

Kentucky Real Estate Appraisers Board

QUARTERLY NEWSLETTER NO. 64 – July 2008

Notes From the KREAB Chair

By: J.W. Grabeel

By this time everyone is aware the criteria for becoming a real property appraiser in the Commonwealth of Kentucky has changed. Those changes are available in detail at www.kreab.ky.gov

The following includes clarification for some of the most frequent questions and apparent areas of misunderstanding.

Education:

The KREAB elected to utilize a “segmented” approach for implementing the 2008 AQB criteria requirements.

The segmentation permitted an individual who completed all qualifying education requirements and the national examination prior January 1, 2008 to have two years from

the last day of the month in which the national examination was successfully completed, to satisfy all required experience for the type of credential being sought.

If an individual does not complete the experience requirement by the two year anniversary date of successfully completing the national examination, he/she will be required to complete the 2008 criteria which includes all “*remaining*” appraisal education, and the required college degree, or specific college courses in lieu of a degree.

Today, an applicant for initial credential or one who is moving from one credential to another will be required to first have completed the following education:

Credential	Associate	Licensed Real Property	Certified Residential	Certified General
Appraisal Education	90 – Hours	195-hours	200-hours	300-hours
College Degree Requirement	No degree required	2-Year Degree	2-Year Degree	4-Year Degree
Course Requirements in lieu of degree	No course requirement.	21-Specific credit hours	21-Specific credit hours	30-Specific credit hours.

All qualifying appraisal education course work must be approved by the KREAB as AQB compliant. The appraisal course work required for each credential level must be completed prior to an applicant being scheduled to sit for the national examination.

The second tier of education that must be completed in the 2008 criteria is either a college degree or college course credit hours. All credible college course work, including degrees, must be successfully completed from institutions accredited by the Kentucky Department of Post Secondary Education and/or one of the regional or national accrediting associations recognized by the U.S. Secretary of Education.

There is no requirement that the college course work be completed prior to the applicant sitting for the national examination. However, the college course degree or course work must be completed prior to the applicant being approved by the KREAB to receive a credential, regardless of whether the application is for an initial credential or to move from one credential type to another.

Any one who has questions about education, i.e. where the previous education will fit into the 2008 criteria components, whether a course will be accepted, or whether a course is compliant for qualifying education should

contact Larry Disney at the KREAB office larry.disney@ky.gov

For a specific list of questions and answers or clarifying information about the 2008 criteria changes, please refer to the KREAB website www.kreab.ky.gov

Examination:

The 2008 National Uniform Licensing and Certification Examinations were developed by the AQB. They were made available to the national examination providers for administration via a contract with the State appraiser regulatory agencies.

Sources have reported that the approximate time for completing the examination can be as many as six (6) hours for both licensed real property and certified residential, while the certified general examination might require as many as eight (8) hours to complete.

As of July 10, 2008 no Kentucky applicant sat for the national examination. Therefore, the KREAB has no data to use in reporting a passing ratio or a more specific time period for completing the examination.

The KREAB received one bid for testing services for the fiscal year 2008-2009. That bid was from Applied Measurement Professionals, Inc. This is the same company that has administered the KREAB examination for the past three fiscal years. The difference today is that the examination was developed by the AQB instead of Applied Measurement Professionals, Inc.

Any one who plans to sit for the examination should first contact Angie Thomas at the KREAB office (angie.thomas@ky.gov) to verify that all required education has been completed, and to have their name submitted to the Applied Management Professionals, Inc. office. That office will be responsible for scheduling the examination at one of the approved test centers.

The testing center locations and other important information concerning the national examination for Kentucky can be located on the web site @ www.goamp.com

Experience:

The most significant change in experience for Kentucky applicants, from previous criteria, is the requirement to complete twenty four (24) months and 2,500 hours of experience for receiving the licensed residential or real property appraiser credential.

Also, beginning July 1, 2008 the KREAB will require a revised log for reporting real property appraisal assignments for experience credit. The revision was necessary because of an AQB approved change in the 2008 Generic Experience Criteria, Section V, item "G."

A copy of the log is available on the KREAB web site @ www.kreab.ky.gov – Obtaining a License.

All experience submitted for review, prior to July 1, 2008, will be accepted on the log format that was previously approved and listed on the KREAB web site.

For many years the experience component of the qualifications criteria has been the most overlooked, and possibly the most misunderstood. However, in my opinion it is one of the most critical and it should be given priority in the process of tracking an individual's progress as a real property appraiser.

Hopefully, beginning no later than late 2008 the KREAB will have a Supervisor/Trainee Course that will be a required course for Kentucky supervisors and associates to complete, prior to July 1, 2008. This course will be mandatory for both the current supervisors and associates, and all who apply to become supervisors and associates in the future.

The renewal period for all KREAB credentialed real property appraisers is July 1 to June 30 of each year. The following table lists the total of current licenses and certificants as of July 14, 2008.

Associate	Licensed Real Property	Certified Residential	Certified General
239	32	842	496

IN MEMORY

It is with great sadness the Board and staff of the Kentucky Real Estate Appraisers Board reports that the following individuals passed from this earth during the past 12 months.

To the families and many friends of these individuals all of us at the KREAB extend our sympathies.

Robert Jeff Allen
Lela M. Barton
Bobby Gene Curry
Harold N. Davidson
Jerry Downey

John Frazier
John T. Graham
Jesse Kinman
Michael Pierce
Albert J. Rosenbalm

Joe L. Sloan
Charles A. Woolum

Your Profession Needs You

By: Larry Disney

Former New York Yankee legend and Baseball Hall of Fame member Yogi Berra is famous for many sayings. One, "It's deja vu all over again," was attributed to Mr. Berra during the 1961 season while he watched Mickey Mantle and Roger Marris each hit consecutive home runs, a common occurrence during what was arguably the most exciting season in the history of professional baseball.

Today, those of us who have been working as real property appraisers since the late 1970's and early 1980's can relate to that quote. We are now observing the same problems associated with the residential real estate market, specifically lending scenarios, as was witnessed by the commercial loans in the earlier period.

The last real estate lending crisis prompted the U.S. Congress to pass the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) and Title XI, the impetus of State appraiser licensing and regulation.

What the current crisis of sub-prime lending problems will bring is for the most part unknown. But, discussions are being held daily that could have a significant impact upon the appraisal profession, especially the residential real property appraisers.

The following are some of the more prominent suggested changes.

- Debate and discussion is ongoing about the "Home Valuation Code of Conduct" (HVCC) between New York Attorney General, Andrew Cuomo, and Fannie Mae and Freddie Mac. No one knows what the final outcome of this agreement may be, but change of some type will most likely occur. The program will not be dropped in favor of the status quo.
- Various actions within the U.S. Congress, i.e. "**H.R. 3837: Escrow, Appraisal, and Mortgage Servicing Improvements Act,**" are being discussed and proposed. There is little debate that regulatory language will be forthcoming that will have a dramatic impact on the profession.

Some of the items being considered are 1) ordering of real property appraisals, 2) mandatory interior dwelling visits by appraisers assigned to complete assignments, and 3) mandatory payment to appraisers upon completion of a competent and ethical assignment.

- Regulations enacted by State and federal agencies that mandate the Uniform Standards of Professional Appraisal Practice (USPAP) as the minimum appraisal standards for use in real property appraisal assignments of all types, and not limited to lending assignments.

The above is but a summary of the many proposals being discussed for consideration to enhance the professionalism and the public trust in the appraisal profession.

In my opinion, one key component missing in all of the debate and discussion is the lack of involvement of the preponderance of licensed and certified real property appraisers from not only Kentucky, but from throughout the United States.

Based upon discussions with The Appraisal Subcommittee (ASC) Policy Managers there are approximately 95,000 individuals listed on the ASC national registry as being licensed or certified from the United States. This total does not include the individuals classified as training appraisers.

The Appraisal Foundation staff has reported, in many forums for many years that approximately 30%, or 28,500, of the 95,000 real property appraisers belong to professional real property appraisal organizations, i.e. the sponsoring organizations of the Appraisal Foundation.

The Kentucky Real Estate Appraisers Board has tried through past surveys of licensed and certified appraisers to verify the number of appraisers who belong to a professional organization. Based upon the information received, the total was consistent with the national finding of approximately 30%.

Assuming that total is correct, I am very concerned with how the remaining 70%, or 66,500, receive updated information. How these folks are made aware of changes in the standards and the expectations of appraiser performance, and if they have regular interaction with other licensed and certified appraisers.

In the past three years significant changes have been made to both the qualifications for entry into the real property appraisal profession and the minimum professional practice standards of USPAP. However, the AQB and the ASB receive few responses from the nation's licensed and certified appraisers with comment pertaining to proposed changes of qualifications criteria and the standards.

Each week the KREAB Board office staff handles between 30 and 50 telephone calls and email requests for clarification of various and sundry points of information. The questions are typically linked to compliance with USPAP, Fannie Mae and Freddie Mac appraisal guidelines, FHA and VA appraisal guidelines, and specific appraisal procedures and reporting requirements.

The KREAB Board members and the staff believe it is the responsibility of the staff to answer as many of the individual questions as possible. Therefore, we will continue doing so as needed and when possible. However, the common thought within the regulatory profession is that regulatory staff should only answer questions specific to statutes and regulations that pertain to licensing or certification.

While the Board members and staff encourage appraisers to contact the office, it is also believed essential that professional real property appraisers set aside time for enhancing professional development. This can be accomplished by reading publications from various sources, by attending seminars and having dialog with

other real property appraisers, by attending meetings of lending groups, and by attending meetings with real estate sales agents and brokers.

Kentucky Administrative Regulation 201 KAR 30:050 and the current AQB criteria require Kentucky licensed and certified appraisers to complete 14-hours of continuing education each year. The reasoning for this requirement is noble, but unfortunately far too many professionals treat the requirement as punitive rather than as an opportunity to enhance professional growth and development.

During the past 12-months I have been told by Kentucky credentialed appraisers that locating quality education is a problem. But, during the same time period course providers have told me they paid significant sums of money to develop “quality” courses, to hire instructors, and to advertise the courses only to discover that so few licensees enroll that it is not economically viable to present them.

During his tenure on the Board, Mr. C.W. (Woodrow) Wilson a former KREAB Chair, advised appraisers to spend time each year investing in their career enhancement. It is his opinion that individuals should read articles, discuss common issues with other appraisers, and attend meetings and seminars that will foster and develop professionalism. He also advised against making a decision to attend classes simply because they are inexpensive and close to home, doing so often fails to benefit the attendee’s professional development.

In my opinion, it is not only reasonable to expect an individual professional to complete meaningful education and professional development, but it is essential in order for the professional appraiser to remain knowledgeable, enhance his/her professionalism, and to remain compliant with the intent of Standards Rule 1-1(a).

The best way to stay informed is to get involved. I have always believed professionals in any field should join professional organizations and to affiliate with other professionals for purposes of staying informed. Kentucky appraisers should make a point of attending meetings of the KREAB and meetings of the Appraisal Foundation and its two boards of the AQB and ASB. If it is not possible to attend the meetings, an individual can request the minutes and summaries of the meeting decisions.

Real property appraising is your profession, and you can make a difference. However, you must be involved and participate, if you wish to make a positive difference.

The choice is yours. I do hope you will make a conscious decision to become proactive and assist in the growth of the real property appraisal profession. Working together for positive growth, I believe the efforts will elevate the appraisal profession to a high level of public trust and confidence.

Your profession needs YOU.

