

ARTICLE 20:14

APPRAISERS

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Source: 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005; 47 SDR 71, effective December 14, 2020.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

CHAPTER 20:14:05

QUALIFICATIONS FOR CERTIFICATION, LICENSURE, AND REGISTRATION

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- 20:14:05:21 Acceptable alternative appraisal experience.

20:14:05:01.02. Limited exemption for qualifications -- Military. ~~An applicant for state-licensed, state-certified residential, or state-certified general appraiser in the Reserve components of the U.S. Armed Forces, who was pursuing appraiser licensure or certification prior to December 1, 2011, and who was called to active duty between December 1, 2011, and December 31, 2014, may satisfy the qualifications required prior to July 1, 2014, for an additional time period after January 1, 2015. The extension of time is equal to the applicant's time of active duty, plus an additional 12 months.~~ Repealed.

Source: 41 SDR 217, effective June 29, 2015.

General Authority: ~~SDCL 36-21B-3(1)(6).~~

Law Implemented: ~~SDCL 36-21B-1, 36-21B-3(1)(6).~~

20:14:05:02. Examination. An applicant for a state-licensed, state-certified residential, or state-certified general appraiser credential must have completed the education and experience requirements prescribed in this chapter prior to approval to sit for an Appraiser Qualifications Board Approved Appraiser National Uniform Examination. An applicant for a state-registered appraiser credential shall have successfully completed the education prescribed in § 20:14:05:06.01 prior to approval to sit for an examination prescribed by the secretary.

~~An applicant for a state-certified general, state-certified residential, or state-licensed appraiser credential approved to take the National Uniform Appraiser Examination may take the examination no more than four times. If an applicant does not pass the examination on the fourth~~

~~attempt, the application is no longer valid. The applicant may file a new application after a period of six months from the date of the fourth failed exam.~~

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL ~~36-21B-3~~ 36-21B-3(5).

Law Implemented: SDCL ~~36-21B-3(5), 36-21B-4(3)~~ 36-21B-1, 36-21B-3(5).

Cross-References:

State-certified general appraiser education, §§ 20:14:05:08 and 20:14:05:08.01.

State-certified general appraiser experience, § 20:14:05:04.

State-certified residential appraiser education, §§ 20:14:05:07.01 and 20:14:05:07.02 ~~and 20:14:05:07.03~~.

State-certified residential appraiser experience, § 20:14:05:03.01.

State-licensed appraiser education, §§ 20:14:05:07 ~~and 20:14:05:07.01~~.

State-licensed appraiser experience, § 20:14:05:03.

~~State registered appraiser education, § 20:14:05:06.01.~~

20:14:05:05. Acceptable experience. ~~Acceptable appraisal experience includes experience in performing~~ The following are acceptable appraisal experience:

- (1) Appraisal;
- (2) Appraisal review;
- (3) Appraisal consulting; and

(4) Mass appraisal.

For a real estate lending officer or a real estate broker, ~~acceptable appraisal experience includes the actual performance of a real estate appraisal or~~ and a professional review of a real estate appraisal, ~~as determined by the secretary is~~ are acceptable as appraisal experience.

~~Case studies or practicum courses that are approved by the Appraiser Qualifications Board Course Approval Program or state appraiser regulatory agencies, and non-client appraisal experience, may be used to satisfy the appraisal experience requirement. Case studies, practicum courses, and non-client appraisal experience may not exceed 50 percent of the total experience requirement.~~

Source: 18 SDR 36, effective August 25, 1991; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 40 SDR 121, effective January 7, 2014; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(7)17).

Law Implemented: SDCL ~~36-21B-3(7)(17)~~ 36-21B-1, 36-21B-3(7)(17)

Note: An appraisals does not require a client to be accepted as an appraisal experience. A person gaining experience may perform an appraisal on property where the resulting appraisal report does not have a client who will use the report for any type of business purpose. (An The appraisal without a client is comparable to a “demonstration report” where the goal is to demonstrate competency.

Cross-References:

Registration of supervisory appraiser by state-registered appraiser, § 20:14:04:12.01.

Responsibilities of supervisory appraiser, § 20:14:04:17.

