



# Kentucky Real Estate Appraisers Board

Volume 1 – Number 2

August 30, 2010

## Kentucky Real Estate Appraisers Board Office and Contact Numbers

135 W. Irvine Street, Suite 301  
Richmond, KY 40475  
Phone: 859-623-1658  
Fax: 859-623-2598

### Website:

[www.kreab.ky.gov](http://www.kreab.ky.gov)

### BOARD MEMBERS

Dorsey Hall , Lender Member  
Chairperson . . . . .Lexington

Sam Blackburn , Lender Member  
Vice-Chairperson. . . . .Frankfort

G. Herbert Pritchett  
Appraiser Member. . . . .Madisonville

Harold Brantley  
Appraiser Member. . . . .Bowling Green

Kathy J. Mayfield  
Consumer Member. . . . .Winchester

### STAFF

Larry Disney, *Executive Director*  
Angie Thomas, *Staff Assistant*  
Ravon Radmard, *Executive Secretary*  
Dennis Badger, *Investigator*  
James Grawe, *Attorney*

## APPRAISER COUNT

(As of August 30, 2010)

Associates. . . . .171  
Licensed Residential . . . 21  
Certified Residential. . .809  
Certified General. . . . .503  
Total Number. . . . .1,504

## APPRAISER EXAMINATION RESULTS

July 1, 2009 – June 30, 2010

### Examination

Certified Residential 16 Tests - 10 Passed

Certified General 7 Tests - 5 Passed

Examinations are administered by a national testing service. To apply for the examination, please contact Angie Thomas at the Board Office. Also, please download a candidate handbook for KY Appraisers @ [www.goamp.com](http://www.goamp.com)

## NOTICE

The Board Office will be closed the following dates:

- September 3-Statewide Furlough Day (by Executive Order)
- September 6-Labor Day
- November 11-Veterans Day
- November 12-Statewide Furlough Day (by Executive Order)
- November 25 & 26-Thanksgiving
- December- 23 & 24-Christmas
- December 30 & 31-New Years

## 2010 Board Meeting Dates

September 17 **	November 10
October 22	December 17

All meetings are conducted at the Kentucky Real Estate Appraisers Board building located at 135 W. Irvine Street, Richmond, KY, at 9:00 am Eastern Time unless otherwise noted.

\*\*September meeting held at Holiday Inn University Plaza, Bowling Green, KY at 9:00 am Central Time

## 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 deepest sympathies.

James Michael Bell  
Clifford L. Childers  
Jonathan Ryan Epling  
Claude W. Galloway, Jr.  
Franklin Hazzard  
James Carrick Mitchell

Molly J. Mullen  
Julia R. Phar  
O. Shea Riley, Jr.  
Robert E. Saxon  
Dale M. Van Hook  
Gary Wallace

## **Rick Baumgardner Named Chair of the AQB**

The KREAB Board members, staff and the Kentucky licensed and certified real property appraisers are pleased to announce the selection of Kentucky Certified General Real Property Appraiser Rick Baumgardner as Chair of the Appraiser Qualifications Board (AQB).

The AQB is an independent board of The Appraisal Foundation, currently composed of five practicing appraisers, including Kentucky Certified General Real Property Appraiser Jeffrey F. Lagrew. The members are appointed by the Foundation's Board of Trustees for three-year terms. Under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), the AQB establishes the minimum education, experience and examination requirements for real property appraisers to obtain a state certification. In addition, the AQB performs a number of ancillary duties related to real property and personal property appraiser qualifications.

Rick is President of Baumgardner & Associates, PSC, a real estate economics company located in Elizabethtown, KY. He has been a full time real estate analyst since 1978. He holds a degree from the University of Kentucky in real estate and has successfully completed all courses required for designation with the Appraisal Institute. He currently holds the SRA designation. He has been an active member of several professional organizations. He is a past Chapter President and Regional Rep with the Appraisal Institute; Regional Chair, past Chapter President and International Director with the International Right of Way Association; past Board President, State President and National Director with the National Association of REALTORS.

Baumgardner was an instructor of real estate at Elizabethtown Community College for several years, and has instructed for several professional organizations. He is a past chair of North Central Education Foundation and currently serves on the Board of Directors. He also is a past chair of the Kentucky Real Estate Education Foundation.

Mr. Baumgardner completed a six-year term as trustee with the Appraisal Foundation in 2004. He was appointed to a 3-year term of the Appraiser Qualifications Board (AQB) in 2006 and was re-appointed to a second 3-year term in 2009. He currently serves as Chair.

He became a Rotarian in 1986 and served as club secretary for 8 years. He was elected president of the club for 2006-2007 and was the Rotarian of the year in 2006. He will serve as District Governor in 2011-12. He and his wife Vivian reside in Glendale Kentucky on a 70 acre farm and have 4 children, Allison, Melissa, Rachael, and Erick.

## **KREAB Appraiser Numbers**

The following tables list the numbers of appraisers licensed and certified by the KREAB at the end of each fiscal year for the past decade, including a table that graphs the total number of each credential for each fiscal year beginning in 2000 - 2001.

