

**MEMORANDUM of UNDERSTANDING  
BETWEEN THE  
APPRAISAL FOUNDATION  
AND  
U.S. DEPARTMENT OF ENERGY  
OFFICE of ENERGY EFFICIENCY AND RENEWABLE ENERGY**

*June 10, 2011*

**I. PURPOSE AND GOALS**

This Memorandum of Understanding (MOU) is between the Department of Energy (DOE) Office of Energy and Efficiency and Renewable Energy (EERE) and The Appraisal Foundation (hereinafter, each individually a "Party" and collectively the "Parties") for the intention of establishing and collaborating on a series of activities focused on ensuring that the current appraisal standards (the *Uniform Standards of Professional Appraisal Practice* – USPAP) are applicable for energy performance and green valuations and that appraisers are trained in the applications of the standards, as well as the applicable recognized valuation methods and techniques.

The purpose of this MOU is to:

- Define a broad framework for collaboration between EERE and The Appraisal Foundation;
- Identify programmatic areas by which this collaboration can leverage the technical capabilities of EERE, specifically BTP; and
- Define specific areas of collaborative focus that align with the programmatic interests of EERE and the goals of The Appraisal Foundation.

**Background**

Section 911 of the Energy Policy Act of 2005 (Pub. L. No. 109-58) authorizes DOE to conduct programs of energy efficiency research, development, demonstration, and commercial application. EERE, through its Building Technologies Program (BTP) leads national efforts to improve commercial energy efficiency and reduce the environmental impact of energy-related activities. BTP contributes to its efforts to provide reliable, affordable, and environmentally sound energy for America today and in the future.

In partnership with the private sector, state and local governments, national laboratories, and universities, BTP works to improve the efficiency of buildings and their equipment, components, and systems. BTP improves commercial and residential building components, energy modeling tools, building energy codes, and appliance standards. The program supports research and development activities and provides tools, guidelines, training, and access to technical and financial resources.

Established in 1987, The Appraisal Foundation is a Congressionally authorized non-profit organization dedicated to the advancement of professional valuation. The Appraisal Foundation accomplishes its mission through the work of its three Independent Boards: the Appraisal Practices Board (APB), the Appraiser Qualifications Board (AQB), and the Appraisal Standards Board (ASB).

The Appraisal Foundation is the author of the generally recognized standards of professional practice for the valuation profession, the USPAP. In addition, the Foundation establishes the minimum education, experience and examination requirements for state licensed and state certified real property appraisers. The Appraisal Foundation also issues voluntary guidance on recognized valuation methods and techniques.

**Collaborative Objectives**

The objectives of the Parties to this MOU are to coordinate, leverage, and build upon the experience and capabilities of The Appraisal Foundation, as well as the technical capabilities and experience within EERE relating to commercial building performance and workforce development, in order to effectively and efficiently meet the goals and objectives of the DOE; to ensure that MOU efforts efficiently draw upon the expertise of each Party; and to avoid redundancies among these two organizations.

Leveraging complementary programmatic strengths are intended to serve as the initial basis for a coordinated working relationship between the two organizations. Specific areas of collaboration on creating additional guidance related to the applicability of USPAP for energy performance and green valuations are listed below:

EERE intends to -

- Develop one or more databases that will aggregate and provide the appraisal community with a set of building performance data for particular building types and upgrades; identify Federal government energy and green building-related policies and programs, including those related to leasing requirements for Federal buildings; and transparently make available additional information about applicable programs.
- Develop an educational course curriculum for appraisers on valuing energy performance and sustainability in buildings based, at least in part, on guidance issued by the Appraisal Practices Board which can be approved through the AQB Course Approval Program.
- Serve as a subject matter expert for the APB on issues relating to energy performance and green buildings

The Appraisal Foundation intends to -

- In recognition of the lack of current illustrative guidance to the majority of appraisers in the US on how to appraise green buildings, engage its ASB, APB, and AQB towards developing additional guidance to show how to apply existing appraisal standards and recognized valuation methods and techniques to energy performance and green appraisals.
  - Such additional guidance may include Advisory Opinions and Frequently Asked Questions related to compliance with USPAP, guidance regarding recognized valuation methods and techniques for appraising energy performance and green buildings, inclusion of energy efficiency and green building in the illustrative list of topics approved for continuing education for appraisers, and/or qualifying education on the appraisal of green buildings as a subtopic in the AQB *Real Property Appraiser Qualification Criteria* Required Core Curriculum necessary to obtain a real property appraiser credential.
- Educate and engage The Appraisal Foundation Advisory Council on energy efficiency and green buildings and their valuation, and will make a complimentary video available on its website for all appraisers.
- Provide valuation expertise to the BTP to assist in the development of the green building data project.

Future collaboration efforts that would provide Federal resources will be appropriately defined in corresponding statements of work (SOWs) for Interagency Agreements that detail specific programmatically-focused aspects of this collaboration in accordance with applicable procurement and financial assistance laws and regulations. The existing programs that are impacted are stated above in the MOU Purpose.

