**Exchanges**

**Appraisals**

**Session Summary**

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| **BLM** | **FS** |
| **Regulation and Policy** |
| * Land Exchange Handbook, H-2200-1,

Chapters 7 and 11* 43 CFR 2200.05; 43 CFR 2201.3 through 2201.6
 | * FSM 5410
* FSH 5409.12
* 36 CFR 254.9
 |
| **Appraisal Standards** |
| * Uniform Standards of Professional Appraisal Practice (USPAP)
* Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) –copy of Section D7, Special Considerations in Appraisals for Federal Land Exchanges, is in your Reference Notebook
* Federal laws and regulations
* State laws and regulations
* Local laws and regulations

Note: If in conflict, federal laws usually control |
| **Equal Value Requirement** |
| Federal and non-federal lands and /or interest in lands must be equal in value and appraised in a similar manner.Differences in value can be equalized by:* Addition/subtraction of lands or interests
* Cash (not to exceed 25 percent of the value of the Federal lands or interests)

Options for equalization must be addressed in the feasibility phase and report through the decision phase, in addition to the:* NEPA analysis – in evaluation of resources and potential public benefits
* Documented in the Agreement to Initiate a Land Exchange (ATI) and binding Exchange Agreement, if utilized

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| **Requesting an Appraisal****How?** |
| Consolidated appraisal functions within the Department of Interior – Office of Valuation Services (OVS): <http://www.doi.gov/ovs> Affected agencies:* BLM
* National Park Service (NPS)
* Fish and Wildlife Service (USFWS)
* Bureau of Reclamation (BOR)
 | Submit requests for appraisal services to the Regional Appraiser or assigned Review Appraiser. |
| Enter request into:Interior Valuation Information System (IVIS) <https://doi-ivis.secure.force.com>Appraisal Information Check List (included in binder) | Submit “Letter Requesting Appraisal Service for Land Exchanges” (FSH 5409.12, 15 – Exhibit 02) (Included in binder) |
| **What Type of Service do you Need?****(Reference Sample in Notebook)** |
| Land exchange feasibility consultation |
| Appraisal and review |
| Appraisal fee estimate |  |
| Preliminary value estimate/consultation |  |
| Other written consultation |  |
| **When?** |
| Involvement as early in the process as possible (BLM refer to IM-2006-231 in book on ordering an appraisal) |
| Appraiser must conduct a field visit so consider the time of the year and be aware of possible seasonal limitations. |
| **Appraisal Review Process** |
| By OVS | By assigned Review Appraiser |
| Receives request and validates with requestor* Is request complete?
* Realistic due date?
* Agency priority?
* Purpose, background?
 |
| Writes or validates Statement of Work |
| Requests bids, reviews bids, submits award recommendation to Contracting Officer (CO), if contract is used. CO awards contract. |
| Conducts technical desk review and field review, if warranted |
| Requests additional information and /or corrections from Appraiser, if necessary |
| Writes review statement. Notifies requestor with Job Summary and Value Conclusion  | Writes Appraisal Review Report. Provides copy of appraisal and appraisal review report to the Forest (client). |
| Distributes reportNOTE: Upon written acceptance by the BLM of the appraisal from OVS and agreement on value by all parties to an exchange, the appraisal and appraisal review report are now legally available to the general public. However, it is the BLM’s policy to make them available upon issuance of the Notice of Decision or on a case-by-case basis. | FS policy is that final approved appraisal reports and appraisal review reports are made available, upon written request, to all interested parties (unless the responsible official documents a sound legal basis for denial) when:1. An environmental assessment or draft environmental impact statement is released for public comment and the appraisal reports have been reviewed and approved for agency use, or;
2. The NEPA decision to approve an exchange is made, and public notice given

Prior to release of the final approved appraisal report and appraisal review report, the authorized officer informs nonfederal exchange parties that they may request in writing:1. A copy of the appraisal review report
2. A meeting with the assigned review appraiser to discuss the appraisal review report

