

ARTICLE 20:14

APPRAISERS

Chapter

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20:14:01:01. Definitions. As used in this article:

(1) "Appraisal" means the act or process of developing an opinion of value of real estate for another and for compensation;

(2) "Appraisal Foundation" means the Appraisal Foundation established on November 30, 1987, as a not-for-profit corporation under the laws of Illinois;

(3) "Appraiser Qualifications Board" means the independent board of the Appraisal Foundation which sets the qualification standards for appraisers;

(4) "Appraisal Standards Board" means the independent board of the Appraisal Foundation which sets the appraisal standards for appraisers;

(5) "Appraisal Subcommittee" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(6) "Appraiser" means a person who has been issued by the department a state-certified general, state-certified residential, state-licensed, NFRT license, or state-registered appraiser credential to perform appraisals;

(7) "Credential" means the certificate, license, or registration issued to a successful applicant for state-certified general appraiser, state-certified residential appraiser, state-licensed appraiser, or state-registered appraiser, as applicable;

(8) "Class hour" means 50 minutes out of each 60-minute segment;

(9) "Complex nonresidential property" means the nonresidential property to be appraised, the form of ownership, or market conditions are atypical;

(10) "Complex one- to four-family residential property" means the residential property to be appraised, the form of ownership, or market conditions are atypical, as described in § 20:14:04:09;

(11) "Department" means the Department of Labor and Regulation;

(12) "Distance education" means any education process based on the geographical separation of student and instructor;

(13) "Evaluation" means a valuation of real estate prepared for a federally insured depository institution for a transaction that, pursuant to regulations promulgated by one or more federal financial institution regulatory agencies, qualifies for the appraisal threshold exemption, business loan exemption, or subsequent transaction exemption;

(14) "Fed" means the Board of Governors of the Federal Reserve System;

(15) "Federal financial institutions regulatory agencies" means any of the following, as applicable: the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or the National Credit Union Administration;

(16) "FDIC" means the Federal Deposit Insurance Corporation;

(17) "Financial institutions" means institutions regulated by the FDIC, OCC, Fed, and National Credit Union Administration;

(18) "FIRREA" means the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, Pub. L. No. 101-73 (August 9, 1989), 103 Stat. 183, 12 U.S.C. §§ 3311, 3310 through 3351;

(19) "Guidelines" means the Interagency Appraisal and Evaluation Guidelines that were issued by the federal financial institutions regulatory agencies and the Office of Thrift Supervision on December 2, 2010;

(20) "NFRT-license" means an individual who has satisfied the requirements for certification as a real estate appraiser as prescribed by this article;

~~(20)~~(21) "OCC" means the Office of the Comptroller of the Currency, Treasury Department;

~~(21)~~(22) "Real estate" means as defined in SDCL [36-21A-11](#);

~~(22)~~(23) "Secretary" means the secretary of the department;

~~(23)~~(24) "State-certified general appraiser" means an individual who has satisfied the requirements for the highest level of certification as a real estate appraiser as prescribed in this article;

~~(24)~~(25) "State-certified residential appraiser" means an individual who has satisfied the requirements for the highest level of residential certification as a real estate appraiser as prescribed in this article;

~~(25)~~(26) "State-licensed appraiser" means an individual who has satisfied the requirements for mid-level licensure as a real estate appraiser as prescribed in this article;

~~(26)~~(27) "State-registered appraiser" means an individual who has satisfied the requirements for entry-level registration as a real estate appraiser as prescribed in this article;

~~(27)~~(28) "Tract development" means a project of five units or more that is constructed or is to be constructed as a single development;

~~(28)~~(29) "Uniform standards" means Uniform Standards of Professional Appraisal Practice, as incorporated in § 20:14:06:01; and

~~(29)~~(30) "Written examination" means an exam written on paper, or administered electronically on a computer workstation or other device.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 25 SDR 123, effective April 8, 1999; 26 SDR 120, effective March 27, 2000; 27 SDR 99, effective April 8, 2001; 30 SDR 58, effective November 5, 2003; 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; 46 SDR 75, effective December 4, 2019; 47 SDR 71, effective December 14, 2020.

General Authority: SDCL 36-21B-3(2).

Law Implemented: SDCL 1-47-14, 36-21B-1, 36-21B-3(2).

