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HOUSE BILL 348

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

RICK MIERA

AN ACT

**RELATING TO REAL ESTATE APPRAISALS; REQUIRING OUT-OF-STATE
APPRAISAL MANAGEMENT COMPANIES TO BE REGISTERED WITH THE REAL
ESTATE APPRAISERS BOARD AND EMPLOY A LEGALLY QUALIFIED NEW
MEXICO APPRAISER FOR THE PURPOSE OF APPRAISAL REVIEWS.**

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

**Section 1. A new section of the Real Estate Appraisers
Act is enacted to read:**

**"[NEW MATERIAL] APPRAISAL MANAGEMENT COMPANIES--
REGISTRATION--EMPLOYMENT OF LEGALLY QUALIFIED APPRAISER.--**

**A. For the purpose of this section, "appraisal
management company" means a person that acts as an
intermediary for mortgage lending institutions to recruit and
hire appraisers to perform real estate appraisals or appraisal
reviews and to transmit the appraisals, appraisal reviews,**

Underscored material = new
[bracketed material] = delete

1 final value estimates or certificates of value to lending
2 institutions to be used in the making of mortgage loans. An
3 appraisal management company insures, guarantees, indemnifies
4 or by similar means protects the mortgage lender from
5 improper, inaccurate or fraudulent appraisals.

6 B. An appraisal management company doing business
7 in New Mexico must be registered with the board. An appraisal
8 management company shall conduct its business in accordance
9 with all federal and state laws governing the appraisal of
10 real estate.

11 C. If an appraisal management company provides
12 insurance or guaranty to users of its services, the appraisal
13 management company shall comply with all federal and state
14 laws governing the issuance of insurance policies and comply
15 with the New Mexico Insurance Code and rules adopted by the
16 superintendent of insurance in accordance with that act.

17 D. When an appraisal review is conducted or
18 required, the New Mexico-certified appraiser shall have
19 specific geographic competency to perform the appraisal or
20 review in accordance with the uniform standards of
21 professional practice and the appraiser shall maintain the
22 required and appropriate New Mexico certification to perform
23 appraisal reviews. "