



NEWS RELEASE

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California Department of Real Estate Revokes Record Number of Real Estate Licenses

Revocations increase for fourth straight year

SACRAMENTO – The California Department of Real Estate (DRE), the state department that issues real estate licenses and protects consumers through enforcement of the Real Estate Law, revoked a record number of licenses for cause in the fiscal year ending June 30th, 2010. The DRE also accepted another record number of license surrenders from licensees facing disciplinary action. All told, over 886 licensees had their license revoked, suspended or they simply surrendered their licenses while facing accusations.

Disciplinary actions taken by the DRE have risen 60% over the past three years. Over the past two fiscal years, the DRE took 1,712 actions which represent a 36% increase over the 1,258 actions taken in fiscal years 06/07 and 07/08. And, the trend is likely to continue as the DRE currently has nearly 5,400 open investigations.

DRE License Disciplinary Actions				
	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10
License Revocations	394	497	574	633
License Surrenders	46	72	106	90
Suspension Orders	113	136	146	163
Totals	553	705	826	886

The down turn in the real estate market has uncovered abusive practices which has caused the number of disciplinary actions to rise. “Until recently, loan modification scams were the most problematic, but now we are uncovering schemes that center on short sales”, DRE Commissioner Jeff Davi said. “The DRE will continue to vigorously pursue and revoke the licensees of errant operators and get them out of the real estate business.” Davi added.

Consumers should be aware that the DRE maintains a searchable licensing database on its web site that shows if a person or company has a valid real estate license and whether the license has ever been disciplined or revoked. In addition, the DRE posts a monthly composite of all of the disciplinary actions taken by the Department. Real Estate Commissioner Davi encourages consumers to “log on, look em up and check em out” before engaging the services of a real estate agent or broker.

In addition to providing licensing and disciplinary actions, the DRE routinely issues Consumer Alerts, warning consumers about scams that DRE has uncovered. Most recently, the DRE issued an alert on short sale fraud and loan modification scams which have also been posted on the DRE’s web site. The alerts also provide useful information on how to avoid becoming a victim and how and where to file a complaint.

For more information about DRE and its programs, visit www.dre.ca.gov. While on the DRE’s web site, be sure to subscribe to the DRE’s RSS feed and you will be notified when the DRE issues alerts, bulletins, news releases or other important information.

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