Reference: Interagency Appraisal and Evaluation Guidelines, adopted December 2, 2010, Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the National Credit Union Administration (NCUA). Copies may be obtained free of charge from <https://www.fdic.gov/news/financial-institution-letters/2010/fil10082a.pdf>.

20:14:02:01. Roster of appraisers. The secretary shall prepare and issue at least once each calendar year a roster showing the name and place of business of each real estate appraiser currently holding a valid state-certified general appraiser, state-certified residential appraiser, NFRT-license, or state-licensed appraiser credential issued under the provisions of this article. The secretary shall transmit the roster to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council annually.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 22 SDR 91, effective January 1, 1996; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(15).

Note: A copy of the roster is available to the public at no charge upon written request to the secretary.

20:14:02:03. Use of titles in advertising. A credential holder advertising through any media may be identified as a state-certified general appraiser, state-certified residential appraiser, state-licensed appraiser, NFRT-license, or state-registered appraiser by listing the appropriate classification title as displayed on the credential issued by the department. For purposes of this section, the term, media, includes newspapers, magazines, business cards, Internet, and directories, including any listing in a telephone directory. No advertising may be misleading in characterizing the credential possessed by the appraiser.

Source: 23 SDR 113, effective January 12, 1997; 30 SDR 115, effective February 2, 2004; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(14).

CHAPTER 20:14:04

TRANSACTIONS REQUIRING QUALIFIED APPRAISERS

Section

- 20:14:04:01 Federally related transactions.
- 20:14:04:02 Real estate-related transactions.
- 20:14:04:03 Transaction value.
- 20:14:04:04 Appraisal not required.
- 20:14:04:05 Threshold levels.
- 20:14:04:06 Appraisal by state-certified general appraiser.
- 20:14:04:06.01 Appraisal by state-certified residential appraiser.
- 20:14:04:07 Appraisal by state-licensed appraiser.
- 20:14:04:07.01 Appraisal by NFRT-licensed appraiser.
- 20:14:04:08 Presumption that one- to four-family residential properties are not complex.
- 20:14:04:09 Final determination of complexity.
- 20:14:04:10 Appraisal by either a state-certified general, state-certified residential, or state-licensed appraiser.
- 20:14:04:11 Appraisal by state-registered appraiser.
- 20:14:04:12 Assistance by state-registered appraiser in preparation of appraisal reports.
- 20:14:04:12.01 Registration of supervisory appraiser by state-registered appraiser.
- 20:14:04:12.02 Responsibility of a state-registered appraiser.
- 20:14:04:13 Supervisory appraiser.
- 20:14:04:14 Requirements of a supervisory appraiser.
- 20:14:04:15 Application for supervisory appraiser approval.

20:14:04:16 Supervisory appraiser approval renewal.

20:14:04:16.01 Supervisory appraiser late renewal.

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

20:14:04:07.01. Appraisal by NFRT-licensed appraiser. An NFRT licensed appraiser may perform any real estate appraisals except appraisals requiring a state-certified general, state-certified residential, or state-licensed or when the appraisal is for use in federally related transactions.

All appraisals performed by a NFRT-licensed appraiser shall contain a statement that the appraiser the appraisal is not eligible for use in federally related transactions.

Source:

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

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

20:14:04:09. Final determination of complexity. The regulated institution shall make the final determination as to the complexity of the appraisal. If during the course of the appraisal a state-licensed or NFRT-licensed appraiser identifies factors that would cause the property, form of ownership, the property characteristics or market conditions to be atypical, then either the regulated institution may ask the state-licensed or NFRT-licensed appraiser to complete the appraisal and have a state-certified general appraiser or state-certified residential appraiser

approve and cosign the appraisal or the institution may engage a state-certified general appraiser or state-certified residential appraiser to complete the appraisal.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 17, 1997; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3.

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

20:14:04:11. Appraisal by state-registered appraiser. A state-registered appraiser may perform ~~noncomplex property appraisals as specified in § 20:14:04:04~~ any appraisal the supervisory appraiser is qualified to perform, provided the state-registered is supervised as required by § 20:14:04:17, and assist in the preparation of appraisals as prescribed in § 20:14:04:12. A state-registered appraiser is bound by the competency rule in the uniform standards and § 20:14:09:02.

