

This rule was filed as 12 NMAC 20.3.7.

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 20 SAVINGS AND LOAN ASSOCIATIONS
PART 37 LOANS TO ACQUIRE OR IMPROVE REAL ESTATE

12.20.37.1 ISSUING AGENCY: Financial Institutions Division of the Regulation and Licensing Department, 725 St. Michael's Drive, Santa Fe, New Mexico 87504. Telephone No. (505) 827-7100.
[9/27/83; 9/15/97; Recompiled 10/15/01]

12.20.37.2 SCOPE: All savings and loan associations chartered by the state of New Mexico
[9/15/97; Recompiled 10/15/01]

12.20.37.3 STATUTORY AUTHORITY: Section 50-10-44 NMSA 1983.
[9/15/97; Recompiled 10/15/01]

12.20.37.4 DURATION: Permanent.
[9/15/97; Recompiled 10/15/01]

12.20.37.5 EFFECTIVE DATE: September 27, 1983, unless a later date is cited at the end of a section or paragraph. Reformatted in NMAC format effective September 15, 1997.
[9/27/83; 9/15/97; 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[Compiler's note: The words *or paragraph*, above, are no longer applicable.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.]

12.20.37.6 OBJECTIVE: The objective of this sub-part [now part] is to place on state savings and loan associations limitations pertaining to loans made for the purpose of acquiring or improving real estate within the provisions of this regulation.
[9/15/97; Recompiled 10/15/01]

12.20.37.7 DEFINITIONS: [RESERVED]
[9/15/97; Recompiled 10/15/01]

12.20.37.8 LOANS TO ACQUIRE OR TO IMPROVE REAL ESTATE: In addition to any other limitations pertaining to real estate loans, loans for the purpose of acquiring unimproved real estate, for financing the development of real estate on the security of building lots and sites (including a lot on which a manufactured home will be located), for construction of structures on real estate or for the rehabilitation of real estate shall be subject to the provisions of this regulation.

A. Such loans shall not exceed the loan-to-value ratios adopted under Section 10 of 12 NMAC 20.3.6 [now 12.20.36.10 NMAC].

B. Such loans shall be repayable within the following terms:

- (1) two years: loans for the construction or rehabilitation of an individual single-family dwelling;
- (2) three years: loans for the acquisition of land;
- (3) six years: loans for the construction or rehabilitation of multi-family dwellings, of nonresidential real estate or of more than one single-family dwelling, and loans on the security of building lots and sites (other than for a borrower's principal residence);
- (4) eight years: loans to finance the development of real estate;
- (5) 15 years: loans on the security of building lots and sites for single-family dwelling to be used as the borrower's principal place of residence (as evidenced by a borrower's certification of intention that the property will be so used).

C. For loans made to finance the development of real estate, loans on the security of building lots and sites, and construction loans, upon release of any portion of the security property from the lien securing the loans, the principal balance of the loan shall be reduced by an amount at least equal to that portion of the property to be released. "Value" for the purposes of the preceding sentence is the appraised value fixed at the time the loan was made.

D. Loan documentation for development loans shall contain a preliminary development plan that is satisfactory to the association. In addition, loans to one borrower (as defined in OTS Regulations Section 563.93) made under this sub-part [now part] for any one development project shall not exceed two percent of an association's assets. A development project may include all facilities that compose an integrated development plan. With respect to construction loans, associations shall reserve the right to impose limits on the number of structures under construction at a given time.
[9/27/83; 9/15/97; Recompiled 10/15/01]

HISTORY OF 12.20.37 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center under:

Regulation 83-7. Loans to Acquire or Improve Real Estate, filed 9/28/83.

History of Repealed Material: [RESERVED]