KENTUCKY REAL ESTATE APPRAISERS BOARD

BOARD MEMBERS

J.W. Grabeel, Chair – Appraiser Member
 Loren Huff, Vice Chair – Consumer Member
 Dorsey Hall - Banking Member
 Theresa Marshall - Banking Member
 Paul E. Moore, Appraiser Member

STAFF

Larry Disney – Executive Director
Email: Larry.Disney@ky.gov
 Angie Thomas – Staff Assistant
Email: Angie.Thomas@ky.gov
 Janie Gross – Executive Secretary
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 Website: www.kreab.ky.gov

KREAB Board Members Term Expirations

NAME	POSITION	REPRESENTING	RESIDENCE	TERM EXPIRES
J.W. Grabeel	Chair	Appraiser Member	Pulaski Co.	Nov. 12, 2008*
Loren C. Huff	Vice-Chair	Consumer Member	Clay Co.	Nov. 19, 2010
Dorsey G. Hall	Member	Lender Member	Fayette Co.	Nov. 19, 2010
Theresa Marshall	Member	Lender Member	Fleming Co.	Nov. 12, 2008*
Paul Moore	Member	Appraiser Member	Woodford Co.	Nov. 19, 2009*

*Currently serving the first appointment term, eligible for a second term appointment.

INDIVIDUALS THAT DID NOT RENEW JULY 1, 2008

First Name	Last Name	City	State	First Name	Last Name	City	State
Donald Lee	Adkins	Lexington	KY	Eyleen O.	Davenport	Lexington	KY
Robert Jeff	Allen	Princeton	KY	Harold Nash	Davidson	Ft. Mitchell	KY
Rhonda	Anderson	Atlanta	GA	Clemon L.	Demus	Cincinnati	OH
Sean	Baker	Norfolk	VA	James Douglas	DeRossett	Lexington	KY
Gabriel A.	Balasquide	Lexington	KY	Stuart W.	Dishman	Somerset	KY
William Sam	Baldwin	Atlanta	GA	Deborah C.	Donnelly	Powell	TN
Roger A.	Ball	Tazewell	TN	J. Stephen	Douglass	Lexington	KY
James Brian	Banks	Houston	TX	Jerry H.	Downey	Greenville	KY
Robert K.	Barnes	Brentwood	TN	Robin D.	Dryden	Erlanger	KY
C. Barry	Barnhorn	Cincinnati	OH	Joyce S.	DuVall	Owenton	KY
Fred	Barrett, Jr.	Lexington	KY	Stephen P.	Faherty	Cincinnati	OH
William J.	Barrow, II	Lexington	KY	Thomas L.	Fiehler	Maineville	OH
William R.	Bartlett, II	Evansville	IN	Emmitt L.	Ford	Vandalia	OH
Lela M.	Barton	Florence	KY				
Darla	Bennett	Murfreesboro	TN	Richard Allen	Francis	Atlanta	GA
Craig Scott	Benton	Atlanta	GA	John F.	Frazier	Simpsonville	KY
Bryan K.	Bernardi	Corydon	IN	Milton L.	Freiberg, Jr.	Cincinnati	OH
Karen Cristy	Bielawski	Vanceburg	KY	Jeb S.	Fuller	Marietta	GA
Max E.	Blumenthal	Chicago	IL	Baylor H.	Fulton	Middlesboro	KY
James Allen	Bottorff	Jeffersonville	IN	David	Gay	Lancaster	KY
Stephanie L.	Bradshaw	Louisville	KY	Samuel J.	Gold	Chicago	IL
Richard L.	Britt	Louisville	KY	Donna S.	Gorsick	Chesapeake	VA
Christopher J.	Brown	Louisville	KY	John T.	Graham	Scottsville	KY
Martha G.	Burke	Middlesboro	KY	Kennith D.	Green	Berea	KY
Chad	Burnett	Lexington	KY	Julie E.	Grider	Lexington	KY
Hugh R.	Callihan	Louisville	KY	Kimberly K.	Griffin	Taylorsville	KY
Alice	Cantal	Rolling Meadows	IL	Matthew	Hale	Prestonsburg	KY
Olga M.	Castaneda	Clearwater	FL	Bobby L.	Haley	Murray	KY
Marina S.	Cawood	Middlesboro	KY	John E.	Hamilton	Charlotte	NC
Laura S.	Chapman	Louisville	KY	Lori J.	Hargis	Henderson	KY
Roy Louis	Cheaney	Evansville	IN	Kathryn	Harkins	Chicago	IL
Susan A.	Clark	Williamstown	KY	George D.	Hellard	Lexington	KY
John E.	Cloern	Louisville	KY	Francis A.	Hendy, II	Union	KY
Brandley N.	Coleman	Lexington	KY	Tammy	Herring	Bardstown	KY
Brandon	Combs	Nicholasville	KY	William B.	Hildreth	Bowling Green	KY
Jason E.	Combs	Lexington	KY	Ann P.	Hite	Bardstown	KY
Dianne P.	Cooper	Elizabethtown	KY	Dallas Chad	Hodge	Harrodsburg	KY
Phillip B.	Cornwell	Louisville	KY	Elizabeth Jean	Hodge	Princeton	KY
James N.	Costello	Lexington	KY				
Terry	Crist	Corbin	KY	Paul R.	Houlihan	Lexington	KY
Chris L.	Cropper	Orient	OH	Thomas C.	Howard	Paintsville	KY
Bobby G.	Curry	Greensburg	KY	Cary S.	Howell	Louisville	KY
Chad Everett	Dance	Independence	KY	Russell Lee	Hughes	Glen Carbon	IL

First Name	Last Name	City	State	First Name	Last Name	City	State
Karen	Hughto	Finchville	KY	Anthony W.	Reynolds	Manchester	KY
Donna L.	Hunt	Louisville	KY	Clay	Risner	Coxs Creek	KY
James L.	Johnson	Louisville	KY	Kenneth R.	Roberts	Somerset	KY
David W.	Jones	Louisville	KY	Lisa P.	Robertson	Ashland	KY
Britt Alan	Jones	Paducah	KY	George P.	Robinson	London	KY
Victor	Jones, II	Mt. Sterling	KY	Albert J.	Rosenbalm	Middlesboro	KY
				Jennifer M.	Ross	Greenville	KY
Lori B.	Kielman	Flemingsburg	KY	Janet E.	Sallander	Rosemont	IL
Clarence T.	Kingery	Lexington	KY	Charlie James	Seifner	Park Hills	KY
Jesse H.	Kinman	Frankfort	KY	Michael C.	Simpson	Franklin	KY
Julie Dawn	Knight	Sedalia	KY	Joe L.	Sloan	Paducah	KY
James M.	Laws	Acworth	GA	Kenneth H.	Slone	Lawrenceburg	KY
Jason E.	Lewis	Louisville	KY	Pamela G.	Slone	Cynthiana	KY
Gerald P.	Liace	Downers Grove	IL	Virginia L.	Smith	Russell	KY
William F.	Lippy	Louisville	KY	Dana R.	Stewart	Leitchfield	KY
Ashley N.	Maggard	Hartford	KY	Jay	Stinson	Simpsonville	KY
Roseanne	Makar	Dunedin	FL	Doug	Stoll	Louisville	KY
Jessica L.	Marr	Lexington	KY	Scott K.	Stout	Centerville	OH
Mark T.	McDonald	Cincinnati	OH	Kimberly L.	Sullivan	Georgetown	KY
Dennis	McNabb, Sr.	Owingsville	KY	Bryan K.	Swartwood, III	Severna Park	MD
Joseph J.	Menkhaus	Cincinnati	OH	James H.	Swatos	Chicago	IL
Gregory	Montgomery	Lexington	KY	Lawrence	Tannheimer, III	Louisville	KY
Anna K.	Morgan	Vienna	IL	Diane A.	Taylor	Lexington	KY
Reva C.	Morris	Louisville	KY	Timothy R.	Taylor	Buffalo	KY
Charles E.	Mosley	Marrowbone	KY	Melinda Michelle	Terrell	Lexington	KY
David B.	Muffett	Bowling Green	KY	George J.	Thornbury	Pikeville	KY
Michelle	Mullins	Lexington	KY	Carl Russell	Thornton	Houston	TX
Marc C.	Muncy	Richmond	KY	Eugene	Tillman	Louisville	KY
Jeffrey D.	Newsom	Lebanon	OH	Clinton R.	Tompkins	Goshen	KY
Bruce E.	Newville	Radcliff	KY	Sidney S.	Turner	Lexington	KY
Jeffrey D.	Noah	New Tazewell	TN	Amy J.	Wagers	Jeffersonville	KY
Mark N.	Perkins	Louisville	KY	Terry L.	Watson	New Albany	IN
Troy A.	Peterson	Henderson	KY	Joshua Brett	Watson	Louisville	KY
Michael B.	Pierce	Louisville	KY	Barry Ray	West	Princeton	KY
Jennifer A.	Pike	Georgetown	KY	Christine Elaine	White	Atlanta	GA
Rodney D.	Ping	Somerset	KY	Derrick Wayne	Wilbourn	Louisville	KY
Zilber R.	Plair, III	Cincinnati	OH	William C.	Willoughby	Brooksville	FL
Edward P.	Poore, Jr.	Burnside	KY	Jenette L.	Woolery	Lexington	KY
Stephen T.	Porter	Louisville	KY	Wanda L.	Woolum	LaGrange	KY
Patrick L.	Powers	Louisville	KY	Charles A.	Woolum	LaGrange	KY
Barry Alan	Pritchard	Hickory	KY	Kevin C.	Wright	Richmond	KY
Vincent J.	Pucciarelli	Davis	CA	Richard B.	Wright	Mayfield	KY
Timothy Xavier	Purcell	Cincinnati	OH	Elnoria	Wyatt	Glasgow	KY
George A.	Ranes	Newburgh	IN	Joseph Mark	Young	Clarksville	TN
Michael W.	Resce	Hinsdale	IL	Bruce Allen	Zoeller	Louisville	KY

*******IMPORTANT REMINDERS*******

CHANGE IN CONTINUING EDUCATION REQUIREMENT

CONTINUING EDUCATION REQUIREMENT BEGINNING JULY 1, 2007 FOR ALL INITIAL KENTUCKY CREDITIAL APPLICANTS

- Anyone receiving a new license between the dates of July 1, 2008 and December 31, 2008 will be required to obtain 14 hours of continuing education by the renewal date of June 30, 2009.
- Anyone receiving a new license between the dates of January 1, 2009 and June 30, 2009 will

not be required to obtain 14 hours of continuing education for the renewal date of June 30, 2009 renewal date, but will be required to obtain the 14 hours by June 30, 2010.

This change applies to and affects individuals that are licensed in the first six months of a renewal cycle.

NATIONAL USPAP UPDATE CLARIFICATION

Following additional research and clarification by the Appraiser Qualifications Board (AQB) of the current criteria, the requirement for completing the 7 hour National USPAP Update is based on a 24-month period and will become an immediate implementation by the Kentucky Real Estate Appraisers Board. The 24-month requirement is based on calendar months, not on a credential renewal period.

The 24-month requirement is based on the date you last completed the 7 hour National USPAP Update course or your first license credential date. You must complete and submit proof of completion for the 7 hour National USPAP Update course no later than 24-months from the date.

