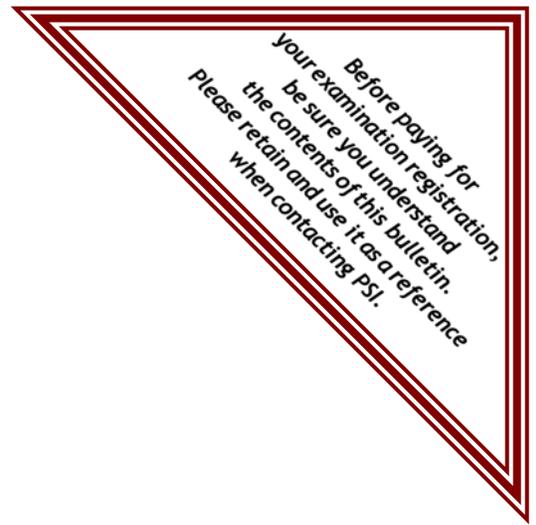




PSI Services LLC  
 3210 E Tropicana  
 Las Vegas, NV 89121  
 www.psiexams.com



# KENTUCKY REAL ESTATE APPRAISERS BOARD



## APPRAISER EXAMINATIONS CANDIDATE INFORMATION BULLETIN

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Please refer to our website to check for the most updated information at [www.psiexams.com](http://www.psiexams.com)

## EXAMINATIONS BY PSI SERVICES LLC

This Candidate Information Bulletin provides you with information about the examination and application process for obtaining an appraiser license in the State of Kentucky.

Kentucky state laws stipulate that a person may not act as an appraiser without first obtaining a license issued by the Kentucky Real Estate Appraiser Board.

The Kentucky Real Estate Appraiser Board has contracted with PSI Services LLC (PSI) to conduct the examination testing. Following are the National Uniform Licensing and Certification Examinations, developed by the Appraiser Qualifications Board (AOB), as the Licensing Examinations for Appraisers in Kentucky offered by PSI:

- Certified Residential Appraiser
- Certified General Appraiser

## EXAMINATION REGISTRATION PROCEDURES

You must get approval from the Board before you are eligible to test.

Kentucky Real Estate Appraisers Board  
135 W. Irvine Street, Suite 301  
Richmond, KY 40475  
(859) 623-1658 - Office  
(859) 623-2598 - Fax  
[www.kreab.ky.gov](http://www.kreab.ky.gov)

Once the Board has approved you for testing, your testing eligibility will automatically be submitted to PSI, and you will be responsible for contacting PSI to schedule the examination. You will have one attempt to test per eligibility.

## EXAMINATION SCHEDULING PROCEDURES

### INTERNET REGISTRATION

For the fastest and most convenient test scheduling process, PSI recommends that candidates register for their exams using the Internet. In order to register over the Internet, candidates will need to have a valid MasterCard or VISA. Candidates register online by accessing PSI's registration website at [www.psiexams.com](http://www.psiexams.com). Internet registration is available 24 hours a day. In order to register by Internet, complete the steps below. See the following page for detailed instructions.

1. Log onto PSI's website and create an account. Please enter your email address and first and last name. This information must match exactly with the information the Board has on file. Be sure to **check the box next to "Check here to attempt to locate existing records for you in the system"**

2. You will be asked to select the examination and enter ss#. Your record will be found and you will now be ready to pay and schedule for the exam. Enter your zip code and a list of the testing sites closest to you will appear. Once you select the desired test site, available dates will appear. If you have problems contact PSI at (800) 733-9267 for help.

### TELEPHONE REGISTRATION

PSI has two scheduling methods available for those that wish to schedule by telephone. First, candidates may call PSI at (800) 733-9267, 24 hours a day and schedule using the Automated Registration System. Second, candidates wishing to contact a live operator may use this same telephone number to contact PSI registrars Monday through Friday, between 6:30 am and 7:00 pm and Saturday, between 10:00 am and 4:00 pm, Central Time, to schedule an appointment for the test.

### CANCELING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your *cancellation notice is received 2 days before the scheduled examination date*. For example, for a Monday appointment, the cancellation notice would need to be received on the previous Saturday. You may call PSI at (800) 733-9267. Please note that you may also use the automated system, using a touch-tone phone, 24 hours a day in order to cancel and reschedule your appointment.

