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Instructions

Provisions of the New Mexico Sunset Act (12-9-19 NMSA 1978) require the Legislative Finance Committee (LFC) to schedule public hearings to receive testimony and determine if boards and commissions scheduled for sunset should be recommended for extension or be allowed to terminate.

Please complete the following agency self-evaluation report and return it to the LFC. Your department is responsible for demonstrating a public need for continuation of regulatory authority and recommending necessary amendments to enabling statutes that would improve operational efficiency. You may add or remove additional rows in any of the tables or replace the tables with your own charts and information where appropriate. We would appreciate your analysis, recommendation, and completed questionnaires by June 30, 2016. Contact LFC analyst, Sunny Liu, with any questions about this report.

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I. Agency Contact Information

A. Please fill in the following chart.

Table 1: Key Agency Contacts

Position Title	Name	Address	Telephone & Fax Numbers	Email Address
Director	Enrique Knell	P.O. Box 25101, 87504	505-476-4622	Enrique.knell@state.nm.us
Deputy Director	Kathy Ortiz	P.O. Box 25101, 87504	505-476-4642	kathy.ortiz1@state.nm.us
Team Leader	Laura Romero	P.O. Box 25101, 87504	505-476-4898	Laura.Romero@state.nm.us
Board Administrator	Brian McBain	P.O. Box 25101, 87504	505-476-4648	Brian.Mcbain@state.nm.us

II. Key Functions and Performance

A. Provide an overview of your agency’s mission, objectives and key functions.

The mission of the Real Estate Appraisers Board is to regulate the practice of Real Estate Appraisers and Appraisal Management Companies (AMC) in a manner that provides consumer protection by: ensuring appropriate administration and enforcement of real estate appraisal laws, education, testing and training to enable the appraisers to make skilled, knowledgeable, experienced and sound judgments and decisions that are with the highest degree of ethical standards; establishing and enforcing the laws, regulations, and the code of professional conduct governing the practice of real estate appraisal; requiring that any person practicing or offering real estate appraisal services and AMC services to be licensed; and providing effective means for resolving consumer complaints.

B. Do your key functions continue to serve a clear and ongoing objective? Explain why each of these functions is still needed. What harm would come from no longer performing these functions?

Yes, the Real Estate Appraisers Board continues to serve a clear and ongoing objective by:

- Ensuring appropriate administration and enforcement of real estate appraisal laws, education, testing and training to enable the appraisers to make skilled, knowledgeable, experienced and sound judgments and decisions that are with the highest degree of ethical standards as guided by the federal USPAP regulations.
 - This function is necessary to provide a comprehensive, effective regulation and active supervision of the business of developing and communicating real estate appraisals in response to the Federal Financial Institutions Examination Council Act of 1978, 12 U.S.C. 3301, et seq., as amended by Title XI, Real Estate Appraisal Reform Amendments, 12 U.S.C. 3331 through 3351 for the protection of the public relying upon real estate appraisals. This will also ensure public confidence and trust in the appraisal industry.
Establishing and enforcing the laws, regulations, and the code of professional conduct governing the practice of real estate appraisal by updating rules and regulations. **See Attachment A for rule changes listed.**
 - This function is necessary to ensure that the Board is in compliance with all federal standards as mandated by the Appraisal Subcommittee and to meet the legislative purpose and intent of the Real Estate Appraisers Act.
- Investigating any person practicing or offering real estate appraisal services and AMC services to ensure they are licensed.

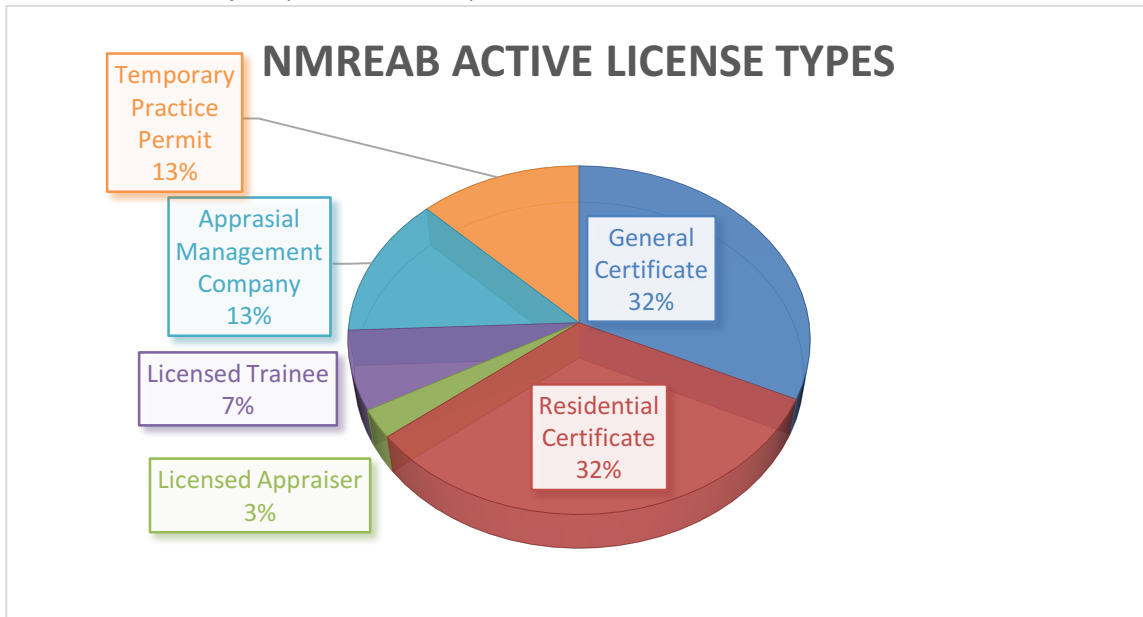
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- This function is necessary to ensure that all rules and standards are followed, and to protect the public and ensure confidence and trust in the appraisal industry.
- Providing effective means and steps for resolving consumer complaints and concerns through an established complaint process.
 - This function is necessary to ensure that all rules and standards are followed, and to protect the public and ensure confidence and trust in the appraisal industry.