1. Regardless of whether you are required to complete the 7hour National USPAP Update course, you must complete 14-hours of continuing education within each renewal cycle of July 1 to June 30.
2. An individual who may wish to complete the 7-hour National USPAP Update each year will receive credit for 7-hours of continuing education each year and will satisfy the 24-month requirement for the 7-hour course update.
3. The 24-month term for 7-hour National USPAP Update will begin the calendar month an individual is first credentialed by the KREAB. Therefore, anyone who receives an initial credential of any type (Associate, Licensed, or Certified) in Kentucky will be required to demonstrate successful completion of a 7hour

National USPAP Update course no later than 24 months of that initial credential award date. This does not apply toward upgrading of a credential.

4. The 24-month requirement is based on calendar months, not on a credential renewal period.
5. If you have completed the 7 hour National USPAP Update course, the 24-month term will begin at the completion date of the course.
6. If the course is completed from 7/1/08 – 6/30/09 you will receive continuing education credit for this renewal period ending June 30, 2009.
7. Individuals who are Kentucky credentialed by reciprocity from other States will not be expected to satisfy the national 7hour USPAP update requirements more than one time within a 24-month term. Therefore, if an individual is in compliance with his/her home State of credential, she/he will be considered in compliance with the Kentucky requirement for the 7hour USPAP update course. Course completion certificates must be submitted to the KREAB upon completion of the course.
8. Credit for individuals who are Kentucky credential by reciprocity from other States will be awarded for on-line 7-hour National USPAP Update courses if that on-line course is recognized in the credential holders home State. However, the KREAB does not recognize or approve credit for USPAP on-line courses at this time, for credential holders who are residents in Kentucky.

An updated list of the 7 hour National USPAP Update required dates can be obtained on the KREAB website at www.kreab.ky.gov – Home Page

EDUCATION NOT APPROVED BY THE KREAB

Anyone who requests education approval for a course not approved by the KREAB must submit a course description, course time outline (50-minutes of instruction equals one hour of class time). If the course is taken outside the State of Kentucky, a completion certificate indicating approval by the appraiser regulatory agency in the State where the

course was offered must be submitted. This information must be submitted with any course that is not listed on the approved education list that can be viewed on the KREAB website at www.kreab.ky.gov.

ADMINISTRATIVE REGULATION EXPERIENCE HOURS

All applicants for real property appraiser experience in the Commonwealth of Kentucky are advised to be familiar with the following explanation and amplification of 201 KAR 30:050, Section 6.

Effective July 1, 2005 “all” applicants applying to the Kentucky Real Estate Appraisers Board, without having received a prior credential, for Certified General Real Property Appraiser, Certified Residential Real Property Appraiser or Licensed Real Property Appraiser must affirm by a signed and certified experience log that the hours presented were completed while the applicant was practicing as a Licensed Associate Real Property Appraiser under the “direct” supervision of a Certified General Real Property Appraiser, Certified Residential Real Property Appraiser or Licensed Real Property Appraiser. Beginning January 1, 2008 only a certified general or a certified residential real property appraiser may act as a supervising real property appraiser. The log must be signed, and the signatures notarized by the applicant and all licensed/certified appraisers listed as providing supervisory duties for the specific assignments presented. Please remember that each supervising appraiser accepting responsibility for the training must notarize each specific assignment section that is pertinent to their supervision of the applicant.

Please note the above does not apply to 1) individuals currently licensed or certified but have their credentials in escrow, 2) for those individuals holding current valid credentials applying to move from one credential to the next, or 3) individuals who reside in a State other than

Kentucky and apply for a credential through reciprocity and wish to receive the same credential they possess in their home state. The requests for experience approval by applicants who were previously licensed or certified but have allowed their credentials to expire will be examined on a case by case basis.

EXAMPLE of UNACCEPTABLE SCENARIO: On July 1, 2006 an individual who was never licensed or certified as a real property appraiser, but worked two years in a real property appraiser’s office without applying for an Associate Real Property Appraiser License, applied with the Kentucky Real Estate Appraisers Board for the Certified Residential Real Property Appraiser credential with the notation that the only lacking requirement is successful completion of the national examination.

After reviewing the application the Board staff determines the individual has documented acceptable proof of education completion. The appraisal assignment log indicates the experience hours were completed under the direct supervision of a Certified Residential Real Property Appraiser. But, the applicant never applied for, or received, any prior credential, including the Associate Real Property Appraiser License, for the period in which experience credit is being requested. Therefore, in this scenario the individual will be denied experience credit until he/she receives an Associate Real Property Appraiser License and completes all required experience (time and hours) under the direct supervision of a licensed/certified appraiser(s).

ANSI Residential Measuring Standard Revised
201 KAR 30:040

At the March 26, 2004 meeting, the Kentucky Real Estate Appraisers Board voted unanimously to revise the administrative regulation adopting the **Method for Calculating Square Footage ANSI Z765-2003**. The rule is an updating of the current ANSI measuring standard which was in effect as of July 2003 for all appraisers in Kentucky.

The 2003 revision is made up of several editorial corrections to clarify language and the addition of a rule which acknowledges that at times, “circumstances can exist when direct measurement of a structure is not possible”. ***The basic field measuring methodology and reporting requirements have not changed.***

A copy of the current Z765-2003 revised standard is available from the NAHB Research Center bookstore at www.nahbrc.org/bookstore. The Board will be acquiring bulk rate copies for all appraisers in Kentucky for distribution.

IMPORTANT CHANGES TO APPRAISER QUALIFICATIONS!!!

On February 20, 2004, the Appraiser Qualifications Board of The Appraisal Foundation adopted changes to the *Real Property Appraiser Qualification Criteria* that will become effective on January 1, 2008. These changes represent the minimum national requirements that each state must implement for individuals applying for a real estate appraiser license or certification as of January 1, 2008. The changes include increased required education, which is summarized as follows:

Credential	Education Requirements	Experience Requirements	Examination Requirements	College Requirements
Associate	90 Hours	None	None	None
Licensed Real Property	180 Hours	2,500 Hours 24-Months	AQB – Certified Residential	Associate degree or higher. In lieu of the required degree, Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science and Business or Real Estate Law.
Certified Residential	200 Hours	2,500 Hours 24-Months	AQB – Certified Residential	Associate degree or higher. In lieu of the required degree, Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science and Business or Real Estate Law.
Certified General	300 Hours	3,000 Hours 30-Months	AQB – Certified General	Bachelors degree or higher. In lieu of the required degree, Thirty (30) semester credit hours covering the following subject matter courses: English Composition; Micro and Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science and Business or Real Estate Law; and two (2) elective courses in accounting, geography; agriculture economics; business management; or real estate.

The Appraiser Qualifications Board intends to issue additional guidance regarding implementation of the revised Criteria in the near future. Please be sure to check our website at www.appraisalfoundation.org for the latest information. Questions regarding the national requirements can be directed to John S. Brennan, Director of Research and Technical Issues at The Appraisal Foundation, 1029 Vermont Avenue, NW, Suite 900, Washington, DC, 20005, via e-mail to tojohn@appraisalfoundation.org or by phone at (202) 624-3044.

SUMMARY OF CASES

FYI, the Board has included in this newsletter a list of activities on filed cases including 1) total cases opened, 2) cases which were disposed of (dismissed or 'with action'), 3) a total of cases closed (a subtotal) and 4) the cases which carried over from one year to the next. The Board felt that it was worthwhile for you to understand that the staff as well as the Board is processing a significant number of cases each quarter.

Obviously the number of cases which were filed or opened has increased substantially with increased input from federal and state regulators. Further, the staff changes in 2003 and not being able to fill the position formerly held by the current Executive Director has had an adverse impact on the number of cases being held over from one year to the next.

Year	# Opened	# Dismissed	#With Action	Total Closed	Carry Over
1992	5	4	1	5	0
1993	16	11	5	16	0
1994	18	11	7	18	0
1995	9	8	1	9	0
1996	5	4	1	5	0
1997	25	9	16	25	0
1998	37	11	26	37	0
1999	26	6	20	26	0
2000	85	23	62	85	0
2001	68	18	50	68	0
2002	82	23	59	82	0
2003	115	54	61	115	0
2004	109	48	61	109	0
2005	84	35	48	83	1
2006	58	27	29	56	2
2007	75	8	22	30	45
2008	58				58
TOTALS	875	300	469	769	106

“ASSOCIATE” REAL PROPERTY APPRAISER REGULATIONS

1. As of January 1, 2008, experience must be completed under the supervision of a certified real property appraiser.
 2. For experience credit to be awarded, the Associate appraiser must, (1) sign the certification, or (2) be given credit in the certification for significant professional assistance, and (3) comply with Standards Rule 2-3(a)(b), or (c)(vii), as applicable.
 3. An Associate appraiser may perform an appraisal of property that the supervising appraiser has the competency and licensed authority to appraise.
 4. An Associate appraiser may have more than one supervisor, but must maintain a separate log for each supervisor.
 5. An Associate appraiser is entitled to obtain copies of the appraisal reports he or she has prepared, and the work file information for each assignment.
 6. A supervising appraiser shall have been licensed by the Kentucky Board for a period of one (1) year, be in good standing with the Kentucky Board, and shall be responsible for the training and supervision of the Associate appraiser.
 7. The supervising appraiser shall inspect the first fifty (50) properties that are the subject of the appraisals listed on the Associate's log.
 8. After the first fifty (50) assignments, a supervisor may permit an Associate appraiser to inspect properties within fifty (50) miles of the supervisor's office.
 9. The supervising appraiser, during the first twelve (12) months, shall accompany the Associate appraiser on any assignment greater than fifty (50) miles from the supervisor's office.
 10. A supervising appraiser may not have more than three (3) Associate appraisers at any one time.
 11. An Associate appraiser shall send one (1) appraisal report to the Board at the end of the first six (6) months and at the end of the first twelve (12) months of initial license.
- Any Associate appraiser who feels he/she is not receiving adequate supervision or training may call Larry Disney at the Board, in confidence, and discuss specific problems.

ASSOCIATE INFORMATION

Still some confusion: For an Associate Real Property Appraiser to receive experience credit toward certification, at least one of the following must be completed, (1) the Associate must sign the certification, or (2) the names of individuals providing significant real property appraisal assistance who do not sign a certification must be stated in the certification. It is not required that the description of their assistance be contained in the certification, but the description of their assistance is required in accordance with Standards Rule 2-3(a), (b), or (c)(vii), as applicable. If one of the steps is not completed in each report, the

Associate will not be awarded experience credit for the reports discovered lacking

Also, the act by any certified/licensed appraiser permitting an Associate appraiser to perform significant professional assistance and not permitting the Associate appraiser to sign the certification, or give the associate credit in the certification for significant professional assistance is a violation of the USPAP and could result in a sanction by the Board.

Attention all Kentucky Licensed and Certified Real Property Appraisers, The USPAP effective date cycles are:

- ◆ The 2006 Edition of USPAP will be effective from July 1, 2006 – December 31, 2007
- ◆ The next edition of USPAP will be effective for two years, January 1, 2008 – December 31, 2009
- ◆ Future USPAP editions will have a two-year effective date

PRE-LICENSING COURSE VS. CONTINUING EDUCATION COURSE

The Board receives several calls a day from individuals not understanding the difference between a pre-licensing course and a continuing education course.

A pre-licensing course is the education completed for initial licensure/certification or for an individual moving to another credential. A pre-licensing course must be at least 15 hours in length and require the successful completion of an examination at the end of the course.

