

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

831 KAR 3:090. Supervision of associates.

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

STATUTORY AUTHORITY: KRS 324A.020, 324A.035

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. Title XI requires the board to adopt or implement the minimum requirements for supervisory appraisers set forth in the Real Property Appraiser Qualification Criteria of the Appraiser Qualifications Board of the Appraisal Foundation. Under KRS 324A.035, "Requirements established by the board relating to appraisers of federally related transactions shall not exceed the minimum requirements established by federal law or regulation." KRS 324A.035(3)(d) requires the board to establish by administrative regulations requirements for professional appraisal practice including standards for experience. This administrative regulation describes how to become a supervisory appraiser, establishes standards for supervision, and sets scope of practice limitations consistent with these authorities.

Section 1. Associate real property appraiser credit for experience, scope of practice, and prerequisites for beginning training.

- (1) All associate real property appraisers must be supervised by a supervisory appraiser to receive credit toward the experience requirements set forth in 831 KAR 3:040.
- (2) An associate real property appraiser shall attend a Kentucky-specific seven (7) hour board-approved course in supervision practices prior to beginning training. The course shall comply with the specifications for course content established by the AQB regarding the requirements and responsibilities of supervisory appraisers and their supervisees.
- (3) To continue receiving experience for credit toward the experience requirements set forth in 831 KAR 3:040, an associate real property appraiser shall attend the Kentucky-specific seven (7) hour board-approved course in supervision practices every three (3) years.
- (4) The board-approved course in subsections (2) and (3) of this section shall not be eligible for education required by 831 KAR 3:030 Section 5 for licensure as an associate real property appraiser.
- (5) An associate real property appraiser may have more than one supervisory appraiser.

Section 2. Supervisory appraiser eligibility requirements.

- (1) To be eligible to serve as the supervisor of an associate real property appraiser, a certified residential real property appraiser or certified general real property appraiser shall:
 - (a) Have been a state certified real property appraiser for a period of at least three (3) years;
 - (b) Be in good standing and shall not have received a suspension, a revocation, or other sanction that limited or prohibited that individual's practice of real property appraising within the three (3) year period immediately prior to applying to become a supervising appraiser;

- (c) Be responsible for the training and supervision of the associate real property appraiser; and
 - (d) Shall not be employed by an associate real property appraiser or by a company, firm, or partnership in which the associate real property appraiser has a controlling interest.
- (2) A certified general real property appraiser or a certified residential real property appraiser who satisfies the requirements of a supervisory appraiser in subsection (1) of this section may supervise a person for experience credit toward a Certified Residential Real Property Appraiser certificate.
- (3) Only a certified general real property appraiser who satisfies the requirements of a supervisory appraiser in subsection (1) of this section may supervise a person for experience credit toward a Certified General Real Property Appraiser certificate.
- (4) An individual who holds the credential of licensed residential real property appraiser or its equivalent shall not be eligible to serve as a supervisory appraiser.
- (5) A supervisory appraiser shall attend a Kentucky-specific seven (7) hour board-approved course in supervision practices prior to beginning supervision. The course shall comply with the specifications for course content established by the AQB regarding the requirements and responsibilities of supervisory appraisers and their supervisees.
- (6) To remain eligible to provide supervision, a supervisory appraiser shall attend the board- approved course in supervision practices every three (3) years.

Section 3. How to apply to become a supervisory appraiser.

- (1) To apply for approval to serve as a supervisory appraiser, an individual meeting the requirements of Section 2 of this regulation shall submit a Supervisory Appraiser Application to the board.
- (2) The board shall approve an application for supervisory appraiser if the applicant meets the requirements of Section 2 of this regulation.
- (3) A supervisory appraiser shall not commence supervision until receiving notice of board approval.

Section 4. Duties of a supervisory appraiser.