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).

20:14:04:15. Application for supervisory appraiser approval. Any person who desires to supervise a state-registered appraiser under this article must apply in writing for approval as a supervisory appraiser on a form provided by the secretary. The nonrefundable application fee prescribed in § 20:14:10:01 must accompany the application form. The application, at a minimum, shall contain the following:

- (1) Name;
- (2) Driver's license number;
- (3) Social security number;
- (4) Home and business addresses;
- (5) Home and business telephone numbers;
- (6) Business name where employed;
- (7) Area of geographic competency;
- (8) Certification of competency in one or more of the following specific appraisal

assignments:

- (a) Residential:
 - (i) One-to four family;
- (b) Nonresidential:
 - (i) Commercial;
 - (ii) Industrial;
 - (iii) Agricultural; and
 - (iv) Multifamily;

(9) Email address; and

(10) Name and contact information of any state-registered appraiser being supervised.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 42 SDR 98, effective January 5, 2016; 46 SDR 29, effective September 9, 2019.

General Authority: SDCL 36-21B-3.

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

20:14:04:16. Supervisory appraiser approval renewal. To renew any current supervisory appraiser approval, the holder of the approval shall, between July 2 through August 16, file an application on a form provided by the secretary and pay the renewal fee prescribed in § 20:14:10:02. ~~The fee shall be paid to the secretary not more than 90 days and not less than 45 days before the expiration date of the supervisory appraiser approval.~~

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL ~~36-21B-3~~ 36-21B-3(4)(9).

Law Implemented: SDCL 36-21B-1, ~~36-21B-3(4)(9)~~, 36-21B-4(2).

20:14:04:17. Responsibilities of the supervisory appraiser. The supervisory appraiser for a state-registered appraiser is responsible for:

- (1) Training, guidance, and direct supervision of the state-registered appraiser;
- (2) Mentoring of the state-registered appraiser;
- (3) Personally inspecting:

~~(a) A minimum of 25 residential subject properties with the state-registered appraiser if the state-registered appraiser is seeking the state-licensed or state-certified residential appraiser credential. If the state-registered appraiser seeking the state-licensed or state-certified residential appraiser credential includes the appraisal of nonresidential properties, the supervisory appraiser shall personally inspect all nonresidential subject properties up to 15 properties with the state-registered appraiser; or~~

~~———— (b) A minimum of 15 nonresidential subject properties with the state-registered appraiser if the state-registered appraiser is seeking the state-certified general appraiser credential. If the state-registered appraiser seeking the state-certified general appraiser credential includes the appraisal of residential properties the supervisory appraiser shall personally inspect all residential subject properties up to 25 properties with the state-registered appraiser.~~

~~———— If the minimum personal inspections by the supervisory appraiser have been met and the state-registered appraiser does not demonstrate competence in the appraisal work as required in § 20:14:09:02, the supervisory appraiser shall continue the personal inspections until competence is demonstrated.~~

~~———— If a state-registered appraiser has more than one supervisory appraiser, all of the personal inspections of each of the supervisory appraisers may be totaled to meet the minimum personal inspections required by this subdivision each appraised property with the state-registered appraiser until the supervisory appraiser determines the state-registered appraiser is competent to inspect the property, in accordance with the competency rule of the uniform standards for the property type;~~

(4) Reviewing the state-registered appraiser's appraisal report to ensure adequately conducted research of general and specific data, proper application of appraisal principles and

methodologies, sound analysis, and adequately developed analysis, opinions, or conclusions so that the appraisal report is not misleading;

(5) Reviewing the state-registered appraiser's work product and discussing any edits, corrections, or modifications that need to be made to that work product for compliance with the uniform standards as incorporated in § 20:14:06:01;

(6) Accepting full responsibility for the appraisal report by signing the certification certifying that the appraisal report has been prepared in compliance with the uniform standards as incorporated in § 20:14:06:01;

(7) Signing the state-registered appraiser's appraisal log ~~as applicable~~ referenced in § 20:14:05:05.01; and,

(8) Jointly maintaining an appraisal log with each state-registered appraiser on a form provided by the secretary that includes each appraisal performed by the state-registered appraiser to ensure it is accurate. Separate appraisal logs must be maintained for each state-registered appraiser.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL ~~36-21B-3~~ 36-21B-3(3)(16)(17).