The total number of appraisers as of August 16, 2010 is 1,500 or 110 fewer than was credentialed on June 30, 2010, prior to the 2010 renewal. The decline is similar to that for the period of fiscal 2009 to 2010. Also, the data graph reveals that the numbers have declined steadily since the end of fiscal 2006, about the same date as the mortgage crisis began to surface in Kentucky.

<b>2000-01</b>		<b>2001-02</b>	
Certified General	<b>444</b>	Certified General	<b>462</b>
Certified Residential	<b>695</b>	Certified Residential	<b>708</b>
Licensed	<b>95</b>	Licensed	<b>92</b>
Trainee	<b>358</b>	Trainee	<b>327</b>
	<b>1592</b>		<b>1589</b>
<b>2002-03</b>		<b>2003-04</b>	
Certified General	<b>467</b>	Certified General	<b>481</b>
Certified Residential	<b>721</b>	Certified Residential	<b>739</b>
Licensed	<b>96</b>	Licensed	<b>100</b>
Trainee	<b>355</b>	Trainee	<b>453</b>
	<b>1639</b>		<b>1773</b>
<b>2004-05</b>		<b>2005-06</b>	
Certified General	<b>494</b>	Certified General	<b>511</b>
Certified Residential	<b>761</b>	Certified Residential	<b>780</b>
Licensed	<b>113</b>	Licensed	<b>113</b>
Trainee	<b>486</b>	Trainee	<b>518</b>
	<b>1854</b>		<b>1922</b>
<b>2006-07</b>		<b>2007-08</b>	
Certified General	<b>511</b>	Certified General	<b>531</b>
Certified Residential	<b>798</b>	Certified Residential	<b>877</b>
Licensed	<b>106</b>	Licensed	<b>39</b>
Trainee	<b>437</b>	Trainee	<b>325</b>
	<b>1852</b>		<b>1772</b>

<b>2008-09</b>	
Certified General	<b>549</b>
Certified Residential	<b>874</b>
Licensed	<b>32</b>
Trainee	<b>233</b>
	<b>1688</b>

<b>2009-10</b>	
Certified General	<b>541</b>
Certified Residential	<b>863</b>
Licensed	<b>23</b>
Trainee	<b>183</b>
	<b>1610</b>

<b>08-16-10</b>	
Certified General	<b>502</b>
Certified Residential	<b>808</b>
Licensed	<b>21</b>
Trainee	<b>169</b>
	<b>1500</b>

\*104—Inactive, paying no fees

\*\*\*\*\*

### **Kentucky National Appraisal Examination Results**

During the debate of the 2008 education criteria revision it was often asked, “Why is there a need to revise the requirement for education?”

Although the following information can be argued, the results frame support for the fact that the revised education has proven beneficial for applicants in Kentucky.

The following tables reveal the results of the examinations completed from January 1, 2005 through December 31, 2007 and July 1, 2009 through June 30, 2010. Kentucky applicants who failed to successfully complete the national examination prior to December 31, 2007 were required to complete all 2008 education criteria requirements prior to being approved to take the examination.

Whether the following results are attributable to the small sample of applicants tested within each category from July 1, 2009 through June 20, 2010 versus the larger sample from January 1, 2005 through December 31, 2007 is unclear, but the evidence presented is convincing. The post 2008 examination results reveal that the current education content is building the stronger foundation needed for mastering the knowledge necessary to become a certified real property appraiser.

Examination results for the period from January 1, 2005 through December 31, 2007:

Certified Residential Exam	Results
Total Candidates Tested	583
Successful	237
Unsuccessful	346
Percentage Passing	<b>40.65%</b>

Certified General Exam	Results
Total Candidates Tested	143
Successful	91
Unsuccessful	52
Percentage Passing	<b>63.64%</b>

Examination results for the period from July 1, 2009 through June 30, 2010:

Certified Residential Exam	Results
Total Candidates Tested	16
Successful	10
Unsuccessful	6
Percentage Passing	<b>58.82%</b>

Certified General Exam	Results
Total Candidates Tested	7
Successful	5
Unsuccessful	2
Percentage Passing	<b>71.43%</b>

\*\*\*\*\*

## **Title XIV – How It Might Impact Licensed and Certified Appraisers**

By: Larry Disney

President Obama signed H.R. 4173 into law on July 21, 2010.

The law contains substantial language that will result in a revision of the existing Title XI of the Financial Institution Reform, Recovery, and Enforcement Act (FIRREA) of 1989.

The following are highlights of the bill language that, in my opinion, will impact licensed and certified real property appraisers:

- Effective on the final date the interim final regulations are promulgated, the Home Valuation Code of Conduct announced by the Federal Housing Finance Agency on December 23, 2008, shall have no force or effect.

Although the HVCC is being sunset or eliminated, the requirement for appraiser independence remains strongly embedded within the bill language, including a prohibition for withholding or threatening to withhold timely payment for an appraisal report or for appraisal services rendered when the appraisal report or service are provided for in accordance with the contract between the parties.