A continuing education course is one completed for renewal of a license/certification. A continuing education course can be from 2 hours to “?” hours and the attendees

are not required to complete a test at the end of the course, excluding the National USPAP Course. ***But, continuing education courses absent successful completion of an examination will not apply toward the education required to obtain a license/certification.***

Individuals who take a pre-licensing course **and** pass the exam at the end of the course may receive both pre-licensing and continuing education credit for the course. However, a pre-licensing course taken by an individual who does not take the test, or failed the test, can receive continuing education credit only.

WHO NEEDS CONTINUING EDUCATION?

There still seems to be some confusion with regard to who is required to complete the 14 hours of continuing education, and when it is required to complete the 14-hours.

An applicant's original date of licensure governs when she/he must complete 14 hours of continuing education. The KREAB fiscal year runs from July 1st through June 30th. If your licensure/certification renewal for all categories of appraisers, **including Associates**, is on or before December 31st; commencing with the next fiscal year, you are required to complete 14 hours of continuing education.

If you move to another credential during the fiscal year, your first original license issue date is the basis date for renewal. Any questions, please call the Board office.

Beginning July 1, 2007, anyone receiving a new license between the dates of July 1, 2008 and December 31, 2008 will be required to obtain 14 hours of continuing education no later than the renewal date of June 30, 2009. This change only affects individuals who are licensed in the first six months of a renewal cycle (July 1 to December 31).

Also, it is much easier and less frustrating if you will complete continuing education before the last week in June. If you do wait until the last week in June to complete your education, your certificate will not be issued until the Board has proof of the completion of all education. Proof can be a faxed copy of the certificate. The Board staff will accept the education provider list for proof of satisfying continuing education credit, but the appraiser is required to send a copy of the completion certificate to the Board office.

If you schedule classes the last week of June and wish to mail the renewal fee and form early, you may do so; but please include a note with the form stating when the courses will be taken. The Board must receive payment and proof of education completion no later than July 1 to avoid a late renewal charge.

Please submit course completion certificates at the time of course completion. Waiting to send the certificate with your renewal application may delay processing your certification/license.

APPROVED EDUCATION

Please Refer To The KREAB Website For Information On Education.

WWW.KREAB.KY.GOV

Approved Education 2008-09 - Revised 7/1/08 – PDF File

BOARD FEES

Initial license/certification	\$200.00
Current USPAP Fee	\$12.00
Roster Fee	\$25.00
Renewal Fee (Certified General, Certified Residential & Licensed Real Property)	\$237.00
Renewal Fee (Associate)	\$212.00
Initial Inactive Status	\$50.00
Address Change	No charge
Address Change with new certificate	\$10.00
Letter of Good Standing	No charge
State Appraiser List (ASC National Roster Fee)	\$25.00
Continuing Education Course Approval	\$50.00
Pre-Licensing Course Approval	\$100.00
NSF Check Fee	\$25.00
NSF Renewal Check Fee	\$200.00 may be charged if renewal check is returned after July 1

Upgrading a license/certification during a fiscal year requires an additional license, roster & book fee. There is no prorating of fees.

If you are moving or obtaining a license or certification before the renewal cycle, you have two options: 1) If obtaining a license/certification prior to the renewal date, you will be required to pay the licensing fee at that time and then a renewal fee by June 30th with no prorating of fees, or 2) Waiting until July 1 to have your license or certification issued and only paying one fee. If you have any questions, please call Angie at the Board office or you can email her at Angie.Thomas@ky.gov.

RECIPROCAL STATES & TELEPHONE NUMBERS

Alabama	(334) 242-8747	New York	(518) 473-2728
Arizona	(602) 542-1539	North Carolina	(919) 420-7920
California	(916) 552-9000	North Dakota	(701) 222-1051
Colorado	(303) 894-2166	Ohio	(614) 466-4100
Florida	(407) 317-7044	Oregon	(503) 373-1505
Georgia	(404) 656-3916	Pennsylvania	(717) 783-4866
Illinois	(312) 793-3000	South Dakota	(605) 773-3178
Indiana	(317) 232-2980	Tennessee	(615) 741-1831
Maine	(207) 624-8520	Texas	(512) 465-3950
Maryland	(410) 230-6165	Washington	(360) 753-1062
Missouri	(573) 751-0038	West Virginia	(304) 558-3919
New Hampshire	(603) 271-6186	Wyoming	(307) 777-7141

The KREAB will only accept the classifications of Certified General and Certified Residential for reciprocal license.

Indiana –The individual must have been licensed in Indiana for at least two (2) years.

HAVE YOU BEEN IN AN INACTIVE STATUS FOR THREE YEARS?

Under KRS 324A(4), if you have been in an Inactive Status for 3 years, you will have to meet “all requirements for original license or certification” in order to return to active status. Check now and be certain that you don’t get blindsided by not activating your status in a timely fashion. A list of all inactive individuals can be found on the KREAB website at www.kreab.ky.gov.

YEAR LICENSED PLACED INACTIVE:	LICENSE MUST BE ACTIVATED BY:
July 1, 2006	June 30, 2009
July 1, 2007	June 30, 2010
July 1, 2008	June 30, 2011

TO RETURN TO ACTIVE STATUS

(1) Petition the Board for reactivation of the certificate or license; and (2) pay the applicable renewal fee, roster fee and book fee (\$237.00); and (3) provide evidence of completion of the annually required continuing education hours (14) for each year of inactive status. Remember that if you did not complete the continuing education for the year prior to placing

your license/certification in the inactive status, you will also be required to complete that 14 hours of continuing education. (Example: 14 hours x 3 years in an inactive status = 42 + 14 hours for the year prior to placing your license in an active status = 56 total continuing education hours).

APPRAISAL STANDARDS BOARD
QUESTIONS AND ANSWERS

The Appraisal Standards Board (ASB) of The Appraisal Foundation develops, interprets, and amends the Uniform Standards of Professional Appraisal Practice (USPAP) on behalf of appraisers and users of appraisal services. The USPAP Q&A is a form of guidance issued by the ASB to respond to questions raised by appraisers, enforcement officials, users of appraisal services and the public to illustrate the applicability of USPAP in specific situations and to offer advice from the ASB for the resolution of appraisal issues and problems. The USPAP Q&A may not represent the only possible solution to the issues discussed nor may the advice provided be applied equally to seemingly similar situations. USPAP Q&A does not establish new standards or interpret existing standards. USPAP Q&A is not part of USPAP and is approved by the ASB without public exposure and comment.

The USPAP Q&A is posted each month on The Appraisal Foundation website (www.appraisalfoundation.org). The ASB compiles the monthly USPAP Q&A into the USPAP Frequently Asked Questions (USPAP FAQ) for publication with each edition of USPAP. In addition to incorporating the most recent questions and responses issued by the ASB, the USPAP FAQ is reviewed and updated to ensure that it represents the most recent guidance from the ASB. The USPAP Frequently Asked Questions can be purchased (along with USPAP and USPAP Advisory Opinions) by visiting the "Foundation Store" page on The Appraisal Foundation website (<https://commerce.appraisalfoundation.org>).

*For further information regarding USPAP Q&A, please contact: **John S. Brennan**, Director of Research & Technical Issues.*

*The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005
(202) 624-3044
(202) 347-7727 Fax
john@appraisalfoundation.org*

QUESTION # 1

Requirement of Signing Reports

What is the USPAP requirement regarding signing a report?

RESPONSE TO QUESTION # 1

USPAP requires that each written report include a signed certification. Although most written reports include the appraiser's signature on the report or a letter of transmittal, this is not required by USPAP. However, an appraiser who signs any part of the report must also sign the certification. For an oral report, USPAP requires that a signed and dated certification be part of the workfile.

QUESTION # 2

Signing Digital (Electronic) Reports

What is the USPAP requirement for signing a digitally created (electronic) report?

RESPONSE TO QUESTION # 2

The requirement for paper (hard copy) and digital (electronic) reports is the same. The appraiser must include a signed certification with each report.

QUESTION # 3

Changing the Certification

Must the certification be exactly the same as that presented in USPAP? May an appraiser add items to the certification?

RESPONSE TO QUESTION # 3

USPAP states that the report must contain a signed certification that is **similar** in content to the form provided in the Rules related to reporting. An appraiser may modify or add to the certification as necessary. For example, the names of appraisers providing significant appraisal assistance who do not sign the certification should be stated in the certification. There are also certification requirements in some jurisdictions for real property appraisal certifications and licenses as well as requirements related to membership in a professional association. Clients, intended users, and the intended use may also require additional certification items.

Appraisers using preprinted appraisal forms should be aware that clients and client groups may prohibit altering the preprinted certification used in assignments performed for them, but any such prohibition is not contained in USPAP.

QUESTION # 4

Competency Statement in the Report

Does USPAP require an appraiser to include a "competency statement" in all reports?

RESPONSE TO QUESTION # 4

No. USPAP does not require that an appraiser provide a statement of competency in all reports. Only when the appraiser accepts an assignment with a lack of knowledge and/or experience does the COMPETENCY RULE require the appraiser to describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

QUESTION # 5

Signature Authorization

Can I authorize someone else to sign an appraisal report for me, using my signature? If so, could you identify what steps I must take to do this correctly?

RESPONSE TO QUESTION # 5

USPAP does not specifically state that the appraiser can only personally sign a report. It does state, in the definition of signature, that the signature be “*personalized evidence indicating authentication*” and requires the appraiser to have “*sole personal control of affixing the signature.*”

Standard Rule 2-3 states: *Each written real property appraisal report must contain a signed certification...*

In the DEFINITIONS section, a “Signature” is defined as:

personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses, and the conclusions in the report.

Comment: A signature can be represented by a handwritten mark, a digitized image controlled by a personal identification number, or other media, where the appraiser has sole personal control of affixing the signature.

Unless specifically contrary to the law of a particular jurisdiction, USPAP allows another person to sign for an appraiser, as long as it is with the appraiser’s specific authorization and is clear. One solution would be for that other person to sign the appraiser’s name and then write their own initials along side the signature, preceded by the word “by” (for example, ‘by sbk”).

QUESTION # 6

Authentication of the Appraiser’s Digital Signature

Is an appraiser required to use software or other means that allows for the user to authenticate or verify the validity of the appraiser’s digital signature?

RESPONSE TO QUESTION # 6

No. However, appraisers are required to maintain sole personal control of affixing the signature. Once the report has been completed, the appraiser is not required by USPAP to have a process to authenticate or verify the validity of the appraiser’s signature. This applies to both handwritten and digital signatures.

QUESTION # 7

Approving the Use of Your Digital Signature

I am in a situation where I need to authorize someone to apply my digital signature for me. This would require me to reveal my current Personal Identification Number (PIN) or password to that person. If I approve this use of my digital signature have I given up “sole personal control?”

RESPONSE TO QUESTION # 7

No. Such action does not constitute a relinquishment of your digital signature or personal control, and is not a violation of USPAP.

QUESTION # 8

Providing Signature to Create a Signature File

I am a residential appraiser and I use software to generate my appraisal reports. The software company requires me to provide a copy of my signature to create an electronic signature file for use with the software. Under USPAP does this represent giving up “sole personal control” of my signature and violate USPAP?

RESPONSE TO QUESTION # 8

No. This situation is analogous to providing a copy of your signature to a rubber stamp company for purposes of creating a signature stamp. Common business agreements in these situations limit use of the signature to creating the signature image. In providing a signature to a software company or rubber stamp company, the appraiser is not authorizing use of the signature.

QUESTION # 9

Losing Control of a Digital Signature

If my digital signature is stolen, am I in violation of USPAP for failing to have “sole personal control” of my signature?

