

# New Mexico Register

The official publication for all official notices of rulemaking  
and filing of proposed, adopted and emergency rules.

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## **The New Mexico Register**

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# New Mexico Register

Volume XXXIV, Issue 24

December 19, 2023

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## Notices of Rulemaking and Proposed Rules

### MEDICAL BOARD

#### NOTICE OF PUBLIC RULE HEARING

**Public Notice.** The New Mexico Medical Board (NMMB) gives notice that it will conduct a public rule hearing on February 2, 2024 at 9:00 AM (MDT). This rule hearing is in person and can be accessed virtually. The purpose of the public hearing is to receive public input on the proposed amendments to 16.10.2 NMAC - Physicians: Physicians Licensure Requirements; and the transfer of 16.21.1 NMAC through 16.21.12 NMAC - Podiatric Physician Rules, from Regulation and Licensing Department to the New Mexico Medical Board. Physical Hearing Location is 2055 South Pacheco Street, Bldg. 400, Santa Fe, NM 87505.

Join Zoom Meeting  
<https://us02web.zoom.us/j/83140102469?pwd=M1diTzRtZmNiNUkxR1ltNzBkNG1SQT09>

Meeting ID: 831 4010 2469  
 Passcode: 947330  
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 +1 253 215 8782 US (Tacoma)  
 +1 312 626 6799 US (Chicago)  
 +1 929 205 6099 US (New York)  
 +1 301 715 8592 US  
 (Washington DC) Meeting ID: 831 4010 2469  
 Passcode: 947330  
 Find your local number: <https://us02web.zoom.us/j/83140102469>

**Purpose.** During the 2023 Legislative Session HB384 passed and was signed by Governor Lujan Grisham on April 3, 2023. HB384 enacted new sections and revisions to the Medical Practice Act to provide

for an expedited one-year provisional license that confers the same rights, privileges and responsibilities as a regular license issued by the Board. Additionally, HB384 authorizes the Board to determine those states and territories of the United States and the District of Columbia from which it will not accept an applicant for expedited licensure and shall determine any foreign countries from which it will accept an applicant for expedited licensure.

Additionally, during the 2023 Legislative Session HB83 passed and was signed by Governor Lujan Grisham on April 5, 2023. HB83 transferred the Podiatry Board from Regulation and Licensing Department to the New Mexico Medical Board.

The revisions and additions to the Medical Practice Act and the Uniform Licensing Act requires promulgation of rules to implement the provisions set forth in HB384 and HB83.

**The statutory authorization.** Medical Practice Act Sections 61-6-1 through 61-6-35 NMSA 1978.

**No technical information serves as a basis for this proposed rule change.**

**Public comment.** Interested parties may provide comment on the proposed amendments of this state rule at the public hearing or may submit written comments to Amanda Quintana, New Mexico Medical Board, 2055 South Pacheco Street, Bldg. 400, Santa Fe, NM 87505, or by electronic mail to [AmandaL.Quintana@state.nm.us](mailto:AmandaL.Quintana@state.nm.us). All written comments must be received no later than 3:00 p.m. (MDT) on January 31, 2024. All written comments will be posted to the agency website within (3) three business days.

**Copies of proposed rule.** Copies of the proposed rules may be accessed through the New Mexico Medical Board's website at [www.nmmb.state.nm.us](http://www.nmmb.state.nm.us) or may be obtained from the Board office by calling (505)

476-7220 or via email at [AmandaL.Quintana@state.nm.us](mailto:AmandaL.Quintana@state.nm.us).

Individuals with disabilities who require the above information in an alternative format, or who need any form of auxiliary aid to attend or participate in the public hearing are asked to contact Amanda Quintana at (505) 476-7230 or via email at [AmandaL.Quintana@state.nm.us](mailto:AmandaL.Quintana@state.nm.us). The New Mexico Medical Board requires at least ten (10) calendar days advance notice to provide any special accommodations requested.

#### Summary of proposed changes.

The Board summarizes its proposed changes to its administrative rules as follows:

16.10.2 NMAC - Physicians: Licensure Requirements

As a general summary, the proposed changes to 16.10.2 NMAC are to:

- Define a Complete Application;
- Define License Renewal;
- Change the definition of a "Military Service Member";
- Add expedited license to Categories of Active Licenses;
- Change "Medical License by Endorsement" to "Expedited Licensure";
- Remove the application requirement to receive proof of citizenship;
- Add the meaning of "continuous practice";
- Add the provision that the Board has discretion to require that an applicant for an expedited license take a competency examination;
- Add the procedure for an "incomplete" application;
- Under Criminal Arrests and Convictions include that the Board shall not exclude an otherwise qualified applicant on the sole basis that the person has been previously arrested or convicted of a crime unless the person has a disqualifying criminal conviction;

16.21.1 NMAC though 16.21.12 – Podiatric Licensure Rules  
As a general summary, the entirety of the podiatric licensure rules will be transferred to the New Mexico Medical Board for regulation of podiatric physicians in New Mexico. Other changes to the rules include changing the title of podiatrist to podiatric physician; create a podiatry advisory committee; change reciprocity requirements and change licensure renewal periods from one year to two years.

## REGULATION AND LICENSING DEPARTMENT

### NOTICE OF PUBLIC RULE HEARING AND ATHLETIC COMMISSION MEETING

The New Mexico Athletic Commission and the Regulation and Licensing Department will hold a rule hearing on Thursday, January 18, 2023, at 10:00 a.m., immediately followed by a meeting of the Athletic Commission for adoption of the proposed rule changes listed below. The hearing and subsequent commission meeting will take place at the University Arena, located at 1111 University Blvd SE., Albuquerque, New Mexico 87106.

The hearing and subsequent Athletic Commission meeting may also be accessed virtually via Microsoft Teams.

Meeting Link: [https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_MmFhNzVhZTYtMTAxNy00MmMzLWFhMjgtMWQ2Zjg3Mzc5ZGI3%40thread.v2/0?context=%7b%22tid%22%3a%2204aa6bf4-d436-426f-bfa4-04b7a70e60ff%22%2c%22Oid%22%3a%2238faec28-2659-42de-b21f-5493e3af2911%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_MmFhNzVhZTYtMTAxNy00MmMzLWFhMjgtMWQ2Zjg3Mzc5ZGI3%40thread.v2/0?context=%7b%22tid%22%3a%2204aa6bf4-d436-426f-bfa4-04b7a70e60ff%22%2c%22Oid%22%3a%2238faec28-2659-42de-b21f-5493e3af2911%22%7d)

Meeting Access Code: 263 702 463 959

Join by Phone: Tel: +15053124308

Phone Access Code: 654 524 926#

The purpose of this rule hearing is to receive public comment related to the following proposed rule changes:

#### 15.6.5 NMAC – REQUIREMENTS TO SAFEGUARD HEALTH

#### 15.6.8 NMAC – CONDUCT OF BOXING CONTESTS

#### 15.6.11 NMAC – SPECIAL REQUIREMENTS FOR WRESTLING

#### 15.6.20 NMAC – MIXED MARTIAL ARTS AND EXHIBITIONS

#### 15.6.21 NMAC – BARE KNUCKLE MODIFIED

On Tuesday, December 19, 2023, copies of the proposed rules may be obtained through the New Mexico Athletic Commission website at <https://www.rld.nm.gov/boards-and-commissions/individual-boards-and-commissions/athletic-commission/statutes-rules-and-rule-hearing> or by contacting the Executive Director, Richard Espinoza at (505) 475-4658.

The New Mexico Athletic Commission and the Regulation and Licensing Department will begin accepting written public comment regarding the proposed rule changes beginning Tuesday, December 19, 2023, 8:00 a.m. and ending Thursday January 18, 2023, 10:00 a.m. Written public comment may be submitted either by email to Athletic.Commission@rld.nm.gov or by postal mail to the following address:

Attn: New Mexico Athletic Commission  
P.O. Box 25101  
Santa Fe, NM 87504

Written comments received during the public comment period (December 19, 2023 – January 18, 2023) will be posted to the website page linked above. Public comments will also be accepted during the rule hearing

and may be submitted in writing or presented orally by those attending in-person. The members of the New Mexico Athletic Commission will not enter substantive discussion of public comments during the rule hearing but will consider and deliberate any public comment during the regular commission meeting immediately following the conclusion of the public rule hearing.

The agenda for the New Mexico Athletic Commission regular meeting, which will begin immediately after the public rule hearing, will be available no less than 72 hours prior to the meeting, and available on the website linked above or by contacting the commission executive director.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or the regular advisory board meeting, please contact the Executive Director, Richard Espinoza at (505) 476-4658 at least 7 days prior to the rule hearing and regular commission meeting. Public documents, including the proposed rules, meeting agenda and minutes, can be provided in various accessible formats.

#### Statutory Authority:

The rule changes are authorized by the Professional Athletic Competition Act (Act), Section 60-2A-4 NMSA 1978, which provides explicit authority for the Athletic Commission to adopt rules for the administration of the Act.

#### Purpose of Proposed Rules:

The proposed rule changes are intended, primarily, to bring greater clarity regarding the requirements for licensure under the Professional Athletic Competition Act.

#### Summary of Proposed Changes:

The proposed changes to Section 15.6.5 now permit hand bandages on unarmed combatants' hands to be up to sixty feet in length; each hand may

not be held in place by more than ten feet of adhesive tape. The proposed changes for Section 15.6.8 remove the following: (1) the prohibition against “seconds,” a substitute fighter, coaching contestants during the progress of a fight round, (2) the requirement that female boxers wear breast protectors, and (3) the requirement that boxing contestants have a “clean, shaven appearance” or “braided” hair. The proposed changes for Section 15.6.11 remove all requirements pertaining to managers and promoters, how wrestling exhibitions must be conducted, and how tag team wrestling must be conducted. The proposed changes to Section 15.6.20 include the addition of “atom weight” fighters up to one-hundred-five pounds, and “straw weight” up to one-hundred-fifteen pounds; the changes include the removal of the rule that requires that there may be “no yelling of profanity from anyone working the corner.” The proposed changes to Section 15.6.21 include the following changes to the requirements for Bare-Knuckle Modified Rounds: (1) to be no longer than two minutes in duration with a sixty second rest period intermission allowed between rounds, (2) the addition of provisions governing the use of gloves, (3) to prohibit the use of “grease, gels, balms, lotions, oil or other substances from being applied to the hair, face or body; (4) the addition of “legal techniques” permitted during a contest.

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### **End of Notices of Rulemaking and Proposed Rules**

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## Adopted Rules

### Effective Date and Validity of Rule Filings

Rules published in this issue of the New Mexico Register are effective on the publication date of this issue unless otherwise specified. No rule shall be valid or enforceable until it is filed with the records center and published in the New Mexico Register as provided in the State Rules Act. Unless a later date is otherwise provided by law, the effective date of the rule shall be the date of publication in the New Mexico Register. Section 14-4-5 NMSA 1978.

### ALBUQUERQUE - BERNALILLO COUNTY AIR QUALITY CONTROL BOARD

At a hearing on 11/16/2023, the Albuquerque-Bernalillo County Air Quality Control Board adopted new requirements for 20.11.104 NMAC, thus repealing old requirements filed 7/1/2022 and replacing with new requirements effective 12/31/2023.

### ALBUQUERQUE - BERNALILLO COUNTY AIR QUALITY CONTROL BOARD

#### TITLE 20 ENVIRONMENTAL PROTECTION CHAPTER 11 ALBUQUERQUE- BERNALILLO COUNTY AIR QUALITY CONTROL BOARD PART 104 NEW MOTOR VEHICLE EMISSION STANDARDS

##### 20.11.104.1 ISSUING

**AGENCY:** Albuquerque-Bernalillo County Air Quality Control Board, P.O. Box 1293, Albuquerque, New Mexico 87103. Telephone: (505) 768-1972.

[20.11.104.1 NMAC - Rp,  
20.11.104.1 NMAC, 12/31/2023]

**20.11.104.2 SCOPE:** All manufacturers, dealers, rental car agencies, the United States, state and local governments, or other persons who deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register model year 2027 and subsequent model year passenger cars, light-duty trucks, medium-duty passenger vehicles, medium-duty vehicles or motor vehicle engines, heavy-duty

vehicles, heavy-duty engines or motor vehicle engines. All regulated entities subject to compliance with 20.11.104.120 NMAC (Large Entity Reporting Requirement).

[20.11.104.2 NMAC - Rp,  
20.11.104.2 NMAC, 12/31/2023]

##### 20.11.104.3 STATUTORY

**AUTHORITY:** The Air Quality Control Act, Sections 74-2-1 to -17 NMSA 1978; the Joint Air Quality Control Board Ordinance, Revised Ordinances of Albuquerque 1994, Sections 9-5-1-3, 9-5-1-4, 9-5-1-5 and 9-5-1-6; and Bernalillo County Code, Article II, Sections 30-32, 30-33, 30-34 and 30-35.

[20.11.104.3 NMAC - Rp,  
20.11.104.3 NMAC, 12/31/2023]

##### 20.11.104.4 DURATION:

Permanent.

[20.11.104.4 NMAC - Rp,  
20.11.104.4 NMAC, 12/31/2023]

##### 20.11.104.5 EFFECTIVE

**DATE:** December 31, 2023, except where a later date is cited at the end of a section.

[20.11.104.5 NMAC - Rp,  
20.11.104.5 NMAC, 12/31/2023]

**20.11.104.6 OBJECTIVE:** To adopt and implement the California vehicle emission standards and requirements statewide pursuant to Section 177 of the federal Clean Air Act.

[20.11.104.6 NMAC - Rp,  
20.11.104.6 NMAC, 12/31/2023]

##### 20.11.104.7 DEFINITIONS:

The definitions in the Air Quality Control Act, Section 74-2-2 NMSA 1978 shall apply in 20.11.104 NMAC. If a term is defined in Section 74-2-2 NMSA 1978 and 20.11.104 NMAC, the definition in 20.11.104 NMAC shall apply. The definitions in 20.11.1.7 NMAC, the Revised

Ordinances of Albuquerque 1994, Section 9-5-1-2, and the Bernalillo County Code, Article II, Section 30-31 shall not apply in 20.11.104 NMAC. When a term in a provision of the California code of regulations (CCR), Title 13, Title 17, or the California health and safety code (CHSC) incorporated by reference is given a different meaning than the term defined for general purposes in 20.11.104 NMAC, the specific CCR or CHSC section's meaning and application of the term shall control, except that all references in the incorporated sections of the CCR and CHSC shall have a different meaning unique to New Mexico whenever appropriate depending on context and the entity's authority, as follows: "California" shall, whenever appropriate, mean "New Mexico", or "Bernalillo County" and the "City of Albuquerque", depending on the context; the "California Air Resources Board," "CARB," "state board," or "board" shall mean the "environmental improvement board" or the "environment department", or the "air quality control board" or the "environmental health department", depending on the context; and "Executive Officer" shall mean the "secretary" or the "director", depending on the context; provided, however, the terms in the CCR and CHSC definitions incorporated by reference in 20.11.104.7 NMAC (Definitions) shall not be changed. For registration of a motor vehicle, when a term defined herein is also defined in the Motor Vehicle Code, Articles 1 through 8 of Chapter 66 NMSA 1978, and is given a different meaning than the term defined for general purposes in 20.11.104 NMAC, the Motor Vehicle Code meaning, and application of the term shall control.



**A. “Air quality control board”** means the Albuquerque-Bernalillo county air quality control board, which is a local board, as such term is defined in Subsection K of Section 74-2-2 NMSA 1978.

**B. “California Air Resources Board” or “CARB”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39003.

**C. “Certification”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39018.

**D. “Dealer”** means the same in 20.11.104 NMAC as it is defined in Subsection B of Section 57-16-3 NMSA 1978.

**E. “Emission standards”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39027, which New Mexico is authorized to adopt pursuant to 42 U.S.C. § 7507.

**F. “Emergency vehicle”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1961.3(f)(10).

**G. “Environment department”** means the New Mexico environment department.

**H. “Environmental health department”** means the environmental health department, which is a local agency as such term is defined in Subsection I of Section 74-2-2 NMSA 1978.

**I. “Environmental improvement board”** means the same in 20.11.104 NMAC as it is defined in Subsection A of Section 74-1-3 NMSA 1978.

**J. “Fleet”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 2012(d).

**K. “Fleet owner”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 2012(d).

**L. “Greenhouse gas”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1961.3(18).

**M. “Heavy-duty engine”** means the same in 20.11.104

NMAC as it is defined in CCR, Title 13, Section 1900(b)(5) or CCR, Title 17, Section 95662, as applicable.

**N. “Heavy-duty vehicle”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1900(b)(6) or CCR, Title 17, Section 95662, as applicable.

**O. “Light-duty truck”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1900(b)(11).

**P. “Manufacturer”** means the same in 20.11.104 NMAC as it is defined in Subsection J of Section 57-16-3 NMSA 1978.

**Q. “Medium-duty”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39037.5.

**R. “Medium-duty passenger vehicle”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1900(b)(12).

**S. “Medium-duty vehicle”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1900(b)(13) or CCR, Title 17, Section 95662, as applicable.

**T. “Methane”** means the chemical compound containing one atom of carbon and four atoms of hydrogen.

**U. “Model year”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39038.

**V. “Motor vehicle”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39039.

**W. “Motor vehicle engine”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39042.5.

**X. “Non-methane organic gas”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1961.2.

**Y. “Particulate matter”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1961.2.

**Z. “Passenger car”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1900(b)(17).

**AA. “Passenger vehicle”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39046.

**BB. “Plug-in hybrid electric vehicle” or “PHEV”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1962.4 and CCR, Title 13, Section 1963, as applicable.

**CC. “Recall”** means the same in 20.11.104 NMAC as it is defined in CCR, Title 13, Section 1900(b)(19).

**DD. “Register”** means to register a motor vehicle with the New Mexico motor vehicle division.

**EE. “Sale” or “sell”** means the transfer of equitable or legal title to a motor vehicle or motor vehicle engine to the ultimate purchaser.

**FF. “Truck”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39054.

**GG. “Ultimate purchaser”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39055.5.

**HH. “Vehicle”** means the same in 20.11.104 NMAC as it is defined in CHSC, Section 39059.

**II. “Zero-emission vehicle” or “ZEV”** means the same in 20.11.104 NMAC as it is incorporated in CCR, Title 13, Sections 1962.2(a) and 1962.4(b).

**JJ. “ZEV value”** means a unit, expressed numerically, demonstrating delivery of qualified zero-emission vehicles or other vehicle allowances for the annual ZEV requirement. [20.11.104.7 NMAC -Rp, 20.11.104.7 NMAC, 12/31/2023]

**20.11.104.8 DOCUMENTS:** Documents incorporated and cited in 20.11.104 NMAC may be viewed at the environmental health department, 1 Civic Plaza NW, Albuquerque, NM 87102. Information on internet access to these documents may be obtained by contacting the environmental health department at (505) 768-1972. [20.11.104.8 NMAC - Rp, 20.11.104.8 NMAC, 12/31/2023]

**20.11.104.9 SEVERABILITY:**

If any provision of 20.2.91 NMAC, or the application of such provision to any person or circumstance, is held invalid, the remainder of 20.2.91 NMAC, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby. [20.11.104.9 NMAC - Rp, 20.11.104.9 NMAC, 12/31/2023]

**20.11.104.10**

**CONSTRUCTION:** 20.11.104 NMAC shall be liberally construed to carry out its purpose. [20.11.104.10 NMAC Rp, 20.11.104.10 NMAC, 12/31/2023]

**20.11.104.11 SAVINGS**

**CLAUSE:** Repeal or supersession of prior versions of 20.11.104 NMAC shall not affect any administrative or judicial action initiated under those prior versions. [20.11.104.11 NMAC-Rp, 20.11.104.11 NMAC, 12/31/2023]

**20.11.104.12 COMPLIANCE WITH OTHER REGULATIONS:**

Compliance with 20.11.104 NMAC does not relieve a person from the responsibility to comply with any other applicable federal, state, or local regulations. [20.11.104.12 NMAC -Rp, 20.11.104.12 NMAC, 12/31/2023]

**20.11.104.13 LIMITATION OF**

**DEFENSE:** The existence of a valid registration or certification under 20.11.104 NMAC shall not constitute a defense to a violation of 20.11.104 NMAC, except the requirement for obtaining a registration or certification. [20.11.104.13 NMAC - Rp, 20.11.104.13 NMAC, 12/31/2023]

**20.11.104.14 to 20.11.104.100****[RESERVED]**

[20.11.104.100 NMAC - Repealed, 12/31/2023]

**20.11.104.101 GENERAL REQUIREMENTS:**

**A.** Except as otherwise required, 20.11.104 NMAC shall

apply to new motor vehicles, including passenger cars, light-duty trucks, medium-duty passenger vehicles, and medium-duty vehicles, where “new” means model years 2027 through 2032 with 7,500 miles or fewer on the odometer, and for dealers the mileage at the time of sale as determined by the odometer statement when the dealer acquired the motor vehicle; and medium-duty passenger vehicles, medium-duty vehicles, heavy-duty vehicles, and heavy-duty engines, where “new” means model years 2027 and subsequent with 7,500 miles or fewer on the odometer, and for dealers the mileage at the time of sale as determined by the odometer statement when the dealer acquired the motor vehicle.

**B.** A manufacturer, dealer, rental car agency, the United States, state or local government, or other person shall not deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register passenger cars, light-duty trucks, medium-duty passenger vehicles, medium-duty vehicles, heavy-duty vehicles, heavy-duty engines, or motor vehicle engines unless such motor vehicle or motor vehicle engine is certified to the California vehicle emission standards, as incorporated by reference pursuant to 20.11.104 NMAC.

**C.** Each manufacturer shall comply with the motor vehicle emission standards, zero-emission motor vehicle requirements, reporting, warranty, labeling, recall campaign, and other applicable requirements contained in 20.11.104 NMAC.

**D.** Each manufacturer, dealer, rental car agency, the United States, state and local government, and other person shall comply with the environment department’s and environmental health department’s inspection and information requests issued pursuant to 20.2.91.115 NMAC (Inspections and Information Requests) and 20.11.104.115 NMAC (Inspections and Information Requests), respectively.

**E.** Each person registering a motor vehicle in New Mexico shall comply with the

registration requirements in 20.11.104 NMAC.

**F.** The requirements in 20.11.104 NMAC shall not be applicable if exempt, as provided in 20.11.104.103 NMAC (Exemptions).

**G.** The requirements in 20.11.104 NMAC shall be in compliance with Motor Vehicle Dealers Franchising Act, Sections 57-16-1 to -16 NMSA 1978.

**H.** Except as provided in 20.11.104.120 NMAC (Large Entity Reporting Requirement), all regulated entities shall submit information specified in CCR, Title 13, Sections 2012.1 and 2012.2 to the secretary.

**I.** In 20.11.104 NMAC, New Mexico is inclusive of the city of Albuquerque and Bernalillo county, which allows for compliance on a statewide basis. [20.11.104.101 NMAC - Rp, 20.11.104.101 NMAC, 12/31/2023]

**20.11.104.102 INCORPORATION BY REFERENCE:**

**A.** Sections of the CCR and the CHSC incorporated by reference herein include the regulations as they existed on the effective date in 20.11.104.5 NMAC (Effective Date); incorporated sections of the CCR and the CHSC do not incorporate a later adoption or amendment of the regulation.

**B.** Each manufacturer of a passenger car, light-duty truck, medium-duty passenger vehicle, medium-duty vehicle, heavy-duty vehicle, heavy-duty engine, or motor vehicle engine shall comply with each applicable standard in Title 13 and Title 17 of the CCR as incorporated by reference herein, as applicable.

**C.** The CCR sections from Title 13 and Title 17 unless otherwise noted incorporated by reference include:

(1) Title 13, Section 1900: Definitions. As amended, 11/30/2022.

(2) Title 13, Section 1956.8: Exhaust Emission Standards and Test Procedures - 1985 and Subsequent Model Heavy-Duty Engines and



Vehicles, 2021 and Subsequent Zero-Emission Powertrains, and 2022 and Subsequent Model Heavy-Duty Hybrid Powertrains (medium-duty vehicle greenhouse gas emission standards at 1956.8(h) only). As amended, 11/30/2022.

(3) Title 13, Section 1961.2: Exhaust Emission Standards and Test Procedures - 2015 through 2025 Model Year Passenger Cars, and Light-Duty Trucks, and 2015 through 2028 Model Year Medium-Duty Vehicles. As amended, 11/30/2022.

(4) Title 13, Section 1961.3: Greenhouse Gas Exhaust Emission Standards and Test Procedures - 2017 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Passenger Vehicles. As amended, 11/30/2022.

(5) Title 13, Section 1961.4: Exhaust Emission Standards and Test Procedures — 2026 and Subsequent Model Year Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles, as amended 11/30/2022, except that subsection 1961.4(g)(1) is not adopted by reference.

(6) Title 13, Section 1962.2: Zero-Emission Vehicle Standards for 2018 through 2025 Model Year Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles. As amended, 11/30/2022.

(7) Title 13, Section 1962.3: Electric Vehicle Charging Requirements. As amended, 11/30/2022.

(8) Title 13, Section 1962.4: Zero-Emission Vehicle Requirements for 2026 and Subsequent Model Year Passenger Cars and Light-Duty Trucks, as amended 11/30/2022, except that subsection 1962.4(c)(1)(B) model years “2033”, “2034”, and “2035 and subsequent” with corresponding percentage requirements and subsection 1962.4(e)(2)(A)(3) are not adopted by reference.

(9) Title 13, Section 1962.5: Data Standardization Requirements for 2026 and Subsequent Model Year Light-Duty Zero Emission Vehicles and Plug-in

Hybrid Electric Vehicles. As amended 11/30/2022.

(10) Title 13, Section 1962.6: Battery Labeling Requirements. As amended 11/30/2022.

(11) Title 13, Section 1962.7: In-Use Compliance, Corrective Action and Recall Protocols for 2026 and Subsequent Model Year Zero-Emission and Plug-in Hybrid Electric Passenger Cars and Light-Duty Trucks. As amended, 11/30/2022.

(12) Title 13, Section 1962.8: Warranty Requirements for Zero-Emission and Batteries in Plug-in Hybrid Electric 2026 and Subsequent Model Year Passenger Cars and Light-Duty Trucks. As amended 11/30/2022.

(13) Title 13, Section 1963: Advanced Clean Trucks Purpose, Applicability, Definitions, and General Requirements. As amended, 3/15/2021.

(14) Title 13, Section 1963.1: Advanced Clean Trucks Deficits. As amended, 3/15/2021.

(15) Title 13, Section 1963.2: Advanced Clean Trucks Credit Generation, Banking, and Trading. As amended, 3/15/2021.

(16) Title 13, Section 1963.3: Advanced Clean Trucks Compliance Determination. As amended, 3/15/2021.

(17) Title 13, Section 1963.4: Advanced Clean Trucks Reporting and Recordkeeping. As amended, 3/15/2021.

(18) Title 13, Section 1963.5(a)(1)-(3): Advanced Clean Trucks Enforcement. As amended, 3/15/2021.

(19) Title 13, Section 1964: Special Test Procedures for Certification and Compliance – New Modifier Certified Motor Vehicles. As amended, 3/15/2021.

(20) Title 13, Section 1965: Emission Control, Smog Index, and Environmental Performance Labels - 1979 and Subsequent Model-Year Motor

Vehicles. As amended, 11/30/2022.

(21) Title 13, Section 1968.2: Malfunction and Diagnostic System Requirements - 2004 and Subsequent Model-Year Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles and Engines. As amended, 11/30/2022.

(22) Title 13, Section 1969: Motor Vehicle Service Information - 1994 and Subsequent Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Engines and Vehicles, and 2007 and Subsequent Model Heavy-Duty Engines. As amended, 11/30/2022.

(23) Title 13, Section 1971.1: On-Board Diagnostic System Requirements -- 2010 and Subsequent Model-Year Heavy-Duty Engines. As amended, 3/15/2021.

(24) Title 13, Section 1976: Standards and Test Procedures for Motor Vehicle Fuel Evaporative Emissions. As amended, 11/30/2022.

(25) Title 13, Section 1978: Standards and Test Procedures for Vehicle Refueling Emissions. As amended, 11/30/2022.

(26) Title 13, Section 2012: Advanced Clean Trucks, Large Entity Reporting Requirement. As amended, 3/15/2021.

(27) Title 13, Section 2012.1: General Entity Information Reporting. As amended, 3/15/2021.

(28) Title 13, Section 2012.2: Vehicle Usage by Facility Reporting. As amended, 3/15/2021.

(29) Title 13, Section 2035: Purpose, Applicability, and Definitions. As amended, 10/1/2019.

(30) Title 13, Section 2036: Defects Warranty Requirements for 1979 Through 1989 Model Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles; 1979 and Subsequent Model Motorcycles and Heavy-Duty Vehicles; and Motor Vehicle Engines Used in Such Vehicles; and 2020 and Subsequent Model Year Trailers. As amended, 12/22/2021.

(31) Title 13,  
Section 2037: Defects Warranty  
Requirements for 1990 and  
Subsequent Model Passenger Cars,  
Light-Duty Trucks, Medium-Duty  
Vehicles, and Motor Vehicle Engines  
Used in Such Vehicles. As amended,  
11/30/2022.

(32) Title  
13, Section 2038: Performance  
Warranty Requirements for 1990 and  
Subsequent Model Passenger Cars,  
Light-Duty Trucks, and Medium-Duty  
Vehicles, and Motor Vehicle Engines  
Used in Such Vehicles. As amended,  
11/30/2022.

(33) Title 13,  
Section 2039: Emission Control  
System Warranty Statement. As  
amended, 12/26/1990.

(34) Title  
13, Section 2040: Vehicle Owner  
Obligations. As amended, 10/1/2019.

(35) Title 13,  
Section 2041: Mediation; Finding of  
Warrantable Condition. As amended,  
12/26/1990.

(36) Title 13,  
Section 2046: Defective Catalyst. As  
amended, 2/15/1979.

(37) Title  
13, Section 2047: Certification  
Procedures for User Modifier-  
certified Motor Vehicles. As amended,  
1/8/1988.

(38) Title 13,  
Section 2062: Assembly-line Test  
Procedures - 1998 and Subsequent  
Model Years. As amended, 8/7/2012.

(39) Title 13,  
Section 2109: New Vehicle Recall  
Provisions. As amended, 12/30/1983.

(40) Title 13,  
Section 2111: Applicability. As  
amended, 12/22/2021.

(41) Title  
13, Section 2112: Definitions. As  
amended, 11/30/2022.

(42) Title  
13, Section 2113: Initiation and  
Approval of Voluntary and Influenced  
Emission-Related Recalls. As  
amended, 12/22/2021.

(43) Title  
13, Section 2114: Voluntary and  
Influenced Recall Plans. As amended,  
12/22/2021.

(44) Title 13,  
Section 2115: Eligibility for Repair.  
As amended, 12/22/2021.

(45) Title 13,  
Section 2116: Repair Label. As  
amended, 12/22/2021.

(46) Title 13,  
Section 2117: Proof of Correction  
Certificate. As amended, 12/22/2021.

(47) Title  
13, Section 2118: Notification. As  
amended, 12/22/2021.

(48) Title  
13, Section 2119: Recordkeeping  
and Reporting Requirements. As  
amended, 12/22/2021.

(49) Title 13,  
Section 2120: Other Requirements  
Not Waived. As amended, 1/26/1995.

(50) Title  
13, Section 2121: Penalties. As  
amended, 12/22/2021.

(51) Title 13,  
Section 2122: General Provisions.  
As amended, 12/8/2010.

(52) Title  
13, Section 2123: Initiation and  
Notification of Ordered Emission-  
Related Recalls. As amended,  
12/22/2021.

(53) Title 13,  
Section 2124: Availability of Public  
Hearing. As amended, 1/26/1995.

(54) Title 13,  
Section 2125: Ordered Recall Plan.  
As amended, 12/22/2021.

(55) Title  
13, Section 2126: Approval and  
Implementation of Recall Plan. As  
amended, 12/22/2021.

(56) Title  
13, Section 2127: Notification of  
Owners. As amended, 12/22/2021.

(57) Title 13,  
Section 2128: Repair Label. As  
amended, 12/22/2021.

(58) Title 13,  
Section 2129: Proof of Correction  
Certificate. As amended, 12/22/2021.

(59) Title 13,  
Section 2130: Capture Rates and  
Alternative Measures. As amended,  
12/22/2021.

(60) Title 13,  
Section 2131: Preliminary Tests. As  
amended, 12/22/2021.

(61) Title 13,  
Section 2132: Communication with

Repair Personnel. As amended,  
1/26/1995.

(62) Title  
13, Section 2133: Recordkeeping  
and Reporting Requirements. As  
amended, 12/22/2021.

(63) Title 13,  
Section 2135: Extension of Time. As  
amended, 1/26/1995.

(64) Title  
13, Section 2137: Vehicle, Engine,  
and Trailer Selection. As amended,  
11/30/2022.

(65) Title 13,  
Section 2139: Testing. As amended,  
12/22/2021.

(66) Title  
13, Section 2140: Notification and  
Use of Test Results. As amended,  
11/30/2022.

(67) Title 13,  
Section 2141: General Provisions.  
As amended, 12/22/2021.

(68) Title 13,  
Section 2142: Alternative Procedures.  
As amended, 12/22/2021.

(69) Title  
13, Section 2143: Failure Levels  
Triggering Recall and Corrective  
Action. As amended, 12/22/2021.

(70) Title 13,  
Section 2144: Emission Warranty  
Information Report. As amended,  
12/22/2021.

(71) Title 13,  
Section 2145: Field Information  
Report. As amended, 12/22/2021.

(72) Title 13,  
Section 2146: Emissions Information  
Report. As amended, 12/22/2021.

(73) Title 13,  
Section 2147: Demonstration of  
Compliance with Emission Standards.  
As amended, 11/30/2022.

(74) Title 13,  
Section 2148: Evaluation of Need for  
Recall. As amended, 12/22/2021.

(75) Title  
13, Section 2149: Notification and  
Subsequent Action. As amended,  
12/22/2021.

(76) Title 13,  
Section 2166: General Provisions.  
As amended, 12/22/2021.

(77) Title  
13, Section 2166.1: Definitions As  
amended, 12/22/2021.

(78) Title 13, Section 2167: Required Recall and Corrective Action for Failures of Exhaust After- Treatment Devices, on-Board Computers or Systems, Urea Dosers, Hydrocarbon Injectors, Exhaust Gas Recirculation Valves, Exhaust Gas Recirculation Coolers, Turbochargers, Fuel Injectors. As amended, 12/22/2021.

(79) Title 13, Section 2168: Required Corrective Action and Recall for Emission-Related Component Failures. As amended, 12/22/2021.

(80) Title 13, Section 2169: Required Recall or Corrective Action Plan. As amended, 12/22/2021.

(81) Title 13, Section 2169.1: Approval and Implementation of Corrective Action Plan. As amended, 12/22/2021.

(82) Title 13, Section 2169.2: Notification of Owners. As amended, 12/22/2021.

(83) Title 13, Section 2169.3: Repair Label. As amended, 12/22/2021.

(84) Title 13, Section 2169.4: Proof of Correction Certificate. As amended, 12/22/2021.

(85) Title 13, Section 2169.5: Preliminary Tests. As amended, 12/22/2021.

(86) Title 13, Section 2169.6: Communication with Repair Personnel. As amended, 12/22/2021.

(87) Title 13, Section 2169.7: Recordkeeping and Reporting Requirements. As amended, 12/22/2021.

(88) Title 13, Section 2169.8: Extension of Time. As amended, 12/22/2021.

(89) Title 13, Section 2170: Penalties. As amended, 12/22/2021.

(90) Title 13, Section 2235: Requirements. As amended, 10/1/2019.

(91) Title 13, Section 2423: Exhaust Emission Standards and Test. As amended, 12/22/2021.

(92) Title 13, Section 2485: Airborne Toxic Control

Measure to Limit Diesel-Fueled Commercial Motor Vehicle Idling. As amended, 12/22/2021.

(93) Title 17, Section 95660: Purpose. As amended, 11/30/2022.

(94) Title 17, Section 95661: Applicability. As amended, 12/5/2014.

(95) Title 17, Section 95662: Definitions. As amended, 12/22/2021.

(96) Title 17, Section 95663: Greenhouse Gas Exhaust Emission Standards and Testing Procedures for New 2014 and Subsequent Model Heavy-Duty Vehicles. As amended, 12/22/2021. [20.11.104.102 NMAC - Rp, 20.11.104.102 NMAC, 12/31/2023]

**20.11.104.103 EXEMPTIONS:** The following motor vehicles shall not be subject to 20.11.104 NMAC.

**A.** Military tactical vehicles, which shall mean the same in this section as in CCR, Title 13, Section 1905.

**B.** Motor vehicles sold for registration in a state that is not New Mexico.

**C.** Motor vehicles that have greater than 7,500 miles on the odometer.

**D.** Motor vehicles available for rent to a final destination outside of New Mexico.

**E.** Motor vehicles transferred from one person to another person due to: death, inheritance, devise or bequest; divorce, dissolution, annulment or legal separation; merger or consolidation; bankruptcy; court judgment or decree; or possessory lien, seizure or foreclosure.

**F.** Emergency vehicles.

**G.** A motor vehicle acquired by a resident of New Mexico to replace a motor vehicle registered to such resident that was stolen, damaged, or failed beyond reasonable repair while out of state, provided that such replacement motor vehicle is acquired out of state when the previously owned motor vehicle was stolen, damaged, or failed beyond reasonable repair.

**H.** A motor vehicle with a right-hand drive configuration that is not available in a California-certified model, purchased by a rural route postal carrier and used primarily for work.

**I.** Motor vehicles purchased by a nonresident before establishing residency in New Mexico, regardless of the mileage on the odometer.

**J.** Motor vehicles purchased by a resident of New Mexico while assigned to active government service outside New Mexico.

**K.** Custom and assembled motor vehicles that:

(1) are maintained for occasional transportation, exhibitions, club activities, parades, tours, testing of operation, repair, maintenance, and similar uses; and

(2) are not used for general daily transportation.

**L.** A vehicle sold for the purpose of being wrecked or dismantled.

**M.** Motor vehicles used exclusively in the conduct of agricultural operations, like implements of husbandry not including a vehicle whose existing design is primarily for the transportation of persons or property on a highway, or road machinery not regularly operated on public streets and highways.

**N.** A vehicle defined as an "excluded bus" pursuant to CCR, Title 13, Section 1963(c)(11). [20.11.104.103 NMAC - Rp, 20.11.104.103 NMAC, 12/31/2023]

**20.11.104.104 FLEET AVERAGE NON-METHANE ORGANIC GAS PLUS OXIDES OF NITROGEN EXHAUST EMISSION STANDARDS, REPORTING AND COMPLIANCE:**

**A.** Beginning model year 2027 and subsequent years, this 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and

Compliance) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register passenger cars, light-duty trucks, and medium-duty vehicles pursuant to the requirements of CCR, Title 13, Section 1961.4.

**B.** Each manufacturer subject to 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) shall comply with fleet average non-methane organic gas plus oxides of nitrogen exhaust emission standards for passenger cars, light-duty trucks, and medium-duty vehicles, and other requirements set forth in CCR, Title 13, Section 1961.4. Compliance shall be based on the motor vehicles subject to 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) and 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, or leases in New Mexico, and shall be determined on a statewide basis.

**C.** Each manufacturer subject to Subsection B of 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) shall accrue fleet average non-methane organic gas plus oxides of nitrogen exhaust emission standard credits and debits and may use credits in accordance with CCR, Title 13, Section 1961.4. Each manufacturer shall accrue and use debits and credits based on the number of motor vehicles subject to Subsection B of 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) and Subsection B of 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust

Emission Standards, Reporting and Compliance). Accounting for the use of debits and credits shall be on a statewide basis.

**D.** Each manufacturer subject to Subsection B of 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) shall submit a report by May 1 of each year to the environment department that includes the statewide fleet average non-methane organic gas plus oxides of nitrogen exhaust emission data for the model year just ended. The report shall be in accordance with the procedures in CCR, Title 13, Section 1961.4 and be in the same format used to report such information to CARB. If a manufacturer elects to report the information required pursuant to Subsection B of 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) and Subsection B of 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) using the pooling provisions set forth in CCR, Title 13, Section 1961.4, the manufacturer shall report to the environment department the information for the entire pool as well as for the portion specific to New Mexico.

[20.11.104.104 NMAC - Rp, 20.11.104.104 NMAC, 12/31/2023]

**20.11.104.105 PARTICULATE MATTER EXHAUST EMISSION STANDARDS, REPORTING AND COMPLIANCE:** Beginning model year 2027 and subsequent years, each manufacturer subject to 20.11.104.105 NMAC (Particulate Matter Exhaust Emission Standards, Reporting and Compliance) shall comply with particulate exhaust emission standards for passenger cars, light-duty trucks, medium-duty passenger vehicles, and medium-duty vehicles, and other requirements set forth in CCR, Title 13, Section 1961.4. Compliance shall be based on the motor vehicles subject

to 20.11.104.105 NMAC (Particulate Matter Exhaust Emission Standards, Reporting and Compliance) and 20.2.91.105 NMAC (Particulate Matter Exhaust Emission Standards, Reporting and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, or leases in New Mexico, and shall be determined on a statewide basis. [20.11.104.105 NMAC - Rp, 20.11.104.105 NMAC, 12/31/2023]

**20.11.104.106 FLEET AVERAGE GREENHOUSE GAS EXHAUST EMISSION STANDARDS, REPORTING AND COMPLIANCE:**

**A.** Beginning model year 2027 and subsequent years, this 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register passenger cars, light-duty trucks, and medium-duty vehicles pursuant to the requirements of CCR, Title 13, Section 1961.3.

**B.** Each manufacturer subject to 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) shall comply with fleet average greenhouse gas exhaust emission standards for passenger cars, light-duty trucks, and medium-duty passenger vehicles, and other requirements set forth in CCR, Title 13, Section 1961.3. Compliance shall be based on the motor vehicles subject to 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) and 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, or leases in New Mexico, and shall be determined on a statewide basis.

**C.** Each manufacturer subject to Subsection B of 20.11.104.106 NMAC (Fleet



Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) shall accrue fleet average greenhouse gas exhaust emission standard credits and debits and may use credits in accordance with CCR, Title 13, Section 1961.3. Each manufacturer shall accrue and use debits and credits based on the number of motor vehicles subject to Subsection B of 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) and Subsection B of 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance). Accounting for the use of debits and credits shall be on a statewide basis.

**D.** Each manufacturer subject to Subsection B of 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) shall submit a report by May 1 of each year to the environment department that includes the statewide fleet average greenhouse gas exhaust emission standard data for the model year just ended. The report shall include the number of motor vehicles in each test group, delineated by model type certified pursuant to CCR, Title 13, Section 1961.3, be in accordance with the procedures in CCR, Title 13, Section 1961.3, and be in the same format used to report such information to CARB. If a manufacturer reports the information required pursuant to Subsection B of 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) and Subsection B of 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) using option number 2 for the "Calculation of fleet average carbon dioxide value" set forth in CCR, Title 13, Section 1961.3(a)(5) (D), the manufacturer shall report the information for the entire pool as well as for the portion specific to New Mexico.

[20.11.104.106 NMAC - Rp,  
20.11.104.106 NMAC, 12/31/2023]

**20.11.104.107 FLEET AVERAGE EXHAUST EMISSION STANDARDS REMEDIATION REPORT:**

**A.** If the environment department determines that a report submitted by a manufacturer pursuant to 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) or 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) demonstrates that the manufacturer is not in compliance with the fleet average non-methane organic gas plus oxides of nitrogen exhaust emission standards or the fleet average greenhouse gas exhaust emission standards, respectively, the manufacturer shall be required to submit a fleet average remediation report to the environment department.

**B.** A fleet average remediation report shall be submitted to the environment department within 60 calendar days after notice from the environment department.

**C.** The fleet average remediation report shall, at a minimum:

(1) describe how the manufacturer intends to equalize any accrued debits;

(2) identify all motor vehicle models and the percentage of each model delivered for sale, offered for sale, sold, imported, delivered, or leased in New Mexico with their corresponding certification standards for New Mexico and California in relation to total sales in each respective state; and

(3) describe how the manufacturer intends to achieve compliance with the fleet average non-methane organic gas plus oxides of nitrogen exhaust emission standards or the fleet average greenhouse gas exhaust emission standards, as applicable, in future model years.

[20.11.104.107 NMAC - Rp,  
20.11.104.107 NMAC, 12/31/2023]

**20.11.104.108 LIGHT- AND MEDIUM-DUTY ZERO-EMISSION VEHICLE REQUIREMENTS, REPORTING AND COMPLIANCE:**

**A.** Effective model years 2027 through 2032, this 20.11.104.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver or lease passenger cars, light-duty trucks, and medium-duty vehicles pursuant to the requirements of CCR, Title 13, Section 1962.4.

**B.** Each manufacturer subject to 20.11.104.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) shall comply with the annual ZEV requirement set forth in CCR, Title 13, Section 1962.4 using New Mexico specific vehicle production volume calculated in accordance with CCR, Title 13, Section 1962.4. Manufacturer's compliance with the annual ZEV requirement in New Mexico shall be based on the motor vehicles subject to 20.11.104.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) and 20.2.91.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, or leases in New Mexico, and shall be determined on a statewide basis.

**C.** Each manufacturer subject to 2.11.104.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) shall submit to the environment department all reports in accordance with CCR, Title 13, Section 1962.4 for motor vehicles delivered for sale, offered for sale, sold, imported, delivered, or leased in New Mexico during the previous model year. The reports shall be on a statewide basis and formatted as determined by the environment department.

**D.** Manufacturers subject to 20.11.104.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) may fulfill a portion of their compliance requirement with any of the additional vehicle values and allowances in accordance with CCR, Title 13, Section 1962.4, including:

(1) PHEVs produced and delivered for sale in New Mexico in accordance with CCR, Title 13, Section 1962.4;

(2) New ZEVs and PHEVs provided for use in qualified community-based clean mobility programs in New Mexico, which means a program determined by the environment department to qualify as a community-based clean mobility program pursuant to guidance issued by the environment department; a manufacturer cannot earn vehicle values pursuant to the requirements of CCR, Title 13, Section 1962.4 until the environment department determines a program qualifies as a community-based clean mobility program;

(3) ZEVs and PHEVs initially leased in New Mexico and sold at the end of lease to a New Mexico dealer participating in a financial assistance program, which means a vehicle purchase incentive program where approved dealers accept a point-of-sale incentive for used ZEVs and PHEVs for lower-income consumers; qualifying programs in New Mexico will be approved by the environment department and posted on the environment department website;

(4) New ZEVs and PHEVs delivered for sale in New Mexico below the manufacturer's suggested retail price threshold in accordance with CCR, Title 13, Section 1962.4; and

(5) Early compliance vehicle values for model years 2025 and 2026 earned in accordance with CCR, Title 13, Section 1962.4.

**E.** Manufacturers subject to 20.11.104.108 NMAC (Light- and Medium-Duty Zero-

emission Vehicle Requirements, Reporting and Compliance) may fulfill any deficit portion of their total annual ZEV requirement with additional allowances in accordance with CCR, Title 13, Section 1962.4 and 20.11.104.109 (Voluntary Early Action Credits and Onetime Values), including: with converted ZEV values and PHEV values earned pursuant to 20.11.104.109 NMAC (Voluntary Early Action Credits and Onetime Values); and with ZEV values and PHEV values transferred from other states ("Pooled Values") pursuant to CCR, Title 13, Section 1962.4.

**F.** In New Mexico, manufacturers shall make up any deficits incurred for a model year by submitting a commensurate amount of ZEV values to the secretary within three years to fulfill any remaining deficit of their annual ZEV requirement in a given model year in accordance with CCR, Title 13, Section 1962.4.

[20.11.104.108 NMAC - Rp, 20.11.104.108 NMAC, 12/31/2023]

#### **20.11.104.109 VOLUNTARY EARLY ACTION CREDITS AND ONETIME VALUES:**

**A.** Beginning July 1, 2022, for model years 2023 through 2025, this 20.11.104.109 NMAC (Voluntary Early Action Credits and Onetime Values) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver or lease passenger cars, light-duty trucks, and medium-duty vehicles pursuant to the requirements of CCR, Title 13, Section 1962.2.

**B.** A manufacturer may earn early action credits for motor vehicles delivered for sale, offered for sale, sold, imported, delivered, or leased in New Mexico as set forth in CCR, Title 13, Section 1962.2. To earn early action credits, a manufacturer shall report all prior model year qualifying motor vehicles from this Subsection B of 20.11.104.109 NMAC (Voluntary Early Action Credits and Onetime Values) and Subsection B of 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values)

to the environment department before May 1 following each applicable year. Early action credits shall be calculated on a statewide basis and at the conclusion of the reporting for model year 2025 converted to ZEV values and PHEV values. The department shall verify, record, track, and report early action credits calculated on a statewide basis. At the conclusion of the reporting for model year 2025, the department shall follow CARB's procedures to convert early action credits to ZEV values and PHEV values as set forth in CCR, Title 13, Section 1962.4(g)(2)(A).

**C.** For model 2025, a manufacturer may earn either early action credits as set forth 20.11.104.109 NMAC (Voluntary Early Action Credits and Onetime Values) and 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values) or early compliance vehicle values as set forth in 20.11.104.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance), both which are calculated on a statewide basis. A manufacturer shall make this election in its report for model year 2025.

**D.** In addition to earning early action credits, a manufacturer may earn onetime ZEV values and PHEV values equal to their converted early action credits, calculated on a statewide basis. To earn the onetime ZEV and PHEV values, a manufacturer shall submit a request to the environment department by May 1, 2026.

**E.** Notwithstanding the provisions set forth in CCR, Title 13, Subsections 1962.4(g)(2)(B) and (C), ZEV values and PHEV values issued pursuant to 20.11.104.109 NMAC (Voluntary Early Action Credits and Onetime Values) may be used, and shall only be used by a manufacturer subject to 20.11.104.108 NMAC (Light- and Medium-Duty Zero-Emission Vehicle Requirements, Reporting and Compliance) or traded to a manufacturer subject to 20.11.104.108 NMAC (Light- and Medium-Duty Zero-Emission Vehicle Requirements, Reporting and

Compliance) to fulfill a deficit portion of their annual ZEV requirement in New Mexico for model years 2027 through 2029.

**F.** ZEV values and PHEV values issued pursuant to 20.11.104.109 NMAC (Voluntary Early Action Credits and Onetime Values) may only be used for compliance with the annual ZEV requirements in New Mexico.

**G.** Motor vehicle early action credits or onetime values shall not constitute or convey a property right.

[20.11.104.109 NMAC - Rp, 20.11.104.109 NMAC, 12/31/2023]

#### **20.11.104.110 ADDITIONAL REPORTING:**

**A.** Beginning model year 2027 and subsequent years, each manufacturer subject to 20.11.104 NMAC shall submit to the environment department or environmental health department, within 30 calendar days of a request from the environment department or the environmental health department:

**(1)** A copy of the applicable CARB executive order.

**(2)** Any documentation the respective department determines necessary for the effective administration and enforcement of 20.11.104 NMAC, including without limitation certification materials submitted to CARB and documentation regarding the sale of each motor vehicle subject to 20.11.104 NMAC.

**(3)** Any emission warranty information reports prepared in accordance with CCR, Title 13.

**B.** If these records are available electronically, the manufacturer shall submit the records in an electronic format approved by the respective department.

[20.11.104.110 NMAC -Rp, 20.11.104.110 NMAC, 12/31/2023]

#### **20.11.104.111 WARRANTIES:**

**A.** Beginning model year 2027 and subsequent years, each manufacturer of a motor vehicle subject to 20.11.104 NMAC shall

warrant to the ultimate purchaser and each subsequent purchaser that the motor vehicle shall comply over its period of warranty coverage with all applicable requirements of CCR, Title 13, Sections 1962.4, 2035 through 2038, 2040, and 2046. Subsection C of 20.11.104.103 NMAC (Exemptions) shall not apply to this section.

**B.** Except as otherwise provided in Subsection B of 20.11.104.111 NMAC (Warranties), each manufacturer subject to 20.11.104 NMAC shall include with each motor vehicle or motor vehicle engine, the emission control systems warranty statement that complies with the requirements of CCR, Title 13, Section 2039, except:

**(1)** A manufacturer shall modify the emission control systems warranty statement as necessary to inform motor vehicle owners of the applicability of the warranty in New Mexico.

**(2)** For the purpose of the documents required pursuant to CCR, Title 13, Section 2039(c), a manufacturer is only required to submit such documents upon request of the environment department.

**C.** Upon the environment department's or the environmental health department's request, a manufacturer of a motor vehicle subject to 20.11.104 NMAC shall submit to the respective department within 30 calendar days of the request any emission warranty information report submitted to CARB, as required in CCR, Title 13, Section 2144.

[20.11.104.111 NMAC - Rp, 20.11.104.111 NMAC, 12/31/2023]

#### **20.11.104.112 LABELS:**

Beginning model year 2027 and subsequent years, a manufacturer, dealer, rental car agency, the United States, state or local government, or other persons shall deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register passenger cars, light-duty trucks, medium-duty passenger

vehicles, medium-duty vehicles, heavy-duty vehicles, heavy-duty engines, or motor vehicle engines in New Mexico with emission control labels and environmental performance labels affixed in accordance with CCR, Title 13, Section 1965.

[20.11.104.112 NMAC - Rp, 20.11.104.112 NMAC, 12/31/2023]

#### **20.11.104.113 RECALL CAMPAIGNS:**

**A.** Beginning model year 2027 and subsequent years, each manufacturer of a motor vehicle subject to 20.11.104 NMAC shall be subject to all recall campaign requirements of CCR, Title 13, including Sections 1962.4, 2035 through 2038, 2040, and 2046.

**B.** Any order issued or enforcement action taken by CARB to correct noncompliance that results in a recall campaign of a motor vehicle pursuant to CCR, Title 13, including Sections 1962.7, and 2111 through 2135 shall be prima facie evidence concerning noncompliance for a motor vehicle registered in New Mexico. If the manufacturer demonstrates to the environment department's satisfaction that the order or action is not applicable to a motor vehicle registered in New Mexico, the environment department or environmental health department shall not pursue a recall campaign of that motor vehicle.

**C.** If a manufacturer initiates a voluntary or influenced emission-related recall campaign pursuant to CCR, Title 13, including Sections 1962.7, and 2113 through 2121, the recall campaign shall include all affected motor vehicles registered in New Mexico.

**D.** For a motor vehicle subject to an order or action under Subsection B of 20.11.104.113 NMAC (Recall Campaigns) and Subsection B of 20.2.91.113 (Recall Campaigns), each manufacturer shall send to each owner of an affected motor vehicle registered in New Mexico a notice that complies with the requirements in CCR, Title 13, including Sections 1962.7, 2118 and 2127, as applicable, including

a telephone number for owners to obtain answers to questions regarding the recall.

[20.11.104.113 NMAC - Rp,  
20.11.104.113 NMAC, 12/31/2023]

#### **20.11.104.114 REGISTRATION AND FEES:**

**A.** Effective January 1, 2026, for each manufacturer delivering for sale, offering for sale, selling, importing, delivering, or leasing passenger cars, light-duty trucks, medium-duty passenger vehicles, medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or motor vehicle engines subject to 20.2.91 NMAC shall obtain a registration from the environment department. The environment department shall issue a registration for a period of 10 years subject to an annual registration fee as set forth in Section C of 20.1.91.114 NMAC (Registration and Fees) and 20.1.104.114 NMAC (Registration and Fees). It shall be a violation of 20.2.91 NMAC for a manufacturer subject to 20.2.91 NMAC to not obtain a registration in accordance with Subsection A of 20.2.91.114 NMAC (Registration and Fees).

**B.** Effective January 1, 2026, each manufacturer subject to 20.2.91.114 NMAC (Registration and Fees) and 20.2.104.114 NMAC (Registration and Fees) shall report to the environment department the type and number of passenger cars, light-duty trucks, medium-duty passenger vehicles, medium-duty vehicles, and heavy-duty vehicles, heavy-duty engines or motor vehicle engines subject to 20.2.91 NMAC delivered for sale, offered for sale, sold, imported, delivered, or leased in New Mexico during the previous model year. The manufacturer shall submit the report to the department by May 1 of each year. Failure to timely submit the report shall be a violation of Subsection B of 20.2.91.114 NMAC (Registration and Fees) and cause for the department to revoke the manufacturer's registration.

**C.** The environment department shall assess an annual registration fee for the period

beginning July 1 and ending June 30 of the subsequent year.

**(1)** The environment department shall assess annual registration fees by apportioning the total registration fee among all registrants according to each manufacturer's reported market share for the previous model year, calculated on a statewide basis.

**(2)** Within 45 calendar days after the report required by 20.2.91.114 NMAC (Registration and Fees) is due, the department shall notify each registrant of the registration fee required for the next registration period. Within 30 calendar days of the department's notice of the required registration fee, each registrant shall remit the specified amount payable to the New Mexico environment department.

**(3)** The total registration fee is \$300,000 and shall increase annually by the consumer price index through model year 2032. Beginning model year 2033, the total registration fee is \$100,000 and shall increase annually by the consumer price index.

**(4)** Failure to timely pay the annual registration fee shall be a violation of Subsection C of 20.2.91.114 NMAC (Registration and Fees) and cause for the department to revoke the manufacturer's registration.

**D.** Manufacturers seeking to earn early action credits and onetime values under 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values) shall pay a \$20,000 registration fee that is separate and apart from the annual registration fee required by Section C of 20.2.91.114 NMAC (Registration and Fees) by May 1 following each applicable model year.

[20.11.104.114 NMAC - Rp,  
20.11.104.114 NMAC, 12/31/2023]

#### **20.11.104.115 INSPECTIONS AND INFORMATION REQUESTS:**

**A.** The environment department or environmental health department may inspect motor vehicles, and may inspect and copy

relevant, non-financial records, including records documenting motor vehicle origin, certification, delivery, or sales, and any record of emission-related part repairs performed under warranty.

**B.** The environment department or environmental health department may require a manufacturer, dealer, rental car agency, the United States, state or local government, or other person to submit or may inspect and copy itself, relevant, non-financial records related to a motor vehicle subject or potentially subject to 20.11.104 NMAC, except that Subsection B of 20.11.104.115 NMAC (Inspections and Information Requests) shall not be construed to require the creation of a new record.

