

January 3, 2024

**Via Email**

Laura Smith, Administrator  
Real Estate Appraisers Board  
South Carolina Department of Labor, Licensing and Regulation  
Synergy Business Park; Kingstree Building  
110 Centerview Drive  
Columbia, SC 29210  
[laura.smith@llr.sc.gov](mailto:laura.smith@llr.sc.gov)

RE: ASC Compliance Review of South Carolina's Appraiser Regulatory Program

Dear Laura Smith:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the South Carolina appraiser regulatory program (Appraiser Program) on August 1-3, 2023, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the South Carolina Appraiser Program is attached.

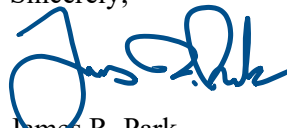
The ASC identified the following area of non-compliance:

- States must ensure that staff authorization information provided to the ASC is updated and accurate;<sup>1</sup>

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. South Carolina will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park  
Executive Director

Attachment

cc: George E. Knight, Jr, Chair, South Carolina Real Estate Appraisers Board, [jake@theknightco.com](mailto:jake@theknightco.com)

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<sup>1</sup> 12 U.S.C. § 3347; Policy Statement 3 A, C

<b>ASC Finding</b>	<b>Rating Criteria</b>	<b>Review Cycle*</b>
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor**	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

\*\* An ASC Finding of "Poor" may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



## ASC State Appraiser Program Compliance Review Report

ASC Finding: Good  
 Final Report Issue Date: January 3, 2024

<b>SC Appraiser Regulatory Program (State)</b>			
South Carolina Real Estate Appraisers Board	PM: T. Lewis	ASC Compliance Review Date: August 1-3, 2023	Review Period: November 2021 to June 2023
Umbrella Agency: SC Department of Labor, Licensing and Regulation		Number of State Credentialed Appraisers on Appraiser Registry: 2,291	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>			X	The State failed to notify the ASC to inactivate an individual's Registry access.	On November 17, 2023, the State reported that upon notification, they immediately terminated the former staff member's Registry Access.	The State must develop a procedure to ensure that authorizations to the National Registry of Appraisers are current and accurate.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
<b>Application Process:</b>	X			No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>			X	AQB Criteria requires Continuing Education (CE) courses to cover real property-related appraisal topics. The State approved 1 CE course without sufficient documentation in the file to determine the appropriateness of the content.	On November 17, 2023, the State reported the removal of the aforementioned course from their approved course list and further reported that no active appraisers had submitted course hours for approval related to that class. The State noted that the course was erroneously approved by the Real Estate Commission for appraiser education. The appraiser board has since taken over the approval process for appraiser courses.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 6 A.
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None