

## **How to Enter the Real Property Appraisal Profession in Kentucky**

The following is intended to provide basic information for individuals who are considering entry into the real property appraisal profession in the Commonwealth of Kentucky. For more specific information about the requirements, please contact the Kentucky Real Estate Appraisers Board @ 859-623-1658, Fax 859-623-2598, or visit the web site at [www.kreab.ky.gov](http://www.kreab.ky.gov).

The Kentucky Real Estate Appraisers Board was created in 1992 as a voluntary act by the Kentucky General Assembly in compliance with the provisions of the Financial Institutions Reform, Recovery, and Enforcement Act (Title XI). The five (5) member Board consists of two appraisers, two active lenders, and one consumer. The Board staff consists of a Staff Assistant, and Investigator.

### **What is the demand for qualified real property appraisers?**

There is a wide array of clients who use real estate appraisers. For instance, lenders use them for loan collateral purposes; lawyers use them in property disputes, such as divorces; insurance companies use them to assist in determining the value of the property to be insured; and property owners may use them when appealing tax assessments, for estate purposes and estimating a property's value when buying or selling real estate.

### **Do I need to obtain a credential or license in order to appraise real property?**

Federal law requires all individuals appraising properties in a federally related loan transaction to be either state licensed or certified. The appraisal law in Kentucky contains language that requires individual appraisers to have a license or certification only when appraising properties for loans that will be granted by federally insured lenders that are considered federally related transactions, real estate related loan transactions for Government Sponsored Enterprises, or for other clients that require the services of a state licensed or certified real property appraiser.

### **If I become a Kentucky credentialed real property appraiser, will I be expected to comply with the KREAB statutes and regulations if the purpose of the assignment is not intended for federally related transactions or real estate related loan transactions?**

Yes. Licensed or certified credential holders shall comply with KRS Chapter 324A and the regulations of 201 KAR Chapter 30 regardless of the appraisal assignment type or the intended use.

### **Who regulates real property appraisers in Kentucky?**

The Kentucky Real Estate Appraisers Board is given authority by KRS Chapter 324A and the administrative regulations of 201 KAR Chapter 30 to comply with the mission of real property appraisal law. In addition to issuing licenses and certificates, the Board is also responsible for disciplining appraisers. Title XI requires the Board laws and regulations to comply with the minimum criteria of the Appraiser Qualifications Board and the minimum appraisal Standards promulgated in the Uniform Standards of Appraisal Practice (USPAP). The Kentucky Board received regular oversight from the Appraisal Subcommittee (ASC), made up of members of the Federal Financial Institutions Examination Council (FFIEC).

**What are the minimum qualifications I will need in order to become a state licensed or certified appraiser in the Commonwealth of Kentucky?**

The Appraiser Qualifications Board of The Appraisal Foundation sets the qualifications for real property appraisers. The qualifications cover education, experience, examination and continuing education. For example, to become a Kentucky credentialed real property appraiser you will need to first complete a specific course curriculum of topics in real property appraisal education courses. The Associate credential (required to begin training experience) requires a minimum of 90 classroom hours of appraisal instruction, a 7 hour Mandatory KY Supervisor and Associate Course and annually complete 14 hours of continuing education. The following table lists the education, examination, and experience requirements for each of the credentials recognized by the Kentucky Real Estate Appraisers Board. The information is contained in administrative regulation 201 KAR 30:190:

**Figure 1- Credentials and Respective Qualifying Requirements**

<b>Credential</b>	<b>Education Requirements</b>	<b>Experience Requirements</b>	<b>Examination Requirements</b>	<b>College Requirements</b>
Associate	90 Hours* 7 hour KY Mandatory Supervisor/Associate Course	None	None	None
Licensed Residential	150 Hours*	1,000 Hours in no fewer than 6-Months	AQB – Licensed Residential	None
Certified Residential	200 Hours*	1,500 Hours in no fewer than 12-Months	AQB – Certified Residential	See Below Options**
Certified General	300 Hours*	3,000 Hours in no fewer than 18 months, of which 1,500 hours must be in non-residential appraisal work	AQB – Certified General	Bachelor’s degree or higher