[20.11.104.115 NMAC - Rp,  
20.11.104.115 NMAC, 12/31/2023]

#### **20.11.104.116**

**RECORDKEEPING:** All manufacturers, dealers, rental car agencies, the United States, state and local governments, or other persons shall retain records pertaining to compliance under 20.11.104 NMAC. [20.11.104.116 NMAC - Rp,  
20.11.104.116 NMAC, 12/31/2023]

#### **20.11.104.117 PROHIBITED:**

Failure to comply with the emission standards, recordkeeping, reporting, or other requirements of 20.11.104 NMAC within the timeframes specified shall constitute a violation of 20.11.104 NMAC subject to enforcement action under Section 74-2-12 NMSA 1978.

[20.11.104.117 NMAC - Rp,  
20.11.104.117 NMAC, 12/31/2023]

#### **20.11.104.118 EXHAUST EMISSION STANDARDS FOR HEAVY-DUTY ENGINES:**

**A.** Beginning model year 2027 and subsequent years, this 20.11.104.118 NMAC (Exhaust Emission Standards for Heavy-Duty Engines) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire or receive heavy-duty vehicles, heavy-duty engines or other



motor vehicle engines pursuant to the requirements of CCR, Title 13, Sections 1900, 1956.8, 1961.2, 1965, 1968.2, 1971.1, 2035, 2036, 2166, 2166.1, 2167 through 2170, 2111 through 2119, 2121, 2123, 2125 through 2131, 2133, 2137, 2139 through 2149, 2423 and 2485.

**B.** Each manufacturer subject to 20.11.104.118 NMAC (Exhaust Emission Standards for Heavy-Duty Engines) shall comply with the heavy-duty engine emissions standards and other requirements set forth in CCR, Title 13, Sections 1900, 1956.8, 1961.2, 1965, 1968.2, 1971.1, 2035, 2036, 2166, 2166.1, 2167 through 2170, 2111 through 2119, 2121, 2123, 2125 through 2131, 2133, 2137, 2139 through 2149, 2423 and 2485. Compliance shall be based on the motor vehicles subject to 20.2.91.118 NMAC (Exhaust Emission Standards for Heavy-Duty Engines) and 20.11.104.118 NMAC (Exhaust Emission Standards for Heavy-Duty Engines) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, purchases, rents, leases, acquires or receives in New Mexico, and shall be determined on a statewide basis.

[20.11.104.118 NMAC - Rp,

20.11.104.118 NMAC, 12/31/2023]

**20.11.104.119 MEDIUM- AND HEAVY-DUTY ZERO-EMISSION VEHICLE REQUIREMENT, REPORTING, AND COMPLIANCE:**

**A.** Beginning model year 2027 and subsequent years, this 20.11.104.119 NMAC (Medium- and Heavy-duty Zero-emission Vehicle Requirement, Reporting, and Compliance) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire or receive medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines pursuant to the requirements of CCR, Title 13, Sections 1963, 1963.1, 1963.2, 1963.4, and 1963.5.

**B.** Each manufacturer subject to 20.11.104.119 NMAC (Medium- and Heavy-duty Zero-

emission Vehicle Requirement, Reporting, and Compliance) shall deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire or receive medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines certified as ZEVs to New Mexico in accordance with CCR, Title 13, Sections 1963, 1963.1, 1963.2, 1963.4 and 1963.5.

**C.** Each manufacturer subject to 20.11.104.119 NMAC (Medium- and Heavy-duty Zero-emission Vehicle Requirement, Reporting, and Compliance) shall comply with the ZEV sales percentage schedule set forth in CCR, Title 13, Section 1963.1 using New Mexico specific ZEV sales calculated in accordance with CCR, Title 13, Section 1963.1. Manufacturer's compliance with the ZEV sales percentage shall be based on medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines subject to 20.11.104.119 NMAC (Medium- and Heavy-Duty Zero-emission Vehicles Requirement, Reporting, and Compliance) and 20.2.91.119 NMAC (Medium- and Heavy-Duty Zero-emission Vehicles Requirement, Reporting, and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, purchases, rents, leases, acquires or receives in New Mexico, and shall be determined on a statewide basis.

**D.** Before May 1 of each year, each manufacturer subject to 20.11.104.119 NMAC (Medium- and Heavy-duty Zero-emission Vehicle Requirement, Reporting, and Compliance) shall submit to the department a report detailing ZEV sales percentage performance by identifying qualifying medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines transferred to or from any manufacturer or, offered for sale, sold, imported, delivered, purchased, rented, leased, acquired or received in New Mexico during the previous model year in accordance with CCR, Title 13, Sections 1963.1. The report shall include the resulting surplus

or deficit in meeting the ZEV sales percentage for the model year after applying any ZEV deficits or credits according to CCR Title 13, Section 1963.1. ZEV sales percentage performance shall be on a statewide basis. The report shall be prepared in the same format used to report ZEV sales percentage performance compliance to CARB.

**E.** Each manufacturer subject to 20.11.104.119 NMAC (Medium- and Heavy-duty Zero-emission Vehicle Requirement, Reporting, and Compliance) may generate, bank and trade ZEV credits for qualifying medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines delivered for sale, offered for sale, sold, imported, delivered, purchased, rented, leased, acquired or received in New Mexico in accordance with 20.11.104.119 NMAC (Medium- and Heavy-duty Zero-emission Vehicle Requirement, Reporting, and Compliance) and CCR, Title 13, Sections 1963, 1963.1 and 1963.2.

**F.** Beginning with the model year 2025, any manufacturer that produces on-road vehicles over 8,500 pounds gross vehicle weight rating for sale in New Mexico may generate, bank and trade ZEV credits for vehicles certified as ZEVs in accordance with CCR, Title 13, Sections 1963, 1963.1, 1963.2, 1963.4 and 1963.5 for such vehicles pursuant to CCR, Title 13, Section 1963.2. [20.11.104.119 NMAC - Rp, 20.11.104.119 NMAC, 12/31/2023]

**20.11.104.120 LARGE ENTITY REPORTING REQUIREMENT:**

**A.** Beginning model year 2027 and subsequent years, this 20.11.104.120 NMAC (Large Entity Reporting Requirement) applies to entities in accordance with CCR, Title 13, Sections 2012, 2012.1, and 2012.2.

**B.** Each entity subject to this 20.11.104.120 NMAC (Large Entity Reporting Requirement) shall comply with the large entity reporting requirement in accordance with such sections provided however that every occurrence of "California" shall

be replaced with “New Mexico”, “Executive Officer” shall be replaced with “Secretary”, “Public Utilities Commission” shall be replaced with “Public Regulation Commission”, and all other replacements clarifying that CCR, Title 13, Sections 2012, 2012.1, and 2012.2 are requirements in New Mexico in accordance with this section. For purposes of compliance with 20.11.104.120 (Large Entity Reporting Requirement) only, all exemptions under CCR, Title 13, Section 2012(c) apply, and do not apply to another other section of 20.11.104 NMAC.

C. Each entity subject to this 20.11.104.120 NMAC (Large Entity Reporting Requirement) shall report complete information to the secretary by May 1, 2025, through the environment department’s Advanced Clean Trucks webpage. Vehicle data shall be reported as the fleet was comprised on a date of the fleet owner’s choosing any time after December 31, 2023. The reporting entity shall maintain the records of their information required by CCR, Title 13, Sections 2012.1 and 2012.2 for five years following the report date. To the extent reports submitted contain confidential data, entities may choose to designate that information as confidential.  
[20.11.104.120 NMAC - Rp, 20.11.104.120 NMAC, 12/31/2023]

**HISTORY OF 20.11.104 NMAC:**  
**History of Repealed Material:**  
20.11.104 NMAC, Emission Standards for New Motor Vehicles, filed 11/30/2007, repealed effective 7/1/2022.

**Other History:**  
20.11.104 NMAC, Emission Standards for New Motor Vehicles, filed 11/30/2007, was repealed and replaced by 20.11.104 NMAC, New Motor Vehicle Emission Standards, effective 7/1/2022.  
20.11.104 NMAC, New Motor Vehicle Emission Standards, was repealed and replaced by 20.11.104 NMAC, New Motor Vehicle Emission Standards, effective 12/31/2023.

## ENVIRONMENT DEPARTMENT

At a hearing on 11/16/2023, the Environmental Improvement Board adopted new requirements for 20.2.91 NMAC, thus repealing old requirements filed 7/1/2022 and replacing with new requirements effective 12/31/2023.

## ENVIRONMENT DEPARTMENT

### TITLE 20 ENVIRONMENTAL PROTECTION CHAPTER 2 AIR QUALITY (STATEWIDE) PART 91 NEW MOTOR VEHICLE EMISSION STANDARDS

**20.2.91.1 ISSUING**  
**AGENCY:** Environmental Improvement Board.  
[20.2.91.1 NMAC - Rp, 20.2.91.1 NMAC, 12/31/2023]

**20.2.91.2 SCOPE:** All manufacturers, dealers, rental car agencies, the United States, state and local governments, or other persons who deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register model year 2027 and subsequent model year passenger cars, light-duty trucks, medium-duty passenger vehicles, medium-duty vehicles or motor vehicle engines, heavy-duty vehicles, heavy-duty engines or motor vehicle engines. All regulated entities subject to compliance with 20.2.91.120 NMAC (Large Entity Reporting Requirement).  
[20.2.91.2 NMAC - Rp, 20.2.91.2 NMAC, 12/31/2023]

**20.2.91.3 STATUTORY**  
**AUTHORITY:** The Environmental Improvement Act, Paragraph (4) of Subsection A of Section 74-1-8 NMSA 1978, and the Air Quality Control Act, Sections 74-2-1 through 74-2-17 NMSA 1978.  
[20.2.91.3 NMAC - Rp, 20.2.91.3 NMAC, 12/31/2023]

**20.2.91.4 DURATION:**  
Permanent.  
[20.2.91.4 NMAC - Rp, 20.2.91.4 NMAC, 12/31/2023]

**20.2.91.5 EFFECTIVE**  
**DATE:** December 31, 2023, except where a later date is cited at the end of a section.  
[20.2.91.5 NMAC - Rp, 20.2.91.5 NMAC, 12/31/2023]

**20.2.91.6 OBJECTIVE:** To adopt and implement the California vehicle emission standards and requirements statewide pursuant to Section 177 of the federal Clean Air Act.  
[20.2.91.6 NMAC - Rp, 20.2.91.6 NMAC, 12/31/2023]

**20.2.91.7 DEFINITIONS:**  
The definitions in the Air Quality Control Act, Section 74-2-2 NMSA 1978 shall apply in 20.2.91 NMAC. If a term is defined in Section 74-2-2 NMSA 1978 and 20.2.91 NMAC, the definition in 20.2.91 NMAC shall apply. The definitions in 20.2.2.7 NMAC shall not apply in 20.2.91 NMAC. When a term in a provision of the California code of regulations (CCR), Title 13, Title 17, or the California health and safety code (CHSC) incorporated by reference is given a different meaning than the term defined for general purposes in 20.2.91 NMAC, the specific CCR or CHSC section’s meaning and application of the term shall control, except that all references in the incorporated sections of the CCR and CHSC shall have a different meaning unique to New Mexico whenever appropriate depending on context and the entity’s authority, as follows: “California” shall, whenever appropriate, mean “New Mexico”; the “California Air Resources Board,” “CARB,” “state board”, or “board” shall mean the “environmental improvement board” or “department,” depending on the context; and “Executive Officer” shall mean the “secretary;” provided, however, the terms in the CCR and CHSC definitions incorporated by reference in 20.2.91.7 NMAC (Definitions)

shall not be changed. For registration of a motor vehicle, when a term defined herein is also defined in the Motor Vehicle Code, Articles 1 through 8 of Chapter 66 NMSA 1978, and is given a different meaning than the term defined for general purposes in 20.2.91 NMAC, the Motor Vehicle Code meaning, and application of the term shall control.

**A. “California Air Resources Board” or “CARB”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39003.

**B. “Certification”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39018.

**C. “Dealer”** means the same in 20.2.91 NMAC as it is defined in Subsection B of Section 57-16-3 NMSA 1978.

**D. “Emission standards”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39027, which New Mexico is authorized to adopt pursuant to 42 U.S.C. § 7507.

**E. “Emergency vehicle”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1961.3(f)(10).

**F. “Environmental improvement board”** means the same in 20.2.91 NMAC as it is defined in Subsection A of Section 74-1-3 NMSA 1978.

**G. “Fleet”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 2012(d).

**H. “Fleet owner”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 2012(d).

**I. “Greenhouse gas”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1961.3(18).

**J. “Heavy-duty engine”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1900(b)(5) or CCR, Title 17, Section 95662, as applicable.

**K. “Heavy-duty vehicle”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1900(b)(6) or CCR, Title 17, Section 95662, as applicable.

**L. “Light-duty truck”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1900(b)(11).

**M. “Manufacturer”** means the same in 20.2.91 NMAC as it is defined in Subsection J of Section 57-16-3 NMSA 1978.

**N. “Medium-duty”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39037.5.

**O. “Medium-duty passenger vehicle”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1900(b)(12).

**P. “Medium-duty vehicle”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1900(b)(13) or CCR, Title 17, Section 95662, as applicable.

**Q. “Methane”** means the chemical compound containing one atom of carbon and four atoms of hydrogen.

**R. “Model year”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39038.

**S. “Motor vehicle”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39039.

**T. “Motor vehicle engine”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39042.5.

**U. “Non-methane organic gas”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1961.2.

**V. “Particulate matter”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1961.2.

**W. “Passenger car”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1900(b)(17).

**X. “Passenger vehicle”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39046.

**Y. “Plug-in hybrid electric vehicle” or “PHEV”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1962.4 and CCR, Title 13, Section 1963, as applicable.

**Z. “Recall”** means the same in 20.2.91 NMAC as it is defined in CCR, Title 13, Section 1900(b)(19).

**AA. “Register”** means to register a motor vehicle with the New Mexico motor vehicle division.

**BB. “Sale” or “sell”** means the transfer of equitable or legal title to a motor vehicle or motor vehicle engine to the ultimate purchaser.

**CC. “Truck”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39054.

**DD. “Ultimate purchaser”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39055.5.

**EE. “Vehicle”** means the same in 20.2.91 NMAC as it is defined in CHSC, Section 39059.

**FF. “Zero-emission vehicle” or “ZEV”** means the same in 20.2.91 NMAC as it is incorporated in CCR, Title 13, Sections 1962.2(a) and 1962.4(b).

**GG. “ZEV value”** means a unit, expressed numerically, demonstrating delivery of qualified zero-emission vehicles or other vehicle allowances for the annual ZEV requirement.  
[20.2.91.7 NMAC - Rp, 20.2.91.7 NMAC, 12/31/2023]

**20.2.91.8 DOCUMENTS:** Documents incorporated and cited in 20.2.91 NMAC may be viewed on the department’s website and at the New Mexico environment department climate change bureau.  
[20.2.91.8 NMAC - Rp, 20.2.91.8 NMAC, 12/31/2023]  
[As of July 2023, the Climate Change Bureau is located at 525 Camino de los Marquez, Suite 1, Santa Fe, New Mexico 87505.]

**20.2.91.9 SEVERABILITY:** If any provision of 20.2.91 NMAC, or the application of such provision to any person or circumstance, is held invalid, the remainder of 20.2.91 NMAC, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.



[20.2.91.9 NMAC – Rp 20.2.91.9 NMAC, 12/31/2023]

**20.2.91.10 CONSTRUCTION:**

20.2.91 NMAC shall be liberally construed to carry out its purpose.  
[20.2.91.10 NMAC – Rp 20.2.91.10 NMAC, 12/31/2023]

**20.2.91.11 SAVINGS**

**CLAUSE:** Repeal or supersession of prior versions of 20.2.91 NMAC shall not affect any administrative or judicial action initiated under those prior versions.

[20.2.91.11 NMAC – Rp 20.2.91.11 NMAC, 12/31/2023]

**20.2.91.12 COMPLIANCE WITH OTHER REGULATIONS:**

Compliance with 20.2.91 NMAC does not relieve a person from the responsibility to comply with any other applicable federal, state, or local regulations.

[20.2.91.12 NMAC - Rp 20.2.91.12 NMAC, 12/31/2023]

**20.2.91.13 LIMITATION OF DEFENSE:**

The existence of a valid registration or certification under 20.2.91 NMAC shall not constitute a defense to a violation of 20.2.91 NMAC, except the requirement for obtaining a registration or certification.

[20.2.91.13 NMAC - Rp 20.2.91.13 NMAC, 12/31/2023]

**20.2.91.14 to 20.2.91.100**

**[RESERVED]**

[20.2.91.100 NMAC - Repealed, 12/31/2023]

**20.2.91.101 GENERAL REQUIREMENTS:**

**A.** Except as otherwise required, 20.2.91 NMAC shall apply to new motor vehicles, including passenger cars, light-duty trucks, medium-duty passenger vehicles, and medium-duty vehicles, where “new” means model years 2027 through 2032 with 7,500 miles or fewer on the odometer, and for dealers the mileage at the time of sale as determined by the odometer statement when the dealer acquired the motor vehicle;

and medium-duty passenger vehicles, medium-duty vehicles, heavy-duty vehicles, and heavy-duty engines, where “new” means model years 2027 and subsequent with 7,500 miles or fewer on the odometer, and for dealers the mileage at the time of sale as determined by the odometer statement when the dealer acquired the motor vehicle.

**B.** A manufacturer, dealer, rental car agency, the United States, state or local government, or other person shall not deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register passenger cars, light-duty trucks, medium-duty passenger vehicles, medium-duty vehicles, heavy-duty vehicles, heavy-duty engines, or motor vehicle engines unless such motor vehicle or motor vehicle engine is certified to the California vehicle emission standards, as incorporated by reference pursuant to 20.2.91 NMAC.

**C.** Each manufacturer shall comply with the motor vehicle emission standards, zero-emission motor vehicle requirements, reporting, warranty, labeling, recall campaign, and other applicable requirements contained in 20.2.91 NMAC.

**D.** Each manufacturer, dealer, rental car agency, the United States, state and local government, and other person shall comply with the department’s inspection and information requests issued pursuant to 20.2.91.115 NMAC (Inspections and Information Requests).

**E.** Each person registering a motor vehicle in New Mexico shall comply with the registration requirements in 20.2.91 NMAC.

**F.** The requirements in 20.2.91 NMAC shall not be applicable if exempt, as provided in 20.2.91.103 NMAC (Exemptions).

**G.** The requirements in 20.2.91 NMAC shall be in compliance with the Motor Vehicle Dealers Franchising Act, Sections 57-16-1 through 57-16-16 NMSA 1978.

**H.** Except as provided in 20.2.91.120 (Large Entity Reporting Requirement), all regulated

entities shall submit information specified in CCR, Title 13, Sections 2012.1 and 2012.2 to the secretary.

**I.** In 20.2.91 NMAC, New Mexico is inclusive of the city of Albuquerque and Bernalillo county, which allows for compliance on a statewide basis.

[20.2.91.101 NMAC - Rp 20.2.91.101 NMAC, 12/31/2023]

**20.2.91.102 INCORPORATION BY REFERENCE:**

**A.** Sections of the CCR and the CHSC incorporated by reference herein include the regulations as they existed on the effective date in 20.2.91.5 NMAC (Effective Date); incorporated sections of the CCR and the CHSC do not incorporate a later adoption or amendment of the regulation.

**B.** Each manufacturer of a passenger car, light-duty truck, medium-duty passenger vehicle, medium-duty vehicle, heavy-duty vehicle, heavy-duty engine, or motor vehicle engine shall comply with each applicable standard in Title 13 and Title 17 of the CCR as incorporated by reference herein, as applicable.

**C.** The CCR sections from Title 13 and Title 17 unless otherwise noted incorporated by reference include:

**(1)** Title 13, Section 1900: Definitions. As amended, 11/30/2022.

**(2)** Title 13, Section 1956.8: Exhaust Emission Standards and Test Procedures - 1985 and Subsequent Model Heavy-Duty Engines and Vehicles, 2021 and Subsequent Zero-Emission Powertrains, and 2022 and Subsequent Model Heavy-Duty Hybrid Powertrains (medium-duty vehicle greenhouse gas emission standards at 1956.8(h) only). As amended, 11/30/2022.

**(3)** Title 13, Section 1961.2: Exhaust Emission Standards and Test Procedures - 2015 through 2025 Model Year Passenger Cars, and Light-Duty Trucks, and 2015 through 2028 Model Year Medium-Duty Vehicles. As amended, 11/30/2022.

**(4)** Title 13,  
Section 1961.3: Greenhouse Gas  
Exhaust Emission Standards and Test  
Procedures - 2017 and Subsequent  
Model Passenger Cars, Light-Duty  
Trucks, and Medium-Duty Passenger  
Vehicles. As amended, 11/30/2022.

**(5)** Title 13,  
Section 1961.4: Exhaust Emission  
Standards and Test Procedures —  
2026 and Subsequent Model Year  
Passenger Cars, Light-Duty Trucks,  
and Medium-Duty Vehicles, as  
amended 11/30/2022, except that  
subsection 1961.4(g)(1) is not adopted  
by reference.

**(6)** Title 13,  
Section 1962.2: Zero-Emission  
Vehicle Standards for 2018 through  
2025 Model Year Passenger Cars,  
Light-Duty Trucks, and Medium-Duty  
Vehicles. As amended, 11/30/2022.

**(7)** Title 13,  
Section 1962.3: Electric Vehicle  
Charging Requirements. As amended,  
11/30/2022.

**(8)** Title 13,  
Section 1962.4: Zero-Emission  
Vehicle Requirements for 2026 and  
Subsequent Model Year Passenger  
Cars and Light-Duty Trucks, as  
amended 11/30/2022, except that  
subsection 1962.4(c)(1)(B) model  
years “2033”, “2034” and “2035  
and subsequent” with corresponding  
percentage requirements and  
subsection 1962.4(e)(2)(A)(3) are not  
adopted by reference.

**(9)** Title 13,  
Section 1962.5: Data Standardization  
Requirements for 2026 and  
Subsequent Model Year Light-Duty  
Zero Emission Vehicles and Plug-in  
Hybrid Electric Vehicles. As amended  
11/30/2022.

**(10)** Title 13,  
Section 1962.6: Battery Labeling  
Requirements. As amended  
11/30/2022.

**(11)** Title 13,  
Section 1962.7: In-Use Compliance,  
Corrective Action and Recall  
Protocols for 2026 and Subsequent  
Model Year Zero-Emission and Plug-  
in Hybrid Electric Passenger Cars  
and Light-Duty Trucks. As amended,  
11/30/2022.

**(12)** Title  
13, Section 1962.8: Warranty  
Requirements for Zero-Emission and  
Batteries in Plug-in Hybrid Electric  
2026 and Subsequent Model Year  
Passenger Cars and Light-Duty  
Trucks. As amended 11/30/2022.

**(13)** Title  
13, Section 1963: Advanced Clean  
Trucks Purpose, Applicability,  
Definitions, and General  
Requirements. As amended,  
3/15/2021.

**(14)** Title  
13, Section 1963.1: Advanced  
Clean Trucks Deficits. As amended,  
3/15/2021.

**(15)** Title 13,  
Section 1963.2: Advanced Clean  
Trucks Credit Generation, Banking,  
and Trading. As amended, 3/15/2021.

**(16)** Title 13,  
Section 1963.3: Advanced Clean  
Trucks Compliance Determination. As  
amended, 3/15/2021.

**(17)** Title 13,  
Section 1963.4: Advanced Clean  
Trucks Reporting and Recordkeeping.  
As amended, 3/15/2021.

**(18)** Title 13,  
Section 1963.5(a)(1)-(3): Advanced  
Clean Trucks Enforcement. As  
amended, 3/15/2021.

**(19)** Title  
13, Section 1964: Special Test  
Procedures for Certification and  
Compliance – New Modifier Certified  
Motor Vehicles. As amended,  
3/15/2021.

**(20)** Title 13,  
Section 1965: Emission Control,  
Smog Index, and Environmental  
Performance Labels - 1979 and  
Subsequent Model-Year Motor  
Vehicles. As amended, 11/30/2022.

**(21)** Title 13,  
Section 1968.2: Malfunction and  
Diagnostic System Requirements -  
2004 and Subsequent Model-Year  
Passenger Cars, Light-Duty Trucks,  
and Medium-Duty Vehicles and  
Engines. As amended, 11/30/2022.

**(22)** Title  
13, Section 1969: Motor Vehicle  
Service Information - 1994 and  
Subsequent Model Passenger Cars,  
Light-Duty Trucks, and Medium-  
Duty Engines and Vehicles, and 2007

and Subsequent Model Heavy-Duty  
Engines. As amended, 11/30/2022.

**(23)** Title 13,  
Section 1971.1: On-Board Diagnostic  
System Requirements -- 2010 and  
Subsequent Model-Year Heavy-Duty  
Engines. As amended, 3/15/2021.

**(24)** Title 13,  
Section 1976: Standards and Test  
Procedures for Motor Vehicle Fuel  
Evaporative Emissions. As amended,  
11/30/2022.

**(25)** Title 13,  
Section 1978: Standards and Test  
Procedures for Vehicle Refueling  
Emissions. As amended, 11/30/2022.

**(26)** Title  
13, Section 2012: Advanced Clean  
Trucks, Large Entity Reporting  
Requirement. As amended,  
3/15/2021.

**(27)** Title  
13, Section 2012.1: General Entity  
Information Reporting. As amended,  
3/15/2021.

**(28)** Title 13,  
Section 2012.2: Vehicle Usage by  
Facility Reporting. As amended,  
3/15/2021.

**(29)** Title 13,  
Section 2035: Purpose, Applicability,  
and Definitions. As amended,  
10/1/2019.

**(30)** Title 13,  
Section 2036: Defects Warranty  
Requirements for 1979 Through  
1989 Model Passenger Cars, Light-  
Duty Trucks, and Medium-Duty  
Vehicles; 1979 and Subsequent  
Model Motorcycles and Heavy-Duty  
Vehicles; and Motor Vehicle Engines  
Used in Such Vehicles; and 2020 and  
Subsequent Model Year Trailers. As  
amended, 12/22/2021.

**(31)** Title 13,  
Section 2037: Defects Warranty  
Requirements for 1990 and  
Subsequent Model Passenger Cars,  
Light-Duty Trucks, Medium-Duty  
Vehicles, and Motor Vehicle Engines  
Used in Such Vehicles. As amended,  
11/30/2022.

**(32)** Title  
13, Section 2038: Performance  
Warranty Requirements for 1990 and  
Subsequent Model Passenger Cars,  
Light-Duty Trucks, and Medium-Duty  
Vehicles, and Motor Vehicle Engines

Used in Such Vehicles. As amended, 11/30/2022.

(33) Title 13,  
Section 2039: Emission Control  
System Warranty Statement. As  
amended, 12/26/1990.

(34) Title  
13, Section 2040: Vehicle Owner  
Obligations. As amended, 10/1/2019.

(35) Title 13,  
Section 2041: Mediation; Finding of  
Warrantable Condition. As amended,  
12/26/1990.

(36) Title 13,  
Section 2046: Defective Catalyst. As  
amended, 2/15/1979.

(37) Title  
13, Section 2047: Certification  
Procedures for User Modifier-  
certified Motor Vehicles. As amended,  
1/8/1988.

(38) Title 13,  
Section 2062: Assembly-line Test  
Procedures - 1998 and Subsequent  
Model Years. As amended, 8/7/2012.

(39) Title 13,  
Section 2109: New Vehicle Recall  
Provisions. As amended, 12/30/1983.

(40) Title 13,  
Section 2111: Applicability. As  
amended, 12/22/2021.

(41) Title  
13, Section 2112: Definitions. As  
amended, 11/30/2022.

(42) Title  
13, Section 2113: Initiation and  
Approval of Voluntary and Influenced  
Emission-Related Recalls. As  
amended, 12/22/2021.

(43) Title  
13, Section 2114: Voluntary and  
Influenced Recall Plans. As amended,  
12/22/2021.

(44) Title 13,  
Section 2115: Eligibility for Repair.  
As amended, 12/22/2021.

(45) Title 13,  
Section 2116: Repair Label. As  
amended, 12/22/2021.

(46) Title 13,  
Section 2117: Proof of Correction  
Certificate. As amended, 12/22/2021.

(47) Title  
13, Section 2118: Notification. As  
amended, 12/22/2021.

(48) Title  
13, Section 2119: Recordkeeping  
and Reporting Requirements. As  
amended, 12/22/2021.

(49) Title 13,  
Section 2120: Other Requirements  
Not Waived. As amended, 1/26/1995.

(50) Title  
13, Section 2121: Penalties. As  
amended, 12/22/2021.

(51) Title 13,  
Section 2122: General Provisions.  
As amended, 12/8/2010.

(52) Title  
13, Section 2123: Initiation and  
Notification of Ordered Emission-  
Related Recalls. As amended,  
12/22/2021.

(53) Title 13,  
Section 2124: Availability of Public  
Hearing. As amended, 1/26/1995.

(54) Title 13,  
Section 2125: Ordered Recall Plan.  
As amended, 12/22/2021.

(55) Title  
13, Section 2126: Approval and  
Implementation of Recall Plan. As  
amended, 12/22/2021.

(56) Title  
13, Section 2127: Notification of  
Owners. As amended, 12/22/2021.

(57) Title 13,  
Section 2128: Repair Label. As  
amended, 12/22/2021.

(58) Title 13,  
Section 2129: Proof of Correction  
Certificate. As amended, 12/22/2021.

(59) Title 13,  
Section 2130: Capture Rates and  
Alternative Measures. As amended,  
12/22/2021.

(60) Title 13,  
Section 2131: Preliminary Tests. As  
amended, 12/22/2021.

(61) Title 13,  
Section 2132: Communication with  
Repair Personnel. As amended,  
1/26/1995.

(62) Title  
13, Section 2133: Recordkeeping  
and Reporting Requirements. As  
amended, 12/22/2021.

(63) Title 13,  
Section 2135: Extension of Time. As  
amended, 1/26/1995.

(64) Title  
13, Section 2137: Vehicle, Engine,  
and Trailer Selection. As amended,  
11/30/2022.

(65) Title 13,  
Section 2139: Testing. As amended,  
11/30/2022.

(66) Title  
13, Section 2140: Notification and  
Use of Test Results. As amended,  
11/30/2022.

(67) Title 13,  
Section 2141: General Provisions.  
As amended, 12/22/2021.

(68) Title 13,  
Section 2142: Alternative Procedures.  
As amended, 12/22/2021.

(69) Title  
13, Section 2143: Failure Levels  
Triggering Recall and Corrective  
Action. As amended, 12/22/2021.

(70) Title 13,  
Section 2144: Emission Warranty  
Information Report. As amended,  
12/22/2021.

(71) Title 13,  
Section 2145: Field Information  
Report. As amended, 12/22/2021.

(72) Title 13,  
Section 2146: Emissions Information  
Report. As amended, 12/22/2021.

(73) Title 13,  
Section 2147: Demonstration of  
Compliance with Emission Standards.  
As amended, 11/30/2022.

(74) Title 13,  
Section 2148: Evaluation of Need for  
Recall. As amended, 12/22/2021.

(75) Title  
13, Section 2149: Notification and  
Subsequent Action. As amended,  
12/22/2021.

(76) Title 13,  
Section 2166: General Provisions.  
As amended, 12/22/2021.

(77) Title  
13, Section 2166.1: Definitions As  
amended, 12/22/2021.

(78) Title 13,  
Section 2167: Required Recall and  
Corrective Action for Failures of  
Exhaust After- Treatment Devices,  
on-Board Computers or Systems,  
Urea Dosers, Hydrocarbon Injectors,  
Exhaust Gas Recirculation Valves,  
Exhaust Gas Recirculation Coolers,  
Turbochargers, Fuel Injectors. As  
amended, 12/22/2021.

(79) Title 13,  
Section 2168: Required Corrective  
Action and Recall for Emission-  
Related Component Failures. As  
amended, 12/22/2021.

(80) Title 13,  
Section 2169: Required Recall or

Corrective Action Plan. As amended, 12/22/2021.

**(81) Title**

13, Section 2169.1: Approval and Implementation of Corrective Action Plan. As amended, 12/22/2021.

**(82) Title**

13, Section 2169.2: Notification of Owners. As amended, 12/22/2021.

**(83) Title 13,**

Section 2169.3: Repair Label. As amended, 12/22/2021.

**(84) Title 13,**

Section 2169.4: Proof of Correction Certificate. As amended, 12/22/2021.

**(85) Title 13,**

Section 2169.5: Preliminary Tests. As amended, 12/22/2021.

**(86) Title 13,**

Section 2169.6: Communication with Repair Personnel. As amended, 12/22/2021.

**(87) Title 13,**

Section 2169.7: Recordkeeping and Reporting Requirements. As amended, 12/22/2021.

**(88) Title 13,**

Section 2169.8: Extension of Time. As amended, 12/22/2021.

**(89) Title**

13, Section 2170: Penalties. As amended, 12/22/2021.

**(90) Title 13,**

Section 2235: Requirements. As amended, 10/1/2019.

**(91) Title 13,**

Section 2423: Exhaust Emission Standards and Test. As amended, 12/22/2021.

**(92) Title 13,**

Section 2485: Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor Vehicle Idling. As amended, 12/22/2021.

**(93) Title**

17, Section 95660: Purpose. As amended, 11/30/2022.

**(94) Title 17,**

Section 95661: Applicability. As amended, 12/5/2014.

**(95) Title 17,**

Section 95662: Definitions. As amended, 12/22/2021.

**(96) Title 17,**

Section 95663: Greenhouse Gas Exhaust Emission Standards and Testing Procedures for New 2014 and Subsequent Model Heavy-Duty

Vehicles. As amended, 12/22/2021. [20.2.91.102 NMAC - Rp, 20.2.91.102 NMAC, 12/31/2023]

**20.2.91.103 EXEMPTIONS:**

The following motor vehicles shall not be subject to 20.2.91 NMAC.

**A.** Military tactical vehicles, which shall mean the same in this section as in CCR, Title 13, Section 1905.

**B.** Motor vehicles sold for registration in a state that is not New Mexico.

**C.** Motor vehicles that have greater than 7,500 miles on the odometer.

**D.** Motor vehicles available for rent to a final destination outside of New Mexico.

**E.** Motor vehicles transferred from one person to another person due to: death, inheritance, devise or bequest; divorce, dissolution, annulment or legal separation; merger or consolidation; bankruptcy; court judgment or decree; or possessory lien, seizure or foreclosure.

**F.** Emergency vehicles.

**G.** A motor vehicle acquired by a resident of New Mexico to replace a motor vehicle registered to such resident that was stolen, damaged, or failed beyond reasonable repair while out of state, provided that such replacement motor vehicle is acquired out of state when the previously owned motor vehicle was stolen, damaged, or failed beyond reasonable repair.

**H.** A motor vehicle with a right-hand drive configuration that is not available in a California-certified model, purchased by a rural route postal carrier and used primarily for work.

**I.** Motor vehicles purchased by a nonresident before establishing residency in New Mexico, regardless of the mileage on the odometer.

**J.** Motor vehicles purchased by a resident of New Mexico while assigned to active government service outside New Mexico.

**K.** Custom and assembled motor vehicles that:

**(1)**

are maintained for occasional transportation, exhibitions, club activities, parades, tours, testing of operation, repair, maintenance, and similar uses; and

**(2)**

are not used for general daily transportation.

**L.** A vehicle sold for the purpose of being wrecked or dismantled.

**M.** Motor vehicles used exclusively in the conduct of agricultural operations, like implements of husbandry not including a vehicle whose existing design is primarily for the transportation of persons or property on a highway, or road machinery not regularly operated on public streets and highways.

**N.** A vehicle defined as an "excluded bus" pursuant to CCR, Title 13, Section 1963(c)(11). [20.2.91.103 NMAC - Rp, 20.2.91.103 NMAC, 12/31/2023]

**20.2.91.104 FLEET AVERAGE NON-METHANE ORGANIC GAS PLUS OXIDES OF NITROGEN EXHAUST EMISSION STANDARDS, REPORTING AND COMPLIANCE:**

**A.** Beginning model year 2027 and subsequent years, this 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register passenger cars, light-duty trucks, and medium-duty vehicles pursuant to the requirements of CCR, Title 13, Section 1961.4.

**B.** Each manufacturer subject to 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) shall comply with fleet average non-methane organic gas plus oxides of nitrogen



exhaust emission standards for passenger cars, light-duty trucks, and medium-duty vehicles, and other requirements set forth in CCR, Title 13, Section 1961.4. Compliance shall be based on the motor vehicles subject to 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) and 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, or leases in New Mexico, and shall be determined on a statewide basis.

**C.** Each manufacturer subject to Subsection B of 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) shall accrue fleet average non-methane organic gas plus oxides of nitrogen exhaust emission standard credits and debits and may use credits in accordance with CCR, Title 13, Section 1961.4. Each manufacturer shall accrue and use debits and credits based on the number of motor vehicles subject to Subsection B of 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) and Subsection B of 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance). Accounting for the use of debits and credits shall be on a statewide basis.

**D.** Each manufacturer subject to Subsection A of 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) shall submit a report by May 1 of each year to the department that includes the statewide fleet average non-methane organic gas plus oxides of nitrogen exhaust emission data for the model year just ended. The report shall be

in accordance with the procedures in CCR, Title 13, Section 1961.4 and be in the same format used to report such information to CARB. If a manufacturer elects to report the information required pursuant to Subsection B of 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) and Subsection B of 20.11.104.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) using the pooling provisions set forth in CCR, Title 13, Section 1961.4, the manufacturer shall report to the department the information for the entire pool as well as for the portion specific to New Mexico.

[20.2.91.104 NMAC - Rp,  
20.2.91.104 NMAC, 12/31/2023]

**20.2.91.105 PARTICULATE MATTER EXHAUST EMISSION STANDARDS, REPORTING AND COMPLIANCE:** Beginning model year 2027 and subsequent years, each manufacturer subject to 20.2.91.105 NMAC (Particulate Matter Exhaust Emission Standards, Reporting and Compliance) shall comply with particulate exhaust emission standards for passenger cars, light-duty trucks, medium-duty passenger vehicles, and medium-duty vehicles, and other requirements set forth in CCR, Title 13, Section 1961.4. Compliance shall be based on the motor vehicles subject to 20.2.91.105 NMAC (Particulate Matter Exhaust Emission Standards, Reporting and Compliance) and 20.11.104.105 NMAC (Particulate Matter Exhaust Emission Standards, Reporting and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, or leases in New Mexico, and shall be determined on a statewide basis.

[20.2.91.105 NMAC - Rp,  
20.2.91.105 NMAC, 12/31/2023]

**20.2.91.106 FLEET AVERAGE GREENHOUSE GAS EXHAUST EMISSION STANDARDS, REPORTING AND COMPLIANCE:**

**A.** Beginning model year 2027 and subsequent years, this 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register passenger cars, light-duty trucks, and medium-duty vehicles pursuant to the requirements of CCR, Title 13, Section 1961.3.

**B.** Each manufacturer subject to 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) shall comply with fleet average greenhouse gas exhaust emission standards for passenger cars, light-duty trucks, and medium-duty passenger vehicles, and other requirements set forth in CCR, Title 13, Section 1961.3. Compliance shall be based on the motor vehicles subject to 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) and 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, or leases in New Mexico, and shall be determined on a statewide basis.

**C.** Each manufacturer subject to Subsection B of 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) shall accrue fleet average greenhouse gas exhaust emission standard credits and debits and may use credits in accordance with CCR, Title 13, Section 1961.3. Each manufacturer shall accrue and use debits and credits based on the number of motor vehicles subject to Subsection B of 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) and Subsection B of 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance). Accounting for the use of debits and credits shall be on a statewide basis.



**D.** Each manufacturer subject to Subsection B of 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) shall submit a report by May 1 of each year to the department that includes the statewide fleet average greenhouse gas exhaust emission standard data for the model year just ended. The report shall include the number of motor vehicles in each test group, delineated by model type certified pursuant to CCR, Title 13, Section 1961.3, be in accordance with the procedures in CCR, Title 13, Section 1961.3, and be in the same format used to report such information to CARB. If a manufacturer reports the information required pursuant to Subsection B of 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) and Subsection B of 20.11.104.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) using option number 2 for the "Calculation of fleet average carbon dioxide value" set forth in CCR, Title 13, Section 1961.3(a)(5) (D), the manufacturer shall report the information for the entire pool as well as for the portion specific to New Mexico.

[20.2.91.106 NMAC - Rp,  
20.2.91.106 NMAC, 12/31/2023]

**20.2.91.107 FLEET AVERAGE EXHAUST EMISSION STANDARDS REMEDIATION REPORT:**

**A.** If the department determines that a report submitted by a manufacturer pursuant to 20.2.91.104 NMAC (Fleet Average Non-methane Organic Gas Plus Oxides of Nitrogen Exhaust Emission Standards, Reporting and Compliance) or 20.2.91.106 NMAC (Fleet Average Greenhouse Gas Exhaust Emission Standards, Reporting and Compliance) demonstrates that the manufacturer is not in compliance with the fleet average non-methane organic gas plus oxides of nitrogen exhaust

emission standards or the fleet average greenhouse gas exhaust emission standards, respectively, the department shall require the manufacturer to submit a fleet average remediation report to the department.

**B.** A fleet average remediation report shall be submitted to the department within 60 calendar days after notice from the department.

**C.** The fleet average remediation report shall, at a minimum:

(1) describe how the manufacturer intends to equalize any accrued debits;

(2) identify all motor vehicle models and the percentage of each model delivered for sale, offered for sale, sold, imported, delivered, or leased in New Mexico with their corresponding certification standards for New Mexico and California in relation to total sales in each respective state; and

(3) describe how the manufacturer intends to achieve compliance with the fleet average non-methane organic gas plus oxides of nitrogen exhaust emission standards or the fleet average greenhouse gas exhaust emission standards, as applicable, in future model years.

[20.2.91.107 NMAC - Rp,  
20.2.91.107 NMAC, 12/31/2023]

**20.2.91.108 LIGHT- AND MEDIUM-DUTY ZERO-EMISSION VEHICLE REQUIREMENTS, REPORTING AND COMPLIANCE:**

**A.** Effective model years 2027 through 2032, this 20.2.91.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver or lease passenger cars, light-duty trucks, and medium-duty vehicles pursuant to the requirements of CCR, Title 13, Section 1962.4.

**B.** Each manufacturer subject to 20.2.91.108 NMAC (Light- and Medium-Duty Zero-emission

Vehicle Requirements, Reporting and Compliance) shall comply with the annual ZEV requirement set forth in CCR, Title 13, Section 1962.4 using New Mexico specific vehicle production volume calculated in accordance with CCR, Title 13, Section 1962.4. Manufacturer's compliance with the annual ZEV requirement in New Mexico shall be based on the motor vehicles subject to 20.2.91.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) and 20.11.104.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, or leases in New Mexico, and shall be determined on a statewide basis.

**C.** Each manufacturer subject to 20.2.91.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) shall submit to the department all reports in accordance with CCR, Title 13, Section 1962.4 for motor vehicles delivered for sale, offered for sale, sold, imported, delivered, or leased in New Mexico during the previous model year. The reports shall be on a statewide basis and formatted as determined by the department.

**D.** Manufacturers subject to 20.2.91.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) may fulfill a portion of their compliance requirement with any of the additional vehicle values and allowances in accordance with CCR, Title 13, Section 1962.4, including:

(1) PHEVs produced and delivered for sale in New Mexico in accordance with CCR, Title 13, Section 1962.4;

(2) New ZEVs and PHEVs provided for use in qualified community-based clean mobility programs in New Mexico, which means a program determined by the department to qualify as a community-based clean mobility program pursuant to guidance issued

by the department; the department shall determine that a program qualifies as a community-based clean mobility program before a manufacturer may earn vehicle values pursuant to the requirements of CCR, Title 13, Section 1962.4;

(3) ZEVs and PHEVs initially leased in New Mexico and sold at the end of lease to a New Mexico dealer participating in a financial assistance program, which means a vehicle purchase incentive program where approved dealers accept a point-of-sale incentive for used ZEVs and PHEVs for lower-income consumers; qualifying programs in New Mexico will be approved by the department and posted on the department website;

(4) New ZEVs and PHEVs delivered for sale in New Mexico below the manufacturer's suggested retail price threshold in accordance with CCR, Title 13, Section 1962.4; and

(5) Early compliance vehicle values for model years 2025 and 2026 earned in accordance with CCR, Title 13, Section 1962.4.

E. Manufacturers subject to 20.2.91.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) may fulfill any deficit portion of their total annual ZEV requirement with additional allowances in accordance with CCR, Title 13, Section 1962.4 and 20.2.91.109 (Voluntary Early Action Credits and Onetime Values), including:

(1) with converted ZEV values and PHEV values earned pursuant to 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values);

(2) with ZEV values and PHEV values transferred from other states ("Pooled Values") pursuant to CCR, Title 13, Section 1962.4.

F. In New Mexico, manufacturers shall make up any deficits incurred for a model year by submitting a commensurate amount of ZEV values to the secretary

within three years to fulfill any remaining deficit of their annual ZEV requirement in a given model year in accordance with CCR, Title 13, Section 1962.4.

[20.2.91.108 NMAC - Rp, 20.2.91.108 NMAC, 12/31/2023]

#### **20.2.91.109 VOLUNTARY EARLY ACTION CREDITS AND ONETIME VALUES:**

A. Beginning July 1, 2022, for model years 2023 through 2025, this 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver or lease passenger cars, light-duty trucks, and medium-duty vehicles pursuant to the requirements of CCR, Title 13, Section 1962.2.

B. A manufacturer may earn early action credits for motor vehicles delivered for sale, offered for sale, sold, imported, delivered, or leased in New Mexico as set forth in CCR, Title 13, Section 1962.2. To earn early action credits, a manufacturer shall report all prior model year qualifying motor vehicles from this Subsection B of 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values) and Subsection B of 20.11.104.109 NMAC (Voluntary Early Action Credits and Onetime Values) to the department before May 1 following each applicable year. The department shall verify, record, track, and report early action credits calculated on a statewide basis. At the conclusion of the reporting for model year 2025, the department shall follow CARB's procedures to convert early action credits to ZEV values and PHEV values as set forth in CCR, Title 13, Section 1962.4(g)(2)(A).

C. For model 2025, a manufacturer may earn either early action credits as set forth 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values) and 20.2.104.109 NMAC (Voluntary Early Action Credits and Onetime Values) or early compliance vehicle values as set forth in 20.2.91.108 NMAC (Light- and Medium-Duty

Zero-emission Vehicle Requirements, Reporting and Compliance), both which are calculated on a statewide basis. A manufacturer shall make this election in its report for model year 2025.

D. In addition to earning early action credits, a manufacturer may earn onetime ZEV values and PHEV values equal to their converted early action credits, calculated on a statewide basis. To earn the onetime ZEV and PHEV values, a manufacturer shall submit a request to the department by May 1, 2026.

E. Notwithstanding the provisions set forth in CCR, Title 13, Subsections 1962.4(g)(2)(B) and (C), ZEV values and PHEV values issued pursuant to 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values) may be used, and shall only be used by a manufacturer subject to 20.2.91.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) or traded to a manufacturer subject to 20.2.91.108 NMAC (Light- and Medium-Duty Zero-emission Vehicle Requirements, Reporting and Compliance) to fulfill a deficit portion of their annual ZEV requirement in New Mexico for model years 2027 through 2029.

F. ZEV values and PHEV values issued pursuant to 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values) may only be used for compliance with the annual ZEV requirements in New Mexico.

G. Motor vehicle early action credits or onetime values shall not constitute or convey a property right.

[20.2.91.109 NMAC - Rp, 20.2.91.109 NMAC, 12/31/2023]

#### **20.2.91.110 ADDITIONAL REPORTING:**

A. Beginning model year 2027 and subsequent years, each manufacturer subject to 20.2.91 NMAC shall submit to the department, within 30 calendar days of a request from the department:

(1) A copy of the applicable CARB executive order.

(2) Any documentation the department determines necessary for the effective administration and enforcement of 20.2.91 NMAC, including without limitation certification materials submitted to CARB and documentation regarding the sale of each motor vehicle subject to 20.2.91 NMAC.

(3) Any emission warranty information reports prepared in accordance with CCR, Title 13.

**B.** If these records are available electronically, the manufacturer shall submit the records in an electronic format approved by the department.

[20.2.91.110 NMAC - Rp, 20.2.91.110 NMAC, 12/31/2023]

#### **20.2.91.111 WARRANTIES:**

**A.** Beginning model year 2027 and subsequent years, each manufacturer of a motor vehicle subject to 20.2.91 NMAC shall warrant to the ultimate purchaser and each subsequent purchaser that the motor vehicle shall comply over its period of warranty coverage with all applicable requirements of CCR, Title 13, Sections 1962.4, 2035 through 2038, 2040, and 2046. Subsection C of 20.2.91.103 NMAC (Exemptions) shall not apply to this section.

**B.** Except as otherwise provided in Subsection B of 20.2.91.111 NMAC (Warranties) each manufacturer subject to 20.2.91 NMAC shall include with each motor vehicle or motor vehicle engine, the emission control systems warranty statement that complies with the requirements of CCR, Title 13, Section 2039, except:

(1) A manufacturer shall modify the emission control systems warranty statement as necessary to inform motor vehicle owners of the applicability of the warranty in New Mexico.

(2) For the purpose of the documents required pursuant to CCR, Title 13, Section

2039(c), a manufacturer is only required to submit such documents upon request of the department.

**C.** Upon the department's request, a manufacturer of a motor vehicle subject to 20.2.91 NMAC shall submit to the department within 30 calendar days any emission warranty information report submitted to CARB, as required in CCR, Title 13, Section 2144.

[20.2.91.111 NMAC - Rp, 20.2.91.111 NMAC, 12/31/2023]

#### **20.2.91.112 LABELS:**

Beginning model year 2027 and subsequent years, a manufacturer, dealer, rental car agency, the United States, state or local government, or other persons shall deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive, or register passenger cars, light-duty trucks, medium-duty passenger vehicles, medium-duty vehicles, heavy-duty vehicles, heavy-duty engines, or motor vehicle engines in New Mexico with emission control labels and environmental performance labels affixed in accordance with CCR, Title 13, Section 1965.

[20.2.91.112 NMAC - Rp, 20.2.91.112 NMAC, 12/31/2023]

#### **20.2.91.113 RECALL CAMPAIGNS:**

**A.** Beginning model year 2027 and subsequent years, each manufacturer of a motor vehicle subject to 20.2.91 NMAC shall be subject to all recall campaign requirements of CCR, Title 13, including Sections 1962.4, 2035 through 2038, 2040, and 2046.

**B.** Any order issued, or enforcement action taken by CARB to correct noncompliance that results in a recall campaign of a motor vehicle pursuant to CCR, Title 13, including Sections 1962.7, and 2111 through 2135 shall be prima facie evidence concerning noncompliance for a motor vehicle registered in New Mexico. If the manufacturer demonstrates to the department's satisfaction that the order or action is not applicable to a motor vehicle registered in New Mexico, the

department shall not pursue a recall campaign of that motor vehicle.

**C.** If a manufacturer initiates a voluntary or influenced emission-related recall campaign pursuant to CCR, Title 13, including Sections 1962.7, and 2113 through 2121, the recall campaign shall include all affected motor vehicles registered in New Mexico.

**D.** For a motor vehicle subject to an order or action under Subsection B of 20.2.91.113 NMAC (Recall Campaigns) and Subsection B of 20.2.104.113 NMAC (Recall Campaigns), each manufacturer shall send to each owner of an affected motor vehicle registered in New Mexico a notice that complies with the requirements in CCR, Title 13, including Sections 1962.7, 2118 and 2127, as applicable, including a telephone number for owners to obtain answers to questions regarding the recall.

[20.2.91.113 NMAC - Rp, 20.2.91.113 NMAC, 12/31/2023]

#### **20.2.91.114 REGISTRATION AND FEES:**

**A.** Effective January 1, 2026, for each manufacturer delivering for sale, offering for sale, selling, importing, delivering, or leasing passenger cars, light-duty trucks, medium-duty passenger vehicles, medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or motor vehicle engines subject to 20.2.91 NMAC shall obtain a registration from the department. The department shall issue a registration for a period of 10 years subject to an annual registration fee as set forth in Section C of 20.1.91.114 NMAC (Registration and Fees) and 20.1.104.114 NMAC (Registration and Fees). It shall be a violation of 20.2.91 NMAC for a manufacturer subject to 20.2.91 NMAC to not obtain a registration in accordance with Subsection A of 20.2.91.114 NMAC (Registration and Fees).

**B.** Effective January 1, 2026, each manufacturer subject to 20.2.91.114 NMAC (Registration and Fees) and 20.2.104.114 NMAC (Registration and Fees) shall report to

the department the type and number of passenger cars, light-duty trucks, medium-duty passenger vehicles, medium-duty vehicles, and heavy-duty vehicles, heavy-duty engines or motor vehicle engines subject to 20.2.91 NMAC delivered for sale, offered for sale, sold, imported, delivered, or leased in New Mexico during the previous model year. The manufacturer shall submit the report to the department by May 1 of each year. Failure to timely submit the report shall be a violation of Subsection B of 20.2.91.114 NMAC (Registration and Fees) and cause for the department to revoke the manufacturer's registration.

C. The department shall assess an annual registration fee for the period beginning July 1 and ending June 30 of the subsequent year.

(1) The department shall assess annual registration fees by apportioning the total registration fee among all registrants according to each manufacturer's reported market share for the previous model year, calculated on a statewide basis.

(2) Within 45 calendar days after the report required by 20.2.91.114 NMAC (Registration and Fees) is due, the department shall notify each registrant of the registration fee required for the next registration period. Within 30 calendar days of the department's notice of the required registration fee, each registrant shall remit the specified amount payable to the New Mexico environment department.

(3) The total registration fee is \$300,000 and shall increase annually by the consumer price index through model year 2032. Beginning model year 2033, the total registration fee is \$100,000 and shall increase annually by the consumer price index.

(4) Failure to timely pay the annual registration fee shall be a violation of Subsection C of 20.2.91.114 NMAC (Registration and Fees) and cause for the department to revoke the manufacturer's registration.

D. Manufacturers seeking to earn early action credits and onetime values under 20.2.91.109 NMAC (Voluntary Early Action Credits and Onetime Values) shall pay a \$20,000 registration fee that is separate and apart from the annual registration fee required by Section C of 20.2.91.114 NMAC (Registration and Fees) by May 1 following each applicable model year.  
[20.2.91.114 NMAC - Rp, 20.2.91.114 NMAC, 12/31/2023]

#### **20.2.91.115 INSPECTIONS AND INFORMATION REQUESTS:**

A. The department may inspect motor vehicles, and may inspect and copy relevant, non-financial records, including records documenting motor vehicle origin, certification, delivery, or sales, and any record of emission-related part repairs performed under warranty.

B. The department may require a manufacturer, dealer, rental car agency, the United States, state or local government, or other person to submit or may inspect and copy itself, relevant, non-financial records related to a motor vehicle subject or potentially subject to 20.2.91 NMAC, except that Subsection B of 20.2.91.115 NMAC (Inspections and Information Requests) shall not be construed to require the creation of a new record.  
[20.2.91.115 NMAC - Rp, 20.2.91.115 NMAC, 12/31/2023]

**20.2.91.116 RECORDKEEPING:** All manufacturers, dealers, rental car agencies, the United States, state and local governments, or other persons shall retain records pertaining to compliance under 20.2.91 NMAC.  
[20.2.91.116 NMAC Rp, 20.2.91.116 NMAC, 12/31/2023]

**20.2.91.117 PROHIBITED:** Failure to comply with the emission standards, recordkeeping, reporting, or other requirements of 20.2.91 NMAC within the timeframes specified shall constitute a violation of 20.2.91 NMAC subject to enforcement action under Section 74-

2-12 NMSA 1978.  
[20.2.91.117 NMAC - Rp, 20.2.91.117 NMAC, 12/31/2023]

#### **20.2.91.118 EXHAUST EMISSION STANDARDS FOR HEAVY-DUTY ENGINES:**

A. Beginning model year 2027 and subsequent years, this 20.2.91.118 NMAC (Exhaust Emission Standards for Heavy-Duty Engines) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive heavy-duty vehicles, heavy-duty engines or other motor vehicle engines pursuant to the requirements of CCR, Title 13, Sections 1900, 1956.8, 1961.2, 1965, 1968.2, 1971.1, 2035, 2036, 2166, 2166.1, 2167 through 2170, 2111 through 2119, 2121, 2123, 2125 through 2131, 2133, 2137, 2139 through 2149, 2423 and 2485.

B. Each manufacturer subject to 20.2.91.118 NMAC (Exhaust Emission Standards for Heavy-Duty Engines) shall comply with the heavy-duty engine emissions standards and other requirements set forth in CCR, Title 13, Sections 1900, 1956.8, 1961.2, 1965, 1968.2, 1971.1, 2035, 2036, 2166, 2166.1, 2167 through 2170, 2111 through 2119, 2121, 2123, 2125 through 2131, 2133, 2137, 2139 through 2149, 2423 and 2485. Compliance shall be based on the motor vehicles subject to 20.2.91.118 NMAC (Exhaust Emission Standards for Heavy-Duty Engines) and 20.11.104.118 NMAC (Exhaust Emission Standards for Heavy-Duty Engines) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, purchases, rents, leases, acquires or receives in New Mexico, and shall be determined on a statewide basis.  
[20.2.91.118 NMAC - Rp, 20.2.91.118 NMAC, 12/31/2023]

#### **20.2.91.119 MEDIUM- AND HEAVY-DUTY ZERO-EMISSION VEHICLE REQUIREMENT, REPORTING AND COMPLIANCE:**

A. Beginning model year 2027 and subsequent years,



this 20.2.91.119 NMAC (Medium- and Heavy-Duty Zero-emission Vehicle Requirement, Reporting and Compliance) applies to manufacturers that deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire, receive medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines pursuant to the requirements of CCR, Title 13, Sections 1963, 1963.1, 1963.2, 1963.4 and 1963.5.

**B.** Each manufacturer subject to 20.2.91.119 NMAC (Medium- and Heavy-Duty Zero-Emission Vehicle Requirement, Reporting and Compliance) shall deliver for sale, offer for sale, sell, import, deliver, purchase, rent, lease, acquire or receive medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines certified as ZEVs to New Mexico in accordance with CCR, Title 13, Sections 1963, 1963.1, 1963.2, 1963.4 and 1963.5.

