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KENTUCKY RESIDENTIAL REAL ESTATE APPRAISAL FEES 2014

A study funded by and conducted for
Kentucky Real Estate Appraisers Board
by Southeastern Louisiana University Business Research Center

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The Southeastern Louisiana University Business Research Center (BRC) is jointly operated by the Southeast Louisiana Business Center and the Southeastern Louisiana University College of Business. The BRC provides applied economic analyses and research studies that aid business and economic development efforts. The Center represents one aspect of the University's commitment to economic development in the region.

The Center is located in the Southeast Louisiana Business Center at 1514 Martens Drive in Hammond, Louisiana, two blocks west of the main campus of Southeastern Louisiana University. The Business Research Center is a proud member of the Association for University Business and Economic Research (AUBER), the Council for Community and Economic Research (C2ER), and the National Association for Business Economics (NABE).

The following study was commissioned by the Kentucky Real Estate Appraisers Board (KREAB), and was conducted using generally accepted research methods, models and techniques.

The information gathered and/or study results are for informational purposes only and are not intended to be used for investment, lending, or legal decisions. Research and results of this study do not represent any form of endorsement by Southeastern Louisiana University.

Sincerely,

A handwritten signature in black ink that reads 'William Joubert'. The signature is written in a cursive style with a long, sweeping tail on the 't'.

William Joubert
Director
Business Research Center

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EXECUTIVE SUMMARY

The Business Research Center at Southeastern Louisiana University conducted an online survey of residential and general real estate appraisers certified or licensed to conduct residential appraisals in Kentucky, and a separate survey of mortgage lenders licensed to make mortgage loans in Kentucky, to collect information on typical residential real estate appraisal fees paid in Kentucky in 2014. Fee data collected were restricted to appraisal fees paid directly to licensed appraisers (i.e., not routed through appraisal management companies (AMCs)), per guidance of relevant federal regulations for determining “customary and reasonable” fees.

Useable responses were received from 547 appraisers: 475 with primary offices in 85 Kentucky counties, 32 from Ohio, 23 from Indiana, four from Tennessee, two from Georgia, two from West Virginia, and one each from California, Illinois, and Texas. Six appraisers did not provide the location of their primary office.

In the lender survey, useable responses were received from 11 mortgage lenders located in six Kentucky counties.

Appraisal fee data were provided for at least some appraisal types for properties located in all 120 Kentucky counties.

Typical appraisal fees received/paid in 2014 were collected for six appraisal types for properties in urban, suburban, and rural locations. Median fees were analyzed by region of the state based on geographic designations developed by the Center for Business and Economic Research at the University of Kentucky, illustrated in Figure 6 and listed in Appendix 3.

The six appraisal types for which typical fees were collected included:

- Fannie Mae Form 1004 (Residential 1-unit full appraisal)
- Fannie Mae Form 1004 for FHA (Residential 1-unit full appraisal for FHA)
- Fannie Mae Form 1004C (Manufactured home full appraisal)
- Fannie Mae Form 1025 (Small (2–4 units) residential income property full appraisal)
- Fannie Mae Form 1073 (Individual condominium unit full appraisal)
- Fannie Mae Form 2055 (Residential 1-unit exterior-only inspection appraisal)

Typical fees for each appraisal type were collected by county of property location and location type – urban, suburban, or rural.

Median fees across all regions and location types ranged from a low of \$300 for Form 2055 appraisals to a high of \$500 for Form 1025 appraisals (Table 7).

When separated by location type, there was no difference in median fees for urban and suburban properties, while median fees for rural properties were \$25 higher for appraisal types 1004, 1073, and 2055 (Table 8).

Table 32 on page 32 provides a summary of median fees for all appraisal types by every region and location type, and Appendix 2 contains descriptive statistics for all appraisal and location combinations for both statewide data and all nine regions.

The appraisal fees shown in Table 32 should be considered typical “standard” appraisal fees, with adjustments necessary for large or complex properties or properties located in distant or remote locations.

Although there was much variation, the median typical large/complex property fee adjustment was \$125 for those indicating a dollar amount and 27.5 percent for those expressing a percentage, while the median additional distance fee ranged from \$27.50 for travel distances of 16-25 miles to \$100 for distances of 51 miles and over.

INTRODUCTION

Enacted May 1, 2009, the Home Valuation Code of Conduct (HVCC) drastically changed the method in which residential real estate appraisal services were procured for secondary mortgage loans delivered to the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The required separation of mortgage production from appraiser selection led to the rapid growth in the number and volume of business of appraisal management companies (AMCs).

Due to debates about the fairness of fees paid to appraisers by some AMCs, the Consumer Financial Protection Bureau enacted additional regulations on December 22, 2011 which required that “... the creditor and its agents shall compensate a fee appraiser for performing appraisal services at a rate that is customary and reasonable for comparable appraisal services performed in the geographic market of the property being appraised.”

These federal regulations are detailed at:

Title 12 – Banks and Banking
 Chapter X – BUREAU OF CONSUMER FINANCIAL PROTECTION
 Part 1026 – TRUTH IN LENDING (REGULATION Z)
 Subpart E – Special Rules for Certain Home Mortgage Transactions
 Section 1026.42 – Valuation independence
 Sub-section (f) – *Customary and reasonable compensation. (1) Requirement to provide customary and reasonable compensation to fee appraisers.*

Paragraph (f) (3) – *Alternative presumption of compliance* states:

“A creditor and its agents shall be presumed to comply with paragraph (f)(1) of this section if the creditor or its agents determine the amount of compensation paid to the fee appraiser by relying on information about rates that:

- (i) Is based on objective third-party information, including fee schedules, studies, and surveys prepared by independent third parties such as government agencies, academic institutions, and private research firms;
- (ii) Is based on recent rates paid to a representative sample of providers of appraisal services in the geographic market of the property being appraised or the fee schedules of those providers; and
- (iii) In the case of information based on fee schedules, studies, and surveys, such fee schedules, studies, or surveys, or the information derived therefrom, excludes compensation paid to fee appraisers for appraisals ordered by appraisal management companies, as defined in paragraph (f)(4)(iii) of this section.”

The Kentucky Real Estate Appraisers Board (KREAB) commissioned this study to provide mortgage lenders and appraisal management companies doing business in Kentucky with a convenient, concise, and complete report meeting the requirements under the above *Alternative presumption of compliance*.

METHODOLOGY

The Southeastern Louisiana University Business Research Center (BRC) conducted an online survey of both Kentucky-licensed or certified residential real estate appraisers and Kentucky mortgage lenders to collect a diverse sample of data regarding typical residential appraisal fees for various residential appraisal types in all geographic areas of the state.

The survey instruments differed slightly for the two groups (appraisers and lenders) in order to collect different background and classification information. Both groups were asked to provide data on their typical appraisal fees charged/paid for appraisals of residential properties in urban, suburban, and rural locations in all 120 counties. (An abbreviated version of the appraiser survey questionnaire is attached as Appendix 1.)

The appraiser and lender survey instruments were both hosted on the QuestionPro™ survey service, and were protected with separate passwords provided to potential survey respondents.

Appraiser Survey Timeline, Sample Pool, and Number of Responses

Introductory e-mails were sent out in late November/early December 2014 to Kentucky residential real estate appraisers by KREAB using their membership contact list, which included 1,566 certified/licensed appraisers and associates.

An e-mail announcing the opening of the appraiser survey site was sent out by BRC to 1,534 appraisers (all those with e-mail addresses) from the KREAB contact list on 1/7/2015. Survey updates/reminders were e-mailed to the list on 1/9/15, 1/15/15, 2/5/15, and 2/20/15. A reminder was also sent out directly by KREAB on 1/27/15.

By the time the appraiser survey site was closed on February 21, 2015, there were 647 partial or complete survey responses from appraisers.

Twenty-one of these responses were from individuals who did not hold a Kentucky residential real estate appraisal license in 2014 (or refused to indicate whether or not they were licensed). These responses were removed from the data before analysis began.

In order to check for duplicate/multiple responses, IP addresses, e-mail addresses (when provided), and responses to individual questions were used to compare responses. Based on these comparisons, 48 responses were determined to be partial duplicates of other responses, where the appraiser had exited the survey before completion and later come back and completed the survey again. These 48, along with 31 blank responses with no useable data, were also removed from the data.

This left 547 potentially useable responses, representing 34.9 percent of the 1,566 certified/licensed Kentucky real estate appraisers and associate appraisers. Of the 547 useable responses, appraisal fee information was provided by 437, while the other 110 respondents provided only classification information and/or comments.

Mortgage Lender Survey Timeline, Sample Pool, and Number of Responses

The BRC developed a contact list of 520 mortgage lenders doing business in Kentucky from various online sources.

The announcement of the opening of the online lenders' survey site, along with the link and password, were distributed to the lender contact list on 1/7/2015. Reminder e-mails were sent out on 1/9/15, 1/15/15, 2/5/15, and 2/20/15.

The lender survey site was closed on 2/21/2015, at which point there were 13 partial or complete survey responses from lenders.

IP addresses, e-mail addresses (when provided), and responses to individual questions were used to compare responses. Based on these comparisons, two of the responses were determined to be partial responses from the same lender, and were combined into a single response. One blank response was also removed from the data, leaving 11 usable lender responses. This represents a response rate of approximately 2.1 percent of the 520 contacts.

Of the 11 usable responses, three indicated that they were not involved in ordering residential appraisals in 2014, and thus were directed to the end of the survey after supplying demographic and classification information.

Five of the remaining eight lender respondents indicated that all of their appraisals in 2014 were ordered through appraisal management companies (AMCs), so they were also directed to the end of the survey without being asked to provide any fee information. Their demographic and classification information was retained.

This left three responses from lenders who could provide non-AMC appraisal fee information for 2014, which all three did.

DEMOGRAPHIC AND CLASSIFICATION INFORMATION

Appraisers

Position/Occupation During 2014

Appraisers responding to the survey were asked to indicate their position/occupation in 2014.

Almost two-thirds of responding appraisers (64.0 percent) were Independent Certified Residential Appraisers in 2014. Another 23.9 percent were Independent Certified General Appraisers and 5.1 percent were Associate Real Property Appraisers. These three categories made up 93.0 percent of all appraiser responses.

The distribution of responses by position/occupation is detailed in Table 1 and illustrated in Figure 1.

The seven "Other" responses included two bank review appraisers, two in-house review appraisers, one "quality assurance reviewer", one "appraiser and company owner", and one "owner appraisal/real estate company".

<u>Position/Occupation</u>	<u>Count</u>	<u>%</u>
Independent Certified General Appraiser	131	23.9%
Independent Certified Residential Appraiser	350	64.0%
Independent Licensed Residential Real Property Appraiser	6	1.1%
In-house (Staff) Certified General Appraiser	15	2.7%
In-house (Staff) Certified Residential Appraiser	9	1.6%
In-house (Staff) Licensed Residential Real Property Appraiser	1	0.2%
Associate Real Property Appraiser	28	5.1%
Other	7	1.3%
Totals	547	100.0%

Experience Levels of Responding Appraisers

The appraisers' survey asked respondents how many years they had been in the residential property appraisal business. Responses are detailed in Table 2 and Figure 2.

Over one-third of responses were from appraisers with "16-25 years" of experience (36.4 percent, n=199). This was followed by 27.2 percent (n=149) with "26+ years" and 20.3 percent (n=111) with "11-15 years". These top three most-experienced categories included 83.9 percent of all responses.

The "<5 years" category had, by far, the fewest number of responses (n=27, 4.9 percent).

