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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

May 16, 2005

Mr. C. W. Wilson, Chair  
Kentucky Real Estate Appraisers Board  
2480 Fortune Drive, Suite 120  
Lexington, KY 40509

Dear Mr. Wilson:

Thank you for your cooperation and your staff's assistance in the March 29-30, 2005 Appraisal Subcommittee ("ASC") review of Kentucky's real estate appraiser regulatory program ("Program"). We are pleased to inform you that based on our review, your Program functions effectively and in a manner generally consistent with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). However, the following area needs your attention.

- **Kentucky has not amended its regulations to reflect Appraiser Qualifications Board ("AQB") criteria changes that became effective January 1, 2003.**

Although Kentucky has implemented the AQB criteria changes that became effective January 1, 2003, the Board has not formally adopted the changes and amended its regulations. At the time of our field review, Board Counsel was drafting regulations to conform them to the criteria changes. The conflict between the State's regulations and practice regarding the 2003 criteria changes could expose the State's Program to adverse consequences and could cause confusion among applicants and users of appraisal services. Therefore, the Board needs to propose and adopt as soon as possible regulatory amendments that would bring the State's regulations into full conformance with the January 1, 2003 AQB criteria changes.

Please respond to our findings and recommendations within 60 days following the receipt of this letter. Until the expiration of that period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

Please contact us if you have further questions.

Sincerely,

Virginia M. Gibbs  
Chairman

cc: Larry Disney, Executive Director