

Real Estate

BULLETIN

CALIFORNIA DEPARTMENT OF REAL ESTATE

DRE Fee Changes in
Effect July 1, 2024

SB 1495 In Effect

Alert: Recent Bank and
Credit Union Scams



JULY 2024 | VOLUME 83, NO. 2

WWW.DRE.CA.GOV

DRE Bulletin

Official Publication of the California
Department of Real Estate
Vol. 83, No. 2 - Spring 2024

STATE OF CALIFORNIA

Gavin Newsom, *Governor*

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Tomiquia Moss, *Secretary*

DEPARTMENT OF REAL ESTATE

Chika Sunquist, *Commissioner*

REAL ESTATE BULLETIN STAFF

Bradley Evans

Brody Fernandez

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

DRE ADMINISTRATION

Marcus McCarther, *Chief Deputy Commissioner*

Stephen Lerner, *Assistant Commissioner, Legal Affairs*

Chris Neri, *Assistant Commissioner, Subdivisions*

Jeff Oboyski, *Assistant Commissioner, Licensing*

Sonja Palladino, *Assistant Commissioner, Legislation and Regulations*

Shelly Wilson, *Assistant Commissioner, Administrative Services*

Calvin McGee, *Assistant Commissioner, Information Technology*

Tricia Parkhurst, *Assistant Commissioner, Enforcement*

Christina Jimenez, *Assistant Commissioner, Communications and Publications*

Vacant, *Assistant Commissioner, Audits*

Northern Enforcement Area - District Offices

Sacramento Principal Office

1651 Exposition Blvd., Sacramento

Mailing Address:

P.O. Box 137011

Sacramento, CA 95813-7001

Consumer Information: (877) 373-4542

Oakland District Office

1515 Clay St., Suite 702

Oakland, CA 94612-1462

Consumer Information: (877) 373-4542

Central Enforcement Area - District Offices

Fresno District Office

2550 Mariposa Mall, Suite 3070

Fresno, CA 93721-2273

Consumer Information: (877) 373-4542

Southern Enforcement Area - District Offices

Los Angeles District Office

320 West 4th St., Suite 350

Los Angeles, CA 90013-1105

Consumer Information: (877) 373-4542

San Diego District Office

8620 Spectrum Center Blvd, Suite 301

San Diego, CA 92123-1406

Consumer Information: (877) 373-4542

Subdivisions North - Sacramento District Office

1651 Exposition Blvd., Sacramento Mailing Address: P.O. Box 137005 Sacramento, CA 95813-7005

Consumer Information: (916) 576-3374

Subdivisions South - Los Angeles District Office

320 West 4th St., Suite 350

Los Angeles, CA 90013-1105

Consumer Information: (213) 576-6983



FROM THE DESK OF THE COMMISSIONER

*G*reetings from Sacramento.

As we close out this fiscal year, we have a lot to look forward to at the Department of Real Estate (DRE) in the next fiscal year.

DRE's headquarters and exam center will be moving to the new May Lee State Office Complex, just north of downtown Sacramento, at 651 Bannon Street. As its namesake, the complex celebrates the accomplishments of May Lee, the State of California's longest tenured employee. We are proud to honor her and all public servants. And we look forward to welcoming examinees, licensees, and consumers to the new complex on Monday, July 8, 2024.

Speaking of long tenured public servants, DRE's Executive team welcomes Tricia Parkhurst as Assistant Commissioner of Enforcement. Assistant Commissioner Parkhurst has been with DRE for over two decades and exemplifies service to Californians.

Having worked within the Enforcement Division for her entire DRE career, she fulfills a key role within DRE towards fulfilling our mission of consumer protection. I am excited for the amazing things I know Assistant Commissioner Parkhurst will accomplish.

Here's to a great Fiscal Year 2024/25.

Chika Sunquist

DRE COMMISSIONER



TABLE OF CONTENTS



02

FROM THE DESK OF THE COMMISSIONER

DRE Commissioner Chika Sunquist talks new headquarters office and new executive staff.

07

STAY VIGILANT, BE INFORMED

Learn more about recent online banking scams recently reported to DFPI.

04

SENATE BILL 1495 IN EFFECT

A closer look at the implementation of SB 1495 across the real estate industry.