RESPONSE TO QUESTION # 9

No. Unauthorized use of the appraiser’s signature is not a violation of USPAP. If the appraiser’s digital signature is stolen, the appraiser is the victim of a crime. Any use of the signature is not authorized and beyond the appraiser’s control.

This is analogous to a party who uses an appraiser’s rubber signature stamp without permission from the appraiser, or a party who simply puts pen and ink to paper and forges an appraiser’s signature. In these cases the appraiser did not give permission to use his or her signature.

QUESTION # 10

Client Altering the Report

When I transmit my residential form report electronically I have heard that some of my clients are opening the appraisal file and removing my signature file, reformatting

the data, and in other ways altering my appraisal report for the client's use. What are my responsibilities under USPAP if I know or believe such actions are occurring after my report is delivered to the client?

RESPONSE TO QUESTION # 10

USPAP does not specifically address who "owns" an appraisal report, the research necessary to produce that report or the report's supporting documentation. Once an appraisal report is delivered to a client, a client may do a variety of things, including redacting or removing the appraiser's signature, or converting data from the report into a format more functional to the client, etc. Once the appraisal report has been transmitted to the client, USPAP does not place further responsibility on the appraiser for the client's use of that report.

QUESTION # 11

Client Altering The Report (Follow-Up)

The September 2007 USPAP Q&A titled "Client Altering the Report," included the following statement in its response:

Once an appraisal report is delivered to a client, a client may do a variety of things, including redacting or removing the appraiser's signature, or converting data from the report into a format more functional to the client, etc.

I am confused by the phrase "a client may do a variety of things..." Is the Appraisal Standards Board (ASB) suggesting these actions by clients are permissible?

RESPONSE TO QUESTION # 11

It is not the ASB's role to grant permission to clients. The ASB was acknowledging that clients do a variety of things with completed appraisals, such as those noted and others; determining whether such actions are appropriate is not within the purview of the ASB.

The point of the September 2007 USPAP Q&A is that once an appraisal report has been transmitted to the client, USPAP does not place further responsibility on the appraiser for the client's use of the report.

QUESTION # 12

Are Instant Messages or Text Messages Appraisal Reports?

I perform appraisal assignments for a client who asks to be notified of my final value conclusion via instant message or text message. Is this communication to the client an appraisal report that must comply with USPAP?

RESPONSE TO QUESTION # 12

Yes, this communication of assignment results is considered an appraisal report. Instant messages or text messages are written communications and, for assignments involving real property, are subject to the requirements of Standards Rules 2-2.

Oral appraisal reports of real property (where assignment results are communicated by the spoken work) are subject to the requirements of Standards Rule 2-4.

QUESTION # 13

Checking "Stable" vs. "Declining"

When performing residential appraisal assignments I use "standard" preprinted appraisal software forms. The forms ask me to identify whether neighborhood property values are "increasing," "stable," or "declining." I have been told that lenders won't accept appraisal reports where "declining" is checked (even when this is an accurate analysis), so I usually check "stable" to accommodate the underwriting process. Is this a violation of USPAP?

RESPONSE TO QUESTION # 13

Yes. If the appraiser is aware that a market is declining and **intentionally** reports it otherwise, he or she is in violation of the ETHICS RULE.

If an appraisal report indicate that property values are "stable" when they are actually declining and the appraiser's data supports the conclusion of declining values, the report is misleading and in violation of Standards Rule 2-1(a).

In addition, if the appraiser does not properly recognize that a market is declining, he or she may also be in violation of other requirements in STANDARD 1, as well as the COMPETENCY RULE.

QUESTION # 14

Is Compliance with STANDARD 3 Required when Submitting a Complaint?

I am a real property appraiser. I want to submit a complaint regarding an appraisal report to my state appraiser regulatory agency. I would like to express my opinion and comments about the quality of the appraisal report in a cover letter. Am I obligated to comply with STANDARD 3 regarding my opinions and comments regarding the appraisal? If so, who is my client?

RESPONSE TO QUESTION # 14

No, you are not required to comply with STANDARD 3. Because the individual filing the complaint is acting as an appraiser, USPAP applies. However, because there is no client, there is no assignment and so STANDARD 3 does not apply. Therefore, the appraiser making the complaint would be obligated to comply with the portions of USPAP that apply generally to appraisal practice (i.e.

DEFINITIONS, PREAMBLE, the Conduct, Management, and Confidentiality sections of the ETHICS RULE, the COMPETENCY RULE, the JURISDICTIONAL EXCEPTION RULE, and the SUPPLEMENTAL STANDARDS RULE).

QUESTION # 15

Intentionally “Deflating” Opinions of Value

Most appraisers know that “inflating” values is unethical, but some appraisers think that “deflating” values is acceptable, particularly in light of difficult market conditions. I think that both actions are unethical. Am I correct?

RESPONSE TO QUESTION # 15

Yes. The ETHICS RULE requires an appraiser to be independent, impartial, and objective, and to perform assignments without bias. An appraiser who intentionally “inflates” or “deflates” an opinion of value would be in violation of the Conduct section of that Rule.

QUESTION # 16

When does Appraiser-Client Confidentiality End?

I performed an appraisal assignment for a lender client who has subsequently gone out of business. Now the borrower is requesting a copy of the appraisal from me since the company is defunct and there is no way to contact them. Does my obligation for appraiser-client confidentiality end since the client no longer exists?

RESPONSE TO QUESTION # 16

No. USPAP has no provision for terminating appraiser-client confidentiality. An appraiser is required to comply with the requirements of the Confidentiality section of the ETHICS RULE, regardless of the status of the client.

QUESTION # 17

Readdress or Transfer

Is it acceptable to readdress or transfer a completed appraisal report?

RESPONSE TO QUESTION # 17

No. Once a report has been prepared for a named client or clients, the appraiser cannot “readdress” (transfer) the report to another party. Simply changing the client name on the report cannot change or replace the original appraiser-client relationship. Therefore, this action is misleading.

However, you can consider the request as a new assignment. In so doing, you may establish a new appraiser-client relationship and appraise the property for this new client.

Additional information can be found in Advisory Opinion 26, *Readdressing (Transferring) a Report to Another Party*. Important considerations, such as the handling of confidential information and other factors, are addressed in Advisory Opinion 27, *Appraising the Same Property for a New Client*.

QUESTION # 18

Changing the Scope of Work after the Report has been Submitted

Sometimes after submitting my appraisal report, my client will ask me to perform additional work. This can mean looking at more or different comparables or developing another approach. Do these requests for additional work create a new assignment?

RESPONSE TO QUESTION # 18

No. Requests to perform additional research or analysis change the scope of work, but do not create a new assignment. The additional work can be performed as part of the original assignment. The appraiser may decide, as a business decision, to treat the request for additional research and analysis as a new assignment, but is it not required.

QUESTION # 19

Errors of Commission and Omission

A reviewer recently told me that my residential appraisal did not comply with USPAP because of “errors of omission and commission” and cited Standards Rule 1-1(b). What is the difference between these errors?

RESPONSE TO QUESTION # 19

An error of *commission* is doing something incorrectly. For example, to incorrectly identify the subject property’s relevant characteristics is an error of commission. In a residential appraisal assignment, this could be inaccurately measuring the property.

An error of *omission* is neglecting to do something that is necessary. For example, failing to identify the subject property’s relevant characteristic is an error of omission. In a residential appraisal assignment, this could be neglecting to measure the second level of a two-story house.

QUESTION # 20

Making a Series of Errors

A reviewer told me that my real property appraisal did not comply with USPAP because I made several minor calculation and analytical errors. Does USPAP address this issue?

RESPONSE TO QUESTION # 20

Yes. Standards Rule 1-1(c) addresses when small errors affect the credibility of the assignment results. For example, in a residential appraisal, making small errors in determining the property size, not recognizing minor deferred maintenance items, and making a small negative adjustment when it should have been a positive adjustment, could affect credibility.

An appraiser may not make a number of errors that, while not individually significant to the assignment results, would, when taken together, affect the credibility of those results.

QUESTION # 21

Geographic Competency in Appraisal Reviews

I have a client who has asked me to perform a desk review on a property located in a different state. I have no knowledge of the real estate market in that state and have never even stepped foot there. Can I perform a USPAP-compliant appraisal review on this property?

RESPONSE TO QUESTION # 21

Yes. If you are engaged to determine whether or not the appraisal under review complies with certain guidelines or standards, geographic competence is not typically relevant. Alternatively, review assignments that include evaluating the selection and adjustments of comparable sales typically require geographic competence. As in all assignments, an appraiser must identify the scope of work required for the assignments and determine if he or she has the knowledge and experience to complete the assignment competently.

QUESTION # 22

Appraisal Without Knowing Sale Price

I have been asked to perform an appraisal for a home that I know is under contract. No lender is involved and the buyer and seller do not want the appraiser to know the amount of the sales contract. Can I accept this assignment and still comply with USPAP?

RESPONSE TO QUESTION # 22

Yes. USPAP does not contain a requirement for the appraiser to know the pending sale price of a subject property.

Standards Rule 1-5(a) does require the appraiser to analyze all current agreements of sale, listings of the subject property, etc. when available during the normal course of business.....

*When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser **in the normal course of business**, analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal. (Bold added for emphasis).*

However, if the appraiser's scope of work and the normal course of business render the subject property's pending transaction details unavailable, the appraiser may be able to comply with USPAP without obtaining the information. For more information on the normal course of business, please see Advisory Opinion 24, *Normal course of Business*.

It should be noted that when the amount of the sale contract is unknown, this does not eliminate the appraiser's responsibility to analyze other information that is available related to the pending sale. This can include information such as marketing history and other details of the pending sale that may be available.

QUESTION # 23

Due Process Under Confidentiality

I received a request from my state attorney general's office to turn over some appraisal reports I had prepared. Can I comply with this simple request or must it be in the form of a subpoena?

RESPONSE TO QUESTION # 23

The Confidentiality section of the ETHICS RULE states, in part:

*An appraiser must not disclose confidential information or assignment results prepared for a client to anyone other than the client and persons specifically authorized by the client; state enforcement agencies and such third parties **as may be authorized by due process of law**... (Bold added for emphasis)*

USPAP does not identify what constitutes "due process of law." While a subpoena or court order might clearly constitute due process, a simple verbal or written request might not. Therefore, for requests of this type, it may be necessary to seek legal counsel to determine what constitutes "due process."

QUESTION # 24

Appraiser Qualifications in Report

I've seen several narrative appraisals that include a copy of the appraiser's resume, professional qualifications, or curriculum vitae (CV). Does USPAP require an appraisal report to include the appraiser's qualifications?

RESPONSE TO QUESTION #24

No. Although certain professional appraiser organizations or users of appraisal services might require the report to include the appraiser's qualifications, it is not a USPAP requirement.

QUESTION # 25

Appraisal Report Received by Others

I was recently contacted by a lender regarding an appraisal I had performed for another client. The lender had somehow obtained a copy of my appraisal report and had some questions they wanted me to answer. However, this lender was not my original client and was not named as an intended user. Are there any USPAP prohibitions against discussing my appraisal with this lender?

RESPONSE TO QUESTION #25

Yes. USPAP prohibits the appraiser from communicating assignment *results or confidential information* (as defined in USPAP) to anyone other than the client and parties specifically authorized by the client (with the exception of those authorized by due process of law, etc.) Even if the lender who had contacted the appraiser was identified as an intended user in the original appraisal report, that lender is not part of the appraiser-client relationship. Therefore, authorization from the client would be needed if that lender wanted to discuss *assignment results or confidential information*.

