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SENATE BILL 110

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

Sander Rue

AN ACT

RELATING TO PROFESSIONAL LICENSURE; AMENDING AND ENACTING
SECTIONS OF THE REAL ESTATE APPRAISERS ACT; PROVIDING FOR
COMPLIANCE WITH FEDERAL LAW; PROVIDING FOR APPRAISAL MANAGEMENT
COMPANIES; PROVIDING FOR TRAINEES; PROVIDING FOR AN APPRAISAL
SUBCOMMITTEE; PROVIDING FOR UNIFORM STANDARDS OF PROFESSIONAL
APPRAISAL PRACTICE; PROVIDING FOR AUTOMATED VALUATION MODELS;
PROVIDING FOR BROKER PRICE OPINIONS; PROVIDING FOR CRIMINAL
BACKGROUND CHECKS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 61-30-3 NMSA 1978 (being Laws 1990,
Chapter 75, Section 3, as amended) is amended to read:

"61-30-3. DEFINITIONS.--As used in the Real Estate
Appraisers Act:

- A. "appraisal" or "real estate appraisal" means an
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1 analysis, opinion or conclusion prepared by a real estate
2 appraiser relating to the nature, quality, value or utility of
3 specified interests in or aspects of identified real estate or
4 real property, for or in expectation of compensation, and shall
5 include the following:

6 (1) a valuation, analysis, opinion or
7 conclusion prepared by a real estate appraiser that estimates
8 the value of identified real estate or real property; ~~and~~

9 (2) an analysis or study of real estate or
10 real property other than estimating value; and

11 (3) written or oral appraisals that are
12 subject to appropriate review for compliance with the uniform
13 standards of professional appraisal practice. The work file
14 for an oral appraisal report shall be subject to appropriate
15 review for compliance with the uniform standards of
16 professional appraisal practice;

17 B. "appraisal assignment" means an engagement for
18 which an appraiser is employed or retained to act or would be
19 perceived by third parties or the public as acting as a
20 disinterested third party in rendering an unbiased appraisal;

21 C. "appraisal foundation" means the appraisal
22 foundation incorporated as an Illinois not-for-profit
23 corporation on November 30, 1987 and to which reference is
24 made in the federal real estate appraisal reform amendments;

25 D. "appraisal management company" means any

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1 external third party that oversees a network or panel of
2 certified or licensed appraisers to:

3 (1) recruit, select and retain appraisers;

4 (2) contract with appraisers to perform
5 appraisal assignments;

6 (3) manage the process of having an
7 appraisal performed;

8 (4) review and verify the work of
9 appraisers; or

10 (5) contract with a qualifying licensed real
11 estate broker or associate broker as defined in Chapter 61,
12 Article 29 NMSA 1978 to provide broker price opinions;

13 ~~[D-]~~ E. "appraisal report" means any
14 communication, written or oral, of an appraisal regardless of
15 title or designation and all other reports communicating an
16 appraisal;

17 F. "appraisal review" means the act or process of
18 developing and communicating an opinion about the quality of
19 another appraiser's work;

20 G. "appraisal subcommittee" means the entity
21 within the federal financial institutions examination council
22 that monitors the requirements established by the states for
23 appraisers and appraisal management companies;

24 H. "automated valuation model" means a
25 computerized model used by mortgage originators and secondary

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1 market issuers to determine the collateral worth of a
2 mortgage secured by a consumer's principal dwelling;

3 ~~[E-]~~ I. "board" means the real estate appraisers
4 board;

5 J. "broker price opinion" means an opinion by a
6 qualifying or associate broker of the price of real estate
7 for the purpose of marketing, selling, purchasing, leasing or
8 exchanging such real estate or any interest therein or for
9 the purposes of providing a financial institution with a
10 collateral assessment of any real estate in which the
11 financial institution has an existing or potential security
12 interest; provided that the opinion of the price shall not be
13 referred to or construed as an appraisal or appraisal report
14 and shall not be used as the primary basis to determine the
15 value of real estate for the purpose of loan origination;

16 ~~[F-]~~ K. "certified appraisal" or "certified
17 appraisal report" means an appraisal or appraisal report
18 given or signed and certified as such by a state certified
19 real estate appraiser and shall include an indication of
20 which type of certification is held and shall be deemed to
21 represent to the public that it meets the appraisal standards
22 defined in the Real Estate Appraisers Act;

23 ~~[G-]~~ L. "federal real estate appraisal reform
24 amendments" means the Federal Financial Institutions
25 Examination Council Act of 1978, as amended by Title 11, Real

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1 Estate Appraisal Reform Amendments;

2 [H.] M. "general certificate" or "general
3 certification" means a certificate or certification for
4 appraisals of all types of real estate issued pursuant to the
5 provisions of the Real Estate Appraisers Act and the federal
6 real estate appraisal reform amendments;

7 [I.] N. "real estate" or "real property" means a
8 leasehold or other estate or interest in, over or under land,
9 including structures, fixtures and other improvements and
10 interests that by custom, usage or law pass with a conveyance
11 of land, though not described in a contract of sale or
12 instrument of conveyance, and includes parcels with or
13 without upper and lower boundaries and spaces that may be
14 filled with air;

15 [J.] O. "real estate appraiser" means any person
16 who engages in real estate appraisal activity in expectation
17 of compensation;

18 P. "real estate appraiser trainee" means a
19 registered real estate appraiser who meets or exceeds the
20 minimum qualification requirements of the appraiser
21 qualifications board of the appraisal foundation for real
22 estate appraisal trainees and as defined by board rule and
23 who are subject to direct supervision by a supervisory
24 appraiser;

25 [K.] Q. "residential certificate" or "residential

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1 certification" means a certificate or certification, limited
2 to appraisals of residential real estate or residential real
3 property without regard to the complexity of the transaction,
4 issued pursuant to the provisions of the Real Estate
5 Appraisers Act and as provided under the terms of the federal
6 real estate appraisal reform amendments;

7 ~~[H.]~~ R. "residential real estate" or "residential
8 real property" means real estate designed and suited or
9 intended for use and occupancy by one to four families,
10 including use and occupancy of manufactured housing;

11 ~~[M.]~~ S. "specialized services" means those
12 services that do not fall within the definition of an
13 appraisal assignment and may include specialized financing or
14 market analyses and feasibility studies that may incorporate
15 estimates of value or analyses, opinions or conclusions given
16 in connection with activities such as real estate brokerage,
17 mortgage banking, real estate counseling and real estate tax
18 counseling; provided that the person rendering such services
19 would not be perceived by third parties or the public as
20 acting as a disinterested third party in rendering an
21 unbiased appraisal or real estate appraisal, regardless of
22 the intention of the client and that person;

23 ~~[N.]~~ T. "state certified appraisal" means any
24 appraisal that is identified as a state certified appraisal
25 report or is in any way described as being prepared by a

