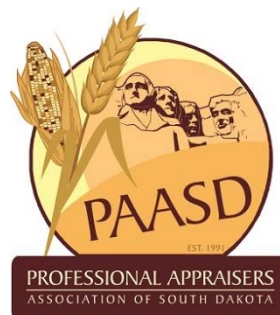


October 21, 2021

Scott Amundson, Executive Director
South Dakota Department of Labor and Regulation
Appraiser Certification Program
308 South Pierre Street
Pierre, SD 57501-3137



RE: October 7, 2021, Public Hearing to Adopt and Amend Proposed Administrative Rules (ARSD 20:14)

Dear Mr. Amundson,

I write as the President of the *Professional Appraisers Association of SD* (PAASD, www.paasd.com). Since its formation in 1991, PAASD has been recognized within the state as the prominent voice for the real property appraisal profession. The organization counts over 65% of the appraiser practitioners that reside in SD as members. PAASD has formed and maintains significant initiatives to provide scholarships and education both for individuals seeking to enter the appraisal profession and for established appraisers throughout the state.

In the way of background, I earned a State-Certified General Appraiser credential in 2008 and have since been a practicing appraiser residing in Britton, SD. I provide appraisal services for residential, rural residential, and agricultural property types and cover three counties. On behalf of PAASD's leadership, I am deeply saddened by both the notification process followed by the Appraiser Certification Program as well as the contents of the most recent proposed administrative rule revisions. PAASD objects to the lack of proper notification to those affected by the proposed rule revisions. As a secondary matter, the organization is strongly opposed to most of the revisions that have been proposed by the Appraiser Certification Program.

Background Concerning Proposed Administrative Rule Revisions Affecting the Appraisal Profession

In the dozens of proposed administrative rule revisions since the Appraiser Certification Program (ACP) was created over three decades ago, PAASD has never before written in opposition to either the notification process or the contents of the proposed revisions to the rules. On the contrary, PAASD has worked closely with the ACP over these many years to update ARSD 20:14 and to pass revisions to SDCL 36-21B, as needed. These changes through the decades have enabled the regulator to better serve the public trust while also fairly regulating the profession. A few examples of past bills affecting the appraisal profession in which the ACP and PAASD collaborated to produce a common outcome are displayed next. These bills were often jointly supported (or opposed) by both entities through the legislative process in the SD House and Senate.

2007 – HB 1175; Changed the statute of limitations on appraisal reports in SD; Signed into Law.

2009 – HB 1124; Passed the Improper Influence on Appraisers / Appraiser Pressure Bill; Signed into Law.

2010 – SB 119; PAASD combined with the ACP to oppose a bill that would permit auctioneers to offer value opinions without an appraiser credential. Bill was sent to the 41st day.

2011 – HB 1033; Required registration and regulation of AMCs by the ACP; Signed into Law.

2013 – SB 60; Initiated by the ACP, revised certain definitions regarding the Appraiser Certification Program. PAASD supported the bill; Signed into Law.

2014 – SB 48; Initiated by the ACP, established new criteria for the certification, licensure, and regulation of real estate appraisers. PAASD supported the bill; Signed into Law.

2015 – HB 1222; Initiated by seven representatives and two senators, opposed by the ACP. The bill revised certain educational requirements for certified appraisers. PAASD also opposed the bill; Tabled in committee.

2020 – HB 1127; Initiated by the ACP and SDBA, allowed credentialed appraisers to perform evaluations for federally regulated lending institutions. PAASD supported the bill; Signed into Law.

2021 – HB 1015; Initiated by the ACP, allows SD to create and offer the new Experience Training Program (ETP) concept. PAASD supported the bill; Signed into Law.

Current Proposed Administrative Rule Revisions – October 2021 **Fatal Deficiencies in the Public Notification Process**

PAASD believes that the ACP was deficient in its notification of the current proposed administrative rule revisions to the public, the profession, and other interested persons. PAASD hopes that these errors in process can be corrected for the next cycle of administrative rule revisions, as scheduled by the SD Interim Rules Review Committee (**IRRC**). This will allow the ACP and its regulated practitioners to return to their history of working together to better the profession and enhance the public trust. In the meantime, PAASD's leadership believes that the IRRC should not further consider the ACP's current proposed rule revisions in this cycle due to the lack of transparency and flaws in the notification process. Several such difficulties are next described.

1. ACP Advisory Council

As a regulatory agency without a decision-making board, the ACP proactively created an Advisory Council in 1991. The appraiser-members of the SD ACP Advisory Council serve as volunteers and travel to Pierre at their own expense to attend its meetings. The purpose of the ACP Advisory Council is to advise the Department Secretary in the administration and operation of the Appraiser Certification Program. The entire list of ACP members follows.

- a. The Director of the SD Real Estate Commission,
- b. The Director of the SD Division of Banking.
- c. An independent banker,
- d. An institutional staff appraiser,
- e. A State-Certified General Appraiser serving eastern SD,
- f. A State-Certified General Appraiser serving western SD,
- g. A State-Certified Residential Appraiser, and
- h. A State-Licensed (Residential) Appraiser.

In the past, proposed rule changes were first socialized by the Executive Director of the ACP with the Advisory Council to produce a more informed and well-rounded set of revisions. In some cases, the Advisory Council proactively made the agency aware of issues in the practice of appraisal and suggested proposed rule changes for consideration. The collaborative process involving the ACP and the Advisory Council universally provided better outcomes when changes to the laws and/or administrative rules governing the practice of appraisal in SD were considered.

Defect in the Current Process to Promulgate Administrative Rule Revisions

It appears that the members of the SD ACP Advisory Council weren't aware of or provided advance notice of the proposed rule revisions. Therefore, feedback about the proposed revisions was not sought or obtained from the members of the Advisory Council. In fact, the Advisory Council has not met in-person or virtually since February 2021. Further, PAASD contacted several of the volunteer appraiser-members of the Advisory Council and none were aware of the ACP's current proposed rule revisions. We believe this deviation from past protocol is a fatal flaw; the current process has unfortunately produced a lack of public and professional awareness about the proposed administrative rule revisions.

2. SD's Credentialed Appraisal Practitioners

In the past, the notice of public hearing for proposed administrative rule revisions was emailed to all SD credentialed appraisers as soon as it was publicly available. This transparency included an email to those practitioners residing in-state as well as those distant appraisers that were credentialed through reciprocity provisions.

Defect in the Current Process to Promulgate Administrative Rule Revisions

When polled, PAASD members overwhelmingly indicated that they were not previously aware of the proposed administrative rules and had not been emailed the ACP's current 'Notice of Public Hearing to Adopt Rules'. SDCL § 1-26-4 (5) notes that '[t]he agency shall afford all interested persons reasonable opportunity to submit amendments, data, opinions, or arguments at a public hearing held to adopt the rule.' However, PAASD's leadership (and therefore membership) was not made aware of the proposed rules revision by the ACP. Instead, PAASD was notified of this process in early October by an out-of-state professional organization that monitors state rule revision processes. Therefore, PAASD's leaders and members, as well as other non-affiliated appraisers in the state, had just a few days advance notice prior to the October 7, 2021, public hearing. Once again, we believe this deviation from past protocol is a fatal flaw; the current process has unfortunately produced a lack of public and professional awareness about the proposed administrative rule revisions.

3. List of Persons Requesting Advance Notice of Rulemaking Proceedings

SD agencies are required to maintain an *Interested Persons List (IPL)* – those persons who have requested advance notice of rulemaking proceedings. As the current President of PAASD, I should be on the ACP's IPL since the President of PAASD has historically received advance notification of any proposed administrative rule revisions affecting ARSD 20.14 and PAASD has long ago requested such. Also known to be on the IPL are the USPAP Compliance Examiners contracted by the ACP to judge submitted appraiser work product, the Appraisal Subcommittee – the federal government agency that provides oversight for the ACP, The Appraisal Foundation – the national non-profit that sets the uniform qualifications and standards for the appraiser profession, and members of the ACP Advisory Council.

Defect in the Current Process to Promulgate Administrative Rule Revisions

PAASD is not aware of any of these individuals or entities on the Interested Persons List that received the Notice of Public Hearing to Adopt Rules document produced by the ACP. In this case, SDCL § 1-26-4.7 (6) suggests that the IRRRC may require an agency to revert to any step in the adoption process if '[t]he notice given prior to the proposed rule's adoption was not sufficient to give adequate notice to persons likely to be affected by the proposed rule'. Since PAASD believes that outcome has been clearly demonstrated in this case, the ACP's notification

process ahead of the October 7th public hearing suffers from a fatal flaw and has unfortunately produced a lack of public and professional awareness about the proposed administrative rule revisions.

Current Proposed Administrative Rule Revisions – October 2021 **PAASD Opposition to the Proposed Changes**

As noted earlier, PAASD believes that the ACP was deficient in its processes to notify the public, the profession, and other interested persons about the current proposed administrative rule revisions. That notwithstanding, PAASD is also fundamentally opposed to many of the proposed rule revisions, as next outlined.

The leadership of PAASD formed opinions and conclusions about the proposed administrative rule revisions by gathering data and analyzing the results. This process has typically been completed in the past by the ACP in advance of proposed rule revisions, i.e., evidence is provided by the agency to support the proposed rule changes to ARSD 20:14. However, in the current case PAASD is not aware of any studies by the agency that offer support or the rationale for the ACP's proposed rule changes. In fact, the only stated rationale offered by the ACP for this bundle of rule changes has been verbally expressed as 'removing barriers to entry into the profession'.

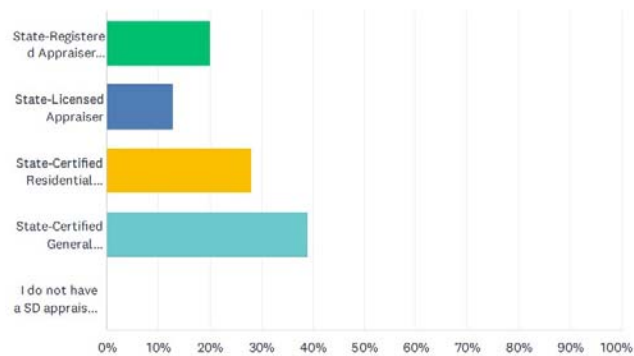
Lacking agency data or studies that support the proposed changes contained in the ACP's current rule revision proposal, PAASD polled the credentialed appraisers in SD to determine their collective opinions about the proposed administrative rule revisions. To gather data from the credentialed appraisers in SD, PAASD undertook the *October 2021 SD Credentialed Appraiser Survey (Appraiser Survey)*. More time to survey SD appraisers would have been helpful, but the ACP's process for notification of the proposed rule changes did not allow for enough advance notice to the profession to enable that outcome.

The Appraiser Survey was launched on 10/14/2021 and closed on 10/20/2021. Invitations to the survey were sent to all 252 credentialed appraisers that reside in South Dakota, and reminders to participate in the survey were sent by PAASD staff through the open period. **A total of 195 of the 252 credentialed appraisers, or 77.4%, completed all or some of the survey.** The participation rate is extremely high, in keeping with the general interest among credentialed SD appraisers about the topic of the ACP's current proposed rules revision.

The general profile of the respondents in the Appraiser Survey is presented on the next page. The largest percentage of survey takers have the State-Certified General credential, about 39%. The lowest percentage of survey takers have the State-Licensed credential, about 13%. The length of time that respondents have been credentialed is also displayed on the next page. In general, about 20% have been credentialed over 25 years, while 6.7% have been credentialed less than one year. Those in between are relatively uniform in their distribution.

Q1 Which SD appraiser credential do you currently hold?