**Note:** A voice mail message is not an acceptable form of cancellation. Please use the Internet, automated telephone system (IVR), or call PSI and speak to a Customer Service Representative.

### MISSED APPOINTMENT OR LATE CANCELLATION

Your registration will be invalid, you will not be able to take the examination as scheduled, and you will forfeit your examination fee, if you:

- Do not cancel your appointment 2 days before the schedule examination date;
- Do not appear for your examination appointment;
- Arrive after examination start time;
- Do not present proper identification when you arrive for the examination.

### SPECIAL EXAMINATION ARRANGEMENTS

All examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and every reasonable accommodation will be made in meeting a candidate's needs. Applicants with disabilities or those who would otherwise have difficulty taking the examination must contact the Board for approval.

### EXAMINATION SITE CLOSING FOR AN EMERGENCY

In the event that severe weather or another emergency forces the closure of an examination site on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation. However, you may check the status of your examination schedule by calling (800) 733-9267. Every effort will be made to reschedule your examination at a



convenient time as soon as possible. You may also check our website at [www.psiexams.com](http://www.psiexams.com).

### SOCIAL SECURITY NUMBER CONFIDENTIALITY

PSI will use your social security number only as an identification number in maintaining your records and reporting your examination scores to the state. A Federal law requires state agencies to collect and record the social security numbers of all licensees of the professions licensed by the state.

## EXAMINATION SITE LOCATIONS

### Louisville

University of Louisville Testing Services  
106 E Brandeis St  
Davidson Hall - Rm 310  
Louisville, KY 40208

*FOLLOW I-65 TO EASTERN PARKWAY-WEST (THE SECOND EASTERN PARKWAY EXIT). STOP AT THE STOP SIGN, TURN TO THE RIGHT, CONTINUE MERGING TO THE RIGHT AND FOLLOW THE SIGNS DIRECTING YOU TO EASTERN PARKWAY-WEST. FOLLOW EASTERN PARKWAY UNTIL IT DEAD-ENDS AT THIRD STREET. TURN RIGHT ONTO THIRD STREET NORTHBOUND. GO TO THE THIRD STOP LIGHT AND TURN RIGHT ONTO CARDINAL BOULEVARD. STAY IN THE RIGHT LANE AND PROCEED ONE BLOCK BEFORE TURNING RIGHT INTO THE NORTH ENTRANCE, BELKNAP CAMPUS. PROCEED TO THE STOP SIGN AND TURN RIGHT. FOLLOW THE CIRCLE AROUND IN FRONT OF THE SCHOOL OF BUSINESS AND TURN DOWN THE DRIVE TO THE RIGHT BEFORE THE PLANETARIUM. THE GARAGE ENTRANCE WILL BE ON THE RIGHT. WALK FROM THE GARAGE TOWARD THE PLANETARIUM. DAVIDSON HALL IS JUST PAST THE PLANETARIUM ON THE RIGHT. ONCE YOU ARE IN THE BUILDING, TAKE THE STAIRS OR ELEVATOR FROM THE FIRST FLOOR MAIN LOBBY TO THE THIRD FLOOR. GO TO THE LEFT, AND TAKE THE FIRST HALLWAY TO THE LEFT. OUR DOOR (310) WILL BE DIRECTLY IN FRONT OF YOU.*

You are not allowed to test at any other PSI testing site.

## REPORTING TO THE EXAMINATION SITE

On the day of the examination, you should arrive 30 minutes before your appointment. This extra time is for sign-in, identification, and familiarizing you with the examination process. *If you arrive late, you may not be admitted to the examination site and you will forfeit your examination registration fee.*

### REQUIRED IDENTIFICATION

**You must provide 2 forms of identification.** One must be a VALID form of government-issued identification (Driver's License, State ID, Passport) which bears your signature and has your photograph. The second ID must have your signature and preprinted legal name. All identification provided must match the name on the registration form.

An expired driver's license will be accepted if accompanied by a VALID Kentucky Department of Public Safety temporary permit. Likewise, the temporary permits must be accompanied by the expired DPS driver's license.

Candidates who **do not** present the required items will be denied admission to the examination, considered absent, and will forfeit the examination fee.