20:14:05:21. Acceptable alternative appraisal experience. Appraisal experience obtained through an alternative method, as described in this section, satisfies the experience requirement for state-licensed, state-certified residential, and state-certified general appraiser credentials.

Alternative methods of earning appraisal experience are:

(1) Practicum courses approved by the Appraiser Qualifications Board Course Approval Program or state appraiser regulatory agencies;

(2) Practical Applications of Real Estate Appraisal (PAREA) programs approved by the Appraiser Qualifications Board Course Approval Program as included in The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria, which is incorporated by this reference, or state appraiser regulatory agencies. Partial credit must not be granted for completing only a portion of a PAREA program. Experience credit must be granted upon verification of successful completion of an entire PAREA program for the state-licensed or state-certified residential appraiser credential, as applicable; or

(3) An experience training program administered in accordance with chapter 20:14:15.

Source:

General Authority: SDCL 36-21B-3(1)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(21).

Note: It is not required that a state-registered appraiser have a traditional client for an appraisal to qualify as acceptable appraisal experience, such as the appraiser being hired by a client for a business purpose.

Cross-references:

State-licensed appraiser experience, § 20:14:05:03.

State-certified residential appraiser experience, § 20:14:05:03.01.

State-certified general appraiser experience, § 20:14:05:04.

Reference: The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria, effective January 1, 2022, The Appraisal Foundation, Appraiser Qualifications Board. Copies may be obtained from The Appraisal Foundation, free of charge at https://appraisalfoundation.org/imis/TAF/Standards/Qualification_Criteria/Qualification_Criteria_RP_/TAF/AQB_RPAQC.aspx?hkey=5ec61b8d-751b-4a97-90b1-9b3dae51beea

CHAPTER 20:14:13

QUALIFYING AND CONTINUING EDUCATION

Section

20:14:13:01 Continuing education requirements.

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20:14:13:01.02 Continuing education -- Partial requirement.

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20:14:13:02. Acceptable continuing education course topics. ~~Credit may be granted~~

The department shall grant credit to an applicant for renewal for courses that cover real estate

topics related to appraisal and that maintain or increase ~~the~~ an appraiser's skill, knowledge, and competency in real property appraising, ~~such as~~ Acceptable real estate topics are those listed in this section or the equivalent as determined by the secretary:

- (1) Ad valorem taxation;
- (2) Arbitration, dispute resolution;
- (3) Courses related to practice of real estate appraisal or consulting;
- (4) Development cost estimating;
- (5) Ethics, standards of professional practice, and uniform standards;
- (6) Land use planning and zoning;
- (7) Real estate litigation, damages, and condemnation;
- (8) Management, leasing, and timesharing;
- (9) Property development and partial interest;
- (10) Real estate law, easements, and legal interest;
- (11) Real estate financing and investment;
- (12) Real estate appraisal-related computer applications;
- (13) Real estate securities and syndication;
- (14) Developing opinions of real property value in appraisals that also include personal property and/or business value;
- (15) Seller concessions and impact on value; ~~and~~
- (16) Energy efficient items and green building appraisals; and
- (17) Valuation bias, fair housing, or equal opportunity housing.

Source: 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:14, 20 SDR 6, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 38 SDR 214, effective June 21, 2012.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6), 36-21B-1.

20:14:13:05.01. Acceptable courses without state review. Education courses that have received approval by the Appraiser Qualifications Board of the Appraisal Foundation through the Appraiser Qualifications Course Approval Program or by ~~the~~ another state appraiser regulatory agency may be accepted by the secretary without additional state review.

Source: 25 SDR 123, effective April 8, 1999; 26 SDR 120, effective March 27, 2000; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 35 SDR 175, effective January 1, 2009.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)

20:14:13:05.02. Acceptable distance education courses. A An asynchronous distance education course is acceptable for qualifying or continuing education if:

(1) The course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor;

(2) Content approval is obtained from the Appraiser Qualifications Board, a state licensing jurisdiction, or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. Nonacademic credit college courses provided by a college must be approved by the Appraiser Qualifications Board or the state licensing jurisdiction; and

(3) Course delivery mechanism approval is obtained from one of the following sources:

(a) The Appraiser Qualifications Board;

(b) Appraiser Qualifications Board-approved Board-approved organizations providing approval of course design and delivery, such as The Appraisal Foundation or other independent approved entity; or

~~(b)~~(c) A college that qualifies for content approval in subdivision (2) that awards academic credit for the distance education course; or

~~(e)~~(d) A qualifying college for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

Source: 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6) 36-21B-1.