**\*Refer to table on Page 6 for specific course titles.**

**\*\*College Level Education for Certified Residential Six (6) options**

- **Option 1** – Bachelor’s Degree in any field of study
- **Option 2** - Associates Degree in a field of study related to:
  - Business Administration
  - Accounting
  - Finance
  - Economics; or
  - Real Estate

- **Option 3** – Successful completion of 30 semester hours of college-level courses in **each** of the following specific topic areas and hours:
  - English Composition (3 hours)
  - Microeconomics (3 hours)
  - Macroeconomics (3 hours)
  - Finance (3 hours)
  - Algebra, Geometry, or Higher Math (3 hours)
  - Statistics (3 hours)
  - Computer Science (3 hours)
  - Business Law or Real Estate Law (3 hours)
  - Two elective courses in any of the above topics or in Accounting, Geography, Agricultural Economics, Business Management or Real Estate (3 hours)
- **Option 4** – Successful completion of at least 30 semester hours of College Level Examination Program (CLEP) examinations that cover each of the specific topic areas in: (See below)

**Figure 2- College Level Examination Program Examinations**

CLEP EXAMS	CLEP SEMESTER HOURS GRANTED	APPLICABLE COLLEGE COURSES
College Algebra	3	Algebra, Geometry, Statistics, or higher mathematics
College Composition	6	English Composition
College Composition Modular	3	English Composition
College Mathematics	6	Algebra, Geometry, Statistics, or higher mathematics
Principles of Macroeconomics	3	Macroeconomics or Finance
Principles of Microeconomics	3	Microeconomics or Finance
Introductory Business Law	3	Business Law or Real Estate Law
Information Systems	3	Computer Science

- **Option 5** – Any combination of Option 3 and Option 4 that includes all of the topics identified in Option 3.
- **Option 6** – No college-level education required. This option applies only to appraisers who have held a Licensed Residential credential for a minimum of five (5) years **and** have no record of any adverse, final, and non-appealable disciplinary action affecting the Licensed Residential appraiser’s legal eligibility to engage in appraisal practice within the five (5) years immediately preceding the date of application for a Certified Residential credential.

**Do I need a criminal background check?**

Yes. KRS 324A.100 requires a national and state criminal background check for each initial applicant to be licensed or certified as a real property appraiser. This requirement does not include any appraiser applying for a credential in Kentucky that holds a current license/certification in another state. This requirement also does not apply to an Active Associate applying for Licensed Residential, Certified Residential, or Certified General.

**Do I need a college degree or to have completed college level courses to become a Kentucky licensed or certified real property appraiser?**

Please refer to the above table, which lists the applicable college information.

**Am I required to complete the KY 7 hour Supervisor Associate Course?**

Yes. It is mandatory. A first time supervisor and a new associate shall attend a Kentucky-specific seven (7) hour board-approved course in supervision practices prior to beginning supervision or training. To remain eligible to provide supervision, a supervisor shall attend the board-approved course every three (3) years. To continue logging creditable experience, an associate shall attend the board-approved course every three (3) years.

**How can I find out about available educational offerings in appraising?**

Please visit the Kentucky Real Estate Appraisers Board web site at [www.kreab.ky.gov](http://www.kreab.ky.gov) for a list of approved appraisal education providers and a list of approved education courses. The Kentucky Board will also recognize courses approved by appraiser regulatory agencies in other states on a case-by-case basis. It is the responsibility of the student seeking education approval to provide the KREAB with the course description, the course daily time outline, a completion certificate indicating that the student successfully completed the course, including successful completion of a closed book examination.

**How can I gain the necessary experience?**

The Kentucky Real Estate Appraisers Board requires any person initially entering the field of real property appraising to 1) complete the 90 hours of classroom instruction in appraisal courses listed in the above table, 2) apply to the KREAB for an Associate Real Property Appraiser credential; 3) complete the KY mandatory 7 hour Supervisor and Associate course; and 4) to work under the supervision of a Kentucky certified residential or certified general real property appraiser. See Figure 1, Column 2 on page two for respective duration requirements.

**What must I have to do to qualify to sit for the AQB national examination?**

To qualify to take the state examination, you must complete all qualifying appraisal classroom education that is listed in the above table for the appropriate credential, the college requirement, if applicable, and have acquired the necessary experience required for the appropriate credential.

