From The Director

I am so looking forward to spring - as I’m sure all of you are as well.

The 94th Legislative Session has come to a close. The Commission worked with the South Dakota Association of Realtors and several of their members to pass the team regulation bill.

Again, this year there was a good number of licensees who failed to complete their continuing education, didn’t renew their errors and omissions insurance, failed to provide proof of insurance, or simply didn’t renew their license on time.

It’s never too early to begin working on your continuing education requirements. Those of you renewing this year may want to be looking into how many hours you have completed so far, so you know how many you need before the renewal deadline.

In April, Commission member Carol Lawhun and I will be attending the Association of Real Estate License Law Officials (ARELLO) Mid-Year Meeting. We will talk to other state regulatory agencies about topics such as fair housing, exam accreditation, education issues, laws and regulation and more.

I wish all of you a successful spring season!
Commission Calendar

Friday, April 19th and Monday, April 22nd - Office closed in observance of Easter

Wednesday, May 8th or Thursday, May 9th - Commission Meeting

Monday, May 27 - Office closed in observance of Memorial Day

Thursday, July 4 - Office closed in observance of Independence Day

Wednesday, July 10th or Thursday, July 11th - Commission Meeting

Renewal Reminders

⇒ Effective January 1st, 2019 - all newly licensed property managers are required to complete 30 required hours of continuing education by their first renewal.

⇒ All licensees, active or inactive, that renew this year, need to have their renewal application completed. The application is found on our website. Failure in completing the application prior to December 31st, may result in your license going on non-renewal status.

⇒ All licensees renewing/maintaining active status, must have their errors and omissions insurance as well as continuing education completed prior to December 31st. Failure to comply, may result in your license going on inactive status.

⇒ The office will be emailing a reminder notice for renewal around mid September. Now would be a good time to login online and make sure we have your correct email listed.
HUD Boosts 2019 Loan Limits
(Used with Permission by ARELLO)

Citing robust increases in median U.S. home prices, the U.S. Department of Housing and Urban Development (HUD) announced recently that most areas of the country would experience increased limits on Federal Housing Administration (FHA)-insured mortgage loans. The increased limits took effect on January 1, 2019.

The FHA provides mortgage insurance on single- and multi-family mortgage loans made by approved lenders to borrowers who meet FHA qualification criteria. FHA insurance promotes the availability of mortgage credit because it pays lender claims in the event of homeowner defaults, up to the applicable loan limit. The FHA says that it is the largest mortgage insurer in the world, having insured over 47.5 million properties since its inception in 1934.

The FHA is required by the National Housing Act, as amended by the Housing and Economic Recovery Act of 2008 (HERA), to set single-family forward loan limits at 115 percent of median home prices, subject to “floor” and “ceiling” thresholds that the FHA calculates by Metropolitan Statistical Area (MSA) and county. In accordance with those provisions, the FHA establishes its floor and ceiling limits based on the “conforming” loan limits set by the Federal Housing Finance Agency (FHFA) for conventional mortgages owned or guaranteed by government-sponsored enterprises Fannie Mae and Freddie Mac. The FHA’s 2019 minimum national loan limit, or floor, of $314,827 (up from $294,515 in 2018) is set at 65 percent of the FHFA’s national conforming loan limit of $484,350. This floor applies to areas where 115 percent of the median home price is less than the floor limit. Any area in which the loan limit exceeds this floor is considered a “high-cost area.” In high-cost areas, FHA’s loan limit ceiling increased to $726,525 (up from $679,650 in 2018).

Additionally, the national limit for FHA-insured Home Equity Conversion Mortgages (HECMs), or “reverse mortgages,” will increase to $726,525 (up from $679,650), regardless of where the property is located. FHA regulations do not allow HECM limits to vary by MSA or county as they do for other FHA-insured mortgage loans.

For more information and access to area loan limit search tools, please go to the FHA’s loan limits page.
(Used with Permission by ARELLO)

The National Association of REALTORS® (NAR) recently urged the U.S. Department of Housing and Urban Development/Federal Housing Administration (HUD/ FHA) to finalize rules that have been pending since 2016 and would ease condo certification restrictions which, according to stakeholders, unnecessarily hamper access to federally-insured mortgage loans and harm would-be condo sellers, buyers, and the real estate industry.

FHA mortgage insurance promotes homeownership through advantageous loan rates and terms, and protects lenders against mortgage default losses. However, FHA-insured mortgages are only available for condo units in developments/projects that meet detailed FHA certification criteria. In response to the real estate mortgage and broader financial crisis that emerged in 2007/2008, HUD imposed certification restrictions that were designed to protect the Mutual Mortgage Insurance Fund (MMIF), which finances FHA-insured mortgage programs.

