

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

831 KAR 3:150. Standards of professional conduct.

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

STATUTORY AUTHORITY: KRS 324A.020, 324A.035, 324A.050(1)(j), 12 C.F.R. 225.62-225.67, 12 U.S.C. 3331, 3336, 3339

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 13A. 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.035(3)(d) requires the board to establish by administrative regulation standards of professional appraisal practice. 12 U.S.C. §§ 3331, 3336, and 3339 and 12 C.F.R. §§ 225.64 and 225.65 require that real estate appraisals in connection with federally related transactions be performed in accordance with appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation. This administrative regulation establishes standards of professional conduct for appraisers consistent with these authorities.

Section 1. 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 improved sites with up to four (4) residential units and on unimproved sites for which the highest and best use under the Uniform Standards of Professional Appraisal Practice (USPAP) is one (1) to four (4) residential units, without regard to value or complexity, and shall not perform appraisal of subdivisions for which a development analysis is necessary.
- (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.
- (4) An associate real property appraiser may perform an appraisal of property:
 - (a) Which the supervising appraiser is permitted by the credential issued by the board or by another state appraisal program; and
 - (b) That the supervisory appraiser is competent to appraise.

Section 2. USPAP Compliance.

- (1) An individual holding any credential listed in paragraphs (a) through (f) of this subsection shall comply with the USPAP:
 - (a) Certified general real property appraiser;
 - (b) Certified residential real property appraiser;
 - (c) Licensed residential real property appraiser;
 - (d) Associate real property appraiser;
 - (e) Licensed nonfederal real property appraiser; and
 - (f) Temporary practice permit.
- (2) The board shall evaluate an appraisal report in accordance with the USPAP in effect when the certificate holder or licensee signed the certification of the report, or when the

report was prepared if the report was unsigned.

(3) The requirements of the USPAP shall not apply to the board, its agents, and employees while conducting an appraisal review for purposes of confirming an applicant's experience pursuant to this administrative regulation.

(4) The requirements of the USPAP shall not apply to the board, its agents, and employees while preparing an investigation for enforcement and disciplinary cases pursuant to this administrative regulation.

Section 3. Appraisal Reporting Requirements. For each appraisal assignment that includes an appraisal management company reference as the client or agent for the client, an appraiser shall identify within the appraisal report:

(1) The name that is on file with the board for the appraisal management company;

(2) The license number that is on file with the board for the appraisal management company; and

(3) The fee that will be paid to the appraiser for each appraisal assignment ordered by an appraisal management company, unless the appraiser is a W-2 employee of the appraisal management company.

Section 4. Licensed Nonfederal Real Property Appraiser Advertising.

(1) In a written or broadcast communication, a licensed nonfederal real property appraiser shall include the following statement: "Not licensed or certified to perform appraisals for any transactions requiring a licensed or certified appraiser pursuant to federal law or regulations."

(2) A written or broadcast communication shall include:

(a) Appraisal reports;

(b) Advertisements; and

(c) Business cards and stationery.

(3) In a print advertisement, the statement shall be in letters at least fifty (50) percent the size of the largest letter in the advertisement.

(4) In a radio or television advertisement, the statement shall be stated clearly and understandably.

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.