

April 30, 2024

Via Email

Sarah McGeath, Senior Board Administrator
Real Estate Appraisers Board
New Mexico Regulation and Licensing Department
5500 San Antonio Drive NE, Suite B
Albuquerque, NM 87109
Sarah.Mcgeath@rld.nm.gov

RE: ASC Compliance Review of New Mexico's Appraisal Management Company (AMC)
Regulatory Program

Dear Sarah McGeath:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the New Mexico AMC regulatory program (AMC Program) on December 5-8, 2023, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

The ASC identified the following areas of non-compliance:

- The State failed to enforce the ownership limitations on renewing AMCs;¹ and
- The State failed to report 1 AMC that was an operating subsidiary of a Federally regulated financial institution to the AMC Registry.²

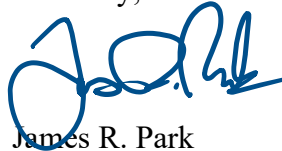
ASC staff will confirm that appropriate corrective actions have been taken during the next Review. New Mexico will remain on a two-year Review Cycle.

¹ States must enforce and document ownership limitations for State-registered AMCs. (Title XI § 1124, 12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.).

² States must ensure the accuracy of all data submitted to the AMC Registry. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.).

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Melissa Salazar, Director, Melissa.Salazar@rld.nm.gov

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor**	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

**An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 12, Interim Sanctions.



ASC State AMC Program Compliance Review Report

ASC Finding: **Good**
 Final Report Issue Date: **April 30, 2024**

NM AMC Regulatory Program (State)			
NM Real Estate Appraisers Board	PM: T. Lewis	ASC Compliance Review Date: December 5-8, 2023	Review Period: April 2022 to November 2023
Umbrella Agency: NM Regulation and Licensing Department		Number of AMCs on AMC Registry: 94	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:		X					
States must enforce and document ownership limitations for State-registered AMCs. (Title XI § 1124, 12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				The State failed to enforce the ownership limitations on renewing AMCs.	In the April 4, 2024, response, the State acknowledged that the online AMC license renewal form failed to determine if a renewing AMC met the applicable ownership limitations. The State provided corrected language in the response and is working with their IT Section to make necessary changes to the online form prior to August 1, 2024.	The State must continue the process to amend its online AMC Renewal Application to correctly address the ownership limitations, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8.
National Registry:		X					
States must ensure the accuracy of all data submitted to the AMC Registry. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.)				The State failed to report 1 AMC that was an operating subsidiary of a Federally regulated financial institution to the AMC Registry.	In the April 4, 2024, response, the State reported that they have trained the staff to recognize that Federally regulated AMCs submitting an application and registry fee must be placed on the AMC Registry.	The State must ensure that Federally regulated AMCs are placed on the AMC Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
Enforcement:	X						
				No compliance issues noted.	N/A	None	None