



## 4.3.4 Appraisal (A)

### 4.3.4.1 Appraisal Summary Process Description

The overall process starts with: Receive a request for a business transaction involving Trust land that requires one or more appraisal services before the transaction can be completed.

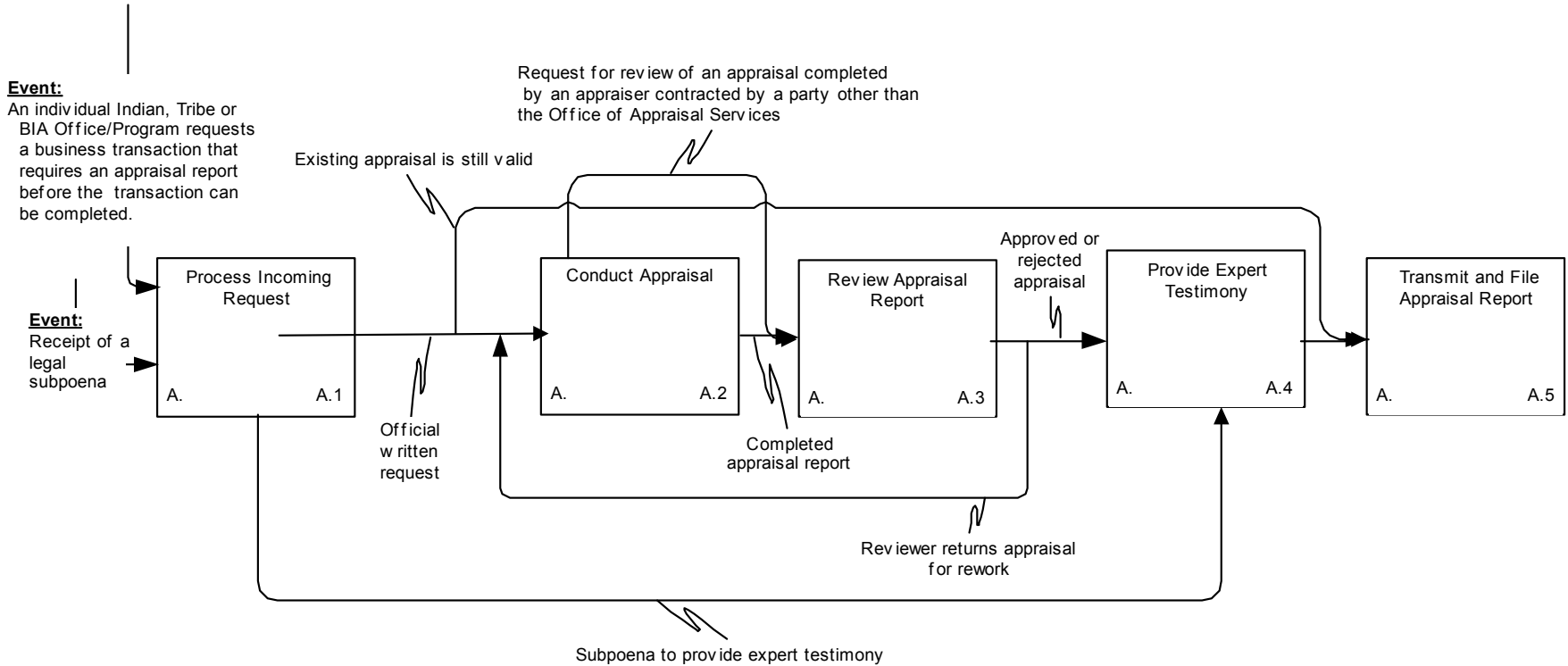
It ends with: Transmit approved appraisal to the client and file a copy of the report.

The Appraisal process normally begins when an individual Indian or Tribe makes a request for appraisal services, usually to a BIA Agency Office or Tribal Realty Office. Infrequently, a BIA Agency or Program Office requests an appraisal for its own purposes or to ascertain current market value on a tract or tracts of land; but most often, the request is associated with a Trust business transaction, such as a land sale, land exchange or lease. Agency or Realty staff assembles associated documentation, completes the appropriate request form and forwards the approved request and supporting documentation to the Office of Appraisal Services (OAS) Regional Appraisal Office. In some instances, the supporting documentation is incomplete or inadequate, and Agency, Realty or OAS staffs spend significant time gathering the necessary documents. For example, CFR regulations state that a survey must be completed before an appraisal request packet is submitted to the Regional Appraiser. More frequently, the packet is forwarded from the Realty Officer marked as "survey pending" and then the Regional Appraiser must decide whether to accept the request or not.

The Regional Appraiser or a Staff appraiser determines if the request can be satisfied by a previously approved appraisal. If the appraisal is deemed to still be accurate, the requestor is notified to proceed with the transaction based on the existing report. If a new service is required, the Regional Appraiser assigns the request to a certified/licensed appraiser (staff or contracted) who then provides a consultation statement if a range of potential market values will fill the need or produces a real property appraisal report if a certified statement of value is required. Many agencies request appraisal reports when a consultation, which is significantly less work, would serve the purpose and might help reduce the backlog of appraisal requests.

The appraisal process may include an inspection of the property; a search of databases for information on comparable properties; research of market data, zoning ordinances or Tribal resolutions; and writing the appraisal report. When the report is complete, the OAS Regional Appraisal Office reviews and either approves or rejects the report. The appraisal is reviewed for content, purpose and supporting documentation to ensure that the appraisal meets the standards of the Uniform Standards of Professional Appraisal Practices (USPAP) and Uniform Appraisal Standards for Federal Land Acquisition (USFLA) where applicable, and that the information contained is not misleading to the intended user. Landowners are entitled by law to an appeal if they disagree with an appraisal; however, very few beneficiaries exercise this right.

Infrequently, the OAS is served with a legal subpoena, typically to resolve a dispute about the value of Trust lands or an appeal to an appraisal. In this instance, the Chief Appraiser or a Regional Appraiser assigns a certified/licensed appraiser to prepare and provide courtroom testimony. The appraiser may also supply any documentation or analysis requested by the court to support the expert testimony.



**Figure 4.3.4- 1 Appraisal High Level Diagram**



## Appraisal Objectives

Trust beneficiaries are entitled by law to an accurate valuation of Trust lands, conducted using methods and techniques that conform to USPAP and USFLA where applicable. Additionally, the review and approval of all appraisals performed on Trust lands has been determined to be an inherently federal function, and must be completed before an appraisal report can become part of the documentation supporting a business transaction that involves Trust land. A beneficiary is also entitled to legal defense of appraisals completed on Trust lands.

The BIA or a Compacted/Contracted Tribe is the client for the OST Office of Appraisal Services (OAS) appraisal reports and reviews, and it is the responsibility of the BIA or a Compacted/Contracted Tribe to share appraisal information, as appropriate, with a Beneficiary.

As noted in Chapter 1, the specific Trust Strategic Goals and Objectives that relate to appraisal services are as follows:

**a) Strategic Goal 1 - Beneficiary Services**

Enhance and maintain a beneficiary focus of providing service to and maintaining communications with beneficiaries

**b) Strategic Goal 3 - Land and Natural Resource Assets**

Provide stewardship and management of land and natural resource assets in the best interests of the beneficiaries, while fulfilling fiduciary and legal responsibilities.

**Objective 3.4 Appraisals**

Obtain appraisal information, as necessary, on trust and restricted lands for Tribal and individual Indian owners, using methods and techniques that meet professional standards.

**c) Strategic Goal 6 - Administrative Services**

Develop, maintain, and coordinate administrative services to support the effective and efficient fulfillment of DOI trust management responsibilities.

**Objective 6.6 Business Practices**

Develop and maintain business processes and practices that are based on professional standards that are complete, consistent, and reliable.

**Objective 6.7 Performance Measures**

Develop, maintain, and use clear performance measures to manage Trust operations and to assess performance.



#### **4.3.4.2 Process Incoming Appraisal Request (A.1)**

Starts with: Receive a verbal or written request for a business transaction that requires an appraisal service before the transaction can be completed.

Ends with: Send the appraisal request form and supporting documentation to the OAS Regional Appraisal Office.

An individual Indian, Tribe or BIA program presents a need, usually to a BIA Agency or BIA/Tribal Realty Office, for one of the following appraisal services:

- a) Site specific appraisal
- b) Mass appraisal
- c) Review of an outside appraisal (an appraisal on Trust property conducted without OAS supervision by a certified appraiser hired by entities outside OAS)
- d) Appraisal update
- e) Appraisal review
- f) Consultation

Most often, an appraisal report is required before a business transaction, such as a land sale, land exchange or lease, involving Trust land can be completed. However, in some specific instances, ILCA gives statutory authority for the beneficiary to sign a Waiver of Appraisal and the proposed transaction can be completed without an appraisal report.

BIA Agency or Compacted/Contracted Tribal Realty staff assembles associated documentation and determines if the requestor is the owner of the tract to be appraised. If the request cannot be processed, staff cancels or postpones the request and notifies the applicant. If it is a valid request, staff completes the appropriate form and forwards the approved request and associated documentation to the OAS Regional Appraiser. The official request form usually names the BIA or a Compacted/Contracted Tribe as client.

If a request is deemed to be sensitive or highly visible, and/or a significant risk of litigation exists, the request may be administered by the Chief Appraiser's Office.



**Events:**

An individual Indian, Tribe or BIA Agency or Program Office requests a business transaction that requires an appraisal report before the transaction can be completed  
 Realty Office request for an appraisal update  
 Request for review of an appraisal independently contracted by an individual Indian or tribe  
 Receipt of a legal subpoena  
 Request from a Deciding Official concerning land to be partitioned

**From: Surface**

- L.2.1.1 Refine Range Trust Stipulations
- L.2.1.4 Establish Range Unit
- L.3.1.1 Plan Agricultural Tract Use

**From: Sub-Surface**

- U.1.3 Pre-Lease
- U.1.4 Establish Lease
- U.2.1.1 Fluid Minerals Lease Administration
- U.3.1.1 Solid Minerals Lease Administration

**From: Probate**

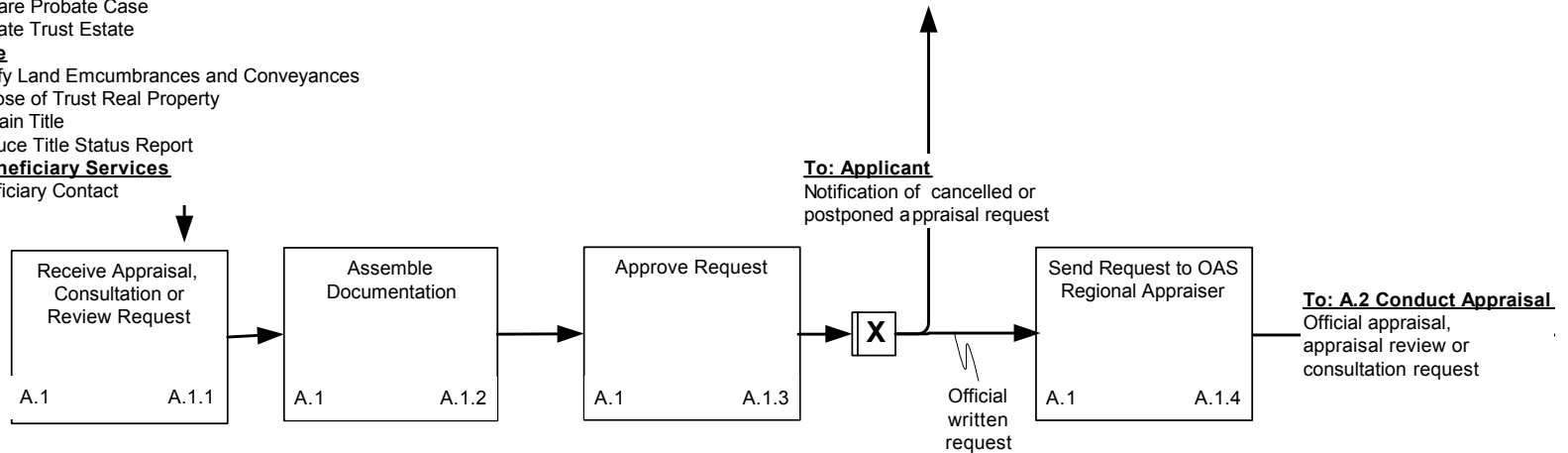
- P.1 Prepare Probate Case
- P.2 Probate Trust Estate

**From: Title**

- T.2 Modify Land Encumbrances and Conveyances
- T.3 Dispose of Trust Real Property
- T.4 Maintain Title
- T.5 Produce Title Status Report

**From: Beneficiary Services**

- B.1 Beneficiary Contact



**Figure 4.3.4- 2 Process Incoming Appraisal Request IDEF (3)**



## **Beneficiary Involvement for Process Incoming Appraisal Request**

Beneficiaries often trigger the process. They sometimes check the status of their request with the BIA Agency or Tribal Office Staff.

