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Appraisal Subcommittee

Federal Financial Institutions Examination Council

April 19, 2005

Sherry Bren, Executive Director
Appraiser Certification Program
Department of Revenue & Regulation
445 E. Capitol Avenue
Pierre, South Dakota 57501-3185

Dear Ms. Bren:

Thank you for your letter of March 9, 2005, concerning the ASC's comments regarding South Dakota's proposed administrative rules. We appreciate your consideration of the ASC's prior comments and the resulting revisions to your proposed regulations.

Below are answers to several questions and comments raised in your March 9th letter.

ARSD 20:14:05:12:

ASC Comment: The 2008 Criteria limit supervisory duties to only certified appraisers.

Department Comment: You note that § 1122(e) of Title XI allows a State licensed and State certified appraiser to supervise an uncredentialed assistant who assists in the preparation of appraisals, if the supervising appraiser directly supervises the assistant and takes responsibility for the resulting appraisal. You also refer to ASC Policy Statement 10, which mirrors that section's language. You assert that limiting supervision to only certified appraisers is not authorized by Title XI.

Further ASC Comment: As discussed during the recent Association of Appraiser Regulatory Officials meeting, you are correct. This AQB provision is not a requirement. It is only a recommendation.

ARSD 20:14:05:05:

ASC Comment: Why change (1)-(9)? They track the current criteria and are terms of art and understood within the profession?

Department Comment: According to the New AQB Criteria Section V. Generic Experience Criteria, Paragraph E., "Acceptable real property appraisal practice for experience credit includes appraisal, appraisal review, appraisal consulting, and mass appraisal."

Question: Is the current AQB Criteria the acceptable experience that should be retained in rule rather than adopting the New AQB Criteria:

ASC Response: Until January 1, 2008, acceptable experience under the AQB Certification Criteria must be measured against the current AQB Certification Criteria. The current

Criteria have the force of law until January 1, 2008, notwithstanding a State's early implementation of the 2008 AQB Criteria. In other words, a State may choose to adopt and implement the 2008 Criteria before January 1, 2008, but the ASC will be required to measure the State's Title XI compliance against the pre-2008 version of the AQB criteria. To avoid possible confusion, a State may choose to retain the current Criteria through December 31, 2007, and to make the new Criteria effective on January 1, 2008.

Question: Are all the interpretations printed in the recent Appraisal Foundation, Appraiser Qualifications Board Real Property Appraiser Qualification Criteria and Interpretations of the Criteria applicable to the New AQB Criteria?

ASC Response: The current AQB Criteria and Interpretations will be superseded completely on January 1, 2008, by the new Criteria and associated Interpretations. In other words, the current Criteria and Interpretations no longer will be effective past December 31, 2007.

Sincerely,

Ben Henson
Executive Director

cc: Gary R. Viken, Department Secretary
Grant Gormley, Legal Counsel
Advisory Council