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MEMORANDUM

TO: Patrick Riley, General Counsel, Public Protection Cabinet for Real Estate Appraisers Board

FROM: Ange Darnell, Regulations Compiler

RE: Proposed New Administrative Regulations – 831 KAR 003:001; 831 KAR 003:010; 831 KAR 003:020; 831 KAR 003:030; 831 KAR 003:040; 831 KAR 003:050; 831 KAR 003:060; 831 KAR 003:070; 831 KAR 003:080; 831 KAR 003:090; 831 KAR 003:100; 831 KAR 003:110; 831 KAR 003:120; 831 KAR 003:130; 831 KAR 003:140; 831 KAR 003:150; 831 KAR 003:160; 831 KAR 003:170; 831 KAR 003:180; 831 KAR 003:190; 831 KAR 003:200 & 831 KAR 003:210.

DATE: March 30, 2026

A copy of each administrative regulation listed above is enclosed for your files. If these administrative regulations follow the standard KRS Chapter 13A timeline, they would be tentatively scheduled for a full review by the Administrative Regulation Review Subcommittee at its **JULY 2026** meeting.

Pursuant to KRS 13A.280, **if** comments are received during the public comment period, a Statement of Consideration or a one-month extension request for these regulations would be due **by noon on July 15, 2026**. Please reference KRS 13A.270 and 13A.280 for other requirements relating to the public hearing and public comment period and Statements of Consideration.

If you have questions, please contact us at RegsCompiler@LRC.ky.gov or (502) 564-8100.

Enclosures

1 PUBLIC PROTECTION CABINET

2 Kentucky Real Estate Appraisers Board

3 (New Administrative Regulation)

4 831 KAR 3:001. Definitions for 831 KAR Chapter 3.

5 RELATES TO: KRS Chapter 324A, 12 U.S.C. § 3350

6 STATUTORY AUTHORITY: KRS 324A.015, KRS 324A.020, KRS 324A.035

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020 and 324A.035 require
8 the Real Estate Appraisers Board, with the review of the director of the Division of Real Property
9 Boards, to promulgate administrative regulations necessary to carry out the provisions of KRS
10 Chapter 324A. This administrative regulation is necessary to comply with Title XI of the Financial
11 Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. § 3331 through 12 U.S.C.
12 § 3351), and KRS Chapter 324A. This administrative regulation defines terms used in 831 KAR
13 Chapter 3.

14 Section 1. Definitions.

15 (1) “Accredited” means a college or university that grants credit toward a program for an
16 associate, baccalaureate, graduate, or professional degree and that is chartered, licensed, or granted
17 accreditation by an appropriately recognized educational association.

18 (2) “Appraisal management company” is defined by KRS 324A.150(1).

19 (3) “Appraisal management services” is defined by KRS 324A.150(2).

20 (4) “Appraiser panel” is defined by KRS 324A.150(5).

1 (5) “Approved instructor” means an instructor who has been approved by the board
2 pursuant to 831 KAR 3:140 to teach continuing education or qualifying education.

3 (6) “AQB” means the Appraiser Qualification Board of the Appraisal Foundation.

4 (7) “AQB Criteria” means the Real Property Appraiser Qualification Criteria, January 1,
5 2026, of the Appraiser Qualification Board of the Appraisal Foundation.

6 (8) “Assignment” for purposes of a temporary practice permit application, means one or
7 more real estate appraisals and written or oral appraisal report(s) covered by a single contractual
8 agreement.

9 (9) “Associate real property appraiser” means an individual who has fulfilled the
10 requirements for licensure as an associate real property appraiser established by the board. An
11 associate real property appraiser is the functional equivalent to the credential of trainee real
12 property appraiser denoted by the AQB.

13 (10) “Bio-metric proctoring” means processes used to continually verify student identity,
14 such as facial recognition, consistency in keystroke cadence, and the observation of activity in the
15 testing location, and monitoring readily observable aberrant behavior or activity.

16 (11) “Board” means the Kentucky Real Estate Appraisers Board created under KRS
17 324A.015.

18 (12) “Certificate holder” or “licensee” means a person certified or licensed by the board.

19 (13) “Certified general real property appraiser” means an appraiser who has fulfilled the
20 requirements for certification established by the board to appraise real property in connection with
21 federally and nonfederally related transactions.

1 (14) “Certified residential real property appraiser” means an appraiser who has fulfilled the
2 requirements for certification established by the board to perform appraisals on improved
3 structures with up to four (4) residential units and vacant land.

4 (15) “Class hour” means sixty (60) minutes, of which at least fifty (50) minutes are actual
5 instruction attended by the student, including time for examinations.