- Nothing within the act shall prohibit an appraiser from being asked to consider additional, appropriate property information, including the consideration of additional comparable properties, 2) provide further detail, substantiation, or explanation for the appraiser's value conclusion, and 3) correct errors in the appraisal report.
- There shall be mandatory reporting of deficient real property appraisal practice to the appraisal regulatory agency by any mortgage lender, mortgage broker, mortgage banker, real estate broker, appraisal management company, employee of

an appraisal management company, or any other person involved in a real estate transaction involving an appraisal in connection with a consumer credit transaction secured by the principal dwelling of a consumer who has a reasonable basis to believe an appraiser is failing to comply with the Uniform Standards of Professional Appraisal Practice.

- Lenders and their agents shall compensate fee appraisers at a rate that is customary and reasonable for appraisal services performed in the market area of the property being appraised. Evidence for such fees may be established by objective third-party information, such as government agency fee schedules, academic studies, and independent private sector surveys. Fee studies shall exclude assignments ordered by known appraisal management companies.
- State appraiser regulatory agencies shall enforce the minimum requirements established by The Appraisal Subcommittee (ASC) for the registration of appraisal management companies.
- The requirements established by the ASC for Appraisal Management Companies (AMC) shall include that a requirement that the AMC shall register with and be subject to supervision by a State appraiser certifying and licensing agency in each State in which such company operates.
- It is possible that all state appraiser regulatory agencies will be required to recognize the credentials of appraisers from another state appraiser regulatory agency by reciprocity.
- The Licensed Real Property Appraiser criteria, now voluntary for the states, shall become mandatory for those states that have the credential.
- The criteria adopted by the AQB (Appraiser Qualifications Board) for Trainee Appraisers and Supervisory Appraisers, currently voluntary, shall become mandatory for all states that have enacted a Supervisor/Trainee program.
- Although it will not become mandatory, state appraiser regulatory agencies shall be encouraged to accept education courses that have been approved by the AQB Course Approval Board.
- The Appraisal Subcommittee (ASC) shall gain the authority to establish regulations that relate to temporary practice, reporting appraiser specific information to the national registry, information sharing and enforcement.
- To assist in making it possible for grants to be awarded state appraiser regulatory agencies, the current National Registry fee set at \$25 and a cap of \$50, can increase to \$40 and a cap of \$80.

**NOTE:** The above has already been decided; the KREAB has been notified that the current fee paid to the national registry for each licensed and certified appraiser shall increase from \$25 to \$40 for each state in which the appraiser holds a credential.

- The Appraisal Subcommittee shall have the authority to remove a State licensed or certified appraiser or a registered appraisal management company from the national registry on an interim basis, not to exceed 90 days, pending State agency action on licensing, certification, registration, and disciplinary proceedings.
- There shall be a national appraisal complaint hotline established, possibly by The Appraisal Subcommittee (ASC).
- In conjunction with the purchase of a consumer's principal dwelling, broker price opinions may not be used as the primary basis to determine the value of a real property for purpose of a loan origination of a residential mortgage loan.
- Broker price opinion is defined within the act as "An estimate prepared by a real estate broker, agent, or sales person that details the probable selling price of a particular piece of real property and provides a varying level of detail about the property's condition, market, and neighborhood, and information on comparable sales, but does not include an automated valuation model."
- Valuation is defined as "Any estimate of the value of a dwelling developed in connection with a creditor's decision to provide credit, including those values developed pursuant to a policy of a government sponsored enterprise or by an automated valuation model, a broker price opinion, or other methodology or mechanism."
- The language includes an addition to the Real Estate Settlement Procedures Act of 1974 by adding that "in the case of an appraisal coordinated by an management company, there may be a clear disclosure of:
  - (1) The fee paid directly to the appraiser by such company, and
  - (2) The administration fee charged by such company."

It should be understood that the above information was taken from the language within the bill that has been signed into law. However, until the date the interim final regulations are promulgated, it is not possible or practicable for anyone to state emphatically a final set of requirements.

One part of the bill is a certainty; appraiser regulatory agencies will be required to have in place statutes and regulations for the enforcement and registration of Appraisal Management Companies. Therefore, the Kentucky Real Estate Appraisers Board is currently working with the groups impacted by that requirement. The goal is to have a bill presented early in the 2011 session of the Kentucky General Assembly.

The Board will continue working with The Appraisal Subcommittee and the Appraisal Foundation to revise the sections of KRS 324A statutes and 201 KAR Chapter 30 administrative regulations as required for total compliance of the revised Title XI.

A copy of the bill applicable to the above is available by entering the following link into your computer browser and reviewing "Subtitle F," pages 823 through 840.

[http://financialservices.house.gov/FinancialSvcsDemMedia/file/key\\_issues/Financial\\_Regulatory\\_Reform/conference\\_report\\_FINAL.pdf](http://financialservices.house.gov/FinancialSvcsDemMedia/file/key_issues/Financial_Regulatory_Reform/conference_report_FINAL.pdf).

## **What Types of Property Am I Permitted to Appraise?**

By: Larry Disney

### **Issue one – Scope of Practice:**

The Kentucky Real Estate Appraisers Board regularly receives questions inquiring what types of properties Kentucky certified residential real property appraisers are permitted to appraise. The most common inquiries pertain to commercial, industrial, apartment, and farm properties.

