

This rule was filed as 12 NMAC 16.3.12.

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 16 BANKING
PART 42 ACQUISITION OF PROPERTY TO SATISFY OR PROTECT A PREVIOUS LOAN

12.16.42.1 ISSUING AGENCY: Financial Institutions Division of the Regulation and Licensing Department, Post Office Box 25101, Santa Fe, New Mexico 87504.
[11/8/93, Recompiled 10/15/01]

12.16.42.2 SCOPE: All banks chartered by the state of New Mexico.
[3/15/97; Recompiled 10/15/01]

12.16.42.3 STATUTORY AUTHORITY:
A. Section 58-1-51 NMSA 1978.
B. Section 58-1-54 NMSA 1978.
[11/8/93; Recompiled 10/15/01]

12.16.42.4 DURATION: Permanent.
[3/15/97; Recompiled 10/15/01]

12.16.42.5 EFFECTIVE DATE: November 8, 1993, unless a later date is cited at the end of a section or paragraph. Reformatted in NMAC format effective March 15, 1997.
[11/8/93, 3/15/97; 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[Compiler's note: The words *or paragraph*, above, are no longer applicable.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.]

12.16.42.6 OBJECTIVE: This objective of this sub-part [now part] is to bring to state banks equivalent powers provided to national banks. This regulation parallels portions of the United States Code, Title 12, Section 29 and the Code of Federal Regulations, Title 12, Section 7.3025 (j).
[3/15/97, Recompiled 10/15/01]

12.16.42.7 DEFINITIONS: [RESERVED]
[3/15/97; Recompiled 10/15/01]

12.16.42.8 ACQUISITION OF PROPERTY TO SATISFY OR PROTECT PREVIOUS LOAN:
Supplementary to Section 58-1-25B NMSA 1978: a bank may expend funds for the development and improvement of such real estate to facilitate its sale; subject to approval by the director of the financial institutions division, and conditions and limitations the director may prescribe. Expenditures for such real estate development and improvement may be capitalized in other real estate owned. However, such advances may not be capitalized unless the bank maintains on file evidence that the advances will result in a more saleable property and are recoverable. The book value of the property may not exceed the estimated market value after development and improvement, or the market value established by the next appraisal required by paragraph D of Section 58-1-25 NMSA 1978.
[11/8/93; Recompiled 10/15/01]

HISTORY OF 12.16.42 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center under:
FID Regulation 93-3B, Acquisition of Property to Satisfy or Protect Previous Loan, filed 11/8/93.

History of Repealed Material: [RESERVED]