

April 30, 2026

Via Email

Pamela Predika, Board Administrator
Real Estate Appraisers Board
New Mexico Regulation and Licensing Department
5500 San Antonio Drive N.E.
Albuquerque, NM 87109
Pamela.Predika@rld.nm.gov

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

Dear Pamela Predika:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the New Mexico appraiser regulatory program (Appraiser Program) on December 1-4, 2025, to determine the Appraiser Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the New Mexico Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the circumstances justifying delay or other action;²
- States must report all disciplinary action taken against an appraiser to the ASC;³
- States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential to understand the facts and determinations in the matter and the reasons for those determinations;⁴
- States must complete audits of affidavits for continuing education credit claimed within sixty (60) business days from the date the credential is scheduled for renewal (based on the credential's expiration date);⁵ and

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3351; Policy Statement 2 B.

³ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A, D.

⁴ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 A.

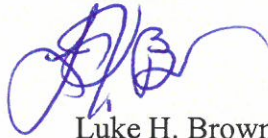
⁵ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.

- 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.⁶

The ASC considers the State's responses to the Preliminary Report to be indicative of an earnest effort to remedy non-compliance. ASC staff will confirm that appropriate corrective actions have been taken through off-site monitoring, and during the next Review. New Mexico will remain on a two-year Review Cycle.

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,



Luke H. Brown
Chair

Attachment

cc: Melissa D. Salazar, Director, Melissa.Salazar@rld.nm.gov
Amanda Lewis, BCD Deputy Director, Amanda.Lewis@rld.nm.gov

⁶ 12 U.S.C. § 3347; Policy Statement 7 B.

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 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: April 30, 2026

New Mexico Appraiser Regulatory Program (State)

Real Estate Appraisers Board	PM: T. Lewis	ASC Compliance Review Date: December 1-4, 2025	Review Period: November 2023 to November 2025
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Umbrella Agency: New Mexico Regulation and Licensing Department	Number of State Credentialed Appraisers on National Registry: 617	Review Cycle: Two Year
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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				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice:		X		<p>The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application. The log provided by the State indicated that 344 temporary practice permits were processed during the period under review. 27 Temporary Practice Permit files were examined, of which 4 were issued in more than 5 business days of receipt of the application without sufficient documentation to explain the delay.</p> <p>This concern was also identified in the 2023 Final Compliance Review Report.</p>	<p>On February 12, 2026, the State reported turnover in the board administrator position and two licensing staff roles, resulting in a temporary loss of institutional knowledge within the Appraiser Program. According to the State, this loss contributed to delays in processing temporary practice permits. The State noted that it has implemented cross-training within the licensing unit to ensure multiple staff members are prepared to process applications promptly.</p>	<p>The State must monitor the process to ensure temporary practice permits are issued within 5 business days of receipt of a completed application, and ensure that all documentation to support the circumstances justifying the delay of issuing temporary practice permits within 5 business days of receipt of a completed application is available to ASC staff for future Compliance Reviews.</p>	<p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.</p>
National Registry:		X		<p>The State did not report 1 disciplinary action to the National Registry.</p>	<p>On February 12, 2026, the State reported that, upon notification, it immediately secured the necessary access credentials for the responsible staff member and promptly reported the disciplinary action. The State remarked that it does not anticipate future delays in reporting disciplinary actions.</p>	<p>The State must monitor the process to ensure that it submits all disciplinary actions to the National Registry in a timely manner.</p>	<p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.</p>



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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				
Application Process:		X					
States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 A.)				ASC staff requested 21 Trainee files to review for compliance; 1 of those could not be located.	On February 12, 2026, the State reported that Appraiser Program licensing staff have been cross trained to strengthen internal processes and oversight. The State indicated that all application materials must now be submitted through the online licensing portal, an ongoing step in the State's transition to fully digital file management. According to the State, this shift reduces reliance on paper files and minimizes the risk of misplaced documentation.	The State must ensure that documentation used to validate the issuance of an appraiser credential is properly retained and available to ASC staff during the Compliance Review.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process (Continued):		X					
States must complete audits of affidavits for continuing education credit claimed within sixty (60) business days from the date the credential is scheduled for renewal (based on the credential's expiration date). (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.)				The State did not conduct a prompt post-approval audit of continuing education affidavits to identify appraisers who fail to comply with Federal and State law.	On February 12, 2026, the State reported that turnover and staff departures caused a temporary loss of institutional knowledge within the Appraiser Program. As a result, newly assigned staff were not fully aware of the continuing education (CE) audit requirement. The State noted that it has since cross-trained licensing staff, so multiple employees are equipped to conduct CE audits. The State further remarked that it has also instituted a formal audit process requiring the review of at least 10 percent—and up to 20 percent—of all renewal applications to ensure compliance with CE requirements. The State closed by noting that it is integrating CE reporting into the online renewal application, which will require licensees to upload CE certificates at the time of renewal. The State anticipates completing this system update by August 2026.	Within 60 days, the State must provide ASC staff with a detailed account of the results of the CE audit, to include: the procedures used for audit validation, a list of all credentials audited detailing any deficiencies identified, and the results of any measures or action undertaken by the State to suspend the appraiser's eligibility to conduct appraisals in federally related transactions until the completion of the necessary CE.	After review of the files, ASC staff will determine if a Follow-up review is necessary.



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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				
Reciprocity:	<input checked="" type="checkbox"/>			No compliance issues noted.	N/A	None	None
Education:	<input checked="" type="checkbox"/>			No compliance issues noted.	N/A	None	None
Enforcement:		<input checked="" type="checkbox"/>					
<p>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.)</p>				<p>The State had 2 aged complaints unresolved for more than 1 year without the exemption for special documented circumstances.</p> <p>This concern was also identified in the 2023 Final Compliance Review Report.</p>	<p>On February 12, 2026, the State reported that it uses licensed third party reviewers appointed to the Complaint Committee to evaluate complaints, which has contributed to processing delays. The State further explained that although most complaints have been examined and are current, it anticipates that this finding may reappear in the next review cycle because the same complaints referenced in the Compliance Review remain open and unresolved.</p> <p>The State acknowledged the timelines established by the ASC and remains committed to processing complaints thoroughly and efficiently. The State noted that corrective steps have been taken to strengthen oversight and accountability measures to prevent recurrence in future audit periods. Since the Review, the State reported that the two outstanding complaints have been presented to the Board for action.</p>	<p>The State must monitor its revised processes to ensure complaints are resolved timely.</p>	<p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.</p>