

**South Dakota Real  
Estate Commission**

Melissa Miller  
Executive Director  
221 W. Capitol Ave,  
Suite 101  
Pierre, SD 57501  
Phone: 605.773.3600  
Fax: 605.773.7175

**In this issue from the  
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**From The Director**

Season Greetings! Wow...2018 seemed to fly by fast.

On January 1st, look at your license and if it shows an expiration date of December 31, 2018, you cannot engage in the practice of real estate. If you are a responsible broker and you have not renewed your license, your associates cannot practice either.

To those of you who had met all of your requirements by November 30th, thank you!

If a licensee continues to practice real estate in those instances, they will be sent a complaint/consent agreement and penalty. The penalty can also be assessed against a responsible broker who continues to be associated with a licensee who does not hold an active license. Responsible brokers — please check the licenses of your associates to make sure they are licensed to do business in 2019.

Another reminder, if your errors and omissions insurance expires on December 31<sup>st</sup>, and you haven't renewed with RISC, or provided the Commission a certificate of coverage, you will be on an inactive status effective January 1st.

I wish you all a prosperous new year!



Click to like and follow our Facebook page.

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**Commission Calendar**

**Monday, December 31** - 2018 renewal ends

**Monday, December 31 and Tuesday, January 1** – Office closed in observance of the New Year

**Thursday, January 10** - Real Estate conference call Commission meeting

**Monday, January 21** – Office closed in observance of Martin Luther King, Jr. Day

**Monday, February 18** – Office closed in observance of Presidents' Day

**Commission Calendar**

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

## Annual NAR Buyer/Seller Survey Highlights Single Female Buyers, First Timers, Pets and More

*(Used with Permission by ARELLO)*

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The annual survey of U.S. residential real estate buyers and sellers conducted by the National Association of REALTORS® (NAR) always provides an interesting look at home buyer and seller demographics, experiences and related trends. Here are some selected highlights of the 2018 Profile of Home Buyers and Sellers report recently released by NAR.

Buyer and seller demographics are important to the real estate industry, but also reflect the principal “members of the public” that real estate license laws are designed to protect. For example:

- ⇒ The “typical” 2018 home buyer was 46 years old and the median household income for 2017 buyers was \$91,600. Detached single-family homes continue to be the most common purchase, at 82 percent, followed by eight percent of buyers choosing townhomes or row houses. Twelve percent of buyers purchased a “multi-generational home” to care for aging parents, accommodate children over 18 moving back in, and save costs. Eighteen percent of recent home buyers were veterans and three percent were active-duty service members.
- ⇒ The typical home seller was 55 years old with a median household income of \$98,800, and lived in their home for nine years before selling. Forty-four percent traded up to a larger home. Ninety percent of sellers listed their homes on the Multiple Listing Service (MLS), the number one listing source for sellers. Final sale prices were a median 99 percent of final listing prices, and 44 percent of sellers offered buyer incentives.

Single female buyers are a strong market force, representing the second most common household buyer type (18 percent of all buyers), behind married couples (63 percent). Single male buyers came in third (9 percent), followed by unmarried couples (8 percent).

Pet lovers will be interested to note that a critical factor for 15 percent of all buyers was convenience to veterinarians and/or outdoor space for pets, which rises to 20 percent for unmarried couples.

First-time buyers’ market share was 33 percent, a statistic that has not been higher than 39 percent since the 2010 expiration of the first-time home buyer federal tax credit. NAR Chief Economist Lawrence Yun said, “Low inventory, rising interest rates and student loan debt are all factors contributing to the suppression of first-time home buyers.” However, he also noted that recent inventory increases “may encourage more would-be buyers.”

Student loans stand in the way of would-be buyers, thirteen percent of whom said that saving for a down payment was the most difficult part of the buying process. Of those, 50 percent reported that student loan debt inhibited their ability to save for a home purchase or down payment. Twenty-four percent of all buyers have student loan debt, and 40 percent of first-timers indicated a median student loan debt of \$30,000.

What goes down is also going up, apparently, as NAR says that “Overall, buyers paid a median 13 percent down payment, up from 10 percent last year and the highest since 2005.” First-timer down payments rose from 5 percent in last year’s survey to 7 percent, the highest since 1997 (9 percent). Repeat buyers paid a median 16 percent down payment, the highest since 2010. First-timers were the most likely to rely on a gift from a friend or relative for their down payment.

For-Sale-By-Owner (FSBO) sales, a statistic that NAR has always watched closely, accounted for seven percent of all sales, which NAR says is “the lowest number recorded in this survey’s history. This number has been steadily declining since a high of 15 percent in 1981, with more and more owners relying on the expertise of an agent to help navigate the complicated process and intricacies of a home sale.”

#### Buyers, Sellers and their Agents

- ⇒ Eighty-seven percent of surveyed buyers purchased their home through a real estate agent or broker, 41 percent used an agent that was referred to them by a friend, neighbor, or relative and 12 percent used an agent that they had worked with in the past. Sixty-eight percent of buyers interviewed only one real estate agent during their home search.