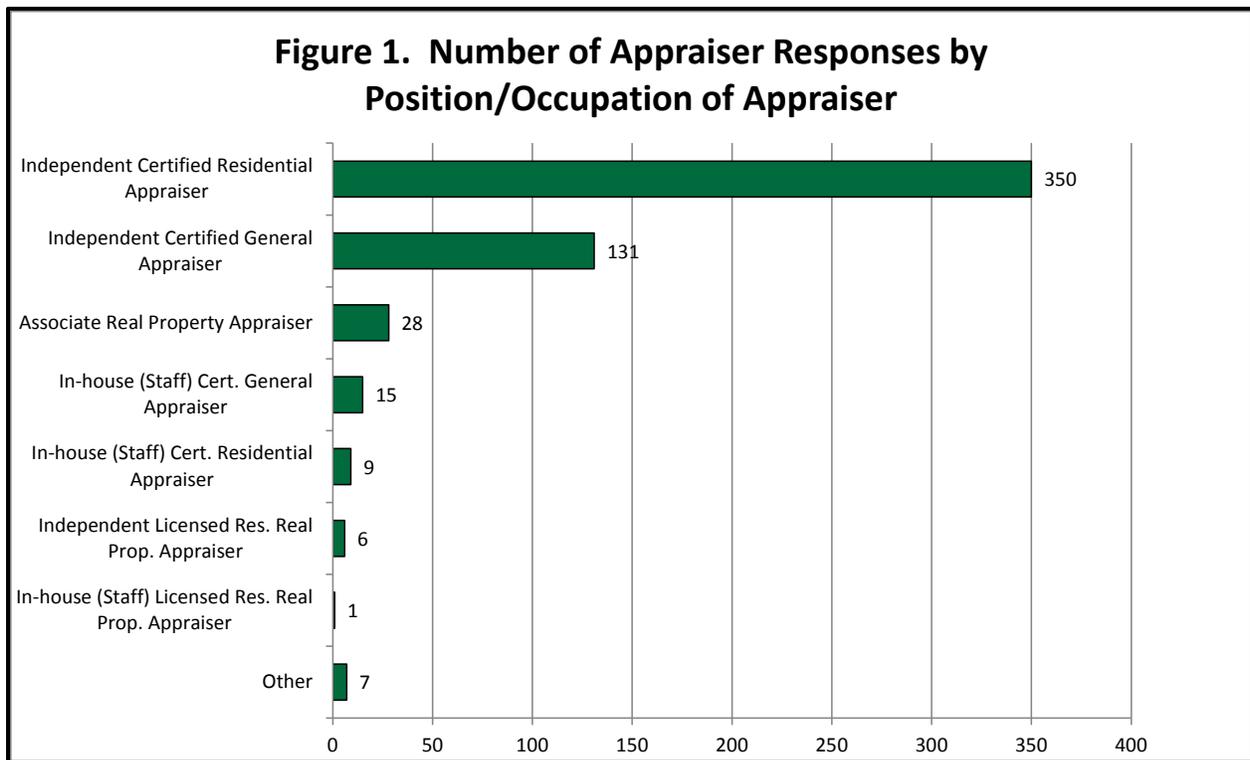


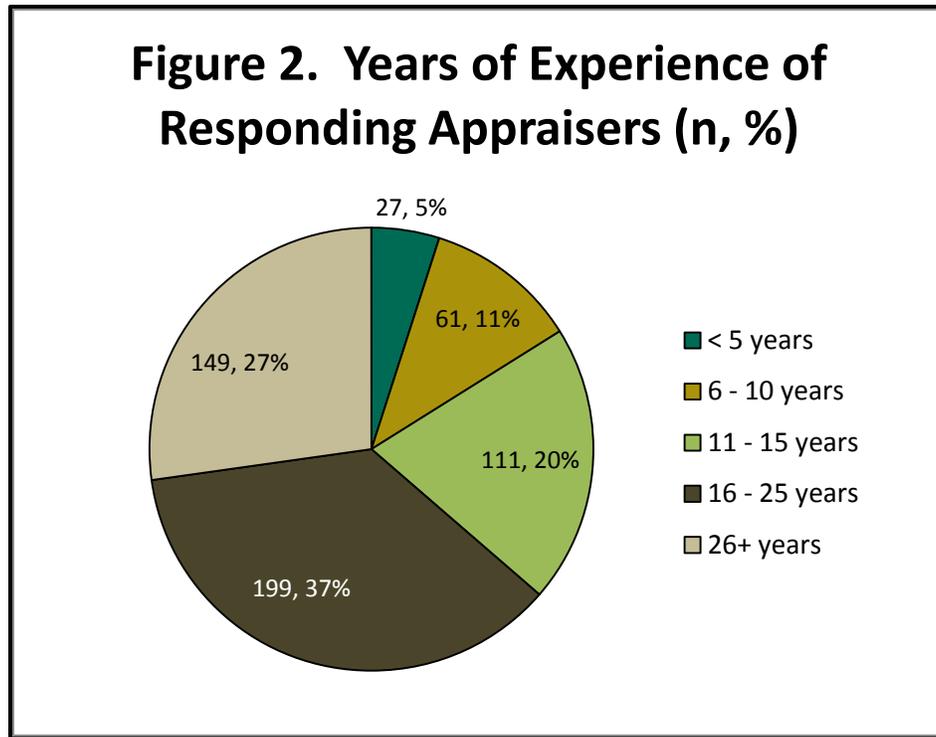
Table 2. Experience levels of responding appraisers: 2014.

<u>Years of Experience</u>	<u>Number of Responses</u>	<u>% of Responses</u>
< 5 years	27	4.9%
6 - 10 years	61	11.2%
11 - 15 years	111	20.3%
16 - 25 years	199	36.4%
26+ years	<u>149</u>	<u>27.2%</u>
Totals	547	100.0%

Primary Office Location of Responding Appraisers

Respondents were asked to provide the zip code of the office location where they spent the majority of their time in 2014. These zip codes were then matched to the county and state where the zip code is located.

The number and percentage of responding appraisers by county and state are detailed in Table 3.



Approximately 7/8 of responses came from appraisers whose primary office was in Kentucky in 2014, while 1/8 were from appraisers based out-of-state.

Jefferson County contributed, by far, the most responses of any single county (n=102), accounting for 18.6 percent of all responses. Fayette County was a distant second with 45 responses (8.2 percent).

The third-most responses came from Hamilton County, Ohio with 21 (3.8 percent), followed by Boone County and Kenton County with 17 (3.1 percent) and 16 (2.9 percent), respectively. These were followed closely by Hardin, Madison, and Warren counties with 14 responses (2.6 percent) each.

Appraisers located in the above eight counties, seven in Kentucky and one in Ohio, accounted for approximately 44 percent of all responses.

Thirty-five Kentucky counties were not indicated as the primary office location of any responding appraisers, although fee data for at least some appraisal types were reported for all 120 counties.

Table 3. Number and percentage of responding appraisers by county/state of primary office: 2014.

Kentucky Counties			
<u>County</u>	<u>State</u>	<u>Count</u>	<u>%</u>
Allen	KY	1	0.2%
Anderson	KY	4	0.7%
Ballard	KY	1	0.2%
Barren	KY	4	0.7%
Bath	KY	1	0.2%
Bell	KY	2	0.4%
Boone	KY	17	3.1%
Bourbon	KY	1	0.2%
Boyd	KY	7	1.3%
Boyle	KY	2	0.4%
Bracken	KY	1	0.2%
Breckinridge	KY	1	0.2%
Bullitt	KY	8	1.5%
Caldwell	KY	1	0.2%
Calloway	KY	4	0.7%
Campbell	KY	9	1.6%
Carroll	KY	1	0.2%
Carter	KY	2	0.4%
Casey	KY	2	0.4%
Christian	KY	10	1.8%
Clark	KY	10	1.8%
Clinton	KY	1	0.2%
Daviess	KY	9	1.6%
Fayette	KY	45	8.2%
Fleming	KY	1	0.2%
Floyd	KY	1	0.2%
Franklin	KY	6	1.1%
Fulton	KY	1	0.2%
Gallatin	KY	1	0.2%
Garrard	KY	2	0.4%
Grant	KY	3	0.5%
Graves	KY	9	1.6%
Grayson	KY	1	0.2%
Greenup	KY	4	0.7%
Hancock	KY	1	0.2%
Hardin	KY	14	2.6%
Harrison	KY	2	0.4%
Hart	KY	2	0.4%
Henderson	KY	2	0.4%
Henry	KY	1	0.2%
Hopkins	KY	6	1.1%

Table 3. Number and percentage of responding appraisers by county/state of primary office: 2014. (continued)

<u>County</u>	<u>State</u>	<u>Count</u>	<u>%</u>
Jefferson	KY	102	18.6%
Jessamine	KY	6	1.1%
Johnson	KY	4	0.7%
Kenton	KY	16	2.9%
Knott	KY	3	0.5%
Laurel	KY	10	1.8%
Lawrence	KY	1	0.2%
Lewis	KY	2	0.4%
Lincoln	KY	1	0.2%
Logan	KY	1	0.2%
Madison	KY	14	2.6%
Marion	KY	1	0.2%
Marshall	KY	1	0.2%
Mason	KY	3	0.5%
McCracken	KY	8	1.5%
McLean	KY	1	0.2%
Menifee	KY	1	0.2%
Mercer	KY	3	0.5%
Metcalfe	KY	1	0.2%
Monroe	KY	2	0.4%
Montgomery	KY	6	1.1%
Muhlenberg	KY	5	0.9%
Nelson	KY	7	1.3%
Ohio	KY	1	0.2%
Oldham	KY	6	1.1%
Owsley	KY	1	0.2%
Perry	KY	2	0.4%
Pike	KY	4	0.7%
Powell	KY	1	0.2%
Pulaski	KY	11	2.0%
Rowan	KY	1	0.2%
Russell	KY	1	0.2%
Scott	KY	4	0.7%
Shelby	KY	6	1.1%
Simpson	KY	1	0.2%
Taylor	KY	1	0.2%
Trigg	KY	9	1.6%
Union	KY	2	0.4%
Warren	KY	14	2.6%
Washington	KY	4	0.7%
Wayne	KY	1	0.2%
Webster	KY	2	0.4%

Table 3. Number and percentage of responding appraisers by county/state of primary office: 2014. (continued)

<u>County</u>	<u>State</u>	<u>Count</u>	<u>%</u>		
Whitley	KY	2	0.4%		
Woodford	KY	<u>3</u>	<u>0.5%</u>		
Total Kentucky Responses				477	87.2%
Out-of-State Counties					
<u>County</u>	<u>State</u>	<u>Count</u>	<u>%</u>		
Hamilton	OH	21	3.8%		
Clark	IN	6	1.1%		
Floyd	IN	6	1.1%		
Vanderburgh	IN	5	0.9%		
Warrick	IN	3	0.5%		
Clermont	OH	3	0.5%		
Scioto	OH	3	0.5%		
Davidson	TN	3	0.5%		
Marion	IN	2	0.4%		
Warren	OH	2	0.4%		
San Diego	CA	1	0.2%		
Cobb	GA	1	0.2%		
Gwinnett	GA	1	0.2%		
Massac	IL	1	0.2%		
Dubois	IN	1	0.2%		
Hamilton	IN	1	0.2%		
Cuyahoga	OH	1	0.2%		
Lawrence	OH	1	0.2%		
Summit	OH	1	0.2%		
Campbell	TN	1	0.2%		
Hood	TX	1	0.2%		
Berkeley	WV	1	0.2%		
Cabell	WV	1	0.2%		
Wood	WV	<u>1</u>	<u>0.2%</u>		
Total Out-of-State Responses				68	12.4%
Office location not provided				<u>2</u>	<u>0.4%</u>
Total Responses				547	100.0%

Volume of Residential Appraisals Conducted in 2014

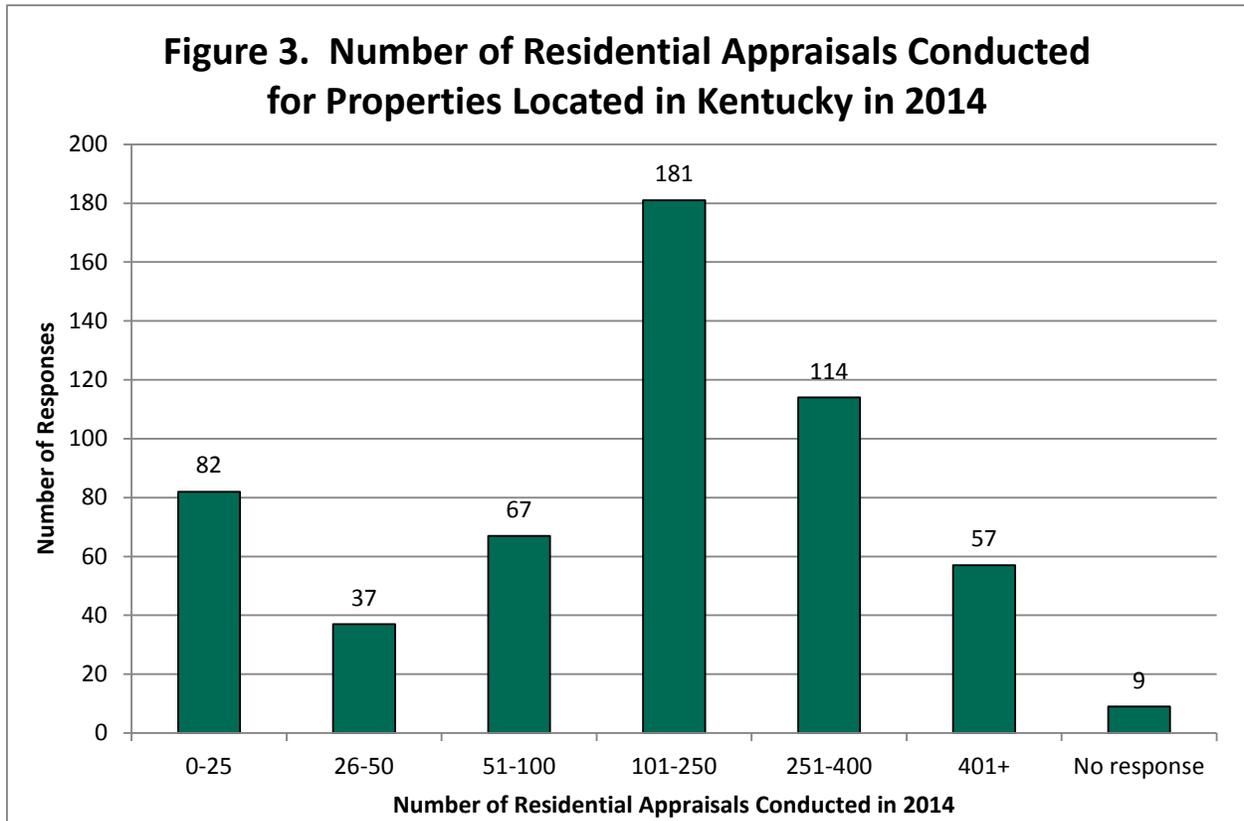
Responding appraisers were asked in Question 5 to indicate how many residential appraisals they conducted for properties in Kentucky in 2014.

As shown in Table 4 and Figure 3, 181 respondents (33.1 percent) indicated that they conducted 101–250 residential appraisals in 2014, and 114 respondents (20.8 percent) said they conducted 251–400.

Combined, these two categories made up approximately 54 percent of all responses.

The third most-commonly indicated answer was 0 – 25 with 15.0 percent, followed by 51 – 100 (12.2 percent) and 401+ (10.4 percent). The smallest number of responses were from appraisers who conducted 26-50 appraisals in 2014 (n=37, 6.8 percent).

<u>Number of Appraisals</u>	<u>Responses</u>	<u>%</u>
0 - 25	82	15.0%
26 - 50	37	6.8%
51 - 100	67	12.2%
101 - 250	181	33.1%
251 – 400	114	20.8%
401+	57	10.4%
No Response	9	1.6%
Totals	547	100.0%



Percentage of 2014 Appraisals Done Directly for Clients or Lenders (non-AMC)

Question 6 of the appraiser's survey asked respondents to indicate what percentage of their 2014 residential appraisals were completed directly for clients or lenders, i.e. NOT routed through an appraisal management company.

As detailed in Table 5 and illustrated in Figure 4, 46 respondents (8.4 percent) indicated that all of their 2014 residential appraisals were conducted for AMCs. Because this survey was designed to collect information specifically on non-AMC fees, these respondents were directed to the end of the survey without being asked to provide any fee information.

The single category with the most responses (n=133, 24.3 percent) was the *25% or less* category, indicating that 75 percent or more of their residential appraisal business in 2014 was conducted via AMCs. Combining the *0%*, *25% or less*, and *26 – 50%* (n=106, 19.4 percent) categories, approximately 52 percent of responding appraisers indicated that over half of their 2014 residential appraisals were conducted for AMCs.

Summing the three remaining response categories, approximately 45 percent of respondents indicated that over half of their residential appraisals in 2014 were conducted directly for clients or lenders, including 14.3 percent (n = 78) who indicated that **all** of their 2014 residential appraisals were done directly for clients/lenders.