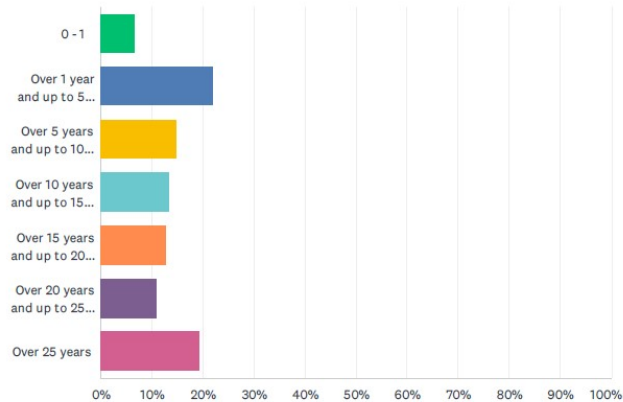
Answered: 195 Skipped: 0



ANSWER CHOICES	RESPONSES	
State-Registered Appraiser (Trainee Level)	20.00%	39
State-Licensed Appraiser	12.82%	25
State-Certified Residential Appraiser	28.21%	55
State-Certified General Appraiser	38.97%	76
I do not have a SD appraiser credential	0.00%	0
TOTAL		195

Q2 How long have you been credentialed in SD?

Answered: 195 Skipped: 0



ANSWER CHOICES	RESPONSES	
0 - 1	6.67%	13
Over 1 year and up to 5 years	22.05%	43
Over 5 years and up to 10 years	14.87%	29
Over 10 years and up to 15 years	13.33%	26
Over 15 years and up to 20 years	12.82%	25
Over 20 years and up to 25 years	10.77%	21
Over 25 years	19.49%	38
TOTAL		195

Another aid in understanding the concept of ‘barriers to entry into the appraisal profession’ is the following chart. The area of the chart highlighted in yellow is controlled by federal mandates, outside of state control. Only the area of the chart in white is within the control of the state regulatory body.

Current Requirements to Obtain An Appraiser Credential in SD				
	Formal Education	Appraiser Education in Specified Topics	Appraisal Experience*	National Uniform Exam
State-Registered Credential (Trainee Level)	No college education requirement	75 classroom hours	No Experience Required	SD and 4 other states require passage of a trainee level exam that covers 75 classroom hours of education. <i>There is no limit to the number of times the exam can be taken. **</i>
Licensed Credential (Mid-Level Residential)	No college education requirement	Additional 75 classroom hours beyond State-Registered	Minimum of 6-months and 1,000 hours with an endorsed appraiser-supervisor.	Pass the National Uniform Appraiser Exam for the Licensed credential. The exam can only be taken four times after which the upgrade application is void.
Certified Residential (Highest Level for Residential)	Minimum of an Associate's Degree (or a specified 30 semester hours alternative)	Additional 125 classroom hours beyond State-Registered	Minimum of 12 months and 1,500 hours with an endorsed appraiser-supervisor (750 hours must be in residential).	Pass the National Uniform Appraiser Exam for the Certified Residential credential. The exam can only be taken four times after which the upgrade application is void.
Certified General (Can Appraise All Property Types)	Minimum of a Bachelor's Degree	Additional 225 classroom hours beyond State-Registered	Minimum of 18 months and 3,000 hours with an endorsed appraiser-supervisor (1,500 hours must be in nonresidential).	Pass the National Uniform Appraiser Exam for the Certified General credential. The exam can only be taken four times after which the upgrade application is void.

* A small sample of the applicants work product is examined by the state regulator at the end of the experience hours to assure that the appraisals and appraisal reports submitted to the state comply with USPAP.

** Unlike almost all other states, SD allows trainees to appraise on their own (without a supervisor) in certain transactions. The federal standard is that trainees do not appraise on their own (never without a supervisor).

Note: Federal requirements are in yellow - no state deviation permitted

PAASD's Opposition to Specific Rule Changes

The ACP has proposed changes to the administrative rules in essentially three areas, as follows.

Rule Change 1 – Required Inspections by the Supervisory Appraiser with the Appraiser-Trainee

This proposed rule change would eliminate the minimum number of inspections required of the supervisor with their trainee (i.e., eliminate the *25/15 personal inspection rule* in SD). If the rules are passed as written, the minimum number of personal inspections that the supervisor must complete with the appraiser-trainee in SD would be zero (none) per ARSD 20:14:04:17.

The Appraiser Survey confirms that **72% of the appraisers in SD do not feel that the existing 25/15 personal inspection requirement is a barrier to taking on trainees**. Additionally, **74.5% of the appraisers in SD are opposed to the administrative rule changes proposed by the ACP** that make that change. PAASD recorded 112 distinct comments from appraisers relating to this issue in the Appraiser Survey – the comments are listed in a later section of this report.

For these reasons, PAASD is against the provisions in the proposed administrative rule changes that eliminate the 25/15 Personal Inspection Rule in SD.

For the complete details of the portion of the survey that applies to Rule Change 1, turn to page 10 of this document.

Rule Change 2 – National Appraiser-Trainee Exam Required to become a SD State-Registered Appraiser

This major proposed change to the rules eliminates the requirement in SD that the appraiser-trainee pass a national appraiser-trainee examination before obtaining the State-Registered Appraiser credential and beginning to log experience hours (ARSD 20:14:05:02 and 20:14:05:02.00).

The Appraiser Survey confirms that **76% of the appraisers in SD do not feel that the existing requirement for an individual to pass the national appraiser-trainee exam before obtaining the State-Registered credential is a barrier to taking on trainees.** Additionally, **77.5% of the appraisers in SD are opposed to the administrative rule changes proposed by the ACP** that make that change. PAASD recorded 97 distinct comments from appraisers relating to this issue in the Appraiser Survey – the comments are listed in a later section of this report.

For these reasons, PAASD is against the provisions in the proposed administrative rule changes that eliminate the requirement for an appraiser-trainee to pass a national appraiser-trainee examination before obtaining the State-Registered credential.

PAASD is also concerned about the provisions of this proposed rule change which have apparently already been implemented by the ACP before legislative authority and approval has been received. For example, the email on page 9 of this document clearly shows that the ACP has chosen to disregard the existing administrative rule requiring the administration of a national trainee exam before issuing the State-Registered Appraiser credential. Our organization would be interested in the rationale for this action and the number of trainees that have been issued a State-Registered Appraiser credential without taking the national trainee exam – despite the requirement to do so.

If the elimination of the national trainee exam is given favorable consideration by the Interim Rules Review Committee despite PAASD's opposition, the current ability of trainee-appraisers to provide appraisal services on their own, without a supervisor, must be curtailed. The existing combination of the national trainee exam to protect the public, along with the allowance for trainees to perform limited appraisals on their own, has proven to best serve the profession and users of appraisal services in the state. When one of those elements is lost, both must be ended.

For the complete details of the portion of the survey that applies to Rule Change 2, turn to page 20 of this document.

Rule Change 3 – Changes to the South Dakota Experience Training Program

The third major proposed change/addition to the rules involves a new program for appraiser-trainees in SD called the *Experience Training Program* (ETP). The administrative rule revisions proposed by the ACP would dramatically alter this program before it is even launched into the marketplace (ARSD 20:14:15).

The ACP suggests through the proposed rule changes that the ETP should conform to the minimums for experience as suggested in the AQB Criteria, i.e., six months and 1,000 experience hours for the State-Licensed credential, twelve months and 1,500 experience hours for the State-Certified Residential credential, etc. However, such an approach is an apples-to-oranges comparison, at best. Currently, there are no federally mandated minimums for the ETP because it is a brand-new program that does not utilize the traditional supervisor-trainee model. Therefore, the ACP's desire to apply the experience hour minimums for the traditional supervisor-trainee model to the new ETP model is not reasonable. The supervisor-trainee model includes an intense one-on-one relationship during the apprentice period, while the new ETP model provides 20+ students with the ability to rely on a single Lead Trainer in a mostly virtual-based classroom environment. Given these differences alone, great credence must be given to the recommendations of the Subject Matter Experts (SMEs) so that the students who successfully navigate the ETP will have the skills necessary to provide appraisal services that are in demand by the many lender-clients they will serve. This will not be possible if the administrative rule revisions proposed by the ACP are implemented as those students that complete an abbreviated program won't have adequate time in the ETP to be competent practitioners in the communities they will serve.

The Appraiser Survey confirms that **69% of the appraisers in SD feel that the traditional supervisor-trainee model (the only path for a trainee to gain experience hours) is a barrier that prevents individuals from pursuing a new career as an appraiser (a barrier to entry).** Not surprisingly, **68.5% of the appraisers in SD are in favor of an alternative to the traditional supervisor-trainee model for obtaining appraiser experience – like the ETP.**

Most importantly, 68% of the appraisers in SD are not in favor of reducing the SME's recommendations for the ETP as suggested by the ACP in the proposed administrative rule revisions. PAASD recorded 87 distinct comments from appraisers relating to this issue in the Appraiser Survey – the comments are listed in a later section of the report.

For these reasons, PAASD is against the provisions in the proposed administrative rule changes that would dramatically alter the ETP before it is even launched into the marketplace.

For the complete details of the portion of the survey that applies to Rule Change 3, turn to page 29 of this document.

Thank you for the opportunity to provide these opinions from PAASD to the Appraiser Certification Program. To summarize, PAASD believes the ACP was deficient in its processes to notify the public, the profession, and other interested persons about the current proposed administrative rule revisions. Additionally, PAASD is fundamentally opposed to the three major proposed rule revisions, as just outlined for the reader.

Sincerely,

s/Sandra L. Gresh

Sandra L. Gresh
PAASD President
paasd@rushmore.com

Subject: FW: Melissa L. Hill 1585SR

On Thu, Aug 26, 2021 at 10:50 AM Bennett, Anna <Anna.Bennett@state.sd.us> wrote:

Dear Missy,

As you have no doubt heard, the National Exam is no longer required for State Registered Appraisers.

I have been waiting for your criminal background check to be returned from DCI (received this week), to issue your credential.

I have issued the credential effective 08/25/2021 and entered the association between you and Amy as Trainee/Supervisor.

You will receive an official letter along with your certificate, however it may take me a few days to get that out to you and I knew you would want to know right away so you can start logging hours.

If you have any questions or require further assistance, please let me know.

Best regards,



ANNA BENNETT | Senior Secretary

DEPARTMENT OF LABOR AND REGULATION

Appraiser Certification Program | [308 S Pierre St. | Pierre, SD | 57501](https://www.southdakota.gov/308-S-Pierre-St-Pierre-SD-57501)

605.773.3803 | dlr.sd.gov | Like/Follow @SouthDakotaDLR

Rule Change 1 – Required Inspections by the Supervisory Appraiser with the Appraiser-Trainee

Background Information: The first major proposed change to the administrative rules by the ACP has to do with the supervisory appraiser’s responsibility to personally co-inspect subject properties with the state-registered appraiser (appraiser-trainee). A reminder that no appraisal experience is required to obtain a state-registered credential.

Starting in 2009, the supervisor was required to inspect a minimum of the first 50 residential, and/or 25 non-residential, subject properties with the appraiser-trainee. In 2019, the requirement was lowered. Currently, the supervisor is required to inspect a minimum of the first 25 residential, and/or 15 non-residential, subject properties with the appraiser-trainee in SD. After that, the supervisor decides if/when the appraiser-trainee is competent to inspect subject properties on their own. This is known as the *25/15 personal inspection rule* in SD (ARSD 20:14:04:17).

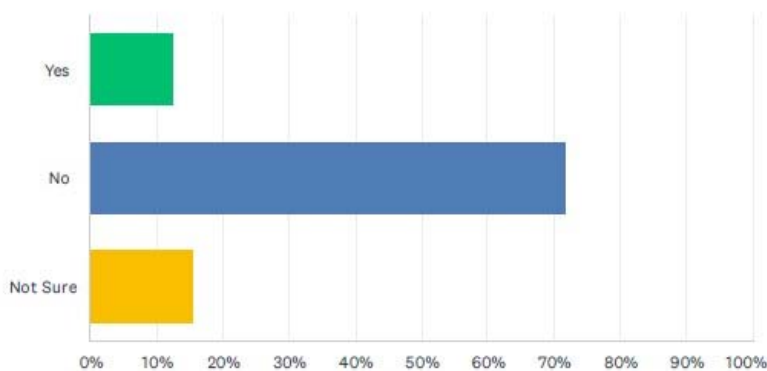
The proposed rule change would eliminate these minimums (i.e., eliminate the *25/15 personal inspection rule* in SD). If the rules are passed as written, the minimum number of personal inspections that the supervisor must complete with the appraiser-trainee in SD would be zero (none).

Survey Question 4 - In your opinion, does the current *25/15 personal inspection rule* in SD prevent supervisors from taking on appraiser-trainees?

