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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 3:190. Appraisal Management Company duties and prohibitions.

5 RELATES TO: KRS Chapter 324A, 12 U.S.C. § 3350, KRS 324A.020, KRS 324A.035,
6 KRS 324A.152, KRS 324A.154, KRS 324A.155, KRS 324A.163, KRS 324B.045, 15 U.S.C. §
7 1639e(i), 12 C.F.R. 226.42(f), 12 C.F.R. 34.210-216

8 STATUTORY AUTHORITY: KRS 324A.152, KRS 324A.154, KRS 324A.155, KRS
9 324A.156, KRS 324A.158, KRS 324A.163, KRS 324B.045, 12 C.F.R. 34.210-216

10 NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020, 324A.035, and KRS
11 324B.045 require the Real Estate Appraisers Board, with the review and feedback of the director
12 of the Kentucky Division of Real Property Boards, to promulgate administrative regulations
13 necessary to carry out the provisions of KRS Chapter 324A. This administrative regulation is
14 necessary to comply with Title XI of the Financial Institutions Reform, Recovery and Enforcement
15 Act of 1989 (12 U.S.C. § 3331 through 12 U.S.C. § 3351), and KRS Chapter 324A. KRS 324A.156
16 and KRS 324A.158 requires the board to establish by administrative regulation the duties and
17 prohibitions of appraisal management companies. KRS 324A.152(2) requires the board to
18 establish by administrative regulation the application process for appraisal management
19 companies. KRS 324A.155 and KRS 324A.163 require the board to establish by administrative
20 regulation the amount to be charged to registrants for the appraisal management company recovery
21 fund. KRS 324A.154(1) requires the board to establish by administrative regulation the filing fees

1 for registration of appraisal management companies. KRS 324A.152(8) requires the board to
2 establish by administrative regulation standards governing the operation of an appraisal
3 management company and for the implementation and enforcement of KRS 324A.150 to KRS
4 324A.164. This administrative regulation establishes the duties, operational requirements, and
5 prohibitions for appraisal management companies, including the applicable registration and
6 renewal fees, the amount to be charged to registrants for the appraisal management company
7 recovery fund, and the appraisal procedures for appraisal management companies.

8 Section 1. Operation of an Appraisal Management Company (AMC).

9 (1) A registrant shall disclose to its client the actual fees paid to an appraiser for appraisal
10 services, separately from any other fees or charges for appraisal management services and, upon
11 written request, shall make that information available to the board.

12 (2) A registrant shall verify its state registration to each appraiser that it engages for
13 appraisal services.

14 (3) A registrant shall not attempt to directly or indirectly coerce an appraiser to accept an
15 assignment if the appraiser indicates that the appraiser lacks competency or sufficient experience
16 to complete the assignment, and the registrant shall not penalize the appraiser by reducing the
17 number of assignments made to that appraiser, refusing to pay fees owed, or in any other manner.

18 (4) A registrant shall not withhold or threaten to withhold future business or assignments
19 from an appraiser because of the appraiser's failure to concede to improper or illegal requests,
20 demands, or coercion. This prohibition shall include any express or implicit promise of future
21 business, assignments, promotions, or increased compensation for an appraiser in exchange for
22 the appraiser's agreement to concede to improper or illegal requests, demands, or coercion.

1 (5) A registrant shall not require an appraiser to indemnify an AMC or hold an AMC
2 harmless. This prohibition shall not preclude indemnification agreements for services performed
3 by the appraiser.

4 (6) A registrant shall not use an appraiser directly selected or referred by any member of a
5 loan production staff of a client.

6 (7) A registrant shall not request that a broker price opinion be used as a primary basis for
7 developing and reporting an appraisal for the purpose of loan origination of a residential
8 mortgage loan secured by any one (1) to four (4) unit residential property.

9 (8) A registrant may not remove an appraiser from its appraiser panel without prior written
10 notice to the appraiser as required by KRS 324A.158(2)(d). An appraiser may file a complaint
11 with the board to review the decision of the registrant for removal from its appraiser panel for
12 reasons other than those allowed by KRS 324A.158(2)(d).