C. Describe who or what this agency affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Please see Attachment B, this is given as a full description of licensure and qualifications needed.

- Statistical Analysis (Current 6/2016):



D. What evidence can your agency provide to show your overall effectiveness and efficiency in meeting your objectives?

- In our last federal audit conducted by the Appraisal Subcommittee (ASC), on April 6-8, 2015, the ASC found that the Board and staff had made great progress in ensuring compliance with all federal standards and mandates as they relate to real estate appraisers across the state. The ASC bases their grade on a scale from best to worst as follows: Excellent, Good, Needs Improvement, Not Satisfactory, and Poor. Based on the findings of the audit conducted in April of 2015, the New Mexico Real Estate Appraiser Board scored a “Good”, and looks to score an “Excellent” at our next audit scheduled for June, 2017.
- There has also been a decrease in the amount of complaints received. In 2011 there were a total of fifty-four (54) complaints for the calendar year; however, this number decreased to a total of thirty (30) in 2015. This data suggests that the Board has effectively communicated the necessities required by all licensees to ensure public confidence and trust in the appraisal industry.

E. Does your agency’s enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions? Have you recommended changes to the Legislature in the past to improve your agency’s operations? If so, explain. Were the changes adopted?

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- During the 2013 Legislature, the Board proposed statutory amendments to ensure compliance with the ASC Policy Statements concerning Appraisal Management Companies. The Board was successful with the adoption of the proposed amendments.
- All current rules meet this agencies mission, objectives and approach. However, the Board and its Rules Committee continue to analyze current statutes and rules, and seek public input to propose amendments to the Board's Statutes and Rules as necessary to ensure continued success into the future.

F. Do any of your agency's functions overlap or duplicate those of another state or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies? If applicable, briefly discuss any memorandums of understanding, interagency agreements, or interagency contracts.

- Given that the real estate appraisal field is federally regulated, most states overlap in requirements due to the mandates that are set on the federal level. We must continually be aware of any upcoming changes to the federal mandates and ensure that we are in compliance with these mandates on a yearly basis, this will also ensure that we pass our bi-annual audit.
- These federal mandates are required within our own statutes and rules to ensure that all licensees can perform federally regulated transactions in the appraisal industry. Failure to comply with ASC standards results in loss of work for our licensees.

G. In general, how do other states carry out similar functions?

Most states across the United States use the same basic guidelines as mandated by the federal government, this allows for appraiser and companies to transfer and do work from state to state with ease of access. These mandates are carried out by Board within the state of licensure itself, per federal requirements, all states must meet a minimum standard as mandated by the federal oversight. Once these minimum standards are met, states can provide their own take on requirements for licensure.

H. What key obstacles impair your agency's ability to achieve its objectives?

Budgetary constraints can be difficult given the importance of Board Members and Board Staff staying in contact with all federal agencies, especially when change occurs in federal regulations. When members and staff cannot attend certain out of state conferences, the Board loses out on vital information which can be addressed prior to federal mandates of compliance. This is especially true with the Association of Appraisal Regulatory Officials (AARO) conferences held twice a year in Washington D.C. and Phoenix, AZ.

I. Discuss any changes that could impact your agency's key functions in the near future (e.g., changes in federal law or outstanding court cases).

None. In fact, our agency is currently in compliance with all ASC standards, and we frequently stay in contact with our ASC representative to ensure that we stay within compliance standards on a yearly basis.

J. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;

Regulation is needed to ensure public trust is continued in the appraisal industry as well as to ensure that all federal requirements and standards are met.

- initial and continuing requirements for licensure, registration, or certificate applicants;

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See **Attachment B** for requirements of licensure.

- the scope of, and procedures for, inspections or audits of regulated entities;

Pursuant to the Board's Rules and Statutes, the Real Estate Appraisers Board does not provide for inspections/audits of the real estate appraisers or appraisal management companies.

- follow-up activities conducted when non-compliance is identified;

The Board does not perform inspections/audits. However, if the Board receives a formal complaint alleging non-compliance with the Board's Rules and/or Statutes, the Board will follow-up through the complaint process.