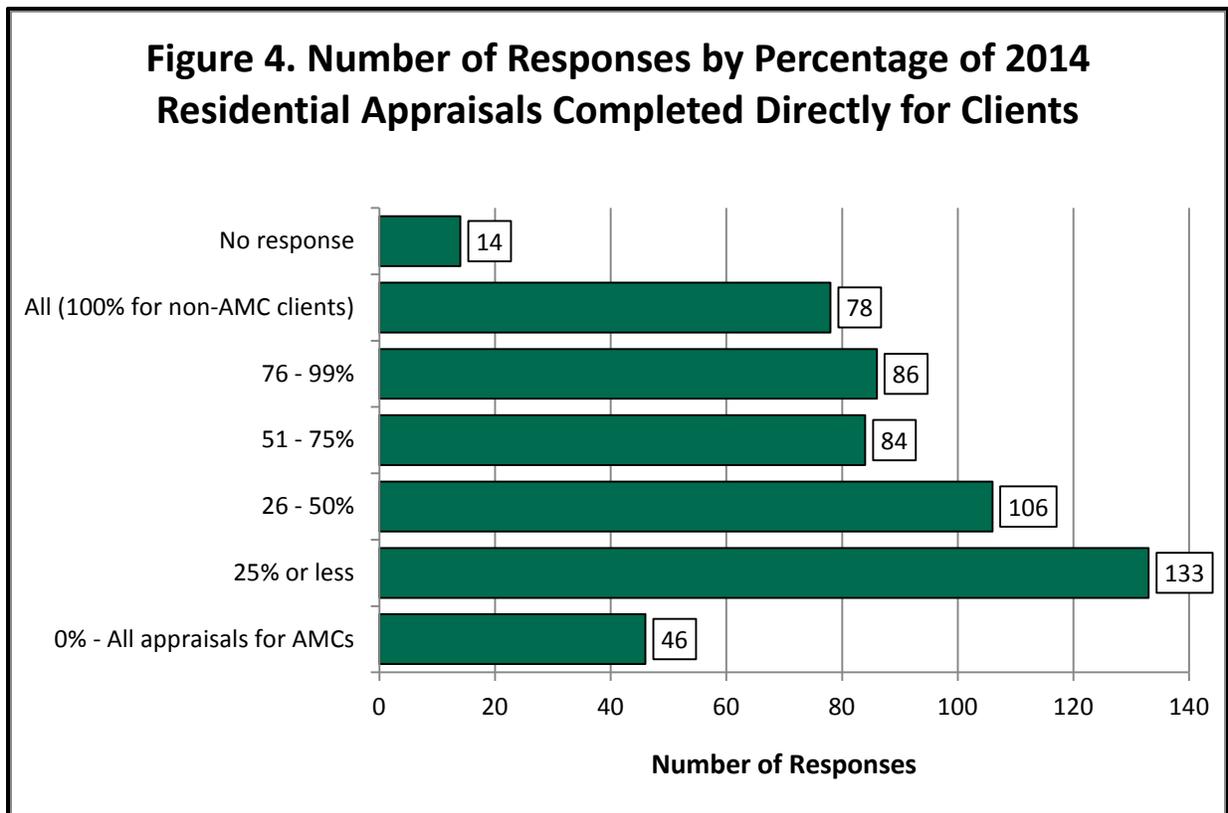
<u>Percentage of non-AMC Appraisals</u>	<u>Count</u>	<u>%</u>
0% - All appraisals done for AMCs	46	8.4%
25% or less	133	24.3%
26 - 50%	106	19.4%
51 - 75%	84	15.4%
76 - 99%	86	15.7%
100% - All appraisals ordered & paid for by clients	78	14.3%
No Response	<u>14</u>	<u>2.6%</u>
Totals	547	100.0%

Mortgage Lenders

Position/Occupation of Respondents

Question 1 of the lender survey asked respondents to indicate their occupation or position within their company.

The most common response (n=3) among the 11 lender respondents was *Mortgage Loan Officer*. Other responses included *Mortgage Loan Department Manager*, *Branch Manager*, *Vice President*, *President*, and *Business Development*.



Lender Survey Response Counts by Type of Lender

The largest number (n=5) of lender respondents to the 2014 survey were employed by *financial institutions with offices/branches in multiple states*.

Other responses among the 11 respondents included *financial institutions with offices/branches in multiple counties in Kentucky, local/independent mortgage lending companies, and the branch office of a multi-state/national mortgage lending company*.

Primary Office Location of Respondents

Responders to the lender survey were asked to provide the zip code for the office location in which they spent the majority of their time in 2014. The zip codes were then matched to the counties where located.

The most common responses were lenders located in Fayette and Jefferson counties, with three responses each. Other responses included Adair, Daviess, Hardin, and Warren counties.

Number of Mortgage Loans Processed in 2014

Question 4 of the lender survey asked respondents to indicate how many mortgage loans for properties in Kentucky they were involved in processing during 2014.

Most respondents indicated one of the top two choices for number of loans – either *51 to 100* (n=4) or *100+* (n=6).

Percentage of Appraisals Ordered Directly from Licensed Real Estate Appraisers in 2014

Question 5 of the lender survey asked for the percentage of mortgage loans processed by the respondent for which appraisals were ordered directly from licensed appraisers, i.e. not through an AMC.

Three of the 11 lender respondents indicated that they were not involved in ordering residential appraisals, and were therefore directed to the end of the survey.

Of the remaining eight lender respondents, five (62.5 percent) indicated they did not order any appraisals directly from appraisers in 2014, but ordered all appraisals through AMCs. These five respondents were also directed to the end of the survey, since they could not provide any fee data for appraisals ordered directly from appraisers.

The other three lender respondents (37.5 percent) indicated that they ordered 100 percent of their 2014 residential appraisals directly from licensed/certified appraisers. These three respondents provided appraisal fee data in the remainder of the survey.

Responses to Question 5 are detailed in Table 6.

<u>% of Appraisals Ordered Directly from Appraisers</u>	<u>Count</u>	<u>%</u>
0% (All appraisals ordered through AMCs)	5	62.5%
25% or less	0	0.0%
26 - 50%	0	0.0%
51 - 75%	0	0.0%
76 - 99%	0	0.0%
All (100% ordered from licensed/certified appraisers)	<u>3</u>	<u>37.5%</u>
Total involved in ordering appraisals	8	100.0%
Not involved in ordering appraisals in 2014	<u>3</u>	
Total lender responses	11	

APPRAISAL FEE DATA

Appraisal fee information was collected from certified/licensed appraisers (n=437) and mortgage lenders (n=3) for properties in all 120 counties in Kentucky for up to six types of residential appraisals:

- Fannie Mae Form 1004 (Residential 1-unit full appraisal)
- Fannie Mae Form 1004 for FHA (Residential 1-unit full appraisal for FHA)
- Fannie Mae Form 1004C (Manufactured home full appraisal)
- Fannie Mae Form 1025 (Small (2-4 units) residential income property full appraisal)
- Fannie Mae Form 1073 (Individual condominium unit full appraisal)
- Fannie Mae Form 2055 (Residential 1-unit exterior-only inspection appraisal)

The survey also collected separate fees for each appraisal type depending on whether the property was located in an urban, suburban, or rural location.

Mean (average) fees are subject to skewing by either very high or very low responses, so median fees are used throughout this analysis. Because the median is the value at the midpoint of all responses, with an equal number higher and lower, it is a useful proxy for determining “mid-range” or “typical” appraisal fees. (Note: Appendix 2 is a table which includes n, mean, median, mode, minimum, maximum, and standard deviation for all appraisal type/location combinations).

The number of respondents who provided fee data and the number of non-blank responses (n) included in calculating the median are also reported for all data cells. Each respondent could potentially provide 360 fee data responses (120 counties x 3 location types = 360) for each appraisal type, so the number of responses can be much greater than the number of respondents who provided the fee data.

2014 Median Appraisal Fees by Type of Appraisal (Statewide)

Median values for each of the appraisal types, averaged across all 120 counties and all three location types (urban, suburban, rural), are shown in Table 7.

Form 1025 appraisals had the highest median fees statewide and across all location types (\$500), followed by Form 1004 for FHA and Form 1004C (\$400), Form 1073 (\$385), Form 1004 (\$375), and Form 2055 (\$300).

Table 7. Median appraisal fees by type of appraisal (statewide/all locations): 2014.						
	Form 1004	Form 1004 for FHA	Form 1004C	Form 1025	Form 1073	Form 2055
Respondents	435	331	285	293	254	309
n	6,071	4,277	3,278	2,673	1,845	3,253
Median Fee	\$375	\$400	\$400	\$500	\$385	\$300

Table 8 separates the statewide median fees for each appraisal type by the location type of the subject property: urban, suburban, or rural.

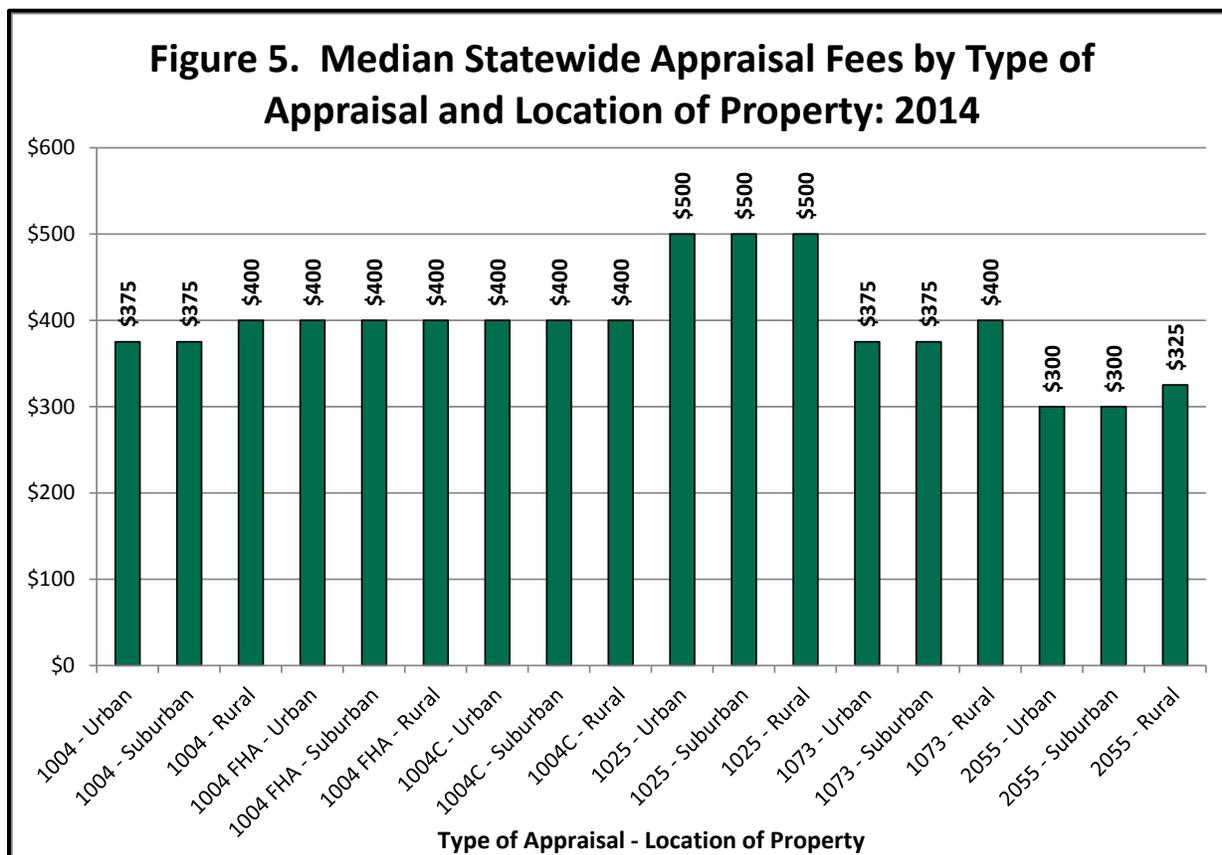
Median appraisal fees for urban and suburban properties were equal for all six appraisal types.

Median rural appraisal fees were the same as urban/suburban fees for Forms 1004 for FHA, 1004C, and 1025. Median rural fees were \$25 higher for Form 1004 (\$400 vs. \$375), Form 1073 (\$400 vs. \$375), and Form 2055 (\$325 vs. \$300).

Figure 5 graphically illustrates the statewide medians by appraisal and location type.

Table 8. Median statewide appraisal fees by type of appraisal and location type of property: 2014.

	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburb.	Rural	Urban	Suburb.	Rural	Urban	Suburb.	Rural
Respondents	315	392	373	240	310	290	186	238	264
n	1,629	2,217	2,225	1,106	1,602	1,569	807	1,167	1,304
Median Fee	\$375	\$375	\$400	\$400	\$400	\$400	\$400	\$400	\$400
	Form 1025			Form 1073			Form 2055		
	Urban	Suburb.	Urban	Urban	Suburb.	Rural	Urban	Suburb.	Rural
Respondents	219	265	212	180	237	164	217	283	256
n	769	1,030	874	521	771	553	869	1,235	1,149
Median Fee	\$500	\$500	\$500	\$375	\$375	\$400	\$300	\$300	\$325



2014 Median Appraisal Fees by Region

Paragraph (f) (3) – *Alternative presumption of compliance* of the federal regulations on customary and reasonable fees (see Introduction – pgs. 2-3) states in (ii) that the fee data used must be "...based on recent rates paid to a representative sample of providers of appraisal services **in the geographic market** of the property being appraised..."

In order to calculate median appraisal fees for different geographic markets of the state, a map of Kentucky developed by the Center for Economic and Business Research (CBER) at the University of Kentucky was utilized to divide the state into nine regions (Figure 6).

The nine regions delineated in the map are based on economic distinctions. As described by Paul Coomes of CBER:

"...we found it useful to subdivide Kentucky into nine economic regions. The regions roughly correspond to labor, housing, and retail markets, or at least Kentucky's share of those markets. The economic activity inside each region is linked to the distinct topography, infrastructure, and human capital of the region." (See reference in Figure 6/Appendix 3.)

A table listing the counties included in each region is attached as Appendix 3.

The survey collected appraisal fee information for each county individually. Responses for the 120 counties were grouped into the appropriate regions based on the CBER map.

