

PUBLIC PROTECTION CABINET
Kentucky Real Estate Authority
Kentucky Real Estate Appraisers Board
(Amendment)

201 KAR 30:190. Certification and licensing requirements.

RELATES TO: KRS 324A.010, 324A.030, 324A.035(1), (3), 324A.040(2), 324A.045, 324A.047, 324A.052, 324A.065, 324A.075, 12 C.F.R. 225.64, 225.65, 12 U.S.C. 3331-3351

STATUTORY AUTHORITY: KRS 324A.015(1), 324A.020, 324A.035(1), (3), 324A.045, 324A.065(1), 324A.075, 12 U.S.C. 3331-3351

NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020 and 324A.035 require the Real Estate Appraisers Board, with the approval of the executive director of the Kentucky Real Estate Authority, to promulgate administrative regulations necessary to carry out the provisions of KRS 324A.010 to 324A.090. KRS 324A.035(1) and 12 U.S.C. 3331 through 3351 require the board to establish by administrative regulation requirements for certification or licensure of appraisers of real property in federally related transactions. KRS 324A.035(3)(a) through (f) require the board to establish by administrative regulations requirements for classifications of appraisers, certification and licensure, renewal, suspension, or revocation of certificate or licensure, experience, continuing education, and examination of applicants. KRS 324A.045 requires each license or certificate to be renewed annually on the date or dates determined by the board by administrative regulation. KRS 324A.065 requires the board to establish and collect fees for certification or licensure as an appraiser. KRS 324A.075 authorizes the board to issue a reciprocal credential to a person licensed or certified in another state. This administrative regulation is necessary to comply with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 3331 through 12 U.S.C. 3351). This administrative regulation establishes the types of appraisers required in federally related transactions, scope of the practice, and general requirements for certification or licensure, and adopts the requirements for certification or licensure of appraisers of real property in federally related transactions, including the education, experience, and examination requirements established by the Appraisers Qualifications Board. This administrative regulation establishes the criteria for licensure as a nonfederal real property appraiser; the requirements for certification or licensure of persons licensed or certified in another state; the requirements for temporary appraisal licenses and certificates; the requirements for continuing education for appraisers and license renewal procedures for certificate holders or licensees; and the fees for initial application, annual renewal, roster, and examination, for both federally and nonfederally related transactions.

Section 1. Types of Appraisers.

(1) An appraiser for a federally related transaction shall be a:

- (a) Certified general real property appraiser;
- (b) Certified residential real property appraiser;
- (c) Licensed residential real property appraiser; or
- (d) Associate real property appraiser.

(2) The board may license nonfederal real property appraisers pursuant to Section 20 of this administrative regulation.

Section 2. Scope of Practice.

(1) A certified general real property appraiser may perform appraisals of all types of real property.

(2) A certified residential real property appraiser may perform residential appraisals on vacant or improved sites with up to four (4) residential units, without regard to value or complexity.

(3) A licensed residential real property appraiser may perform appraisals of:

(a) Non-complex, one (1) to four (4) residential units with a transaction value less than \$1,000,000; and

(b) Complex, one (1) to four (4) residential units with a transaction value less than \$400,000 [~~\$250,000~~].

(4) An associate real property appraiser may perform an appraisal of property that the supervising appraiser of the associate may appraise and shall be subject to the Uniform Standards of Professional Appraisal Practice, incorporated by reference in 201 KAR 30:040.

Section 3. General Requirements for Certification or Licensure. Except as provided by Section 4 of this administrative regulation, certification or licensure, as appropriate, shall be granted if an applicant:

(1) Has met the examination, education, experience, and fee requirements established by this administrative regulation; and

(2) Applies to the board on the notarized Application for Appraiser Credential and Reciprocal.

Section 4. Armed Forces Exemption. An applicant who was a member of a Reserve component of the U.S. Armed Forces, who was pursuing an appraiser licensure or certification prior to December 1, 2011, and who was called to active duty between December 1, 2011 and December 31, 2014, may satisfy the examination, education, and experience requirements under the 2008 AQB Real Property Appraiser Qualification Criteria instead of the requirements in this administrative regulation for a time period equal to the applicant's time of active duty, plus twelve (12) months.

Section 5. Qualifying Education for Licensure or Certification.

(1) Credit for the qualifying education requirements established in this administrative regulation may be obtained only from the following providers:

(a) Colleges or universities;

(b) Community or junior colleges;

(c) Real estate appraisal or real estate related organizations;

(d) State or federal agencies or commissions;

(e) Proprietary schools;

(f) Providers approved by the board in accordance with 201 KAR 30:130; and

(g) The Appraisal Foundation or its boards.

(2) Experience shall not be substituted for education.

Section 6. Criteria Specific to Qualifying Education.

(1) A class hour shall be credited only for educational offerings with content that follows the Required Core Curriculum established in Sections 8 through 12 of this administrative regulation for each respective credential.

