



United States
Department of the Interior
Appraisal and Valuation Services Office

AVSO Directives Transmittal Sheet

Document Identification Number 05-2H	Subject Valuation Policy Guidance - This chapter includes general AVSO policies for real property valuation and minerals evaluation services conducted on behalf of Department agencies.	Release Number 19-01
Responsible Division Principal Deputy Director		Date October 2, 2018
Material Superseded New Issuance		

Explanation of Material Transmitted

The purpose of this chapter is to provide overall valuation policy that applies to the four valuation divisions (FLD, ITPVD, LBBPVD, DME). Additionally, this chapter provides guidance for implementation of the Departmental Manual Chapters 112 DM 33, 212 DM 33, and 602 DM 1 for the Appraisal and Valuation Services Office.

Developed by _____
Timothy J. Hansen, RPRA
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Principal Deputy Director

Appraisal and Valuation Services Office Manual

- 1.1. **Purpose.** The purpose of this chapter is to provide overall valuation policy that applies to the four valuation divisions (FLD, ITPVD, LBBPVD, and DME). Additionally, this chapter provides guidance for implementation of the Departmental Manual Chapters 112 DM 33, 212 DM 33, and 602 DM 1 for the Appraisal and Valuation Services Office (AVSO).
- 1.2. **Scope.** This policy applies to all AVSO employees who perform valuation or evaluations services for AVSO in response to requests from DOI bureaus and offices as well as Solicitors, individual Indians, various Tribal governments, or other federal agencies.
- 1.3. **Policy.** It is the policy of AVSO to comply with all applicable Federal laws and regulations and implement equitable uniform guidelines and standards for valuation of Federal and non-Federal real property interests included in proposed land tenure actions by DOI agencies.
- 1.4. **Authorities.**
 - A. **Statutes and Regulations**
 1. 42 U.S.C. 4601-4655, Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 (Uniform Act), as amended.
 2. 43 U.S.C. 1701-1787, Federal Land Policy and Management Act of 1976 (FLPMA), as amended.
 3. 43 U.S.C. 1716, Federal Land Exchange Facilitation Act of 1988 (FLEFA).
 4. Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI, as amended.
 5. 25 U.S.C. 458aa, Indian Self-Determination and Educational Assistance Act of 1975 (ISDEAA), as amended.
 6. 25 U.S.C. 5635, Indian Trust Asset Reform Act (ITARA)
 - B. **Guidance**
 1. 112 Department Manual (DM) 33, AVSO, Organization
 2. 212 DM 33, AVSO, Delegation
 3. 602 DM 1, Appraisal of Real Property
 4. Office of Management and Budget (OMB) Bulletin 92-06, March 19, 1992
 - C. **Valuation Standards**
 1. Uniform Standards of Professional Appraisal Practice (USPAP)
 2. Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)
 3. International Valuation Standards (IVS)
- 1.5. **Responsibilities.**
 - A. **Director** provides overall program management and oversight for AVSO.

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- B. **Principal Deputy Director** serves as the final authority for the Department for valuation policy and guidance and through the deputy directors, oversees the four valuation divisions within AVSO – Division of Minerals Evaluation (DME), Federal Lands Division (FLD), Indian Trust Property Valuation Division (ITPVD), and the Land Buy Back Property Valuation Division (LBBVD).
- C. **Associate Deputy Director** supports the Principal Deputy Director and Chief Appraiser in the development of appraisal policy for appraisals performed on Indian trust land and is the approving official for AVSO agreements with Indian tribes pursuant to the ISDEAA.
- D. **Chief Appraiser** serves as the technical valuation authority for AVSO and develops valuation policy and guidance for the Department. The Chief Appraiser is responsible for records and risk management and evaluation of compliance with valuation policy and guidance by AVSO staff.
- E. **Deputy Directors** oversee overall division functions within AVSO and are responsible for implementing valuation policy and guidance within their divisions. The deputy directors are also responsible for quality control functions within their divisions which relate to compliance with established policy and guidance.
- F. **Team Lead Appraisers/Regional Supervisory Appraisers (TLA/RSA)** are responsible for managing valuation cases and workflow for their assigned workgroup. The TLA/RSA are frontline managers and directly involved in the implementation of policies and guidance at the field level.