**C.** Each manufacturer subject to 20.2.91.119 NMAC (Medium- and Heavy-Duty Zero-emission Vehicle Requirement, Reporting and Compliance) shall comply with the ZEV sales percentage schedule set forth in CCR, Title 13, Section 1963.1 using New Mexico specific ZEV sales calculated in accordance with CCR, Title 13, Section 1963.1. Manufacturer's compliance with the ZEV sales percentage shall be based on medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines subject to 20.2.91.119 NMAC (Medium- and Heavy-Duty Zero-Emission Vehicles Requirement, Reporting and Compliance) and 20.2.104.119 NMAC (Medium- and Heavy-Duty Zero-Emission Vehicles Requirement, Reporting and Compliance) that each manufacturer delivers for sale, offers for sale, sells, imports, delivers, or leases in New Mexico, and shall be determined on a statewide basis.

**D.** Before May 1 of each year, each manufacturer subject to 20.2.91.119 NMAC (Medium- and Heavy-Duty Zero-emission Vehicle Requirement, Reporting

and Compliance) shall submit to the department a report detailing ZEV sales percentage performance by identifying qualifying medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines transferred to or from any manufacturer or, offered for sale, sold, imported, delivered, or leased in New Mexico during the previous model year in accordance with CCR, Title 13, Sections 1963.1. The report shall include the resulting surplus or deficit in meeting the ZEV sales percentage for the model year after applying any ZEV deficits or credits according to CCR Title 13, Section 1963.1. ZEV sales percentage performance shall be on a statewide basis. The report shall be prepared in the same format used to report ZEV sales percentage performance compliance to CARB.

**E.** Each manufacturer subject to 20.2.91.119 NMAC (Medium- and Heavy-Duty Zero-emission Vehicle Requirement, Reporting and Compliance) may generate, bank and trade ZEV credits for qualifying medium-duty vehicles, heavy-duty vehicles, heavy-duty engines or other motor vehicle engines delivered for sale, offered for sale, sold, imported, delivered, or leased in New Mexico in accordance with 20.2.91.119 NMAC (Medium- and Heavy-Duty Zero-emission Vehicle Requirement, Reporting and Compliance) and CCR, Title 13, Sections 1963, 1963.1, and 1963.2.

**F.** Beginning with the model year 2025 any manufacturer that produces on-road vehicles over 8,500 pounds gross vehicle weight rating for sale in New Mexico may generate, bank and trade ZEV credits for vehicles certified as ZEVs in accordance with CCR, Title 13, Sections 1963, 1963.1, 1963.2, 1963.4, and 1963.5 for such vehicles pursuant to CCR, Title 13 Section 1963.2.

[20.2.91.119 NMAC - Rp, 20.2.91.119 NMAC, 12/31/2023]

#### **20.2.91.120 LARGE ENTITY REPORTING REQUIREMENT:**

**A.** Beginning model year 2027 and subsequent years, this

20.2.91.120 NMAC (Large Entity Reporting Requirement) applies to entities in accordance with CCR, Title 13, Sections 2012, 2012.1, and 2012.2.

**B.** Each entity subject to this 20.2.91.120 NMAC (Large Entity Reporting Requirement) shall comply with the large entity reporting requirement in accordance with such sections provided however that every occurrence of "California" shall be replaced with "New Mexico", "Executive Officer" shall be replaced with "Secretary", "Public Utilities Commission" shall be replaced with "Public Regulation Commission", and all other replacements clarifying that Sections 2012, 2012.1, and 2012.2 are requirements in New Mexico in accordance with this section. For purposes of compliance with 20.2.91.120 (Large Entity Reporting Requirement) only, all exemptions under CCR, Title 13, Section 2012(c) apply, and do not apply to another other subsection of 20.2.91 NMAC.

**C.** Each entity subject to this 20.2.91.120 NMAC (Large Entity Reporting Requirement) shall report complete information to the secretary by May 1, 2025, through the department's Advanced Clean Trucks webpage. Vehicle data shall be reported as the fleet was comprised on a date of the fleet owner's choosing any time after December 31, 2023. The reporting entity shall maintain the records of their information required by CCR Title 13, Sections 2012.1 and 2012.2 for five years following the report date. To the extent reports submitted contain confidential data, entities may choose to designate that information as confidential.

[20.2.91.120 NMAC - Rp, 20.2.91.120 NMAC, 12/31/2023]

#### **HISTORY OF 20.2.91 NMAC:**

20.2.91 NMAC, New Motor Vehicle Emission Standards, filed 7/1/2022, was repealed and replaced by 20.2.91 NMAC, New Motor Vehicle Emission Standards, effective 12/31/2023.

## HEALTH, DEPARTMENT OF

### TITLE 7 HEALTH CHAPTER 7 HOSPITALS PART 3 REQUIREMENTS FOR RURAL EMERGENCY HOSPITALS

**7.7.3.1 ISSUING AGENCY:** Division of Health Improvement, Department of Health. [7.7.3.1 NMAC - N, 12/19/2023]

**7.7.3.2 SCOPE:** These requirements apply to private and public hospitals that as of December 27, 2020, were designated as a critical access hospital (CAH) by the centers for Medicare and Medicaid services (CMS), or that were licensed as a hospital with not more than 50 licensed beds and located in a county in a rural area as defined in Section 1886(d)(2)(D) or Section 1886 (d) (8)(E) of the federal social security act (the Act) and that provide rural emergency hospital (REH) services in the facility 24 hours per day seven days a week by a physician, nurse practitioner, clinical nurse specialist or physician assistant with a transfer agreement in effect with a level I or II trauma center, that does not have an annual average patient length of stay over 24 hours, and that satisfies all CMS requirements for reimbursement as a rural emergency hospital (REH). Facilities that were enrolled as CAHs or rural hospitals with not more than 50 beds as of December 27, 2020, and then subsequently closed after that date, would also be eligible to seek REH designation if they re-enroll in Medicare and meet all the conditions of participation (COPs) and requirements for REH. [7.7.3.2 NMAC - N, 12/19/2023]

**7.7.3.3 STATUTORY AUTHORITY:** The requirements set forth herein are promulgated by the secretary of the department of health pursuant to the authority granted under Subsection E of Section 9-7-6 NMSA 1978, Subsection D of Section 24-1-2, Subsection J of Section 24-1-3 NMSA, Section 24-1-5 NMSA

of the Public Health Act as amended, and Section 24-1-5.12 N. M. S. A. 1978.

[7.7.3.3 NMAC - N, 12/19/2023]

**7.7.3.4 DURATION:** Permanent. [7.7.3.4 NMAC - N, 12/19/2023]

**7.7.3.5 EFFECTIVE DATE:** December 19, 2023, unless a later date is cited at the end of a section. [7.7.3.5 NMAC - N, 12/19/2023]

**7.7.3.6 OBJECTIVE:** Establish standards for licensing REHs in order to ensure the provision of emergency department services, observation care, and additional outpatient medical and health services, if elected by the REH, that promote equity in health care for those living in rural communities by facilitating access to needed services. [7.7.3.6 NMAC - N, 12/19/2023]

**7.7.3.7 DEFINITIONS:**  
**A. Definitions**  
**beginning with "A":**

(1) **"Act"**  
means the federal social security act.

(2) **"Action plan"** means the eligible facility's plan for conversion to an REH and the initiation of REH specific services including the provision of emergency department services, observation care and other medical and health services elected by the REH, submitted to the department for recommended approval or denial pursuant to CMS COPs.

(3) **"Amended license"** means a change of an administrator, name, location, capacity, classification of any units as listed in this requirement requires a new license.

(4) **"Annual license"** means a license issued for a one-year period to a hospital that has met all license prior to the initial state licensing survey, or when the licensing authority finds partial compliance with these requirements.

(5) **"Applicant"** means the individual

who, or organization which, applies for a license; if the applicant is an organization, then the individual signing the application on behalf of the organization must have the authority to sign for the organization.

**B. Definitions**  
**beginning with "B":**  
[RESERVED]

**C. Definitions**  
**beginning with "C":** **"Critical access hospital"** means a hospital with special characteristics, duly certified as such by centers for Medicare and Medicaid services (CMS) and is in compliance with the conditions of participation for such facilities; such critical access hospitals are deemed as meeting the intent of these requirements and may be licensed accordingly by the licensing authority.

**D. Definitions**  
**beginning with "D":** **"Department"** means the New Mexico department of health.

**E. Definitions**  
**beginning with "E":** [RESERVED]

**F. Definitions**  
**beginning with "F":**  
(1) **"Facility"**  
means:

(a)  
was a critical access hospital; or  
(b)  
was a hospital as defined in 42 U.S.C. 1395ww(d)(1)(B) with not more than 50 beds located in a county (or equivalent unit of local government) in a rural area (as defined in 42 U.S.C. 1395ww(d)(2)(D)), or was a hospital as defined in 42 U.S.C. 1395ww(d)(8) (E) with not more than 50 beds that was treated as being located in a rural area.

(2) **"Financial interest"** means any equity, security, lease or debt interest in the hospital; financial interest also includes any equity, security, and lease or debt interest in any real property used by the hospital or in any entity that receives compensation arising from the use of real property by the hospital.

**G. Definitions**  
**beginning with "G":** [RESERVED]

**H. Definitions****beginning with “H”:****(1) “HHS”****means U.S. department of health and human services.****(2) “Hospital”**

means a facility offering in-patient services, nursing, overnight care on a 24-hour basis for diagnosing, treating, and providing medical, psychological or surgical care for three or more separate individuals who have a physical or mental illness, disease, injury, a rehabilitative condition or are pregnant.

**I. Definitions****beginning with “I”: [RESERVED]****J. Definitions****beginning with “J”: [RESERVED]****K. Definitions****beginning with “K”: [RESERVED]****L. Definitions****beginning with “L”:****(1)**

“Licensee” means the person(s) who, or organization which, has an ownership, leasehold, or similar interest in the hospital and in whose name a license has been issued and who is legally responsible for compliance with these requirements.

**(2)**

“Licensing authority” means the division within the department vested with the authority to enforce these requirements.

**M. Definitions****beginning with “M”: [RESERVED]****N. Definitions****beginning with “N”: [RESERVED]****O. Definitions****beginning with “O”: [RESERVED]****P. Definitions****beginning with “P”: [RESERVED]****Q. Definitions****beginning with “Q”: [RESERVED]****R. Definitions****beginning with “R”:****(1) “Rural**

**emergency hospital” or “REH”**  
means a facility, as defined above, that:

**(a)**

is enrolled under as defined in 42 U.S.C. 1395cc(j), which relates to the enrollment process for providers of services and suppliers, submits the

additional information described in 42 U.S.C. 1395x(kkk)(4)(A) related to providing an action plan, describing any outpatient services offered and the proposed use of the additional facility payment to REHs, for purposes of such enrollment, and makes the detailed transition plan described in clause (i) of such paragraph available to the public, in a form and manner determined appropriate by the U. S. secretary of health & human services (HHS);

**(b)**

does not provide any acute care inpatient services, other than those as defined in 42 U. S. C. 1395x(kkk) (6)(A). REHs are prohibited from providing inpatient services, except those furnished in a it that is a distinct part licensed as a skilled nursing facility to furnish post-hospital extended care services.

**(c)**

has in effect a transfer agreement with a level I or level II trauma center;

**(d)**

meets:

**(i)**

licensure requirements as described in 42 U.S.C. 1395x(kkk)(5);

**(ii)**

the requirements of a staffed emergency department as described in 42 U.S.C. 1395x(kkk)(1)(B);

**(iii)**

such staff training and certification requirements as the HHS secretary may require;

**(iv)**

conditions of participation applicable to critical access hospitals, with respect to emergency services as defined in 42 CFR 485.618 (or any successor regulation) and hospital emergency departments under this subchapter, as determined applicable by the HHS secretary as defined in 42 U.S.C. 1395x(kkk).

**(e)**

is an entity that operates for the purpose of providing emergency department services, observation care, and other outpatient medical and health services specified by the DOH Secretary in which the annual per patient average length of stay does not exceed 24 hours, as set forth in 42 CFR Part 485 (kkk)(1)(A), § 485.502.

**(2) “Rural**

**emergency hospital services”** means the following services furnished by a rural emergency hospital:

**(a)**

emergency department services and observation care; and

**(b)**

At the election of the rural emergency hospital, with respect to services furnished on an outpatient basis, other medical and health services as specified by the HHS secretary through rulemaking as set forth in 42 U.S.C. 1395x (kkk)(1).

**S. Definitions**

**beginning with “S”: “Secretary”**  
means the secretary of the New Mexico department of health.

**T. Definitions****beginning with “T”: [RESERVED]****U. Definitions****beginning with “U”: [RESERVED]****V. Definitions****beginning with “V”: “Variance”**

means an act on the part of the licensing authority to refrain from enforcing compliance with a portion or portions of these requirements for an unspecified period of time where the granting of a variance will not create a danger to the health, safety, or welfare of patients or staff of a hospital and is at the sole discretion of the licensing authority.

**W. Definitions**

**beginning with “W”: “Waive/ waiver”** means an act on the part of the licensing authority to refrain from enforcing compliance with a portion or portions of these requirements for a limited period of time less than one year, provided the health, safety, or welfare of patients and staff are not in danger; waivers are issued at the sole discretion of the licensing authority.

**X. Definitions****beginning with “X”: [RESERVED]****Y. Definitions****beginning with “Y”: [RESERVED]****Z. Definitions**

**beginning with “Z”: [RESERVED]**  
[7.7.3.7 NMAC - N, 12/19/2023]

### 7.7.3.8 GENERAL REQUIREMENTS:

**A. Eligibility:** The following facilities that were

enrolled and certified to participate in Medicare as of December 27, 2020, are eligible to be an REH:

- (1) CAHs;
- (2) A

subsection (d) hospital (as defined in section 1886(d)(1)(B) of the Social Security Act (the Act) with not more than 50 beds located in a county (or equivalent unit of local government) in a rural area (as defined in section 1886(d)(2)(D) of the Act) (referred to as rural hospital);

- (3) A

subsection (d) hospital (as so defined) with not more than 50 beds that was treated as being located in a rural area pursuant to section 1886(d)(8)(E) of the Act (referred to as rural hospital);

(4) Facilities that were enrolled as CAHs or rural hospitals with not more than 50 beds as of December 27, 2020, and then subsequently closed after that date, would also be eligible to seek REH designation if they re-enroll in Medicare and meet all the COPs and requirements for REHs.

**B. Action plan:** An action plan must be submitted to the department by the eligible facility to initiate REH services. The action plan outlines the facility's plan for conversion to an REH and the initiation of REH specific services including the provision of emergency department services, observation care and other medical and health services elected by the REH. This should include details regarding staffing provisions and the number and type of qualified staff for the provision of REH services, as set forth in the CMS COPs.

(1) The action plan must include a detailed transition plan that lists the following:

- (a) specific services the facility will retain;
- (b) specific services the facility will modify;
- (c) specific services the facility will add; and
- (d) specific services the facility will discontinue.

(2) The facility must include a description of services that the facility intends to furnish on an outpatient basis if elected by the REH.

(3) The facility must also include information regarding how the facility intends to use the additional facility payment. This includes a description of the services that the additional facility payment would be supporting such as the operation and maintenance of the facility and furnishing of services (i.e., telehealth services, ambulance services, etc.).

(4) Eligible facilities may submit the action plan and additional information on letterhead or use the model template available on the CMS website. The submission should be signed by the facility's legal representative or administrator.

(5) The department will forward the action plan and information along with its recommendation for approval or denial to the designated CMS location for review and approval of the action plan components. The CMS location will make a final determination and notify the Medicare Administrative Contractor (MAC) once the enrollment package is complete and has been reviewed and approved.

(6) The action plan and information must include all the required elements as specified in Paragraph (1)-(3) of Subsection B of Section 7.7.3.8 NMAC. Missing or incomplete information may delay the conversion and enrollment process for eligible facilities applying to become an REH.

(7) In accordance with section 1861(kkk)(2)(A) of the Act, action plans will be available to the public and will eventually be posted on the CMS website.

**C. Transfer Agreement:** Pursuant to section 1861(kkk)(2) of the Act and 42 CFR § 485.538 "Condition of Participation: Agreements", the REH is required to have a transfer agreement with at least one Medicare-certified hospital

that is designated as a level I or level II trauma center. The agreement is intended to ensure an appropriate referral and transfer process is in place for patients requiring emergency care and continued care services beyond the capabilities of the REH. In order to document compliance, a copy of the transfer agreement should be submitted to the department along with the action plan.

#### **D. Attestation:**

(1) An REH is required to meet the COPs for Rural Emergency Hospitals set forth at Subpart E of 42 CFR Part 485 (§ 485.500 - § 485.546). Other than the requirement that the REH submit its agreement with a nearby trauma center, eligible facilities converting to an REH may self-attest to meeting the REH COPs and will not require an automatic on-site initial survey as eligible facilities are expected to be in full compliance with the existing CAH and hospital requirements at the time of the request for conversion.

(2) Facilities may submit the attestation for compliance with the REH COPs along with the action plan and copy of the transfer agreement to the licensing authority. The attestation may be completed on facility letterhead or the model template provided on the CMS website may be used. The attestation should be signed by the facility's legal representative or administrator.

(3) The department will review the additional information for completeness and confirm compliance with any applicable state licensure requirements. Once the additional information has been reviewed, the department will forward the additional information to the designated CMS location, along with a recommendation for certification or denial.

(4) The designated CMS location is responsible for making the final determination for certification of the REH. The effective date will be based upon the date the application package was determined to be complete and approved by the designated



CMS location for meeting all REH requirements. For facilities that require an on-site initial survey, the effective date will be based on current CMS policy, which is the exit day of survey if no deficiencies are cited, or in the alternative, if deficiencies are noted, the date an acceptable plan of correction was approved (see further guidance at 42 CFR §489.13).

**E. Types of licenses:**

**(1) "Annual**

**license":** an annual license is issued for a one-year period to a hospital that has met all requirements of these requirements.

**(2)**

**"Temporary license":** the licensing authority may, at its sole discretion, issue a temporary license prior to the initial state survey, or when the licensing authority finds partial compliance with these requirements. Facilities that were eligible as of December 27, 2020, which subsequently closed and re-enrolled in Medicare would require an initial on-site survey by the licensing authority. These facilities do not have to submit an attestation, as required in Subsection D of 7.7.3.8 NMAC, as an on-site initial survey will be performed to determine the facility is operational and in compliance with the REH requirements.

**(a)** a temporary license shall cover a period of time, not to exceed 120 days, during which the facility must correct all specified deficiencies:

**(b)**

in accordance with Subsection D of Section 24-1-5 NMSA 1978, no more than two consecutive temporary licenses shall be issued.

**(3) "Amended**

**license":** a licensee must apply to the licensing authority for an amended license when there are reported events, including but not limited to a change of administrator, name, or capacity. The application shall:

**(a)** be on a form provided by the licensing authority;

**(b)** be accompanied by the required fee for an amended license; and

**(c)**

be submitted at least 10 working days prior to the change.

[7.7.3.8 NMAC - N, 12/19/2023]

**7.7.3.9 LICENSE**

**RENEWAL:**

**A.** The licensee must submit a renewal application on forms provided by the licensing authority, along with the required fee prior to the expiration of the current license.

**B.** Upon receipt of the renewal application and the required fee prior to expiration of current license, the licensing authority will issue a new license effective the day following the date of expiration of the current license if the facility is in substantial compliance with these requirements.

[7.7.3.9 NMAC - N, 12/19/2023]

**7.7.3.10 POSTING:** The license, or a copy thereof, shall be conspicuously posted in a location accessible to public view within the hospital.

[7.7.3.10 NMAC - N, 12/19/2023]

**7.7.3.11 NON-**

**TRANSFERABLE**

**REGISTRATION OF LICENSE:**

A license shall not be transferred by assignment or otherwise to other persons or locations. The license shall be void and must be returned to the licensing authority when any one of the following situations occur:

**A.** ownership of the hospital changes;

**B.** the facility changes location;

**C.** the licensee of the hospital changes; or

**D.** the hospital discontinues operation.

[7.7.3.11 NMAC - N, 12/19/2023]

**7.7.3.12 EXPIRATION**

**OF LICENSE:** A license will expire at midnight on the day indicated on the license as the expiration date, unless sooner renewed, suspended, or revoked, or:

**A.** on the day a facility discontinues operation; or

**B.** on the day a facility

is sold, leased, otherwise changes ownership or licensee; or

**C.** on the day a facility changes location.

[7.7.2.12 NMAC - N, 12/19/2023]

**7.7.3.13 SUSPENSION OF LICENSE WITHOUT PRIOR HEARING:**

In accordance with Subsection H of Section 24-1-5 NMSA 1978, if the licensing authority determines immediate action is required to protect human health and safety, the licensing authority may suspend a license. A hearing must be held in accordance with the regulations governing adjudicatory hearings, New Mexico department of health, 7.1.2 NMAC.

[7.7.2.13 NMAC - N, 12/19/2023]

**7.7.3.14 GROUNDS FOR REVOCATION OR SUSPENSION OF LICENSE, DENIAL OF INITIAL OR RENEWAL APPLICATION FOR LICENSE, OR IMPOSITION OF INTERMEDIATE SANCTIONS OR CIVIL MONETARY PENALTIES:**

**A.** A license may be denied, revoked or suspended, or intermediate sanctions or civil monetary penalties may be imposed after notice and opportunity for a hearing, for any of the following reasons:

**(1)** failure to comply with any provision of this rule;

**(2)** failure to allow a survey by authorized representatives of the licensing authority;

**(3)** permitting any person while active in the operation of a facility licensed pursuant to this rule to be impaired by the use of prescribed or non-prescribed drugs, including alcohol;

**(4)** misrepresentation or falsification of any information provided to the licensing authority;

**(5)** the discovery of repeat violations of these requirements during surveys; or

**(6)** the failure

to provide the required care and services as outlined by this rule.

**B.** For the purposes of calculating civil monetary penalties, penalty rates will be applied as set forth in Subparagraph (d) of Paragraph (3) of Subsection B of 7.1.8.16 NMAC.

[7.7.3.14 NMAC - N, 12/19/2023]

#### 7.7.3.15 HEARING PROCEDURES:

**A.** An applicant or licensee subject to an adverse action may request an administrative appeal.

**B.** Hearing procedures for an administrative appeal of an adverse action taken by the licensing authority against the hospital as outlined in Section 13 and 14 above will be held in accordance with adjudicatory hearings, New Mexico department of health, 7.1.2. NMAC.

**C.** A copy of the adjudicatory hearing procedures will be furnished to the hospital at the time an adverse action is taken against the licensee by the licensing authority. A copy may be requested at any time by contacting the licensing authority. [7.7.2.15 NMAC - N, 12/19/2023]

#### 7.7.3.16 WAIVERS AND VARIANCES:

**A.** Applications: All applications for the grant of a waiver or variance shall be made in writing to the licensing authority, specifying the following:

(1) the rule, regulation, or code from which the waiver or variance is requested;

(2) the time period for which the waiver or variance is requested;

(3) if the request is for a variance, the specific alternative action which the facility proposes;

(4) the reasons for request; and

(5) an explanation of why the health, safety, and welfare of the residents or staff are not endangered by the condition.

**B.** Requests for a waiver or variance may be made at any time.

**C.** The licensing authority may require additional information from the hospital prior to acting on the request.

(1) Grants and denials. The licensing authority shall grant or deny each request for waiver or variance in writing.

(a) Notice of a denial shall contain the reasons for denial.

(b) The decisions to grant, modify, or deny a request for a waiver or variance is subject to appeal one time only.

(2) The terms of a requested waiver or variance may be modified upon agreement between the licensing authority and the hospital.

**D.** The licensing authority may impose whatever conditions on the granting of a waiver or variance it considers necessary.

**E.** The licensing authority may limit the duration of any waiver. [7.7.3.16 NMAC - N, 12/19/2023]

**7.7.3.17 Compliance with existing requirements:** An REH shall comply with the following:

**A.** 42 CFR Part 485, Subpart E (relating to conditions of participation: Rural Emergency Hospitals (REHs)).

**B.** In addition to the conditions of participation at 42 CFR Part 485, Subpart E, the hospital shall comply with 7.7.2 NMAC to the extent it does not conflict with the conditions of participation. [7.7.3.17 NMAC - N, 12/19/2023]

**7.7.3.18 INCORPORATED AND RELATED CODES:** The facilities that are subject to this rule are also subject to other state rules, codes and standards that may, from time to time, be amended. This includes but is not limited to the following:

**A.** Health facility licensure fees and procedures, department of health, 7.1.7 NMAC.

**B.** Health facility sanctions and civil monetary

penalties, department of health, 7.1.8 NMAC.

**C.** Adjudicatory hearings for licensed facilities, department of health, 7.1.2 NMAC.

**D.** Caregiver's criminal history screening requirements, 7.1.9 NMAC.

**E.** Employee abuse registry, 7.1.12 NMAC.

**F.** Incident reporting, intake processing and training requirements, 7.1.13 NMAC.

**G.** New Mexico Administrative Code, Title 14 Housing and Construction, chapters 5 through 12. [7.7.3.18 NMAC - N, 12/19/2023]

**NMAC History: [RESERVED]**

**History of Repealed Material: [RESERVED]**

**Other History:** 7.7.3 NMAC, Hospitals - Requirements for Rural Emergency Hospitals filed 6/12/2023 as an emergency new rule expired by operation of law on 12/13/2023 has been permanently replaced by 7.7.3 NMAC, Hospitals - Requirements for Rural Emergency Hospitals effective 12/19/2023.

### HUMAN SERVICES DEPARTMENT CHILD SUPPORT ENFORCEMENT DIVISION

The Human Services Department is approving a repeal of its rule 8.50.108 NMAC - Establishment and Modification of Support Order, filed 12/30/2009 and replaced with 8.50.108 NMAC - Establishment and Modification of Support Order, adopted 12/1/2023 and effective 1/1/2024.

The Human Services Department is approving a repeal of its rule 8.50.109 NMAC - Medical Support, filed 5/14/2001 and replaced with 8.50.109 NMAC - Medical Support, adopted 12/1/2023 and effective 1/1/2024.

**HUMAN SERVICES  
DEPARTMENT  
CHILD SUPPORT  
ENFORCEMENT DIVISION**

**TITLE 8 SOCIAL  
SERVICES  
CHAPTER 50 CHILD SUPPORT  
ENFORCEMENT PROGRAM  
PART 108 ESTABLISHMENT  
AND MODIFICATION OF  
SUPPORT ORDER**

**8.50.108.1 ISSUING**

**AGENCY:** New Mexico Human Services Department - Child Support Enforcement Division.

[8.50.108.1 NMAC - Rp, 8.50.108.1 NMAC, 1/1/2024]

**8.50.108.2 SCOPE:** To the general public. For use by the Title IV-D agency and recipients of IV-D services.

[8.50.108.2 NMAC - Rp, 8.50.108.2 NMAC, 1/1/2024]

**8.50.108.3 STATUTORY**

**AUTHORITY:** Public Assistance Act, Section 27-2-27 et seq., NMSA 1978. The human services department is designated as the single state agency for the enforcement of child and spousal support obligations pursuant to Title IV-D of the Social Security Act (42 USC 651 et. seq.). [8.50.108.3 NMAC - Rp, 8.50.108.3 NMAC, 1/1/2024]

**8.50.108.4 DURATION:**

Permanent.

[8.50.108.4 NMAC - Rp, 8.50.108.4 NMAC, 1/1/2024]

**8.50.108.5 EFFECTIVE**

**DATE:** January 1, 2024 unless a later date is cited at the end of a section.

[8.50.108.5 NMAC - Rp, 8.50.108.5 NMAC, 1/1/2024]

**8.50.108.6 OBJECTIVE:** To

provide regulations in accordance with federal and state law and regulations.

[8.50.108.6 NMAC - Rp, 8.50.108.6 NMAC, 1/1/2024]

**8.50.108.7 DEFINITIONS:**

The following definition applies to this part. "Self-support reserve" means the support calculation ensures the payer parent has sufficient income to maintain a minimum standard of living. The self-support reserve is \$1,200 per month for one person which is slightly higher than one hundred percent of the federal poverty guideline. Additional definitions may be found under the general provisions at 8.50.100.7 NMAC.

[8.50.108.7 NMAC - N, 1/1/2024]

**8.50.108.8 ESTABLISHMENT OF SUPPORT ORDER:** If

parentage has been legally established, and there is no support order in existence, the IV-D agency will pursue the establishment of a support order, as appropriate, pursuant to the requirements under 45 CFR §303.4(b)(1-4). All support orders obtained by the IV-D agency shall include a provision requiring the parties to keep the IV-D agency informed of their current addresses and, if the party is a parent, to also provide the name and address of their current employer, whether the parent has access to medical insurance coverage at reasonable cost, including health care coverage through a public entity and, if so, the medical insurance policy information.

**A.** Immediate income withholding: The IV-D agency will request an income withholding provision in accordance with the Support Enforcement Act, Section 40-4A-1 et seq., NMSA 1978. The IV-D agency will not agree to an exception to wage withholding, but will honor any court or administrative order that waives or excepts wage withholding. All payments on Title IV-D cases, whether paid through income withholding, direct withdrawal, or direct payment by the non-custodial parent shall be paid through the IV-D agency. If the custodial party obtains an order in a IV-D case for direct payments to them, the IV-D agency will begin non-cooperation procedures in active IV-A cases and close cases with no public assistance history.

**B.** Persons and agencies the IV-D agency will assist to establish a support order:

(1) parent;  
(2) legal guardian by court or administrative order;

(3) legal custodian by court or administrative order;

(4) IV-B or IV-E agency;

(5) another IV-D agency, state, U.S. territory or country pursuant to the Uniform Interstate Family Support Act, Section 40-6A-101 et seq., NMSA 1978, or reciprocal international agreements.

**C.** Public assistance: If a dependent child receives public assistance, the IV-D agency will pursue a support order against the non-custodial parent, unless the IV-D agency determines that the case involves rape, incest, or it would not be in the best interest of the child(ren). If neither parent has custody of the child, the IV-D agency will pursue a support order against both parents. If the custodian of the child(ren) receiving public assistance does not have legal standing to pursue support, the IV-D agency will seek to establish a support order solely in favor of the state as reimbursement for public assistance benefits expended on behalf of the child(ren) in accordance with the child support guidelines.

[8.50.108.8 NMAC - Rp, 8.50.108.8 NMAC, 1/1/2024]

**8.50.108.9 CHILD SUPPORT AWARD GUIDELINES:** The IV-D

agency uses income information provided to the agency by the parties or other sources to apply the child support guidelines in Section 40-4-11.1 NMSA 1978 and the basic child support schedule now incorporated here as Appendix 1. If exact income information is unavailable, or if a party's earnings history is below minimum wage, the IV-D agency may seek to impute income to a party, provided that the amount of support is established based on consideration of the required factors

under 45 CFR §302.56(a-c). Many low wage jobs offer less than 40 hours per week, so local labor market data shall be considered when imputing income. A request for retroactive support by the IV-D agency will only be for the minimal period in accordance with New Mexico law. The custodial party may seek a longer retroactive period in accordance with the law and is solely responsible for providing all documentation, presenting all evidence, and making all arguments at any hearing or during negotiations in support for the additional time period. The amount of retroactive support requested by the IV-D agency on behalf of the state or for a custodial party will be in accordance with the child support guidelines established pursuant to 45 CFR Section 302.56(f-h), or as otherwise stipulated to by the parties. Incarceration may not be treated as voluntary unemployment when a support order is being established, 45 CFR §302.56 (c)(3). Any deviations from the guidelines will contain a statement of the reason for deviation and shall be in accordance with Section 40-4-11.2 NMSA 1978. [8.50.108.9 NMAC - Rp, 8.50.108.9 NMAC, 1/1/2024]

#### **8.50.108.10 BASIC CHILD SUPPORT SCHEDULE AND THE SELF-SUPPORT RESERVE:**

**A.** In any action to establish or modify child support, the child support guidelines schedule as set forth in this section shall be applied to determine the child support due and shall be a rebuttable presumption for the amount of such child support. The basic child support schedule is reviewed quadrennially by the child support guideline commission pursuant to Section 40-4-11.3 NMSA 1978.

**B.** Effective January 1, 2024, the basic child support schedule incorporates a self-support reserve (SSR). The SSR is demonstrated in the shaded area of the basic child support schedule and provides that if the payer parent's income and number of children fall into the shaded area, only the payer-parent's

income is considered in the child support calculation. As a result, the payer-parent is one hundred percent responsible for SSR adjusted child support obligation from the schedule. This ensures that the SSR is effective at considering basic subsistence needs of the payer-parent who has a limited ability to pay, even if the other parent has significantly more income and their combined income is above the SSR adjusted area of the schedule. Support calculation using the SSR method is reliant on using a worksheet A only and should not take into consideration childcare cost, medical expenses to include insurance premiums, and other appropriate expenses that are otherwise considered by the child support guidelines pursuant to Subparagraph (b) of Paragraph (2) of Subsection M of Section 40-4-11.1 NMSA, 1978.

**C.** For shared responsibility arrangements, the basic child support obligation shall be calculated using the basic child support schedule, worksheet B and instructions contained in Subsection M of Section 40-4-11 NMSA 1978. Support calculations using worksheet B are not subject to the SSR method. [8.50.108.10 NMAC - N, 1/1/2024]

#### **8.50.108.11 DEFAULT**

**JUDGMENT:** The IV-D agency may seek entry of a default order by the court or administrative authority according to state law and rules of procedure regarding default orders. [8.50.108.10 NMAC - Rp, 8.50.108.10 NMAC, 1/1/2024]

#### **8.50.108.12 MODIFICATION OF CHILD SUPPORT ORDERS:**

Either party may request the IV-D agency to provide the service of seeking the modification of a support order. Applicable fees will be charged to the requesting party in compliance with 8.50.125.10 NMAC. The IV-D agency may seek a modification if the non-custodial parent will be incarcerated for more than 180 calendar days. The IV-D agency will not review a support order for modification without request by a party, unless the custodial party is

currently receiving public assistance. In accordance with federal and state laws, a modification of a support order is retroactive only to the time period that a petition or motion was filed with a court and was pending a decision.

[8.50.108.12 NMAC - Rp, 8.50.108.12 NMAC, 1/1/2024]

#### **8.50.108.13 REVIEW AND ADJUSTMENT OF SUPPORT ORDERS:**

The IV-D agency conducts a review for modification of support orders in the IV-D caseload three years from the effective date of the last support order. At the time of review, if the case is actively receiving public assistance, the IV-D agency must pursue a modification either upward or downward if its review indicates that there will be at least a twenty percent change from the current obligation of support. The review is conducted based on information provided by the parties and other sources that report income. Both parties are sent notice at the time of review to request current information from them regarding income, childcare costs, medical expenses to include insurance premiums, and any other appropriate expenses that are considered by the child support guidelines. Both parties are notified of the result of the review conducted by the IV-D agency. If the IV-D agency chooses not to pursue a modification, any party may independently pursue their own request for a modification of a support order. The state may initiate a review of an order, without a specific request for review, if information is received by the IV-D agency that the non-custodial parent will be incarcerated for more than 180 calendar days, pursuant to the conditions specified in 45 CFR §303.8(b)(2), (7), and (c). Under 45 CFR §302.56 (c)(3), incarceration may not be treated as voluntary unemployment when a support order is being modified.

[8.50.108.13 NMAC - Rp, 8.50.108.13 NMAC, 1/1/2024]

#### **8.50.108.14 PROVISION OF SERVICES TO IV-B AND IV-E PROGRAMS:**

Upon request for



services from the state IV-B or IV-E program, the IV-D agency will review its caseload to determine if there is an active IV-D case. The IV-D agency will send a letter to both the custodial party and non-custodial parent(s) notifying them that the IV-B or IV-E agency has requested services due to the minor child(ren) being in state custody. If there is a current order of support in place, the IV-D agency will review the case for appropriate legal action. If there is not a current support order in place, the IV-D agency will work with the IV-B or IV-E agency to obtain a mutually agreed upon support order between the IV-B or IV-E agency and the IV-D agency.

[8.50.108.14 NMAC - Rp,  
8.50.108.14 NMAC 1/1/2024]

**8.50.108.15 FURNISHING  
CONSUMER REPORTS  
FOR CERTAIN PURPOSES  
RELATING TO CHILD**

**SUPPORT:** Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) authorizes the release of information contained in a non-custodial parent's credit report to the New Mexico IV-D agency. The information obtained from the consumer reporting agency is to be used solely for the purpose of establishing or modifying an order of support.

[8.50.108.11 NMAC - Rp,  
8.50.108.11 NMAC, 1/1/2024]

**History of 8.50.108 NMAC:**

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives: ISD CSEB 501.1100, State and Local Requirements, filed 6/23/1980.

**NMAC History:**

8 NMAC 5.CSE.000 through 8 NMAC 5.CSE.970, filed 12/30/1994.

**History of Repealed Material:**

8 NMAC 5.CSE, Child Support Enforcement, filed 12/30/94 - Repealed effective 5/31/2001.  
8.50.108 NMAC, Establishment of Support Order, filed 5/14/2001 -

Repealed effective 1/1/2010.  
8.50.108 NMAC, Establishment of Support Order, filed 12/30/2009 - Repealed effective 1/1/2024.

**Other History:**

8.50.108 NMAC, Establishment of Support Order, filed 12/30/2009 - Replaced by 8.50.108 NMAC, Establishment of Support Order, effective 1/1/2024.

**8.50.108 NMAC  
Appendix 1  
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**APPENDIX 1**  
Basic Child Support Schedule

Both Parents' Combined Adjusted Gross Income (or, the parent payer's income only, if income and number of children fall within the shaded area).			One Child	Two Children	Three Children	Four Children	Five Children	Six Children
0	-	1,450	60	75	90	105	120	135
1,451	-	1,500	89	90	91	116	125	146
1,501	-	1,550	124	126	127	128	130	157
1,551	-	1,600	159	161	163	164	166	168
1,601	-	1,650	194	196	198	201	203	205
1,651	-	1,700	229	232	234	237	239	242
1,701	-	1,750	264	267	270	273	276	279
1,751	-	1,800	299	302	306	309	312	316
1,801	-	1,850	332	338	341	345	349	352
1,851	-	1,900	340	373	377	381	385	389
1,901	-	1,950	348	408	413	417	422	426
1,951	-	2,000	356	443	448	452	457	462
2,001	-	2,050	364	477	482	488	493	498
2,051	-	2,100	372	511	517	523	528	534
2,101	-	2,150	380	546	552	558	564	570
2,151	-	2,200	388	580	586	593	599	606
2,201	-	2,250	396	603	621	628	635	641
2,251	-	2,300	404	615	656	663	670	677
2,301	-	2,350	412	627	691	698	706	713
2,351	-	2,400	420	639	725	733	741	749
2,401	-	2,450	428	651	760	768	776	785
2,451	-	2,500	436	663	795	803	812	821
2,501	-	2,550	444	675	816	838	847	856
2,551	-	2,600	451	688	831	873	883	892
2,601	-	2,650	459	700	846	913	923	932
2,651	-	2,700	467	712	860	953	963	972
2,701	-	2,750	475	724	875	977	1003	1012
2,751	-	2,800	483	736	890	994	1043	1052
2,801	-	2,850	491	748	904	1010	1083	1092
2,851	-	2,900	499	760	919	1027	1123	1132
2,901	-	2,950	507	772	934	1043	1147	1172
2,951	-	3,000	515	784	948	1059	1165	1212
3,001	-	3,050	523	797	963	1076	1183	1252
3,051	-	3,100	531	809	978	1092	1201	1292
3,101	-	3,150	539	821	992	1108	1219	1325
3,151	-	3,200	547	833	1007	1125	1237	1345
3,201	-	3,250	555	845	1022	1141	1255	1364
3,251	-	3,300	563	857	1036	1158	1273	1384
3,301	-	3,350	571	869	1051	1174	1291	1404

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3,351	-	3,400	579	881	1066	1190	1309	1423
3,401	-	3,450	587	894	1080	1207	1327	1443
3,451	-	3,500	595	906	1095	1223	1345	1462
3,501	-	3,550	603	918	1110	1239	1363	1482
3,551	-	3,600	611	930	1124	1256	1381	1502
3,601	-	3,650	619	942	1139	1272	1399	1521
3,651	-	3,700	627	954	1154	1289	1417	1541
3,701	-	3,750	635	966	1168	1305	1435	1560
3,751	-	3,800	643	978	1183	1321	1453	1580
3,801	-	3,850	651	991	1198	1338	1471	1599
3,851	-	3,900	659	1003	1212	1354	1489	1619
3,901	-	3,950	666	1014	1225	1368	1505	1636
3,951	-	4,000	674	1024	1237	1382	1520	1652
4,001	-	4,050	682	1035	1249	1395	1535	1668
4,051	-	4,100	690	1045	1261	1409	1549	1684
4,101	-	4,150	698	1056	1273	1422	1564	1700
4,151	-	4,200	706	1066	1285	1435	1579	1716
4,201	-	4,250	714	1077	1297	1449	1594	1732
4,251	-	4,300	722	1087	1309	1462	1609	1748
4,301	-	4,350	730	1098	1321	1476	1623	1765
4,351	-	4,400	738	1108	1333	1489	1638	1781
4,401	-	4,450	746	1119	1345	1503	1653	1797
4,451	-	4,500	754	1129	1357	1516	1668	1813
4,501	-	4,550	762	1140	1369	1529	1682	1829
4,551	-	4,600	769	1151	1383	1544	1699	1847
4,601	-	4,650	775	1161	1395	1558	1714	1863
4,651	-	4,700	781	1171	1407	1571	1728	1879
4,701	-	4,750	788	1182	1419	1585	1743	1895
4,751	-	4,800	794	1192	1431	1598	1758	1911
4,801	-	4,850	800	1202	1443	1612	1773	1927
4,851	-	4,900	806	1212	1455	1625	1788	1943
4,901	-	4,950	813	1222	1467	1639	1802	1959
4,951	-	5,000	819	1233	1479	1652	1817	1975
5,001	-	5,050	825	1243	1491	1665	1832	1991
5,051	-	5,100	831	1253	1503	1679	1847	2008
5,101	-	5,150	838	1263	1515	1692	1862	2024
5,151	-	5,200	844	1273	1527	1706	1876	2040
5,201	-	5,250	850	1284	1539	1719	1891	2056
5,251	-	5,300	856	1293	1550	1732	1905	2070
5,301	-	5,350	861	1300	1559	1742	1916	2082
5,351	-	5,400	866	1308	1568	1752	1927	2094
5,401	-	5,450	871	1316	1577	1762	1938	2106
5,451	-	5,500	876	1323	1586	1772	1949	2118
5,501	-	5,550	881	1331	1595	1782	1960	2131
5,551	-	5,600	886	1338	1604	1792	1971	2143
5,601	-	5,650	892	1346	1613	1802	1982	2155
5,651	-	5,700	897	1354	1622	1812	1993	2167
5,701	-	5,750	902	1361	1631	1822	2004	2179

5,751	-	5,800	907	1369	1640	1832	2015	2191
5,801	-	5,850	912	1376	1649	1842	2026	2203
5,851	-	5,900	917	1384	1658	1852	2037	2215
5,901	-	5,950	922	1392	1667	1862	2048	2227
5,951	-	6,000	927	1399	1676	1872	2059	2239
6,001	-	6,050	931	1405	1683	1879	2067	2247
6,051	-	6,100	934	1409	1688	1885	2074	2254
6,101	-	6,150	937	1414	1693	1891	2080	2261
6,151	-	6,200	940	1418	1698	1897	2086	2268
6,201	-	6,250	944	1423	1703	1902	2092	2274
6,251	-	6,300	947	1427	1708	1908	2099	2281
6,301	-	6,350	950	1432	1713	1914	2105	2288
6,351	-	6,400	953	1436	1718	1919	2111	2295
6,401	-	6,450	956	1441	1723	1925	2117	2302
6,451	-	6,500	959	1445	1728	1931	2124	2309
6,501	-	6,550	962	1450	1734	1936	2130	2315
6,551	-	6,600	965	1454	1739	1942	2136	2322
6,601	-	6,650	969	1459	1744	1948	2143	2329
6,651	-	6,700	972	1463	1749	1953	2149	2336
6,701	-	6,750	975	1468	1754	1959	2155	2343
6,751	-	6,800	978	1471	1757	1962	2159	2346
6,801	-	6,850	980	1474	1759	1965	2162	2350
6,851	-	6,900	983	1477	1762	1968	2165	2353
6,901	-	6,950	986	1481	1765	1971	2168	2357
6,951	-	7,000	989	1484	1767	1974	2172	2360
7,001	-	7,050	992	1487	1770	1977	2175	2364
7,051	-	7,100	995	1490	1773	1980	2178	2368
7,101	-	7,150	997	1494	1775	1983	2181	2371
7,151	-	7,200	1000	1497	1778	1986	2185	2375
7,201	-	7,250	1003	1500	1781	1989	2188	2378
7,251	-	7,300	1006	1503	1783	1992	2191	2382
7,301	-	7,350	1009	1507	1786	1995	2194	2385
7,351	-	7,400	1011	1510	1788	1998	2198	2389
7,401	-	7,450	1014	1513	1791	2001	2201	2392
7,451	-	7,500	1017	1517	1795	2005	2206	2398
7,501	-	7,550	1021	1524	1804	2015	2216	2409
7,551	-	7,600	1025	1530	1813	2025	2227	2421
7,601	-	7,650	1029	1537	1821	2035	2238	2433
7,651	-	7,700	1033	1544	1830	2044	2249	2444
7,701	-	7,750	1037	1550	1839	2054	2260	2456
7,751	-	7,800	1041	1557	1848	2064	2270	2468
7,801	-	7,850	1045	1563	1857	2074	2281	2480
7,851	-	7,900	1049	1570	1865	2084	2292	2491
7,901	-	7,950	1053	1577	1874	2093	2303	2503
7,951	-	8,000	1057	1583	1883	2103	2314	2515
8,001	-	8,050	1061	1590	1892	2113	2324	2527
8,051	-	8,100	1065	1597	1900	2123	2335	2538
8,101	-	8,150	1069	1603	1909	2133	2346	2550



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8,151	-	8,200	1073	1610	1918	2142	2357	2562
8,201	-	8,250	1076	1615	1924	2149	2363	2569
8,251	-	8,300	1078	1617	1926	2151	2366	2572
8,301	-	8,350	1080	1620	1928	2154	2369	2575
8,351	-	8,400	1083	1623	1930	2156	2372	2578
8,401	-	8,450	1085	1626	1932	2159	2374	2581
8,451	-	8,500	1088	1628	1935	2161	2377	2584
8,501	-	8,550	1090	1631	1937	2164	2380	2587
8,551	-	8,600	1092	1634	1939	2166	2383	2590
8,601	-	8,650	1095	1636	1941	2168	2385	2593
8,651	-	8,700	1097	1639	1943	2171	2388	2596
8,701	-	8,750	1099	1642	1946	2173	2390	2598
8,751	-	8,800	1102	1644	1948	2176	2393	2601
8,801	-	8,850	1104	1647	1950	2178	2396	2604
8,851	-	8,900	1106	1650	1952	2180	2398	2607
8,901	-	8,950	1109	1652	1954	2183	2401	2610
8,951	-	9,000	1111	1656	1957	2186	2405	2614
9,001	-	9,050	1115	1660	1962	2191	2410	2620
9,051	-	9,100	1118	1664	1966	2196	2416	2626
9,101	-	9,150	1121	1668	1970	2201	2421	2632
9,151	-	9,200	1124	1673	1975	2206	2426	2637
9,201	-	9,250	1128	1677	1979	2210	2432	2643
9,251	-	9,300	1131	1681	1983	2215	2437	2649
9,301	-	9,350	1134	1685	1988	2220	2442	2655
9,351	-	9,400	1137	1690	1992	2225	2447	2660
9,401	-	9,450	1140	1694	1996	2230	2453	2666
9,451	-	9,500	1144	1698	2000	2234	2458	2672
9,501	-	9,550	1147	1702	2005	2239	2463	2677
9,551	-	9,600	1150	1707	2009	2244	2468	2683
9,601	-	9,650	1153	1711	2013	2249	2474	2689
9,651	-	9,700	1157	1715	2018	2254	2479	2695
9,701	-	9,750	1160	1720	2023	2260	2486	2702
9,751	-	9,800	1165	1727	2030	2268	2495	2712
9,801	-	9,850	1170	1734	2038	2276	2504	2722
9,851	-	9,900	1175	1740	2045	2285	2513	2732
9,901	-	9,950	1180	1747	2053	2293	2522	2742
9,951	-	10,000	1184	1754	2060	2301	2532	2752
10,001	-	10,050	1189	1761	2068	2310	2541	2762
10,051	-	10,100	1194	1767	2075	2318	2550	2772
10,101	-	10,150	1199	1774	2083	2326	2559	2782
10,151	-	10,200	1204	1781	2090	2335	2568	2792
10,201	-	10,250	1208	1788	2098	2343	2577	2802
10,251	-	10,300	1213	1794	2105	2351	2587	2812
10,301	-	10,350	1218	1801	2113	2360	2596	2822
10,351	-	10,400	1223	1808	2120	2368	2605	2832
10,401	-	10,450	1228	1815	2128	2376	2614	2842
10,451	-	10,500	1232	1821	2135	2385	2623	2851
10,501	-	10,550	1237	1828	2142	2393	2632	2861

10,551	-	10,600	1242	1835	2150	2401	2642	2871
10,601	-	10,650	1247	1842	2157	2410	2651	2881
10,651	-	10,700	1252	1848	2165	2418	2660	2891
10,701	-	10,750	1256	1855	2172	2426	2669	2901
10,751	-	10,800	1261	1862	2180	2435	2678	2911
10,801	-	10,850	1266	1869	2187	2443	2687	2921
10,851	-	10,900	1270	1875	2195	2452	2697	2931
10,901	-	10,950	1274	1881	2202	2460	2706	2941
10,951	-	11,000	1277	1886	2210	2468	2715	2951
11,001	-	11,050	1281	1892	2217	2477	2724	2961
11,051	-	11,100	1284	1898	2225	2485	2734	2972
11,101	-	11,150	1288	1904	2232	2494	2743	2982
11,151	-	11,200	1291	1909	2240	2502	2752	2992
11,201	-	11,250	1295	1915	2247	2510	2761	3002
11,251	-	11,300	1298	1921	2255	2519	2771	3012
11,301	-	11,350	1302	1927	2262	2527	2780	3022
11,351	-	11,400	1305	1933	2270	2536	2789	3032
11,401	-	11,450	1309	1938	2278	2544	2798	3042
11,451	-	11,500	1312	1944	2285	2552	2808	3052
11,501	-	11,550	1316	1950	2293	2561	2817	3062
11,551	-	11,600	1319	1956	2300	2569	2826	3072
11,601	-	11,650	1323	1961	2308	2578	2835	3082
11,651	-	11,700	1326	1967	2315	2586	2845	3092
11,701	-	11,750	1330	1973	2323	2594	2854	3102
11,751	-	11,800	1333	1979	2330	2603	2863	3112
11,801	-	11,850	1337	1985	2338	2611	2872	3122
11,851	-	11,900	1340	1990	2345	2620	2882	3132
11,901	-	11,950	1344	1996	2353	2628	2891	3142
11,951	-	12,000	1347	2002	2360	2636	2900	3152
12,001	-	12,050	1350	2006	2365	2642	2906	3159
12,051	-	12,100	1353	2010	2369	2646	2911	3164
12,101	-	12,150	1356	2014	2373	2651	2916	3170
12,151	-	12,200	1358	2018	2378	2656	2921	3176
12,201	-	12,250	1361	2021	2382	2660	2927	3181
12,251	-	12,300	1364	2026	2387	2666	2932	3188
12,301	-	12,350	1367	2030	2391	2670	2938	3193
12,351	-	12,400	1370	2034	2395	2676	2943	3199
12,401	-	12,450	1373	2038	2400	2681	2949	3205
12,451	-	12,500	1376	2042	2405	2686	2954	3211
12,501	-	12,550	1379	2046	2409	2691	2960	3218
12,551	-	12,600	1382	2050	2414	2696	2966	3224
12,601	-	12,650	1385	2055	2418	2701	2971	3230
12,651	-	12,700	1388	2059	2423	2706	2977	3236
12,701	-	12,750	1391	2063	2427	2711	2983	3242
12,751	-	12,800	1394	2067	2432	2717	2988	3248
12,801	-	12,850	1397	2071	2437	2722	2994	3254
12,851	-	12,900	1400	2076	2441	2727	2999	3260
12,901	-	12,950	1403	2080	2446	2732	3005	3267

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12,951	-	13,000	1406	2084	2450	2737	3011	3273
13,001	-	13,050	1409	2088	2455	2742	3016	3279
13,051	-	13,100	1413	2093	2460	2748	3023	3285
13,101	-	13,150	1417	2098	2465	2754	3029	3293
13,151	-	13,200	1420	2103	2471	2760	3036	3300
13,201	-	13,250	1424	2108	2476	2765	3042	3307
13,251	-	13,300	1428	2113	2481	2771	3049	3314
13,301	-	13,350	1432	2119	2486	2777	3055	3321
13,351	-	13,400	1436	2124	2492	2783	3062	3328
13,401	-	13,450	1440	2129	2497	2789	3068	3335
13,451	-	13,500	1444	2134	2502	2795	3075	3342
13,501	-	13,550	1447	2139	2508	2801	3081	3349
13,551	-	13,600	1451	2144	2513	2807	3088	3356
13,601	-	13,650	1455	2149	2518	2813	3094	3363
13,651	-	13,700	1459	2154	2523	2819	3101	3370
13,701	-	13,750	1463	2160	2529	2825	3107	3377
13,751	-	13,800	1467	2165	2534	2831	3114	3384
13,801	-	13,850	1471	2170	2539	2836	3120	3392
13,851	-	13,900	1475	2175	2545	2842	3127	3399
13,901	-	13,950	1478	2180	2550	2848	3133	3406
13,951	-	14,000	1482	2185	2555	2854	3140	3413
14,001	-	14,050	1486	2190	2561	2860	3146	3420
14,051	-	14,100	1490	2196	2566	2866	3153	3427
14,101	-	14,150	1494	2201	2571	2872	3159	3434
14,151	-	14,200	1498	2206	2576	2878	3166	3441
14,201	-	14,250	1502	2211	2582	2884	3172	3448
14,251	-	14,300	1506	2216	2587	2890	3179	3455
14,301	-	14,350	1509	2221	2592	2896	3185	3462
14,351	-	14,400	1513	2226	2598	2901	3192	3469
14,401	-	14,450	1517	2232	2603	2907	3198	3476
14,451	-	14,500	1520	2235	2606	2911	3202	3481
14,501	-	14,550	1522	2238	2609	2914	3206	3484
14,551	-	14,600	1525	2241	2612	2917	3209	3488
14,601	-	14,650	1527	2244	2615	2921	3213	3492
14,651	-	14,700	1530	2247	2618	2924	3217	3496
14,701	-	14,750	1532	2250	2621	2927	3220	3500
14,751	-	14,800	1535	2253	2624	2931	3224	3504
14,801	-	14,850	1537	2256	2627	2934	3227	3508
14,851	-	14,900	1539	2260	2630	2937	3231	3512
14,901	-	14,950	1542	2263	2633	2941	3235	3516
14,951	-	15,000	1544	2266	2636	2944	3238	3520
15,001	-	15,050	1547	2269	2639	2947	3242	3524
15,051	-	15,100	1549	2272	2641	2951	3246	3528
15,101	-	15,150	1552	2275	2644	2954	3249	3532
15,151	-	15,200	1554	2278	2647	2957	3253	3536
15,201	-	15,250	1557	2281	2650	2960	3256	3540
15,251	-	15,300	1559	2284	2653	2964	3260	3544
15,301	-	15,350	1561	2287	2656	2966	3263	3547

15,351	-	15,400	1563	2290	2658	2969	3266	3551
15,401	-	15,450	1566	2292	2661	2972	3270	3554
15,451	-	15,500	1568	2295	2664	2975	3273	3558
15,501	-	15,550	1570	2298	2666	2978	3276	3561
15,551	-	15,600	1572	2301	2669	2981	3279	3564
15,601	-	15,650	1574	2303	2671	2984	3282	3568
15,651	-	15,700	1576	2306	2674	2987	3286	3571
15,701	-	15,750	1579	2309	2677	2990	3289	3575
15,751	-	15,800	1581	2312	2679	2993	3292	3578
15,801	-	15,850	1583	2314	2682	2996	3295	3582
15,851	-	15,900	1585	2317	2685	2999	3299	3585
15,901	-	15,950	1589	2322	2691	3006	3306	3594
15,951	-	16,000	1593	2328	2698	3013	3315	3603
16,001	-	16,050	1597	2334	2705	3021	3323	3613
16,051	-	16,100	1601	2340	2712	3029	3332	3622
16,101	-	16,150	1605	2346	2719	3037	3341	3631
16,151	-	16,200	1609	2352	2726	3045	3349	3641
16,201	-	16,250	1613	2358	2733	3053	3358	3650
16,251	-	16,300	1617	2364	2740	3061	3367	3660
16,301	-	16,350	1621	2370	2747	3068	3375	3669
16,351	-	16,400	1625	2376	2754	3076	3384	3678
16,401	-	16,450	1629	2382	2761	3084	3393	3688
16,451	-	16,500	1633	2388	2768	3092	3401	3697
16,501	-	16,550	1637	2394	2775	3100	3410	3706
16,551	-	16,600	1641	2400	2782	3108	3418	3716
16,601	-	16,650	1645	2406	2789	3116	3427	3725
16,651	-	16,700	1649	2412	2796	3123	3436	3735
16,701	-	16,750	1653	2418	2803	3131	3444	3744
16,751	-	16,800	1657	2424	2810	3139	3453	3753
16,801	-	16,850	1661	2430	2817	3147	3461	3762
16,851	-	16,900	1665	2436	2824	3154	3470	3772
16,901	-	16,950	1669	2441	2831	3162	3478	3781
16,951	-	17,000	1673	2447	2838	3170	3487	3790
17,001	-	17,050	1677	2453	2845	3178	3495	3799
17,051	-	17,100	1681	2459	2852	3185	3504	3809
17,101	-	17,150	1685	2465	2859	3193	3512	3818
17,151	-	17,200	1689	2471	2865	3201	3521	3827
17,201	-	17,250	1693	2477	2872	3208	3529	3836
17,251	-	17,300	1697	2483	2879	3216	3538	3846
17,301	-	17,350	1701	2489	2886	3224	3546	3855
17,351	-	17,400	1705	2494	2893	3232	3555	3864
17,401	-	17,450	1709	2500	2900	3239	3563	3873
17,451	-	17,500	1713	2506	2907	3247	3572	3883
17,501	-	17,550	1717	2512	2914	3255	3580	3892
17,551	-	17,600	1721	2518	2921	3263	3589	3901
17,601	-	17,650	1725	2524	2928	3270	3597	3910
17,651	-	17,700	1729	2530	2935	3278	3606	3920
17,701	-	17,750	1733	2536	2942	3286	3614	3929