### **Process Incoming Appraisal Request Significant Notes**

- a) At least 80% of all appraisal requests are made by a Tribe or individual Indian beneficiary through a BIA Realty Office or Tribal Realty Office. The remaining 20% may be made by a Compacted/Contracted Tribe going directly to the Regional Office, or requested by a BIA Program Manager (Credit & Finance, Roads, Natural Resources, Rights Protection, Housing, and Property Management).
- b) An OAS Regional Office will not accept verbal appraisal requests. All requests must be submitted on the standard request form developed by OAS.
- c) A request may be postponed or cancelled by a BIA Agency, a Compacted/Contracted Tribe or an OAS Regional Appraisal Office. For example, a request can be cancelled because the requestor is not an owner of the property to be appraised or the property is not Trust land. If a requestor does not provide enough supporting documentation and/or information concerning the business to be transacted, processing of the request may be postponed until additional information is supplied. In other instances, the Agency or Tribal Office may be asked to revise and resubmit the request.
- d) On June 20, 2002, BIA authority to perform Trust appraisals was revoked by Secretary Norton's order 3240 dated 3/12/02. The Chief Appraiser, Regional Appraisers and Staff appraisers were transferred to the Office of Appraisal Services in OST. The move was made to eliminate any perceived and/or potential conflict of interest between the appraiser and BIA or Tribal Realty Officials.



## Process Incoming Appraisal Request Detail Description

### Receive Appraisal or Consultation Request (A.1.1)

Starts with: Receive a request for appraisal services in a BIA Agency Office or Tribal Office.

Ends with: Initiate assessment and documentation of the appraisal request.

A BIA Agency or Tribal Realty Office receives a request to enter into a business transaction that requires a real property appraisal report, consultation statement or appraisal report review before the transaction can be completed. Requestors most frequently are one of the following:

- a) An individual Indian
- b) A Tribe
- c) A BIA Agency or Program Office

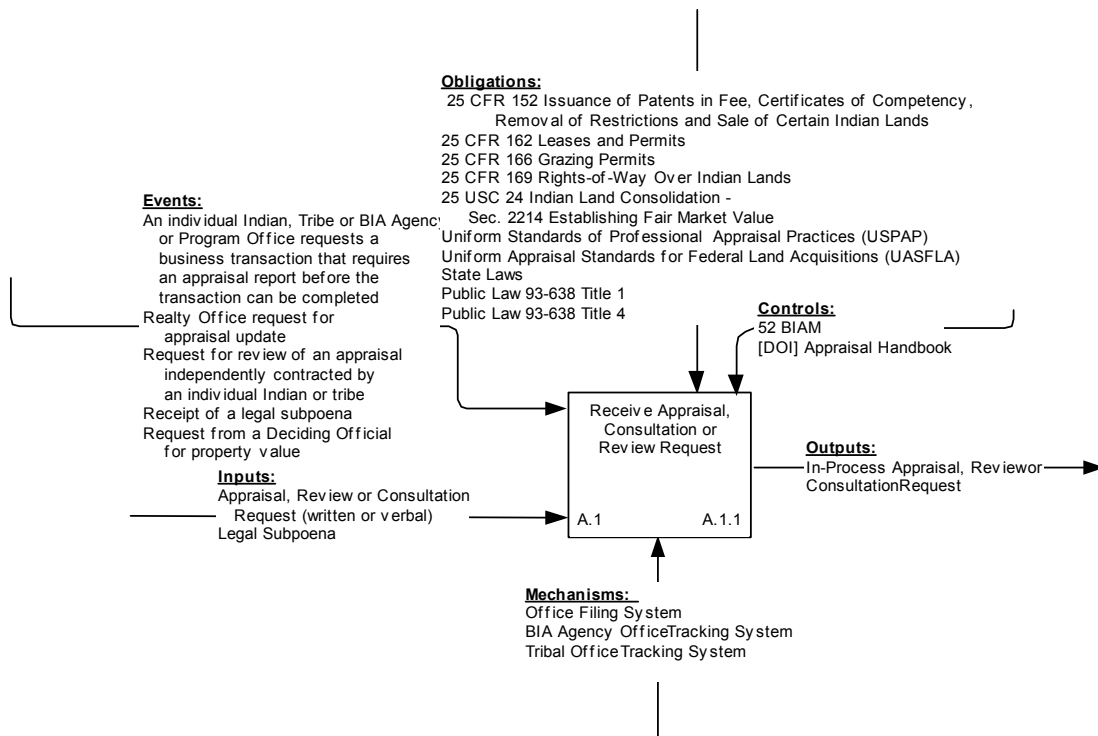


Figure 4.3.4- 3 Receive Appraisal, Consultation or Review Request



### Assemble Documentation (A.1.2)

Starts with: Receive an in-process request for appraisal services (report, consultation or review).  
Ends with: Support the in-process request with associated documentation.

Staff, usually in a BIA Agency, BIA Realty Office or Tribal Realty Office, assembles supporting documentation about the proposed business transaction and site on which an appraiser will need to complete an appraisal, consultation, or appraisal review. In many instances, the information available is incomplete and significant time is spent gathering necessary documents.

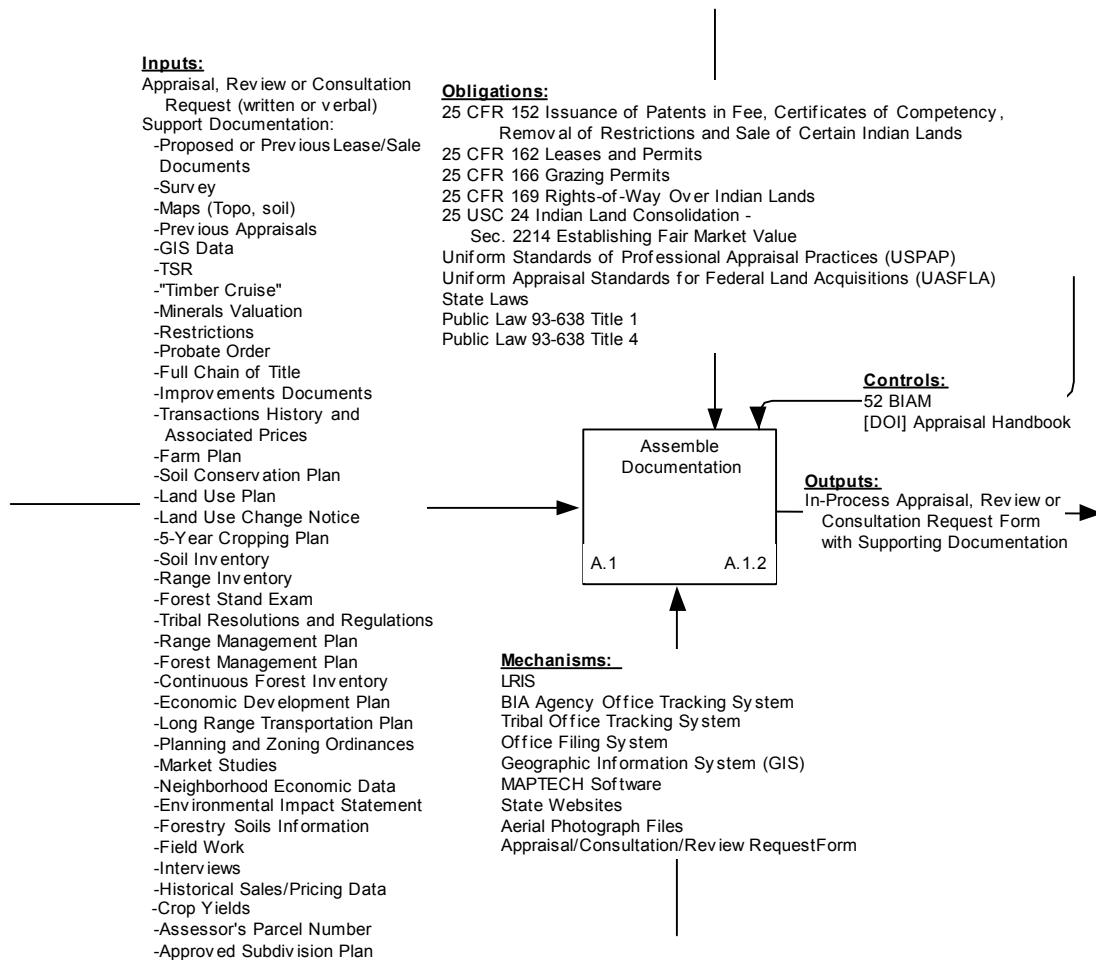


Figure 4.3.4- 4 Assemble Documentation IDEF (0)





### Approve Request (A.1.3)

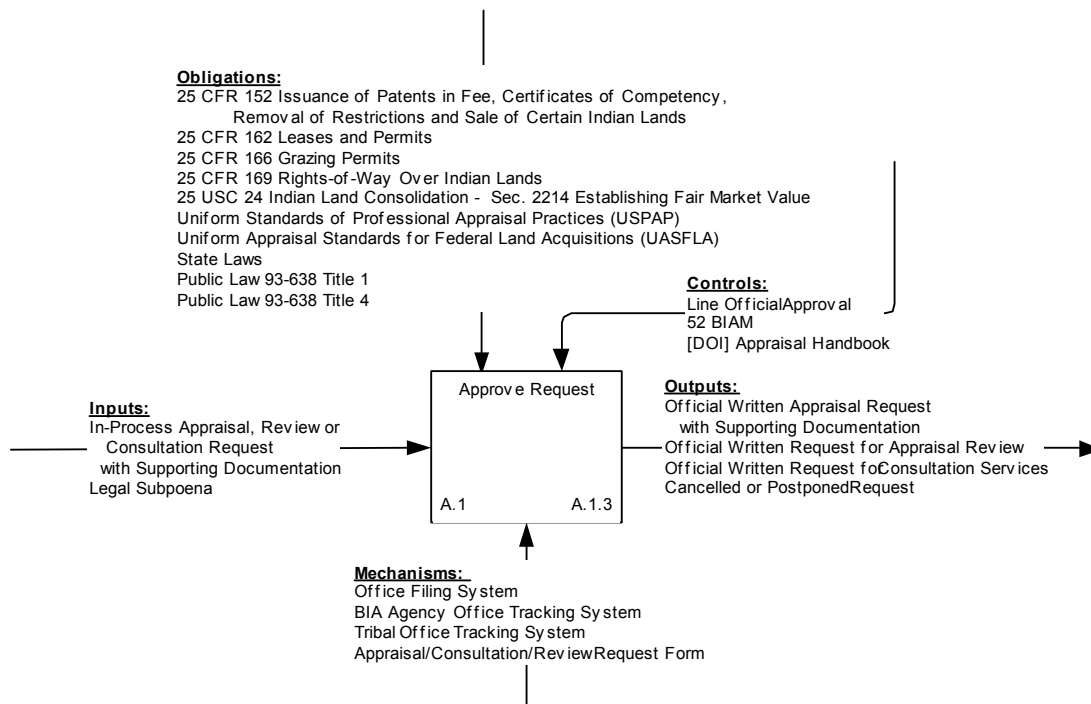
Starts with: Review assembled request documentation.

Ends with: Approve or reject the appraisal, consultation, or appraisal review request.

BIA Agency or Tribal Realty Office staff determines if an appraisal, appraisal review or consultation request can be processed. For example, staff needs to verify that the requestor is the landowner and entitled to make an appraisal request. If the request is valid, staff completes the appropriate request form with supporting documentation and forwards the package to a BIA Superintendent or his/her designee for signature unless the request is from a Compacted/Contracted Tribal Realty Office. In that instance, the Superintendent's signature is not required in most regions. The official request always identifies the BIA or a Compacted/Contracted Tribe as the client for an OAS appraisal.

If the request is determined to not be valid, staff cancels or postpones the request and notifies the applicant. For example, it is not uncommon in probate situations, that a potential heir requests to sell or exchange the land in which they will be receiving an interest before that interest is conveyed via the final disposition of the estate. For this reason, it is necessary to check that the requestor does have an ownership interest in the tract/allotment for which the appraisal is being requested. If the ownership interest has not yet been conveyed, the potential heir's request is not valid.

If a request is deemed to be sensitive, highly visible and/or a significant risk of litigation exists, the request can be administered by the Chief Appraiser's Office.



