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January 1 Brings in New Rules and Revisions:

New Rules for Property Managers and Licensed Transaction Coordinators

In January newly established New Mexico Real Estate Commission (Commission) rules became effective. Many of the changes clarified rules established in previous rule iterations in both 2017 and 2018. Here is a summary of the new rules effective January 1, 2019.

Part 1 of the Rules of the Real Estate Commission (Rules) excludes advertising and taking reservations for vacation rentals from the definition of Property Management. The revision adds new definitions for Vacation Rentals and Transaction Coordinators.

Part 2 clarifies fees due from instructors of real estate courses.

Part 3 clarifies Qualifying Broker application and license renewal requirements. A new Section 14 includes new education requirements for those offering property management services.

Part 11 clarifies license renewal requirements for brokers holding multiple Qualifying Broker licenses and updates language to reflect that although license renewal forms are emailed to the email address on file with the Commission, brokers are still required to keep their residential addresses current with the Commission.

(2019 New Rules Take Hold—Continued — p.4)

Legislative Report #1:

Residential Property Management Bonding Bill Dies as Time Runs Out on 60-Day Legislative Session

by Commissioner Gretchen Koether

A residential property management bonding bill sponsored by Senator James White that had already passed the Senate and received a unanimous do-pass recommendation from a House committee died on the House floor when time ran out on the 60-day legislative session on March 16.

Senate Bill 238 would have authorized the Commission to develop rules requiring brokers engaged in residential property management to

purchase a bond in a minimum amount of \$100,000.

The bill was introduced at the request of the Real Estate Commission in response to a rash of property management company failures that have cost property owners and tenants hundreds of thousands of dollars in funds lost to mismanagement, theft, and embezzlement.

(Legislative Report #1 Continued on Page 3)

Learn! Become! Effect Positive Change! Interested?

Are you interested in becoming part of a historic movement to recreate our Industry, build confidence in your Industry knowledge, and improve your personal presentation skills? If you answered yes to any of these questions, and are up for a challenge, we want to hear from you.

Join a select group of elite new instructors who are dedicated to raising the bar in our Industry through better education, focused on facilitating interactive adult delivery (i.e., fun and engaging classes). Register your interest with no obligation at:

<https://www.surveymonkey.com/r/charm2019>.

We would appreciate hearing from you by May 19, 2019.

*Worst case, you survive this intense boot camp, hone your interpersonal presentation skills and become a better real estate licensee and broker to your clients. Best case, you are selected by our panel of judges to complete the process to become a **CORE COURSE** certified instructor.*

We look forward to working with you to help reshape our Industry.



Register your interest with no obligation at:

<https://www.surveymonkey.com/r/charm2019>.

We would appreciate hearing from you by

May 19, 2019.

Bonding Bill Fails — Legislative Report #1 Continued

The Commission viewed the legislation as a way to establish the financial stability and credit-worthiness of prospective residential property managers and to give owners and tenants an avenue for recovering at least a portion of their financial losses.

Commissioners and staff had met with District Attorney Raul Torrez and representatives of the Attorney General's Office to gauge their interest in prosecuting some of the more egregious property management trust fund theft cases. Although sympathetic, both agencies cited a lack of resources to conduct the investigations that would be required to prepare such cases for prosecution.

Failing an immediate legislative solution, the Commission will be looking to its existing statutory and regulatory authority to address the problem.

Commission Office Inspections Underway

Real Estate Commission investigators have begun conducting unannounced office inspections with a focus on property management brokerages. Although property management has long been the single largest category of complaints received by the Commission, a recent rash of property management company failures has taken the problem to a new level, costing property owners hundreds of thousands of dollars.

Click Here for: [Office Inspection Checklist](#)

Legislative Report #2: Auctioneers No Longer Need Broker's Licenses by Tom Baca

The legislature took a common sense approach to auctioning real estate when it added auctioneers auctioning real estate to the list of persons not required to be licensed as real estate brokers, provided there is a transaction-specific written agreement between the auctioneer and qualifying broker to auction a specific piece of property and the qualifying broker pays the auctioneer for services rendered.