- (1) A supervisory appraiser shall:
- (a) Review all appraisal reports prepared by the supervisee associate real property appraiser;
 - (b) Accompany the supervisee associate real property appraiser on all inspections, inspect each appraised property and the comparable sales on the supervisee's appraisal assignments, until the supervisee:
 - 1. Is competent to conduct inspections independently;
 - 2. Has met all specific requirements pertaining to property inspection established by KRS Chapter 324A and 831 KAR Chapter 3; and
 - 3. The supervisory appraiser ensures the supervisee is acting in accordance with the competency provision of the Uniform Standards of Professional Appraisal Practice for the property type being appraised; and
 - (c) Accept responsibility for an appraisal report completed by the supervisee associate real property appraiser by signing the appraisal report and certifying that the appraisal report is in compliance with the Uniform Standards of Professional Appraisal Practice.
- (2) A supervisory appraiser shall not supervise more than three (3) associate real property appraisers at a time, except as in (3) of this section.
- (3) A supervisory appraiser may apply to the board for permission to supervise one or more additional associate real property appraisers, provided:
- (a) The supervisory appraiser submits a written plan of supervision to describe how the supervisory appraiser will adequately supervise additional associate real property appraisers; and

(b) . The board approves the written plan of supervision.

Section 5. Appraisal log and general requirements for supervision.

- (1) An associate real property appraiser shall maintain an appraisal log for each supervisory appraiser of the associate real property appraiser.
- (2) An appraisal log shall be maintained on the Appraisal Log form provided by the board.
- (3) The appraisal log shall include:
 - (a) Type of property;
 - (b) Date of appraisal report;
 - (c) Address of appraised property;
 - (d) Description of work performed by the associate real property appraiser and scope of the review and supervision of the supervisory appraiser;
 - (e) Number of actual work hours by the associate real property appraiser on the assignment; and
 - (f) The signature and the credential number and state of the supervisory appraiser.
- (4) Both supervisory appraisers and associate real property appraisers must ensure the accuracy, currentness, and compliance of an Appraisal Log with this administrative regulation.
- (5) The associate real property appraiser, as well as the supervisory appraiser, shall be entitled to obtain copies of appraisal reports and shall be permitted to access work files for appraisals in which the associate real property appraiser participated, in accordance with the recordkeeping rule of the USPAP.

Section 6. Termination of supervision.

- (1) An associate real property appraiser shall, within five (5) business days, notify the board and each supervisory appraiser in writing of the termination of a supervision relationship.
- (2) A supervisory appraiser shall, within five (5) business days, notify the board and each associate real property appraiser in writing of the termination of a supervision relationship.

Section 7. Revocation of supervisory appraiser status.

- (1) The board may revoke supervisor appraiser status if:
 - (a) A supervisory appraiser fails to comply with the requirements of this regulation; or
 - (b) A supervisory appraiser has been disciplined by the board under KRS 324A.050 and 831 KAR 3:160.
- (2) If the board seeks to revoke supervisory appraiser status, it shall issue a notice to the supervisory appraiser with the opportunity for a supervisory appraiser to request an administrative hearing pursuant to KRS Chapter 13B within thirty (30) days of receipt of the notice.
- (3) Revocation of supervisory status shall be effective on the later of:
 - (a) Thirty (30) days after the board issues a notice; or
 - (b) If a request for an administrative hearing is filed with the board, the date of the final order of the Kentucky Division of Real Property Boards pursuant to KRS 13B.120(7) and KRS 324B.045(2).

Section 8. Incorporation by Reference.

- (1) The following material is incorporated by reference:
 - (a) "Supervisory Appraiser Application," KREAB Form 008, March 2026; and
 - (b) "Appraisal Log," KREAB Form 009, March 2026.
- (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Real Estate Appraisers Board, 500 Mero Street, Frankfort, Kentucky

40601, (502) 564-4000, Monday through Friday, 8 a.m. to 4:30 p.m. Eastern Time, and is available on the board website, kreab.ky.gov.

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, Tel. (502) 782-2618.