**Department of the Interior**

**Departmental Manual**

**Effective Date:** 01/20/16

**Series:** Public Lands

**Part 602:** Land Acquisition, Exchange, and Disposal

**Chapter 1:** Appraisal of Real Property

**Originating Office:** Office of Valuation Services

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**602 DM 1**

1.1 **Purpose**. This chapter provides the Department of the Interior’s (DOI) policy that governs real property valuation matters.

1.2 **Scope**. The policy in this chapter applies to all valuation services provided by the Office of Valuation Services (OVS). As DOI’s authority for real property valuation, OVS’s primary client bureaus are the Bureau of Land Management, Bureau of Reclamation, National Park Service, and the U.S. Fish and Wildlife Service. From time to time, OVS clients may include other bureaus and offices within DOI, as well as other Government agencies.

1.3 **Authorities**.

A. Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970*,* as amended [Pub. L. 91-646, 84 Stat. 1894 (1971) (codified as amended at 42 U.S.C. §§ 4601–4655)]. This act establishes standards for the appraisal of property for Federal land acquisitions for both purchase and condemnation.

B. Federal Land Policy and Management Act of 1976 (FLPMA), as amended

[Pub. L. 94-579, 90 Stat. 2743 (1976) (codified as amended at 43 U.S.C. §§ 1701–1787)]. This act provides Bureau of Land Management comprehensive authority and guidelines for the administration and protection of Federal lands under its jurisdiction. It includes uniform rules and regulations pertaining to land appraisals that reflect nationally-recognized appraisal standards and established procedures and guidelines for the resolution of appraisal disputes.

C. Federal Land Exchange Facilitation Act of 1988 [Pub. L. 100-409, 102 Stat. 1086 (1988) (codified at 43 U.S.C. § 1716)]. Section 3 of this act amends FLPMA to provide uniform criteria in exchanges for land appraisals that reflect nationally recognized appraisal standards and established procedures for resolution of appraisal disputes.

D. Financial Institutions Reform, Recovery and Enforcement Act of 1989, Title XI, as amended [Pub. L. 101-73, 103 Stat. 183 (1989) (codified as amended at 12 U.S.C. § 3331)]. This act requires the establishment of state programs for the licensing and certification of appraisers.

E. Office of Management and Budget (OMB) Bulletin 92-06, March 19, 1992. Pertinent citations in the introduction of this bulletin apply to appraisers.

1.4 **Objective**. The OVS provides value opinions for client realty transactions that are credible and equitable to both the United States and non-Federal parties. The definition of the sought value complies with the authorizing statute, regulation, policy, Uniform Appraisal Standards for Federal Land Acquisition (UASFLA), Uniform Standards of Professional Appraisal Practice (USPAP), or a combination of these authorities and applicable standards.

1.5 **Responsibilities**.

A. Director, OVS. The Director, OVS provides program management and oversight for DOI’s valuation services program (112 DM 33).

B. Deputy Director. The Deputy Director is also a certified general appraiser. Responsibilities reserved to the Deputy Director (in addition to those listed in 112 DM 33) include:

(1) Performing valuation services for DOI and for other Federal agencies.

(2) Ensuring consistency for all valuation policy and guidance within DOI.

(3) Providing the Office of the Secretary Freedom of Information Act (FOIA) Officer with OVS and/or valuation records, upon request.

(4) Working with the Office of the Solicitor (SOL) and other bureaus/offices to respond to subpoenas or Touhy requests regarding valuation matters affecting OVS records or employees.

(5) Working with the Department of Justice in providing valuation records and information, or performing valuation services.

C. Chief Appraiser. Responsibilities reserved to the Chief Appraiser (in addition to those listed in 112 DM 33) include:

(1) Approving OVS requests for legal opinions submitted to SOL regarding valuation assignment questions.

(2) Determining qualifications and competency for staff and fee appraisers preparing valuation products for OVS review; and developing appraiser qualifications and competency policies.

(3) Delegating authority to bureau staff to prepare waiver valuations allowing for re-delegation of preparation authority as appropriate and consistent with bureau policy.

(4) Developing minimum qualifications for bureau staff exercising the delegated authority to prepare waiver valuations.

(5) Designating the delegation of authority to review and approve valuation reports.

(6) Ensuring that valuation products prepared by OVS comply with statutory authority, applicable regulations, valuation standards, and the assignment specific statement of work.

(7) Evaluating alleged violations of the Uniform Standards of Professional Appraisal Practice (USPAP) and releasing OVS staff appraiser work products to state appraiser licensing authorities for license applications or potential disciplinary action.

(8) Developing valuation policy and guidance.

(9) Approving the need for multiple valuation products of the identical estate appraised.

(10) Responding to requests related to judicial or administrative hearings and determining appropriate personnel for the assignment.

D. Client Service Managers. Client service managers (CSM) are certified general appraisers and serve as overall client service team supervisors who focus on client service through staff performance. Responsibilities include:

(1) Serving as a member of the OVS and Valuation Services Division leadership team.

(2) Supervising the team’s administrative staff and team lead appraisers; and managing review appraisers and staff appraisers.

(3) Serving as the point of contact for client bureaus at the national level.

(4) Staffing and workload planning in coordination with the Deputy Director.

(5) Planning and implementing client service team budgets.

(6) Monitoring performance based on OVS metrics and developing metrics to ensure that areas of success are recognized and areas for improvement identified.

(7) Guiding employee development of the client service team staff.

