

South Dakota Real Estate**Commission**

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**South Dakota Appraiser
Certification Program**

Sherry Bren
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**In this issue from the South
Dakota Real Estate****Commission:**

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**In this issue from the South
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From The Director

I'm looking forward to spring as I'm sure all of you are as well.

It's never too early to begin working on your continuing education requirements. Those of you renewing this year just might want to be looking into how many hours you have completed so you know how many you need before the renewal deadline. Please visit for our website for upcoming classes.

The Commission is takes serious approach to try to control the problem of licensees who engage in real estate activities requiring a license but do not have an active license to do so because they didn't complete their education, didn't renew their errors and omissions insurance, or didn't renew their license by the deadline. I was busy in January issuing Consent Agreements with a \$100 penalty pursuant to the Commission's citation program. An agent that doesn't have any listings is still considered to be practicing real estate simply by being listed on the company's website as available for representation.

Social media is everywhere and licensees have to take precautions when participating in this. The Commission has advertising rules and also has Internet guidelines posted on our website. These guidelines were endorsed by ARELLO and adopted by the Commission.

I want to give a big thank you to the staff and members of the South Dakota Association of REALTORS® for the invitation to the Chili/Oyster Stew Feed.

I wish all of you a successful spring season!

Real Estate Commission Calendar

Wednesday, May 10th– Commission Meeting, Pierre

Monday, May 29th- The Real Estate Commission office will be closed in honor of Memorial Day

Friday, April 14th– The Real Estate Commission office will be closed

Friday, June 30th– Deadline to submit 2016 application for renewal to the Real Estate Commission office

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Are You In Compliance?

As of March 20, 2017 266 licensees have their license placed on non-renewal status because they did not submit their 2016 application for renewal. If licensees are unsure of their license status they can find this information by visiting our new website <http://dlr.sd.gov/realestate> and clicking Online Licensee Services located on the homepage. Once a licensee has logged in they will need to reconfirm their e-mail address to receive communications from the commission office. Their license renewal year will be listed on the License Information page. Remember, if a license was due for renewal in 2016 and is not renew by June 30, 2017 the license will not be eligible for renewal. The licensee would need to re-qualify as if they have never held a license before.

It is required by law to have a valid firm and personal license. Be sure to check your license expiration dates!

SDREC Education Caravan Discontinued: What Now?

This past year the South Dakota Real Estate Commission discontinued their Spring and Fall Education Caravans. Since then we have had a few licensees contact the commission office inquiring about how they can complete their continuing education requirements. The commission office makes it easy for licensees to search our online system to find courses to complete their continuing education. Located on our website <http://dlr.sd.gov/realestate> is the Approved Continuing Education page (this is located under Education on the left side of the website). On this page you have access to the continuing education search engines. There are 3 separate search engines: 'Approved Classroom', 'Approved Distance Learning', and 'Approved Independent Study'. Once you click on your preferred Approved learning type you will be redirected to that search engine. You have several options to search for a course on each of our search engines. You can search by course title, location (for classroom courses only), type of hours, and hours that are approved for your specific license type. Once you select your criteria and click 'Search' a list of approved courses will appear. The search will give you the course date, location (for classroom courses only), course title, number of hours approved for the course, type of hours approved for the course, who to contact to attend the course, telephone number, and the type of license the course is approved for continuing education. Please check back if you do not see a course you are interested in as the list is updated frequently.

If you are unsure about the number of continuing education hours you currently have you can check your education summary by logging into the Licensee Online Services located on our home page.

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Disciplinary Action

The following actions by the Commission have become effective since the last report in the newsletter. A **Consent Agreement and Order** is an admission of violation and voluntary acceptance of the terms determined by the Commission in lieu of a formal hearing.

Citations/Consent Agreements. The Commission established the Citation Program to diminish the number of license law violations, decrease time required to bring licensees into compliance and to recover costs involved when action is required.

