

**MEMORANDUM OF UNDERSTANDING BETWEEN THE _____ [SELECT:
TRIBE/CONSORTIUM] AND
THE DEPARTMENT OF THE INTERIOR
APPRAISAL AND VALUATION SERVICES OFFICE
FOR
REAL ESTATE APPRAISAL SERVICES [SELECT: FISCAL/CALENDAR] YEAR 2023**

I. AUTHORITY

This Memorandum of Understanding (MOU) between _____ [SELECT: Tribe/Consortium] and the Department of the Interior (DOI), Appraisal and Valuation Services Office (AVSO) is entered into pursuant to a compact initiated under Title IV of the Indian Self- Determination and Education Assistance Act (P.L. 93-638), as amended.

II. PURPOSE

The purpose of this MOU is to detail the coordination, implementation, duties and responsibilities of each party for the Tribe's operation of the Real Estate Appraisal Services Program for [SELECT: FY/CY (Fiscal/Calendar Year)] 2023 and subsequent years as provided herein. This MOU is prepared using applicable statutory, regulatory, and real property appraisal industry standards to Self-Governance Tribes and Consortiums (referred to collectively as "Tribes" in this document) conditions to effectively carry out the Real Estate Appraisal Services Program. This MOU is an attachment and is incorporated into and made a part of the [SELECT: FY/CY] 2023 [SELECT: AFA/MFA] as if set out in full in the [SELECT: AFA/MFA].

III. THE TRIBE'S DUTIES AND RESPONSIBILITIES IN PERFORMING REAL ESTATE APPRAISAL SERVICES

A. Program Guidance

Real estate appraisal services shall be provided in accordance with published authority contained in Titles 25 and 43 of the Code of Federal Regulations; appraisal standards contained in the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) [Financial Institutions Reform, Recovery, and Enforcement Act, P.L. 101-73] , and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) [Uniform Relocation Assistance and Real Property Acquisition Act, P.L. 91-646], as applicable, including updates and revisions. Real estate appraisal services must also use appraisal industry recognized valuation methods and techniques.

With a written request from the Tribe, AVSO will provide guidance for the interpretation and application of these standards, valuation methods and techniques.

The [**SELECT:** Tribe or Consortium] may obtain a Statement of Work (SOW) for all appraisal services from AVSO including assignments completed in-house by a Tribal appraiser or by contract with a private fee appraiser. AVSO will contact the Tribe to obtain any additional relevant or special information about the property and proposed real estate transaction for appraisal problem identification.

B. Program Responsibilities

1. Appraisal Procedures

- a. The Tribe agrees to conduct appraisal services herein identified, as required to support real property transactions on trust or restricted fee property.
- b. Appraisals must:
 - i) Identify AVSO and the Tribe as clients in all appraisal reports of trust or restricted fee property;
 - ii) Identify the Bureau of Indian Affairs (BIA), AVSO and the Tribe as intended users in the body of the appraisal report; and
 - iii) Identify any other intended users of the report e.g., Agencies, individual Indians, etc.
- c. As provided in 43 CFR section 100.301(b), AVSO must review and approve all appraisals and valuations submitted by the Tribe for use in trust transactions, with the exception of appraisals and valuations that meet the requirements of 43 CFR section 100.301(a).
- d. The minimum level of state appraiser certification licensure for fee appraisers preparing valuation products for use by the Department of the Interior is Certified General Appraiser, unless waived in writing by AVSO. As provided in 43 CFR section 100.202, the Secretary (BIA, Secretary delegate) will verify the appraiser's qualifications to determine whether the appraiser meets the requirements of 43 CFR section 100.200
- e. The appraiser(s) of record must not disclose confidential information or assignment results prepared for the trust landowner to anyone other than the client(s) and intended users. Other parties will not receive a copy of the assignment results unless specifically authorized by the client(s).
- f. Once an appraisal report is reviewed by the AVSO, AVSO will obtain one (1) original appraisal report with original signatures from the Tribe. This appraisal report will include a copy of the appraisal request and SOW. Alternatively, the Tribe may provide AVSO an encrypted electronic copy of the appraisal report, appraisal request and SOW.