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Chapter Title: Valuation Policy Guidance

Chapter Series: 2

Brief Description:	This chapter includes general AVSO policies for real property valuation and minerals evaluation services conducted on behalf of Department agencies.
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Applies to:	All AVSO Staff

Reason for Chapter: The purpose of this chapter is to provide overall valuation policy that applies to the four valuation divisions (FLD, ITPVD, LBBPVD, and DME). Additionally, this chapter provides guidance for implementation of the Departmental Manual Chapters 112 DM 33, 212 DM 33, and 602 DM 1 for the Appraisal and Valuation Services Office.

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2.1 Valuation and Evaluation Products

The following policies apply to valuation and evaluation services prepared by or for the Appraisal and Valuation Services Office (AVSO) in response to requests from DOI bureaus and offices as well as Solicitors, individual Indians, various Tribal governments, or other federal agencies.

2.1.1 Valuation and Evaluation Standards

AVSO provides real property appraisals, appraisal reviews, mineral economic evaluations, mineral commodity valuations, and other valuation and evaluation services, such as consultation for Departmental requesters and for other federal agencies, if requested. Because appraisal and evaluation are separate but related professional activities, separate standards may apply to each activity. Appraisal standards such as the *Uniform Standards of Professional Appraisal Practice* (USPAP) apply only to licensed appraisers and apprentice appraisers and therefore do not apply to evaluators. There are situations where the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA) apply to both areas of practice.

2.1.1.1 Appraisal Standards

All valuation services will comply with the statutory authority for the proposed realty action, any applicable agency or Indian trust regulations, the assignment-specific statement of work, and legal instructions if issued for the assignment. Also, all appraisal reports, appraisal review reports, and appraisal practices will be performed in compliance with the USPAP, and where applicable, with the UASFLA as required by the authority for the transaction or as determined by the Chief Appraiser.

2.1.1.2 Mineral Evaluation Standards

All mineral evaluation reports and commodity valuation reports will follow industry standard guidelines and frameworks. Mineral evaluation reports are often created to support a real estate appraisal, but they are not appraisals of the mineral estate.¹ Mineral evaluation reports include a description of the geology and all minerals present as well as the findings of the assigned analyst related to the economics of the minerals present on the subject property. Valuation of real property interests, including mineral estates or mineral rights, is reserved to AVSO appraisal staff. To efficiently provide support for AVSO valuation services, mineral evaluations and mineral commodity valuation services generally follow the principles prescribed in USPAP and in UASFLA for mineral properties and the standards and principles prescribed in the *Standards and Guidelines for Valuation of Mineral Properties* by the Society for Mining, Metallurgy, and Exploration, Inc. (SME).

2.1.2 Requesting Valuation Products

All valuation services should be requested electronically through the Interior Valuation Information System (IVIS) for Federal lands or the Office of Appraisal Services Information Service (OASIS)² for Indian trust lands unless the requester does not have access to IVIS or OASIS or is prohibited by law. These requests whether electronic or in other format shall specify the intended use of the valuation service sought as well as a citation of the statutory authority

¹ UASFLA Section 4.12 describes how appraisers can use or rely on another expert's opinions in the completing of an appraisal. The reports provided by DME are "supporting expert's opinions" described in the previously referenced section of UASFLA.

² OAS and the Office of Valuation Services (OVS) were consolidated into AVSO pursuant to Secretarial Order 3363, signed March 19, 2018. While OAS no longer exists as an organization, the name will remain on the OASIS system pending future consolidation of IVIS and OASIS.

for the proposed agency, bureau, or Indian trust realty action. Mineral evaluations may be requested through IVIS or OASIS depending on the requester. Special projects may come to the Division of Minerals Evaluation (DME) directly from DOI bureaus or offices. Mineral evaluation services requested on behalf of the Five Civilized Tribes of Oklahoma come to the DME via email request from the DOI Field Solicitor's Office, Tulsa, Oklahoma.