The following individuals and/or firms have been issued citations. Each licensee/company has agreed to a Consent Agreement. Each Consent Agreement will include no less than a \$100.00 penalty and a specified time to comply with the requirement.

Performing real estate brokerage activity beyond the month in which a license lapses for non-payment of renewal fees, and/or not filing/completing the required continuing education (SDCL 36-21A-61, 36-21A-62, 36-21A-64):

Tyler McGregor, Broker Associate, Salem
Yany Avelar, Broker Associate, Sioux Falls
Steve Simon, Auctioneer, Groton
Jeremiah McKnight, Broker Associate, Rapid City
Crystal Wiles, Broker, Hermosa
John Wiles, Broker, Hermosa
Melissa Mcamis, Broker, Hulett, WY
Blaine McCance, Broker Associate, Burke
Henry Kallis, Broker Associate, Spearfish
Suzanne Olson, Broker Associate, Sturgis
Tiffany Wilber, Broker Associate, Sioux Falls
Mia Semmler, Broker Associate, Rapid City
Michael Bulich II, Broker Associate, Rapid City
Jared Carson, Broker Associate, Custer
Shayne Orth, Broker Associate, Spearfish
Tony Divan, Broker Associate, Rapid City
Rebecca Sime, Broker Associate, Watertown
Fredrick Marnette, Broker Associate, Aberdeen
Susan Studt, Broker Associate, Custer
Erin Hardy, Broker Associate, Sioux Falls
Stanley Koch, Home Inspector, Rapid City
Tyson Hewitt, Broker Associate, Piedmont
Adam Foland, Broker, Madison
Dylan Rowe, Broker Associate, Spearfish

Failure to maintain errors and omissions insurance or to provide proper notification to the commission of errors and omissions insurance (SDCL 36-21A-119, ARSD 20:69:15:02, 20:69:15:06, 20:69:15:07);

Nick Eichacker, Broker Associate, Sioux Falls
Bethany Erckfritz, Broker Associate, Sioux Falls
Ben Meyer, Auctioneer, Huron

Disciplinary Action (Cont.)

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Kristine Farrell, Broker Associate, Milbank
Destinie Marshall, Broker Associate, Sioux Falls
Mike Frybarger, Broker, Rapid City
Lori Barnett, Broker, Rapid City
Christa Helman, Broker, Freeman
Gilbert Lutter, Auctioneer, Redfield
Lesle Tobkin, Broker Associate, Huron
Scott Ptak, Broker Associate, Huron
Rob F Christensen, Broker, Presho
Bradley Benson, Broker, Madison
Cheri Bartlett King, Broker, Pierre
Scott Van Ginkel, Broker, Sioux Falls
Meredith Lee, Broker, Pierre
Terry Leibel, Broker, Pierre
Samuel Hoskins, Broker Associate, Sioux Falls
Twila Owen, Broker Associate, Winner
Sean Holloway, Broker Associate, Rapid City
Tom Rau, Broker Associate, Rapid City
David Struve, Salesperson, North Sioux City
Kim Leif, Residential Rental Agent, North Sioux City
James Lee, Property Manager, De Smet
Stephanie Wehrkamp, Residential Rental Agent, Sioux Falls
Philip Eggers, Broker Associate, Centerville
Amy Roder, Broker, Rapid City
Bonnie Geier, Broker Associate, Rapid City
Samuel Allen, Broker Associate, Sioux Falls
Zach Jacobsen, Broker Associate, Sioux Falls
Adam Mutschelknaus, Broker Associate, Sioux Falls
Les Pietruszkiewicz, Broker Associate, Sioux Falls
Ron Bradeen, Broker, Custer
Melodie Jenkins, Residential Rental Agent, Sioux Falls
Josiah LaFrance, Broker, Rapid City
David Butler, Broker, Rapid City
William Young, Broker Associate, Rapid City
Justin Fjeldos, Broker Associate, Brookings

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Kevin McPherson, Rapid City, Broker Associate. Consent Agreement. Violation of SDCL 36-21A-28, -21A-71 (1) and (2). Mr. McPherson's actions constituted unprofessional conduct by performing any act without an active license and being in arrears with back child support. Administrative fine of \$500.