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1 state certified real estate appraiser;

2 [Ø.] U. "state certified real estate appraiser"
3 means a person who [~~holds a current, valid general~~
4 ~~certificate or a current, valid residential certificate~~
5 ~~issued pursuant to the provisions of the Real Estate~~
6 ~~Appraisers Act]~~ has satisfied the requirements for state
7 licensing in New Mexico pursuant to the minimum criteria
8 established by the appraiser qualifications board of the
9 appraisal foundation for licensing of real estate appraisers;

10 [P.] V. "state licensed residential real estate
11 appraiser" means a person who [~~holds a current, valid license~~
12 ~~issued pursuant to the provisions of the Real Estate~~
13 ~~Appraisers Act; and~~

14 Q. ~~"state apprentice real estate appraiser" means~~
15 ~~a person who holds a current, valid registration issued~~
16 ~~pursuant to the provisions of the Real Estate Appraisers Act]~~
17 has satisfied the requirements for state licensing in New
18 Mexico pursuant to the minimum criteria established by the
19 appraiser qualifications board of the appraisal foundation
20 and the New Mexico real estate appraisers board for licensing
21 of real estate appraisers;

22 W. "supervisory appraiser" means a state
23 certified real estate appraiser responsible for the direct
24 supervision of real estate appraiser trainees who have
25 satisfied the requirements for supervisory appraiser pursuant

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1 to the minimum criteria established by the appraiser
2 qualifications board of the appraisal foundation; and

3 X. "uniform standards of professional appraisal
4 practice" means the uniform standards of professional
5 appraisal practice promulgated by the appraisal standards
6 board of the appraisal foundation and adopted by rule
7 pursuant to the Real Estate Appraisers Act."

8 SECTION 2. Section 61-30-4 NMSA 1978 (being Laws 1990,
9 Chapter 75, Section 4, as amended) is amended to read:

10 "61-30-4. ADMINISTRATION--ENFORCEMENT.--

11 A. The board shall administer and enforce the
12 Real Estate Appraisers Act.

13 B. It is unlawful for a person to engage in the
14 business, act in the capacity of, advertise or display in any
15 manner or otherwise assume to engage in the business of, or
16 act as, a [~~state apprentice~~] real estate appraiser trainee, a
17 state licensed residential real estate appraiser or a state
18 certified real estate appraiser without a license issued by
19 the board. A person who engages in the business or acts in
20 the capacity of a [~~state apprentice~~] real estate appraiser
21 trainee, a state licensed residential real estate appraiser
22 or a state certified real estate appraiser has submitted to
23 the jurisdiction of the state and to the administrative
24 jurisdiction of the board, notwithstanding any other
25 provisions or statutes governing all professional and

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1 occupational licenses."

2 SECTION 3. Section 61-30-5 NMSA 1978 (being Laws 1990,
3 Chapter 75, Section 5, as amended) is amended to read:

4 "61-30-5. REAL ESTATE APPRAISERS BOARD CREATED.--

5 A. There is created a "real estate appraisers
6 board" consisting of seven members appointed by the governor.
7 The board is administratively attached to the regulation and
8 licensing department.

9 B. There shall be four real estate appraiser
10 members of the board who shall be licensed or certified.
11 Membership in a professional appraisal organization or
12 association shall not be a prerequisite to serve on the
13 board. No more than two real estate appraiser members shall
14 be from any one licensed or certified category.

15 C. Board members shall be appointed to five-year
16 terms and shall serve until ~~[their]~~ a successor is appointed
17 and qualified. Real estate appraiser members may be
18 appointed for no more than two consecutive five-year terms.

19 D. No more than two members shall be from any one
20 county within New Mexico, and at least one real estate
21 appraiser member shall be from each congressional district.

22 E. One member of the board shall represent
23 lenders or their assignees engaged in the business of lending
24 funds secured by mortgages or in the business of appraisal
25 management. Two members shall be appointed to represent the

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1 public. The public members shall not have been real estate
2 appraisers or engaged in the business of real estate
3 appraisals or have any financial interest, direct or
4 indirect, in real estate appraisal or any real-estate-related
5 business.

6 F. Vacancies on the board shall be filled by
7 appointment by the governor for the unexpired term within
8 sixty days of the vacancy.

9 G. The board is administratively attached to the
10 regulation and licensing department, and, pursuant to Title
11 11 of the Financial Institutions Reform, Recovery, and
12 Enforcement Act of 1989 as amended by the Dodd-Frank Wall
13 Street Reform and Consumer Protection Act, the appraisal
14 subcommittee may monitor the board for the purposes of
15 determining whether the board:

16 (1) has policies, practices, funding,
17 staffing and procedures that are consistent with the
18 requirements of the appraisal subcommittee and pursuant to
19 Title 11 of the Financial Institutions Reform, Recovery, and
20 Enforcement Act of 1989;

21 (2) processes complaints and completes
22 investigations in a reasonable time period;

23 (3) appropriately disciplines sanctioned
24 appraisers and appraisal management companies;

25 (4) maintains an effective regulatory

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1 program; and

2 (5) reports complaints and disciplinary
3 actions on a timely basis to the national registries on
4 appraisers and appraisal management companies maintained by
5 the appraisal subcommittee.

6 H. The appraisal subcommittee may impose
7 sanctions against the board if it fails to have an effective
8 appraiser regulatory program."

9 SECTION 4. Section 61-30-7 NMSA 1978 (being Laws 1990,
10 Chapter 75, Section 7, as amended) is amended to read:

11 "61-30-7. BOARD--POWERS--DUTIES.--The board shall:

12 A. adopt rules necessary to implement the
13 provisions of the Real Estate Appraisers Act;

14 B. establish educational programs and research
15 projects related to the appraisal of real estate;

16 C. establish the administrative procedures for
17 processing applications and issuing registrations, licenses
18 and certificates to persons who qualify to be [~~state~~
19 ~~apprentice~~] real estate [~~appraisers~~] appraiser trainees,
20 state licensed residential real estate appraisers or state
21 certified real estate appraisers;

22 D. receive, review and approve applications for
23 [~~state apprentice~~] real estate [~~appraisers~~] appraiser
24 trainees, state licensed residential real estate appraisers
25 and each category of state certified real estate appraisers

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1 ~~[and, for state licensed or state certified real estate~~
2 ~~appraisers prepare or supervise the preparation of~~
3 ~~examination questions and answers and supervise grading of~~
4 ~~examinations and enter into contracts with one or more~~
5 ~~educational testing services or organizations for such~~
6 ~~examinations];~~

7 E. define the extent and type of educational
8 experience, appraisal experience and equivalent experience
9 that will meet the requirements for registration, licensing
10 and certification ~~[under]~~ pursuant to the Real Estate
11 Appraisers Act after considering generally recognized
12 appraisal practices and set minimum requirements for
13 education and experience;