(2) The course content requirement may be general or specific to a property type.

(3) A class hour shall be obtained only if:

(a) The minimum length of the educational offering is at least fifteen (15) hours; and

(b) The student successfully completes an approved closed-book examination pertinent to that educational offering.

(4) If an individual qualifying education course covers multiple topics identified within the Required Core Curriculum, there shall be appropriate testing of each component.

(5) Courses taken to satisfy the qualifying education requirements shall not be repetitive.

(6) Courses shall foster problem-solving skills in the education process by utilizing case studies as a major teaching method if applicable.

Section 7. Uniform Standards of Professional Appraisal Practice (USPAP) Courses.

(1) An applicant shall take the 15-Hour National USPAP Course, or its equivalent, and pass the associated 15-Hour National USPAP Course Examination as approved by the AQB.

(2) At least one (1) of the course instructors shall be an AQB Certified USPAP instructor who is also a state certified appraiser.

(3) USPAP course content equivalency shall be determined by the AQB or by an alternate method established by the AQB.

Section 8. Qualifying Education for Associate Real Property Appraisers.

(1) Prior to applying for an associate real property appraiser certification, an applicant shall have completed ninety (90) class hours as specified in the required core curriculum.

(2) The required core curriculum and class hours for an associate real property appraiser certification shall be:

(a) Basic appraisal principles: thirty (30) class hours;

(b) Basic appraisal procedures: thirty (30) class hours;

(c) Residential market analysis and highest and best use: fifteen (15) class hours; and

(d) 15-Hour national USPAP course or fifteen (15) hours its equivalent: fifteen (15) hours.

(3) An applicant shall pass the Required Core Curriculum examination for each course taken.

(4) All qualifying education shall be completed within the five (5) year period immediately preceding the submission of an application for an Associate Real Property Appraiser credential.

Section 9. Qualifying Education for Licensed Residential Real Property Appraisers.

(1) The prerequisite for taking the AQB approved examination shall be successful completion of 150 class hours as established in the required core curriculum.

(2) The required core curriculum and class hours for a licensed residential real property appraiser shall be:

(a) Basic appraisal principles: thirty (30) class hours;

(b) Basic appraisal procedures: thirty (30) class hours;

(c) 15-Hour national USPAP course or fifteen (15) hours its equivalent: fifteen (15) class hours;

(d) Residential market analysis and highest and best use: fifteen (15) class hours;

(e) Residential appraiser site valuation and cost approach: fifteen (15) class hours;

(f) Residential sales comparison and income approaches: thirty (30) class hours; and

(g) Residential report writing and case studies: fifteen (15) class hours.

Section 10. Qualifying Education for Certified Residential Real Property Appraisers Certification.[\]

(1) The prerequisite for taking the AQB approved examination shall be completion of 200 class hours as established in the required core curriculum.

(2) The required core curriculum and class hours for a certified residential real estate appraiser shall be:

- (a) Basic appraisal principles: thirty (30) class hours;
 - (b) Basic appraisal procedures: thirty (30) class hours;
 - (c) 15-Hour national USPAP course or fifteen (15) hours its equivalent: fifteen (15) class hours;
 - (d) Residential market analysis and highest and best use: fifteen (15) class hours;
 - (e) Residential appraiser site valuation and cost approach: fifteen (15) class hours;
 - (f) Residential sales comparison and income approaches: thirty (30) class hours;
 - (g) Residential report writing and case studies: fifteen (15) class hours;
 - (h) Statistics, modeling, and finance: fifteen (15) class hours;
 - (i) Advanced residential applications and case studies: fifteen (15) class hours; and
 - (j) Appraisal subject matter electives: twenty (20) class hours.
- (3) An applicant for the certified residential real property certificate shall satisfy at least one of the following options:
- (a) Possess a bachelor's degree from an accredited college or university in any field of study;
 - (b) Possess an associate's degree from an accredited college or university in any field of study related to:
 1. Business Administration;
 2. Accounting;
 3. Finance;
 4. Economics; or
 5. Real Estate;
 - (c) Have successfully completed thirty (30) semester hours of college-level courses that cover each of the following specific topic areas and hours:
 1. English Composition (three (3) semester hours);
 2. Microeconomics (three (3) semester hours);
 3. Macroeconomics (three (3) semester hours);
 4. Finance (three (3) semester hours);
 5. Algebra, Geometry, or higher mathematics (three (3) semester hours);
 6. Statistics (three (3) semester hours);
 7. Computer Science (three (3) semester hours);
 8. Business or Real Estate Law (three (3) semester hours); and
 9. Two (2) elective courses in any of the topics listed in this paragraph or in accounting, geography, agricultural economics, business management, or real estate (three (3) semester hours each);
 - (d) Successful completion of at least thirty (30) semester hours of College Level Examination Program® (CLEP®) examinations from each of the following subject matter areas:
 1. College Algebra (three (3) semester hours);
 2. College Composition (six (6) semester hours);
 3. College Composition Modular (three (3) semester hours);
 4. College Mathematics (six (6) semester hours);
 5. Principles of Macroeconomics (three (3) semester hours);
 6. Principles of Microeconomics (three (3) semester hours);
 7. Introductory Business Law (three (3) semester hours); and
 8. Information Systems (three (3) semester hours).
 - (e) Any combination of paragraphs (c) and (d) of this subsection that ensure coverage of all topics and hours identified in paragraph (c) of this subsection; or
 - (f) Proof of credential as a licensed residential real property appraiser for a minimum of five (5) years with no record of adverse, final, and non-appealable disciplinary action affecting the