08

MEET DRE'S NEW AC OF ENFORCEMENT

Get acquainted with DRE's new Assistant Commissioner of Enforcement Tricia Parkhurst.

06

FEE CHANGES IN EFFECT JULY 1

Learn about the DRE fee changes in effect as of July 1, 2024.

11

TRUST FUND TRIVIA

Test your knowledge on trust fund handling.

Senate Bill 1495 in Effect

A DEEPER LOOK AT IMPLEMENTATION

In September 2022, Governor Newsom signed into law Senate Bill 1495 ([SB 1495](#)). This bill, among other things, made changes to the course content required within the statutory/pre-license real estate practice course.

Specifically, SB 1495 provided, all applicants for either the salesperson or broker examination must complete a three semester or quarter equivalent course in real estate practice in order to qualify for the examination. Per SB 1495, on or after January 1, 2024, all applicants applying for the examination must have completed a real estate practice course that contains the following content:

- A component on implicit bias, including education regarding the impact of implicit bias, explicit bias, and systemic bias on consumers, the historical and social impacts of those biases, and actionable steps students can take to recognize and address their own implicit biases.
- A component on federal and state fair housing laws as those laws apply to the practice of real estate. The fair housing component shall include an interactive participatory component, during which the applicant shall role play as both a consumer and a real estate professional.

To ensure the successful implementation of SB 1495, the Department's Education Section worked closely with representatives from the California Community Colleges, California State Universities (CSU's), and of course, DRE private course providers, so that students (or prospective examinees) would have access to SB 1495 compliant real estate practice courses well ahead of the January 1, 2024, effective date. [🏠](#)