Cross-references: Definition of class hour, § 20:14:01:01(8)

20:14:13:05.03. Distance Asynchronous education -- Continuing education. Distance Asynchronous distance education courses intended for use as continuing education must include at least one of the following:

(1) A written examination proctored by an official approved by the college or university, or by the sponsoring organization. Remote proctoring, including bio-metric proctoring procedures, is acceptable; or

(2) Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.

For purposes of this section, the term, bio-metric proctoring means continually verifying the identity of a student through facial recognition, keystroke cadence consistency, or the observation of activity in a testing location.

Source: 32 SDR 109, effective December 27, 2005.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-3(6), 36-21B-1.

20:14:13:05.04. Distance education -- Qualifying education. Distance education courses intended for use as qualifying education must include a written, closed-book final examination. The examination must be proctored in-person or remotely by an official approved by the college or university, or by the sponsoring organization. Bio-metric proctoring, as defined in § 20:14:13:05.03, is an acceptable form of proctoring for purposes of this section.

Source: 34 SDR 67, effective September 11, 2007.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6).

20:14:13:05.05. Hybrid Courses. Hybrid courses are courses in which some students are virtual and some are live in the classroom. A hybrid course meets class hour requirements if each of its sessions meet the requirement for the delivery method employed:

_____ (1) The in-person course session meets the class hour time requirement and § 20:14:13:05;

_____ (2) The synchronous course session meets the class hour time requirement and § 20:14:13:05; or

_____ (3) The asynchronous course sessions meet the class hour time requirement and § 20:14:13:05 and this section.

Source:

_____ **General Authority:** SDCL 36-21B-3(6).

_____ **Law Implemented:** SDCL 36-21B-1.

CHAPTER 20:14:15

APPRAISER EXPERIENCE TRAINING PROGRAM

Section

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20:14:15:02 **Experience training program application.**

- 20:14:15:03 Ranking system for candidate selection.
- 20:14:15:04 Requirements to complete the experience portion of the program.
- 20:14:15:05 Partial experience credit not allowed.
- 20:14:15:06 Requirements to complete the education portion of the program.
- 20:14:15:07 Grounds for dismissal from experience training program.
- 20:14:15:08 Certificate of completion.
- 20:14:15:09 Lead and associate trainer requirements.
- 20:14:15:10 Agreement with department for other institutions to administer an experience training program.

20:14:15:01. Eligibility requirements. To be eligible to enroll in the appraiser experience training program, a candidate must have:

- (1) A state-registered appraiser credential;
- (2) Completed the educational requirements specified in § 20:14:05:06.01.

Source:

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-1B-1, 36-21B-3(6)(21).

20:14:15:02. Experience training program application. A candidate for the experience training program shall apply in writing on a form provided by the department or institution administering the program. The application must require the following candidate information:

(1) Name;

(2) Current business or home address, or both;

(3) Email address and telephone number;

(4) Driver's license number and state of issuance;

(5) Appraiser education completed;

(6) Type of appraiser credential pursued;

(7) Area of the state in which candidate intends to practice real estate appraisal;

(8) College-level education completed, if any; and

(9) A sworn declaration signed by the candidate.

Source:

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

20:14:15:03. Ranking system for candidate selection. The program administrator will shall review candidates for the experience training program according to the following point system:

(1) Resides in and intends to establish and maintain a real estate appraisal practice in a South Dakota county with a population of 10,000 or less, 35 points;

(2) Currently holds a state-registered appraiser credential, 20 points;

(3) Has completed the applicable education prescribed in § 20:14:15:01, 15 points;

(4) Understands the requirements, including tuition and travel, and ~~must~~ commits in writing to completing the program, 10 points;

(5) Holds a Bachelor's degree required for the state-certified general appraiser credential or has the college-level education required for the state-certified residential appraiser credential, as applicable for the desired appraiser credential, [Note: If the candidate desires a state-licensed appraiser credential, college level education is not required. The candidate will receive the allocated points in this category.] 10 points; and

(6) Possesses the required technology and equipment, 10 points.

