

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

**831 KAR 3:190. Appraisal Management Company duties and prohibitions.**

RELATES TO: KRS Chapter 324A, 12 U.S.C. § 3350, 324A.020, 324A.035, 324A.152, 324A.154, 324A.155, 324A.163, 324B.045, 15 U.S.C. § 1639e(i), 12 C.F.R. 226.42(f), 12 C.F.R. 34.210-216

STATUTORY AUTHORITY: KRS 324A.152, 324A.154, 324A.155, 324A.156, 324A.158, 324A.163, 324B.045, 12 C.F.R. 34.210-216

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020, 324A.035, and KRS 324B.045 require the Real Estate Appraisers Board, with the review and feedback of the director of the Kentucky 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.156 and KRS 324A.158 requires the board to establish by administrative regulation the duties and prohibitions of appraisal management companies. KRS 324A.152(2) requires the board to establish by administrative regulation the application process for appraisal management companies. KRS 324A.155 and KRS 324A.163 require the board to establish by administrative regulation the amount to be charged to registrants for the appraisal management company recovery fund. KRS 324A.154(1) requires the board to establish by administrative regulation the filing fees for registration of appraisal management companies. KRS 324A.152(8) requires the board to establish by administrative regulation standards governing the operation of an appraisal management company and for the implementation and enforcement of KRS 324A.150 to KRS 324A.164. This administrative regulation establishes the duties, operational requirements, and prohibitions for appraisal management companies, including the applicable registration and renewal fees, the amount to be charged to registrants for the appraisal management company recovery fund, and the appraisal procedures for appraisal management companies.

**Section 1. Operation of an Appraisal Management Company (AMC).**

- (1) A registrant shall disclose to its client the actual fees paid to an appraiser for appraisal services, separately from any other fees or charges for appraisal management services and, upon written request, shall make that information available to the board.
- (2) A registrant shall verify its state registration to each appraiser that it engages for appraisal services.
- (3) A registrant shall not attempt to directly or indirectly coerce an appraiser to accept an assignment if the appraiser indicates that the appraiser lacks competency or sufficient experience to complete the assignment, and the registrant shall not penalize the appraiser by reducing the number of assignments made to that appraiser, refusing to pay fees owed, or in any other manner.
- (4) A registrant shall not withhold or threaten to withhold future business or assignments from an appraiser because of the appraiser's failure to concede to improper or illegal requests, demands, or coercion. This prohibition shall include any express or implicit promise of future business, assignments, promotions, or increased compensation for an appraiser in exchange for the appraiser's agreement to concede to improper or illegal requests, demands, or coercion.

(5) A registrant shall not require an appraiser to indemnify an AMC or hold an AMC harmless. This prohibition shall not preclude indemnification agreements for services performed by the appraiser.

(6) A registrant shall not use an appraiser directly selected or referred by any member of a loan production staff of a client.

(7) A registrant shall not request that a broker price opinion be used as a primary basis for developing and reporting an appraisal for the purpose of loan origination of a residential mortgage loan secured by any one (1) to four (4) unit residential property.

(8) A registrant may not remove an appraiser from its appraiser panel without prior written notice to the appraiser as required by KRS 324A.158(2)(d). An appraiser may file a complaint with the board to review the decision of the registrant for removal from its appraiser panel for reasons other than those allowed by KRS 324A.158(2)(d).

(9) A registrant shall require that if an appraisal report prepared by a Kentucky licensed or certified real property appraiser is reviewed by a state licensed or certified real property appraiser, the review appraiser shall also be licensed or certified by the board.

(10) A registrant shall not prohibit communication between a Kentucky licensed or certified real property appraiser and any person from whom the appraiser believes the information is relevant in the performance of an appraisal assignment.

(11) A registrant shall not require a Kentucky licensed or certified real property appraiser that is an independent contractor under Kentucky law to sign a non-compete agreement.

## Section 2. AMC appraisal procedures.

(1) A registrant shall make payment to an engaged appraiser for the completion of an appraisal within forty-five (45) days after the date on which the appraisal is transmitted or otherwise completed.

(2) Subsequent request by a registrant to the appraiser for additional support of valuation or correction of factual and objective data shall not extend the payment date beyond the original forty-five (45) days from first receipt of the appraisal.

(3) An appraiser shall comply with a registrant's request for additional data support of estimate of value or correction of factual and objective data errors within fifteen (15) days of the request or be subject to the complaint process by the registrant under the board.

(4) An appraiser shall not be prohibited by an AMC from including within each appraisal report the compensation received from the AMC for each appraisal assignment completed.

*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.