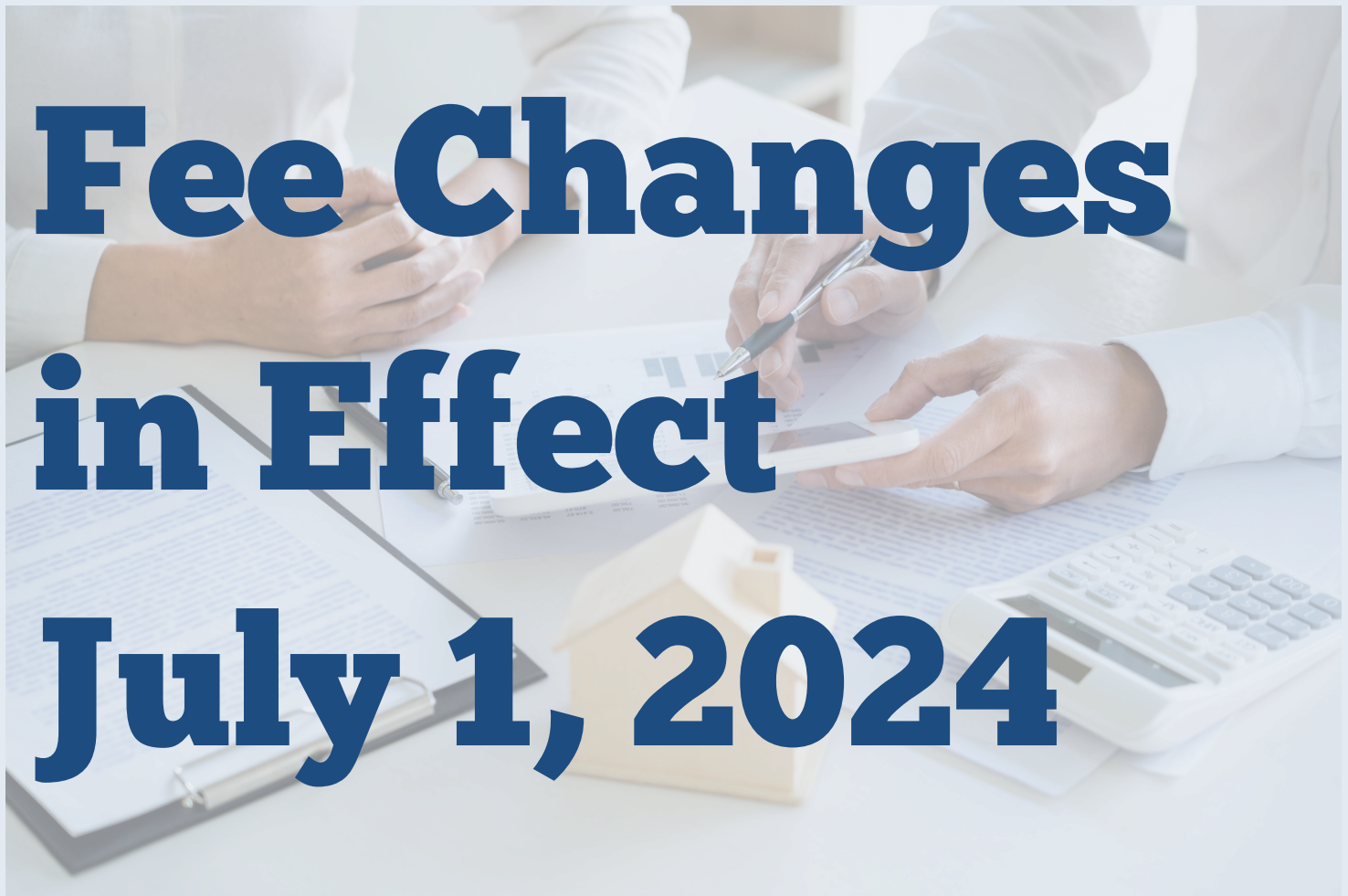


DRE Feature | SB 1495 in Effect

More specifically, these efforts included DRE staff organizing and conducting informational town hall meetings, collaborating with our California Community College and CSU endowment partners, internally prioritizing SB 1495 compliant course reviews for approval, developing and posting Frequently Asked Questions ([FAQs](#)) on the DRE website, as well as electronically communicating to those examinees/licenses directly impacted by these new education requirements. As a result, the first SB 1495 compliant real estate practice course was approved and available to the public in April 2023, nearly eight months prior to the bill's effective date, with several more SB 1495 compliant courses approved soon thereafter.

Currently, there are approximately 140 approved SB 1495-compliant real estate practice courses being offered by private course providers as well as by the California Community Colleges and universities. To learn more about the new SB 1495 requirements, or to search for approved statutory/pre-license courses, please click on the "[Examinees](#)" tab on our website. [🏠](#)






MANY EXAMINEE, LICENSEE, SUBDIVIDER, AND COURSE PROVIDER FEES INCREASED ON JULY 1

While the Department of Real Estate (DRE) has not raised its statutory fees for nearly the past 27 years – dating back to 1997, DRE implemented fee increases that will affect many of its examinee, licensee, subdividers, and statutory/pre-license course provider fees on July 1, 2024.

The fee increases will better align fees with the cost of providing services, and they will help DRE ensure a sustainable financial model that can effectively support its functions, providing services, and mission of consumer protection.

DRE conducted careful analysis over the past few years, and a new proposed fee schedule was submitted to the Legislature in early 2024 and signed into law on June 29, 2024.

The fee adjustments went into effect on July 1, 2024, and they will fund the Department's operational needs. The fee adjustments apply to applications submitted to DRE on or after July 1, 2024.

To view the latest DRE fees, please visit: www.dre.ca.gov/fees. 

STAY VIGILANT, BE INFORMED

Recent Reports of Credit Union and Bank Scams

Whether you're a Department of Real Estate (DRE) licensee or a real estate consumer, the Department is cautioning people to be aware of recent reports of fraudulent bank website scams and credit union smishing scams intended to take advantage of unsuspecting consumers.

Bank Website Scams

The Bank of the Sierra (BOS) recently alerted the [Department of Financial Protection and Innovation \(DFPI\)](#) of an inquiry regarding a website associated with the domain "bksierra.org." This came to the attention of BOS when a customer alerted the bank after mistakenly opening an account through the website. When attempting to access the website on various browsers, a warning message that the website was attempting to install malicious code was received.

- The correct web address for Bank of the Sierra is <https://www.bankofthesierra.com>.
- To check a financial institution's website address, or to submit a complaint, consumers should go to the DFPI website at <https://dfpi.ca.gov/consumers/> or call 1-866-275-2677.

Credit Union Smishing Scams

The Coast Central Credit Union (CCCU) recently alerted the DFPI of numerous calls from members and non-members indicating that they received fraudulent SMS text messages that purport to be from CCCU. It is believed that they are being sent to 707 area code numbers. All the URLs are from the inet2 domain with .org TLD extension.