**Figure 4.3.4- 5 Approve Request IDEF (0)**

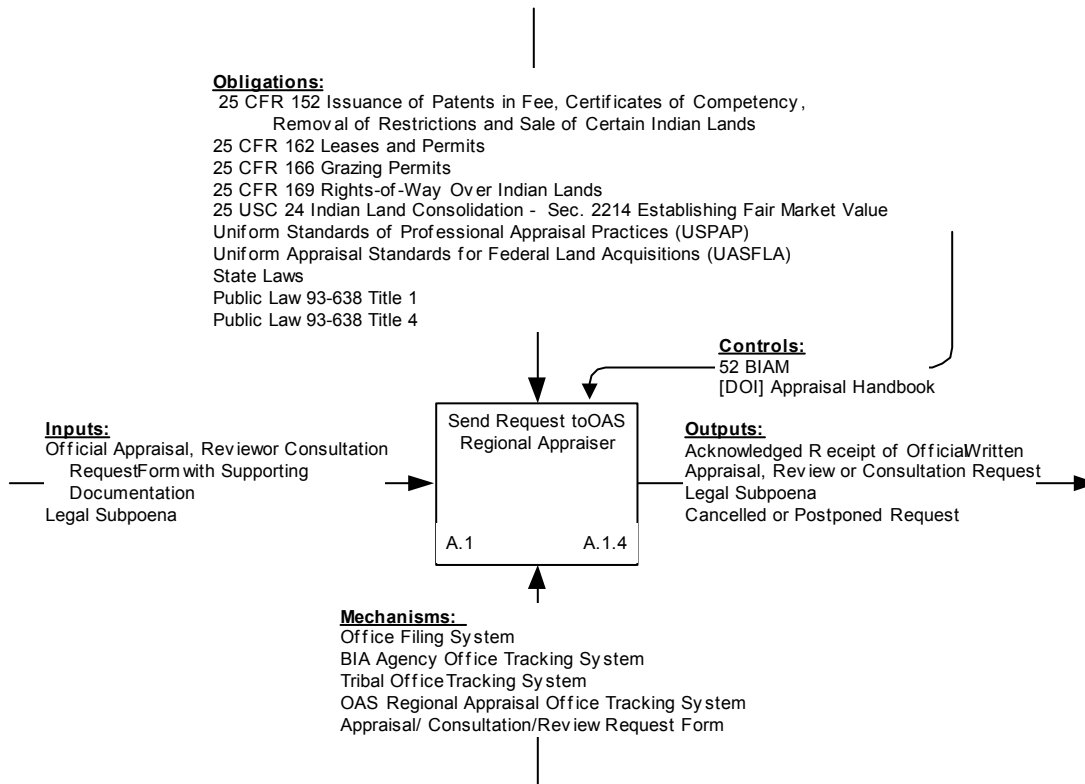


**Send Request to OAS Regional Appraiser (A.1.4)**

Starts with: Approve the request for appraisal services.

Ends with: Forward the request package to the Office of Appraisal Services (OAS) Regional Appraiser.

A BIA Agency or a Compacted/Contracted Tribal Realty Office forwards the official appraisal, review or consultation request and associated documentation to the Office of Appraisal Services (OAS) Regional Appraiser.



**Figure 4.3.4- 6 Send Request to OAS Regional Appraiser IDEF (0)**



#### **4.3.4.3 Conduct Appraisal (A.2)**

Starts with: Receive appraisal service request packet at OST/OAS and evaluate existing appraisal(s).

Ends with: Complete an appraisal report or consultation statement.

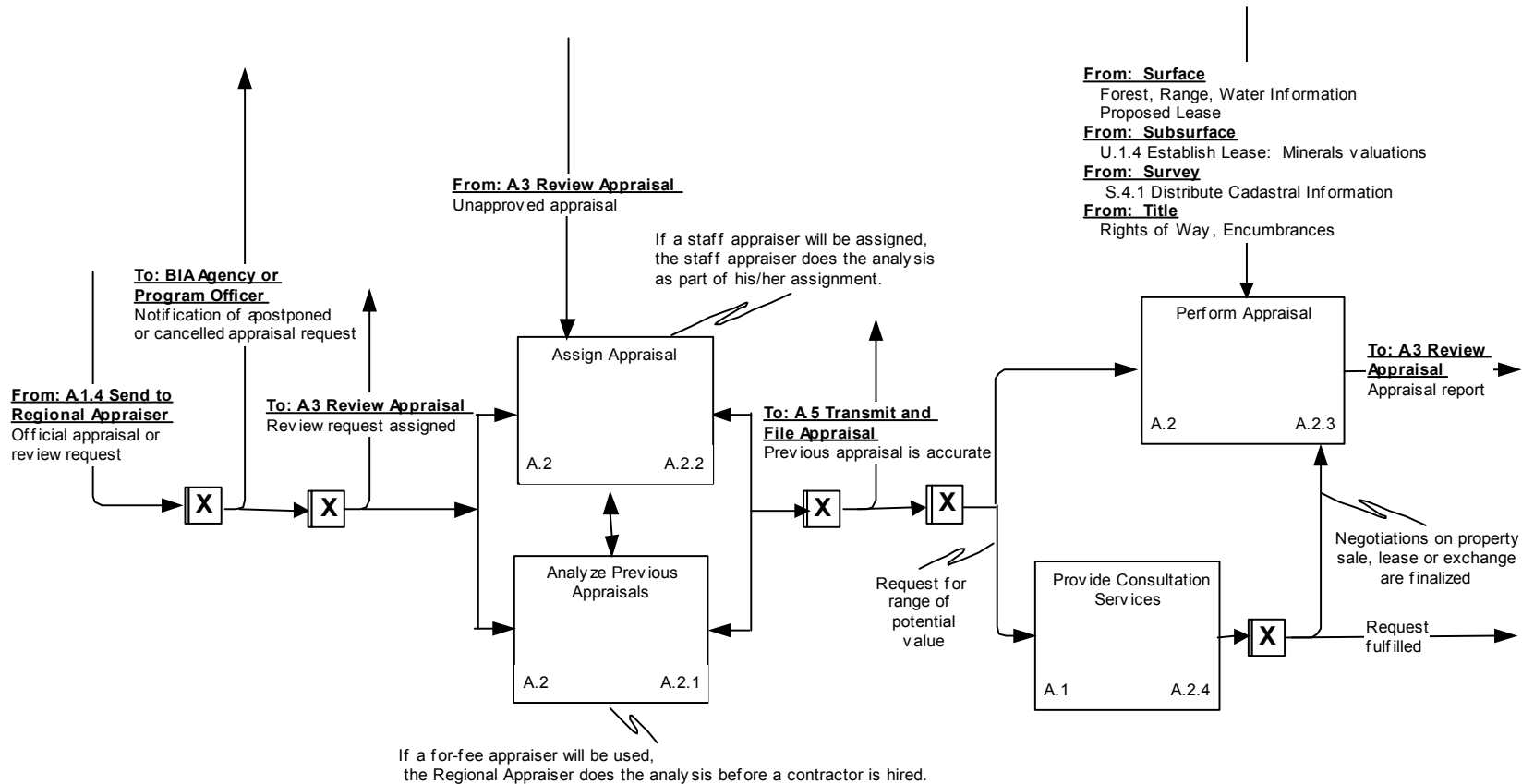
The Regional Appraisal Office receives an appraisal request package, including the official request form and supporting documentation. If the Regional Appraiser determines that the request package does not include all necessary information or is not in accordance with all applicable federal, states and local laws and regulations, he/she may cancel or postpone the request and return it to the BIA Agency Office or Compacted/Contracted Tribal Office for further processing. For example, if a timber valuation is required but not complete, the submitter may be asked to cancel the request and resubmit when the timber cruise is complete. More frequently, the Regional Office staff will call the submitting office and ask for more information rather than cancel the request.

The Regional Appraiser or a Staff appraiser determines if a request can be satisfied by a previously approved appraisal. If the appraisal is deemed to still be valid, the requestor is notified to proceed with the transaction based on the existing report. If a new appraisal service is required, the Regional Appraiser assigns the request to a staff or contracted appraiser who then (1) provides a consultation statement to the requestor if a range of potential value will suffice, or (2) conducts a site-specific property appraisal. Frequently, an appraisal report is requested when a consultation statement would suffice. However, per USPAP a consultation statement cannot contain a value; rather, it contains a range of data or a mean value from several sales without a recommendation or conclusion of value.

In the course of authorizing the production of an appraisal report, the Regional Appraiser or assigned appraiser determines the preliminary scope of the report based on the information contained in the request package and in consultation with the requesting Agency Superintendent, Program Manager or Compacted/Contracted Tribal Realty Official. He/she then reviews the purpose and intended use of the appraisal and makes the following determinations, in accordance with USPAP and USFLA, where applicable:

1. Will the appraisal process be complete or limited? The process is considered limited if there is one or more departure from USPAP requirements for a complete appraisal process.
2. Which of three primary approaches will be used to determine the value of a property: sales/market, income or cost approach?
3. What appraisal report form will be used: self-contained (full), summary or restricted? For example, restricted use reports, normally two-four pages in length, are appropriate for low risk transactions such as gifting land to a family member.

For the purposes of this baseline, an appraisal has been conducted any time a certified/licensed appraiser renders an opinion of value.



**Figure 4.3.4- 7 Conduct Appraisal IDEF (3)**



## Beneficiary Involvement for Conduct Appraisal

Beneficiaries are usually not in contact with the appraiser. A potential for a conflict of interest exists, so interaction should be prudent. USPAP requires that an appraiser decline an appraisal request if he or she believes a perceived conflict of interest could arise.

At times, it is helpful for the appraiser to contact the landowner for additional information, such as directions to the site or to ascertain the conditions of property improvements, such as well and septic systems. Frequently, the appraiser asks a Realty Officer to contact the landowner and relay the information to the appraiser.

USPAP states that confidential information can only be disclosed to the client; i.e. BIA or a Compacted/Contracted Tribe.

## Conduct Appraisal Significant Notes

- a) The Uniform Standards of Professional Appraisal Practices (USPAP) has been developed by the congressionally established Appraisal Foundation and defines the standards and practices of the appraisal industry. USPAP is revised and published annually.
- b) Appraisers are licensed by each state to perform appraisals in that state or have obtained a temporary permit or license to practice in that state. Each appraisal report must carry the appraiser's certification that an appraisal report was completed in accordance with USPAP standards.
- c) The Appraisal Handbook is an internal control document developed by the BIA while appraisers were part of BIA. OST/OAS has not officially recognized the Handbook at this time, but is in the process of developing a new one.
- d) OST/OAS keeps appraisals on file indefinitely. USPAP requires a minimum of five years retention, but the US Government considers all appraisals to be part of the permanent Trust record.
- e) Appraisers are required to complete continuing education coursework annually as required per USPAP and state licensing agencies. This educational requirement is also included in OST/OAS staff appraiser position descriptions.
- f) There is a difference of opinion among Regional Appraisers concerning appraisal of buildings on Trust land. Some believe that if the building is permanently affixed to the land, it should be valued in the real estate appraisal, no matter who owns the structure (landowner or lessee). Other appraisers believe that leasehold improvements, such as HUD houses, should not be included in the real estate property appraisal because the beneficiary is not the owner of the structure. It has also been suggested that there is a notation somewhere in the Regulations that denotes all buildings on Trust land as personal, not real property. If that is the case, buildings should be appraised using USPAP Standards 4 and 5, not 1 and 2 that apply to real estate property appraisals.
- g) National Park Service (NPS) and Fish & Wildlife (F&W) appraisers cannot use government sales for comparables, but OST/OAS can because they view those as arm's length transactions. Such transactions are frequently the most accurate, recent comparisons. Additionally, OST/OAS appraisers determine a "do not go below" value while NPS and F&W appraisers determine a "do not pay more than" value.