Form 1004 Appraisal Fees by Region

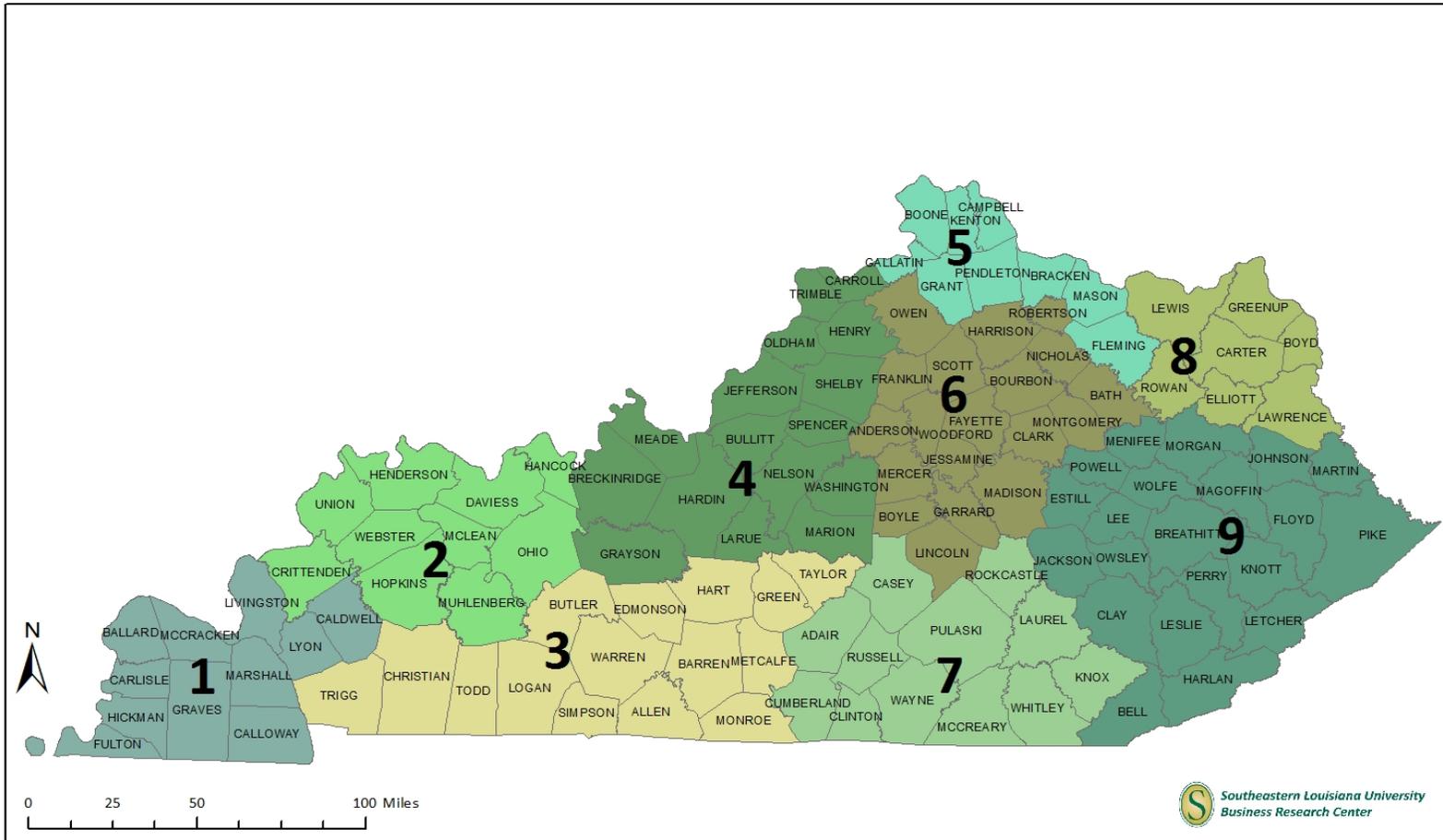
Tables 9, 10, and 11 detail the median Form 1004 appraisal fees for urban, suburban, and rural properties, respectively, in all nine regions.

Median Form 1004 fees for urban and suburban properties (Tables 9 and 10) did not differ from each other for any region, and were highest in regions 2, 3, 7, and 9 (\$400). Median urban and suburban fees were \$375 in region 1 and \$350 in the other four regions.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	22	42	48	111	46	92	26	19	38
n	99	108	178	405	155	464	87	37	96
Median	\$375	\$400	\$400	\$350	\$350	\$350	\$400	\$350	\$400

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	30	53	61	147	65	109	36	27	49
n	158	123	227	615	238	570	106	45	135
Median	\$375	\$400	\$400	\$350	\$350	\$350	\$400	\$350	\$400

Figure 6. Economic Regions of Kentucky



Map created by Southeastern Louisiana University Business Research Center, based on regions delineated in:

Coomes, Paul. "Improving Earnings per Job: The New Economic Development Challenge in Kentucky". Center for Business and Economic Research (CBER), University of Kentucky, Gatton College of Business and Economics.

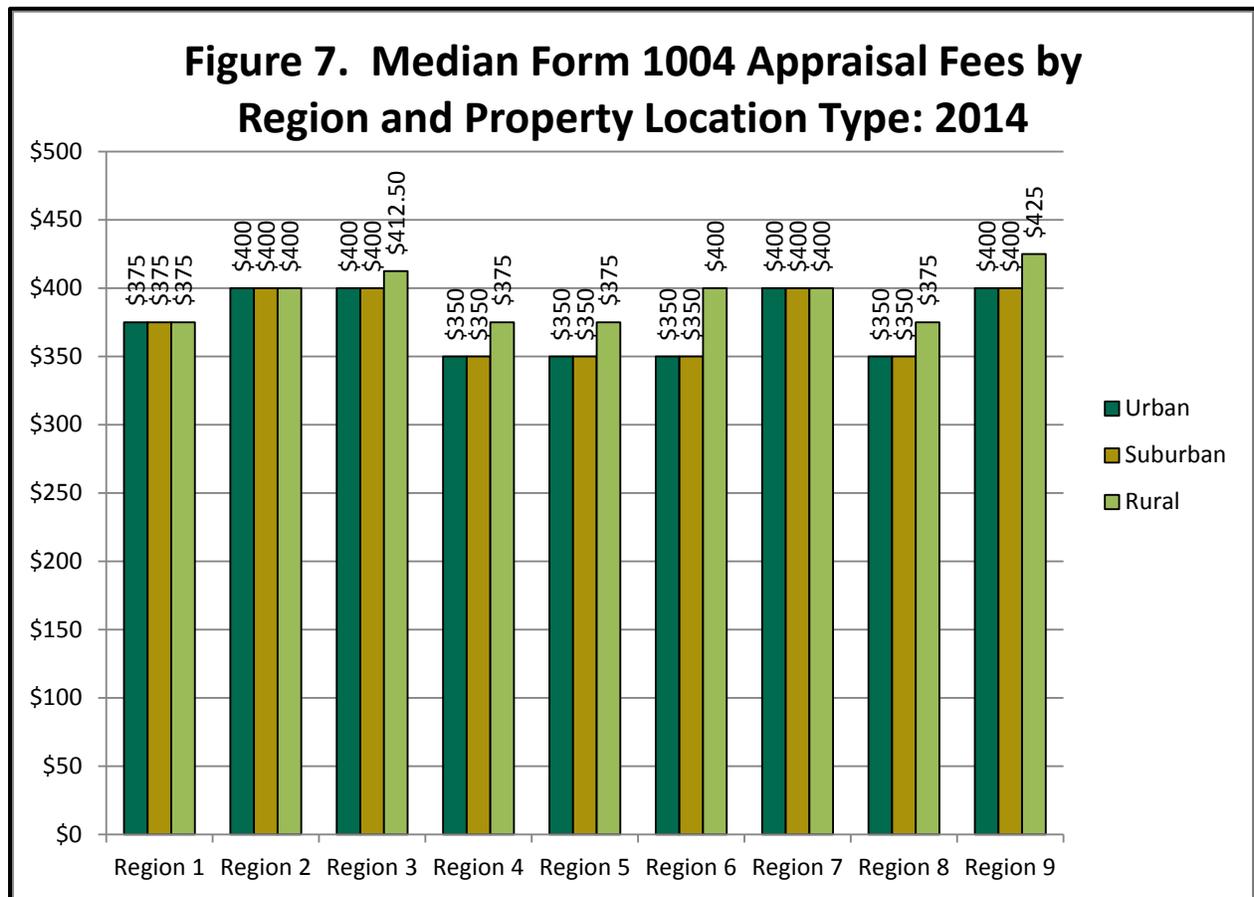
The median Form 1004 fee for rural properties (Table 11) was \$50 higher than the median urban/suburban fee in region 6, \$25 higher in regions 4, 5, 8, and 9, \$12.50 higher in region 3, and equal in regions 1, 2, and 7.

The highest median Form 1004 fee for rural properties was \$425 in region 9, followed by \$412.50 in region 3, \$400 in regions 2, 6, and 7, and \$375 in regions 1, 4, 5, and 8.

Table 11. Median Form 1004 appraisal fees for RURAL properties by region: 2014.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	34	55	68	121	57	112	47	32	61
n	196	128	248	495	206	577	142	59	174
Median	\$375	\$400	\$412.50	\$375	\$375	\$400	\$400	\$375	\$425

Figure 7 illustrates graphically the median fees for Form 1004 appraisals by property location in all nine regions.



Form 1004 for FHA Appraisal Fees by Region

Tables 12-14 detail the median Form 1004 for FHA appraisal fees reported by respondents for urban, suburban, and rural properties in the nine regions.

Median fees for Form 1004 for FHA appraisals for properties in suburban locations were the same as for urban properties in regions 1, 2, 3, 4, 6, and 8, \$12.50 higher in region 5, and \$25 higher in regions 7 and 9 (Tables 12 & 13).

For rural properties, median fees for Form 1004 for FHA appraisals were the same as both urban and suburban fees in regions 1, 2, and 3, the same as suburban fees (but higher than urban fees) in regions 7 and 9, and higher than both urban and suburban fees in regions 4, 5, 6, and 8. Median fees for Form 1004 for FHA appraisals for rural properties ranged from \$400 in regions 1, 4, 5, and 6, to \$425 in Regions 2, 3, and 7, to \$450 in regions 8 and 9 (Table 14).

Form 1004 for FHA median fees for all regions and location types are illustrated graphically in Figure 8.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	17	33	36	78	39	67	17	15	22
n	79	74	102	260	138	331	51	28	43
Median	\$400	\$425	\$425	\$375	\$360	\$375	\$400	\$400	\$425

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	22	46	52	109	56	85	29	20	29
n	114	96	168	435	208	414	71	34	62
Median	\$400	\$425	\$425	\$375	\$372.50	\$375	\$425	\$400	\$450

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	23	46	55	89	49	82	35	25	36
n	128	97	165	353	181	411	97	49	88
Median	\$400	\$425	\$425	\$400	\$400	\$400	\$425	\$450	\$450

As shown in Table 15, median fees for Form 1004 for FHA appraisals for urban properties were equal to regular Form 1004 appraisals in region 7, \$10 higher in region 5, \$25 higher in regions 1-4, 6, and 9, and \$50 higher in region 8.

For suburban properties, median fees for 1004 for FHA appraisals were \$22.50 higher than median 1004 appraisal fees in region 5, \$25 higher in regions 1-4, 6, and 7, and \$50 higher in regions 8 and 9.

For rural properties, median fees for 1004 for FHA appraisals were equal to median Form 1004 appraisal fees in region 6, \$12.50 higher in region 3, \$25 higher in regions 1, 2, 4, 5, 7, and 9, and \$75 higher in region 8.

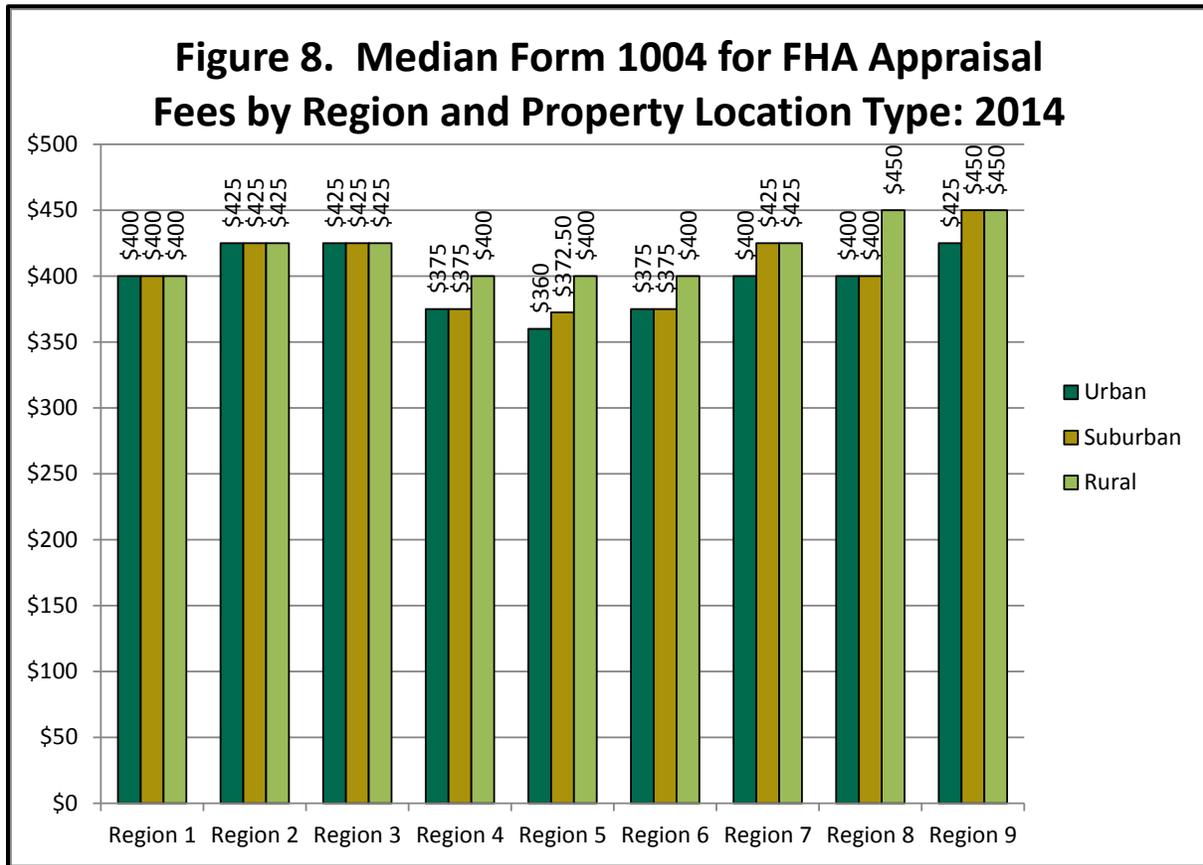


Table 15. Comparison of Form 1004 for FHA median fees with Form 1004 median fees in nine Kentucky regions: 2014.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
1004 for FHA Urban	\$400	\$425	\$425	\$375	\$360	\$375	\$400	\$400	\$425
1004 Urban	<u>\$375</u>	<u>\$400</u>	<u>\$400</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>	<u>\$400</u>	<u>\$350</u>	<u>\$400</u>
Difference	\$25	\$25	\$25	\$25	\$10	\$25	\$0	\$50	\$25
1004 for FHA Suburb.	\$400	\$425	\$425	\$375	\$372.50	\$375	\$425	\$400	\$450
1004 Suburban	<u>\$375</u>	<u>\$400</u>	<u>\$400</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>	<u>\$400</u>	<u>\$350</u>	<u>\$400</u>
Difference	\$25	\$25	\$25	\$25	\$22.50	\$25	\$25	\$50	\$50
1004 for FHA Rural	\$400	\$425	\$425	\$400	\$400	\$400	\$425	\$450	\$450
1004 Rural	<u>\$375</u>	<u>\$400</u>	<u>\$412.50</u>	<u>\$375</u>	<u>\$375</u>	<u>\$400</u>	<u>\$400</u>	<u>\$375</u>	<u>\$425</u>
Difference	\$25	\$25	\$12.50	\$25	\$25	\$0	\$25	\$75	\$25

Form 1004C Appraisal Fees by Region

Median fees for Fannie Mae Form 1004C appraisals (Manufactured home – full appraisal) ranged from \$350 to \$425 depending on region and property location (Tables 16 – 18), and were \$0 - \$25 higher than regular Form 1004 fees (Table 19).