- sanctions available to the agency to ensure compliance;

The Uniform Licensing Act (61-1-3 NMSA 1978) gives the Board the authority to take the following action after every licensee or applicant is afforded notice and an opportunity to be heard:

- Deny permission to take an examination for licensing for which application has been properly made as required by board rule;
 - Deny a license after examination for any cause other than failure to pass an examination;
 - Deny a license for which application has been properly made as required by board rule on the basis of reciprocity or endorsement or acceptance of a national certificate of qualification;
 - Withhold the renewal of a license for any cause other than:
 - failure to pay the required renewal fee;
 - failure to meet continuing education requirements; or
 - issuance of a temporary license extension if authorized by statute.
 - Suspend of a license;
 - Revoke of a license;
 - Place restrictions or limitations on the scope of a practice;
 - Require a licensee or applicant to complete a program of remedial education or treatment;
 - Require monitoring of a licensee's practice by a supervisor approved by the board;
 - Censure or reprimand of the licensee or applicant;
 - Require conditions of probation or suspension for a specific period of time;
 - Require payment of a fine for a violation not to exceed one thousand dollars (\$1,000) for each violation, unless a greater amount is provided by law;
 - Place licensee on a corrective action, as specified by the board; or
 - Require a licensee to issue a refund to the consumer of fees that were billed to the consumer of fees that were billed to and collected from the consumer by the licensee.
- the number and types of complaints received for the past three fiscal years;

Attached is a listing of complaints received by the Real Estate Appraisers Board for fiscal years 2014, 2015 and 2016. **See Attachment C.**

- procedures for handling consumer/public complaints against regulated entities; and

The following complaint procedures are used for the Real Estate Appraisers Board:

- Complaints must be submitted to the Board Office on a notarized Complaint Form. They are logged and processed within three days of receipt.
 - An acknowledgement letter is sent to the complainant.
 - A letter is sent to respondent with a copy of the complaint and a request for response.
 - The Compliance Liaison will determine what, if any additional investigation is

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- warranted.
- The complaint is presented to the Board's Complaint Committee at their next meeting, usually about two to four weeks prior to the next Board Meeting.
 - The Complaint Committee reviews the complaint, response, and any additional documentation or evidence available.
 - The Committee will determine whether they have enough information to make a recommendation to the Board.
 - The Committee will determine whether to recommend dismissal or to pursue further action.
 - If the Committee determines violations occurred they will identify and cite specific violations of the Board's Statutes and/or Rules; what action or behavior caused/resulted in the violations; and what disciplinary action, if any, would be appropriate to take against the respondent.
 - The Complaint Committee's recommendation is referred to the Board at their next scheduled Board Meeting and discussed in executive/closed session. The Board will:
 - Deliberate on the information presented and determine how to proceed:
 - dismiss due to no violations of the Board's Statutes and/or Rules, lack of jurisdiction, insufficient evidence to prove violations, etc.;
 - table for additional information; or
 - refer to the Attorney General's Office for the issuance of a Notice of Contemplated Action (NCA) with, or without, proposed early resolution.
 - When the Board returns to open session, they will make motions and vote on the actions discussed in executive/closed session. Complaint Committee members abstain or recuse themselves from voting on action to avoid the appearance of any bias.
 - Following the Board Meeting, the Compliance Liaison will complete the Board's directives which may include requesting additional information or documentation, referring to an investigator for investigation, sending closure letters to the complainant and respondent, and preparing a request/referral to the Attorney General's Office (AGO) – Litigation Division for the issuance of a Notice of Contemplated Action (NCA).
 - The AGO will determine whether they will prosecute or decline to prosecute the matter. They may also decide to propose an early resolution to the respondent without the need to issue a NCA or proceed to a formal hearing.
 - If the matter does not result in an early resolution, the AGO may proceed with the issuance of a NCA and the respondent will be afforded an opportunity to request a hearing.
 - After the NCA is issued the AGO will prosecute the matter at a formal hearing before a Hearing Officer appointed by the Board, and in accordance with the ULA.
 - The AGO may resolve the matter through a settlement agreement; or
 - The matter will be referred to the Board for the issuance of a Default Order if respondent does not request a hearing.
 - If the matter is resolved through a settlement agreement, the Board will review and consider the allegations and proposed resolution. The Board may:
 - vote to accept the proposal, offer a counter proposal; or
 - decline the proposal and refer to a formal hearing.
 - If the matter goes through a formal hearing, the matter will be referred to the Board for deliberation within ninety (90) days after the hearing has concluded to consider:
 - the Hearing Officer's Findings of Fact and Conclusions;
 - the evidence and testimony presented at the hearing;
 - the appropriate disciplinary action for the violations identified, if any.
 - The Board will vote issue a Decision and Order through their Open Government

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Attorney and Compliance Liaison.

- If the matter is referred to the Board for the issuance of a Default Order, the Board will:
 - consider the allegations, violations, evidence and severity of the matter;
 - determine the appropriate action to impose on the respondent; and
 - issue a Default Order through their Open Government Attorney and Compliance Liaison.
 - The Compliance Liaison will monitor and assure compliance with all Board orders (Settlement Agreement, Decision and Order or Default Order).
- issues surrounding enforcement of unregulated activity, if applicable.

The Board's Rules and Regulations protect the public from unprofessional and unethical practice by licensed practitioners and those attempting to practice without a license. Pursuant to the Uniform Licensing Act, 61-1-3.2 NMSA 1978:

- A. A person who is not licensed to engage in a profession or occupation regulated by a board is subject to disciplinary proceedings by the board; and
- B. A board may impose a civil penalty in an amount not to exceed one thousand dollars (\$1,000) against a person who, without a license, engages in a profession or occupation regulated by the board. In addition, the board may assess the person for administrative costs, including investigative costs and the cost of conducting a hearing.

If the Board is made aware of unlicensed activity, an investigation will be conducted. And if enough evidence is gathered to substantiate the allegations, the Board will proceed with issuing a Notice of Contemplated Action and pursuing the imposition of a civil penalty and restitution for investigative costs and the cost of conducting a hearing.