- a. Yes
- b. No
- c. Not Sure

Q4 In your opinion, does the current 25/15 personal inspection rule in SD prevent supervisors from taking on appraiser-trainees?

Answered: 192 Skipped: 3



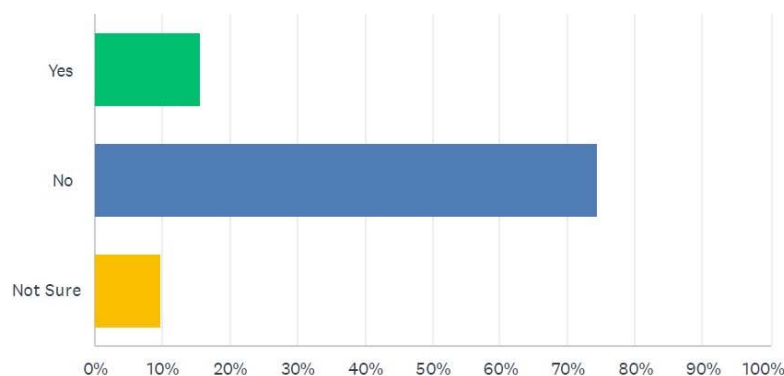
ANSWER CHOICES	RESPONSES	
Yes	12.50%	24
No	71.88%	138
Not Sure	15.63%	30
TOTAL		192

Survey Question 5 – Are you in favor of eliminating the *25/15 personal inspection rule* in SD as proposed by the Appraiser Certification Program?

- a. Yes
- b. No
- c. Not Sure

Q5 Are you in favor of eliminating the 25/15 personal inspection rule in SD as proposed by the Appraiser Certification Program?

Answered: 192 Skipped: 3



ANSWER CHOICES		RESPONSES	
Yes		15.63%	30
No		74.48%	143
Not Sure		9.90%	19
TOTAL			192

Survey Question 6 – Enter any comments relating to questions 4 and 5 and the elimination of the *25/15 personal inspection rule* in SD.

Here are the 113 comments that were provided to this question:

1. There are some basic guideline in doing an inspection that i think that a new appraiser should learn from an experienced appraiser regarding the degree to which some condition, and quality, wear and maintenance impacts value.
2. I think the 25/15 rule is adequate. Trainees should be well mentored on site inspections before being able to inspect alone
3. In the process of learning how to effectively and competently inspect a subject property, I believe a supervisor is very necessary to direct and teach the trainee about the items to look for and note, and even more so, how to correctly take measurements of the property. This

process needs at least 25+ inspections with a supervisor at the inspection in person. DO NOT make with change!

4. Supervising appraiser should accompany trainee on some inspections to ensure they are competent to do inspections by themselves. I don't think the current rule is overly burdensome.
5. As a Registered Appraiser working towards my CG, I learn a lot while on inspections. I would not be opposed to lessening to amount, but not to zero. I think changing it to zero would result in an inferior education.
6. I believe the 25/15 inspection rule should remain in place to ensure competency in appraisal reports.
7. Competency with the new appraisers is basically in my opinion at an all time low. These supervisory appraisers around the state that are not taking the time or making the effort to train new appraisers need to stop being supervisors. Its not about sending non qualified appraisers out into the field to save you time and just cash the check when it comes in. Too many of them are doing just that. I stay with my trainee basically a minimum of 6 months to a year or more typically. Anything less is not doing the client or that appraiser justice.
8. It would not serve the profession well to eliminate the 25/15 personal inspection rule. This requirement was just lowered in 2019. I agree that AFTER the minimum inspections are met, then the supervisory appraiser may use his/her judgement as to if the appraiser-trainee is competent to inspect on their own.
9. I think joint inspections are a huge benefit to the trainee; However, surrounding states do not have a required number of joint inspections. I think the competency rule helps cover the degree to which a supervisor thinks joint inspections are needed.
10. I believe it is very important to have the proper experience/supervision at the inspection. As a trainee, they do not have the experience to determine condition/quality of the subject
11. Those boots-on-the-ground times with a supervisor are crucial to becoming an appraiser. You are not prepared without this part of the training, in my opinion,
12. As an appraiser who was a trainee up until one year ago, I can not imagine having to go on an inspection without having a supervisor there, especially on your first appraisal inspection. It took me way more than 25 inspections with my supervisor to feel competent enough to go on my first inspection without an experienced appraiser. This rule change will have a negative impact on the profession.
13. It is the supervising appraiser's responsibility assure the trainee's assignment competency.
14. If the supervisor is responsible for the appraisal, they need to inspect the property. I'm not sure the errors and omissions insurance would allow anything different. If the supervisor is responsible for the appraisal, it is the supervisors license at risk. Would the publics opinion change about the integrity of the appraisal system?
15. That's where you learn all your trade, by actually looking for problems with the property.
16. I think it is very important to keep the 25/15 personal inspection rule in SD as it is very important for supervisors to be with trainees in the field for trainees to get the "hands on" experience. When I was a trainee, having my supervisory appraiser with me on appointments helped me gain confidence and knowledge in the appraisal process of completing the home inspections.
17. We need to train competent appraisers - not just have a lot of them.

18. I believe it is necessary to have the supervisor to take the trainee on at least that many inspections to get the route down and to remember all of the information that is needed to maintain a strong credibility and level of professionalism of our industry.
19. In the beginning a trainee may not know what questions to ask or miss important physical features of property. In some cases the appraiser may only get one chance to interview the owner
20. There should be a minimum. 25/15 is fine and should not be eliminated.
21. Yes, requiring a supervisor to inspect with a trainee "takes money away" from the Supervisor Appraiser.

However, Inspections are a step in the overall process, and to protect Supervisors, a minimum standard should be in place. In addition, I believe, as a Trainee, it forces the Supervisor to engage and mentor his/her trainee. I believe this mentorship is critical to maintain quality within the profession.

22. Because ALL properties are different, it is imperative that trainees learn the inspection process from an experienced appraiser, including questions to ask property owners, unique features and/or adverse conditions to consider during the inspection process. I am not sure of the "ideal" number of properties that a Supervisor is willing to jointly inspect, but having 0 properties jointly inspected violates the competency rule in my opinion.
23. Inspections with the supervisors are crucial. There is a lot to learn from these co-inspections that you don't learn in a book or a manual. Would be hard to sign as a supervisor if the trainee has had no training.
24. It would be harmful to the profession and to the end product users. It is my opinion that the trainee would be severely less qualified and less competent with this change.
25. In my opinion a trainee can't truly understand the importance of the inspection and do a proper inspection without the direction and instruction of a supervisor being present. Eliminating the inspection rule will only damage the credibility of the appraisal.
26. The rule was put in place to stop supervisors "rubber stamping" reports and not really giving supervision to the trainee.
27. Please remember the sloppy appraisal practices of the late 1980's and why we are here today. Keep it as it is, no slacking off!
28. I think it is important to have supervisors start training appraisers on inspections so they learn how to perform them correctly.
29. I think this must be mandatory. This helps make a competent appraiser.
30. Inspections have little to do with people not taking on trainees. People continually say they don't want to train their competition
31. I have had a trainee for the prior two years; I inspect all homes. Oddities, condition, quality, and numerous other features which I need firsthand knowledge of to instruct would be lost without personal inspections.
32. There are just too many real world issues that text books cannot address.
33. This would allow a supervisor to be from out of the trainees area or from out of state, and the point of the supervised inspections is to teach them how to do them and what to look for. How will they learn that if their supervisor is not along with them?

There is also history that trainees that did not have a supervisor personally show them how to do inspections had trouble getting through the upgrade process. The rule significantly lowered this issue, therefore speeding up their path to being an independent appraiser.

34. I favor some inspections with the supervisor in order to provide on the job training and feedback to the trainee plus give the client confidence in the work product
35. So, when i do inspections say.. in Pierre it is not uncommon to do 4 or more in a day. So we are talking 6 days of supervision in the field. This does not seem particularly onerous when you consider the details and variety of situations we are expected to be competent in.
36. I feel it is important trainee view property with a supervisor present so that person can get the feel of how an interior/exterior viewing should be performed and what to look for. There are things you can't pickup on unless you have gone through the steps. The 25/15 number might be to high. For residential maybe the 1st 4 or 5. With additional personal inspections on the 10th & 15th inspection. No other personal inspections if supervisor feels trainee is ready.
37. even without the inspection requirements currently in place, Inspections would still be controlled by the supervisor and come under the competency requirement.
38. I think the 25/15 personal inspection rule is prudent. If you feel the amount is excessive then require fewer co-inspections; but eliminating the practice altogether is overkill. If the trainee is entirely new to the real estate industry they will require some guidance on how to conduct an inspection and what to look for.
39. I feel the 25 residential inspections to be reasonable, but in some area it is difficult to find 15 non-residential properties, so that number should be adjustable by the supervisor.
40. I feel that it is important for the supervisor to show the trainee what they are looking. Texting books can't teach real world scenarios.
41. I don't care if you lower this requirement, but I feel it is important to have at least a handful of joint inspections to help make sure trainees aren't missing things when on inspections. It's important to have a certified appraiser along for a few inspections at least to make sure the trainee is thorough in my opinion.
42. I think it's imperative that the supervisors continue to inspect property with the trainee. I think the 25/15 rule should be maintained to ensure the trainee is proficient and creditable.
43. I don't handle any trainees. I think those that do should be the deciding factor.
44. It is important for trainees to learn the basics. You can learn a lot from the classes, but on the job training is the best. A Supervisor will point out things, the trainee might miss. They show them other things to look for and observe. Probably the most important thing is for the beginner to work with a seasoned appraiser for experience and on the job training before they set off independently. The current requirement of 25/15 is a good compromise.
45. NA
46. Inspection rule doesn't really ensure competency. Some trainees may need 50 inspections while others maybe only a few. Would be good to allow the supervisor to determine how many inspections are needed.
47. Assisting in the inspections is critical in teaching the trainees on what to look for and identifying relevant information. I think even 25 inspections is too little as I have personally seen appraisal reports from peers that either ignored faulty components or failed to see

them. Once you get into government insured loans, these little things become even more important.

48. Regardless of the minimums, Supervisors will do personal inspections with their trainees for much more than a minimum. The removal of the requirement simply streamlines the paperwork, making it easier for supervisors to focus on instruction rather than documentation.
49. I do not feel that supervisor inspections should be entirely eliminated but perhaps the number could be reduced and maybe instead of the first 25/15, a spot inspection of that number be made. Maybe the first 5, then every other or every third one.
50. I have never done an inspection myself. We have done over 200 inspections and just now I feel competent to ha for an inspection on my own.
51. With 75 hours of education and no experience, I would not be comfortable or competent to perform and appraisal on my own.
52. I have been a supervisor several times. Not sure what the big deal with this requirement is. If you are doing appraisals for secondary market, lenders don't want a supervisor signature on the report. If a supervisor is solely signing the report, they are certifying to inspecting the subject and comparables used in the report. So as I see it for Residential Appraisal Assignments completed for Secondary Market, the supervisor better be inspecting the subject and comparables as that is what they are certifying to.
53. The 25/15 is essential to the traning of young appraisers. In larger cities such as Sioux Falls and Rapid City county records are available for different sizes; however, appraiser software such as AI a mode still shows a variance in appraisers using the same comparable. Also, while county records states sizes often times these might be inadequate as the interior of homes is often not inspected and simple features such as window seats may be included in square foot or a basement may be bigger than the main floor due to additional square fett under a deck or patio. The minimum requirement is in place to ensure that all things stated above are explained to the trainee.
54. Inspecting properties with the trainee is important to teach the basics and finer aspects of an appropriate property inspection.
55. I think joint visits provide opportunity to train and to train on what to look for and possible issues that with a property.
56. There should be some oversight but perhaps this can be done another way. It seems that finding supervisory appraisers is a major roadblock in the process
57. It is my belief that the 25/15 is still needed to help enhance and promote sufficient learning during these early stages of becoming an appraiser
58. To properly train an appraiser, an appraiser needs to know how to correctly inspect a property. This is 1/5 of the appraisal for a commercial appraiser and 1/2 of the job for a residential appraiser. It is a terrible idea to eliminate the minimum inspection rule, regardless of the shortage of appraisers there may be or the urgency to get trainees certified.
59. It would be a better solution. We are currently not getting many good supervisor without some under table financing deals.
60. So much is learned by watching the process of the supervisor during an inspection. If eliminated, this opportunity is gone.
61. The quality of the appraisal would be protected if the supervisor makes the inspections