Barring an agreement between the appraiser and the original client prohibiting disclosure of any information pertaining to the assignment, the appraiser may confirm that he or she performed an appraisal on the subject property, and may communicate anything other than *assignment results* (which include the appraiser's opinion and conclusions, in addition to the value conclusion) or *confidential information* (as defined in USPAP).

QUESTION # 26

Changing the Effective Date

I recently had a client contact me and ask me to change the effective date of my appraisal, to make it one week after the effective date shown in my report. Does USPAP permit me to simply change the effective date without taking additional steps?

RESPONSE TO QUESTION #26

No. As indicated in the SCOPE OF WORK RULE, the effective date of the appraiser's opinions and conclusions is an assignment element.

If the client is asking for an appraisal with a different effective date, the appraiser needs to determine the appropriate scope of work to produce credible assignment results for this request. Such a request would need to be considered a new assignment, but that does not necessarily require "starting from scratch." As with all new assignments, the appraiser must decide the appropriate scope of work to produce credible assignment results. This would include a decision as to whether or not it was necessary to perform another inspection, as well as the extent of any additional research and analyses that might be required. The scope of work for the new assignment can be different from the scope of work completed in the earlier assignment. As with any assignment, the appraiser might be able to use information and analyses developed for a previous assignment.

QUESTION # 27

Does Appraising a Physical Segment Require Use of a Hypothetical Condition?

I received a request to perform an appraisal on an improved property; however, the client only wants me to provide an opinion of land value, giving no value to the improvements. Does such an assignment require the use of a hypothetical condition, since the improvements exist but are not being included in the value?

RESPONSE TO QUESTION #27

No, such an assignment does not require the use of a hypothetical condition.

Standards Rule 1-2(e)(v) permits the appraisal of a physical segment of a property. In this example, the segment being appraised would be the land. Put simply, the land is the subject of the assignment and the improvements are not. To avoid communicating a misleading appraisal report, the report would have to acknowledge the *existence* of the improvements on the land, but they do not have to be included in the valuation.

USPAP defines a hypothetical condition as:

that which is contrary to what exists but is supposed for the purpose of analysis.

In this example, a hypothetical condition would not be required because the land does, in fact, exist. This is no different than the situation that commonly exists in appraisals employing the cost approach. In arriving at an opinion of value by the cost approach, an appraiser often develops an opinion of the site value as if vacant; separate from an estimated value of the improvements.

This can be contrasted by an assignment that includes providing a current value of proposed improvements. Appraising the improvements as if currently completed is contrary to what exists, so a hypothetical condition would be required in that case.

QUESTION # 28

Must a Hypothetical Condition or Extraordinary Assumption be Labeled?

If I employ a hypothetical condition or an extraordinary assumption in an assignment, does USPAP require me to label it as such?

RESPONSE TO QUESTION #28

No, USPAP does not require use of the specific terms *hypothetical condition* or *extraordinary assumption*. USPAP requires that all hypothetical conditions and extraordinary assumptions be disclosed clearly and conspicuously, and it must be disclosed that their use might affect the assignment results.

QUESTION # 29

Is a Letter of Transmittal Part of an Appraisal Report?

I recently completed an appraisal report that included a letter of transmittal as part of my report. Some of the items required to comply with the reporting requirements of USPAP appear only in the letter of transmittal. My client states that a letter of transmittal is not part of the appraisal report, and these items must appear within the body of the report to comply with USPAP. Is my client correct?

RESPONSE TO QUESTION #29

No, the client is not correct. Although a letter of transmittal is not required by USPAP, there is nothing in USPAP that prohibits making a letter of transmittal part of the appraisal report.

It should be noted that USPAP does require an appraiser signing any part of an appraisal report, including a letter of transmittal, to also sign the certification.

QUESTION # 30

Does USPAP Require Identifying Appraisal Credentials?

I am a state certified real estate appraiser and typically list my state license number directly below my signature on appraisal reports. I spoke with an appraiser in another state who said USPAP has certain requirements pertaining to identification of credentials in an appraisal report. Is this

correct, does USPAP address how appraiser credentials must appear in an appraisal report?

RESPONSE TO QUESTION #30

No. There are no requirements in USPAP specifying how an appraiser must identify his or her credentials in an appraisal report. That is a matter of individual state laws for state licensed or certified appraisers. There may also be specific requirements from professional appraiser organizations for appraiser who possess designations from those organizations.

QUESTION # 31

Which USPAP Standards Apply to Personal Property Appraisal Consulting?

I'm aware that STANDARDS 4 and 5 in USPAP apply to real property appraisal consulting, but which Standards apply to personal property appraisal consulting?

RESPONSE TO QUESTION #31

USPAP does not contain any specific standards for personal property appraisal consulting. Therefore, the portions of USPAP applicable generally to appraisal practice would apply. These portions include the DEFINITIONS, PREAMBLE, the Conduct, Management, and Confidentiality sections of the ETHICS RULE, the COMPETENCY RULE, and the JURISDICTIONAL EXCEPTION RULE.

QUESTION # 32

Providing Sample Appraisal Reports

Recently I've heard that some appraisers are using a questionable technique to provide sample appraisal reports for prospective clients. These appraisers will redact all confidential information from the report (as required to comply with the Confidentiality section of the ETHICS RULE in USPAP) and send it to a prospective client, but then will follow-up with an additional email that provides the client with all of the information that had been redacted from the sample report. Is this practice acceptable?

RESPONSE TO QUESTION #32

No. Although the confidential information and assignment results are not being communicated simultaneously with the initial submission of the sample report, they are nonetheless being communicated in the subsequent e-mail transmission.

The Confidentiality section of the ETHICS RULE does not permit communicating confidential information and assignment results without the client's consent, even if that information is provided in a separate communication.

QUESTION # 33

Does Changing the Sales Price Result in New Assignment?

I recently completed an appraisal for mortgage financing purposes in a purchase transaction and delivered the report to my client. My appraised value did not support the pending sale price. As a result, the purchase transaction was not consummated. However, one week later the buyer and seller entered into a new purchase agreement where the sale price coincided with my appraised value. My client asked if I can provide a revised report that includes the analysis of the newly agreed-upon sale price. To provide a revised appraisal report, must I consider the client's request as a new assignment?

RESPONSE TO QUESTION #33

If the client does not require a more current effective date, USPAP would mandate treating the request as a new assignment. However, if the client does require a more current effective date, the request must be treated as a new assignment.

In this example, regardless of whether the effective date is changed, the date of the report would have to change to accurately reflect the appraiser's consideration of the newly obtained agreement of sale. Because the new purchase agreement was obtained *after* the date of the first report, the revised report would need to have a date of report that is the same as or later than the date of the new purchase agreement was obtained by; the appraiser.

In addition, the new report would also need to reflect the appraiser's analysis of the prior agreement of sale. In the development of an appraisal, an appraiser is required under Standards Rule 1-1(b), to *not commit a substantial error of omission or commission that significantly affects an appraisal*. Since information about the prior agreement of sale is known by the appraiser and that information is relevant to the appraisal problem, it must be considered.

Additional related guidance may be found in Advisory Opinion 3, *Update of a Prior Appraisal*; Frequently Asked Question #127, *Does a New Assignment Require Starting Over?*; Frequently Asked Question #143, *Offers to Purchase Subject Property*; and February 2008 USPAP Q&A *Changing the Effective Date*.

QUESTION # 34

Is it Permissible to Use MLS Photos for Comparable Sales?

I use "standard" pre-printed appraisal report forms that contain a statement saying I personally inspected the exterior of the comparable sales. The assignment conditions require me to comply with this statement and do not permit any alterations. One of my clients now requires two additional sales of comparable properties to be included with every appraisal report. However the client told me not to inspect the exterior of these additional sales comparables to just use the MLS photos. May I comply with the client's request?

RESPONSE TO QUESTION #34

No, because you are being asked to not inspect the comparable sales when the form states that you have. You must either inspect the sales or change your report to indicate you did not inspect the sales.

QUESTION # 35

Is it Permissible to Use MLS Photos for Active Listings?

I use a pre-printed appraisals report form that contains a statement saying I personally inspected the exterior of the comparable *sales*, but it does not address active listings. One of my clients now requires two additional active listing comparable properties to be included with every appraisal report. However, the client told me not to inspect the exterior of these active listings and to just use the MLS photos. Am I compliant with USPAP if I do not physically inspect the exterior of these properties and only use the MLS photos?

RESPONSE TO QUESTION #35

Yes, because USPAP does not require physical inspections or photographs. However, both are often required by clients. If an inspection of the active listing comparables is not required for credible assignment results, and it is not contrary to assignment conditions or specific statements in the report, then using MLS photo and not performing an exterior inspection would be acceptable.

QUESTION # 36

Can an Appraiser Disclose the Identity of Past Clients in an Appraisal Report?

I have a client that requires my resume to be included with each appraisal report I perform for them. Does USPAP permit me to identify past clients in my resume, since it will be included in the appraisal report?

RESPONSE TO QUESTION #36

There are not prohibitions in USPAP against identifying an appraiser's past clients. An exception might exist if the client told the appraiser not to disclose their identity.

APPRAISER LICENSE STATISTICS - As of July 14, 2008

LICENSEES	NO.	INACTIVE STATUS	NO.
Certified General	496	Certified General	25
Certified Residential	842	Certified Residential	49
Licensed Real Property	32	Licensed Real Property	2
Associate	239		
TOTAL	1609		76

WELCOME NEW APPRAISERS

NAME	LEVEL	CITY, STATE
Mark Abbotoy	Certified Residential	Hartsville, TN
Ann Adkins	Certified Residential	Clarksville, TN
Marius W. Andreasen	Certified General	Chicago, IL
Lea Ann Averitt	Associate	Lexington, KY
Michael Aytes	Associate	Villa Hills, KY
N. Sean Bagnoli	Certified Residential	Cincinnati, OH
Todd L. Barfield	Certified General	Ocala, FL
Mark E. Barrs	Certified General	Montgomery, AL
James Ryan Bays	Certified Residential	Owensboro, KY
Brian O. Booth	Associate	Owensboro, KY
James R. Borowiec	Certified Residential	Wilmington, NC
Ronald P. Braswell	Certified Residential	New Lenox, IL
Johnathan Burns	Associate	Georgetown, IN
Debra L. Catron	Certified Residential	Gentryville, IN
Justin M. Caudill	Associate	Morehead, KY
Donald Cecil	Associate	Salyersville, KY
Jonathan D. Chapman	Certified General	Raleigh, NC
Laura S. Chapman	Associate	Louisville, KY
Travis S. Charlton	Certified Residential	Jupiter, FL
Larry W. Chesser	Certified Residential	Willisburg, KY
Edward Lutrell Childers	Certified General	Houston, TX
Jerry L. Cornett	Associate	Lily, KY
Terry Crist	Associate	Corbin, KY
Stuard W. Dishman	Associate	Somerset, KY
Deborah C. Donnelly	Certified Residential	Powell, TN
David G. Dunne	Associate	Louisville, KY
Juanita Lynn Edge	Associate	Bowling Green, KY
Ceilia P. Epner	Certified General	Sarasota, FL
Andrew C. Fagerstrom	Associate	Madisonville, KY
John D. Fahland	Certified Residential	Crestwood, KY
Jon W. Faulkner	Certified Residential	Miamisburg, OH
Ronnie W. Garland	Associate	Corbin, KY
Michelle Marie Garrett	Certified General	Knoxville, TN
Michael P. Gathman	Certified General	Chicago, IL
Casey Cash Gill	Certified General	Dexter, MO
Samuel J. Gold	Certified General	Chicago, IL
Julie E. Grider	Associate	Lexington, KY
John E. Hamilton	Certified Residential	Charlotte, NC
Richard K. Hamilton	Certified Residential	Maineville, OH
Kathryn Harkins	Certified General	Chicago, IL
Daniel P. Helfen	Associate	Paintsville, KY
Karen M. Henry	Associate	Shepherdsville, KY
Tammy Herring	Associate	Bardstown, KY
Gregory A. Hicks	Certified Residential	Portsmouth, OH

