



**PSI Services LLC**  
 3210 E Tropicana  
 Las Vegas, NV 89121  
[www.psiexams.com](http://www.psiexams.com)

*Before paying for  
 your examination registration,  
 be sure you understand  
 the contents of this bulletin.  
 Please retain and use it as a reference  
 when contacting PSI.*

# KENTUCKY REAL ESTATE APPRAISERS BOARD



## APPRAISER EXAMINATIONS CANDIDATE INFORMATION BULLETIN

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

## EXAMINATIONS BY PSI SERVICES LLC

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

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

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

- Certified Residential Appraiser
- Certified General Appraiser

## EXAMINATION REGISTRATION PROCEDURES

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

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

Once the Board has approved you for testing, your testing eligibility will automatically be submitted to PSI, and you will be responsible for contacting PSI to schedule the examination. Although there is no limit for the number of consecutive times you may sit for the examination, you will be required to obtain approval and pay a fee each time the examination is administered.

## EXAMINATION SCHEDULING PROCEDURES

### INTERNET REGISTRATION

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

1. Log onto PSI's website and create an account. Please enter your email address and first and last name. This information must match exactly with the information

the Board has on file. Be sure to check the box next to "Check here to attempt to locate existing records for you in the system"

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

### TELEPHONE REGISTRATION

Candidates wishing to contact a live operator may call (800) 733-9267, Monday through Friday between 7:30 am and 10:00 pm, or Saturday-Sunday between 9:00 am and 5:30 pm, Eastern Time, to schedule an appointment for the test.

### CANCELING AN EXAMINATION APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your *cancellation notice is received 2 days before the scheduled examination date*. For example, for a Monday appointment, the cancellation notice would need to be received on the previous Saturday. You may call PSI at (800) 733-9267.

**Note:** A voice mail message is not an acceptable form of cancellation. Please use the PSI Website or call PSI and speak directly to a Customer Service Representative.

### MISSED APPOINTMENT OR LATE CANCELLATION

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

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

### SPECIAL EXAMINATION ARRANGEMENTS

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

### EXAMINATION SITE CLOSING FOR AN EMERGENCY

In the event that severe weather or another emergency forces the closure of an examination site on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation. However, you may check the status of your examination schedule by calling (800) 733-9267. Every effort will be made to reschedule your examination at a convenient time as soon as possible. You may also check our website at [www.psiexams.com](http://www.psiexams.com).



## SOCIAL SECURITY NUMBER CONFIDENTIALITY

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

## **EXAMINATION SITE LOCATIONS**

### **Louisville**

Louisville - Jefferson Community Tech College  
101 W Broadway, Suite 100  
Louisville, KY 40202

*FOLLOW I-65 TO EASTERN PARKWAY-WEST (THE SECOND EASTERN TAKE I-64 TO THE JEFFERSON STREET EXIT, EXIT 136-C. TAKE THE JEFFERSON STREET RAMP, AND TURN LEFT ONTO S 1ST ST. CONTINUE TO FOLLOW 1ST ST. TO BROADWAY AND PUBLIC PARKING AREAS. CALL SITE FOR DIRECTIONS IF NEEDED. 502-213-2112.*

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

## **REPORTING TO THE EXAMINATION SITE**

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

### REQUIRED IDENTIFICATION

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

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

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

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

## SECURITY PROCEDURES

The following security procedures will apply during the examination:

- Candidates will not be permitted to use any calculator that is alpha programmable. In addition, as stipulated by the AQB, each candidate is required to bring the **written instructional manual** that was provided with the programmable calculator when purchased by the candidate or instructions downloaded from the manufacturer's website so that the test center proctor can ensure that all numeric programs previously stored in the calculator are cleared before the candidate is permitted to use the calculator during the examination. If you do **NOT** bring these instructions, you will not be permitted to use the calculator. Moreover, all programmable calculators must be cleared upon conclusion of the examination by the test center proctor to prohibit potential security breaches. **Note:** Candidates need to bring their own financial calculator. One is not available at the test center. Candidates may not share a calculator during the exam.
- Candidates may take only approved items into the examination room.
- All personal belongings of candidates, with the exception of close-fitting jackets or sweatshirts, should be placed in the secure storage provided at each site prior to entering the examination room. Personal belongings **include, but are not limited to**, the following items:
  - **Electronic devices of any type**, including cellular / mobile phones, recording devices, electronic watches, cameras, pagers, laptop computers, tablet computers (e.g., iPads), music players (e.g., iPods), smart watches, radios, or electronic games.
  - **Bulky or loose clothing or coats** that could be used to conceal recording devices or notes, including coats, shawls, hooded clothing, heavy jackets, or overcoats.
  - **Hats or headgear not worn for religious reasons** or as religious apparel, including hats, baseball caps, or visors.
  - **Other personal items**, including purses, notebooks, reference or reading material, briefcases, backpacks, wallets, pens, pencils, other writing devices, food, drinks, and good luck items.
- Person(s) accompanying an examination candidate may not wait in the examination center, inside the building or on the building's property. This applies to guests of any nature, including drivers, children, friends, family, colleagues or instructors.
- No smoking, eating, or drinking is allowed in the examination center.
- During the check in process, all candidates will be asked if they possess any prohibited items. Candidates may also be asked to empty their pockets and turn them out for the proctor to ensure they are empty. The proctor may also ask candidates to lift up the ends of their sleeves and the bottoms of their pant legs to ensure that notes or recording devices are not being hidden there.
- Proctors will also carefully inspect eyeglass frames, tie tacks, or any other apparel that could be used to harbor a recording device. Proctors will ask to inspect any such items in candidates' pockets.
- If prohibited items are found during check-in, candidates shall put them in the provided secure storage or return these items to their vehicle. PSI will not be responsible for the security of any personal belongings or prohibited items.