## Conduct Appraisal Detail Description

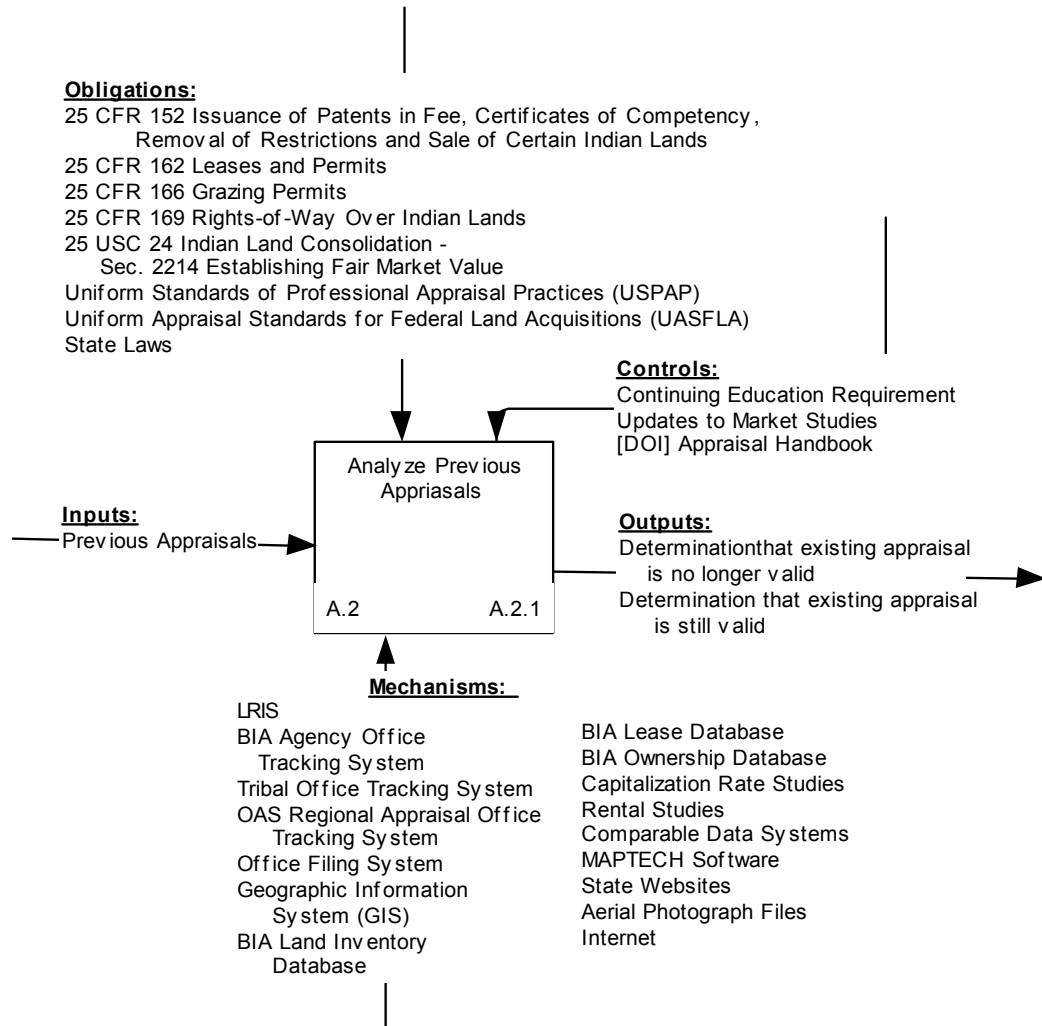
### **Analyze Previous Appraisals (A.2.1)**

Starts with: Receive a request for appraisal services in an OST/OAS Regional Appraisal Office.  
Ends with: Determine that an existing appraisal on the tract is or is not still valid.

Before an appraiser begins work on a new appraisal, previously produced reports on the same property are analyzed to determine if they are still valid. If an existing report is still valid, the appraiser notifies the requesting BIA Agency Office or Compacted/Contracted Tribal Office that an existing appraisal reflects current market conditions and is applicable to the appraisal request. Per USPAP, the appraiser signs a certification and attaches a statement of supporting data and analysis to the appraisal explaining why he or she has determined that the existing appraisal is still valid.

If the previously approved appraisal is no longer valid or the established time period has elapsed, the appraisal is reviewed to validate site characteristics and existing leases, Rights of Way, etc. indicated on the official request form.

If a contracted appraiser provides the appraisal services, the Regional Appraiser completes this analysis before a contractor is hired. If a staff appraiser provides the appraisal service, the staff appraiser completes the analysis as the first step in his/her assignment.



**Figure 4.3.4- 8 Analyze Previous Appraisals IDEF (0)**



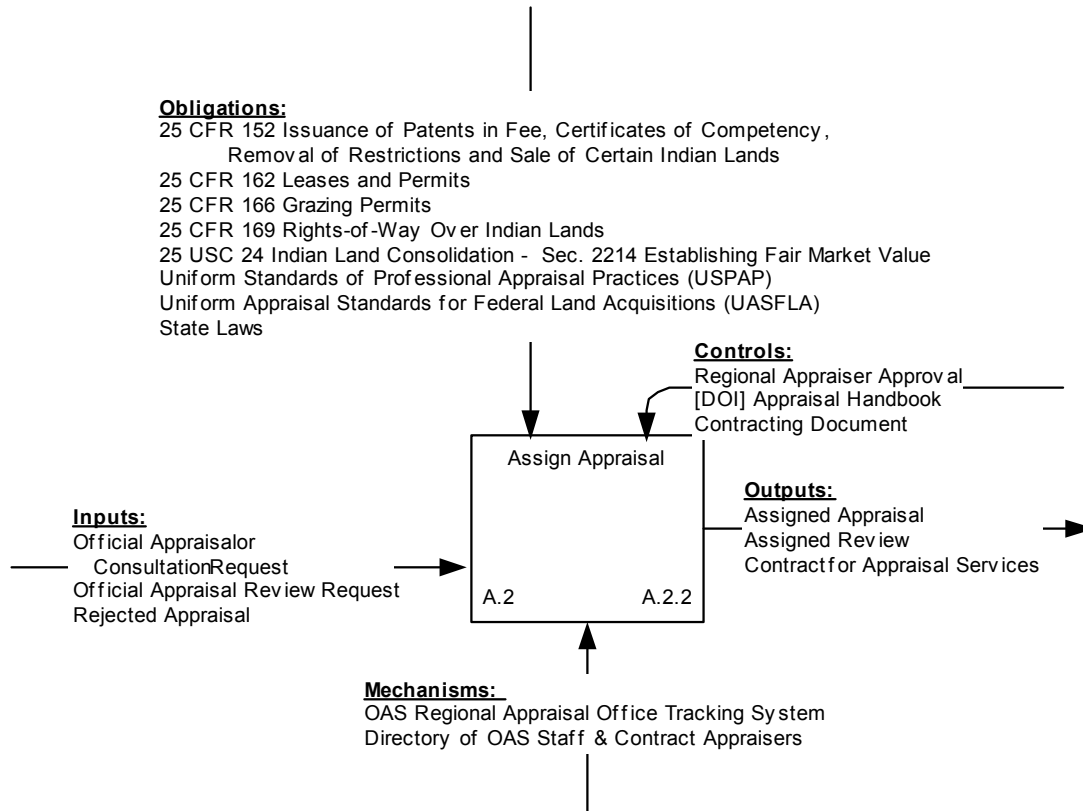
### **Assign Appraisal (A.2.2)**

Starts with: Receive a request for appraisal services or for rework of an in-process appraisal in an OST/OAS Regional Appraisal Office.

Ends with: Assign a request or unapproved appraisal report to an appraiser for action.

The Regional Appraiser assigns the unapproved appraisal or the request for an appraisal report, consultation statement or appraisal review to the appropriate staff or contract appraiser based on the technical or competency requirements that will be necessary to provide the service.

A single appraisal request may result in multiple appraisals and assignments to multiple appraisers.



**Figure 4.3.4- 9 Assign Appraisal IDEF (0)**





### **Perform Appraisal (A.2.3)**

Starts with: Verify that the appraiser has the necessary supporting documentation to begin appraisal research.

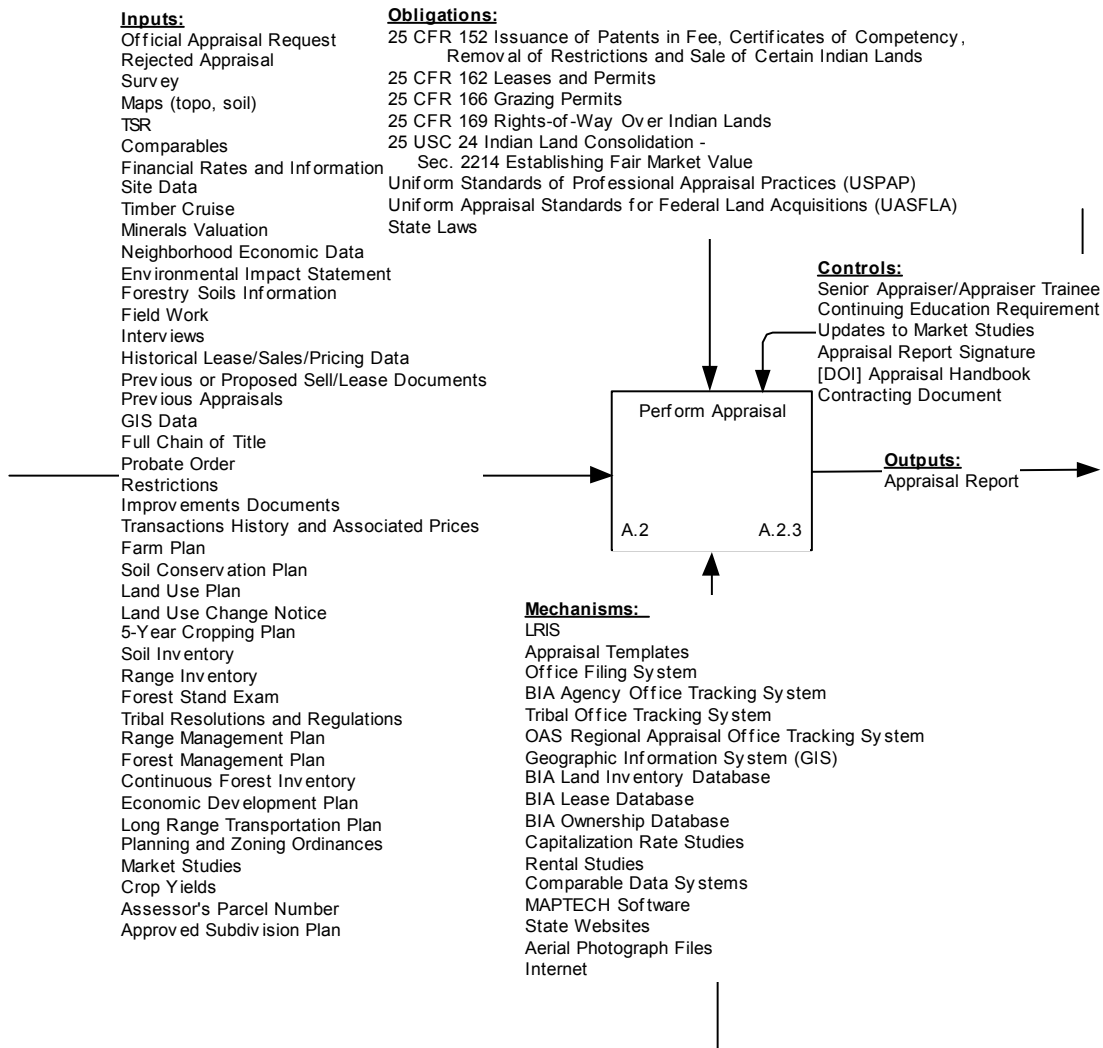
Ends with: Sign the completed appraisal report.

The appraisal process may include inspecting the property; checking databases for information on comparable properties; researching, discovering and verifying market data, zoning ordinances and Tribal resolutions; and writing the appraisal report.

Typical appraisal reports include:

- a) Executive Summary
- b) Effective date of the appraisal
- c) Client
- d) Intended use of the appraisal
- e) Date of the appraisal report
- f) Purpose of the appraisal
- g) Property rights appraised
- h) Legal Description
- i) Property description
- j) Scope (How deep was the investigation)
- k) Market context (A macro context for economic evaluation)
- l) Determination of highest and best use
- m) Definition of the term "market value" as used in the report
- n) Definition and explanation of the approaches used to determine value (cost, sales comparison, or income) and justification for excluding approaches, if any
- o) Comparables
- p) Market Value
- q) Marketing and exposure time periods linked to value
- r) Reconciliation of the approaches to determining value
- s) Opinion of value
- t) Assumptions and limiting conditions
- u) Certification of the appraiser(s)

If an appraisal report is provided for a property with multiple owners, the appraisal is completed on the full tract and a BIA Agency or Tribal Realty Official divides the interest between the owners.