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## **Annual NAR Buyer/Seller Survey (cont.)**

Sixty two percent were very satisfied with the home buying process and 90 percent would use their agent again or recommend their agent to others.

⇒ Ninety-one percent of home sellers worked with a real estate agent to sell their home and sixty-three percent found their agent through friends, neighbors, or relatives or used an agent with whom they had previously worked. Seventy-five percent of sellers contacted only one agent before finding the agent with whom they worked. Seventy-seven percent reported that they provided the agent's compensation. Sixty-four percent of sellers were very satisfied with the selling process and 86 percent said that they would either definitely or probably recommend their agent to others.

[Source: www.nar.realtor, "Single Females Remain a Force in Market, While First-time Buyers Continue to Struggle, According to REALTOR® 2018 Buyer and Seller Survey." NAR has provided view- ing access to more detailed highlights of the report, but the full publication is available only by purchase.]

## **Fair Housing Update: Recent Charges Highlight Discriminations Issues**

*(Used with Permission by ARELLO)*

2018 marks the 50th anniversary of the Civil Rights Act of 1968 (CRA), Title VIII of which contains the Fair Housing Act's (FHA) prohibitions against housing discrimination based on race, color, national origin, religion, sex, familial status and disability. Here's a snapshot glimpse of recent FHA charges lodged by the U.S. Department of Housing and Development (HUD), periodic review of which can provide an interesting look at the kinds of circumstances that can lead to alleged FHA liability.

[The following examples are based on HUD announcements and charging or other documents in pending cases (and one settled matter) that have not been adjudicated, thus the recited factual circumstances and legal conclusions are mere allegations that have not been proven. HUD FHA charges are heard by a United States Administrative Law Judge unless any party to the charge elects to have the case heard in federal district court. FHA remedies such as fines, damages, injunctive and other equitable relief, and attorney fees, may be awarded only upon a finding that unlawful discrimination has occurred (or if the case is settled).]

**Designated Parking Spaces:** HUD recently alleged that companies involved in the management of a West Virginia apartment complex engaged in prohibited discrimination by refusing the request for a designated parking space made by a resident with disabilities. The resident verbally requested the parking space and was told to get a prescription from her doctor, which she did. The prescription indicated that the resident's disability requires a designated parking space "close to home." Her medical provider also returned a verification indicating the need for a designated parking space close to her unit and identifying the relationship between the requested accommodation and her disability. The companies allegedly failed to grant the request. The resident continued to have difficulties finding a parking space close to her unit, which exacerbated her medical condition, and moved out of the property. HUD General Council Paul Compton said, "When a resident needs a designated parking space as an accommodation for her disability and providing one will not be an undue burden or fundamental alteration, a housing provider must do so."

**Occupancy Policies Restricting Children:** The owners of a three-bedroom rental unit in Wisconsin have been charged with violating the FHA by refusing to rent to a couple with five children, and by making prohibited statements "indicating any preference, limitation, or discrimination based on familial status, or that indicates an intention to make such a distinction." According to HUD, the owners' occupancy policy for all of their rental properties allowed no more than two people per bedroom, and thus limited the subject property to six residents. However, HUD alleges that the unit is large enough for the family under the local housing code, and three of the children would only have lived there part time. According to the HUD charges, an occupancy policy of two persons per bedroom is presumptively reasonable under the FHA, but the presumption is rebuttable by considering certain factors (e.g., bedroom/unit size and configuration, age of children, physical limitations of the housing, state and local law, etc. [Citations omitted]). The owners also allegedly said that they were not

## Fair Housing Update: Recent Charges Highlight Discriminations Issues (cont.)

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comfortable with having five children living in the unit and that “this is too many kids and having three boys sharing a bedroom would be too many for one room even if two of the boys are only there part time.” The owners also allegedly told the couple they did not feel that the house would be cleaned properly and were concerned things would get damaged. HUD’s Paul Compton commented, “Assuming that families with children make bad tenants is an unlawful stereotype. When a housing provider refuses to rent to a family because the family has children, the refusal violates the Fair Housing Act.”

**Assistance Animals and Common Areas:** HUD has alleged that a New Jersey condominium association violated the FHA by only allowing a sight and hearing impaired resident, when accompanied by her assistance animal, to use the service door instead of the main entrance to the development or its common areas. According to HUD, “The case came to HUD’s attention when the daughter of a condominium resident who uses an assistance animal filed a complaint alleging that the condominium association refused to waive its requirement that residents transport pets in carriers when in common areas, and was fined \$100 for walking the animal in the development’s common areas. Because of the resident’s mobility impairments, her daughter was primarily responsible for walking the dog. Additionally, when the resident was with her assistance animal, she was required to use the service door to enter and exit the building.” Mr. Compton noted, “Rules that limit access to condominium common areas for persons with disabilities who need an assistance animal violate the Fair Housing Act.”

