

This is an amendment to 16.62.1 Sections 3, 7, and 8, effective 9/26/2023

16.62.1.3 STATUTORY AUTHORITY: [~~These rules are promulgated pursuant to the real estate appraisers board, Sections 61-30-1, 3, 7 and 16 NMSA 1978 as amended.~~] These rules are promulgated pursuant to the Real Estate Appraisers Act, Section 61-30-1 to Section 61-30-24, NMSA 1978. [1/14/00; 16.62.1.3 NMAC - Rn, 16 NMAC 62.1.3, 09/13/2004; A, 09/26/2023]

16.62.1.7 DEFINITIONS: The following rules and regulations are for the purpose of implementing the provisions of the New Mexico Real Estate Appraisers Act.

A. Terms starting with the letter 'A' are defined as follows:

(1) "Acceptable" appraisal experience includes, but is not limited to the following: fee and staff appraisal, ad valorem tax appraisal, review appraisal, market analysis, real estate counseling/consulting, highest and best use analysis and feasibility analysis. All experience claimed must be obtained after January 30, 1989, and must be in conformance with applicable national uniform standards of professional appraisal practice (USPAP). Appraisal experience acceptable toward licensing or certification can be from any state but must have been gained under the supervision of an appraiser who is certified at a level equal to or greater than the license or certificate the applicant is seeking. Experience claimed from previous periods when an applicant was a trainee, licensed, or certified will be acceptable, provided the experience claimed was completed and in compliance with the applicable rules pertaining to acceptable experience in effect at the time the experience was gained.

(2) "Appraisers act" or "act" means the New Mexico Real Estate Appraisers Act as defined in Section 61-30-1 NMSA 1978.

(3) "Appraisal management company (AMC)" means:

(a) any external third party that oversees a network or panel of more than 15 certified or licensed appraisers in a state or 25 or more nationally within a given year to:

- (i)** recruit, select and retain appraisers;
- (ii)** contract with appraisers to perform appraisal assignments;
- (iii)** manage the process of having an appraisal performed; or
- (iv)** review and verify the work of appraisers; or

(b) any external third party that contracts with a qualifying licensed real estate broker or associate broker as defined in Chapter 61, Article 29 NMSA 1978 to provide broker price opinions.

(4) "Appraisal management services" means:

(a) to recruit, select, and retain appraisers;

(b) to contract with licensed and certified appraisers to perform appraisal assignments;

(c) to manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed; or

(d) to review and verify the work of appraisers.

(5) "Appraisal review" is the act or process of developing and communicating an opinion about the quality of another appraiser's work that was performed as part of an appraisal, or an appraisal review assignment. The appraisal reviewer must have certification that corresponds with or is higher than the level of licensure required to perform the initial appraisal.

(6) "Assignment" means one or more real estate appraisals and written appraisal report(s) covered by a single contractual agreement for a specified number of properties.

(7) "Appraiser" means one who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.

B. Terms starting with the letter 'B' are defined as follows: **"Broker price opinion"** means: an opinion by a qualifying or associate broker of the price of real estate for the purpose of marketing, selling, purchasing, leasing or exchanging the real estate or any interest therein or for the purposes of providing a financial institution with a collateral assessment of any real estate in which the financial institution has an existing or potential security interest; provided that the opinion of the price shall not be referred to or construed as an appraisal or

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

C. Terms starting with the letter 'C' are defined as follows:

(1) **“Complaint committee”** shall be appointed by the board. The chairperson of the committee shall be an appraiser board member. The board appointed complaint committee is for the purpose of review of complaints and shall make recommendations to the board as to its findings. No real estate appraiser organization shall have a majority membership on the committee.

(2) **“Complex”** means a one to four family residential property appraisal in which the property to be appraised, the form of ownership, or the market conditions are atypical.

(3) **“Content approval for distance education”** non-academic credit college courses provided by a college shall be approved by the appraiser qualifications board (AQB) and the New Mexico real estate appraisers board.