Reginald Kleinsasser, Huron, Broker. Consent Agreement. Violation of SDCL 36-21A-71, 36-21A-130, 36-21A-140 (2), 36-21A-147. Mr. Kleinsasser's actions constituted unprofessional conduct by failing to complete the agency agreement correctly, not exercising reasonable skill and care for the client, and for failure to properly document agency relationship with client. Administrative fine of \$250 and completion of three hour contracts course and six hour agency course.

Dawn Eining, Huron, Broker Associate. Consent Agreement. Violation of SDCL 36-21A-71 (1) and (30) 36-21A-130, 36-21A-140 (2), 36-21A-147 Ms. Eining's actions constituted unprofessional conduct for not promoting the interests of her client, failing to provide a complete explanation of representation to her client, not exercising reasonable skill and care for the client, and for failure to properly document agency relationship with client. Administrative fine of \$500 and completion of three hour contracts course, three hour agency course, and three hour license law course.

Richard Shelton, Huron, Broker. Consent Agreement. Violation of SDCL 36-21A-71 and 36-21A-79. Mr. Shelton's actions constituted unprofessional conduct by failing to supervise the real estate activities conducted by affiliated licensees. Administrative fine of \$500 and completion of three hour contracts course and six hour agency course.

James Rezac, Sioux Falls, Broker Associate. Consent Agreement. Violation of 36-21A-71 and 36-21A-147. Mr. Rezac's actions constituted unprofessional conduct by for failure to properly document agency relationship with client. Administrative fine of \$250 and completion of three hour ethics course.

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New Licensees

Broker

Anderson, Susan M Bryant
Carvelli, Stephen Oaklyn
Englehart, Clint L Rapid City
Evans, Jeffrey M Griggsville
Henslin, Allen J Bird Island
Klinkhammer, Charles B Fargo
Micoley, Wade T Green Bay
Parks, Michael Marble
Powers, Charlie Big Horn
Rohrer, Daniel Hickman
Schendt, Jason R Papillion

Broker Associate

Aaker, Benjamin Brandon
Alishouse, Lisa M Rapid City
Arlwine, Sharon L Rapid City
Atkinson, Jenny C Sioux Falls
Bak, Ryan J Sioux Falls
Banwart, Tim R Sioux Falls
Bartekoske, Traci Renner
Bauer, Jason W Mobridge
Berberich, Timothy L Sioux Falls
Biegler, Nichole Sturgis
Biggs, Andrew B Sioux Falls
Boever, Simon M Sioux Falls
Bondurant, Jack D Custer
Braun, Tashi A Spearfish
Brown, Jackie G Watertown
Carlson, Danielle Rapid City
Clary, Jessica Sioux Falls
Converse, Sarah J Harrisburg
Cooke, Pamela L Yankton
Cuny, Suzette B Rapid City
Daugaard, Chris J Sioux Falls
Davis, Lauri M Rapid City
Doochen, Zach J Sioux Falls
Downey, Jenny L Sioux Falls
Dunn, Mary Huron
Ellerbroek, Phil Sioux Falls
Feauto, Ryan Sioux Falls
Ferris, Guy M Pierre
Fierberg, Cathrine Custer
Fine, April Rapid City
Fulkerson, Jessica Box Elder
Gillespie, Brian S Sioux Falls
Gohl, J.J. Sioux Falls
Gorder, Jon M Gary
Hayden, Daniel J Rapid City
Heyn, Alyssa Sioux Falls
Hindbjorgen, Daniel M Sioux Falls
Hoffman, Alecia K Spearfish
Jegeris, Jill M Rapid City
Johnson, Trevor C Rapid City
Julius, Brent D Sioux Falls
Kagarmanov, Michelle T Rapid City
Kaltvedt, Tracy Hermosa
Kloos, Danyel Watertown
Kroeger, Kathleen D Piedmont