**Figure 4.3.4- 10 Perform Appraisal IDEF (0)**



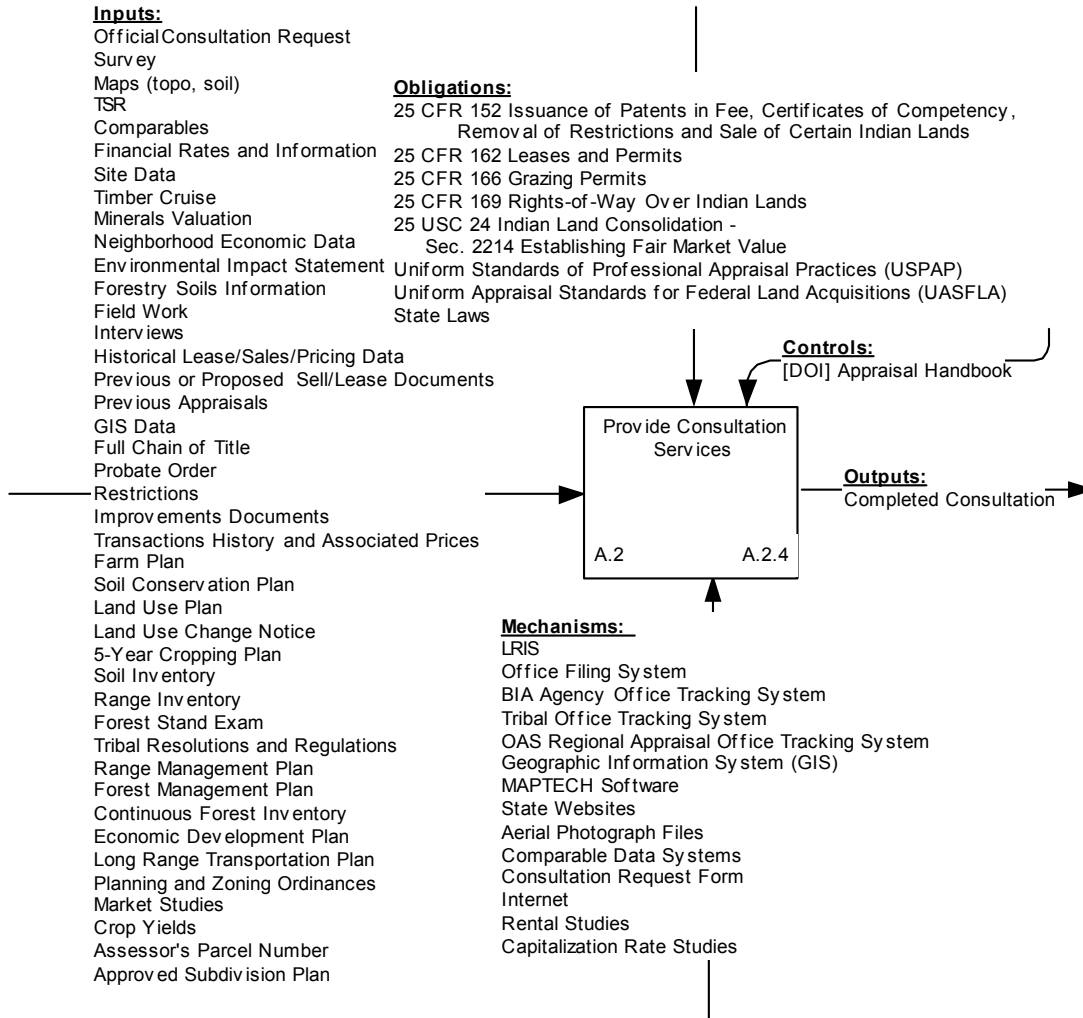
### **Provide Consultation Services (A.2.4)**

Starts with: Assign a request for an appraisal consultation to an appraiser.

Ends with: Provide a consultation statement to a BIA Agency Office or Tribal Office.

If providing a range of potential values rather than a site-specific appraised value can satisfy the request, then an appraiser produces a consultation statement for the BIA Agency, BIA Realty Office or Compacted/Contracted Tribal Realty Office so they can better serve the beneficiary. Per USPAP, a consultation report, if completed by a certified/licensed appraiser, cannot contain a conclusion or an opinion of value. If the report contains such an opinion, it is an appraisal. The consultation can contain a range of values based on market data and/or a mean average with the client determining the final value using the consultation statement as a guide. When and if negotiations on a business transaction involving the property are finalized, an appraisal report may be produced. Appraisers co-located in Agency or Tribal Offices spend a considerable amount of time consulting with Realty Officials.

The OST/OAS Chief Appraiser allows each Regional Appraiser to determine how his/her region will handle consultation requests and when production of a consultation statement is appropriate and adequate to meet requestors' needs.



**Figure 4.3.4- 11 Provide Consultation Services IDEF (0)**



#### **4.3.4.4 Review Appraisal Report (A.3)**

Starts with: Receive a completed appraisal report in an OST/OAS Regional Appraisal Office.  
Ends with: Approve, conditionally approve or reject a reviewed appraisal report.

The review and approval of Trust land appraisals is an inherently federal function and is therefore performed by an OST/OAS Regional Appraiser or a certified/licensed staff reviewer in almost all instances. Infrequently, the review is contracted out if there is not a staff appraiser with the subject matter expertise to complete an adequate review; e.g., the review of an appraisal report that includes a shopping center in regions with primarily range land or an allotment where dinosaur bones have been found. But ultimately, the responsibility for the review rests with the OST/OAS Regional Appraiser. In response to a specific request, the Chief Appraiser may personally perform the review, but most reviews are completed in the Regional Appraisal Offices.

The OST/OAS Regional Appraisal Office receives an appraisal report, reviews the report, and either approves or rejects the report. The appraisal is reviewed for content, purpose and supporting documentation to ensure that the appraisal meets USPAP standards, the information contained in the report is not misleading to its intended user and the result is logical and reasonable.

If the Regional Appraiser determines an appraisal is accurate, he/she signs the report as approved and forwards it to the client. If the Regional Appraiser determines the report is acceptable within certain standards and range, he/she can conditionally approve the report and forward it to the client. If the Regional Appraiser determines that an appraisal report needs to be materially changed, affecting the determined value, he/she has three options:

- a) If prepared by an OST/OAS staff or contracted appraiser, return the report to the same or a different appraiser for re-work
- b) If prepared by a Tribal or BIA contracted appraiser, attach a review statement, reject the report (“Recommends Rejection Without Alternate Valuation”) and return it to the Tribal Realty Official or BIA Superintendent.
- c) Develop his/her own opinion of value in conformance with USPAP Standards 1 and 2.

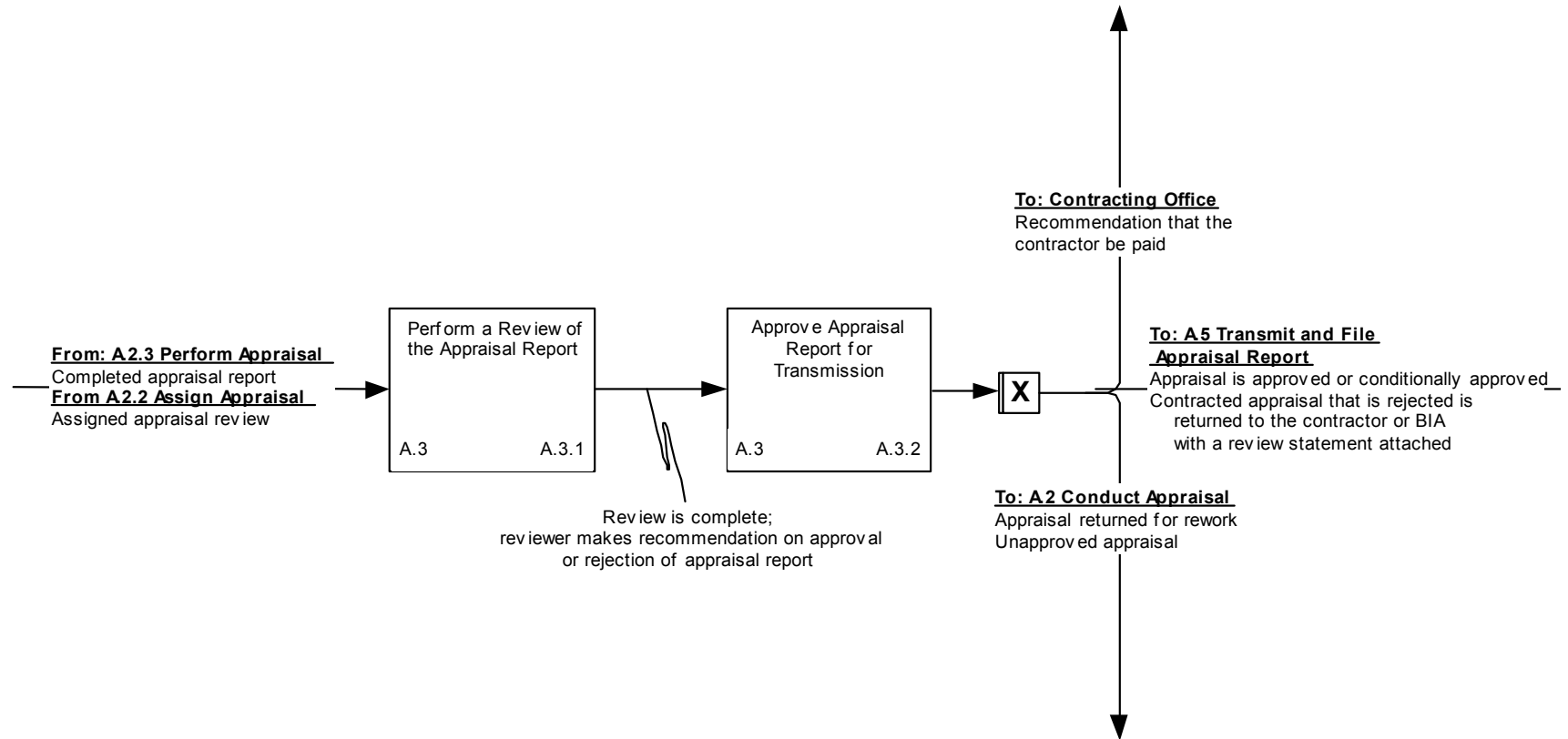


Figure 4.3.4- 12 Review Appraisal Report IDEF (3)



## **Beneficiary Involvement for Review Appraisal Report**

Beneficiaries may submit a request through a BIA Agency Office, an OST/OAS Regional Office or a Compacted/Contracted Tribe to have an independently contracted appraisal reviewed.

### **Review Appraisal Report Significant Notes**

- a) Although they do not share appraisals, OST/OAS will review a National Park Service (NPS) or Fish & Wildlife (F&W) appraisal. If OST/OAS determines the appraisal report is valid, OST/OAS will ask BIA to cancel their appraisal request and accept the existing reviewed and approved report. However, since NPS or F&W frequently represents the buyer, it remains BIA's option whether or not to accept the appraisal.
- b) OST/OAS has no authority to appraise other than Trust land, but may perform a review of those appraisals conducted by other appraisers on "Fee to Trust" transactions if requested.
- c) An "accepted" designation on an appraisal report allows a contractor to be paid for his/her work, even though the reviewer may decide another appraisal report on the same property is the "approved" appraisal.



## Review Appraisal Report Detail Description

### Perform a Review of the Appraisal Report (A.3.1)

Starts with: Receive a request to review a contracted appraisal report or an OST/OAS completed appraisal report.

Ends with: Recommend approval or rejection by the Regional Appraiser of a reviewed appraisal.

The OST/OAS Regional Appraiser personally performs a review of an appraisal report or assigns a certified/licensed staff appraiser. A technical review is performed by a certified/licensed appraiser and includes a paper review of the report and also includes a site inspection about 20% of the time. An administrative review is performed infrequently, and does not require a certified/licensed appraiser to do the work because the reviewer only checks math calculations and the accuracy of the site data per USPAP Standard 3 and USFLA Section C.

The reviewer creates a report documenting the review of the appraisal and makes a recommendation to the Regional Appraiser concerning the acceptance of the appraisal.