Release Appraisal Reports in accordance with provisions of the Freedom of Information Act (FOIA). The Regional Director of Lands is responsible for approving the release of appraisal reports or appraisal information, considering the Privacy Act, the confidentiality of business information in accordance with 7 CFR 1.11, and the recommendation of the Regional Appraiser.  |
| Timeline – three months to six months to complete. |
| The appraisal and appraisal review report are subject to the Privacy Act System. |
| BLM must accept appraisal in writing from the OVS before it is subject to the Privacy Act System. |  |
| **Appraisal Validity Periods** |
| OVS can provide “Other Written Consultation”Example recommendations:* Extension
* Conduct new appraisal
 |  |
| The shelf life of an appraisal depends on market conditions. | All appraisal review reports clearly identify a timeframe, within which the appraisal report is useable. The expiration date is based on market trends. |
| Valuation date is usually the date the appraiser visited the parcels/site (refer to IM-2006-231 in book). | The date of value is the date of last inspection of the property by the appraiser, unless otherwise specified. |
| Requires BLM acceptance of value in a letter/decision from OVS. |  |
| **Third Party Appraisal Policy** |
| Third party must contact OVS before appraiser selection or initiation of the appraisal process | It is FS policy that the agency pays for private contract appraisal services; however, the authorized officer may allow a third party to pay when it is in the interest of the government. The third party must agree in writing to contract with an appraiser acceptable to the FS. Acceptance of Gifts Act. |
| OVS approves third party appraiser selection and writes or approves scope of work | The assigned staff review appraiser must participate in the selection of the contract appraiser, provide case-specific written instructions and technical specifications, and meet with the staff review appraiser for a pre-work conference.  |
| OVS is named as client and intended user in the appraisal report | The appraiser will simultaneously disclose the appraisal to the assigned staff review appraiser at the time of disclosure to the third party |
| **Approximately Equal Value** |
| Must be in the public interest and the consummation of exchange will be expedited. |
| Federal lands leaving federal ownership are not more than $150,000 in value, based on a statement of value prepared by a qualified appraiser and accepted by an authorized officer. |
| Federal and nonfederal lands are substantially similar in location, acreage, use, and physical attributes. |
| There are no significant elements of value requiring complex analysis. |
| The authorized officer, not the nonfederal party, determines whether the federal and nonfederal lands are approximately equal in value and must document how the determination was made to include the appraiser’s statement of value. |

**Serial Register Page**

LR2000 is an automated land records system utilized by the Bureau of Land Management to list all actions pertaining to specific lands or mineral actions.

The serial number is applied to an individual and specific action and consists of the serial number, i.e., OR 12345, and a suffix.

- The suffix “FD” is used for the Federal lands, i.e., OR 12345-FD, and for subsequent individual Federal land actions, i.e., OR 12345-F1, OR 12345-F2 . . .

- The suffix “PT” is used for the private (non-Federal) lands, i.e., OR 12345-PT, and for subsequent individual private land actions, i.e., OR 12345-P1, OR 12345-P2 . . .

The following identifies the required action items to be input pursuant to the data standards for land exchanges:

Federal Land SRP (OR 12345-FD, F1, F2, F3 . . .)

387 Case Established

500 Geographic Name

305 Agreement to Initiate Exchange (ATI)

133 Appraisal Requested

132 Appraisal Received (enter $ amount)

862 Notice of Exchange Proposal (NOEP)

610 Publish NOEP

552 Land Segregated

543 Segregation (Mineral)

544 Segregation (Surface)

247 Future Action Suspense (segregation expires)

068 Contaminant Survey Approved

**247 Future Action Suspense (appraisal validity period ends) 1/**

863 Notice of Decision

229 Binding Exchange Agreement (if necessary)

392 Monies Received (enter $ amount)

271 Patent issued (enter patent number)

Or

620 QCD-Disclaimer issued

400 US Rights Acquired (enter rights reserved code)

372 Segregation Terminated

968 Case Action Completed

1/ This is NOT a mandatory action code. It is only recommended for your use in tracking appraisal shelf life.

Private Land SRP (OR 12345-PT, P1, P2, P3 . . .)

387 Case Established

500 Geographic Name

095 Funded with LWCF

501 Reference Number (enter project number)

513 Acres Accessible

542 Supplemental Use/Purpose

133 Appraisal Requested

132 Appraisal Approved (enter $ amount)

**247 Future Action Suspense (appraisal validity period ends) 1/**

859 Payment Made (enter $ amount)

068 Contaminant Survey Approved

404 Title Recordation (enter volume, book etc.)

865 Title Accepted by U.S.

400 US Rights Acquired (enter rights acquired)

610 Published

873 Open to Entry

968 Case Action Completed

1/ This is NOT a mandatory action code. It is only suggested for your use in tracking appraisal shelf life.