**American Indian Home Refinancing:** An internet-based mortgage lender/ originator and an appraisal management company entered into a conciliation agreement with HUD to resolve allegations that the lender refused to refinance homes in North Dakota and California because they are on Native American lands. In one of the two cases, the appraisal management company allegedly informed the lender that it could not provide an appraisal on the subject home because it was on “Indian land.” The companies denied discriminating against the homeowners but settled the matters. The lender/ originator agreed to pay \$30,000 each to the two homeowner(s); fund a \$40,000 loan subsidy program for American Indian reservation borrowers; provide \$240,000 to support housing, financial literacy, and homeowners education outreach programs benefitting American Indians on and around reservations; and revise its home mortgage loan underwriting policies regarding land located within American Indian reservations, consistent with the FHA. The appraisal management company will similarly revise its policies and will no longer contract with appraisers who refuse to conduct appraisals on reservations. “A homeowner’s creditworthiness and ability to pay should be the only thing that matters when they apply for a mortgage, not their race or the fact that their home is located on Native American lands,” said HUD Assistant Secretary for Fair Housing and Equal Opportunity Anna María Farías.

For more information about the Fair Housing Act and HUD’s enforcement activities, please [click here](#).

## New Licensees

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### **Broker**

Frederickson, John	Spearfish	Mott, Steven	Lee's Summit, MO
Gorog, Melinda	Lead	Ruzicka, Jon	Minneapolis, MN
Jiovanazzo, Jeffrey	Eden Prairie, MN		
Johnson, Rodney	Norfolk, NE		

### **Broker Associate**

Anderson, Michael	New Underwood	Neopaney, OM	Sioux Falls
Archer, Kraig	Sisseton	Newton, Robert	Rapid City
Dingman, Jason	Aberdeen	Pennington, Erin	Custer
Gunter, Jennifer	New Underwood	Petit, Chad	Sioux Falls
Hanssen, Mackenzie	Brandon	Rice, Raheem	Sioux Falls
Harrington, Mardoqueo	Hot Springs	Scherer, Jaime	Sioux Falls
Holdinghausen, Stephanie	Rapid City	Schmitz, Melanie	Spearfish
Holzbaugh, Andrew	Sioux Falls	Schubkegel, Angela	Worthing
Huet, William	Sioux Falls	Schwan, Sophia	Sioux Falls
King, Shelby	Hartford	Shaeffer, James	Sioux Falls
Koroski, Melissa	Sioux Falls	Simpson, Pamela	Sioux Falls
Larson, Angela	Sioux Falls	Stork, Ellie	Sioux Falls
Lewison, Joseph	Sioux Falls	Ummach, Jamie	N Sioux City
McDougal, Clair	Gregory	Weisser, Brenton	Aberdeen
Moncur, Brittani	Sioux Falls	Whalen, Brittin	Sioux Falls
Mowell, Sean	Spearfish	Wood, Chase	Rapid City
Neilan, Bridgette	Waubay		

### **Property Manager**

Matthews, Jaime	Aberdeen
Miller, Kristi	Harrisburg
Moe, Kurt	Sioux Falls
Sinclair, Jennifer	Sioux Falls
Walters, Laura	Sioux Falls
Westhoff, Julie	Tea

### **Registered Home Inspector**

Chapman, Ward	Milbank
Grote, Greg	Brandon
Knippling, Brock	Marshall, MN
McBride, Jeremy	Rapid City
Russell, Jacob	Bryant

## New Licensees (cont.)

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### Residential Rental Agent

Bird, Lori	Draper
Bristow, Dalton	Sioux Falls
Bronenmann, Jessica	Pierre
Buskohl, Joslyn	Sioux Falls
Duke, Hannah	Canton
Dunlap, Katie	Sioux Falls
Frodermann, Nicole	Sioux Falls
Gran, Stacy	Sioux City, IA
Hansum, Kendall	Harrisburg
Harrison, Casey	Sioux Falls
Heuer, Kaitlyn	Sioux Falls
Isaac, Reuben	Sioux Falls
Iverson, Leah	Sioux Falls
Kirschenman, Tracy	Vermillion
Koelling, Whitney	Sioux Falls
Krause, Austin	Sioux Falls
Lawler, Codi	Mobridge
Lawrence, Elizabeth	Sioux Falls
Meyer, Jessica	Sioux Falls
Straatmeyer, Ashley	De Smet
Torstenson, Betty	Watertown
Wegner, Andrew	Brookings

### Salesperson

Chohon, Aaron	Atkinson, NE
Cummings, Kevin	Detroit Lakes, MN
Den Hoed, Danielle	Sioux Falls
Kirkpatrick, Vicki	Rapid City
Rich, Donald	Stoughton
Sobotka, Katharine	Stoughton
Stoltz, Chad	Dickinson, ND
Zomer, Ryan	Rock Valley,

## 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.

Dan Zumbaum, Aberdeen, Broker. Violation of 36-21A-71(1) and 36-21A-80. Administrative fine of \$1,250.

Collin Goodwin, Box Elder, Property Manager. Violation of 36-21A-71(30), 36-21A-132(2), and 36-21A-132(3). Administrative fine of \$500.

David Butler, Rapid City, Broker. Violation of 36-21A-78. Administrative fine of \$500.