

November 22, 2024

**Via Email**

Tyler Evins, Interim Executive Director  
South Dakota Appraiser Certification Program  
Department of Labor and Regulation  
217 W. Missouri Avenue  
Pierre, SD 57501  
[Tyler.Evins@state.sd.us](mailto:Tyler.Evins@state.sd.us)

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

Dear Tyler Evins:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the South Dakota AMC regulatory program (AMC Program) on September 25 – 27, 2023, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.<sup>1</sup>

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) is attached.

The ASC identified the following areas of non-compliance:

- States must enforce and document ownership limitations for State-registered AMCs;<sup>2</sup> and
- States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee.<sup>3</sup>

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

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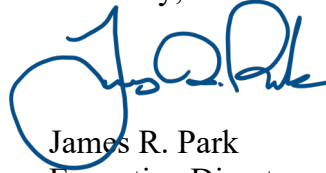
<sup>1</sup> 12 U.S.C. §§ 3331-3356.

<sup>2</sup> Title XI § 1124, 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.

<sup>3</sup> Title XI § 1109, 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 blue ink, appearing to read "J. R. Park". The signature is stylized with a large initial "J" and a cursive "R".

James R. Park  
Executive Director

Attachment

cc: Jerry McCabe, Director, [Jerry.McCabe@state.sd.us](mailto:Jerry.McCabe@state.sd.us)

Marcia Hultman, Cabinet Secretary, [Marcia.Hultman@state.sd.us](mailto:Marcia.Hultman@state.sd.us)

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
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 12, Interim Sanctions.



### ASC State AMC Program Compliance Review Report

ASC Finding: Good  
 Final Report Issue Date: November 22, 2024

**South Dakota AMC Regulatory Program (State)**  
 Appraiser Certification Program Advisory Council (Council) PM: M. Brown ASC Compliance Review Date: September 25-27, 2023 Review Period: November 2021 to September 2023  
 Umbrella Agency: Department of Labor and Regulation Number of AMCs on AMC Registry: 85 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					
States must enforce and document ownership limitations for State-registered AMCs. (Title XI § 1124, 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 regarding ownership limitation for an owner who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for substantive cause is not consistent with the AMC rule.	On February 2, 2024, the State reported that it intends to initiate the rules promulgation process to comply with Title XI.	The State must continue the process to amend its administrative rules to bring them into compliance with Title XI, 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 with Title XI and ASC Policy Statement 8.
<b>National Registry:</b>			X				
States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice). (Title XI § 1118, 12 U.S.C. § 3347; Title XI § 1109, 12 U.S.C. § 3338; Policy Statement 9.)				The State had 1 unpaid AMC Registry invoice outstanding for more than 45 calendar days.	On February 2, 2024, the State reported that on January 24, 2024, it paid the 1 outstanding AMC Registry invoice. At the same time, the State reported that it instituted changes to how it processes AMC Registry invoices.	The State should monitor its process to ensure AMC Registry 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 with Title XI and ASC Policy Statement 9.
<b>National Registry Continued:</b>		X					
States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee. (Title XI § 1109, 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.	On February 2, 2024, the State reported it intends to update its AMC application to accurately identify AMCs that meet the federal definition for of an AMC for eligibility on the AMC Registry and will provide a copy to the ASC once completed.	The State must continue the process to update its AMC application to determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry 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 with Title XI and ASC Policy Statements 8 & 9.
<b>Enforcement:</b>	X						
				No compliance issues noted.	N/A	None	None