licensed residential real property appraiser's legal ability to engage in appraisal practice within the five (5) years immediately preceding the date of application for the certified residential credential.

Section 11. Qualifying Education for Certified General Real Property Appraiser Certification.

(1) The prerequisite for taking the AQB approved examination shall be completion of 300 class hours as established in the required core curriculum.

(2) The required core curriculum and class hours for a certified general real property appraiser shall be:

(a) Basic appraisal principles: thirty (30) class hours;

(b) Basic appraisal procedures: thirty (30) class hours;

(c) 15-Hour national USPAP course or fifteen (15) hours its equivalent: fifteen (15) class hours;

(d) General appraiser market analysis and highest and best use: thirty (30) class hours;

(e) Statistics, modeling, and finance: fifteen (15) class hours;

(f) General appraiser site valuation and cost approach: thirty (30) class hours;

(g) General appraiser sales comparison approach: thirty (30) class hours;

(h) General appraiser income approach: sixty (60) class hours;

(i) General appraiser report writing and case studies: thirty (30) class hours; and

(j) Appraisal subject matter electives: thirty (30) class hours.

(3) An applicant shall demonstrate that his or her education includes the core courses listed in these criteria, with particular emphasis on nonresidential properties.

(4) An applicant for the certified general real property certificate shall hold a bachelor's degree or higher from an accredited college or university.

Section 12. Required Core Curriculum. The required core curriculum and class hours for each of the types or classification of licensees or certificate holders prescribed in Sections 8 through 11 of this administrative regulation shall be consistent with and cover the topics established in the 2018 AQB Real Property Appraiser Qualification Criteria for qualifying education issued by the Appraiser Qualification Board of the Appraisal Foundation.

Section 13. Required Experience.

(1) Certification as a general real property appraiser shall require:

(a) 3,000 hours of appraisal experience, which shall not be acquired in a period of fewer than eighteen (18) calendar months; and

(b) At least 1,500 hours of appraisal experience that is nonresidential.

(2) Certification as a residential real property appraiser shall require 1,500 hours of appraisal experience, which shall not be acquired in a period of fewer than twelve (12) calendar months.

(3) Licensure as a residential real property appraiser shall require 1,000 hours of appraisal experience, which shall not be acquired in a period of fewer than six (6) calendar months.

(4) More than fifty (50) percent of the required experience credit shall not be obtained for appraisal assignments without a traditional client (e.g., a client hiring an appraiser for a business purpose) being identified.

(5) More than fifty (50) percent of the required experience credit shall not be obtained in a board-approved practicum course that requires students to:

(a) Produce credible appraisals that utilize an actual subject property;

(b) Perform market research containing sales analysis;

(c) Perform assignments that require problem solving skills for a variety of property types;

and

(d) Apply and report the appraisal approaches in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), incorporated by reference in 201 KAR 30:040.

(6) The appraisal experience required by this section may have been acquired in any calendar years, whether or not the calendar years are consecutive. Hours may be treated as cumulative in order to achieve the necessary hours of appraisal experience.

(7) Real property appraisal assignments submitted for experience credit shall be completed:

(a) In compliance with the requirements of USPAP as incorporated by reference in 201 KAR 30:040 and defined in KRS 324A.010(7);

(b) Under the supervision of a certified residential real property appraiser for experience of one (1) to four (4) unit residential properties; and

(c) Under the supervision of a certified general real property appraiser for experience of all property uses other than one (1) to four (4) unit residential properties.

(8) To count towards the requirements of this section, the experience shall be acquired while the applicant is licensed or certified by the board.

Section 14. Examination.

(1) An applicant for certification as a certified general real property appraiser, a certified residential real property appraiser, a licensed residential real property appraiser, or an associate real property appraiser shall pass an examination specific for the certification or license applied for and approved by:

(a) The board; and

(b) The Appraiser Qualifications Board of the Appraisal Foundation.

(2) A passing score from an examination shall be valid for two (2) years.

(3) An applicant shall complete all the education and experience requirements for the credential which the individual is seeking prior to being approved to sit for the national appraisal examination.

(4)(a) An individual shall submit a completed Application for Appraiser Credential and Reciprocal, which documents the completed education and experience to the board prior to being approved to sit for the national appraisal examination.