- g.** The Tribe must submit the completed appraisal report to the AVSO for review within 120 calendar days of receipt of the valid appraisal request, which will be the due date, or provide written notice to the AVSO before the expiration of the 120 days to extend the due date, provided the complexity of the appraisal, or other extenuating circumstances, warrants an extension. The written notice must include a statement that the Tribe and the client(s), have agreed to such extension. Any written agreement between the client(s) and the Tribe related to extension(s) of the due date must be included in the appraisal work file.
- h.** Appraisals must be submitted to the AVSO as an “Appraisal Report” pursuant to USPAP Standard Rule 2-2(a). At the discretion of AVSO the Tribe may submit a Restricted Appraisal Report. If questions/concerns arise from the review of the “Appraisal Report” or “Restricted Appraisal Report”, AVSO may request additional information from the Tribe in the form of the appraisal work file.
- i.** Evaluation Services (Consultation Reports, Market Studies and application of other Evaluation Methodologies) fall outside the scope of normal appraisal practice. These reports will not be reviewed by AVSO. A SOW is recommended for these types of services to ensure credible assignment results.

2. Appraisal Tracking Log

- a.** The Tribe will maintain an appraisal tracking log of all appraisal requests received. The appraisal log must be available for review by the AVSO for reporting purposes. The Tribe will submit the appraisal log to the AVSO no later than October 15 each year for the previous four quarters ending September 30. (See Section III. B. 7. b.) Note: a sample appraisal log can be obtained from AVSO.
- b.** At a minimum, the appraisal tracking log shall contain:

 - i)** Appraisal request number
 - ii)** Allotment or tribal tracking number
 - iii)** Due date, i.e., the date the appraisal product is due to the client 120th calendar day of receipt of a complete and valid appraisal request.
 - iv)** Type of value
 - v)** Legal description(s)
 - vi)** Intended use of appraisal
 - vii)** Effective date of value opinion
 - viii)** Conclusion or opinion of value
 - ix)** Date the appraisal request is received, (that is complete and valid)
 - x)** Date appraisal report is transmitted to the AVSO.
- c.** The Tribe will provide a backlog report to AVSO of the tribal appraisal workload on a quarterly basis: January 15, April 15, July 15, and October

15. Tribal backlog is any request that has not been completed and provided to the AVSO for review by the due date including any negotiated extension(s).

3. Conflict of Interest

- a. To avoid a conflict of interest or the appearance of a conflict of interest, neither a Tribal appraiser employed, nor a fee appraiser contracted, by the Tribe shall complete an appraisal on land owned by the appraiser or by an immediate relative, as defined by Tribal law and policy.
- b. When the Tribe is conducting an appraisal for trust and restricted fee property that an individual landowner has offered for sale to the Tribe, the Tribe's appraiser, whether an employee or a contract appraiser, shall disclose such potential conflict of interest to BIA with a request for review and approval.

4. Appraisal Contracts

Appraisals provided by the Tribe's contractors shall meet the requirements of this MOU.

5. Valuation of Fee Properties

- a. Fee to trust parcels in which the Regional/Field Solicitor needs a value to determine if DOI's review authority has been exceeded and review goes to the Department of Justice.¹ Title insurance and purchase agreement both provide an estimate of value for the fee property; therefore, an appraisal by AVSO is not needed.

The Deputy Commissioner of Indian Affairs (DCIA) directive dated February 26, 1999 disallowed conducting appraisals of fee property except for restricted fee property. This directive was primarily for the purpose of discontinuance of conducting appraisals for fee to trust transactions. As there are other circumstances in which appraisals of fee properties are justified, the previous directive was clarified by the December 2001 DCIA directive.

- b. The following is a list of circumstances in which the AVSO may either conduct the appraisal, contract for appraisal services, or perform an appraisal review of work from other appraisers on fee properties.

¹ Policy directive dated December 14, 2001 from the Deputy Commissioner of Indian Affairs

- i) Fee/trust exchanges, where trust/restricted fee lands are proposed to be exchanged for fee property.
- ii) Instances in which an appraisal is needed or required for fee land when federal funds are used to acquire such properties, such as for road right-of-ways and condemnation.
- iii) Special projects that are mandated by Congress.