Larsen, Ashton C Sioux Falls
Larson, Connie L Milbank
Livingston, Stephanie R North Sioux City
Mahlen, Marcus Sioux Falls
Martins, Shawn A Sioux Falls
McCoy, Jared D Sioux Falls
Mentele, Beau Sioux Falls
Meyer, Jeffrey D Sioux Falls
Nordquist, Becki Harrisburg
Nowowiejski, Traci Traci Belle Fourche
Olinger, Philip L Harrisburg
Olszewski, Deana J Sioux Falls
Ovenden, Alison Sioux Falls
Oyen, Brian Sioux Falls
Parkinson, Kathleen M Brandon
Perkins, Matthew R Sioux Falls
Person, Gabrielle L Aberdeen
Peterson, Todd Sioux Falls
Pleinis, Heather Spearfish
Posl, Laura L Bird Island
Ramsey, Nichole Sioux Falls
Ringheimer, Alison Sioux Falls
Ronning, Andrea R Vermillion
Rosser, Nick J Box Elder
Rossi, Spencer Gillette
Schramm, Mason Yankton
Sechser, Mikaela L Sioux Falls
Stephens, Rochelle D Onida
Stormo, Ericka L Hayti
Storo, Tracie L Beresford
Taubert, Deborah L Sioux Falls
Tschetter, Becky Brandon
Wallenstein, Stephanie A Sioux Falls
Williams, Connie R Deadwood
Winckler, Sandi Sioux Falls
Windsor, Christine M Sioux Falls
Zarnoth, Andria L Box Elder
Zomer, Brent A Inwood

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New Licensees (Cont.)

Salesperson

Chase, Christopher Obert
Norland, Hunter Cedar Falls
Whitworth, Wade Detroit Lakes

Property Manager

Beaird, Tonya Rapid City
Hamilton, Brent Harrisburg
Hochreiter, Ryan Sioux Falls
Johnsen, Nikki L Sioux Falls
Mullen, Mitchell Sioux Falls
Vifquain, Saboin A Rapid City

Residential Rental Agent

Anderson, Crystal J Brookings
Anderson, Kelsey E Sioux Falls
Bauer, Kristi L Aberdeen
Bossman, Stephanie A Sioux Falls
Bouzek, Brenton P Littleton
Briden, Amber L Sioux Falls
Cook, Dale Tea
Davis, Dallas J Sioux Falls
Day, Joshua Spencer
Ellefson, Sara N Vermillion
Erickson, Jayme L Watertown
Ferguson, Jennifer Hot Springs
Fevold, Melissa A Brookings
Flannery, Christina A Sioux Falls
Greer, Brenda K Yankton
Habben, Taylor Sioux Falls
Henard, Holly Sioux Falls
Johnson, Heather L Brandon
Koehlmoos, Melanie E Sioux Falls
Mans, Kaitlin J Sioux Falls
Nawrocki, Douglas D Marshall
Nemec, Stephanie L Rapid City
Nguyen, Anh T Sioux Falls
Perme, Sarah N Sioux Falls
Reider, Janet L Crooks
Ridley, Darlette Sioux Falls
Vanderweide, Shannon Sioux Falls
Walters, Laura M Sioux Falls

Licensed Home Inspector

Disanto, Christopher D Sioux Falls

Registered Home Inspector

Bacorn, Joseph R Rapid City
Engel, Gary Yankton
Frahm, Robert D Worthing
Louwagie, Kerry Balaton

Appraiser Update

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Advisory Council Second Term Appointments

The Appraiser Certification Program is pleased to announce second four-year term appointments to the Advisory Council by Marcia Hultman, Secretary of the Department of Labor and Regulation, for the following individuals effective January 1, 2017:

John McMahon – Farm Credit Services of America
Allan Husby – Husby Appraisal
Matt Van Zee – First Dakota National Bank