(b) The applicant shall submit the following information with the application:

1. Proof of completion of the education;

2. Proof of completion of the required experience as established in Section 13 of this administrative regulation, including any reports identified by the board; and

3. The fee required by 201 KAR 30:110.

(5)(a) An applicant shall verify experience credit on the Appraiser Assignment Log contained in the Application for Appraiser Credential and Reciprocal.

(b) An applicant shall submit satisfactory reports, file memoranda, and other documentation requested by the board to confirm the applicant's appraisal experience.

Section 15. Temporary Appraisal Licenses and Certificates.

(1) A real estate appraiser from another state who is licensed or certified by the appraiser licensing or certifying agency in that state shall apply for registration to receive temporary appraiser licensing or certification privileges in this state by paying a fee of \$150 and filing with the board a notarized Non-Resident Appraiser Application for Temporary Practice. The completed application shall include:

(a) An irrevocable consent that service of process in an action against the applicant arising out of the applicant's appraisal activities in this state may be made by delivery on the board;

(b) Information sufficient to identify the appraisal assignment to be performed under the

temporary practice certificate or license, including the projected beginning and ending dates for performing the appraisal assignment, but the applicant shall not divulge information concerning the appraisal assignment that would breach the applicant's duty of confidentiality to his client under the provisions of the Uniform Standards of Professional Appraisal Practice, incorporated by reference in 201 KAR 30:040; and

(c) Upon request of the board, statement under seal issued by the appraiser licensing or certifying agency setting forth:

1. The applicant's name, business name, and address;
2. The type of license or certificate held by the applicant and the license or certificate number;
3. The dates of licensure or certification and the expiration date of the applicant's current license or certificate;
4. If the license or certificate was issued as a result of passing a licensure or certification examination, by reciprocity, or by some other means; and
5. A complete record of disciplinary actions taken or disciplinary proceedings pending against the applicant.

(2) An applicant shall be granted a temporary practice certificate or license by the board, to perform the appraisal assignment described in his or her application, if the applicant:

- (a) Has filed a properly completed application;
- (b) Has submitted the required fee with the application;
- (c) Has satisfied the board as to his or her qualifications and eligibility for temporary licensing or certification privileges; and
- (d) The time projected by the applicant for completion of the assignment is reasonable, given the scope and complexity of the assignment.

(3) Except as provided by subsection (1) of this section, licensing and certification privileges granted under the provisions of this administrative regulation shall expire upon completion of the appraisal assignment described in the Non-Resident Appraiser Application for Temporary Practice.

(4) To afford an applicant additional time to complete the appraisal assignment, the board shall extend the licensing or certification privileges granted under an applicant's temporary practice certificate or license, if the applicant shows that additional time is needed to complete the assignment.

(5) A person granted temporary licensing or certification privileges under the provisions of this administrative regulation shall not advertise or otherwise claim to be a Kentucky state-licensed or state-certified appraiser.

Section 16. Reciprocal Licensing Requirements for Applicants Licensed or Certified in Another State.

(1) A licensee from another state may obtain a certification or licensed residential real property appraiser credential in Kentucky by reciprocity.

(2) An individual who is a certified residential, a certified general, or a licensed residential real property appraiser out-of-state may apply for a Kentucky credential that is the same as the out-of-state certification held by that individual in the other state if the appraiser licensing program of the other state:

(a) Is in compliance with the provisions of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of Title XI Real Estate Appraisal Reform Amendments (12 U.S.C. 3331-3351) as administered by the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC); and

(b) The credentialing requirements of the home state meets or exceeds the KREAB re-

quirements that exist at the time the reciprocal application is submitted to the board.

(3) To obtain a Kentucky certification issued by the board, an out-of-state applicant shall:

(a) Complete the notarized Application for Appraiser Credential and Reciprocal;

(b) Be identified on the National Registry of the Appraisal Subcommittee as an active licensed or certified real property appraiser that currently conforms to the AQB criteria;

(c) Not have received disciplinary action that limited or stopped the ability to complete the practice of real property appraising; and

(d) Not have lost a license to practice any profession by revocation, suspension, or voluntary surrender.

(4) The out-of-state applicant shall indicate whether the applicant:

(a) Has had an application for certification or licensure as an appraiser denied by any agency within the Commonwealth or any other state, and if so, explain and submit with the application a copy of the denial notice;

(b) Has been reprimanded, fined, or had a license, certificate, or registration suspended, revoked, restricted, denied, or surrendered in the Commonwealth or in any other state, and if so, submit with the application:

1. A written explanation; and

2. A copy of any documentation that describes the charges and action taken by the agency;

(c) Is the subject of any pending investigation, administrative sanction proceeding, hearing, trial, or similar action by any agency that granted or denied the license, certificate, or registration, and if so, explain and submit with the application a copy of any documentation describing the charges;

(d) Has ever entered a plea of nolo contendere, been found guilty of, or been convicted of a felony, or within the last ten (10) years of a misdemeanor, and if so, submit with the application:

1. An explanation of the offense;

2. The location of the proceedings; and

3. A copy of all final court documents identifying the charges and assessing the penalties;

(e) Is awaiting trial or sentencing in any criminal proceeding, and if so, submit with the application:

1. An explanation of the facts of the alleged offense; and

2. The location of the proceedings; and

(f) Has had any disciplinary action brought against him or her as a member of any professional organization or trade association, and if so, submit with the application:

1. An explanation of the action;

2. A copy of any document reflecting the allegations; and

3. The final action or decision if rendered.

(5) No provision of this administrative regulation shall be construed to prohibit the professional appraisal practice activities of any out-of-state certified appraiser who is performing the duties and responsibilities while a direct full-time employee of any entity of the United States government.

Section 17. Individual Appraiser License Renewal and Fees.

(1) Except as provided in subsection (2) of this section, a licensed or certified real property appraiser seeking to renew his or her license shall:

(a) Use the online License Renewal System offered by the board at www.kreab.ky.gov on or before July 1 each year; and

(b) Pay a renewal fee in the amount of \$212 for associate appraiser renewal and \$252 for certified or licensed residential renewal.

(2) If a licensed or certified appraiser is unable to utilize the online procedure, he or she shall:

(a) Complete and submit on or before July 1 one (1) of the following Annual Renewal Notices:

1. Annual Renewal Notice Associate;
2. Annual Renewal Notice Certified Residential and Certified General; or
3. Annual Renewal Notice Licensed Residential; and

(b) Submit a check or money order made payable to the Kentucky Real Estate Appraisers Board in the amount of \$212 for associate appraiser renewal and \$252 for certified or licensed residential renewal.

(3) The board shall notify a licensee that his or her license is due to expire in accordance with the renewal dates established in KRS 324A.045(2). Failure to receive a renewal notification shall not excuse a licensee of his or her obligation to renew.

(4) The renewal date for a certificate or license shall be July 1 of each calendar year.

(5) The fee required for annual renewal of a certificate or license shall be submitted by each certificate holder or licensee on or before July 1 of each calendar year.

(6) Failure to renew a license or certificate by July 1 shall result in a \$200 late renewal fee.

Section 18. Certificate Holder or Licensee Continuing Education.

(1) All licensed or certified real property appraisers, including associate appraisers, shall:

(a) Complete fourteen (14) hours of board approved continuing education each license year prior to May 31 of the current renewal year; and

(b) Submit to the board proof of course completion prior to May 31 of the current renewal year.

(2)(a) Each certificate holder or licensee shall successfully complete the seven (7) hour National Uniform Standards of Professional Appraisal Practice Update Course, or its equivalent, between January 1 and May 31 of each even numbered year.

(b) Equivalency shall be determined by the Appraiser Qualifications Board Course Approval Program.

(c) USPAP continuing education credit shall only be awarded if the class is instructed by an AQB Certified Instructor who is also a State Certified General Real Property Appraiser or a State Certified Residential Real Property Appraiser.

(3) Failure to complete and submit to the board proof of course completion prior to the May 31 deadline shall prevent renewal until the certificate holder or licensee completes the deficient education and remits payment of a \$200 late fee.

(4) Continuing education credit may be granted by the board. If granted, continuing education credit shall be for:

(a) Approved continuing education courses; or

(b) Participation, other than as a student, in appraisal educational programs and processes not to exceed seven (7) hours of the required fourteen (14) hours of continuing education for each licensure year.

(5) Appraisal educational programs and processes shall include:

(a) Teaching a course. Credit for instructing any given course shall only be awarded one (1) time during a continuing education cycle;

(b) Program development;

(c) Authorship of textbooks; or

(d) Similar activities.

(6) Continuing education credit shall be granted if a course:

(a) Is at least two (2) hours in duration;

- (b) The subject is designed to ensure that an appraiser's skill, knowledge, and competency in real estate appraisal shall be maintained or increased; and
- (c) Has been approved by the board.
- (7) The board shall defer continuing education requirements for up to 180 days for a certificate holder or licensee:
 - (a) Returning from active military duty; or
 - (b) Whose business or residence is located in a county that has been declared a disaster area by the governor or President of the United States.
- (8) Credit for repeating the same course title and content within a twenty-four (24) month period shall not be granted.

Section 19. Inactive Status.

- (1) Requests to enter inactive status pursuant to KRS 324A.047 shall be submitted to the board on the Request for Inactive Status form.
- (2) The completed form shall be accompanied by the required fifty (50) dollar fee.

Section 20. Licensed Nonfederal Real Property Appraisers.