14 F. provide for continuing education programs for
15 the renewal of registrations, licenses and certification that
16 will meet the requirements provided in the Real Estate
17 Appraisers Act and set minimum requirements;

18 G. adopt standards to define the education
19 programs that will meet the requirements of the Real Estate
20 Appraisers Act and that will encourage conducting programs at
21 various locations throughout the state;

22 H. adopt standards for the development and
23 communication of real estate appraisals provided in the Real
24 Estate Appraisers Act and adopt rules explaining and
25 interpreting the standards after considering generally

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1 recognized appraisal practices;

2 I. adopt a code of professional responsibility
3 for ~~[state apprentice]~~ real estate ~~[appraisers]~~ appraiser
4 trainees, state licensed residential real estate appraisers
5 and state certified real estate appraisers;

6 J. comply with annual reporting requirements and
7 other requirements set forth in the federal real estate
8 appraisal reform amendments;

9 K. collect and transmit annual registry fees from
10 individuals who perform or seek to perform appraisals in
11 federally related transactions and from an appraisal
12 management company that either has registered with the board
13 or operates as a subsidiary of a federally regulated
14 financial institution;

15 [~~K-~~] L. maintain a registry of the names and
16 addresses of the persons who hold current registrations,
17 licenses and certificates issued under the Real Estate
18 Appraisers Act;

19 [~~L-~~] M. establish procedures for disciplinary
20 action in accordance with the Uniform Licensing Act against
21 any applicant or holder of a registration, license or
22 certificate for violations of the Real Estate Appraisers Act
23 and any rules adopted pursuant to provisions of that act;

24 [~~and~~]

25 N. register and supervise appraisal management

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1 companies and submit additional information about the
2 appraisal management company to the appraisal subcommittee's
3 national registry;

4 O. recognize appraiser certifications and
5 licenses from states whose appraisal program is found to be
6 consistent with Title 11 of the Financial Institutions
7 Reform, Recovery, and Enforcement Act of 1989 as determined
8 by the appraisal subcommittee; and

9 ~~[M-]~~ P. perform such other functions and duties
10 as may be necessary to carry out the provisions of the Real
11 Estate Appraisers Act."

12 SECTION 5. Section 61-30-8 NMSA 1978 (being Laws 1990,
13 Chapter 75, Section 8, as amended) is amended to read:

14 "61-30-8. BOARD--ORGANIZATION--MEETINGS.--

15 A. The board shall organize by electing a
16 ~~[chairperson]~~ chair and vice ~~[chairperson and secretary]~~
17 chair from among its members annually. A majority of the
18 board shall constitute a quorum and may exercise all powers
19 and duties established by the provisions of the Real Estate
20 Appraisers Act.

21 B. The board shall keep a record of its
22 proceedings, a register of persons registered, licensed or
23 certified as ~~[state apprentice]~~ real estate ~~[appraisers]~~
24 appraiser trainees, state licensed residential real estate
25 appraisers or state certified real estate appraisers, showing

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1 the name and places of business of each, and shall retain all
2 records and applications submitted to the board pursuant to
3 the Real Estate Appraisers Act.

4 C. The board shall meet not less frequently than
5 once each calendar quarter at such place as may be designated
6 by the board, and special meetings may be held on five days'
7 written notice to each of the members by the [~~chairperson~~]
8 chair. At least annually, the board shall meet in each of
9 the congressional districts."

10 SECTION 6. Section 61-30-10 NMSA 1978 (being Laws 1990,
11 Chapter 75, Section 10, as amended) is amended to read:

12 "61-30-10. REGISTRATION, LICENSE OR CERTIFICATION
13 REQUIRED--EXCEPTIONS.--

14 A. It is unlawful for any person in this state to
15 engage or attempt to engage in the business of developing or
16 communicating real estate appraisals or appraisal reports
17 without first registering as [~~an apprentice~~] a real estate
18 appraiser trainee or obtaining a license or certificate from
19 the board under the provisions of the Real Estate Appraisers
20 Act.

21 B. No person, unless certified by the board as a
22 state certified real estate appraiser under a general
23 certification or residential certification, shall:

24 (1) assume or use any title, designation or
25 abbreviation likely to create the impression of a state

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1 certified real estate appraiser;

2 (2) use the term "state certified" to
3 describe or refer to any appraisal or evaluation of real
4 estate prepared by the person;

5 (3) assume or use any title, designation or
6 abbreviation likely to create the impression of certification
7 as a state certified real estate appraiser firm, partnership,
8 corporation or group; or

9 (4) assume or use any title, designation or
10 abbreviation likely to create the impression of certification
11 under a general certificate or describe or refer to any
12 appraisal or evaluation of nonresidential real estate by the
13 term "state certified" if the preparer's certification is
14 limited to residential real estate.

15 C. A ~~[state apprentice]~~ real estate appraiser
16 ~~[who is registered but does not hold a license or~~
17 ~~certificate]~~ trainee is only authorized to prepare appraisals
18 of all types of real estate or real property ~~[provided that~~
19 ~~such appraisals are not described or referred to as being~~
20 ~~prepared by a "state certified real estate appraiser]~~ under
21 direct supervision of the supervisory appraiser holding a
22 residential or general certificate ~~[or by a "state licensed~~
23 ~~real estate appraiser"; and];~~ provided ~~[further]~~ that such
24 person does not assume or use any title, designation or
25 abbreviation likely to create the impression of certification

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1 as a state certified real estate appraiser or licensure as a
2 state licensed residential real estate appraiser.

3 ~~[D. A holder of a license or residential~~
4 ~~certificate is authorized to prepare appraisals of~~
5 ~~nonresidential real estate; provided that such appraisals are~~
6 ~~not described or referred to as "state certified by a general~~
7 ~~certified appraiser"; and provided, further, that the holder~~
8 ~~of the certificate does not assume or use any title,~~
9 ~~designation or abbreviation likely to create the impression~~
10 ~~of general certification.~~

11 ~~E. To perform in federally related transactions,~~
12 ~~as referenced in the federal Financial Institutions Reform,~~
13 ~~Recovery, and Enforcement Act of 1989, a real estate~~
14 ~~appraiser shall, at a minimum, meet the requirements for~~
15 ~~licensing as currently defined.~~

16 ~~F. The requirement of registration, licensing or~~
17 ~~certification shall not apply to a qualifying or associate~~
18 ~~broker as defined under the provisions of Chapter 61, Article~~
19 ~~29 NMSA 1978 who gives an opinion of the price of real estate~~
20 ~~for the purpose of marketing, selling, purchasing, leasing or~~
21 ~~exchanging such real estate or any interest therein or for~~
22 ~~the purposes of providing a financial institution with a~~
23 ~~collateral assessment of any real estate in which the~~
24 ~~financial institution has an existing or potential security~~
25 ~~interest. The opinion of the price shall not be referred to~~

