SOUTH DAKOTA REAL ESTATE

PUBLISHED BY THE SD REAL ESTATE COMMISSION



South Dakota Real
Estate Commission

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Fall Edition September 2020

From The Director

I hope everyone has enjoyed the summer and was able to spend some time with your family. The Commission is now under the leadership of Carol Lawhun who took the gavel from Ryan Wordeman. Dave Bonde is serving as vice-chair.

Licensees who need to renew this year will be receiving an email reminding you to go online and renew your license. The renewal and fee must be received no later than November 30, 2020. Renewals received after that date will have to pay a late fee. If you do not renew your license by December 31, 2020 your license will be placed on a non-renewal status. If your renewal is submitted, and you have not completed your continuing education and/or do not have errors and omissions insurance covering you on January 1, 2021, your license will be placed on inactive status.

All licensees who carry group errors and omissions insurance from Rice Insurance Services Company will be receiving notices to renew.

All licensees who carry optional insurance need to make sure we have proof of your errors and omissions insurance.

If you would like certain topics addressed in the newsletter please email Bradi at bradi.stampe@state.sd.us.

Autumn is always such a beautiful time of the year. Stay safe and have a wonderful fall season!





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Commission Calendar

Wednesday, September 30th - Commission Meeting Monday, October 12th - Office closed in observance of Native American Day

Wednesday, November 11th - Office closed in observance of Veteran's Day Wednesday, November 18th or Thursday, November 19th - Commission Meeting

Thursday, November 26th - Office closed in observance of Thanksgiving



Renewal Reminders



- ⇒ 2020 online renewal open online on October 1st.
- ⇒ The office will be emailing a reminder notice for renewal the end of this month. Now would be a good time to log in online and make sure we have your correct email listed.
- ⇒ Firms due to renew will receive a letter in the mail containing the firms username and password.
- ⇒ Classroom courses have slowed down as a result from the Covid-19 pandemic (some are still being offered via Zoom—check with the instructor of your choice).
- ⇒ Approved online courses are always accepted—all CE hours can be completed online.
- ⇒ Lack of classroom courses will not be an accepted excuse for CE not being completed for the 2020 renewal.

Updates

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- As of July 1st, the Real Estate Commission will no longer have an application for a restricted auctioneers license. Current auctioneers were grandfathered in, allowing them to maintain a license since the services they provide will still require a license. Broker/broker associates can perform auctions as part of their scope of practice. New applicants who want to do auctions will apply for a broker associates license. Unlicensed auctioneers can call or take bids.
- Also, as of July 1st, the property condition disclosure statement form was revised. Please save the updated form and be sure your sellers use this version as it is required by law. The form can be found at this link: https://dlr.sd.gov/realestate/forms/sellers property condition disclosure statement.pdf

Disciplinary Action

- ♦ Joel McDowell, Lennox, Broker. Violation of 36-21A-130. Administrative fine of \$2,000 plus 6 hours of agency.
- ♦ Joseph Bennington, Rapid City, Broker Associate. Violation of 36-21A-71(6). Administrative fine of \$2,500 and license is revoked.
- Lee Burggraff, Dell Rapids, Broker. Violation of 36-21A-71(8), 36-21A-71(30), 36-21A-79, 36-21A-130, and 36-21A-132(2). Administrative fine of \$750 plus 6 hours of agency.
- Ronnie Weir, Sioux Falls, Broker Associate. Violation of 36-21A-71(6).
 Administrative fine of \$2,000 and license is revoked.

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Follow Up: HUD Finalizes New and Amended 'Disparate Impact' Rules (Used with Permission by ARELLO)

The U.S. Department of Housing and Urban Development (HUD) has finalized its new and amended "disparate impact" Fair Housing Act liability rules, thus ending a rulemaking process that drew widespread interest and input from affected real estate and housing industry associations and practitioners, housing advocates, and other stakeholders.