The program administrator shall select candidates with the highest point score for the program.

Source:

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

20:14:15:04. Requirements to complete the experience portion of the program. A candidate for the experience training program must complete the hours and months experience required for each credential level as agreed to in a memorandum of understanding.

Source:

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

20:14:15:05. Partial experience credit not allowed. The program administrator may not grant a candidate partial experience for completing only a portion of an experience training program.

Source:

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

20:14:15:06. Requirements to complete the education portion of the program. A candidate for the experience training program must complete the Appraiser Qualification Board's required qualifying education for the desired credential as set forth in The Real Property Appraiser Qualifications Criteria and Interpretations of the Criteria, which is incorporated by reference. A candidate may obtain the required education while enrolled in the experience training program.

Source:

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

Reference: The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria, effective January 1, 2022, The Appraisal Foundation, Appraiser Qualifications Board. Copies may be obtained from The Appraisal Foundation, free of charge at https://appraisalfoundation.org/imis/TAF/Standards/Qualification_Criteria/Qualification_Criteria_RP_/TAF/AQB_RPAQC.aspx?hkey=5ec61b8d-751b-4a97-90b1-9b3dae51beea

20:14:15:07. Grounds for dismissal from experience training program. The department or institution administering experience training program may dismiss a candidate from the program for failure to:

- (1) Attend all in-person and virtual classroom hours of instruction;
- (2) Participate in all field work as prescribed by the lead trainer;
- (3) Complete all assignments for a required course as prescribed in the course syllabus; and

or

(4) Complete the Appraiser Qualification Board-required qualifying education for the desired credential in the timeframe set forth by the institution administering the program.

—It is not a failure to attend an in-person or virtual classroom hour of instruction under subdivision 1 if the absence is excused and the candidate ~~must review~~ reviews the applicable recorded classroom or virtual presentation for the missed hours.

It is not a failure to participate in scheduled field work under subdivision 2 if the absence is excused and the candidate completes the missed field work independently.

If a candidate is in noncompliance with the course requirements under this section, the lead trainer shall notify the student in writing detailing the candidate's noncompliance. The lead trainer

shall grant the student 30 days to correct the candidate's noncompliance to avoid dismissal from the experience training program.

Source:

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

20:14:15:08. Certificate of completion. The program administrator shall issue a certificate of completion to a candidate when the candidate successfully completes the requirements of the experience training program for the desired credential. The certificate must designate the specific appraiser credential that the candidate has achieved by completing the experience training program. The candidate may apply to the department for the specific appraiser credential designated in the certificate, which will be issued if the candidate has satisfied all requirements.

Source:

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

20:14:15:09. Lead and associate trainer requirements. To qualify as a lead ~~and~~ or associate trainer under the experience training program, an individual must:

(1) Have the knowledge and experience in the types of appraisal assignments being supervised pursuant to the competency rule of the uniform standards and § 20:14:09:02;

(2) Have a minimum of five years of appraisal experience as a state-certified residential or state-certified general appraiser;

(3) Have been in good standing, for a period of at least five years, in every jurisdiction in which the appraiser is certified;

(4) Have successfully completed, with the requirement of passing the course examination, an education program provided by the department as specified in subdivision 20:14:04:14(4); and

(5) Submit to a state and federal criminal background investigation.

Source:

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

Cross-reference:

Uniform Standards of Professional Appraisal Practice, § 20:14:06:01.

Supervisory appraiser credential, §§ 20:14:04:13 and 20:14:04:14.

20:14:15:10. Agreement with department for institutions to administer an experience training program. Any institution seeking to administer an experience training program must enter into a memorandum of understanding with the department that ensures the institution is administering the experience training program in compliance with this chapter.

Source:

General Authority: SDCL 36-21B-3(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(21).