Law Implemented: SDCL 36-21B-1, ~~36-21B-3(3)(16)(17)~~.

CHAPTER 20:14:05

QUALIFICATIONS FOR CERTIFICATION, LICENSURE, AND REGISTRATION

Section

- 20:14:05:01 Qualifications.
- 20:14:05:01.01 Qualifications for certified or licensed appraisers that move to the state.
- 20:14:05:01.02 ~~Limited exemption for qualifications—Military~~ Repealed.
- 20:14:05:02 Examination.
- 20:14:05:02.00 Examination approval -- Time limit.
- 20:14:05:02.01 Experience requirements for state-registered appraiser.
- 20:14:05:02.02 Experience requirements for NFRT-licensed appraiser.
- 20:14:05:03 Experience requirements for state-licensed appraiser.
- 20:14:05:03.01 Experience requirements for state-certified residential appraiser.
- 20:14:05:04 Experience requirements for state-certified general appraiser.
- 20:14:05:05 Acceptable experience.
- 20:14:05:05.01 Experience -- Review of appraisals by secretary.
- 20:14:05:05.02 Experience -- Documentation requirements.
- 20:14:05:05.03 Experience -- Time spent on the appraisal process.
- 20:14:05:05.04 Experience -- Time limit.
- 20:14:05:05.05 Experience -- Review of appraisals by secretary midway to upgrade.
- 20:14:05:06 Experience -- Verification.
- 20:14:05:06.01 Educational requirements for state-registered ~~appraiser~~ and NFRT-licensed appraisers.

- 20:14:05:06.02 Education program for state-registered appraiser.
- 20:14:05:07 Educational requirements for state-licensed appraiser -- Appraiser education.
- 20:14:05:07.01 Educational requirements for state-certified residential appraiser -- Appraiser education.
- 20:14:05:07.02 Educational requirements for state-certified residential appraiser -- General education.
- 20:14:05:07.03 Repealed.
- 20:14:05:07.04 Alternative to general education requirements of the state-certified residential appraiser credential for state-licensed appraiser.
- 20:14:05:08 Educational requirements for state-certified general appraiser -- Appraiser education.
- 20:14:05:08.01 Educational requirements for state-certified general appraiser -- General education.
- 20:14:05:08.02 Education -- Real estate degree.
- 20:14:05:09 Repealed.
- 20:14:05:10 Transferred.
- 20:14:05:11 Education -- Time limit.
- 20:14:05:12 Repealed.
- 20:14:05:12.01 Substitution of education.
- 20:14:05:13 Transferred.
- 20:14:05:14 Transferred.
- 20:14:05:15 Transferred.
- 20:14:05:16 Transferred.

20:14:05:17 Transferred.
20:14:05:18 Repealed.
20:14:05:19 Upgrade of credential.
20:14:05:20 Repealed.
20:14:05:21 Acceptable alternative appraisal experience.

20:14:05:01. Qualifications. To qualify as a an NFRT-licensed, state-registered, state-licensed, state-certified residential, or state-certified general appraiser, an applicant must meet the applicable examination, education, and experience requirements prescribed in this article. After being certified, licensed, or registered, an individual must meet the continuing education requirement in §20:14:13:01.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(5)(6)(7).

20:14:05:01.01. Qualifications for certified or licensed appraisers that move to the state. If a an NFRT-licensed, state-certified general, state-certified residential, or state-licensed appraiser moves to the state and holds a valid credential in good standing and issued by the

appraiser's home state or any other jurisdiction, the secretary may issue an equivalent credential to the appraiser if the appraiser complies with the following requirements:

- (1) Submits an application on a form provided by the secretary;
- (2) Certifies that the applicant is licensed or certified to appraise real estate in the applicant's home state or any other jurisdiction;
- (3) Certifies that disciplinary proceedings are not pending against the applicant in the applicant's home state or any other jurisdiction;
- (4) Provides a signed sworn declaration; and
- (5) Pays the application fee prescribed in § 20:14:10:01.

Source: 34 SDR 67, effective September 11, 2007; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 46 SDR 29, effective September 9, 2019.