The FHA prohibits housing discrimination because of race, color, religion, sex, handicap, familial status, or national origin. Over time, numerous federal appellate courts have acknowledged that FHA liability may arise not only from intentional discrimination, but also from practices that have an unintended "disparate impact" on protected persons. In 2013 HUD promulgated rules establishing FHA "discriminatory effect" liability for housing practices that have a disparate impact on members of a protected class or perpetuate segregated housing patterns [24 CFR Part 100]. The rules included a three-part burdenshifting test under which plaintiffs/claimants were to show the discriminatory effect of a practice or policy, defendants could then show its necessity to achieve a legitimate nondiscriminatory interest, whereupon the plaintiff would be required to establish that the interest could be served by a less discriminatory practice. In 2015 the U.S. Supreme Court issued its 5-4 decision in Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs, et al., which affirmed that disparate impact claims are cognizable under the FHA. In such cases, plaintiffs/ charging parties sometimes rely on statistical evidence of the "disparate impact" that a practice has on protected classes of persons.

In 2016, HUD issued a guidance document that identifies FHA discriminatory effect liability that may arise from making "adverse housing decisions" and addresses how statistical data may be used to support disparate impact claims

However, as reported in a recent edition of Boundaries, HUD proposed, and has now finalized, its discriminatory effects standards to "more closely align" with the Inclusive Communities decision, which HUD understands to place limitations on disparate impact liability that were not, but now are, reflected in the rules. Among many other matters, HUD's new and amended rules acknowledge that FHA liability may arise from the discriminatory effect of a policy or practice on members of a protected class, even if it is not motivated by a discriminatory intent. At the pleading stage, plaintiffs or charging parties will be required to allege that:

- The challenged policy or practice is arbitrary, artificial, and unnecessary to achieve a valid interest or legitimate objective such as a practical business, profit, policy consideration, or requirement of law;
- The challenged policy or practice has a disproportionately adverse effect on members of a protected class;
- There is a robust causal link between the challenged policy or practice and the adverse effect on members of a protected class, meaning that the specific policy or practice is the direct cause of the discriminatory effect;
- ♦ The alleged disparity caused by the policy or practice is significant; and
- There is a direct relation between the injury asserted and the injurious conduct alleged.

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HUD (Cont.)

The new rules also adjust the "burden shifting" process that will apply to the proof stage of such proceedings. Plaintiffs or charging parties must prove the foregoing "prima facie" elements by "the preponderance of the evidence," upon which proof the defendant will have the opportunity to advance any valid interest of the challenged policy or practice. If so established, the plaintiff may then advance a less discriminatory alternative to address any valid interest raised. Other elements of the new and amended rules address a broad range of matters such as the use of statistical disparity data and available defenses and remedies.

HUD's proposed rulemaking notice drew over 45,000 responsive comments, criticisms, and support from a broad range of affected stakeholders. For its part, HUD has said that the rules do not eliminate discriminatory effect/disparate impact as a basis for unintentional FHA discrimination claims, will increase access to fair and affordable housing, and permit businesses and local governments to make valid policy choices

New Licensees 06.01.20 - 09.01.20

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Broker

Fox, Shalene
Francois, Theodore
Frazier, Shadesia
Gass, Jared
Kane, Jean
Marcote, Michael
Murdock, Joshua
Post, Stephen
Reid, Scott
Stenberg, Aaron
Sullivan, Michael
Sykes, James

Hermosa
Palo, IA
Cedar Hill, TX
Brookings
Excelsior, MN
Grand Forks, ND
Choctaw, OK
Agoura Hills, CA
Orange, CA
Bismark, ND
Hamilton, IL
Omaha, NE

Broker Associate

Ager, Robin Alberico, Maegan Bankowski, Karen Beal, Tina Bennington, Theresa Brack, Kelly Buche, Cam Chase, Ryan Cisar, Tyler Cook, Tricia Daily, Trevor Darnall, Scott Delperdang, Scott Dimler, Tyler Domogalski, Stacy Duin, Anastasia Favorite. Annaliese Fiedler, Joshua Flemmer, Ross Frear, Kenneth Geier. Weston Glood Kuipers, Kari Gohl, Eric Griffin, Clayton Guenther, Jacob Halsey, Amanda Hansen, Meghann Hauck, Rylee Hettermann, Chad Heyn, Mark Holida, Shelly Hooker, Cory Howie, Holly Huff, James Jacobs, David James, Melissa Jamison, Gregory Jensen, Adam Keil, Bryon