Senate Bill 120 resolved an issue brought to a head by a 2016 Attorney General's Opinion concluding that because the definition of a real estate broker in the Real Estate License Law includes a person that "auctions or offers to auction real estate" an auctioneer hired by a qualifying broker to auction real estate had to have a broker's license.

Prior to the opinion, Commission policy was that as long as a qualifying broker was present to execute a purchase agreement arising from the auction, the auctioneer himself was not required to be licensed.

There is currently no state law requiring auctioneers to be licensed, however there is a City of Albuquerque municipal ordinance that requires a license to auction jewelry.

Commission Web Link: <http://www.rld.state.nm.us/>

Legislative Report #3: Legislature Limits Licensee Fingerprinting by Wayne W. Ciddio

Effective July 1, 2020 the Real Estate Commission can no longer require brokers to be fingerprinted as a condition of license renewal.

A bill supported by the New Mexico Association of Realtors (NMAR) limits the Real Estate Commission, the Real Estate Appraisers Board, the Board of Psychologist Examiners, and the Private Investigators Board, among other agencies, to requiring fingerprinting only at the time of initial licensure,

In a recent article for the NMAR Voice, Commission President Gretchen Koether wrote: "In an ideal world, the interests of trade organizations and regulators coincide to ensure public protection and high industry standards. But sometimes those interests collide.

"A case in point is a new law that prohibits licensing agencies, including the Real Estate Commission, from requiring fingerprinting at the time of license renewal.

"Given the overwhelming margins by which the fingerprinting bill passed both chambers of the legislature, broker concerns about the inconvenience of fingerprinting carried the day.

"The Commission has long considered licensee fingerprinting as a tool to help ensure that licenses are issued only to individuals of "good repute and competent to transact the business of a broker in a manner that safeguards the interests of the public."

"The Commission has 9 administrative prosecutions involving brokers and broker applicants with felony convictions pending in the Attorney General's Office. Many of these criminal backgrounds would never have come to the Commission's attention if not for arrest records generated by fingerprinting."

Click here to access [Important Real Estate Errors and Omissions Claim Case Studies from RISC](#)

Click here to access: [RISK REDUCTION TIPS FROM RISC INSURANCE](#)

January 1 Brings in New Rules and Revisions:

New Rules for Property Managers and Licensed Transaction Coordinators (continued from Page 1)

Part 13 provides alternatives for completing the annual 4-hour Core Courses during the transition from the Mandatory Course to the Core Course. Effective January 1, 2020 brokers who fail to complete the annual Core Course will be required as a condition of license renewal to complete for no credit the 30-hour Broker Basics course. The amended rule also reflects new Property Management continuing education requirements outlined in Part 3.

Part 16 clarifies rules for the approval of courses, instructors and sponsors, and clarifies the Commission's policy of approval of distance education courses (i.e. online, on demand, live distance or webinar courses etc.)

Part 17 codifies that if documented in an independent contractor agreement, an associate broker may perform brokerage services for different qualifying brokers in the same brokerage. This section also codifies that a New Mexico licensed broker performing transaction coordinator services for multiple brokerages must have a Qualifying Broker license.

Part 19 adds any written agreement that a broker has with a transaction coordinator for the provision of brokerage services requires disclosure of this by the broker to their customer or client.

Part 20 is the newest section incorporated into the rules and pertains to the requirements of Licensed

Transaction Coordinators- This new rule defines and details the duties of licensed transaction coordinators and the responsibilities of brokers for the transaction coordinators activities.

Part 23 pertains to Trust Accounts and adds a provision requiring brokers offering property management services to submit to the Commission a Property Management Declaration of Intent to offer such services and clarifies trust account record-keeping requirements. [Click the link above to access the form.]