General Authority: SDCL 36-21B-3(1)(4).

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

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~~ an NFRT-licensed 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.

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.~~

20:14:05:02.00. Examination approval -- Time limit. An applicant for a state-certified general, state-certified residential, or state-licensed appraiser credential approved to take the National Uniform Appraiser Examination, or an applicant for ~~a state-registered~~ an NFRT-licensed appraiser credential approved to complete the examination prescribed by the secretary, shall successfully complete the examination within 24 months from the date of approval. If the applicant does not successfully complete the examination within the time limit under this section, the applicant may apply pursuant to § 20:14:03:01 and pay the application fee prescribed in § 20:14:10:01. The examination is valid for a period of 24 months from the date of successful completion.

Source: 26 SDR 120, effective March 27, 2000; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019.

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

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

20:14:05:02.02. Experience requirements for NFRT-licensed appraiser. An applicant for NFRT-licensed appraiser credential is not required to have any appraisal experience. After being issued a credential by the department an NFRT-licensed appraiser may accumulate experience when the appraiser begins work on any appraisal that includes experience hours that will qualify as acceptable appraisal experience in accordance with § 20:14:05:05.

Source:

General Authority: SDCL 36-21B-3.

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

Note: An NFRT-licensed appraiser may use experience obtained under this credential to upgrade the credential in accordance with the rules for a particular credential. An NFRT-licensed appraiser should maintain a log of appraisals to support documentation required for upgrading a credential.

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;
- (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 acceptable 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-Non client appraisal experience may not exceed 50 percent of the total experience requirement for state-registered appraisers under a supervisory appraiser.~~

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).

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

Note: Appraisals do not require a client. 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. The appraisal 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.

20:14:05:06.01. Educational requirements for state-registered appraiser and NFRT-licensed appraisers. An applicant for a state-registered or NFRT-licensed

appraiser credential shall have completed 75 creditable class hours of approved qualifying education completed within the five-year period prior to the date of the application, which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board required core curriculum as follows:

- (1) Basic appraisal principles -- 30 hours;
- (2) Basic appraisal procedures -- 30 hours; and
- (3) Fifteen hour qualifying course that covers the uniform standards as adopted in

§ 20:14:06:01.

Source: 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 38 SDR 116, effective January 10, 2012; 38 SDR 214, adopted June 21, 2012, effective January 1, 2015; 44 SDR 27, effective August 14, 2017.

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

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

20:14:05:07. Educational requirements for state-licensed appraiser -- Appraiser

education. The following educational requirements apply to state-licensed appraisers:

(1) An applicant for examination as a state-licensed appraiser credential shall complete the 150 creditable class hours of approved qualifying education specified in paragraphs (1)(a) through (1)(g), which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board's required core curriculum as follows:

- (a) Basic appraisal principles -- 30 hours;
- (b) Basic appraisal procedures -- 30 hours;
- (c) 15-hour qualifying course that covers the uniform standards as adopted in

§ 20:14:06:01;

- (d) Residential market analysis and highest and best use -- 15 hours;
- (e) Residential appraiser site valuation and cost approach -- 15 hours;
- (f) Residential sales comparison and income approaches -- 30 hours; and
- (g) Residential report writing and case studies -- 15 hours.

(2) A state-registered or NFRT-licensed appraiser shall satisfy the educational requirements for the state-licensed appraiser classification by completing the following additional educational hours specified in paragraphs (2)(a) through (2)(d):

- (a) Residential market analysis and highest and best use -- 15 hours;
- (b) Residential appraiser site valuation and cost approach -- 15 hours;
- (c) Residential sales comparison and income approaches -- 30 hours; and

(d) Residential report writing and case studies -- 15 hours.

(3) A state-registered or NFRT-licensed appraiser may satisfy the educational requirements for the state-licensed appraiser classification by completing the following additional educational hours specified in paragraphs (3)(a) through (3)(e) if the state-registered appraiser is seeking the state-certified general appraiser credential and the experience includes nonresidential appraisal work:

(a) General market analysis and highest and best use -- 30 hours;

(b) General sales comparison approach -- 30 hours;

(c) General income approach -- 60 hours;

(d) General site valuation and cost approach -- 30 hours; and

(e) General report writing and case studies -- 30 hours.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 33 SDR 2, adopted June 29, 2006, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017; 47 SDR 71, effective December 14, 2020.