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1 ~~or construed as an appraisal or appraisal report and shall~~
2 ~~not be used as the primary basis to determine the value of~~
3 ~~real estate for the purpose of loan origination.]~~

4 D. The scope of practice for:

5 (1) a real estate appraiser trainee is
6 appraisal of those properties that the supervisory appraiser
7 is permitted by the supervisory appraiser's current
8 credential and that the supervisory appraiser is qualified to
9 appraise. All real estate appraiser trainees must comply
10 with the competency rule of the uniform standards of
11 professional appraisal practice;

12 (2) a state licensed residential real estate
13 appraiser is appraisal of non-complex, one-to-four
14 residential units having a transaction value of less than one
15 million dollars (\$1,000,000) and complex one-to-four
16 residential units having a transaction value less than two
17 hundred fifty thousand dollars (\$250,000). "Complex
18 one-to-four family residential property appraisal" means one
19 in which the property to be appraised, the form of ownership
20 or the market conditions are typical. The state licensed
21 residential real estate appraiser must comply with the
22 competency rule of the uniform standards of professional
23 appraisal practice;

24 (3) a state certified residential real
25 estate appraiser is appraisal of one-to-four residential

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1 units without regard to value or complexity. This
2 classification includes the appraisal of vacant or unimproved
3 land that is utilized for one-to-four family purposes or for
4 which the highest and best use is for one-to-four family
5 purposes, and the classification does not include the
6 appraisal of subdivisions for which a development analysis or
7 appraisal is necessary. All state certified residential real
8 estate appraisers must comply with the competency rule of the
9 uniform standards of professional appraisal practice; and

10 (4) a state certified general real estate
11 appraiser is appraisal of all types of property. All state
12 certified general real estate appraisers must comply with the
13 competency rule of the uniform standards of professional
14 appraisal practice.

15 E. The requirement of registration, licensing or
16 certification shall not apply to a qualifying or associate
17 broker, as defined under the provisions of Chapter 61,
18 Article 29 NMSA 1978, who gives an opinion of the price of
19 real estate for the purpose of marketing, selling,
20 purchasing, leasing or exchanging such real estate or any
21 interest therein or for the purpose of providing a financial
22 institution with a collateral assessment of any real estate
23 in which the financial institution has an existing or
24 potential security interest. The opinion of the price shall
25 not be referred to or construed as an appraisal or appraisal

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1 report and shall not be used as the primary basis to
2 determine the value of real estate for the purpose of loan
3 origination.

4 ~~[G.]~~ F. The requirement of registration,
5 licensing or certification shall not apply to real estate
6 appraisers of the property tax division of the taxation and
7 revenue department, to a county assessor or to the county
8 assessor's employees, who as part of their duties are
9 required to engage in real estate appraisal activity as a
10 county assessor or on behalf of the county assessor and no
11 additional compensation fee or other consideration is
12 expected or charged for such appraisal activity, other than
13 such compensation as is provided by law.

14 ~~[H.]~~ G. The prohibition of Subsection A of this
15 section does not apply to persons whose real estate appraisal
16 activities are limited to the appraisal of interests in
17 minerals, including oil, natural gas, liquid hydrocarbons or
18 carbon dioxide, and property held or used in connection with
19 mineral property, if that person is authorized in the
20 person's state of residence to practice and is actually
21 engaged in the practice of the profession of engineering or
22 geology.

23 ~~[I.]~~ H. The process of analyzing, without
24 altering, an appraisal report, except appraisal reviews as
25 defined by the uniform standards of professional appraisal

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1 practice, that is part of a request for mortgage credit is
2 considered a specialized service as defined in Subsection [M]
3 S of Section 61-30-3 NMSA 1978 and is exempt from the
4 requirements of registration, licensing or certification."

5 SECTION 7. Section 61-30-10.1 NMSA 1978 (being Laws
6 1992, Chapter 54, Section 8, as amended) is amended to read:

7 "61-30-10.1. QUALIFICATION FOR [~~STATE APPRENTICE~~] REAL
8 ESTATE [~~APPRAISERS~~] APPRAISER TRAINEE.--

9 A. Registration as a [~~state apprentice~~] real
10 estate appraiser trainee shall be granted only to persons who
11 are deemed by the board to be of good repute and competent to
12 render appraisals.

13 B. Each applicant for registration as a [~~state~~
14 ~~apprentice~~] real estate appraiser trainee shall be a legal
15 resident of the United States, except as otherwise provided
16 in Section 61-30-20 NMSA 1978, and have reached the age of
17 majority.

18 C. Each applicant for registration as a [~~state~~
19 ~~apprentice~~] real estate appraiser trainee shall [~~have~~] meet
20 the education requirements as established for the
21 [~~apprentice~~] real estate appraiser trainee classification
22 issued by the appraiser qualifications board of the appraisal
23 foundation and adopted by rule pursuant to the Real Estate
24 Appraisers Act.

25 D. The board shall require such information as it

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1 deems necessary from every applicant to determine the
2 applicant's honesty, trustworthiness and competency."

3 SECTION 8. Section 61-30-11 NMSA 1978 (being Laws 1990,
4 Chapter 75, Section 11, as amended) is amended to read:

5 "61-30-11. QUALIFICATIONS FOR LICENSE.--

6 A. Licenses shall be granted only to persons who
7 are deemed by the board to be of good repute and competent to
8 render appraisals.

9 B. Each applicant for a license as a state
10 licensed residential real estate appraiser shall be a legal
11 resident of the United States, except as otherwise provided
12 in Section 61-30-20 NMSA 1978, and have reached the age of
13 majority.

14 C. Each applicant for a license as a state
15 licensed residential real estate appraiser shall have
16 additional experience and education requirements as
17 established for the licensed classification issued by the
18 appraiser qualifications board of the appraisal foundation
19 and adopted by rule pursuant to the Real Estate Appraisers
20 Act.

21 D. The board shall require such information as it
22 deems necessary from every applicant to determine the
23 applicant's honesty, trustworthiness and competency.

24 E. Persons who do not meet the qualifications for
25 licensure are not qualified for appraisal assignments

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1 involving federally related transactions."

2 SECTION 9. Section 61-30-12 NMSA 1978 (being Laws 1990,
3 Chapter 75, Section 12, as amended) is amended to read:

4 "61-30-12. QUALIFICATIONS FOR [~~CERTIFICATE~~] CERTIFIED
5 RESIDENTIAL AND GENERAL REAL ESTATE APPRAISERS.--

6 A. [~~Certificates~~] Certified classification shall
7 be granted only to persons who are deemed by the board to be
8 of good repute and competent to render appraisals.

9 B. Each applicant for a [~~certificate as a~~] state
10 certified residential or general real estate appraiser
11 classification shall be a legal resident of the United
12 States, except as otherwise provided in Section 61-30-20 NMSA
13 1978, and have reached the age of majority.