- Any candidate possessing prohibited items in the examination room shall immediately have his or her test results invalidated, and PSI shall notify the examination sponsor of the occurrence.
- Any candidate seen giving or receiving assistance on an examination, found with unauthorized materials, or who violates any security regulations will be asked to surrender all examination materials and to leave the examination center. All such instances will be reported to the examination sponsor.
- Copying or communicating examination content is violation of a candidate's contract with PSI, and federal and state law. Either may result in the disqualification of examination results and may lead to legal action.
- Once candidates have been seated and the examination begins, they may leave the examination room only to use the restroom, and only after obtaining permission from the proctor. Candidate will not receive extra time to complete the examination.

## IDENTIFICATION SCREEN

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

## TUTORIAL

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

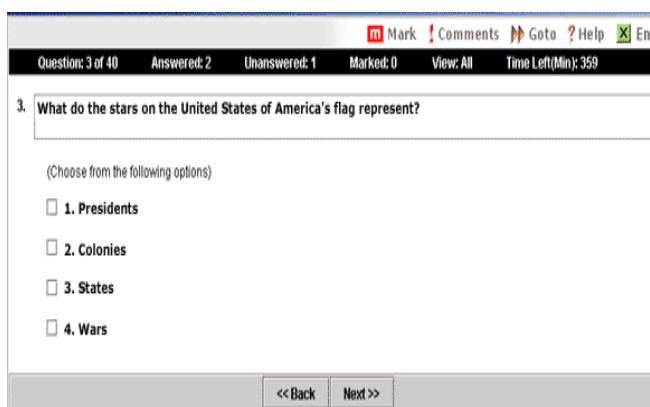
One question appears on the screen at a time. During the examination, minutes remaining will be displayed at the top of the screen and updated as you record your answers.

## REVIEW OF EXAMINATION QUESTIONS

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

## EXAMINATION QUESTION EXAMPLE

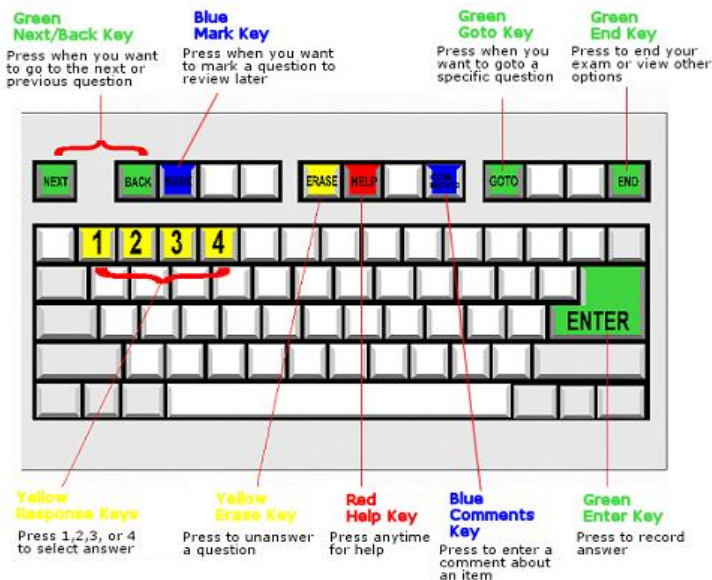
During the examination, you should press 1, 2, 3, or 4 to select your answer or press "MARK" to mark it for later review. You should then press "ENTER" to record your answer and move on to the next question. A sample question display follows:



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

## **TAKING THE EXAMINATION BY COMPUTER**

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



## **SCORE REPORTING**

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

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

Scaled scores can range from 0 to 110, with 75 and above representing passing. Scores are reported to candidates as scaled scores. The scaled scores are computed from raw scores. Raw scores, or percentage scores, are the actual number of questions answered correctly. Raw scores are mathematically converted to scaled scores to maintain a consistency in the meaning of scores,

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

### DUPLICATE SCORE REPORT

You may request a duplicate of your failed score report by emailing [scorereport@psionline.com](mailto:scorereport@psionline.com) or by calling 800-733-9267.