- (1) The provisions of this section shall not apply to persons who, prior to April 7, 1992 have engaged in the appraisal of real property for at least ten (10) years.
- (2) An applicant shall be licensed as a nonfederal real property appraiser if he or she has:
 - (a) A:
 - 1. High school diploma; or
 - 2. General equivalency diploma;
 - (b) Applied to the board for licensure; and
 - (c) Paid the fees required by KRS 324A.065(1)(b).
- (3) A licensed nonfederal real property appraiser shall not be required to meet the conditions established for the:
 - (a) Certification of:
 - 1. General real property appraisers; or
 - 2. Residential real property appraisers; or
 - (b) Licensure of licensed residential real property appraisers.
- (4) A licensed nonfederal real property appraiser shall not perform real property appraisals of property that is the subject of a federally related transaction as defined by 201 KAR 30:010.

Section 21. Incorporation by Reference.

- (1) The following material is incorporated by reference:
 - (a) "Application for Appraiser Credential and Reciprocal", 6/2019;
 - (b) "AQB Real Property Appraiser Qualification Criteria", 5/2018;
 - (c) "Non-Resident Appraiser Application for Temporary Practice", 6/2019;
 - (d) "Annual Renewal Notice Associate", 6/2019;
 - (e) "Annual Renewal Notice Certified Residential and Certified General", 6/2019;
 - (f) "Annual Renewal Notice Licensed Residential", 6/2019;
 - (g) "Request for Inactive Status", 6/2019; and
 - (h) "AQB Real Property Appraiser Qualification Criteria", 1/2008.
- (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Real Estate Appraisers Board, 321 N. Madison Avenue, Richmond, Kentucky 40475, (859) 623-1658, Monday through Friday, 8 a.m. to 4:30 p.m.

JOHN G. KENKEL, JR., Chair

ROBERT ASTORINO, Executive Director

APPROVED BY AGENCY: December 11, 2020

FILED WITH LRC: December 14, 2020 at 8 a.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held at 10:00 A.M. EST on February 24, 2021 at 500 Mero Street, Room 127CW, Frankfort, Kentucky 40601. At the time of filing this proposed administrative regulation, all state government offices are closed to in-person services because of the COVID-19 pandemic. The physical location listed in this notice is a state government office, and the public hearing will be held at this location if the location is open to in-person services by February 24, 2021, but if the location is closed to in-person services on February 24, 2021, then the public hearing on this administrative regulation shall be held by video teleconference at 10:00 A.M. on February 24, 2021. The primary location for the video teleconference will be at 500 Mero Street, Room 127CW, Frankfort, Kentucky 40601. However, in light of the COVID-19 pandemic, all public agencies are required to take proper health precautions to mitigate the spread of COVID-19 and to use video teleconference software by which the general public may view the meeting, adequate public viewing space will not be available and instructions for accessing the video teleconference a link will be provided on the website of the Kentucky Real Estate Appraiser Board, <http://kreab.ky.gov>, by which members of the public will be able to view the video teleconference of the public hearing remotely. Members of the public wishing to attend may utilize the link provided on the Board's website. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. The hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the administrative regulation. Written comments shall be accepted through 11:59 PM on February 28, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

CONTACT PERSON: John Hardesty, General Counsel, Kentucky Real Estate Authority, 500 Mero Street, 2 NE 09, Frankfort, Kentucky 40601, phone (502) 782-1045, email John.Hardesty@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact person: John L. Hardesty

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the types of appraisers required in federally related transactions, scope of the practice, and general requirements for certification or licensure. Additionally, this administrative regulation adopts the requirements for certification or licensure of appraisers of real property in federally related transactions, including the education, experience, and examination requirements promulgated by the Appraisers Qualifications Board established by 12 U.S.C. 3331-3351. This administrative regulation also establishes the criteria for licensure as a nonfederal real property appraiser. This administrative regulation establishes the requirements for certification or licensure of persons licensed or certified in another state. This administrative regulation establishes the requirements for temporary appraisal licenses and certificates. This administrative regulation establishes fees for initial application, annual renewal, roster, and examination, for both federally and nonfederally related transactions. This administrative regulation establishes the

continuing education requirements for credential holders.

(b) The necessity of this administrative regulation: KRS 324A.020 and 324A.035 require the Real Estate Appraisers Board, with the approval of the executive director of the Kentucky Real Estate Authority, to promulgate administrative regulations necessary to carry out the provisions of KRS 324A.010 to 324A.090. KRS 324A.035(1) and 12 U.S.C. 3331 through 3351 require the board to establish by administrative regulation requirements for certification or licensure of appraisers of real property in federally related transactions. KRS 324A.035(3)(d), (e), and (f) require the board to establish by administrative regulations requirements for experience and examination of applicants. KRS 324A.065 requires the board to establish and collect fees for certification or licensure as an appraiser. KRS 324A.075 authorizes the board to issue a reciprocal credential to a person licensed or certified in another state. KRS 324A.035 requires the board to promulgate administrative regulations establishing license renewal procedures for credential holders. This administrative regulation is necessary to establish the continuing education requirements for credential holders and the deadline for submission of course completion documentation. This administrative regulation is necessary to comply with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 3331 through 12 U.S.C. 3351).