The Board relies heavily on the public to inform them of unlicensed activity. Thus, the Board is reactive rather than proactive. The Board has limited authority when it comes to taking preventative measures against violations of the Act or Rules and any unlicensed activity.

A concern with enforcement of unlicensed activity is that the penalty is not severe enough to act as a deterrent. Also, it can be difficult to investigate and/or verify information because the name and contact information of an unlicensed individual is usually inaccurate and/or they change their name and address. The individuals do not respond to inquiries, and the Board does not have authority to require them to cooperate with the Board's investigation. In addition, it is difficult for Board's to enforce orders issued to individuals for unlicensed activity.

Furthermore, pursuant to 61-30-22.A NMSA 1978, any person who violates any provision of the Real Estate Appraisers Act is guilty of a misdemeanor and shall be punished by a fine of not more than one thousand dollars (\$1,000) or by imprisonment for not more than six months or both. The Board only has administrative authority; therefore, a criminal court is the appropriate jurisdiction to find an individual guilty of a misdemeanor and impose imprisonment. These matters get referred to the local law enforcement authorities, Office of the Attorney General or the Office of the District Attorney. However, they are considered a lower priority and are rarely prosecuted.

K. What are your agency's biggest opportunities for improvement in the future? Are these included in your agency's strategic plan?

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Continue to improve the ease of becoming a licensed appraiser within the state, while still maintaining the integrity and performance measures required by the federal government.

The Board is dedicated to the continued communication with all its licensees moving forward. The Board has implemented a quarterly newsletter that is e-mailed to all licensees as well as posted on the Board’s website. This is done to ensure complete communication and updates with all licensees.

As mandated by the Appraisal Subcommittee (ASC), the Board will look to maintain and prepare for, all audit files as they relate to Appraisal Management Companies (AMC), as the ASC will now be regulating these specific agencies for the first time in 2017.

The Board has also implemented a plan to go paperless. The Board currently sends out all renewal reminders, newsletters and updates in requirements, via e-mail. The board has also advised all licensees to keep their e-mails updated within the Board system to ensure they are receiving the latest communications.

L. In the following chart, provide information regarding your agency’s key performance measures including outcome, input, efficiency, and explanatory measures.

Table 2: Key Performance Measures

No.	Performance Measure	FY15 Actual	FY16 Actual	FY16 Target	FY17 Target
1	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt	97%	98%	95%	N/A
2	Percent of initial applications and renewals processed within three days of receipt of completed application	100%	100%	95%	N/A
3	Percent of complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting no later than four months from receipt of complaint	100%	92%	95%	99%
4	Percent of board meeting agendas available to the public posted to the website at least seventy-two hours prior to the meeting, and draft minutes shall be prepared and posted to the website within ten working days after the meeting	N/A	N/A	N/A	99%

M. If applicable, explain why certain targets for key performance measures were not met.

The Board has met all requirements and is projected to meet all requirements in the future.

N. Provide a timeline of your agency’s history and key events, including:

- the date your agency was established;

The Real Estate Appraisers Board was created by state statute 61-30-5 in 1990.

- the original purpose and responsibilities of your agency;

The original purpose of this agency was to enforce the Real Estate Appraisers Act [61-30-1 NMSA 1978] a comprehensive body of law for the effective regulation and active supervision of the business of developing and communicating real estate appraisals in response to the federal Financial Institutions Examination Council Act of 1978.

- major changes in responsibilities or statutory authority;

No major changes have occurred that significantly altered the purpose of the Real Estate Appraisers Board.

- changes to your policymaking body’s name or composition;

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This Board took on Appraisal Management Companies in 2009 as part of the Real Estate Appraisers Act.

- significant changes in state/federal legislation, attorney general opinions, or funding;

No major changes have occurred that significantly altered the purpose of the Real Estate Appraisers Board.

- significant state/federal litigation that specifically affects your agency’s operations;

Title 11 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Board is also directed by the Appraisal Subcommittee, they set the federal minimum standards for licensure in the real estate appraisal industry.

- key changes in your agency’s organization (e.g., a major reorganization of the agency’s divisions or program areas).

No major changes have occurred that significantly altered the purpose of the Real Estate Appraisers Board.

Table 3: Agency History and Major Events

Year	Major Event
	<u>See ATTACHMENT A</u>

III. Policymaking Structure

A. Complete the following chart providing information on your policymaking body members.

Table 4: Policymaking Body

Member Name	Term/Appointment Dates/Appointed by (e.g., Governor, Lt. Governor, Speaker)	Qualification (e.g., public member, industry representative)	City
Dean Zantow	Governor 6/30/13-6/30/18	Professional Member	Albuquerque
John Keck	Governor 6/30/15-6/30/2020	Public Member	Deming
Ginny Olcott	Governor 6/30/13-6/30/18	Professional Member	Santa Fe
Brenda Barber	Governor 6/30/13-6/30/18	Professional Member	Alamogordo
Dr. James Libbin	Governor 6/30/15-6/30/2020	Public Member	Las Cruces
Christopher Vigil	Governor 6/30/13-6/30/18	Professional Member	Santa Fe
Ricardo Armijo	Governor 6/30/15-6/30/2020	Lender Member	Las Cruces

B. Describe the primary role and responsibilities of your policymaking body.

Statute 61-30-7. Board powers; duties. (Repealed effective July 1, 2018) explicitly describes the roles and responsibilities of the policy making body as such:

- A. adopt rules necessary to implement the provisions of the Real Estate Appraisers Act;
- B. establish educational programs and research projects related to the appraisal of real estate;

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- C. establish the administrative procedures for processing applications and issuing registrations, licenses and certificates to persons who qualify to be real estate appraiser trainees, state licensed residential real estate appraisers or state certified real estate appraisers;
- D. receive, review and approve applications for real estate appraiser trainees, state licensed residential real estate appraisers and each category of state certified real estate appraisers;
- E. define the extent and type of educational experience, appraisal experience and equivalent experience that will meet the requirements for registration, licensing and certification pursuant to the Real Estate Appraisers Act after considering generally recognized appraisal practices and set minimum requirements for education and experience;
- F. provide for continuing education programs for the renewal of registrations, licenses and certification that will meet the requirements provided in the Real Estate Appraisers Act and set minimum requirements;
- G. adopt standards to define the education programs that will meet the requirements of the Real Estate Appraisers Act and that will encourage conducting programs at various locations throughout the state;
- H. adopt standards for the development and communication of real estate appraisals provided in the Real Estate Appraisers Act and adopt rules explaining and interpreting the standards after considering generally recognized appraisal practices;
- I. adopt a code of professional responsibility for real estate appraiser trainees, state licensed residential real estate appraisers and state certified real estate appraisers;
- J. comply with annual reporting requirements and other requirements set forth in the federal real estate appraisal reform amendments;
- K. collect and transmit annual registry fees from individuals who perform or seek to perform appraisals in federally related transactions and from an appraisal management company that either has registered with the board or operates as a subsidiary of a federally regulated financial institution;
- L. maintain a registry of the names and addresses of the persons who hold current registrations, licenses and certificates issued under the Real Estate Appraisers Act;
- M. establish procedures for disciplinary action in accordance with the Uniform Licensing Act [[61-1-1](#) through [61-1-31](#) NMSA 1978] against any applicant or holder of a registration, license or certificate for violations of the Real Estate Appraisers Act and any rules adopted pursuant to provisions of that act;
- N. register and supervise appraisal management companies and submit additional information about the appraisal management company to the appraisal subcommittee's national registry;
- O. recognize appraiser certifications and licenses from states whose appraisal program is found to be consistent with Title 11 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as determined by the appraisal subcommittee; and
- P. perform such other functions and duties as may be necessary to carry out the provisions of the Real Estate Appraisers Act.

C. How is the chair selected?

This board chair is nominated and voted in by the Board at the first meeting of every year. This is also the same for the vice chair. Committee appointments are also made at this time annually.

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D. Please list all vacant positions and the date of vacancy.

None at this time.

E. List any special circumstances or unique features about your policymaking body or its responsibilities. State if there are any specific requirements for public or professional members.

Pursuant to 61-30-5 NMSA, the Board shall be made up of seven (7) members as follows:

- 4 Real Estate Appraisers (Certified or Licensed)
 - No more than two can have the same certification;
 - no more than two members from the same county; and
 - at least one from each congressional district.
- 2 Public Members
 - must not have been real estate appraisers and have no vested interest in this industry.
- 1 Lender Member
 - must be engaged in investing funds secured by mortgages in the business of appraisal management.

F. In general, how often does your policymaking body meet? How many times did it meet in the current fiscal year? How many times did it meet in the previous fiscal year?

The New Mexico Real Estate Board meets quarterly and has met four times during this current fiscal year of FY16. In FY15 the Board also met four times and at least once in every congressional district. One rule hearing was also conducted in FY15.

G. What type of training do members of your agency's policymaking body receive?

All new board appointees, both public and professional, receive a Board Member Training manual that contains information on the duties and responsibilities of the Board, with a separate section on the role of public members. The manual contains the Board's statutes, rules and regulations, the Open Meetings Resolution and the Open Meetings Act, the Uniform Licensing Act, the Mileage and Per Diem Act and other laws pertinent to licensing, regulation, and board operation.

The Board's Assistant Attorney General trains individual members and continually works with the Board to assist them with all matters pertaining to the disciplinary process, board operations and any other issues that may arise.

The Board is a member of and may also attend trainings provided by the Association of Appraisal Regulatory Officials (AARO) if necessary.

The Boards and Commissions Division is developing board member training.

H. Does your agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, describe these policies.

61-30-4 (A): The board shall administer and enforce the Real Estate Appraisers Act.

61-30-5 (A): There is created a "real estate appraisers board" consisting of seven members appointed by the governor. The board is administratively attached to the regulation and licensing department.

61-30-5 (G): The board is administratively attached to the regulation and licensing department, and, pursuant to Title 11 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the appraisal subcommittee may monitor the board for the purposes of determining whether the board:

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- (1) has policies, practices, funding, staffing and procedures that are consistent with the requirements of the appraisal subcommittee and pursuant to Title 11 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989;
- (2) processes complaints and completes investigations in a reasonable time period;
- (3) appropriately disciplines sanctioned appraisers and appraisal management companies;
- (4) maintains an effective regulatory program; and
- (5) reports complaints and disciplinary actions on a timely basis to the national registries on appraisers and appraisal management companies maintained by the appraisal subcommittee.

61-30-5 (H): The appraisal subcommittee may impose sanctions against the board if it fails to have an effective appraiser regulatory program.

I. What information is regularly presented to your policymaking body to keep them informed of your agency’s performance?

During every Board meeting, the Board is presented with the Board Administrators Report. This will advise the Board as to what is happening in the Board office as well as the statistics on licensing for the state during a specific time period. The ASC will also contact the Board and send out information if any upcoming changes will go into effect.

J. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?

The Board intakes information from the public in several ways. Each meeting allows for public comment at which time members of the public may address the Board directly with concerns. More in-depth presentations can be made in front of the Board by requesting to be placed on the board meeting agenda. The public may also contact the Board Office with any concerns via mail, email, or telephone. Concerns from the public can be routed to the most appropriate location (i.e. compliance section will address complaints, general comments or suggestions may be reviewed by the board administrator, technical questions may be forwarded to the Board Chair, etc.) The input from the public is constantly incorporated into the operation of the Board and addressed with the greatest level of care and concern.

K. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart.

Table 5: Subcommittees and Advisory Committees

Name of Subcommittee or Advisory Committee	Size/Composition/How are members appointed?	Purpose/Duties	Legal Basis for Committee
Complaint Committee	4 Licensed Appraisers, Appointed by Board	Review all complaints that come to the Board office and make disciplinary recommendations to the Board.	Advisory to Board
Education Committee	1 Public and 2 Licensed Members, Appointed by Board	Teach Mandatory Rules Classes, Teach mandatory Supervisor/Trainee class, review all applications for courses that will count as CE and QE credit for applications and renewals.	Advisory to Board
Review Committee	3 Licensed Members, Appointed by the Board	Review all appraisals when application and upgrades come into Board office for Licensed, Residential and General Appraisers.	Advisory to Board
Rules Committee	2 Licensed Members and 1 Administrative Staff Member, Appointed by the Board	Review rules and regulations created by the Board to ensure compliance with ASC, recommend rule changes to the Board when required by the ASC, review all rules to ensure that they meet all statutory requirements, recommend statute changes to the Board when	Advisory to Board

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AMC Committee	1 Licensed Member with more on the way (re-organization)	needed. Provide feedback to Board to help ensure that all qualifications for appraisal management companies are being met, work with New Mexico AMC's to ensure a good working relationship exists between AMC's and appraisers. Review AMC files for audit when needed.	Advisory to Board
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IV. Funding

A. Provide a brief description of your agency's funding.

The Real Estate Appraiser's Board funding is from "other state funds". This board does not receive any general funds.

The Board is self-supported by revenues collected from application, licensure, renewal, administrative, miscellaneous, and penalty fees. Historically, the Board has established fees to provide sufficient revenues to meet operational requirements and to maintain at least one year's operating budget in the Board's cash fund. The number of projected new licenses issued is used to analyze budgetary needs. Then the number of renewals anticipated is used to calculate the remainder of the projected budgetary needs.

B. Please fill in the following chart.

Table 6: Agency Budget Summary (dollars in thousands)

Category	FY15 Actual	FY16 Actual	FY17 Budget	FY18 Projected
SOURCES				
General Fund Transfers				
Other Transfers				
Other Revenues	276.1	350.6	389.7	389.7
Fund Balance	74.3			
SOURCES TOTAL	350.4	350.6	389.7	389.7
USES				
Personal Services and Employee Benefits	205.4			
Contractual Services	63.6		30.8	30.8
Other Costs	41.8	24.2	59.5	59.5
Other Financing Sources (overhead)	39.6	256.9	299.4	299.4
TOTAL USES	350.4	\$281.1	\$389.7	\$389.7
FTE				
Permanent	3.6	3.6	3.6	3.6
Term				
Temporary				
TOTAL FTE POSITIONS	3.6	3.6	3.6	3.6

C. If you receive funds from multiple federal programs, show the types of federal funding sources.

N/A

Table 8: Federal Funds/Other Grants

Type of Fund	State/Federal Match Ratio	State Share	Federal Share	Total Funding
N/A				
TOTAL				

D. If applicable, provide detailed information on fees collected by your agency.

Table 9: Fee Revenue

Fee Description/ Program/ Statutory Citation	Current Fee/ Statutory	Number of Persons or Entities Paying Fee	Fee Revenue	Where Fee Revenue is Deposited

