rates—is in part due to a lack of rental properties.

National News

Housing Market Update: Monthly Payments Set New Record—and Buyers' Costs Will Likely Stay High

DANA ANDERSON, Redfin News
The median monthly U.S. housing payment hit an all-time high of \$2,747 during the four weeks ending in March, a record set from a year earlier. Housing payments are soaring because home prices and mortgage rates are both high. The median home-sale price is \$378,250, up 4.5% year over year and just about \$5,000 shy of the record high set in 2022.

Foreclosures are falling, but they take less time to complete

SPENCER LEE, National Mortgage News
A measure of success with loss-mitigation efforts appears in the drop of recently completed foreclosures. At the same time, the length of processing times is shortening, despite assistance provided to avoid such outcomes.

California News

Commercial real estate emerges as latest threat to California banks

CANDYD MENDOZA, Mortgage Professional America
California, the hotspot of the regional banking turmoil last year, is now on the frontlines of the commercial real estate (CRE) downturn. Many California banks hold notably high amounts of commercial real estate de-




To receive DRE updates, announcements, or to receive the *Department of Real Estate Daily News* clips, emails us at: Communications@DRE.CA.GOV to be added to our listserv.



Online Processing Times Webpage

- Quick link on DRE's homepage

1



REAL ESTATE BULLETIN
LATEST EDITION NOW AVAILABLE

CLICK HERE!

2 3 4 5 6

Our Mission
The mission of the California Department of Real Estate is to safeguard and promote the public interests in real estate matters through licensure, regulation, education and enforcement.

I am a...

Essential Information

- Verify a Real Estate License
- 2024 Real Estate Law
- Consumer Alerts
- FAQs
- Steps to Becoming Licensed
- Forms
- Real Estate Bulletin Newsletter
- File a Complaint
- Real Estate Business Resources
- Complete List of Publications
- Invitation for Public Comment/Hearing Notices
- Course Provider Resources (Pre-License & CE)
- **Current Processing Times for Applications, Renewals, and License Changes**
- Examinee List/Licensee List Data Files

eLicensing

- Apply for Your Exam/License
- Schedule Your Exam
- Update Your License
- Renew Your License

The Fastest Way to Apply for or Manage Your Real Estate License!

24/7

Got a Licensing Question?
@sk DRE Licensing

2

Home | Licenses | CurrentTimeframes 1ExamLicense


Current Processing Times for Applications, Renewals, License Changes, and Certified Histories

Select an Option Below

Exam & New License Applications Renewals License Changes Certified Histories

Exam and New License Application Current Processing Times:

Sales Exam Only (RE 400A)	+
Sales License Only (RE 202)	+
Sales Combo Exam/License (RE 435)	+
Broker Exam Only (RE 400B)	+
Broker License Only (RE 200)	+
Broker Combo Exam/License (RE 436)	+
Corporation/Designated Officer License - New and Substitution (RE 201)	+



@sk DRE Licensing >>>

- Submit general licensing and exam questions at:
www.dre.ca.gov/AskDRELicensing .
- General licensing FAQs available on more than 30+ topics.
- DRE Call Center:
 - Calls answered in order received.
 - Allow for a response within 2 business days.
 - Staff responds to 1,500+ contacts per month.

California Department of Real Estate
@sk DRE Licensing

To check the status of a submitted application, we encourage you to check the Department's current processing timeframes or log-in to your eLicensing account.

In order to help us better assist you, please include your License or Examination Identification number (if known), your full first and last name, a phone number or email address where we can contact you (if needed) and a detailed message as to how we can help you.

Inquiries will be answered in the order they are received. Please expect three business days for a response. If you selected email as a contact choice, please be sure to check your spam or junk email folders for responses.

Best way for DRE to contact you

Phone Email

Please enter an email address where DRE can contact you (Characters:0/50):

Please enter a phone number where DRE can contact you:

Phone Number Extension (optional)

Please enter your name:

First Name (Characters:0/50) Last Name (Characters:0/50)

For faster service, please enter your Examinee ID or your License ID, if applicable:

Your 8-digit License ID can be found [here](#) or access your information by logging into your [eLicensing account](#).
Your 7-digit Examination ID number can be found on any correspondence from DRE or by logging into your [eLicensing account](#).



Connect with Us



Administrative Office:

Administration@dre.ca.gov

Licensing/Exam Questions:

<https://dre.ca.gov/AskDRELicensing>



Licensing Contact Center: (877) 373-4542

Monday-Friday, 8:00 a.m. – 5:00 p.m.

Administrative Office

(916) 576-8100



Facebook: @CaliforniaDepartmentOfRealEstate

Instagram: CA_DeptOfRealEstate

LinkedIn: California-Department-of-Real-Estate

Twitter: @CA_DRE

YouTube: CA Dept. of Real Estate

Mastodon: Mastodon.World/@CA_DRE



Questions & Answers



Thank you!