Belle Fourche Sioux Falls Sioux Falls Sioux Falls Rapid City Sioux Falls Humboldt Huron Aberdeen Tea Sioux Falls Pierre N. Sioux City Sioux Falls Spearfish Sioux Falls Aberdeen **Dell Rapids Dell Rapids** Sioux Falls Sioux Falls Rapid City Sioux Falls Rapid City Sioux Falls Sioux Falls Rapid City Sioux Falls Harrisburg Edgemont Watertown Sioux Falls Rapid City Mt. Pleasant, IA Rapid City Black Hawk Sioux Falls Sioux Falls Spearfish

Broker Associate cont.

Kulesa, Mandy Lanson, Elaina Larsen, Bruce Larson, Chloe Lees, Megan Lowman, Matthew Lvtle. Robert Martens, Cole Matos, Juan McKnight, Jaime Meyer, Jason Morris, Chad Moyer, Kari Naser Jr, Richard Negi, Hadass Nelson, Michael Ness, Shelby Nolan, Josh Pagone, John Palmer, Athena Paulson, Beth Peot, Gary Powers, Edward Rutz. Theresa Sage, Joel Schaffer, Kirsten Scott, Krysta Sorenson, Mark Steckelberg, Diane Stevens, Mary Stockel, Brian Stout, Benjamin Strong, Donald Sun, Li Tassler Sr, Mark Taylor, Crystal Taylor, Glenn Thapa, Kumar Tiefenthaler, Patrick Tischler, Craig Toennies, Sidney Veurink, Brent Vlcek, Trista Wallinga, Sara Weeman, Cheryl Wells, David Wingert, Andrew

Wipf, Kasey

Sioux Falls Sioux Falls Sioux Falls Sioux Falls Sioux Falls Valley Springs Ellsworth AFB Aberdeen Sioux Falls Rapid City Cavour Sioux Falls Watertown Sioux Falls Sioux Falls Rapid City Waubay Rapid City Sioux Falls Rapid City Custer Box Elder **Brookings** Hot Springs Brandon Sioux Falls Rapid City Sioux Falls Yankton Brandon **Oelrichs** Brookings Sioux Falls Sioux Falls Sioux Falls Rapid City Rapid City Sioux Falls Sioux Falls Mitchell Black Hawk Platte Rapid City Sioux Falls Ethan Sioux Falls Sioux Falls Aberdeen

New Licensees (Cont.)

Res. Rental Agent

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Tea Arndt, Audrey Bartunek, Michelle Mitchell Caperton, Shannon Rapid City Castillo, Samantha Watertown Crosby, Jordin Sioux Falls Edelman, Terra Huron Elkins, Owen Sioux Falls Fuehrer, Stacey Sioux Falls Kayl, Kayla Sioux Falls Klinzmann, Anneliese Brookings Lindner, Rachel Sioux Falls Lisack, Michelle Sioux Falls Middlen, Andrew Sioux Falls Pearson, Ivy Brandon Peery, John Sioux Falls Sioux Falls Thurston, Madison

Property Manager

Sioux Falls Geres, Heather Sioux Falls Miller, McKenzie Winkler, Joshua Aberdeen

Reg. Home Inspector

Cox, Ryan Piedmont Dattolico, Vincent Sioux City Levy, Clinton Rapid City Seehafer, Kevin Ortonville Skyberg, Brad **Brookings**

Salesperson

Dattolico, Stephanie Sioux City, IA Emerson, Robterrius Sioux City, IA Spearfish Harper, Jaden Homa, Leslie Rapid City Sioux City, IA Stevens, John Stippich, McKenzie Lemmon Warsame, Mohamed

S. Sioux City, NE