6 (16) “Class hour of distance education” means the course time for synchronous and
7 asynchronous online instruction set forth in the Delivery Mechanism Approval process of the
8 Course Approval Program Policies and Procedures of the AQB, January 1, 2026, or the AQB
9 policy in effect at the time of submission of a provider’s application for course approval to the
10 board, whichever is later.

11 (17) “Complaint” means a written allegation that a credential holder or Appraisal
12 Management Company, or its controlling person or managing principal, has violated the
13 requirements of KRS Chapter 324A or 831 KAR Chapter 3.

14 (18) “Covered transaction” means any consumer credit transaction secured by the
15 consumer's principal dwelling.

16 (19) “Credential” means any license, certificate, and temporary practice permit, issued by
17 the board.

18 (20) “Credential holder” means an individual who has a license, certificate, or temporary
19 practice permit issued by the board.

20 (21) “Distance education” means any education process based on the geographical
21 separation of instructor and student. Distance education may be synchronous, asynchronous, or
22 hybrid.

1 (a) “Asynchronous distance education” means the instructor and student interact non-
2 simultaneously; the student progresses at the student’s own pace and follows a structured course
3 content and quiz and examination schedule.

4 (b) “Hybrid distance education” means the instructor and student interact both in-person
5 and online, through synchronous or asynchronous instruction.

6 (c) “Synchronous distance education” means the instructor and student interact
7 simultaneously online, by video teleconference, live webinar, or web-based meeting.

8 (22) “Education provider” means a school or entity that teaches continuing or qualifying
9 education courses, programs of study, or seminars.

10 (23) “Federal financial institutions regulatory agencies” means a federal agency listed in
11 12 U.S.C. § 3350(6) that regulates lenders, or the loans guaranteed by them.

12 (24) “Federally related transaction” is defined by KRS 324A.010(8).

13 (25) “Licensed nonfederal real property appraiser” means an individual who has fulfilled
14 the requirements for licensure established by the Board to appraise real property in connection
15 with non-federally-related transactions.

16 (26) “Licensed residential real property appraiser” means an appraiser who has fulfilled
17 the requirements for licensure established by the board to appraise real property.

18 (27) “Practical Applications of Real Estate Appraisal” or “PAREA” means programs
19 approved by the AQB as an alternative to the traditional supervisor/trainee model for obtaining
20 experience required for certification or licensure.

21 (28) “Real estate-related financial transaction” means a transaction that involves the:

22 (a) Sale, lease, purchase, investment in or exchange of real property, including an interest
23 in real property, or the financing thereof;

1 (b) Refinancing of real property, or an interest in real property; and
2 (c) Use of real property, or an interest in property, as security for a loan or investment,
3 including a mortgage-backed security.

4 (29) “Registrant” means an appraisal management company registered with the Board.

5 (30) “Required Core Curriculum” means the list of course topics established in 831 KAR
6 3:030 Section 5 through Section 9.

7 (31) “Residential” means having one (1) to four (4) residential units.

8 (32) “Submit” means in the context of an appraisal, correspondence, or other filing being
9 submitted to the Board, the date and time of submission shall be calculated:

10 (a) For mail: the date the mail is postmarked;

11 (b) For electronic mail or other digital transmission to the Boards general email account or
12 to a Board staff’s email account: by the date and time of receipt;

13 (c) For hand delivery: by the date the Board office receives the delivery; and

14 (d) For use of the online license renewal system: by the date and time the system receives
15 the application for renewal.

16 (33) “Uniform Standards of Professional Appraisal Practice” or “USPAP” means the
17 standards of practice promulgated by the Appraisal Standards Board of the Appraisal Foundation
18 as defined by KRS 324A.010(7).

APPROVED: March 25, 2026



John Dexter Outlaw, Chairperson, Kentucky Real Estate Appraisers Board



Tracy Carroll, Director, Division of Real Property Boards



Secretary Ray A. Perry, Kentucky Public Protection Cabinet

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on June 24, 2026, at 1:00 P.M. Eastern Time at the Mayo-Underwood Building, Room 133CE, 500 Mero Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be canceled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through June 30, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board, 500 Mero Street, Frankfort, Kentucky 40601, Email patrick.riley@ky.gov, Tel. (502) 782-2618.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

831 KAR 3:001. Definitions for 831 KAR Chapter 3

Contact Person: Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board

Phone: (502) 782-2618

Email: patrick.riley@ky.gov

Subject Headings: Boards and Commissions, Real Estate, Licensing, Fees

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This regulation provides definitions for terms used throughout the Kentucky Real Estate Appraisers Board's ("Board's") administrative regulations.