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 324A.020 and 324A.035 require the Real Estate Appraisers Board, with the approval of the executive director of the Kentucky Real Estate Authority, to promulgate administrative regulations necessary to carry out the provisions of KRS 324A.010 to 324A.090. KRS 324A.035(1) and 12 U.S.C. 3331 through 3351 require the board to establish by administrative regulation requirements for certification or licensure of appraisers of real property in federally related transactions. KRS 324A.035(3)(d), (e), and (f) require the board to establish by administrative regulations requirements for experience and examination of applicants. KRS 324A.065 requires the board to establish and collect fees for certification or licensure as an appraiser. KRS 324A.075 authorizes the board to issue a reciprocal credential to a person licensed or certified in another state. KRS 324A.035 requires the board to promulgate administrative regulations establishing license renewal procedures for credential holders. KRS 324A.035(3) requires the board to establish by administrative regulation requirements for continuing education for appraisers. This administrative regulation is necessary to comply with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 3331 through 12 U.S.C. 3351). This administrative regulation establishes the types of appraisers required in federally related transactions, scope of the practice, and general requirements for certification or licensure. Additionally, this administrative regulation adopts the requirements for certification or licensure of appraisers of real property in federally related transactions, including the education, experience, and examination requirements promulgated by the Appraisers Qualifications Board established by 12 U.S.C. 3331-3351. This administrative regulation also establishes the criteria for licensure as a nonfederal real property appraiser. This administrative regulation establishes the requirements for certification or licensure of persons licensed or certified in another state. This administrative regulation establishes the requirements for temporary appraisal licenses and certificates. This administrative regulation establishes fees for initial application, annual renewal, roster, and examination, for both federally and nonfederally related transactions. This administrative regulation establishes the continuing education requirements for credential holders.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation establishes the types of appraisers required in federally related transactions, scope of the practice, and general requirements for certification or licensure. Ad-

ditionally, this administrative regulation adopts the requirements for certification or licensure of appraisers of real property in federally related transactions, including the education, experience, and examination requirements promulgated by the Appraisers Qualifications Board established by 12 U.S.C. 3331-3351. This administrative regulation also establishes the criteria for licensure as a nonfederal real property appraiser. This administrative regulation establishes the requirements for certification or licensure of persons licensed or certified in another state. This administrative regulation establishes the requirements for temporary appraisal licenses and certificates. This administrative regulation establishes fees for initial application, annual renewal, roster, and examination, for both federally and nonfederally related transactions. This administrative regulation establishes the requirements for continuing education for credential holders. The regulation requires fourteen hours per year of continuing education, to include seven hours of National Uniform Standards of Professional Appraisal Practice updates and instruction.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The current version of this administrative regulation allows any individual licensed by the Board as a Licensed Residential Real Property Appraiser to appraise non-complex one-to-four residential units having a transaction value less than \$1,000,000, and complex one-to-four residential units having a transaction value less than \$250,000. This administrative regulation amendment changes that requirement to allow any individual licensed by the Board as a Licensed Residential Real Property Appraiser to appraise non-complex one-to-four residential units having a transaction value less than \$1,000,000, and complex one-to-four residential units having a transaction value less than \$400,000.

(b) The necessity of the amendment to this administrative regulation: This administrative regulation incorporates the 2020 Real Property Appraiser Qualification Criteria published by the Appraisal Qualifications Board of the Appraisal Foundation. KRS 324A.035 prohibits the board from establishing requirements relating to appraisers of federally related transactions in excess of the minimum requirements established by federal law or regulation. Therefore, amendment to 201 KAR 30:190 Section 2(3)(b) is necessary to discharge this statutory duty.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 324A.020 and 324A.035 require the Real Estate Appraisers Board, with the approval of the executive director of the Kentucky Real Estate Authority, to promulgate administrative regulations necessary to carry out the provisions of KRS 324A.010 to 324A.090. KRS 324A.035(1) and 12 U.S.C. 3331 through 3351 require the board to establish by administrative regulation requirements for certification or licensure of appraisers of real property in federally related transactions. KRS 324A.035(3)(d), (e), and (f) require the board to establish by administrative regulations requirements for experience and examination of applicants. KRS 324A.065 requires the board to establish and collect fees for certification or licensure as an appraiser. KRS 324A.075 authorizes the board to issue a reciprocal credential to a person licensed or certified in another state. KRS 324A.035 requires the board to promulgate administrative regulations establishing license renewal procedures for credential holders. KRS 324A.035(3) requires the board to establish by administrative regulation requirements for continuing education for appraisers. This administrative regulation is necessary to comply with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 3331 through 12 U.S.C. 3351). This administrative regulation establishes the types of appraisers required in federally related transactions, scope of the practice, and general requirements for certification or licensure. Additionally, this administrative regulation adopts the requirements for certification or licensure of appraisers of real property in federally related transactions, including the education, experience,

and examination requirements promulgated by the Appraisers Qualifications Board established by 12 U.S.C. 3331-3351. This administrative regulation also establishes the criteria for licensure as a nonfederal real property appraiser. This administrative regulation establishes the requirements for certification or licensure of persons licensed or certified in another state. This administrative regulation establishes the requirements for temporary appraisal licenses and certificates. This administrative regulation establishes fees for initial application, annual renewal, roster, and examination, for both federally and nonfederally related transactions. This administrative regulation establishes the continuing education requirements for credential holders.