Requests initiated by DOI offices or bureaus through IVIS, OASIS, or by the DOI Field Solicitor's Office must include adequate information to prepare a comprehensive statement of work and complete the valuation assignment. It is the requesting party's responsibility to identify precisely the property interest of the proposed agency action prior to the start of the assignment. This ensures that the property interest that is the subject of the valuation assignment matches the property interest being transferred.

When the acquisition of non-Federal property is the subject of an appraisal assignment, the request from the agency must include current title information for the precise real property interest to be acquired and written permission from the landowner or an authorized representative allowing the appraiser to enter the property for appraisal purposes.

When the assignment involves conveyance of Federal lands or interests therein, the requesting agency is responsible for identifying the property interest to be conveyed and providing information regarding restrictions, covenants, reservations, and any other encumbrances affecting the conveyance parcel.

2.1.2.1 IVIS Process – DME

For requests initiated through IVIS, the system assigns a mineral service to each request entered by the agency. The DME IVIS Program Lead reviews the specific request and determines if the subject property could have mineral potential or mineral valuation issues. If it is determined that there is no recognized mineral development potential or mineral valuation issues, the mineral preview is uploaded into IVIS and a comment is left in the system. If the DME analyst finds mineral development potential or mineral valuation issues associated with the subject property, a Geologic Evaluation Report (GER) is assembled. GER contains more detailed geologic, economic, and market information for the mineral commodities identified. Once completed, this report is uploaded with a case comment summarizing DME's conclusions and concerns. At that point, if the review appraiser deems it necessary, they can request a mineral valuation from DME that will put a net present value on the mineral commodity(s) associated with the IVIS case. At any point in the process, an agency or review appraiser can request a mineral valuation if an IVIS case is known to involve mineral commodities or likely to require a mineral valuation.

Requests initiated through OASIS will have a mineral evaluation performed for all tracts that meet select business purposes and conveyance types: primarily non-commercial deed sales, transfers, probates, and mineral leases for tribal or allotted and restricted fee lands. All land transactions, including probates, for the Five Civilized Tribes are reviewed by the County Courts of Oklahoma, and detailed mineral evaluations are provided to the DOI Field Solicitor's Office for each requested transaction.

2.1.3 Statements of Work (SOW)

The assigned review appraiser or mineral specialist will prepare a detailed SOW that accurately reflects the valuation problem. For Federal land and Indian-related valuation and evaluation assignments, the SOW will be provided to the requesting client for concurrence prior to issuance of the SOW to the appraiser or other evaluation professional. SOWs should not be shared with any non-federal party except by AVSO contracting or pursuant to AVSO policy related to solicitation of bids under the micro-purchase authority.

2.1.3.1 Appraisal Statements of Work

The appraisal SOW sets forth the assignment instructions and is required for every assignment, whether it is contracted by the AVSO contracting office, procured by non-federal party pursuant to AVSO policy, or completed in-house by an AVSO staff appraiser. For those assignments where a government contract is involved, the SOW becomes a part of the contract specifying the criteria for the assignment. Once the assigned review appraiser or analyst receives the request in IVIS or OASIS, they evaluate the request for completeness. If any information is missing, such as title information or other relevant documents, the assigned AVSO staff member works with the party requesting the appraisal to obtain all information necessary to complete the SOW and the valuation/evaluation assignment. The review appraiser is not responsible for providing this information and will not complete due diligence on behalf of the requesting agency or other party. The review appraiser may assist the requestor by identifying the types and sources of missing information that is required for completion of the request. Once the review appraiser has received a complete request, they will draft the SOW

and provide it to the client for concurrence. After receiving concurrence, the SOW is included in the contracting package by AVSO contracting with all other relevant documents.

2.1.3.1.1 Trust Appraisal SOWs

For all contracted valuation and evaluation assignments, the process and procedures established in 2.1.3.1 and 2.1.3.2 will be followed. When in-house staff appraisers carry out appraisals and appraisal reviews, the processes and procedures in 2.1.3.4 will be followed. These SOWs may need to be amended to address the unique needs of each region.