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17,751	-	17,800	1737	2541	2949	3294	3623	3938
17,801	-	17,850	1740	2547	2956	3301	3631	3947
17,851	-	17,900	1744	2553	2962	3309	3640	3957
17,901	-	17,950	1748	2559	2969	3317	3648	3966
17,951	-	18,000	1752	2565	2976	3325	3657	3975
18,001	-	18,050	1756	2571	2983	3332	3666	3984
18,051	-	18,100	1760	2577	2990	3340	3674	3994
18,101	-	18,150	1764	2583	2997	3348	3682	4003
18,151	-	18,200	1768	2588	3004	3355	3691	4012
18,201	-	18,250	1772	2594	3011	3363	3699	4021
18,251	-	18,300	1776	2599	3016	3369	3706	4028
18,301	-	18,350	1779	2603	3020	3374	3711	4034
18,351	-	18,400	1782	2607	3025	3379	3716	4040
18,401	-	18,450	1785	2612	3029	3383	3722	4045
18,451	-	18,500	1788	2616	3033	3388	3727	4051
18,501	-	18,550	1791	2620	3037	3393	3732	4057
18,551	-	18,600	1794	2624	3042	3397	3737	4062
18,601	-	18,650	1797	2628	3046	3402	3742	4068
18,651	-	18,700	1800	2632	3050	3407	3748	4074
18,701	-	18,750	1804	2636	3054	3412	3753	4079
18,751	-	18,800	1807	2640	3058	3416	3758	4085
18,801	-	18,850	1810	2644	3063	3421	3763	4090
18,851	-	18,900	1813	2649	3067	3426	3768	4096
18,901	-	18,950	1816	2653	3071	3430	3773	4102
18,951	-	19,000	1819	2657	3075	3435	3779	4107
19,001	-	19,050	1822	2661	3080	3440	3784	4113
19,051	-	19,100	1825	2665	3084	3445	3789	4119
19,101	-	19,150	1828	2669	3088	3449	3794	4124
19,151	-	19,200	1831	2673	3092	3453	3799	4129
19,201	-	19,250	1834	2677	3096	3458	3804	4135
19,251	-	19,300	1837	2681	3100	3462	3809	4140
19,301	-	19,350	1840	2685	3104	3467	3814	4145
19,351	-	19,400	1843	2688	3108	3471	3819	4151
19,401	-	19,450	1846	2692	3112	3476	3823	4156
19,451	-	19,500	1849	2696	3116	3480	3828	4161
19,501	-	19,550	1852	2700	3120	3485	3833	4167
19,551	-	19,600	1855	2704	3124	3489	3838	4172
19,601	-	19,650	1858	2708	3128	3494	3843	4178
19,651	-	19,700	1861	2712	3132	3498	3848	4183
19,701	-	19,750	1864	2716	3136	3503	3853	4188
19,751	-	19,800	1867	2720	3140	3507	3858	4194
19,801	-	19,850	1870	2724	3144	3512	3863	4199
19,851	-	19,900	1873	2728	3148	3516	3868	4204
19,901	-	19,950	1876	2731	3152	3521	3873	4210
19,951	-	20,000	1879	2735	3156	3525	3878	4215
20,001	-	20,050	1882	2739	3160	3530	3883	4220
20,051	-	20,100	1885	2743	3164	3534	3887	4226
20,101	-	20,150	1887	2747	3168	3539	3892	4231

20,151	-	20,200	1890	2751	3172	3543	3897	4236
20,201	-	20,250	1893	2755	3176	3547	3902	4242
20,251	-	20,300	1896	2759	3180	3552	3907	4247
20,301	-	20,350	1899	2763	3184	3556	3912	4252
20,351	-	20,400	1902	2767	3188	3561	3917	4258
20,401	-	20,450	1905	2771	3192	3565	3922	4263
20,451	-	20,500	1908	2774	3196	3570	3927	4269
20,501	-	20,550	1911	2778	3200	3574	3932	4274
20,551	-	20,600	1914	2782	3204	3579	3937	4279
20,601	-	20,650	1917	2786	3208	3583	3942	4285
20,651	-	20,700	1920	2790	3212	3588	3947	4290
20,701	-	20,750	1923	2794	3216	3592	3951	4295
20,751	-	20,800	1926	2798	3220	3597	3956	4301
20,801	-	20,850	1929	2802	3224	3601	3961	4306
20,851	-	20,900	1932	2806	3228	3606	3966	4311
20,901	-	20,950	1935	2810	3232	3610	3971	4317
20,951	-	21,000	1938	2814	3236	3615	3976	4322
21,001	-	21,050	1941	2817	3240	3619	3981	4327
21,051	-	21,100	1944	2821	3244	3624	3986	4333
21,101	-	21,150	1947	2825	3248	3628	3991	4338
21,151	-	21,200	1950	2829	3252	3633	3996	4343
21,201	-	21,250	1953	2833	3256	3637	4001	4349
21,251	-	21,300	1955	2837	3260	3641	4006	4354
21,301	-	21,350	1958	2841	3264	3646	4011	4359
21,351	-	21,400	1961	2845	3268	3650	4015	4365
21,401	-	21,450	1964	2849	3272	3655	4020	4370
21,451	-	21,500	1967	2853	3276	3659	4025	4376
21,501	-	21,550	1970	2857	3280	3664	4030	4381
21,551	-	21,600	1973	2860	3284	3668	4035	4386
21,601	-	21,650	1976	2865	3289	3674	4041	4393
21,651	-	21,700	1979	2869	3295	3680	4049	4401
21,701	-	21,750	1981	2873	3301	3687	4056	4409
21,751	-	21,800	1984	2878	3307	3694	4063	4417
21,801	-	21,850	1986	2882	3313	3701	4071	4425
21,851	-	21,900	1989	2887	3319	3707	4078	4433
21,901	-	21,950	1992	2891	3325	3714	4086	4441
21,951	-	22,000	1994	2896	3331	3721	4093	4449
22,001	-	22,050	1997	2900	3337	3728	4100	4457
22,051	-	22,100	1999	2905	3343	3734	4108	4465
22,101	-	22,150	2002	2909	3349	3741	4115	4473
22,151	-	22,200	2005	2914	3355	3748	4122	4481
22,201	-	22,250	2007	2918	3361	3754	4130	4489
22,251	-	22,300	2010	2923	3367	3761	4137	4497
22,301	-	22,350	2012	2927	3373	3768	4145	4505
22,351	-	22,400	2015	2932	3379	3775	4152	4513
22,401	-	22,450	2018	2936	3385	3781	4159	4521
22,451	-	22,500	2020	2940	3391	3788	4167	4529
22,501	-	22,550	2023	2945	3397	3795	4174	4537

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22,551	-	22,600	2025	2949	3403	3802	4182	4545
22,601	-	22,650	2028	2954	3409	3808	4189	4554
22,651	-	22,700	2031	2958	3415	3815	4196	4562
22,701	-	22,750	2033	2963	3421	3822	4204	4570
22,751	-	22,800	2036	2967	3427	3828	4211	4578
22,801	-	22,850	2038	2972	3433	3835	4219	4586
22,851	-	22,900	2041	2976	3439	3842	4226	4594
22,901	-	22,950	2044	2981	3445	3849	4233	4602
22,951	-	23,000	2046	2985	3451	3855	4241	4610
23,001	-	23,050	2049	2990	3458	3862	4248	4618
23,051	-	23,100	2051	2994	3464	3869	4256	4626
23,101	-	23,150	2054	2998	3470	3875	4263	4634
23,151	-	23,200	2057	3003	3476	3882	4270	4642
23,201	-	23,250	2059	3007	3482	3889	4278	4650
23,251	-	23,300	2062	3012	3488	3896	4285	4658
23,301	-	23,350	2064	3016	3494	3902	4293	4666
23,351	-	23,400	2067	3021	3500	3909	4300	4674
23,401	-	23,450	2070	3025	3506	3916	4307	4682
23,451	-	23,500	2072	3030	3512	3923	4315	4690
23,501	-	23,550	2075	3034	3518	3929	4322	4698
23,551	-	23,600	2077	3039	3524	3936	4330	4706
23,601	-	23,650	2080	3043	3530	3943	4337	4714
23,651	-	23,700	2083	3048	3536	3949	4344	4722
23,701	-	23,750	2085	3052	3542	3956	4352	4730
23,751	-	23,800	2088	3057	3548	3963	4359	4738
23,801	-	23,850	2090	3061	3554	3970	4367	4746
23,851	-	23,900	2093	3065	3560	3976	4374	4755
23,901	-	23,950	2096	3070	3566	3983	4381	4763
23,951	-	24,000	2098	3074	3572	3990	4389	4771
24,001	-	24,050	2101	3079	3578	3997	4396	4779
24,051	-	24,100	2103	3083	3584	4003	4404	4787
24,101	-	24,150	2106	3088	3590	4010	4411	4795
24,151	-	24,200	2109	3092	3596	4017	4418	4803
24,201	-	24,250	2111	3097	3602	4023	4426	4811
24,251	-	24,300	2114	3101	3608	4030	4433	4819
24,301	-	24,350	2116	3106	3614	4037	4441	4827
24,351	-	24,400	2119	3110	3620	4044	4448	4835
24,401	-	24,450	2122	3115	3626	4050	4455	4843
24,451	-	24,500	2124	3119	3632	4057	4463	4851
24,501	-	24,550	2127	3123	3638	4064	4470	4859
24,551	-	24,600	2129	3128	3644	4070	4478	4867
24,601	-	24,650	2132	3132	3650	4077	4485	4875
24,651	-	24,700	2134	3137	3656	4084	4492	4883
24,701	-	24,750	2137	3141	3662	4091	4500	4891
24,751	-	24,800	2140	3146	3668	4097	4507	4899
24,801	-	24,850	2142	3150	3674	4104	4515	4907
24,851	-	24,900	2145	3155	3680	4111	4522	4915
24,901	-	24,950	2147	3159	3686	4118	4529	4923

24,951	-	25,000	2150	3164	3692	4124	4537	4931
25,001	-	25,050	2153	3168	3698	4131	4544	4939
25,051		25,100	2155	3173	3704	4138	4551	4947
25,101		25,150	2158	3177	3710	4144	4559	4956
25,151		25,200	2160	3182	3716	4151	4566	4964
25,201		25,250	2163	3186	3722	4158	4574	4972
25,251		25,300	2166	3190	3728	4165	4581	4980
25,301		25,350	2168	3195	3734	4171	4588	4988
25,351		25,400	2171	3199	3740	4178	4596	4996
25,401		25,450	2173	3204	3746	4185	4603	5004
25,451		25,500	2176	3208	3752	4192	4611	5012
25,501		25,550	2179	3213	3758	4198	4618	5020
25,551		25,600	2181	3217	3765	4205	4625	5028
25,601		25,650	2184	3222	3771	4212	4633	5036
25,651		25,700	2186	3226	3777	4218	4640	5044
25,701		25,750	2189	3231	3783	4225	4648	5052
25,751		25,800	2192	3235	3789	4232	4655	5060
25,801		25,850	2194	3240	3795	4239	4662	5068
25,851		25,900	2197	3244	3801	4245	4670	5076
25,901		25,950	2199	3249	3807	4252	4677	5084
25,951		26,000	2202	3253	3813	4259	4685	5092
26,001		26,050	2205	3257	3819	4265	4692	5100
26,051		26,100	2207	3262	3825	4272	4699	5108
26,101		26,150	2210	3266	3831	4279	4707	5116
26,151		26,200	2212	3271	3837	4286	4714	5124
26,201		26,250	2215	3275	3843	4292	4722	5132
26,251		26,300	2218	3280	3849	4299	4729	5140
26,301		26,350	2220	3284	3855	4306	4736	5148
26,351		26,400	2223	3289	3861	4313	4744	5157
26,401		26,450	2225	3293	3867	4319	4751	5165
26,451		26,500	2228	3298	3873	4326	4759	5173
26,501		26,550	2231	3302	3879	4333	4766	5181
26,551		26,600	2233	3307	3885	4339	4773	5189
26,601		26,650	2236	3311	3891	4346	4781	5197
26,651		26,700	2238	3315	3897	4353	4788	5205
26,701		26,750	2241	3320	3902	4359	4794	5212
26,751		26,800	2244	3323	3906	4363	4800	5217
26,801		26,850	2246	3327	3911	4368	4805	5223
26,851		26,900	2249	3331	3915	4373	4810	5229
26,901		26,950	2252	3335	3919	4378	4816	5235
26,951		27,000	2255	3339	3924	4383	4821	5241
27,001		27,050	2257	3343	3928	4388	4827	5246
27,051		27,100	2260	3347	3933	4393	4832	5252
27,101		27,150	2263	3350	3937	4398	4837	5258
27,151		27,200	2265	3354	3941	4402	4843	5264
27,201		27,250	2268	3358	3946	4407	4848	5270
27,251		27,300	2271	3362	3950	4412	4853	5276
27,301		27,350	2273	3366	3954	4417	4859	5281



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27,351	27,400	2276	3370	3959	4422	4864	5287
27,401	27,450	2279	3374	3963	4427	4869	5293
27,451	27,500	2282	3377	3967	4432	4875	5299
27,501	27,550	2284	3381	3972	4436	4880	5305
27,551	27,600	2287	3385	3976	4441	4885	5311
27,601	27,650	2290	3389	3981	4446	4891	5316
27,651	27,700	2292	3393	3985	4451	4896	5322
27,701	27,750	2295	3397	3989	4456	4902	5328
27,751	27,800	2298	3401	3994	4461	4907	5334
27,801	27,850	2300	3404	3998	4466	4912	5340
27,851	27,900	2303	3408	4002	4471	4918	5345
27,901	27,950	2306	3412	4007	4475	4923	5351
27,951	28,000	2309	3416	4011	4480	4928	5357
28,001	28,050	2311	3420	4015	4485	4934	5363
28,051	28,100	2314	3424	4020	4490	4939	5369
28,101	28,150	2317	3428	4024	4495	4944	5375
28,151	28,200	2319	3431	4028	4500	4950	5380
28,201	28,250	2322	3435	4033	4505	4955	5386
28,251	28,300	2325	3439	4037	4510	4961	5392
28,301	28,350	2327	3443	4042	4514	4966	5398
28,351	28,400	2330	3447	4046	4519	4971	5404
28,401	28,450	2333	3451	4050	4524	4977	5410
28,451	28,500	2335	3455	4055	4529	4982	5415
28,501	28,550	2338	3458	4059	4534	4987	5421
28,551	28,600	2341	3462	4063	4539	4993	5427
28,601	28,650	2344	3466	4068	4544	4998	5433
28,651	28,700	2346	3470	4072	4549	5003	5439
28,701	28,750	2349	3474	4076	4553	5009	5445
28,751	28,800	2352	3478	4081	4558	5014	5450
28,801	28,850	2354	3482	4085	4563	5019	5456
28,851	28,900	2357	3485	4090	4568	5025	5462
28,901	28,950	2360	3489	4094	4573	5030	5468
28,951	29,000	2362	3493	4098	4578	5036	5474
29,001	29,050	2365	3497	4103	4583	5041	5479
29,051	29,100	2368	3501	4107	4588	5046	5485
29,101	29,150	2371	3505	4111	4592	5052	5491
29,151	29,200	2373	3509	4116	4597	5057	5497
29,201	29,250	2376	3512	4120	4602	5062	5503
29,251	29,300	2379	3516	4124	4607	5068	5509
29,301	29,350	2381	3520	4129	4612	5073	5514
29,351	29,400	2384	3524	4133	4617	5078	5520
29,401	29,450	2387	3528	4138	4622	5084	5526
29,451	29,500	2389	3532	4142	4626	5089	5532
29,501	29,550	2392	3536	4146	4631	5094	5538
29,551	29,600	2395	3539	4151	4636	5100	5544
29,601	29,650	2397	3543	4155	4641	5105	5549
29,651	29,700	2400	3547	4159	4646	5111	5555
29,701	29,750	2403	3551	4164	4651	5116	5561

29,751	29,800	2406	3555	4168	4656	5121	5567
29,801	29,850	2408	3559	4172	4661	5127	5573
29,851	29,900	2411	3562	4177	4665	5132	5578
29,901	29,950	2414	3566	4181	4670	5137	5584
29,951	30,000	2416	3570	4185	4675	5143	5590
30,001	- 30,050	2419	3574	4190	4680	5148	5596
30,051	- 30,100	2422	3578	4194	4685	5153	5602
30,101	- 30,150	2424	3582	4199	4690	5159	5608
30,151	- 30,200	2427	3586	4203	4695	5164	5613
30,201	- 30,250	2430	3589	4207	4700	5170	5619
30,251	- 30,300	2433	3593	4212	4704	5175	5625
30,301	- 30,350	2435	3597	4216	4709	5180	5631
30,351	- 30,400	2438	3601	4220	4714	5186	5637
30,401	- 30,450	2441	3605	4225	4719	5191	5643
30,451	- 30,500	2443	3609	4229	4724	5196	5648
30,501	- 30,550	2446	3613	4233	4729	5202	5654
30,551	- 30,600	2449	3616	4238	4734	5207	5660
30,601	- 30,650	2451	3620	4242	4739	5212	5666
30,651	- 30,700	2454	3624	4247	4743	5218	5672
30,701	- 30,750	2457	3628	4251	4748	5223	5677
30,751	- 30,800	2460	3632	4255	4753	5228	5683
30,801	- 30,850	2462	3636	4260	4758	5234	5689
30,851	- 30,900	2465	3640	4264	4763	5239	5695
30,901	- 30,950	2468	3643	4268	4768	5245	5701
30,951	- 31,000	2470	3647	4273	4773	5250	5707
31,001	- 31,050	2473	3651	4277	4777	5255	5712
31,051	- 31,100	2476	3655	4281	4782	5261	5718
31,101	- 31,150	2478	3659	4286	4787	5266	5724
31,151	- 31,200	2481	3663	4290	4792	5271	5730
31,201	- 31,250	2484	3667	4295	4797	5277	5736
31,251	- 31,300	2486	3670	4299	4802	5282	5742
31,301	- 31,350	2489	3674	4303	4807	5287	5747
31,351	- 31,400	2492	3678	4308	4812	5293	5753
31,401	- 31,450	2495	3682	4312	4816	5298	5759
31,451	- 31,500	2497	3686	4316	4821	5303	5765
31,501	- 31,550	2500	3690	4321	4826	5309	5771
31,551	- 31,600	2503	3694	4325	4831	5314	5777
31,601	- 31,650	2505	3697	4329	4836	5320	5782
31,651	- 31,700	2508	3701	4334	4841	5325	5788
31,701	- 31,750	2511	3705	4338	4846	5330	5794
31,751	- 31,800	2513	3709	4342	4851	5336	5800
31,801	- 31,850	2516	3713	4347	4855	5341	5806
31,851	- 31,900	2519	3717	4351	4860	5346	5811
31,901	- 31,950	2522	3721	4356	4865	5352	5817
31,951	- 32,000	2524	3724	4360	4870	5357	5823
32,001	- 32,050	2527	3728	4364	4875	5362	5829
32,051	- 32,100	2530	3732	4369	4880	5368	5835
32,101	- 32,150	2532	3736	4373	4885	5373	5841

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32,151	-	32,200	2535	3740	4377	4890	5378	5846
32,201	-	32,250	2538	3744	4382	4894	5384	5852
32,251	-	32,300	2540	3748	4386	4899	5389	5858
32,301	-	32,350	2543	3751	4390	4904	5395	5864
32,351	-	32,400	2546	3755	4395	4909	5400	5870
32,401	-	32,450	2549	3759	4399	4914	5405	5876
32,451	-	32,500	2551	3763	4404	4919	5411	5881
32,501	-	32,550	2554	3767	4408	4924	5416	5887
32,551	-	32,600	2557	3771	4412	4929	5421	5893
32,601	-	32,650	2559	3775	4417	4933	5427	5899
32,651	-	32,700	2562	3778	4421	4938	5432	5905
32,701	-	32,750	2565	3782	4425	4943	5437	5910
32,751	-	32,800	2567	3786	4430	4948	5443	5916
32,801	-	32,850	2570	3790	4434	4953	5448	5922
32,851	-	32,900	2573	3794	4438	4958	5454	5928
32,901	-	32,950	2575	3798	4443	4963	5459	5934
32,951	-	33,000	2578	3802	4447	4967	5464	5940
33,001	-	33,050	2581	3805	4452	4972	5470	5945
33,051	-	33,100	2584	3809	4456	4977	5475	5951
33,101	-	33,150	2586	3813	4460	4982	5480	5957
33,151	-	33,200	2589	3817	4465	4987	5486	5963
33,201	-	33,250	2592	3821	4469	4992	5491	5969
33,251	-	33,300	2594	3825	4473	4997	5496	5975
33,301	-	33,350	2597	3829	4478	5002	5502	5980
33,351	-	33,400	2600	3832	4482	5006	5507	5986
33,401	-	33,450	2602	3836	4486	5011	5512	5992
33,451	-	33,500	2605	3840	4491	5016	5518	5998
33,501	-	33,550	2608	3844	4495	5021	5523	6004
33,551	-	33,600	2611	3848	4500	5026	5529	6010
33,601	-	33,650	2613	3852	4504	5031	5534	6015
33,651	-	33,700	2616	3856	4508	5036	5539	6021
33,701	-	33,750	2619	3859	4513	5041	5545	6027
33,751	-	33,800	2621	3863	4517	5045	5550	6033
33,801	-	33,850	2624	3867	4521	5050	5555	6039
33,851	-	33,900	2627	3871	4526	5055	5561	6044
33,901	-	33,950	2629	3875	4530	5060	5566	6050
33,951	-	34,000	2632	3879	4534	5065	5571	6056
34,001	-	34,050	2635	3883	4539	5070	5577	6062
34,051	-	34,100	2638	3886	4543	5075	5582	6068
34,101	-	34,150	2640	3890	4547	5080	5587	6074
34,151	-	34,200	2643	3894	4552	5084	5593	6079
34,201	-	34,250	2646	3898	4556	5089	5598	6085
34,251	-	34,300	2648	3902	4561	5094	5604	6091
34,301	-	34,350	2651	3906	4565	5099	5609	6097
34,351	-	34,400	2654	3910	4569	5104	5614	6103
34,401	-	34,450	2656	3913	4574	5109	5620	6109
34,451	-	34,500	2659	3917	4578	5114	5625	6114
34,501	-	34,550	2662	3921	4582	5119	5630	6120

34,551	-	34,600	2664	3925	4587	5123	5636	6126
34,601	-	34,650	2667	3929	4591	5128	5641	6132
34,651	-	34,700	2670	3933	4595	5133	5646	6138
34,701	-	34,750	2673	3937	4600	5138	5652	6143
34,751	-	34,800	2675	3940	4604	5143	5657	6149
34,801	-	34,850	2678	3944	4609	5148	5663	6155
34,851	-	34,900	2681	3948	4613	5153	5668	6161
34,901	-	34,950	2683	3952	4617	5157	5673	6167
34,951	-	35,000	2686	3956	4622	5162	5679	6173
35,001	-	35,050	2689	3960	4626	5167	5684	6178
35,051		35,100	2691	3963	4630	5172	5689	6184
35,101		35,150	2694	3967	4635	5177	5695	6190
35,151		35,200	2697	3971	4639	5182	5700	6196
35,201		35,250	2700	3975	4643	5187	5705	6202
35,251		35,300	2702	3979	4648	5192	5711	6208
35,301		35,350	2705	3983	4652	5196	5716	6213
35,351		35,400	2708	3987	4657	5201	5721	6219
35,401		35,450	2710	3990	4661	5206	5727	6225
35,451		35,500	2713	3994	4665	5211	5732	6231
35,501		35,550	2716	3998	4670	5216	5738	6237
35,551		35,600	2718	4002	4674	5221	5743	6243
35,601		35,650	2721	4006	4678	5226	5748	6248
35,651		35,700	2724	4010	4683	5231	5754	6254
35,701		35,750	2727	4014	4687	5235	5759	6260
35,751		35,800	2729	4017	4691	5240	5764	6266
35,801		35,850	2732	4021	4696	5245	5770	6272
35,851		35,900	2735	4025	4700	5250	5775	6277
35,901		35,950	2737	4029	4704	5255	5780	6283
35,951		36,000	2740	4033	4709	5260	5786	6289
36,001		36,050	2743	4037	4713	5265	5791	6295
36,051		36,100	2745	4041	4718	5270	5796	6301
36,101		36,150	2748	4044	4722	5274	5802	6307
36,151		36,200	2751	4048	4726	5279	5807	6312
36,201		36,250	2753	4052	4731	5284	5813	6318
36,251		36,300	2756	4056	4735	5289	5818	6324
36,301		36,350	2759	4060	4739	5294	5823	6330
36,351		36,400	2762	4064	4744	5299	5829	6336
36,401		36,450	2764	4068	4748	5304	5834	6342
36,451		36,500	2767	4071	4752	5308	5839	6347
36,501		36,550	2770	4075	4757	5313	5845	6353
36,551		36,600	2772	4079	4761	5318	5850	6359
36,601		36,650	2775	4083	4766	5323	5855	6365
36,651		36,700	2778	4087	4770	5328	5861	6371
36,701		36,750	2780	4091	4774	5333	5866	6376
36,751		36,800	2783	4095	4779	5338	5871	6382
36,801		36,850	2786	4098	4783	5343	5877	6388
36,851		36,900	2789	4102	4787	5347	5882	6394
36,901		36,950	2791	4106	4792	5352	5888	6400



36,951	37,000	2794	4110	4796	5357	5893	6406
37,001	37,050	2797	4114	4800	5362	5898	6411
37,051	37,100	2799	4118	4805	5367	5904	6417
37,101	37,150	2802	4122	4809	5372	5909	6423
37,151	37,200	2805	4125	4814	5377	5914	6429
37,201	37,250	2807	4129	4818	5382	5920	6435
37,251	37,300	2810	4133	4822	5386	5925	6441
37,301	37,350	2813	4137	4827	5391	5930	6446
37,351	37,400	2816	4141	4831	5396	5936	6452
37,401	37,450	2818	4145	4835	5401	5941	6458
37,451	37,500	2821	4149	4840	5406	5947	6464
37,501	37,550	2824	4152	4844	5411	5952	6470
37,551	37,600	2826	4156	4848	5416	5957	6476
37,601	37,650	2829	4160	4853	5421	5963	6481
37,651	37,700	2832	4164	4857	5425	5968	6487
37,701	37,750	2834	4168	4861	5430	5973	6493
37,751	37,800	2837	4172	4866	5435	5979	6499
37,801	37,850	2840	4176	4870	5440	5984	6505
37,851	37,900	2842	4179	4875	5445	5989	6510
37,901	37,950	2845	4183	4879	5450	5995	6516
37,951	38,000	2848	4187	4883	5455	6000	6522
38,001	38,050	2851	4191	4888	5460	6005	6528
38,051	38,100	2853	4195	4892	5464	6011	6534
38,101	38,150	2856	4199	4896	5469	6016	6540
38,151	38,200	2859	4203	4901	5474	6022	6545
38,201	38,250	2861	4206	4905	5479	6027	6551
38,251	38,300	2864	4210	4909	5484	6032	6557
38,301	38,350	2867	4214	4914	5489	6038	6563
38,351	38,400	2869	4218	4918	5494	6043	6569
38,401	38,450	2872	4222	4923	5498	6048	6575
38,451	38,500	2875	4226	4927	5503	6054	6580
38,501	38,550	2878	4230	4931	5508	6059	6586
38,551	38,600	2880	4233	4936	5513	6064	6592
38,601	38,650	2883	4237	4940	5518	6070	6598
38,651	38,700	2886	4241	4944	5523	6075	6604
38,701	38,750	2888	4245	4949	5528	6080	6609
38,751	38,800	2891	4249	4953	5533	6086	6615
38,801	38,850	2894	4253	4957	5537	6091	6621
38,851	38,900	2896	4257	4962	5542	6097	6627
38,901	38,950	2899	4260	4966	5547	6102	6633
38,951	39,000	2902	4264	4971	5552	6107	6639
39,001	39,050	2905	4268	4975	5557	6113	6644
39,051	39,100	2907	4272	4979	5562	6118	6650
39,101	39,150	2910	4276	4984	5567	6123	6656
39,151	39,200	2913	4280	4988	5572	6129	6662
39,201	39,250	2915	4284	4992	5576	6134	6668
39,251	39,300	2918	4287	4997	5581	6139	6674
39,301	39,350	2921	4291	5001	5586	6145	6679

39,351	39,400	2923	4295	5005	5591	6150	6685
39,401	39,450	2926	4299	5010	5596	6156	6691
39,451	39,500	2929	4303	5014	5601	6161	6697
39,501	39,550	2931	4307	5018	5606	6166	6703
39,551	39,600	2934	4311	5023	5611	6172	6709
39,601	39,650	2937	4314	5027	5615	6177	6714
39,651	39,700	2940	4318	5032	5620	6182	6720
39,701	39,750	2942	4322	5036	5625	6188	6726
39,751	39,800	2945	4326	5040	5630	6193	6732
39,801	39,850	2948	4330	5045	5635	6198	6738
39,851	39,900	2950	4334	5049	5640	6204	6743
39,901	39,950	2953	4338	5053	5645	6209	6749
39,951	40,000	2956	4341	5058	5650	6214	6755

\*When there are more than six children and parent payer's income is within the SSR, then guideline support should be calculated as an extra \$15 per child.

Income over \$40,000 or more

Combined Adjusted	<u>One Child</u>	Two Children	Three Children	Four Children	Five Children	Six Children
Gross Income	\$2,956 + 5.4% of Income Over \$40,000	\$4,341 + 7.7% of Income Over \$40,000	\$5,058+ 8.7% of Income Over \$40,000	\$5,650+ 9.7% of Income Over \$40,000	\$6,214+ 10.7% of Income Over \$40,000	\$6,755+ 11.6% of Income Over \$40,000

[8.50.108.15 NMAC - N, 1/1/2024]

**HUMAN SERVICES  
DEPARTMENT  
CHILD SUPPORT  
ENFORCEMENT DIVISION**

**TITLE 8 SOCIAL  
SERVICES  
CHAPTER 50 CHILD  
SUPPORT ENFORCEMENT  
PROGRAM  
PART 109 MEDICAL  
SUPPORT**

**8.50.109.1 ISSUING**  
**AGENCY:** New Mexico Human  
Services Department  
[8.50.109.1 NMAC - Rp, 8.50.109.1  
NMAC 1/1/2024]

**8.50.109.2 SCOPE:** To the  
general public. For use by the Title  
IV-D agency and recipient of Title  
IV-D services.  
[8.50.109.2 NMAC - Rp, 8.50.109.2  
NMAC 1/1/2024]

**8.50.109.3 STATUTORY**  
**AUTHORITY:** Public Assistance  
Act, Section 27-2-27 et seq.,  
NMSA 1978. The human services  
department is designated as the single  
state agency for the enforcement of  
child and spousal support obligations  
pursuant to Title IV-D of the Social  
Security Act (42 USC 651 et. seq.).  
[8.50.109.3 NMAC - Rp, 8.50.109.3  
NMAC 1/1/2024]

**8.50.109.4 DURATION:**  
Permanent.  
[8.50.109.4 NMAC - Rp, 8.50.109.4  
NMAC 1/1/2024]

**8.50.109.5 EFFECTIVE**  
**DATE:** January 1, 2024 unless a later  
date is cited at the end of a section.  
[8.50.109.5 NMAC - Rp, 8.50.109.5  
NMAC 1/1/2024]

**8.50.109.6 OBJECTIVE:** To  
provide regulations in accordance  
with federal and state laws and  
regulations.

[8.50.109.6 NMAC - Rp, 8.50.109.6  
NMAC 1/1/2024]

**8.50.109.7 DEFINITIONS:**  
The following definitions apply to  
this part. Additional definitions  
may be found under child support  
enforcement program general  
provisions at 8.50.100.7 NMAC.

**A. "Cash medical  
support"** means an amount ordered  
to be paid toward medical costs for  
minor child(ren) not covered by  
insurance.

**B. "Health care  
coverage"** means health insurance  
coverage, generally associated  
with a medical, dental or vision  
plan of benefits, whether it be an  
employment-related or other group  
health plan, a health maintenance  
organization, a non-profit health  
plan, coverage provided by a public  
entity (medicaid), or any other type  
of health care coverage under which  
medical, vision or dental services  
are provided, regardless of service

delivery mechanism. Any health care plan coverage of a minor child shall, at a minimum, meet the standards of minimum health care protection as defined in the New Mexico Insurance Code, Section 59A-23B NMSA 1978.

**C. “Medical support”** means cash medical support, health care coverage, dental insurance, vision insurance, or a percentage split between the custodial party and the non-custodial parent for uncovered medical bills for the minor child(ren).

**D. “National medical support notice” or “notice”** means a qualified notice pursuant to a court order sent to an employer stating that an employee’s children must be covered by the employment-related health care insurance plan if it is available and at a reasonable cost. [8.50.109.7 NMAC - Rp, 8.50.109.7 NMAC 1/1/2024]

**8.50.109.8 ESTABLISHMENT OF MEDICAL SUPPORT:** All orders obtained by the IV-D agency must include a provision for medical support for the minor child(ren). For the purposes of the IV-D program reporting, medical support includes any one of the following: private health insurance, public health care coverage (health, dental, or vision), provided by a public entity (medicaid), coverage through Indian health services (IHS), the defense enrollment eligibility reporting services (DEERS), cash medical support, or a percentage split of uncovered medical expenses for the minor child(ren). Determination of a reasonable cash medical support obligation is pursuant to 45 CFR § 303.31(a)(3). If the child(ren) are covered by IHS, the IV-D agency will request that private care coverage or health care coverage provided by a public entity (medicaid) be provided by either or both parties, when available. If the non-custodial parent provides health care coverage and changes employment, and the new employer provides health care coverage, the IV-D agency must transfer notice of the provision to the new employer. The IV-D agency must request the inclusion

of a medical support provision even when employment-related or other group health care coverage is not available or when the child(ren) cannot be added at the time the order is entered. Health care coverage provided by a public entity meets the standards required under the Mandatory Medical Support Act and either party can be deemed a medical support obligor if they meet eligibility requirements for health care coverage through a public entity (medicaid). The cost of health care coverage is calculated by determining the amount charged to the medical support obligor for adding the minor child(ren) to the existing coverage, or the difference between individual and family coverage. The reasonableness of the cost of the health care coverage is if the cost to the party responsible for providing medical support does not exceed five percent of their gross income pursuant to 45 CFR §303.31(a)(b). The IV-D agency may request the provision of health care coverage by either or both the custodial party and the non-custodial parent and that the parties should be responsible for any uncovered medical expenses in proportion to their incomes on the current child support worksheet. If the court does not enter an order for medical support, the IV-D case record must specify that a provision for medical support was requested but was not issued, in accordance with 45 CFR §303.31(b) (1-4).

[8.50.109.8 NMAC - Rp, 8.50.109.8 NMAC 1/1/2024]

**8.50.109.9 TIME FRAMES AND REQUIREMENTS:** For all referral cases, within 90 calendar days of locating a non-custodial parent or of establishing parentage, a support order must be established or service of process must be completed to establish a support order. If service of process cannot be completed, then the case record must reflect unsuccessful attempts to serve process. If the court dismisses a petition for support order without prejudice, the office must, at the time of dismissal, examine the reasons for dismissal and determine

when it could be appropriate to seek a support order in the future and seek a support order at that time.

[8.50.109.9 NMAC - Rp, 8.50.109.9 NMAC 1/1/2024]

#### **8.50.109.10 AVAILABILITY OF MEDICAL CARE**

**COVERAGE:** Medical support will be addressed in actions to establish, enforce, or modify a support order for the minor child(ren). All support orders obtained or modified by the IV-D agency will include a provision requiring either or both custodial party and the non-custodial parent to promptly inform the IV-D agency of the name and address of their current employer(s), whether either the custodial party or the non-custodial parent has access to health care coverage and, if so, the health care coverage policy information.

**A.** The non-custodial parent may be required to provide immediate health, dental, or vision care coverage for the minor child(ren) if health care coverage is not available to the custodial party at a more reasonable cost than to the non-custodial parent for coverage of the minor child(ren); and it is available to the non-custodial parent through an employment-related or other group health insurance plan, regardless of service delivery mechanism, which may be a labor organization, union, non-profit organization or professional association.

**B.** If medical care coverage is not available to the non-custodial parent through an employment-related or other group health care coverage plan, and health care coverage is not being provided by the custodial party, the non-custodial parent may be required to provide immediate health insurance coverage for the minor child(ren) when it becomes available through an employment-related or other group health insurance plan.

**C.** Either the custodial party or the non-custodial parent may be deemed to be a medical support obligor based on the availability of health care coverage through a public entity when either party meets eligibility requirements.

**D.** Failure by a non-custodial parent to provide medical support for the minor child(ren), and to provide information concerning health care coverage, will subject the non-custodial parent to legal proceedings requiring the non-custodial parent to show cause as to why the non-custodial parent should not be held in contempt of court for failure to fulfill the requirements of the court order. This will be true even if medical support is the only area in which the non-custodial parent is not in compliance with the terms of the order.

[8.50.109.10 NMAC - Rp,  
8.50.109.10 NMAC 1/1/2024]

#### **8.50.109.11 PROVIDING CUSTODIAL PARTIES WITH HEALTH CARE COVERAGE INFORMATION:**

If the non-custodial parent is responsible for providing health care coverage, the IV-D agency will provide the custodial party with available health care coverage plan information when the non-custodial parent secures coverage for the minor child(ren). This includes any information available to the IV-D agency about the health care coverage plan that would permit a claim to be filed or services to be provided. In cases enforced by the national medical support notice, the health care coverage plan shall provide this information to the custodial party and the IV-D agency, as outlined on the notice.

[8.50.109.11 NMAC - Rp,  
8.50.109.11 NMAC 1/1/2024]

#### **8.50.109.12 MONITORING AND ENFORCING COVERAGE:**

In all cases in which there is a court order with no medical support ordered, the case will be reviewed pursuant to the IV-D agency's plan for automatic review of all IV-D cases every three years. Even if no other modification is expected, the IV-D agency must seek modification to include medical support, except in non-IV-A non-medicaid cases where the custodial party has not consented to the IV-D agency obtaining medical support. All remedies available

for the collection and enforcement of child support apply to medical support. In cases where the non-custodial parent is required to provide health care coverage through an employment-related or other group health care coverage plan pursuant to a support order, the IV-D agency shall use, where appropriate, the national medical support notice to enforce the provisions of health care coverage for the minor child(ren).

**A.** The IV-D agency must use the notice, when appropriate, to notify employers of the provision for health care coverage of the minor child(ren). The IV-D agency must transfer the notice to the employer within two business days after the date of entry of an employee who is an obligor in an IV-D case in the state directory of new hires.

**B.** Employers must transfer the notice to the appropriate group health care coverage plan for which the minor child(ren) are eligible within 20 business days after the date of the notice.

**C.** Employers must withhold any obligation of the employee for employee contributions necessary for coverage of the minor child(ren) and send any amount withheld directly to the health care coverage plan. Employees may contest the withholding based on a mistake of fact. If the employee contests such withholding, the employer must proceed with withholding until such time as the employer receives notice from the IV-D agency that the contest is resolved.

**D.** Upon receipt of the national medical support notice, the employer shall enroll the medical support obligor's minor child(ren) in a qualified health care coverage plan as specifically outlined on the notice, the health care coverage plan shall not be required to provide benefits or eligibility for such benefits in addition to those provided under the terms of the plan immediately before receipt of the notice.

**E.** If the medical support obligor is enrolled in a

qualified health care coverage plan, the minor child(ren) shall be enrolled in the same health care coverage plan in which the medical support obligor is enrolled. If the medical support obligor is not enrolled in a qualified health care coverage plan, the premiums charged for enrollment of the minor child(ren) only shall be the same as would be charged for enrollment of the medical support obligor only. If the medical support obligor is not enrolled in a qualified health care coverage plan and there is more than one health care coverage plan option available for enrollment of the minor child(ren), the employer shall notify the IV-D agency and the IV-D agency, in consultation with the custodial party, will select a qualified health care coverage plan option. If the custodial party does not notify the IV-D agency of the selected qualified health care coverage plan option within the timeframe required by the IV-D agency, the minor child(ren) shall be enrolled in the qualified health care coverage plan's default option, which is defined as the least costly health care coverage plan that conforms with the minimum health care protection as defined in the New Mexico Insurance Code, Section 59A-23B-1 et seq NMSA 1978.

**F.** The health care coverage plan must notify the IV-D agency of the status of health care coverage for the minor child(ren), as outlined on the notice, within 40 business days after the date of the notice. The plan shall also promptly notify the custodial party of the plan coverage and effective date, as outlined on the notice.

**G.** Employers must notify the IV-D agency promptly whenever the medical support obligor's employment is terminated, in the same manner as is required for income withholding cases.

**H.** The IV-D agency must promptly notify the employer when there is no longer a current order for medical support in effect for which the IV-D agency is responsible.

**I.** In instances in which a minor child is covered through a public entity, the medical



support obligor is required to maintain the recertification of the health care coverage as long as the medical support obligor meets eligibility requirements.

[8.50.109.12 NMAC - Rp,  
8.50.109.12 NMAC 1/1/2024]

#### **8.50.109.13 MEDICAL SUPPORT PROVIDED BY THE CUSTODIAL PARTY:**

In cases where the custodial party has satisfactory medical care coverage for the minor child(ren), the amount expended by the custodial party for health care coverage will be taken into account pursuant to the New Mexico child support guidelines worksheet that will be attached to the order, if applicable. The IV-D agency will not enforce court ordered medical support against a custodial party.

[8.50.109.13 NMAC - Rp,  
8.50.109.13 NMAC 1/1/2024]

#### **8.50.109.14 COMMUNICATION WITH THE MEDICAL ASSISTANCE DIVISION:**

The IV-D agency is required to relay information regarding private health, dental, or vision care coverage to the medical assistance division. This information includes newly obtained coverage, changes in coverage, or coverage lapses. The IV-D agency must report to the medical assistance division any medical support payments made directly to the custodial party if there is an assignment of medical support pursuant to 42 CFR 433.146. The IV-D agency in cooperation with the medical assistance division will communicate to determine if there are any lapses in health care coverage for medicaid applicant/recipient.

[8.50.109.14 NMAC - Rp,  
8.50.109.14 NMAC 1/1/2024]

#### **8.50.109.15 ORDERING SPECIFIC DOLLAR AMOUNTS FOR MEDICAL SUPPORT:**

The support order should include a set amount and specify that the amount is designated for cash medical support as outlined in Section 40-4C-3 NMSA 1978. This amount should be in addition to and not in

lieu of the non-custodial parent's obligation to pay a percentage of unreimbursed medical expenses. Either the custodial party or the non-custodial parent may request the court to order the provision of cash medical support. The IV-D agency will enforce a provision for cash medical support established or modified by any party so long as the support order designates a specific dollar amount to be paid in regular, equal installments (i.e., monthly, bi-weekly, weekly). If the order does not designate a specific dollar amount for medical support purposes, the IV-D agency is not required to collect the money.

[8.50.109.15 NMAC - Rp,  
8.50.109.15 NMAC 1/1/2024]

#### **8.50.109.16 DISTRIBUTION OF MEDICAL SUPPORT:**

The IV-D agency collects and distributes cash medical support and payments toward medical support judgments. Medical support shall be distributed directly to the custodial party when a court has ordered a cash medical support obligation in favor of the custodial party. The IV-D agency is not pursuing cash medical support on cases in which the minor child(ren) receive health care coverage through a public entity.

[8.50.109.16 NMAC - Rp,  
8.50.109.16 NMAC 1/1/2024]

**8.50.109.17 FEES:** In IV-D cases being enforced for medical support pursuant to the requirements of the national medical support notice, an employer may not assess a fee for withholding or for sending to the health care coverage plan, the employee contributions necessary for health care coverage of the minor child(ren).

[8.50.109.17 NMAC - Rp,  
8.50.109.17 NMAC 1/1/2024]

#### **History of 8.50.109 NMAC:**

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives: ISD CSEB 501.1100, State and Local Requirements, 6/23/1980.

#### **NMAC History:**

8 NMAC 5.CSE.000 through 8 NMAC 5.CSE.970, 12/30/1994.

#### **History of Repealed Material:**

8 NMAC 5.CSE, Child Support Enforcement - Repealed 5/31/2001. 8.50.109 NMAC, Medical Support, filed 5/14/2001 - Repealed effective 1/1/2024.

#### **Other History:**

8.50.109 NMAC, Medical Support, filed 5/14/2001 - Replaced by 8.50.109 NMAC, Medical Support, effective 1/1/2024.

### **HUMAN SERVICES DEPARTMENT CHILD SUPPORT ENFORCEMENT DIVISION**

**This is an amendment to 8.50.125 NMAC Sections, 10, 12, 15, 19 and 20 effective 1/1/2024.**

**8.50.125.10 COLLECTION OF FEES/RECOUPMENTS:** New Mexico is a cost recovery state, and other states' IV-D agencies have been notified of this fact. All fees charged to the custodial party are deducted from payments the IV-D agency distributes to the custodial party. The amount the IV-D agency deducts from each payment will not exceed ten percent of the total amount of the distribution. Once the percentage for the fee is deducted, the balance of the distribution is sent to the custodial party. Title IV-A, Title IV-E and medicaid-only (Title XIX) recipients are not charged any fees. Federal regulations will not allow cost recovery on these cases. A listing of any applicable fees will be given to all customers.

<b>A.</b>	<u>Potential</u> fee types:
[and amounts:]	
(1)	non-IV-D wage withholding payment processing only: <u>actual cost</u> ;
(2)	non-IV-A full service IRS collection: [applicable federal fee] <u>actual cost</u> ;
(3)	paternity genetic testing: [as charged by lab] <u>actual cost</u> ;



(4) non-IV-A/  
IV-E case processing: actual cost;  
(5) filing fee:  
actual cost;  
(6) witness  
fee: actual cost;  
(7) service of  
process: actual cost;  
(8) expert  
witness fee: actual cost;  
(9) court costs:  
[as-assessed] actual cost;  
(10)  
establishment of support [~~obligation~~]  
order and paternity (if necessary):  
[\$250] actual cost;  
(11) order  
modification: [\$150]; actual cost  
(12)  
enforcement actions: [\$250] actual  
cost;  
(13) [~~tax-~~  
~~intercept related: as determined by~~  
~~federal regulations;~~  
~~(14)~~ IRS tax  
intercept service: [\$25] actual cost  
per intercept;  
~~(15)~~ (14)  
TRD tax intercept service: [\$20;]  
actual cost per intercept;  
~~(16)~~ (15)  
administrative offset: applicable  
federal fee;  
(16) parental  
kidnapping locator fee: actual cost;  
(17) bad check:  
actual cost;  
(18)  
recoupment: actual cost.

**B.** Refund of fees:  
Fees are to be refunded only under the  
following conditions:

(1) fees have  
been charged in error or overcharged;  
(2) the court  
orders a refund.

**C.** Fees are assessed  
to the custodial or non-custodial  
party requesting an action or service  
(i.e. establishment of paternity,  
modification or enforcement of  
support obligation) in a IV-D case  
in accordance with the fee schedule  
above.

**D.** Genetic testing fees:  
See 8.50.107.12 NMAC in addition to  
the fee schedule listed above.

**E.** Recoupment:  
The IV-D agency will recoup from  
the custodial party for any over-  
distribution of funds and for any  
funds collected from the non-custodial  
party that are returned for insufficient  
funds. If the recoupment is pursuant  
to an over-distribution of funds, the  
recoupment amount shall not exceed  
twenty-five percent of any future  
distribution to the custodial party  
until paid in full. If the recoupment is  
pursuant to insufficient funds received  
from the non-custodial party's  
payment, the recoupment amount  
shall be one hundred percent of any  
future distribution to the custodial  
party until paid in full.  
[8.50.125.10 NMAC - Rp,  
8.50.125.10 NMAC, 9/1/2022; A,  
1/1/2024]

#### **8.50.125.12 DISTRIBUTION OF COLLECTIONS THROUGH FEDERAL INCOME TAX**

**REFUND OFFSET:** Any amount  
of support collected through federal  
income tax refund offset may be  
retained by the state to the extent  
support arrearages have been  
assigned to the state up to the amount  
necessary to reimburse the state for  
cumulative amounts paid to the family  
as assistance by the state. The state  
will pay to the federal government  
the federal share of the amounts so  
retained. To the extent the amount  
collected exceeds the amount required  
to be retained, the state will pay the  
excess to the family.

**A.** Current assistance  
cases: Support collections through  
federal income tax refund offsets in  
current assistance cases are retained  
by the state up to the cumulative  
amount of unreimbursed assistance  
paid to the family. Collections over  
and above the cumulative amount  
of unreimbursed assistance are paid  
to the family. The order in which  
collections are applied to satisfy  
assigned and unassigned arrearages  
in current assistance cases differ by  
state.

(1) For  
collections made prior to January 23,  
2023 the state of New Mexico has  
selected the following option:

(a)  
collections will first be applied to  
temporarily assigned arrearages or  
conditionally assigned arrearages;  
(b)  
additional collections will be applied  
to permanently assigned arrearages;  
and  
(c)  
additional collections will be  
applied to never assigned arrearages,  
unassigned  
pre-assistance arrearages and  
unassigned during assistance  
arrearsages.

(2) For  
collections made on or after January  
23, 2023, the state of New Mexico has  
selected the following option:

(a)  
collections will be first applied  
to current support (pass through  
described in  
Section 8.50.125.13 NMAC may  
apply here);

(b)  
additional collections will be first  
applied to permanently assigned  
arrearsages;

(c)  
additional collections will be applied  
to temporarily assigned arrearages or  
conditionally assigned arrearages; and

(d)  
additional collections will be  
applied to never assigned arrearages,  
unassigned  
pre-assistance arrearages and  
unassigned during assistance  
arrearsages.

**B.** Former assistance  
cases: [~~For Support collections made  
through federal income tax refund  
offsets in former assistance cases, the  
state shall:~~]

(1) For support  
collections made through federal  
income tax refund offsets made prior  
to January 23, 2023, the state has  
selected the following options:

(a)  
collections will first be applied to  
temporarily assigned arrearages or  
conditionally assigned arrearages;

(b)  
additional collections will be applied  
to permanently assigned arrearages;  
and,

(c)

additional collections will be applied to never assigned arrearages, unassigned pre-assistance arrearages and unassigned during assistance arrearages.

(2) For support

collections made through federal income tax refund offsets made on or after January 23, 2023, the state has selected the following options:

[(4)] (a)

distribute the amount collected to satisfy the current monthly support obligation and pay that amount to the family;

[(2)] (b)

distribute any amount above the current monthly support obligation to satisfy never-assigned arrearages and pay that amount to the family;

[(3)] (c)

distribute any amount above amounts distributed in [Paragraphs (1) and (2)] Subparagraphs (a) and (b) of this subsection to satisfy unassigned pre-assistance arrearages and pay that amount to the family;

[(4)] (d)

distribute any amount above amounts distributed in [Paragraphs (1), (2) and (3)] Subparagraphs (a), (b) and (c) of this subsection to satisfy unassigned during assistance arrearages and pay those amounts to the family;

[(5)] (e)

distribute any amount above amounts distributed in [Paragraphs (1), (2), (3) and (4)] Subparagraphs (a), (b), (c) and (d) of this subsection to satisfy conditionally-assigned arrearages and pay that amount to the family; the state must pay the federal government the federal share of the amount collected that is applied to assigned support; the state must retain the state share of the amount so collected with one exception; the state may retain or pay to the family the state and federal share of collections applied to conditionally assigned arrearages; and

[(6)] (f)

distribute any amount above amounts distributed in [Paragraphs (1), (2), (3), (4) and (5)] Subparagraphs (a), (b), (c), (d) and (e) of this subsection to satisfy permanently-assigned arrearages and reduce the cumulative

amount of unreimbursed assistance by the total amount distributed under [Paragraph (5) and (6)] Subparagraphs (e) and (f) of Paragraph (2) of Subsection B of 8.50.125.12 NMAC; the state must pay the federal government the federal share of the amount collected that is applied to assigned support; the state must retain the state share of the amount so collected with one exception; the state may retain or pay to the family the state and federal share of collections applied to permanently assigned arrearages and conditionally assigned arrearages.

C. Never-assistance cases: Support collections through federal income tax refund offsets in non-assistance cases are paid to the family.

[8.50.125.12 NMAC - Rp, 8.50.125.12 NMAC, 9/1/2022; A, 1/1/2024]

#### 8.50.125.15 ASSIGNED MEDICAL SUPPORT

**COLLECTIONS:** [Any amounts collected by the IV-D agency that represent specific dollar amounts designated in the support order for medical purposes that have been assigned to the state will be forwarded to the medicaid agency for distribution. When a family ceases receiving assistance under the state's Title XIX (medicaid) plan, the assignment of medical support rights under section 1912 of the act terminates, except for the amount of any unpaid medical support obligation that has accrued under such assignment. The IV-D agency will attempt to collect any unpaid specific dollar amounts designated in the support order for medical support purposes. Under this requirement, any medical support collection made by the IV-D agency will be forwarded to the medicaid agency for distribution.] The IV-D agency is not pursuing cash medical support on cases in which the child(ren) receives health care coverage through a public entity. [8.50.125.15 NMAC - Rp, 8.50.125.14 NMAC, 9/1/2022; A, 1/1/2024]

#### 8.50.125.19 CHILD SUPPORT

**CASE SERVICES:** The IV-D agency provides two types of case services: full service and payment processing only.

A. Full services

cases: Recipients of IV-A services are automatically enrolled for full services and recipients of title XIX may elect to receive full services for all support or solely for medical support. Full services cases include all services listed below as specific services may not be selected. Applicants not receiving any type of public assistance may also request full services that include:

(1)

establishment of paternity;

(2)

establishment of a child support order, medical support order, or both;

(3)

enforcement of [a] child support orders, spousal support orders (so long as there is a current order for child support), and medical support orders;

(4)

administrative enforcement of orders, including but not limited to referrals for tax intercepts, passport denial, license revocation, and financial institution data match;

(5) issuance

of wage withholding against a non-custodial party's earnings/wages for support obligations; and

(6)

modification of child support orders, if appropriate.

B. Payment processing

only cases: A custodial party currently receiving full services from the IV-D agency or opening a new case with the IV-D agency may elect to receive payment processing only services so long as they are not currently receiving public assistance (Title IV-A or Title XIX) and does not have an outstanding balance of arrears owed to the state for prior public assistance. Payment processing only services are charged an annual fee as stated in section 10, above. In order to receive payment processing only services, the [custodial party] applicant for services must produce a

valid court order (either issued by or registered by a court in New Mexico) for a support obligation that contains an income withholding provision or a copy of an income withholding order indicating that payments are to be sent to the IV-D agency.

(1) The IV-D agency is not responsible for:

(a) establishing, modifying, or enforcing the support obligation;

(b) establishing, modifying, enforcing, sending, or terminating the income withholding order;

(c) calculating or determining the appropriate amount of support, payment toward arrears, delinquencies, and arrearages;

(d) appearing in court for any issues involving the establishment, modification, enforcement or termination of the support obligations.

(2) The IV-D agency will provide either the custodial party or the non-custodial party a printout of the payments received by the IV-D agency after receiving a written request.

(3) The IV-D agency may terminate the payment processing only services if no payments are received for a period of two months.

[8.50.125.19 NMAC - Rp, 8.50.125.18 NMAC, 9/1/2022; A, 01/01/2024]

#### **8.50.125.20 ISSUANCE OF REPLACEMENT WARRANTS:**

If a custodial party or non-custodial parent claims that a warrant issued to ~~him or her~~ them has not been received, a replacement warrant shall be issued only if the original warrant has not been redeemed or at the discretion of the IV-D agency. If the IV-D agency determines that a replacement warrant will be issued, any warrants that were fraudulently redeemed shall be reported by the intended recipient to the proper authorities as a pre-condition for the issuance of a replacement warrant. An unredeemed warrant is subject to

the undistributed collections process, see 8.50.132 NMAC. The IV-D agency will replace a warrant that it can confirm was not redeemed and has not escheated to the IV-D agency through the undistributed collections process. If the IV-D agency is unable to confirm that a warrant has been redeemed due to the length of time that has passed since the warrant was issued, the IV-D agency will deny the request for a replacement warrant. [8.50.125.20 NMAC - Rp, 8.50.125.19 NMAC, 9/1/2022; A, 01/01/2024]

### **REGULATION AND LICENSING DEPARTMENT CONSTRUCTION INDUSTRIES DIVISION**

**This is an amendment to 19.15.40 NMAC, Section 24, effective 12/19/2023.**

#### **19.15.40.24 STANDARDS.**

This rule adopts by reference the following standards, as amended herein:

A. [2015] 2021 national fuel gas code, referred to as NFPA 54;

B. [2017] 2020 liquefied petroleum gas code, referred to as NFPA 58;

C. [2011] 2021 standard on recreational vehicles, referred to as NFPA 1192;

D. 2010 vehicle gaseous fuel systems code, referred to as NFPA 52.

[19.15.40.24 NMAC - N, 11/25/2008; A, 7/1/2009; A, 1/1/2012; A, 1/1/2015; A, 7/1/2018; A, 12/19/2023]

### **SUPERINTENDENT OF INSURANCE, OFFICE OF**

**This is an amendment to 13.14.1 NMAC, Section 7, effective 1/1/2024.**

#### **13.14.1.7 DEFINITIONS:**

For definitions of terms contained in this rule, refer to Section 59A-30-3

NMSA 1978, unless otherwise noted below.

A. “Abstract plant” means title plant.

B. “Agency” means a business entity as defined in Subsection B of Section 59A-12-2 NMSA 1978, including a sole proprietorship that transacts title insurance business.

C. “ALTA” means the American Land Title Association.

D. “Basic premium rate” means the premiums set from time to time by the superintendent for an original owner’s policy.

E. “Commitment” means an NM form 6 issued to a customer.

F. “Day or Days” means, unless otherwise specified:

(1) one to five days excludes weekends and state holidays; and

(2) six days or more, includes weekends and holidays.

G. “Down date” means the date that a subsequent search and examination of the public records affecting title to property is completed and effective.

H. “Escrow” means a transaction in which funds are delivered or given to a person not otherwise having any right, title, or interest in them, to be held by that person for delivery or disbursement to another person upon the happening of a specified event or the performance of a specified condition.