D. Terms starting with the letter 'D' are defined as follows: **“Duly made application”** means an application to the New Mexico real estate appraisers board including Subparagraphs (a) through (g) set out below, in addition to any other requirements of the board:

(1) a completed application on the form provided by the board; the form must be signed by the applicant attesting to the truthfulness of the information provided in the application; electronic signatures shall be acceptable;

~~[(2) letters of verification from at least three individuals who are not related to the applicant but who are acquainted personally and professionally with him/her and who can attest that the applicant is of good moral character; and is competent;~~

~~_____ (3) a statement attesting that he/she is a native, a naturalized citizen or a legal resident of the United States;~~

~~_____ (4)] (2) transcripts or certificates or statements showing successful completion of the required appraisal courses;~~

~~[(5) a recent photograph of the applicant in which the applicant clearly is discernible; the photograph must be at least two inches by three inches in size;~~

~~_____ (6)] (3) a check or money order or online payment for the fees set out in 16.62.12.8 NMAC;~~

~~[(7)] (4) an appraiser experience log recorded on the forms approved by the board or on another approved form, if required.~~

E. Terms starting with the letter 'E' are defined as follows:

(1) **“Education advisory committee”** shall be appointed by the board for the purpose of review of applications for course approval and sponsorship approval of appraiser educational offerings and shall make recommendations to the board as to its findings. Membership in a professional organization or association shall not be a prerequisite to serve on the committee. No real estate appraiser organization shall have a majority membership on the committee.

(2) “Ethics rule” An appraiser must promote and preserve the public trust inherent in appraisal practice by observing the highest standards of professional ethics. An appraiser must comply with USPAP when obligated by law or regulation, or by agreement with the client or intended users. In addition to these requirements, an individual should comply any time that individual represents that he or she is performing the service as an appraiser.

(3) **“Experience”** is defined as verifiable time spent in performing tasks in accordance with the definition of “appraisal” and “appraisal assignment”, as stated in the act, Section 61-30-3, NMSA 1978. Such tasks include inspecting and analyzing properties; assembling and analyzing relevant market data; forming objective opinions as to the value, quality or utility of such properties; and preparing reports or file memoranda showing data, reasoning and conclusions. Professional responsibility for the valuation function is essential for experience credit.

(4) **“Experience”** will be submitted to the board in the form of a log, which indicates assignment information and type, compensation status, time spent on the assignment and whether the applicant signed the report. Experience credit claimed on the log must be attested to by the supervising appraiser. Experience logs are subject to review and request for supporting documentation. As an alternative method of obtaining all required experience credits necessary for licensure as a licensed appraiser, the board will accept experience obtained from an appraisal qualification board-approved provider through a Practical Applications of Real Estate Appraisal (PAREA) program.

(5) **“Experience review process”** is the method by which appraiser experience is approved for credit toward licensure or certification. The process includes the review of the experience log submitted by the applicant; selection of three or more entries for review of the reports and any additional file memoranda; and

approval of experience hours claimed and conformance of reports with applicable national uniform standards of professional appraisal practice (USPAP) standards.

F. Term starting with the letter 'F' is defined as follows: **"FIRREA"** means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and its amendments.

G. Terms starting with the letter 'G'. **[RESERVED]**

H. Terms starting with the letter 'H'. **[RESERVED]**

I. Terms starting with the letter 'I'. **"IDEC"** - international distance education certification center.

J. Terms starting with the letter 'J'. **[RESERVED]**

K. Terms starting with the letter 'K'. **[RESERVED]**

L. Terms starting with the letter 'L' are defined as follows:

(1) **"Licensee"** means a trainee, license, residential certificate or general certificate.

(2) **"Location"** means the offices of the New Mexico real estate appraisers board will be located in Santa Fe or Albuquerque, New Mexico.

M. Term starting with the letter 'M' is defined as follows: **"Module"** is an appraisal subject matter area (and required hours of coverage) as identified in the required core curriculum. All modules identified in the required core curriculum for a specific classification must be successfully completed to satisfy the educational requirements as set forth in the appraiser qualifications board (AQB) real property appraiser qualification criteria.

N. Term starting with the letter 'N' is defined as follows: **"Nonresident appraiser"** for the purpose of 61-30-20 of the New Mexico Real Estate Appraisers Act, nonresident applicants; reciprocity, means an individual who holds a current trainee registration, license, or certificate, and is in good standing, in another state.