(d) How the amendment will assist in the effective administration of the statutes: This administrative regulation establishes the types of appraisers required in federally related transactions, scope of the practice, and general requirements for certification or licensure. Additionally, this administrative regulation adopts the requirements for certification or licensure of appraisers of real property in federally related transactions, including the education, experience, and examination requirements promulgated by the Appraisers Qualifications Board established by 12 U.S.C. 3331-3351. This administrative regulation also establishes the criteria for licensure as a nonfederal real property appraiser. This administrative regulation establishes the requirements for certification or licensure of persons licensed or certified in another state. This administrative regulation establishes the requirements for temporary appraisal licenses and certificates. This administrative regulation establishes fees for initial application, annual renewal, roster, and examination, for both federally and nonfederally related transactions. This administrative regulation incorporates the 2020 Real Property Appraiser Qualification Criteria published by the Appraisal Qualifications Board of the Appraisal Foundation. KRS 324A.035 prohibits the board from establishing requirements relating to appraisers of federally related transactions in excess of the minimum requirements established by federal law or regulation. Therefore, amendment to 201 KAR 30:190 Section 2(3)(b) is necessary to discharge this statutory duty.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects approximately 1577 licensed real estate appraisers, anyone interested in becoming a real estate appraiser, and all persons seeking to have real estate appraised. This administrative regulation also affects the Kentucky Real Estate Appraisers Board.

(4) Provide an analysis of how the entities identified in the previous question will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions each of the regulated entities have to take to comply with this regulation or amendment: Licensed Residential Real Property Appraisers will benefit from the higher value threshold of complex one-to-four residential units they can appraise with that license. No other new action is required to comply with this administrative regulation amendment.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities: There is no cost to any affected individual to comply with this administrative regulation.

(c) As a result of compliance, what benefits will accrue to the entities: As a result of compliance, Licensed Residential Real Property Appraisers will benefit from the higher value threshold of complex one-to-four residential units they can appraise with that license. No other new action is required to comply with this administrative regulation amendment.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be no cost to implement this administrative regulation initially.

(b) On a continuing basis: There will be no cost to implement this administrative regulation on a continuing basis.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: There will be no cost to implement this administrative regulation initially.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increases in fees or funding will be necessary to implement this amendment.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? No. Tiering is not applied because all similarly situated regulated entities are treated the same.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Kentucky Real Estate Appraisers Board will be affected.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 324A.020, 324A.035(1), 324A.045, 324A.065, 324A.075, and 12 U.S.C. 3331 through 3351.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation will not generate revenue for state or local government in the first year.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation will not generate revenue for state or local government in subsequent years.

(c) How much will it cost to administer this program for the first year? There is no additional cost to administer this program for the first year.

(d) How much will it cost to administer this program for subsequent years? There is no additional cost to administer this program for subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): Neutral.

Expenditures (+/-): Neutral.

Other Explanation: None.

FEDERAL MANDATE ANALYSIS COMPARISON

(1) Federal statute or regulation constituting the federal mandate. 12 U.S.C. 3331 through 3351.

(2) State compliance standards. 12 U.S.C. 3345 requires states to adopt licensing and certification criteria and recommends that state licensing agencies defer to the Appraisal Qualification Board of the Appraisal Foundation. 12 U.S.C. 3347 permits disapproval of a state's licensing scheme if it fails to produce licensing and certification qualifications, supervision, and regulation of appraisers consistent with 12 U.S.C. 3331 through 3351. This administrative regulation incorporates the 2020 Real Property Appraiser Qualification Criteria published by the Appraisal Qualifications Board of the Appraisal Foundation. KRS 324A.035 prohibits the board from establishing requirements relating to appraisers of federally related transactions in excess of the minimum requirements established by federal law or regulation. Therefore, amendment to the education and experience qualifications is necessary to discharge this statutory duty.

(3) Minimum or uniform standards contained in the federal mandate. 12 U.S.C. 3345 requires states to adopt licensing and certification criteria and recommends that state licensing agencies defer to the Appraisal Qualification Board of the Appraisal Foundation. 12 U.S.C. 3347 permits disapproval of a state's licensing scheme if it fails to produce licensing and certification qualifications, supervision, and regulation of appraisers consistent with 12 U.S.C. 3331 through 3351.

(4) Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate? No.

(5) Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements. Not applicable.