New Licensees – November 2016 through February 2017

Paul J. Link, State-Certified Residential – Frisco, TX
Kay C. Kauchick, State-Certified General – Lutz, FL
James T. Perry, State-Certified Residential – Bloomington, MN
Leah J. Murphy, State-Certified General – Chicago, IL
Timothy W. Sletten, State-Registered – Huron, SD
James L. Gilbertson, State-Certified General – Westwood, KS
Bradee Pazour, State-Registered – Chamberlain, SD
Timothy M. Holcomb, State-Certified General – Sioux City, IA
Kevin D. Day, State-Licensed – Bloomington, MN
Erica D. Johnson, State-Certified General – West Des Moines, IA
Tamara M. Joerger, State-Registered – Sioux Falls, SD
Jenna M. Legred, State-Registered – Canton, SD
Christopher C. Seeve, State-Certified General – Bozeman, MT
Paul J. Joerger, State-Registered – Sioux Falls, SD
Megan E. Klosterman, State-Registered – Barnesville, MN

Upgrades – October 2016 through February 2017

George Stavrenos, State-Certified General – Sioux Falls, SD
Colin Steen, State-Certified Residential – Rock Valley, IA
Kayla Suther, State-Certified General – Langford, SD
Jason Vaith, State-Certified General – Yankton, SD
Amanda Leighton, State-Certified General – Mitchell, SD

Review of Cases 2016

For the period January 1, 2016 through December 31, 2016, the Department opened eighteen cases – eight investigations, nine upgrades and 1 new applicant.

Investigations – Three closed and five pending.

Upgrades – Six issued, one agreed disposition and two pending.

New Applicant – One pending.

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Information Regarding Disciplinary Actions

Public information regarding disciplinary action taken against an appraiser is available upon written request to the Department of Labor and Regulation, Appraiser Certification Program, 308 South Pierre Street, Pierre, South Dakota 57501 or e-mail: Sherry.Bren@state.sd.us. Include in the request for information the name of the appraiser and the appraiser's city and state of residence. (Disciplinary action includes but may not be limited to denial, suspension, censure, reprimand, or revocation of a certification by the department. (ARSD 20:14:11:03)

New AMC Registrations Issued – September 2016 through February 2017

Appraisal MC LLC, Houston, Texas
Equity Solutions USA, Inc., Franklin, Tennessee

Fannie Mae – Selling Guide Updates Announcement SEL-2017-01

Selling Guide Updates - January 31, 2017

The *Selling Guide* has been updated to include changes to the following:

- Confidentiality of Information and Data Breach
- Seller/Service Financial Eligibility Requirements
- Comparables in New Projects or Subdivisions
- Property Inspection by Appraiser Trainee
- Adjustment to an Appraisal for Sales Concessions
- Alignment with the *Servicing Guide* – Various Part A Topics
- Miscellaneous *Selling Guide* Updates

The complete Announcement with update descriptions is available at <http://www.fanniemae.com>.

USPAP Q&A 2016-17 USPAP Issue Date: February 9, 2017

2017-13: ETHICS RULE – CONDUCT Disclosure of Prior Services Involving a Partnership

Question: I am a business valuation appraiser. Two years ago I appraised a 5% limited partnership interest for Estate A. Now I am appraising a 7% limited partnership interest for Giftor B. Estate A and Giftor B are brothers. Estate A and Giftor B are founding partners of the partnership and have not moved interests in the partnership amongst themselves.

USPAP Q&A (Cont.)

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Since interest A and interest B have never been owned by the same person within the partnership, am I required to disclose any prior services since I did not previously value the Giftor B interests? Although it is the same partnership, I believe they are different interests; therefore, is there a requirement to disclose my previous appraisal as a prior service?

Response: Yes. By definition, a Limited Partnership interest is “property.” A common definition of property includes “something tangible or intangible to which the owner has legal title.” Therefore, if any services performed within the past three years regarding the *Partnership* (including any interest in the Partnership) must be disclosed in accordance with the Conduct section of the ETHICS Rule and Standards Rule 10-3.