2.1.3.1.2 Land Buy-Back Program SOWs

For all contracted valuation assignments, the process and procedures established in 2.1.3.1 and 2.1.3.2 will be followed. When in-house staff appraisers carry out appraisals and appraisal reviews, the Buy-Back Program's 2013 "Real Estate Appraisal Methodologies" paper provides the specified criteria and requirements for review appraisers to follow.

2.1.3.2 Minerals-Related Statements of Work

After receipt of a mineral commodity valuation or mineral economic evaluation request from any source, the assigned analyst conducts preliminary research to determine if there are any issues that could affect the assignment. For example, if there is an active sand and gravel operation adjacent to the property, additional analysis time may be required. The analyst then develops a SOW, if required, that outlines any additional information needed from the requester and provides an approximate date of completion. When the requester and the analyst have agreed on the terms of the SOW, the analyst begins working on the project. SOWs are not required for Land Buy-Back Program (LBBP) projects or IVIS/OASIS preview-level

assignments where preliminary research determines that further mineral commodity valuation or mineral economic evaluation work is not required. When this occurs, the findings are documented, and the assignment is terminated. If at any point during the analyst's research they discover information that will extend the timeline of the assignment or they find that necessary data is missing, the analyst and the requester will work together to revise the SOW.

2.1.3.3 Non-Federal Party Statements of Work (Appraisal Only)

AVSO will provide oversight for non-federal party payment for valuation services by vetting potential fee appraiser's qualifications prior to engagement of the appraiser for the assignment, developing a list of assignment-qualified fee appraisers, providing a comprehensive SOW, providing an engagement letter establishing assignment conditions that require AVSO to be the appraiser's sole client, and maintaining effective control of the appraisal process from the onset of the assignment through completion of the review of the appraisal report. AVSO review appraisers have the sole responsibility for selection of appraisers for all assignments, including those funded by non-federal sources.³ Any appraisal procured by a non-federal party without advance notice to and involvement by AVSO will be considered an unsolicited report and returned to the submitter without review unless it is subject to the exceptions contained in 602 DM 1 and in Section 2.1.4 below.

2.1.3.4 In-House Appraisal Statements of Work

Statements of Work are required for all appraisal assignments completed by AVSO, including appraisals completed by AVSO staff. These SOWs will be consistent with those used for contracted services and use a standard AVSO SOW template. The primary difference between

³ 602 DM 1.7(C)(1).

in-house SOWs and contracted SOWs is the language included in Section C, which is specific to Federal Acquisition Regulations (FAR) and not applicable to in-house valuation assignments.

Section C must be omitted from in-house SOWs.

2.1.4 Unsolicited Reports

Unsolicited reports, including appraisals and mineral economic evaluations or mineral commodity valuations, will be returned to the sender without review unless one of the following exceptions is met:

1. A request for review of an unsolicited report as outlined in 602 DM 1.
2. Mineral evaluation reports submitted for review by other parties.
3. Other parties who are authorized to submit appraisals for review by specific law, regulation, or policy such as 638 Tribes.

If an unsolicited valuation report is accepted for review based on one of the exceptions above, there is no expectation of approval of the appraisal report for the intended use.

2.1.5 Supplements and Amendments

Differences exist between the appraisal function and the mineral evaluation function for supplements and amendments to reports; the differences in the process are described below.

2.1.5.1 Appraisal Supplements

Unless otherwise authorized by the deputy director of the respective AVSO division, only the appraiser who prepared the original appraisal report that has been reviewed and approved by AVSO is authorized to prepare a supplement to the original appraisal report. Similarly, only the assigned AVSO review appraiser who completed the appraisal review is authorized to supplement the original appraisal review report.

2.1.5.2 Mineral Evaluation Supplements and Amendments

Mineral analysts within AVSO may be assigned to supplement another analyst's work or amend a previous report completed by a different analyst. In these situations, AVSO mineral analysts may cite the previous work and "tier" off the existing document, describing relevant market changes and will either confirm the previous reporting or provide new assignment results based on more recent market information.

2.1.6 IVIS/OASIS Training

AVSO staff, agency realty staff, and other users of IVIS and/or OASIS must successfully complete the appropriate level of system training identified by AVSO before being granted access to these systems. IVIS or OASIS training sessions can be arranged through the IVIS or OASIS Help Desks.