Median fees for Form 1004C appraisals for properties in urban locations ranged from \$350 in region 6 to \$425 in regions 2 and 3 (Table 16). Median fees for Form 1004 C appraisals of suburban properties ranged from \$275 in regions 4, 5, 6, and 8 to \$425 in regions 2, 3, and 9 (Table 17).

Median 1004C fees for properties in urban and suburban locations were the same in seven of the nine regions, while median fees for suburban properties were \$25 higher in regions 6 and 9.

Median fees for Form 1004C appraisals for rural properties were the same as both urban and suburban fees in regions 1 - 3, the same as suburban fees (but higher than urban fees) in region 9, and higher than both urban and suburban fees in regions 4 - 8.

Form 1004C median fees for all regions and location types are illustrated graphically in Figure 9.

Table 16. Median Form 1004C appraisal fees for URBAN properties by region: 2014.

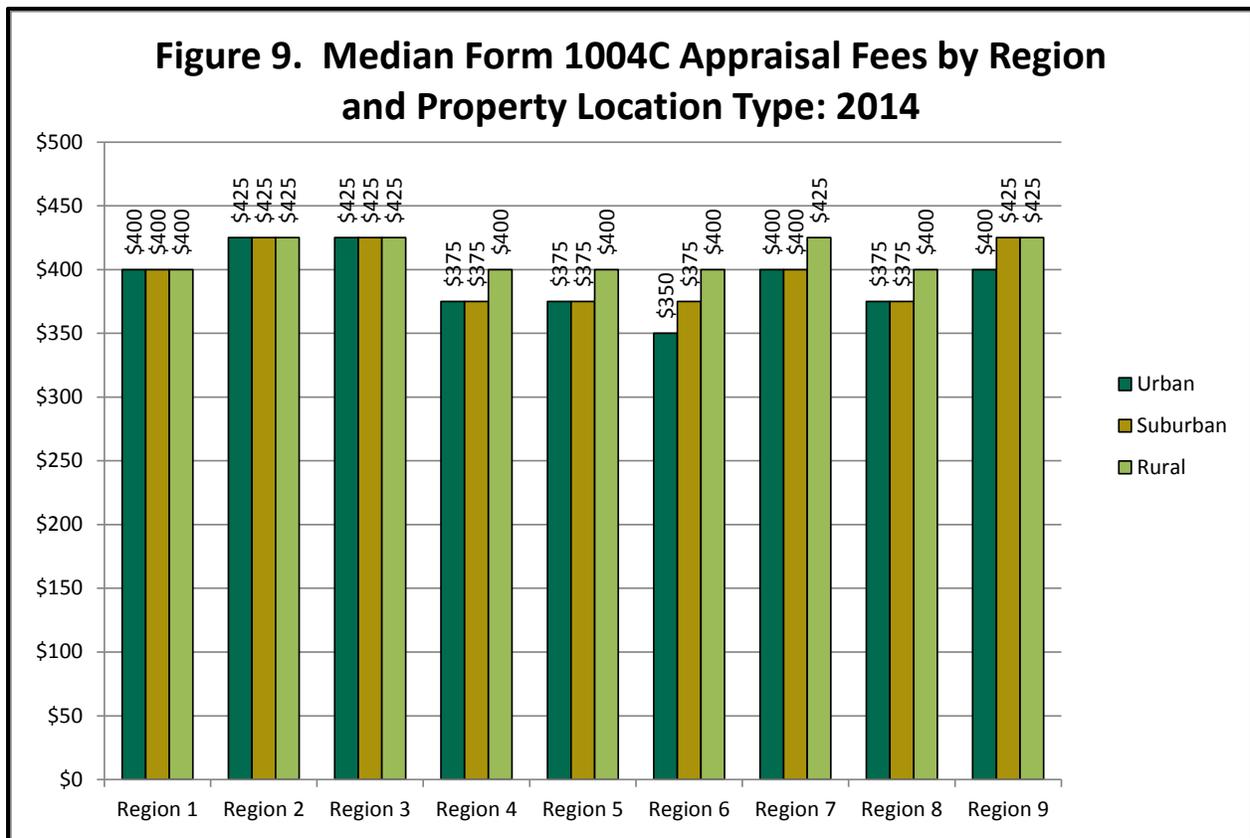
	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	16	30	34	50	20	47	20	15	21
n	66	83	102	172	82	173	54	30	45
Median	\$400	\$425	\$425	\$375	\$375	\$350	\$400	\$375	\$400

Table 17. Median Form 1004C appraisal fees for SUBURBAN properties by region: 2014.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	20	42	43	72	35	61	30	20	29
n	90	104	150	263	137	243	71	36	73
Median	\$400	\$425	\$425	\$375	\$375	\$375	\$400	\$375	\$425

Table 18. Median Form 1004C appraisal fees for RURAL properties by region: 2014.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	25	42	55	71	37	69	37	27	39
n	109	104	160	260	135	284	99	51	102
Median	\$400	\$425	\$425	\$400	\$400	\$400	\$425	\$400	\$425



As shown in Table 19, median fees for Form 1004C appraisals for urban properties were equal to regular Form 1004 appraisals in regions 6, 7, and 9, and \$25 higher in regions 1 – 5 and 8.

For suburban properties, median fees for 1004C appraisals were equal to the median 1004 appraisal fee in region 7 and \$25 higher in all other regions.

For rural properties, median fees for 1004C appraisals were the same as for Form 1004 appraisals in regions 6 and 9, \$12.50 higher in region 3, and \$25 higher in regions 1, 2, 4, 5, 7 and 8.

Form 1025 Appraisal Fees by Region

Form 1025 appraisals – for small (2-4 units) residential income properties – had the highest 2014 median fees of all appraisal types reported in the survey for all regions except region 1, where Form 1073 appraisal fees were somewhat higher.

Form 1025 median fees ranged from \$450 to \$600, depending on region and property location (Tables 20 – 22).

Median Form 1025 fees by region for urban, suburban, and rural properties are shown in Tables 20, 21, and 22, respectively, and compared graphically in Figure 10.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
1004C Urban	\$400	\$425	\$425	\$375	\$375	\$350	\$400	\$375	\$400
1004 Urban	<u>\$375</u>	<u>\$400</u>	<u>\$400</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>	<u>\$400</u>	<u>\$350</u>	<u>\$400</u>
Difference	\$25	\$25	\$25	\$25	\$25	\$0	\$0	\$25	\$0
1004C Suburban	\$400	\$425	\$425	\$375	\$375	\$375	\$400	\$375	\$425
1004 Suburban	<u>\$375</u>	<u>\$400</u>	<u>\$400</u>	<u>\$350</u>	<u>\$350</u>	<u>\$350</u>	<u>\$400</u>	<u>\$350</u>	<u>\$400</u>
Difference	\$25	\$25	\$25	\$25	\$25	\$25	\$0	\$25	\$25
1004C Rural	\$400	\$425	\$425	\$400	\$400	\$400	\$425	\$400	\$425
1004 Rural	<u>\$375</u>	<u>\$400</u>	<u>\$412.50</u>	<u>\$375</u>	<u>\$375</u>	<u>\$400</u>	<u>\$400</u>	<u>\$375</u>	<u>\$425</u>
Difference	\$25	\$25	\$12.50	\$25	\$25	\$0	\$25	\$25	\$0

Median Form 1025 appraisal fees for urban properties ranged from \$450 in region 6 to \$550 in regions 3, 7, and 8.

Median suburban Form 1025 fees ranged from \$475 in regions 1 and 6 to \$600 in regions 7 and 8. Median suburban Form 1025 fees were equal to median urban Form 1025 fees in regions 1, 3, 4, and 5, \$25 higher in regions 2 and 6, \$50 higher in regions 7 and 8, and \$75 higher in region 9.

Median Form 1025 appraisal fees for rural properties ranged from \$450 in region 1 to \$600 in region 7.

There was much variation in the relationship of median rural Form 1025 fees to median urban and suburban fees. Rural median fees were lower than both urban and suburban median fees in regions 1, 8, and 9. Rural Form 1025 median fees were equal to both urban and suburban fees in regions 3, 4, and 5.

In region 2 median Form 1025 fees for rural properties were slightly lower than suburban fees but higher than urban fees, while in regions 6 and 7 they were equal to median suburban fees but higher than median urban fees.

Note that the number of responses (n) for Form 1025 appraisals are very low for some or all location types in regions 1, 7, 8, and 9, resulting in large standard deviations for Form 1025 fees in those regions (see Appendix 2).

The low number of respondents (small sample size) and wide variation in reported fees may reduce the statistical dependability of the median Form 1025 fees for those regions. However, the low number of respondents may also simply reflect the low number of properties of this type (especially in "urban" areas) in those regions, meaning the population of appraisers which conduct Form 1025 appraisals in those regions is also small.

Table 20. Median Form 1025 appraisal fees for URBAN properties by region: 2014.

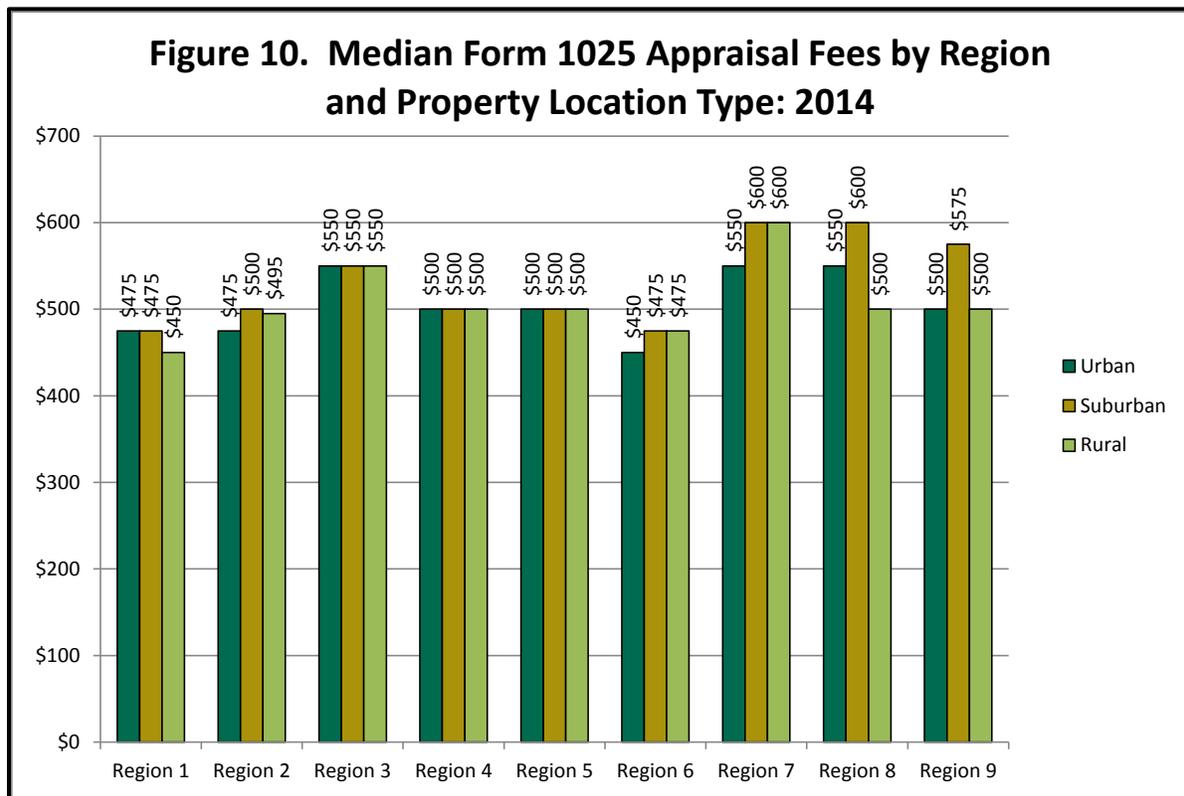
	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	11	23	29	70	35	61	12	6	10
n	38	43	83	177	117	256	28	9	18
Median	\$475	\$475	\$550	\$500	\$500	\$450	\$550	\$550	\$500

Table 21. Median Form 1025 appraisal fees for SUBURBAN properties by region: 2014.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	11	26	34	93	48	72	21	8	13
n	39	52	121	252	176	303	44	11	32
Median	\$475	\$500	\$550	\$500	\$500	\$475	\$600	\$600	\$575

Table 22. Median Form 1025 appraisal fees for RURAL properties by region: 2014.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	13	27	35	62	31	55	26	11	18
n	54	51	112	178	113	248	58	15	45
Median	\$450	\$495	\$550	\$500	\$500	\$475	\$600	\$500	\$500



Form 1073 Appraisal Fees by Region

Form 1073 (Individual condominium unit full appraisal) had the lowest number of respondents of any appraisal type, reflecting the limited number of condominiums in more rural areas.

The number of respondents and observations in some regions was very low, especially regions 1 and 7 – 9 (Tables 23-25).

