

Appraisal Consolidation Implementation Overview and Status

Overview

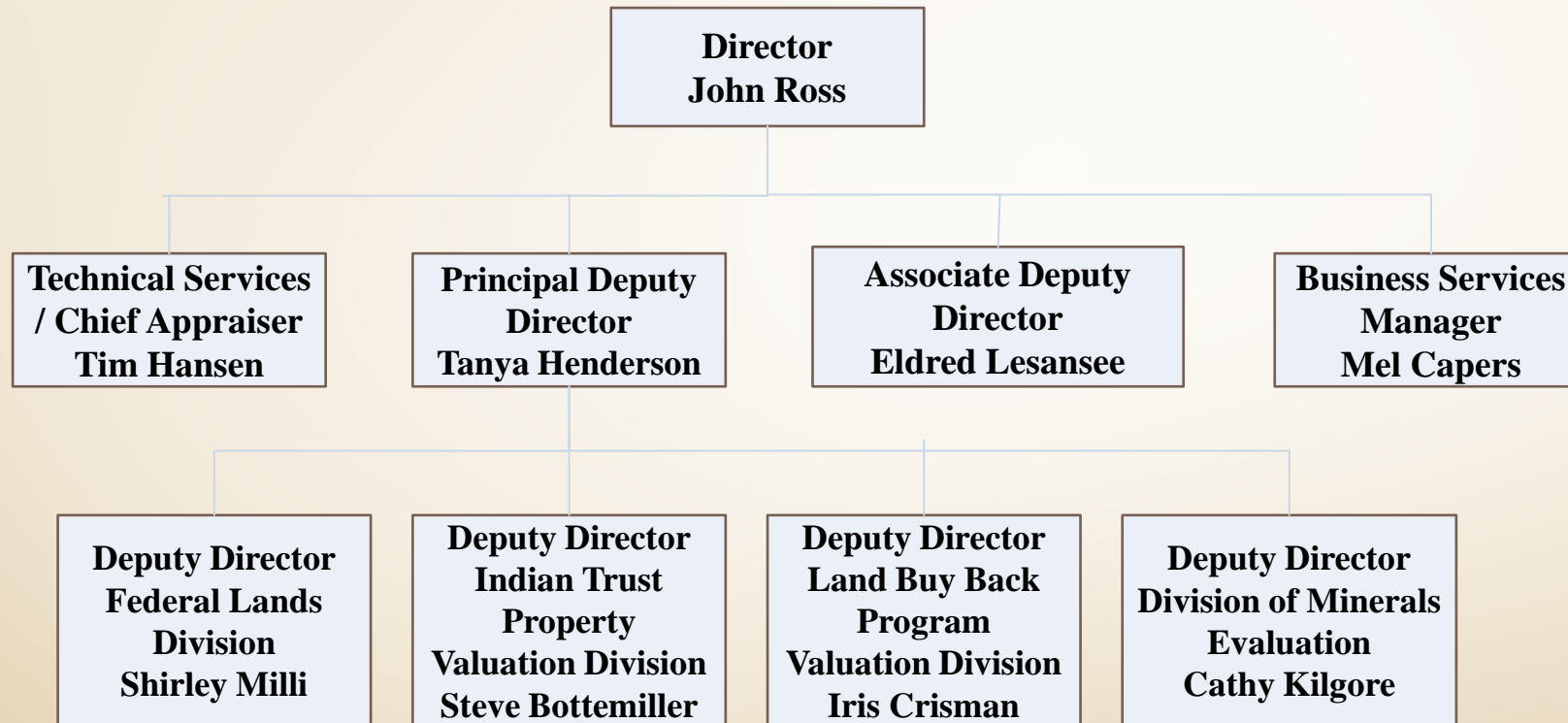
Appraisal and Valuation Services Office

Background:

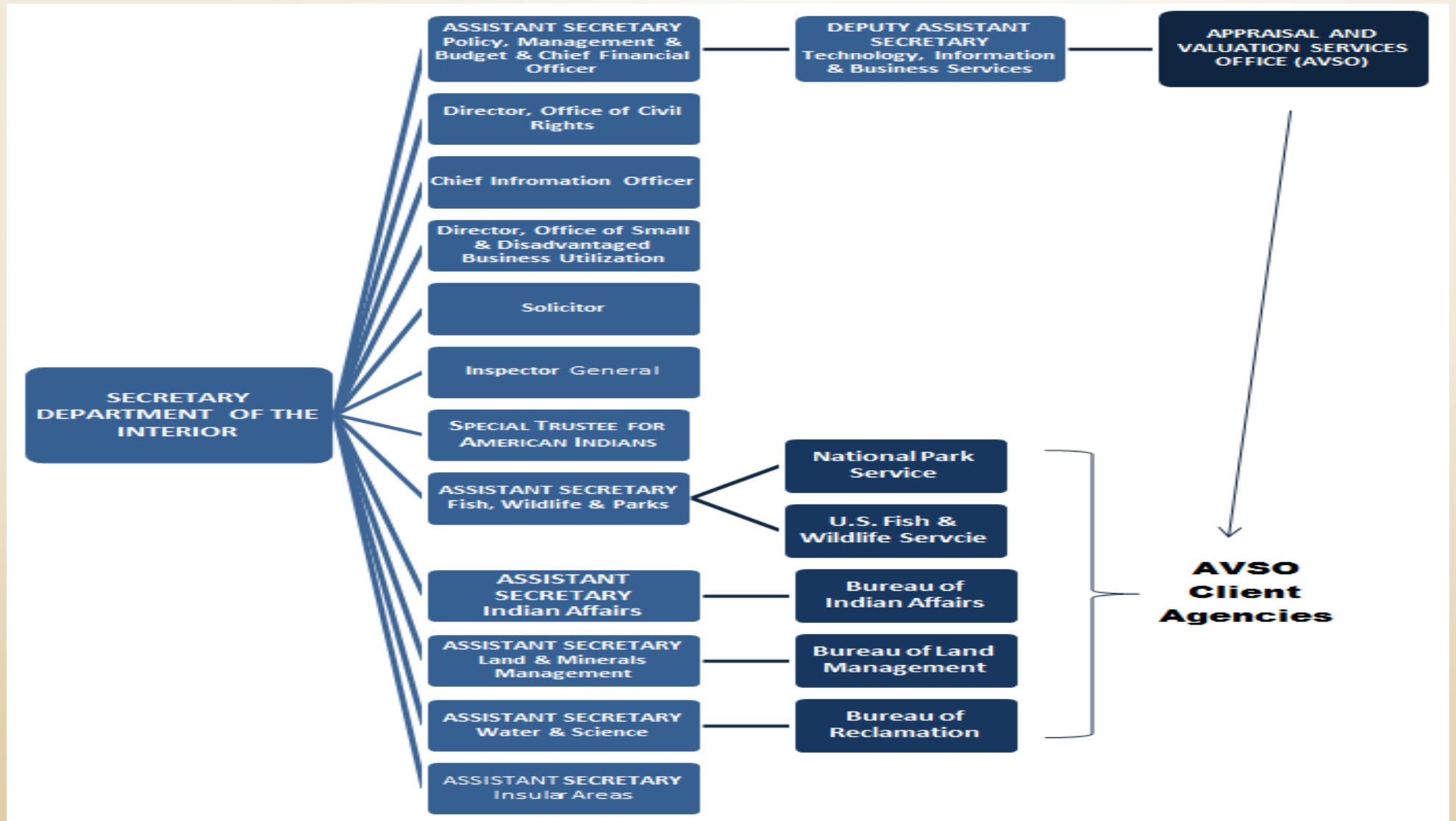
- Indian Trust Asset Reform Act (ITARA) called for appraisals to be under a single entity within DOI
- The March 2017 Presidential Executive Order 13780 supported consolidation of areas of similar service
- Decision Memorandum from the Department to work toward consolidation, June 2017
- Secretarial Order, March 2018
- DOI now implementing the consolidation

Review of AVSO Organization Structure

March 19, 2018



AVSO and Client Agencies



The Valuation Divisions

Four Divisions:

- **Indian Trust Property Valuation Division** (formerly OAS Regional Operations)
- **Federal Lands Valuation Division** (four Bureaus – BLM, USBR, FWS and NPS)
- **Land Buy Back Program Valuation Division**
- **Division of Minerals Evaluation**

All report through Principal Deputy Director to allow for resource allocation to area of need as required by the department

Challenge: Limited by availability of appropriated funds.

AVSO CLIENTS

Valuation services provided by AVSO includes Mineral Evaluations to Department of the Interior (DOI) Clients listed below.