2.1.7 Preliminary Value Estimates (BLM Only)

Preliminary value estimates are authorized by 43 CFR 2201.1(b) ⁴ but are inappropriate for AVSO valuation services. While users may perceive a preliminary value estimate to be less than an appraisal, a preliminary estimate of value is an appraisal and is completed under the same standards as any other appraisal performed by AVSO—USPAP, UASFLA, or both. In these situations, consultation services may be appropriate when the intended use of an assignment is to help define the scope or feasibility of a realty transaction.

⁴ http://edocket.access.gpo.gov/cfr_2007/octqtr/pdf/43cfr2201.1.pdf.

2.1.8 Waiver Authorities

2.1.8.1 Uniform Act (49 CFR Part 24)

DOI agencies may determine that an appraisal is unnecessary (may be waived) in an acquisition case where the valuation problem is noncontroversial and uncomplicated. DOI agencies may use this appraisal waiver authority, found in regulations at 49 CFR 24.102(c)(2), for acquisition of property estimated at \$10,000 or less or up to \$25,000 with landowner approval, based on a review of available market data and specific agency policy related to waiver valuations. The authority to determine that a property would likely be valued at \$25,000 or less and the subsequent preparation of the waiver valuation is limited to properly trained agency personnel with a sufficient understanding of the local real estate market and who possess a current delegation letter from the Chief Appraiser.

The Chief Appraiser determines training and qualifications required for bureau staff conducting waiver valuations in the Department.⁵ The determination of qualifications will be based on documented training (waiver valuation specific or appraisal), resulting in a written delegation of authority from the Chief Appraiser to bureau staff to perform waiver valuations. AVSO staff appraisers may not prepare waiver valuations because it conflicts with requirements of the *Uniform Standards of Professional Appraisal Practice* (USPAP) and some state appraiser licensure laws.

⁵ 602 DM 1.5(C)(4).

2.1.8.2 Waivers for Trust and Restricted Land Transactions (25 U.S.C. § 2216)

In certain situations, the requirement for an estimate of value may be waived in writing by an owner of a trust or restricted interest in land who is selling, exchanging, or conveying by gift deed for no or nominal consideration such interest:

1. To an Indian person who is the owner's spouse, brother, sister, lineal ancestor, or collateral heir; or
2. To an Indian co-owner or to the tribe with jurisdiction over the subject parcel of land, where the grantor owns a fractional interest that represents 5 percent or less of the parcel.

2.1.8.3 Waivers of Appraisals - HEARTH Act

The Part 162 Revision to the Act expressly defers to tribes on rent, term, and bond negotiations and eliminates the appraisal requirement for any tribal lease, even where BIA approval is required.

2.1.8.4 Waiver of Appraisal Reviews (ITARA)

The rule published subsequent to the passage of the Indian Trust Asset Reform Act (ITARA) requires the Department to forego review and approval of the appraisal or valuation and consider the appraisal or valuation final if three conditions are met: (1) The appraisal or valuation was completed by a qualified appraiser, (2) the Indian tribe or individual Indian expressed their intent to waive Departmental review and approval, and (3) no owner of any interest in the Indian property objects to the use of the appraisal or valuation without Departmental review and approval.

2.1.9 Validity Periods

Frequently, AVSO staff may be asked to provide validity periods for opinions included in a report whether it is an appraisal or other evaluation service. There are differences between appraisal and mineral evaluation that warrant separate discussions for each area of practice.

2.1.9.1 Appraisal Validity Periods

AVSO does not determine or report appraisal validity periods. Establishing the validity period is an administrative function and is the responsibility of the requesting agency. Determination of a validity period (shelf life) for an AVSO-approved appraisal report requires knowledge of the rate of value change in the associated market and may require assistance from AVSO in determination of the rate of change. If desired, that consultative service must be requested by the agency through IVIS or OASIS. Upon request, AVSO will advise the agency in writing of factors to consider in determining the validity period for a specified appraisal or valuation. This may include discussion of market conditions and/or trends in the market area or changes in commodity values since the date of the original report. AVSO will not address the value opinion contained in the original report. To do so constitutes a new appraisal assignment and requires a corresponding appraisal review. If a new assignment is requested, it must be requested through either IVIS or OASIS as appropriate for the assignment.

