



# Regulatory Compliance Bulletin

November 4, 2021

## AB 948 - Real Estate Appraisals

AB 948 was chaptered on September 28, 2021, and among other things, will require a new notice provision on appraisals in real estate contracts and when refinancing a first lien purchase money loan secured by residential real property containing no more than four dwelling units that appraisals must be unbiased, objective and not influenced by improper or illegal considerations.

AB 948 will add section 1102.6 to the California Civil Code and require a notice for every contract for the sale of real property that any appraisal of the property must be unbiased, objective, and not influenced by improper or illegal considerations. This notice will also be required to be delivered by a "licensed person" for any refinancing of a first lien purchase money loan secured by residential real property containing no more than four dwelling units, either prior to, or with the loan estimate as required by the federal Truth in Lending Act, or the mortgage loan disclosure statement as required pursuant to Section 10240 of the Business and Professions Code. A "licensed person" is defined as a depository institution chartered under federal or state law, a person covered by the licensing requirements of the California Financing Law (commencing with Section 22000 or the Finance Code),

the California Residential Mortgage Lending Act (commencing with Section 50000 of the Finance Code), or a person licensed under the Real Estate Law (commencing with Section 10000 of the Business and Professions Code). The notice, in no less than 8-point type, is required to contain the following language:

*"Any appraisal of the property is required to be unbiased, objective, and not influenced by improper or illegal considerations, including, but not limited to any of the following: race, color, religion (including religious dress, grooming practices, or both), gender (including, but not limited to, pregnancy, childbirth, breastfeeding, and related conditions, and gender identity and gender expression), sexual orientation, marital status, medical condition, military or veteran status, national origin (including language use and possession of a driver's license issued to persons unable to provide their presence in the United States is authorized under federal law), source of income, ancestry, disability (mental and physical, including, but not limited to, HIV/AIDS status, cancer diagnosis, and genetic characteristics), genetic information, or age. If a buyer or seller believes that the appraisal has been influenced by any of the above factors, the seller or buyer can report this information to the lender or mortgage broker*

April 4, 2016

*that retained the appraiser and may also file a complaint with the Bureau of Real Estate Appraisers at <https://www2.brea.ca.gov/complaint/> or call (916) 552-9000 for further information on how to file a complaint.”*

CBA supported this bill as it establishes important consumer protections in circumstances where there is discrimination in appraisals.

**The information contained in this CBA Regulatory Compliance Bulletin is not intended to constitute, and should not be received as, legal advice. Please consult with your counsel for more detailed information applicable to your institution.**