Steven T. Hicks	Associate	Erlanger, KY
Michael B. Hill	Associate	Paducah, KY
Catherine K. Hollowell	Certified Residential	Fairfield, OH
John Coe Hottle	Certified General	St. Louis, MO
Rick Hudson	Certified Residential	Stockton, CA
Derik Wayne Hughes	Certified Residential	Cincinnati, OH
Scott Allen Irwin	Certified Residential	Lehigh Acres, FL
Matthew R. Johnson	Certified Residential	Ft. Mitchell, KY
Steven D. Johnson	Associate	Louisville, KY
Stephen B. Kay	Certified General	Chicago, IL
Del Kendall	Certified General	Bellaire, TX
Kevin A. Kernen	Certified General	Southfield, MI
Howard Blair Kincer	Certified General	Bethesda, MD
James M. Kleitz	Certified General	Atlanta, GA
Karen Kuhn	Licensed Real Property	Columbus, OH
Charles Landsberg	Associate	Cynthiana, KY
James M. Laws	Certified Residential	Acworth, GA
Jason E. Lewis	Associate	Louisville, KY
Denise Clancy Logan	Associate	Louisville, KY
Roseanne Makar	Certified Residential	Dunedin, FL
Michael J. Mallory	Associate	Nicholasville, KY
George R. Mann	Certified General	Cincinnati, OH
Jeremiah J. McFadden	Associate	Owensboro, KY
Brandon K. Meier	Certified Residential	Newburgh, IN
Tracy J. Meyer	Certified Residential	Cincinnati, OH
Molly J. Mullen	Certified Residential	Charlotte, NC
Sylvia A. Music	Certified Residential	Winchester, OH
Edward D. Namey, II	Certified Residential	San Diego, CA
Scott A. Neal	Associate	Morehead, KY
Vincent E. Owroso	Associate	Independence, KY
Thomas Wesley Paine	Associate	Louisville, KY
Troy A. Peterson	Associate	Henderson, KY
Vincent J. Pucciarelli	Certified Residential	Davis, CA
Amy Rawson	Associate	Charlestown, IN
Bryan J. Richards	Certified Residential	Evansville, IN
Kenneth R. Roberts	Certified Residential	Somerset, KY
Kevin Satterly	Associate	Bardstown, KY
Matthew Schaefer	Associate	Georgetown, IN
Jason Scriber	Certified Residential	Eminence, KY
John Richard Shives	Certified General	Greenville, OH
Lance E. Shore	Associate	Louisville, KY
David Allan Smith	Certified Residential	Waxhaw, NC
Garrett J. Steele	Certified General	Lake Havasu City, AZ
Darren John Stoffregen	Certified Residential	Cincinnati, OH
Bryan K. Swartwood, III	Certified Residential	Severna Park, MD
Mark S. Tackett	Certified General	Bella Vista, AR
Jeffrey Dean Thompson	Certified Residential	Palos Heights, IL
Christine E. White	Certified General	Atlanta, GA
Tiffany D. Wilkerson	Associate	Shepherdsville, KY
W. Shaun Wilkins	Certified General	Cincinnati, OH
Jeffrey C. Wikle	Certified General	Waxhaw, NC
William C. Willoughby	Certified General	Brooksville, FL
Eric A. Wilson	Certified Residential	Tampa, FL
John L. Wilson	Associate	Winchester, KY
Wayne L. Wnek	Certified General	Hawthorn Woods, IL
Robert Burkley Wombwell	Certified General	Birmingham, AL
Chad L. Young	Associate	Murray, KY

RECLASSIFICATIONS

NAME	LEVEL	CITY, STATE
Andrew N. Alexander	Certified General	Richmond, KY
Jamie J. Allen	Certified Residential	Lexington, KY
John W. Anderson	Licensed Real Property	Lancaster, KY
Danny R. Armstrong	Certified Residential	Union, KY
Nicholas J. Beck	Certified Residential	Erlanger, KY
Jonathan S. Beery	Certified General	Louisville, KY
Clifford Bennett	Certified Residential	Paintsville, KY
Stephen L. Best	Certified General	Elizabethtown, KY
Robert E. Bitner	Certified General	Louisville, KY
John D. Bowles	Certified General	Sonora, KY
Frank S. Brown, Jr.	Certified Residential	Lexington, KY
Jennifer N. Brown	Certified Residential	Pikeville, KY
Sherry E. Buchanan	Certified General	Erlanger, KY
Conner W. Cornett	Certified Residential	Corbin, KY
Travis Crawford	Certified Residential	Southgate, KY
Billy J. Curry, Jr.	Certified Residential	Columbia, KY
Jennifer Dehn	Certified Residential	Louisville, KY
Jonathan Disney	Certified General	Lexington, KY
Jana D. Dunn	Certified Residential	Radcliff, KY
Joseph D. Embry	Certified Residential	Hartford, KY
Roger Dale Embry	Certified General	Hartford, KY
David B. English	Certified Residential	Louisville, KY
John Paul Epling	Certified Residential	Elkhorn City, KY
Kim Fiala	Certified Residential	Louisville, KY
Daniel S. Ford	Certified Residential	Louisville, KY
Tammy R. Frizzell	Certified Residential	Hartford, KY
Zachary S. Fry	Certified Residential	Louisville, KY
Thomas Lee Gailor	Certified Residential	Louisville, KY
Christopher W. Gammon	Certified Residential	Harrodsburg, KY
Mary Kirk Gerstle	Certified Residential	Louisville, KY
Gary David Greene	Certified Residential	Greenup, KY
Christopher J. Grimes	Certified Residential	Lexington, KY
V. Pete Gross	Certified Residential	Lexington, KY
Joshua C. Hanes	Certified Residential	Bowling Green, KY
Scotty A. Harrison	Certified Residential	Williamsburg, KY
Aimee Henderson	Certified Residential	Morgantown, KY
M. Alan Hensley	Certified General	Pikeville, KY
Scott Hogan	Certified General	Finchville, KY
Christopher C. Hook	Certified Residential	Paducah, KY
Layton Hudson	Certified Residential	Murray, KY
Edward J. Hysinger	Certified Residential	Louisville, KY
Matthew C. Jennings	Certified General	Murray, KY
Angel Johnson	Certified Residential	Sharpsburg, KY
Brian E. Johnson	Certified General	Berea, KY
Seth Johns	Certified Residential	Nicholasville, KY
Christy Halcomb Jones	Certified Residential	Franklin, KY
Lisa A. Keaton	Certified General	Morning View, KY
Clayton Smith Kennedy	Certified Residential	West Paducah, KY
William Michael Lane	Certified Residential	Cadiz, KY
Lillian Stacy Letton	Certified General	Naperville, IL
James R. Lewis, III	Certified Residential	Bowling Green, KY
Tony M. Little	Certified Residential	Jeremiah, KY
David B. Madison	Certified General	Lexington, KY
Melissa Hart Marrs	Certified Residential	Lexington, KY

James E. Mays	Certified Residential	Somerset, KY
Faith C. McCoomer	Certified Residential	Radcliff, KY
Jouett A. McDowell	Certified Residential	Lexington, KY
Micki B. Mensch	Certified Residential	Elizabethtown, KY
Christopher Meyer	Certified Residential	Ft. Mitchell, KY
Stephen L. Miller	Certified Residential	Elizabethtown, KY
Sabrina L. Mills	Certified Residential	London, KY
Elizabeth Moore	Certified Residential	Lexington, KY
Gregory A. Moore	Certified Residential	Ft. Thomas, KY
Deborah Morrison	Certified Residential	Burlington, KY
Scarlet A. Murphy	Certified Residential	Berea, KY
Robert H. Osbourne	Certified Residential	Springfield, KY
James G. Page, II	Certified General	Bowling Green, KY
Dean E. Pettit	Certified Residential	Florence, KY
Sally J. Pike	Certified Residential	Russell Springs, KY
Ann Pipes	Certified Residential	Louisville, KY
Jack C. Porter	Certified General	Shepherdsville, KY
Timothy X. Purcell	Certified Residential	Cincinnati, OH
Austen Rawlings	Certified Residential	Lexington, KY
Carl J. Ringwall	Certified Residential	Philpot, KY
Brian R. Rock	Certified General	Shepherdsville, KY
Martin T. Rueve	Certified Residential	Cincinnati, OH
Ann B. Scott	Certified General	Elizabethtown, KY
Dale A. Scudder	Certified Residential	Warsaw, KY
Roy Sherrill	Certified Residential	Jeffersonville, IN
Steven M. Shockley	Certified General	Louisville, KY
Kyle James Sill	Certified Residential	Georgetown, KY
Shannon M. Skelley, III	Certified Residential	Corydon, IN
Darrel L. Skrine	Certified General	Louisville, KY
Dee Smith	Certified Residential	Scottsville, KY
Kathy Lynn Smith	Certified Residential	Mt. Sterling, KY
Leslie Smothers	Certified General	Bowling Green, KY
Charles E. Spalding	Certified Residential	Crestwood, KY
Craig N. Spitzfaden	Certified Residential	Cincinnati, OH
Christopher T. Stewart	Certified General	Bowling Green, KY
Donald R. Stewart	Certified Residential	Lexington, KY
Eric W. Stoner	Certified Residential	Cincinnati, OH
April Smith Taylor	Certified Residential	Scottsville, KY
Rodney K. Thomas	Certified General	Erlanger, KY
Ena H. Thompson	Certified Residential	Pikeville, KY
Terry M. Walker	Certified Residential	Louisville, KY
Clay Jordan Wells	Certified General	Central City, KY
Dan R. Whitworth	Certified Residential	Fairdale, KY
Michael Gary Wientjes	Certified Residential	Louisville, KY
Daniel B. Willcox	Certified General	Elizabethtown, KY
Barbara A. Winters	Certified Residential	LaGrange, KY

ADMINISTRATIVE REGULATION CHANGE
EXPERIENCE HOURS

Effective July 1, 2003, all experience hours obtained for credit toward Certified General, Certified Residential and Licensed Real Property must be completed under the supervision of a certified or licensed appraiser and the applicant **must** hold an Associate Appraiser license. You may continue working on your own or for a certified or licensed appraiser without an Associate license, but experience hours obtained in this manner will not count toward certification. Remember, the supervising appraiser must sign and certify that he/she supervised the work of the associate submitting the log.

If you have any questions, call the Board office.

You can obtain the KREAB Statutes and Regulations at
<http://www.lrc.state.ky.us/krs/324A00/CHAPTER.HTM> - Statutes
<http://www.karea.org/kar201ch30.html> - Regulations

GRIEVANCE AND COMPLAINT PROCESS

The KREAB considers the initial correspondence filed with the Board to be a Sworn Statement of Grievance. The Sworn Statement of Grievance is required to be answered and investigated the same as a complaint. Should the Board determine no violation of USPAP and or Kentucky Statutes/ Regulations exist, the grievance shall be dismissed. When a grievance is dismissed by the Board, no record of a complaint shall be recorded in the appraiser's file and the appraiser shall not be required to report or disclose they had a grievance filed against them. The rationale for not reporting grievances dismissed by the Board is to discourage frivolous complaints and complaints filed to embarrass.

