

1 A MEMORIAL

2 REQUESTING THAT THE NEW MEXICO LEGISLATIVE COUNCIL CREATE A  
3 TASK FORCE TO STUDY HOW TO PROVIDE CONSUMER PROTECTIONS FOR  
4 LOW-INCOME PURCHASERS OF RESIDENTIAL REAL ESTATE THROUGH  
5 INSTALLMENT CONTRACTS IN ORDER TO PREVENT UNETHICAL AND  
6 UNFAIR SALES AND CURB THE PROLIFERATION OF RESIDENTIAL  
7 DEVELOPMENT THAT LACKS CRITICAL INFRASTRUCTURE.

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9 WHEREAS, many low-income New Mexicans seek the security  
10 for themselves and their families that owning residential  
11 real property represents; and

12 WHEREAS, many low-income New Mexicans who seek such  
13 security are unable to secure conventional mortgage loans due  
14 to a lack of assets or a lack of a favorable credit history,  
15 or because the property being purchased is nonconforming or  
16 is located in an illegal subdivision; and

17 WHEREAS, many of those low-income New Mexicans purchase  
18 real property through an installment contract; and

19 WHEREAS, many low-income New Mexicans who purchase  
20 residential real property through installment contracts may  
21 not be fully informed of the terms of the sale, the  
22 description and condition of the property and their rights  
23 and responsibilities under the contract; and

24 WHEREAS, many of these real property sales may not be  
25 recorded with county clerks, and therefore New Mexico

1 counties are unable to effectively manage development of  
2 their lands; and

3 WHEREAS, when residential communities develop through  
4 the sale of real property through unscrupulous and unrecorded  
5 installment contracts and outside of recognized legal  
6 subdivisions, they often lack basic infrastructure  
7 development, including water, wastewater, electrical and  
8 natural gas services and dedicated roadways, that would  
9 result in safe and healthy housing; and

10 WHEREAS, when residential communities develop without  
11 infrastructure, well-intentioned efforts to remedy that  
12 situation may be thwarted because ownership and property  
13 rights cannot be easily determined on these unscrupulous and  
14 unrecorded transactions; and

15 WHEREAS, as a community, all New Mexicans need to come  
16 together to determine the necessary requirements, protections  
17 and remedies that should be put into effect to protect  
18 low-income New Mexicans who purchase residential real  
19 property through installment contracts in a manner that will  
20 not negatively affect the economic viability and vitality of  
21 ethical seller-financed contracts for the sale of residential  
22 real property;

23 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE  
24 STATE OF NEW MEXICO that the New Mexico legislative council  
25 be requested to create a task force to identify and study the

1 consumer protections and remedies that could be enacted in  
2 the state for low-income New Mexicans who purchase  
3 residential real property through installment contracts; and

4 BE IT FURTHER RESOLVED that the task force consider the  
5 fiscal and policy implications of these consumer protections  
6 and remedies for low-income New Mexicans, counties and the  
7 state as a whole; and

8 BE IT FURTHER RESOLVED that the task force be composed  
9 of persons who are actively engaged as low-income  
10 New Mexicans who purchase residential real property through  
11 installment contracts and their advocates; persons who sell  
12 residential real property through installment contracts and  
13 their advocates; representatives of county governments and  
14 their advocates; representatives from escrow companies with  
15 at least twenty years' experience in the real estate business  
16 and are currently servicing at least two thousand five  
17 hundred real estate contracts; representatives from the  
18 New Mexico land title association; representatives from the  
19 REALTORS association of New Mexico; representatives from the  
20 New Mexico center on law and poverty; representatives from  
21 the colonias development council; representatives from united  
22 south broadway corporation; representatives from tierra del  
23 sol housing corporation; representatives of the consumer  
24 protection division of the office of the attorney general;  
25 and representatives from the New Mexico mortgage finance

1 authority; and

2 BE IT FURTHER RESOLVED that the task force report the  
3 work and progress of the task force to the appropriate  
4 legislative interim committee that deals with legal issues  
5 and the appropriate legislative interim committee that deals  
6 with economic development issues by November 1, 2013; and

7 BE IT FURTHER RESOLVED that the task force report its  
8 findings and recommendations to the appropriate legislative  
9 interim committee that deals with legal issues and the  
10 appropriate legislative interim committee that deals with  
11 economic development issues by July 1, 2014; and

12 BE IT FURTHER RESOLVED that copies of this memorial be  
13 transmitted to the co-chairs of the New Mexico legislative  
14 council, the REALTORS association of New Mexico, the  
15 New Mexico center on law and poverty, the colonias  
16 development council, the united south broadway corporation,  
17 the tierra del sol housing corporation, the New Mexico  
18 mortgage finance authority, the attorney general, the  
19 New Mexico real estate commission, the public regulation  
20 commission and the governor.

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