## DESCRIPTION OF EXAMINATIONS

Kentucky utilizes the National Uniform Licensing and Certification Examinations which are developed by the Appraiser Qualifications Board (AQB). For further information or to express concerns about the examination content, please contact:

The Appraiser Qualifications Board  
 C/O The Appraisal Foundation  
 1155 15th Street, NW, Suite 1111  
 Washington, DC 20005  
[www.appraisalfoundation.org](http://www.appraisalfoundation.org)  
 Telephone: 202-347-7722  
 Fax: 202-347-7727

### EXAMINATION SUMMARY TABLE

Examination	Number of Scored Questions	Number of Non-Scored Questions	Passing Scaled Score	Time Allowed
Certified Residential Appraiser (CR)	110	15	75	4 hours
Certified General Appraiser (CG)	110	15	75	6 hours

In addition to the number of scored examination items specified, fifteen non-scored questions will be administered to candidates during the examinations. The administration of such non-scored questions is essential in developing future licensing examinations.

## NATIONAL UNIFORM AND CERTIFICATION EXAMINATION CONTENT OUTLINES

The examination content outlines have been prepared by the AQB. Use the outline as a guide for pre-examination review course material. The outlines list the content domains and sub-domains that are on the examination and the number of questions for each domain. Do not schedule your examination until you are familiar with the topics in the outline.

AQB EXAMINATION CONTENT OUTLINES	CG	CR
<b>1. Real estate market</b>	<b>22</b>	<b>22</b>
Types of influences on real estate value	3	3
Agents of production		
Factors of value (e.g. desire, utility, scarcity, EPP)		
Forces on value (e.g. social, economic, gov., environmental)		
Principles of real estate		
Types of government power	2	2
Police power		
Eminent domain		
Escheat		
Taxation		
Types of real estate value	3	3
Value in use		
Market value		
Going concern		
Investment value		
Ad valorem / assessed		
Liquidation / disposition		
Insurable value		
Cost vs. Price vs. Value		
Date of value premise	2	2
Retrospective		
Current		
Prospective		
Market analysis	3	3
Market delineation (e.g. neighborhood, linkages)		
Market conditions (e.g. supply/demand, absorption)		
Types of market analysis		
Investment analysis	3	3
Mortgage calculations		
Financial calculations (e.g. net present value)		
Tests of highest and best use	2	2
Legally-allowable		
Physically-possible		
Financially-feasible		
Maximally-productive		
Analysis of highest and best use	4	4
As improved		
As vacant		
<b>2. Property description</b>	<b>12</b>	<b>13</b>
Description of land or site	3	3
Physical and functional description		
Legal description		
Metes and bounds		
Government survey		
Lot and block		
Description of improvements and building components	2	3
Physical and functional description		



Personal property items vs. fixtures		
Legal interest	3	3
Fee simple		
Leased fee		
Leasehold		
Life estate and remainders		
Partial / fractional interest (e.g. condominiums, co-ops)		
Types of ownership and legal documents (e.g. joint tenancy)		
Rights to use	2	2
Public restrictions		
Private restrictions		
Property taxation	2	2
<b>3. Land or site valuation</b>	<b>4</b>	<b>4</b>
Land or site valuation methods	4	4
Allocation		
Extraction		
Residual		
Subdivision		
Sales comparison (e.g. paired sales)		
Ground rent capitalization ( <i>CG ONLY</i> )		
<b>4. Sales comparison approach</b>	<b>16</b>	<b>24</b>
Identification of comparable sales	3	4
Units of comparison	3	4
Elements of comparison	3	4
Property rights		
Financing		
Condition of sale		
Expenditures immediately upon sale		
Market conditions		
Location		
Physical characteristics		
Economic characteristics		
Use / legal		
Non-realty components of value		
Quantitative adjustments	2	5
Paired data		
Statistical methods (e.g. linear regression, graphic analysis)		
Cost analysis		
Income capitalization		
Qualitative adjustments	2	4
Trend analysis		
Ranking analysis / bracketing		
Relative comparison analysis		
Interviews with market participants		
Reconciliation to indicated value by the sales comparison approach	3	3
<b>5. Cost approach</b>	<b>14</b>	<b>16</b>
Sources of cost information	2	2
Cost manuals and services		
Actual costs		
Market-extracted		
Cost components	2	1
Direct		
Indirect		
Entrepreneurial incentive and profit		
Reproduction vs. replacement cost		
Depreciation	3	6
Physical deterioration	1	2
Physical curable		
Physical incurable short-lived		
Physical incurable long-lived		
Functional obsolescence	1	2