Part 24 (Property Management) adds new language requiring both Qualifying Brokers to execute an assignment of contract prior to the transfer of a property management agreement to another brokerage. The amendment makes it legal for a broker to pay fees to an unlicensed third-party entity engaged in advertising and taking reservations for vacation properties. The amended rule now requires brokers who hire vendors or employees to perform maintenance, repair or renovation activities to use only use vendors or employees who are certified) licensed, insured and/or bonded as required by local, state, and/or federal law. Once again, this section iterates the new Property Management educational requirements detailed in Part 3 of the Rules.

The Rules of the Commission are available by clicking the following link: [2019 Rules of the Commission](#).

Disciplinary Hearings at GAAR Will Be Recorded

Effective May 1, all Real Estate Commission disciplinary hearings conducted at the Greater Albuquerque Association of Realtors (GAAR) offices will be recorded and available for viewing by brokers for continuing education credit.

The Commission moved its meetings and rule hearings to the GAAR offices this year to accommodate the large number of brokers attending meetings to fulfill continuing education requirements. To assist brokers who are unable to attend the meetings in person because of time or distance, GAAR staff streams the meetings live and records them for viewing at a later date. Although disciplinary hearings will not be streamed, they will be recorded.

Brokers interested in viewing recordings of meetings or disciplinary hearings should contact GAAR Professional Development Coordinator Nathan Brooks, or Commission Education Administrator Tom Baca.

Commission Rules require qualifying brokers to attend a

Commission meeting, rule hearing, or disciplinary hearing for three hours, until the Commission goes into executive session, or until the disciplinary hearing adjourns, whichever comes first.

Brokers can earn up to four hours of continuing education credit during each three-year licensing cycle by attending a Commission meeting, rule hearing, disciplinary hearing, or meeting of the Education Advisory Committee (EAC). Hours are awarded based on sign in and sign out times on the attendance roster. Hours are entered electronically into the licensee data base but no certificates are issued.

You can now access the New Mexico Uniform Owner Resident Relations Act by clicking the following web link. **NM UNIFORM OWNER RESIDENT RELATIONS ACT.**

How to Navigate the Real Estate Commission Web Pages

The NM Real Estate Commission (Commission) web page can be tricky to navigate. The reason it is not so simple is that the Commission's Web Page is a subset of the New Mexico Regulation and Licensing Department (RLD) web page. If you start by going to the RLD site, <http://www.rld.state.nm.us/> you have to then click the Boards and Commission Button; then you have to click onto the Individual Board and Commission Tab at the upper left hand part of the screen, and then scroll to find the Real Estate Commission tab.

Once you get to the Commission information, you can then navigate pretty easily from a suite of 15 Topical Tabs. You may explore the myriad of information that is available on secondary links to forms, applications, catalogs, official lists, schedules etc.

There are five very important pages you should frequent: (1) Members and Meetings Tab; (2) Forms and Applications Tab; (3) Requirements and Continuing Education Tab; (4) Exam and Education schedule Tab and (5) Hearing Notices Tab. These black tabs are in the upper left hand side of your screen.

In order to by-pass all of the RLD levels and go directly to a particular Commission page, click on the tabs listed below and copy each of the "page URLs" and put them in a file on your computer. The Exam and Education Schedule Tab is extremely important because it contains Schedules for Core Courses and other required courses such as the New Broker Business Practices and the Qualifying Broker Refresher Course. Be patient with this link as it takes a while to load. The following bullets are active links to the various tabs. You may cut and paste this active link list to your browser or save them for future use to quickly sign on to the web pages:

[Commission Members & Meetings Tab](#)
[Commission Forms & Applications Tab](#)
[Commission Requirements & Education Tab](#)
[Commission Exam & Education Schedule Tab](#)
[Commission Hearing Notices Tab](#)

Once you get to any of the above direct page URLs, you can then navigate the full spectrum of Commission Tabs. ***There is a wealth of information on the Commission site.*** Within any given Commission Tab, you will find downloadable document links Official Course List, a link to an online copy of the 2019 Rule Book, and the most recent Property Lines Bulletin from the Commission. Explore Away!

