

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](mailto:Sarah.Mcgeath@rld.nm.gov)

RE: ASC Compliance Review of New Mexico's Appraiser Regulatory Program

Dear Sarah McGeath:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the New Mexico appraiser regulatory program (Appraiser Program) on December 5-8, 2023, to determine the 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 Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the New Mexico Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- The State failed to process 3 requests for temporary practice permits within 5 business days of receipt of a completed application<sup>1</sup>, and
- The State issued 1 appraiser credential without verifying that the applicant met the AQB Criteria required education.<sup>2</sup>

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.

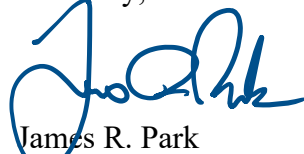
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<sup>1</sup> States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2 B.).

<sup>2</sup> States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.).

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](mailto:Melissa.Salazar@rld.nm.gov)

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor**	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	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 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



## ASC State Appraiser Program Compliance Review Report

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

<b>NM Appraiser Regulatory Program (State)</b>			
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 State Credentialed Appraisers on Appraiser Registry: 655	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				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None
<b>Temporary Practice:</b>		X		The State failed to process 3 requests for temporary practice permits within 5 business days of receipt of a completed application.	On April 4, 2024, the State reported that it had trained additional staff to ensure the continuous, timely processing of Temporary Permit applications. In addition, the State has implemented a new online licensing system that will allow the staff to track permit status throughout the process.	The State must monitor the process to ensure temporary practice permits are issued within 5 business days of receipt of application.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.
<b>National Registry:</b>	X			No compliance issues noted.	N/A	None	None
<b>Application Process:</b>		X		The State issued 1 appraiser credential without verifying that the applicant met the AQB Criteria required education.	On April 4, 2024, the State reported that upon notification, it immediately contacted the licensee. The State subsequently entered into a Settlement Agreement requiring the applicant to complete the missing education. The State identified that this error occurred under the previous administration and initiated an internal audit to determine if additional issues were present.  At the same time, the State reported that they have created and implemented a new checklist and trained additional staff to ensure compliance in this area going forward.	The State must ensure appraiser(s) meet AQB Criteria or inactivate the credential(s).	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>			X	The State had 1 aged complaint unresolved for more than 1 year without the exemption for special documented circumstances.	In the April 4, 2024, response, the State noted that during the review period, the Program was involved in a data breach in which enforcement files were compromised. The subject case had to be located by the State's IT section, delaying final disposition, which was outside of the State's control.	The State should ensure any special documented circumstances are included in the file.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)							