You can avoid becoming a victim of a smishing attack by following a few simple steps:

- Don't click on links or call telephone numbers of unknown senders.
- Don't follow urgent instructions to visit a website.
- Don't give out your personal information, such as passwords or account numbers.
- Contact your financial institution if you mistakenly respond to a smishing message.

If you have been scammed and a DRE-licensed person or an unlicensed person practicing real estate is involved, [file a complaint with DRE](#).

Find DRE Consumer Alerts and Licensee Advisories on DRE's website:

<https://www.dre.ca.gov/Newsroom/> 



MEET DRE'S NEW ASSISTANT COMMISSIONER OF ENFORCEMENT

TRICIA PARKHURST

The Department of Real Estate's (DRE) new Assistant Commissioner Tricia Parkhurst is no stranger to the Department or state service. She's experienced, reliant, and a longtime employee of DRE. Preceding her new role, Tricia served as the Sacramento District Office's Enforcement Manager for the past 14 years.

"Having been in public service for over 23 years, I find deep fulfillment in knowing my efforts contribute to the greater good in safeguarding consumers within the real estate marketplace," said Tricia. "This dedication to protecting individuals and ensuring fairness is the cornerstone of my work."

Tricia has been instrumental to the Department by spearheading many key investigations and statewide Enforcement projects across her 23-year career at DRE. Prior to her joining DRE, Tricia worked in the mortgage and subdivisions industries.

Providing a safe environment for real estate professionals by valuing fairness, equity, and justice for the people of California have long been Tricia's passions throughout her career. Tricia is now at the helm of DRE's Enforcement Division, totaling more than 50 employees from all over the state. Parkhurst assumed her new role as Assistant Commissioner of Enforcement for DRE on April 1, 2024. She resides in the Sacramento area with her husband and three children.



In Her Own Words

What is Your Vision for DRE Enforcement?

My vision for Enforcement is twofold: first, to safeguard consumer interests, foster trust in the real estate industry, and uphold the public confidence through transparent, consistent, and accountable enforcement practices. Second, to cultivate a positive and collaborative work environment where staff feel valued, empowered, and equipped to uphold our mission. I aim to ensure that every member of our team is knowledgeable, engaged, and dedicated to protecting the public's interests on a daily basis.

What's your best consumer protection advice?

Encourage consumers to thoroughly research real estate professionals before engaging with them. This includes verifying licenses, checking for any disciplinary actions, and reviewing client feedback or testimonials. Also, consumers should carefully review all contracts and agreements before signing them. They should fully understand their rights, obligations, and any potential risks involved.

What makes DRE special?

It's the people who work here that make the DRE special. Throughout my 23-year tenure here, I've witnessed firsthand the unwavering dedication of our staff in safeguarding the public interest each and every day. 🏠

Where Can You Find DRE?

Starting from California's northern part of the state – in the Sacramento area, down to the southern region in San Diego, DRE has five offices. Each office is uniquely situated throughout our state's diverse regions with the goal of ensuring consumer protection for the people of California.

The Department's headquarters is located in Sacramento, with additional district offices in Fresno, Los Angeles, Oakland, and San Diego. Location details and phone numbers can be found at: <https://dre.ca.gov/Contact.html>





WE ARE MOVING

We hope you can come visit soon!

NEW
LOCATION

STARTING
JULY 8!



Address
651 BANNON ST.
SUITE 500
SACRAMENTO, CA 95811

Contact Info
1-877-373-4542
www.dre.ca.gov

CALIFORNIA DEPARTMENT OF REAL ESTATE



TEST YOUR KNOWLEDGE ON TRUST FUND HANDLING

The Department of Real Estate's (DRE) Audit Division provides a critical role in public protection and the education of real estate licensees through the performance of investigative audits and proactive/routine audits.

The primary goal of the Audit Division is to ensure brokers are complying with trust fund handling requirements. The brief quiz below will help you be aware and remind you of the requirements a broker should be aware of.

The questions below are a few of the many items DRE auditors verify when performing audits.

Let's test your knowledge!

1 When a broker receives trust funds payable to the broker, within how many days must the broker deposit these funds into the broker's designated trust account?