20:77:01:05. Definitions. Terms used in this article mean:

(1) "AMC National Registry," the registry of state-registered appraisal management companies and federally regulated appraisal management companies maintained by the Appraisal Subcommittee;

(2) "Appraisal Subcommittee," the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(3) "Appraiser," a person who has been issued by the ~~Department of Labor and Regulation~~ department a state-certified general, state-certified residential, state-licensed, or state-registered appraiser credential to perform appraisals;

(4) "Appraiser panel," a network, list, or roster of licensed or certified appraisers approved by an appraisal management company to perform appraisals as independent contractors for the appraisal management company. Appraisers on an appraisal management company's appraiser panel under this article include the following:

(a) Appraisers accepted by the appraisal management company for consideration for future appraisal assignments in covered transactions and for secondary mortgage market participants in connection with covered transactions; and

(b) Appraisers engaged by the appraisal management company to perform one or more appraisals in covered transactions or for secondary mortgage market participants in connection with covered transactions.

An appraiser is an independent contractor for purposes of this article if considered an independent contractor by the appraisal management company for federal income tax purposes

(5) "Certificate of Registration," the certificate verifying the registration of any person or entity approved as an appraisal management company by the State of South Dakota;

(6) "Covered transaction," any consumer credit transaction secured by the consumer's principal dwelling;

(7) "Department," the Department of Labor and Regulation;

(8) "Federally regulated appraisal management company," an appraisal management company that is owned and controlled by an insured depository institution, as defined in 12 U.S.C. § 1813 as amended to July 21, 2010 and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation;

(9) "Federally related transaction regulations," regulations established by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration, pursuant to sections 1112, 1113, and 1114 of FIREA Title XI, 12 U.S.C. §§ 3341-3343 as amended to July 21, 2010;

(10) "Financial institutions," institutions regulated by the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, and National Credit Union Administration;

(11) "FIRREA," the Financial Institution Reform Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 (1989), 12 U.S.C. § 3310, et seq as amended to July 21, 2010;

(12) "Real estate," as defined in SDCL 36-21A-11;

(13) "Secondary mortgage market participant," a guarantor or insurer of mortgage-backed securities, or an underwriter or issuer of mortgage-backed securities. Secondary mortgage market participant only includes an individual investor in a mortgage-backed security if that investor also serves in the capacity of a guarantor, insurer, underwriter, or issuer for the mortgage-backed security;

(14) "Secretary," the secretary of the ~~Department of Labor and Regulation~~ department;

(15) "Substantive cause," a reason for imposing discipline against an appraiser that is described in § 20:77:07:03 or substantially similar provision in the jurisdiction that imposed the discipline;

(16) "TILA," ~~means~~ Truth in Lending Act of 1968 (15 U.S.C. § 1631 et seq) as amended to May 24, 2018 and any amendments thereto;

~~(16)~~(17) "Uniform Standards," Uniform Standards of Professional Appraisal Practice as incorporated in § 20:14:06:01.

Source: 38 SDR 40, effective September 20, 2011; 45 SDR 45, effective October 8, 2018.

General Authority: SDCL 36-21D-4(2).

Law Implemented: SDCL 36-21D-1, 36-21D-4(2).

20:77:03:01. Application for registration. An appraisal management company desiring to provide appraisal management services in South Dakota shall apply in writing for a certificate

of registration on a form approved by the secretary. An application is valid for 90 days. The secretary may extend the time for an application upon the written request of the applicant or to allow the applicant reasonable time to comply with the department's request for information or records. The registration fee prescribed in § 20:77:04:01 ~~shall~~ must accompany the application form. The application form ~~shall~~ must contain the following:

- (1) Legal name and any trade or business name of the appraisal management company;
- (2) Business contact information;
- (3) Name and contact information of the designated officer and all other controlling persons;
- (4) Name and contact information for any owner who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, revoked in any state for substantive cause;
- (5) Name and contact information for any person who owns more than ten percent of the appraisal management company;
- (6) A signed irrevocable Uniform Consent to Service of Process;
- ~~(5)~~(7) Name and contact information of each individual authorized by the appraisal management company to contract with clients or independent appraisers for performance of appraisals; and
- ~~(6)~~(8) A sworn declaration signed by the applicant.

Contact information includes, but is not limited to: ~~Mailing~~mailing and physical address, telephone and facsimile number, email, and website address.

Source: 38 SDR 40, effective September 20, 2011; 45 SDR 45, effective October 8, 2018; 46 SDR 29, effective September 9, 2019.