The links provided in the articles within this issue of property lines are gathered in one place here for your convenience. We encourage you to use these links to access the important information that will help you to become better informed about news, upcoming changes, web links for meeting dates, and other information.

Commission Web Link: <http://www.rld.state.nm.us/>

[NM Uniform Owner Resident Relations Act](#)

[Click here to access Important Real Estate Errors and Omissions Claim Case Studies from RISC](#)

[Property Management Declaration of Intent](#)

[Click here to access Important Real Estate Errors and Omissions Claim Case Studies from RISC](#)

[2019 Rules of the Commission](#)



On-Line License Renewals FREQUENTLY ASKED QUESTIONS

WHEN YOU RECEIVE THE ONLINE RENEWAL EMAIL, READ THE INSTRUCTIONS CAREFULLY BEFORE SIGNING ON. YOU MUST USE INTERNET EXPLORER.

Q-1: How far in advance of my license expiration date should I be receiving my on-line renewal notification?

A-1: About sixty (60) days. If your birthday is in April, your license expires on the last day of May. You should receive your renewal notification in early April.

Q-2: What should I do if I don't receive my renewal notification?

A-2: First, check your "Junk" mail. If it's not there, call the Commission staff to make sure we have your current and correct email address on file. If it's not in your "Junk" mail and your email address is correct, we will be happy to send you another form.

Q-3: What name or email address is in the "From" line of the electronic renewal notice?

A-3: The electronic renewal notice will be coming from Licensing Manager Roxanne Romo; whose email address is Roxanne.Romo@state.nm.us.

Q-4: How long after submitting my online license renewal will my license show up on the Commission website as renewed?

A-4: About seven (7) business days, but maybe longer this year because so far in 2019 we are renewing 300-400 licenses a month.

Q-5: Is there certain software that is not compatible with the online renewal system?

A-5: Unless you have Internet Explorer, you're going to have problems. Also, brokers with Macs have experienced problems renewing.

Q-6: When I attempted to begin the renewal process, I got a message that there was no such license. What should I do?

A-6: Sometimes you will get this message if you are not using Internet Explorer. If you are using Internet Explorer and still getting this message, please call the Commission office for help.

Q-7: I have more than one license. Do I have to complete a renewal form for each license, including entering the continuing education for each license?

A-7: Yes, you have to complete a renewal form for each license, including entering the continuing education information for each license.

Q-8: I was licensed in New Mexico under a License Recognition Agreement with Georgia, Louisiana, or Massachusetts. What do I enter in the continuing education section where it asks for the course title, the course number, and the date of course completion?

A-8: Enter the following in the appropriate spaces:

- Course Title: License Recognition _____ (name of state)

- Course Number: 02 LR

- Date: Today's date

Additionally, brokers licensed by License Recognition are required to provide a current license history from their original state of licensure.

Q-9: After I completed my on-line renewal and looked on the Commission web site to see if it had been received, it showed "Hold" by my name. What does that mean? Does it mean there is a problem with my renewal?

A-9: "Hold" means that your renewal has been received and we are checking that all of your information and documents are complete. If there is a problem, such as missing documents, the Commission staff will call you.

If you get a call or email from Commission staff about a problem with your renewal, respond promptly. Just this month we had 20 licenses expire because brokers didn't respond to our calls or emails.

Q-10: While renewing, I realized I had entered incorrect information. When I hit the "Edit" button to try to correct my mistake, it wouldn't let me go back. What should I do?

A-10: Don't try to correct mistakes. The system won't allow you to do it. Among the most common mistakes are entering the wrong course number, title, or number of hours. Don't worry about it. The staff will make the corrections in the process of reviewing your application and documents.

Q-11: The instructions on the license renewal form instruct me to scan and email supporting documents, i.e. continuing education certificates, proof of E&O insurance, proof of fingerprinting, etc. What is the email address to which these documents should be sent?