Should the Board determine from the investigative report sufficient evidence exists to proceed; the Board will file a formal complaint and set the case for a hearing.

The appraiser shall be afforded the opportunity to settle the complaint at an informal or mediation hearing. If the complaint is settled at an informal hearing or through mediation, the appraiser and Board will enter into an agreed order. Lacking an informal settlement, the case will proceed to a formal hearing.

ANONYMOUS GRIEVANCE - The KREAB will accept an anonymous grievance providing the complainant sends the Board a copy of the appraisal and a list of the items believed violations of USPAP and/or KY Laws & Regulations. The Board will investigate the grievance and if deficiencies exist, file a complaint on behalf of the Board. **The Board will not accept anonymous grievances that fail to state the deficiencies.** The Board will not review appraisal reports to determine if deficiencies exist.

BOARD GRIEVANCE - The KREAB, on its own volition, may file a grievance if in the opinion of the Board the alleged violations are of a serious nature such as gross negligence or fraud or not complying with a directive from the Board.

DISCIPLINARY ACTIONS

Case No.	Agreed Order	Dismiss	Dismiss with a letter of advice	Letter of Admonishment
02-75	<p style="text-align: center;">X – Final Order Theresa Mahon</p> <p>Certificate shall be placed on probation for one year beginning on the date of the receipt of this order;</p> <p style="text-align: center;">Fine - \$1,000;</p> <p>If respondent fails to pay the fine by its due date or if found to have violated any of the Board's statutes or regulations during the period of probation, respondent shall be subject to additional and enhanced sanctions for the violations, including but not limited to revocation of certificate.</p>			
03-82	<p style="text-align: center;">X</p> <p>Shall be suspended one year beginning 1/1/08. Shall be actively suspended for the first month, with the remaining eleven months probated upon successful completion of the terms of the Agreed Order;</p> <p style="text-align: center;">Fine - \$500;</p> <p>Shall submit a quarterly log of appraisal assignments for a three year period;</p> <p>Agrees to send the Board copies of appraisal reports selected at random from the log.</p> <p>Shall not be permitted to supervise any Associates for a period of two years.</p>			
04-06	<p style="text-align: center;">X</p> <p style="text-align: center;">Fine - \$750;</p> <p>Education – 15 hours;</p> <p>Shall not supervise any associates after 7/1/07 for 2 years.</p>			
04-14	<p style="text-align: center;">X</p> <p>Agrees not to appraise agricultural properties requiring an income approach to value, until he successfully completed a 15 hour course with an examination, in either Basic Income Appraising or Advanced Highest & Best Use;</p> <p>Shall not have additional Associate appraisers, other than two currently listed, until respondent successfully completes the KREAB supervisor/trainee course;</p> <p>Agrees to let the Board review files upon request for a period of two years from the date of agreed order.</p>			

Case No.	Agreed Order	Dismiss	Dismiss with a letter of advice	Letter of Admonishment
05-09		X		
05-10		X		
06-29	X Fine \$350; Letter of Admonishment			
06-46		X		
06-50	Michael Shepherd X Suspended for one year, effective upon the entry of the Order. Shall actively serve 30 days from October 1, 2007 – October 30, 2007, with the remainder of suspension probated upon compliance with the terms of the Order. Fine - \$350; Education – 90 hours; No associates for 3 years, and then only if he completed the Board Supervisor/Trainee course and makes formal request of the Board to supervise trainees; Shall limit his scope of practice to 1-4 family residential for three years; Shall submit a log of appraisal activity to the Board every six months for a period of two years; Shall agree that with a 24-hours notice, the Board, staff or the designee can visit the appraiser's office and at random select and review files listed on the log of appraisal activity for two years.			
06-58		X		
07-01	X Suspended one year with said suspension probated with successful completion of the agreed order requirements. Fine - \$350; Education – 75 hours; Shall not obtain any associates for two years; Agrees the Board shall have the right to review files for a period of two years.			
07-02			X	
07-03			X	
07-05			X	

Case No.	Agreed Order	Dismiss	Dismiss with a letter of advice	Letter of Admonishment
07-08	<p style="text-align: center;">X</p> <p>Suspended one year, from practicing any real property appraiser service in Kentucky. Shall serve 30 days with the remainder of the suspension probated upon compliance with the terms of the order.</p> <p>Fine - \$1000;</p> <p>Education – 15 hours;</p> <p>Shall maintain and submit a log to the Board every six months for a period of two years, said log shall be provided to the board upon request and within 48 hour notice the Board staff or designee will select at random assignments for evaluation;</p> <p>Agrees the Board shall have the right to review files for a period of two years;</p> <p>Shall have no associates for two years. After two years, shall petition to the Board for consideration of supervisory privileges to be reinstated.</p>			
07-10	<p style="text-align: center;">X</p> <p>Fine - \$350;</p> <p>Education – 7 hours;</p> <p>Agrees the Board shall have the right to review files for two years from the date of the agreed order.</p>			
07-11	<p style="text-align: center;">X</p> <p>Fine - \$500;</p> <p>Education – 15 hours;</p> <p>No additional associates for a period of three years from the date of the agreed order;</p> <p>Agrees the Board shall have the right to review files for two years from the date of the agreed order.</p>			
07-12	<p style="text-align: center;">X</p> <p>Fine - \$350;</p> <p>Education – 7 hours;</p> <p>Agrees that the Board shall have the right to review files for a period of two years from the date of the agreed order.</p>			

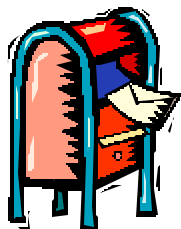
Case No.	Agreed Order	Dismiss	Dismiss with a letter of advice	Letter of Admonishment
07-13	<p>X – Respondent 1 Suspended 365 days with the suspension probated upon compliance with the terms of this Order; Fine – \$500; Education – 30 hours; Agrees the Board shall have the right to review files for a period of two years. One associate for 2 years from the date of the agreed order.</p> <p>X – Respondent 2 Suspended 365 days with the suspension probated upon compliance with the terms of this Order; Fine – \$350; Education – 30 hours; Agrees the Board shall have the right to review files for a period of two years.</p>			
07-14	<p>X Certification suspended for 90 days with said suspension probated upon completion of the terms of the agreed order; Fine - \$350; Education – 30 hours; Shall not obtain any associates beginning 1/1/08 for a period of two years from the date of the agreed order; Agrees the Board shall have the right to review files for a period of two years from the date of the agreed order.</p>			
07-15	<p>X Certification suspended for 90 days with said suspension probated upon completion of the terms of the agreed order; Fine - \$350; Agrees that with a 24-hour notice, the Board, the staff, or the designee can visit the appraiser's office and at random select and review files listed on the log of appraisal activity for two (2) years from the date of the agreed order.</p>			
07-16	<p>X Suspended 365 days, shall serve one week no later than June 30, 2008 with the remainder of the suspension probated upon compliance with the terms of this Order; Fine – \$1,500; Agrees the Board shall have the right to review files for a period of two years.</p>			

Case No.	Agreed Order	Dismiss	Dismiss with a letter of advice	Letter of Admonishment
07-18	X Fine - \$350; Education – 15 hours; No additional associates for 2 years from the date of the agreed order.			
07-19	X Certification shall be suspended 180 days with said suspension probated upon successful completion of the terms of the agreed order; Fine - \$350; Education – 30 hours; Shall not obtain any associates for 3 years from the date of the agreed order; Agrees the Board shall have the right to review files for a period of 2 years.			
07-22		X		
07-23	X Both Respondents Certification suspended for 90 days with said suspension probated upon completion of the terms of the agreed order; Fine - \$350; Education – 15 hours; Agrees the Board shall have the right to review files for a period of two years from the date of the agreed order.			
07-24				X
07-25	X Fine - \$500; Education – 15 hours; Agreed to permit the Board, Board staff, or representatives appointed by the Board to review an assignment log of appraisal assignments for a period of two years from the date of the agreed order. Also, agrees that the Board or Board appointed representative may request assignments from the log; If respondent fails to comply with all the items of agreement the respondent shall serve a 365 day suspension.			
07-26		X		

Case No.	Agreed Order	Dismiss	Dismiss with a letter of advice	Letter of Admonishment
07-29	<p style="text-align: center;">X</p> <p>Two Respondents Certificate shall be suspended 365 days, effective upon the entry of the agreed order by the Board from practicing any real property appraiser service in KY. Said suspension is probated with successful completion of the terms of the agreed order. Education – 60 hours; Shall have no more than 1 associate appraiser for a period of three years. Shall maintain a log and said log shall be submitted to the Board every month and upon request within 48-hour notice and the Board staff or designee will select at random assignments from the log for two years. Agrees that the Board shall have the right to review files for a period of two years from the date of the agreed order. Shall agree to send to the Board staff a copy of each appraisal of residential properties having uses greater than 4 units prior to the appraisal being submitted to the client for a period of 6 months from the date of the AO. The Board staff will review the report, reply to the respondent with any changes within a 24-hour period of time. This requirement will be effective until Board and staff determines sufficient progress has been made to end the requirement.</p>			
07-31			X	
07-35				X
07-37	<p style="text-align: center;">X – Respondent 1</p> <p>Education – 7 hours; Agrees that the Board shall have the right to review files for a period of two years from the date of the agreed order.</p>			

Case No.	Agreed Order	Dismiss	Dismiss with a letter of advice	Letter of Admonishment
07-39	<p style="text-align: center;">X</p> <p>Certified shall be suspended 365 days, effective upon the entry of the agreed order by the Board from practicing any real property appraiser service in KY. Said suspension is probated with successful completion of the terms of the agreed order.</p> <p>Education – 45 hours; Shall have no more than 1 associate appraiser for a period of three years.</p> <p>Shall maintain a log and said log shall be submitted to the Board every month and upon request within 48-hour notice and the Board staff or designee will select at random assignments from the log for two years.</p> <p>Agrees that the Board shall have the right to review files for a period of two years from the date of the agreed order.</p>			
07-41	<p style="text-align: center;">X</p> <p>Education – 30 hours plus provide proof of college degree; Complete the Certified Residential exam by 6/30/08; Submit experience log; Above items shall be completed by 6/30/08. If items are not completed respondent agrees not to renew or seek another credential until items have been successfully completed.</p>			
07-44	<p style="text-align: center;">X – Respondent 1</p> <p>Education – 7 hours; Agrees that the Board shall have the right to review files for a period of two years from the date of the agreed order</p>			
07-45	<p style="text-align: center;">X – Respondent 1</p> <p>Fine - \$1,000; Education – 7 hours; Submit log every 6 months for 2 years.</p> <p style="text-align: center;">X – Respondent 2</p> <p>Fine - \$500; Education – 7 hours; Submit log every 6 months for 2 years.</p> <p>Shall not supervisor associates for 2 years from the date of the agreed order.</p>			
07-47	X			
07-48	Education – 15 hours			
07-53	<p style="text-align: center;">X</p> <p>James L. Johnson License was surrendered. Respondent further agrees that not seek renewal or reinstatement of license for a period of three years beginning January 1, 2008.</p>			

“Mail or fax course completion certificate(s) to the Board upon completion of the course.”



**Kentucky Real Estate Appraisers Board
2624 Research Park Drive, Suite 204
Lexington, KY 40511**



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