(b) The necessity of this administrative regulation:

This regulation is necessary to clearly articulate the regulatory terminology established in the Board's administrative regulations.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 324A.035 authorizes and requires the Board to promulgate administrative regulations for certification or licensure of appraisers who perform appraisals of real property in federally related transactions, for certification or licensure of appraisers of real property in nonfederally related transactions, classifications of appraisers; certification and licensure; renewal, suspension, or revocation of certification or licensure; standards of professional appraisal practice, including experience, education, and ethics; examination of applicants for certification or licensure; and continuing education of appraisers.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

The Board is charged with licensing and regulating the practice of appraisal in Kentucky. This administrative regulation is necessary to clearly articulate the definitions for terms used in the administrative regulations.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

Not applicable.

(b) The necessity of the amendment to this administrative regulation:

Not applicable.

(c) How the amendment conforms to the content of the authorizing statutes:

Not applicable.

(d) How the amendment will assist in the effective administration of the statutes:

Not applicable.

(3) Does this administrative regulation or amendment implement legislation from the previous five years?

Yes, this regulation implements the following legislation from the previous five years.

HB 172 (Acts Chapter 21) "AN ACT relating to the Kentucky Real Estate Appraisers Board;" signed by the Governor; effective June 29, 2021.

HB 403 (Acts Chapter 182) "AN ACT relating to real property boards;" effective July 15, 2024.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

As of October 22, 2025, the Board licenses and regulates over 1,564 individual appraisers and 106 appraisal management companies ("AMCs") that will be affected by this administrative regulation, as follows: 721 Certified General Real Property Appraisers, 664 Certified Residential Real Property Appraiser, 13 Licensed Residential Real Property Appraisers, and 166 Associate Real Property Appraisers.

(5) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

Licensees, including both appraisers and AMCs will need to understand definitions for the administrative regulations to follow the administrative regulations.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

This regulation will impose no new costs on licensees.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Licensees shall be informed of regulatory definitions.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

There will be no cost to the Board to implement this administrative regulation initially.

(b) On a continuing basis:

There will be no cost to the Board to implement this administrative regulation on a continuing basis.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

There is no additional funding necessary to implement this administrative regulation.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

The implementation of this administrative regulation requires no increase in fees or funding.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

This administrative regulation neither directly nor indirectly increases any fees.

(10) TIERING: Is tiering applied? (Explain why or why not):

No, tiering is not applied because the definitions set forth in this administrative regulation apply equally to all licensees.

FISCAL IMPACT STATEMENT

831 KAR 3:001. Definitions for 831 KAR Chapter 3

Contact Person: Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board

Phone: (502) 782-2618

Email: patrick.riley@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 324A.015, KRS 324A.020, KRS 324A.035, KRS Chapter 324A, 12 U.S.C. § 3350

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act:

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The Kentucky Real Estate Appraisers Board (“Board”) is the agency responsible for implementing this regulation. No other divisions of state or local government entities should be affected.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: There is no cost to administer this administrative regulation for the first year.

For subsequent years: There is no cost to administer this administrative regulation for subsequent years.

2. Revenues:

For the first year: This administrative regulation is not intended to generate revenue for any state or local government agency for the first year.

For subsequent years: This administrative regulation is not intended to generate revenue for any state or local government agency for subsequent years.

3. Cost Savings:

For the first year: There are no cost savings to administer this administrative regulation for the first year.

For subsequent years: There are no cost savings to administer this administrative regulation for subsequent years.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): None

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: N/A

For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): N/A

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: N/A

For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: None.

(b) Methodology and resources used to reach this conclusion: Methodology and resources used are the fiscal department within the Public Protection Cabinet, Division of Real Property Boards.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14): This administrative regulation is not intended or anticipated to have a major economic impact as defined by KRS 13A.010(14).

(b) The methodology and resources used to reach this conclusion: Methodology and resources used are the fiscal department within the Public Protection Cabinet, Division of Real Property Boards.

FEDERAL MANDATE ANALYSIS COMPARISON

831 KAR 3:001. Definitions for 831 KAR Chapter 3.

Contact Person: Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board

Phone: (502) 782-2618

Email: patrick.riley@ky.gov

- (1) Federal statute or regulation constituting the federal mandate.
12 U.S.C. 3345, 12 U.S.C. 3347
- (2) State compliance standards.
KRS 324A.020, KRS 324A.035
- (3) Minimum or uniform standards contained in the federal mandate.
12 U.S.C. 3345, 12 U.S.C. 3347
- (4) Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate?
This administrative regulation does not impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate.
- (5) Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements.
This administrative regulation does not impose a stricter standard, or additional or different responsibilities or requirements.