O. Terms starting with the letter 'O'. **[RESERVED]**

P. Terms starting with the letter 'P' are defined as follows:

(1) **"Practicing appraiser"** means a state licensed or certified appraiser in good standing, engaged in performing appraisal assignments.

(2) **"Primary business location"** means the geographical location of a business where the supervisor and trainee spend the majority of their time. A trainee may perform work only in areas where the supervising appraiser has competency pursuant to USPAP.

(3) **"Practical applications of real estate appraisal (PAREA)"** The appraisal foundation appraiser qualifications board adopted the Practical Applications of Real Estate Appraisal (PAREA) effective January 1, 2021. These new minimum criteria provide another pathway for aspiring appraisers to fulfill their experience requirements by taking advantage of innovative technology. PAREA is designed to offer practical experience in a virtual environment combining appraisal theory and methodology in real-world simulations. This experience can be provided through a wide range of online and virtual reality technologies.

Q. Terms starting with the letter 'Q'. **[RESERVED]**

R. Term starting with the letter 'R' is defined as follows: **"Required core curriculum"** is a set of appraisal subject matter (known as 'modules') which require a specified number of educational hours at each credential level; as set forth in the appraiser qualifications board (AQB) real property appraiser qualification criteria.

S. Term starting with the letter 'S' is defined as follows: **"Supervisor"** means a certified residential or certified general appraiser in good standing in the training jurisdiction and not subject to any disciplinary action within the last three years that affects the supervisor's legal ability to engage in appraisal practice.

T. Term starting with the letter 'T' is defined as follows: **"Trainee"** means an individual taught to become a state licensed or certified appraiser under the direct supervision of a supervising appraiser.

U. Term starting with the letter 'U' is defined as follows: **"Uniform standards of professional appraisal practice"** (USPAP) means the uniform standard or the profession standard promulgated by the appraisal standards board of the appraisal foundation and adopted by rules pursuant to the Real Estate Appraiser Act and deals with the procedures to be followed in which an appraisal, analysis, or opinion is communicated.

V. Terms starting with the letter 'V'. **[RESERVED]**

W. Term starting with the letter 'W' is defined as follows: **"Work file"** is documentation necessary to support an appraiser's analyses, opinions, and conclusions.

X. Terms starting with the letter 'X'. **[RESERVED]**

Y. Terms starting with the letter 'Y'. **[RESERVED]**

Z. Terms starting with the letter 'Z'. **[RESERVED]**

[1/14/00; 16.62.1.7 NMAC - Rn & A, 16 NMAC 62.1.7, 09/13/2004; A, 11/25/06; A, 06/13/08; A, 11/15/08; A, 10/16/2009; A, 08/21/2010; A, 7/10/2011; A, 01/01/2015; A, 06/01/2015; A, 02/03/2019; A, 09/26/2023]

16.62.1.8 STANDARDS OF PROFESSIONAL PRACTICE, CODE OF PROFESSIONAL RESPONSIBILITY AND ADOPTION OF FIRREA:

A. The national uniform standards of professional appraisal practice (USPAP) as promulgated by the appraisal standards board of the appraisal foundation, and adopted and incorporated by reference are the minimum requirements. The appraisal standards board's code of professional responsibility and Ethics Rule, are the minimum professional and ethical standards that will govern appraisers practicing in New Mexico.

B. The Financial Institutions Reform, Recovery and Enforcement Act (FIRREA, 12 U.S.C. 3351) and its current amendments are adopted and incorporated into these regulations by reference.

C. Pursuant to Title XI of FIRREA, as amended by the Dodd-Frank Act of 2010, the board shall:

(1) designate a high ranking officer, such as a board administrator, who will serve as the state's authorized registry official (SARO), and must ensure that non-public data is appropriately protected;

(2) provide to the ASC, in writing, information regarding the selected authorized registry official, and any individual(s) authorized to act on their behalf, and should ensure that the authorization information provided to the ASC is kept current; and

(3) adopt and implement a written policy to adequately protect the right of access.

[1/14/00; 16.62.1.8 NMAC - Rn & A, 16 NMAC 62.1.8, 09/13/2004; A, 11/25/06; A, 01/01/2015; A, 09/26/2023]