2.1.9.2 Mineral Evaluation Validity Periods

DME establishes validity periods (shelf life) for mineral valuation reports because some requesters and clients require it. This need primarily occurs in reports that support trust or restricted fee land assignments. There is no established or recommended validity period for mineral valuations; however, DME analysts may determine the validity period after considering

the mineral commodities involved in the valuation and whether there is support for subsequent analysis to determine a change in market conditions. The analyst weighs many factors including, but not limited to, the volatility of the relevant commodity markets, land status, perceived opportunities for mineral development changes associated with the property in question, and professional opinions of the likely rate of value change by other professionals in the field.

2.1.10 Federal Projects

A Federal project area may be recognized and described in an appraisal assignment only when the acquiring bureau, agency, or Indian trust can satisfy each of the following requirements:

1. Authority for use of eminent domain to acquire non-Federal lands and clearly and publicly stated intent to use the authority within the defined project boundary.
2. A defined project-area boundary with a clearly stated public purpose, and the public at large has been informed of the project and the need for it.
3. The intent to acquire by all available means every identified outstanding non-Federal property interest within the project-area boundary.
4. The timeline for the project and deadline to complete property acquisition actions is part of the public notice.
5. A legal instruction from a Department Solicitor on how to appraise the subject property if there is evidence that the government's project may have affected the market value of the property being appraised.

Local jurisdictional requirements cannot independently designate the boundaries of a Federal project area. Correspondingly, it is not the appraiser's responsibility to determine if a particular

property is within a project area. If a Federal project is suspected to exist, the acquiring agency must seek a legal opinion from the Solicitor's Office prior to requesting services from AVSO. Proper application of the Scope of the Project Rule is complex and virtually always requires legal instruction.⁶ Therefore, any determination of whether a project exists and the manner in which to determine the impact of project influence is outside the scope of AVSO standard appraisal and/or evaluation services. The presence of the subject parcel within a proclaimed boundary of a refuge, park, conservation area, or scenic trail does not create a federal project. If a federal project is thought to exist, the review appraiser must notify the respective deputy director for their division and the Chief Appraiser before continuing with the assignment.

2.1.10.1 Scope of the Project Rule

The scope of the project rule is only applicable if a federal project exists. Proper application of the scope of the project rule requires careful legal and factual analysis of the government project and its influence on market value. **Legal instruction** is required, as the scope of the project rule raises questions of law “which limit the factors necessary to the determination of ‘just compensation’” and go beyond the appraiser's function of assessing the government project's influence, if any, on market value.⁷ For these reasons, review appraisers should not assume that a project exists without proper legal instruction from a Solicitor.

2.1.11 Minerals Evaluations

The Division of Minerals Evaluation (DME) is responsible for providing mineral economic evaluations and mineral commodity valuations for the Department's bureaus and offices. When

⁶ UASFLA 6th Ed. Section 1.2.7.3.3.

⁷ UASFLA 6th Edition. Section 4.5. Pg. 146.

requested, DME will provide analytical and evaluative support for assignments involving potential contributory mineral values or, when appropriate, for preparation of mineral commodity value schedules. Mapping or other property exhibits or identification of potential fractionated estates will be provided upon request.⁸ All valuation service requests will be reviewed by DME for mineral potential prior to the start of any other valuation services. DME does not analyze or provide value opinions of mineral rights involved in any assignment. Because mineral rights are a real property interest, any value opinions for mineral rights must be completed by an appraiser meeting the qualifications established by AVSO in 602 DM 1.

2.1.12 Appraisal Reports

Only one appraisal report will be obtained for each property interest in an assignment unless approved by the Chief Appraiser.⁹ An appraisal report may include more than one value opinion for complex, multi-estate, or multiple-parcel assignments. There may be situations where multiple valuation scenarios may be provided by AVSO and included in a single report at the request of the agency, bureau, or Indian trust. This decision must be made and incorporated into a valuation request prior to requesting valuation services. Project appraisal reports may be appropriate in some instances and a federal project does not have to exist to use a project appraisal report option. The use of a project appraisal report format must be approved by the deputy director of the respective division prior to direction being issued in the SOW.

