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DIVISION 2. PROPERTY [654 - 1422] (*Heading of Division 2 amended by Stats. 1988, Ch. 160, Sec. 13.*)

PART 4. ACQUISITION OF PROPERTY [1000 - 1422] (*Part 4 enacted 1872.*)

TITLE 4. TRANSFER [1039 - 1231] (*Title 4 enacted 1872.*)

CHAPTER 1. Transfers in General [1039 - 1090.5] (*Chapter 1 enacted 1872.*)

ARTICLE 7. Unlawful Influence of Appraisers [1090.5- 1090.5.] (*Article 7 added by Stats. 2007, Ch. 291, Sec. 2.*)

1090.5. (a) No person with an interest in a real estate transaction involving a valuation shall improperly influence or attempt to improperly influence the development, reporting, result, or review of that valuation, through coercion, extortion, bribery, intimidation, compensation, or instruction. For purposes of this section, a valuation is defined as an estimate of the value of real property in written or electronic form, other than one produced solely by an automated valuation model or system. Prohibited acts include, but are not limited to, the following:

(1) Seeking to influence a person who prepares a valuation to report a minimum or maximum value for the property being valued. Such influence may include, but is not limited to:

(A) Requesting that a person provide a preliminary estimate or opinion of value prior to entering into a contract with that person for valuation services.

(B) Conditioning whether to hire a person based on an expectation of the value conclusion likely to be returned by that person.

(C) Conditioning the amount of a person's compensation on the value conclusion returned by that person.

(D) Providing to a person an anticipated, estimated, encouraged, or desired valuation prior to their completion of a valuation.

(2) Withholding or threatening to withhold timely payment to a person or entity that prepares a valuation, or provides valuation management functions, because that person or entity does not return a value at or above a certain amount.

(3) Implying to a person who prepares a valuation that current or future retention of that person depends on the amount at which the person estimates the value of real property.

(4) Excluding a person who prepares a valuation from consideration for future engagement because the person reports a value that does not meet or exceed a predetermined threshold.

(5) Conditioning the compensation paid to a person who prepares a valuation on consummation of the real estate transaction for which the valuation is prepared.

(6) Requesting the payment of compensation to achieve higher priority in the assignment of valuation business.

(b) Subdivision (a) does not prohibit a person with an interest in a real estate transaction from doing any of the following:

(1) Asking a person who performs a valuation to do any of the following:

(A) Consider additional, appropriate property information, including information about comparable properties.

(B) Provide further detail, substantiation, or explanation for the person's value conclusion.

(C) Correct errors in a valuation report.

(2) Obtaining multiple valuations, for purposes of selecting the most reliable valuation.

(3) Withholding compensation due to breach of contract or substandard performance of services.

(4) Providing a copy of the sales contract in connection with a purchase transaction.

(c) If a person who violates this section is licensed or registered under any state licensing or registration law and the violation occurs within the course and scope of the person's duties as a licensee or registrant, the violation shall be deemed a violation of that law.

(d) Nothing in this section shall be construed to authorize communications that are otherwise prohibited under existing law.

(Amended by Stats. 2011, Ch. 716, Sec. 5. (SB 6) Effective January 1, 2012.)