## **II. ROLES AND RESPONSIBILITIES OF THE PARTIES**

Each Party to this MOU intends to carry out its responsibilities through the individuals and organizations identified below as practical and appropriate and when called upon to help with specific MOU-relevant Projects.

A. EERE, through BTP, plans to provide expertise on commercial building energy performance best practices, data reporting, and methodology. EERE also intends to provide expertise from its Laboratory, especially related to curriculum development, to facilitate coordination and support the activities of this collaboration.

B. The Appraisal Foundation intends to provide expertise from its ASB, APB, and AQB, as appropriate to enhance or further develop existing appraisal standards related to energy performance and green appraisals. The Appraisal Foundation Advisory Council and other Foundation Advisory Councils also intend to provide expertise as appropriate to facilitate coordination and support the activities of this collaboration.

### **III. MOU MANAGEMENT**

Each Party to this MOU intends to designate a member(s) of its staff at a level not lower than GS-14 or equivalent grade to serve as the Party's Principal Point of Contact (POC) for and manager of the Party's participation in the collaboration. The principal POC for each Party shall respond to inquiries related to their respective activities and associated areas of expertise and authority.

Subject to legal and fiscal limitations and agency priorities, each Party plans to engage relevant programs and offices within their agency to provide or coordinate resources or activities; support development of appropriate tools or training; make staff available or otherwise provide employee support for collaboration and Projects; and provide contractor support for the development and maintenance of collaboration resources.

All Parties expressly acknowledge that the activities under this MOU shall be subject to the availability of appropriated funds and personnel or the approval of other sources of funding.

### **IV. SPECIFIC PROJECTS**

As indicated in Section I. of this MOU, Parties intend to create a series of SOWs Projects that are to be worked in conjunction with this MOU. These Project SOWs would be jointly created by the Party POCs for each agency to ensure that the defined needs and issues are addressed in a timely manner. The Project SOWs would detail the Project resources to be provided by the collaborating entities, including the commitment of any direct funding, in-kind resources and other resources required during the Projects. The Project SOWs would detail tasking for each Party, along with how Projects are to be managed.

### **V. METRICS AND TARGETS**

The Parties intend to develop metrics and annual targets related to the Parties' goals, and to work collaboratively to seek continuous improvement and its performance over time.

### **VI. AUTHORITIES**

#### **The Appraisal Foundation**

Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), as well as other authorities contained in the current Restated Bylaws of The Appraisal Foundation.

#### **Department of Energy**

DOE enters into this MOU under the authority of section 911 of the Energy Policy Act of 2005 (Pub. L. No. 109-58) and section 646 of the Department of Energy Organization Act (Pub. L. 95-91, as amended; 42 U.S.C. § 7256).

### **VII. LIMITATIONS**

Nothing in this MOU is to be construed as indicating a financial commitment by signatory agencies for the expenditure of funds except as authorized in specific appropriations.

As required by the Antideficiency Act, 31 U.S.C. §§ 1341-42, all commitments made by the Parties in this MOU are subject to the availability of appropriated funds and to budget priorities. Nothing in this MOU, in and of itself, obligates any Party to expend appropriations or to enter into any contract, assistance agreement, interagency

agreement, or incur other financial obligations. Any transaction involving transfers of funds between the Parties to this MOU will be handled in accordance with applicable laws, regulations, and procedures under separate written agreements.

This MOU does not, and is not intended to, impose any legally binding requirements on Federal agencies, states or the regulated public. Policy and procedures within this MOU are intended solely as guidance. If necessary, the Parties intend to jointly issue any formal guidance interpreting this MOU and background materials upon which it is based. This MOU does not constitute final agency action on any issue. Any actions contemplated by this MOU are to be carried out in an appropriate administrative process by the action agency in accordance with all applicable laws and regulations.

This MOU does not create any right or benefit, substantive or procedural, enforceable by law or equity, by persons who are not party to this agreement, against the Parties, their officers or employees, or any other person. This MOU does not direct or apply to any person outside of the Parties.

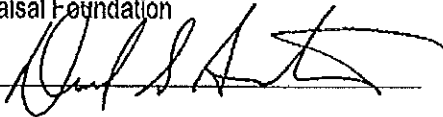
This MOU in no way restricts either of the Parties from participating in any activity with other public or private agencies, organizations or individuals.

**IX. COMMENCEMENT/ DURATION/ MODIFICATION/ TERMINATION**

This MOU is to take effect upon the last signature date of the Parties, and shall remain in effect for a period of 5 years. This MOU may be extended or modified at any time while it is in effect, per the mutual written agreement of the Parties. Additionally, a Party may terminate its participation in this MOU at any time by providing written notice to the other Parties, at least 60 days in advance of the desired termination date.

Signed,

David S. Bunton  
President  
The Appraisal Foundation



Kathleen Hogan, Deputy Assistant Secretary  
Office of Energy Efficiency and Renewable Energy  
U.S. Department of Energy

