



STATE OF NEW YORK  
OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

44 HOLLAND AVENUE  
ALBANY, NEW YORK 12229-0001  
(518) 473-1997 • TDD (518) 474-3694  
www.omr.state.ny.us

**MEMORANDUM**

**TO:** Kathleen M. Broderick, Associate Commissioner, NYCRO  
DDSO Directors  
Deputy Directors for Community Services

**FROM:**  James P. Moran  
Interim Deputy Commissioner  
Administration and Revenue Support

**DATE:** June 10, 2004

**SUBJECT: Residential Appraisal Procedures for Voluntary Providers**

This memorandum updates Kenneth G. Orner's memo of August 11, 1999, and transmits changes in residential appraisal procedures effective July 1, 2004. The two most significant changes are as follows:

- The threshold for required second appraisals has been increased in downstate counties, in recognition of substantially higher property values in those areas. The existing Statewide threshold of \$300,000 had not been updated since 1984.
- To ensure appropriate review for higher-value properties that will not require second appraisals, Real Property Services will perform exterior field reviews on certain properties based on asking price. This step will provide additional information regarding property value without the cost or time delays associated with second appraisals.

Other changes are intended to clarify existing, unwritten policies regarding provider-submitted appraisals and verbal appraisal reports. The attached document details each of the changes. All other current appraisal procedures, including those implemented in the August 11, 1999 memo, remain in effect.

Please disseminate this memorandum to voluntary agencies in your districts. Questions may be addressed to Henry Hamelin at (518) 486-4286 or via e-mail to [henry.hamelin@omr.state.ny.us](mailto:henry.hamelin@omr.state.ny.us). Thank you.

Attachment

cc: Ms. DeSanto  
Mr. Pezzolla  
Mr. Brady  
Mr. Hamelin  
Real Property Staff



**State of New York**  
**Office of Mental Retardation and Developmental Disabilities**  
**PSAS/Real Property Services**  
**New Residential Appraisal Procedures Effective July 1, 2004**

**A. New Thresholds for Required Second Appraisals**

A second appraisal is required, based on asking price, at the following thresholds by county grouping:

**Group 1 – Asking price of \$550,000 and above**

New York (Manhattan) and Westchester Counties

**Group 2 – Asking price of \$450,000 and above**

Bronx, Kings (Brooklyn), Queens, Richmond (Staten Island), Orange, Putnam, Rockland, Nassau and Suffolk Counties

**Group 3 – Asking price of \$300,000 and above**

Rest of state

**B. Exterior Field Reviews for Certain Properties**

Real Property Services will conduct an exterior-only field review for properties, based on asking price, by the county groupings in A, above:

Group 1: Asking price from \$300,000 to \$549,999

Group 2: Asking price from \$300,000 to \$449,999

Group 3: Asking price from \$250,000 to \$299,999

**C. Verbal Appraisal Reports**

- Preliminary verbal information on appraised value will be provided only at the specific request of the DDSO or NYCRO.
- Real Property Services will only provide preliminary verbal information following the completion of an appropriate desk review of the appraiser's report(s).
- DDSOs/NYCRO and provider agencies should understand that the value provided in a preliminary verbal report might be subject to change prior to completion of the final CDS-3 summary report.

D. Requirements for Provider- and Owner-Submitted Appraisals

- In recognition of Federal financial institution requirements for independence of appraisers, a provider- or owner-submitted appraisal will not be accepted as the only appraisal for a property.
- The requirements for appraisals have been updated as follows. All appraisers hired by voluntary agencies or owners should be given a copy of these requirements at the time of hire.

Requirements For All Appraisals

The following standards apply to all appraisals to be reviewed by OMRDD.

1. Appraisal reports should contain:
  - a. The appraiser's name, address, telephone number.
  - b. The effective date of the appraisal.
  - c. A plot plan or tax map of the subject property.
  - d. A copy of the last deed of record.
  - e. Three (3) year sales history of the subject property.
  - f. Location map of subject property and comparable sales.
  - g. Building sketch or floor plan for subject property.
  - h. Photographs of subject property and all comparables.
  - i. Explanation of any adjustments made in determining the appraised value.
  - j. Tax map identification number and/or deed reference for each comparable sale.
  - k. Land value for the subject property.
2. Reports must be completed by NYS certified or licensed Real Estate Appraisers. No other sources can be accepted.

Additional requirements for voluntary agency- and owner-contracted appraisals:

3. The provider agency or owner should direct the appraiser to send a copy of the appraisal report to the NYCRO or DDSO development office, as appropriate, which will then forward it to Real Property Services staff. Although this cannot be required of an appraiser not hired by OMRDD, the appraiser should also be asked to cooperate with OMRDD Real Property Staff if questions arise during the appraisal review.

New Residential Appraisal Procedures for Voluntary Providers

Effective July 1, 2004

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4. All appraisers must disclose any contractual or other relationships with the provider agency or owner, as appropriate. In instances where more than one appraisal is ordered, there must be an arm's length relationship between appraisers.
  5. Real Property Services' review of a provider- or owner-submitted appraisal is based on receipt of a full, legible copy of the appraisal report, not a fax copy.
  6. For all appraisals not contracted for by OMRDD, Real Property Services will perform a field review, including interior inspection and confirmation of comparables used by the Consultant Appraisers.
  7. Voluntary provider- or owner-incurred appraisal fees will not be reimbursed
  8. Appraisers hired by a voluntary agency or property owner should be provided the appraisal requirements set out herein.
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