

This is an amendment to 16.62.1 NMAC Sections 7, 12 and addition of new section 14, effective August 21, 2010.

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 after [~~December 1, 1990~~] January 30, 1989, must be in conformance with applicable national uniform standards of professional appraisal practice (USPAP). Appraisal experience acceptable toward licensing or certification 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.

(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 corporation, partnership, sole proprietorship, subsidiary, limited liability company or other business entity that:

(a) contracts with independent appraisers to perform real estate appraisal services for clients;
(b) receives requests for real estate appraisal services from clients and for a fee paid by client, enters into an agreement with one of more independent appraisers to perform the real estate appraisal services contained in the request;

(c) otherwise serves as a third-party broker of appraisal management service between clients and appraiser.

(4) "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, appraisal review, or appraisal consulting assignment.

B. Terms starting with the letter 'B'. [RESERVED]

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.

(1) "Direct supervision" means that a supervising appraiser is physically present to direct and oversee the production of each appraisal assignment.

(2) "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:

(a) 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;

(b) 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;

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

(d) transcripts or certificates or statements showing successful completion of the required appraisal courses;

(e) 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;

(f) a check or money order for the fees set out in 16.62.12.8 NMAC;

(g) 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 [~~provision~~] rule" emphasizes the personal and professional obligations and responsibilities of the individual 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.

(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'. [~~RESERVED~~] "IDECC" - 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 an apprentice, 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, 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 apprentice 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 in the geographical location and property type.

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 two (2) 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 [~~who is~~ being] 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 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]

16.62.1.12 SUPERVISING APPRAISER/TRAINEE:

A. Supervision of trainees: An appraiser may engage a declared trainee to assist in the performance of real estate appraisals and related activities, provided the supervising certified real estate appraiser:

(1) has been certified for at least two years;

(2) has no more than three trainees working under his supervision at one time; prior to the date any trainee begins performing real estate appraisal and related activities under his or her supervision, the supervisor must inform the board of the name of the trainee on the declaration form prescribed by the board; the supervisor must also inform the board within ten days when a trainee is no longer working under his supervision;

(3) actively and personally supervises the trainee:

(a) when training for residential license or residential certification the supervisor must accompany the trainee on inspections of the subject property on the first 75 assignments; after that point, the trainee may perform the inspections without the presence of the supervisor provided the trainee is competent to perform those inspections in accordance with the competency rule of the national uniform standards of professional appraisal practice (USPAP) for the property type and provided the property is less than 100 miles from the supervisor's primary business location; the supervisor must accompany the trainee on all inspections of subject properties that are located more than 100 miles from the supervisor's primary business location; the supervisor and trainee must have primary business location in the same state;

(b) when training for general certification the supervisor must accompany the trainee on inspections of the subject property on the first ~~10~~ 50 non-residential assignments; after that point, the trainee may perform the inspections without the presence of the supervisor provided the trainee is competent to perform those inspections in accordance with the competency rule of the national uniform standards of professional appraisal practice (USPAP) for the property type and market area; the supervisor and trainee must have primary business location in the same state;

(4) reviews all appraisal reports and supporting data used in connection with appraisals in which the services of a trainee are utilized; the trainee's supervisor ~~signs~~ is required to sign the appraisal report and certifies the report is in compliance with the uniform standards of professional appraisal practice (USPAP); the supervisor is required to sign the appraisal experience log at least every 30 days;

(5) must attend a supervisor/trainee education program approved by the appraisal board regarding the role of a supervisor prior to the declaration of the first new trainee or within 90 days after such supervision begins; if the supervisor does not take the class within 90 days after the supervision begins, the trainee may no longer work under the supervision of that supervisor until the class is taken; thereafter the supervisor must attend the class every other licensing cycle;

(6) shall not be employed by a trainee or by a company, firm or partnership in which the trainee has a controlling interest.

B. Trainee. All trainees shall perform all real estate appraisal and related activities under the immediate, active, and personal supervision of a certified real estate appraiser. All appraisal reports must be signed by the trainees declared supervisor. By signing the appraisal report, the certified appraiser accepts responsibility with the trainee for the content of and conclusions of the report. A trainee may assist in the performance of real estate appraisals provided the trainee:

(1) maintains a log on a form prescribed by the board that includes, but is not limited to, each appraisal performed by the trainee, the type of the property appraised, type of appraisal performed, complete street address of the subject property, the date the report was signed, the number of hours claimed, the name of the supervisor for that appraisal, the supervisor's certificate number, and whether the supervisor accompanied the

trainee on the inspection of the subject; the log must show all appraisals and related activities performed by the trainee and must be updated and signed by the supervisor at least every 30 days; a trainee can only receive credit for half of the hours claimed within the performed appraisal.

(2) must attend a supervisor/trainee education program approved by the appraisal board either before supervision begins or within 90 days after such supervision begins; if the trainee does not take the class within 90 days after supervision begins, the trainee shall not receive appraisal experience credit for appraisals performed until the class is taken;

(3) must assure that the supervisor has properly completed and sent the declaration form to the appraisal board on or before the day the trainee begins assisting the supervising appraiser;

(4) trainees shall not receive appraisal experience credit for appraisal and related activities performed in violation of Subsection B of 16.62.1.12 NMAC.

~~[C. Board notification of existing supervisor. All certified appraisers who are currently supervising trainees must:~~

~~(1) declare with the board the name of each trainee on the declaration form prescribed by the board within 30 days of 06/13/08;~~

~~(2) not add any new trainees until they have met requirements of Subsections A and B of this section;~~

~~(3) trainees shall not receive appraisal experience credit for appraisal and related activities performed in violation of Subsection C of 16.62.1.12 NMAC.~~

~~D. Board notification of existing trainee. Every trainee who is currently being supervised must:~~

~~(1) assure that the supervisor has properly completed and sent the supervisor declaration form to the board within 30 days of 06/13/08;~~

~~(2) maintain the experience log, per part B1, on the form prescribed by the board effective month/day/year; all logs of appraisals and related activities completed prior to 06/13/08 are valid in accordance with regulations in place at the time they were performed;~~

~~(3) if training is not completed by 2009 renewal cycle, trainee must complete the approved supervisor/trainee education program prior to renewal.]~~

[16.62.1.12 NMAC - N, 06/13/08; A, 10/16/2009; A, 08/21/2010]

16.62.1.14 APPRAISAL MANAGEMENT COMPANIES: An appraiser may not perform appraisal for an AMC unless that company is registered pursuant to the Appraisal Management Company registration Act 47.14.1 NMSA 1978.

[16.62.1.14 NMAC - N, 08/21/2010]