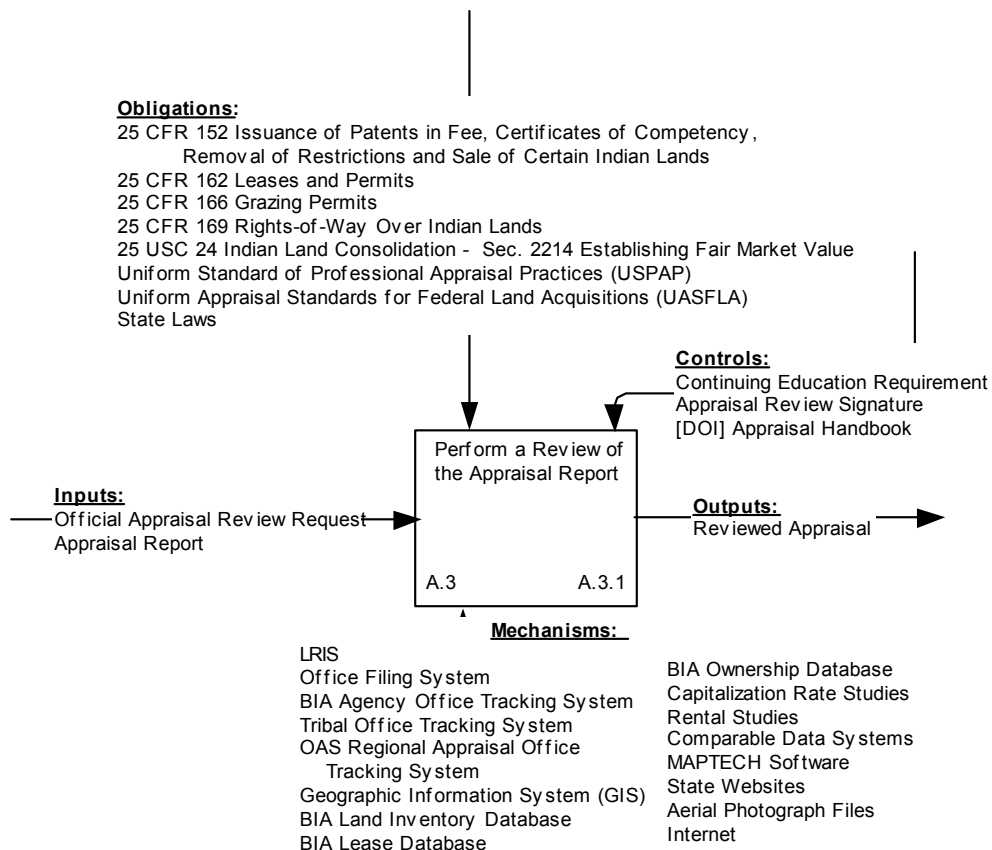


Figure 4.3.4- 13 Perform a Review of the Appraisal Report IDEF (0)





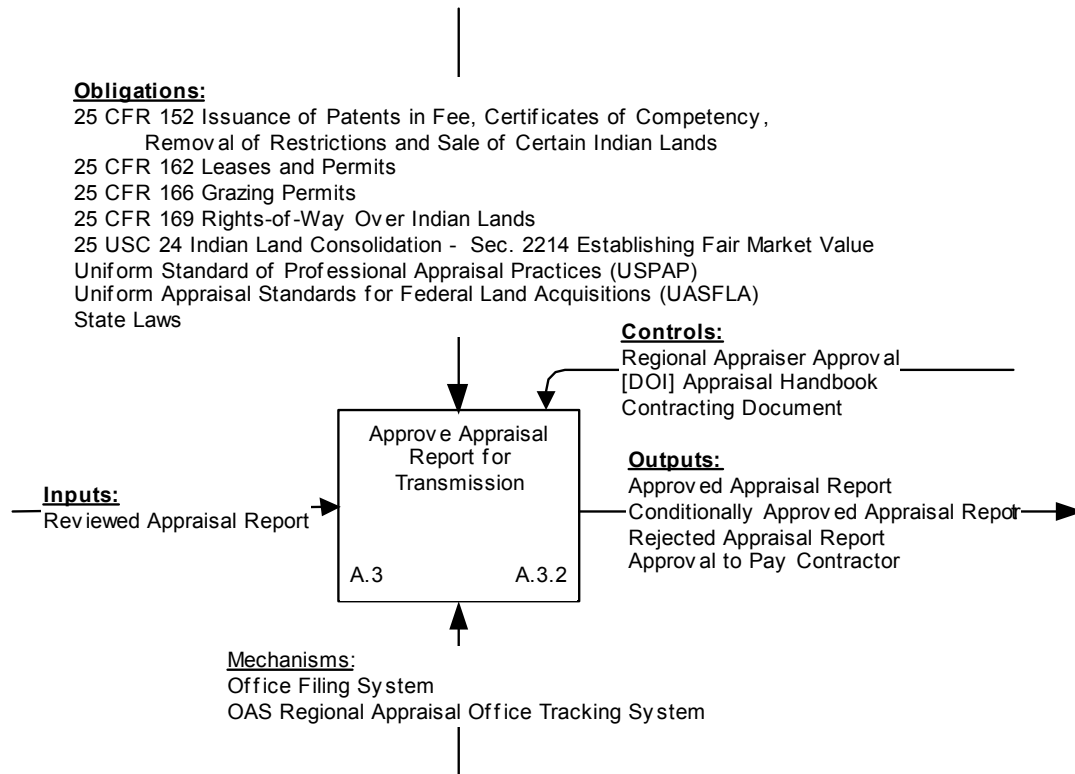
### **Approve Appraisal Report for Transmission (A.3.2)**

Starts with: Deliver a completed appraisal review to the Regional Appraiser.  
Ends with: Approve or reject an appraisal report for transmission to the client.

The OST/OAS Regional Appraiser takes appropriate action after the appraisal review is complete and he/she receives the reviewer’s recommendation for acceptance or rejection of the report.  
The Regional Appraiser may:

- a) Reject the reviewer’s recommendation and
  - i. assign the review to an alternate reviewer (occurs infrequently)
  - ii. personally perform the review
  - iii. return the appraisal report to the reviewer for reconsideration
- b) Approve the reviewer’s recommendation for approval or conditional approval.
- c) Approve the reviewer’s recommendation for rejection without alternate valuation.

If a contractor hired by the Regional Appraisal Office performed the appraisal, and the Regional Appraiser finds the report acceptable, he/she recommends to the OST/OAS Contracting Office that the appraiser be paid.



**Figure 4.3.4- 14 Approve Appraisal Report for Transmission IDEF (0)**



#### **4.3.4.5 Provide Expert Testimony (A.4)**

Starts with: Assign an appraiser to provide testimony.  
Ends with: Provide testimony in a courtroom.

In response to a legal subpoena, the Chief or Regional Appraiser assigns a certified/licensed appraiser to prepare and provide courtroom testimony, typically to resolve a dispute about the value of Indian Trust property or an appeal to an appraised value. The appraiser may also supply any documentation or analysis requested by the court to support the expert testimony.

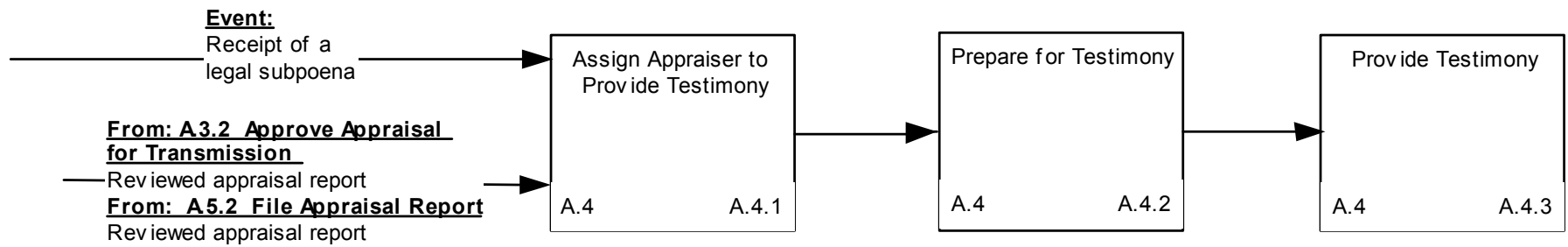


Figure 4.3.4- 15 Provide Expert Testimony IDEF (3)



## **Beneficiary Involvement for Provide Expert Testimony**

Beneficiaries may initiate the appeals process or may be a party to the legal case.

### **Provide Expert Testimony Significant Notes**

- a) The Solicitor's Office may request an appraisal. Such requests usually do not follow the established request process in the following ways:
  1. No formal request is tendered and the request is usually faxed directly to a staff appraiser, by-passing the Regional Appraiser for assignment.
  2. The appraisal report is to be delivered back to the solicitor within a specified timeframe.
  3. The appraisal report is not reviewed.
  4. Frequently, neither the BIA nor a Tribe is named as the client for the appraisal.



## Provide Expert Testimony Detail Description

### Assign Appraiser to Provide Testimony (A.4.1)

Starts with: Receive a legal subpoena to provide expert appraisal testimony.

Ends with: Assign an appraiser to prepare and provide expert testimony.

In response to a legal subpoena, the Chief or Regional Appraiser assigns an appraiser to appear in federal district court to provide expert testimony. It may be that a subpoena has designated a specific appraiser. In other cases, it may be that the court has asked for an expert witness on a particular appraisal topic.

