

**PUBLIC PROTECTION CABINET**  
**Real Estate Appraisers Board**  
**(New Administrative Regulation)**

**831 KAR 3:080. Criminal background checks.**

RELATES TO: KRS Chapter 324A, 12 U.S.C. § 3350

STATUTORY AUTHORITY: KRS 324A.100, 324A.152

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020 and 324A.035 require the Real Estate Appraisers Board, with the review of the director of the Division of Real Property Boards, to promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 324A. 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), and KRS Chapter 324A. KRS 324A.100 requires a national and state criminal background check for each initial application to be a licensed or certified real property appraiser. KRS 324A.152 requires national and state criminal background checks for the registration of Appraisal Management Companies. This administrative regulation describes criminal background check requirements for applicants for licensure and certification.

Section 1. National and state criminal background check for initial application to be a licensed or certified real property appraiser.

(1) No more than thirty (30) days prior to submitting an application, each applicant for an initial credential as an associate real property appraiser, licensed residential real property appraiser, certified residential real property appraiser, or certified general real property appraiser shall provide the applicant's fingerprints to the Kentucky State Police for a state criminal background check and for submission by the Kentucky State Police to the Federal Bureau of Investigation for a national criminal background check.

(2) The Kentucky State Police may offer a third-party vendor for processing and submission of fingerprints. If a third-party vendor is offered by the Kentucky State Police, applicants shall utilize the third-party vendor services using the application code listed on the board website at [kreab.ky.gov](http://kreab.ky.gov).

(3) The results of the national and state criminal background check shall be sent in accordance with KRS 324A.100(1)(b).

(4) Applicants holding a current license or certification from the board shall be required to comply with subsection (1) of this section prior to applying for a different category of license or certification from the board.

(5) Applicants for licensure or certification by reciprocity shall not be required to submit a national or state criminal background check.

Section 2. National and state criminal background check for applicants for registration as an Appraisal Management Company and owners of an Appraisal Management Company.

(1) Each person who submits a certification for registration of an Appraisal Management Company and each person who owns ten (10) percent or more of the Appraisal Management Company applying for registration shall comply with this section:

(a) when applying to the board for registration of an Appraisal Management Company; and

(b) when applying to the board for renewal of the registration of an Appraisal Management Company.

(2) Each person who submits a certification for registration of an Appraisal Management Company and each person who owns ten (10) percent or more of an Appraisal Management Company applying for registration shall provide the person's fingerprints to

the Kentucky State Police for a state criminal background check and for submission by the Kentucky State Police to the Federal Bureau of Investigation for a national criminal background check.

(3) The Kentucky State Police may offer a third-party vendor for submission and processing of fingerprints. If a third-party vendor is offered by the Kentucky State Police, applicants shall utilize the third-party vendor services using the application code listed on the board website at [kreab.ky.gov](http://kreab.ky.gov).

(4) The results of the national and state criminal background check shall be sent in accordance with KRS 324A.100(1)(b).

### Section 3. Review of background checks and denial of application based on convictions.

(1) The board may delegate investigation and review of background checks to board staff and counsel.

(2) The board shall review the application of, and any report prepared by board staff or counsel regarding, an applicant for an initial credential as an associate real property appraiser, licensed residential real property appraiser, certified residential real property appraiser, or certified general real property appraiser, who has been convicted within the past ten (10) years of:

- (a) a misdemeanor involving mortgage lending or real estate appraising;
- (b) any crime involving a breach of trust or fraudulent dealing or dishonest dealing; or
- (c) a felony.

(3) The board may review the application of, and any report prepared by board staff or counsel regarding, an applicant for an initial credential as an associate real property appraiser, licensed residential real property appraiser, certified residential real property appraiser, or certified general real property appraiser, who has been convicted of a crime that in the opinion of board staff or counsel directly relates to the practice of appraisal.

(4) The board shall review the application of, and any report prepared by board staff or counsel regarding, an applicant for registration of an Appraisal Management Company, and the application of, and any report prepared by board staff or counsel regarding, an owner of ten (10) percent or more of an Appraisal Management Company, who has been convicted within the past (10) years of:

- (a) a misdemeanor involving mortgage lending or real estate appraising;
- (b) any crime involving a breach of trust or fraudulent dealing or dishonest dealing; or
- (c) a felony.

(5) The board may deny an application based on a conviction if in accordance with KRS Chapter 335B.

(6) For purposes of this section, a conviction shall include disposition by trial, a guilty plea, or a plea of nolo contendere or its equivalent in another jurisdiction.

(7) If the board denies an application solely based on a conviction it shall refer the matter for an administrative hearing in accordance with KRS Chapter 13B and KRS Chapter 335B.

*JOHN DEXTER OUTLAW, Board Chairperson*

*TRACY CARROLL, Director*

*RAY A. PERRY, Secretary*

APPROVED BY AGENCY: March 25, 2026

FILED WITH LRC: March 30, 2026 at 2:50 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on June 24, 2026, at 1:00 P.M. Eastern Time at the Mayo-Underwood Building, Room 133CE, 500 Mero Street, Frankfort, Kentucky 40601. 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 was received by that date, the hearing may be canceled. 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 proposed administrative regulation. Written comments shall be accepted through June 30, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

**CONTACT PERSON:** Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board, 500 Mero Street, Frankfort, Kentucky 40601, Email [patrick.riley@ky.gov](mailto:patrick.riley@ky.gov), Tel. (502) 782-2618.