

Appraisal Subcommittee
Federal Financial Institutions Examination Council

February 8, 2011

Mr. Lee Morris, Chair
New Mexico Real Estate Appraisers Board
Boards and Commissions Division
Regulation and Licensing Department
2550 Cerrillos Road, Second Floor
Santa Fe, NM 87505

RE: Appraisal Subcommittee Staff Follow-Up Review

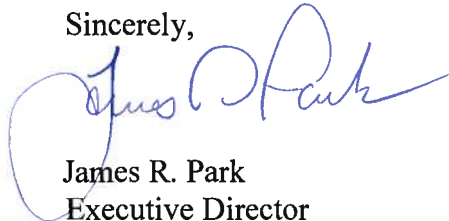
Dear Mr. Morris:

Thank you for your cooperation and your staff's assistance in the January 4-5, 2011 Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the November 2009 ASC Compliance Review of New Mexico's appraiser regulatory program

As detailed in the attached Follow-up Report, New Mexico resolved all but four concerns identified in the November 2009 Compliance Review Report. New Mexico must bring the remaining concerns into compliance with Title XI, ASC Policy Statements, and Appraiser Qualifications Board Real Property Appraiser Qualification Criteria. ASC staff will monitor the required actions and confirm compliance during the November 2-4, 2011 Compliance Review.

Please be advised this letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act. Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Mr. Wayne Ciddio, REA Board Administrator
Ms. Tania Maestas, Assistant Attorney General

ASC Staff Follow-Up Report: 2009 Compliance Review

New Mexico Appraiser Regulatory Program (Program)

New Mexico Real Estate Appraisers Board (Board)

Follow-Up Review Date: January 4-5, 2011

Follow-Up Report Issue Date: February 8, 2011

Umbrella Agency: New Mexico Regulation and Licensing Department, Boards and Commissions Division (Department)

Compliance Review Date: November 4 - 6, 2009

Number of State Credentialed Appraisers on National Registry: 744

PM: J. Tidwell

Requirement/Guidance	ASC Staff Assessment Compliance (Yes/No) Areas of Concern (AC)			Required/Recommended State Actions from the November 6, 2009 Compliance Review	Status as of January 5, 2011 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
New Mexico Statutes, Regulations, Policies and Procedures:		X				
The ASC shall monitor State agencies for the purpose of determining whether policies, practices and procedures are consistent with Title XI. (Title XI § 1118 (a), 12 U.S.C. 3347; and ASC Policy Statement 10A.)				The final ASC Compliance Review Report required New Mexico to immediately cease closing unresolved enforcement cases on the basis of the two-year statute of limitations (Required State Action), and recommended that a bill be introduced at the 2011 legislative session to exempt the Board from application of the two-year statute of limitations.	ASC Staff was not able to assess whether New Mexico is complying with the Required State Action due to the fact that no cases have presented the issue since the final Compliance Review. New Mexico has not drafted or introduced a bill to exempt the Board from application of the two-year statute of limitations. Staff reported that the Attorney General's (AG) Office and the Division Director had a difference of opinion about how to resolve this issue. The Division Director supports amending the Uniform Licensing Act to exempt the Appraisers Board. The AG's Office supports amending the Appraiser's Act.	Further Required Actions: None Comments: None ASC staff will continue to monitor this area during the next Compliance Review on November 2-4, 2011.
New Mexico Statutes, Regulations, Policies and Procedures continued:			X			
States must have sufficient legal and administrative resources to perform Title XI-related duties. (Title XI § 1118 (b), 12 U.S.C. 3347.)				The final ASC Compliance Review Report required the Department, Board and AG's Office to find ways to achieve and maintain the necessary resources to perform its Title XI-related duties.	The prosecuting attorney for the Board was replaced by one who has fewer demands on his time. The complaints forwarded to the AG's Office have been moving through the process more timely. The 14 aged cases currently pending at the AG's Office are just over 1 year old as opposed to a year ago when the 15 aged cases at the AG's Office were closer to 2 years old.	Further Required Actions: The Department, Board and AG's office must continue to find ways to achieve and maintain the necessary resources to perform its Title XI-related duties. Comments: ASC staff will continue to monitor this area during the next Compliance Review on November 2-4, 2011.