**How much time should I allocate to complete the examination?**

Depending on the classification you are seeking to obtain, the examination might last between 4 to 6 hours for licensed residential and certified residential, and between 6 to 8 hours for certified general. Each of the examinations will have a total of 150 questions that will be scored.

**Is it required that I complete the college degree or course requirements prior to sitting for the AQB national examination?**

Yes. All education and experience requirements must be completed before sitting for the AQB national examination.

**Do appraisers have to follow any set of performance standards or guidelines?**

Licensed and Certified real property appraisers in the Commonwealth of Kentucky are required to follow the statutes within KRS Chapter 324A and the administrative regulations in 201 KAR Chapter 30. Included in KRS Chapter 324A is a requirement that appraiser's licensed and certified in Kentucky must also follow the Uniform Standards of Professional Appraisal Practice when completing assignments of appraisal, appraisal review and appraisal consulting within the Commonwealth of Kentucky.

**May I appraise any type of real property once I become state licensed or certified?**

The Kentucky Real Estate Appraisers Board administrative regulation 201 KAR 30:190 recognizes the following credentials of real property appraiser within the Commonwealth of Kentucky:

1. **Associate** – The scope of practice for the Kentucky Licensed Associate classification is the appraisal of those properties that the supervising certified appraiser is permitted, by his/her current credential assuming proper supervision by the supervising appraiser.
2. **Licensed Residential** - May appraise non-complex 1-4 unit residential properties with a transaction value less than \$1,000,000 and complex 1-4 residential units having a transaction value less than \$250,000.
3. **Certified Residential** – May appraise 1-4 unit residential properties without regard to transaction value or complexity.
4. **Certified General** – May appraise all types of property. Although an appraiser might hold a general certification, competency is required.

**I previously held a Kentucky credential, what will I be required to complete if I wish now to apply for the credential level I originally held?**

Any person who has not held a credential within six months of the application date for a Kentucky Real Property Appraiser credential will be expected to comply with 1) all items of appraisal education (See Figure 1 on page 2), 2) satisfy all experience requirements; 3) successfully complete the AQB examination, and 4) complete the college courses or applicable degree. Additionally, as of July 1, 2003 experience for an initial applicant can be considered credible only while the applicant was working under the direct supervision of a Kentucky certified real property appraiser.

**What will be the Kentucky Real Estate Appraisers Board expectations for an applicant who is licensed or certified and is now applying for another credential category?**

An applicant who holds a credential and applies to the Kentucky Board for a different credential will be expected to 1) comply with all additional appraisal education that is required for the applicable credential level, 2) satisfy all college education requirements, 3) successfully complete the applicable AQB national examination, and 4) complete all experience expectations for the credential level.

The table on the following page contains the initial education course topics and classroom hour requirements for each Kentucky real property appraiser license or certified credential, and the added education, examination and experience requirements when moving from one credential to another under the current criteria requirements.

**If I am certified in another State and move to Kentucky and apply for the same credential, will I be expected to comply with the Kentucky qualifying education, examination, and experience requirements?**

No. If an individual applies to the Kentucky Real Estate Appraisers Board while holding a real property appraiser credential from another State, that individual will be granted the same credential by the KREAB, provided the applicant is in good standing and the State appraiser regulatory agency requirements for licensure/certification are same as Kentucky requirements. If an applicant cannot demonstrate good standing with the all the States appraiser regulatory agencies at the time of application, the application will not be considered credible.

**If I am certified in another State and apply to Kentucky for a reciprocal credential, will I be expected to comply with the Kentucky qualifying education, examination, and experience requirements?**

No. If an individual applies to the Kentucky Real Estate Appraisers Board while holding a real property appraiser credential from another State, that individual will be granted the same credential by the KREAB, provided the applicant is in good standing and the State appraiser regulatory agency requirements for licensure/certification are same as Kentucky requirements. If an applicant cannot demonstrate good standing with the all the States appraiser regulatory agencies at the time of application, the application will not be considered credible.

**If I am certified in another State and apply to Kentucky for a reciprocal credential, will I be expected to comply with the Kentucky continuing education requirements?**

Yes. All Kentucky Real Estate Appraiser license/credential holders must comply with the same continuing education requirements.

