



## **GUIDELINES FOR APPRAISALS OF GOCO-FUNDED LAND ACQUISITIONS**

### **Fair Market Value Policy**

GOCO will not participate in projects where a seller or grantor has received or will receive consideration greater than the fair market value of the interest conveyed, as established by an appraisal prepared in compliance with the Uniform Standards of Professional Appraisal Practice (“USPAP”) and other applicable standards.

### **Appraisal Standards**

For GOCO’s purposes, an acceptable appraisal must:

- Be in the form of an Appraisal Report. A Restricted Appraisal Report is not acceptable.
- Comply with ALL applicable standards. GOCO will accept appraisals that comply with USPAP AND any additional standards appropriate for a given transaction, e.g., Treasury Regulations and/or the Uniform Appraisal Standards for Federal Land Acquisitions (“UASFLA” a.k.a. “Yellow Book”).
- Appropriately identify the property and address any enhancement or larger parcel identification issues pursuant to the relevant standards.
- Address the appropriate Client. The appraisal must identify the “Client” as the purchaser, another project partner that does not have an ownership interest in the property being acquired, or the seller and the purchaser jointly. GOCO will not accept an appraisal addressed to the seller as the only Client.
- List GOCO as an Intended User.
- Identify an effective date of value within one year of closing. If closing has not occurred within one year of the effective value date, GOCO will require a new appraisal or an update letter. The new appraisal or update letter will be subject to GOCO’s appraisal review process.
- Be presented in narrative format. Under limited circumstances, GOCO may accept a form appraisal. Grantees must request GOCO’s advance approval to submit a form appraisal for review.

- Exclude the value of any structures or improvements on the property. If an appraised property contains structures or improvements, the appraisal should separately state the contributory value (if any) of the structures/improvements. With limited exceptions, GOCO funds cannot be applied toward the purchase price of structures or other improvements on the land.

## **Review Process**

GOCO takes its obligations as fiduciary of public trust funds very seriously. In order to ensure it lives up to those obligations in every transaction, GOCO will commission a thorough review of every appraisal. GOCO's review process is summarized as follows:

1. Every appraisal will be reviewed by a professional review appraiser who has experience appraising the type of property and property interest appraised. GOCO's reviewer will conduct a USPAP Standard 3 appraisal review, which will not involve an independent conclusion of value. The purpose of this review is to determine whether the appraisal complies with applicable standards and is reliable for GOCO's use in funding the acquisition of the interest appraised. GOCO is the sole client of the appraisal review.
2. Throughout the review process, all substantive discussion regarding the appraisal should occur between the grantee's contract appraiser and GOCO's review appraiser. GOCO will be in contact with its reviewer periodically to track the progress of the review and encourages the grantee to be in contact with the contract appraiser regarding the same. It is improper for a grantee to contact GOCO's reviewer regarding any issue with the review without first obtaining GOCO's express permission.
3. GOCO will assign a reviewer within four weeks of the grant award (assuming an appraiser has already been selected by the grantee or the landowner). GOCO will consult with the grantee, project partners, and the contract appraiser regarding the choice of a reviewer; however, the ultimate decision will remain at GOCO's sole discretion.
4. The review appraiser will contact the contract appraiser to discuss the appraisal within two weeks of receiving the introductory email from GOCO and subsequently determine the most appropriate scope of work necessary to ensure a thorough review. The review appraiser will be available to ask and answer questions and review the work file including the analysis and work product, while the contract appraiser works to complete the report. The contract appraiser may submit drafts to the reviewer or may choose to submit a final product only.
5. Once the reviewer receives the final draft appraisal, he or she shall complete an initial read-through of the document within a reasonable period of time agreed to by GOCO. If the final draft appraisal is acceptable and approved by the reviewer, the reviewer shall complete the written review report within a reasonable period of time agreed to by

GOCO. GOCO staff is fully aware that the review process might uncover issues that cannot be quickly resolved. If the appraisal needs to be modified to be approved, additional review will be necessary.

6. GOCO will not wire grant funds until it has received a signed report from its reviewer indicating that the appraisal complies with all applicable standards and is reliable for GOCO's funding purposes. GOCO's interpretation of the review report, as well as its own policies and procedures, is at GOCO's sole discretion.
7. GOCO understands that many transactions involve closing dates that are extremely important for a variety of funding or other reasons. GOCO will make every effort to meet these deadlines but will never compromise the quality of an appraisal or a review to meet a scheduled closing or any other deadline. To ensure timeliness, GOCO encourages grantees to communicate with the contract appraiser about important deadlines. Grantees should also be aware that any significant changes to the structure of a transaction, property, or conservation easement may affect the review appraiser's ability to meet deadlines and closing dates.

Please sign below indicating that the grantee and the contract appraiser have discussed and understand these appraisal guidelines.

\_\_\_\_\_  
Contract Appraiser

\_\_\_\_\_  
Grantee