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

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

Cross-References:

Requirement for qualifying education credit, § 20:14:13:03.01.

Application for course approval, § 20:14:13:07.

20:14:05:07.01. Educational requirements for state-certified residential appraiser --

Appraiser education. An applicant for examination as a state-certified residential appraiser credential shall have completed 200 creditable class hours of approved qualifying education which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board-required core curriculum as follows:

- (1) Basic appraisal principles -- 30 hours;
- (2) Basic appraisal procedures -- 30 hours;
- (3) Fifteen-hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01;
- (4) Residential market analysis and highest and best use -- 15 hours;
- (5) Residential appraiser site valuation and cost approach -- 15 hours;
- (6) Residential sales comparison and income approaches -- 30 hours;
- (7) Residential report writing and case studies -- 15 hours;
- (8) Statistics, modeling, and finance -- 15 hours;
- (9) Advanced residential applications and case studies -- 15 hours;
- (10) Appraisal subject matter electives -- 20 hours.

A state-registered or NFRT-licensed appraiser may satisfy the appraiser educational requirements for the state-certified residential appraiser credential by completing the following additional educational hours:

- (1) Residential market analysis and highest and best use -- 15 hours;
- (2) Residential appraiser site valuation and cost approach -- 15 hours;
- (3) Residential sales comparison and income approaches -- 30 hours;
- (4) Residential report writing and case studies -- 15 hours;
- (5) Statistics, modeling, and finance -- 15 hours;
- (6) Advanced residential applications and case studies -- 15 hours; and
- (7) Appraisal subject matter electives -- 20 hours.

A state-licensed appraiser may satisfy the appraiser educational requirements for the state-certified residential appraiser credential by completing the following additional educational hours:

- (1) Statistics, modeling, and finance -- 15 hours;
- (2) Advanced residential applications and case studies -- 15 hours; and
- (3) Appraisal subject matter electives -- 20 hours.

Source: 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

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

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

Cross-References: Requirement for qualifying education credit, § 20:14:13:03.01; Application for course approval, § 20:14:13:07.

20:14:05:08. Educational requirements for state-certified general appraiser --

Appraiser education. An applicant for examination as state-certified general appraiser credential must have completed 300 creditable class hours of approved qualifying education, which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board-required core curriculum as follows:

(1) Basic appraisal principles -- 30 hours;

(2) Basic appraisal procedures -- 30 hours;

(3) Fifteen-hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01;

(4) General appraiser market analysis and highest and best use -- 30 hours;

(5) Statistics, modeling, and finance -- 15 hours;

(6) General appraiser sales comparison approach -- 30 hours;

(7) General appraiser site valuation and cost approach -- 30 hours;

(8) General appraiser income approach -- 60 hours;

(9) General appraiser report writing and case studies -- 30 hours;

(10) Appraisal subject matter electives -- 30 hours.

An applicant shall demonstrate that the applicant's education includes the core courses listed in these criteria, with particular emphasis on nonresidential properties, which are properties other than one- to four-family residential properties.

A state-registered or NFRT-licensed appraiser may satisfy the appraiser educational requirements for the state-certified general appraiser credential by completing the following additional educational hours:

- (1) General appraiser market analysis and highest and best use -- 30 hours;
- (2) Statistics, modeling, and finance -- 15 hours;
- (3) General appraiser sales comparison approach -- 30 hours;
- (4) General appraiser site valuation and cost approach -- 30 hours;
- (5) General appraiser income approach -- 60 hours;
- (6) General appraiser report writing and case studies -- 30 hours; and
- (7) Appraisal subject matter electives -- 30 hours.

A state-licensed appraiser may satisfy the appraiser educational requirements for the state-certified general appraiser credential by completing the following additional educational hours;

- (1) General appraiser market analysis and highest and best use -- 15 hours;
- (2) Statistics, modeling, and finance -- 15 hours;
- (3) General appraiser sales comparison approach -- 15 hours;
- (4) General appraiser site valuation and cost approach -- 15 hours;
- (5) General appraiser income approach -- 45 hours;
- (6) General appraiser report writing and case studies -- 15 hours; and
- (7) Appraisal subject matter electives -- 30 hours.

