

**ARTICLE 20:14**

**APPRAISERS**

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**CHAPTER 20:14:04**

**TRANSACTIONS REQUIRING QUALIFIED APPRAISERS**

## Section

- 20:14:04:01 Federally related transactions.
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- 20:14:04:03 Transaction value.
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- 20:14:04:07 Appraisal by state-licensed appraiser.
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- 20:14:04:11 ~~Appraisal by state-registered appraiser~~ Repealed.
- 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.
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- 20:14:04:13 Supervisory appraiser.
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- 20:14:04:16 Supervisory appraiser approval renewal.
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20:14:04:17 Responsibilities of supervisory appraiser.

**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 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 A state-registered appraiser is bound by the competency rule in the uniform standards and § 20:14:09:02 Repealed.~~

**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 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.~~

A supervisory appraiser credential may not be renewed if the supervisory appraiser is not currently supervising a state-registered appraiser and has not supervised a state-registered appraiser for the last two renewal periods. A supervisory appraiser who is not renewed under this section must reapply to become a supervisory appraiser in order to supervise a 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; 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 Trainee 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.
- 20:14:05:03 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~~ 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 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).

**20:14:05:05. 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-client appraisal experience may not exceed 50 percent of the total experience requirement.

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

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

**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.

**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 client 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_Criteria/Qualification_Criteria_RP_/TAF/AQB_RPAQC.aspx?hkey=5ec61b8d-751b-4a97-90b1-9b3dae51beea)

**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](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 candidates 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) Apply for, and be granted, the supervisory appraiser credential;

(6) Maintain the supervisory appraiser credential; and

(7) 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 other 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 is 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).