62. It is extremely important for appraisal trainees to follow along with an experienced Appraiser while inspecting the property.
63. For residential assignments for federally regulated transactions performed on the Fannie Mae 1004 form, the supervisory appraiser signing the certification must make a personal inspection (albeit a drive-by or otherwise). T This rule change flies in the face of the directive of the single largest end user(s) of residential appraisals on the planet.
64. The problem was Sherry Bren not the rules
65. It appears to me that the reason for this rule is to require the supervising appraiser to "teach" the trainee how to do a field inspection, and what to look for. Without the rule, the trainee will have no "In-Field-Training. Really, Really, Really Bad Idea.
66. I am currently a State Registered Appraiser, training under a supervisor. I have 1250 supervised hours in, and it wasn't until recently that I felt comfortable enough to do inspections on my own and feel competent in the appraising process. Eliminating the joint inspection requirement would be a disservice to the clients.
67. The supervisor is training which includes what the trainee needs to look for in the property. The supervisor is setting the trainee up for success if they train them.
68. The 25/15 personal inspection rule is good and should stay in place. It is a protection for the trainee and a protection of public trust - the public should have an appraiser with experience work for them once that appraiser receives their credential. Without proper experience, the trainee is set up for failure.
69. 25/15 inspections is not egregious by any standards. As a supervisor of three trainees, it's important that we attend the first inspections with a new trainee, until we feel they are competent to complete them solo.
70. The coursework required (Basic Appraisal Procedures and Principles) does not teach a trainee how to complete the personal inspections. If a supervisor is not required to go on the inspections I'm afraid some trainees will not be properly taught about many nuances that are observed at the on-site inspection. This lack of oversight could lead to many issues not being reported properly, some of which may be safety and soundness issues to both the lenders and occupants. This would not meet our requirements to protect the public.
71. I don't believe 25/15 is unreasonable at all. As a supervisor, I would for sure be on the first 25 inspections. Would also think most trainees would want that as well as clients
72. It is difficult to critique the work of the trainee without viewing properties and part of the inspection is training the new appraiser on what to look for, condition, quality, problems with the house, etc. Dumb idea to take this away.
73. On-site inspection with proper training is very important
74. Trainees need some training - and even 25/15 is not enough, so we should not eliminate
75. Before supervisors were required, I was assisting a new person through the process. After I completed the inspection, I asked what features in the house would impact market value. They said, "the curtains were nice". I think that should answer the question from my point of view.
76. I am in the midst of upgrading from State Registered to Certified Residential and recently finished my training hours. Inspecting properties with my supervisory appraiser was an important learning experience. For example, examining different types of heating and cooling systems firsthand which can have a notable impact on value was a key learning experience for me. Also learning which questions to ask each homeowner (if present), observing and talking

about the nuances of measuring a property, identifying possible environmental or safety hazards, etc. were all things I could have only learned "on the job" alongside my supervisor. I also learned how to deal with difficult pets during side by side inspections. I don't think eliminating this requirement is going to help the profession. Plus, if I become a supervisory appraiser one day, I would not feel comfortable sending a trainee out alone on inspections until I have a comfort level with his/her competence in measuring, observing, and interacting with people. I don't think this is a barrier to people becoming supervisory appraisers. Rather, I think some minimum inspection requirements maintain a basic standard for quality appraisers in South Dakota.

77. How in the world does a new appraiser learn how to properly inspect a property without some guidance in the beginning? Especially when considering an FHA or USDA RD inspection!
78. The onsite inspection with the supervisor allows for questions to be asked in the field and verify that the trainee understands the inspection process.
79. This is a silly change. Inspecting the first 25 residential or 15 non-residential subject properties with the trainee is not a burden that keeps supervisors from taking on trainees. This seems like a political change more than one that solves a problem.
80. My opinion is that this should be a decision between the supervisor and trainee. Everyone learns at different levels and has different past experiences. Some will need more than 25/15 and some will need less. This should be a decision made by the supervisor.
81. The obstacle in taking a trainee is in the time commitment in training the trainee properly for no compensation. Reducing supervision will lead to turning out credentialed appraisers that are not competent.
82. Some trainees may need more time with a "supervisor" doing inspections and some may need less. Everyone learns at different rates and different ways.
83. Fresh starting appraisers need assistance in collecting all pertinent information/data. Lack of knowing what to look for results in significant errors in appraising. My question is how do supervisors located great distances from the trainees presently comply with going on at least the first 25 inspections.
84. The proposed change states "Personally inspect each appraised property....until the supervisory appraiser determines the trainee appraiser is competent to inspect the property" I'm OK with the supervisor using their judgement of competency without a specific number of properties.
85. I personally think that personal inspections should be conducted by the supervisor for the majority of the training, if not all, determined on a case by case basis.
86. I learned so much from my joint inspections with my supervisor. NOTHING can replace hands-on experience with your supervisor -- they are there to teach you and if I were a supervisor, I would not want a trainee who has not gone on inspections with me.
87. I would suggest that there be an option to the mandatory inspections and propose a waiver be signed by the Supervisor saying that he/she accepts that the number of inspections was not completed, but that they are confident in the Trainees competency in regards to their appraisals and inspections. In the end it comes down to the Supervisor and accountability, since it has been their signature on the trainee's appraisals.
88. I have been the supervisory appraiser to 3 trainees and have required that I be present during all inspections. Based on my experience, if I had not been present during the inspections, many important facts would not have been discussed in the appraisal. Without the

supervisory appraiser being present during the inspections, how would the supervisory appraiser know when the trainee was ready to perform inspections on their own. I am in favor of keeping the 25/15 rule in force.

89. The rule set as it currently is sets a better standard on the future of appraising. I would rather see the rule increased to at least 50/25 again. Trainees, especially those that are new to the real estate field, need proper training in order to understand the physical characteristics of a subject property. The rule change may also lead to supervisors overseeing trainees at a remote, distant location. This will result in trainees never getting the proper training, increased risk for stakeholders, and put our industry in further negative light.
90. Supervisory Appraisers inspecting properties with trainees is essential in learning the proper inspection methods necessary to complete credible assignment results. Without it, trainee appraisers may easily miss important features relevant to the report.
91. We need more supervisors so that we can get more young people involved in the profession. There are several appraisers in the state who are licensed but no longer active. The average age of appraisers in South Dakota is likely close to 60 and the profession is in bad need of new blood in the industry.
92. This sets the trainee up for failure. How can a trainee learn from the supervisor if they are not on the site inspection together?
93. I feel this is very important to figure out and understand the dynamics of the pair
94. I believe the personal inspection with the supervisor is critical for proper training.
95. The first paragraph of the Uniform Standards of Professional Appraisal Practice (USPAP) states that the purpose of USPAP is to "promote and maintain a high level of public trust in appraisal practice..." It is my belief that the South Dakota trainee process should also promote and maintain a high level of public trust as well as ensure competency of up and coming appraisers. By eliminating the 25/15 personal inspection rule, the competency of appraisers in training would be jeopardized. Likewise, public trust would likely be eroded. As a state registered appraiser myself, I see no evidence that the 25/15 personal inspection rule is a deterrence for potential trainees or supervisors. In my opinion, the 25/15 personal inspection rule should be looked at as a minimum when it comes to ensuring competency for trainees. During my first many months as a trainee, my inspections, conducted with my supervisor, were invaluable learning experiences. It would be a detriment to the appraisal profession in SD to eliminate the 25/15 personal inspection rule, for the simple fact that it would remove a crucial aspect of ensuring trainee competency and public trust.
96. The 25/15 joint inspections with a supervisor appraiser helps understand what an Appraiser is to look at when doing an inspection. This is great experience for a trainee and to me does not take that much more time to do.
97. I did way more field inspections with my trainee than the minimum, it was a great experience for both of us.
98. Not nearly ready to go out into the field. Have not seen enough properties to complete a adequate appraisal
99. Trainee appraisers need supervision
100. I believe that the number of inspections on which a supervisor accompanies a trainee should be based upon the demonstrated competency of the trainee as judged by the supervisor. The language used should reflect competency as the rule of thumb for accompanied inspections.

101. This proposed rule makes no sense what so ever.
102. It seems much of the experience provided in the supervisor's role centers around property inspection-this is

an area of appraisal practice that can NOT be learned in a class or from reading a book. It is a crucial part of the supervisor's role.
103. I do not do residential appraisals so limited experience. As a supervisor or a trainee, I would probably want to do the inspection together for 15 non residential appraisals. But that would be my choice and comfort level due to the risk associated with it.
104. In my experience when I was a trainee, I felt it very beneficial to have my supervisor go on initial inspections with me to get a solid routine of what to look for and not oversee anything. Did not take me long to get comfortable with the process but again very beneficial. Also noted that the trust my supervisor had in my inspections/work was validated based on them seeing how I inspect homes when they were with me.
105. I don't understand how trainees can be properly trained with supervised site inspections.
106. The reason for a trainee program is to help teach the trainee how to do appraisals including inspections. This is needed because there was a need for it before the rules were put in place and there is a need for it now. By removing the requirement we're saying there is no longer a need for the training which is simply not accurate.
107. The inspection process is one of the most crucial steps in an appraisal. I would not sign an appraisal that someone with no experience inspected.
108. If this requirement is eliminated I believe it opens up the opportunity for abuse and the possibility for poorly trained appraisers. This is the supervisors responsibility in the end. However, the current requirement at least provides some level of oversight to ensure the integrity of our profession.
109. The rule change is in line with federal guidelines. The rule change is appropriate and makes common sense to me rather than an arbitray number.
110. The inspection with the supervisor gives the trainee an opportunity to learn HOW to inspect the property, what to look for, etc.
111. It's stupid- there will be trouble
112. I think there should be 10 required joint inspections. That is more reasonable.
113. There needs to be supervision on inspections. It takes time to understand what to do and what to look for.

Rule Change 2 – National Appraiser-Trainee Exam Required to become a SD State-Registered Appraiser

Background Information: The second major proposed change to the rules eliminates the requirement in SD that the appraiser-trainee pass a national appraiser-trainee examination before obtaining the State-Registered Appraiser credential and beginning to log experience hours (ARSD 20:14:05:02 and 20:14:05:02.00).

Currently, the appraiser-trainee must complete four courses and pass the exams with each (Principles – 30 class hours, Procedures – 30 class hours, USPAP – 15 class hours, and the SD Appraiser Supervisor-Trainee course – 5 class hours). The trainee must then pass a national appraiser-trainee exam before obtaining the State-Registered Appraiser credential. The national appraiser-trainee exam may be taken an unlimited number of times in SD. It is an older exam that tests the knowledge needed for the State-Licensed level back when that credential required only 75 classroom hours of education. The appraiser-trainee does not need any appraisal experience hours to obtain the State-Registered Appraiser credential.

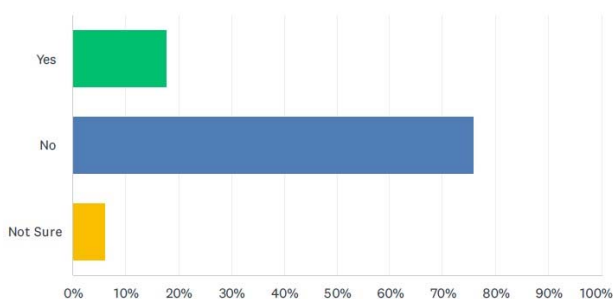
SD is one of five states that requires an individual to pass a national appraiser-trainee exam before obtaining the appraiser-trainee credential. On the other hand, SD is one of only four states that allow appraiser- trainees to complete an appraisal and appraisal report **without** a supervisor (on their own) in certain instances (ARSD 20:14:04:11).

Survey Question 7 – In your opinion, is the current requirement that an individual must pass a national appraiser-trainee exam before obtaining the State-Registered Appraiser credential a barrier that prevents individuals from pursuing a new career as an appraiser (a barrier to entry)?

