

ARTICLE 20:14

APPRAISERS

Chapter

20:14:01	General provisions.
20:14:02	Administration.
20:14:03	Application procedure.
20:14:04	Transactions requiring qualified appraisers.
20:14:05	Qualifications for certification, licensure, and registration.
20:14:06	Appraisal standards.
20:14:07	Records.
20:14:08	Appraiser independence.
20:14:09	Professional membership and competence.
20:14:10	Fee schedule.
20:14:11	Complaints, investigations, and discipline.
20:14:12	Nonresident certification, licensure, and temporary practice.
20:14:13	Qualifying and continuing education.
20:14:14	Evaluation exemptions and standards.
<u>20:14:15</u>	<u>Appraiser experience training program.</u>

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, or state-registered appraiser credential to perform appraisals;

(7) "Bio-metric proctoring" continually verifying the identity of the student through processes, such as facial recognition, consistency in keystroke cadence, or the observation of activity in the testing location;

~~(7)~~(8) "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)~~(9) "Class hour" ~~means~~ 50 minutes out of each 60-minute segment;

~~(9)~~(10) "Complex nonresidential property" ~~means~~ the nonresidential property to be appraised, the form of ownership, or market conditions are atypical;

~~(10)~~(11) "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)~~(12) "Department" ~~means~~ the Department of Labor and Regulation;

~~(12)~~(13) "Distance education" ~~means~~ any education process based on the geographical separation of student and instructor;

~~(13)~~(14) "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)~~(15) "Fed" ~~means~~ the Board of Governors of the Federal Reserve System;

~~(15)~~(16) "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)~~(17) "FDIC" ~~means~~ the Federal Deposit Insurance Corporation;

~~(17)~~(18) "Financial institutions" ~~means~~ institutions regulated by the FDIC, OCC, Fed, and National Credit Union Administration;

~~(18)~~(19) "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 as amended to July 21, 2010;

~~(19)~~(20) "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)~~(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 ~~4-47-14~~, 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>.

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.

- 20:14:05:03 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.
- 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.

20:14:05:01.02. 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(5).

Law Implemented: SDCL 36-21B-3(5), ~~36-21B-4(3)~~36-21B1, 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.

20:14:05:02.00. 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 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).

20:14:05:05. Acceptable experience. ~~Acceptable appraisal experience includes experience in performing~~ Any of the following is 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 ~~a professional appraisal review of a real estate appraisal, as determined by the secretary.~~ professional appraisal review of a real estate appraisal, as determined by the secretary.

~~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. Acceptable experience does not require that there be a client in a traditional sense (e.g., a client hiring an appraiser for a business purpose) in order for an appraisal to qualify. Appraisals completed without a traditional client can meet any portion of the total experience requirement.~~ Acceptable experience does not require that there be a client in a traditional sense (e.g., a client hiring an appraiser for a business purpose) in order for an appraisal to qualify. Appraisals completed without a traditional client can meet any portion 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)(1)(17).

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

20:14:05:21. Acceptable alternative appraisal experience. Experience obtained through an alternative method other than the traditional supervisor and state-registered appraiser model must satisfy the experience requirements for state-licensed, state-certified residential, and state-certified general appraiser credentials. Acceptable alternative methods for appraisal experience are:

- (1) Practicum courses that are approved by the Appraiser Qualifications Board Course Approval Program or another state appraiser regulatory agency;
- (2) Practical Applications of Real Estate Appraisal (PAREA) programs approved by the Appraiser Qualifications Board Course Approval Program. 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, 36-21B-3(1)(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.](https://appraisalfoundation.org/imis/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.

- 20:14:13:01.01 Continuing education not required.
- 20:14:13:01.02 Continuing education -- Partial requirement.
- 20:14:13:02 Acceptable continuing education course topics.
- 20:14:13:02.01 Acceptable continuing education credit for field trips.
- 20:14:13:03 Minimum length of continuing education course.
- 20:14:13:03.01 Requirement for qualifying education credit.
- 20:14:13:03.02 Maximum length of classroom hours of instruction.
- 20:14:13:04 Additional activities eligible for continuing education credit.
- 20:14:13:05 Sources of qualifying education credit.
- 20:14:13:05.01 Acceptable courses without state review.
- 20:14:13:05.02 Acceptable distance education courses.
- 20:14:13:05.03 ~~Distance~~ Asynchronous education -- Continuing education.
- 20:14:13:05.04 Distance education -- Qualifying education.
- 20:14:13:06 Term of approval.
- 20:14:13:07 Application for course approval.
- 20:14:13:08 Approval of course changes.
- 20:14:13:09 Repealed.
- 20:14:13:10 Uniform standards training for instructors.
- 20:14:13:10.01 Courses on the appraisal standards and ethics.
- 20:14:13:11 Certificate of attendance issued by course provider.
- 20:14:13:12 Disapproval or denial of a course.
- 20:14:13:13 Training course for supervisory appraisers and state-registered appraisers.
- 20:14:13:14 Course evaluation.