The short answer for the above is found within the following administrative regulation of 201 KAR 30:030:

### **Section 2. Scope of Practice.**

- (1) Certified General Real Property Appraiser: A certified general real property appraiser may perform appraisals of all types of real property.
- (2) Certified Residential Real Property Appraiser: A certified residential real property appraiser may perform residential appraisals of one (1) to four (4) units.
- (3) Licensed Real Property Appraiser: A licensed real property appraiser may perform appraisals of:
  - (a) Noncomplex, one (1) to four (4) residential units with a transaction value less than \$1,000,000; and
  - (b) Complex, one (1) to (4) residential units with a transaction value less than \$250,000.
- (4) Associate: An associate real property appraiser may perform an appraisal of:
  - (a) Property that the supervising appraiser of the associate is permitted to appraise; and
  - (b) Shall be subject to the Uniform Standards of Professional Appraisal Practice, incorporated by reference in 201 KAR 30:040.
  - (c) A separate appraisal log shall be maintained for each supervising appraiser.

The above clearly permits the certified residential and licensed real property appraisers in Kentucky to appraise only residential use properties that have no more than 4 units, including improved and vacant land tracts.

Kentucky certified residential and licensed real property appraisers cannot appraise any property use beyond residential regardless of the number of units, the loan or transaction value, and the property use label including a farm. The prohibition also includes appraisals of vacant or improved residential land use that must be appraised with a division of more than 4 tracts.

While the above might be considered easily understood, the question becomes more uncertain when appraisal assignments are ordered for Kentucky properties and referred to as farms. Absent a specific and consistent definition within KRS 324A.010 or the administrative regulations within 201 KAR Chapter 30, it is difficult to provide an acceptable definition for a “farm.” However, there is one certainty; land size alone should not be the deciding factor for a property to be identified as a farm.

Kentucky is made up of a diverse geography from steep mountains in the east to level fertile bottom lands in the west; within each region, agriculture land uses can be found. Regardless of location or the site characteristics, the land size is not the determining factor of whether a certified residential appraiser is permitted to appraise the property per

requirements of 201 KAR 30:030. Therefore, land size alone should not be used for labeling a site as a “farm.”

To illustrate the above point, the following examples are offered to demonstrate two appraisal assignments, 1) a use that will require a certified general real property appraiser, and 2) a use that is considered acceptable for a certified residential or possibly a licensed real property appraiser.

Example 1 – The assignment requests that the appraiser develop a market value opinion for a 1 unit dwelling, 2 ancillary buildings, 20 acres of land, the value of an income stream that is attributed to the grape vineyard, and the value of fixtures and equipment used for processing the grapes for shipment.

Example 2 – The assignment requests that the appraiser develop a market value opinion for a 1 unit dwelling, 2 ancillary buildings and 20 acres of land, 5 of the 20 acres shall consist of an improved 1 unit residence and 2 barns. The remaining 15 acres are used for growing a variety of crops and other agriculture uses that are enjoyed by the property owner. The area zoning will permit a division of the property, but restricts each division to 1 residential unit per each 5 acre severance. Business uses, including income producing agriculture uses, are prohibited by deed restriction. The appraiser is requested to appraise the property as 4 tracts, each with 1 residential unit use, including the current improved site. The market area includes 1 unit residential uses with land sizes ranging from 5 acres to 50 acres of land.

In the above Example 1, a certified general real property appraiser, assuming competency and ethical behavior, will be required to appraise the property because the assignment requires the development of a value opinion that will include an income approach to value and the value of fixtures and equipment.

The assignment described in Example 2, (although on a site the same size as Example 1) can be completed by a certified residential appraiser, assuming competency and ethical behavior. Although the land use appraised will have 4 individual tracts, each is restricted to 1 unit residential development and there will be no consideration for the value of an income stream or fixtures and equipment.

### **Issue Two - Edit to the Ethics Rule:**

Edits to the 2010-2011 USPAP Ethics Rule included clarification of the requirement for appraisers to notify clients of any current or prospective interest or prior services, including the following advice with questions and responses:

A new requirement calls for appraisers to disclose in the subsequent report certification, and to notify clients of any current or prospective interest or prior services, if known prior to accepting the assignment and/or if discovered at any time during the assignment.

- *Any current or prospective interest in the subject property or parties involved;*  
*and*
- *Any services regarding the subject property performed by the appraiser within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.*

**Question:**

**If I have appraised a property multiple times within the previous three years, do I have to disclose the number of appraisal services? (e.g., “I have appraised the subject property three times during the previous three years.”)**

**Response:**

Yes. Each prior service must be disclosed to the client and included in the report certification. This disclosure is similar to when an appraiser has any current or prospective interest in the subject property or the parties involved, which requires that *each interest* be specified. Therefore, *each service* must be disclosed to the client and appear in the certification. (See lines 231-241 in the 2010-11 edition of USPAP)

**Question:**

**I have determined that I did complete a prior service for the property I have now been asked to appraise. What steps should I take in disclosing that fact?**

**Response:**

The disclosure, both prior to accepting the assignment and in the report’s certification, could include a statement similar to one of the following:

- “I have performed (note the type of service(s)) regarding the subject property within the three years prior to this assignment”; or
- “I have previously appraised the property in the three years prior to this assignment.”

