

December 22, 2025

Via Email

Jerry McCabe, Division Director
Division of Labor and Management
South Dakota Department of Labor and Regulation
South Dakota Appraiser Certification Program
123 West Missouri Avenue
Pierre, SD 57501
Jerry.McCabe@state.sd.us

RE: ASC Compliance Review of South Dakota's Appraisal Management Company (AMC)
Regulatory Program

Dear Jerry McCabe:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the South Dakota AMC regulatory program (AMC Program) on September 16-18, 2025, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

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

The ASC identified the following areas of non-compliance:

- States must enforce and document ownership limitations for State registered AMCs;²
- States must ensure the accuracy of all data submitted to the National Registry;³ and
- States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the National Registry and if eligible, collect the registry fee.⁴

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. South Dakota will be moved to a two-year Review Cycle.

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

³ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.

⁴ 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.

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,

A handwritten signature in cursive script that reads "Frederick Grier".

Frederick Grier
Acting Executive Director

Attachment


cc: Jennifer Doubledde, Attorney, Jennifer.Doubledde@state.sd.us
Jodi Aumer, Director of Professional Licensing, Jodi.Aumer@state.sd.us


ASC Finding Descriptions

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

<div><div></div><div>ASC State AMC Program Compliance Review Report</div></div>						ASC Finding: Good		
						Final Report Issue Date: December 22, 2025		
South Dakota AMC Regulatory Program (State)								
Appraiser Certification Program Advisory Council (Council)			PM: M. Brown		ASC Compliance Review Date: September 16-18, 2025		Review Period: September 2023 to September 2025	
Umbrella Agency: Department of Labor and Regulation				Number of AMCs on AMC Registry: 77		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				
Statutes, Regulations, Policies and Procedures:			X					
States must enforce and document ownership limitations for State registered AMCs. (12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)					The State's regulations allow the applicant to determine substantive cause in the event an owner's appraiser license or certificate was refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State. This concern was also identified in the 2023 Compliance Review Report.	On November 25, 2025, the State reported plans to initiate administrative rulemaking to amend its regulations by removing the phrase "for substantive cause." The State went on to report that once adopted, applicants will be required to submit relevant information pertaining to such matters, at which time the Appraisal Certification Program will determine substantive cause.	The State must continue the process to amend its regulations to bring them into compliance and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:			X					
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3338; 12 U.S.C. § 3347; 12 U.S.C. § 3338 to Box A12; Policy Statement 9.)					The National Registry includes 3 AMCs that were not included on the State's list of registered AMCs. 6 AMC names listed on the National Registry do not match the State's AMC registration names. 2 AMCs' registration numbers on the National Registry do not match the State's AMC registration numbers. 1 AMC is listed twice on the National Registry with 2 different AMC registration numbers and listed once on the State's list of registered AMCs.	On November 25, 2025, the State reported it had updated the National Registry to reflect the correct names. The State went on to report that it has a written policy directing staff to verify name accuracy in the National Registry, and staff will be retrained on this policy to ensure continued compliance.	The State must monitor its revised procedures for reporting AMC information to the National Registry to ensure compliance and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.

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Applicable Federal Citations		Compliance (YES/NO) Areas of Concern (AC)		ASC Staff Observations		State Response		Required/Recommended State Actions		General Comments		
		YES	NO	AC								
National Registry Continued:			X									
States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the National Registry and if eligible, collect the registry fee. (12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26;12 CFR 1102.403; Policy Statements 8 and 9.)					The State failed to determine the eligibility of State registered AMCs. This concern was also identified in the 2023 Compliance Review Report.		On November 25, 2025, the State reported plans to initiate administrative rulemaking to amend its regulations by removing the phrase "for substantive cause."		The State must continue the process to amend its regulations to bring them into compliance and provide ASC staff with a copy once finalized. The State must also revise its application forms to reflect the amended regulations, once finalized.		During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.	
Enforcement:												
					No compliance issues noted.		N/A		None		None	