

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

831 KAR 3:160. Complaints and disciplinary proceedings.

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

STATUTORY AUTHORITY: KRS 324A.035, 324A.050, 324A.052, 324A.162, Chapter 13B

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.050 establishes grounds for disciplinary action for the board. KRS 324A.052 provides for the investigation of complaints, sanctions, hearings, and appeals. KRS 324A.162 provides for disciplinary action against Appraisal Management Companies. This administrative regulation establishes disciplinary proceedings of the board consistent with these authorities.

Section 1. Filing a Complaint.

(1) A complaint may be submitted against a credential holder or an Appraisal Management Company by the later of:

- (a) Five (5) years after the date of transmittal of the appraisal report or appraisal review assignment; or
- (b) Two (2) years after the final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment.

(2) A complaint shall:

- (a) Be submitted in writing;
- (b) Identify the person or organization submitting the complaint, unless submitted anonymously;
- (c) Contain a concise statement of the facts, transaction, or occurrence upon which it is based; and
- (d) Include exhibits or other documents, if applicable.

(3) If the board receives an anonymous complaint, it shall conduct an initial investigation to determine whether a formal investigation is warranted.

Section 2. Answer by Respondent.

(1) The credential holder or Appraisal Management Company listed by the complainant on the complaint shall be the Respondent. If more than one credential holder or Appraisal Management Company is listed on the complaint, each credential holder and Appraisal Management Company shall be a Respondent.

(2) The board shall serve a complaint on each Respondent at the last known address of the Respondent by certified mail, return receipt requested.

(3) A Respondent shall submit to the board an answer to the complaint within twenty (20) days after the complaint is certified mailed to the Respondent.

(4) The Respondent shall serve a copy of the answer on the complainant, by certified mail, return receipt requested, to the address listed by the complainant on the complaint, unless the complainant is anonymous.

(5) A Respondent may submit to the board a written request for an extension of time to answer a complaint for good cause which shall include extenuating circumstances outside

the control of the Respondent.

(a) For requests of extensions of time up to twenty (20) days, staff may grant an extension of time to answer a complaint up to twenty (20) days for good cause shown; or,

(b) For requests of extensions of time longer than twenty (20) days, the request shall be reviewed by the chair of the board whereby the chair of the board shall approve the request, deny the request, or refer the request to the full board at its next meeting for a decision whether to approve or deny the request.

Section 3. Formal Investigation.

(1) The board shall retain an investigator to commence an investigation of the facts alleged in a complaint:

(a) Upon receipt of a complaint and an answer; or

(b) Upon expiration of the period established in Section 2(3) of this administrative regulation if an extension is not requested by the Respondent.

(2) An investigator for the board shall be a state-certified general appraiser with a minimum of five (5) years of experience.

(3) The investigator shall prepare a written investigative report for the board.

Section 4. Complaint Review by the Board.

(1) The board shall dismiss a complaint if the facts stated in the complaint fail to establish a violation of KRS Chapter 324A or 831 KAR Chapter 3.

(2) The board shall dismiss a complaint if after review of the complaint, answer, and investigative report, the board finds no grounds for discipline under KRS 324A.050 or KRS 324A.162.

(3) The board shall notify the complainant and the Respondent in writing if it dismisses the complaint.

Section 5. Disciplinary Proceedings.

(1) To commence disciplinary action against the Respondent, the board shall issue a notice of administrative hearing to the Respondent in accordance with KRS Chapter 13B.

(2) If agreed by the Respondent, the board may authorize board counsel and the board investigator to join a settlement conference with the Respondent.

(a) If the parties to a settlement conference agree on a stipulation, proposed term, or condition for an agreed order to resolve the complaint, the agreed order shall be forwarded to the board for consideration.

(b) If the proposed agreed order is approved by the board, it shall be forwarded to the director of the Division of Real Property Boards for final review in accordance with KRS 324A.020.

(3) An administrative hearing shall be conducted in accordance with KRS Chapter 13B by a hearing officer of the Public Protection Cabinet Office of Administrative Hearings or a hearing officer designated by the Public Protection Cabinet.

(4) The hearing officer shall issue a recommended order in accordance with KRS Chapter 13B.

(5) Pursuant to KRS 324A.052(5) and KRS 13B.120(7), and in accordance with KRS Chapter 13B, the board shall review the recommended order of the hearing officer and shall issue a recommended order of the board. The board shall forward the recommended order to the director of the Division of Real Property Boards for review in accordance with KRS 324A.020.

Section 6. Incorporation by Reference.

(1) The following material is incorporated by reference:

(a) "Complaint Form-Appraiser," KREAB Form 014, March 2026; and

(b) "Complaint Form-Appraisal Management Company," KREAB Form 015, 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.