**Figure 3- Required Topic Matrix of Course Offerings for Each Credential and Moving From One Credential to Another**

		1	2	3	4	5	6	7
	Required Core Curriculum Topics	Associate Real Property Appraiser	Licensed Residential Real Property Appraiser	Certified Residential Initial	Certified General Initial	Certified Residential From Associate	Certified General From Associate	Certified General From Residential
	7 hour-Supervisor Associate Mandatory Course	YES						
1	Basic Appraisal Principles	30	30	30	30			
2	Basic Appraisal Procedures	30	30	30	30			
3	Uniform Standards of Professional Appraisal Practice (National Course)	15	15	15	15			
4	Market Analysis/Highest and Best Use	15	15	15	30		15	15
5	Sales Comparison and Income Approach		30	30	30	30	30	15
6	Site Valuation and Cost Approach		15	15	30	15	30	15
7	Income Property Appraisal				60		60	45
8	Report Writing and Case Studies		15	15	30	15	30	10
9	Advanced Residential Applications & Case Studies			15		15		
10	Statistics, Modeling and Finance			15	15	15	15	
11	Electives (Real Estate and Real Estate Appraisal Courses)			20	30	20	30	
	Total	90 Hours	150 Hours	200 Hours	300 Hours	110 Hours	210 Hours	100 Hours

Columns 5, 6 and 7 list the course topics that will be required for completion when a current credential holder applies for one or the other credentials listed.

**Note 1:** An applicant for Associate must complete the 7 hour Supervisor Associate Mandatory Course.

**Note 2:** In addition to moving from one credential to another, an applicant must also complete the national AQB examination for the credential being applied for, and complete any additional experience requirements.

## REQUIRED KENTUCKY TOPIC CURRICULUM

### **Core Curriculum**

Each applicant, making initial request to the Kentucky Board must successfully complete courses listed below. Each course completed must include at minimum 15-hours class time, and require a closed-book examination that is pertinent to the educational offering.

### **KY ASSOCIATE REAL PROPERTY APPRAISER CREDENTIAL**

<b>Curriculum – Associate Real Property Appraiser</b>	<b>Hours</b>
Basic Appraisal Principles	30
Basic Appraisal Procedures	30
Market Analysis & Highest and Best Use	15
National USPAP Update course or its Equivalent	15
<b>Total Hours</b>	<b>90</b>
Associates are also required to complete a 7-hour KY mandatory Supervisor/Associate course.	

### **KY LICENSED RESIDENTIAL REAL PROPERTY APPRAISER CREDENTIAL**

<b>Curriculum – Licensed Residential Real Property Appraiser</b>	<b>Hours</b>
Basic Appraisal Principles	30
Basic Appraisal Procedures	30
Residential Market Analysis & Highest and Best Use	15
National USPAP Update course or its Equivalent	15
Residential Appraiser Site Valuation and Cost Approach	15
Residential Sales Comparison and Income Approaches	30
Residential Report Writing & Case Studies	15
<b>Total Hours</b>	<b>150</b>

### **KY CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER CREDENTIAL**

<b>Curriculum – Certified Residential Real Property Appraiser</b>	<b>Hours</b>
Basic Appraisal Principles	30
Basic Appraisal Procedures	30
Residential Market Analysis & Highest and Best Use	15
National USPAP Update course or its Equivalent	15
Residential Appraiser Site Valuation and Cost Approach	15
Residential Sales Comparison and Income Approaches	30
Residential Report Writing & Case Studies	15
Statistics, Modeling and Finance	15
Advanced Residential Applications and Case Studies	15
Appraisal Subject Matter Electives	20
<b>TOTAL HOURS</b>	<b>200</b>

**KY CERTIFIED GENERAL REAL PROPERTY APPRAISER CREDENTIAL**

<b>Curriculum – Certified General Real Property Appraiser</b>	<b>Hours</b>
Basic Appraisal Principles	30
Basic Appraisal Procedures	30
General Appraiser Market Analysis & Highest and Best Use	30
National USPAP Update course or its Equivalent	15
General Appraiser Income Approach	60
General Appraiser Sales Comparison Approach	30
General Appraiser Site Valuation and Cost Approach	30
General Appraiser Report Writing and Case Studies	30
Statistics, Modeling and Finance	15
Appraisal Subject Matter Electives	30
<b>TOTAL HOURS</b>	<b>300</b>