General Authority: SDCL 36-21D-4(1)(4).

Law Implemented: SDCL 36-21D-1, 36-21D-4(1)(4).

CHAPTER 20:77:07

COMPLAINTS, INVESTIGATIONS, AND DISCIPLINE

Section

20:77:07:01	Complaints and investigations.
20:77:07:02	Disciplinary actions.
20:77:07:03	Grounds for disciplinary action.
<u>20:77:07:04</u>	<u>Reporting of discipline.</u>

20:77:07:03. Grounds for disciplinary action. The following acts and omissions are grounds for disciplinary action:

(1) Prohibiting an appraiser from reporting the fee paid to the appraiser in the body of the appraisal report;

(2) Using an appraisal report submitted by an independent appraiser, or any data or information contained therein, for any purpose other than its intended use without the appraiser's

or the intended end user's written consent, except as necessary to comply with regulatory mandates or legal requirements;

(3) Failing to meet the requirements for registration established pursuant to this article;

(4) Procuring or attempting to procure registration under this article by knowingly making a false statement, submitting false information, or making a material misrepresentation in an application filed with the department or procuring or attempting to procure a registration through fraud or misrepresentation;

(5) Paying money or other valuable consideration other than the fees provided for by this article to any employee of the department to procure a registration;

(6) Any act which constitutes dishonesty, fraud, or misrepresentation;

(7) ~~An~~ Any owner who ~~is, in whole or in part, directly or indirectly~~ owns more than ten percent of the appraisal management company, a designated officer, or a controlling person having: pled guilty or nolo contendere to or being found guilty of a felony; pled guilty or nolo contendere to or being convicted of a misdemeanor involving mortgage lending or real estate appraising; or having committed an offense involving breach of trust, moral turpitude, fraudulent or dishonest dealings;

(8) An owner who is, in whole or in part, directly or indirectly, a designated officer or a controlling person, and who is credentialed as an appraiser in this state or another state or jurisdiction, who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, revoked in any state for substantive cause;

(9) Having disciplinary action of the designated officer or a controlling person by any agency of the State of South Dakota or another state or jurisdiction;

(10) Being permanently or temporarily prohibited by a court of competent jurisdiction from engaging in or continuing to conduct any practice involving appraisal management services or operating an appraisal management company;

(11) Violating any provision of this article or SDCL chapter 36-21D;

(12) Being disciplined with suspension, denial, censure, reprimand, or revocation of a registration by another state or jurisdiction;

(13) Submitting fraudulent documents to another state or jurisdiction to become registered;

(14) Being disciplined by any agency of the federal government, State of South Dakota, or another state or jurisdiction;

(15) Failing to comply with a final order of the secretary;

(16) Voluntary surrender of a registration in lieu of other disciplinary action by another state or jurisdiction;

(17) Altering, modifying, or otherwise changing a completed requested appraisal report without written consent from the utilized appraiser who prepared the appraisal report;

(18) Failing to establish and comply with processes and controls reasonably designed to ensure that the appraisal management company conducts its appraisal management services in accordance with the requirements of subsections 129E(a) through (i) of the Truth in Lending Act (TILA), 15 U.S.C. §§ 1639e(a) through (i) as amended to May 24, 2018, and regulations thereunder and 12 C.F.R. Part 226 (October 28, 2010);

(19) Having an investigation or disciplinary action of an appraisal management company, the designated officer, or a controlling person by the department or another state pending in this state or another state;

(20) Failing to comply with a final order of the secretary;

(21) Having any owner, designated officer or controlling person fail to demonstrate good moral character; or

(22) Failing to register as an appraisal management company as required to perform appraisal management services.

Source: 38 SDR 40, effective September 20, 2011; 45 SDR 45, effective October 8, 2018.

General Authority: SDCL 36-21D-4(7)

Law Implemented: SDCL 36-21D-1, 36-21D-4(7), 36-21D-10.

20:77:07:04. Reporting of discipline. Disciplinary action taken under this chapter must be reported by the secretary to the Appraisal Subcommittee's AMC National Registry within five days after final disposition.

Source:

General Authority: SDCL 36-21D-4(7)

Law Implemented: SDCL 36-21D-1, 36-21D-4(7).