Waiver Valuations

Steps to a Successful Right of Way Project
Federal Authority Code of Federal Regulations

49 CFR 24.102 (C) Appraisal, waiver thereof,...

2. An Appraisal is not required if:

(ii) The Agency determines that an appraisal is unnecessary because the valuation problem is uncomplicated and the anticipated value of the proposed acquisition is estimated at $10,000 or less, based on a review of available data.
(A) When an appraisal is determined to be unnecessary, the Agency shall prepare a waiver valuation.
(B) The person performing the waiver valuation must have sufficient understanding of the local real estate market to be qualified to make the waiver valuation.
Applicability of Appraisal Standards

49 CFR 24.102, appendix comments....

Waiver valuations are not appraisals as defined by the Uniform Act and these regulations; therefore, appraisal performance requirements or standards, regardless of their source, are not required for waiver valuations by this rule. 

-In other words, USPAP doesn’t apply.
Waiver Qualifications

• Uncomplicated valuation

• Anticipated value less than $10,000
Waiver Disqualifications

- Real Property
- Written Commercial Leases
- Outdoor Advertising Structures
- Compensation allocations more than nominal
- Compensable tenant improvements
Waiver Disqualifications (cont.)

• Two or more H&BU areas (larger parcels)
• Non-typical real property items
• Cost-to-cure more than fence and/or drive
• Residence proximity issues or other damages
Role of Appraisal Staff

• Take a look at the project/maps
• Pull the sales data from the market area
• Identify parcels wherein waiver valuations may be applicable
• Provide list of eligible parcels/sales brochure to Appraisal Officer and Acquisition Officer
• Assist acquisition agent if needed
Role of Acquisition Staff

• Assign waiver eligible parcels to acquisition agents
• Property owner contact/inspection
• Memo reviewer if property owner contact indicates full appraisal may be needed
• Obtain necessary estimates
Role of Acquisition Staff (cont.)

- Prepare waiver valuations
- Transmit waiver valuation to acquisition officer for execution of the establishment of just compensation
- Make offer
- Communicate with appraisal staff as needed
Waiver Valuation

Parcel No. 
County 
Owner(s): 
Project No. 
Address: 
Phone: 

The valuation contained in this report is prepared pursuant to statutory authorization by the Mississippi Code, § 43-37-3: "...the acquiring agency...may adopt a procedure in compliance with federal regulations to waive the appraisal in cases involving the acquisition by sale or donation of a property with a low fair market value. For purposes of this chapter, property with a low fair market value is property with a fair market value of ten thousand dollars, ($10,000), or less...".

Federal regulation at 49 CFR 24.102 provides: "(2)(i) An appraisal is not required if... The Agency determines that an appraisal is unnecessary because the valuation problem is uncomplicated and the anticipated value of the proposed acquisition is estimated at $10,000 or less, based on a review of available data... (A) When an appraisal is determined to be unnecessary, the Agency shall prepare a waiver valuation."

Under authority of the Mississippi Code, § 43-37-3, to adopt procedures in compliance with federal regulations, and per 49 CFR 24.102, Appendix A: "...Waiver valuations are not appraisals as defined by the Uniform Act and these regulations" [42 U.S.C §4601, et seq., and 49 CFR Part 24]: "therefore, appraisal performance requirements or standards, regardless of their source, are not required for waiver valuations by this rule...". Therefore, pursuant to Federal regulation and State law, the valuation reported in this document was performed under the allowances specified in the Jurisdictional Exception Rule of the Uniform Standards of Professional Appraisal Practice.

<table>
<thead>
<tr>
<th>Parcel No.</th>
<th>Land</th>
<th>Improvements</th>
<th>Damages</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

I certify to the best of my knowledge and belief:

The statements I have provided in this report are true and correct;

I have no present or prospective interest in the property valued and no personal interest or bias with respect to the parties involved;

Any decrease or increase in the fair market value of the real property prior to the date of valuation caused by the public improvement for which such property is to be acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, was disregarded in determining the compensation for the property.

Preparer of Valuation 
(signature) Date: 
(print name & title)

Special Notice to Acquisition Agents:

This valuation is valid for preparation of the FMVO only if accompanied by a signed and dated "Establishment of Just Compensation Offer" form.

Project: 
Parcel: 

Form Date: December 1, 2007

Page 1 of 2
**Basis of Valuation**

Date of Inspection:

Size and Description of Total Ownership BEFORE and AFTER

Size of Larger Parcel Used for Valuation Process (if less than size of total ownership)

Description of Acquisition(s) including: type (Q, T, W), existing use, size, features

Sales Data Utilized for Valuation Process

<table>
<thead>
<tr>
<th>Compensation Calculations (show all calculations)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$</td>
</tr>
<tr>
<td>Minor Improvements</td>
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</tr>
<tr>
<td>Easements</td>
<td>$</td>
</tr>
<tr>
<td>Cost-to-Cure Damages (W)</td>
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<tr>
<td>Cost-to-Cure Damages (T)</td>
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<tr>
<td><strong>Total Compensation</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

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Project: ___________________________ Parcel: ___________________________

*Form Date December 1, 2007*
Attala County SR 12, 3 Bridge Replacements

- A total of 9 files,
- 7 waiver valuations
- 7 waiver valuations were acquired
- Time saved—90 days
- Average negotiation time for waiver valuation parcel was 28 days
- Time to prepare all 7 waivers—3 weeks
Pike County, US 51

- A total of 4 files,
- 4 waiver valuations—all prepared by one person in one day
- 4 waiver valuations were acquired
- No condemnations
- Time savings compared with appraisals — 60 days
- Acquisition time — 2 weeks
Keys to Success

• Developing a simple process
• Selecting the right project
• Communication between Appraisal and Acquisition sections
• Building rapport with property owner
Questions & Comments