I. “Escrow account” means an account established pursuant to Sections 58-28-4 or 59A-12-22 NMSA 1978.

J. “Escrow funds” means all monies the issuing title insurance agency or title insurer receives when conducting escrows, settlements, closings or tax deferred exchanges in connection with the issuance of a title insurance policy.

K. “Escrow instructions” means a dated, written, and signed agreement of the parties to an escrow, including a duly appointed agent or attorney-in-fact, specifying the event or condition upon which the

escrowed funds shall be delivered or disbursed. This term shall include a purchase agreement, or lender's instructions, and modifications of escrow instructions.

**L. "Escrow officer"** means an individual affiliated with a title insurance agency or title insurer who is directly responsible for the settlement of a real estate transaction, as evidenced by their signature on a settlement statement.

**M. "Extra chain of title"** means a parcel having a separate chain of title from the original chain being searched.

**N. "Funds subject to immediate withdrawal"** as used in Subsection F of Section 59A-30-3 means money collected and deposited in an escrow account with a financial institution held in the name of and subject to the control of a title insurance agency, a title insurer, or third party fiduciary for a real estate closing, that can be totally disbursed immediately by cash withdrawal or cashier's checks without relying on the balance created by other deposit in the account not made as part of the real estate closing for which disbursement is being made.

**(1)** The following funds are subject to immediate withdrawal collected on the day of deposit:

**(a)** cash;

**(b)** received wired funds managed by the federal reserve system;

**(c)** a cashier's check or certified check which is issued payable to the title insurance agency, title insurer, or third party fiduciary and has been deposited to its account at the financial institution which issued it; and guaranteed by the financial institution as collected funds for immediate disbursement;

**(d)** a cashier's check which is payable to and was purchased by the title insurance agency, title insurer, or third party fiduciary, and has been deposited to its account at a financial institution and guaranteed by the

financial institution for immediate disbursement.

**(2)** The following funds are considered available funds on the next business day after day of deposit:

**(a)** treasury checks, postal money orders, federal reserve bank checks and federal home loan bank checks;

**(b)** state of New Mexico and local government checks which have been deposited at a financial institution located in New Mexico using a special deposit slip if required by the depository institution for next day availability;

**(c)** cashier's checks, certified check and teller's checks which have been deposited at a financial institution located in New Mexico using a special deposit slip if required by the depository institution for next day availability.

**(d)** All other modes used for the transfer of monies will be available funds on the earliest date they are considered collected funds in accordance with Regulation CC, "Availability of Funds and Collection of Checks" established by the board of governors of the federal reserve system as amended.

**(e)** Any funds received under the automated clearing house (ACH) network shall not be considered "available funds" until collected.

**O. "HECM"** means a home equity conversion mortgage administered by the federal housing administration (FHA).

**P. "HUD"** means the United States department of housing and urban development.

**[Q] Q. "Loan policy"** means an NM form 2 issued to a customer.

**[R] R. "Mortgage"** means either a mortgage or deed of trust.

**[S] S. "One to four family residential property"** means any real property primarily designed and used for residential occupancy of from one to four families, including a residential unit in a condominium

if such unit is designed and used primarily for occupancy by one to four families, regardless of the total number of units in the condominium complex.

**[R] T. "Owner's policy"** means an NM form 1 or NM form 34, as applicable, issued to a customer.

**[S] U. "Pro forma policy"** means a sample of an owner's or loan policy prepared prior to issuance of the policy, with completed schedules A and B and endorsements, identifying the proposed insured, the exceptions that are proposed to be placed in the final policy to be issued, and the name of the title insurer and title insurance agency, including samples of endorsements.

**[T] V. "Referrer"** means any person in a position to refer business to a title insurer or title insurance agency.

**[U] W. "Simultaneous Issue"** means issuing two or more policies bearing the same effective date and insuring part or all of the same land.

**[V] X. "Title plant"** [is] means a collection of real estate records meeting the requirements of Section 59A-12-13 NMSA 1978.

**[W] Y. "Title rate case"** means a proceeding that results in the establishment of rates, or charges pertaining to the business of title insurance and includes, without limitation, the title rate case required by Section 59A-30-8 NMSA 1978.

**[X] Z. "Unusual complexity"** means when circumstances cause an unusually long search or complicated examination as determined by a reasonable title insurance agent or title insurer.

**[Y] AA. "Vestee"** means the person or persons in whom title to the land is vested.

[13.14.1.7 NMAC – Rp, Sections 7 through 33 of 13.14.1 NMAC, 1/1/2021; A, 1/1/2024]



## SUPERINTENDENT OF INSURANCE, OFFICE OF

This is an amendment to 13.14.8 NMAC, Sections 3 and 13, effective 1/1/2024.

### 13.14.8.3 STATUTORY

**AUTHORITY:** Sections 59A-2-8, 59A-2-9, 59A-30-4, 59A-30-5, 59A-30-6, 59A-30-6.1, 59A-30-6.2 and 59A-30-8 NMSA 1978.

[13.14.8.3 NMAC – Rp, 13.14.8.3 NMAC, 1/1/2021; A, 1/1/2024]

### 13.14.8.13 CO-INSURANCE

**ENDORSEMENTS:** NM form 77 ~~[or 77.1]~~ shall be attached to a policy ~~[or policies]~~ to provide coordinated and proportionate coverage by two or more title insurers. Such coverage may be provided, either by endorsement attached to a single policy and executed by or on behalf of the co-insuring title insurers, or by the issuance of separate policies by or on behalf of each of the co-insuring title insurers.

~~**A.** — If only one policy is being issued, NM form 77 shall be attached.~~

~~**B.** — If multiple policies are issued, NM form 77.1 shall be attached.~~

~~**C.** — In either case, the aggregate premium charged for the policy shall be the same as would be charged for the single policy, with the split of the premium between the issuing title insurers to be in accord with the percentage or proportion of loss or cost for which each title insurer is liable under the policy or policies.]~~

[13.14.8.13 NMAC – Rp, 13.14.8.14 NMAC, 1/1/2021; A, 1/1/2024]

## SUPERINTENDENT OF INSURANCE, OFFICE OF

This is an amendment to 13.14.18 NMAC, Sections 6, 8, and 9, effective 1/1/2024.

### 13.14.18.6 OBJECTIVE:

The purpose of this rule is to provide

conditions and restrictions regarding the use of promulgated forms.

[13.14.18.6 NMAC – Rp, 13.14.18.6 NMAC, 1/1/2021; A, 1/1/2024]

### 13.14.18.8 PROMULGATED

**FORMS:** For purposes of Section 59A-30-5 NMSA 1978, the superintendent shall promulgate title insurance forms by order after conducting a hearing pursuant to 13.1.5 NMAC or 13.1.6 NMAC, as the circumstances require. On ~~[his]~~ their own motion, or at the request of an interested person, the superintendent may, at any time, conduct a hearing to consider whether to promulgate a new form, to revoke a previously promulgated form, or to modify a previously promulgated form. The forms compiled and filed with the New Mexico State Rules Center and Archives as the New Mexico Title Insurance Forms shall be the promulgated forms, and those forms are incorporated into this rule by reference. The superintendent shall publish a table of the promulgated title insurance forms with the corresponding rates in a form that is easily accessible by the public on the OSI's website.

**A.** A title insurer or title insurance agency shall not use any new promulgated form unless:

(1) the superintendent promulgates a rate for the form, if the order promulgating the form states that a rate is required to issue the form;

(2) the superintendent has promulgated a rule for the form, if the order promulgating the form states that use of the form is contingent on promulgating a rule; and

(3) the title insurer has provided to its title insurance agencies underwriting guidelines, compliant with these rules, to govern the use of the form.

**B.** A title insurer or title insurance agency shall not use any modified or replacement form unless:

(1) the superintendent determines that the existing rate and rule, if applicable,

for the form applies to the modified or replacement form, or the superintendent has promulgated a new rate and rule, if applicable, for the modified or replacement form; and

(2) the title

insurer has provided to its title insurance agencies underwriting guidelines, compliant with these rules, to govern the use of the form.

(3) A title insurer shall only issue forms that match in all substantive respects the promulgated forms authorized by these rules.

[13.14.18.8 NMAC – Rp, 13.14.18.8 NMAC, 1/1/2021; A, 1/1/2024]

### 13.14.18.9 ALTERATION OF FORMS PROHIBITED; EXCEPTIONS; AND LETTERS OF INTERPRETATION OR WAIVER THAT CHANGE THE TERMS, PROHIBITED:

**A.** No person, firm or organization may alter or otherwise change any title insurance form promulgated by the superintendent, or use any non-promulgated endorsement, whether by deletion or omission of terms, except:

(1) upon a determination by the superintendent following a hearing pursuant to 13.1.5 or 13.1.6 NMAC, as applicable, that the same be proper; or

(2) in a manner specifically authorized by these regulations.

**B.** Factual information required to identify and describe the risk being undertaken may be inserted in an authorized form. This includes, but is not limited to, information necessary to identify the insured, the insured's estate or interest of record, the property description, all matters of record affecting the insured's interest which are exceptions to the policy, all matters, facts and circumstances, whether or not shown by the public records, constituting a lien, claim, encumbrance, impairment or limitation upon the estate to be insured, whether arising by operation of law or by reason of no recorded information establishing the insured matters, the amount of liability of the



policy and, in case of a commitment, any matter constituting a requirement prior to issuance of a policy, may be inserted in the proper places in the various forms, provided that other information necessary to complete each form is inserted in the form prior to its issuance.

**C.** Additions to language in the promulgated form, if required to correctly identify and describe the risk being undertaken may be inserted in an authorized form. Any such modification must be approved by:

(1) Legal counsel for the insured; or  
(2) An authorized representative of the insured in a transaction that does not involve one to four family residential property.

**D.** Nothing in this rule shall prevent a title insurer from:

(1) adding blanks, spaces, labels or brief instructions to the promulgated forms; or

(2) from typesetting a promulgated form utilizing type styles, margins or paginations different from the promulgated forms; provided, however, that all language contained in each promulgated form must appear verbatim in each form, and further provided that nothing may be added to a promulgated title insurance form which changes any of the terms of such form except as specifically provided by these rules.

**E.** Nothing in these rules prohibits use of translated language other than English, provided, however, that any translated form shall contain the following language in bold-face type on the first page of the form in English and in the translated language: "This translation is provided as a convenience only. The English language version of this form shall control and shall be the operative document for all legal purposes."

**F.** The following language shall be added at the top of schedule A of all commitments and policies in a font not less than the

font size of the remaining print of schedule A and be in bold italicized print "Pursuant to the New Mexico title insurance law Section 59A-30-4 NMSA 1978, and title insurance rule 13.14.18.9 NMAC, no part of any title insurance commitment, policy or endorsement form promulgated by the New Mexico superintendent of insurance may be added to, altered, inserted in or typed upon, deleted or otherwise changed from the title insurance form promulgated by the New Mexico superintendent of insurance, nor issued by a person or company not licensed with regard to the business of title insurance by the New Mexico superintendent of insurance, nor issued by a person or company who does not own, operate or control an approved title abstract plant as defined by New Mexico law and regulations for the county wherein the property is located, except as authorized by law."

**G.** No title insurer or title insurance agency shall issue, publish or circulate a letter, memorandum or other writing which directly or indirectly modifies or waives the terms or any part of the terms of any promulgated form, nor shall any such person agree to directly or indirectly do or not do anything, the effect of which is or would be to offer insurance coverages other than those in the promulgated title insurance forms, whether the same be more, less, substitute, alternative, negative or affirmative coverages or risks, except as specifically authorized by these rules. ~~[except that a title insurer shall waive, at no cost or charge to the insured, either by endorsement or language added to schedule B of the policy, the right to demand arbitration pursuant to the conditions and stipulations of title insurance policies issued in New Mexico. The endorsement or the language added to schedule B of the policy shall read: "The company hereby waives its right to demand arbitration pursuant to the title insurance arbitration rules of the American Land Title Association. Nothing herein prohibits the arbitration of all arbitrable matters~~

~~when agreed to by both the company and the insured."]~~

[13.14.18.9 NMAC – Rp, 13.14.18.9 NMAC, 1/1/2021; A, 1/1/2024]

## SUPERINTENDENT OF INSURANCE, OFFICE OF FORMS

Continued Next Page

**NM FORM1: OWNER'S POLICY OF TITLE INSURANCE**  
issued by  
**BLANK TITLE INSURANCE COMPANY**

**This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.**

**Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 17.**

**COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, [Blank Title Insurance Company], a [Blank] corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 9 and 10, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
  - a. a defect in the Title caused by:
    - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
    - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
    - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
    - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
    - vii. a defective judicial or administrative proceeding; or
    - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
  - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.

- c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.

3. Unmarketable Title.

4. No right of access to and from the Land.

5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:

- a. the occupancy, use, or enjoyment of the Land;
- b. the character, dimensions, or location of an improvement on the Land;
- c. the subdivision of the Land; or
- d. environmental remediation or protection on the Land.

6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.

7. An exercise of the power of eminent domain, but only to the extent:

- a. of the exercise described in an Enforcement Notice; or
- b. the taking occurred and is binding on a purchaser for value without Knowledge.

8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.

9. The Title being vested other than as stated in Schedule A, the Title being defective, or the effect of a court order providing an alternative remedy:

- a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction vesting the Title because that prior transfer constituted a:
  - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
  - ii. voidable transfer under the Uniform Voidable Transactions Act; or
- b. because the instrument vesting the Title constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law by reason of the failure:
  - i. to timely record the instrument vesting the Title in the Public Records after execution and delivery of the instrument to the Insured; or
  - ii. of the recording of the instrument vesting the Title in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy and prior to the recording of the deed or other instrument vesting the Title in the Public Records.

#### **DEFENSE OF COVERED CLAIMS**

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

#### **BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

By: \_\_\_\_\_  
[Authorized Signatory]

### EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
  - i. the occupancy, use, or enjoyment of the Land;
  - ii. the character, dimensions, or location of any improvement on the Land;
  - iii. the subdivision of land; or
  - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.

2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.

3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
    - ii. for any other reason not stated in Covered Risk 9.b.

5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.

6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.



7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land which would be disclosed by an accurate survey and inspection of the Land or any improvement to the Land.

**[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.d.:**

Issuing Agent:

Issuing Office:

Issuing Office's ALTA® Registry ID:

Issuing Office File Number:

Property Address:]

**SCHEDULE A**

Name and Address of Title Insurance Company:

Policy Number:

Amount of Insurance: \$ [Premium: \$ ]

Date of Policy: [at a.m./p.m.]

1. The Insured is:
2. The estate or interest in the Land insured by this policy is:
3. The Title is vested in:
4. The Land is described as follows:
5. This policy incorporates by reference the endorsements designated below, adopted by the [New Mexico Superintendent of Insurance][ ] as of the Date of Policy:]

## **SCHEDULE B**

Policy Number:

### **EXCEPTIONS FROM COVERAGE**

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.**

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

*(Insert Schedule B exceptions here)*

## CONDITIONS

### 1. DEFINITION OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
  - i. that is wholly owned by the Insured;
  - ii. that wholly owns the Insured; or
  - iii. if that Entity and the Insured are both wholly owned by the same person or entity.
- b. "Amount of Insurance": The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.d. or decreased by Condition 10 or 11; or increased or decreased by endorsements to this policy.
- c. "Date of Policy": The Date of Policy stated in Schedule A.
- d. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- e. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:
  - i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
  - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
  - iii. asserts a right to enforce a PACA-PSA Trust.
- f. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- g. "Insured":
  - i.
    - (a). The Insured named in Item 1 of Schedule A;
    - (b). the successor to the Title of an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
    - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
    - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity; or
    - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is:
      - (1). an Affiliate;
      - (2). a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
      - (3). a spouse who receives the Title because of a dissolution of marriage;
      - (4). a transferee by a transfer effective on the death of an Insured as authorized by law; or
      - (5). another Insured named in Item 1 of Schedule A.
  - ii. The Company reserves all rights and defenses as to any successor or

grantee

that the Company would have had against any predecessor Insured.

- h. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- i. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- j. "Land": The land described in Item 4 of Schedule A and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- k. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- l. "PACA-PSA Trust": A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar State or federal law.
- m. "Public Records": The recording or filing system established under Section 14-9-1 NMSA 1978, as amended to the Date of Policy, under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge..
- n. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- o. "Title": The estate or interest in the Land identified in Item 2 of Schedule A.
- p. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or a lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

## 2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured, so long as the Insured:

- a. retains an estate or interest in the Land;
- b. owns an obligation secured by a purchase money Mortgage given by a purchaser from the Insured; or
- c. has liability for warranties given by the Insured in any transfer or conveyance of the Insured's Title.

Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or entity that is not the Insured and acquires the Title or an obligation secured by a purchase money Mortgage given to the Insured.

## 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of:

- a. any litigation or other matter for which the Company may be liable under this policy; or
- b. any rejection of the Title as Unmarketable Title.

If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

**4. PROOF OF LOSS**

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

**5. DEFENSE AND PROSECUTION OF ACTIONS**

- a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.
- b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
- c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

**6. DUTY OF INSURED CLAIMANT TO COOPERATE**

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.  
When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:
  - i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and
  - ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy



terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

- b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

#### 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of the Amount of Insurance*  
To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.  
Upon the exercise by the Company of this option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.
- b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*
  - i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
  - ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

**8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the lesser of:
  - i. the Amount of Insurance; or
  - ii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy.
- b. Except as provided in Condition 8.c. or 8.d., the fair market value of the Title in Condition 8.a.ii. is calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- c. If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of Policy as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- d. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title, as insured:
  - i. the Amount of Insurance will be increased by 15%; and
  - ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b. or, if it applies, 8.c., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- e. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.d., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

**9. LIMITATION OF LIABILITY**

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:
  - i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;
  - ii. cures the lack of a right of access to and from the Land; or
  - iii. cures the claim of Unmarketable Title,all as insured. The Company may do so by any method, including litigation and the completion of any appeals.
- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the Title.

- c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. The Company is not liable for the content of the Transaction Identification Data, if any.

**10. REDUCTION OR TERMINATION OF INSURANCE**

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment.

**11. LIABILITY NONCUMULATIVE**

The Amount of Insurance will be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after the Date of Policy and which is a charge or lien on the Title, and the amount so paid will be deemed a payment to the Insured under this policy.

**12. PAYMENT OF LOSS**

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

**13. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT**

- a. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
- b. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- c. The Company's subrogation right includes the Insured's rights to indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights.

**14. POLICY ENTIRE CONTRACT**

- a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
- b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls.

Unless the endorsement expressly states, it does not:

- i. modify any prior endorsement,
- ii. extend the Date of Policy,
- iii. insure against loss or damage exceeding the Amount of Insurance, or
- iv. increase the Amount of Insurance.

**15. SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

**16. CHOICE OF LAW AND CHOICE OF FORUM**

a. *Choice of Law*

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.

b. *Choice of Forum*

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

**17. NOTICES**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: \_\_\_\_\_ *(fill in)*.

**NOTE:**        *Bracketed [ ] material optional*

**NM FORM 2: LOAN POLICY OF TITLE INSURANCE**  
**issued by**  
**BLANK TITLE INSURANCE COMPANY**

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 16.

**COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, [Blank Title Insurance Company], a [Blank] corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
  - a. a defect in the Title caused by:
    - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
    - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
    - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
    - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
    - vii. a defective judicial or administrative proceeding; or
    - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
  - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.



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- c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.
  - 3. Unmarketable Title.
  - 4. No right of access to and from the Land.
  - 5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
    - a. the occupancy, use, or enjoyment of the Land;
    - b. the character, dimensions, or location of an improvement on the Land;
    - c. the subdivision of the Land; or
    - d. environmental remediation or protection on the Land.
  - 6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.
  - 7. An exercise of the power of eminent domain, but only to the extent:
    - a. of the exercise described in an Enforcement Notice; or
    - b. the taking occurred and is binding on a purchaser for value without Knowledge.
  - 8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.
  - 9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. Covered Risk 9 includes, but is not limited to, insurance against loss caused by:
    - a. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - b. the failure of a person or Entity to have authorized a transfer or conveyance;
    - c. the Insured Mortgage not being properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
    - d. a failure to perform those acts necessary to create an Insured Mortgage by electronic means authorized by law;
    - e. a document having been executed under a falsified, expired, or otherwise invalid power of attorney;
    - f. the Insured Mortgage not having been properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
    - g. a defective judicial or administrative proceeding; or

- h. invalidity or unenforceability of the lien of the Insured Mortgage as a result of the repudiation of an electronic signature by a person that executed the Insured Mortgage because the electronic signature on the Insured Mortgage was not valid under applicable electronic transactions law.
- 10.** The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance on the Title as security for the following components of the Indebtedness:
  - a. the amount of the principal disbursed as of the Date of Policy;
  - b. the interest on the obligation secured by the Insured Mortgage;
  - c. the reasonable expense of foreclosure;
  - d. amounts advanced for insurance premiums by the Insured before the acquisition of the estate or interest in the Title; and
  - e. the following amounts advanced by the Insured before the acquisition of the estate or interest in the Title to protect the priority of the lien of the Insured Mortgage:
    - i. real estate taxes and assessments imposed by a governmental taxing authority; and
    - ii. regular, periodic assessments by a property owners' association.
- 11.** The lack of priority of the lien of the Insured Mortgage upon the Title:
  - a. as security for each advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for service, labor, material, or equipment arising from construction of an improvement or work related to the Land when the improvement or work is:
    - i. contracted for or commenced on or before the Date of Policy; or
    - ii. contracted for, commenced, or continued after the Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on the Date of Policy to advance; and
  - b. over the lien of any assessments for street improvements under construction or completed at the Date of Policy.
- 12.** The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.
- 13.** The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title, or the effect of a court order providing an alternative remedy:
  - a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a:
    - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
    - ii. voidable transfer under the Uniform Voidable Transactions Act; or

- b. because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law by reason of the failure:
  - i. to timely record the Insured Mortgage in the Public Records after execution and delivery of the Insured Mortgage to the Insured; or
  - ii. of the recording of the Insured Mortgage in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
- 14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.

#### **DEFENSE OF COVERED CLAIMS**

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

#### **BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

By: \_\_\_\_\_  
[Authorized Signatory]

### EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1.
  - a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
    - i. the occupancy, use, or enjoyment of the Land;
    - ii. the character, dimensions, or location of any improvement on the Land;
    - iii. the subdivision of land; or
    - iv. environmental remediation or protection.
  - b. any governmental forfeiture, police, regulatory, or national security power.
  - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser or encumbrancer had been given for the Insured Mortgage at the Date of Policy.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business law.
5. Invalidity or unenforceability of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury law or Consumer Protection Law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer:
    - i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or

- ii. for any other reason not stated in Covered Risk 13.b.
- 7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.
- 8. Any lien on the Title for real estate taxes or assessments imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records. Exclusion 8 does not modify or limit the coverage provided under Covered Risk 2.b. or 11.b.
- 9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land which would be disclosed by an accurate survey and inspection of the Land or any improvement to the Land.



**[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.e.:**

Issuing Agent:

Issuing Office:

Issuing Office's ALTA® Registry ID:

Loan ID Number:

Issuing Office File Number:

Property Address:]

### **SCHEDULE A**

Name and Address of Title Insurance Company:

Policy Number:

Amount of Insurance: \$ [Premium: \$ ]

Date of Policy: [at a.m./p.m.]

1. The Insured is:
2. The estate or interest in the Land encumbered by the Insured Mortgage is:
3. The Title encumbered by the Insured Mortgage is vested in:
4. The Insured Mortgage and its assignments, if any, are described as follows:
5. The Land is described as follows:

**[6.** This policy incorporates by reference the endorsements designated below, adopted by the [New Mexico Superintendent of Insurance][ ] as of the Date of Policy:]

**SCHEDULE B**

Policy Number:

**EXCEPTIONS FROM COVERAGE**

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.**

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

*(Insert Schedule B exceptions here)]*

[This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

**PART I**

*(Insert Schedule B exceptions here)*

**PART II**

Covered Risk 10 insures against loss or damage sustained by the Insured by reason of the lack of priority of the lien of the Insured Mortgage over the matters listed in Part II, subject to the terms and conditions of any subordination provision in a matter listed in Part II:]

**CONDITIONS****1. DEFINITION OF TERMS**

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
  - i. that is wholly owned by the Insured;
  - ii. that wholly owns the Insured; or
  - iii. if that Entity and the Insured are both wholly owned by the same person or entity.
- b. "Amount of Insurance": The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.c.; decreased by Condition 10; or increased or decreased by endorsements to this policy.
- c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.
- d. "Date of Policy": The Date of Policy stated in Schedule A.
- e. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- f. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:
  - i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
  - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
  - iii. asserts a right to enforce a PACA-PSA Trust.
- g. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- h. "Government Mortgage Agency or Instrumentality": Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.
- i. "Indebtedness": Any obligation secured by the Insured Mortgage, including an obligation evidenced by electronic means authorized by law. If that obligation is the payment of a debt, the Indebtedness is:
  - i. the sum of:
    - (a). principal disbursed as of the Date of Policy;
    - (b). principal disbursed subsequent to the Date of Policy;
    - (c). the construction loan advances made subsequent to the Date of Policy for the purpose of financing, in whole or in part, the construction of an improvement to the Land or related to the Land that the Insured was and continues to be obligated to advance at the Date of Policy and at the date of the advance;
    - (d). interest on the loan;

- (e). prepayment premiums, exit fees, and other similar fees or penalties allowed by law;
    - (f). expenses of foreclosure and any other costs of enforcement;
    - (g). advances for insurance premiums;
    - (h). advances to assure compliance with law or to protect the validity, enforceability, or priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to:
      - (1). real estate taxes and assessments imposed by a governmental taxing authority, and
      - (2). regular, periodic assessments by a property owners' association; and
    - (i). advances to prevent deterioration of improvements before the Insured's acquisition of the Title, but
  - ii. reduced by the sum of all payments and any amounts forgiven by an Insured.
- j. "Insured":
  - i. (a). The Insured named in Item 1 of Schedule A or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:
    - (1). owns the Indebtedness for its own account or as a trustee or other fiduciary, or
    - (2). owns the Title after acquiring the Indebtedness;
  - (b). the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as defined by applicable electronic transactions law;
  - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
  - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity;
  - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is an Affiliate;
  - (f). an Affiliate that acquires the Title through foreclosure or deed-in-lieu of foreclosure of the Insured Mortgage; or
  - (g). any Government Mortgage Agency or Instrumentality.
  - ii. With regard to Conditions 1.j.i.(a). and 1.j.i.(b)., the Company reserves all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
  - iii. With regard to Conditions 1.j.i.(c)., 1.j.i.(d)., 1.j.i.(e)., and 1.j.i.(f)., the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- k. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- l. "Insured Mortgage": The Mortgage described in Item 4 of Schedule A.
- m. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.

- n. "Land": The land described in Item 5 of Schedule A and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- o. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- p. "Obligor": A person or entity that is or becomes a maker, borrower, or guarantor as to all or part of the Indebtedness or other obligation secured by the Insured Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.
- q. "PACA-PSA Trust": A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar State or federal law.
- r. "Public Records": The recording or filing system established under Section 14-9-1 NMSA 1978, as amended to the Date of Policy, under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge.
- s. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- t. "Title": The estate or interest in the Land identified in Item 2 of Schedule A.
- u. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title, a lender on the Title, or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

## 2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured:

- a. after the Insured's acquisition of the Title, so long as the Insured retains an estate or interest in the Land; and
- b. after the Insured's conveyance of the Title, so long as the Insured:
  - i. retains an estate or interest in the Land;
  - ii. owns an obligation secured by a purchase money Mortgage given by a purchaser from the Insured; or
  - iii. has liability for warranties given by the Insured in any transfer or conveyance of the Insured's Title.

Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or entity that is not the Insured and acquires the Title or an obligation secured by a purchase money Mortgage given to the Insured.

## 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of:

- a. any litigation or other matter for which the Company may be liable under this policy; or



b. any rejection of the Title or the lien of the Insured Mortgage as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

**4. PROOF OF LOSS**

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

**5. DEFENSE AND PROSECUTION OF ACTIONS**

- a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.
- b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.
- c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

**6. DUTY OF INSURED CLAIMANT TO COOPERATE**

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.  
When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:
  - i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and

- ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

- b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

#### 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness*

- i. To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
- ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

- b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*
  - i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
  - ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

**8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
  - i. the Amount of Insurance;
  - ii. the Indebtedness;
  - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
  - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.
- b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
  - i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or
  - ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.
- c. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured:
  - i. the Amount of Insurance will be increased by 15%; and
  - ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by

the Company as the date for calculating the fair market value of the Title in Condition 8.a.iii.

- d. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

**9. LIMITATION OF LIABILITY**

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:
  - i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;
  - ii. cures the lack of a right of access to and from the Land;
  - iii. cures the claim of Unmarketable Title; or
  - iv. establishes the lien of the Insured Mortgage,all as insured. The Company may do so by any method, including litigation and the completion of any appeals.
- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the Title or to the lien of the Insured Mortgage.
- c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.

**10. REDUCTION OR TERMINATION OF INSURANCE**

- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment. However, any payment made by the Company prior to the acquisition of the Title as provided in Condition 2 does not reduce the Amount of Insurance afforded under this policy, except to the extent that the payment reduces the Indebtedness.
- b. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the amount credited against the Indebtedness does not reduce the Amount of Insurance.
- c. The voluntary satisfaction or release of the Insured Mortgage terminates all liability of the Company, except as provided in Condition 2.

**11. PAYMENT OF LOSS**

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

**12. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT**

- a. *Company's Right to Recover*

- i. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
  - ii. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- b. *Company's Subrogation Rights against Obligors*

The Company's subrogation right includes the Insured's rights against Obligors including the Insured's rights to repayment under a note, indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights. An Obligor cannot avoid the Company's subrogation right by acquiring the Indebtedness as a result of an indemnity, guaranty, warranty, insurance policy, or bond, or in any other manner. The Obligor is not an Insured under this policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage Agency or Instrumentality.
- c. *Insured's Rights and Limitations*
  - i. The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if the action does not affect the enforceability or priority of the lien of the Insured Mortgage.
  - ii. If the Insured exercises a right provided in Condition 12.c.i. but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company is required to pay only that part of the loss insured against by this policy that exceeds the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's subrogation right.

### 13. POLICY ENTIRE CONTRACT

- a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
- b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
  - i. modify any prior endorsement,
  - ii. extend the Date of Policy,



- iii. insure against loss or damage exceeding the Amount of Insurance, or
- iv. increase the Amount of Insurance.

**14. SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

**15. CHOICE OF LAW AND CHOICE OF FORUM**

a. *Choice of Law*

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located. The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title or the lien of the Insured Mortgage and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.

b. *Choice of Forum*

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

**16. NOTICES**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: \_\_\_\_\_ (*fill in*)

-

**NOTE:**        *Bracketed [ ] material optional*

NM FORM 6: COMMITMENT FOR TITLE INSURANCE  
issued by  
BLANK TITLE INSURANCE COMPANY

**NOTICE**

**IMPORTANT—READ CAREFULLY:** THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

**COMMITMENT TO ISSUE POLICY**

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, [Blank Title Insurance Company], a [Blank] (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Amount of Insurance and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within \_\_\_\_\_ (*Insert the time period*) after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

**COMMITMENT CONDITIONS**

1. DEFINITIONS

- a. “Discriminatory Covenant”: Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
  - b. “Knowledge” or “Known”: Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
  - c. “Land”: The land described in Item 5 of Schedule A and improvements located on that land that by State law constitute real property. The term “Land” does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
  - d. “Mortgage”: A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
  - e. “Policy”: Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
  - f. “Proposed Amount of Insurance”: Each dollar amount specified in Schedule A as the Proposed Amount of Insurance of each Policy to be issued pursuant to this Commitment.
  - g. “Proposed Insured”: Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
  - h. “Public Records”: The recording or filing system established under Section 14-9-1 NMSA 1978, as amended to the Date of Policy, under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge..
  - i. “State”: The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term “State” also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
  - j. “Title”: The estate or interest in the Land identified in Item 3 of Schedule A.
2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company’s liability and obligation end.
3. The Company’s liability and obligation is limited by and this Commitment is not valid without:
  - a. the Notice;
  - b. the Commitment to Issue Policy;
  - c. the Commitment Conditions;
  - d. Schedule A;
  - e. Schedule B, Part I—Requirements;[ and]
  - f. Schedule B, Part II—Exceptions[; and
  - g. a counter-signature by the Company or its issuing agent that may be in electronic form].

**4. COMPANY'S RIGHT TO AMEND**

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company is not liable for any other amendment to this Commitment.

**5. LIMITATIONS OF LIABILITY**

- a. The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
  - i. comply with the Schedule B, Part I—Requirements;
  - ii. eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
  - iii. acquire the Title or create the Mortgage covered by this Commitment.
- b. The Company is not liable under Commitment Condition 5.a. if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- c. The Company is only liable under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- d. The Company's liability does not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Condition 5.a. or the Proposed Amount of Insurance.
- e. The Company is not liable for the content of the Transaction Identification Data, if any.
- f. The Company is not obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- g. The Company's liability is further limited by the terms and provisions of the Policy to be issued to the Proposed Insured.

**6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT; CHOICE OF LAW AND CHOICE OF FORUM**

- a. Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- b. Any claim must be based in contract under the State law of the State where the Land is located and is restricted to the terms and provisions of this Commitment. Any litigation or other proceeding brought by the Proposed Insured against the Company must be filed only in a State or federal court having jurisdiction.

- c. This Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- d. The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- e. Any amendment or endorsement to this Commitment must be in writing[ and authenticated by a person authorized by the Company].
- f. When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

**7. IF THIS COMMITMENT IS ISSUED BY AN ISSUING AGENT**

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for closing, settlement, escrow, or any other purpose.

**8. PRO-FORMA POLICY**

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

**9. CLAIMS PROCEDURES**

This Commitment incorporates by reference all Conditions for making a claim in the Policy to be issued to the Proposed Insured. Commitment Condition 9 does not modify the limitations of liability in Commitment Conditions 5 and 6.



**[Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:**

Issuing Agent:

Issuing Office:

Issuing Office's ALTA® Registry ID:

Loan ID Number:

Commitment Number:

Issuing Office File Number:

Property Address:]

[Revision Number:]

## SCHEDULE A

1. Commitment Date:
2. Policy to be issued:
  - a. [2021 ALTA® Owner's Policy][2021 ALTA® Loan Policy][\_\_\_\_\_ ALTA® \_\_\_\_\_ Policy]  
 Proposed Insured: \_\_\_\_\_  
 Proposed Amount of Insurance: \$ \_\_\_\_\_  
 The estate or interest to be insured: \_\_\_\_\_
  - b. [2021 ALTA® Owner's Policy][2021 ALTA® Loan Policy][\_\_\_\_\_ ALTA® \_\_\_\_\_ Policy]  
 Proposed Insured: \_\_\_\_\_  
 Proposed Amount of Insurance: \$ \_\_\_\_\_  
 The estate or interest to be insured: \_\_\_\_\_]
  - c. [2021 ALTA® Owner's Policy][2021 ALTA® Loan Policy][\_\_\_\_\_ ALTA® \_\_\_\_\_ Policy]  
 Proposed Insured: \_\_\_\_\_  
 Proposed Amount of Insurance: \$ \_\_\_\_\_  
 The estate or interest to be insured: \_\_\_\_\_]
3. The estate or interest in the Land at the Commitment Date is: *(Identify each estate or interest covered, i.e., fee, leasehold, etc.)*
4. The Title is, at the Commitment Date, vested in[:] *(Identify vesting for each estate or interest identified in Item 3 above)*[ and, as disclosed in the Public Records, has been since *(Date)*]
5. The Land is described as follows:

## BLANK TITLE INSURANCE COMPANY

By:\_\_\_\_\_

[Authorized Signatory]

### **SCHEDULE B, PART I—Requirements**

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.  
*(Documents to be listed here)*

*(Additional Requirements may be listed here by number)*

### **SCHEDULE B, PART II—Exceptions**

**Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.**

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

- [1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.]**

*(Additional Exceptions may be listed here by number)*

**NM FORM 9: NOTICE OF AVAILABILITY OF OWNER'S TITLE INSURANCE**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

Buying property identified as:

A Mortgagee's Policy of title insurance insuring the title to the property you are buying or presently own is being issued to your mortgage lender, but that policy does not provide title insurance coverage to you.

You may obtain an Owner's Policy of title insurance that provides title insurance coverage to you. The additional cost to you for an Owner's Policy of title insurance in the amount of \$ \_\_\_\_\_ is \$ \_\_\_\_\_, if you request it at this time.

If you are uncertain as to whether you should obtain an Owner's Policy of title insurance, you are urged to seek independent advice.

(Name of entity providing notice) \_\_\_\_\_

- ☐ I/We do request an Owner's Policy of title insurance.
- ☐ I/We do not request an Owner's Policy of title insurance.

Date: \_\_\_\_\_

Buyer \_\_\_\_\_

Buyer\_

**NM: FORM 11: MULTIPURPOSE ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

This endorsement is made a part of the policy, binder or commitment and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy, binder or commitment and prior endorsements, if any, nor does it extend the effective date of the policy, binder or commitment and prior endorsements or increase the face amount thereof.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 12: CONDOMINIUM—ASSESSMENTS PRIORITY ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State in which the unit and its common elements are located.
2. The failure of the documents required by the State condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the Title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in Section 3, the words "restrictive covenants" do not refer to or include any covenant, condition, or restriction:
  - a. relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or
  - b. pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances,except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at the Date of Policy and is not excepted in Schedule B.
4. The priority of any lien for charges and assessments provided for in the State condominium statutes and condominium documents at the Date of Policy over the lien of any Insured Mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at the Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.



7. The failure of the Title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at the Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 13: PLANNED UNIT DEVELOPMENT – ASSESSMENTS PRIORITY  
ENDORSEMENT****Attached to Policy No. \_\_\_\_\_****Issued by****BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the Land or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 1, the words “restrictive covenants” do not refer to or include any covenant, condition or restriction (a) relating to obligations of any type to perform maintenance, repair or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy and is not excepted in Schedule B.
2. The priority of any lien for charges and assessments in favor of any association of owners that are provided for in any document at Date of Policy and referred to in Schedule B over the lien of any Insured Mortgage identified in Schedule A.
3. The enforced removal of any existing structure on the Land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of the Title by reason of a right of first refusal to purchase the Land that was exercised or could have been exercised at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

**[DATE]**

**BLANK TITLE INSURANCE COMPANY**

**By: \_\_\_\_\_**  
**Authorized Signatory**

**NM FORM 13.1: PLANNED UNIT DEVELOPMENT - CURRENT ASSESSMENTS  
ENDORSEMENT**

**Attached to Policy No. \_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. Present violations of any restrictive covenants referred to in Schedule B that restrict the use of the Land or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in this paragraph 1, the words "restrictive covenants" do not refer to or include any covenant, condition, or restriction (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy and is not excepted in Schedule B.
2. Any charges or assessments in favor of any association of owners, that are provided for in any document referred to in Schedule B, due and unpaid at Date of Policy.
3. The enforced removal of any existing structure on the Land (other than a boundary wall or fence) because it encroaches onto adjoining land or onto any easements.
4. The failure of the Title by reason of a right of first refusal to purchase the Land that was exercised or could have been exercised at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

**[DATE]**

**BLANK TITLE INSURANCE COMPANY**

**By: \_\_\_\_\_**

**Authorized Signatory**

**NM FORM 14: VARIABLE RATE MORTGAGE ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. As used in this endorsement, "Changes in the Rate of Interest" mean those adjustments in the rate of interest calculated pursuant to the formula provided in the Insured Mortgage or the loan documents secured by the Insured Mortgage at the Date of Policy.
2. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. the invalidity or unenforceability of the lien of the Insured Mortgage resulting from Changes in the Rate of Interest.
  - b. the loss of priority of the lien of the Insured Mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the Insured Mortgage or the loan documents secured by the Insured Mortgage, which loss of priority results from Changes in the Rate of Interest.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, based upon usury law or Consumer Protection Law.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 15: VARIABLE RATE MORTGAGE—NEGATIVE AMORTIZATION  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. As used in this endorsement, “Changes in the Rate of Interest” mean those adjustments in the rate of interest calculated pursuant to the formula provided in the Insured Mortgage or the loan documents secured by the Insured Mortgage at the Date of Policy.
2. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. the invalidity or unenforceability of the lien of the Insured Mortgage resulting from:
    - i. Changes in the Rate of Interest;
    - ii. interest on interest; or
    - iii. the addition of unpaid interest to the principal balance of the loan.
  - b. the loss of priority of the lien of the Insured Mortgage as security for the principal balance of the loan, together with interest as changed in accordance with the provisions of the Insured Mortgage or the loan documents secured by the Insured Mortgage, interest on interest, or any unpaid interest which was added to the principal balance in accordance with the provisions of the Insured Mortgage, which loss of priority results from:
    - i. Changes in the Rate of Interest;
    - ii. interest on interest; or
    - iii. the addition of unpaid interest to the principal balance of the loan.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys’ fees, or expenses, based upon usury law or Consumer Protection Law.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]



**NM FORM 16: MANUFACTURED HOUSING UNIT ENDORSEMENT**

**Attached to Policy No. \_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

**The term “Land” includes the manufactured housing unit located on the land described in Schedule A at Date of Policy.**

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

**BLANK TITLE INSURANCE COMPANY**

**By: \_\_\_\_\_**  
**Authorized Signatory**

**NM FORM 16.1: MANUFACTURED HOUSING—CONVERSION—LOAN POLICY  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The term “Land” includes the manufactured housing unit located on the land described in Schedule A at the Date of Policy.
2. Unless excepted in Schedule B, the Company insures against loss or damage sustained by the Insured if, at the Date of Policy:
  - a. A manufactured housing unit is not located on the land described in Schedule A.
  - b. The manufactured housing unit located on the land is not real property under the law of the State where the land described in Schedule A is located.
  - c. The owner of the land described in Schedule A is not the owner of the manufactured housing unit.
  - d. Any lien is attached to the manufactured housing unit as personal property, including:
    - i. a federal, State, or other governmental tax lien;
    - ii. UCC security interest;
    - iii. a motor vehicular lien; or
    - iv. other personal property lien.
  - e. The lien of the Insured Mortgage is not enforceable against the Title.
  - f. The lien of the Insured Mortgage is not enforceable in a single foreclosure procedure.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 16.2: MANUFACTURED HOUSING—CONVERSION—OWNER’S POLICY  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The term “Land” includes the manufactured housing unit located on the land described in Schedule A at the Date of Policy.
2. Unless excepted in Schedule B, the Company insures against loss or damage sustained by the Insured if, at the Date of Policy:
  - a. A manufactured housing unit is not located on the land described in Schedule A.
  - b. The manufactured housing unit located on the land is not real property under the law of the State where the land described in Schedule A is located.
  - c. The Insured is not the owner of the manufactured housing unit.
  - d. Any lien is attached to the manufactured housing unit as personal property, including:
    - i. a federal, State, or other governmental tax lien;
    - ii. UCC security interest;
    - iii. a motor vehicular lien; or
    - iv. other personal property lien.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 17: REVOLVING CREDIT ENDORSEMENT**

**This endorsement is issued as part of**

**Policy Number**\_\_\_\_\_

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

Notwithstanding anything to the contrary contained in this policy, the following terms and provisions shall control and apply:

1. This policy insures only to, and liability hereunder is thereby limited to, the extent of the amount of proceeds of the loan secured by the insured mortgage set forth under Schedule A hereof actually disbursed as of the date of this policy, but increases as each subsequent advance or disbursement of loan proceeds is made and decreases as payment of all or a portion of the amount of loan proceeds disbursed is made from time to time, so that any loss payable hereunder shall be limited to the aggregate amount of loan proceeds actually disbursed less the aggregate of all repayments thereof existing at the time a loss occurs hereunder; provided however, that each disbursement of loan proceeds is made in good faith and without knowledge of any defects in, or objections to, title; and provided that the vestee is the owner of the estate or interest covered by this policy at the date any such advances or disbursements are made, and further provided that in no event shall the liability of the Company hereunder exceed the face amount of this policy.
2. The Company hereby assures the insured that any disbursements of such loan proceeds made subsequent to the date of this policy shall be deemed to have been made as of the date of this policy and shall have the same priority as any advances made as of the date of this policy, except as to federal tax liens, liens, encumbrances or other matters, the existence of which are actually known to the insured prior to the date of such disbursement or advance, bankruptcies affecting the estate of the vestee prior to the date of any such advance or disbursement and real estate taxes and assessments arising subsequent to the date of the policy and this endorsement.

This endorsement when countersigned below by an authorized countersignature is made a part of said policy and is subject to the Schedules, Conditions and Stipulations therein except as modified by the provisions hereof.

Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 20: LEASEHOLD – OWNER’S ENDORSEMENT****Attached to Policy No. \_\_\_\_\_****Issued by****BLANK TITLE INSURANCE COMPANY****1. As used in this endorsement, the following terms shall mean:**

- a. “Evicted” or “Eviction”: (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
- b. “Lease”: the lease described in Schedule A.
- c. “Leasehold Estate”: the right of possession granted in the Lease for the Lease Term.
- d. “Lease Term”: the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. “Personal Property”: property, in which and to the extent the Insured has rights, located on or affixed to the Land on or after Date of Policy that by law does not constitute real property because (i) of its character and manner of attachment to the Land and (ii) the property can be severed from the Land without causing material damage to the property or to the Land.
- f. “Remaining Lease Term”: the portion of the Lease Term remaining after the Insured has been Evicted.
- g. “Tenant Leasehold Improvements”: Those improvements, in which and to the extent the Insured has rights, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Insured’s expense or in which the Insured has an interest greater than the right to possession during the Lease Term.

**2. Valuation of Estate or Interest Insured:**

If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction of the Insured, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 2 of this endorsement, any other endorsement to the policy, or Section 8(a)(ii) of the Conditions:

- a. The reasonable cost of (i) removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, (ii) transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, (iii) repairing the Personal Property damaged by reason of the removal and relocation, and (iv) restoring the Land to the extent damaged as a result of the removal and relocation of the Personal Property and required of the Insured solely because of the Eviction.
- b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
- c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
- e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
- f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.
- g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping.



4. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
Authorized Signatory

**NM FORM 21: LEASEHOLD – LOAN ENDORSEMENT**

**Attached to Policy No. \_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

1. As used in this endorsement, the following terms shall mean:

- a. “Evicted” or “Eviction”: (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of the Lease or (b) the lawful prevention of the use of the Land or the Tenant Leasehold Improvements for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
- b. “Lease”: the lease described in Schedule A.
- c. “Leasehold Estate”: the right of possession granted in the Lease for the Lease Term.
- d. “Lease Term”: the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
- e. “Personal Property”: property, in which and to the extent the Insured has rights, located on or affixed to the Land on or after Date of Policy that by law does not constitute real property because (i) of its character and manner of attachment to the Land and (ii) the property can be severed from the Land without causing material damage to the property or to the Land.
- f. “Remaining Lease Term”: the portion of the Lease Term remaining after the Tenant has been Evicted.
- g. “Tenant”: the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.
- h. “Tenant Leasehold Improvements”: Those improvements, in which and to the extent the Insured has rights, including landscaping, required or permitted to be built on the Land by the Lease that have been built at the Tenant’s expense or in which the Tenant has an interest greater than the right to possession during the Lease Term.

2. Valuation of Estate or Interest Insured:

If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction of the Tenant, then, as to that portion of the Land from which the Tenant is Evicted, that value shall consist of the value for the Remaining Lease Term of the Leasehold Estate and any Tenant Leasehold Improvements existing on the date of the Eviction. The Insured Claimant shall have the right to have the Leasehold Estate and the Tenant Leasehold Improvements affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account rent no longer required to be paid for the Remaining Lease Term.

3. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of this policy and thereafter is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 2 of this endorsement, any other endorsement to the policy, or Section 8(a)(iii) of the Conditions:

- a. The reasonable cost of (i) removing and relocating any Personal Property that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, (ii) transportation of that Personal Property for the initial one hundred miles incurred in connection with the relocation, (iii) repairing the Personal Property damaged by reason of the removal and relocation, and (iv) restoring the Land to the extent damaged as a result of the removal and relocation of the Personal Property and required of the Insured solely because of the Eviction.
- b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.
- c. The amount of rent that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate and Tenant Leasehold Improvements from which the Insured has been Evicted.
- d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease permitted by the Lease and made by the Tenant

as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.

- e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate or the Tenant Leasehold Improvements.
  - f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.
  - g. If Tenant Leasehold Improvements are not substantially completed at the time of Eviction, the actual cost incurred by the Insured, less the salvage value, for the Tenant Leasehold Improvements up to the time of Eviction. Those costs include costs incurred to obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping.
4. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
Authorized Signatory

**NM FORM: 22 PENDING DISBURSEMENT DOWN DATE ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

Disbursement in the amount of \$ \_\_\_\_\_ having been made on account of the proceeds of the loan; liability under said policy is hereby recognized to be the amount of \$ \_\_\_\_\_.  
The following matters appear of record since \_\_\_\_\_ (Date of policy or previous endorsement)

Nothing herein contained shall be construed as extending or changing the effective date of said policy, unless otherwise expressly stated.

This endorsement, when countersigned below by a Validating Signatory, is made a part of said policy and is subject to the Exclusions from Coverage, schedules, conditions and stipulations therein, except as modified by the provisions hereof.

IN WITNESS WHEREOF, the Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

Witness clause optional]

Dated \_\_\_\_\_

**BLANK TITLE INSURANCE COMPANY**

**Authorized signatory** \_\_\_\_\_

**NM FORM 23: PENDING IMPROVEMENTS  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number\_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

Liability hereunder at date hereof is limited to \$\_\_\_\_\_, (insert either “the purchase price paid by the insured for the land and existing improvements” or “the value of the land and existing improvements”). Liability hereunder shall increase to the amount of insurance set forth on Schedule A as contemplated improvements are made, so that any loss payable hereunder shall be limited to said sum, plus the amount expended by or on behalf of the insured for additional improvements located upon the land at the time the loss occurs. Any such expenditures made for such additional improvements subsequent to the date of this policy shall be deemed made as of the date of this policy.

This endorsement is made a part of the policy or commitment and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy or commitment and prior endorsements, if any, nor does it extend the effective date of the policy or commitment and prior endorsements; or increase the face amount thereof.

Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_



**NM FORM 24: ASSIGNMENT ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The name of the Insured at the Date of Endorsement and referred to in this endorsement as the "Assignee" is amended to read: \_\_\_\_\_.
2. The Company insures against loss or damage sustained by the Assignee by reason of:
  - a. The failure of the following assignment to vest title to the Insured Mortgage in the Assignee: \_\_\_\_\_;
  - b. Any modification, partial or full reconveyance, release, or discharge of the lien of the Insured Mortgage recorded on or prior to the Date of Endorsement in the Public Records other than those shown in the policy or a prior endorsement, except: \_\_\_\_\_.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the assignment by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the assignment being a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer.
4. This endorsement shall be effective provided that, at the Date of Endorsement:
  - a. the note or notes secured by the lien of the Insured Mortgage have been properly endorsed and delivered to the Assignee; or
  - b. if the note or notes are transferable records, the Assignee has "control" of the single authoritative copy of each "transferable record" as these terms are defined by applicable electronic transactions laws.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date of Endorsement:

[Witness clause]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 24.1: ASSIGNMENT AND DATE DOWN ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The name of the Insured at the Date of Endorsement and referred to in this endorsement as the "Assignee" is amended to read: \_\_\_\_\_.
2. The Company insures against loss or damage sustained by the Assignee by reason of:
  - a. The failure of the following assignment to vest title to the Insured Mortgage in the Assignee: \_\_\_\_\_;
  - b. Any liens for taxes or assessments affecting the Title that are due and payable on the Date of Endorsement, except: \_\_\_\_\_;
  - c. Lack of priority of the lien of the Insured Mortgage over defects, liens, or encumbrances other than those shown in the policy or a prior endorsement, except: \_\_\_\_\_;
  - d. Notices of federal tax liens or notices of pending bankruptcy proceedings affecting the Title and recorded subsequent to the Date of Policy in the Public Records and on or prior to the Date of Endorsement, except: \_\_\_\_\_;
  - e. Any modification, partial or full reconveyance, release or discharge of the lien of the Insured Mortgage recorded on or prior to Date of Endorsement in the Public Records other than those shown in the policy or a prior endorsement, except: \_\_\_\_\_.
3. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the assignment by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the assignment being a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer.
4. This endorsement shall be effective provided that, at the Date of Endorsement:
  - a. the note or notes secured by the lien of the Insured Mortgage have been properly endorsed and delivered to the Assignee; or
  - b. if the note or notes are transferable records, the Assignee has "control" of the single authoritative copy of each "transferable record" as these terms are defined by applicable electronic transaction laws.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date of Endorsement:

[Witness clause]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 25: ADDITIONAL ADVANCE ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The provisions of said policy are hereby modified and amended as of the date hereof as to the following matters and none other:

- (1) That, except as otherwise expressly provided herein, there are no liens, encumbrances or other matters shown by the public records, affecting said estate or interest, other than those shown in said policy, except: (Insert word "None" or list liens and encumbrances, showing as subordinate where appropriate).
- (2) That there are no subsisting tax or assessment liens which are prior to the mortgage referred to in Schedule A, other than those shown in said policy, except: (Insert word "None" or list tax or assessment items).
- (3) That, as shown by the public records, the title to said estate or interest is vested in the vestee shown in Schedule A.
- (4) That the advance hereinafter referred to is secured by the mortgage referred to in Schedule A; that, as shown by the public records, said mortgage as to such advance is prior to any liens, encumbrances and other matters affecting the said estate or interest other than those shown in Schedule B as prior to said mortgage and in paragraph (2) herein, except: (Insert word "None" or list liens, etc.).
- (5) The advance referred to in this endorsement is: Insert a description of the advance made or being made, and if appropriate, a reference to the document(s) under which the advance is made or being made.
- (6) The amount of insurance set out on Schedule A is amended to be: \$\_\_\_\_\_.

The Company hereby insures against loss or damage which the Insured shall sustain in the event that the assurances of the Company herein shall prove to be incorrect.

This endorsement is made a part of the policy or commitment and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy or commitment and prior endorsements, if any, nor does it extend the effective date of the policy or commitment and prior endorsements or increase the face amount thereof.

Witness clause optional]

Dated \_\_\_\_\_

**BLANK TITLE INSURANCE COMPANY**

**Authorized signatory** \_\_\_\_\_

**NM FORM 26: PARTIAL COVERAGE ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

Even though the mortgage herein insured is for a greater amount, this policy having been issued for the value of the land and improvements rather than the amount of the mortgage as the insured has advised the Company there is other collateral securing the loan, liability hereunder is limited to \$\_\_\_\_\_.

This endorsement is made a part of the policy or commitment and is subject to all the terms and provisions thereof and of any prior endorsement thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy or commitment and prior endorsements, if any, nor does it extend the effective date of the policy or commitment and prior endorsements or increase the face amount thereof.

Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM: 28: NON-IMPUTATION – FULL EQUITY TRANSFER  
ENDORSEMENT:**

**This Endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE COMPANY**

The Company agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b), or (e) to deny liability for loss or damage otherwise insured against under the terms of the policy solely by reason of the action or inaction or Knowledge, as of Date of Policy, of

**[identify existing or contributing partner(s) of the insured partnership entity, member(s), or manager(s) of the insured limited liability company entity, or officer(s) and/or director(s) of the insured corporate entity]**

**whether or not** imputed to the Insured by operation of law, provided

**[identify the “incoming” partners, members, or shareholders]**

acquired the Insured as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by the policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements to it.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 28.1: NON-IMPUTATION – ADDITIONAL INTEREST ENDORSEMENT:**

**This Endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE COMPANY**

For purposes of the coverage provided in this endorsement

**[identify the “incoming” partner, member, or shareholder]**

(“Additional Insured”) is added as an Insured under the policy. By execution below, the Insured named in Schedule A acknowledges that any payment made under this endorsement shall reduce the Amount of Insurance as provided in Section 10 of the Conditions.

The Company agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b), or (e) to deny liability for loss or damage otherwise insured against under the terms of the policy solely by reason of the action or inaction or Knowledge, as of Date of Policy, of

**[identify, as applicable, the existing and/or exiting partner(s) of the insured partnership entity, member(s), or manager(s) of the insured limited liability company entity, or officer(s) and/or director(s) of the insured corporate entity]**

whether or not imputed to the Additional Insured by operation of law, to the extent of the percentage interest in the Insured acquired by Additional Insured as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by the policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

AGREED AND CONSENTED TO:

INSURED

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_



**NM FORM 28.2: NON-IMPUTATION – PARTIAL EQUITY TRANSFER****ENDORSEMENT** This Endorsement is issued as part of

Policy Number

Issued by

**BLANK TITLE COMPANY**

**[Incoming partner, member, or shareholder, as the named insured in its own policy, where the vestee of insured estate or interest identified in Schedule A is a partnership, limited liability company, or corporation]**

The Company agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b), or (e) to deny liability for loss or damage otherwise insured against under the terms of the policy solely by reason of the action or inaction or Knowledge, as of Date of Policy, of

**[identify, as applicable, the existing and/or exiting partner(s) of the vestee partnership entity, member(s) or manager(s) of the vestee limited liability company entity, or officer(s) and/or director(s) of the vestee corporate entity]**

whether or not imputed to the entity identified in paragraph 3 of Schedule A or to the Insured by operation of law, but only to the extent that the Insured acquired the Insured's interest in entity as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by the policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements to it.

[Witness clause optional]

Dated \_\_\_\_\_

**BLANK TITLE INSURANCE COMPANY**

Authorized signatory \_\_\_\_\_

**NM FORM 29: ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The insurance afforded by this endorsement is only effective if the Land is used or is to be used primarily for residential purposes.
2. The Company insures against loss or damage sustained by the Insured by reason of lack of priority of the lien of the Insured Mortgage over:
  - a. any environmental protection lien that, at the Date of Policy, is recorded in those records established under State statutes at the Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge, or is filed in the records of the clerk of the United States district court for the district in which the Land is located, except as set forth in Schedule B; or
  - b. any environmental protection lien provided by any State statute in effect at the Date of Policy, except environmental protection liens provided by the following State statutes:

*[Drafting Instruction: List the relevant State statutes, if any; if none, specify "none".]*

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 30: CONDOMINIUM—CURRENT ASSESSMENTS ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State in which the unit and its common elements are located.
2. The failure of the documents required by the State condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the Title to the unit and its common elements.
3. Present violations of any restrictive covenants that restrict the use of the unit and its common elements and that are contained in the condominium documents or the forfeiture or reversion of Title by reason of any provision contained in the restrictive covenants. As used in Section 3, the words "restrictive covenants" do not refer to or include any covenant, condition, or restriction:
  - a. relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or
  - b. pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances,except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded in the Public Records at the Date of Policy and is not excepted in Schedule B.
4. Any charges or assessments provided for in the State condominium statutes and condominium documents due and unpaid at the Date of Policy.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements that exist at the Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of the Title by reason of a right of first refusal to purchase the unit and its common elements that was exercised or could have been exercised at the Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 31: OWNER'S LEASEHOLD CONVERSION ENDORSEMENT**

**This endorsement is issued as part of**  
**Policy Number \_\_\_\_\_**  
**Issued by**  
**BLANK TITLE INSURANCE COMPANY**

Effective on and after \_\_\_\_\_, the Conditions and Stipulations of said policy are hereby amended in the following particulars:

Section 1 of the Conditions and Stipulations is hereby amended by deleting therefrom subparagraph (h).