14 C. Each applicant for a residential certificate
15 as a state certified real estate appraiser shall have
16 performed actively as a real estate appraiser and shall have
17 additional experience and education requirements as
18 established for the residential certification classification
19 issued by the appraiser qualifications board of the appraisal
20 foundation and adopted by rule pursuant to the Real Estate
21 Appraisers Act.

22 D. Each applicant for a general certificate as a
23 state certified real estate appraiser shall have performed
24 actively as a real estate appraiser and have additional
25 experience and education requirements as established for the

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1 general certification classification issued by the appraiser
2 qualifications board of the appraisal foundation and adopted
3 pursuant to the Real Estate Appraisers Act.

4 E. The board shall require such information as it
5 deems necessary from every applicant to determine the
6 applicant's honesty, trustworthiness and competency."

7 SECTION 10. Section 61-30-13 NMSA 1978 (being Laws
8 1990, Chapter 75, Section 13, as amended) is amended to read:

9 "61-30-13. APPLICATION FOR REGISTRATION, LICENSE OR
10 CERTIFICATE--EXAMINATION.--

11 A. All applications for registrations, licenses
12 or certificates shall be made to the board in writing, either
13 in person or electronically, shall specify whether
14 registration or a license or a certificate is being applied
15 for by the applicant and, if a certificate, the
16 classification of the certificate being applied for by the
17 applicant and shall contain such data and information as may
18 be required by the board.

19 B. Each applicant for a license or a certificate
20 shall demonstrate, by successfully passing a written
21 examination, prepared by or under the supervision of the
22 board, that the applicant possesses, consistent with
23 licensure or the certification sought, the following:

24 (1) an appropriate knowledge of technical
25 terms commonly used in or related to real estate appraising,

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1 appraisal report writing and economic concepts applicable to
2 real estate;

3 (2) a basic understanding of real estate
4 law;

5 (3) an adequate knowledge of theory and
6 techniques of real estate appraisal;

7 (4) an understanding of the principles of
8 land economics, real estate appraisal processes and problems
9 likely to be encountered in the gathering, interpreting and
10 processing of data in carrying out appraisal disciplines;

11 (5) an understanding of the standards for
12 the development and communication of real estate appraisals
13 as provided in the Real Estate Appraisers Act;

14 (6) knowledge of theories of depreciation,
15 cost estimating, methods of capitalization and the
16 mathematics of real estate appraisal that are appropriate for
17 the classification of a certificate applied for by the
18 applicant;

19 (7) knowledge of other principles and
20 procedures as may be appropriate for the respective
21 classification; and

22 (8) an understanding of the types of
23 misconduct for which disciplinary proceedings may be
24 initiated against a ~~[state apprentice]~~ real estate appraiser
25 trainee, a state licensed residential real estate appraiser

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1 or a state certified real estate appraiser as set forth in
2 the Real Estate Appraisers Act.

3 ~~[G. The examination shall be given at least four~~
4 ~~times each calendar year at such times and places within the~~
5 ~~state as the board prescribes. The board shall make a~~
6 ~~reasonable effort to conduct examinations in each~~
7 ~~congressional district. Notice of passing or failing the~~
8 ~~examination shall be given by the board to each applicant not~~
9 ~~later than forty-five days following the date of the~~
10 ~~examination.~~

11 ~~D.]~~ C. An applicant for a license or a
12 certificate who fails to successfully complete the written
13 examination may apply for a reexamination for a license or
14 certificate upon compliance with such conditions as set forth
15 in the rules adopted by the board pursuant to the provisions
16 of the Real Estate Appraisers Act."

17 **SECTION 11.** Section 61-30-14 NMSA 1978 (being Laws
18 1990, Chapter 75, Section 14, as amended) is amended to read:

19 "61-30-14. ISSUANCE AND RENEWAL OF REGISTRATION,
20 LICENSES AND CERTIFICATES.--

21 A. The board shall issue to each qualified
22 applicant evidence of registration, a license or a
23 certificate in a form and size prescribed by the board.

24 B. The board in its discretion may renew
25 registrations, licenses or certificates for periods of one,

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1 two or three years for the purpose of coordinating continuing
2 education requirements with registration, license or
3 certificate renewal requirements.

4 C. Each registration, license or certificate
5 holder shall submit proof of compliance with continuing
6 education requirements and the renewal fee.

7 D. ~~[At the election of eligible holders of a
8 registration, license or certificate who perform or seek to
9 perform appraisals in federally related transactions under
10 the federal real estate appraisal reform amendments]~~ Each
11 application for renewal shall include payment of a registry
12 fee set by the federal financial institutions examination
13 council. The registry fee shall be transmitted by the board
14 to the federal financial institutions examination council.
15 ~~[Notice of whether the state apprentice real estate
16 appraiser, state licensed real estate appraiser or state
17 certified real estate appraiser has paid the federal registry
18 fee and is thus eligible to perform in federally related
19 transactions shall be included on the face of each
20 registration, license and certificate issued by the board.]~~

21 E. The board shall certify renewal of each
22 registration, license or certificate in the absence of any
23 reason or condition that might warrant the refusal of the
24 renewal of a registration, license or certificate.

25 F. In the event ~~[any]~~ that a registration,

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1 license or certificate holder fails to properly apply for
2 renewal of the registration, license or certificate within
3 the thirty days immediately following ~~[his]~~ the registration,
4 license or certificate renewal date of any given year, the
5 registration, license or certificate shall expire thirty days
6 following the renewal date.

7 G. The board may renew an expired registration
8 upon application, payment of the current annual renewal fee,
9 submission of proof of compliance with continuing education
10 requirements and payment of a reinstatement fee in the amount
11 not to exceed two hundred dollars (\$200), in addition to any
12 other fee permitted under the Real Estate Appraisers Act.

13 H. The board may renew an expired license or
14 certificate upon application, payment of the current annual
15 renewal fee, submission of proof of compliance with
16 continuing education requirements and payment of the
17 reinstatement fee, in addition to any other fee permitted
18 under the Real Estate Appraisers Act; provided that the board
19 may, in the board's discretion, treat the former certificate
20 holder as a new applicant and further may require
21 reexamination as a condition to reissuance of a certificate.

22 I. If during a period of one year from the date a
23 registration, license or certificate expires, the
24 registration, license or certificate holder is either absent
25 from this state on active duty military service or is

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1 suffering from an illness or injury of such severity that the
2 person is physically or mentally incapable of renewal of the
3 registration, license or certificate, payment of the
4 reinstatement fee and, in the case of a license or
5 certificate holder, reexamination shall not be required by
6 the board if, within three months of the person's permanent
7 return to this state or sufficient recovery from illness or
8 injury to allow the person to make an application, the person
9 makes application to the board for renewal. A copy of the
10 person's military orders or a certificate of the applicant's
11 physician shall accompany the application.