FEDERAL LAND VALUATION DIVISION

- Bureau of Land Management (BLM)
- Bureau of Reclamation (BOR)
- Fish & Wildlife Service (FWS)
- National Park Services (NPS)

INDIAN TRUST PROPERTY VALUATION DIVISION

- Bureau of Indian Affairs (BIA)
- Bureau of Indian Education (BIE)
- Indian Self-Determination Contracted & Self Governance Compacted Tribal Realty Programs (Public Law 93-638)
- Office of Hearings and Appeals

LAND BUY BACK PROGRAM VALUATIONS DIVISION

- Land Buy Back Program for Tribal Nations

AVSO OVERVIEW

	ITPVD	LBBPV	FLVD	DME
Avg Completed Valuations	3,400	29,400	1930	516
Total FTE	65	42	77	16
Avg Cost per Product	\$1,845	\$450	\$6,550	\$4,300
% Completed under UASFLA	<10%	<1%	>75%	<1%

Goals and Objectives for AVSO

- **Combining two effective, high functioning offices into a single organization**
 - **Objectives for the consolidation:**
 - Focus on service in the field.
 - Continue to deliver quality and timely valuation services that meet national appraisal standards.
 - Establish a single appraisal policy framework for the Department.
 - Achieve efficiencies in providing appraisal and valuation services.
 - Continue to build relationships with Federal Client Agencies, Alaska Native entities and Indian Tribes to achieve objectives.
- ➔ Build upon the best of both organizations.

Overview and Status of Consolidation

Immediate steps underway now:

- Top priority: *Getting valuation work accomplished while transition occurs.*
- Transfer of OAS and OVS staff into AVSO under the Assistant Secretary for Policy Management and Budget (PMB).
- Establishing and aligning valuation policies and procedures.
- Revise DM Chapters to reflect new structure, organization and guidance on valuations.

Target completion date for immediate steps was by June, 2018

Overview and Status of Consolidation

Intermediate steps, which will take more time:

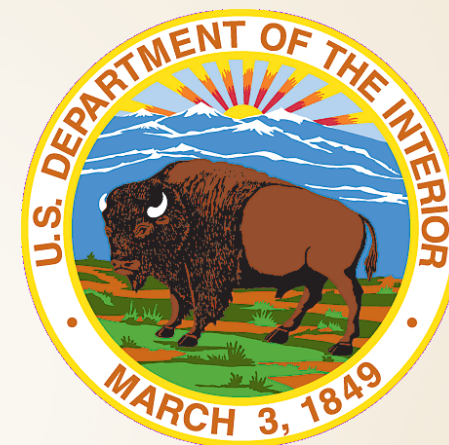
- Office of Appraisal Services Information System (OASIS) and Interior Valuation Information System (IVIS) appraisal management platforms will be consolidated
 - However, not likely completed before FY2020.
- Evaluating costs, including space costs, in order to effectively manage overhead.
- Maintain workload alignment with funding source:
 - ensure appropriated funds are spent where intended by appropriation.
- Revise appraisal policy to reflect business needs, statutory and regulatory requirements for all areas of service.

Transition responsibility for 35 Tribal Appraisal programs operating under P.L. 93-638, Self Determination Contracts and Self Governance Compacts to AVSO.

Overview and Status of Consolidation

Realities AVSO must work through:

- Budget constraints expected to continue
 - Likely greatest challenge to meeting timeliness goals.
 - Will maintain regional support for Indian country, and bureau-based teams for federal lands, BUT may consolidate offices, and evaluate other efficiencies.
- Planning ahead to substantial project completion of LBBP by FY2022
- Land Management Priorities for the Department continue to evolve.



Transition of P.L. 93-638 Appraisal Programs

Transition of P.L. 93-638 Appraisal Programs

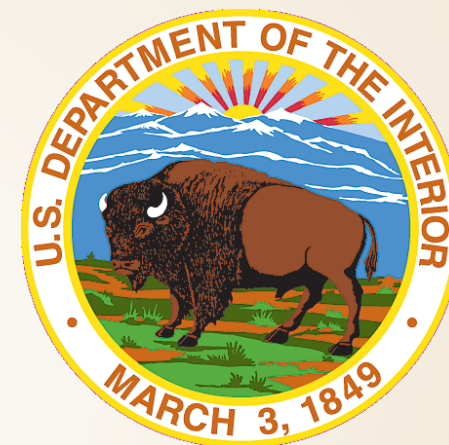
- OST will provide support to AVSO in administering Appraisal Contracts and Compacts to end of FY 2018
 - OST Program Analyst is on detail to AVSO to end of FY 2018
- Administration of P. L. 93-638 activities, as they relate to real estate appraisal will transition to the Appraisal and Valuation Services Office (AVSO) in Fiscal Year 2019
- BIA Awarding Officials will continue to negotiate and oversee the six (6) 638 Contracts for the Real Estate Appraisal function