6. Administrative

a. Reporting a Privacy Breach

If you become aware of a suspected or confirmed breach of Personally Identifiable Information PII, IMMEDIATELY notify DOI- Cyber Incident Response Center (CIRC) at DOICIRC@ios.doi.gov or (703) 648-5655 or the Customer Support Center (CSC) Helpdesk at (720) 673-9958 or csc_it_services_helpdesk@ios.doi.gov, as well as the AVSO at (505) 414-3805 or (505) 263-8918. This applies to breaches in any format: paper, oral, or electronic. Be prepared to provide details on the breach, such as date, time, location, and a description. Do not delay reporting—timely reporting allows DOI to take immediate action to contain the breach and mitigate any potential harm to affected individuals.

- b. When employees no longer require access to DOI network, the Tribe will notify AVSO at 505-414-3805 or (505) 263-8918 within 24 hours or by emailing AVSO at AVSO_OTIS@ios.doi.gov.
- c. The Tribe will follow the requirements in the [SELECT: AFA/MFA] for records management, system security access, reports, compliance with OMB Circulars and compliance with the Single Audit Act.

d. Performance Indicators

The [SELECT: Tribe OR Consortium] will provide:

- i) Real Estate Appraisals that conforms to national appraisal standards and industry recognized valuation methodologies and techniques.
- ii) An annual performance report to the AVSO from workload data in an appraisal tracking log, indicating the number of appraisals completed by the Tribe. (This tribal workload data is essential for calculation of future funding for the program.) The Tribe agrees to submit the appraisal log to the AVSO no later than October 15 each year, for the previous fiscal year ending September 30.
- iii) Each calendar quarter, project planning and performance updates, including estimated expenditures, sequencing and schedules.

IV. AVSO DUTIES AND RESPONSIBILITIES

- A.** The AVSO will notify the Tribe of training provided or hosted by AVSO, related to technical appraisal proficiency and management of the Tribe's appraisal program.
- B.** The AVSO will provide an appraisal review within 45 calendar days after AVSO receives an appraisal report unless a longer time is required and negotiated between the parties.
- C.** Once an appraisal report is approved by AVSO, AVSO will transmit one (1) copy of the approved appraisal report along with the appraisal review report including original signatures to the client for processing. Alternatively, AVSO may provide an encrypted electronic copy of the appraisal review package documents.
- D.** If AVSO cannot approve the appraisal report, AVSO will contact the Tribe and the appraiser of record in writing within five business days of identifying the deficiency and attempt to resolve any concerns.
- E.** AVSO agrees to cover the cost of security clearances for up to three tribal employee appraisers per year. In accordance with the DOI's current Departmental Manual, Part 441, contracted appraisers who perform work for less than 180 days are not required to have background investigations. If this standard changes after execution of this MOU, during [SELECT: Fiscal/Calendar] Year 2023 or thereafter, the AVSO agrees to renegotiate this provision.

V. Non-Federal Party Appraisals

- A.** Non-Federal party appraisals are those procured by non-Federal parties, including individual Indian landowners, commercial enterprises, utility and energy development companies, state departments of transportation or an Indian Tribe or Tribal organization acting as a non-Federal party.
- B.** Upon request by the appropriate real estate services program (Federal or 638 Tribal) and/or BIA line officer, AVSO will review a non-Federal party appraisal if:
 - 1.** The SOW and appraisal report identify AVSO as the client or co-client and an intended user. The SOW for appraisal development and reporting may be coordinated with the non-Federal party, but ultimate responsibility for the document remains with AVSO;
 - 2.** Before a Tribe obtains an appraisal from a non-Federal party appraiser, it will obtain a SOW and a list of potential contract appraisers from AVSO. The non-Federal party is required to attend a pre-work conference with AVSO. The pre-work conference can be completed telephonically at the discretion of AVSO. If the non-Federal party appraiser elects not to attend the pre-work conference, and the declination is approved by Tribe, then a written justification for the declination of the pre-work conference will be provided to AVSO.

VI. SIGNATURES

This MOU will become effective on [**SELECT**: October 1, 2022/January 1, 2023] and will remain in effect, unless modified in writing, for [**SELECT**: FY 2023/ CY 2023].

TRIBE

Designated Tribal Official's signature

Print name

Title

Date

APPRAISAL AND VALUATION SERVICES OFFICE

Associate Deputy Director, AVSO, (Secretary Delegate)

Print Name

Date