

Builder Services: Public Report Processing



California Bureau of Real Estate (CalBRE)

California

1. ***SUBDIVIDED LANDS ACT [Business & Professions Code §11000, et sec.]***

a. **AFFECTS SUBDIVISIONS/PROJECTS WITH 5 OR MORE UNITS**

b. **EXEMPT SUBDIVISIONS**

- i. Commercial Projects
- ii. Projects With Fewer Than 5 Units
- iii. Subdivisions Which Meet ALL of The Following Requirements:

1. **NO COMMON INTEREST ELEMENT**

Examples of disqualifying conditions:

- Homeowners Association with lien rights, which either owns fee title to common area property or easement rights to maintain certain common areas
- Common ownership of land
 - » a condominium, by definition, requires an element of common ownership
 - » undivided interest in any common lots, including street lots

2. **MUST BE LOCATED WITHIN AN INCORPORATED CITY**

3. **ALL LOTS MUST BE SOLD WITH COMPLETED HOUSING, NO VACANT LOTS**

2. ***TWO BASIC TYPES OF SUBDIVISIONS***

a. **STANDARD SUBDIVISIONS**

- i. Vacant Lots
- ii. Lots Sold With Completed Housing

b. **COMMON INTEREST SUBDIVISIONS**

- i. Condominiums
- ii. Planned Developments
- iii. Time Shares
- iv. Stock Cooperatives

3. ***VARIOUS TYPES OF PUBLIC REPORTS AND WHAT YOU CAN DO WITH THEM***

a. **SHORT-FORM PRELIMINARY PUBLIC REPORT (“PINK REPORT”)**

- i. Maximum term is one (1) year from issue date, with the possibility to extend for additional one (1) year terms
- ii. Can cover a single phase or multiple phases up to the entire project
- iii. Allows developer to advertise
- iv. Allows developer to take non-binding reservation deposits which must be deposited into escrow.
- v. Reservations are completely non-binding on either party and can be canceled with no reason. Upon cancellation, ALL monies deposited by the buyer must be returned to the buyer without deduction.
- vi. As soon as a Final Subdivision Public Report (“White Report”) is issued for lots/units, the Pink Report is no longer valid for those lots/units.

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b. INTERIM PUBLIC REPORT

- i. Similar to a Pink Report in that it allows the developer to advertise and take non-binding reservation deposits
- ii. This report is used for lots/units within a subdivision for which a White Report was previously issued

Example: A developer buys a part, or all, of a subdivision for which a White Report was previously issued. It is not possible to obtain a Pink Report, and the new developer cannot advertise under the White Report issued to the previous developer.

c. CONDITIONAL PUBLIC REPORT (“YELLOW”)

- i. Issued for a maximum term of six (6) months, with the possibility of extending for one (1) additional six (6) month term
- ii. Conditions for issuance must be approved by the CalBRE
 1. Some typical conditions include:
 - Delay in recording the Final Subdivision Map
 - Management Documents have substantially been approved (i.e. CCRs, etc.), but require minor revisions and signatures to record.
 - The Homeowners Association proposed budget has been substantially approved, but still requires minor revisions and final approval by the CalBRE
 - There is a delay in obtaining the appropriate bonds required by the CalBRE
- iii. Allows developer to enter into binding contracts and open escrows
- iv. Developer is prohibited from closing escrow until the White Report is issued and a copy provided to the purchaser
- v. If there are material changes from the Conditional Public Report to the Final Public Report, the purchaser may cancel the transaction and all monies deposited by the purchaser will be refunded, without deduction.

d. FINAL SUBDIVISION PUBLIC REPORT (“WHITE REPORT”)

- i. Maximum term is five (5) years, with the possibility of renewing for additional five (5) year terms
- ii. Allows the developer to enter into binding contracts with buyers
- iii. Allows the developer to OPEN and CLOSE Escrows
- iv. Must be amended if there are material changes to the offering
- v. If there are material changes to the Final Subdivision Public Report, an application for an amendment to the Public Report must be submitted to the CalBRE and issued before the developer can proceed with the offering

e. AMENDED SUBDIVISION PUBLIC REPORT

- i. Required when there is a material change to the subdivision offering
- ii. Expiration date remains the same as the Public Report which is being amended

f. TIME TABLE TO PROCESS FILINGS THROUGH THE CALIFORNIA BUREAU OF REAL ESTATE:

Refer to our informational flyer “Foreclosure for Non-Judicial Timeline (CA)” for more information.

Information deemed reliable but not guaranteed.



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