However, in a January 30, 2019 letter to HUD, NAR President John Smaby observed that the restrictions were imposed “Based on the belief that condominium loans were riskier than those for stand-alone singlefamily homes.” But, NAR asserts, “A decade’s worth of research has proven this belief to be inaccurate, but these restrictions remain in place and continue to disproportionately impact first-time buyers, small families, single people, urban residents and older Americans for whom a condominium is often the most affordable and accessible homeownership option."

In 2016, the U.S. Congress passed the Housing Opportunity Through Modernization Act of 2016 (“HOTMA”), which directed the FHA to make periodic recertifications less burdensome, make it easier to apply for exemptions from commercial space restrictions, and adopt Fannie Mae/Freddie Mac standards allowing certification of developments that charge private transfer fees benefiting the property (as opposed to transfer fees paid to developers or third parties). HOTMA also gave HUD/FHA 90 days to issue new guidance regarding its owner occupancy requirement, or else the existing threshold would be reduced to 35 percent by operation of law.

One day before the HOTMA deadline, HUD/FHA issued Mortgagee Letter 2016-15, which adopted the 35 percent owner occupancy threshold, but with detailed conditions. Also in 2016, HUD proposed rules which sought public comment on matters such as easing recertification processes, adopting less restrictive commercial space and owner occupancy criteria, and a proposed reauthorization of “spot approvals”; a process that was eliminated in 2009 and provided for the approval of FHA mortgage insurance on individual units in developments that were not on the FHA’s certified project list, subject to various conditions. However, the proposed rules have not yet been finalized.

In its January letter, NAR urged HUD to release the long awaited final rules “as quickly as possible,” noting that “For far too long, worthy borrowers have been unable to purchase the home of their choosing because of FHA’s unfairly restrictive rules on condominiums.” The letter points out that “There are approximately 145,000 to 155,000 condominium projects in the U.S., according
More From Washington, D.C.: NAR Demands Condo Rule Release (Cont.)

to the Foundation for Community Association Research. As of January 29, 2019, only 9,427 of 52,410 applications were approved by the FHA; a problem that is “even more alarming” in areas such as Florida’s Miami-Dade County.

NAR’s recent letter to HUD urging condo certification reforms is only one of several issued by it and other industry stakeholders over the last several years, including joint letters to HUD signed by 174 members of the U.S. Congress last summer. According to a recent issue of NAR’s Washington Report, President Smaby and other NAR leadership met in early February with HUD Secretary Dr. Ben Carson and again urged issuance of the final rules.
### New Licensees

#### Broker

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<thead>
<tr>
<th>Name</th>
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<tr>
<td>Gibson, Jessica</td>
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<td>Rolf, Penny R</td>
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#### Broker Associate

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<tr>
<td>Aldrich, Ericka</td>
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<td>Barthman, Troy</td>
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<td>Betten, Kayla</td>
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<td>Bye, Emily</td>
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<td>Carlson, Amy</td>
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<td>Carsten, Kaleb</td>
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#### Lic. Home Inspector

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<tr>
<th>Name</th>
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<tr>
<td>Elverson, Theodore</td>
<td>Garretson</td>
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#### Reg. Home Inspector

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<tr>
<td>Buhner, Theodore</td>
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<td>Hubner, Jamin</td>
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<tr>
<td>Sharman, Travis</td>
<td>Mitchell</td>
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New Licensees (Cont.)

Property Manager

Anglin, Sidney
Anshutz, Heidi M
Bruske, Ashley M
Gednalske, Meredith
Goettsch, Troy
Green, Lawrence
Haakinson, Kevin
Leisinger, Nichole
Moline, Haley
Pranzo, Jason
Warzecha, Lane G

Vermillion
Huron
Sioux Falls
Hot Springs
Madison
Montrose
Brookings
Rapid City
Rapid City
Sioux Falls

Salesperson

Gottumukkala, Madhu
Karels, Matthew
Ohlms, John E
Olson, Austin
Stout, Nicholas
Wright, Eric C
Wright, Jennie

Austin, TX
Ortonville, MN
Saint Peters,
Tempe, AZ
Crofton, NE
Grand Island,
Grand Island,

Res. Rental Agent

Blubaugh, Toshia
Bye, Emily
Clemens, Karlie
Gage, Brynn
Hopper, Gabriel
McClain, Gregory
Skavlem, Andrea L
Sokolovits, Nickolas
Sona, Kathleen
Tott, Holly
Wiemers, Debra
Wulff, Michele

Aberdeen
Vermillion
Chatfield, MN
Sioux Falls
Sioux Falls
Pierre
Rapid City
Sioux Falls
Sioux Falls
Brandon
Vermillion
Sioux Falls

Disciplinary Action

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


Disciplinary Action (Cont.)