Although the above requirement is a change from the 2008-2009 USPAP, the SR 2-3 certification requirements have long required appraisers to certify “if there is any present or prospective interest in the subject property or any personal interest with respect to the parties involved.” Therefore, the revision in the 2010-2011 USPAP is viewed as clarification of that which has been required for a number of years.

Additional clarification and guidance can be reviewed in the Appraisal Standards Board (ASB) Q&A’s, published by The Appraisal Foundation. The first link is the April 2009 Q&A which is included in the 2010-2011 edition of USPAP; the second is the December 2009 clarification, and the third is the most recent clarification from January 5, 2010:

[http://www.appraisalfoundation.org/s\\_appraisal/bin.asp?CID=12&DID=1351&DOC=FILE.PDF](http://www.appraisalfoundation.org/s_appraisal/bin.asp?CID=12&DID=1351&DOC=FILE.PDF)

[http://www.appraisalfoundation.org/s\\_appraisal/bin.asp?CID=12&DID=1402&DOC=FILE.PDF](http://www.appraisalfoundation.org/s_appraisal/bin.asp?CID=12&DID=1402&DOC=FILE.PDF)

[http://www.appraisalfoundation.org/s\\_appraisal/bin.asp?CID=12&DID=1403&DOC=FILE.PDF](http://www.appraisalfoundation.org/s_appraisal/bin.asp?CID=12&DID=1403&DOC=FILE.PDF)

If anyone has questions about the above information, please contact me at the Board office and I will either answer the question or locate a source that can provide an answer.

## Disciplinary Actions

### **07-40, 07-52, & 08-21-**

#### **Count I**

Violations: Uniform Standards of Professional Appraisal Practice 1-1, 2-1, 1-5, 2-2,

#### **Count II**

Violations: Uniform Standards of Professional Appraisal Practice 2-2, 1-2, 2 Preamble, 2-1, 1-4

#### **Count III**

Violations: Uniform Standards of Professional Appraisal Practice 1-6, 2-1

#### Final Order:

(1). Respondent is guilty in regard to Count I, Count II, and Count III.

(2). Certified General Real Property Appraiser Certificate is suspended for a period of one year beginning on July 1, 2009.

(3). Prior to the reactivation of Certificate, respondent shall pay a fine of \$2,000 in regard to Count I as well as a fine of \$2,000 in regard to Count II. No fine is levied in regard to Count III

(4). Prior to the reactivation of Certificate, respondent shall complete a course lasting at least three days that includes instruction in the sales comparison approach including contributory values and applying those values. The Board shall have given its prior approval of the course and respondent must successfully pass a test on the course. The course shall be in addition to the regular continuing education requirement.

### **07-59-**

Violations: Respondent failed to comply with Pre-hearing Conference Orders of the Hearing Officer, and by action is in default in this matter.

Findings: The Board orders that in accordance with KRS 324A.050(1),

the license of the respondent is hereby revoked. Respondent may petition for reinstatement no sooner than two years after the date of this Order of Revocation.

### **08-15-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

(1). Failure to respond to a request for answer of a grievance per 201 KAR 20:070 Section 1 (2)(a)(b) and (c), a violation of 324A.050(e).

(2). Other potential USPAP deficiencies

#### Agreed Order:

(1). Respondent shall be fined the sum of \$2,000.00 with total amount due with the signed agreed order.

(2). Respondent shall complete a 15 hour National USPAP class including successful completion of the examination for appraisal development and reporting issues and a 7 hour course in developing the Scope of Work. Said 22 hours of education shall be considered credible for the mandatory continuing education.

### **08-29, 08-30, 08-31, 08-32, 08-33, 08-34, 08-35, 08-36, 08-37, 08-38, 08-39, 08-40, 09-14-**

Violations: Uniform Standards of Professional Appraisal Practice 1-2 (a), 1-2 (e)(i), 1-5(a), 2-1(b), 2-2(b)(i), 2-2(b)(iii), 2-2(b)(viii), Scope of Work Rule, Violation of FHA 4150.2, Appendix D-1, Section 1, Section 2, Section 4, Section 6 as incorporated by USPAP Supplemental Standard Rule, KRS 324A.050(1)(j)

#### Agreed Order:

(1). The Certified Residential Real Property Appraiser Certificate held by the respondent is suspended for a period of two years.

(2). Six months of the suspension shall be served beginning September 1,

2009 and ending March 1, 2010. The remainder of the suspension is probated provided the following items are completed. If all terms of agreement below are not completed the suspension will remain in effect until all of the items are completed:

- i. A fine of \$3,900 must be paid in full prior to receiving certification privileges at the end of the 6-month suspension.
- ii. Restrict the geographic area of 1-4 unit residential appraisal practice to the Kentucky counties of Fayette, Clark, Madison, Jessamine and Scott.
- iii. Shall have no associate real property appraisers or assume no responsibility for supervising real property appraisers for a period of 2 years from the date of the signed agreed order.
- iv. Shall grant the Board members, Board staff or assigns of the Board access to all appraisal, appraisal review and appraisal consulting files at such time as a request to view the files is presented.
- v. Shall become knowledgeable of the requirements, policies, and expectations of clients and users of appraisal services that are considered added to specific assignment requirements prior to accepting future appraisal assignments.