E. Team Lead Appraisers. Team lead appraisers focus on valuation case management and work flow for the client service team. Responsibilities of the team lead appraiser include:

(1) Acting in the absence of client service managers.

(2) Serving as the point of contact for clients at regional or field levels.

(3) Assigning IVIS (Interior Valuation Information System, the OVS valuation services management platform used for case management and reporting) cases to client service team appraisal staff.

(4) Monitoring and reporting team metrics to client service managers.

(5) Coordinating second-level reviews when necessary.

F. OVS Staff Appraisers. The OVS appraisers include both staff appraisers and review appraisers. Responsibilities of all OVS staff licensed to do appraisals and/or reviews include:

(1) Developing and reporting analyses, opinions, and conclusions for intended users in a manner that is credible and consistent with applicable law, regulation, valuation standards, and Departmental policy.

(2) Conducting valuation services in conformance with the OVS mission, i.e. “to provide independent real property valuation services in an efficient, timely, and fiscally responsible manner in accordance with the highest professional and ethical standards” (112 DM 33).

G. Division of Minerals Evaluation. The Division of Minerals Evaluation (DME) provides minerals evaluations for bureaus/offices. When requested by other client service offices, DME evaluates mineral potential, minerals contributory value to the estate valued, prepares value schedules, provides mapping or other property descriptions, or identifies potential fractionated estates.

1.6 **Appraiser Qualifications and Requirements**.

A. OVS Staff Appraisers.

(1) The minimum level of state appraisal licensure for all journey-level appraisers GS-1171-11 or higher shall be Certified General.

(2) All appraisers GS-1171-13 or higher, including the Deputy Director, Chief Appraiser, and client service managers must have a professional valuation organization designation or accreditation that includes experience requirements, training in appraisal practice approved by the Appraiser Qualifications Board, a demonstration report, and a comprehensive examination.

(3) Internal and external training requirements shall be documented annually in each appraiser’s Individual Development Plan and included with his/her Employee Performance Appraisal Plan.

B. Fee Appraisers. Fee appraisers preparing valuation products for OVS review shall hold an appraisal license in the state in which the property appraised is located. The review appraiser must approve training and experience qualifications of fee appraisers prior to commencement of a valuation assignment.

1.7 **Valuation Services**.

A. Valuation Products. The OVS performs valuation services in accordance with statutory authority, applicable regulations, valuation standards, and Departmental policy. Staff appraisers shall not prepare appraisal reports for donations of interests in land, including for the Internal Revenue Service.

(1) Valuation Reports. The OVS performs only one appraisal for each appraisal assignment. An appraisal report may include more than one value opinion for complex, multi-estate assignments.

(2) Valuation Review Reports. The OVS provides assignment instructions for valuation products then reviews those products to approve or disapprove them for use by client bureaus.

(3) Preliminary Value Estimates. Except with specific regulatory authority, such as 43 CFR 2201.1(b), “preliminary” value estimates are inappropriate OVS valuation products.

(4) Consultation Reports. Consultation services, where the report opinion is not a value (but may include values as part of the analysis), may be appropriate when the assignment helps define the scope or feasibility of a realty transaction.

(5) Appraisal Waivers. Clients may determine that an appraisal is not necessary (may be waived) in a purchase case where the valuation problem is noncontroversial and uncomplicated, as authorized by 49 CFR 24.102(c) (2) or other statutory authority. For DOI’s valuation products, 112 DM 33 describes OVS’s responsibility for valuation training including training client staff to perform the waivers. Part 212 DM 33 identifies the authorities delegated by the Chief Appraiser to client staff performing waivers.

(6) Requests for Reconsideration of Results.TheOVS clients with compelling arguments supporting reconsideration of a valuation product opinion may submit a detailed written request for reconsideration through the CSM to the Chief Appraiser. The Chief Appraiser will evaluate the request, determine the appropriate action, and provide a written response to the CSM and the client.

B. Statements of Work.

(1) Requested Appraisals. The review appraiser must instruct all appraisals requested from OVS, whether conducted by staff or fee appraisers, in a statement of work.

(2) Unsolicited Valuation Reports. The OVS returns unsolicited appraisal reports without review, except as authorized in paragraph C (2) below.

C. Valuations Acquired by a Private Party. A “private party” is a non-Federal entity that may be the property owner or other entity representing the land owner. The OVS can only review private party valuation products if the client and private party follow procedures provided below.

(1) Prior to initiation of the appraisal, OVS selects a qualified appraiser considering any recommendations from the private party. The private party agrees that OVS is the client for the assignment and an intended user of the appraisal; and that OVS will make all appraisal assignment instructions.

(2) In cases where OVS has not been involved in the selection of the appraiser and issuance of appraisal instructions, OVS may review an appraisal under the following conditions:

(a) A senior bureau/office manager transmits the appraisal to the CSM of the respective team within OVS which includes a determination that the land transaction proposal supported by the appraisal comports with applicable missions, priorities, and plans.

(b) The OVS determines that the appraisal was prepared by a qualified appraiser.

(3) In either circumstance listed above, review of a private party appraisal does not create an expectation that such appraisal will be approved.

D. Requests for Valuation Products. Clients must request all valuation products via the current electronic valuation request system.

1.8 **Release of Records that Have Not Been Requested under FOIA**. Any release of valuation records, other than to the relevant OVS client bureau, must be approved by the Deputy Director.

1.9 **Coordination with Organizations Outside of** **DOI**. The OVS and organizations outside of DOI will define roles and responsibilities in writing at the outset of case cooperation.