- a. Yes
- b. No
- c. Not Sure

Q7 In your opinion, is the current requirement that an individual must pass a national appraiser-trainee exam before obtaining the State-Registered Appraiser credential a barrier that prevents individuals from pursuing a new career as an appraiser (a barrier to entry)?

Answered: 191 Skipped: 4



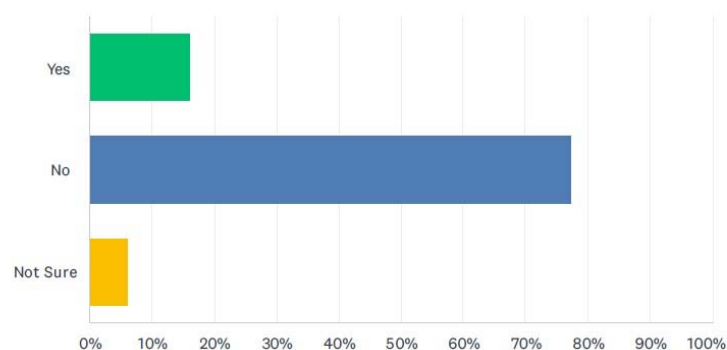
ANSWER CHOICES	RESPONSES	
Yes	17.80%	34
No	75.92%	145
Not Sure	6.28%	12
TOTAL		191

Survey Question 8 – Are you in favor of eliminating the current national appraiser-trainee examination requirement for the State-Registered Appraiser credential in SD as proposed by the Appraiser Certification Program?

- a. Yes
- b. No
- c. Not Sure

Q8 Are you in favor of eliminating the current national appraiser-trainee examination requirement for the State-Registered Appraiser credential in SD as proposed by the Appraiser Certification Program?

Answered: 191 Skipped: 4



ANSWER CHOICES	RESPONSES	
Yes	16.23%	31
No	77.49%	148
Not Sure	6.28%	12
TOTAL		191

Survey Question 9 – Enter any comments relating to questions 7 and 8 and the elimination of the national appraiser-trainee exam requirement for the State-Registered Appraiser credential in SD:

1. i am not in favor of illumination, i am ok with allowing experience hours to be gained prior to passing the test
2. Taking the entrance exams and the courses provides evidence that the trainee is driven to become an appraiser. Also, if you were a supervisor, and took a trainee and they were gathering hours, but then they could not pass the exam would be a huge waste of investment by the supervisor. Also, the courses allow for a good basis of knowledge to becoming an appraiser.
3. People fail the exam regularly and should have to take it. It shows that they have learned the minimum principles and procedures of the industry.
4. The exam in question is necessary to prove/define a potential appraiser's basic knowledge of math skills, understanding of contributory valuation, and basic appraisal skills such as paired

sales, extraction, allocation, etc. The exam is a necessary bench-mark, and should NOT be removed.

5. If they passed the course exams, there is no reason they can't pass the national exam, especially with unlimited attempts. If they can't pass national exam, they shouldn't be an appraiser.

This is not a barrier to licensing in my opinion.

6. I took this examination last year, while it did seem difficult I was able to pass on my first attempt. I think if anything, the examination should provide more in-depth study materials to help students prepare. I believe a person should prove their knowledge in some form prior to receiving a State Certification of any kind. Passing an examination proves your competence in your field and gives you confidence in your career choice. I think this is important for anyone starting out in such a technical career.
7. I believe a prospective appraiser will learn more through on-the-job training than they will through trying to memorize facts to pass a test.
8. I have been doing appraisal reviews nation wide for a number of years and I feel that getting the training and passing the tests early in an appraisers career will promote accountability in the appraisal profession throughout an appraisers career.
9. Not sure who thinks this is an issue to prove competency, etc. If its some banker in remote rural areas, or anybody else that thinks making it easier to do appraisals is going to expedite service in rural areas they are wrong. The bottom line is nobody can make a living in remote rural areas of SD, end of story. They want to be in Sioux Falls and possibly a few other larger market areas. We already have a competency issue with appraisers who have been doing it for years. So the thought process is lets make it easier now. This is idiotic thinking by someone who does not understand the process.
10. Eliminating this "entry" level exam requirement would be detrimental to our profession. This exam gives those wishing to pursue an appraisal career a good "taste"/idea of what this profession entails. It's not just walking through houses and slapping a number on a paper for the value. If a trainee can't pass the trainee exam then maybe this profession isn't for them, but it's best to know that before they get too deep in and spend too much time and money working toward their license only to find out this profession is not what they thought it was.
11. While this exam was not hard, I think eliminating it is a necessary step to stay consistent with the surrounding state requirements. If trainees have passed the first three required courses, they already know the material and a comprehensive exam is more redundant and slows down the expedition to getting state registered. This change will not negatively impact the quality of appraisers that are being certified.
12. The exam shows basic competence it should be part of the process. Allowing trainees to do appraisals without this exam seems hazardous to the profession.
13. As an appraiser who was a trainee up until last year, in my opinion this exam is not a barrier to entry. There is nothing wrong with having to learn the basics about your profession before you are able to call yourself a property appraiser.
14. The public trust requires a minimum level of competency
15. How can taking a test be bad. If you don't pass, you are not ready.
16. I believe the exam is a good compass of text book knowledge and is important to keep in place.

17. The exam should be taken when the trainee is ready to apply for the state-license.
18. This is a "it depends" question. IF you continue to allow a State Registered Appraiser (Trainee) to complete assignments WITHOUT a supervisor review/signature, than the test should remain. This test demonstrates a basic level of competency in the appraisal practice.

HOWEVER, if you eliminate said ability (for a State Registered Appraiser/Trainee to complete assignments WITHOUT a supervisor review/signature) than the test/requirement is not needed.

19. As with most licensed and credentialed professions, coursework and testing are common practice and may help eliminate those who do not wish to take the process seriously. The biggest hurdle in my opinion is finding Supervisors.
20. This test gives the trainee and their supervisor an indication of their knowledge and competency. It is not a high bar to pass it and it is really the only measure we have of the trainee's competency and whether or not they gained the knowledge from their education and training. It would be detrimental to eliminate this only real measure of the trainees' knowledge and competency going forward.
21. I do not see the trainee exam requirement as a barrier. If people are unable to pass this exam the appraisal business may not be for them.
22. If it is not broke, why fix it? Other professionals have to adhere to strict rules and ethics.
23. I think the other education requirements are important as a trainee but the appraiser-trainee exam should not be a requirement until after the appraiser has more experience.
24. If the exam requirement is maintained, the test needs to be updated. From my memory it was out of line from the required courses to complete the exam.
25. This is a good basic course for beginners. It is not hard, and if someone cannot pass this basic course, maybe they should not continue on.
26. This is a professional job. If you can't pass a small entry test after taking 3 classes...it might not be the job for you.
27. Education is not the main barrier to becoming a certified or general appraiser, having a supervisors is.
28. If a supervisor is going to put forth the time to train someone, I would think they would want to know this person has the ambition and ability to study and pass the testing. Otherwise you have just waisted all stake holders time and expense. This is like letting someone drive a car or commercial truck with out any preparation. Go ahead get in the drive "lets see what happens". We will talk about training and testing later. "Good Luck"!
29. This is a terrible idea. This test is an aptitude test and if they struggle with this, then maybe this isn't a profession for them.
30. I feel that the exam will not stop individuals to pursue the appraisal licensure.
31. It is a very simple exam... very simple. If this set of 25 questions is a barrier, the applicant may be better off pursuing something else. I do not think registered appraisers with less preparation will be more appealing to a supervisor.
32. If the 2 tests are a duplication of each other maybe just the national appraiser trainee - exam would be sufficient.
33. This test was not seen as a barrier to me personally. I'm ok with removing the exam assuming it is replaced by something (courses).

34. I am in favor of the ASFMRA proposal of eliminating the test and increasing the required amount of education before receiving the state registered credential.
35. I think the entry level exam is a prudent requirement. It is not a difficult exam and is a reasonable gatekeeper for entry into the industry. SD allowing State Registered Trainees to complete reports for certain transactions without the involvement of their supervisor gives us the opportunity to begin forming our own client base.
36. The exam really gives a prospective trainee a feel for whether they would be capable of doing the job.
37. If a person has taken the three entry level classes and are not able to pass the entrance exam should they really be allowed to complete an appraisal? This is basic knowledge in the industry they are wanting to work full time in.
38. SD is one of the last states still requiring this exam. Once you've taken the classes I think the credential should be automatic. There isn't an appraisal we do where we aren't able to use our resources, (example: other appraisers knowledge, training books, the internet in general) so having a closed book exam is redundant in my opinion.
39. I believe the exam should still be required. It ensure that the applicant can pass the mustard and it gives the supervisors confidence that the responsibility of taking on a trainee by investing their time to train is worthwhile.
40. I think if they can't take the exam and pass it they are probably not competent enough to become an appraiser. Too many "wantees" think its an easy gig.
41. If the trainee has a passing grade on each of the required courses. They should not need to pass a national exam
42. A trainee must know the information before they proceed. If the state allows them to complete an appraisal on their own in some cases, before they are fully licensed without knowing if they truly understand the rules and regulations , it could be a disaster. The exam assures not only the trainee, but the public that the trainee is serious about their work and knows the material. They can then work to fulfill the next set of requirements to be fully licensed. There needs to be emphases on quality of work, good appraisers and not quantity of appraisers.
43. This trainee exam is the easiest of the examinations required for a license. If a candidate cannot pass that exam, they are not likely to pass any of the credential exams. It is a good introduction to the exam structure that is done for the other credentialed exams, and makes the candidate take the entry level classes seriously.
44. If you can't pass the trainee exam, what is the probability that you will be able to pass the comprehensive exam for general certification.
45. Having no barrier to entry will bring with it incompetence and reflect poorly on the profession. I am in favor or relaxing the requirements to obtain your license but totally removing a very simple exam does not seem like a great idea. I would like to keep the profession just that, professional, and if someone is unable to pass the entry exam, then I do not believe they are cut out for the profession anyways.
46. I believe we need to make it possible for State Registered Appraisers to do more on their own, not less. In light of this, a national exam creates a standard by which new appraisers with a supervisor may show competency in basic areas, and be trusted to complete appraisals on their own. We as a field must make it more possible for others to enter the field and earn a living without being hamstrung by the "supervisor/trainee" requirement as much as possible

until that requirement is completely eliminated. Many other fields (including skill based trades) allow persons to practice in the field on their own after a full education. There should be some entry level job for a burgeoning appraiser to take as they being in the field without being tasked with "finding a supervisor". In my own experience, that took about 2 years. Most would give up after a few weeks of searching, and my own situation, I had other income streams to keep me afloat while I took courses and searched for a supervisor. If we want our field to grow, we must create space for newcomers.

47. The online course prepared me for being a trainee. I believe it helped and should be required honestly.
48. The examination is an entry level exam testing over the initial 75 hours of education. It is an additional assessment of competency, testing knowledge of at least the basic entry-level education.
49. Why should someone get a license to appraise property without an exam. They are in direct competition to the appraisers that passed the exams and obtained their appraiser's license for whatever credential. If they can't pass the exam, maybe they should not be given a license. I think public trust becomes a big factor is giving these types of licenses out without an exam.
50. In my opinion this rule is in place for one reason, to expand coverage within the state of South Dakota. While trainee's will become competent at some point during there training the exam allows them to appraiser property up to a certain value for bank owned transactions. An example of this may be new construction loans where data is available and the loan is only serviced for a short period of time.
51. I've recently learned that many people have trouble passing this exam. I didn't realize passing it on the first try, as I did, was so rare. I don't think the requirement should be eliminated simply because those taking it are unable to pass it. Perhaps this is not the field for them, as they will have to take exams for higher level credentials. That said, perhaps there can be an alternate path for those who can't pass the exam while still allowing those who choose to take and pass the exam to obtain the credential.
52. This is specialized work that requires basic real estate knowledge. The exam can test for that before they start appraising.
53. They need to be competent so pass the exam
54. I am completely against lowering standards at the state level and at the larger national level. This is unfortunately the trend and the Appraisal Institute is following suit to appease lender and legislative demands. I'm all for the industry changing, if it means we are enhancing our profession or expanding our offerings. However, I see quality diminishing with the direction that AI and state boards are going; making it easy as possible for anyone to get licensed. State boards and organizations should be focusing on helping appraisers getting certified through mentorships, scholarships and quality training programs; not lowering standards. I'm completely against this popular movement as I watch quality appraisers become fewer and fewer.
55. It rightly tests the basic knowledge a registered appraiser should have
56. There is nothing wrong with our state appraisers being held to a high standard. It should require effort to become an appraiser.
57. The tests are not particularly difficult. If a trainee cannot pass these tests or cannot do the work required to pass these very basic exams, the profession is not a good fit for that person. It should be noted that this profession requires substantial study and research on a daily basis

and passing an entry level exam is a very low bar to set for persons who should be allowed into this profession, which at its core, has the financial stability of the largest asset class on the planet as its focus (the \$11T US residential mortgage market).