Form 1073 median fees reflected the largest variation between regions of any appraisal type, ranging from \$350 to \$525 for urban properties (Table 23), \$350 to \$550 for suburban properties (Table 24), and \$350 to \$500 for rural properties (Table 25).

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	4	16	14	64	36	49	7	5	5
n	12	20	35	180	115	127	20	5	7
Median	\$500	\$450	\$475	\$375	\$350	\$350	\$525	\$400	\$400

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	6	18	19	98	51	59	11	5	7
n	17	27	60	294	167	156	27	5	18
Median	\$500	\$450	\$450	\$375	\$350	\$375	\$500	\$425	\$550

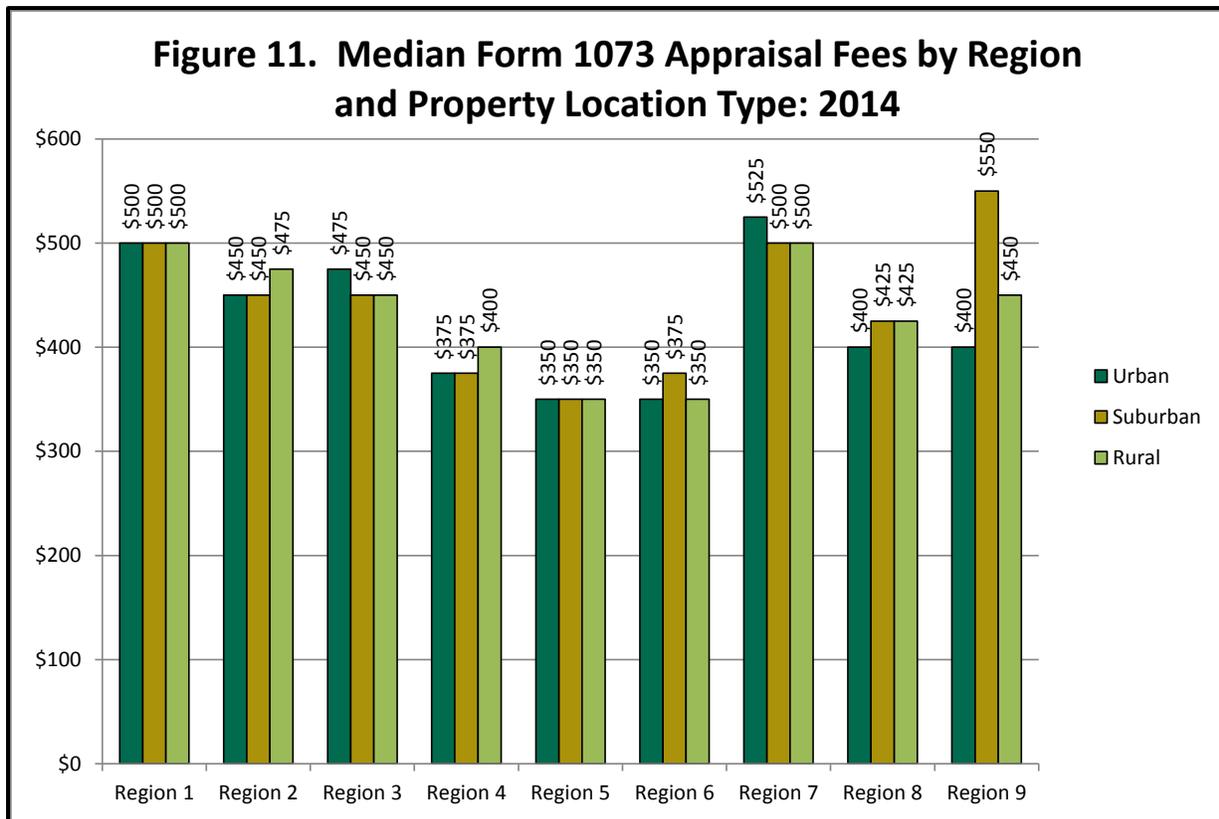
	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	6	16	18	56	30	38	14	6	10
n	17	24	51	172	106	117	33	7	26
Median	\$500	\$475	\$450	\$400	\$350	\$350	\$500	\$425	\$450

As illustrated in Figure 11, median Form 1073 fees were lowest in regions 4 – 6 and highest (consistently) in regions 1 and 7. Region 9 had the highest median price for suburban properties (\$550), but relatively low medians for urban and rural properties (\$400 and \$450, respectively).

Median Form 1073 appraisal fees were equal for all location types in regions 1 (\$500) and 5 (\$350). Urban fees were \$25 higher than suburban or rural fees in regions 3 and 7, while rural fees were \$25 higher in regions 2 and 4, and suburban fees were \$25 higher in region 6.

In region 8 median suburban and rural fees were equal and \$25 higher than urban fees, while region 9 had the aforementioned pattern of the median suburban fee being \$100 higher than the median rural fee and \$150 higher than the median urban fee.

The low numbers of respondents probably contributed to the rather odd patterns of median fees for differing location types and between regions, and also led to very large standard deviations for some regions (see Appendix 2), with the same caveat regarding statistical reliability for those regions as expressed in the previous section for Form 1025 fees.



Form 2055 Appraisal Fees by Region

Form 2055 appraisals (exterior-only inspection appraisals) had the lowest median fees (overall) of all appraisal types in the survey, ranging from \$275 to \$350 depending on region and location of property (Tables 26-28).

As shown in Figure 12 and Tables 26-28, Form 2055 median fees were equal for all three location types in regions 2, 3, and 4.

The median urban fee for Form 2055 appraisals was \$25 higher than suburban or rural fees in region 1, while median rural fees were \$25 higher than urban and suburban fees in regions 5, 6, and 9.

In regions 7 and 8 median suburban and rural fees were equal and \$25 higher than urban median fees.

Table 26. Median Form 2055 appraisal fees for URBAN properties by region: 2014.

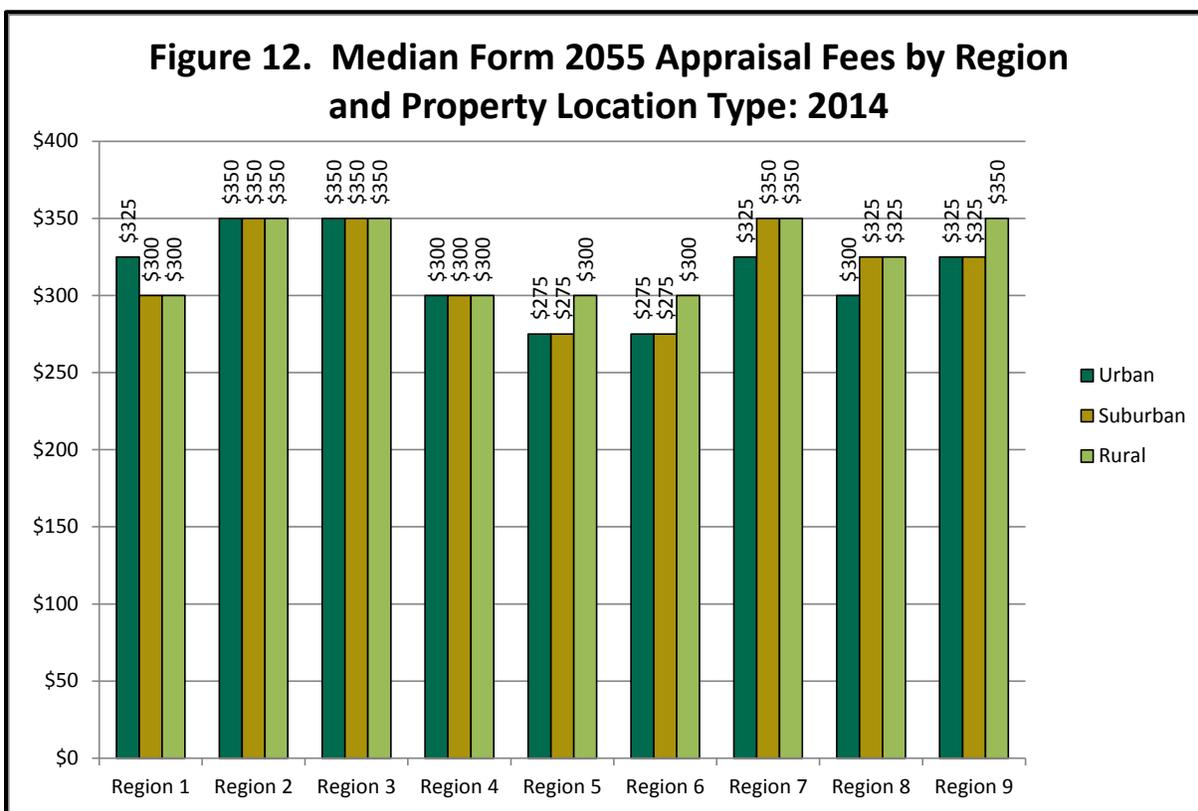
	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	10	28	28	68	34	61	19	13	15
n	31	66	73	220	118	254	47	28	32
Median	\$325	\$350	\$350	\$300	\$275	\$275	\$325	\$300	\$325

Table 27. Median Form 2055 appraisal fees for SUBURBAN properties by region: 2014.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	12	37	36	97	50	75	26	19	21
n	47	81	116	345	176	327	61	37	45
Median	\$300	\$350	\$350	\$300	\$275	\$275	\$350	\$325	\$325

Table 28. Median Form 2055 appraisal fees for RURAL properties by region: 2014.

	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9
Respondents	14	37	41	76	40	68	32	23	29
n	58	80	118	261	145	292	82	47	66
Median	\$300	\$350	\$350	\$300	\$300	\$300	\$350	\$325	\$350



ADDITIONAL APPRAISAL FEE ADJUSTMENTS

The appraisal fees collected in the survey and discussed in the preceding sections were for “typical” appraisals and should be considered as fees for “normal” properties for the various locations and types of appraisals.

Fees may need to be adjusted upward for complex, unique, or high-value properties, or for properties at distant locations requiring significant travel for the appraiser.

Additional Fee for Appraisals of Complex, Unique, or Very Expensive Properties

Question 12 of the surveys asked respondents if they charged/paid additional or higher fees for appraisals of “complex, unique, or very expensive properties”, and if so, how much of an additional fee was typical.

A total of 358 appraisers (n=357) and lenders (n=1) responded that they did charge/pay additional fees for large, expensive, or complex properties, while 49 (47 appraisers and 2 lenders) said they did not. Responses to question 12 were not obtained from 151 survey respondents.

Of the 358 who indicated that they charged/paid higher fees, 306 respondents indicated a fixed value or range (\$100 - \$200, \$100+, etc.) while 18 entered a percentage or range (10 - 25%, etc.). Thirty-four of the 358 respondents who said they paid additional fees did not provide an amount or percentage.

In order to calculate statistics, the midpoint of any range indicated in a response was used as a proxy for that response. For example, if the respondent said “\$100 – \$200” then the midpoint value of \$150 was used in the calculations. If the respondent indicated one end of a range, e.g. “10% +” or “up to \$300”, then that single endpoint was used.

Using the protocol described above, the 306 dollar value responses had a median additional fee of \$125 and the percentage responses had a median response of 27.5 percent. Table 29 lists several statistical measures for each response type.

Table 29. Statistical measures of responses to Question 12 regarding additional fees for large, expensive, or complex properties: 2014.		
	<u>Dollar Responses</u>	<u>Percentage Responses</u>
Number of “Yes” Responses	306	18
Mean	\$192.82	38.2%
Median	\$125.00	27.5%
Mode	\$100.00	25.0%
Minimum	\$37.50	17.5%
Maximum	\$1,500.00	125.0%
Standard Deviation	\$202.91	26.6%

Additional Fee for Appraisals of Properties in Remote or Distant Locations

Questions 13 – 14c of the surveys asked respondents if they charged/paid additional or higher appraisal fees for properties in remote or distant locations, and, if so, the typical additional fee, how it was determined, and how it varied with distance.

Of the 405 respondents who answered the distance fee questions, 327 (80.7 percent) indicated that they did charge/pay additional fees for remote or distant locations, while 78 respondents (19.3 percent) said they did not.

Of the 327 who indicated that they charged/paid additional distance fees, 115 (35.2 percent) said the fee was a flat rate, and 108 of these provided information on typical fees. The median additional flat rate distance fee was \$50, which was also the most common response (mode).

A variable fee based on mileage was used by 199 respondents (60.9 percent), and 180 of these respondents provided information on typical distance fees for one or more of the four mileage brackets provided in the survey:

- 10 – 15 miles
- 16 – 25 miles
- 26 – 50 miles
- 51+ miles

Responses and statistics are detailed in Table 30. Since the intent of blank responses could not be determined, they were left out of the calculations of the medians. However, zero responses were included.

Note that the maximum distance fees for some categories in Table 30 seem inordinately high given the distances involved. Some respondents may have mistakenly input their total appraisal fee rather than the additional distance fee. There was no way to determine this from the survey data, so all responses were included in the analysis. These high responses have significant impact on the mean distance fee, but very little effect on the median and mode fees.

	<u>10-15 miles</u>	<u>16-25 miles</u>	<u>26-50 miles</u>	<u>51+ miles</u>
Blank Responses (n)	101	83	50	86
Distance Fee=\$0 Responses (n)	69	42	5	0
Non-Blank, Non-Zero Responses (n)	29	74	144	113
Median Distance Fee (incl. \$0 Responses)	\$0	\$27.50	\$75	\$100
Mean Distance Fee (incl. \$0 Responses)	\$16.06	\$45.69	\$99.60	\$176.15
Mode Distance Fee (incl. \$0 Responses)	\$0	\$0	\$50	\$100
Min. Distance Fee (incl. \$0 Responses)	\$0	\$0	\$0	\$5
Max. Distance Fee (incl. \$0 Responses)	\$500	\$600	\$800	\$1,000
Standard Deviation (incl. \$0 Responses)	\$53.98	\$72.86	\$105.87	\$186.63

Eleven respondents indicated that their distance fees were mileage-based, but only 10 provided mileage rates. The median mileage fee was \$0.53 per mile, with a range from \$0.32 to \$2.00 per mile.

Relationship between Appraiser Experience Level and Fees

In order to analyze the relationship, if any, between typical fees and the experience level of appraisers, fee data from the appraiser's survey were grouped using the experience level reported in Question 3.

As shown in Table 31, there does not appear to be any clear relationship between increasing appraiser experience and typical appraisal fees. In fact, the second lowest experience category – 6-10 years – had the highest median appraisal fees for five of the six appraisal types (by significant amounts for Form 1025 and Form 1073 appraisals).