- a. Within 1 business day
- b. Within 3 business days
- c. Within 5 business days
- d. Within 7 business days

Answer: (b) – Per Commissioner Regulation 2832, a broker must deposit trust funds into a trust account within 3 business days of receipt. Brokers should adhere to this requirement in their normal business practice and not wait to deposit trust funds when it is convenient.

2 The commissioner's regulations do allow a broker and salesperson to be a signer on a broker's trust account. It also allows an unlicensed person to sign on a broker's trust account under what following two conditions?



- a. The unlicensed signer is an immediate family member.
- b. The unlicensed signer is an employee of the broker.
- c. The unlicensed signer is an attorney allowed to legally practice in California.
- d. The unlicensed signer is covered by a fidelity bond at least equal to the maximum amount of trust funds to which the person has access at any time.

Answers: (b) and (d) – Per Commissioner Reg. 2834, a licensed person can sign a trust account as long as that person is an employee of that broker (regardless of a family relationship or professional career) and is covered by a fidelity bond.

3 What is not one of the requirements for a broker to maintain an interest-bearing trust account?

- a. The account is in the name of the broker as trustee for a specified beneficiary or specified principal of a transaction or series of transactions.
- b. All the funds in the account are covered by insurance provided by an agency of the federal government (FDIC).
- c. A single interest-bearing account is permitted to hold multiple beneficiary funds if the broker can account for the interest earned per beneficiary.
- d. No interest earned on funds in the account shall inure directly or indirectly to the benefit of the broker or to any person licensed to the broker, even if the funds' owners would permit such an arrangement.

Answer: (c) – Per Section 10145 (d) of the Real Estate Law, for an interest-bearing trust account, "...the funds in the account must be kept separate, distinct, and apart from funds belonging to the broker or to any other person for whom the broker holds funds in trust." It is permitted to have an interest-bearing trust account, but the account can only hold the funds of no more than one beneficiary. The broker is required to maintain separate accounts for each beneficiary. So, if there are two beneficiaries that want interest earned on their funds, the broker would be required to open two separate interest-bearing trust accounts.

4 Per Section 10176(e) of the Real Estate Law, a broker is not allowed to commingle (or combine) their broker funds with real estate trust funds. However, there are situations when the DRE makes it allowable under certain circumstances. What two answers below could be considered an allowed circumstance?

- a. Broker’s funds placed in a trust account not to exceed \$200 to pay service charges or fees charged by the bank where the account is maintained.
- b. A Broker manages their 100% owned property through the trust account with written permission given by the broker’s clients including the requirements that a separate record is maintained identifying the broker’s funds and that these funds are disbursed from the trust account within 5 days of initial deposit.
- c. Commissions, fees, and other income earned by a broker and collectable from trust funds may remain in the trust account for a period not to exceed 25 days.
- d. A Broker can maintain up to \$1,000 of their own funds to avoid the balance of the trust account going below a minimum balance amount to avoid a bank service charge or fee.

Answers: (a) and (c) – Commissioner Regulation 2835 provides circumstances or situations that would not be considered commingling by a real estate broker. A broker is allowed to maintain up to \$200 in the trust account to cover any type of bank service charges. Also, in situations where a broker earns a commission or fee that is collectable from trust funds, such as collecting a property management fee from a tenant’s deposits, a broker is allowed to withdraw those funds within 25 days. Regulation 2835 recognizes that it may not always be practical to disburse the earned income immediately upon receipt. It may be too burdensome to collect its management fee every time a rent check is received and deposited to the trust account, and therefore waiting up to 25 days to disburse earned income is allowable.

Taking the initiative to be knowledgeable on trust fund handling requirements to ensure compliance with DRE’s real estate laws and regulations will be beneficial and help avoid future problems if the DRE needs to audit your company.

See the following link for information on trust fund handling requirements:

<https://dre.ca.gov/files/pdf/refbook/ref21.pdf> 🏠



Stay cool, California!
Getting too hot can make people sick.

Know the signs of heat exhaustion:

- | | | | |
|-----------------------|-------------------|------------------|-----------------------------|
| HEAVY SWEATING | TIREDFNESS | DIZZINESS | HEADACHE |
| CRAMPS | WEAKNESS | FAINING | NAUSEA/
VOMITING |
| HEADACHE | | | |

Go to ready.ca.gov for more tips.
 #ListosCalifornia

DRE Mission

To safeguard and promote the public interests in real estate matters through licensure, regulation, education and enforcement.