2017-14: ETHICS RULE – CONDUCT

Disclosure of Prior Services for Multiple Assignments on a Property

Question: A lender contracts with AMC A for an appraisal. The subject property is currently under contract for over \$3,000,000. Given the price and the lender’s high-dollar policy, the lender also orders a second appraisal from AMC B. Each AMC unknowingly engages the same appraiser on the same day. The appraiser subsequently completes and delivers two reports, one for AMC A and one for AMC B. As one might expect, the reports are identical except for the AMC name.

The lender receives both reports and is very upset because neither report discloses any prior services had been performed. When contacted, the appraiser states that since both orders were received on the same day, his statements in each report that there had been no prior services were both correct. Is the appraiser correct?

Response: No. One assignment was performed prior to the other. Therefore, in the second assignment the appraiser would have to comply with the USPAP requirements to disclose the first assignment as a prior service.

Appraiser Qualifications Board Q&A Vol. 8, No. 2, December 2016

TRAINEE/SUPERVISOR REQUIREMENTS

Question: I’m a state certified appraiser and I’m considering bringing on one or more trainees into my practice. I know the AQB revised certain requirements for Supervisory Appraisers on July 1, 2016, but I have a few questions:

- 1) Is a Supervisory Appraiser required to have three years’ experience *immediately prior* to taking on a Trainee Appraiser?
- 2) Does a Supervisory Appraiser have to be state certified in the same state as the Trainee Appraiser?
- 3) Must a Supervisory Appraiser accompany the Trainee Appraiser on all physical inspections of properties?

Responses to the above questions may be found at: www.appraisalfoundation.org.

Question: I am an appraiser Trainee and originally had Supervisory Appraiser A, who co-signed my appraisal reports. However, I also performed appraisals that were co-signed by a Certified appraiser who was *not* my designated Supervisory Appraiser. Can I count experience obtained under a Certified appraiser who is not my designated Supervisory Appraiser?

USPAP Q&A (Cont.)

South Dakota Real Estate

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Response: No. The *Criteria* states in the Supervisory Appraiser Requirement section I(A) (2): “Supervisory Appraisers shall be responsible for the training, guidance, and direct supervision of the Trainee Appraiser by...reviewing and signing the Trainee appraiser reports.” Therefore, for experience credit to be awarded, the appraisal must be signed by the Supervisory Appraiser.

Question: I am a state regulator reviewing experience logs from multiple Trainee Appraisers. Supervisory Appraiser C had three Trainees working with her during a specific time period. A fourth Trainee was added during that same time period. May all four of the Trainees in question use the experience gained while working for the supervisory appraiser, since she had more than three Trainees and my state does not have a monitoring system in place?

Response: The *Criteria* explicitly states that a “Supervisory [Appraiser] may not supervise more than three (3) Trainee Appraisers at one time, *unless a state program in the credentialing jurisdiction provides for progress monitoring, supervisory certified appraiser qualifications, and supervision and oversight requirements for Supervisory Appraisers.*” (emphasis added)

Therefore, because the state did not have a monitoring system in place, the Trainees could not count the experience gained, by any of the Trainees, while the Supervisory Appraiser supervised more than three Trainees.

EXPERIENCE REQUIREMENTS

Question: I am an appraiser in an assessor’s office. I participate in mass appraisal assignments. I also perform complete appraisal assignments on individual properties in response to assessment appeals. I wish to obtain a Certified Residential appraiser credential, but my state appraiser regulatory office informed me that my experience working for the assessor does not qualify. When I told my state I understood the AQB allows experience obtained working in an assessor’s office, they elaborated that the experience is not eligible because I do not perform USPAP compliant reports. My appraisals are performed in accordance with assessment standards that, for the most part, are consistent with USPAP. The only difference is in the reporting of our findings: our reports are not in full conformance with STANDARD 2 in USPAP. Does the AQB allow experience working for an assessor? Is there some manner in which I can receive credit for this experience?

Response: Yes, the *Real Property Appraiser Qualification Criteria (Criteria)* allows experience obtained working for an assessor.