12 J. The board may adopt additional requirements by
13 rule for the issuance or renewal of registrations, licenses
14 or certificates to maintain or upgrade real estate appraiser
15 qualifications at a level no less than the recommendations of
16 the appraiser qualifications board of the appraisal
17 foundation or the requirements of the appraisal
18 subcommittee."

19 SECTION 12. Section 61-30-15 NMSA 1978 (being Laws
20 1990, Chapter 75, Section 15, as amended) is amended to read:

21 "61-30-15. REFUSAL, SUSPENSION OR REVOCATION OF
22 REGISTRATION, LICENSE OR CERTIFICATE.--

23 A. The board, consistent with Section 61-30-7
24 NMSA 1978, shall refuse to issue or renew a registration,
25 license or certificate or shall suspend or revoke a

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1 registration, license or certificate at any time when the
2 applicant, [~~state apprentice~~] real estate appraiser trainee,
3 state licensed residential real estate appraiser or state
4 certified real estate appraiser, in performing or attempting
5 to perform any of the actions set forth in the Real Estate
6 Appraisers Act, is determined by the board to have:

7 (1) procured or attempted to procure a
8 registration, license or certificate by knowingly making a
9 false statement or submitting false information or through
10 any form of fraud or misrepresentation;

11 (2) refused to provide complete information
12 in response to a question in an application for registration,
13 a license or certificate or failed to meet the minimum
14 qualifications established by the Real Estate Appraisers Act;

15 (3) paid money, other than as provided for
16 in the Real Estate Appraisers Act, to any member or employee
17 of the board to procure registration, a license or a
18 certificate;

19 (4) been convicted of a crime that is
20 substantially related to the qualifications, functions and
21 duties of the person developing real estate appraisals and
22 communicating real estate appraisals to others;

23 (5) committed an act involving dishonesty,
24 fraud or misrepresentation or by omission engaged in a
25 dishonest or fraudulent act or misrepresentation with the

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1 intent to substantially benefit the registration, license or
2 certificate holder or another person or with the intent to
3 substantially injure another person;

4 (6) willfully disregarded or violated any of
5 the provisions of the Real Estate Appraisers Act or the rules
6 of the board adopted pursuant to that act;

7 (7) accepted an appraisal assignment when
8 the employment itself is contingent upon the real estate
9 appraiser reporting a predetermined analysis or opinion or
10 where the fee to be paid for the performance of the appraisal
11 assignment is contingent upon the opinion, conclusion or
12 valuation reached or upon the consequences resulting from the
13 appraisal assignment; provided that a contingent fee
14 agreement is permitted for the rendering of special services
15 not constituting an appraisal assignment and the acceptance
16 of a contingent fee is clearly and prominently stated on the
17 written appraisal report;

18 (8) suffered the entry of a final civil
19 judgment on the grounds of fraud, misrepresentation or deceit
20 in the making of an appraisal; provided that the [~~state~~
21 ~~apprentice~~] real estate appraiser trainee, state licensed
22 residential real estate appraiser or state certified real
23 estate appraiser shall be afforded an opportunity to present
24 matters in mitigation and extenuation, but may not
25 collaterally attack the civil judgment; or

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1 (9) committed any other conduct that is
2 related to dealings as a [~~state apprentice~~] real estate
3 appraiser trainee, a state licensed residential real estate
4 appraiser or a state certified real estate appraiser and that
5 constitutes or demonstrates bad faith, untrustworthiness,
6 impropriety, fraud, dishonesty or any unlawful act.

7 B. The board, consistent with Section 61-30-7
8 NMSA 1978, shall refuse to issue or renew a registration,
9 license or certificate and shall suspend or revoke a
10 registration, license or certificate at any time when the
11 board determines that the applicant or [~~state apprentice~~]
12 real estate appraiser trainee, state licensed residential
13 real estate appraiser or state certified real estate
14 appraiser, in the performance of real estate appraisal work,
15 has:

16 (1) repeatedly failed to observe one or more
17 of the standards for the development or communication of real
18 estate appraisals set forth in the rules adopted pursuant to
19 the Real Estate Appraisers Act;

20 (2) repeatedly failed or refused, without
21 good cause, to exercise reasonable diligence in developing an
22 appraisal, preparing an appraisal report or communicating an
23 appraisal;

24 (3) repeatedly been negligent or incompetent
25 in developing an appraisal, in preparing an appraisal report

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1 or in communicating an appraisal; or

2 (4) violated the confidential nature of
3 records to which the [~~state apprentice~~] real estate appraiser
4 trainee, state licensed residential real estate appraiser or
5 state certified real estate appraiser gained access through
6 employment or engagement as such an appraiser.

7 C. The action of the board relating to the
8 issuance, suspension or revocation of any registration,
9 license or certificate shall be governed by the provisions of
10 the Uniform Licensing Act; provided that the time limitations
11 set forth in the Uniform Licensing Act shall not apply to the
12 processing of administrative complaints filed with the board,
13 which shall be governed by federal statute, regulation or
14 policy. The board shall participate in any hearings required
15 or conducted by the board pursuant to the provisions of the
16 Uniform Licensing Act.

17 D. The provisions of the Criminal Offender
18 Employment Act shall govern any consideration of criminal
19 records required or permitted under the Real Estate
20 Appraisers Act.

21 E. Nothing in the Real Estate Appraisers Act
22 shall be construed to preclude any other remedies otherwise
23 available under common law or statutes of this state."

24 **SECTION 13.** Section 61-30-16 NMSA 1978 (being Laws
25 1990, Chapter 75, Section 16, as amended) is amended to read:

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1 "61-30-16. STANDARDS OF PROFESSIONAL APPRAISAL
2 PRACTICE--CERTIFICATE OF GOOD STANDING.--

3 A. Each real estate appraiser [~~registered,~~
4 ~~licensed or certified under the Real Estate Appraisers Act]~~
5 trainee, state licensed residential real estate appraiser or
6 state certified real estate appraiser shall comply with the
7 generally accepted standards of professional appraisal
8 practice and the generally accepted ethical rules to be
9 observed by a real estate appraiser. The generally accepted
10 standards of professional appraisal practice and professional
11 ethics are currently evidenced by the uniform standards of
12 professional appraisal practice [~~promulgated by the appraisal~~
13 ~~foundation and as adopted by regulation under the Real Estate~~
14 ~~Appraisers Act]~~. Real estate appraisals shall be written or
15 oral appraisals and subject to appropriate review for
16 compliance with the uniform standards of professional
17 appraisal practice. The work file for an oral appraisal
18 report shall be subject to appropriate review for compliance
19 with the uniform standards of professional appraisal
20 practice.

