



A Look Inside DRE's Complaint Process

The Department of Real Estate's (DRE) is committed to its mission of protecting California consumers in real estate matters. An important part of that mission is enforcing both the state's Real Estate Law and Subdivided Lands Law in a fair and equitable way.

A primary source of cases come from complaints filed against DRE licensees involving real estate, mortgage loan, and property management transactions. Many accuse licensees of, among other things, misleading or defrauding consumers.

In fiscal year 2021-22, DRE received 5,202 complaints. While most complaints are filed by consumers, DRE also receives complaints filed by people in the real estate industry, including licensees, other regulatory agencies, and people who file a complaint anonymously.

If, following an investigation, evidence is developed that could substantiate a violation of Real Estate Law, the case is referred to DRE's Legal Affairs division for the filing of formal disciplinary action to suspend or revoke a real estate license.

If a violation against a subdivider is established, DRE can issue a Desist and Refrain order, stopping further sales until the violations are corrected.

There is a very specific process DRE follows when a complaint is filed. Here is an inside look at that process, starting with the important information that should be included when filing a complaint.

Filing a Complaint

In preparing to file a complaint, DRE encourages the complaining party to summarize their case in a chronological manner using the following guidelines:

- Tell us what happened or what the circumstances are that may require investigation. Start from the beginning and describe the events as they occurred, or the situation that requires investigation. If it involves a real estate transaction, be specific as to what was said and who said it;
- Tell us who was present during these conversations or acts; and

- Tell us when and where these conversations/acts took place

When submitting a complaint to DRE, remember that documentary evidence is especially important. Therefore, be sure to provide DRE with copies of all documents relating to the transaction. That includes listings, offers, deposit receipts, notes and trust deeds, correspondence, copies of the front and back of checks, escrow documents, advertising, etc. Do not send originals.

While DRE will review anonymous complaints reporting problem transactions, it is especially important that the complaint provided is well documented and that valid sources for corroborating witnesses are included. Without proper documentation and corroborating witnesses, DRE cannot analyze the legitimacy of the complaint or develop sufficient evidence to support a case for disciplinary action.

Complaints can be filed online, mailed to DRE, or hand delivered to any DRE district office.

Complaint Review

DRE staff review and analyze each complaint received for potential violations of the Real Estate Law or Subdivided Lands Law. If potential violations are found, the complaint will be referred to an investigator.

If a complaint is related to a breakdown in communication between a consumer and a licensee, DRE will try to work with both parties to resolve the complaint without the need to conduct a formal investigation. DRE has a [Complaint Resolution Program](#) to assist in these situations.

Formal Investigation

Once a complaint is assigned for investigation, a special investigator will contact the complaining party to introduce themselves, discuss the complaint, explain DRE's authority and jurisdiction, and refer the complaining party to additional resources, if applicable. In cases where a clear and detailed description of the transaction and documentation isn't provided, the investigator will ask the filing party to provide additional information.

Clear and Convincing Evidence

It should be noted that the burden of proof necessary for

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