More complete analysis of the relationship between appraiser experience and typical fees would require in-depth regression analysis, which is beyond the scope of this report.

Appraiser Experience	Form 1004	Form 1004 for FHA	Form 1004C	Form 1025	Form 1073	Form 2055
< 5 years	\$375	\$375	\$400	\$450	\$350	\$300
6 – 10 years	\$400	\$400	\$425	\$600	\$500	\$338
11 – 15 years	\$375	\$400	\$400	\$500	\$400	\$300
16 – 25 years	\$375	\$400	\$400	\$500	\$370	\$300
26+ years	\$375	\$400	\$400	\$500	\$375	\$300

SUMMARY

The Business Research Center at Southeastern Louisiana University conducted an online survey of certified/licensed Kentucky real estate appraisers and mortgage lenders who processed loans for properties in Kentucky to collect information on “customary and reasonable” Kentucky residential real estate appraisal fees in 2014.

Useable responses were received from 547 appraisers with primary offices in 85 counties in Kentucky and 24 counties in eight other states, and 11 mortgage lenders located in six Kentucky counties. Appraisal fee data were provided for properties located in all 120 Kentucky counties.

Typical appraisal fees were collected for six appraisal types for properties in urban, suburban, and rural locations. Fees were analyzed by region based on delineations developed by the Center for Business and Economic Research at the University of Kentucky, illustrated in the map in Figure 6 and listed in the table in Appendix 3.

Median fees for all appraisal types and locations for all nine regions and the state as a whole are shown in Table 32.

These fees should be considered as typical or mid-range residential appraisal fees for typical or “average” properties. Adjustments may be necessary for large or complex properties or for properties located in remote or distant locations.

Table 32. Summary of median residential appraisal fees for six appraisal types for properties in three types of locations, by region of Kentucky: 2014. (Rounded to whole \$)											
Type of Appraisal	Property Location	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	State-wide
1004	Urban	\$375	\$400	\$400	\$350	\$350	\$350	\$400	\$350	\$400	\$375
	Suburb.	\$375	\$400	\$400	\$350	\$350	\$350	\$400	\$350	\$400	\$375
	Rural	\$375	\$400	\$413	\$375	\$375	\$400	\$400	\$375	\$425	\$400
1004 for FHA	Urban	\$400	\$425	\$425	\$375	\$360	\$375	\$400	\$400	\$425	\$400
	Suburb.	\$400	\$425	\$425	\$375	\$373	\$375	\$425	\$400	\$450	\$400
	Rural	\$400	\$425	\$425	\$400	\$400	\$400	\$425	\$450	\$450	\$400
1004C	Urban	\$400	\$425	\$425	\$375	\$375	\$350	\$400	\$375	\$400	\$400
	Suburb.	\$400	\$425	\$425	\$375	\$375	\$375	\$400	\$375	\$425	\$400
	Rural	\$400	\$425	\$425	\$400	\$400	\$400	\$425	\$400	\$425	\$400
1025	Urban	\$475	\$475	\$550	\$500	\$500	\$450	\$550	\$550	\$500	\$500
	Suburb.	\$475	\$500	\$550	\$500	\$500	\$475	\$600	\$600	\$575	\$500
	Rural	\$450	\$495	\$550	\$500	\$500	\$475	\$600	\$500	\$500	\$500
1073	Urban	\$500	\$450	\$475	\$375	\$350	\$350	\$525	\$400	\$400	\$375
	Suburb.	\$500	\$450	\$450	\$375	\$350	\$375	\$500	\$425	\$550	\$375
	Rural	\$500	\$475	\$450	\$400	\$350	\$350	\$500	\$425	\$450	\$400
2055	Urban	\$325	\$350	\$350	\$300	\$275	\$275	\$325	\$300	\$325	\$300
	Suburb.	\$300	\$350	\$350	\$300	\$275	\$275	\$350	\$325	\$325	\$300
	Rural	\$300	\$350	\$350	\$300	\$300	\$300	\$350	\$325	\$350	\$325

APPENDICES

Appendix 1 – Appraiser Survey Instrument

This survey has been commissioned by the Kentucky Real Estate Appraisers Board in order to collect data on “usual and customary” appraisal fees paid to Kentucky-licensed real estate appraisers in 2014 as outlined in the federal regulations detailed at:

Title 12 - Banks and Banking
Chapter X - BUREAU OF CONSUMER FINANCIAL PROTECTION
Part 1026 - TRUTH IN LENDING (REGULATION Z)
Subpart E - Special Rules for Certain Home Mortgage Transactions
Section 1026.42 - Valuation independence.

This survey and the resulting report have been designed to meet the requirements of the “Alternative presumption of compliance” for customary and reasonable compensation described in the above-referenced regulations.

NOTE: It is very important that you report your *ACTUAL* typical/average fees received -- NOT what you would like to be paid or what you think your services are worth. Please input typical fees for each county in which you worked in 2014.

All responses are totally confidential, will not be associated with your identity or e-mail address, and will only be released in aggregate form.

Participants who complete this survey are invited to request a copy of the final survey report by entering their e-mail address at the conclusion of the survey.

Should you have any questions about the survey or need more information, please contact:

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Research Economist
Southeastern Louisiana University
Business Research Center
(985) 549-3199
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Thank you very much for your participation.

DEMOGRAPHIC AND BACKGROUND INFORMATION

1. Did you hold a license to conduct residential real estate appraisals in the state of Kentucky in 2014?

- Yes
- No

2. Please indicate your position/occupation during 2014:

- Independent Certified General Appraiser
- Independent Certified Residential Appraiser
- Independent Licensed Residential Real Property Appraiser
- In-house (Staff) Certified General Appraiser
- In-house (Staff) Certified Residential Appraiser
- In-house (Staff) Licensed Residential Real Property Appraiser
- Associate Real Property Appraiser
- Other (please specify)_____

3. Approximately how many years have you been in the residential property appraisal business?

- < 5 years
- 6 - 10 years
- 11 - 15 years
- 16 - 25 years
- 26+ years

4. Please enter the five-digit zip code for the office location in which you spent the majority of your time in 2014:**5. Approximately how many residential appraisals for properties located in Kentucky did you conduct during calendar year 2014?**

- 0 – 25
- 26 – 50
- 51 – 100
- 101 – 250
- 251 – 400
- 401+

6. Of the residential appraisals you completed in 2014, approximately what percentage were done directly for clients or lenders, i.e. NOT paid for by an appraisal management company (AMC)?

- 0% - All appraisals I completed were for appraisal management companies (AMCs). (You will be directed to the end of the survey.)
- 25% or less.
- 26 - 50%
- 51 - 76%
- 76 - 99%
- All (100% ordered and paid for directly by clients or lenders).

The remainder of the survey will ask for details of TYPICAL/ AVERAGE fees you received in 2014 for appraisals ordered and paid for by lenders, buyers, property owners, or other clients. Please DO NOT include any information related to appraisals ordered through appraisal management companies (AMCs).

In the tables below, please enter the typical/average appraisal fee you received for residential appraisals completed directly for clients (NOT routed through AMCs) in 2014 for the following types of appraisals, including appropriate addenda:

- Fannie Mae Form 1004 (Residential 1-unit full appraisal)
- Fannie Mae Form 1004 for FHA (Residential 1-unit full appraisal for FHA)
- Fannie Mae Form 1004C (Manufactured home full appraisal)
- Fannie Mae Form 1025 (Small (2-4 units) residential income property full appraisal)
- Fannie Mae Form 1073 (Individual condominium unit full appraisal)
- Fannie Mae Form 2055 (Residential 1-unit exterior-only inspection appraisal)

Please input the typical appraisal fees you received for properties in each county in which you completed residential appraisals in 2014. Columns are provided for you to input typical fees for urban, suburban and rural property appraisals, as applicable, for each county. (If fees for urban, suburban and rural properties are the same for a particular county, please enter that amount in each of the columns.)

Question 7. Fannie Mae Form 1004 (Residential 1-unit full appraisal)

Typical residential appraisal fees received from non-AMC clients in 2014.

(Please enter numbers only - no dollar signs necessary.)

	Urban	Suburban	Rural
Adair			
Allen			
Anderson			
Ballard			
Barren			
Bath			
Bell			
Boone			
Bourbon			
Boyd			
Boyle			
Bracken			
Breathitt			
Breckinridge			
Bullitt			
Butler			
Caldwell			
Calloway			
Campbell			
Carlisle			
Carroll			

Carter			
Casey			
Christian			
Clark			
Clay			
Clinton			
Crittenden			
Cumberland			
Daviess			
Edmonson			
Elliott			
Estill			
Fayette			
Fleming			
Floyd			
Franklin			
Fulton			
Gallatin			
Garrard			
Grant			
Graves			
Grayson			
Green			
Greenup			
Hancock			
Hardin			
Harlan			
Harrison			
Hart			
Henderson			
Henry			
Hickman			
Hopkins			
Jackson			
Jefferson			
Jessamine			
Johnson			
Kenton			
Knott			
Knox			
Larue			
Laurel			
Lawrence			
Lee			
Leslie			
Letcher			
Lewis			
Lincoln			
Livingston			
Logan			

Lyon			
Madison			
Magoffin			
Marion			
Marshall			
Martin			
Mason			
McCracken			
McCreary			
McLean			
Meade			
Menifee			
Mercer			
Metcalfe			
Monroe			
Montgomery			
Morgan			
Muhlenberg			
Nelson			
Nicholas			
Ohio			
Oldham			
Owen			
Owsley			
Pendleton			
Perry			
Pike			
Powell			
Pulaski			
Robertson			
Rockcastle			
Rowan			
Russell			
Scott			
Shelby			
Simpson			
Spencer			
Taylor			
Todd			
Trigg			
Trimble			
Union			
Warren			
Washington			
Wayne			
Webster			
Whitley			
Wolfe			
Woodford			

•
•

(Fee input forms were repeated for each appraisal type: Form 1004 for FHA, Form 1004C, Form 1025, Form 1073, and Form 2055.)

•
•
•

12. Do you typically charge additional or higher fees for appraisals of complex, unique, or very expensive properties?

- Yes
- No

13. Do you typically charge additional or higher fees for appraisals in remote or distant locations?

- Yes
- No

14. How is the additional distance fee determined?

- Flat fee
- Variable fee based on distance
- Mileage based fee

14.a. What would you say was the typical or average additional distance fee you charged in 2014?

14.b. How much additional distance fee did you charge in 2014 for appraisals the following distances from your location? (Please enter numbers only -- no dollar sign necessary.)

	Addtl. Fee
10 - 15 miles	
16 - 25 miles	
26 - 50 miles	
50+ miles	

14.c. What rate per mile did you charge in 2014 for distant appraisals by your company? (Please enter numbers and a decimal point only -- no dollar sign necessary.)

15. Would you like to receive an electronic version of the report containing the results of this survey?

- Yes
- No

Appendix 2 – Descriptive Statistics of Survey Fees by Region, Appraisal Type, and Property Location

STATEWIDE	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	315	392	373	240	310	290	186	238	264
n	1,629	2,217	2,225	1,106	1,602	1,569	807	1,167	1,304
Mean	\$379.80	\$379.88	\$397.36	\$392.29	\$396.09	\$412.02	\$397.90	\$403.89	\$412.29
Median	\$375	\$375	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Mode	\$350	\$350	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Minimum	\$200	\$100	\$50	\$250	\$250	\$250	\$225	\$75	\$200
Maximum	\$750	\$700	\$1,000	\$750	\$650	\$650	\$650	\$650	\$700
Std. Deviation	\$61.33	\$60.76	\$64.68	\$58.69	\$57.74	\$61.49	\$61.48	\$65.58	\$65.27

STATEWIDE	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	219	265	212	180	237	164	217	283	256
n	769	1,030	874	521	771	553	869	1,235	1,149
Mean	\$506.68	\$516.25	\$518.34	\$388.84	\$403.51	\$420.75	\$311.26	\$309.30	\$323.42
Median	\$500	\$500	\$500	\$375	\$375	\$400	\$300	\$300	\$325
Mode	\$450	\$500	\$500	\$350	\$350	\$350	\$300	\$300	\$300
Minimum	\$100	\$100	\$50	\$200	\$200	\$200	\$100	\$100	\$125
Maximum	\$1,200	\$1,500	\$1,500	\$650	\$800	\$800	\$600	\$500	\$600
Std. Deviation	\$126.86	\$110.17	\$132.44	\$82.76	\$97.51	\$108.78	\$71.10	\$67.68	\$70.96

REGION 1	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	22	30	34	17	22	23	16	20	25
n	99	158	196	79	114	128	66	90	109
Mean	\$385.05	\$383.67	\$385.69	\$402.09	\$399.47	\$397.77	\$393.94	\$398.89	\$391.74
Median	\$375	\$375	\$375	\$400	\$400	\$400	\$400	\$400	\$400
Mode	\$350	\$375	\$375	\$400	\$400	\$350	\$400	\$400	\$400
Minimum	\$300	\$300	\$300	\$350	\$350	\$350	\$350	\$350	\$300
Maximum	\$550	\$550	\$550	\$500	\$500	\$500	\$500	\$500	\$550
Std. Deviation	\$44.79	\$50.58	\$53.33	\$38.13	\$39.70	\$42.03	\$34.27	\$41.55	\$48.60

REGION 1	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	11	11	13	4	6	6	10	12	14
n	38	39	54	12	17	17	31	47	58
Mean	\$480.26	\$500.00	\$450.93	\$489.58	\$495.59	\$495.59	\$319.03	\$313.09	\$304.14
Median	\$475	\$475	\$450	\$500	\$500	\$500	\$325	\$300	\$300
Mode	\$450	\$450	\$400	\$500	\$500	\$500	\$275	\$300	\$300
Minimum	\$400	\$400	\$350	\$400	\$400	\$400	\$275	\$250	\$225
Maximum	\$675	\$800	\$675	\$600	\$600	\$600	\$375	\$450	\$450
Std. Deviation	\$62.37	\$93.37	\$79.35	\$63.48	\$69.17	\$69.17	\$35.29	\$49.98	\$54.02