A-11: The correct email address for these documents is nmrec.ceu@state.nm.us.

Q-12: I am exempt from continuing education by virtue of having turned 65 and completed 20 years of active licensure prior to July 1, 2011. The online system won't allow me to continue with my application unless I enter continuing education. What should I do?

A-12: Just write "Exempt" or "1, 2, 3" or any number somewhere in the continuing education field. As in an earlier answer above, the Commission staff will verify this information before renewing your license.

Q-13: I heard that because of the new Core Course requirement, even brokers exempt from continuing education have to take the Core Courses. Is that true?

(Continued on Page 7)

**(CONTINUED FROM PAGE 6. FREQUENTLY ASKED QUESTIONS:
ONLINE RENEWALS)**

A-13: If you are exempt, you are exempt from all continuing education except for the Qualifying Broker Refresher Course if you are acting as a qualifying broker.

Q-14: I don't have time to be calling the Commission staff with questions about the on-line renewal process. Is there an easier way to do this?

A-14: Although the renewal form and instructions are longer than the old paper renewal form, you will find the answers to most of your questions by reading the instructions carefully before you start the process. As always, we are happy to take your calls to answer questions that you can't find answers to.

Q-15: Why do I have to get fingerprinted again, I just did it three years ago, and my fingerprints don't change.

A-15: The purpose of the fingerprints is to run a National Background check on applicants. While your fingerprints don't change, your criminal history could, and we are required to check it at each renewal.

Q-16: Why do I have to submit my application/renewal within 21 days of having my fingerprints taken.

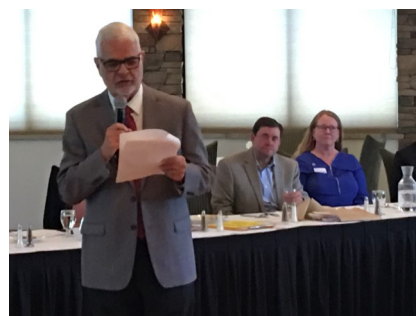
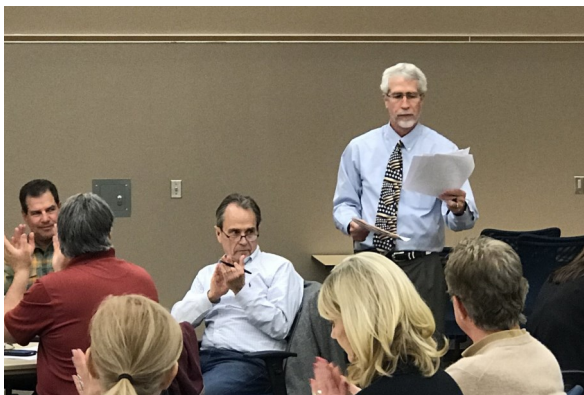
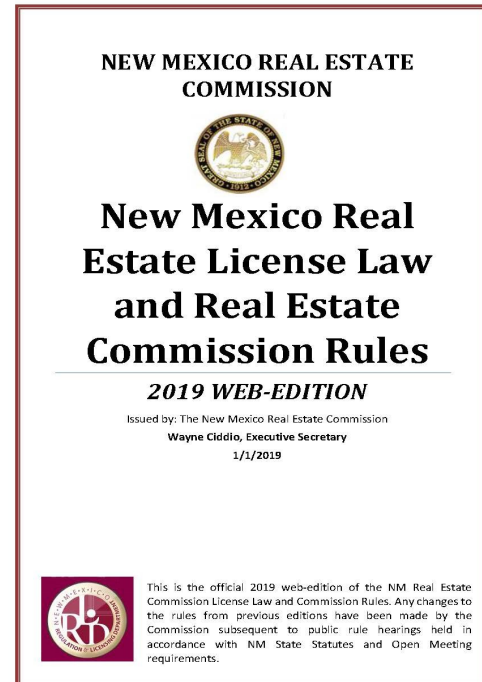
A-16: Privacy laws do not allow the NMREC to keep fingerprints or background checks in our system, and they are automatically removed from our system, and we can no longer view them.

