

**20:77:07:03. Grounds for disciplinary action.** The following acts and omissions are grounds for disciplinary action:

(1) Prohibiting an appraiser from reporting the fee paid to the appraiser in the body of the appraisal report;

(2) Using an appraisal report submitted by an independent appraiser, or any data or information contained therein, for any purpose other than its intended use without the appraiser's or the intended end user's written consent, except as necessary to comply with regulatory mandates or legal requirements;

(3) Failing to meet the requirements for registration established pursuant to this article;

(4) Procuring or attempting to procure registration under this article by knowingly making a false statement, submitting false information, or making a material misrepresentation in an application filed with the department or procuring or attempting to procure a registration through fraud or misrepresentation;

(5) Paying money or other valuable consideration other than the fees provided for by this article to any employee of the department to procure a registration;

(6) Any act which constitutes dishonesty, fraud, or misrepresentation;

(7) An owner who is, in whole or in part, directly or indirectly, a designated officer or a controlling person having pled guilty or nolo contendere to or being found guilty of a felony; pled guilty or nolo contendere to or being convicted of a misdemeanor involving mortgage lending or real estate appraising; or having committed an offense involving breach of trust, moral turpitude, fraudulent or dishonest dealings;

(8) An owner who is, in whole or in part, directly or indirectly, a designated officer or a controlling person, and who is credentialed as an appraiser in this state or another state or jurisdiction, who has had an appraiser credential disciplined with refusal, cancellation, denial, censure, reprimand, voluntary surrender in lieu of revocation or suspension, or revocation of the credential;

(9) Having disciplinary action of the designated officer or a controlling person by any agency of the State of South Dakota or another state or jurisdiction;

(10) Being permanently or temporarily prohibited by a court of competent jurisdiction from engaging in or continuing to conduct any practice involving appraisal management services or operating an appraisal management company;

(11) Violating any provision of this article or SDCL chapter 36-21D;

(12) Being disciplined with suspension, denial, censure, reprimand, or revocation of a registration by another state or jurisdiction;

(13) Submitting fraudulent documents to another state or jurisdiction to become registered;

(14) Being disciplined by any agency of the federal government, State of South Dakota, or another state or jurisdiction;

(15) Failing to comply with a final order of the secretary;

(16) Voluntary surrender of a registration in lieu of other disciplinary action by another state or jurisdiction;

(17) Altering, modifying, or otherwise changing a completed requested appraisal report without written consent from the utilized appraiser who prepared the appraisal report;

(18) Failing to establish and comply with processes and controls reasonably designed to ensure that the appraisal management company conducts its appraisal management services in accordance with the requirements of subsections 129E(a) through (i) of the Truth in Lending Act (TILA), 15 U.S.C. §§ 1639e(a) through (i), and regulations thereunder;

(19) Having an investigation or disciplinary action of an appraisal management company, the designated officer or a controlling person by the department or another state pending in this state or another state;

(20) Failing to comply with a final order of the secretary;

(21) Having any owner, designated officer or controlling person fail to demonstrate good moral character; or

(22) Failing to register as an appraisal management company as required to perform appraisal management services.

**Source:** 38 SDR 40, effective September 20, 2011; 45 SDR 45, effective October 8, 2018.

**General Authority:** SDCL 36-21D-4(7)

**Law Implemented:** SDCL 36-21D-1, 36-21D-4(7), 36-21D-10.