A state-certified residential appraiser may satisfy the appraiser education requirements for the state-certified general appraiser credential by completing the following additional educational hours:

- (1) General appraiser market analysis and highest and best use -- 15 hours;
- (2) General appraiser sales comparison approach -- 15 hours;
- (3) General appraiser site valuation and cost approach -- 15 hours;
- (4) General appraiser income approach -- 45 hours; and

(5) General appraiser report writing and case studies -- 10 hours.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 33 SDR 2, adopted June 29, 2006, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

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

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

Cross-References:

Requirement for qualifying education credit, § 20:14:13:03.01.

Application for course approval, § 20:14:13:07.

20:14:05:19. Upgrade of credential. To qualify to upgrade a credential, an NFRT-licensed, a state-registered, state-certified residential, or state-licensed appraiser must do the following:

- (1) Submit an application as prescribed in § 20:14:03:01;
 - (2) Submit an appraisal log for review as prescribed in § 20:14:05:05.01;
 - (3) Meet the minimum qualifications for certification or licensure in this chapter; and
- (1) Pay the fees in §§ 20:14:10:01 and 20:14:10:05.

Source: 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(4)(7), 36-21B-4.

20:14:05:21. Acceptable alternative appraisal experience. Appraisal experience obtained through an alternative method other than through the supervisory appraiser and state-registered appraiser experience model may satisfy the experience requirement for state-licensed, state-certified residential, and state-certified general appraiser credentials. Alternate methods of earning appraisal experience:

(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 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; and

(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.

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](https://appraisalfoundation.org/imis/TAF/Standards/Qualification%20Criteria/Qualification%20Criteria%20RP/_TAF/AQB_RPAQC.aspx?hkey=5ec61b8d-751b-4a97-90b1-9b3dae51beea)

20:14:09:01. Professional association membership as basis for exclusion prohibited. A An NFRT-licensed, state-certified general, state-certified residential, state-licensed, or state-registered appraiser may not be excluded from consideration for an assignment solely by virtue of membership or lack of membership in any particular appraisal organization. Consideration may include education achieved, experience, sample appraisals, and references from prior clients.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(16).

20:14:09:02. Competence. All staff and fee appraisers performing real estate appraisals must be state-certified general, state-certified residential, state-licensed, NFRT-licensed, or state-registered as applicable. However, a state-certified general, state-certified residential, state-licensed, NFRT-licensed, or state-registered appraiser may not be considered competent solely by virtue of being certified, licensed, or registered. Any determination of competence must be based on the individual's experience and educational background as they relate to the particular appraisal assignment for which the appraiser is being considered.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 28 SDR 109, effective February 7, 2002.

General Authority: SDCL 36-21B-3(16).

Law Implemented: SDCL 36-21B-1, 36-21B-3(16).

20:14:10:01. Application fees. Application fees are as follows:

(1) State-certified general appraiser: \$400;

(2) State-certified residential appraiser: \$375;

(3) State-licensed appraiser: \$350;

(4) State-registered appraiser: \$210;

(5) NFRT-licensed appraiser: \$210;

~~(5)~~(6) State-certified general appraiser reciprocity: \$400;

~~(6)~~(7) State-certified residential appraiser reciprocity: \$375;

~~(7)~~(8) State-licensed appraiser reciprocity: \$350;

(9) NFRT-licensed appraiser reciprocity: \$210

~~(8)~~(10) Temporary practice: \$200;

~~(9)~~(11) Supervisory appraiser: \$150.;

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 27 SDR 146, effective July 11, 2001; 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015.

General Authority: SDCL 36-21B-4.

Law Implemented: SDCL 36-21B-1, 36-21B-3(4), 36-21B-4(1)(6)(9).

20:14:10:02. Renewal fees. Credential renewal fees are as follows:

(1) State-certified general appraiser: \$350;

(2) State-certified residential appraiser: \$335;

(3) State-licensed appraiser: \$325;

(4) NFRT-licensed appraiser: \$175;

~~(4)~~(5) State-registered appraiser: \$175;

~~(5)~~(6) Supervisory appraiser: \$100.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 27 SDR 146, effective July 11, 2001; 28 SDR 109, effective February 7, 2002; 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-4.

