

This rule was filed as 12 NMAC 16.3.10.

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 16 BANKING
PART 40 OTHER REAL ESTATE OWNED

12.16.40.1 ISSUING AGENCY: Financial Institutions Division of the Regulation and Licensing Department, Post Office Box 25101, Santa Fe, New Mexico 87504.
[11/26/90, 11/15/96; Recompiled 10/15/01]

12.16.40.2 SCOPE: All banks chartered by the state of New Mexico.
[11/26/90; Recompiled 10/15/01]

12.16.40.3 STATUTORY AUTHORITY: Section 58-1-51 NMSA 1978.
[11/26/90; Recompiled 10/15/01]

12.16.40.4 DURATION: Permanent.
[11/26/90; Recompiled 10/15/01]

12.16.40.5 EFFECTIVE DATE: November 26, 1990, unless a later date is cited at the end of a section or paragraph.
[11/26/90, 11/15/96; Recompiled 10/15/01]
[Compiler's note: The words *or paragraph*, above, are no longer applicable. Later dates are now cited only at the end of sections, in the history notes appearing in brackets.]

12.16.40.6 OBJECTIVE: The objective of this sub-part [now part] is to clarify the Section 58-1-25D NMSA 1978 requirement for appraisals, for property of relatively low value transferred to other real estate owned.
[7/12/90, 11/26/90, 11/15/96; Recompiled 10/15/01]

12.16.40.7 DEFINITIONS: [RESERVED]
[11/15/96; Recompiled 10/15/01]

12.16.40.8 OTHER REAL ESTATE OWNED: Supplementary to Section 58-1-25D NMSA 1978:
A. The requirements a) for an appraisal upon transfer to other real estate owned, and b) a subsequent annual anniversary appraisal or letter certification are waived, if the entire property is recorded at or below the lower of five percent (5%) of the bank's equity capital (exclusive of valuation reserves) or \$50,000.00. The director may require an appraisal on a given property of lesser value at his discretion.
B. For other real estate owned recorded at or below \$250,000.00, the appraisal requirements prescribed will be waived, at the option of bank management, if the original book value of the property is charged off at a rate of ten percent (10%) for the first year, fifteen percent (15%) for the second year, twenty percent (20%) for the third year, twenty-five percent (25%) for the fourth year and thirty percent (30%) for the fifth year. Once this option is elected, it must be completed.
[7/12/90, 11/26/90, 11/15/96; Recompiled 10/15/01]

HISTORY OF 12.16.40 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives under:
FID Regulation No. 90-1B, Other Real Estate Owned, filed 7/12/90.

History of Repealed Material: [RESERVED]

Other History:

FID Regulation No. 90-1B, Other Real Estate Owned, filed 7/12/90 was renumbered and reformatted into first version of the New Mexico Administrative Code as 12 NMAC 16.3.10, Banking - Assets - Other Real Estate Owned, filed 11/1/96.