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 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 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) Appraiser Qualifications Board;

~~(a)(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 or university 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.

(4) Hybrid courses are courses that allow for both in-person and online (synchronous or asynchronous) interaction. A hybrid course is acceptable if:

(a) In-person course sessions meet the defined class hour and is a source for education credit specified in § 20:14:13:05; and

(b) Synchronous course sessions must meet the defined class hour and is a source for education credit specified in § 20:14:13:05; and

(c) Asynchronous course sessions meet the class hour and is a source for education credit specified in § 20:14:13:05 and this section.

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

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

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

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.

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 is acceptable.

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).

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 Experience credit.

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 the candidate must:

- (1) Possess a state-registered appraiser credential, in good standing, which includes completing the educational requirements specified in § 20:14:05:06.01 and completing the education program course, including the course examination, for state-registered appraisers specified in § 20:14:05:06.02; and
- (2) Prior to enrollment, successfully complete the following hours of approved appraiser training based upon the credential being sought:
 - a. For candidates seeking the state-licensed or state-certified residential appraiser credential, the candidate must complete 60 hours of approved residential appraiser education in the areas of:
 - i. Residential market analysis and highest and best use – 15 hours;
 - ii. Residential appraiser site valuation and cost approach – 15 hours; and
 - iii. Residential sales comparison and income approaches – 30 hours.
 - b. For candidates seeking the state-certified general appraiser credential, the candidate must complete 150 hours of approved general appraiser education in the areas of:
 - i. General market analysis and highest and best use – 30 hours;
 - ii. General sales comparison approach – 30 hours;
 - iii. General income approach – 60 hours; and
 - iv. General site valuation and cost approach – 30 hours.

Source:

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

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

20:14:15:02. Experience training program application. A candidate desiring to

participate in the experience training program shall apply in writing on a form provided by the department or institution administering the program. The application shall require, at a minimum, the following information:

- (1) Name;
- (2) Current business address, if applicable, and home address;
- (3) Email address and telephone number;
- (4) Driver's license number and state of issuance;
- (5) Appraiser education currently completed;
- (6) Type of appraiser credential to be pursued;
- (7) Area of the state applicant intends to practice real estate appraisal;
- (8) College-level education currently completed, if applicable; and
- (9) A sworn declaration that must be signed by the applicant.

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 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 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 experience required for each credential level as agreed to in a memorandum of understanding between program administrator and department.

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 the experience training program may dismiss a student for failure to comply with the following requirements:

- (1) Attend all of the in-person and virtual classroom hours of instruction;
- (2) Participate in all of the field work that includes, but is not limited to, the following:
 - (a) Property inspections;

- (b) Gathering market data; and
- (c) Working with local appraisers to develop geographic competency.
- (3) Complete all course assignments as prescribed in the course syllabus; and
- (4) Complete the Appraiser Qualifications Board-required qualifying education for the desired credential in the timeframe set by the institution administering the program.

In the case of an excused absence during the in-person or virtual classroom hours of instruction in subsection (1) above, the student must review the applicable recorded classroom or virtual presentation for the training that was missed during the absence. In case of an excused absence for the scheduled field work in subsection (2) above, the student must complete the field work independently.

If a student is in noncompliance with the above course requirements, the lead trainer must notify the student, in writing, detailing the specific deficiencies. The lead trainer must grant the student 30 days in which the cited deficiencies must be corrected 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 shall be issued if the candidate has satisfied all requirements, including passage of any Appraiser Qualifications Board-Approved Appraiser National Uniform Examination required for the credential being sought.

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 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).

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 a 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, or 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).

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~~ Any 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, or 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).