Failure to maintain errors and omission 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)

Hoffman, Peggy
Broker Assoc.
Watertown

Rymerson, Jeffrey
Broker Assoc.
Sioux Falls

Gonsor, Jason
Broker Assoc.
Aberdeen

Tipton, Shane
Broker Assoc.
Rapid City

Cunningham, Deena
Broker Assoc.
Sioux Falls

Dreessen, David
Broker Assoc.
Sioux Falls

Huet, William
Broker Assoc.
Sioux Falls

Buggeman, Greta
Broker Assoc.
Sioux Falls

Casteel, Ryan
Broker Assoc.
Sturgis

Holdinghausen, Stephanie
Broker Assoc.
Rapid City

Holt, Tim
Broker Assoc.
Rapid City

Bower-Hood, Brandi
Broker Assoc.
Rapid City

Schmeling, Bradley
Broker Assoc.
Watertown

Brown, Kristin
Broker Assoc.
N SiouxCity

Stockberger, Amy
Broker Assoc.
Sioux Falls

Harvey, Benjamin
Broker Assoc.
Sioux Falls

Mujcin, Tarik
Broker Assoc.
Sioux Falls

Bullis, Amy
Broker Assoc.
Sioux Falls

Evans, Amy
Broker Assoc.
Sioux Falls

Standing High, Mato
Broker
Rapid City

Derksen, Nathan
Broker Assoc.
Sioux Falls

Coyle, Travis
Broker Assoc.
Rapid City

Jacobsen, Zach
Broker Assoc.
Sioux Falls

Chase, Roger
Broker
Huron

Mannes, Spencer
Broker Assoc.
Sioux Falls

Keck, Clayton
Auctioneer
Saint Lawrence

Wilber, Anthony
Broker Assoc.
Sioux Falls

Knowles, William
Broker Assoc.
Sioux Falls

Miller, Jason
Broker Assoc.
Sioux Falls

Donaway, Cedrick
Broker Assoc.
Sioux Falls

Reichardt Gunhammer, Dustin
Broker Assoc.
Rapid City
Disciplinary Action (Cont.)

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)

- Boucher, Kayleigh
- Pankratz, Nicole
- Kolb, Michelle
- Weyh, Joshua
- Boldt, Joshua
- Gullickson, Martin
- Gaulke, Lisa
- Reigle, Nichole
- Bradsky, Tracy
- Thill, Stuart
- Ronke, Todd
- London, Bonnie
- Hoium, Doreen
- Daugherty, Rick
- Dixon, Kacey
- Zimbleman, Rory
- McGinnis, Ty
- Joerger, Paul
- Buckmaster, Cathy
- Kulmala, Steve
- Haight, Michael
- Thompson, Forrest
- Lien D’urso, Stephanie
- Peschong, Kyle
- Oletzke, Mike
- Anders, Baxter
- Souvignier, Ted
- Mulder, Matt
- Hanson, Bryan
- Benitez, Leonardo
- Brockhoff, Eric
- Orteimer, Cristin
- Wingert, Laura
- Nelson, Daryl
- Grosz, Perry
- McKeown, Ana
- Galbraith, Amber
- Rupp, Ernest
- Hauck, Mike
- Wiles, Crystal

Broker Assoc., Watertown
Broker Assoc., Pierre
Broker Assoc., Sioux Falls
Broker Assoc., Watertown
Broker Assoc., Madison
Broker Assoc., Sioux Falls
Broker Assoc., Custer
Broker Assoc., Aberdeen
Broker Assoc., Rapid City
Broker Assoc., Sioux Falls
Broker Assoc., Watertown
Broker Assoc., Pierre
Broker Assoc., Watertown
Broker Assoc., Yankton
Res. Rent. Ag., Sioux Falls
Broker Assoc., Spearfish
Broker Assoc., Spearfish
Broker Assoc., Sioux Falls
Broker
Broker, Rapid City
Broker Assoc., Watertown
Broker Assoc., Spearfish
Auctioneer, Sioux Falls
Broker Assoc., Pierre
Broker Assoc., Sioux Falls
Broker Assoc., Brookings
Broker Assoc., Watertown
Broker Assoc., Sioux Falls
Broker Assoc., Britton
Broker Assoc., Rapid City
Broker Assoc., Deadwood
Res. Rent. Ag., Deadwood
Broker Assoc., Deadwood
Broker, Sioux Falls
Broker, Hermosa
Disciplinary Action *(Cont.)*

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)

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<tr>
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<tbody>
<tr>
<td>Carey, Carrie</td>
<td>Broker Assoc.</td>
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<td>Brenneman, David</td>
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