58. The exam will help the trainee know that he/she has the required appraiser knowledge to complete an assignment. If a person cannot pass the exam for state-registered status, they either had poor training or they need to choose another profession.
59. The required test insures the supervisory appraiser that the trainee is serious about the appraisal "Profession", and is willing to put in a minimal amount of effort to become credentialed and ready to begin a career as a "Professional Appraiser". This rule is also in place to preserve the public trust in the "Profession".
60. The more qualified the better
61. I recently completed the required classes and national test to become State Registered. It was not a barrier and I passed all tests on the first try. I would hate to think of someone doing appraisals without taking these necessary entry courses, especially if the joint inspection requirement with the supervisor is eliminated.
62. The trainee has passed all the courses. Again, set them up for success.
63. I have taken this course as a trainee and as a supervisor, and I don't believe it provides any real value.
64. I think that the national trainee exam is good experience for a new appraiser as subsequent tests are required for the License and Certified levels as well. Anyone choosing to enter the profession is well aware of the future exams required, similar to many other professions. Due to South Dakota's law allowing a trainee the ability to perform appraisals on their own, I believe the exam should continue to be required.
65. I believe eliminating the exam would encourage more people that are not as "serious" about the profession to just go through the courses and get registered. Taking the exam at the end of the courses is not that big of a sacrifice for someone truly interested in getting into the profession.
66. Maybe just a revamp of the current exam.
67. I believe it is needed as a concepts exam, if the trainee can't pass this test, how are they to pass any additional testing.....
68. Given that State Registered/trainee appraisers are able to appraise properties below certain value thresholds, I definitely don't support eliminating the basic hurdle of that exam. For me and other trainees I have interacted with, this exam is not a deterrent for entering the profession. It helps ensure a basic level of quality and demonstrates to possible supervisory appraisers that trainees have a certain level of expertise before bringing them on. Anyone can take the online classes, but actually passing the exam holds people accountable for the materials in them and makes the state registered status really mean something. Since appraisers are depended upon for lending decisions related to significant real estate assets (real estate is the most valuable asset most people have) and provide a basis for mortgages entering the secondary market, that trainee exam is very appropriate.
69. Understanding the basic concepts and procedures of appraising is part of being competent. This is one step in verifying that competency.
70. I had to do it and again how in the world does a new appraiser learn entry level procedures without some schooling???

71. Take all 155 hours 1st before the registered exam is given, then take 1 000 hours experience then require take lic exam
72. Some other states require the trainee to pass an exam before becoming a trainee, others give a permit with passage of Principles, Procedures and USPAP, plus the Supervisory Appraisal Course. Each of these courses has their own exam that the trainees are required to pass. Having an additional exam requirement seems like an extra step, extra fee, extra time commitment that is unnecessary.
73. This is not a barrier to entry since the new appraiser trainee can take the exam an unlimited number of times. Again, is this just a political change rather than one that solves a problem?
74. The exam is not the obstacle to pursuing a new career in appraisal. The exam is not difficult. The obstacle is in getting the experience requirement.
75. Passing a test assures that the trainee has attained some basic knowledge. What kind of work would an unknowledgeable trainee without supervision produce?
76. Because of the standard of this state to allow state registered appraisers to complete appraisals without a supervisor in certain instances, the rules should stay the way they are. The test is to determine that the applicant has retained the knowledge from the required courses. If this is a barrier to entry, then the applicants should look for elsewhere for an occupation.
77. If an appraisal candidate passes the 4 classes required before they sit for the national exam, there is no reason they are not passing the exam. Keep the test. It is not a barrier to entry in to our field. It weeds out those that aren't taking our profession seriously.
78. This requirement is just another stepping stone in the process. Some people it takes one time to pass, others it takes several. It all comes back to being knowledgeable about the subject matter.
79. The national appraiser trainee exam is an effective, albeit additional, step in gaining licensure/certification to be a trainee in SD. As a trainee myself, I didn't view the exam as a burden but rather as just an additional step in maintaining reasonable barriers to entry into a knowledge-driven field. The national exam acts as an effective and neutral qualifying event; if someone is having trouble passing this exam more than once or twice, it acts as a good signal that the appraisal profession may not be the right fit for that individual. For those who have completed the prior courses and understand the concepts and principles, the exam is straightforward and simple enough to pass. I worry that removing the exam entirely would result in an increase in unqualified applicants to the state certification program.
80. In my personal experience, the test does stop some people from entering the field. Some people just are not good test takers but work on the job better. After applying for an upgrade, the test is very much needed.
81. As long as the trainee has successfully completed the qualifying education I don't see a need for the national exam before starting work with a supervisor.
82. It is my understanding that the exam has been harder for entry level. I believe that this exam should cover only a cursory review of Basic Appraisal Principles, Basic Appraisal Procedures, and USPAP to see if the candidate has an aptitude necessary for the profession.
83. I feel it is important to have the training but not sure about the test before being a Registered Appraiser.
84. The national exam is just one benchmark for proving that a trainee is capable of becoming an appraiser.

85. This is good knowledge and also indicates that the trainee is committed to becoming a knowledgeable appraiser. This becomes more important when the market changes, as it certainly will
86. The current exam is older and is much harder than the actual class exams. Either the exam needs to be re done or it can be eliminated. We are already being tested from the classes, but in my opinion this exam material was not relevant to the class material. Some of the exam questions I had never even saw or heard of from the classes that were required before hand.
87. Without exams, do they enough Knowledge. Much less professional experience
88. Requiring the applicant for a trainee license status to pass an exam is a good idea-especially in this time where many applicants take their education on-line. I think requiring an exam to insure the applicant has

the "minimum" knowledge necessary to enter the profession should also assist the licensing authority in keeping a "check" on the quality of education appraiser-applicants are taking.

89. when i was a trainee I found it very beneficial to know the appraisal practices before I actually started. Secondly i believe if I was not competent enough to pass those tests to start with, than I would become a liability to the supervisor, most importantly understanding USPAP. I am now in a position that I am going to take on some trainees, and I will require them to take these before I have them do work where I have to sign my name on the reports, to insure they know the practices of USPAP that could make me liable for their negligence, that would also reflect on my work.
90. If we are trying to elevate or at least maintain the quality of work being performed in South Dakota, I completely believe any prospective appraiser should be able to pass the national exam.
91. If the exam requirement were dropped, I would suggest that the prospective trainee take more education, as it is unlikely to inspire public trust if the appraiser has only the basic appraisal education requirements, which introduce concepts and procedures but do not equip a trainee with the ability to develop appraisals competently without outside help, training, or education. The test barrier would be necessary to demonstrate competency, or more education would be necessary than the four courses. Perhaps a two path, one with the exam, and one with additional education would be something that would work.
92. Minnesota requires this as well. I would have taken it either way to become a trainee as my supervisor would have me work in both states. The knowledge I gained from studying in no way hurt me coming in as a trainee. However it did take time to study for and money.
93. The test ensures that the trainee understands the basic principals. An understanding of the basic principles may decrease the supervisors time.
94. I think the exam for registered appraisers should be removed; however, I think the ability to complete an appraisal as a registered appraiser should also be removed.
95. I believe this requirement weeds out potential candidates that may not have the cognitive skills to work in this profession.
96. This career is dealing with real estate and needs to be taking seriously. A test should not deter anyone that is serious about the field.
97. There needs to be a change. Allow State-Registered Appraiser to accumulate experience hours beofre exam / license and / or require additional education hours if no test.

Rule Change 3 – Changes to the South Dakota Experience Training Program

Background Information: The third major proposed change/addition to the rules involves a new program for appraiser-trainees in SD called the *Experience Training Program (ETP)*.

The ETP is a brand-new idea that proposes an alternative to the traditional supervisor-trainee model for gaining appraiser experience hours. The federal government (Appraisal Subcommittee) saw the potential benefits of the ETP concept and awarded South Dakota's appraiser regulator a \$360,000 grant over three years to design, implement, and oversee this alternate path for an appraiser-trainee to gain his or her initial appraiser experience hours. The ETP would not replace or reduce the traditional supervisor-trainee experience model in SD; instead, it provides a new alternative path for appraiser-trainees to gain their experience. Subject matter experts (SMEs) were engaged by the SD appraiser regulator to design the ETP curriculum and provide draft administrative rules, trainer job descriptions, and a policy, procedures, and operations manual for the ETP.

The ETP will employ a full-time Lead Trainer with experience as a real property appraiser. The ETP will also engage part-time Associate Trainer(s) as needed. The appraiser-trainees in the ETP (students) will pay a monthly tuition, and the Lead Trainer will serve as the supervisor to about 20 such students at a time. As designed, the ETP concept will allow a SD university to partner with the SD appraiser regulator and deliver the experience training curriculum of the ETP to the students. The experience training will be provided to the students both virtually and in-person at the university classrooms. The Lead Trainer will coordinate subject property inspections for the entire class of ETP students at once – both virtual and in-person inspections are part of the curriculum. The ETP students will complete an appraisal and appraisal report on each subject property – one after another – with the Lead Trainer and Associate Trainer(s) guiding them and eventually grading each appraisal and report. Over time, the students will gain the needed appraisal experience hours through the ETP to upgrade to a licensed or certified credential. More information about the ETP is available here:

https://dlr.sd.gov/appraisers/documents/Experience_Training_for_SD_Appraiser-Trainees_Public_Information_.pdf

The subject matter experts proposed the following requirements for the ETP:

ETP for State-Licensed Credential: 18 months duration, at least 1,875 experience hours (25 hours per week), a total of 53 subject property inspections and appraisal reports, and a total of 32 learning modules on various practical topics in residential appraisal.

ETP for State-Certified Residential Credential: 24 months duration, at least 2,500 experience hours, a total of 67 subject property inspections and appraisal reports, and a total of 39 learning modules including additional practical topics in the appraisal of complex 2- to 4-unit appraisals.

ETP for State-Certified General Credential: 36 months duration (30 hours per week in year 3), at least 4,000 experience hours, a total of 80+- subject property inspections and appraisal reports, and a total of 50+- learning modules including additional practical topics in the appraisal of office, retail, light industrial, and agricultural subject properties.

The third major proposed change to the administrative rules by the ACP would reduce the SME suggestions above for the ETP, as follows:

ETP for State-Licensed Credential: reduced from 18 months to 6 months duration; at least 1,875 experience hours reduced to a minimum of 1,000 experience hours.

ETP for State-Certified Residential Credential: reduced from 24 months to 12 months duration, at least 2,500 experience hours reduced to a minimum of 1,500 experience hours.

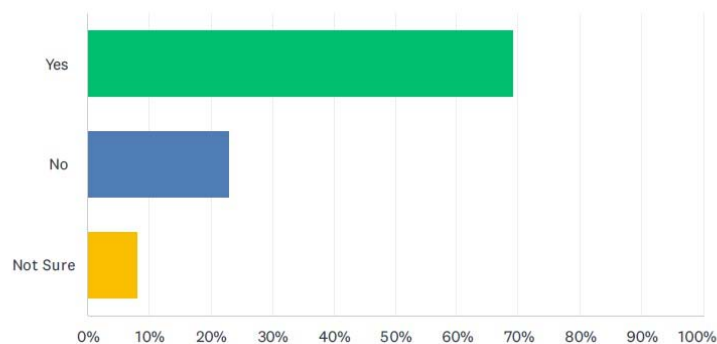
ETP for State-Certified General Credential: reduced from 36 months to 18 months duration, at least 4,000 experience hours reduced to a minimum of 3,000 experience hours.