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	Maximum			(i.e., Fund Name)
Application Fee	\$400/\$500	35	\$14,000	Real Estate Appraisers Revenue Account(s)
Duplicate	\$50/\$50	1	\$50	Real Estate Appraisers Revenue Account(s)
Federal Registry Fee	\$80/Necessary	183	\$13,360	Real Estate Appraisers Revenue Account(s)
Late Fee	\$100/Reasonable	5	\$500	Real Estate Appraisers Revenue Account(s)
Reinstatement	\$100/Reasonable	2	\$200	Real Estate Appraisers Revenue Account(s)
Renewal Class	\$100/\$100	124	\$12,625	Real Estate Appraisers Revenue Account(s)
Renewal Fee	\$355/\$500	149	\$46,860	Real Estate Appraisers Revenue Account(s)
Supervisory Fee	\$25/\$100	5	\$125	Real Estate Appraisers Revenue Account(s)
Verification of Licensure	\$25/Reasonable	12	\$300	Real Estate Appraisers Revenue Account(s)
General Certified Appraiser Total		516	\$88,020	
Application Fee	\$300/\$400	2	\$600	Real Estate Appraisers Revenue Account(s)
Federal Registry Fee	\$80/Necessary	11	\$880	Real Estate Appraisers Revenue Account(s)
Fines and Penalties	\$1,000/\$1,000	2	\$2,000	Real Estate Appraisers Revenue Account(s)
Renewal Class	\$100/\$100	10	\$1,025	Real Estate Appraisers Revenue Account(s)
Renewal Fee	\$300/\$450	9	\$2,700	Real Estate Appraisers Revenue Account(s)
Licensed Appraiser Total		34	\$7,205	
Agency Fees	\$150/Reasonable	1	\$150	Real Estate Appraisers Revenue Account(s)
Application Fee	\$300/\$400	11	\$3,300	Real Estate Appraisers Revenue Account(s)
Federal Registry Fee	\$80/Necessary	174	\$12,640	Real Estate Appraisers Revenue Account(s)
Fines and Penalties	\$500/\$1,000	2	\$1,000	Real Estate Appraisers Revenue Account(s)
Late Fee	\$100/Reasonable	2	\$200	Real Estate Appraisers Revenue Account(s)
Reinstatement	\$200/Reasonable	1	\$200	Real Estate Appraisers Revenue Account(s)
Renewal Class	\$100/\$100	153	\$15,500	Real Estate Appraisers Revenue Account(s)
Renewal Fee	\$355/\$500	163	\$43,800	Real Estate Appraisers Revenue Account(s)
Supervisory Fee	\$25/\$100	8	\$200	Real Estate Appraisers Revenue Account(s)
Verification of Licensure	\$25/Reasonable	6	\$150	Real Estate Appraisers Revenue Account(s)
Residential Certificate Appraiser Total		521	\$77,190	
Application Fee	\$200/\$200	4	\$800	Real Estate Appraisers Revenue Account(s)
Fines and Penalties	\$500/\$1,000	1	\$500	Real Estate Appraisers Revenue Account(s)
Renewal Class	\$100/\$100	21	\$2,100	Real Estate Appraisers Revenue Account(s)
Renewal Fee	\$200/\$250	22	\$4,200	Real Estate Appraisers Revenue Account(s)
Supervisory Fee	\$25/Reasonable	4	\$100	Real Estate Appraisers Revenue Account(s)
Trainee Appraiser Total		52	\$7,700	
Application Fee	\$200/\$200	205	\$40,200	Real Estate Appraisers Revenue Account(s)
Temporary Practice Permit		205	\$40,200	

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Total				
GRAND TOTAL		<i>1,328</i>	<i>\$220,315</i>	

E. If fees are set by your agency, provide detailed information on how fees are determined. Include a description of any proposed changes to agency fee and revenue structure.

Fees are created following the statutes that are set by the Legislature. There is also an \$80.00 fee that is added to all applications and renewals as a registration fee for the federal ASC database.

F. If contracted expenditures are made through this program, please provide:

- a short summary of the general purpose of the contracts;
This Board is currently not under any contract or contracted services.
- the expenditure amount for the latest fiscal year;
N/A
- the number of contracts accounting for those expenditures;
N/A
- top five contracts by dollar amount, including contractor and purpose;
N/A
- the methods used to ensure accountability for funding and performance; and
N/A
- a short description of any current contracting problems.
N/A

G. If applicable, provide a projection of ending cash balances for the latest fiscal year. If cash balances represent more than 5 percent of recurring appropriations, state reasons for this condition and any planned uses for remaining cash balances.

The projected current fund balance as of June 30, 2016 is \$429,692.

The Board has established fees to provide sufficient revenues to meet operational requirements and to maintain at least one year's operating budget in the Board's cash fund.

V. Organization

A. Provide an organizational chart that includes major programs and divisions, showing the number of FTE in each program or division. Details should include, if possible, department heads with subordinates and actual FTE with budgeted FTE. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field or regional offices are used, if applicable.

ATTACHMENT D- 1 through D-2 (Organization and Flow Charts)

D-1 – Agency Organization Chart

D-2 – Practitioner Application Review Process

B. Please fill in the following chart.

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Table 10: Agency FTE and Vacancies

	FY15 Actual	FY16 Actual	FY17 Budget	FY18 Projected
Budgeted FTE Positions	3.6	3.6	3.6	3.6
Number of Actual FTE as of June 30	3.6	3.6	3.6	3.6
Annual Vacancy Savings (in dollars)	0	0	0	0

C. If applicable, fill in the chart below listing field or regional offices.

Table 11: FTE by Location

Headquarters, Region, or Field Office	Location	Co-Location? Yes/No	Number of Budgeted FTE (latest fiscal year)	Number of Actual FTE as of June 1 (latest fiscal year)
N/A				

D. List each of your agency’s key programs or functions, along with expenditures and FTE by program.

Table 12: List of Program FTE and Expenditures

Key Function/Strategy	Number of Budgeted FTE (latest fiscal year)	Number of Actual FTE as of June 1 (latest fiscal year)	Actual Expenditures
BUS OPS SPEC-A/Compliance Officer: Deals with setting up all hearings and is first line of contact between Board and Hearing Officer for each case. Continues to provide an efficient hearing process ensuring all mandatory deadlines are met during the complaint process		0.2	
STAFF/Team Leader: Supervises all staff and provides team leadership when complicated questions/concerns arise. Monitors staffing and daily functions of the Board to ensure great customer service and compliance with all rules and statutes.	.0.6	0.6	
BUS OPS SPEC-A/Financial Liaison: Provides financial leadership for the Board. Continues to monitor all transactions the Board requests as well as budget requirements set by state authorities. Monitors compliance with all procurement codes.		0.2	
BUS OPS SPEC-A/Board Administrator: Monitors and enacts all Board initiatives set forth in all meetings or committees. Gathers all information requested by the Board and also keeps the Board Office functioning on a daily basis. Monitors all budgets to ensure all requirements and needs are met. Responds to public questions and concerns and is the liaison between the public and the Board itself. Provides meeting support to ensure all OMA and ULA standards are met during licensure, meetings and compliance.	1.0	1.0	
BUS OPS SPEC-O/Compliance Officer: Processes all complaints and monitors compliance with all rules and regulations set forth by the Legislature and Board. Ensures all complaints are processed in a timely fashion to ensure all federal and state deadlines are met. Watches over all functions of compliance and standards.	1.0	0.6	