If you cannot provide the required identification, you must call (800) 733-9267 at least 3 weeks prior to your scheduled appointment to arrange a way to meet this security requirement. ***Failure to provide ALL of the required identification at the time of the examination without notifying PSI is considered a missed appointment and you will not be able to take the examination at that time.***

### SECURITY PROCEDURES

The following security procedures will apply during the examination:

- Please be advised that children, cell phones, pagers, cameras, programmable electronic devices and recording devices of any kind are NOT allowed to enter PSI testing centers. Additionally, **NO personal items are to enter the testing centers.** PSI will not be responsible for any personal items, and suggests that you leave such items in another safe place, of your choosing.
- No smoking, eating, or drinking will be allowed in the examination site.
- Copying or communicating examination content is a violation of PSI security policy and Kentucky State Law. Either one may result in the disqualification of examination results and may lead to legal action.
- Candidates will not be permitted to use any calculator that is alpha programmable. In addition, as stipulated by the AQB, each candidate is required to bring the **written instructional manual** that was provided with the programmable calculator when purchased by the candidate or instructions downloaded from the manufacturer's website so that the test center proctor can ensure that all numeric programs previously stored in the calculator are cleared before the candidate is permitted to use the calculator during the examination. If you do NOT bring these instructions, you will not be permitted to use the calculator. Moreover, all programmable calculators must be cleared upon conclusion of the examination by the test center proctor to prohibit potential security breaches. **Note:** Candidates need to bring their own financial calculator. One is not available at the test center. Candidates may not share a calculator during the exam.

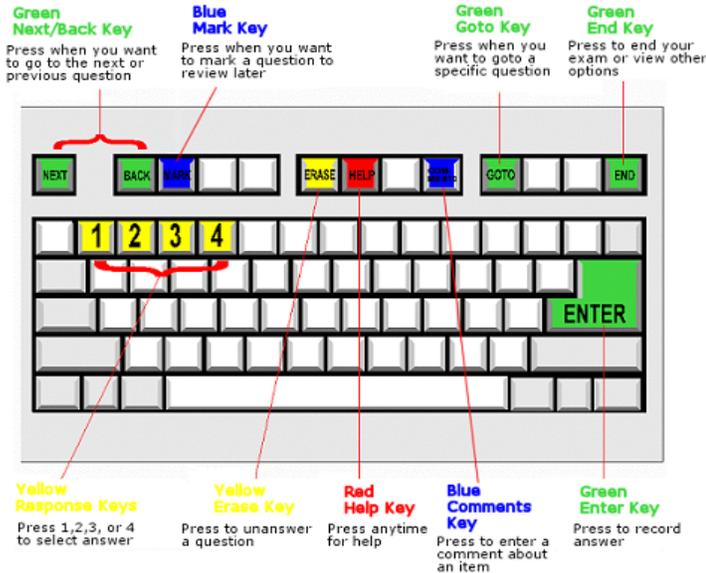
### REVIEW OF EXAMINATION QUESTIONS

AQB will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. While taking the examination, examinees will have the opportunity to provide comments on any questions, by using the comments key on the keyboard. These comments will be analyzed by AQB examination development staff. AQB does not respond to individuals regarding these comments. All substantive comments are reviewed. This is the only review of examination materials available to candidates.



## TAKING THE EXAMINATION BY COMPUTER

Taking the PSI examination by computer is simple. You do not need any computer experience or typing skills. You will use fewer keys than you use on a touch-tone telephone. All response keys are colored and have prominent characters. An illustration of the special keyboard is shown here. You may also use the mouse.



### IDENTIFICATION SCREEN

You will be directed to a semiprivate testing station to take the examination. When you are seated at the testing station, you will be prompted to confirm your name, identification number, and the examination for which you are registered.

### TUTORIAL

Before you start your examination, an introductory tutorial to the computer and keyboard is provided on the computer screen. The time you spend on this tutorial, up to 15 minutes, DOES NOT count as part of your examination time. Sample questions are included following the tutorial so that you may practice using the keys, answering questions, and reviewing your answers.

One question appears on the screen at a time. During the examination, minutes remaining will be displayed at the top of the screen and updated as you record your answers.

### EXAMINATION QUESTION EXAMPLE

During the examination, you should press 1, 2, 3, or 4 to select your answer or press "MARK" to mark it for later review. You should then press "ENTER" to record your answer and move on to the next question. A sample question display follows:



**IMPORTANT:** After you have entered your responses, you will later be able to return to any question(s) and change your response, provided the examination time has not run out.