However, under “Criteria Applicable to All Classifications” in the *Criteria*, Section V.D. states, in part:

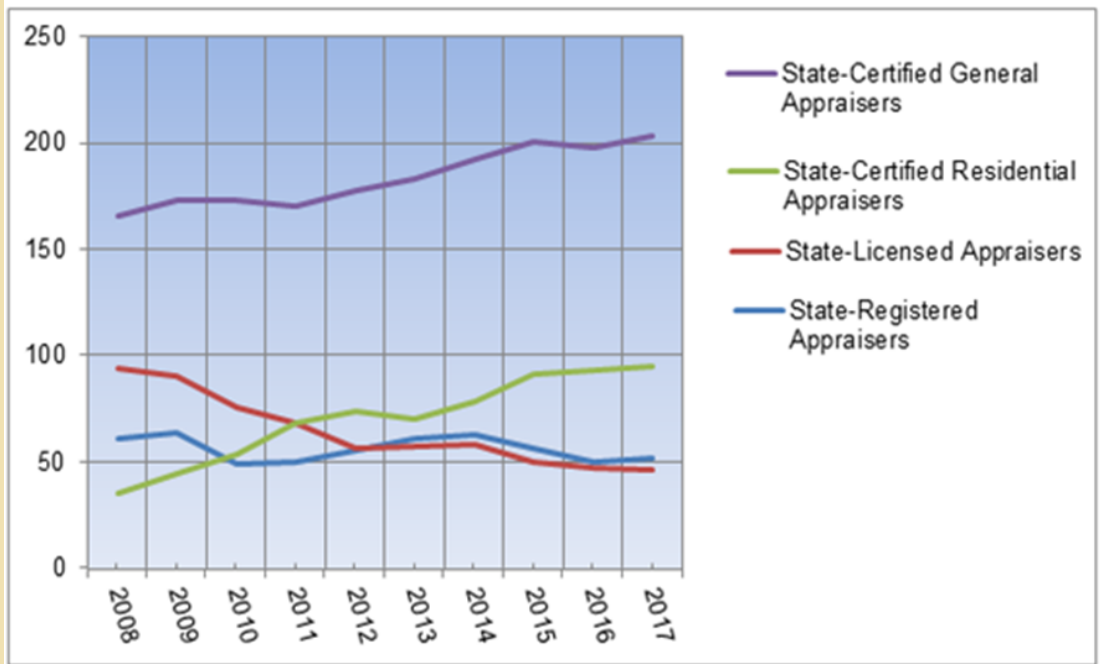
An applicant’s experience must be in appraisal work conforming to Standards 1, 2, 3, 4, 5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions.

Therefore in order for your appraisals to qualify for experience credit, the individual real property appraisals must comply with STANDARDS 1 and 2, while the mass appraisal assignments would need to comply with STANDARD 6. If one of your appraisal assignments on an individual property has been completed in compliance with STANDARD 1 of USPAP, but fails to fully comply with STANDARD 2, the assignment is not eligible for experience credit.

In addition, the appraisals performed would need to be individually entered on an experience verification log, be subject to verification, and available for review by the state appraiser regulatory agency. No exceptions to these requirements are permitted.

It is important to note that not all States accept experience from work complying with STANDARD 6.

South Dakota Appraiser Trends – January 2008 through February 2017



South Dakota Real Estate

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2008 Active Appraisers	
State-Certified General Appraiser	166
State-Certified Residential Appraiser	35
State-Licensed Appraiser	94
State-Registered Appraiser	61
Total	356

2017 Active Appraisers	
State-Certified General Appraiser	203
State-Certified Residential Appraiser	95
State-Licensed Appraiser	46
State-Registered Appraiser	52
Total	396

* Since implementation of the Supervisory Appraiser Program in 2009, there has been 128 State-Registered Appraisers participate. Currently there are 49 State-Registered Appraisers under the supervision of an endorsed Supervisory Appraiser.