Q-17: Didn't the legislature pass a law that the Governor signed preventing

State Agencies from requiring new fingerprints at renewal?

A-17: Yes, but that law does not take effect until July 1, 2020. In the mean time you must still be fingerprinted.

The 2019 Web-Edition Rule Book can be accessed by clicking the following link: [**2019 Rule Book**](#)



MOST RECENT NMREC Disciplinary Actions

You may also access Disciplinary Actions and updated links to associated documents on the New Mexico Real Estate Commission Web Page, Board Discipline and Enforcement Actions Tab at http://www.rld.state.nm.us/boards/Real_Estate_Commission_Disciplinary_Actions.aspx

| Action Taken | Case Number | Name | Findings (Linked documents—click name) |
|--------------------------------|--|--|--|
| Decision and Order | 15-10-06-098 | Sarah Michelle Carter Other Linked document | Revoked, \$ 5,000 Fine, \$ 2,152.08 Cost of hearing |
| Default Order | 16-03-02-017 | Gregg Darling | Revoked |
| Default Order | 16-04-06-027 | Jim Jackson | Revoked |
| Decision and Order | 16-08-03-055 | Marcela Santos | Revoked |
| Default Order | 16-08-06-058 | John Piserchia | Revoked |
| Settlement Agreement | 16-10-04-073 | Christine Eisenberg | Cease & Desist \$1,000 Fine |
| Default Order | 16-10-05-074 | Jessica Olivares | Revoked |
| Settlement Agreement (Pre NCA) | 16-11-01-077 | Scott Takacs | \$5,000 Fine Education & Letter of Reprimand |
| Closed | 17-01-02-002 | Suzanne Blas Lisa Harris | Advisory Letter |
| Default Order | 17-01-03-003 17-08-12-074 17-08-13-075 17-08-15-077 17-09-01-082 17-09-02-083 17-10-03-096 | Linda Ord | Revoked |

| Action Taken | Case Number | Name | Findings (Linked documents—click name) |
|----------------------|--------------|--|--|
| NCA) | 17-01-05-005 | Richard Gatt | \$1,000 Fine, Education & Letter of Reprimand |
| Closed | 17-01-07-007 | Michael Black | Advisory Letter |
| Default Order | 17-02-04-012 | Archie Saiz | Revoked |
| Settlement Agreement | 17-03-04-019 | Michael Milam | Education & Letter of Reprimand |
| Settlement Agreement | 17-03-05-020 | Daniel Velasquez | \$ 1,000 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 17-04-03-025 | Mark Brant | \$ 1,500 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 17-04-03-025 | Richard Hanna | \$ 500 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 17-06-11-049 | Frances Deters | Cease & Desist \$1,000 Fine |
| Settlement Agreement | 17-10-01-094 | John Wright | \$ 2,500 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 17-10-01-094 | Yvonne Wright | \$ 2,500 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 17-10-02-095 | Gregory L. Gillogly | \$ 1,000 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 17-10-07-100 | Marilyn Duncan | \$ 3,000 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 18-01-02-002 | Tyra Van Belle | \$ 1,500 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 18-01-02-002 | David Harris | Letter of Reprimand |
| Closed | 18-01-03-003 | Clarissa Chavez-Rivera | Advisory Letter |
| Settlement Agreement | 18-03-08-030 | Kristine Wood | \$ 500 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 18-03-08-030 | Joel K. Schantz | \$ 500 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 18-04-01-034 | Richard Randals | \$2,000 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 18-04-02-035 | Santiago Aceves | \$5,000 Fine, Education & Letter of Reprimand |
| Settlement Agreement | 18-04-02-035 | Alice Tozer | \$5,000 Fine, Education & Letter of Reprimand |