Curable		
Incurable		
External obsolescence	1	2
Locational		
Economic		
Methods of estimating depreciation	5	5
Age-life and modified age-life		
Breakdown		
Market extraction		
Reconciliation to indicated value by the cost approach	2	2
<b>6. Income approach</b>	<b>22</b>	<b>11</b>
Sources of income generation	2	2
Rent and leases		
Reimbursements		
Other		
Occupancy / vacancy analysis	2	1
Expenses	2	2
Fixed		
Variable		
Replacement allowance / reserves		
Capital expenses vs. ordinary expenses		
Capitalization	10	4
Direct capitalization	4	3
Multipliers		
Overall rates (e.g. equity rates)		
Reconstruction of operating statement (e.g. NOI, EGI, ratios)		
Derivation of capitalization rates	2	1
Band of investment		
Market-extracted		
Yield capitalization ( <i>CG ONLY</i> )	4	0
Discounted cash flow		
Property models		
Yield rates		
Estimation of value using income approach	4	1
Using direct capitalization	2	1
Fee simple		
Leased fee		
Leasehold		
Using yield capitalization ( <i>CG ONLY</i> )	2	0
Fee simple		
Leased fee		
Leasehold		
Reconciliation to indicated value by the income approach	2	1
<b>7. Reconciliation of value indications</b>	<b>2</b>	<b>2</b>
Reconciliation of approaches to value	2	2
<b>8. Uniform standards of prof. appr. practice</b>	<b>18</b>	<b>18</b>
Definitions and preamble	2	2
Ethics rule	2	2
Record keeping rule	2	2
Competency rule	2	2
Scope of work rule	2	2
Jurisdictional exception rule	1	1
Standard 1	2	2
Standard 2	2	2
Standard 3	1	1
Statements on appraisal standards	2	2

## SAMPLE QUESTIONS

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

1. The subject property is a 10,000-sf office building encumbered by a full-service lease with a contract base rent of \$1.25 per square foot monthly. Stabilized vacancy/credit loss allowance for similar properties within the market area is 7% of PGI. The operating expense ratio for similar properties is 30% of EGI, plus reserves for replacement of \$0.15 per square foot. What is the projected net operating income?
    - A. \$93,000
    - B. \$94,500
    - C. \$96,150
    - D. \$97,650
  2. The subject assignment is to appraise a vintage house built in 1880 using the cost approach. The house has metal stamped ceilings, lath, and plaster walls, which are items not easily available in today's construction. The estimated replacement cost using modern materials is \$120 per square foot. Contractors charge \$15 more per square foot to work on older houses. The estimated reproduction cost is \$185 per square foot. What is the estimated loss in utility?
    - A. \$15 per square foot
    - B. \$33 per square foot
    - C. \$65 per square foot
    - D. \$80 per square foot
  3. The occupants of a dwelling have been granted a life estate by their daughter. What interest does the daughter hold in the property?
    - A. Life tenant
    - B. Remainder
    - C. Trustee
    - D. Trustor
  4. A client requires the cost approach be completed for a warehouse located in an industrial park. There are no vacant land comparables in the market area. There are three sales of commercial buildings in the industrial park with similar lots that the appraiser has researched extensively. The appraiser found the following information:

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

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

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

What is the indicated value of the lot using the allocation approach?
- A. \$125,000
- B. \$135,000
- C. \$350,000
- D. \$500,000
5. A homeowner purchased two adjacent lots in a tract subdivision 20 years ago and built a single-unit dwelling entirely on one lot, utilizing the second lot as a side yard. The homeowner has decided to build a smaller home on the vacant side lot and retain the existing home as a rental. What term applies to the second yard?
  - A. Excess land
  - B. Surplus land
  - C. Underutilized site
  - D. Vacant site
6. While working on an appraisal of a residential property in a new home subdivision, the appraiser finds that the builders have a total of 100 home sites currently offered for sale. In measuring market demand, the appraiser notes that all of the builders combined are currently averaging two new sales contracts per month, and are expecting to sell 24 dwellings within the next year. What conclusion can be drawn with regard to the 100 available home sites and a market period of the next 12 months?
  - A. The market is in a condition of supply and demand
  - B. The market is in a condition of balance
  - C. The market is in a condition of undersupply
  - D. The market is in a condition of oversupply

ANSWERS: 1 = C, 2 = C, 3 = B, 4 = C, 5 = A, 6 = D

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