Survey Question 10 – Currently, the traditional supervisor-trainee model is the only way for a new appraiser to fulfill their experience hour requirements as a trainee. In your opinion, is this a barrier that prevents individuals from pursuing a new career as an appraiser (a barrier to entry)?

- d. Yes
- e. No
- f. Not Sure

Q10 Currently, the traditional supervisor-trainee model is the only way for a new appraiser to fulfill their experience hour requirements as a trainee. In your opinion, is this a barrier that prevents individuals from pursuing a new career as an appraiser (a barrier to entry)?

Answered: 187 Skipped: 8



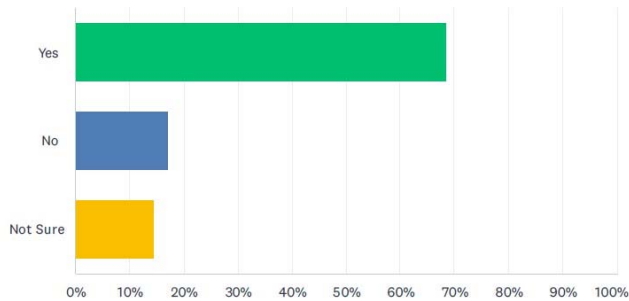
ANSWER CHOICES	RESPONSES	
Yes	68.98%	129
No	22.99%	43
Not Sure	8.02%	15
TOTAL		187

Survey Question 11 – Are you in favor of an alternative to the traditional supervisor-trainee model for obtaining appraiser experience like the ETP?

- a. Yes
- b. No
- c. Not Sure

Q11 Are you in favor of an alternative to the traditional supervisor-trainee model for obtaining appraiser experience like the ETP?

Answered: 187 Skipped: 8



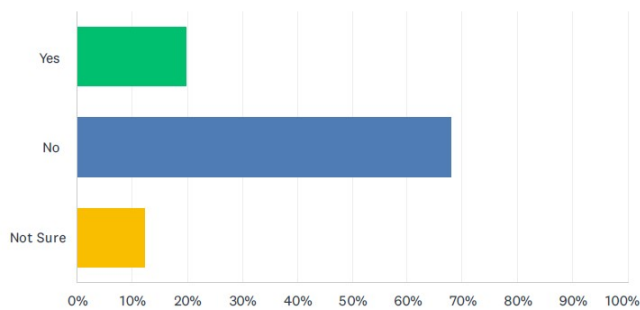
ANSWER CHOICES	RESPONSES	
Yes	68.45%	128
No	17.11%	32
Not Sure	14.44%	27
TOTAL		187

Survey Question 12 – Are you in favor of reducing the SME's recommendations for the ETP (number of months and number of experience hours) as proposed by the Appraiser Certification Program and shown immediately above?

- Yes
- No
- Not Sure

Q12 Are you in favor of reducing the SME's recommendations for the ETP (number of months and number of experience hours) as proposed by the Appraiser Certification Program?

Answered: 187 Skipped: 8



ANSWER CHOICES	RESPONSES	
Yes	19.79%	37
No	67.91%	127
Not Sure	12.30%	23
TOTAL		187

Survey Question 13 – Enter any comments relating to questions 10 through 12 and the brand-new proposed ETP in SD:

1. A revision is likely a good idea, however, Inspections with a supervisor i think should be require, the ETP model of training a class at once i do not think is practical, under the current model, the supervisor should select a wide variety of subject, in terms of quality, condition, and type

An incentive for licensed appraisers to train under the current rules, would be helpful, not sure how it would work,

2. When I was an appraisal trainee, I assisted with over 300 assignments in a year. 67 property inspections and appraisal reports is simply not enough. To date I have completed well over a thousand assignments, and still come across scenarios that I have never seen. This limit should be increased. Definitely not reduced.

I have recently completed the appraisal trainee certification process (within the prior three years) and went from a State Registered Appraiser straight to a Certified Residential Appraiser. The barriers to entry are:

Finding a supervisor

Pay for a trainee during the training period

The appraisal review/audit process

Finding a supervisor appraiser is difficult, because it is a large undertaking, with lots of risk that could happen throughout the trainee process. Lots of trainees leave their supervisors after completing the Certification Process, leaving the supervisor empty handed with no gain from training the appraiser.

Payment for trainees is difficult to work out between a supervisor and trainee, as the pay comes directly from a supervisor. If the state provided individual grants/loans etc to trainees that assisted with the pay of trainees, this would increase incentives for Supervisors to take on trainees as they would be less expensive, and less risk for the supervisor.

The review process was my biggest issue with the program. It took nearly six months just to get one review back. That means if you fail the review audit process once, it could take you a year or more just to get through. This is a huge financial burden put on the trainee and the supervisor. The trainee has to stay on the payroll of the supervisor during that time, and is usually paid significantly less than if they were signing reports by themselves. Reviewing 3 appraisal reports should not take six months, and the review appraisers need to be held to a higher standard of turn time. This is by far the biggest barrier for both supervisors and trainees.

Also, the review/audit process is not standardized. Depending upon which review appraiser you are assigned to, you could be held to a completely higher (or lower) standard than your trainee peers, with different requirements in your reports. There appeared to be no similarity

or standardization of the review appraisers requirements, with some seeming to check the block, and others putting your reports under a microscope and reviewing every word.

I am very cautious about creating a system that trains appraisers virtually, as most of my experience learned came from lessons learned in real appraisers conducted jointly with my supervisor. I think that if we lower standards to increase number of appraisers, we are going to be hurting. I think the review/audit process (which is the last gate to pass through) is the biggest reason why people do not become appraisers, and supervisors are not willing to take on trainees. The rest of the program I think is very credible and successful at producing competent effective appraisers. I would be happy to elaborate more to anyone who wants to hear

3. Time and experience gained while working with a supervisor, or an instructor, are the best 'teachers' for learning this profession- Please do not 'dumb down' our profession by making the entry process too quick or too easy. There is a purpose and a method to becoming a competent appraiser, with South Dakota's current requirements ensuring this happens. The proposed ETP will only work if the original time frames for each level are enforced-
4. I would be more comfortable with 24 month minimum time for certified general license.
5. Finding a supervisor is incredibly difficult, and I do believe there should be something in place to assist trainees in finding a supervisor. I do not know if this is the solution but I do believe it could be a start. On the certified general side, I know every assignment is different and I learn a lot from working with my supervisor. I really think my opinion on this change would entirely depend on the curriculum.
6. Supervisors work should be approved before they are allowed to be a supervisor to ensure they meet the minimum standards.
7. I am in favor.
8. I do believe that the "model" as presented would work but, still believe that the best learning is the hands on learning where the trainee is subject to supervision in each inspection they do and in each report that they assist in completing. As a profession, we should be held to the highest standards possible because our professional opinions in fact sometimes can effect a lot of lives.
9. I don't know all the details of the proposed ETP but i would think this would help.
10. And again. Why is this an issue? I am not saying I am opposed to a new program. I am opposed to reducing any experience requirements. The person in charge of this better be damn qualified to run this program. You have a handful of appraisers at best who have the knowledge to run this program. Is the person in charge expected to be competent in residential, commercial and agricultural combined? That is extremely difficult to do. I appraise in Sioux Falls, I don't have any experience in the commercial and agricultural appraisal process. A commercial appraiser will tell you they don't in residential and not in agricultural. My you hiring three separate instructors? If not I would be hard pressed to believe you have a competent person who could do all three. Not sure who is on this panel or advisory committee, but the magnitude of doing this is greater than what most people would think of believe.
11. I believe that it is hard for appraiser-trainees to find a supervisory appraiser to work under which in turn has lead this profession to be shortly having a shortage of appraisers as alot of us are middle-aged and older, close to retirement. That being said I do agree with with

proposed ETP so the trainees can gain experience and hours working toward their license, however I do not agree with the suggested reduced time frame and hours! If we push these trainees through too quickly it could jeopardize the public trust in our profession and also could have a drastic impact on the market.

12. I don't think that the first two options will impact the quality of appraisers that are being certified. However, I do feel this third rule greatly reduces exposure to a competent appraiser. I am not in favor of eliminating the supervisor portion of this rule. The reduced time frames could be up for consideration, however.
13. I think this program is a great way to get more people into the profession. Because this does require an immediate supervisor, which is often a huge hurdle to be able to be an appraiser. This program seems comprehensive and comparable to the traditional experience with a one-on-one supervisor.
14. Certified General should be the full 36 months
15. I think the ETP would be most beneficial to potential trainees as it is very difficult to find mentors/supervisory appraisers and to be in a classroom environment I feel would be beneficial as well and to go on an inspection/virtual inspection as a group would be helpful.
16. The "reported" shortage of appraisers is mostly on the residential properties, so no need to rush to get appraisers for all market areas. Also, there have been changes made like evaluations and brokers price opinions as options for some clients, to help reduce wait times. To help maintain the public's trust we don't need to make the "barrier to entry" easier just because some people can't pass the test. I believe the ETP program provides a potential route for some people.
17. 1. The current model (supervisor-trainee model) is a barrier in that current appraisers (Supervisors) do not wish to participate a. they do not want to train their competition. b) it takes money/income away from them c) all of the above. Having an alternate method would benefit the profession and public.

In regards to the standards, WHY would you have higher standards for a more focused environment? The number of hours (3,000 for CG) should not differ between approaches.

18. The proposed reduction in ETP requirements may cause an increase in trainees leaving or avoiding the traditional pathway to certification if the requirements are the same. This could result in a more new appraisers; however, this pathway should only be an alternative (not the norm) to those who absolutely cannot achieve their licensing in the traditional Supervisor-trainee way; therefore, there should be more hour/experience requirements to offset the beneficial one-on-one supervisory experience that only the traditional method offers.
19. Dumbing down the SME's recommendations is harmful to the profession, the student/trainee, and the end user of the product. WHY WOULD YOU WANT THE RESULT TO BE LESS QUALIFIED APPRAISERS??? The SME's are experts in their field and were called upon because of that. They know best from years of experience what topics are essential for the student, the hours that should be required, amount of field work, etc. Reducing the number of months and hours of experience would mean eliminating necessary topics and the depth of knowledge that would be acquired. How would the decision be made at what topics should be eliminated when they are all necessary to produce the most competent and qualified appraisers. The program has not yet been tested -at least it should be allowed to go forward as recommended by the SMEs before deciding that any changes need to be made. Outside-totally unqualified persons outside of the profession don't know what produces a qualified,

competent appraiser. There has to be a balance between the ability to add more appraisers , however, it should not be at the expense of the quality and competency.

20. In my opinion reducing the experience hours is only going to water down the appraisal profession. Doing this will be a disservice to the clients and the customers of those clients. It seems we are becoming more concerned with getting more people into the appraisal business and less concerned about the integrity of the profession.
21. I feel like this change would benefit college age students and not older adults who may not be able to take time away from current jobs and family.
22. I feel the current model is the best way to become a competent appraiser.
23. Keep the hours the same and add the trainer
24. The only level this new program should address is teaching to the point of passing the needed testing for State Registered Level. It could be part of the Business School. But that is so simple to accomplish now with on line classes . I just take a desire to do it. I started my path at 55 years old and flew threw those first required courses and testing. Not saying they are easy, but just had to put in the effort.
25. This is a pilot program that if successful could revolutionize the entire profession. I believe that if the developers, who are experts, suggestions are not heeded by the department then it will struggle or potentially fail.
26. I think that it is a great opportunity for South Dakota appraisers
27. Since i began the process of becoming licensed and hopefully certified soon, the requirements for supervised hours have been cut in half. It went from almost impossible to possible. I think you can crank out young appraisers who can put together an appraisal of suburban track homes in a short time, but the more complex work in areas with a shortage would likely not have the kind of experience they need.
28. No opinion at this time.
29. I see too many reports from those that have completed the 2500hrs for Certified Residential Licensing that are not up to USPAP Standards or the Guidelines put forth by TAF or ASC. if we continue to take away the required guidelines, is the State going to answer to the Federal Govt when the next down fall occurs. These regulation were set up to protect the Public, lets not take that away.
30. I feel that the ETP would greatly benefit the industry. At this time it is just too difficult to find a supervisor and not all supervisors work well with trainees. I think it would be a great idea to add "mentors" during and after the ETP to assist new appraisers with questions, but not to be responsible for the new appraiser's work.
31. A hesitation to the ETP model is these would be hand picked properties for the student to learn where as under the current supervisor model the potential is there for the trainee to experience all types of qualities and conditions in property. Will this exist in the ETP model. Currently there is wide range of supervisors in the the state. Having an ETP option would provide consistency however the program is only as good as the person teaching, it is a bigger hesitation that so many people being trained at once by the same person would lead to common mistakes upon the students going through the program.
32. I think this is a potentially great opportunity to get more people into the appraisal industry. SD is currently so understaffed for appraisers and I believe this is due to the complexity of finding a mentor to sign off on appraisal work. This seems like a great idea to me!

