

**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

September 18, 2013

Mr. Roderick T. Atkinson, Administrator  
South Carolina Real Estate Appraisers Board  
P O Box 11847  
Columbia, SC 29211-1847

RE: ASC Compliance Review of South Carolina's appraiser regulatory program

Dear Mr. Atkinson:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the South Carolina appraiser regulatory program (Program) on April 30 - May 2, 2013. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the preliminary findings regarding the Review and the State's response. Although the attached Report references areas of concern, the ASC has determined the Program is in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. South Carolina will remain on a two-year Review Cycle.

This letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,



Arthur Lindo  
Chairman

Attachment  
cc: Mr. Joel W. Norwood, Board Chair

## **“ASC Finding” Defined for ASC Compliance Review Report**

### **1. IN SUBSTANTIAL COMPLIANCE**

Applies when no issues of non-compliance or violations of Title XI, ASC Policy Statements or AQB Criteria are identified.

### **2. NOT IN SUBSTANTIAL COMPLIANCE**

Applies when there are one or more issues of non-compliance or violations of Title XI, ASC Policy Statements and/or AQB Criteria but the concerns do not rise to the level of “not in compliance.”

### **3. NOT IN COMPLIANCE**

Applies when the number, seriousness, and/or repetitiveness of the Title XI, ASC Policy Statements and/or AQB Criteria violations warrant this finding.

**ASC Compliance Review Report**

ASC Finding: In Substantial Compliance  
Final Report Issue Date: September 18, 2013

<b>South Carolina Appraiser Regulatory Program (Program)</b>	
South Carolina Real Estate Appraisers Board (Board)/Decision Making	PM: K. Klamet
Umbrella Agency: South Carolina Department of Labor, Licensing and Regulation	ASC Compliance Review Date: April 30-May 2, 2013
	Review Period: May 2011 to May 2013
	Number of State Credentialed Appraisers on National Registry:
	Review Cycle: Two Year

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
<b>South Carolina Statutes, Regulations, Policies and Procedures:</b>			X					
States must adopt and/or implement all relevant AQB Real Property Appraiser Qualification Criteria. (Title XI § 1116, 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				<p>A review of South Carolina's Statutes and Regulations revealed the following inconsistencies with AQB Criteria regarding: (1) required appraisal experience log; and (2) continuing education credit for non-student participation.</p> <p>AQB Criteria requires experience claimed by an appraiser applicant must include, in the experience log, the number of actual work hours performed by the applicant on each assignment and the scope of the review and supervision of the supervisory appraiser. South Carolina Statute § 40-60-34. (B) and Regulation § 137-300.01. (A) (2) does not include the number of actual hours performed by the applicant or the scope of the review and supervision of the supervising appraiser in the experience log requirements.</p> <p>AQB Criteria specifies that up to one half of an appraiser's continuing education requirement may be granted for participation, other than as a student, in such activities as teaching or authoring a textbook. South Carolina Statute § 40-60-35. (E) exempts instructors of approved courses from the continuing education requirements.</p>	On July 26, 2013, the Board reported to ASC staff that proposed revisions have been drafted to address the statutory and regulatory inconsistencies. These proposed changes will be introduced in January 2014 when the South Carolina Legislature reconvenes.	None	South Carolina should continue the process to amend its statutes and regulations to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final statutes and regulations once adopted.	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>National Registry:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Application Process:</b>	X			No compliance issues noted.	N/A	None	None	None

## ASC Compliance Review Report

**ASC Finding: In Substantial Compliance**  
**Final Report Issue Date: September 18, 2013**

**South Carolina Appraiser Regulatory Program (Program)**

**South Carolina Real Estate Appraisers Board (Board)/Decision Making** PM: K. Klamet

**ASC Compliance Review Date: April 30-May 2, 2013**

**Review Period: May 2011 to May 2013**

**Umbrella Agency: South Carolina Department of Labor, Licensing and Regulation**

**Number of State Credentialed Appraisers on National Registry:**

**Review Cycle: Two Year**

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Enforcement:</b>			X	South Carolina had 71 outstanding complaints of which 17 were unresolved for more than 1 year. Of the complaints outstanding for more than 1 year, none fall under the exception for special documented circumstances.  Of those 17 cases, 16 were in various stages of the disciplinary process, and 1 was still under investigation.	On July 26, 2013, the Board informed ASC staff that 9 of the 17 complaints have been resolved. Litigation and/or negotiations continue on the remaining 8 cases.	None	To strengthen the Program, South Carolina should continue to process complaints of appraiser misconduct or wrongdoing timely to ensure compliance with ASC Policy Statements.	During the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statements.
<b>Enforcement Continued:</b>			X	ASC staff reviewed 21 complaint files. Of the reviewed files, 1 complaint filed against a credentialed appraiser was dismissed based solely on the fact that the respondent's license was in an "Inactive" status at that time the complaint was filed.	On July 26, 2013, the Board advised ASC staff that it is no longer Board policy to discontinue complaints or investigations due to a license being lapsed or inactive. The Board also reported that Program staff reviewed all closed cases, and this appears to be the only appraiser case closed due to inactive status. The identified case has been reopened.	None	None	During the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statements.