Law Implemented: SDCL 36-21B-1, 36-21B-3(9), 36-21B-4(2).

20:14:10:05.01. Upgrade fee -- midway upgrade. A state-registered or NFRT-licensed appraiser shall pay the following applicable midway upgrade fee for each appraisal submitted pursuant to § 20:14:05:05.05:

(1) \$200 -- Residential (Single Family Unit);

(2) \$250 -- Residential -- Small Income Producing (2-4 units);

(3) \$350 -- Non-Residential (Agricultural); or

(4) \$400 -- Non-Residential (Commercial/Industrial/Multi-Family [more than 4 units]).

Source: 43 SDR 36, effective September 20, 2016; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-4(5).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(7)(17)(18), 36-21B-4(5).

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

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 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)~~(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

~~(c)~~(D) A qualifying college for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity; and

(4) A hybrid course is acceptable if:

(A) In-person courses must meet the class hour time requirement and § 20:14:13:05;

(B) Synchronous course session must meet the class hour time requirement and § 20:14:13:05; or

(C) Asynchronous course sessions must meet the class hour time requirement and §§ 20:14:13:05 and 20:14:13:05.02.

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 the purposes of this section, the term, bio-metric proctoring means continually verifying the identity of the student through process, such as facial recognition, consistency in keystroke cadence, or the observation of activity in the 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 set forth in § 20:14:13:05.03, is acceptable.

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

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

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

CHAPTER 20:14:15

APPRAISER EXPERIENCE TRAINING PROGRAM

Section

20:14:15:01 **Eligibility requirements.**

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 shall have a state-registered appraiser credential, which includes completing 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

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 shall 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 applicant intends to practice real estate appraisal;
- (8) College-level education completed, if any; and
- (9) A sworn declaration signed by the applicant.

Source:

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

Law Implemented: SDCL 36-21B-1.

20:14:15:03. Ranking system for candidate selection. The program administrator will review candidates for the experience training program according to the point system below. Candidates with the highest point score will be selected into the program.

- (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 commit to completing the program, 10 points; and

(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, 10 points.

Source:

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

Law Implemented: SDCL 36-21B-1.

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.

20:14:15:05. Partial experience credit not allowed. Partial experience credit may not be granted for completing only a portion of the experience training program.

Source:

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

Law Implemented: SDCL 36-21B-1.

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. The required education may be obtained while enrolled in the experience training program.

Source:

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

Law Implemented: SDCL 36-21B-1.

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 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 course assignments as prescribed in the course syllabus; and

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

For an excused absence from an in-person or virtual classroom hours of instruction in subsection (1), the candidate must review the applicable recorded classroom or virtual presentation for the missed hours. For an excused absence for the scheduled field work in subsection (2), the candidate must complete 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.

20:14:15:08. Certificate of completion. A certificate of completion will be issued when a candidate has successfully completed 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.

Source:

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

Law Implemented: SDCL 36-21B-1.

20:14:15:09. Lead and associate trainer requirements. Lead and associate trainers 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 sufficient appraisal experience as a state-certified residential or state-certified general appraiser, as determined by the department;

(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);

(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.

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 shall enter into a memorandum of understanding with the department to ensure compliance with this chapter.

Source:

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

Law Implemented: SDCL 36-21B-1.

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 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 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;

(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;

(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;

(15) "Substantive cause," reasons related to the quality of appraisals performed by the appraiser;

____(16) "TILA," means Truth in Lending Act of 1968 (15 U.S.C. § 1631 et seq) 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-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 accompany the application form. The application form shall 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 10 percent of the AMC;
- (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 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).

20:77:03:06. Change of ownership -- new application. If a registered appraisal management company has a change of ownership that results in a new owner that holds 10% or greater interest or a change in ownership that increases an existing individual's total ownership to 10% or greater interest, it shall immediately notify the program and provide information required by § 20:77: 03: 01. If the change in ownership results in a new entity being formed, it shall apply in writing for a certificate of registration as a new appraisal management company under this article and shall complete an irrevocable Uniform Consent to Service of Process on a form approved by the secretary.

Source: 45 SDR 45, effective October 8, 2018.

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 10 percent of the AMC, 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), and regulations thereunder;

(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 shall be reported 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).