**08-49, 08-50, 08-51, 08-52, 08-53, 08-54, 08-55, 08-56, 08-57, 09-02, 09-03, 09-07-**  
Violations: Uniform Standards of Professional Appraisal Practice 2-1(a)(b)(c), 1-1(b), 1-5(a)(b), 2-3, 1-2(e)(i), 1-6(a), 2-2(b) (viii), 2-3, USPAP Ethics Rule, Final Order:

- (1). The Certified Residential Real Property Appraiser shall be revoked for the statutory maximum period of three years as authorized by KRS 324A.050(2).
- (2). The respondent shall pay a fine of \$625 for each of the eight counts

set forth in this Final Order for a total fine of \$5,000. The fine shall be paid prior to the expiration of the three year period of revocation of his certificate.

(3). Prior to submitting a new application for a certificate from the Board, the respondent shall comply with all criteria of the Appraisal Qualification Board in effect at the time of his application.

(4). If the respondent's application for a certificate is granted, the respondent shall not employ associates in his appraisal practice for a period of five years from the date of certification, shall not practice real estate appraisal outside of Bullitt and its contiguous counties for a period of five years from the date of certification, shall furnish the Board with a log of appraisal work for a period of two years after certification, and shall allow the Board to inspect and audit his records and files for that same two year period.

**08-42-Dismiss**

**08-45, 08-46-** Dismiss the case due to lack of evidence or proof that grievant had knowledge of the alleged report being submitted to the bank.

**08-59-**Dismiss with a letter from Board Counsel

**08-60-** Dismiss

**08-61-** Dismiss

**08-63- 08-64, 08-65, 08-66, 08-67, 08-68, 08-69, 08-70**  
Violations:

Respondent failed to comply with the pertinent provisions of the Uniform Standards of Professional Appraisal Practice Rules in completing the appraisal reports.

Agreed Order:

(1). Respondent shall be fined the sum of \$5,000.00 with the total amount due with the signed agreed order.

(2). Respondent shall assume supervisory responsibility of no more than one associate/trainee after June 30, 2010.

(3). Respondent agrees that a KREAB Certified Residential Appraiser, agreed to by the KREAB shall review and sign all reports completed by respondent, as well as the respondent's associate/trainee appraisal assignments that are intended for federally regulated bank and secondary market use for a period of one year.

**08-71-** Dismiss with a letter of caution

**08-72-** Dismiss with a letter of caution

**08-73-** Dismiss

**08-74-**

**Respondent 1**

Violations: Uniform Standards of Professional Appraisal Practice Rules 1-1(c), 1-2(e), and 2-2(b)(viii)

Agreed Order:

(1). Respondent shall complete no less than a 30 hour Report Writing Course. Said 30 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by July 1, 2010.

(2). Respondent shall be fined the sum of \$300.00 with total amount due with the signed agreed order.

**Respondent 2**

Dismiss complaint because respondent no longer holds a Kentucky Real Property Appraiser credential

**08-75-** Dismissed because respondent no longer holds a Kentucky Real Property Appraiser credential.

**08-76-** Dismiss with a letter of caution

**08-77-** Dismiss with a letter of caution

**08-78-** Dismiss with a letter of caution

**08-79-**

Violations: Uniform Standards of Professional Appraisal Practice Rules 1-1(c), 2-2(b)(viii) and 2-3

Agreed Order:

(1) Respondent shall complete a 7 hour Scope-of-Work course. Said 7 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(2). Respondent shall be fined the sum of \$500.00 with total amount due with the signed agreed order.

(3). Respondent shall submit to the Board staff a log every 6 months for a period of 2 years from the date of the agreed order and Board absolute must review assignments from the log for a period of two years from the date of the agreed order.

(4). Respondent agrees the Board members, Board staff, or designee can visit the appraiser's office and at random select and review files listed on the log of appraisal activity for 2 years from the date of the agreed order.

(5). Respondent shall have no Associate Real Property Appraiser for 2 years from the date of the agreed order.

(6). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraphs (1), (2), (3), (4) and (5) of this order have been completed.

## **08-80-**

Violations: Uniform Standards of Professional Appraisal Practice Rules 1-1(a), 1-2(b)(viii), 1-2(e), 1-5(a)(b), 2-2(b)(viii) and Standard 2

Agreed Order:

(1). Respondent shall complete a 15 hour Residential Market Analysis and Highest and Best Use course, including successful completion of the course examination. Said 15 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(2). Respondent shall be fined the sum of \$500.00 with total amount due with the signed agreed order.

(3). Respondent agrees the Board members, staff or assigns of the KREAB may enter the appraiser's office and request to view the log and work files without prior notice for 2 years from the date of the agreed order.