21 B. The board, upon payment of a fee in an amount
22 specified in its regulations, may issue a certificate of good
23 standing to any state registered, licensed or certified real
24 estate appraiser who is in good standing under the Real
25 Estate Appraisers Act."

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1 SECTION 14. Section 61-30-17 NMSA 1978 (being Laws
2 1990, Chapter 75, Section 17, as amended) is amended to read:

3 "61-30-17. FEES.--

4 A. The board shall charge and collect the
5 following fees not to exceed:

6 ~~[A.]~~ (1) an application fee for ~~[a]~~ real
7 estate appraiser trainee registration, two hundred dollars
8 (\$200);

9 ~~[B.]~~ (2) an application fee for a license or
10 residential certification, four hundred dollars (\$400);

11 ~~[C.]~~ (3) an application fee for general
12 certification, five hundred dollars (\$500);

13 ~~[D.]~~ (4) an examination fee for general and
14 residential certification or license, two hundred dollars
15 (\$200);

16 ~~[E.]~~ (5) a registration renewal fee for a
17 real estate appraiser trainee, two hundred fifty dollars
18 (\$250);

19 ~~[F.]~~ (6) a certificate renewal fee for
20 residential certification, or license renewal, four hundred
21 fifty dollars (\$450);

22 ~~[G.]~~ (7) a certificate renewal fee for
23 general certification, five hundred dollars (\$500);

24 ~~[H.]~~ (8) the registry fee as required by the
25 federal real estate appraisal reform amendments;

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1 [~~F.~~] (9) for registration for temporary
2 practice, two hundred dollars (\$200);

3 [~~J.~~] (10) for each duplicate registration,
4 license or certificate issued because a registration, license
5 or certificate is lost or destroyed and an affidavit as to
6 its loss or destruction is made and filed, fifty dollars
7 (\$50.00); and

8 [~~K.~~] (11) fees to cover reasonable and
9 necessary administrative expenses.

10 B. The board shall establish the fee for
11 appraisal management company registration by rule to cover
12 the cost of the administration of the Appraisal Management
13 Company Registration Act, but in no case shall the fee be
14 more than two thousand dollars (\$2,000). Registration fees
15 shall be credited to the appraiser fund pursuant to Section
16 61-30-18 NMSA 1978."

17 SECTION 15. Section 61-30-18 NMSA 1978 (being Laws
18 1990, Chapter 75, Section 18, as amended) is amended to read:

19 "61-30-18. APPRAISER FUND CREATED--DISPOSITION--METHOD
20 OF PAYMENT.--

21 A. There is created in the state treasury the
22 "appraiser fund" to be administered by the board. All fees
23 received by the board pursuant to the Real Estate Appraisers
24 Act and the Appraisal Management Company Registration Act
25 shall be deposited with the state treasurer to the credit of

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1 the appraiser fund. Income earned on investment of the fund
2 shall be credited to the fund.

3 B. Money in the appraiser fund shall be used by
4 the board to meet necessary expenses incurred in the
5 enforcement of the provisions of the Real Estate Appraisers
6 Act and the Appraisal Management Company Registration Act, in
7 carrying out the duties imposed by the Real Estate Appraisers
8 Act and the Appraisal Management Company Registration Act and
9 for the promotion of education and standards for real estate
10 appraisers in this state. Payments out of the appraiser fund
11 shall be on vouchers issued and signed by the person
12 designated by the board upon warrants drawn by the department
13 of finance and administration.

14 C. All unexpended or unencumbered balances
15 remaining at the end of each fiscal year shall remain in the
16 appraiser fund for use in accordance with the provisions of
17 the Real Estate Appraisers Act and the Appraisal Management
18 Company Registration Act. Money in the fund shall be used by
19 the board to support efforts to comply with the rules of the
20 appraisal subcommittee, including the complaint process,
21 complaint investigations and appraiser enforcement
22 activities."

23 SECTION 16. Section 61-30-19 NMSA 1978 (being Laws
24 1990, Chapter 75, Section 19, as amended) is amended to read:

25 "61-30-19. CONTINUING EDUCATION.--

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1 A. The board shall adopt rules providing for
2 continuing education programs that offer courses in real
3 property appraisal, practices and techniques, including basic
4 real estate law and practice. The rules shall require that
5 every [~~state apprentice~~] real estate appraiser trainee, state
6 licensed residential real estate appraiser or state certified
7 real estate appraiser, as a condition to renewal, shall
8 successfully complete the continuing education requirements
9 approved by the board.

10 B. The rules shall prescribe areas of specialty
11 or expertise relating to registration, licenses and the type
12 of certificate held and may require that a certain part of
13 continuing education be devoted to courses in the area of the
14 [~~state apprentice~~] real estate [~~appraiser's~~] appraiser
15 trainee's, state licensed residential real estate appraiser's
16 or state certified real estate appraiser's specialty or
17 expertise. The rules shall also permit [~~state apprentice~~]
18 real estate [~~appraiser's~~] appraiser trainees, state licensed
19 residential real estate appraisers or state certified real
20 estate appraisers to meet the continuing education
21 requirements by participation other than as a student in
22 educational processes and programs in real property appraisal
23 theory, practices and techniques by instructing or preparing
24 educational materials."

25 SECTION 17. Section 61-30-20 NMSA 1978 (being Laws

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1 1990, Chapter 75, Section 20, as amended) is amended to read:

2 "61-30-20. NONRESIDENT APPLICANTS--RECIPROCIITY.--

3 A. ~~[The board shall issue a registration, license~~
4 ~~or certificate to a nonresident, provided that state's~~
5 ~~requirements for registration, licensing or certification are~~
6 ~~the same or similar to the requirements set forth in the Real~~
7 ~~Estate Appraisers Act. In the event that the other state's~~
8 ~~requirements are not similar or cannot be verified, a~~
9 ~~qualifying nonresident applicant may become a state~~
10 ~~apprentice real estate appraiser, state licensed real estate~~
11 ~~appraiser or state certified real estate appraiser by~~
12 ~~conforming to all conditions of the Real Estate Appraisers~~
13 ~~Act. Examinations taken in other states are acceptable in~~
14 ~~New Mexico at the board's discretion if the exam was at the~~
15 ~~appropriate level and approved by the appraisal foundation.~~
16 ~~If it is beneficial to New Mexico state apprentice real~~
17 ~~estate appraisers, state licensed real estate appraisers or~~
18 ~~state certified real estate appraisers, the board may~~
19 ~~negotiate agreements with other states allowing reciprocity.]~~
20 Pursuant to Title 11 of the Financial Institutions Reform,
21 Recovery, and Enforcement Act of 1989 as amended by the
22 Dodd-Frank Wall Street Reform and Consumer Protection Act,
23 the board shall issue a registration, license or certificate
24 to a nonresident if the applicant's home state complies with
25 Title 11 as determined by the appraisal subcommittee.