13 (9) A registrant shall require that if an appraisal report prepared by a Kentucky licensed or
14 certified real property appraiser is reviewed by a state licensed or certified real property appraiser,
15 the review appraiser shall also be licensed or certified by the board.

16 (10) A registrant shall not prohibit communication between a Kentucky licensed or
17 certified real property appraiser and any person from whom the appraiser believes the
18 information is relevant in the performance of an appraisal assignment.

19 (11) A registrant shall not require a Kentucky licensed or certified real property appraiser
20 that is an independent contractor under Kentucky law to sign a non-compete agreement.

21 Section 2. AMC appraisal procedures.

1 (1) A registrant shall make payment to an engaged appraiser for the completion of an
2 appraisal within forty-five (45) days after the date on which the appraisal is transmitted or
3 otherwise completed.

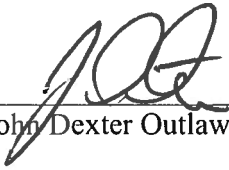
4 (2) Subsequent request by a registrant to the appraiser for additional support of valuation
5 or correction of factual and objective data shall not extend the payment date beyond the original
6 forty-five (45) days from first receipt of the appraisal.

7 (3) An appraiser shall comply with a registrant's request for additional data support of
8 estimate of value or correction of factual and objective data errors within fifteen (15) days of the
9 request or be subject to the complaint process by the registrant under the board.

10 (4) An appraiser shall not be prohibited by an AMC from including within each appraisal
11 report the compensation received from the AMC for each appraisal assignment completed.

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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 3:190. Appraisal Management Company duties and prohibitions.
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 establishes duties and prohibitions of an Appraisal Management Company upon registration with the Kentucky Real Estate Appraisers Board ("Board").

(b) The necessity of this administrative regulation:

This regulation is necessary to set Appraisal Management Company duties and prohibitions in accordance with KRS 324A.156 and KRS 324A.158 and federal requirements for state boards that regulate appraisers.

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

This regulation conforms to the authorizing statutes in KRS 324A.150 through KRS 324A.164.

(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 will assist the Board in effective oversight of Appraisal Management Companies by establishing registrant duties and prohibition requirements.

(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. This regulation will impact an unknown number of AMCs.

(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:

Current licensees will not need to take any new steps to comply with this regulation. This regulation is a new regulation and recodification of prior 201 KAR Chapter 30. Prospective registrants will need to follow the duty and prohibition requirements set forth in this administrative regulation.

(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 registrants or licensees.

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

Prospective registrants will be able to identify the duty and prohibition requirements.

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

(a) Initially:

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

(b) On a continuing basis:

There will be no additional 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 does not establish any fees and neither directly nor indirectly increases any fees.

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

No, tiering is not applied because this administrative regulation applies equally to all Appraisal Management Companies registered with the Board.

FISCAL IMPACT STATEMENT

831 KAR 3:190. Appraisal Management Company duties and prohibitions.

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 324B.045, KRS 324A.152, KRS 324A.154, KRS 324A.155, KRS 324A.163, 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 3:190. Appraisal Management Company duties and prohibitions.

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, 12 U.S.C. 3353, 15 U.S.C. § 1639e(i), 12 C.F.R. 226.42(f), 12 C.F.R. 34.210-16
- (2) State compliance standards.
KRS 324A.020, KRS 324A.035, KRS 324A.152, KRS 324A.154, KRS 324A.155, KRS 324A.156, KRS 324A.158, KRS 324A.160, KRS 324A.163, KRS 324B.045
- (3) Minimum or uniform standards contained in the federal mandate.
12 U.S.C. 3345, 12 U.S.C. 3347, 12 U.S.C. 3353, 15 U.S.C. § 1639e(i), 12 C.F.R. 226.42(f), 12 C.F.R. 34.210-16
- (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.