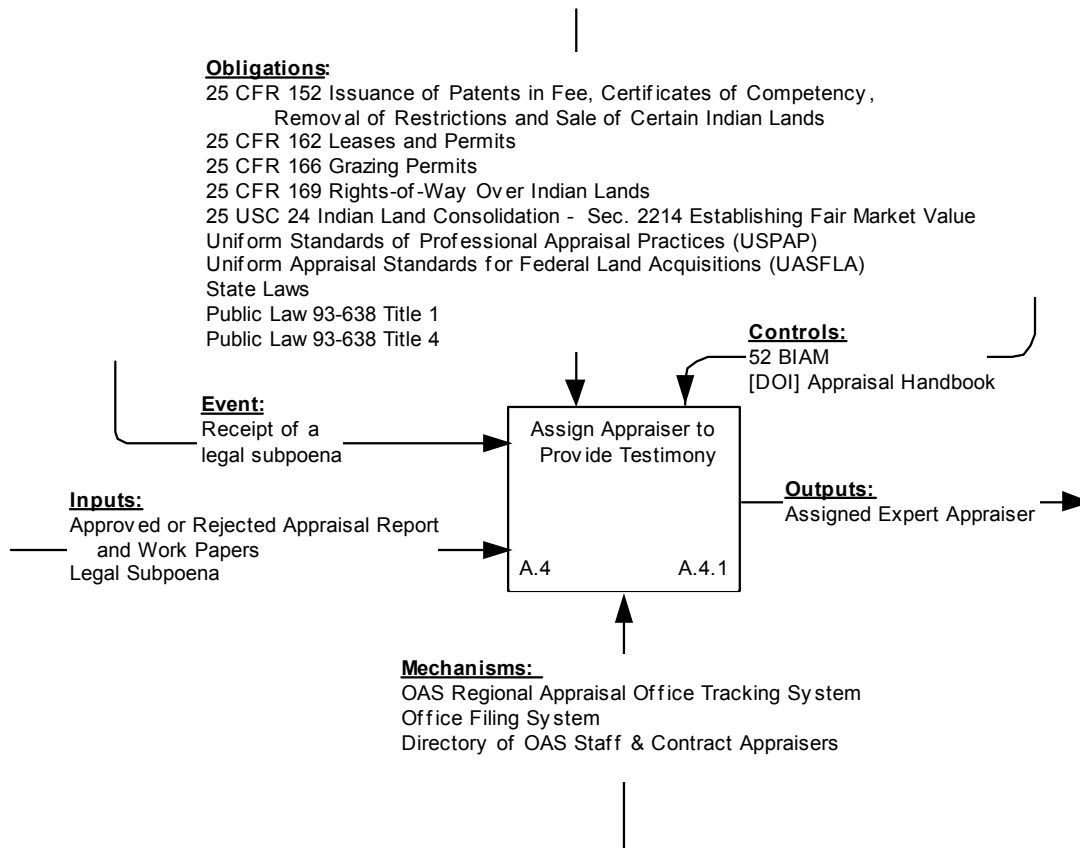


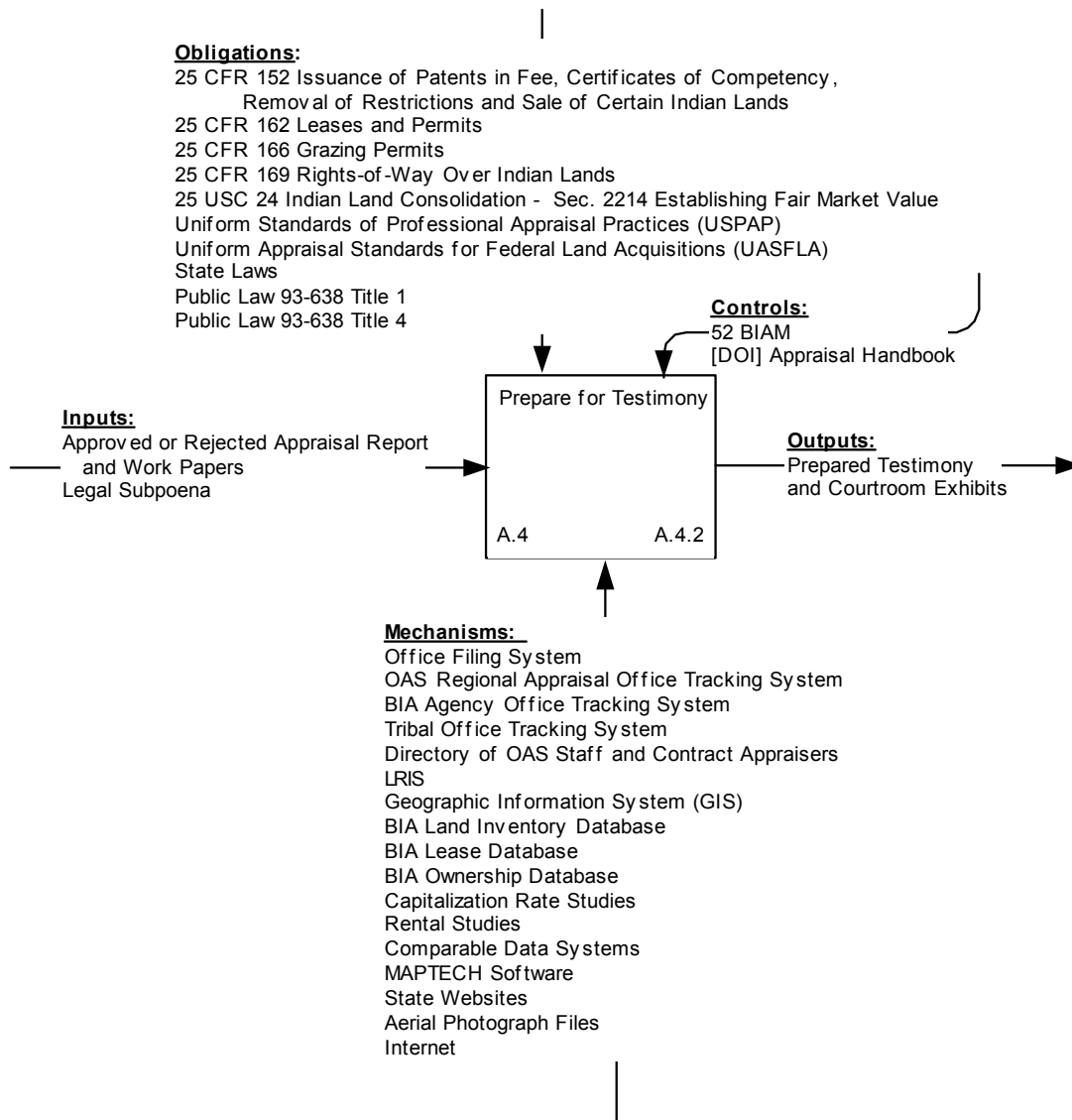
Figure 4.3.4- 16 Assign Appraiser to Provide Testimony IDEF (0)



### **Prepare for Testimony (A.4.2)**

Starts with: Receive an assignment to prepare and provide expert testimony.  
Ends with: Complete preparation and exhibits for the court case.

The Appraiser reviews the subject appraisal report and associated work papers, may visit the site in question, and determines if his/her testimony will concur or disagree with the appraisal report. Additionally, the appraiser may prepare exhibits for the court and/or consult with BIA legal experts.



**Figure 4.3.4- 17 Prepare for Testimony IDEF (0)**

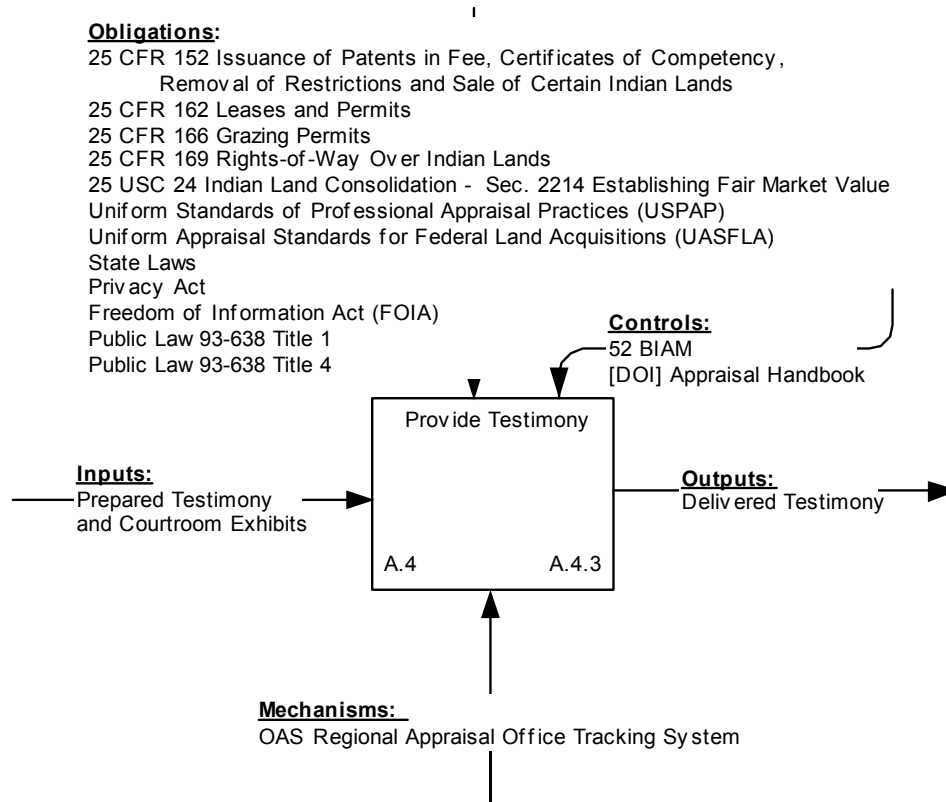


### **Provide Testimony (A.4.3)**

Starts with: Arrive in court.

Ends with: Deliver expert testimony.

The appraiser provides expert testimony and exhibits, usually in a federal district court.



**Figure 4.3.4- 18 Provide Testimony IDEF (0)**



#### ***4.3.4.6 Transmit and File Appraisal Report (A.5)***

Starts with: Deliver appraisal report to the BIA or a Compacted/Contracted Tribe.  
Ends with: File appraisal report.

The approved, conditionally approved or rejected appraisal report is transmitted to the BIA Agency Superintendent or Compacted/Contracted Tribal Realty Official. If the appraisal was contracted, a review statement is also transmitted.

All work files are retained and filed, although the storage location varies from region to region.



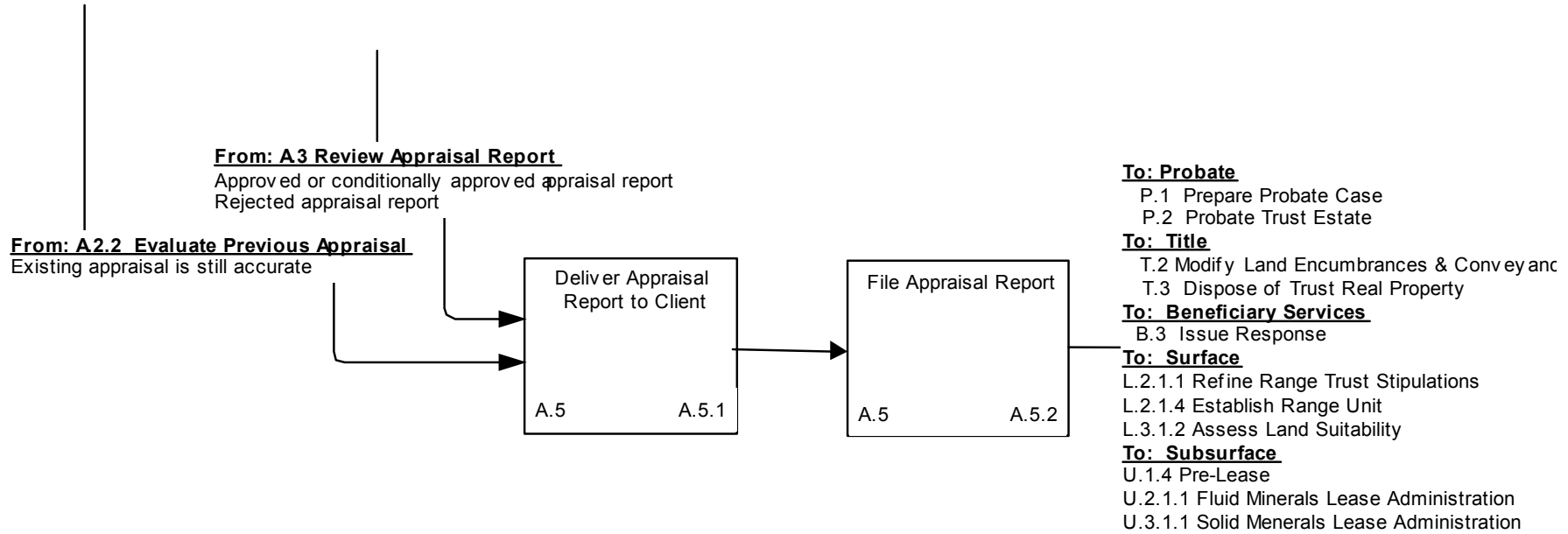


Figure 4.3.4- 19 Transmit and File Appraisal Report IDEF (3)



## Beneficiary Involvement for Transmit and File Appraisal Report

The appraisal report is held in confidence at the BIA Agency Office, Compacted/Contracted Tribal Office or Regional Appraisal Office. The beneficiary/landowner can obtain information from the Agency Superintendent or a Realty Official.

## Transmit and File Appraisal Report Significant Notes

- a) If the business transaction associated with the appraisal has not been completed, some information on the appraisal report, such as the value of the land, does not have to be disclosed per the Freedom of Information Act. If information will be withheld, OST/OAS requires a concurrence statement from the Solicitor's Office. The requestor has the right to appeal the decision to withhold information.

## Transmit and File Appraisal Report Detail Description

### Deliver Appraisal Report to the Client (A.5.1)

Starts with: Determine that an appraisal report is ready to be transmitted to the client.

Ends with: Deliver appraisal report to the client.

The reviewed appraisal report is transmitted to the requesting BIA Agency Superintendent or the Tribal Realty Official. If the appraisal was contracted, a review statement is transmitted as well.

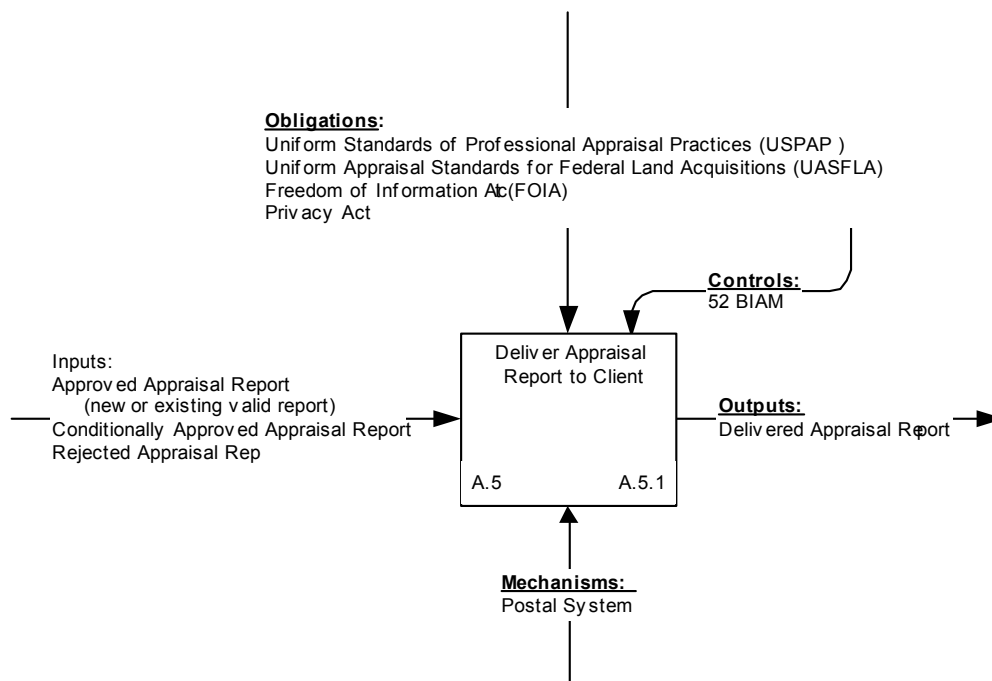


Figure 4.3.4- 20 Deliver Appraisal Report to the BIA IDEF (0)

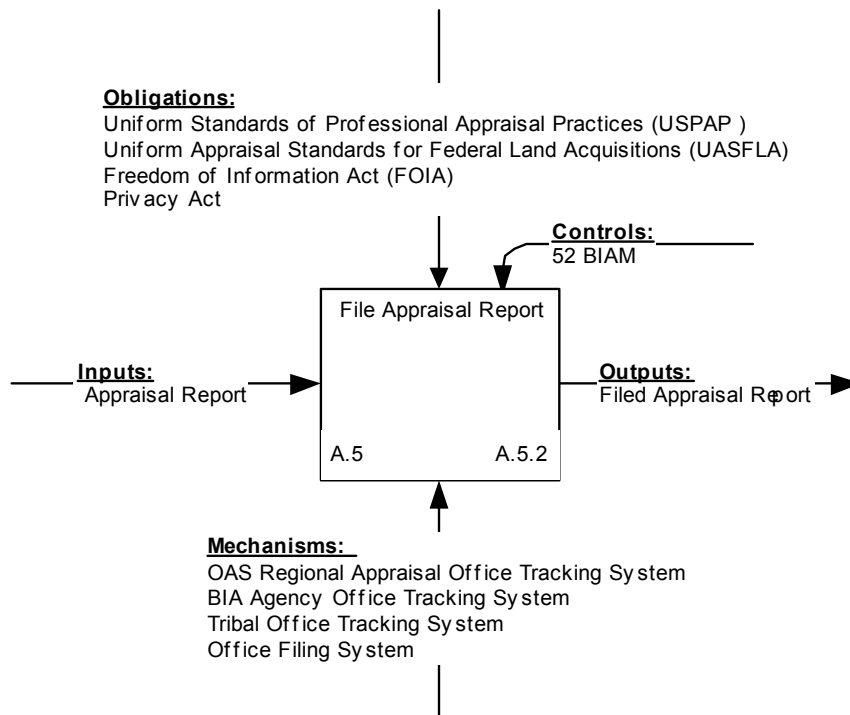


### **File Appraisal Report (A.5.2)**

Starts with: Transmit appraisal report to the client.

