APPRAISAL SUBCOMMITTEE
FFIEC

1717 K Street, NW, Suite 900
Washington, DC 20006
www.asc.gov

July 21, 2026

Via Email

John Dexter Outlaw, Chair
Kentucky Real Estate Appraiser Board
Kentucky Real Estate Authority
500 Mero Street, 2NE09
Frankfort, KY 40601
John.Outlaw@ky.gov

RE: ASC Compliance Review of Kentucky's Appraisal Management Company (AMC) Regulatory Program

Dear John Outlaw:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Kentucky AMC regulatory program (AMC Program) on April 21-23, 2026, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.[1]

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the Kentucky AMC Program is attached.

The ASC identified the following area of non-compliance:

- States must enforce and document ownership limitations for State-registered AMCs.[2]

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Kentucky will remain on a two-year Review Cycle.

[1] 12 U.S.C. §§ 3331-3356
[2] 12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

Frederick Griefer

Frederick Griefer
Acting Executive Director

Attachment
cc: Tracy Carroll, Director, Kentucky Division of Real Property Boards, Tracy.Carroll@ky.gov
Patrick Riley, General Counsel, Kentucky Real Estate Authority, Patrick.Riley@ky.gov

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	• State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure	2-year
Good	• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure	2-year
Needs Improvement	• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure	2-year with additional monitoring
Not Satisfactory	• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure	1-year
Poor**	• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

**An ASC Finding of "Poor" may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.

				ASC State AMC Program Compliance Review Report			**ASC Finding: Good** **Final Report Issue Date: July 21, 2026**
Kentucky AMC Regulatory Program (State)							
Kentucky Real Estate Appraisers Board				**PM: M. Brown**	**ASC Compliance Review Date: April 21-23, 2026**		**Review Period: January 2024 to April 2026**
Umbrella Agency: Kentucky Real Estate Authority					**Number of AMCs on National Registry: 101**		**Review Cycle: Two Year**
Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			**ASC Staff Observations**	**State Response**	**Required/Recommended State Actions**	**General Comments**
	YES	**NO**	**AC**				
Statutes, Regulations, Policies and Procedures:		**X**					
States must enforce and document ownership limitations for State-registered AMCs. (12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				The State's AMC eligibility form does not provide the State the opportunity to determine substantive cause. This concern was also identified in the 2024 Compliance Review Report.	On June 18, 2026, the State responded that the Board voted on April 24, 2026, to remedy this issue by amending the Initial and Renewal Application for Appraisal Management Company Registration form to reflect that the Board makes the determination whether a vested party has lost a license due to substantive cause.	The State must continue the process to amend its initial and renewal application form to bring it into compliance and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:	**X**						
				No compliance issues noted.	N/A	None	None
Enforcement:	**X**						
				No compliance issues noted.	N/A	None	None