**Department of the Interior**

**Departmental Manual**

**Effective Date:** 06/27/2013

**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 contains the Department’s policy governing real property valuation matters. The Office of Valuation Services (OVS) Valuation Handbook and technical guidance issuances supplement this chapter with valuation procedures and processes.

1.2 **Scope**. As the Department’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 will include other bureaus and offices within the Department, as well as other government agencies. This policy applies to all valuation services provided by OVS.

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 the Bureau of Land Management comprehensive authority and guidelines for the administration and protection of the 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, as amended [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.

F. Office of Personnel Management (OPM) Policies and Instructions, General Policies: E. Application of Qualification Standards, 9. Other requirements or provisions, available at: [http://www.opm.gov/](http://www.opm.gov/policy-data-oversight/classification-qualifications/general-schedule-qualification-policies/#url=e9). The referenced section applies to appraisers and covers such topics as licensure, certification, and other requirements or provisions.

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

1.5 **Responsibilities**.

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

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

1. Releasing OVS staff appraiser work products to state appraiser licensing authorities for license applications or potential disciplinary action;
2. Providing the Office of the Secretary Freedom of Information Act (FOIA) Officer with OVS and/or valuation records, upon request;
3. Working with the Office of the Solicitor and other affected offices in response to subpoenas or Touhy requests regarding valuation matters affecting OVS records or employees;
4. Working with the Department of Justice in providing valuation records and information, or performing valuation services;
5. Approving OVS requests for legal opinions submitted to the Office of the Solicitor regarding valuation assignment questions;
6. Evaluating alleged violations of the Uniform Standards of Professional Appraisal Practice (USPAP);
7. Determining qualifications and competency for staff and fee appraisers preparing valuation products for OVS review, and developing appraiser qualifications and competency policies;
8. Delegating authority to client staff for the determination of properties qualifying for appraisal waivers, and developing the staff’s qualifications and competency requirements;
9. Delegating approval authority for valuation reports; and
10. Approving the need for multiple valuation products of the identical estate appraised.

C. OVS Staff Appraisers. Responsibilities of all staff licensed to do appraisals include:

1. Staff appraisers develop and report their 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. OVS appraisers must ethically conduct valuation services according to specific processes and procedures outlined in the OVS Valuation Handbook.

D. Quality Assurance Officer. The OVS Quality Assurance Officer ensures that valuation products prepared by OVS comply with statutory authority, applicable regulations, valuation standards, and the assignment-specific statement of work. (The OVS Quality Assurance Handbook outlines the process and procedures.)

E. Office of Minerals Evaluation (OME). The OME provides minerals evaluations for the Department’s bureaus and offices. When requested by other OVS Client Service Offices, OME 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. All journey-level appraisers GS-1171-11 or higher shall be qualified at the minimum level of state appraisal licensure of Certified General.
2. All appraisers GS-1171-13 or higher 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.
4. The OVS Valuation Handbook outlines additional and alternative requirements for other valuation positions.

B. Fee Appraisers.

(1) Fee appraisers preparing valuation products for OVS review shall hold an appraisal license in the state in which the property appraised is located.

(2) The review appraiser must approve training and experience qualifications of fee appraisers prior to commencement of a valuation assignment. The OVS Valuation Handbook outlines the specific requirements.

(3) Best value to the government is preeminent, rather than lowest cost, in approving appraisers for specific valuation assignments or when recommending particular appraisers for bid solicitation. The OVS Valuation Handbook outlines this selection process.

1.7 **Valuation Services**.

A. Valuation Products. OVS performs valuation services in accordance with statutory authority, applicable regulations, valuation standards, and Departmental policy, as applicable:

1. Valuation Reports. OVS provides only one appraisal report for each appraisal assignment. An appraisal report may include more than one value opinion for complex, multi-estate assignments. Staff appraisers shall not prepare appraisal reports for donations of interests in land, including for the Internal Revenue Service.
2. Valuation Review Reports. OVS provides assignment instructions for valuation products then reviews them to approve their 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 Services. 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 Department of the Interior (DOI) valuation products, 112 DM 33 describes the OVS’s responsibility for appraisal waivers, including training client staff to perform the waivers. Part 212 DM 33 reserves authority for approval of client staff performing waivers to the Chief Appraiser, or as delegated to the Client Service Manager (CSM).

1. Requests for Reconsideration of Results.OVS 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 shall evaluate the request, determine the appropriate action, and provide a written response to the CSM and the client. The OVS Valuation Handbook outlines reconsideration procedures.

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. The OVS Valuation Handbook outlines the instructions required to constitute an acceptable statement of work.
2. Unsolicited Valuation Reports. The OVS returns unsolicited appraisal reports without review, except as authorized in paragraph 1.6C below.

C. Valuations Acquired by Third Party. A “third party” is a non-Federal entity that is neither the property owner nor the client bureau; for example, a Non-Governmental Organization such as the Nature Conservancy. The OVS can only review third party valuation products if the client follows these procedures:

1. Prior to initiation of the appraisal, the third party consults with OVS in selecting a qualified certified general appraiser;
2. The third party agrees that OVS will make all appraisal assignment instructions;

1. A senior bureau or office manager has transmitted the appraisal with a determination that the land transaction proposal supported by the appraisal comports with applicable missions, priorities, and plans.

D. Requests for Valuation Products. Clients must request all valuation products in writing. The OVS Valuation Handbook outlines the request process and scope of the information necessary to initiate a valuation assignment.

1.8 **Release of Records that Have Not Been Requested under the FOIA**.

A. Other than delivery to the OVS client bureau, only the Chief Appraiser can respond to requests for valuation records.

B. The OVS Valuation Handbook outlines procedures for responding to requests for valuation records.

1.9 **Judicial or Administrative Proceedings**. The OVS Valuation Handbook outlines procedures for responding to requests related to judicial or administrative proceedings.

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