## SCORE REPORTING

In order to pass the AQB examinations, you must achieve a minimum scaled score of 75. You will receive your score report immediately following the completion of the examination.

Candidates passing the examination will receive ONLY a score indication of PASS. Passing numeric scores are not available. Candidates who do not pass will receive an individual score for each of the major sections in the examination outline. Candidates should use this information to assist them in studying for the re-examination.

The Appraiser Qualifications Board will update the National Uniform Licensing and Certification Examinations effective July 1, 2008 and with the changes in the examinations, revise the scaled passing score to 75 from 100. The change in the scaled passing score was implemented to increase understanding of the meaning of the scaled scores. Scores around 75 have been historically accepted as representing passing. On the previous version of the examinations, if candidates received a score greater than 75, but less than 100, they would have failed. On the updated examinations any scaled score of 75 or greater is passing. It is important to understand that this change does not mean the passing scores are being lowered. A scaled score of 75 on the updated examinations is equivalent to a scaled score of 100 on the previous examinations. Scaled scores can range from 0 to 150, with 75 representing passing.

Scores are reported to candidates as scaled scores. The scaled scores are computed from raw scores. Raw scores, or percentage scores, are the actual number of questions answered correctly. Raw scores are mathematically converted to scaled scores to maintain a consistency in the meaning of scores, regardless of when the examination was taken or the difficulty of the examination.

Examinations change over time. Each examination may vary in difficulty with one examination easier or more difficult than other examinations. However, when converting raw scores to scaled scores, it should not make a difference whether candidates take an easier or more difficult examination. With the mathematical adjustment, the scaled score accounts for differences by adjusting the scores up or down depending on the difficulty of examinations. When these adjustments are made, the effect is to produce an unbiased and constant passing standard that does not change from one examination to another. A scaled score is not a percentage

score, but simply a transformation of a raw score to report comparable results when examinations vary in difficulty.

### DUPLICATE SCORE REPORT

You can write to PSI to request a duplicate of your failed score report.

## DESCRIPTION OF EXAMINATIONS

### **NATIONAL UNIFORM LICENSING AND CERTIFICATION EXAMINATIONS, DEVELOPED BY THE APPRAISER QUALIFICATIONS BOARD (AOB)**

Kentucky utilizes the National Uniform Licensing and Certification Examinations which are developed by the Appraiser Qualifications Board (AOB).

For further information or to express concerns about the examination content, please contact:

The Appraiser Qualifications Board  
C/O The Appraisal Foundation  
1155 15th Street, NW, Suite 1111  
Washington, DC 20005  
[www.appraisalfoundation.org](http://www.appraisalfoundation.org)  
Main Number: 202.347.7722 Fax: 202-347-7727

### EXAMINATION SUMMARY TABLE

Examination	# of Questions	Passing Scaled Score	Time Allowed
Certified Residential Appraiser	150	75	6 hours
Certified General Appraiser	150	75	8 hours

### PRETEST ITEMS

In addition to the number of examination items specified, fifteen "pretest" questions will be administered to candidates during the examinations. **These questions will not be scored.** The administration of such non-scored experimental questions is an essential step in developing future licensing examinations.

### CONTENT OUTLINES

The examination content outlines have been prepared by the AOB.

Use the outline as a guide for pre-examination review course material. The outlines list the domains that are on the examination and the percentage of questions for each domain. Do not schedule your examination until you are familiar with the domains in the outline.