Section 7 subparagraph (b) is amended to read as follows:

- (b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate of interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the amount of insurance stated in Schedule A, then this policy is subject to the following:
  - (i) where no subsequent improvement has been made, as to any particular loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or
  - (ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A."

Section 14, Valuation Of Estate Or Interest Insured, And Section 15, Miscellaneous Items Of Loss, are hereby deleted and Sections 16, 17, 18 and 19 are hereby renumbered 14, 15, 16 and 17 respectively.

This endorsement when countersigned below by a validating signatory, is hereby made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Witness clause optional]

Dated \_\_\_\_\_

**BLANK TITLE INSURANCE COMPANY**

**Authorized signatory \_\_\_\_\_**

**NM FORM 33: CHANGE OF NAME ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number\_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

Wherever in the said policy the name (Old Name) is used, the name (Blank Title Insurance Company) is hereby substituted.

In Witness Whereof, the (Blank Title Insurance Company) has, by its President, executed this Change of Name  
Endorsement as of the \_\_\_\_\_ day of \_\_\_\_\_.

Dated: \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Address\_\_\_\_\_

By: \_\_\_\_\_, President

By: \_\_\_\_\_, Authorized Signatory

By: \_\_\_\_\_, Secretary

Note: This endorsement shall not be used after the 60th day from the first date the new name is used. Thereafter, all forms shall incorporate the new name.



**NM FORM 34 - U.S. POLICY FORM**  
**UNITED STATES OF AMERICA POLICY OF TITLE INSURANCE**  
**Issued by**  
**BLANK TITLE INSURANCE COMPANY**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, BLANK TITLE

INSURANCE COMPANY, a Blank corporation herein called the Company insures as of date of policy shown in Schedule A against loss or damage not exceeding the amount of insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. title to the estate or interest described in Schedule A being vested other than as stated therein;
2. any defect in or lien or encumbrance on the title;
3. unmarketability of the title;
4. lack of a right of access to and from the land;
5. in instances where the insured acquires title to the land by condemnation, failure of the commitment for title insurance, as updated to the date of the filing of the lis pendens notice or the declaration of taking, to disclose the parties having an interest in the land as disclosed by the public records;
6. title to the estate or interest described in Schedule A being vested other than as stated therein or being defective:

(a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the land occurring prior to the transaction vesting title as shown in Schedule A, because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency or similar creditors' rights laws; or

(b) because the instrument of transfer vesting title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the public records:

(i) to be timely, or

(ii) to impart notice of its existence to a purchaser for value or to a judgment or

lien creditor.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

**BY: \_\_\_\_\_ PRESIDENT**

**BY: \_\_\_\_\_ SECRETARY**

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**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to: (i) the occupancy, use or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;

(b) any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;

2. rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge;

3. defects, liens, encumbrances, adverse claims or other matters:

(a) created, suffered, assumed or agreed to by the insured claimant;

(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under the policy;

(c) resulting in no loss or damage to the insured claimant; or

(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under insuring provision 6);

4. this policy does not insure against the invalidity or insufficiency of any condemnation proceeding instituted by the United States of America, except to the extent set forth in insuring provision 5;

5. any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the title

as shown in Schedule A is:

- (a) a fraudulent conveyance or fraudulent transfer; or
- (b) a preferential transfer for any reason not stated in insuring provision 6.

**SCHEDULE A**

Name and address of title insurance Company: [File No. ]                      Policy No.

Amount of Insurance \$ [Premium \$ ]

Date of Policy [at a.m./p.m.]

1. Name of insured:

2. The estate or interest in the land which is covered by this policy is:

3. Title to the estate or interest in the land is vested in:

4. The land referred to in this policy is described as follows:

If paragraph 4 is omitted, a Schedule C captioned the same as paragraph 4 must be used.

## **SCHEDULE B**

[File No. ]      Policy No.

## **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

[POLICY MAY INCLUDE REGIONAL EXCEPTIONS IF SO DESIRED BY ISSUING COMPANY]  
[VARIABLE EXCEPTIONS SUCH AS TAXES, EASEMENTS, CC & Rs, ETC.]  
CONDITIONS AND STIPULATIONS

### **1. DEFINITION OF TERMS:**

The following terms when used in this policy mean:

- a. "Insured" means the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.
- b. "Insured claimant" means an insured claiming loss or damage.
- c. "Knowledge" or "known" means actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

d. "Land" means the land described or referred to in Schedule [A] [C], and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule [A] [C], nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

e. "Mortgage" means mortgage, deed of trust, trust deed or other security instrument.

f. "Public records" means records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the exclusions from coverage, "public records" shall also include environmental protection liens filed in the records of the Clerk of the United States District Court for the district in which the land is located.



g. "Unmarketability of the title" means an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

## **2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE:**

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either: (i) an estate or interest in the land; or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

## **3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT:**

The insured shall notify the Company promptly in writing: (i) in case of any litigation as set forth in Section 4(a) below; (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy; or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

## **4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE:**

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or

desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding and all appeals therein and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid: (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured

under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(e) Notwithstanding Conditions and Stipulations of Section 4(a-d), the Attorney General of the United States shall have the sole right to authorize or to undertake the defense of any matter which would constitute a claim under the policy, and the Company may not represent the insured without authorization. If the Attorney General elects to defend at the government's expense, the Company shall, upon request, cooperate and render all reasonable assistance in the prosecution or defense of the proceeding and in prosecuting any related appeals. If the Attorney General shall fail to authorize and permit the Company to defend, all liability of the Company with respect to that claim shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an opportunity to suggest defenses and actions as it shall recommend should be taken, and the Attorney General shall present the defenses and take the actions of which the Company shall advise the Attorney General in writing, the liability of the Company shall continue and, in any event, the Company shall cooperate and render all reasonable assistance in the prosecution or defense of the claim and any related appeals.

#### **5. PROOF OF LOSS OR DAMAGE:**

(a) In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or

damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

(b) In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the

administration of the claim. Unless prohibited by law or governmental regulation, failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

**6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY:**

In case of a claim under this policy, the Company shall have the following additional options:

(a) To pay or tender payment of the amount of insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation; and

(b) To pay or otherwise settle with parties other than the insured or with the insured claimant:

(i) subject to the prior written approval of the Attorney General, to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs 6(b) (i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation. Failure of the Attorney General to give the approval called for in 6(b)(i) shall not prejudice the rights of the insured unless the Company is prejudiced thereby, and then only to the extent of the prejudice.

#### **7. DETERMINATION AND EXTENT OF LIABILITY:**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the amount of insurance stated in Schedule A; or

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

#### **8. APPORTIONMENT:**

If the land described in Schedule [A][C] consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each

parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

**9. LIMITATION OF LIABILITY:**

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.



**10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY:**

All payments under this policy, except payments made for costs, attorneys' fees and expenses shall reduce the amount of the insurance *pro tanto*.

**11. LIABILITY NONCUMULATIVE:**

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

**12. PAYMENT OF LOSS:**

(a) No payment shall be made without producing this policy or an accurate facsimile for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

**13. SUBROGATION UPON PAYMENT OR SETTLEMENT:****(a) The Company's Right of Subrogation**

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall

not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

**(b) The Company's Rights Against Non-insured Obligors**

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

**(c) No Subrogation to the Rights of the United States**

Notwithstanding the provisions of Conditions and Stipulations Section 13(a) and (b), whenever the Company shall have settled and paid a claim under this policy, the Company shall not be subrogated to the rights of the United States. The Attorney General may elect to pursue any additional remedies which may exist, and the Company may

be consulted. If the Company agrees in writing to reimburse the United States for all costs, attorneys' fees and expenses, to the extent that funds are recovered, they shall be applied first to reimbursing the Company for the amount paid to satisfy the claim, and then to the United States.

**14. ARBITRATION ONLY BY AGREEMENT:**

Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters shall be arbitrated only when agreed to by both the Company and the insured.

The law of the United States, or if there be no applicable federal law, the law of the situs of the land shall apply to an arbitration under the title insurance arbitration rules.

A copy of the rules may be obtained from the Company upon request.

**15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT:**

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the president, a vice president, the secretary, an assistant secretary, or validating officer or authorized signatory of the Company.

**16. SEVERABILITY:**

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

**17. NOTICES, WHERE SENT.**

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at (fill in).

NOTE: Bracketed [] material optional

**NM FORM 35: NOTICE TO PURCHASER INSURED ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number\_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

READ THIS NOTICE TO FAMILIARIZE  
YOURSELF WITH ADDITIONAL COVERAGES  
AVAILABLE

The New Mexico Office of the Superintendent of Insurance requires that this Notice be given in connection with all commitments/binders issued for title insurance owner's policies on one to four residential family properties.

THIS NOTICE SHOULD BE RETURNED TO THE COMPANY AT THE EARLIEST POSSIBLE TIME. IT MUST BE SIGNED NOT LATER THAN CLOSING. FAILURE TO ACT IMMEDIATELY COULD DELAY CLOSING SINCE NO TITLE POLICY CAN BE ISSUED UNTIL THIS DOCUMENT IS SIGNED AND RETURNED TO THE COMPANY.

Standard title insurance policies do not cover certain risks. These risks include the standard exceptions shown on your commitment/binder schedule "B", which will also be part of your policy. Standard exceptions 1, 2, 3, 4, and 5 (like all the exceptions) limit the coverage under your title policy. However, some of this coverage can be reinstated as described below.

Standard Exception 1 (Parties in Possession) excludes coverage for certain claims of tenants, squatters or other persons who may claim possession of the property. Standard Exception 1 may be deleted and the coverage reinstated if you meet certain requirements. There is no extra premium charge for this coverage, but there may be a charge for inspection of the property.

Do you want this coverage? Yes\_\_\_\_\_ No \_\_\_\_\_

Standard Exception 2 (Unrecorded Easements) excludes coverage for easements not shown in the public records. Standard exception 2 may be deleted and the coverage reinstated if you meet certain requirements. There is no extra premium charge for this coverage, but a survey meeting the insurer's requirements is required and there may be a charge for an inspection.

Do you want this coverage? Yes\_\_\_\_\_ No \_\_\_\_\_

Standard Exception 3 (Survey Protection) excludes coverage for encroachments, overlaps, conflicts in boundary lines, , or other matters which would be disclosed by an accurate survey and inspection of the premises. Standard exception 3 may be deleted and the coverage reinstated if you meet certain requirements. The charge for this coverage is 15% of the full basic rate, and you must provide a survey meeting the insurer's requirements for insurability.

Do you want this coverage? Yes\_\_\_\_\_ No \_\_\_\_\_

Standard Exception 4 (Lien Coverage) excludes coverage for certain liens (i.e. claims filed for

payment for services and materials provided in connection with the property) not filed in the public records on the policy date. Standard exception 4 may be deleted and the coverage reinstated if you satisfy certain requirements. The charge for this coverage is \$50 if the statutory time limit for filing a lien has expired. If the time limit has not expired, the charge is \$3.00 for each \$1,000 of insurance. In either case, you will have to provide information that the company requires, and the Buyer or Seller will be responsible for any cost of providing such information.

Do you want this coverage? Yes \_\_\_\_\_ No \_\_\_\_\_

PLEASE ACKNOWLEDGE YOU HAVE BEEN MADE AWARE THAT YOU MAY INCREASE YOUR TITLE POLICY AMOUNT IF YOU ADD IMPROVEMENTS, OR IF THE VALUE OF YOUR PROPERTY INCREASES OVER TIME, BY REQUESTING AN INCREASE IN COVERAGE AND PAYING THE APPLICABLE PREMIUMS. THIS WILL NOT CHANGE THE TERMS OF THE POLICY OTHER THAN THE AMOUNT.

\_\_\_\_\_ initial here

Upon the company's receipt of this signed notice, it may require that certain information and documents be produced. For example, a survey, inspection, lien waivers, affidavits, financial statements, etc. may be requested. The information requested will vary depending upon what additional coverage you have requested, the insurer's guidelines for issuing such coverage and the particular transaction involved. Providing this information and examining it may extend the length of time needed to close and to prepare your title policy. TO AVOID DELAYS YOU ARE REQUESTED TO FILL OUT, SIGN AND RETURN THIS NOTICE TO THE COMPANY AS SOON AS POSSIBLE, ESPECIALLY IF YOU WANT ANY OF THE ADDITIONAL COVERAGES.

If you need further information concerning cost or requirements for obtaining the coverages only, you should call the Company at the telephone number given at the beginning of this Notice. IF YOU DO NOT UNDERSTAND THE ADDITIONAL COVERAGES, OR WANT TO KNOW IF YOU NEED THESE COVERAGES, YOU ARE ENCOURAGED TO SEEK AN ATTORNEY'S ADVICE. THE CLOSING OFFICER AND THE COMPANY'S PERSONNEL ARE NOT REQUIRED AND MAY NOT BE QUALIFIED TO ANSWER SUCH QUESTIONS.

Purchaser(s) \_\_\_\_\_ Date \_\_\_\_\_

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 41 - LIMITED PRE-FORECLOSURE TITLE INSURANCE  
POLICY**

**LIMITED PRE-FORECLOSURE POLICY  
Issued By  
BLANK TITLE INSURANCE COMPANY**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 15 of the Conditions.

**This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured and is not an abstract of title or a report of a condition of title.**

**COVERED  
RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE AND THE CONDITIONS, BLANK TITLE INSURANCE COMPANY, a Blank corporation (the "Company"), insures as of Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of any of the following matters, if not identified in Schedule B:

1. An instrument purporting to change or evidencing a change in the ownership of the Title and recorded in the public records subsequent to the recording of the Insured's Mortgage.
2. An instrument purporting to create a right or interest affecting the Title and recorded in the Public Records subsequent to the recording of the Insured's Mortgage.



3. A Mortgage, notice of Mechanic's Lien, Judgment Lien, federal tax lien, or other lien affecting the Title and recorded in the Public Records subsequent to the recording of the Insured's Mortgage.
4. A Judgment Lien or federal tax lien affecting the Title and recorded in the Public Records against the names of the mortgagors of the Insured's Mortgage prior to the recording of the Insured's Mortgage.
5. A Notice of a Judicial Proceeding affecting the Title and recorded in the Public Records subsequent to the recording of the Insured's Mortgage.
6. A Notice of Bankruptcy specified in 11 U.S.C. Section 549 (c), affecting the Title and recorded in the Public Records subsequent to the recording of the Insured's Mortgage.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records subsequent to the recording of the Insured's Mortgage.
8. Ad valorem real estate taxes and assessments imposed by a governmental authority due and payable at Date of Policy.

BLANK TITLE INSURANCE COMPANY

By: \_\_\_\_\_

Authorized Signatory

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of Land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations;
- (b) any governmental police power;
2. rights of eminent domain. This exclusion does not modify or limit the coverage provided under Covered Risk 7.
3. defects, liens, encumbrances, adverse claims, transfers of the Title or other matters:
  - (a) created, suffered, assumed, or agreed to by the Insured;
  - (b) known to the Insured whether or not disclosed in the Public Records;
  - (c) resulting in no loss or damage to the Insured;
  - (d) attaching or created subsequent to Date of Policy;
  - (e) not recorded in the Public Records at Date of Policy; or
  - (f) resulting in loss or damage that would not have been sustained if the Insured had paid value for the Insured's Mortgage;
4. invalidity, unenforceability, or lack of priority of the Insured's Mortgage, or any assignment of it.
5. any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws. This exclusion does not modify or limit the coverage provided under Covered Risk 6.
6. any claim that Title to the Land is an Unmarketable Title.

## **CONDITIONS**

### **1. DEFINITION OF TERMS**

The following terms when used in this policy mean:

- (a) "Amount of Insurance" is the amount stated in Schedule A as it may be decreased by Section 9 of these conditions.
- (b) "Curative Action" is an act, payment or proceeding to eliminate a matter included within the Covered Risks but not excluded by the Exclusions from Coverage or identified in Schedule B.
- (c) "Date of Policy" is the date designated as "Date of Policy" in Schedule A.

- (d) "Indebtedness" is the obligation secured by the Insured's Mortgage including one evidenced by electronic means authorized by law and, if that obligation is the payment of a debt, the Indebtedness is the sum of:
  - (i) the amount of the principal disbursed as of Date of Policy;
  - (ii) interest on the loan;
  - (iii) the expenses of foreclosure and any other costs of enforcement;
  - (iv) the amounts to pay taxes and insurance; and
  - (v) the reasonable amounts expended to prevent deterioration of improvements;but the Indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.
- (e) "Insured's Mortgage" is the Mortgage described in paragraph 3 of Schedule A.
- (f) "Insured" is the Insured named in Schedule A.

- (g) “Judgment Lien” is a judgment, abstract of judgment, tax lien (other than a lien for ad valorem real estate taxes or assessments), or support lien recorded in the Public Records, and having the effect of a judgment for the payment of money.
- (h) “Knowledge” or “Known” is actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (i) “Land” is the Land described in Schedule A, and affixed improvements that by law constitute real property. The term “Land” does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways.
- (j) “Mechanic’s Lien” is a private, statutory lien or claim of lien, affecting the Title that arises from services provided, labor performed, or materials or equipment furnished for the construction of an improvement or work on the Land.
- (k) “Mortgage” means mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (l) “Notice of Bankruptcy” is a document specified in 11 U.S.C. Section 549 (c) setting forth the nature and venue of and debtor in a bankruptcy proceeding.
- (m) “Notice of a Judicial Proceeding” is a notice of *lis pendens* or other document required or permitted under state statutes to provide constructive notice of a judicial proceeding affecting the Title and setting forth the nature and venue of and parties to the proceeding and describing any part of the Land.
- (n) “Public Records” means Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (o) “Title” is the estate or interest described in Schedule A.
- (p) “Unmarketable Title” means title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title or a prospective purchaser of the Insured’s Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

## **2. NOTICE OF CLAIM TO BE GIVEN BY INSURED**

The Insured shall notify the Company promptly in writing in case Knowledge shall come to the Insured of a matter that might cause loss or damage for which the Company may be liable by virtue of this policy. If the Company is prejudiced by the failure of the Insured

to provide prompt notice, the Company's liability to the Insured under the policy shall be reduced to the extent of the prejudice.

**3. NO DUTY TO DEFEND OR PROSECUTE**

The Company shall have no duty to defend or prosecute any action or proceeding to which the Insured is a party, notwithstanding the nature of any allegation in such action or proceeding. However, the Company has the rights listed in Section 4 of these Conditions.

**4. COMPANY'S OPTION TO DEFEND OR PROSECUTE ACTIONS; DUTY OF INSURED TO COOPERATE**

(a) In addition to the options contained in Section 6 of these Conditions and whether or not the Company shall be liable to the Insured, the Company shall have the right, but not the obligation, at its own cost, to undertake any Curative Action that in its opinion may prevent or reduce loss or damage to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(b) If the Company brings an action or asserts a defense permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

(c) In all cases where this policy permits the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at the Company's option, the name of the Insured for this purpose.

(d) If requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid: (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and (ii) in any other lawful act that, in the opinion of the Company, may be necessary or desirable to avoid or mitigate a loss under this policy. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, with regard to the matter or matters requiring such cooperation.

**5. PROOF OF LOSS OR DAMAGE**



(a) In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured furnish a signed proof of loss. The proof of loss must describe the matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

(b) The Company may reasonably require the Insured to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

#### **6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY**

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.

(i) To pay or tender payment of the amount of insurance under this policy. In addition, if the Company exercises its rights under Section 4 of these conditions it will pay any costs, attorneys' fees, and expenses authorized by the Company and incurred by the Insured; or

(ii) To purchase the indebtedness for the amount of the indebtedness on the date of purchase. When the Company purchases the indebtedness, the Insured shall transfer, assign, and convey to the Company the indebtedness and the Insured's Mortgage, together with any collateral security.

Upon the exercise by the Company of either of the options provided for in subsections (a)(i) or (ii), all liability and obligations of the Company to the Insured under this policy for the claimed loss or damage, other than to make the payments required in those subsections, shall terminate.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured.

(i) To pay or otherwise settle with other parties for or in the name of an Insured any claim insured against under this policy. In addition, if the Company exercises its rights under Section 4 of these conditions it will pay any costs, attorneys' fees, and expenses authorized by the Company and incurred by the Insured; or

(ii) To pay or otherwise settle with the Insured the loss or damage provided for under this policy. In addition, if the Company exercises its rights under Section 4 of these Conditions it will pay any costs, attorneys' fees, and expenses authorized by the Company and incurred by the Insured.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), all liability and obligations of the Company to the Insured under this policy for the claimed loss or damage, other than the payments required in those subsections, shall terminate.

## **7. DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured who has suffered loss or damage by reason of matters insured against by this policy.

The extent of liability of the Company for loss or damage under this policy shall not exceed the least of:

(a) the Amount of Insurance;

(b) the Indebtedness;

(c) costs, attorneys' fees, and expenses incurred or authorized in writing by the Company in completing any Curative Action; or

(d) the difference between the value of the Title without the matter insured against and the value of the Title subject to the matter insured against by this policy.

## **8. LIMITATION OF LIABILITY**

(a) If the Company cures any matter insured against by this policy in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals.

(c) The Company shall have no liability for loss or damage to the Insured, resulting from any delay in the enforcement of the Insured Mortgage, including lost interest, reduction in the value of the security or collateral, taxes, assessments, insurance or maintenance.

(d) The Company shall not be liable for loss or damage to, or attorneys' fees, expenses or liability incurred by, the Insured in conducting a Curative Action or settling any claim or suit without the prior written consent of the Company.

## **9. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY**

(a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses under Section 4 of these conditions, shall reduce the Amount of Insurance by the amount of the payments.

(b) The voluntary satisfaction or release of the Insured's Mortgage, other than foreclosure of the Insured's Mortgage or the acceptance of delivery of a deed of lieu of foreclosure of the Insured's Mortgage, shall terminate all liability of the Company.

## **10. PAYMENT OF LOSS**

When liability and the extent of loss or damage have been definitely fixed in accordance with these conditions, the payment shall be made within 30 days.

## **11. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT**

(a) The Company's Right to Recover.

Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured in the Title or Insured's Mortgage and to all other rights and remedies in respect to the claim that the Insured has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured shall permit the Company to sue, compromise, or settle in the name of the Insured and to use the name of the Insured in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured, the Company shall defer the exercise of its right to recover until after the Insured shall have recovered its loss.

**(b) The Company's Rights Against Noninsured Obligors.**

The Company's right of subrogation includes the Insured's rights against non-insured obligors including the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

The Company's right of subrogation shall not be avoided by acquisition of the Insured's Mortgage by an obligor who acquires the Insured's Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be an Insured under this policy.

**12. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of a matter insured against by this policy or by any action asserting such matter shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it shall not: (i) modify any of the terms and provisions of the policy; (ii) modify any prior endorsement; (iii) extend the Date of Policy; or (iv) increase the Amount of Insurance.

### 13. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

## 14. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

The law of the jurisdiction where the Land is located shall apply to determine the validity of matters insured against under this policy and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

## 15. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at [fill in].

## Schedule A

Name and Address of Title Insurance Company:

[File No.:                 ]                 Policy No.:

[Address Reference: ]

Amount of Insurance: \$ [Premium: \$ ]

Date of Policy: [at \_\_\_\_\_ a.m./p.m.]

1. Name of Insured:
2. The estate or interest in the Land that is the subject of coverage in this policy is:
3. The Insured's Mortgage is described as follows:
4. The Land referred to in this policy is described as follows:

**Schedule B**

This policy does not insure against loss or damage by reason of:

(List matters identified in accordance with the Covered Risks.)



**NM FORM 42: LIMITED PRE-FORECLOSURE DATE-DOWN ENDORSEMENT**

**This Endorsement is issued as part of  
Policy Number  
Issued by  
BLANK TITLE COMPANY**

1. The Date of Policy is changed to:
2. Schedule A is also amended as follows:
3. Schedule B is amended to add the following matters:

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 43: INSURING AROUND ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number\_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company hereby insures the insured against loss or damage covered or to be covered under the Policy Insuring Agreements which the insured shall sustain in connection with Item\_\_\_\_, Schedule B.

This endorsement is made a part of the commitment or policy. It is subject to all the terms of the commitment or policy and prior endorsements. Except as expressly stated on this endorsement, the terms, dates and amounts of the commitment or policy and prior endorsements are not changed.

Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 44: REVOLVING CREDIT – INCREASED CREDIT LIMIT ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The provisions of said Policy are hereby modified and amended as of the date hereof as to the following matters and none other:

The insurance afforded by this endorsement is only effective if the land is used or is to be used primarily for one to four family residential purposes.

A. Upon the representation and assurance by the Insured, that the Insured has increased the borrower's credit limit under the \_\_\_\_\_ ("Agreement") in the sum of \$\_\_\_\_\_, and that this sum is secured by the mortgage referred to in Schedule A, the Company hereby insures the Insured against loss which the Insured shall sustain by reason of:

(1) Title to the estate or interest being vested at date of this endorsement, in other than the vestee(s) shown in Paragraph 3 of Schedule A, except as affected by the following matters: \_\_\_\_\_

(2) Priority over the mortgage, insofar as the same secures the increased credit limit, of any lien or encumbrance existing at the date of this endorsement which is not shown or referred to in Schedule B as prior to the mortgage nor excluded from coverage in the Conditions and Stipulations or Schedule of Exclusion from Coverage, except as affected by the following matters: \_\_\_\_\_

(3) Any release, full or partial, or modification or subordination of the mortgage shown by the public records at the date of this endorsement, except for the following instruments: \_\_\_\_\_

B. The assurances, terms and exceptions contained in the previously issued revolving credit endorsement attached to the policy shall apply to subsequent advances made under the increased credit limit above, except that no coverage is afforded as to matters referred to in Paragraph A above.

The total liability of the Company under said Policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said Policy, plus the amount of the increased credit limit (which together now constitute the new "face amount" of the policy) and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This endorsement is made a part of the Policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy or commitment and prior endorsements, if any, nor does it extend the effective date of the Policy or commitment and prior endorsements.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 45: RESIDENTIAL LIMITED COVERAGE JUNIOR  
LOAN POLICY  
issued by  
BLANK TITLE INSURANCE COMPANY**

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 16.

**COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN THE SCHEDULE, AND THE CONDITIONS, and provided that the Land is improved with an existing one-to-four family residence or residential condominium unit, [Blank Title Insurance Company], a [Blank] corporation (the "Company"), insures as of the Date of Policy against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Grantee not being the named grantee on the last document, recorded in the Public Records as of the Date of Policy, purporting to vest the Title.
2. The description of the Land in the Schedule not being the same as that contained in the last document, recorded in the Public Records as of the Date of Policy, purporting to vest the Title.
3. A Monetary Lien recorded in the Public Records as of the Date of Policy.
4. Any ad valorem taxes or assessments of any governmental taxing authority that constitute a lien on the Title and that, as of the Date of Policy, appear in the official ad valorem tax records where the Land is located.

**DEFENSE OF  
COVERED CLAIMS**

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

By: \_\_\_\_\_  
[Authorized Signatory]

---

**EXCLUSIONS FROM COVERAGE**

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. Any invalidity, unenforceability, or ineffectiveness of the Identified Mortgage.
2. Any lien on the Title for real estate taxes or assessments imposed or collected by governmental authority that becomes due and payable after the Date of Policy.  
Exclusion 2 does not modify or limit the coverage provided under Covered Risk 4.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - a. created, suffered, assumed or agreed to by the Insured Claimant;
  - b. Known to the Insured Claimant, whether or not disclosed in the Public Records;
  - c. resulting in no loss or damage to the Insured Claimant; or
  - d. recorded or filed in the Public Records subsequent to the Date of Policy.

[Transaction Identification Data, for which the Company assumes no liability as set forth in

Condition 9.e.:

Issuing Agent:

Issuing Office:

Issuing Office's ALTA<sup>®</sup> Registry ID:

Loan ID Number:

Issuing Office File Number:

Property Address:]

### SCHEDULE

Name and Address of Title Insurance Company:

Policy Number:

Amount of Insurance: \$ [Premium: \$ ]

Date of Policy: [at a.m./p.m.]

1. The Insured is:
2. Grantee:
3. The Land referred to in this policy is described as follows:

### EXCEPTIONS

**Some historical land records contain discriminatory covenants that are illegal and unenforceable by law. If a document identified as an Exception or otherwise referred to in this policy contains a provision that, under applicable law, illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, then that illegal provision is repudiated and not published or republished.**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) resulting from the following matters:

[1. Insert tax exception(s)]

[Insert signature block for issuing office]

---

**CONDITIONS****1. DEFINITIONS OF TERMS**

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
  - i. that is wholly owned by the Insured;
  - ii. that wholly owns the Insured; or
  - iii. if that Entity and the Insured are both wholly owned by the same person or Entity.
- b. "Amount of Insurance": The Amount of Insurance stated in the Schedule, as may be decreased by Condition 10; or increased or decreased by endorsements to this policy.
- c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.
- d. "Date of Policy": The Date of Policy stated in the Schedule.
- e. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- f. "Government Mortgage Agency or Instrumentality": Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.
- g. "Grantee: The Grantee identified in the Schedule.
- h. "Indebtedness": Any obligation secured by the Identified Mortgage, including an obligation evidenced by electronic means authorized by law. If that obligation is the payment of a debt, the Indebtedness is:
  - i. the sum of:
    - (a). principal disbursed as of the Date of Policy;
    - (b). provided that an NM FORM 47- Endorsement to this Policy is issued, principal disbursed subsequent to the Date of Policy, but only to the extent of the coverage in the NM FORM 47 - Endorsement;
    - (c). interest on the loan;
    - (d). expenses of foreclosure and any other costs of enforcement;
    - (e). advances for insurance premiums;
    - (f). advances to assure compliance with law or to protect the validity, enforceability, or priority of the lien of the Identified Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to:
      - (1). real estate taxes and assessments imposed by a governmental taxing authority, and
      - (2). regular, periodic assessments by a property owners' association; and
    - (g). advances to prevent deterioration of improvements before the Insured's acquisition of the Title, but
  - ii. reduced by the sum of all payments and any amounts forgiven by an Insured.



**i. “Insured”:**

- i. (a). The Insured named in Item 1 of the Schedule or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:
  - (1). owns the Indebtedness for its own account or as a trustee or other fiduciary, or
  - (2). owns the Title after acquiring the Indebtedness;
- (b). the person or Entity who has “control” of the “transferable record,” if the Indebtedness is evidenced by a “transferable record,” as defined by applicable electronic transactions law;
- (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
- (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity;
- (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is an Affiliate;
- (f). an Affiliate that acquires the Title through foreclosure or deed in lieu of foreclosure of the Identified Mortgage; or
- (g). any Government Mortgage Agency or Instrumentality.
- ii. With regard to Conditions 1.i.i.(a). and 1.i.i.(b)., the Company reserves all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- iii. With regard to Conditions 1.i.i.(c)., 1.i.i.(d)., 1.i.i.(e)., and 1.i.i.(f)., the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.

**j. “Insured Claimant”:** An Insured claiming loss or damage arising under this policy.

**k. “Identified Mortgage”:** The Mortgage identified in the NM FORM 46 - Endorsement to this policy.

**l. “Knowledge” or “Known”:** Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.

**m. “Land”:** The land described in Item 3 of the Schedule and improvements located on that land at the Date of Policy that by State law constitute real property. The term “Land” does not include any property beyond that described in the Schedule, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway.

**n. “Mortgage”:** A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.

**o. “Monetary Lien”:** Any Mortgage, deed of trust, judgment lien or other lien affecting the Title securing the obligation to pay money, but not including any lien created in any easement, covenant, condition, restriction, or declaration of condominium or

planned unit development, except to the extent that a separate notice of enforcement of a specific delinquent charge or assessment affecting the Title has been recorded in the Public Records.

p. **“Obligor”**: A person or Entity that is or becomes a maker, borrower, or guarantor as to all or part of the Indebtedness or other obligation secured by the Identified Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.

q. **“Public Records”**: The recording or filing system established under **Section 14-9-1 NMSA 1978, as amended to the Date of Policy, under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge.**

r. **“State”**: The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term “State” also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.

s. **“Title”**: The estate or interest in the Land purported to be vested in the Grantee.

## 2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured after the Insured’s acquisition of the Title either through foreclosure or deed in lieu of foreclosure of the lien of the Identified Mortgage. Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or Entity that is not the Insured.

## 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of any litigation or other matter for which the Company may be liable under this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company’s liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

**4. PROOF OF LOSS**

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

**5. DEFENSE AND PROSECUTION OF ACTIONS**

a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.

b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be necessary or desirable to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.

c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

**6. DUTY OF INSURED CLAIMANT TO COOPERATE**

a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.

When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:

i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and

ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the lien of the Identified Mortgage, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy

terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

## **7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**

In case of a claim under this policy, the Company has the following additional options:

a. *To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness*

i. To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or

ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Identified Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*

i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys'

fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

#### **8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.

a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:

- i. the Amount of Insurance;
- ii. the Indebtedness;
- iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
- iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Identified Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Identified Mortgage.

b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:

- i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Identified Mortgage; or
- ii. the date the lien of the Identified Mortgage is finally determined to be subject to a matter insured against by this policy.

c. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

#### **9. LIMITATION OF LIABILITY**

a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company removes the alleged matter insured against by a Covered Risk in this policy. The Company may do so by any method, including litigation and the completion of any appeals.

b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the lien of the Identified Mortgage resulting from a matter insured against by this policy.

c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

d. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.

e. The Company is not liable for the content of the Transaction Identification Data, if any.

#### **10. REDUCTION OR TERMINATION OF INSURANCE**

a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment.

b. The voluntary satisfaction or release of the Identified Mortgage terminates all liability of the Company, except as provided in Condition 2.

#### **11. PAYMENT OF LOSS**

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

#### **12. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT**

##### **a. Company's Right to Recover**

i. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title or Identified Mortgage and all other rights and remedies of the Insured Claimant in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

ii. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.

##### **b. Company's Subrogation Rights against Obligor**

The Company's subrogation right includes the Insured's rights against Obligor including the Insured's rights to repayment under a note, indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights. An Obligor cannot avoid the Company's subrogation right by acquiring the Indebtedness as a result of an indemnity,



guaranty, warranty, insurance policy, or bond, or in any other manner. The Obligor is not an Insured under this policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage Agency or Instrumentality.

c. Insured's Rights and Limitations

i. The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Identified Mortgage, or release any collateral security for the Indebtedness, if the action does not affect the enforceability or priority of the lien of the Identified Mortgage.

ii. If the Insured exercises a right provided in Condition 12.c.i. but has Knowledge of any matter insured against by this policy, the Company is required to pay only that part of the loss insured against by this policy that exceeds the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's subrogation right.

**13. POLICY ENTIRE CONTRACT**

a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.

b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:

- i. modify any prior endorsement,
- ii. extend the Date of Policy,
- iii. insure against loss or damage exceeding the Amount of Insurance, or
- iv. increase the Amount of Insurance.

**14. SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

**15. CHOICE OF LAW AND CHOICE OF FORUM**

a. Choice of Law

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims adverse to the lien of the Identified Mortgage and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.



b. Choice of Forum

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

**16. NOTICES**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: \_\_\_\_*(fill in)*\_\_\_\_

*NOTE: Bracketed [ ] material optional*

**NM FORM 46: JR 1 ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. This endorsement is subject to the Exclusions from Coverage, the Exceptions contained in the Schedule and the Conditions in the policy.
2. Date of Endorsement: \_\_\_\_\_ [or the date of recording of the Identified Mortgage, whichever is later].
3. The Identified Mortgage means: *(describe the Identified Mortgage)*.
4. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. Any document purporting to vest the Title recorded in the Public Records subsequent to the Date of Policy and on or prior to the Date of Endorsement, except:
    - [i.
    - ii..
    - iii.]
  - b. Any Monetary Lien other than the Identified Mortgage, recorded in the Public Records subsequent to the Date of Policy and on or prior to the Date of Endorsement except:
    - [i.
    - ii..
    - iii.]

If the box is checked, this policy incorporates the NM FORM 47 JR 2 Endorsement:

\_\_\_\_\_

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

**BLANK TITLE INSURANCE COMPANY**

**By: \_\_\_\_\_**  
**[Authorized Signatory]**

**NM FORM 47: JR 2 ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. This endorsement is subject to the Exclusions from Coverage, the Exceptions contained in the Schedule and the Conditions in the policy.
2. This endorsement applies if:
  - a. The Identified Mortgage creates a valid and enforceable lien on the Title;
  - b. The borrower named in the Identified Mortgage ("Borrower") is the owner of the Title at the date an advance is made pursuant to the note or agreement secured by the Identified Mortgage;
  - c. The Identified Mortgage secures repayment of future advances; and
  - d. The policy has been endorsed with an NM FORM 46 JR 1.
3. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. A future advance secured by the Identified Mortgage not having the same priority over a Monetary Lien as the Identified Mortgage, except for the following matters:
    - i. Ad valorem taxes or assessments;
    - ii. Federal tax liens;
    - iii. Environmental protection liens;
    - iv. Monetary Liens or claims of lien Known to the Insured prior to the date of an advance; or
    - v. Monetary Liens or claims of lien for services, labor, materials or equipment.
  - b. The invalidity or unenforceability of the lien of the Identified Mortgage resulting from the provisions of the Identified Mortgage which provide for changes in the rate of interest.
  - c. Loss of priority of the lien of the Identified Mortgage resulting from changes in the rate of interest calculated in accordance with the formula provided in the Identified Mortgage at the date it is recorded in the Public Records.
4. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, resulting from:
  - a. The failure of:
    - i. the Borrower to own the Title;
    - ii. the Identified Mortgage to create a valid and enforceable lien on the Title;
    - iii. the Identified Mortgage to have priority, except to the extent expressly provided in Section 3 of this endorsement; or

b. The application of:

- i. usury law,
- ii. Consumer Protection Law, or
- iii federal bankruptcy, state insolvency, or similar creditors' rights law.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 49: NOTICE OF AVAILABILITY OF FUTURE INCREASE IN COVERAGE AND  
POTENTIAL PREMIUM DISCOUNT FOR FUTURE POLICIES ENDORSEMENT**

This endorsement is issued as part of

Policy Number \_\_\_\_\_

Issued by

**BLANK TITLE INSURANCE COMPANY**

**NOTICE OF AVAILABILITY OF FUTURE INCREASE IN COVERAGE AND POTENTIAL  
PREMIUM DISCOUNTS FOR FUTURE POLICIES**

(To be attached to all policies issued on one to four family residential properties)

(Name, Address, and Telephone Number of Agency/Insurer)

A. Notice of Availability of Future Increase in Coverage.

**READ THIS NOTICE TO FAMILIARIZE YOURSELF WITH IMPORTANT INFORMATION  
REGARDING YOUR TITLE INSURANCE COVERAGE**

An Owner's Policy may be endorsed to reflect the current value of the estate insured (upon payment of the current basic premium according to the schedule less the amount previously paid for said policy) if the insurer's underwriting standards are met; provided, however, that the effective date of the policy shall remain unchanged and no affirmative coverages or down dates shall be added to the policy.

PLEASE KEEP THIS TITLE INSURANCE POLICY. IT IS AN IMPORTANT LEGAL DOCUMENT. AS YOU REVIEW IT FROM TIME TO TIME, BE AWARE THAT YOU MAY INCREASE YOUR TITLE POLICY AMOUNT IF YOU ADD IMPROVEMENTS, OR IF THE VALUE OF YOUR PROPERTY INCREASES OVER TIME, BY REQUESTING AN INCREASE IN COVERAGE AND PAYING THE APPLICABLE PREMIUMS. THIS WILL NOT CHANGE THE TERMS OF THE POLICY OTHER THAN THE AMOUNT.

B. Notice of Potential Premium Discounts for Future Policies.

YOUR TITLE POLICY IS AN IMPORTANT LEGAL DOCUMENT AND SHOULD BE STORED IN A SAFE, SECURE PLACE. YOUR TITLE POLICY MAY ENTITLE YOU TO VALUABLE DISCOUNTS IN THE FUTURE.

New Mexico title insurance premium rates are set every other year or approved by the New Mexico Superintendent of Insurance. These are the rates that must be charged for title insurance policies, title binders, and title policy endorsements by title insurance companies doing business in New Mexico. The Superintendent of Insurance does not regulate other title company charges.

Subject to limited exception, all premiums for title insurance policies are based on the amount of insurance coverage. Larger policies cost more than smaller policies.

In the future, there may be certain discounts from the standard owner's policy rates available to you, if your transaction meets the requirements for any particular discount. These current discounts are summarized below:

**Owner Policy Discounts:**

**Reissue Discount.** If you have an existing owner's policy of title insurance on the property when you sell your property, then a discount may apply based upon the age of the prior policy and the amount of the prior policy pursuant to 13.4.6.18 NMAC.

**Subdivider/Builder Rate.** Subject to certain conditions, if you are the seller of multiple lots within the same subdivision, you may be entitled to a 25% discount off the standard owner's policy rate, pursuant to 13.14.6.20 NMAC and 13.14.9.23 NMAC.

**Quick Resale Rate.** If you purchase an owner's policy within 30 days of the issuance of a prior policy on the same property, the cost of the new policy is 30% of the standard owner's policy rate, pursuant to 13.14.9.32 NMAC.

**Loan Policy Discounts:**

**General Lender Policy Rate.** Loan policies are generally 90% of the cost of the full basic rate of the owner's policy, unless one of the discounts available for loan policies applies, pursuant to 13.14.9.22 NMAC.

**Simultaneous Issue Rate.** If a lender title policy is issued simultaneously with the issuance of an owner's policy, the cost of the lender policy (up to the face amount of the owner's policy) is \$100.00, pursuant to 13.14.9.30 NMAC.

**Refinance Transactions.** If you are refinancing an existing mortgage loan, a discount may apply on the new loan policy, pursuant to 13.14.9.39 NMAC and 59A-30-6.1 NMSA.

**Second or Subsequent Mortgages.** If you produce an owner's policy of title insurance, you may be entitled to a discount called the "subsequent issue" rate, on future transactions involving second or subsequent mortgages pursuant to 13.14.9.36 NMAC.

ON YOUR NEXT TRANSACTION, ASK YOUR ESCROW OFFICER TO CONFIRM THAT YOU HAVE RECEIVED ANY AND ALL DISCOUNTS TO WHICH YOU ARE ENTITLED UNDER NEW MEXICO'S TITLE INSURANCE LAW AND REGULATIONS.

**NM 50: RESTRICTIONS, ENCROACHMENTS, MINERALS – LOAN POLICY ENDORSEMENT**

**The endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
Blank Title Insurance Company**

The Company insures the owner of the Indebtedness secured by the Insured Mortgage against loss or damage sustained by reason of:

1. The existence, at Date of Policy, of any of the following:
  - a. Covenants, conditions, or restrictions under which the lien of the Insured Mortgage can be divested, subordinated, or extinguished, or its validity, priority, or enforceability impaired.
  - b. Unless expressly excepted in Schedule B
    - i. Present violations on the Land of any enforceable covenants, conditions, or restrictions, and any existing improvements on the land described in Schedule A that violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
    - ii. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition, (A) establishes an easement on the Land, (B) provides a lien for liquidated damages, (C) provides for a private charge or assessment, (D) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant.
    - iii. Any encroachment of existing improvements located on the Land onto adjoining land, or any encroachment onto the Land of existing improvements located on adjoining land.
    - iv. Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
    - v. Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Any future violation on the Land of any existing covenants, conditions, or restrictions occurring prior to the acquisition of title to the estate or interest in the Land by the Insured, provided the violation results in:
  - a. the invalidity, loss of priority, or unenforceability of the lien of the Insured Mortgage; or
  - b. the loss of Title if the Insured shall acquire Title in satisfaction of the Indebtedness secured by the Insured Mortgage.
3. Damage to existing improvements, including lawns, shrubbery, or trees:



- a. that are located on or encroach upon that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;
  - b. resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing improvements on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1.b.i. and 5, the words "covenants, conditions, or restrictions" do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Blank Title Insurance Company

Authorized signatory\_\_\_\_\_

**NM 50.1; RESTRICTIONS, ENCROACHMENTS, MINERALS – LOAN POLICY  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures the owner of the Indebtedness secured by the Insured Mortgage against loss or damage sustained by reason of:

1. The existence at Date of Policy of any of the following:
  - a. Covenants, conditions, or restrictions under which the lien of the Insured Mortgage can be divested, subordinated, or extinguished or its validity, priority, or enforceability impaired.
  - b. Unless expressly excepted in Schedule B,
    - (i) Present violations on the Land of any enforceable covenants, conditions, or restrictions, or existing improvements on the Land which violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
    - (ii) Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition, (A) establishes an easement on the Land; (B) provides a lien for liquidated damages; (C) provides for a private charge or assessment; (D) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant.
    - (iii) Any encroachment of existing improvements located on the Land onto adjoining land or any encroachment onto the Land of existing improvements located on adjoining land.
    - (iv) Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
    - (v) Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Any future violation on the Land of any existing covenants, conditions, or restrictions occurring prior to the acquisition of Title by the Insured, provided the violation results in
  - a. invalidity, loss of priority, or unenforceability of the lien of the Insured Mortgage; or
  - b. loss of Title if the Insured shall acquire Title in satisfaction of the Indebtedness.
3. Damage to existing improvements, including lawns, shrubbery, or trees, located or encroaching on that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved.
4. Damage to improvements, including lawns, shrubbery, or trees, located on the Land on or after Date of Policy resulting from the future exercise of any right to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.

5. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment excepted in Schedule B.
6. Any final court order or judgment denying the right to maintain any existing improvements on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they do not include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1.b(i) and 6, the words "covenants, conditions, or restrictions" do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated: \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 51: LAND ABUTS STREET ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company hereby insures the insured against loss or damage which the insured shall sustain by reason of the failure of the land to abut upon a physically open street known as (insert name of street).

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 52: LOCATION ENDORSEMENT**

**This endorsement is issued as part of**

**Policy Number\_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

**The Company insures against loss or damage sustained by the insured by reason of failure of a (description of improvement), known as (street address), to be located on land at date of policy.**

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, the endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Blank Title Insurance Company

By;\_\_\_\_\_

Authorized Signatory

**NM FORM 54: CONTIGUITY – SINGLE PARCEL ENDORSEMENT**

This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
**BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. the failure of the Land to be contiguous to **[describe the land that is contiguous to the Land by its legal description or by reference to a recorded instrument - e.g. “. . . that certain parcel of real property legally described in the deed recorded as Instrument No. , records of County, State of ]** along the \_\_\_\_\_ boundary line[s]; or
2. the presence of any gaps, strips, or gores separating the contiguous boundary lines described above.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements to it.

[Witness clause optional]

Dated: \_\_\_\_\_

**BLANK TITLE INSURANCE COMPANY**

Authorized signatory

**NM FORM 55: NAMED INSURED ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

Paragraph 1(a) of Conditions and Stipulations is deleted and the following paragraph is substituted in its place:

“insured”: the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate, partnership or fiduciary successors, and specifically, without limitation, the following:

- (i) the successors in interest to a corporation, limited liability company, or limited liability partnership named as an insured in Schedule A resulting from merger, consolidation, conversion, or distribution of the assets of the corporation, limited liability company, or limited liability partnership upon partial or complete liquidation;
- (ii) the successors in interest to a general or limited partnership, limited liability company or limited liability partnership named as an insured in Schedule A which dissolves but does not terminate.
- (iii) the successors in interest to a general or limited partnership named as an insured in Schedule A resulting from distribution of the assets of the general or limited partnership upon partial or complete liquidation;
- (iv) the successors in interest to a joint venture named as an insured in Schedule A resulting from distribution of the assets of the joint venture upon partial or complete liquidation;
- (v) the trustee or successor trustee of a written trust instrument established by the insured named in Schedule A for estate planning purposes to whom title is transferred after the policy date;
- (vi) the successor or substitute trustee of a trustee named in a written trust instrument established by the insured named in Schedule A for estate planning purposes; or
- (vii) the successor in interest to a trustee or trust resulting from distribution to the beneficiaries of the trust of all or part of the assets of the trust established by the insured named in Schedule A for estate planning purposes.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsement, if any, nor does it extend the effective date of the policy and prior endorsements or increase the face amount thereof.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_



**NM FORM 56: RESTRICTIONS, ENCROACHMENTS, MINERALS – OWNER'S POLICY  
(UNIMPROVED LAND) ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B:
  - a. Present violations on the Land of any enforceable covenants, conditions, or restrictions.
  - b. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition, (i) establishes an easement on the Land; (ii) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant; or (iii) provides a right of reentry, possibility of reverter, or right of forfeiture because of violations on the Land of any enforceable covenants, conditions, or restrictions.
  - c. Any encroachment onto the Land of existing improvements located on adjoining land.
  - d. Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Damage to buildings constructed on the Land after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraph 1.a., the words "covenants, conditions, or restrictions" do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[DATE]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
**Authorized Signatory**

**NM FORM 56.1: RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT  
(OWNER'S POLICY – UNIMPROVED LAND)**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B:
  - a. Present violations on the Land of any enforceable covenants, conditions, or restrictions,
  - b. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition, (i) establishes an easement on the Land; (ii) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant; or (iii) provides a right of reentry, possibility of reverter, or right of forfeiture because of violations on the Land of any enforceable covenants, conditions, or restrictions.
  - c. Any encroachment onto the Land of existing improvements located on adjoining land.
  - d. Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Damage to improvements (excluding lawn, shrubbery, or trees) constructed on the Land after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they do not include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1.a., the words "covenants, conditions, or restrictions" do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

[DATE]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
**Authorized Signatory**

**NM FORM 57: RESTRICTIONS, ENCROACHMENTS, MINERALS – OWNER’S POLICY  
(IMPROVED LAND) ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B:
  - a. Present violations on the Land of any enforceable covenants, conditions, or restrictions, or any existing improvements on the Land which violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
  - b. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition, (i) establishes an easement on the Land; (ii) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant; or (iii) provides a right of reentry, possibility of reverter, or right of forfeiture because of violations on the Land of any enforceable covenants, conditions, or restrictions.
  - c. Any encroachment of existing improvements located on the Land onto adjoining land, or any encroachment onto the Land of existing improvements located on adjoining land.
  - d. Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
  - e. Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Damage to existing buildings
  - a. That are located on or encroach upon that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;
  - b. Resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
3. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment, other than fences, landscaping, or driveways, excepted in Schedule B.
4. Any final court order or judgment denying the right to maintain any existing building on the Land because of any violation of covenants, conditions, or restrictions, or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.

As used in paragraphs 1.a. and 4, the words “covenants, conditions, or restrictions” do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[DATE]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
          **Authorized Signatory**

**NM FORM 57.1: RESTRICTIONS, ENCROACHMENTS, MINERALS (OWNER'S POLICY – IMPROVED LAND) ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. The existence, at Date of Policy, of any of the following unless expressly excepted in Schedule B:
  - a. Present violations on the Land of any enforceable covenants, conditions, or restrictions, or any existing improvements on the Land that violate any building setback lines shown on a plat of subdivision recorded or filed in the Public Records.
  - b. Any instrument referred to in Schedule B as containing covenants, conditions, or restrictions on the Land that, in addition, (i) establishes an easement on the Land; (ii) provides for an option to purchase, a right of first refusal, or the prior approval of a future purchaser or occupant; or (iii) provides a right of reentry, possibility of reverter, or right of forfeiture because of violations on the Land of any enforceable covenants, conditions, or restrictions.
  - c. Any encroachment of existing improvements located on the Land onto adjoining land or any encroachment onto the Land of existing improvements located on adjoining land.
  - d. Any encroachment of existing improvements located on the Land onto that portion of the Land subject to any easement excepted in Schedule B.
  - e. Any notices of violation of covenants, conditions, or restrictions relating to environmental protection recorded or filed in the Public Records.
2. Damage to existing buildings that are located on or encroach upon that portion of the Land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved.
3. Damage to improvements (excluding lawns, shrubbery, or trees) located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of minerals excepted from the description of the Land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the Land of any encroachment, other than fences, landscaping, or driveways, excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing building on the Land because of any violation of covenants, conditions, or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the Public Records.

Wherever in this endorsement the words "covenants, conditions, or restrictions" appear, they do not include the terms, covenants, conditions, or limitations contained in an instrument creating a lease.



As used in paragraphs 1.a. and 5, the words “covenants, conditions, or restrictions” do not include any covenants, conditions, or restrictions (a) relating to obligations of any type to perform maintenance, repair, or remediation on the Land, or (b) pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances, except to the extent that a notice of a violation or alleged violation affecting the Land has been recorded or filed in the Public Records at Date of Policy and is not excepted in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[DATE]

**BLANK TITLE INSURANCE COMPANY**

**By:** \_\_\_\_\_  
**Authorized Signatory**

**NM FORM 58: FIRST LOSS—MULTIPLE PARCEL TRANSACTION ENDORSEMENT**

**This Endorsement is issued as part of Policy Number \_\_\_\_\_  
by**

**BLANK TITLE INSURANCE COMPANY**

This endorsement is effective only if the Collateral includes at least two parcels of real property.

1. For the purposes of this endorsement:
  - a. "Collateral" means all property, including the Land, given as security for the Indebtedness.
  - b. "Material Impairment Amount" means the amount by which any matter covered by the policy for which a claim is made diminishes the value of the Collateral below the Indebtedness.
2. In the event of a claim resulting from a matter insured against by the policy, the Company agrees to pay that portion of the Material Impairment Amount that does not exceed the extent of liability imposed by Section 8 of the Conditions without requiring:
  - a. maturity of the Indebtedness by acceleration or otherwise,
  - b. pursuit by the Insured of its remedies against the Collateral, or
  - c. pursuit by the Insured of its remedies under any guaranty, bond or other insurance policy.
3. Nothing in this endorsement shall impair the Company's right of subrogation. However, the Company agrees that its right of subrogation shall be subordinate to the rights and remedies of the Insured. The Company's right of subrogation shall include the right to recover the amount paid to the Insured pursuant to Section 2 of this endorsement from any debtor or guarantor of the Indebtedness, after payment or other satisfaction of the remainder of the Indebtedness and other obligations secured by the lien of the Insured Mortgage. The Company shall have the right to recoup from the Insured Claimant any amount received by it in excess of the Indebtedness up to the amount of the payment under Section 2.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

**BLANK TITLE INSURANCE COMPANY**

**By:** \_\_\_\_\_

**Authorized Signatory**

**NM FORM 60: AGGREGATION—LOAN POLICY ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The following policies are issued in conjunction with one another:

<u>POLICY NUMBER:</u>	<u>STATE:</u>	<u>AMOUNT OF INSURANCE:</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

2. The amount of insurance available to cover the Company's liability for loss or damage under this policy at the time of payment of loss shall be the Aggregate Amount of Insurance defined in Section 3 of this endorsement.

3. Subject to the limits in Section 4 of this endorsement, the Aggregate Amount of Insurance under this policy is \$ \_\_\_\_\_.

4. Condition 7.a. is restated in its entirety to read:

**7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of up to the Aggregate Amount of Insurance or to Purchase the Indebtedness*

- i. To pay or tender payment of the lesser of the value of the Title as insured at the date the claim was made by the Insured Claimant, or the Aggregate Amount of Insurance applicable under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or

- ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

5. Condition 8 is restated in its entirety to read:

**8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage

sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
  - i. the Aggregate Amount of Insurance;
  - ii. the Indebtedness;
  - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
  - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.
- b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
  - i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or
  - ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.
- c. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured, the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.iii.
- d. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

6. Condition 10 is restated in its entirety to read:

10. REDUCTION OR TERMINATION OF INSURANCE

- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Aggregate Amount of Insurance by the amount of the payment. However, any payment made by the Company prior to the acquisition of the Title as provided in Condition 2 does not reduce the Aggregate Amount of Insurance afforded under this endorsement, except to the extent that the payment reduces the Indebtedness.
- b. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the amount credited against the Indebtedness does not reduce the Aggregate Amount of Insurance.
- c. The voluntary satisfaction or release of the Insured Mortgage terminates all liability of the Company under this policy, except as provided in Condition 2, but it will not reduce the Aggregate Amount of Insurance for the other policies identified in Section 1 of this endorsement.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a

previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 60.1: AGGREGATION—STATE LIMITS—LOAN POLICY ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The following policies are issued in conjunction with one another:

<u>POLICY NUMBER:</u>	<u>STATE:</u>	<u>AMOUNT OF INSURANCE:</u>
		\$
		\$
		\$

2. The amount of insurance available to cover the Company's liability for loss or damage under this policy at the time of payment of loss shall be the Aggregate Amount of Insurance defined in Section 3 of this endorsement.
3. Subject to the limits in Section 4 of this endorsement, the Aggregate Amount of Insurance under this policy is either:
- \$ \_\_\_\_\_; or
  - If the Land is located in one of the states identified in this subsection, then the Aggregate Amount of Insurance is restricted to the amount shown below:

<u>STATE:</u>	<u>AGGREGATE AMOUNT OF INSURANCE:</u>
	\$
	\$

4. Condition 7.a. is restated in its entirety to read:
7. **OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**
- In case of a claim under this policy, the Company has the following additional options:
- To Pay or Tender Payment of up to the Aggregate Amount of Insurance or to Purchase the Indebtedness*
    - To pay or tender payment of the lesser of the value of the Title as insured at the date the claim was made by the Insured Claimant, or the Aggregate Amount of Insurance applicable under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
    - To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

**5.** Condition 8 is restated in its entirety to read:

**8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:
  - i. the Aggregate Amount of Insurance for the State where the Land is located;
  - ii. the Indebtedness;
  - iii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy; or
  - iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Insured Mortgage.
- b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:
  - i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Insured Mortgage; or
  - ii. the date the lien of the Insured Mortgage or any assignment set forth in Item 4 of Schedule A is extinguished or rendered unenforceable by reason of a matter insured against by this policy.
- c. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured, the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.iii.
- d. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.c., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.



