

September 24, 2025

Via Email

Laura Smith, Board Executive
Real Estate Appraisers Board
Department of Labor, Licensing and Regulation
110 Centerview Drive
Columbia, SC 29210
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 July 8-10, 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 Carolina Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must ensure the accuracy of all data submitted to the Appraiser Registry. While two credentials were inadvertently entered into the National Registry, the State took immediate action to inactivate the credentials upon discovery. In addition, the State renewed and populated the National Registry with 2,246 credentials;²
- States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. The ASC understands that the State believed it complied by verifying a reciprocal credential holder satisfied continuing education requirements by checking the National Registry. The individual in question had satisfied the CE requirements, and the State is amending its policies;³ and
- 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. The State had two complaints that were unresolved for more than one year without the exemption for special documented circumstances, and no complaints that were unresolved for more than two years.⁴ During the period under review, the State received 142 complaints and

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3347; Policy Statement 3 A, D.

³ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.

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

closed 71 complaints, increasing the number of cases closed within 24 months by 25 cases as compared to the previous review period. Lastly, the State reduced the number of outstanding cases by 5 as compared to the prior review period.

ASC staff will verify that the corrective actions are made 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,

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

Frederick Grier
Acting Executive Director

Attachment

cc: J. Mark Chapman, Chairman, Chappysc@gmail.com

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: September 24, 2025

South Carolina Appraiser Regulatory Program (State)							
South Carolina Real Estate Appraisers Board			PM: T. Lewis		ASC Compliance Review Date: July 8-10, 2025		Review Period: June 2023 to June 2025
Umbrella Agency: South Carolina Department of Labor, Licensing and Regulation					Number of State Credentialed Appraisers on Appraiser Registry: 2,246		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						
				No compliance issues noted.	N/A	None	None
Temporary Practice:	X						
				No compliance issues noted.	N/A	None	None
National Registry:		X					
States must ensure the accuracy of all data submitted to the Appraiser Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D.)				2 credentials were entered on the National Registry for applicants who did not meet the AQB Criteria. During the period under review, the State renewed and populated the National Registry with 2,246 credentials.	In its September 9, 2025, response to the Preliminary Report, the State acknowledged that 2 individuals were erroneously placed on the National Registry when they did not meet the minimum AQB requirements. The State notes that upon discovery, the State immediately inactivated the credentials and informed the individuals. The State has since implemented additional training on the identification, internal processes, and entry of licensees placed on the National Registry.	The State must continue to develop its processes and procedures and train Staff to appropriately identify and populate the National Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good
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South Carolina Appraiser Regulatory Program (State)							
South Carolina Real Estate Appraisers Board			PM: T. Lewis		ASC Compliance Review Date: July 8-10, 2025		Review Period: June 2023 to June 2025
Umbrella Agency: South Carolina Department of Labor, Licensing and Regulation				Number of State Credentialed Appraisers on Appraiser Registry: 2,246		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				
Application Process:		X					
States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.)				The State did not verify completion of continuing education (CE) requirements for credentials issued by reciprocity. The State only verified that the reciprocal licensee had an active credential on the Appraiser Registry in the licensee's home state.	In its September 9, 2025, response, the State notes that the finding represents what it would consider a new interpretation of ASC policies that had not been previously communicated to the States. The State further responded that the ASC has consistently encouraged the States to rely upon the National Registry for verification that the renewing credential holder has met the minimum requirements to include the completion of required CE in their home state. The State notes that the Compliance Review did not identify any instance where a renewal of a reciprocal credential was completed when the credential holder did not meet the minimum qualifications. The State believes that verification that the applicant meets the minimum requirements within their home state complies with Policy Statement 4.	The State must verify that all applicants have successfully completed CE courses consistent with AQB Criteria for the appraiser credential sought.	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
Education:	X						
				No compliance issues noted.	N/A	None	None



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Umbrella Agency: South Carolina Department of Labor, Licensing and Regulation	Number of State Credentialed Appraisers on Appraiser Registry: 2,246		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				
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.)				<p>The State had 2 aged complaints, which were unresolved for more than 1 year without the exemption for special documented circumstances, and no complaints that were unresolved for more than 2 years.</p> <p>During the period under review, the State received 142 complaints and closed 71 complaints, increasing the number of cases closed within 24 months by 25 cases as compared to the previous review period. Lastly, the State reduced the number of outstanding cases by 5 as compared to the prior review period.</p>	<p>In its September 9, 2025, response, the State noted that it has experienced significant turnover in staff, along with procedural changes, in its Office of Investigations and Enforcement (OIE) and Office of Disciplinary Counsel (ODC), contributing to the delay in the final disposition of these cases. The Disciplinary Counsel assigned to the Appraiser and AMC Program changed twice within the period under review. The State also notes that it only has one investigator with residential appraisal experience, and complex non-residential cases generally require the utilization of contract investigators, contributing to the delay.</p> <p>The State closed by noting that the Disciplinary Counsel currently assigned to the Appraiser and AMC Program has made a great effort in eliminating delinquent cases. The State considers the consistent support and effort of the new Disciplinary Counsel as a solid step to ensure timely investigation and adjudication of Appraiser and AMC complaints.</p>	<p>The State must continue to develop and employ ways to process complaints in a timely manner consistent with the requirements of Title XI.</p>	<p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.</p>