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1 B. The registration, license or certificate shall
2 be issued upon payment of the application fee, verification
3 that the applicant has complied with ~~[his]~~ the applicant's
4 resident state's current education requirements and the
5 filing with the board of a license history and verification
6 of good standing issued by the licensing board of the other
7 state.

8 ~~[B-]~~ C. The applicant shall file an irrevocable
9 consent that suits and actions may be commenced against ~~[him]~~
10 the applicant in the proper court of any county of this state
11 in which a cause of action may arise from ~~[his]~~ the
12 applicant's actions as a ~~[state apprentice]~~ real estate
13 appraiser trainee, state licensed residential real estate
14 appraiser or state certified real estate appraiser or in
15 which the plaintiff may reside, by the service of any
16 processes or pleadings authorized by the laws of this state
17 on the board, the consent stipulating and agreeing that such
18 service of processes or pleadings on the board shall be taken
19 and held in all courts to be as valid and binding as if
20 personal service has been made upon the applicant in New
21 Mexico. In case any process or pleading mentioned in the
22 case is served upon the board, it shall be by duplicate
23 copies, one of which shall be filed in the office of the
24 board and the other immediately forwarded by registered mail
25 to the nonresident ~~[state apprentice]~~ real estate appraiser

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1 trainee, state licensed residential real estate appraiser or
2 state certified real estate appraiser to whom the processes
3 or pleadings are directed."

4 SECTION 18. Section 61-30-21 NMSA 1978 (being Laws
5 1990, Chapter 75, Section 21, as amended) is amended to read:

6 "61-30-21. TEMPORARY PRACTICE.--

7 A. Pursuant to Title 11 of the Financial
8 Institutions Reform, Recovery, and Enforcement Act of 1989 as
9 amended by the Dodd-Frank Wall Street Reform and Consumer
10 Protection Act, the board shall recognize, on a temporary
11 basis, the registration, certification or license of a real
12 estate appraiser issued by another state if:

13 (1) the real estate appraiser's business is
14 of a temporary nature and certified by the real estate
15 appraiser not to exceed six months; and

16 (2) the real estate appraiser registers the
17 temporary practice with the board.

18 B. The applicant or any person registering with
19 the board for temporary practice shall file an irrevocable
20 consent that suits and actions may be commenced against [~~him~~]
21 the applicant in the proper court of any county of this state
22 in which a cause of action may arise from [~~his~~] the
23 applicant's actions as a [~~state apprentice~~] real estate
24 appraiser trainee, a state licensed residential real estate
25 appraiser or a state certified real estate appraiser or in

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1 which the plaintiff may reside, by the service of any
2 processes or pleadings authorized by the laws of this state
3 on the board, the consent stipulating and agreeing that such
4 service of processes or pleadings on the board shall be taken
5 and held in all courts to be as valid and binding as if
6 personal service had been made upon the applicant in New
7 Mexico. [~~In case any~~] If a process or pleading mentioned in
8 the case is served upon the board, it shall be by duplicate
9 copies, one of which shall be filed in the office of the
10 board and the other immediately forwarded by registered mail
11 to the nonresident [~~state apprentice~~] real estate appraiser
12 trainee, state licensed residential real estate appraiser or
13 state certified real estate appraiser to whom the processes
14 or pleadings are directed."

15 SECTION 19. Section 61-30-22 NMSA 1978 (being Laws
16 1990, Chapter 75, Section 22, as amended) is amended to read:

17 "61-30-22. CIVIL AND CRIMINAL PENALTIES--INJUNCTIVE
18 RELIEF.--

19 A. Any person who violates any provision of the
20 Real Estate Appraisers Act is guilty of a misdemeanor and
21 shall be punished by a fine of not more than one thousand
22 dollars (\$1,000) or by imprisonment for not more than six
23 months or both.

24 B. In the event any person has engaged in or
25 proposes to engage in any act or practice violating a

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1 provision of the Real Estate Appraisers Act, the attorney
2 general or the district attorney of the judicial district in
3 which the person resides or the judicial district in which
4 the violation has occurred or will occur shall, upon
5 application of the board, maintain an action in the name of
6 the state to prosecute the violation or to enjoin the
7 proposed act or practice.

8 C. The board may impose a civil penalty in an
9 amount not to exceed one thousand dollars (\$1,000) for each
10 violation of the Real Estate Appraisers Act and assess
11 administrative costs for any investigation and administrative
12 or other proceedings against a [~~state apprentice~~] real estate
13 appraiser trainee, a state licensed residential real estate
14 appraiser or a state certified real estate appraiser or
15 against any person who is found, through an administrative
16 proceeding, to have acted without a license. Appeals from
17 decisions of the board shall be taken as provided in Section
18 39-3-1.1 NMSA 1978."

19 SECTION 20. A new section of the Real Estate Appraisers
20 Act is enacted to read:

21 "[NEW MATERIAL] AUTOMATED VALUATION MODELS USED TO
22 ESTIMATE COLLATERAL VALUE FOR MORTGAGE LENDING PURPOSES.--

23 A. Automated valuation models shall adhere to
24 quality control standards designed to:

25 (1) ensure a high level of confidence in the

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1 estimates produced by automated valuation models;

2 (2) protect against the manipulation of
3 data;

4 (3) seek to avoid conflicts of interest;

5 (4) require random sample testing and
6 reviews; and

7 (5) account for any other such factor that
8 the board determines to be appropriate.

9 B. The board, in consultation with the staff of
10 the appraisal subcommittee and the appraisal standards board
11 of the appraisal foundation, shall promulgate rules to
12 implement the quality control standards required under this
13 section."

14 SECTION 21. A new section of the Real Estate Appraisers
15 Act is enacted to read:

16 "[NEW MATERIAL] CRIMINAL BACKGROUND CHECKS.--

17 A. The board may adopt rules that provide for
18 criminal background checks for all registrants, certified
19 licensees and licensees to include:

20 (1) requiring criminal history background
21 checks of applicants for registration, certified licensure or
22 licensure pursuant to the Real Estate Appraisers Act;

23 (2) requiring applicants for registration,
24 or certified licensure or licensure to be fingerprinted;

25 (3) providing for an applicant who has been

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1 denied registration or certified licensure or licensure to
2 inspect or challenge the validity of the background check
3 record;

4 (4) establishing a fingerprint and
5 background check fee not to exceed fees as determined by the
6 department of public safety to be paid by the applicant; and

7 (5) providing for submission of an
8 applicant's fingerprint cards to the federal bureau of
9 investigation to conduct a national criminal history
10 background check and to the department of public safety to
11 conduct a state criminal history check.

12 B. Arrest record information received from the
13 department of public safety and the federal bureau of
14 investigation shall be privileged and shall not be disclosed
15 to persons not directly involved in the decision affecting
16 the applicant.

17 C. Electronic live fingerprint scans may be used
18 when conducting criminal history background checks."