Transition of P.L. 93-638 Appraisal Programs

- OSG Negotiators will facilitate negotiations for SG Funding Agreements (FAs) and Appraisal MOUs and the Director, OSG will approve the negotiated SG agreements.
- Several agreements (MOU's) have been drafted and are under review between AVSO and OST, BIA, and OSG to ensure smooth transition of responsibilities
- No change in the Tribal Share Formula – Workload-based formula
- No impact regarding Tribal Share funding transfers
- Aggressive promotion and outreach planned on opportunity to contract or compact the Appraisal Function

Responsible Officials

- BIA Awarding Officials will continue to negotiate and award P.L. 93-638 contracts to Tribes
- OSG Negotiators will negotiate SG Compacts with Tribes and Director, OSG will approve the negotiated SG Compacts
- Associate Deputy Director, AVSO will serve as Point of Contact (POC) for P.L. 93-638 Appraisal Contracts and SG Compact Funding Agreements
- Associate Deputy Director maintains delegated authority to approve administrative agreements, transfer of tribal share funding and MOU for program specifications



Waiving Departmental Review of Appraisals and Valuations of Indian Property

Scope

Appraisals and Valuations of Indian property must be submitted to the ***Department*** if relied upon or required for transactions requiring Secretarial approval under Titles 25 and 43 of the CFR (other than those under the Federal Land Policy and Management Act).[43 CFR § 100.300]

Upon request by Tribes or individual Indian property owners who comply with specific criteria cited in 43 CFR Part 100, the Department will accept Appraisals or Valuations without review or approval.

No Waiver Requested

If a waiver is **not** specifically requested [43 CFR § 100.301(a)(1)] at the time the Appraisal or Valuation is submitted, the Department will review the appraisal or valuation report even if the appraiser of record meets the minimum qualifications. [43 CFR § 100.302]

No Departmental Review

The Department ***will not*** review the appraisal or valuation of Indian property and the appraisal or valuation will be considered final as long as [43 CFR § 100.301 (a)]:

- 1) The submission acknowledges the intent of the Indian tribe or individual Indian to waive Departmental review and approval;
- 2) The appraisal or valuation was completed by a qualified appraiser meeting the requirements contained in Section 6.1 (43 CFR § 100.200); and
- 3) No owner of any interest in the Indian property objects to use of the appraisal or valuation without Departmental review and approval [43 CFR § 100.301(a)(3)].

Departmental Review Required

The Department *will* review and approve appraisals or valuations of Indian property if:

- Any of the criteria in 43 CFR § 100.301 (a) is not met;
- The appraisal or valuation was submitted for:
 - Purchase at probate under 43 CFR Part 30;
 - The Land Buy-Back Program for Tribal Nations;
 - An acquisition by the United States to which the Uniform Appraisal Standards for Federal Land Acquisitions applies; or
 - Specific legislation requiring the Department to review and approve an appraisal or valuation.

Note: AVSO is still working with SOL on how the Appraisal Review Waiver authority will operate relative to P.L. 93-638 Tribes. Further guidance will be forthcoming.



Appraiser's Qualifications Review

The Secretary will verify the appraiser's qualifications to determine whether the appraiser meets the minimum qualifications for a qualified appraiser [§100.202].

Minimum Qualifications for Qualified Appraisers

Minimum Qualifications for Appraisers:

- The appraiser must hold a current Certified General Appraiser license in the State in which the property appraised or valued is located;
- The appraiser must be in good standing with the appraiser regulatory agency of the State in which the property appraised or valued is located; and
- The appraiser must comply with the **Uniform Standards of Professional Appraisal Practice (USPAP)** rules and provisions applicable to appraisers (including but not limited to **USPAP Competency** requirements applicable to the type of property being appraised or valued and **Ethics** requirements). ***This includes competency in timber and mineral valuations if applicable to the subject property.*** [43 CFR § 100.200]

Not in Agreement with Appraisal or Valuation Conclusions

If the Indian tribe or individual Indian does not agree with the appraisal or valuation prepared by their qualified appraiser, the Indian tribe or individual Indian **should not** submit the appraisal or valuation to the Department for review and approval [43 CFR §100.303].

Department Liability

The Department is not liable for any deficient or inaccurate appraisal or valuation provided by the Tribe or individual Indian that it did not review or approve, even if the Department approved a transaction for Indian property (including but not limited to a lease, grant, sale, or purchase) based on the appraisal or valuation [43 CFR § 100.304].

***Thank you for
your attention
and cooperation.***

Q & A Session

