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Appraisal Subcommittee

Federal Financial Institutions Examination Council

April 4, 2005

Mary James, Board Administrator
New Mexico Board of Real Estate Appraisers
P.O. Box 25101
Santa Fe, New Mexico 87504-5101

Dear Ms. James:

Thank you for your February 7, 2005 response, on behalf of the New Mexico Board of Real Estate Appraisers, to our November 18, 2004 field review letter. We reviewed your response and appreciate the Board's efforts to address the concerns noted in our letter. We requested corrective actions regarding the following concerns:

1. New Mexico does not offer an easy extension to temporary practice permit holders;
2. New Mexico failed to submit accurate appraiser records to the Appraisal Subcommittee ("ASC") for inclusion on the National Registry Real Estate Appraisers;
3. New Mexico approved distance education courses that failed to conform to the Appraiser Qualifications Board ("AQB") criteria;
4. New Mexico is not investigating and resolving all complaints in a timely manner;
5. The Department needs to develop and employ a reporting system to the ASC regarding the disciplinary actions taken by the Board; and
6. The Board needs to make a housekeeping amendment to its regulations to reflect a change in AQB criteria.

In your letter, you indicated that the Board corrected items two, four, and five. The other items will require amendments to your regulations, which will be discussed at the Board's April 15, 2005 meeting. You stated you would provide the ASC a detailed follow-up response regarding the actions taken by the Board at that meeting. We look forward to receiving that response. To be as helpful as possible, ASC Policy Manager Vicki Ledbetter will be attending the April 15th Board meeting.

Regarding item four, the ASC specifically instructed the Board and the Regulation and Licensing Department ("Department") to work with the Attorney General's office to identify policies and procedures that would reduce the timeframe to process appraiser complaint cases. We noted that this should include a prioritization of appraiser cases referred to the Attorney General, based on the seriousness of the identified violations. We then instructed the Board to provide us a copy of these policies and procedures within 90 days after November 18, 2004.

In your February 7th letter, you stated that the Department had "assigned a staff member from the compliance section to each board to track and follow up on disciplinary issues (NCA's, Settlements, etc.)." Your response did not discuss or include any policies and procedures. While assigning a staff member from the compliance section may assist you in remedying the delays in

the investigation and resolution of appraiser-related complaints, the Board still needs to provide us a copy of the above policies and procedures, as discussed in our November 18, 2004 letter.

Please respond to this letter within 30 days from the date of this letter. Please be sure to include a copy of the policies and procedures with your response.

Please contact us if you have further questions.

Sincerely,

Ben Henson
Executive Director