ASC Staff Follow-Up Report: 2009 Compliance Review

New Mexico Appraiser Regulatory Program (Program)		
New Mexico Real Estate Appraisers Board (Board)	Follow-Up Review Date: January 4-5, 2011	Follow-Up Report Issue Date: February 8, 2011
Umbrella Agency: New Mexico Regulation and Licensing Department, Boards and Commissions Division (Department)	Compliance Review Date: November 4 - 6, 2009	
Number of State Credentialed Appraisers on National Registry: 744	PM: J. Tidwell	

Requirement/Guidance	ASC Staff Assessment Compliance (Yes/No) Areas of Concern (AC)			Required/Recommended State Actions from the November 6, 2009 Compliance Review	Status as of January 5, 2011 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
New Mexico Statutes, Regulations, Policies and Procedures continued:		X				
States must adopt and/or implement all relevant AQB Real Property Appraiser Qualification Criteria. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				The final ASC Compliance Review Report required New Mexico to continue the process to amend its rules to bring them into compliance with AQB Real Property Appraiser Qualification Criteria (AQB Criteria), and provide the ASC staff with a copy of the final rules once adopted.	ASC Staff found that New Mexico did amend its rules; however, the amended language was not sufficient to bring them into compliance with AQB Criteria.	Further Required Actions: Section 16.62.1.7 (A) of the New Mexico Administrative Code (Title 16 Occupational and Professional Licensing, Chapter 62 Real Estate Appraisers) referencing acceptable appraisal experience states that all experience claimed after January 30, 1989, must be in conformance with USPAP. This does not reflect the new AQB Criteria language that requires all experience to be obtained after January 30, 1989, and that the experience must be USPAP compliant. New Mexico must continue the process to amend its rules to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final rules once adopted. Comments: ASC staff will continue to monitor this area during the next Compliance Review on November 2-4, 2011.
Education:	X					
States must ensure appraiser continuing education courses are consistent with AQB Criteria. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				The final ASC Compliance Review Report recommended that New Mexico monitor the results of its revised process to ensure that all courses approved by the Board are compliant with AQB Criteria.	ASC Staff found that all courses on the approved course list were compliant with AQB Criteria; all course files were well documented; and the approved course listing contained expiration dates that coincided with the AQB Course Approval Program and/or IDECC approvals when applicable.	Further Required Actions: None Comments: ASC staff will continue to monitor this area during the next Compliance Review on November 2-4, 2011.

ASC Staff Follow-Up Report: 2009 Compliance Review

New Mexico Appraiser Regulatory Program (Program)		
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Requirement/Guidance	ASC Staff Assessment Compliance (Yes/No) Areas of Concern (AC)			Required/Recommended State Actions from the November 6, 2009 Compliance Review	Status as of January 5, 2011 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
Enforcement:		X				
States must regulate, supervise and discipline their certified and/or licensed appraisers. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10A.)				The final ASC Compliance Review Report required New Mexico to immediately cease closing unresolved enforcement cases on the basis of the two-year statute of limitations and recommended that New Mexico introduce a bill at the 2011 legislative session to exempt the Board from application of the two-year statute of limitations.	See discussion above regarding the status of the two-year statute of limitations.	Further Required Actions: None Comments: None ASC staff will continue to monitor this area during the next Compliance Review on November 2-4, 2011.
Enforcement continued:		X				
States should resolve all complaints filed against appraisers within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)				The final ASC Compliance Review Report required New Mexico to monitor its revised processes to ensure timely processing of complaints to reduce the backlog of aged complaints, and to ensure that the complaints of appraiser misconduct or wrongdoing are resolved on a timely basis as required by ASC Policy Statement 10E. New Mexico had 40 outstanding complaints; of those 40 complaints, 15 (37.5%) complaints were unresolved for more than one year.	ASC Staff found some improvement in the timeliness of processing of complaints, which reduced the backlog of pending and aged complaints. New Mexico had 33 outstanding complaints; of those 33 complaints, 15 (45.5%) complaints were unresolved for more than one year. Of those 15 aged complaints, 14 were pending in the AG's Office for either a hearing, the drafting of a Notice of Contemplated Action, or were in negotiations for a possible settlement agreement. The 14 aged cases currently pending at the AG's Office are just over 1 year old as opposed to a year ago when the 15 aged cases at the AG's Office were closer to 2 years old.	Further Required Actions: New Mexico must continue the timely processing of complaints to ensure that the complaints of appraiser misconduct or wrongdoing are resolved on a timely basis as required by ASC Policy Statement 10E. Comments: ASC staff will continue to monitor this area during the next Compliance Review on November 2-4, 2011.