⁸ See DME chapter of this handbook for additional information regarding DME and the valuation services provided to AVSO and other DOI agencies.

⁹ 602 DM 1.5(C)(9).

2.2 Appraisers

The following policies apply to all AVSO appraisers. AVSO appraisers, when referenced in this chapter, are those AVSO employees in the GS-1171 classification series assigned to the Office of the Assistant Secretary—Policy, Management and Budget (PMB). No other Department personnel may conduct appraisals or other valuation services for use in agency realty actions regardless of professional credentials they may hold with the exception of waiver valuations as authorized in 602 DM 1.7(A)(5) and then only with delegated authority from the Chief Appraiser.

2.2.1 Standards Compliance

AVSO appraisers will develop and communicate their analyses, opinions, and conclusions to clients in a manner that is credible, not misleading, and is consistent with USPAP, and to the extent appropriate, UASFLA.

2.2.2 Appraiser Qualifications

All journey-level appraisers GS-1171-11 or higher providing valuation services in support of the DOI realty programs and Tribes must be qualified in accordance with the *Financial Institutions Reform, Recovery and Enforcement Act of 1989*, Title XI (103 Stat. 183; 12 U.S.C. § 1331), as amended. The minimum level of licensure for all journey-level appraisers GS-1171-11 or higher is Certified General Real Property Appraiser.¹⁰

¹⁰ The title “Certified General Real Property Appraiser” is the title used by the Appraiser Qualifications Board of the Appraisal Foundation. Different states may have different descriptions of the highest level of appraisal licensure.

All appraisers GS-1171-13 or higher, including the Principal Deputy Director, Chief Appraiser, deputy directors of divisions, team lead appraisers, supervisory review appraisers, and review appraisers must have been awarded and maintain in good standing a professional valuation organization designation or accreditation that requires meeting experience requirements, training in appraisal practice approved by the Appraiser Qualifications Board, a demonstration report, and the successful completion of a comprehensive examination to qualify for such professional designation.

2.2.2.1 Appraiser Credentials

This section establishes the basis for credential requirements within AVSO that are found in various authorities applicable to the Department. These authorities include the following:

1. Office of Personnel Management (OPM) regulations provide agencies with the following guidance regarding credential requirements: *“Agencies can establish requirements for specific credentials (e.g., registration, licenses, or certificates) when such credentials are necessary for satisfactory job performance.”*¹¹
2. Federal Highway Administration (FHWA) regulations, published at 49 CFR 24.103(d), direct that agencies *“shall establish criteria for determining the minimum qualifications and competency for appraisers and review appraisers.”* The FHWA regulations further specify, *“The agency shall review the experience, education, training, certification/licensing, designation(s) and other qualifications of appraisers, review appraisers, and use only those determined by the Agency to be qualified.”*

¹¹ (See OPM Policies and Instructions, General Policies: E. Application of Qualification Standards, 9. Other Requirements or Provisions, *e. Licensure, certification, and other requirements or provisions.*)

3. Office of Management and Budget Bulletin 92-06, March 16, 1992, has as its subject, *“Guidance on Real Estate Appraisal Standards and Practices.”* The Bulletin directs Federal agencies to follow specific policies for certain real estate appraisals. Among those enumerated policies, agencies are directed to *“. . .establish criteria for, and identify real estate transactions requiring the use of, state-licensed or certified real estate appraisers.”* The OMB Bulletin further states, *“Federal employees who choose to become State. . .certified real estate appraisers need only be. . .certified in one State or territory to perform real estate appraisal duties as a Federal employee in all States and territories.”*

2.2.4 Delegated Review Authority

Pursuant to 212 DM 33, the Chief Appraiser may delegate authority to AVSO appraisal staff for approval of valuation products for agency use. The level of authority varies depending on position within AVSO, qualifications of the appraiser, and a demonstrated need for a requested level of authority. A table of delegation thresholds by position and grade is included in the AVSO Appraisal Review Handbook. All delegated authorities must be documented in writing and may only be modified by the Chief Appraiser.

