

April 11, 2025

Via Email

Tyler Evins, Executive Director
South Dakota Appraiser Certification Program
Department of Labor and Regulation
Missouri River Plaza
123 West Missouri Avenue
Pierre, SD 57501
Tyler.Evins@state.sd.us

RE: Appraisal Subcommittee Staff Follow-Up Review of South Dakota's Appraiser Regulatory Program

Dear Tyler Evins:

Thank you for your cooperation and your staff's assistance in the April 2, 2025, Appraisal Subcommittee (ASC) staff Follow-up Review of the South Dakota appraiser regulatory program (Appraiser Program). This was a Follow-up Review of the 2023 Compliance Review of the South Dakota Appraiser Program.

As detailed in the attached Follow-up Report (Report) of the South Dakota Appraiser Program, South Dakota made progress in 10 of the 11 non-compliance areas identified in the November 2024 Appraiser Program Report. In addition, South Dakota addressed recommended actions to strengthen the Program. We commend the South Dakota Appraiser Program for its efforts and the progress made.

This letter and the attached Follow-up Report are public record and available on the ASC website in accordance with the Freedom of Information Act. Please contact us if you have any questions.

Sincerely,



Matt Ponzar
Acting Executive Director

Attachment

cc: Jerry McCabe, Director, Jerry.McCabe@state.sd.us

ASC Staff Follow-Up Report: 2023 Compliance Review						
South Dakota Appraiser Regulatory Program (State)						
Appraiser Certification Program Advisory Council (Council)				Follow-Up Review Date: April 2, 2025		Follow-Up Report Issue Date: April 11, 2025
Umbrella Agency: Department of Labor and Regulation				ASC Compliance Review Date: September 25-27, 2023		PM: M. Brown
Follow-Up of Compliance Review Report Dated: April 2, 2025				ASC Finding: Not Satisfactory		
Applicable Federal Citations	ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC)			Required/Recommended State Actions from the November 22, 2024 Compliance Review Report	Status as of April 2, 2025 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
Temporary Practice:	X					
States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State must monitor its updated procedures to ensure temporary practice permits are issued within 5 business days of receipt of application.	The State provided a list of temporary practice permit applications received during the Review period that included all of the required information. According to the temporary practice permit list, 29 temporary permits were issued during the Review period within 5 business days of receipt of a completed application. The State database now captures online application information within its system. This virtual follow-up Review did not allow for verification of log entries through the normal Review process.	Further Required Actions: ASC staff will verify the information during the next compliance review when we are onsite and able to access the electronic system. Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:	X					
States must reconcile and pay registry invoices in a timely manner. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 B.)				The State must monitor its process to ensure Appraiser Registry invoices are reconciled and paid in a timely manner.	The State reconciled and paid its registry invoices in a timely manner within this follow-up Review period.	Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry (continued):	X					
States must ensure that staff authorization information provided to the ASC is updated and accurate. (12 U.S.C. § 3347; Policy Statement 3 A, C.)				The State must monitor its new procedure to ensure that the authorization information is updated and accurate.	The State reported it sent updated information to this office. The authorization information has been updated and is accurate.	Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.

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Application Process:	X					
States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.)				The State must monitor its updated procedures to ensure that applicants have successfully completed courses consistent with AQB Criteria for the appraiser credential sought and document the file accordingly. The State must ensure that all documentation to support its validation methods are available to ASC staff for future Compliance Reviews.	The State provided a copy of the missing course completion certificates for the files reviewed.	Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process (continued):			X			
States must use a reliable means of validating appraiser experience claimed on all initial or upgrade applications for appraiser credentialing. (12 U.S.C. § 3347; Policy Statement 4 D.)				The State must monitor its updated procedures to ensure a reliable means of validating appraiser experience claimed on all initial or upgrade applications for appraiser credentialing and document the file accordingly. The State must ensure that all documentation to support its validation methods are available to ASC staff for future Compliance Reviews.	<div>The State reported that its office was unable to locate the experience log where it failed to adequately document the file to support experience claims on an upgrade application for appraiser credentialing.</div> <div>The State reported under its new procedures, all applications and supporting documentation are submitted and automatically stored in an electronic format. This virtual follow-up Review did not allow for verification through the normal Review process.</div>	Further Required Actions: The State must continue to monitor its updated procedures and ensure that all documentation to support its validation methods is available. ASC staff will verify the information during the next compliance review when we are onsite and able to access the electronic system. Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process (continued):	X					
States must analyze a representative sample of the applicant’s work product for compliance with USPAP on all initial or upgrade applications for appraiser credentialing. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 D.)				The State must monitor its updated procedures to ensure a reliable means of validating appraiser experience claimed on all initial or upgrade applications for appraiser credentialing and document the file accordingly. The State must ensure that all documentation to support its validation methods are available to ASC staff for future Compliance Reviews.	The State provided a completed copy of the missing Appraisal Review Checklists for the selected work product samples reviewed for USPAP compliance.	Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.

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Reciprocity:			X			
States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance of a credential by reciprocity so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3351; Policy Statement 5 D.)				The State must monitor its new requirement to verify and document that applicants hold an active credential for the appraiser license sought and that documentation to support its validation is available to ASC staff for future Compliance Reviews.	<p>The State reported that as of November 2024, program staff have been instructed to save a PDF copy of the Appraiser Registry search results for all reciprocal, temporary permit, and license upgrade applicants. The PDF is then stored under the applicant's application file.</p> <p>This virtual follow-up Review did not allow for verification through the normal Review process.</p>	<p>Further Required Actions: The State must continue to obtain and maintain relevant documentation pertaining to an application for issuance of a credential by reciprocity. ASC staff will verify the information during the next compliance review when we are onsite and able to access the electronic system.</p> <p>Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.</p>
Education:		X				
States must ensure the delivery mechanism for distance education courses offered by a non-academic provider, including secondary providers, has been approved by an AQB-approved organization providing approval of course design and delivery. (12 U.S.C. § 3347; Policy Statement 6 B.)				The State must continue the process to amend its rules to bring them into compliance with AQB Criteria, and provide ASC staff with a copy once finalized.	The State provided a copy of its proposed regulation changes to ensure the delivery mechanism for distance education courses offered by a non-academic provider, including secondary providers, has been approved by an AQB-approved organization providing approval of course design and delivery.	<p>Further Required Actions: The State must continue the process to amend its regulations to bring them into compliance with AQB Criteria.</p> <p>Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.</p>
Enforcement:			X			
States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State must maintain relevant documentation to enable understanding of the facts and determinations and the reasons for those determinations.	<p>The State reported that it has not closed any cases, since the Compliance Review.</p> <p>At the same time, the State reported it has updated its procedures to ensure it maintains relevant documentation.</p>	<p>Further Required Actions: None</p> <p>Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.</p>

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Enforcement (continued):			X			
States must ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable, and well-documented manner. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State must monitor its updated procedures to ensure that processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable, and well-documented manner.	The State reported that it has not closed any cases since the Compliance Review.	Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Enforcement (continued):	X					
States must track all complaints on a complaint log containing the required information. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State must monitor its digital form to ensure the complaint log contains the required information, including the date each complaint was received.	The State provided a sample of its current complaint log that included all of the required information regarding one open case and one previously closed case.	Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.