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BUS OPS SPEC-O/Administrative Assistant: Processes all applications for licensure, monitors all AMC licenses to ensure compliance, and works with all continuing education providers to ensure that classes are being approved by the Board and logged into the system. Maintains all files and keeps everything organized for IPRA requests and federal audits	1.0	1.0	
TOTAL	3.6	3.6	\$138,737.85

VI. Major Issues

The purpose of this section is to briefly describe any potential issues raised by your agency, the Legislature, or stakeholders that Sunset could help address through changes in statute to improve your agency's operations and service delivery. Inclusion of an issue does not indicate support, or opposition, for the issue. Instead, this section is intended to give the Sunset Review committee a basic understanding of the issues so staff can collect more information during our detailed research on your agency.

Some questions to ask in preparing this section may include: (1) How can your agency do a better job in meeting the needs of customers or in achieving agency goals? (2) What barriers exist that limit your agency's ability to get the job done? Emphasis should be given to issues appropriate for resolution through changes in state law. Issues related to funding or actions by other governmental entities (federal, local, quasigovernmental, etc.) may be included, but the Sunset Review committee has no authority in the appropriations process or with other units of government. If these types of issues are included, the focus should be on solutions which can be enacted in state law. This section contains the following three components.

A. Brief Description of Issue

The appraisal industry has started to show a slow decline in appraisers within the country and within the State of New Mexico. The Board is taking steps to ensure they make the process of becoming a licensed/certified appraiser as easy as possible, while still maintaining the integrity and current federal standards. The Board currently has seen a trend in the decline of licensees due to the mandatory class that is required for renewal by the Board. In the 2016 renewal cycle we lost approximately 60 licensees out of 350 because they could not travel to the State of New Mexico to attend this mandatory class. The Board is looking at ways to eliminate the mandatory class.

B. Discussion. Include enough information to give context for the issue. Information helpful in building context includes:

- What specific problems or concerns are involved in this issue?

The travel of out of state licensees, to the state, to take the Mandatory Class offered by the Board as part of the biennial renewal. This mostly effects licensees whom come into the state via reciprocity and then during renewal discover that this specific course must be taken for license renewal.

- Who does this issue affect?

All licensees of the Real Estate Appraisers Board.

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- What is the agency’s role related to the issue?
The Board must change their current rule in order to remedy this issue

- Mention any previous legislative action related to the issue.
No legislative action is required to remedy this issue.

C. Possible Solutions and Impact. Provide potential recommendations to solve the problem. Feel free to add a more detailed discussion of each proposed solution, including:

- How will the proposed solution fix the problem or issue?
By changing the rules and creating an easier avenue for licensee to renew their license and still be up to date in the current and active rules set by the Board in conjunction with the ASC.
- How will the proposed change impact any entities or interest groups?
This will not affect any entities of interest groups because this change is not a violation of any federal ASC standards, this actually should make renewal a bit easier for those that are already currently licensed.
- How will your agency’s performance be impacted by the proposed change?
We are expecting that with this change, we will keep the appraisers licensed in New Mexico and could even grow our industry into the future.
- What are the benefits and possible drawbacks of the recommended change?
The benefit of this change will be the retention rate increase of current licensees within the state. The drawback of this action is that we may see an increase in violations/complaints with current licensees.
- What is the fiscal impact of the proposed change?
The Board is going to conduct a fiscal impact report to ensure that the removal of the mandatory class does not have a negative budgetary impact on revenue.

Complete this section for **each** issue. Copy and paste components A through C as many times as needed to discuss each issue.

VII. Other Contacts

A. Fill in the following chart with updated information on individuals or groups with an interest in your agency.

Table 15: Other Contacts

Group or Association Name/ Contact Person	Physical Address	Telephone Number	Email Address
Jenny Tidwell, Policy Manager, ASC	1401 H Street, Suite 760 Washington, D.C. 20005	(202) 441-1538	jenny@asc.gov
Appraisal Subcommittee (ASC)	1401 H Street, Suite 760 Washington, D.C. 20005	(202) 289-2735	N/A
Appraisal Qualification Board (Part of ASC)	1401 H Street, Suite 760 Washington, D.C. 20005	(202) 289-2735	N/A

VIII. Agency Comments

Provide any information needed to gain a preliminary understanding of your agency.

The Real Estate Appraisers Board works to be consistent in making decisions related to consumer safety and welfare, adoption of rules, set guidelines for issuance of a professional license, updating professional education, enforcing disciplinary procedures and compliance. While the task of balancing federal regulated standards and state standards, can be difficult at times, the Board has established a great working relationship with the ASC and will continue this into the future to ensure our success. The Board is made up of very qualified individuals who have a passion in this profession and wish to make this profession shine into the future. The current Board staff is focused on providing the best customer service to all licensees and public members that wish to gather more information or become licensed in the state.