### NATIONAL UNIFORM AND CERTIFICATION EXAMINATION CONTENT OUTLINES

DOMAIN & SUBTOPICS	Certified Residential Appraiser	Certified General Appraiser
I. Influences on RE Value	5%	5%
Governmental Economic Social Environmental, geographic and physical		
II. Legal Considerations	5%	4%
Forms of ownership Public and private controls Real estate contracts Leases		
III. Types of Value	5%	6%
Market value Other value types		
IV. Economic Principles	5%	6%
Classical economic principles Application/illustrations of economic principles		
V. Real Estate Markets & Analysis	4%	5%
Market fundamentals, characteristics, definitions Supply analysis Demand analysis Use of market analysis		
VI. Property Description	11%	10%
Geographic characteristics of the land/site Geologic characteristics of the land/site Location and neighborhood characteristics Land/site considerations for highest and best use Improvements-architectural styles/types of construction		
VII. Highest and Best Use Analysis	9%	9%
Test constraints: legal, physical, financially feasible and maximally productive Application of highest and best use Market analysis		
VIII. Appraisal Math and Statistics	3%	4%
Statistics Valuation models (AVMs and mass appraisal) Real estate finance		
IX. Sales Comp Approach	15%	10%
Valuation principles Procedures: Identification, derivation and measurement of adjustments Partial interests Reconciliation		
X. Site Value	5%	4%
XI. Cost Approach	9%	6%
Concepts and definitions Replacement/reproduction cost new Methods of estimating accrued depreciation		
XII. Income Approach	7%	15%
Valuation principles		



Valuation procedures: Direct capitalization		
XIII. Valuation of Partial Interest	1%	1%
XIV. Appraisal Standards and Ethics	16%	15%
Preamble and rules Standards 1-6 Statements and advisory opinions		

### SAMPLE QUESTIONS

The following questions are offered as examples of the types of questions you will be asked during the course of the. The examples do not represent the full range of content or difficulty levels found in the actual examinations. They are intended to familiarize you with the types of questions you can expect to find in the examinations. (The answer key is found after each sample question.)

1. The subject property is a 10,000 s.f. office building encumbered by a full-service lease with a contract base rent of \$1.25 per s.f. monthly. Stabilized vacancy/credit loss allowance for similar properties within the market area is 7% of PGI. The operating expense ratio for similar properties is 30% of EGI, plus reserves for replacement of \$0.15 per s.f. Based on these facts, what is the projected net operating income?

- A. \$97,650
- B. \$93,000
- C. \$96,150
- D. \$94,500

Answer = C

2. The assignment is a warehouse located in an industrial park. The client requires the cost approach be completed. There are no vacant land comparables in the market area. There are 3 sales of commercial buildings in the industrial park with similar lots that the appraiser has researched extensively. The appraiser found the following information:

Sale 1 sold for \$1,750,000. The buyer allocated 20% of the value to the site and 80% to the value of the structure.

Sale 2 sold for \$1,000,000. The buyer was not available for verification, but the seller was available. The seller had just built the structure after holding the lot for 10 years as an investment property. He paid \$100,000 for the lot and had earned 25% straight line annual return on his investment over the cost of the structure and its entrepreneurial profit.

Sale 3 sold for \$3,500,000. The buyer estimated that 90% of what he paid was for the structure.

What is the indicated value of the lot using the allocation approach?

- A. \$350,000
- B. \$500,000
- C. \$135,000
- D. \$125,000

Answer = A

3. During the research of a subject property an appraiser learns the occupants (parents) have been granted a life estate by their children. What interest do the children hold in the property?

- A. Remainderman
- B. Life tenant
- C. Trustee
- D. Trustor

Answer = A

4. A homeowner purchased two adjacent lots in a tract subdivision 20 years ago and built a single-unit residence entirely on one lot, utilizing the second lot as a side yard. The homeowner has decided to build a smaller home on the vacant side lot and retain the existing home as a rental. What term applies to the second yard?

- A. Surplus land
- B. Vacant site
- C. Excess land
- D. Underutilized site

Answer = C

5. The subject assignment is to appraise an 1880's vintage house using the cost approach. The house has metal stamped ceilings, lath and plaster walls, which are items not easily available in today's construction. The estimated replacement cost using modern materials is \$120 per s.f. Contractors charge \$15 more per s.f. to work on older houses. The estimated reproduction cost is \$185 per s.f. What is the estimated loss in utility?

- A. \$65 per s.f.
- B. \$33 per s.f.
- C. \$80 per s.f.
- D. \$15 per s.f.

Answer = A

6. While working on an appraisal of a residential property in a new home subdivision, the appraiser finds that the builders have a total of 100 home sites currently offered for sale. In measuring market demand the appraiser notes that all of the builders are currently averaging two new sales contracts per month (combined), and are expecting to sell 24 homes within the next year. What conclusion could be drawn with regard to the 100 available home sites and a market period of the next 12 months?

- A. The market is in a condition of supply and demand.
- B. The market is in a condition of balance.
- C. The market is in a condition of oversupply.
- D. The market is in a condition of undersupply.

Answer = C



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