To receive delegated authority to approve appraisal reports for agency use, AVSO review appraisers must meet the current qualification requirements for review appraisers, as defined in AVSO policy.¹² Delegated approval authority will also be based on a documented workload analysis provided by the deputy director of the respective division, supporting the need for the

¹² 602 DM 1.6(A).

specified delegation level. Delegated review authority is an internal control and is part of the overall AVSO risk management plan. Review appraisers may also review appraisal reports and recommend approval or disapproval to an AVSO review appraiser with higher delegated authority such as a team lead appraiser or deputy director. With approval by the deputy director of their respective division, review appraisers do not need delegated authority to recommend approval or disapproval of an appraisal report, but they are not authorized to approve the report for agency use or disapprove the report without a delegation.

2.2.5 Donations of Interests in Lands

AVSO valuation staff, including appraisers and mineral evaluators, are considered “excluded individuals” for Internal Revenue Service (IRS) purposes as defined in IRS Publication 561, *Determining the Value of Donated Property*.¹³ Therefore, neither AVSO appraisal staff nor mineral evaluation staff will conduct valuation services related to donations of land or interests in land or minerals to the United States.

2.2.6 Training

On-the-job internal DOI and external training requirements shall be documented annually in each appraiser’s Individual Development Plan (IDP) and included with the employee’s Performance Appraisal Plan (EPAP). AVSO will develop and maintain an appraisal-training database to catalog continuing education course completions for all GS-1171 appraisers. While there is no formal licensing requirement in place for mineral evaluation staff, external training

¹³ <https://www.irs.gov/pub/irs-pdf/p561.pdf>

requirements as determined with their supervisor should be documented as part of the IDP and EPAP for those employees.

2.3 Fee Appraisers

The following policies apply to fee appraisers.¹⁴

2.3.1 Fee Appraiser Qualifications

All fee appraisers preparing valuation products for AVSO review must be licensed in accordance with the *Financial Institutions Reform, Recovery and Enforcement Act of 1989*, Title XI (103 Stat. 183; 12 U.S.C. § 1331), as amended, and the Departmental Manual.¹⁵

2.3.2 Review of Fee Appraiser Qualifications

The qualifications of fee appraisers must be reviewed and approved by the assigned AVSO review appraiser prior to their engagement for a valuation assignment. The minimum level of state appraiser licensure for fee appraisers preparing valuation products for AVSO review is Certified General Real Property Appraiser unless waived in writing by the deputy director of the respective division. Only AVSO staff can approve a fee appraiser for a given assignment.

2.3.3 Review of Work Samples for Potential Vendors

Periodically, AVSO will solicit new fee appraisers (appraisers with no prior experience working with AVSO) to prepare appraisals for use by DOI agencies, bureaus, Indian Tribes, and trust beneficiaries. New fee appraisers may also be suggested in private party cases where the proponent of the proposed realty action pays for the appraisal. In either case, the potential fee

¹⁴ For purposes of this chapter, fee appraiser is defined as a professional who provides appraisal services to their client for a fee as opposed to government employees who are paid a salary rather than a fee for their services.

¹⁵ 602 DM 1.6(B).

appraisers must submit an appraisal work product for AVSO examination, proof of real estate appraiser licensure in the state where the subject property is located, and if UASFLA compliance is required for the assignment, a copy of the appraiser's certificate showing successful completion of a UASFLA training course within the specified period prescribed in Chapter 2.3.4 herein. Also in either case, the assigned review appraiser must select the appraiser for the assignment.

2.3.4 UASFLA Training and Experience Requirements

Fee appraisers preparing valuation products for AVSO review, where compliance with UASFLA is required, must demonstrate a working knowledge of UASFLA evidenced through presentation of the appraiser's credentials and an assessment of their experience and training by either a team lead appraiser, supervisory review appraiser, or a review appraiser. The fee appraiser must successfully complete a UASFLA training course and pass the exam if one is part of the class. Additionally, the fee appraiser must have experience preparing UASFLA-compliant appraisal reports within the preceding five years.