6. Condition 10 is restated in its entirety to read:

10. REDUCTION OR TERMINATION OF INSURANCE

- a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the applicable Aggregate Amount of Insurance by the amount of the payment. However, any payment made by the Company prior to the acquisition of the Title as provided in Condition 2 does not reduce the Aggregate Amount of Insurance afforded under this endorsement, except to the extent that the payment reduces the Indebtedness.
- b. If this policy insures the Title to Land located in a state identified in Section 3.b. of this endorsement:
  - i. all payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Aggregate Amount of Insurance by the amount of the payment; but
  - ii. a payment made for loss or damage on Land insured in one of the policies identified in Section 1 on Land located outside this state does not reduce the Aggregate Amount of Insurance in Section 3.b. of this endorsement until the Aggregate Amount of Insurance in Section 3.a. is reduced below the Aggregate Amount of Insurance in Section 3.b.
- c. When the Title is acquired by the Insured as a result of foreclosure or deed in lieu of foreclosure, the amount credited against the Indebtedness does not reduce the Aggregate Amount of Insurance.
- d. The voluntary satisfaction or release of the Insured Mortgage terminates all liability of the Company under this policy, except as provided in Condition 2, but it will not reduce the Aggregate Amount of Insurance for the other policies identified in Section 1 of this endorsement.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 61: FOUNDATION ENDORSEMENT**

**This endorsement is issued as part of**

**Policy Number \_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

The Company hereby insures the owner of the indebtedness secured by the insured mortgage against loss or damage which the insured shall sustain by reason of:

- (1) The failure of the foundation of the structure under construction on the land to be within the boundary lines of the land as of the date hereof;
- (2) The location of the foundation as of the date hereof being in violation of the covenants, conditions or restrictions referred to in Schedule B as of the date herein, except  
  
(describe the violation or state "none").
- (3) The foundation encroaching as of the date hereof onto any of the easements referred to in Schedule B, except  
  
(describe the encroachment or state "none").

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 62: ASSIGNMENT OF RENTS / LEASES ENDORSEMENT**

**This endorsement is issued as part of**  
**Policy Number**\_\_\_\_\_  
**Issued by**  
**BLANK TITLE INSURANCE COMPANY**

The Company hereby insures the insured against loss that the insured shall sustain by reason of:

1. Any defect in the execution of the document entitled \_\_\_\_\_ referred to in paragraph \_\_\_\_\_ of part \_\_\_\_\_ of Schedule \_\_\_\_\_; and
2. The existence, as shown by the public records, of any prior assignment of the lessor's interest in the lease or leases specified in such document, including any assignments of rents thereunder, other than as set forth in Schedule B.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 64: ZONING ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_**

**issued by  
BLANK TITLE INSURANCE COMPANY**

1. For purposes of this endorsement, "Zoning Ordinance" means a zoning ordinance or zoning regulation of a political subdivision of the State that is in effect and applicable to the Land at the Date of Policy.
2. The Company insures against loss or damage sustained by the Insured in the event that, at the Date of Policy:
  - a. According to the Zoning Ordinance, the Land is not classified Zone \_\_\_\_\_;
  - b. The following use or uses are not allowed under that classification: \_\_\_\_\_.
3. There is no liability under this endorsement based on:
  - a. The lack of compliance with any condition, restriction, or requirement contained in the Zoning Ordinance, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. Section 3.a. does not modify or limit the coverage provided in Covered Risk 5.
  - b. The invalidity of the Zoning Ordinance until after a final decree of a State or federal court having jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses described in Section 2.b.
  - c. The refusal of any person to purchase, lease, or lend money on the Title covered by this policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 64.1: ZONING – UNIMPROVED LAND – NO APPLICABLE ZONING  
ORDINANCES ENDORSEMENT**

This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
**BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured in the event that, at Date of Policy, the Land is subject to any applicable zoning ordinance.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Witness clause optional]

Dated \_\_\_\_\_

**BLANK TITLE INSURANCE COMPANY**

Authorized signatory \_\_\_\_\_

**NM FORM 64.1: ZONING – UNIMPROVED LAND – NO APPLICABLE ZONING  
ORDINANCES ENDORSEMENT**

**This endorsement is issued as part of**

**Policy Number \_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured in the event that, at Date of Policy, the Land is subject to any applicable zoning ordinance.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 65.1: 3.2 ZONING—LAND UNDER DEVELOPMENT ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. For purposes of this endorsement:
  - a. "Improvement": A building, structure, road, walkway, driveway, curb, subsurface utility, or water well existing at the Date of Policy or to be built or constructed according to the Plans that is or will be located on the Land, but excluding crops, landscaping, lawns, shrubbery, or trees.
  - b. "Plans": Those site and elevation plans made by [*name of architect or engineer*] dated \_\_\_\_\_, last revised \_\_\_\_\_, designated as [*name of project*] consisting of \_\_\_\_ sheets.
  - c. "Zoning Ordinance": A zoning ordinance or zoning regulation of a political subdivision of the State that is in effect and applicable to the Land at the Date of Policy.
2. The Company insures against loss or damage sustained by the Insured in the event that, at the Date of Policy:
  - a. According to the Zoning Ordinance, the Land is not classified Zone \_\_\_\_\_;
  - b. The following use or uses are not allowed under that classification: \_\_\_\_\_;
  - c. There is no liability under Section 2.b. if the use or uses are not allowed as the result of any lack of compliance with any condition, restriction, or requirement contained in the Zoning Ordinance, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. Section 2.c. does not modify or limit the coverage provided in Covered Risk 5.
3. The Company further insures against loss or damage sustained by the Insured by reason of a final decree of a State or federal court having jurisdiction either prohibiting the use of the Land, with any Improvement, as specified in Section 2.b. or requiring the removal or alteration of the Improvement because, at the Date of Policy, the Zoning Ordinance has been violated with respect to any of the following matters:
  - a. The area, width, or depth of the Land as a building site for the Improvement;
  - b. The floor space area of the Improvement;
  - c. A setback of the Improvement from the property lines of the Land;
  - d. The height of the Improvement; or
  - e. The number of parking spaces.
4. There is no liability under this endorsement based on:
  - a. The invalidity of the Zoning Ordinance until after a final decree of a State or federal court having jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses described in Section 2.b.
  - b. The refusal of any person to purchase, lease, or lend money on the Title covered by this policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the



Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 65.2: ZONING – COMPLETED STRUCTURE – NO APPLICABLE ZONING  
ORDINANCES ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured in the event that, at Date of Policy, the Land is subject to any applicable zoning ordinance.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 66: CONTIGUITY – MULTIPLE PARCELS ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

The company insures against loss or damage sustained by Insured by reason of;

1. The failure [of the \_\_\_\_\_ boundary line of Parcel A] of land to be contiguous to [the \_\_\_\_\_ boundary line of Parcel B] **[For more than two parcels, continue as follows:”; of [the \_\_\_\_\_ boundary line of Parcel B] of the Land to be contiguous to [the \_\_\_\_\_ boundary line of Parcel C] and so on until all contiguous parcels described in the policy have been accounted for.]; or**
2. The presence of any gaps, strips, or gores separating any of the contiguous boundary lines described above.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 67: ACCESS AND ENTRY ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company hereby insures against loss or damage sustained by the insured if, at date of policy: (i) the land does not abut and have both actual vehicular and pedestrian access to and from [insert name of street, road, or highway] (the "street"), (ii) the street is not physically open and publicly maintained, or (iii) the insured has no right to use existing curb cuts or entries along that portion of the street abutting the land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the date of policy, or (iv) increase the amount of insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

(Witness clause optional)

BLANK TITLE INSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Signatory

**NM FORM 68: INDIRECT ACCESS AND ENTRY ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured if, at Date of Policy, (i) the easement identified in Schedule A (the "Easement") does not provide that portion of the Land identified in Schedule A both actual vehicular and pedestrian access to and from (the "Street"), (ii) the Street is not physically open and publicly maintained, or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Easement.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory

**NM FORM 69: UTILITY ACCESS ENDORSEMENT**

**This endorsement is issued as part of**  
**Policy Number** \_\_\_\_\_  
**Issued by**  
**BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of the lack of a right of access to the following utilities or services:

_____ Water service	_____ Natural gas service	_____ Telephone service
_____ Electrical power service	_____ Sanitary sewer	_____ Storm water drainage

either over, under or upon rights-of-way or easements for the benefit of the Land because of:

- (1) a gap or gore between the boundaries of the Land and the rights-of-way or easements;
- (2) a gap between the boundaries of the rights-of-way or easements ; or
- (3) a termination by a grantor, or its successor, of the rights-of-way or easements.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 70: COMMERCIAL ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of an environmental protection lien that, at Date of Policy, is recorded in the Public Records or filed in the records of the clerk of the United States district court for the district in which the Land is located, unless the environmental protection lien is set forth as an exception in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_



**NM FORM 71: FUTURE ADVANCE—REVERSE MORTGAGE ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The insurance for Advances added by Sections 3 and 4 of this endorsement is subject to the exclusions in Section 5 of this endorsement and the Exclusions from Coverage in the policy (except Exclusion 3.d.), the Conditions, and the exceptions from coverage contained in Schedule B.
2. The following terms when used in this endorsement mean:
  - a. "Advance": Only an advance of principal made after the Date of Policy as provided in the Agreement, including expenses of foreclosure; amounts advanced pursuant to the Insured Mortgage to pay taxes and insurance, assure compliance with laws, or to protect the lien of the Insured Mortgage before the time of acquisition of the Title; and reasonable amounts expended to prevent deterioration of improvements, together with interest on those advances.
  - b. "Agreement": The note or loan agreement, the repayment of Advances under which is secured by the Insured Mortgage.
  - c. "Changes in the Rate of Interest": Only those changes in the rate of interest calculated pursuant to a formula provided in the Insured Mortgage or the Agreement at the Date of Policy.
3. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Advance.
  - b. The lack of priority of the lien of the Insured Mortgage as security for each Advance over any lien or encumbrance on the Title.
  - c. The invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for the Indebtedness, Advances, and unpaid interest resulting from:
    - i. re-Advances and repayments of Indebtedness;
    - ii. earlier periods of no indebtedness owing during the term of the Insured Mortgage;
    - iii. the Insured Mortgage not complying with the requirements of State law of the State in which the Land is located to secure Advances;
    - iv. failure of the Insured Mortgage to state the term for Advances; or
    - v. failure of the Insured Mortgage to state the maximum amount secured by the Insured Mortgage.
  - d. The invalidity or unenforceability of the lien of the Insured Mortgage because of the failure of the mortgagor to be at least 62 years of age at the Date of Policy.

4. The Company further insures against loss or damage sustained by the Insured by reason of:
- a. The invalidity or unenforceability of the lien of the Insured Mortgage resulting from any provisions of the Agreement that provide for:
    - i. interest on interest;
    - ii. Changes in the Rate of Interest; or
    - iii. the addition of unpaid interest to the principal of the Indebtedness.
  - b. The lack of priority of the lien of the Insured Mortgage as security for the Indebtedness, including any unpaid interest that was added to principal in accordance with any provisions of the Agreement, interest on interest, or interest as changed in accordance with the provisions of the Insured Mortgage, which lack of priority is caused by:
    - i. Changes in the Rate of Interest;
    - ii. interest on interest; or
    - iii. increases in the principal of the Indebtedness resulting from the addition of unpaid interest.

As used in Section 4, "interest" includes lawful interest based on appreciated value.

5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
- a. The invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage as security for any Advance made after a Petition for Relief under the Bankruptcy Code (11 U.S.C.) has been filed by or on behalf of the mortgagor;
  - b. The lien of real estate taxes or assessments on the Title imposed by governmental authority arising after the Date of Policy;
  - c. The lack of priority of the lien of the Insured Mortgage as security for any Advance to a federal tax lien, which Advance is made after the earlier of:
    - i. Knowledge of the Insured that a federal tax lien was filed against the mortgagor; or
    - ii. the expiration, after notice of a federal tax lien filed against the mortgagor, of any grace period for making disbursements with priority over the federal tax lien provided in the Internal Revenue Code (26 U.S.C.);
  - d. Any federal or state environmental protection lien[; or]
  - e. Any usury law or Consumer Protection Law[; or]
  - f. Any mechanic's or materialman's lien].

6. The Indebtedness includes Advances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 72: SINGLE TAX PARCEL ENDORSEMENT**

**This endorsement is issued as part of**

**Policy Number\_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of the Land being taxed as part of a larger parcel of land or failing to constitute a separate tax parcel for real estate taxes.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 73: MULTIPLE TAX PARCEL—EASEMENTS ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

1. those portions of the Land identified below not being assessed for real estate taxes under the listed tax identification numbers or those tax identification numbers including any additional land:

Parcel:

Tax Identification Numbers:

2. the easements, if any, described in Schedule A being cut off or disturbed by the nonpayment of real estate taxes, assessments or other charges imposed on the servient estate by a governmental authority.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

**[DATE]**

**BLANK TITLE INSURANCE COMPANY**

**By: \_\_\_\_\_**  
**Authorized Signatory**

**NM FORM 74: DOING BUSINESS ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of the invalidity or unenforceability of the lien of the Insured Mortgage on the ground that making the loan secured by the Insured Mortgage constituted a violation of the "doing - business" laws of the State where the Land is located because of the failure of the Insured to qualify to do business under those laws.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 75: SUBDIVISION ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land to constitute a lawfully created parcel according to the State subdivision statutes and the subdivision ordinances of the county or municipality of the State applicable to the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

**By: \_\_\_\_\_**  
**[Authorized Signatory]**

**NM FORM 76: EASEMENT – DAMAGE OR ENFORCED REMOVAL ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of:

- (1) damage to an existing building located on the Land, or
- (2) enforced removal or alteration of an existing building located on the Land, as a result of the exercise of the right of use or maintenance of the easement referred to in Exception \_\_\_\_\_ of Schedule B for the purpose for which it was granted or reserved.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_



**NM FORM 77: CO-INSURANCE – SINGLE POLICY ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number\_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

Attached to and made a part of \_\_\_\_\_ Company ("Issuing Co-Insurer") Policy No. ("Co-Insurance Policy"). Issuing Co-Insurer and any other coinsurers are collectively referred to as "Co-Insurers."

1. Co-Insurer issues this endorsement as evidence of Co-Insurer's liability under Co-Insurance Policy and directs that this endorsement be attached to the Co-Insurance Policy adopting its Covered Risks, Exclusions, Conditions, Schedules and Endorsements, as follows:

<b>Co-insuring Companies</b> Issuing Co- Insurer Co-Insurer Co-Insurer A g g r e g a t e Amount of Insurance	<b>Name and Address</b>	<b>Policy Number [File Number]</b>	<b>Amount of Insurance</b>	<b>Percentage of Liability</b>
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2. Each Co-Insurer shall be liable to the Insured under the Co-insurance Policy only for the total of the loss and costs multiplied by its Proportion of Liability.
3. Any notice of claim and any other notice or statement in writing required to be given under the Co-Insurance Policy must be given to Co-Insurer at its address set forth above.
4. Any endorsement to the Co-Insurance Policy issued after the date of this Co-Insurance Endorsement must be signed on behalf of the Co-Insurer by its authorized officer or agent.
5. This Co-Insurance Endorsement is effective as of the Date of Policy of the Co-Insurance Policy. This Co-Insurance Endorsement may be executed in counterparts.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 78: SAME AS SURVEY ENDORSEMENT**

**This endorsement is issued as part of**  
**Policy Number** \_\_\_\_\_  
**Issued by**  
**BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land as described in Schedule A to be the same as that identified as that identified on the survey made by:

\_\_\_\_\_ dated \_\_\_\_\_, and  
designated Job No. \_\_\_\_\_.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 79: SAME AS PORTION OF SURVEY ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land as described in Schedule A to be the same as that identified as [Example: Parcel A, 8, C or Parcel 1, 2,3] on the survey made by:

\_\_\_\_\_, dated \_\_\_\_\_, and  
designated Job No. \_\_\_\_\_.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 80: MORTGAGE MODIFICATION ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title at the Date of Endorsement as a result of the agreement dated \_\_\_\_\_, recorded \_\_\_\_\_ ("Modification"); and
  - b. The lack of priority of the lien of the Insured Mortgage, at the Date of Endorsement, over defects in or liens or encumbrances on the Title, except for those shown in the policy or any prior endorsement and except: *[Drafting Instruction: Specify exceptions, if any]*
2. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the Modification being a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason unless the preferential transfer results solely from the failure:
    - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
    - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date of Endorsement:

[Witness clause]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 80.1: MORTGAGE MODIFICATION WITH SUBORDINATION  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title at the Date of Endorsement as a result of the agreement dated \_\_\_\_\_, recorded \_\_\_\_\_ ("Modification"); and
  - b. The lack of priority of the lien of the Insured Mortgage, at the Date of Endorsement, over defects in or liens or encumbrances on the Title, except for those shown in the policy or any prior endorsement and except: *[Drafting Instruction: Specify exceptions, if any]*
  - c. The following matters not being subordinate to the lien of the Insured Mortgage: *[Drafting Instruction: Specify subordinate matters, if any]*
2. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the Modification being a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason, unless the preferential transfer results solely from the failure:
    - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
    - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date of Endorsement:

[Witness clause]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 80.2: MORTGAGE MODIFICATION WITH ADDITIONAL AMOUNT OF INSURANCE ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. For purposes of this endorsement only:
  - a. "Modification": The agreement between \_\_\_\_\_ and \_\_\_\_\_ dated \_\_\_\_\_ [and recorded \_\_\_\_\_ as document number \_\_\_\_\_].
  - b. "Date of Endorsement": \_\_\_\_\_.
2. The Amount of Insurance is increased to \$\_\_\_\_\_.
3. Subject to the exclusions in Section[s] 4[ and 5] of this endorsement, the Exclusions from Coverage, the Exceptions contained in Schedule B, and the Conditions contained in the policy, and any exclusion or exception in any prior endorsement, the Company insures as of the Date of Endorsement against loss or damage sustained by the Insured by reason of any of the following:
  - a. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title as a result of the Modification;
  - b. The lack of priority of the lien of the Insured Mortgage over defects in or liens or encumbrances on the Title, except: *[Drafting Instruction: Specify additional exceptions, if any];*
  - c. The failure of the following matters to be subordinate to the lien of the Insured Mortgage: *[Drafting Instruction: Specify matters to be insured as subordinate, if any].*
4. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of any claim that arises out of the transaction creating the Modification by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law that is based on the Modification being a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer to the extent the Modification is not a transfer made as a contemporaneous exchange for new value or for any other reason unless the preferential transfer results solely from the failure:
    - i. to timely record the Modification in the Public Records after execution and delivery of the Modification to the Insured; or
    - ii. of the recording of the Modification in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
- [5. This endorsement does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses, by reason of the invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage because all applicable mortgage recording or similar intangible taxes were not paid at time of recording of the Modification].

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]



**NM FORM 81: CLOSING PROTECTION LETTER  
SINGLE TRANSACTION  
issued by  
BLANK TITLE INSURANCE COMPANY**

“Addressee”:

“Date”:

“Issuing Agent” or “Approved Attorney”:

[Issuing Office:

Issuing Office’s ALTA® Registry ID:]

“Real Estate Transaction”:

[Seller:

Buyer:

Property Address:

Loan Number:]

Re: Closing Protection Letter

Dear

In consideration of Your acceptance of this letter, [*Blank Title Insurance Company*] (the “Company”), agrees to indemnify You for actual loss of Funds incurred by You in connection with the closing of the Real Estate Transaction conducted by the Issuing Agent or Approved Attorney on or after the Date of this letter, subject to the Requirements and Conditions and Exclusions set forth below:

**REQUIREMENTS**

1. The Company issues or is contractually obligated to issue a Policy for Your protection in connection with the Real Estate Transaction;
2. You are to be a:
  - a. lender secured by the Insured Mortgage on the Title to the Land; or
  - b. purchaser or lessee of the Title to the Land;
3. The aggregate of all Funds You transmit to the Issuing Agent or Approved Attorney for the Real Estate Transaction does not exceed \$\_\_\_\_\_; and
4. Your loss is solely caused by:

- a. a failure of the Issuing Agent or Approved Attorney to comply with Your written closing instructions that relate to:
  - i. (a). the disbursement of Funds necessary to establish the status of the Title to the Land; or
  - (b). the validity, enforceability, or priority of the lien of the Insured Mortgage; or
  - ii. obtaining any document, specifically required by You, but only to the extent that the failure to obtain the document adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land; or
- b. fraud, theft, dishonesty, or misappropriation by the Issuing Agent or Approved Attorney in handling Your Funds or documents in connection with the closing, but only to the extent that the fraud, theft, dishonesty, or misappropriation adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land.

### **CONDITIONS AND EXCLUSIONS**

- 1. Your transmittal of Funds or documents to the Issuing Agent or Approved Attorney for the Real Estate Transaction constitutes Your acceptance of this letter.
- 2. For purposes of this letter:
  - a. "Commitment" means the Company's written contractual agreement to issue the Policy.
  - b. "Funds" means the money received by the Issuing Agent or Approved Attorney for the Real Estate Transaction.
  - c. "Policy" means the contract or contracts of title insurance, each in a form adopted by the American Land Title Association, issued or to be issued by the Company in connection with the closing of the Real Estate Transaction.
  - d. "You" or "Your" means:
    - i. the Addressee of this letter;
    - ii. the borrower, if the Land is improved solely by a one-to-four family residence; and
    - iii. subject to all rights and defenses relating to a claim under this letter that the Company would have against the Addressee,
      - (a). the assignee of the Insured Mortgage, provided such assignment was for value and the assignee was, at the time of the assignment, without Knowledge of facts that reveal a claim under this letter; and
      - (b). the warehouse lender in connection with the Insured Mortgage.
  - e. "Indebtedness," "Insured Mortgage," "Knowledge" or "Known," "Land," and "Title" have the same meaning given them in the American Land Title Association Loan Policy.
- 3. The Company is not liable under this letter for any loss arising from any:

- 
- a. failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions that require title insurance protection in connection with the Real Estate Transaction inconsistent with that set forth in the Commitment. Your written closing instructions received and accepted by the Issuing Agent or Approved Attorney after issuing the Commitment that require the removal, where allowed by state law, rule, or regulation, of specific Schedule B Exceptions from Coverage or compliance with the requirements contained in the Commitment will not be deemed to require inconsistent title insurance protection;
  - b. loss or impairment of Funds in the course of collection or while on deposit with a bank due to bank failure, insolvency, or suspension, except loss or impairment resulting from failure of the Issuing Agent or Approved Attorney to comply with Your written closing instructions to deposit Your Funds in a bank that You designated by name;
  - c. constitutional or statutory lien or claim of lien that arises from services, labor, materials, or equipment, if any Funds are to be used for the purpose of construction, alteration, or renovation. Condition and Exclusion 3.c. does not modify or limit Your coverage, if any, as to any lien for services, labor, materials, or equipment in the Policy;
  - d. defect, lien, encumbrance, adverse claim, or other matter in connection with the Real Estate Transaction. Condition and Exclusion 3.d. does not modify or limit Your coverage in the Policy;
  - e. fraud, theft, dishonesty, misappropriation, or negligence by You or by Your employee, agent, attorney, or broker;
  - f. fraud, theft, dishonesty, or misappropriation by anyone other than the Company, Issuing Agent, or Approved Attorney;
  - g. settlement or release of any claim by You without the Company's written consent;
  - h. matters created, suffered, assumed, agreed to, or Known by You;
  - i. failure of the Issuing Agent or Approved Attorney to determine the validity, enforceability, or the effectiveness of a document required by Your closing instructions. Condition and Exclusion 3.i. does not modify or limit Your coverage in the Policy;
  - j. Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan, including any failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions relating to those laws;
  - k. federal or state laws establishing the standards or requirements for asset-backed securitization including, but not limited to, exemption from credit risk retention, including any failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions relating to those laws;
  - l. periodic disbursement of Funds to pay for construction, alteration, or renovation on the Land;

- m. Issuing Agent or Approved Attorney acting in the capacity of a qualified intermediary or facilitator for tax deferred exchange transactions as provided in Section 1031 of the Internal Revenue Code; or
  - n. wire fraud, mail fraud, telephone fraud, facsimile fraud, unauthorized access to a computer, network, email, or document production system, business email compromise, identity theft, or diversion of Funds to a person or account not entitled to receive the Funds. Condition and Exclusion 3.n. does not modify or limit:
    - i. Your coverage in the Policy; or
    - ii. indemnification in this letter for Your loss solely caused by fraud, theft, dishonesty, or misappropriation by the Issuing Agent or Approved Attorney in handling Your Funds or documents in connection with the closing, but only to the extent that the fraud, theft, dishonesty, or misappropriation adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land.
4. If the closing is to be conducted by an Approved Attorney, a Commitment in connection with the Real Estate Transaction must have been received by You prior to the transmittal of Your final closing instructions to the Approved Attorney.
5. When the Company indemnifies You pursuant to this letter, it is subrogated to all rights and remedies You have against any person, entity, or property had You not been indemnified. The Company's liability for indemnification is reduced to the extent that You have impaired the value of this subrogation right.
6. The Company's liability for loss under this letter does not exceed the least of:
- a. the amount of Your Funds;
  - b. the Company's liability under the Policy at the time written notice of a claim is made under this letter;
  - c. the value of the lien of the Insured Mortgage;
  - d. the value of the Title to the Land insured or to be insured under the Policy at the time written notice of a claim is made under this letter; or
  - e. the amount stated in Requirement 3.
7. The Company is liable only to the owner of the Indebtedness at the time that payment is made. Condition and Exclusion 7 does not apply to a purchaser, borrower, or lessee.
8. Payment to You or to the owner of the Indebtedness under either the Policy or from any other source reduces liability under this letter by the same amount. Payment in accordance with the terms of this letter constitutes a payment pursuant to the Conditions of the Policy.
9. The Issuing Agent is the Company's agent only for the limited purpose of issuing policies. Neither the Issuing Agent nor the Approved Attorney is the Company's agent for the purpose of providing closing or settlement services. The Company's liability for Your loss arising from closing or settlement services is strictly limited to the contractual protection expressly provided in this letter. The Company is not liable for loss resulting from the fraud, theft, dishonesty, misappropriation, or negligence of any party to the Real Estate Transaction, the lack of creditworthiness of any borrower connected with the Real Estate Transaction, or the failure of any collateral to adequately secure a loan connected with the Real Estate Transaction.

10. The Company is not liable for a loss if the written notice of a claim is not received by the Company within one year from the date of the transmittal of Funds. The condition that the Company must be provided with written notice under Condition and Exclusion 10 will not be excused by lack of prejudice to the Company.
11. You must promptly send written notice of a claim under this letter to the Company at its principal office at \_\_\_\_\_. If the Company is prejudiced by Your failure to provide prompt notice, the Company's liability to You under this letter is reduced to the extent of the prejudice.
12. When requested by the Company, You, at the Company's expense, must:
  - a. give the Company all reasonable aid in:
    - i. securing evidence, obtaining witnesses, prosecuting or defending any action or proceeding, or effecting any settlement; and
    - ii. any other lawful act that in the opinion of the Company may be necessary or desirable to enable the Company's investigation and determination of its liability under this letter;
  - b. deliver to the Company all records, in whatever medium maintained, that pertain to the Real Estate Transaction or any claim under this letter; and
  - c. submit to examination under oath by any authorized representative of the Company with respect to any such records, the Real Estate Transaction, any claim under this letter or any other matter reasonably deemed relevant by the Company.
13. The Company is not liable under this letter if:
  - a. the Real Estate Transaction has not closed within one year from the Date of this letter; or
  - b. at any time after the Date of this letter, but before the Real Estate Transaction closes, the Company provides written notice of termination of this letter to the Addressee at the address set forth above.
14. The protection of this letter extends only to real estate in [State], and any court or arbitrator must apply the law of that state to interpret and enforce the terms of this letter. The court or arbitrator must not apply conflicts of law principles to determine the applicable law. Any litigation or other proceeding under this letter must be filed only in a state or federal court within the United States of America or its territories having jurisdiction.

This letter supersedes and cancels any previous letter or similar agreement for closing protection that applies to the Real Estate Transaction and may not be modified by the Issuing Agent or Approved Attorney.

#### **BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

*(The name of a particular issuing agent or approved attorney may be inserted in lieu of reference to Issuing Agent or Approved Attorney contained in this letter and the words "Underwritten Title Company" may be inserted in lieu of Issuing Agent.)*

**NM FORM 81.1: CLOSING PROTECTION LETTER  
MULTIPLE TRANSACTIONS  
issued by  
BLANK TITLE INSURANCE COMPANY**

“Addressee”:

“Date”:

“Issuing Agent” or “Approved Attorney”:

[Issuing Office:

Issuing Office’s ALTA® Registry ID:]

Re: Closing Protection Letter

Dear

In consideration of Your acceptance of this letter, [*Blank Title Insurance Company*] (the “Company”), agrees to indemnify You for actual loss of Funds incurred by You in connection with the closing of any real estate transaction (the “Real Estate Transaction”) conducted by the Issuing Agent or Approved Attorney on or after the Date of this letter, subject to the Requirements and Conditions and Exclusions set forth below:

**REQUIREMENTS**

1. The Company issues or is contractually obligated to issue a Policy for Your protection in connection with the Real Estate Transaction;
2. You are to be a lender secured by the Insured Mortgage on the Title to the Land;
3. The aggregate of all Funds You transmit to the Issuing Agent or Approved Attorney for the Real Estate Transaction does not exceed \$ \_\_\_\_\_; and
4. Your loss is solely caused by:
  - a. a failure of the Issuing Agent or Approved Attorney to comply with Your written closing instructions that relate to:
    - i. (a). the disbursement of Funds necessary to establish the status of the Title to the Land; or
    - (b). the validity, enforceability, or priority of the lien of the Insured Mortgage;or
  - ii. obtaining any document, specifically required by You, but only to the extent that the failure to obtain the document adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land; or
- b. fraud, theft, dishonesty, or misappropriation by the Issuing Agent or Approved Attorney in handling Your Funds or documents in connection with the closing, but only to the extent that the fraud, theft, dishonesty, or misappropriation adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land.



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**CONDITIONS AND EXCLUSIONS**

1. Your transmittal of Funds or documents to the Issuing Agent or Approved Attorney for the Real Estate Transaction constitutes Your acceptance of this letter.
2. For purposes of this letter:
  - a. "Commitment" means the Company's written contractual agreement to issue the Policy.
  - b. "Funds" means the money received by the Issuing Agent or Approved Attorney for the Real Estate Transaction.
  - c. "Policy" means the contract or contracts of title insurance, each in a form adopted by the American Land Title Association, issued or to be issued by the Company in connection with the closing of the Real Estate Transaction.
  - d. "You" or "Your" means:
    - i. the Addressee of this letter;
    - ii. the borrower, if the Land is improved solely by a one-to-four family residence; and
    - iii. subject to all rights and defenses relating to a claim under this letter that the Company would have against the Addressee,
      - (a) the assignee of the Insured Mortgage, provided such assignment was for value and the assignee was, at the time of the assignment, without Knowledge of facts that reveal a claim under this letter; and
      - (b) the warehouse lender in connection with the Insured Mortgage.
  - e. "Indebtedness," "Insured Mortgage," "Knowledge" or "Known," "Land," and "Title" have the same meaning given them in the American Land Title Association Loan Policy.
3. The Company is not liable under this letter for any loss arising from any:
  - a. failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions that require title insurance protection in connection with the Real Estate Transaction inconsistent with that set forth in the Commitment. Your written closing instructions received and accepted by the Issuing Agent or Approved Attorney after issuing the Commitment that require the removal, where allowed by state law, rule, or regulation, of specific Schedule B Exceptions from Coverage or compliance with the requirements contained in the Commitment will not be deemed to require inconsistent title insurance protection;
  - b. loss or impairment of Funds in the course of collection or while on deposit with a bank due to bank failure, insolvency, or suspension, except loss or impairment resulting from failure of the Issuing Agent or Approved Attorney to comply with Your written closing instructions to deposit Your Funds in a bank that You designated by name;
  - c. constitutional or statutory lien or claim of lien that arises from services, labor, materials, or equipment, if any Funds are to be used for the purpose of construction, alteration, or renovation. Condition and Exclusion 3.c. does not modify or limit Your coverage, if any, as to any lien for services, labor, materials, or equipment in the Policy;
  - d. defect, lien, encumbrance, adverse claim, or other matter in connection with the Real Estate Transaction. Condition and Exclusion 3.d. does not modify or limit Your coverage in the Policy;
  - e. fraud, theft, dishonesty, misappropriation, or negligence by You or by Your employee, agent, attorney, or broker;
  - f. fraud, theft, dishonesty, or misappropriation by anyone other than the Company, Issuing Agent, or Approved Attorney;
  - g. settlement or release of any claim by You without the Company's written consent;
  - h. matters created, suffered, assumed, agreed to, or Known by You;
  - i. failure of the Issuing Agent or Approved Attorney to determine the validity, enforceability, or the effectiveness of a document required by Your closing instructions. Condition and Exclusion 3.i. does not modify or limit Your coverage in the Policy;



- j. Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan, including any failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions relating to those laws;
  - k. federal or state laws establishing the standards or requirements for asset-backed securitization including, but not limited to, exemption from credit risk retention, including any failure of the Issuing Agent or Approved Attorney to comply with Your closing instructions relating to those laws;
  - l. periodic disbursement of Funds to pay for construction, alteration, or renovation on the Land;
  - m. Issuing Agent or Approved Attorney acting in the capacity of a qualified intermediary or facilitator for tax deferred exchange transactions as provided in Section 1031 of the Internal Revenue Code; or
  - n. wire fraud, mail fraud, telephone fraud, facsimile fraud, unauthorized access to a computer, network, email, or document production system, business email compromise, identity theft, or diversion of Funds to a person or account not entitled to receive the Funds. Condition and Exclusion 3.n. does not modify or limit:
    - i. Your coverage in the Policy; or
    - ii. indemnification in this letter for Your loss solely caused by fraud, theft, dishonesty, or misappropriation by the Issuing Agent or Approved Attorney in handling Your Funds or documents in connection with the closing, but only to the extent that the fraud, theft, dishonesty, or misappropriation adversely affects the status of the Title to the Land or the validity, enforceability, or priority of the lien of the Insured Mortgage on the Title to the Land.
4. If the closing is to be conducted by an Approved Attorney, a Commitment in connection with the Real Estate Transaction must have been received by You prior to the transmittal of Your final closing instructions to the Approved Attorney.
5. When the Company indemnifies You pursuant to this letter, it is subrogated to all rights and remedies You have against any person, entity, or property had You not been indemnified. The Company's liability for indemnification is reduced to the extent that You have impaired the value of this subrogation right.
6. The Company's liability for loss under this letter does not exceed the least of:
- a. the amount of Your Funds;
  - b. the Company's liability under the Policy at the time written notice of a claim is made under this letter;
  - c. the value of the lien of the Insured Mortgage;
  - d. the value of the Title to the Land insured or to be insured under the Policy at the time written notice of a claim is made under this letter; or
  - e. the amount stated in Requirement 3.
7. The Company is liable only to the owner of the Indebtedness at the time that payment is made. Condition and Exclusion 7 does not apply to a purchaser, borrower, or lessee.
8. Payment to You or to the owner of the Indebtedness under either the Policy or from any other source reduces liability under this letter by the same amount. Payment in accordance with the terms of this letter constitutes a payment pursuant to the Conditions of the Policy.
9. The Issuing Agent is the Company's agent only for the limited purpose of issuing policies. Neither the Issuing Agent nor the Approved Attorney is the Company's agent for the purpose of providing closing or settlement services. The Company's liability for Your loss arising from closing or settlement services is strictly limited to the contractual protection expressly provided in this letter. The Company is not liable for loss resulting

from the fraud, theft, dishonesty, misappropriation, or negligence of any party to the Real Estate Transaction, the lack of creditworthiness of any borrower connected with the Real Estate Transaction, or the failure of any collateral to adequately secure a loan connected with the Real Estate Transaction.

10. The Company is not liable for a loss if the written notice of a claim is not received by the Company within one year from the date of the transmittal of Funds. The condition that the Company must be provided with written notice under Condition and Exclusion 10 will not be excused by lack of prejudice to the Company.
11. You must promptly send written notice of a claim under this letter to the Company at its principal office at \_\_\_\_\_. If the Company is prejudiced by Your failure to provide prompt notice, the Company's liability to You under this letter is reduced to the extent of the prejudice.
12. When requested by the Company, You, at the Company's expense, must:
  - a. give the Company all reasonable aid in:
    - i. securing evidence, obtaining witnesses, prosecuting or defending any action or proceeding, or effecting any settlement; and
    - ii. any other lawful act that in the opinion of the Company may be necessary or desirable to enable the Company's investigation and determination of its liability under this letter;
  - b. deliver to the Company all records, in whatever medium maintained, that pertain to the Real Estate Transaction or any claim under this letter; and
  - c. submit to examination under oath by any authorized representative of the Company with respect to any such records, the Real Estate Transaction, any claim under this letter or any other matter reasonably deemed relevant by the Company.
13. The Company is not liable under this letter if:
  - a. the Real Estate Transaction has not closed within one year from the Date of this letter; or
  - b. at any time after the Date of this letter, but before the Real Estate Transaction closes, the Company provides written notice of termination of this letter to the Addressee at the address set forth above.
14. The protection of this letter extends only to real estate in [State], and any court or arbitrator must apply the law of that state to interpret and enforce the terms of this letter. The court or arbitrator must not apply conflicts of law principles to determine the applicable law. Any litigation or other proceeding under this letter must be filed only in a state or federal court within the United States of America or its territories having jurisdiction.

This letter supersedes and cancels any previous letter or similar agreement for closing protection that applies to the Real Estate Transaction and may not be modified by the Issuing Agent or Approved Attorney.

## BLANK TITLE INSURANCE COMPANY

By: \_\_\_\_\_  
[Authorized Signatory]

*(The name of a particular issuing agent or approved attorney may be inserted in lieu of reference to Issuing Agent or Approved Attorney contained in this letter and the words "Underwritten Title Company" may be inserted in lieu of Issuing Agent.)*

**ALTA 32 CONSTRUCTION LOAN ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. Covered Risk 11.a. of this policy is deleted.
2. The insurance [for Construction Loan Advances] added by Section 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the policy, the provisions of the Conditions, and the exceptions contained in Schedule B. For the purposes of this endorsement and each subsequent Disbursement Endorsement:
  - a. "Construction Loan Advance": An advance that constitutes Indebtedness made on or before the Date of Coverage for the purpose of financing in whole or in part the construction of improvements on the Land.
  - b. "Date of Coverage": \_\_\_\_\_[Drafting Instructions: Insert a specific date], unless the Company sets a different Date of Coverage by a NM FORM 84 Disbursement Endorsement issued at the discretion of the Company.
  - c. "Mechanic's Lien": Any statutory lien or claim of lien under State law, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished.
3. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage;
  - b. The lack of priority of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage, over any lien or encumbrance on the Title recorded in the Public Records and not shown in Schedule B; and
  - c. The lack of priority of the lien of the Insured Mortgage, as security for each Construction Loan Advance made on or before the Date of Coverage over any Mechanic's Lien, if notice of the Mechanic's Lien is not filed or recorded in the Public Records, but only to the extent that the charges for the services, labor, materials, or equipment for which the Mechanic's Lien is claimed were designated for payment in the documents supporting a Construction Loan Advance disbursed by or on behalf of the Insured on or before the Date of Coverage.
4. This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses by reason of any lien or claim of lien arising from services, labor, material, or equipment:
  - a. Furnished after the Date of Coverage; or
  - b. Not designated for payment in the documents supporting a Construction Loan Advance disbursed by or on behalf of the Insured on or before the Date of Coverage.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 83.1: CONSTRUCTION LOAN—DIRECT PAYMENT ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. Covered Risk 11.a. of this policy is deleted.
2. The insurance [for Construction Loan Advances] added by Section 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the policy, the provisions of the Conditions, and the exceptions contained in Schedule B. For the purposes of this endorsement and each subsequent Disbursement Endorsement:
  - a. "Construction Loan Advance:" An advance that constitutes Indebtedness made on or before the Date of Coverage for the purpose of financing in whole or in part the construction of improvements on the Land.
  - b. "Date of Coverage": \_\_\_\_\_[Drafting Instructions: Insert a specific date], unless the Company sets a different Date of Coverage by a NM FORM 84 Disbursement Endorsement issued at the discretion of the Company.
  - c. "Mechanic's Lien": Any statutory lien or claim of lien under State law, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished.
3. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage;
  - b. The lack of priority of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage, over any lien or encumbrance on the Title recorded in the Public Records and not shown in Schedule B; and
  - c. The lack of priority of the lien of the Insured Mortgage, as security for each Construction Loan Advance made on or before the Date of Coverage over any Mechanic's Lien, if notice of the Mechanic's Lien is not filed or recorded in the Public Records, but only to the extent that direct payment to the Mechanic's Lien claimant for the charges for the services, labor, materials, or equipment for which the Mechanic's Lien is claimed has been made by the Company or by the Insured with the Company's written approval.
4. This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses by reason of any lien or claim of lien arising from services, labor, material, or equipment:
  - a. Furnished after the Date of Coverage; or
  - b. To the extent that the Mechanic's Lien claimant was not directly paid by the Company or by the Insured with the Company's written approval.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 83.2: CONSTRUCTION LOAN—INSURED’S DIRECT PAYMENT  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
issued by  
BLANK TITLE INSURANCE COMPANY**

1. Covered Risk 11.a. of this policy is deleted.
2. The insurance [for Construction Loan Advances] added by Section 3 of this endorsement is subject to the exclusions in Section 4 of this endorsement and the Exclusions from Coverage in the policy, the provisions of the Conditions, and the exceptions contained in Schedule B. For the purposes of this endorsement and each subsequent Disbursement Endorsement:
  - a. “Construction Loan Advance”: An advance that constitutes Indebtedness made on or before the Date of Coverage for the purpose of financing in whole or in part the construction of improvements on the Land.
  - b. “Date of Coverage”: \_\_\_\_\_ *[Drafting Instructions: Insert Specific Date]* unless the Company sets a different Date of Coverage by a NM FORM 84 Disbursement Endorsement issued at the discretion of the Company.
  - c. “Mechanic’s Lien”: Any statutory lien or claim of lien under State law, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished.
3. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. The invalidity or unenforceability of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage;
  - b. The lack of priority of the lien of the Insured Mortgage as security for each Construction Loan Advance made on or before the Date of Coverage, over any lien or encumbrance on the Title recorded in the Public Records and not shown in Schedule B; and
  - c. The lack of priority of the lien of the Insured Mortgage, as security for each Construction Loan Advance made on or before the Date of Coverage over any Mechanic’s Lien, if notice of the Mechanic’s Lien is not filed or recorded in the Public Records, but only to the extent that direct payment to the Mechanic’s Lien claimant for the charges for the services, labor, materials, or equipment for which the Mechanic’s Lien is claimed has been made by the Insured or on the Insured’s behalf on or before the Date of Coverage.
4. This policy does not insure against loss or damage and the Company will not pay costs, attorneys’ fees, or expenses by reason of any lien or claim of lien arising from services, labor, materials, or equipment:
  - a. Furnished after the Date of Coverage; or
  - b. To the extent that the Mechanic’s Lien claimant was not directly paid by the Insured or on the Insured’s behalf.



This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause]

[Date]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

**NM FORM 84: DISBURSEMENT ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

1. The Date of Coverage is amended to \_\_\_\_\_.
  - a. The current disbursement is: \$\_\_\_\_\_.
  - b. The aggregate amount, including the current disbursement, recognized by the Company as disbursed by the Insured is: \$\_\_\_\_\_.
2. Schedule A is amended as follows:
3. Schedule B is amended as follows:  
  
[Part I]  
  
[Part II]

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 85: IDENTIFIED RISK ENDORSEMENT****This endorsement is issued as part of****Policy Number \_\_\_\_\_****Issued by****BLANK TITLE INSURANCE COMPANY**

1. As used in this endorsement "Identified Risk" means: [insert description of the title defect, restriction encumbrance or other matter] described in Exception \_\_\_\_\_ of Schedule B;
2. The Company insures against loss or damage sustained by the Insured by reason of
  - a. A final order or decree enforcing the Identified Risk in favor of an adverse party; or
  - b. The release of a prospective purchaser or lessee of the Title or lender on the Title from the obligation to purchase, lease, or lend as a result of the Identified Risk, but only if
    - i. there is a contractual condition requiring the delivery of marketable title, and
    - ii. neither the Company nor any other title insurance company is willing to insure over the Identified Risk with the same conditions as in this endorsement
3. The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of the Title by reason of the Identified Risk insured against by Paragraph 2 of this endorsement, but only to the extent provided in the Conditions.
4. This endorsement does not obligate the Company to establish the Title free of the Identified Risk or to remove the Identified Risk, but if the Company does establish the Title free of the identified Risk or removes it, Section 9(a) of the Conditions applies.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

BLANK TITLE INSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Signatory

**NM FORM 86: POLICY AUTHENTICATION ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

When the policy is issued by the Company with a policy number and Date of Policy, the Company will not deny liability under the policy or any endorsements issued with the policy solely on the grounds that the policy or endorsements were issued electronically or lack signatures in accordance with the Conditions.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

***IN WITNESS WHEREOF***, the Company has caused this endorsement to be issued and become valid when signed by an authorized officer or licensed agent of the Company.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

**NM FORM 88: ENERGY PROJECT – LEASEHOLD/EASEMENT OWNER’S POLICY  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
  - a. “Constituent Parcel” means one of the parcels of Land described in Schedule A that together constitute one integrated project.
  - b. “Easement” means each easement described in Schedule A.
  - c. “Easement Interest” means the right of use granted in the Easement for the Easement Term.
  - d. “Easement Term” means the duration of the Easement Interest, as set forth in the Easement, including any renewal or extended term if a valid option to renew or extend is contained in the Easement.
  - e. “Electricity Facility” means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
  - f. “Evicted” or “Eviction” means (a) the lawful deprivation, in whole or in part, of the right of possession or use insured by this policy, contrary to the terms of any Lease or Easement or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease or the Easement, as applicable, in either case as a result of a matter covered by this policy.
  - g. “Lease” means each lease described in Schedule A.
  - h. “Leasehold Estate” means the right of possession granted in the Lease for the Lease Term.

i. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.

j. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by *(insert name of architect or engineer)* dated\_\_\_\_, last revised, designated as *(insert name of project or project number)* consisting of \_\_\_\_ sheets.

k. "Remaining Term" means the portion of the Easement Term or the Lease Term remaining after the Insured has been Evicted.

l. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

3. Valuation of Title as an Integrated Project:

a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate or the Easement Interest for the Remaining Term, as applicable, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease or Easement as computed in Section 3(b) below.

b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.

c. The Insured Claimant shall have the right to have the Leasehold Estate, the Easement Interest, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent or use payments no longer required to be paid for the Remaining Term.

d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the

diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;

ii the vesting or ownership of title to or rights in any Severable Improvement;

iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or

iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a) (ii) of the Conditions.

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

b. Rent, easement payments or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate or the Easement Interest, as applicable, may be obligated to pay to any person having paramount title to that of the lessor in the Lease or the grantor in the Easement, as applicable.

c. The amount of rent, easement payments or damages that, by the terms of the Lease or the Easement, as applicable, the Insured must continue to pay to the lessor or grantor after Eviction with respect to the portion of the Leasehold Estate or Easement Interest, as applicable, from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease, sublease or easement specifically permitted by the Lease or Easement, as applicable, and made by the Insured as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.



e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees or easement or subeasement grantees on account of the breach of any lease or sublease or easement or subeasement specifically permitted by the Lease or the Easement, as applicable, and made by the Insured as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate or a replacement easement reasonably equivalent to the Easement Interest, as applicable.

g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 88.1: ENERGY PROJECT – LEASEHOLD/EASEMENT – LOAN POLICY  
ENDORSEMENT**

**This endorsement is issued as part of**

**Policy Number \_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

a. "Constituent Parcel" means one of the parcels of Land described in Schedule A that together constitute one integrated project.

b. "Easement" means each easement described in Schedule A.

c. "Easement Interest" means the right of use granted in the Easement for the Easement Term.

d. "Easement Term" means the duration of the Easement Interest, as set forth in the Easement, including any renewal or extended term if a valid option to renew or extend is contained in the Easement.

e. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

f. "Evicted" or "Eviction" means (a) the lawful deprivation, in whole or in part, of the right of possession or use insured by this policy, contrary to the terms of any Lease or Easement or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease or the Easement, as applicable, in either case as a result of a matter covered by this policy.

g. "Lease" means each lease described in Schedule A.

h. "Leasehold Estate" means the right of possession granted in the Lease for the Lease Term

i. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.

j. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer) dated \_\_\_\_, last revised \_\_\_\_, designated as (insert name of project or project number) consisting of \_\_\_\_ sheets.

k. "Remaining Term" means the portion of the Easement Term or the Lease Term remaining after the Insured has been Evicted.

l. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

m. "Tenant" means the tenant under the Lease or a grantee under the Easement, as applicable, and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.

### 3. Valuation of Title as an Integrated Project:

a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Tenant is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate or the Easement Interest for the Remaining Term, as applicable, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease or Easement as computed in Section 3(b) below.

b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.

c. The Insured Claimant shall have the right to have the Leasehold Estate, the Easement Interest, and any Electricity Facility affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent or use payments no longer required to be paid for the Remaining Term.

d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;

ii. the vesting or ownership of title to or rights in any Severable Improvement;

iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or

iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

b. Rent, easement payments or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate or the Easement Interest, as applicable, may be obligated to pay to any person having paramount title to that of the lessor in the Lease or the grantor in the Easement, as applicable.

c. The amount of rent, easement payments or damages that, by the terms of the Lease or the Easement, as applicable, the Insured must continue to pay to the lessor or grantor after Eviction with respect to the portion of the Leasehold Estate or Easement Interest, as applicable, from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease, sublease or easement specifically permitted by the Lease or Easement, as applicable, and made by the Tenant as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.

e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees or easement or subeasement grantees on account of the breach of any lease or sublease or easement or subeasement specifically permitted by the Lease or the Easement, as applicable, and made by the Tenant as lessor or grantor of all or part of the Leasehold Estate or Easement Interest, as applicable.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate or a replacement easement reasonably equivalent to the Easement Interest, as applicable.

g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM Form 88.2: ENERGY PROJECT – LEASEHOLD – OWNER’S POLICY  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
  - a. “Constituent Parcel” means one of the parcels of Land described in Schedule A that together constitute one integrated project.
  - b. “Electricity Facility” means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
  - c. “Evicted” or “Eviction” means (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of any Lease or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
  - d. “Lease” means each lease described in Schedule A.
  - e. “Leasehold Estate” means the right of possession granted in the Lease for the Lease Term.
  - f. “Lease Term” means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
  - g. “Plans” means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer) dated , last revised , designated as (insert name of project or project number) consisting of sheets.

h. "Remaining Term" means the portion of the Lease Term remaining after the Insured has been Evicted.

i. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

**3. Valuation of Title as an Integrated Project:**

a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Insured is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate for the Remaining Term, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any reduction in value of another insured Lease as computed in Section 3(b) below.

b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.

c. The Insured Claimant shall have the right to have the Leasehold Estate and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent no longer required to be paid for the Remaining Term.

d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

**4. Valuation of Severable Improvements:**

a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;

ii. the vesting or ownership of title to or rights in any Severable Improvement;

iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or



iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.

c. The amount of rent or damages that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease specifically permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate.

e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease specifically permitted by the Lease and made by the Insured as lessor of all or part of the Leasehold Estate.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.

g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 88.3: ENERGY PROJECT – LEASEHOLD - LOAN POLICY ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is subject to the exclusions in Section 6 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the Policy.
2. For purposes of this endorsement only:
  - a. "Constituent Parcel" means one of the parcels of Land described in Schedule A that together constitute one integrated project.
  - b. "Electricity Facility" means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
  - c. "Evicted" or "Eviction" means (a) the lawful deprivation, in whole or in part, of the right of possession insured by this policy, contrary to the terms of any Lease or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement for the purposes permitted by the Lease, in either case as a result of a matter covered by this policy.
  - d. "Lease" means each lease described in Schedule A.
  - e. "Leasehold Estate" means the right of possession granted in the Lease for the Lease Term.
  - f. "Lease Term" means the duration of the Leasehold Estate, as set forth in the Lease, including any renewal or extended term if a valid option to renew or extend is contained in the Lease.
  - g. "Plans" means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer) dated , last revised , designated as (insert name of project or project number) consisting of sheets.
  - h. "Remaining Term" means the portion of the Lease Term remaining after the Insured has been Evicted.
  - i. "Severable Improvement" means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.
  - j. "Tenant" means the tenant under the Lease and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.
3. Valuation of Title as an Integrated Project:
  - a. If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Eviction, then, as to that portion of the Land from which the Tenant is Evicted, that value shall consist of (i) the value of (A) the Leasehold Estate for the Remaining Term, (B) any Electricity Facility existing on the date of the Eviction, and, if applicable, (ii) any

reduction in value of another insured Lease as computed in Section 3(b) below.

b. A computation of loss or damage resulting from an Eviction affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Evicted.

c. The Insured Claimant shall have the right to have the Leasehold Estate and any Electricity Facility affected by a defect insured against by the policy valued either as a whole or separately. In either event, this determination of value shall take into account any rent no longer required to be paid for the Remaining Term.

d. The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

a. In the event of an Eviction, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Eviction, reduced by the salvage value of the Severable Improvement.

b. The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees or expenses) relating to:

i. the attachment, perfection or priority of any security interest in any Severable Improvement;

ii. the vesting or ownership of title to or rights in any Severable Improvement;

iii. any defect in or lien or encumbrance on the title to any Severable Improvement; or

iv. the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Evicted, the following items of loss, if applicable to that portion of the Land from which the Insured is Evicted shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

a. The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Eviction, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Eviction.

b. Rent or damages for use and occupancy of the Land prior to the Eviction that the Insured as owner of the Leasehold Estate may be obligated to pay to any person having paramount title to that of the lessor in the Lease.

c. The amount of rent or damages that, by the terms of the Lease, the Insured must continue to pay to the lessor after Eviction with respect to the portion of the Leasehold Estate from which the Insured has been Evicted.

d. The fair market value, at the time of the Eviction, of the estate or interest of the Insured in any lease or sublease specifically permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate.

e. Damages caused by the Eviction that the Insured is obligated to pay to lessees or sublessees on account of the breach of any lease or sublease specifically permitted by the Lease and made by the Tenant as lessor of all or part of the Leasehold Estate.

f. The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a replacement leasehold reasonably equivalent to the Leasehold Estate.

g. If any Electricity Facility is not substantially completed at the time of Eviction, the actual cost incurred by the Insured up to the time of Eviction, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Evicted. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 88.4: ENERGY PROJECT – COVENANTS, CONDITIONS AND  
RESTRICTIONS –LAND UNDER DEVELOPMENT – OWNER’S POLICY  
ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
  - a. “Covenant” means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
  - b. “Electricity Facility” means an electricity generating facility that may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
  - c. “Plans” means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer) dated , last revised , designated as (insert name of project or project number) consisting of sheets.
  - d. “Severable Improvement” means property affixed to the Land at Date of Policy or to be affixed to the Land in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.
3. The Company insures against loss or damage sustained by the Insured by reason of:
  - a. A violation of an enforceable Covenant by any Electricity Facility or Severable Improvement, unless an exception in Schedule B of the policy identifies the violation;
  - b. Enforced removal of any Electricity Facility or Severable Improvement as a result of a violation of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or

c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection, describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.

4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

a. any Covenant contained in an instrument creating a lease or easement;

b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or

c. except as provided in Section 3.c., any Covenant pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_



**NM FORM 88.5: ENERGY PROJECT – COVENANTS, CONDITIONS AND  
RESTRICTIONS – LAND UNDER DEVELOPMENT – LOAN ENDORSEMENT**

**This endorsement is issued as part of**

**Policy Number \_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

a. “Covenant” means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.

b. “Electricity Facility” means an electricity generating facility that may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

c. “Plans” means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer) dated , last revised , designated as (insert name of project or project number) consisting of sheets.

d. “Severable Improvement” means property affixed to the Land at Date of Policy or to be affixed to the Land in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

3. The Company insures against loss or damage sustained by the Insured by reason of:

a. A violation of a Covenant that:

i. divests, subordinates, or extinguishes the lien of the Insured Mortgage;

ii. results in the invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage; or

iii. causes a loss of the Insured’s Title acquired in satisfaction or partial satisfaction of the Indebtedness.

- 
- b. A violation of an enforceable Covenant by any Electricity Facility or Severable Improvement, unless an exception in Schedule B of the policy identifies the violation;
- c. Enforced removal of any Electricity Facility or Severable Improvement, as a result of a violation of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or
- d. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection, describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.
4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
- a. any Covenant contained in an instrument creating a lease or easement;
- b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or
- c. except as provided in Section 3.d., any Covenant pertaining to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 88.6: ENERGY PROJECT – ENCROACHMENTS ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For purposes of this endorsement only:
  - a. “Electricity Facility” means an electricity generating facility that may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.
  - b. “Plans” means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer) dated , last revised , designated as (insert name of project or project number) consisting of sheets.
  - c. “Severable Improvement” means property affixed to the Land at Date of Policy or to be affixed to the Land in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.
3. The Company insures against loss or damage sustained by the Insured reason of:
  - a. An encroachment of any Electricity Facility or Severable Improvement located on the Land onto adjoining land or onto that portion of the Land subject to an easement, unless an exception in Schedule B of the policy identifies the encroachment;
  - b. An encroachment of an improvement located on adjoining land onto the Land at Date of Policy, unless an exception in Schedule B of the policy identifies the encroachment;
  - c. Enforced removal of any Electricity Facility or Severable Improvement, as a result of an encroachment by the Electricity Facility or Severable Improvement onto any portion of the Land subject to any easement, in the event that the owners of the easement shall, for the purpose of exercising the right of use or maintenance of the easement, compel removal or relocation of the encroaching Electricity Facility or Severable Improvement;
  - d. Damage to any Electricity Facility or Severable Improvement that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved ; or

e. The coverage of Sections 3.c. and 3.d. shall not apply to the encroachments listed in Exception(s) of Schedule B.