(4). Respondent shall have no Associate Real Property appraiser for 2 years from the date of the agreed order.

(5). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraphs (1) and (2), (3) and (4) of this order have been completed.

**08-81-**Dismiss with a letter of caution

## **08-82-**

Violations: Uniform Standards of Professional Appraisal Practice Rules 1-1(b)(c), 1-3(a), 1-4(a)(b), 2-2(b)(ix)

Agreed Order:

(1). Respondent agrees to pay a \$500.00 fine with the total amount due with the signed agreed order.

(2). Respondent shall complete a 15 hour Sales Comparison & Market Analysis course, including successful completion of the course examination. Said 15 hours of education shall be in addition to the regular continuing

education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(3). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraphs (1) and (2) of this order have been completed.

## **08-83-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

(1). Standards Rule 2

(2). 2-1(a)(b), 2-2(b)(viii)

Agreed Order:

(1). Respondent shall complete a 7 hour Sales Comparison Seminar. Said 7 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(2). Respondent shall be fined the sum of \$500.00 with total amount due with the signed agreed order.

(3). Respondent agrees that the board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraphs (1) and (2) of this order have been completed.

**08-85-**Dismiss with a letter of caution

**08-87-**Dismiss

**08-88-**Dismiss with a letter of caution

**08-89-**Dismiss the case based upon the fact that the appraisal report was completed prior to the previous agreed order and therefore was resolved by the terms of the agreed order

**08-90-**Letter of Admonishment

**08-91-** Dismiss with a letter of caution

**09-01-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

- (1). Standards 1-1(a)(b)(c)
- (2). Standards 1-5(b)
- (3). Standards 2-2(b)(viii)

Agreed Order:

(1). Respondent shall be fined the sum of \$2,000 with total amount paid prior to June 30, 2011. The appraiser can pay the amount with installments as necessary.

(2). Respondent agrees to have no more than two associates for two years from the date of the agreed order.

(3). Respondent agrees that the Board shall not renew certification for the 2011 renewal cycle July 1, 2011 until all requirements of the terms set out in paragraphs (1), and (2) of this order have been completed.

**09-04-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

- (1). Standards 1-1(a)(b)(c)
- (2). Standards 1-5(b)
- (3). Standards 2-2(b)(viii)
- (4). Violation of KRS

324A.050(j)

Letter of Admonishment was issued

**09-08-** Dismissed upon the completion of the following items prior to September 30, 2009. Respondent shall be considered serving a probation status with leave to reopen the matter unless the following conditions are satisfied and unless they complete the terms of the following agreement within the time stipulation

1. Credit for the Supervisor/Associate course already completed in 2009

2. Pay a \$300 fine when the agreed order is returned

3. The Board shall review the associate log, if requested, for a period

of 2 years from the date of the agreed order.

**09-10-** Dismiss with a letter of caution

**09-11-** Dismiss

**09-12-** Dismiss

**09-13-** Dismiss

**09-15-** Dismiss with a letter of caution

**09-16-**

Respondent 1

Violations: Uniform Standards of Professional Appraisal Practice Rules

- (1). 2-1(a)(b), 2-2 (b)(viii), 2-3
- (2). 201 KAR 30:040

Agreed Order:

(1). Respondent shall complete a 3 hour ANSI course and a classroom or distance education 7 hour Reporting Writing or a Fannie Mae Forms course. Said 10 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by July 1, 2010.

(2). Respondent shall be fined the sum of \$500.00 with total amount due with the signed agreed order.

(3). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraphs (1), and (2) of this order have been completed.

Respondent 2

Violations: Uniform Standards of Professional Appraisal Practice Rules

- (1). 2-1(a)(b), 2-2 (b)(viii), 2-3
- (2). 201 KAR 30:040

Agreed Order:

(1). Respondent shall complete a 3 hour ANSI course and a classroom or distance education 7 hour Reporting

Writing or a Fannie Mae Forms course. Said 10 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by July 1, 2010.

(2). Respondent shall be fined the sum of \$500.00 with total amount due with the signed agreed order.

(3). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraphs (1), and (2) of this order have been completed.

**09-17-**Dismiss

**09-18-** Letter of Admonishment

**09-19-** Dismiss with a letter of caution

**09-20-**

Violations: Uniform Standards of Professional Appraisal Practice Rules 2-1(a)(b), 2-2(b)(viii), 2-2(b)(x)

Agreed Order:

(1). Respondent shall complete a 7 hour Report Writing course. Said 7 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(2). Respondent agrees the board shall review files for a period of 2 years from the date of the agreed order

(3). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraphs (1), and (2) of this order have been completed.

**09-24, 09-25-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

- (1). 1-1(a)(b)(c)
- (2). Standards Rule 2
- (3). 2-2(b)(iii)(ix)
- (4). Ethics Rule (Conduct)
- (5). Competency Rule
- (6). 201 KAR 30:040, Section 3
- (7). KRS 324A.050(1)(d)(h)(i)(j)

Agreed Order:

Surrender of Kentucky Certified Real Property Certificate.

