Comprehensive Review Finds Mass Appraisal Strategy Efficient and Cost-effective

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WASHINGTON, D.C. – As part of President Obama's commitment to help strengthen American Indian communities, the Department of the Interior today released its revised Land Buy-Back Program Valuation Plan. The Appraisal Foundation (TAF), the nation's foremost authority on appraisal standards and qualifications, performed a comprehensive review of the draft Plan, which was revised to incorporate all of TAF's recommendations.

"There is no greater authority for establishing standards for appraisals and qualifications for appraisers than The Appraisal Foundation," said Kevin Washburn, Assistant Secretary for Indian Affairs. "TAF's independent analysis confirms that the steps we are taking to determine fair market value for offers to landowners are cost-effective and conform to the best practices for valuation. We are grateful for their comprehensive review and have incorporated their recommendations into the Valuation Plan we will use in the months and years ahead as we work through a transparent process to provide fair market value to tribal landowners."

The Valuation Plan will guide the methods Interior uses to determine the value of fractional lands held by Indian landowners to ensure that willing sellers are offered fair market value for their land interests. The Land Buy-Back Program for Tribal Nations (Buy-Back Program) implements the land consolidation component of the Cobell Settlement, which made $1.9 billion available to purchase fractionated interests in trust or restricted land from willing sellers within 10 years. Upon purchase, interests will be held in trust for tribal governments for their beneficial use.

TAF, a non-profit, non-partisan organization authorized by Congress to issue national appraiser standards and qualifications and guidance on valuation methods, found the Department's Valuation Plan a sound approach to meeting the appraisal demands required of the Buy-Back Program.

"We are honored to participate in this historic project and to lend our expertise to the Department of the Interior and its mission to provide Indian landowners with a fair market price for their fractional lands," said David S. Bunton, President of The Appraisal Foundation. "The Land Buy-Back Program is a massive undertaking deserving the highest quality in appraisal standards and techniques. We are pleased that the Department has incorporated all of our recommendations and we are confident that these will greatly benefit landholders for years to come."

The Buy-Back Program has the potential to unlock millions of acres of fractionated lands for the benefit of tribal communities. Interior holds about 56 million acres in trust for American Indians. More than 10 million acres are held for individual American Indians and nearly 46 million acres are held for Indian tribes. The Department holds this land in more than 200,000 tracts, of which about 93,500 (on approximately 150 reservations) contain fractional ownership interests subject to purchase by the Buy-

Back Program.

Because of the large number of properties involved, the Buy-Back Program plans to use mass appraisal techniques in which values are assessed simultaneously for many properties within a particular geographic area. TAF specifically analyzed and concurred with the Program's determination that mass appraisals are the most efficient and cost-effective means to appraise similar, non-complex, vacant lands that have comparable land sales available. At the same time, recognizing that mass appraisals may not be appropriate for all tracts, TAF also reviewed the other appraisal methodologies identified in the Plan for such instances, including project appraisals and property-specific appraisals.

The Buy Back Program Valuation Plan was developed by the Office of Appraisal Services in the Office of the Special Trustee for American Indians.

The revised Valuation Plan, TAF's analysis, and the Department's response to specific recommendations, are available at: www.doi.gov/buybackprogram/appraisals. More information about The Appraisal Foundation can be found here.

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