4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from contamination, explosion, fire, vibration, fracturing, earthquake or subsidence.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 88.7: ENERGY PROJECT – FEE ESTATE – OWNER’S POLICY  
ENDORSEMENT**

**This endorsement is issued as part of**

**Policy Number \_\_\_\_\_**

**Issued by**

**BLANK TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is (a) only effective for the parcel or those parcels of the Land as to which the Title is fee simple and (b) subject to the exclusions in Section 6 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

(a) “Constituent Parcel” means one of the parcels of Land described in Schedule A that together with any other parcel or parcels of Land described in Schedule A constitute one integrated project.

(b) “Electricity Facility” means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

(c) “Ejected” or “Ejection” means (i) the lawful divestment, in whole or in part, of the Title to the Land or (ii) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement, as applicable, in either case as a result of a matter covered by this policy.

(d) “Plans” means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer) dated , last revised , designated as (insert name of project or project number) consisting of sheets.

(e) “Severable Improvement” means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

3. Valuation of Title as an integrated project:

(a) If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Ejection, then, as to that portion of the Land from which the Insured is Ejected, that value shall consist of (i) the value of the fee estate including any Electricity Facility existing on the date of the Ejection, and, if applicable, (ii) any reduction in value of another insured Constituent Parcel as computed in Section 3(b) below.

(b) A computation of loss or damage resulting from an Ejection affecting any Constituent

Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Ejected.

(c) The Insured Claimant shall have the right to have the fee estate, any Constituent Parcel, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately.

(d) The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

4. Valuation of Severable Improvements:

(a) In the event of an Ejection, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Ejection, reduced by the salvage value of the Severable Improvement.

(b) The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees, or expenses) relating to: (i) the attachment, perfection or priority of any security interest in any Severable Improvement; (ii) the vesting or ownership of title to or rights in any Severable Improvement; (iii) any defect in or lien or encumbrance on the title to any Severable Improvement; or (iv) the determination of whether any specific property is real or personal in nature.

5. Additional items of loss covered by this endorsement:

If the Insured is Ejected, the following items of loss, if applicable to that portion of the Land from which the Insured is Ejected, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(ii) of the Conditions.

(a) The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Ejection, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Ejection.

(b) Payments or damages for use and occupancy of the Land prior to the Ejection that the Insured may be obligated to pay to any person having paramount title to that of the Insured.

(c) The fair market value, at the time of the Ejection, of the estate or interest of the Insured in any lease or easement, as applicable, made by the Insured as lessor or grantor of all or part of the Title.

(d) Damages caused by the Ejection that the Insured is obligated to pay to lessees or easement grantees on account of the breach of any lease or easement, as applicable, made by the Insured as lessor or grantor of all or part of the Title.

(e) The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services and environmental testing and reviews for a fee estate in a replacement parcel of land reasonably equivalent to the parcel that is the subject of the Ejection.

(f) If any Electricity Facility is not substantially completed at the time of Ejection, the actual cost incurred by the Insured up to the time of Ejection, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Ejected. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage, or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_



**NM FORM 88.8: ENERGY PROJECT – FEE ESTATE – LOAN POLICY ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is (a) only effective for the parcel or those parcels of the Land as to which the Title is fee simple and (b) subject to the exclusions in Section 6 of this endorsement and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For purposes of this endorsement only:

(a) “Constituent Parcel” means one of the parcels of Land described in Schedule A that together with any other parcel or parcels of Land described in Schedule A constitute one integrated project.

(b) “Electricity Facility” means an electricity generating facility which may include one or more of the following: a substation; a transmission, distribution or collector line; an interconnection, inverter, transformer, generator, turbine, array, solar panel, or module; a circuit breaker, footing, tower, pole, cross-arm, guy line, anchor, wire, control system, communications or radio relay system, safety protection facility, road, and other building, structure, fixture, machinery, equipment, appliance and item associated with or incidental to the generation, conversion, storage, switching, metering, step-up, step-down, inversion, transmission, conducting, wheeling, sale, or other use or conveyance of electricity, on the Land at Date of Policy or to be built or constructed on the Land in the locations according to the Plans, that by law constitutes real property.

(c) “Ejected” or “Ejection” means (a) the lawful divestment, in whole or in part, of the Title to the Land or (b) the lawful prevention of the use of the Land or any Electricity Facility or Severable Improvement, as applicable, in either case as a result of a matter covered by this policy.

(d) “Plans” means the survey, site and elevation plans or other depictions or drawings prepared by (insert name of architect or engineer) dated , last revised , designated as (insert name of project or project number) consisting of sheets.

(e) “Severable Improvement” means property affixed to the Land at Date of Policy or to be affixed in the locations according to the Plans, that would constitute an Electricity Facility but for its characterization as personal property, and that by law does not constitute real property because (a) of its character and manner of attachment to the Land and (b) the property can be severed from the Land without causing material damage to the property or to the Land.

(f) “Vestee” means the party in which the Title is vested as stated in Schedule A and, after acquisition of all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy, the Insured Claimant.

3. Valuation of Title as an integrated project:

(a) If in computing loss or damage it becomes necessary to value the Title, or any portion of it, as the result of an Ejection, then, as to that portion of the Land from which the Vestee is Ejected, that value shall consist of (i) the value of the fee estate including any Electricity Facility

existing on the date of the Ejection, and, if applicable, (ii) any reduction in value of another insured Constituent Parcel as computed in Section 3(b) below.

(b) A computation of loss or damage resulting from an Ejection affecting any Constituent Parcel shall include loss or damage to the integrated project caused by the covered matter affecting the Constituent Parcel from which the Insured is Ejected.

(c) The Insured Claimant shall have the right to have the fee estate, any Constituent Parcel, and any Electricity Facility affected by a defect insured against by this policy valued either as a whole or separately.

(d) The provisions of this Section 3 shall not diminish the Insured's rights under any other endorsement to the policy; however, the calculation of loss or damage pursuant to this endorsement shall not allow duplication of recovery for loss or damage calculated pursuant to Section 8 of the Conditions or any other endorsement to the policy.

**4. Valuation of Severable Improvements:**

(a) In the event of an Ejection, the calculation of the loss shall include (but not to the extent that these items of loss are included in the valuation of the Title determined pursuant to Section 8 of the Conditions or any other provision of this or any other endorsement) the diminution in value of the Insured's interest in any Severable Improvement resulting from the Ejection, reduced by the salvage value of the Severable Improvement.

(b) The policy does not insure against loss or damage (and the Company will not pay any costs, attorneys' fees, or expenses) relating to: (i) the attachment, perfection, or priority of any security interest in any Severable Improvement; (ii) the vesting or ownership of title to or rights in any Severable Improvement; (iii) any defect in or lien or encumbrance on the title to any Severable Improvement; or (iv) the determination of whether any specific property is real or personal in nature.

**5. Additional items of loss covered by this endorsement:**

If the Insured acquires all or any part of the Title in accordance with the provisions of Section 2 of the Conditions of the policy and thereafter is Ejected, the following items of loss, if applicable to that portion of the Land from which the Insured is Ejected, shall be included, without duplication, in computing loss or damage incurred by the Insured, but not to the extent that the same are included in the valuation of the Title determined pursuant to Section 3 of this endorsement, the valuation of Severable Improvements pursuant to Section 4 of this endorsement, or Section 8(a)(iii) of the Conditions:

(a) The reasonable cost of: (i) disassembling, removing, relocating and reassembling any Severable Improvement that the Insured has the right to remove and relocate, situated on the Land at the time of Ejection, to the extent necessary to restore and make functional the integrated project; (ii) transportation of that Severable Improvement for the initial one hundred miles incurred in connection with the restoration or relocation; and (iii) restoring the Land to the extent damaged as a result of the disassembly, removal and relocation of the Severable Improvement and required of the Insured solely because of the Ejection.

(b) Payments or damages for use and occupancy of the Land prior to the Ejection that the Insured may be obligated to pay to any person having paramount title to that of the Insured.

(c) The fair market value, at the time of the Ejection, of the estate or interest of the Insured in any lease or easement, as applicable, made by the Vestee as lessor or grantor of all or part of the Title.

(d) Damages caused by the Ejection that the Insured is obligated to pay to lessees or easement grantees on account of the breach of any lease or easement, as applicable, made by the Vestee as lessor or grantor of all or part of the Title.

(e) The reasonable cost to obtain land use, zoning, building and occupancy permits, architectural and engineering services, and environmental testing and reviews for a fee estate in a replacement parcel of land reasonably equivalent to the parcel that is the subject of the Ejection.

(f) If any Electricity Facility is not substantially completed at the time of Ejection, the actual cost incurred by the Insured up to the time of Ejection, less the salvage value, for the Electricity Facility located on that portion of the Land from which the Insured is Ejected. Those costs include costs incurred to construct and fabricate the Electricity Facility, obtain land use, zoning, building and occupancy permits, architectural and engineering services, construction management services, environmental testing and reviews, and landscaping, and cancellation fees related to the foregoing.

6. This endorsement does not insure against loss, damage, or costs of remediation (and the Company will not pay costs, attorneys' fees, or expenses) resulting from environmental damage or contamination.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

[Witness clause optional]

Dated\_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory\_\_\_\_\_

**NM FORM 89: MEZZANINE FINANCING ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_**

**Issued by  
BLANK TITLE INSURANCE COMPANY**

1. The Mezzanine Lender is: \_\_\_\_\_ and each successor in ownership of its loan ("Mezzanine Loan") reserving, however, all rights and defenses as to any successor that the Company would have had against the Mezzanine Lender, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy as affecting Title.
2. The Insured
  - a. assigns to the Mezzanine Lender the right to receive any amounts otherwise payable to the Insured under this policy, not to exceed the outstanding indebtedness under the Mezzanine Lender; and
  - b. agrees that no amendment of or endorsement to this policy can be made without the written consent of the Mezzanine Lender.
3. The Company does not waive any defenses that it may have against the Insured, except as expressly stated in this endorsement.
4. In the event of a loss under the policy, the Company agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b) or (e) to refuse payment to the Mezzanine Lender solely by reason of the action or inaction or Knowledge, as of Date of Policy, of the Insured, provided
  - a. the Mezzanine Lender had no Knowledge of the defect, lien, encumbrance or other matter creating or causing loss on Date of Policy.
  - b. this limitation on the application of Exclusions from Coverage 3(a), (b) and (e) shall
    - i. apply whether or not the Mezzanine Lender has acquired an interest (direct or indirect) in the Insured either on or after Date of Policy, and
    - ii. benefit the Mezzanine Lender only without benefiting any other individual or entity that holds an interest (direct or indirect) in the Insured or the Land.
5. In the event of a loss under the Policy, the Company also agrees that it will not deny liability to the Mezzanine Lender on the ground that any or all of the ownership interests (direct or indirect) in the Insured have been transferred to or acquired by the Mezzanine Lender, either on or after the Date of Policy.
6. The Mezzanine Lender acknowledges
  - a. that the Amount of Insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule

Authorized signatory

**NM FORM 90: RESIDENTIAL LIMITED COVERAGE MORTGAGE MODIFICATION  
POLICY**

**issued by  
BLANK TITLE INSURANCE COMPANY**

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 16.

**COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE AND THE CONDITIONS, and provided that the Land is improved with an existing one-to-four family residence or residential condominium unit, [Blank Title Insurance Company], a [Blank] corporation (the "Company"), insures as of the Date of Policy against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured solely by reason of the Modification resulting in either:

1. The invalidity or unenforceability of the lien of the Identified Mortgage upon the Title at the Date of Policy.
2. The loss of priority of the lien of the Identified Mortgage, at the Date of Policy, over any lien or encumbrance on the Title that has been created, attached, filed or recorded in the Public Records subsequent to the date the Identified Mortgage was recorded in the Public Records.

**DEFENSE OF COVERED CLAIMS**

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

[Witness clause]

**BLANK TITLE INSURANCE COMPANY**

By: \_\_\_\_\_  
[Authorized Signatory]

By: \_\_\_\_\_  
[Authorized Signatory]

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**EXCLUSIONS FROM COVERAGE**

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. Any invalidity, unenforceability, or lack of priority of the Identified Mortgage or the Modification. Exclusion 1 does not modify or limit the coverage provided under the Covered Risks.
2. The status or ownership of the Title.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
  - a. created, suffered, assumed, or agreed to by the Insured Claimant;
  - b. Known to the Insured Claimant whether or not disclosed in the Public Records;
  - c. resulting in no loss or damage to the Insured Claimant;
  - d. not recorded or filed in the Public Records at the Date of Policy; or
  - e. attaching or created subsequent to the Date of Policy.
4. Any usury or Consumer Protection Law.
5. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the Modification is a:
  - a. fraudulent conveyance or fraudulent transfer;
  - b. voidable transfer under the Uniform Voidable Transactions Act; or
  - c. preferential transfer.



[Transaction Identification Data, for which the Company assumes no liability as set forth in Condition 9.f.:

Issuing Agent:

Issuing Office:

Issuing Office's ALTA® Registry ID:

Loan ID Number:

Issuing Office File Number:

Property Address:]

### **SCHEDULE**

Name and Address of Title Insurance Company:

Policy Number:

Amount of Insurance: \$

[Premium: \$\_\_\_\_\_]

Date of Policy:

[at

a.m./p.m.]

1. The Insured is:
2. The Identified Mortgage is described as follows:
3. The Modification is described as follows:

**CONDITIONS****1. DEFINITION OF TERMS**

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
  - i. that is wholly owned by the Insured;
  - ii. that wholly owns the Insured; or
  - iii. if that Entity and the Insured are both wholly owned by the same person or Entity.
- b. "Amount of Insurance": The Amount of Insurance stated in the Schedule, as may be decreased by Condition 10.
- c. "Consumer Protection Law": Any law regulating trade, lending, credit, sale, and debt collection practices involving consumers; any consumer financial law; or any other law relating to truth-in-lending, predatory lending, or a borrower's ability to repay a loan.
- d. "Date of Policy": The Date of Policy stated in the Schedule.
- e. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- f. "Government Mortgage Agency or Instrumentality": Any government agency or instrumentality that is the owner of the Indebtedness, an insurer, or a guarantor under an insurance contract or guaranty insuring or guaranteeing the Indebtedness, or any part of it, whether named as an Insured or not.
- g. "Identified Mortgage": The Mortgage described in Item 2 of the Schedule.
- h. "Indebtedness": Any obligation secured by the Identified Mortgage as modified by the Modification, including an obligation evidenced by electronic means authorized by law. If that obligation is the payment of a debt, the Indebtedness is:
  - i. the sum of:
    - (a). principal disbursed as of the Date of Policy;
    - (b). interest on the loan;
    - (c). expenses of foreclosure and any other costs of enforcement;
    - (d). advances for insurance premiums;
    - (e). advances to assure compliance with law or to protect the validity, enforceability, or priority of the lien of the Identified Mortgage before the acquisition of the estate or interest in the Title; including, but not limited to:
      - (1). real estate taxes and assessments imposed by a governmental taxing authority, and
      - (2). regular, periodic assessments by a property owners' association; and
    - (f). advances to prevent deterioration of improvements before the Insured's acquisition of the Title, but
  - ii. reduced by the sum of all payments and any amounts forgiven by an Insured.
- i. "Insured":
  - i. (a). The Insured named in Item 1 of the Schedule or future owner of the Indebtedness other than an Obligor, if the named Insured or future owner of the Indebtedness owns the Indebtedness, the Title, or an estate or interest in the Land as provided in Condition 2, but only to the extent the named Insured or the future owner either:
    - (1). owns the Indebtedness for its own account or as a trustee or other fiduciary, or
    - (2). owns the Title after acquiring the Indebtedness;
  - (b). the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as defined by applicable electronic transactions law;

- (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
- (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity;
- (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is an Affiliate;
- (f). an Affiliate that acquires the Title through foreclosure or deed-in-lieu of foreclosure of the Identified Mortgage; or
- (g). any Government Mortgage Agency or Instrumentality.
- ii. With regard to Conditions 1.i.i.(a). and 1.i.i.(b)., the Company reserves all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- iii. With regard to Conditions 1.i.i.(c)., 1.i.i.(d)., 1.i.i.(e)., and 1.i.i.(f)., the Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- j. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- k. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- l. "Land": The land described in the Identified Mortgage and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in the Identified Mortgage, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway.
- m. "Modification": The Modification described in Item 3 of the Schedule.
- n. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- o. "Obligor": A person or Entity that is or becomes a maker, borrower, or guarantor as to all or part of the Indebtedness or other obligation secured by the Identified Mortgage. A Government Mortgage Agency or Instrumentality is not an Obligor.
- p. "Public Records": The recording or filing system established under **Section 14-9-1 NMSA 1978, as amended to the Date of Policy, under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge.**
- q. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- r. "Title": The estate or interest in the Land purported to be encumbered by the Identified Mortgage.

## 2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured after the Insured's acquisition of the Title through either foreclosure or deed in lieu of foreclosure of the Identified Mortgage. Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or Entity that is not the Insured and acquires the Title or an obligation secured by a purchase money mortgage given to the Insured.

## 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of any litigation or other matter for which the Company may be liable under this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to

the Insured Claimant under this policy is reduced to the extent of the prejudice.

**4. PROOF OF LOSS**

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

**5. DEFENSE AND PROSECUTION OF ACTIONS**

a. Upon written request by the Insured, and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.

b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the lien of the Identified Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.

c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

**6. DUTY OF INSURED CLAIMANT TO COOPERATE**

a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:

i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and

ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the lien of the Identified Mortgage, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured

Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

**7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**

In case of a claim under this policy, the Company has the following additional options:

- a. To Pay or Tender Payment of the Amount of Insurance or to Purchase the

Indebtedness

- i. To pay or tender payment of the Amount of Insurance under this policy. In

addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or

ii. To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.

If the Company purchases the Indebtedness, the Insured must transfer, assign, and convey to the Company the Indebtedness and the Identified Mortgage, together with any collateral security.

Upon the exercise by the Company of either option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.

- b. To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant

i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

**8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the least of:

i. the Amount of Insurance;

ii. the Indebtedness;

iii. the difference between the fair market value of the Title, as insured, and the

fair market value of the Title subject to the matter insured against by this policy; or

iv. if a Government Mortgage Agency or Instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Identified Mortgage or in satisfaction of its insurance contract or guaranty relating to the Title or the Identified Mortgage.

b. Fair market value of the Title in Condition 8.a.iii. is calculated using either:

i. the date the Insured acquires the Title as a result of a foreclosure or deed in lieu of foreclosure of the Identified Mortgage; or

ii. the date the lien of the Identified Mortgage is finally determined, as set forth in Condition 9.b., to have been rendered invalid, unenforceable, or to have lost priority by reason of the Modification.

c. In addition to the extent of liability for loss or damage under Condition 8.a., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.



**9. LIMITATION OF LIABILITY**

a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:

- i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter; or
  - ii. establishes the lien of the Identified Mortgage,
- all as insured. The Company may do so by any method, including litigation and the completion of any appeals.

b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the lien of the Identified Mortgage, as insured.

c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

d. The Company is not liable under this policy for any indirect, special, or consequential damages.

e. An Insured Claimant must own the Indebtedness or have acquired the Title at the time that a claim under this policy is paid.

f. The Company is not liable for the content of the Transaction Identification Data, if any.

**10. REDUCTION OR TERMINATION OF INSURANCE**

a. All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment.

b. The voluntary satisfaction or release of the Identified Mortgage terminates all liability of the Company, except as provided in Condition 2.

**11. PAYMENT OF LOSS**

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

**12. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT**

a. Company's Right to Recover

i. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title or Identified Mortgage and all other rights and remedies of the Insured Claimant in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

ii. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.

b. Company's Subrogation Rights against Obligors

The Company's subrogation right includes the Insured's rights against Obligors including the Insured's rights to repayment under a note, indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights. An Obligor cannot avoid the Company's subrogation right by acquiring the Indebtedness as a result



of an indemnity, guaranty, warranty, insurance policy, or bond, or in any other manner. The Obligor is not an Insured under this policy. The Company may not exercise its rights under Condition 12.b. against a Government Mortgage Agency or Instrumentality.

c. Insured's Rights and Limitations

i. The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Identified Mortgage, or release any collateral security for the Indebtedness, if the action does not affect the enforceability or priority of the lien of the Identified Mortgage.

ii. If the Insured exercises a right provided in Condition 12.c.i. but has Knowledge of any claim adverse to the Title or the lien of the Identified Mortgage insured against by this policy, the Company is required to pay only that part of the loss insured against by this policy that exceeds the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's subrogation right.

**13. POLICY ENTIRE CONTRACT**

a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.

b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:

- i. modify any prior endorsement;
- ii. extend the Date of Policy;
- iii. insure against loss or damage exceeding the Amount of Insurance; or
- iv. increase the Amount of Insurance.

**14. SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

**15. CHOICE OF LAW AND CHOICE OF FORUM**

a. Choice of Law

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.

The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title or the lien of the Identified Mortgage and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.

b. Choice of Forum

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

**16. NOTICES**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: \_\_\_\_\_ (fill in) \_\_\_\_\_.

NOTE: Bracketed [ ] material optional

**NM FORM 91: CONTRACT PURCHASER CONVERSION ENDORSEMENT**

**This endorsement is issued as part of  
Policy Number \_\_\_\_\_  
Issued by  
BLANK TITLE INSURANCE COMPANY**

Attached to and made a part of NM 1 Owner's Policy No.: \_\_\_\_\_("Policy"):

1. Schedule A of the Policy is hereby amended as follows:

A. Date of Policy: \_\_\_\_\_

B. Amount of Insurance: \$\_\_\_\_\_

C. The estate or interest in the land which is covered by this Policy is Fee Simple and title to said estate or interest is vested in the Insured.

2. Schedule B of the policy is hereby amended by adding or deleting the following additional special exceptions as follows:

A. [Add or delete exceptions here, or if none, add the word "NONE"]

B. \_\_\_\_\_

3. The Policy as modified by this Conversion Endorsement consists of the NM form 1 Owner's Policy jacket including the Covered Risks, Exclusions from Coverage and Conditions, this Owner's Contract Purchaser's Conversion Endorsement, Schedules A and B of the Policy as modified by this Conversion Endorsement, and the following Endorsement(s): [List additional owner's endorsements here, or if none, add the word "NONE"]

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Witness clause optional]

Dated \_\_\_\_\_

BLANK TITLE INSURANCE COMPANY

Authorized signatory \_\_\_\_\_

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## TAXATION AND REVENUE DEPARTMENT

This is an amendment to 3.1.14 NMAC, Section 13, effective 12/19/2023.

### 3.1.4.13 REPORTING ACCORDING TO BUSINESS LOCATION (Applicable to periods beginning July 1, 2021):

#### A. DEFINITIONS:

As used in 3.1.4.13 NMAC, these terms have the following definitions:

(1) **“Gross receipts.”** Under Section 7-1-14 NMSA 1978, “gross receipts” is defined as that term is used in the Gross Receipts and Compensating Tax Act, the Leased Vehicle Gross Receipts Tax Act, or the Interstate Telecommunications Gross Receipts Tax Act, as applicable. As used in 3.1.4.13 NMAC, the term “gross receipts from” or similar terms indicates that under the applicable tax acts, the gross receipts would be treated as derived from a particular source or characterized as relating to a particular activity such as the lease or property or the sale of services.

(2) **“In-person service.”** Under Section 7-1-14 NMSA 1978 “professional service,” as defined, “does not include an in-person service.” The term “in-person service” means a service physically provided in person by the service provider, where the customer or the customer’s real or tangible personal property upon which the service is performed is in the same location as the service provider at the time the service is performed. If the service is not generally provided, or does not generally need to be provided, physically in the presence of or upon the customer or upon the customer’s property, it is not an “in-person service” simply because it may be or sometimes is performed in the presence of the customer or at the location of the customer’s property.

(a) Examples of services that will generally be treated as in-person services include, but are not limited to:

(i) Services provided by healthcare workers that are generally performed or required to be performed on or in the presence of the patient.

(ii) Mental health services, unless the provider generally provides the particular service either only in-person, or with limited exceptions.

(iii) Services provided by athletic trainers or physical therapists for clients.

(iv) Services provided by barbers and cosmetologists.

(v) Home healthcare services.

(b) Examples of services that will generally not be treated as in-person services include, but are not limited to:

(i) Architectural and engineering services. Note, however, that when performed as part of or billed to a construction project, these services are considered “construction-related services” rather than professional services pursuant to Subsection C of Section 7-9-3.4 NMSA 1978, and the reporting location for gross receipts from these services is the construction site per Paragraph (2) of Subsection F of Section 7-1-14 NMSA 1978.

(ii) Legal services.

(iii) Accounting, auditing, and tax preparation services.

(iv) Real estate appraisal services.

(3) **“Professional service.”** The term “professional service” as defined in Section 7-1-14 NMSA 1978 means a service, other than an in-person service or construction-related service, that requires either an advanced degree from an accredited post-secondary educational institution or a license from the state to perform. As provided in Paragraph (2) of Subsection A of 3.1.4.13 NMAC, just because a service is provided in person by the service provider does not make it an “in-person” service if

the service is not generally provided, or does not generally need to be provided, physically in the presence of or upon the customer or upon the customer’s property.

(4) **“Reporting location.”** 3.1.4.13 NMAC uses the term “reporting location” in place of the term “business location,” the term that is used in Sections 7-1-3 and 7-1-14 NMSA 1978 as well as local option taxes to refer to the location code designated by the department and required to be used to report the gross receipts and related deductions subject to gross receipts tax or the value of items whose taxable use is subject to the compensating tax. Like the term “business location,” the term “reporting location” refers to the location code and applicable tax rate for reporting gross receipts tax and compensating tax, as designated by the department.

(5) **“Seller’s location” or “place of performance.”** This regulation may use the terms “seller’s location” or “place of performance” or similar terms to refer to the general facts that may be essential for determining the reporting location. In general, a seller’s location may include a particular building, including a store or office, or other physical location maintained or operated by or for the seller, or used by the seller, where some designated activity giving rise to gross receipts takes place. If the seller uses no such physical location in New Mexico, and if the seller’s domicile is not in New Mexico, then the “seller’s location” as used in this regulation is deemed to be outside the state.

### B. REPORTING ACCORDING TO REPORTING LOCATION - GENERAL:

(1) Reporting location and rate of tax for gross receipts and taxable use. Section 7-1-14 NMSA 1978, amended effective July 1, 2021, determines the proper reporting jurisdiction and rate of tax that apply under the Gross Receipts and Compensating Tax Act, Interstate Telecommunications Gross

Receipts Tax Act, Leased Vehicle Gross Receipts Tax Act and any act authorizing the imposition of a local option gross receipts or compensating tax.

(2) Effect of the substantive tax provisions on the rules for reporting location. Unless otherwise indicated, the provisions of 3.1.4.13 NMAC should be read consistently with the provisions of the Gross receipts and Compensating Tax Act, Interstate Telecommunications Gross Receipts Tax Act, Leased Vehicle Gross Receipts Tax Act, as appropriate, and any acts authorizing imposition of local option gross receipts or compensating tax, and any regulations issued under these acts. No provisions of 3.1.4.13 NMAC should be read as subjecting to tax items that are not subject to tax, or excluding from tax items that are subject to tax, under these substantive tax provisions.

(3) State reporting location and application of the state rate. In some cases, taxable gross receipts or the value of items whose taxable use is subject to the compensating tax may not be required to be reported to a particular reporting location in this state. In those cases, the reporting location is the state reporting location and only the state tax rate will apply.

(a) Example: Gross receipts from a professional service performed outside New Mexico, the product of which is delivered to a New Mexico customer for initial use in the state, are taxable in the state. Because Paragraph (9) of Subsection C of 3.1.4.13 NMAC provides that the reporting location of gross receipts from professional services is the location where the services are performed or sold, the gross receipts would be reported to the reporting location for the state and taxed at the state rate.

(b) Example: A nonresident individual with no regular place of business in the state is hired by an out-of-state seller to represent the seller. In order to perform this service, the individual

obtains tangible personal property in a tax-free transaction outside the state, which would have been subject to the gross receipts tax had it been acquired inside the state. After acquiring the property, the individual brings that property into New Mexico, using the property in the service performed at various locations throughout the state. The compensating tax on the value of this property would be reported to the reporting location for the state and taxed at the state rate. See Item (ii) of Subparagraph (e) of Paragraph (5) of Subsection C, and Subsection E of 3.1.4.13 NMAC.

(c) Example: Under Subparagraph (e) of Paragraph (5) of Subsection C of 3.1.4.13 NMAC, a seller that does not have access to sufficient information for reporting sales of tangible personal property to the location where the customer receives that property may report to the gross receipts from those sales to the seller's location. So an out-of-state seller may have certain sales that would be reported to the reporting location for the state and taxed at the state rate. As explained under Subparagraph (e) of Paragraph (5) of Subsection C of 3.1.4.13 NMAC, however, sellers who have access to reliable information from which they can determine an estimate of receipts by reporting location must use that information.

(4) Gross receipts tax not required to be charged or collected. Nothing in Section 7-1-14 NMSA 1978 or 3.1.4.13 NMAC requires the person that engages in activity or transactions resulting in taxable gross receipts to charge or collect the tax from purchasers. The gross receipts tax is a tax on the seller and under Section 7-9-6 NMSA 1978, the taxpayer need only affirmatively state on the billing to its purchaser whether gross receipts tax is included in the amount billed. Furthermore, 3.2.6.8 NMAC provides that the amount of gross receipts tax owed may be "backed out" of the total charged to the customer.

(5) Gross receipts of commissioned sales agents

versus consignors/consignees and marketplace sellers/providers.

(a) Commissioned sales agents. Under Subparagraph (a) of Paragraph (2) of Subsection A of Section 7-9-3.5 NMSA 1978 and applicable regulations, commissioned sales agents report only their commission or fee when the property or services which they promote for sale are those of a third party. Under Section 7-1-14 NMSA 1978, the commission is gross receipts from the performance of a service by the sales agent and the reporting location of those receipts is determined in accordance with Paragraph (9) of Subsection C of 3.1.4.13 NMAC.

(b) Gross receipts of consignors/consignees and marketplace sellers/providers. Under Subparagraphs (b) and (g) of Paragraph (2) of Subsection A of Section 7-9-3.5 NMSA 1978 and applicable regulations, the gross receipts and related deductions for sales on consignment and for sales facilitated by marketplace providers are generally defined as all amounts paid or collected from the sale, lease, or licensing of property or services even where a third party consignor or marketplace seller also has gross receipts from selling the related property or service provided. The reporting location of gross receipts and related deductions of the consignor/consignee or the marketplace seller/provider is determined under 3.1.4.13 NMAC as follows:

(i) By looking to the nature of the transaction or activity from which the gross receipts are derived, as though the consignor and consignee, or the marketplace seller and marketplace provider, is each the seller or provider of that transaction or activity to the customer; and, except as provided in Items (ii) and (iii) of this Subparagraph (b), imputing to both parties information known by either party that may be relevant in properly determining the reporting location of the gross receipts.

<p>(ii) In a case where the consignor or marketplace seller may properly claim a deduction under the Gross Receipts and Compensating Tax Act and applicable regulations on account of the transaction with the consignee or marketplace provider, respectively, the consignor or marketplace seller may report these deductions and related gross receipts to the reporting location based on information available to them, without imputing of information known by the consignee or marketplace provider.</p>	<p>(ii) Same facts as Item (i) of Subparagraph (c) of Paragraph (5) of Subsection B of 3.1.4.13 NMAC, except that, rather than a commissioned sales agent, X is a consignee and Y is a consignor. Under the consignment arrangement, X receives receipts from customers for Y's tangible personal property and agrees to pay Y a portion of those receipts. Under the Gross Receipts and Compensating Tax Act and applicable regulations, both X and Y have gross receipts from selling tangible personal property. The reporting location for the gross receipts and any related deductions of both X and Y is the location of the customer determined under the provisions of Paragraph (5) of Subsection C of 3.1.4.13 NMAC.</p>	<p>(ii) to reasonably rely on information provided by the marketplace seller, even if erroneous, in determining the reporting location.</p>
<p>(iii) In a case where the marketplace provider, in determining the reporting location of gross receipts reasonably relies on erroneous information provided by the marketplace seller as provided in Subsection C of Section 7-9-5 NMSA 1978, the correct information that may be known to the marketplace seller will not be imputed to the marketplace provider.</p>	<p>(iii) Same facts as Item (ii) of Subparagraph (c) of Paragraph (5) of Subsection B of 3.1.4.13 NMAC, except that rather than the consignee/consignor relationship described, X is a marketplace provider and y is a marketplace seller. Under the Gross Receipts and Compensating Tax Act and applicable regulations, both X and Y have gross receipts from selling or facilitating the sale of tangible personal property. The reporting location for the gross receipts and any related deductions of both X and Y is the location of the customer determined under the provisions of Paragraph (5) of Subsection C of 3.1.4.13 NMAC.</p>	<p>(v) Same facts generally as Items (ii) and (iii) of Subparagraph (c) of Paragraph (5) of Subsection B of 3.1.4.13 NMAC. In addition, the consignee or marketplace provider offers the tangible personal property for sale to the customer, collects the payment, and also ships the tangible personal property to the customer. The consignor or marketplace seller may report gross receipts for which a proper deduction can be taken on account of the sale by the consignee or marketplace seller based on information known by the consignor or marketplace seller, without imputing information known by the consignee or marketplace provider.</p>
<p>(c) Examples:</p>	<p>(iv) Same facts generally as Items (ii) and (iii) of Subparagraph (c) of Paragraph (5) of Subsection B of 3.1.4.13 NMAC. In addition, while the consignee or marketplace provider offers the tangible personal property for sale to the customer and collects the payment, it is the consignor or marketplace seller that ships the tangible personal property to the customer. Information as to the customer's location is imputed to the consignee or marketplace provider when determining reporting location of its gross receipts, but the marketplace provider is also allowed</p>	<p><b>C. GENERAL RULES FOR DETERMINING REPORTING LOCATION:</b></p> <p>(1) Meaning of certain terms. Unless otherwise defined in Subsection A of 3.1.4.13 NMAC, Section A or otherwise indicated by the context, the terms used in these rules have the same meaning as under the Gross Receipts and Compensating Tax Act.</p> <p>(2) Effect of the reporting location. A person that has gross receipts and a person making taxable use of property or services in New Mexico subject to the compensating tax shall report the gross receipts or compensating tax to the proper reporting location as provided in this section. The gross receipts and compensating taxes imposed by the Gross Receipts and Compensating Tax Act may include both a state rate of tax as well as applicable local option rates authorized by state law and imposed by county and municipal governments. The reporting location, as that term is used in 3.1.4.13 NMAC, determines the local jurisdiction to which the tax will be reported as well as the gross receipts or compensating tax rate that applies.</p> <p>(3) Reporting to multiple locations. Any person</p>



that must report gross receipts or taxable use of items to more than one reporting location under one identification number is required to report gross receipts, deductions, and the value of items used for each location on the tax return and in accordance with the reporting location codes as designated by the Secretary under Section 7-1-14 NMSA 1978 and 3.1.4.13 NMAC.

(4) Gross receipts from transactions involving real property. If the gross receipts are from the sale, lease or granting of a license to use real property located in New Mexico, then the reporting location for those gross receipts and any related deductions is the location of the real property.

(5) Gross receipts from sale or license of tangible personal property and from certain licenses and other services. If the gross receipts are from the sale or license of tangible personal property, or if the receipts are from activity described in Subparagraph (e) of Paragraph (9) or Paragraph (6) of Subsection C, of 3.1.4.13 NMAC the reporting location for the gross receipts and related deductions is determined as follows:

(a) If the gross receipts are from the property or the product of a service that is delivered by the seller and received by the purchaser from the seller at the seller's location, then the reporting location of the gross receipts and any related deductions, is the seller's location.

(b) If the gross receipts are from property or the product of a service that is not delivered by the seller and received by the purchaser at the seller's location as described in Subparagraph (a) of Paragraph (5) of Section C of 3.1.4.13 NMAC, the reporting location is the location indicated by instructions for delivery to the purchaser, or the purchaser's donee, when known to the seller.

(c) If Subparagraphs (a) and (b) do not apply, the reporting location is the location indicated by an address for

the purchaser available from the business records of the seller that are maintained in the ordinary course of business; provided that use of the address does not constitute bad faith.

(d) If Subparagraphs (a) through (c) do not apply, the reporting location is the location for the purchaser obtained during consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available; provided that use of this address does not constitute bad faith.

(e) If Subparagraphs (a) through (d) do not apply, including a circumstance in which the seller is without sufficient information to apply those provisions, then the reporting location for the gross receipts and related deductions is the location from which the property or product of the service was shipped or transmitted to the purchaser.

(i) Except as provided in provision in Item (ii) of Subparagraph (e) of Paragraph (5) of Subsection C of 3.1.4.13 NMAC below, the seller is not considered to be without sufficient information to apply provisions of Subparagraphs (a) through (d) if it obtains or has access to sufficient information at the time of the sale, or subsequently, but simply fails to maintain that information in its records; or it has access to sufficient information from other reliable sources to make a reasonable estimate of the reporting location under Subsection F of this regulation at the time the gross receipts are required to be reported. Examples of information from other reliable sources includes population or market-penetration information that may be used to develop a reasonable estimate of the location of consumers of certain products.

(ii) If gross receipts are derived from a single sale or transaction where the property or the product of a service provided is determined to be delivered simultaneously at multiple locations throughout the state, the

seller is deemed not to have sufficient information to determine the reporting location under Subparagraph (e) of Paragraph (5) of Subsection C of 3.1.4.13 NMAC.

(iii) Example: Company X provides an advertising service to Customer Y that will be distributed or displayed to persons in New Mexico through general access to particular media. The product of the advertising service is delivered to the location of the person accessing or viewing the advertising. Under Subparagraph (e) of Paragraph (5) of Subsection C of 3.1.4.13 NMAC, the reporting location of the gross receipts and related deductions from this service is the location of Company X as determined by the location from which the advertising service was primarily provided.

(iv) Example: Company x provides customer Y with a license to use digital goods by customer Y at various locations throughout the state. The license is delivered to customer Y throughout the state. Under Subparagraph (e) of Paragraph (5) of Subsection C of 3.1.4.13 NMAC, the reporting location of the gross receipts and related deductions of company X from providing the license to use digital goods is the location of company X as determined by the location from which the digital goods were primarily provided. A person may report different gross receipts and deductions to different reporting locations under the rules of this Paragraph (5) of Subsection C of 3.1.4.13 NMAC, as applicable.

(v) Example: Company X provides a digital advertising service to customer Y that can be viewed in New Mexico, and is intended to be viewed only in New Mexico, through access to company X's digital platform, as that term is defined in Subsection D of 3.2.213.13 NMAC. The product of the digital advertising service is delivered to the locations of all persons in New Mexico viewing or accessing the advertising. Under Subparagraph (e) of Paragraph (5)

of Subsection C of 3.1.4.13 NMAC, the reporting location of the gross receipts and related deductions from this service is the location of company X as being the location from which the product of the digital advertising service was transmitted to the purchaser.

(6) If the gross receipts are from the sale of a license of digital goods, or any other sale of a license not otherwise specifically addressed in these regulations, the reporting location of the gross receipts and related deductions is determined consistent with Paragraph (5) of Subsection C of 3.1.4.13 NMAC.

(7) If the gross receipts are from the lease of tangible personal property, including vehicles, other transportation equipment, and other mobile tangible personal property, then the reporting location for the gross receipts any related deductions is the location of primary use of the property, as indicated by the address for the property provided by the lessee that is available to the lessor from the lessor's records maintained in the ordinary course of business; provided that use of this address does not constitute bad faith. The primary reporting location shall not be altered by intermittent use at different locations, such as use of business property that accompanies employees on business trips and service calls.

(8) If the gross receipts are from the sale, lease or license of franchises, then the reporting location for the gross receipts and any related deductions is where the franchise is used. The location where the franchise is used may be determined from the franchise agreement or from other facts and circumstances related to the exercise of the franchise.

(9) The reporting location of gross receipts and related deductions from the sale of services is determined as follows:

(a) If the gross receipts are from professional services, whether performed in New Mexico or performed outside the state where

the product of the service is initially used in New Mexico, the reporting location of the gross receipts and related deductions is the location of the performance of the service. Gross receipts from a service performed outside the state that are taxable in New Mexico because the buyer makes initial use of the product of the service in this state are reported to the state reporting location and taxed at the state rate.

(b) If the gross receipts are from construction services and construction-related services, as those terms are defined under the Gross Receipts and Compensating Tax Act and applicable regulations, performed for a construction project in New Mexico, the reporting location of the gross receipts and related deductions is the location of the construction site.

(c) If the gross receipts are from the service of selling of real estate located in New Mexico, the reporting location of the gross receipts and related deductions is the location of the real estate.

(d) If the gross receipts are from transportation of persons or property in, into or from New Mexico, the reporting location of the gross receipts and related deductions is the location of where the person or property enters the vehicle.

(e) If the gross receipts are from services other than those described in Subparagraphs (a) through (d) of Paragraph (9) of Section C of 3.1.4.13 NMAC, including in-person services, the reporting location of those gross receipts and related deductions is the location where the product of the service is delivered. In general, the location of delivery of the product of the service is determined under rules consistent with Paragraph (5) of Subsection C of 3.1.4.13 NMAC. The "product of the service" is determined under applicable provisions of the Gross Receipts and Compensating Tax Act and related regulations.

(i) Advertising services. An advertising service involves an agreement with

a client to communicate or to place advertisements before an intended audience, on behalf of the client. The product of an advertising service is the ad which is capable of being heard or viewed by the intended audience. The reporting location for gross receipts from an advertising service is determined under Paragraph (5) of Subsection C of 3.1.4.13 NMAC based on delivery of the product of the service, which is the location where the ad may be heard or seen by the intended audience.

(ii) Services ancillary to advertising. Services ancillary to advertising include design of the advertisement, creation of data processing or information technology to capture of customer related information, etc., which the seller may treat as a separate service under Section D of 3.1.4.13 NMAC and which are provided to a client. The reporting location of gross receipts from a service ancillary to advertising under Paragraph (5) of Subsection C of 3.1.4.13 NMAC depends on the product of the service and where it is delivered, but will generally be the location of delivery of that product of the service to the client.

(f) The reporting location of gross receipts from in-person services is the location of the performance of the service, which is also the location of the customer or the customer's property on which the service is performed.

**D. MIXED TRANSACTIONS:** Where a single transaction gives rise to gross receipts that would have different reporting locations under Paragraphs (4) through (9) of Subsection C of 3.1.4.13 NMAC if they were provided to the customer in the form of separate transactions, the reporting location for those gross receipts shall be determined as follows:

(1) If the billing to the customer does not break out the charges for the separate items, then the reporting location will be determined based on how the gross receipts for the transaction would be



treated under the Gross Receipts and Compensating Tax Act and applicable regulations, and applying Paragraphs (4) through (9) of Subsection C of 3.1.4.13 NMAC.

(2) If the billing to the customer breaks out the separate charges for the items and one or more items would be treated as incidental charge or an element of the sales price of other items under the Gross Receipts and Compensating Tax Act and applicable regulations, then the reporting location of those incidental receipts will be the reporting location as determined for the gross receipts from the remaining related item or items.

(3) If the billing to the customer breaks out the separate charges for the items and one or more items would not be treated as an incidental charge or an element of the sales price of other items under the Gross Receipts and Compensating Tax Act, and if the reporting location for the gross receipts from two or more such items would be different under Paragraphs (4) through (9) of Subsection C of 3.1.4.13 NMAC, then the gross receipts and related deductions reported to each reporting location will be determined as follows:

(a) the separate gross receipts for each item will be reported to the separate reporting locations, based on the separate charges in the bill to the customer; or

(b) all of the gross receipts may be reported to the single reporting location properly determined for the item or items from which the majority of the gross receipts result as properly determined under Subsection C of 3.1.4.13 NMAC.

(4) Example: Taxpayer sells a professional service along with tangible personal property delivered to the buyer. The billing to the buyer includes a separate charge of \$100 for the service, \$100 for the tangible personal property, and \$5 for shipping. Assume that under the Gross Receipts and Compensating Tax Act and applicable regulations,

the taxpayer would be treated as having \$100 of gross receipts from the sale of a service and \$105 (the charge for the property and the incidental charge for shipping) from the sale of tangible personal property. Assume also that the reporting location of the gross receipts from the sale of the service under 3.1.4.13 NMAC is the location where the service is performed but the reporting location for the gross receipts from the sale of the tangible personal property is the location of the delivery to the customer. The taxpayer may report the gross receipts from the service to the reporting location as properly determined under Subparagraph (a) of Paragraph (9) of Subsection C of 3.1.4.13 NMAC and the gross receipts from the sale of property to the reporting location as properly determined under Subparagraphs (b) through (d) of Paragraph (5) of Subsection C of 3.1.4.13 NMAC. Alternatively, the taxpayer may report all of the gross receipts to the reporting location as determined for the sale of the property.

#### **E. REPORTING LOCATION FOR COMPENSATING TAX:**

(1) Except as provided in Paragraphs (2) and (3) of Subsection E of 3.1.4.13 NMAC, the value of an item that is subject to compensating tax under Section 7-9-7 NMSA 1978 is generally reported to the same reporting location to which gross receipts from the transaction in which the item was acquired would have been reported under Subsections C or D of 3.1.4.13 NMAC, had the transaction been subject to gross receipts tax. In applying Subsections C or D to determine the reporting location to report the value of items for compensating tax, the taxpayer should assume that the person providing those items would have had information on the taxpayer's location at the time of the transaction.

(2) In the case of an individual who owes compensating tax for non-business use of items acquired in a transaction with a person that did not have nexus in New Mexico, the reporting location

for reporting that compensating tax is the individual's residence or primary place of abode in the state at the time of the transaction.

(3) In the following cases, the reporting location for reporting compensating tax on purchases, other than professional services, is the location of first use in the state:

(a) purchases made by a business that were not subject to the gross receipts tax solely because they were made outside the state, where the later use inside New Mexico is subject to the compensating tax; or

(b) where the taxpayer has information that can show that first use upon which compensating tax is imposed occurred at a different time and place than would be determined under Paragraphs (1) or (2) of Subsection G of 3.1.4.13 NMAC.

(4) Examples:

(a) A business acquires tangible personal property in a transaction with a person that lacks nexus in New Mexico. The business uses the property in a manner that would have rendered the transaction subject to the gross receipts tax, had the person had nexus. The reporting location for purposes of reporting the compensating tax is the reporting location to which the gross receipts would have been reported by the person if the person had had nexus and assuming, for this purpose, that the person would have had information on the location of the business that acquired the property.

(b) A business with offices both inside and outside New Mexico purchases tangible personal property at its office outside the state and later ships that property to its New Mexico office for use. The use of the property in New Mexico was such that the property would have been subject to the gross receipts tax had it been acquired in New Mexico. The reporting location for purposes of reporting the compensating tax is the office in New Mexico at which the property is first used.

(c)

A business purchases tangible personal property for resale from a New Mexico seller and takes delivery of that property at the seller's place of business in Location X, using a nontaxable transaction certificate to purchase the property tax-free. Subsequent to the purchase, the business uses the property, rather than reselling it, at its own place of business in location Y. The reporting location for purposes of reporting the compensating tax is location Y.

(d)

A business with offices both inside and outside New Mexico obtains a license to use digital goods which will be used at its offices inside and outside the state. In the transaction with the provider of the license, the provider knows only the purchaser's out-of-state office and conducts the transaction with that office. The reporting location for the portion of the value of the license used in New Mexico is the location of the office in New Mexico.

(e)

A business purchases a service from an out-of-state person who lacks nexus in New Mexico. The product of the service is initially used in New Mexico. The reporting location of the value of the service for purpose of compensating tax is the location of the initial use by the business in New Mexico.

(f)

A nonresident individual with a place of abode in New Mexico purchases tangible personal property for use in New Mexico from a seller who lacks nexus in New Mexico. The transaction would not otherwise be exempt or deductible from gross receipts tax had it occurred in New Mexico. The reporting location of the compensating tax owed by the individual is that individual's place of abode.

#### F. USE OF REASONABLE ESTIMATES:

(1) Use of

reasonable estimates allowed. Where a person subject to the gross receipts or compensating tax maintains records or has access to other reliable

information that would allow that person to determine or estimate the reporting location for those gross receipts or the compensating tax under the rules of Subsections C and D of 3.1.4.13 NMAC, those records or other information may be used to establish reasonable estimates of the amounts reported to be reported by reporting location. Provided that the taxpayer's reporting of gross receipts or compensating tax otherwise complies with provisions of the Gross Receipts and Compensating Tax Act and applicable regulations, the department will not assess the taxpayer for additional tax if the taxpayer uses reasonable estimates, applied consistently and in good faith to determine the reporting location, so long as there is no obvious distortion. Obvious distortion shall be presumed whenever the method used to estimate the reporting location treats similar transactions inconsistently. Any method which intentionally credits sales to a location with a lower combined tax rate primarily for the purpose of reducing the taxpayer's total tax liability shall be presumed to contain obvious distortion.

(2) Use of

reasonable estimates required. Where a person has gross receipts that would generally be sourced under the rules of Paragraph (5) of Subsection C of 3.1.4.13 NMAC, and where the person has records or information that would allow a reasonable estimate of the reporting location of those receipts applying Subparagraphs (a) through (d) of Paragraph (5) of Section C of 3.1.4.13 NMAC, the taxpayer shall use a reasonable estimate before applying Subparagraph (e) of Paragraph (5) of Section C of 3.1.4.13 NMAC.

#### G. REPORTING LOCATION - RECEIPTS SUBJECT TO THE INTERSTATE TELECOMMUNICATIONS GROSS RECEIPTS TAX:

Notwithstanding anything in Section 7-1-14 NMSA 1978, or provisions of 3.1.4.13 NMAC, the reporting location for gross receipts subject to the interstate telecommunications gross receipts tax is the state

location and rate. The following telecommunications services are subject to the tax:

(1) interstate

telecommunications services (other than mobile telecommunications services) that originate or terminate in New Mexico and are charged to a telephone number or account in New Mexico; and

(2) mobile

telecommunications services that originate in one state and terminate in any location outside it, to a customer with a place of primary use in New Mexico as defined under Subsection E of Section 7-9C-2 NMSA 1978.

#### H. TRANSACTIONS

**ON TRIBAL TERRITORY:** A person selling or delivering goods or performing services on the tribal land of a tribe or pueblo that has entered into a gross receipts tax cooperative agreement with the state of New Mexico pursuant to Section 9-11-12.1 NMSA 1978 is required to report those receipts based on the tribal location of the sale or delivery of the goods or performance of the service. [3.1.4.13 NMAC - Rp, 3.1.4.13 NMAC, 7/7/2021; A, 12/19/2023]

### TAXATION AND REVENUE DEPARTMENT

**This is an amendment to 3.2.1 NMAC, Section 12, effective 12/19/2023.**

#### 3.2.1.12 ENGAGING IN BUSINESS:

A. Engaging in business [~~-Generally~~]:

(1) Generally:

For periods beginning July 1, 2020, "engaging in business" conforms to the constitutional requirement for substantial nexus under *South Dakota v. Wayfair*, 585 U.S. \_\_\_\_ (2018). A person that has physical presence in the state and is also conducting activity with the purpose of direct or indirect benefit is engaging in business and subject to the imposition of gross receipts tax. A person that does not have physical presence in the state is nevertheless engaging in

business and has substantial nexus in New Mexico if, in the preceding calendar year, that person has total taxable gross receipts from sales, leases and licenses of tangible personal property, sales of licenses and sales of services and licenses for use of real property sourced to this state pursuant to Section 7-1-14 NMSA 1978, of at least one hundred thousand dollars (\$100,000).

**(2)** A person who is required to register with the department for the purposes of the gross receipts tax may close its gross receipts tax account following any calendar year in which it no longer meets the requirements for engaging in business set out in Section 7-9-3.3 NMSA 1978. For example, a person who does not currently have physical presence in New Mexico and who did not have total taxable gross receipts from sales, leases and licenses of tangible personal property, sales of licenses and sales of services and licenses for use of real property sourced to this state pursuant to Section 7-1-14 NMSA 1978 of at least \$100,000, may close its gross receipts tax account for the 20XX calendar year. In order to close its registration and its future filing obligations, such person must submit its request to close its registration and specify the closure date on a form prescribed by the department. The person's duty to register will resume in any calendar year in which it meets the requirements of Section 7-9-3.3 NMSA 1978.

**(3)** A person who has not registered or been otherwise identified is nonetheless a "taxpayer" subject to the provisions of the Tax Administration Act, 3.1.1.13 NMAC.

**B.** Affiliated corporations:

**(1)** When a corporation is carrying on or causing to be carried on, with a wholly owned subsidiary, any activity with the purpose of direct or indirect benefit, both the corporation and the subsidiary are "engaging in business".

**(2)** Example: B corporation, which operates a hotel

supply house, sells supplies only to C Hotel Corporation, which owns all the stock in B Corporation. B claims that since it sells only to C, its parent corporation, it is not engaging in business. B and C are each engaging in business because the purpose of their activities is to benefit either or both corporations.

**C.** Corporation not for profit: When a corporation not for profit is carrying on or is causing to be carried on any activity with the purpose of direct or indirect benefit it is "engaging in business".

**D.** Leasing property:

**(1)** Persons leasing property employed in New Mexico are engaging in business within the state for the purpose of direct or indirect benefit.

**(2)** Example: X, an out of state business, leases construction machinery to Y who employs the leased property in New Mexico. X asks if X is engaged in business in New Mexico for purpose of registration, reporting and paying the gross receipts tax. X is engaged in business in New Mexico.

**E.** Hotels and motels providing interstate telecommunications service to guests:

**(1)** Hotels, motels and similar establishments offering interstate telecommunications service to guests in conjunction with the rental of rooms or other facilities are not "engaging in interstate telecommunications business" for purposes of the Interstate Telecommunications Gross Receipts Tax Act.

**(2)** A hotel, motel or similar establishment is primarily engaged in the business of renting rooms and meeting facilities to the general public. Providing interstate telephone service or other interstate telecommunications services to guests is incidental to the primary business of the hotel, motel or similar establishment. Receipts from providing such service are additional receipts from engaging in the primary business and are subject to the provisions of the Gross Receipts and Compensating Tax Act.

**(3)** Subsection D of 3.2.1.12 NMAC is retroactively applicable to transactions occurring on or after July 1, 1992.

**F.** Persons not engaging in business - foster parents: Individuals who enter into an agreement with the state of New Mexico to provide foster family care for children placed with them by the state are not thereby engaging in business. Receipts of the individuals from providing foster care pursuant to such an agreement are not receipts from engaging in business.

**G.** Persons not engaging in business - certain caretakers: Individuals who enter into an agreement with the state of New Mexico to provide non-medical personal care and housekeeping assistance to low income disabled adults pursuant to the critical in home care program are not thereby engaging in business. Receipts of the individuals from such caretaking activities are not receipts from engaging in business.

**H.** Persons not engaging in business - home care for developmentally disabled family members: Any individual who enters into an agreement with the state of New Mexico to provide home based support services for developmentally disabled individuals in the home of the developmentally disabled individuals or the home of the support provider and receives payments which under 26 USCA 131 are "qualified foster care payments" is not thereby engaging in business. Receipts of the individuals which are "qualified foster care payments" from providing such home based support services pursuant to such an agreement are not receipts from engaging in business.

**I.** Owner engaged in business when selling to an owned entity:

**(1)** Except as provided in Paragraph (2) of this Subsection, when an owner of an entity sells property in New Mexico to, leases property employed in New Mexico to, or performs services in New Mexico for the entity or other owners of the entity, the owner is

engaging in business in New Mexico except when the transaction may be characterized for federal income tax purposes as a contribution of capital.

(2) When a partner or interest holder in an entity taxed as a partnership is allocated profits or receives a guaranteed payment or other distributions for activities undertaken as a partner on behalf of the partnership such as administrative services done solely for the benefit of the partnership or for activities for third -parties transacting business with the partnership, the partner is not engaging in business separately from the partnership and the allocations, payments, or distributions are not gross receipts. A partner may, however engage in business separately from the partnership and any transactions between that partner and the partnership, where the partner is not acting as a partner on behalf of the partnership, constitute gross receipts from engaging in business. Indicia that a partner is not acting as a partner on behalf of the partnership may include:

(a) that the partner engages in similar transactions with third parties other than the partnership; or

(b) that the allocation, payment, or distribution made by the partnership is not made under the partnership agreement; or

(c) that the partner's transaction(s) with the partnership involve the sale or lease of goods or the sale of services not provided by the partnership to third parties.

(3) For the purposes of Subsection H of 3.2.1.12 NMAC, an "entity" means any business organization or association other than a sole proprietorship.

J. Persons not engaging in business - sale or exchange of renewable-fueled electricity generated from a system installed in a personal residence. Any individual who sells or transfers electricity to an entity engaged in the business of selling electricity,

for which the individual receives monetary compensation or credit against a future month's electricity use, is not engaged in business if the electricity is generated from a renewable-fueled system installed in a personal residence.

[3.2.1.12 NMAC - Rp, 3.2.1.12 NMAC 10/13/2021; A, 12/19/2023]

## TAXATION AND REVENUE DEPARTMENT

**This is an amendment to 3.2.213 NMAC, Section 13 (added new), effecting 12/19/2023.**

### 3.2.213.13 RECEIPTS OF A DIGITAL PLATFORM THAT DISPLAYS DIGITAL ADVERTISING:

A. Receipts of a provider of a digital platform that displays digital advertising services, whose digital platform may be accessed or viewed within New Mexico, from the sale of advertising services to advertisers within and without New Mexico are subject to the gross receipts tax.

B. "Device" means any medium through which a digital platform may be accessed or viewed, including stationary or portable computing devices, tablets, phones, and smart devices, or similar equipment capable of accessing the internet and displaying a digital platform.

C. "Digital advertising services" means advertisement services on digital platforms, including advertisements in the form of banner advertising, search engine advertising, interstitial advertising, and other comparable advertising services.

D. "Digital platform" means any type of website, including part of a website, or applications, that a user is able to access or view.

E. "User" means any person who accesses or views a digital platform with a device.

[3.2.213.13 NMAC - N, 12/19/2023]

## END OF ADOPTED RULES



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## Submittal Deadlines and Publication Dates

### Volume XXXV, Issues 1-24

Issue	Submittal Deadline	Publication Date
Issue 1	January 4	January 16
Issue 2	January 18	January 30
Issue 3	February 1	February 13
Issue 4	February 15	February 27
Issue 5	February 29	March 12
Issue 6	March 14	March 26
Issue 7	March 28	April 9
Issue 8	April 11	April 23
Issue 9	April 25	May 7
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