

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 Appraiser Regulatory Program

Dear Jerry McCabe:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the South Dakota appraiser regulatory program (Appraiser Program) on September 16-18, 2025, to determine the 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 Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the South Dakota Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must have policies, practices and procedures consistent with Title XI;²
- States must reconcile and pay registry invoices in a timely manner;³
- States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations; and⁴
- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances.⁵

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. § 3347; Policy Statement 1 A.

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

⁴ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 A.

⁵ 12 U.S.C. § 3347; Policy Statement 7 B.

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.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: December 22, 2025

South Dakota Appraiser 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 State Credentialed Appraisers on National Registry: 371		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 have policies, practices and procedures consistent with Title XI. (12 U.S.C. § 3347; Policy Statement 1 A.)				The State's statutes do not require continuing education for nonresident appraisers who were licensed or certified by reciprocity.	On November 25, 2025, the State reported it intends to initiate administrative rulemaking to amend its regulations that currently exempts appraisers licensed or certified through reciprocity from the established continuing education requirements.	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.
Statutes, Regulations, Policies and Procedures Continued:			X				
States must have policies, practices and procedures consistent with Title XI. (12 U.S.C. § 3347; Policy Statement 1 A.)				The State's statutes allow for the approval date of an educational course to go beyond the expiration date of its delivery mechanism certificate.	On November 25, 2025, the State reported Appraiser Certification Program staff are trained to approve courses only through the earliest applicable expiration date, whether it is (1) the course expiration date established by the Appraiser Qualifications Board, (2) the expiration date of the course delivery mechanism certification, or (3) a 3-year period. The State went on to report it intends to initiate administrative rulemaking to amend its regulations to add a fourth subsection addressing the expiration date of the course delivery mechanism certificate.	The State should continue the process to amend its regulations to bring them into compliance.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.




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Umbrella Agency: Department of Labor and Regulation		Number of State Credentialed Appraisers on National Registry: 371	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				
Temporary Practice:	X						
				No compliance issues noted.	N/A	None	None
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 had 1 outstanding National Registry invoice. This concern was also identified in the 2023 Compliance Review Report.	On November 25, 2025, the State reported that it acknowledges the outstanding invoice and has updated its written procedures to include an additional step requiring staff to monitor the timing of National Registry invoices. The State went on to report that staff will notify the Director upon receipt, and the Director will review the invoice and forward it to Fiscal for payment.	The State must monitor its revised process to ensure invoices are reconciled and paid in a timely manner.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process:		X					
States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 A.)				1 application file was missing the applicant’s experience log, application form, and college transcript.	On November 25, 2025, the State reported that the Appraiser Certification Program's office recently transitioned from paper to electronic files. A duplicate copy of the missing documentation has been obtained and added to the appropriate electronic file. The State went on to report that office staff will be retrained on the written procedures for processing new applications to ensure continued compliance.	The State must ensure that all documentation supporting its validation methods is available to ASC staff for future Compliance Reviews.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None

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Umbrella Agency: Department of Labor and Regulation			Number of State Credentialed Appraisers on National Registry: 371			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				
Education:	X						
				No compliance issues noted.	N/A	None	None
Enforcement:		X					
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State had 2 aged complaints, 1 of which was unresolved for more than 1 year and 1 of which was unresolved for more than 2 years, without the exemption for special documented circumstances.	On November 25, 2025, the State reported it had reviewed the 2 complaints and determined the first complaint had been resolved previously, but staff had not closed the internal file; this has been corrected. The second complaint remains open, due to the complexity of the issues involved, and staff are actively investigating the matter. The State went on to report that it has implemented a new process to ensure that complaints are addressed and resolved in a timely manner going forward.	The State must monitor its new process to ensure complaints are resolved in a timely manner, absent special documented circumstances.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.