REGION 2	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	42	53	55	33	46	46	30	42	42
n	108	123	128	74	96	97	83	104	104
Mean	\$409.12	\$406.99	\$423.32	\$426.22	\$423.59	\$436.86	\$425.00	\$422.84	\$430.77
Median	\$400	\$400	\$400	\$425	\$425	\$425	\$425	\$425	\$425
Mode	\$375	\$375	\$400	\$375	\$450	\$425	\$400	\$400	\$425
Minimum	\$320	\$300	\$300	\$350	\$300	\$300	\$300	\$300	\$300
Maximum	\$700	\$700	\$1,000	\$650	\$650	\$650	\$650	\$650	\$650
Std. Deviation	\$68.80	\$71.08	\$84.83	\$64.20	\$63.47	\$60.64	\$66.37	\$67.65	\$68.11

REGION 2	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	23	26	27	16	18	16	28	37	37
n	43	52	51	20	27	24	66	81	80
Mean	\$529.65	\$534.62	\$532.65	\$460.00	\$445.37	\$459.38	\$348.11	\$344.75	\$352.81
Median	\$475	\$500	\$495	\$450	\$450	\$475	\$350	\$350	\$350
Mode	\$450	\$450	\$450	\$450	\$500	\$550	\$350	\$350	\$350
Minimum	\$400	\$325	\$325	\$350	\$350	\$350	\$250	\$250	\$250
Maximum	\$800	\$800	\$800	\$600	\$575	\$575	\$450	\$500	\$500
Std. Deviation	\$107.08	\$117.69	\$130.01	\$77.54	\$72.73	\$80.36	\$56.89	\$63.46	\$66.08

REGION 3	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	48	61	68	36	52	55	34	43	55
n	178	227	248	102	168	165	102	150	160
Mean	\$418.90	\$414.45	\$415.52	\$423.48	\$419.64	\$427.91	\$424.75	\$428.90	\$429.59
Median	\$400	\$400	\$413	\$425	\$425	\$425	\$425	\$425	\$425
Mode	\$400	\$425	\$400	\$450	\$400	\$425	\$450	\$450	\$450
Minimum	\$300	\$300	\$300	\$325	\$325	\$325	\$300	\$300	\$300
Maximum	\$750	\$600	\$650	\$500	\$500	\$525	\$525	\$550	\$600
Std. Deviation	\$51.44	\$47.94	\$51.61	\$45.71	\$43.95	\$41.88	\$48.30	\$48.20	\$56.78

REGION 3	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	29	34	35	14	19	18	28	36	41
n	83	121	112	35	60	51	73	116	118
Mean	\$546.39	\$553.10	\$547.50	\$455.71	\$465.75	\$468.04	\$356.16	\$354.83	\$356.86
Median	\$550	\$550	\$550	\$475	\$450	\$450	\$350	\$350	\$350
Mode	\$500	\$550	\$550	\$500	\$500	\$500	\$350	\$300	\$425
Minimum	\$400	\$400	\$350	\$350	\$350	\$350	\$250	\$225	\$225
Maximum	\$700	\$800	\$700	\$650	\$650	\$650	\$500	\$500	\$500
Std. Deviation	\$80.03	\$83.70	\$79.65	\$65.61	\$74.84	\$63.93	\$54.13	\$65.72	\$66.03

REGION 4	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	111	147	121	78	109	89	50	72	71
n	405	615	495	260	435	353	172	263	260
Mean	\$368.57	\$370.47	\$385.48	\$386.81	\$389.49	\$404.99	\$399.10	\$394.37	\$407.67
Median	\$350	\$350	\$375	\$375	\$375	\$400	\$375	\$375	\$400
Mode	\$350	\$350	\$400	\$350	\$350	\$400	\$350	\$350	\$375
Minimum	\$275	\$183	\$185	\$275	\$250	\$250	\$275	\$275	\$275
Maximum	\$550	\$600	\$600	\$550	\$550	\$600	\$550	\$550	\$600
Std. Deviation	\$48.65	\$50.11	\$56.91	\$51.73	\$51.18	\$58.34	\$62.54	\$61.08	\$62.68

REGION 4	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	70	93	62	64	98	56	68	97	76
n	177	252	178	180	294	172	220	345	261
Mean	\$538.07	\$535.83	\$542.44	\$385.47	\$384.44	\$394.91	\$313.80	\$306.55	\$315.88
Median	\$500	\$500	\$500	\$375	\$375	\$400	\$300	\$300	\$300
Mode	\$500	\$500	\$500	\$350	\$350	\$400	\$250	\$250	\$250
Minimum	\$100	\$100	\$100	\$275	\$275	\$275	\$100	\$150	\$150
Maximum	\$1,200	\$1,500	\$1,500	\$600	\$600	\$650	\$500	\$500	\$500
Std. Deviation	\$125.10	\$117.95	\$137.29	\$61.59	\$59.26	\$67.34	\$77.03	\$70.42	\$73.51

REGION 5	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	46	65	57	39	56	49	20	35	37
n	155	238	206	138	208	181	82	137	135
Mean	\$353.45	\$353.03	\$378.71	\$369.96	\$372.91	\$394.12	\$375.91	\$381.57	\$398.89
Median	\$350	\$350	\$375	\$360	\$373	\$400	\$375	\$375	\$400
Mode	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Minimum	\$200	\$200	\$200	\$250	\$250	\$250	\$300	\$300	\$300
Maximum	\$450	\$500	\$550	\$500	\$500	\$600	\$500	\$500	\$550
Std. Deviation	\$45.37	\$44.70	\$57.91	\$43.92	\$41.01	\$58.31	\$49.60	\$47.38	\$56.55

REGION 5	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	35	48	31	36	51	30	34	50	40
n	117	176	113	115	167	106	118	176	145
Mean	\$487.99	\$482.59	\$497.48	\$358.74	\$351.59	\$370.61	\$275.30	\$278.15	\$296.90
Median	\$500	\$500	\$500	\$350	\$350	\$350	\$275	\$275	\$300
Mode	\$500	\$500	\$450	\$350	\$350	\$350	\$300	\$300	\$250
Minimum	\$350	\$350	\$350	\$200	\$200	\$200	\$100	\$100	\$125
Maximum	\$800	\$800	\$1,000	\$650	\$500	\$600	\$425	\$400	\$425
Std. Deviation	\$74.67	\$65.85	\$103.18	\$60.87	\$52.26	\$75.25	\$53.88	\$50.81	\$65.09

REGION 6	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	92	109	112	67	85	82	47	61	69
n	464	570	577	331	414	411	173	243	284
Mean	\$362.04	\$363.03	\$388.41	\$376.28	\$381.82	\$401.52	\$373.03	\$390.56	\$404.91
Median	\$350	\$350	\$400	\$375	\$375	\$400	\$350	\$375	\$400
Mode	\$350	\$350	\$350	\$400	\$375	\$400	\$350	\$350	\$350
Minimum	\$240	\$200	\$240	\$250	\$250	\$250	\$225	\$75	\$240
Maximum	\$600	\$550	\$750	\$750	\$550	\$575	\$600	\$550	\$615
Std. Deviation	\$56.83	\$56.58	\$62.85	\$64.50	\$62.69	\$67.92	\$69.94	\$80.62	\$72.10

REGION 6	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	61	72	55	49	59	38	61	75	68
n	256	303	248	127	156	117	254	327	292
Mean	\$470.02	\$482.34	\$475.40	\$362.17	\$413.59	\$418.12	\$293.44	\$289.71	\$303.34
Median	\$450	\$475	\$475	\$350	\$375	\$350	\$275	\$275	\$300
Mode	\$450	\$450	\$450	\$300	\$275	\$275	\$250	\$250	\$275
Minimum	\$100	\$275	\$100	\$240	\$240	\$240	\$175	\$150	\$150
Maximum	\$950	\$800	\$800	\$650	\$750	\$750	\$600	\$500	\$500
Std. Deviation	\$148.97	\$103.81	\$133.98	\$90.83	\$127.08	\$145.55	\$71.97	\$58.99	\$64.57

REGION 7	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	26	36	47	17	29	35	20	30	37
n	87	106	142	51	71	97	54	71	99
Mean	\$397.13	\$405.19	\$413.73	\$412.25	\$427.82	\$435.05	\$409.72	\$419.37	\$419.70
Median	\$400	\$400	\$400	\$400	\$425	\$425	\$400	\$400	\$425
Mode	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$425
Minimum	\$300	\$300	\$300	\$300	\$300	\$350	\$325	\$325	\$325
Maximum	\$500	\$600	\$550	\$500	\$550	\$550	\$500	\$600	\$600
Std. Deviation	\$37.24	\$51.14	\$46.85	\$39.80	\$52.02	\$46.16	\$38.37	\$51.62	\$50.42

REGION 7	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	12	21	26	7	11	14	19	26	32
n	28	44	58	20	27	33	47	61	82
Mean	\$553.57	\$580.68	\$603.02	\$511.25	\$519.44	\$497.73	\$325.00	\$340.57	\$356.71
Median	\$550	\$600	\$600	\$525	\$500	\$500	\$325	\$350	\$350
Mode	\$600	\$600	\$600	\$600	\$500	\$600	\$350	\$300	\$300
Minimum	\$375	\$375	\$375	\$350	\$350	\$350	\$200	\$200	\$250
Maximum	\$750	\$800	\$850	\$600	\$800	\$800	\$450	\$500	\$500
Std. Deviation	\$110.28	\$122.46	\$125.40	\$96.13	\$110.80	\$108.86	\$49.18	\$66.33	\$65.86

REGION 8	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	19	27	32	15	20	25	15	20	27
n	37	45	59	28	34	49	30	36	51
Mean	\$359.46	\$370.56	\$386.86	\$412.50	\$419.41	\$432.65	\$389.17	\$395.14	\$410.78
Median	\$350	\$350	\$375	\$400	\$400	\$450	\$375	\$375	\$400
Mode	\$350	\$350	\$350	\$400	\$400	\$450	\$375	\$375	\$375
Minimum	\$275	\$100	\$50	\$350	\$350	\$300	\$350	\$325	\$325
Maximum	\$500	\$500	\$600	\$600	\$600	\$600	\$600	\$600	\$700
Std. Deviation	\$40.12	\$64.02	\$69.07	\$56.72	\$58.59	\$58.68	\$48.10	\$53.73	\$61.08

REGION 8	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	6	8	11	5	5	6	13	19	23
n	9	11	15	5	5	7	28	37	47
Mean	\$605.56	\$613.64	\$593.33	\$415.00	\$440.00	\$450.00	\$323.21	\$334.46	\$343.62
Median	\$550	\$600	\$500	\$400	\$425	\$425	\$300	\$325	\$325
Mode	\$625	\$625	\$500	\$375	\$500	\$425	\$300	\$300	\$300
Minimum	\$400	\$400	\$400	\$375	\$375	\$375	\$250	\$250	\$275
Maximum	\$1,200	\$1,200	\$1,500	\$500	\$500	\$600	\$500	\$500	\$600
Std. Deviation	\$236.11	\$213.12	\$262.96	\$51.84	\$57.55	\$76.38	\$47.11	\$58.14	\$58.39

REGION 9	Form 1004			Form 1004 for FHA			Form 1004C		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	38	49	61	22	29	36	21	29	39
n	96	135	174	43	62	88	45	73	102
Mean	\$436.72	\$437.22	\$441.24	\$433.14	\$453.63	\$452.84	\$415.56	\$441.44	\$431.86
Median	\$400	\$400	\$425	\$425	\$450	\$450	\$400	\$425	\$425
Mode	\$400	\$400	\$400	\$400	\$400	\$450	\$375	\$400	\$500
Minimum	\$300	\$300	\$275	\$300	\$300	\$275	\$325	\$325	\$200
Maximum	\$750	\$700	\$700	\$600	\$650	\$650	\$600	\$600	\$600
Std. Deviation	\$101.69	\$89.87	\$85.59	\$73.54	\$77.47	\$77.72	\$69.55	\$84.08	\$85.25

REGION 9	Form 1025			Form 1073			Form 2055		
	Urban	Suburban	Rural	Urban	Suburban	Rural	Urban	Suburban	Rural
Respondents	10	13	18	5	7	10	15	21	29
n	18	32	45	7	18	26	32	45	66
Mean	\$536.11	\$596.88	\$570.00	\$375.00	\$568.06	\$525.00	\$351.25	\$346.44	\$366.14
Median	\$500	\$575	\$500	\$400	\$550	\$450	\$325	\$325	\$350
Mode	\$450	\$500	\$500	\$400	\$700	\$425	\$300	\$300	\$350
Minimum	\$350	\$350	\$50	\$250	\$250	\$250	\$200	\$200	\$225
Maximum	\$950	\$800	\$800	\$500	\$800	\$800	\$600	\$500	\$500
Std. Deviation	\$166.10	\$147.53	\$152.40	\$90.14	\$188.61	\$173.21	\$93.50	\$76.01	\$71.74

Appendix 3 – Counties in each Economic Region of Kentucky*

<u>Region</u>	<u>Counties Included</u>
Region 1	Ballard, Caldwell, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Lyon, Marshall, McCracken
Region 2	Crittenden, Daviess, Hancock, Henderson, Hopkins, McLean, Muhlenberg, Ohio, Union, Webster
Region 3	Allen, Barren, Butler, Christian, Edmonson, Green, Hart, Logan, Metcalfe, Monroe, Simpson, Taylor, Todd, Trigg, Warren
Region 4	Breckinridge, Bullitt, Carroll, Grayson, Hardin, Henry, Jefferson, Larue, Marion, Meade, Nelson, Oldham, Shelby, Spencer, Trimble, Washington
Region 5	Boone, Bracken, Campbell, Fleming, Gallatin, Grant, Kenton, Mason, Pendleton
Region 6	Anderson, Bath, Bourbon, Boyle, Clark, Fayette, Franklin, Garrard, Harrison, Jessamine, Lincoln, Madison, Mercer, Montgomery, Nicholas, Owen, Robertson, Scott, Woodford
Region 7	Adair, Casey, Clinton, Cumberland, Knox, Laurel, McCreary, Pulaski, Rockcastle, Russell, Wayne, Whitley
Region 8	Boyd, Carter, Elliott, Greenup, Lawrence, Lewis, Rowan
Region 9	Bell, Breathitt, Clay, Estill, Floyd, Harlan, Jackson, Johnson, Knott, Lee, Leslie, Letcher, Magoffin, Martin, Menifee, Morgan, Owsley, Perry, Pike, Powell, Wolfe

*Source: Coomes, Paul. "Improving Earnings per Job: The New Economic Development Challenge in Kentucky." Center for Business and Economic Research (CBER), University of Kentucky, Gatton College of Business and Economics. (Accessed at <http://cber.uky.edu/Downloads/coomes02.htm> on 1/23/2015.)



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