Ends with: File appraisal report and work papers.

All appraisal work files are retained and filed in a BIA Agency Office, a Compacted/Contracted Tribal Office, or an OST/OAS Regional Appraisal Office. Contractors are required to deliver their work papers and summary statements to the OST/OAS Regional Appraiser, although adherence is minimal.



**Figure 4.3.4- 21 File Appraisal Report IDEF (0)**



#### 4.3.4.7 Appraisal Variance Tables by Region

The following variances are based upon the information provided by the participants at the work sessions. In many cases, participants did not represent all functional areas of the Indian Trust. Therefore, the variances are not necessarily all-inclusive and may represent the participants' perceptions of the functions being performed.

**Table 4.3.4- 1 Great Plains Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
Flandreau Santee Sioux OST/OAS Great Plains Regional Appraisal Office	Role	Tribal Office Staff submit appraisal requests directly to the OST/OAS Regional Appraisal Office rather than an Agency or Realty Office because Flandreau Santee Sioux is a field station not attached to any agency.	Procedural	Minimal	Low	Minor
Great Plains Region	Role	BIA Agency Office Staff receive a request for appraisal of agricultural or range land with an undivided ownership interest, but do not forward the request to the Regional Appraiser. For these requests, a Realty staff person inputs the allotment information and owner identification into the Management Accounting Distribution (MAD) system. MAD accesses ownership and lease information from its databases, calculates owner's land value based on the comparables	Procedural	This practice speeds up the appraisal process significantly, thus turning out more appraisal reports annually and minimizing any backlog. This process works well in regions that are primarily agricultural or range land.	High	Minor



Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
		and market values input to the system by the Regional Appraiser and produces the appraisal report. When the appraisal report is complete, a Realty staff person reviews the report to verify the factual data is accurate, and the Agency Superintendent approves the appraisal for BIA use.				
Great Plains Region	Role	<p>OST/OAS Regional Appraiser inputs and updates the appraisal factors (market rents, cap rates, land productivity, etc.) in the Management Accounting Distribution (MAD) system. Updates are made for each Agency in the region at least annually. No technical reviews are required for MAD appraisals.</p> <p>The Regional Appraiser transfers the majority of the Regional Office appraisal budget to the BIA Agencies.</p>	Procedural	<p>Per USPAP, the Regional Appraiser must write and sign an Agency Report indicating the appraisal factors have been tested and the resulting owner values are credible.</p> <p>The appraisal review process employed in the Regional Office expedites this function and still meets USPAP requirements.</p> <p>The budget transfer is made so that the Agencies can pay staff or contractors to do appraisals rather than the Regional Appraisal Office hiring Staff appraisers.</p>	High	Medium
Great Plains Region	Control	Annual Updates to MAD.	Procedural	Updates are necessary for	High	Minor



Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
				compliance with USPAP Standards.		
Great Plains Region	Mechanism	Management Accounting Distribution (MAD) system.	Procedural	The system includes automated valuation method (AVM) technology. MAD accesses ownership and lease information from its databases, calculates owner's land value and produces the appraisal report. MAD system is being enhanced to include more site-specific information in order to produce appraisals in compliance with new regulations, such as ILCA.	High	Medium

**Table 4.3.4- 2 Midwest Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
Midwest Region	Role	OST/OAS Staff or Compacted/Contracted Tribal Appraisers perform timber cruises.	Procedural	Normally, this is a function of BIA Forestry. Frequently, waiting for a timber cruise in this region slows down the appraisal	Low	Minor



Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
				process; thus, the appraiser completes the cruise him/herself.		
Midwest Region	Role	The Regional Appraisal Office frequently does a self-contained mass appraisal and spins off restricted use reports from that mass appraisal.	Procedural	This appraisal approach expedites the process for this region because of the land use types found here.	Medium	Minor

**Table 4.3.4- 3 Eastern Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
None						

**Table 4.3.4- 4 Alaska Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
Alaska Region	Process Description	If an existing appraisal is less than one year old, Realty Officials can assume the appraisal is still valid. If the existing appraisal is more than one year old, but a site inspection is not	Procedural	This policy expedites the appraisal process and gives Realty Officials clear guidelines on when to request a new appraisal report. In most regions, the	Medium	Minor



Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
		required, the Regional Appraiser assigns the request to an appraiser to update the existing report.		guidelines are not this clear; therefore, Realty generates more requests than might actually be required.		
Alaska Region	Process Description	Site inspections are completed only during the summer months due to weather, safety, and snow cover concerns. Reports are written during the winter months with the goal of completing outstanding reports by the end of February.	Procedural	If a request is made just before snow falls and a site visit is required, the appraisal may not be conducted until the following summer. This means a request can be backlogged up to 12 months.	Medium	Major
Alaska Region	Role	These regional appraisers also do sand and gravel valuations.	Procedural	This work contributes to the backlog of requests in the region and is outside the scope of OST/OAS in all other regions. In other regions, BLM geologists with the appropriate subject matter expertise complete the valuation.	High	Minor
Alaska Region	Control	Additional required training/certification for appraisers: a) Flight safety (provided by the Office of Aircraft Services)	Procedural	These requirements add to the difficulty in hiring qualified staff. Also requires additional budget to cover training and equipment.	Medium	Major





Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
		<ul style="list-style-type: none"> <li>b) Firearms safety</li> <li>c) Bear safety</li> <li>d) CPR and first aid certification</li> <li>e) Firearms certification (appraisers are required to carry a weapon in the field)</li> </ul>				

**Table 4.3.4- 5 Northwest Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
None						

**Table 4.3.4- 6 Eastern Oklahoma Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
Chickasaw Nation of Oklahoma Alabama-Quassarte Creek Nation Thlopthlocco Tribal Town Muscogee Nation of Oklahoma	Obligation	1947 Act – Law governing the 5 Civilized Tribes. Whenever any restricted Indian land is offered for sale, the Secretary of the Interior has a preference to purchase at a fair valuation fixed by an appraised value satisfactory	25CFR 502 Purchase of Restricted Indian Lands; Preference to Secretary of	Minimal	Low	Major



Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
Delaware Tribe of Oklahoma United Keetoowah Cherokee Indians Cherokee Nation of Oklahoma Delaware Tribe of Kansas Choctaw nation of Oklahoma Seminole Nation of Oklahoma		to the Indian owner or owners.	the Interior; Waiver of Preference			
Eastern Oklahoma Regional Appraisal Office	Role Location	The Solicitor's Office may also request an appraisal. Such requests are most frequently faxed directly to a staff appraiser, requiring a written report within 10 days.	Procedural	These requests fall outside the baseline appraisal process and request submittal requirements as defined by OST/OAS Regional Appraisers. These requests cause significant disruption to the appraisal work schedule.	Medium	Minor

**Table 4.3.4- 7 Southern Plains Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
None						



**Table 4.3.4- 8 Rocky Mountain Region Appraisal Variances**

<b>Areas Affected by the Variance</b>	<b>Category</b>	<b>Variance Description</b>	<b>Reason for Variance</b>	<b>Business Impact</b>	<b>Degree of Business Impact</b>	<b>Difficulty of Change</b>
Rocky Mountain Region	Role	Compacted/Contracted Tribes in this region must submit their requests through the BIA Agency Superintendent or Realty Official for his/her approval.	Procedural	No other Regional Office has this requirement. The step adds to the Regional Appraisal Office paperwork, but also allows the Regional Appraisal Office to forecast review workload.	Medium	Minor
Wind River Joint Tribal	Obligation	Wind River has a zoning ordinance designating all land as residential use and agriculture as the interim use.	Tribal Law	This zoning ordinance affects the appraiser's "highest and best use" value applied in the appraised value calculation.	Low	Major
OST/OAS Rocky Mountain Regional Appraisal Office	Mechanism	Uniform Agriculture and Uniform Residential Appraisal Report Templates: Report template software and support from Bradford Technology that conforms to USPAP standards.	Procedural	These templates facilitate time-consuming report writing and commonize report formatting.	Medium	Minor



**Table 4.3.4- 9 Navajo Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
BIA Agency Offices OST/OAS Navajo Regional Appraisal Office	Role	There are no Agency Superintendents in this Region. There are 2 Regional Realty Officials – 1 in the Window Rock Regional Office and 1 in the Eastern Agency located in Crowne Point. Realty Specialists at the Ft. Defiance, Chinle and Shiprock Agencies and in the Western Agency located in Tuba City have the authority to approve requests.	Procedural	This does not impact the appraisal process significantly since another BIA staff person has been designated to fill the Superintendent’s role in the baseline.	Low	Major
Navajo Nation	Input	Instead of requiring a Tribal resolution to be passed before a business transaction can be initiated, the business transaction packet containing an approved appraisal report is submitted to a committee for approval after all the documentation is pulled together.	Tribal Law	The approval process can slow the transaction down so that funding is no longer available and the transaction cannot be completed. It should be noted that this variation slows completion of the business transaction that the appraisal supports more significantly than it affects the appraisal process itself.	High	Major
Navajo Nation	Obligation	The Tribe is governed by 26 statues with oversight and approval administered by 11	Navajo Code	Often, the administrative and approval tasks are redundant with BIA or OST/OAS tasks. This can	Medium	Major



Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
		standing committees.		slow closure of a transaction.		
Navajo Nation	Obligation	Title 16 gives the Navajo Nation Resource Committee authority to approve rights of way and easements. Tribal committee approval of the transaction packet (including the appraisal) is required.	Tribal Code Title 16	This variation slows completion of the business transaction associated with the appraisal.	Low	Major
Navajo Nation	Obligation	Title 2 provides general references to Tribal authority for each of 11 standing committees.	Tribal Code Title 2	Tribal committee approval of transaction packet (including appraisal) is required.	Medium	Major

**Table 4.3.4- 10 Southwest Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
Southwest Region	Organization	The pueblos in this region fund many Tribal programs and departments with gaming revenues and oil/gas royalties.	Tribal Law	These pueblos do not usually ask for appraisal services; instead the pueblos hire their own contractors and do not require BIA approval/review of appraisals to complete business transactions. This	High	Major



Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
				frees up OST/OAS Regional Appraisal budget and staff to service other requests.		

**Table 4.3.4- 11 Western Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
Salt River Pima-Maricopa Indian Community Salt River Agency	Role Location	As a courtesy, Salt River sends a copy of all appraisal requests to the Salt River Agency Superintendent.  As a courtesy, OST/OAS sends a copy of all reviewed Salt River Pima-Maricopa Indian community appraisal reports to the Salt River Agency Superintendent.	Procedural	This additional communication keeps all parties involved in a business transaction apprised of pertinent information affecting the transaction.	Medium	Minor

**Table 4.3.4- 12 Pacific Region Appraisal Variances**

Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
Pacific Region	Process Description	This region does not provide consultation services.	Procedural	There is no advantage in providing consultation	Low	Minor



Areas Affected by the Variance	Category	Variance Description	Reason for Variance	Business Impact	Degree of Business Impact	Difficulty of Change
	Role			services rather than producing an appraisal report. Either service would be contracted for a fee.		
Pacific Region	Role	Most appraisal work is contracted in this region rather than performed by OST/OAS staff. The Regional Appraiser personally performs the entire review process.	Procedural	This staffing approach is unique to this region, but appears to work well here where the land base is primarily small tracts used for homesites.	Medium	Minor