33. Unfortunately there was a time when some of the appraisers stiffened the regulations into turning the profession into something that was not easily achievable. Shame on them. It was the "i have mine, you can't have yours" attitude. And now we are coming into an age where the changes to the induction into appraising are going to be non existent.
34. The ETP should include all areas of appraisal disciplines, not just residential
35. I am not in favor of reducing the required number of hours or length of time. It takes time to learn this business and you better know one level before you take on the next, otherwise we lose quality of work and public trust.
36. How can you propose changes to a program that has not even started yet? You have no success or failure rate to measure or warrant any changes to the program. Try it first! Online learning generally needs more hours than hands on.
37. Having it at a University would greatly benefit our profession.
38. It takes time to gain that expertise. I felt competent after 12 months but looking back, I was nowhere near ready. Sure, a basic cookie cutter property I could handle but any sort of complex property, the report would have been subpar. Rushing people through these programs will, again, hurt the industry as a whole and the general public will lose even more faith in the profession. This is especially true with everything going on with the governor. I have fielded many calls from the public and even friends to discuss this.
39. This is a fantastic idea, at least through state licensure. Once one continues into CG, it may be beneficial to heavily rely on Supervisor/Trainee experience.
40. I'm 1 year into the trainee process. If trainees could do inspections on their own early I believe they would need more education otherwise appraisers would lose credibility as we would seem very novice for a while.
41. I want quality training to be a credentialed appraiser. Unlike the current supervisor-trainee model the ETP will provide me with a well-rounded foundation of appraising many types of properties rather than learning only what a traditional supervisor knows and does. What if I don't have a really qualified supervisor?
42. It is very costly and time consuming to train individuals to be appraisers. And most appraisers feel they are training their competition with no benefit from doing supervising. Reducing the experience is not the answer and does not give the trainee's enough hours of experience to become competent.
43. The rule changes are confusing. While the old program is still in place and currently allowing trainee's to obtain a license through 2500 hours and 3000 hours respectively. The new program allows similar training; however, states that education program classroom hours are NOT eligible towards the qualifying or continuing education requirements. With the elimination of the trainee requirements of taking a test would eliminate them from taking the required qualifying class prior to apply for the program.
44. I was unable to find a supervisory appraiser. Many others have experienced the same. Despite 60+ day wait for appraisals. There is plenty of work for more appraisers. If experienced appraisers don't want to supervise, an alternative path is the only way. One thing I'm unclear about with the proposed program: I assume participants will pay for this but will we be able to earn money for the appraisals completed? I'm going to assume so, otherwise this would not be feasible, in my opinion.
45. I think the more experience and hours required is necessary to obtain competency-typically

46. Again, open to alternative methods to train quality appraisers. 20 to 1 trainees to trainer is an absolutely terrible idea.
47. Lack of supervisors/qualified supervisors is certainly an issue. The reduction in overall hours was bad enough as most of the learning occurs on the job not in a classroom.

You are already taking away the tangible experience for the most part which reduces the quality of the inspection. Lowering the hours any more would result in even less qualified new appraisers.

48. this program sounds like another beau acrary with more government employees and tax dollars used
49. The hours and time in place is critical to developing the experience needed to produce a reliable report.
50. Please divide the number of reports by the experience hours required and see if that makes any sense. A state licensed experience level is effectively worthless in the marketplace and is not recognized by Fannie / Freddie for residential work. The general certification makes more sense at 50 hours per assignment. The residential experience does not make sense.
51. Why would we send a person with minimal training into the world of appraising?? They are being set up for failure and they are endangering public trust. Less training is a VERY BAD IDEA!
52. The current model does not work, and does not create a consistent training model as some supervisors are great, some should never be allowed to teach, some are not qualified to teach based upon there own work examples. The newer model will allow for consistent training by qualified supervisors. However, the reduction in the experience required will not produce more qualified appraisers. Training is about ensuring that appraising properties remains as a "profession", and supposed to instill "public trust in the profession". Short cutting the education will never preserve the "profession, nor instill "public trust" in appraisers.
53. More experience the better there are too many bad appraisers out there already
54. I think that the current supervisor/trainee and the ETP can be worked together. Not just the ETP only. Then the trainees know how to do "pretend" appraisal not the real deal. Will their license indicate that their training was different from supervisor/trainee. I do not want to set someone up for failure.
55. I don't know enough about the program to credibly answer this question.
56. Would like to see incentives provided by the state to be a supervisor and take on trainees.
57. The most difficult part of training an new appraiser is time.....a new appraiser takes away valuable work time from the supervisor. This sounds like a perfect way for a new appraiser to learn and gain work hours. But I do believe being a real estate appraiser takes many, many hours to develop the ability to determine a credible market value, not just a few months, a very dangerous concept.
58. The ETP should have a geographic component where the "graduates" are required to serve areas of South Dakota with a demonstrated need for appraisers once they complete the program.
59. Need to make sure training is real life - far to often book training does not reflect what is out in the field

60. The first step into entry is too low (six months), I understand that people will have different aptitudes, however, it takes individuals time to adjust and learn. Six months is too short of a time-frame.
61. Again how do you learn???
62. Finding a supervisory appraiser has created problems for many trainees looking for a supervisor and gaining the necessary experience hours. The problem is that becoming a supervisory appraiser increases the supervisory appraisers costs (my E&O insurance doubled when I had a trainee and decreased 100% when I didn't and my travel costs also doubled). In addition, it takes a lot of time to mentor the trainee. The supervisory appraiser not only increases their expenses, but also requires them to sacrifice income by having to mentor a trainee. The supervisory appraiser receives no financial credit for this service so why would somebody accept a trainee when it costs them income and increases their expenses. I believe that some form of credit be offered for supervising a trainee-- a credit in the form of a reduction in CE hours required or a reduction in the cost of a renewal license for each year that the supervisor is mentoring a trainee. The supervisory appraiser in effect becomes a USPAP instructor. I believe this would make it easier for some trainees to find a supervisory appraiser.
63. The subject matter experts would certainly be the best advisors for requirements. Who ever wants to cut these requirements would not likely be experts on the subject matter.
64. The subject matter experts know what is required to be a competent appraiser. The state should defer to them and recognize the importance of competence in the appraisal profession.
65. If the training program is equal to the experience that a trainee would receive with a local supervisor, I feel it's appropriate for the time and experience requirements to be equal. I do feel that the current requirements, both for BA degree and then requirements to gain certification are restrictive for those trying to enter this profession.
66. The SMEs were hired to offer their vision for the ETP for a reason. They have lived in the trenches and trained new appraisers - that matters. Tampering with or tweaking those recommendations before the ETP is even implemented isn't appropriate or wise.
67. The reduction in training, in my opinion, takes away from the worthiness of the ETP program and does not adequately prepare the student for the real world of appraising.
68. I think the ETP is a great concept for training and introducing new individuals into the field of appraising. The standards as they are currently are better for upholding the standards of our field and for maintaining public trust. The goal posts should not be moved to make entry easier.
69. The students of this new program should not receive any "free passes"- they should have to do the same amount of hours/classes as a traditional trainee of a supervisor would have to do. What makes this model or master supervisor of 20 students superior to that of a traditional supervisor? Nothing. Hence, why their trainees should be on a level playing field with traditional trainees and they should have to submit the SAME educational hours and experience hours.
70. Due to the number of students/trainees, the original mandated number of months and number of experience hours should remain in place.
71. I agree with the program. It was difficult to find a supervisory appraiser to obtain my certification. I think the proposed reduction in hours required may be too much and think it

should be in the middle. 12 months for Licensed, 18 months for certified residential and 24 months for general.

72. I agree that there can be some barrier to entry based on current set up, as I was one who also thought this when i first stated. But then being in the business for 6 years now and a CR for going on 4 years, I realized the most important thing was knowing your market and competence in the market you work in, and the only way was time/experience. When I was a trainee i required 2 years and 2500 hours, which I though was silly. I understand people learn at different rates, but then i realized you cannot fast forward your competency in really knowing your market, that just takes time. I see the trainees that now only have to do 1 year a lot of times stay on longer because they do not feel, or are not fully competent in their market, or have the confidence to sign their name alone on a report, which is a USPAP requirement to have competency in your market. Fast tracking this process waters the whole profession down and allows for a lot of incompetency, which will in turn cause the public to lose trust in what it is we do. Slippery slope but I do understand the barrier to entry. This puts banks at more risk, borrowers at more risk, which then puts our whole economy at risk. The time a trainee should not be lower, in fact should probably go back to 2 years rather than 1 year that it is now.
73. An innovative, alternative method of receiving supervisory services is a good thing for the profession, so long as it does not dilute or diminish the gravity of the work being accomplished. For this reason, I don't believe reducing the requirements from the SME suggestions is a wise decision. In-person training between a supervisor and trainee is undoubtedly a different experience than the ETP; for that reason, I trust the original SME timeline suggestions, since it does take longer to come up to speed when in a non-traditional training role.
74. While the supervisory model is what I would consider the preferred model, I generally support an alternative path. However, reducing the hours would be a mistake. That is not nearly enough time to gain an understanding of the complexities of the appraisal profession in that format. While eliminating a barrier to access the appraisal profession is a good thing, weak requirement standards like those proposed would flood the industry with inexperienced appraisers and damage the credibility of the entire industry in South Dakota. Such a decrease does not benefit anyone.
75. This business takes time, the average person with 6 mo. experience is not qualified to work on their own. It takes at least a year, especially with those hours.
76. I think the proposed way would be a good way of getting unqualified and inexperienced Appraisers in the field. This would tarnish the reputation of the Appraiser. I do like the idea of the ETP but not the proposed reducing of the months and hours.
77. It may be an unpopular opinion with some appraisers, but I feel that many of the current certified general appraisers that were "grandfathered in" to their current licensure would have a very tough time getting their credentials under the current requirements.
78. This program can not provide the one-on-one experience that a current trainee receives. Therefore, it seems like the ETP process should take more time to train any potential appraiser.
79. I do appraisal review. It is challenging to become an appraiser, and it should be. I see many instances in review of a lack of understanding and short cuts that affect the credibility of assignment results. We need to maintain present standards for the good of new appraisers

as well. The clients will be looking for pockets when the markets change, and the appraiser who had the great training and education and testing will be grateful at that time.

80. To me, to become an appraiser you need those real life experiences and need multiple transactions. There are multiple different properties.
81. I understand the current model is a hurdle for new appraisers. I dont like the ETP setup. I cant see someone looking over 20 'students' at one time.
82. It would seem that by reducing these requirements to such a low threshold it would not ensure competent licensees. Again, the integrity of the profession and public trust should be our primary concern. Not making it easier to earn a license.
83. If one wanted to spur more folks on to take trainees, perhaps use the grant money and pay the supervisors a small fee out of that per appraisal logged as an incentive to take trainees.
84. Getting enough supervised hours is tough. As I had a full time job as an appraiser but also had other work at my job that did not count - it took nearly 4 years to finally obtain my license. I have a master's degree and two bachelor's degrees and feel that the appraisal certified general license was more difficult to obtain than any of my higher education degrees.
85. The current way of supervising is not broken and would need to understand more about changes before giving an opinion
86. The proposed change meets the PAREA federal guidelines. I am unsure why a high standard is needed for the ETP.
87. This is the biggest barrier to entry for new appraisers. I was personally turned away by more than 20 experienced appraisers before I was finally able to find a place to fulfill my experience hours.