**09-27-** Dismiss

**09-28-**Dismiss

**09-29-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

- 1, 1-1(a)(b), 1-2(e)(i), 2, 2-1(a), 2-2(b)(viii)

Agreed Order:

(1). Respondent agrees to complete the terms of the final order for Administrative Action No. 09-REAB-0900

(2). Respondent shall submit a log identifying each assignment completed each month for a period of two years from the date of the agreed order.

(3). Respondent shall have no supervisory appraiser responsibilities for a period of two years from the date of the agreed order.

(4). Respondent shall not seek to renew, and the Board will not renew certification for the 2010 renewal cycle beginning July 1, 2010 until all requirements of the terms set out in paragraphs (1), (2) and (3) of this order have been completed.

**09-30-** Letter of Admonishment

**09-31-** Dismiss

**09-32-**Dismiss

**09-33-** Dismiss

**09-34-** Dismiss

**09-35-**Dismiss with a letter of caution for not responding to the grievant.

**09-36-** Dismiss

**09-37-** Dismiss with a letter of caution

**09-38-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

- (1). 2-1(a)(b), 2-2(b)(viii) and
- (2). Conduct Rule

Agreed Order:

(1). Respondent shall complete a 7 hour Residential Challenge: Declining Markets and Sales Concessions course. The course may be internet or classroom presentation. Said 7 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(2). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraph (1) of this order have been completed.

**09-39-**Dismiss

**09-41-**

Violations:

- (1). KRS 324A.050(1)(e)
- (2). 201 KAR 30.070(1)(2)(d)

Agreed Order:

Respondent agrees to accept an Admonishment for failure to submit a response to the grievant in this action.

**09-42-**Dismiss with a letter of caution

**09-44-** Dismiss

**09-45-**Dismiss with a letter of caution

**09-46-** Dismiss

**09-47-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

- (1). Standards Rule 2
- (2). 2-1(a), 2-2(b)(xi)
- (3). Standards Rule 2-3

Agreed Order:

(1). Respondent shall complete a 15 hour National USPAP Course and successfully pass the final examination. Said 15 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(2). Respondent shall be fined the sum of \$2,000.00 with total amount due with the signed agreed order.

(3). Respondent agrees to make a log available upon notice by the Board members, Board staff, or designee for 2 years from the date of the agreed order

(4). Respondent shall have no Associate Real Property appraiser after June 30, 2010 for a period of 2 years from the date of the agreed order.

(5). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraphs (1), (2), (3) and (4) of this order have been completed.

**09-48-** Dismiss

**09-49-**Dismiss

**09-50-**Dismiss

**09-51-**Dismiss

**09-52-**Dismiss

**09-53-**

Respondent 1-Supervisor

Dismiss

Respondent 2-Trainee

Violations: Uniform Standards of Professional Appraisal Practice Rules

(1). Standards Rule 2-1(a)

(2). Standards 2

(3). KRS 324A.050(f)(g)(h)(j)

Agreed Order:

(1). Respondent agrees to surrender his Associate Real Property License in lieu of discipline.

(2). Respondent further agrees that the Board may reopen this matter if he should ever apply for certification with the Board

**09-54-** Dismiss with a letter of caution

**09-55-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

1-1(a), 1-4(b)(i), 1-

4(c)(i)(ii)(iii)(iv), 1-6(a)(b), 2-2 and 2-

2(b)(viii)

Agreed Order:

(1). Respondent shall be awarded credit for the 30 hour Report Writing Course completed from the Appraisal Institute on March 16, 2010. Said 30 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(2). Respondent shall be fined the sum of \$500.00 with total amount due with the signed agreed order.

(3). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 until all requirements of the terms set out in paragraphs (1) and (2) of this order have been completed.

**09-56-**

Violations: Uniform Standards of Professional Appraisal Practice Rules

1-1(a)(c), 1-5(b), 2-1(a), 2-2(a), 2-2(b)(viii)

Agreed Order:

(1). Respondent shall complete a 7 hour Basic Report Writing course. Said 7 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2010.

(2). Respondent shall be fined the sum of \$500.00 with total amount due with the signed agreed order.

(3). Respondent shall submit to the Board staff a log every 6 months for a period of 2 years from the date of the agreed order and Board absolute must review assignments from the log for a period of two years form the date of the agreed order.

(4). Respondent agrees that the Board shall not renew certification for the 2010 renewal cycle July 1, 2010 all requirements of the terms set out in paragraphs (1), (2) and (3) of this order have been completed.

**09-57-** Dismiss

**09-58-** Dismiss with a letter of caution

**10-01-**Dismiss with a letter of caution due to the passage of time on the appraisal report in question.

**10-02-**Dismiss

**10-04-**Dismiss

**10-07-**Dismiss with a letter of caution for not summarizing three year sales history of subject property

**10-09-**Dismiss with a letter of caution for measurement calculation reporting requirements

**10-12-**Dismiss with a letter of caution to apply client assignment conditions.

**10-13-**Dismiss

**10-14-**Dismiss with a letter of caution advising that such time of an updated communication of value opinion is submitted there must be a current report date for each submission.

**10-15-**Dismiss

**10-16-**Dismiss