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PROPERTY LINES

Official Publication of the New Mexico Real Estate Commission

5500 San Antonio Dr. Suite B • Albuquerque, New Mexico 87109 505-222-9820

July 2017/ Summer Edition

Qualifying Broker Rule Changes: Effective January 1, 2018.

The New Mexico Real Estate Commission has adopted rule changes concerning Qualifying Broker (QB) Requirements. The NMREC rule changes follow legislation that was signed into law by the Governor Susan Martinez in March 2017. The Rule Changes pertain specifically to increasing the standards by which Brokers can become Qualifying Brokers.

The new law and concurrent NMREC Rules increase the time period in which Brokers must be actively licensed. The law and rules will increase the period of time a broker must be actively licensed from two to four years for those who apply for a Supervisory Qualifying Broker license. The current time period is two of the last five years.

The Legislature, however, allowed for an exception for a candidate to apply for QB Status after two years of active licensure as a non supervisory Qualifying Broker.

The NMREC also added new requirements that all candidates meet a 100 point system based upon transactional experience, with at least one transaction accomplished during each of the four years prior to filing of the application.

The point system is based upon complexity and types of real estate transactions performed by the candidate serving as Associate Brokers. Under the proposed rule, different types of transactions are awarded different numbers of points; for example,

- Residential sales transactions, 5 points
- Residential lot sales transactions, 3 points
- Residential lease transactions, 4 points
- Commercial improved property sales transactions, 8 points
- Commercial unimproved lot sale transactions, 6 points
- Commercial lease transactions, 6 points
- Residential property management points would be awarded for each location for which a broker

has direct responsibility, i.e. acting as the agent of the owner and not simply collecting rent (more on the broker as exclusive agent of the owner later).

- Each property receives 3 points, plus 1 point for each additional unit (a separate residence with its own address) to a maximum of 25 points per property per year.
- In commercial property management, each property receives 4 points, plus 1 point for each individual space (a commercial location that has its own address) to a maximum of 25 points per property per year.
- Farm and Ranch-Less than 100 acres, 8 points; 100 acres or more 10 points.

The rules would also provide that the Commission may grant a waiver of up to 30 points to an associate broker who can demonstrate that their particular circumstance (size of market, lack of property types, health issues, force majeure) makes it very difficult to obtain 100 points.



All of the new QB requirements become effective **January 1, 2018.**

It Can Be Done!

Fitting Three “Calendar-Year Issued” and “Annually” Required Core Courses into a 3-year Birthday-Month-based Licensing Cycle

Now that’s a mouth full. And having a new Core Course version issued every calendar year also is a problem considering that your licensing cycles are based primarily on your birthday month. The Rule states that your cycle ends on the last day of the month following your birth month (not birthday). So then, the first day of your next cycle begins on the first day of the month, following your expiration day. Those are the bookends you need to be aware of.

But what follows is the problem of trying to fit in 3 Core Courses that are issued on a calendar year basis into your specific non-calendar year based 3 year cycle.

Actually, for most of you, there really isn’t a problem. However, for those who have expiration dates in January, February and even March, you need to understand how you can avoid getting caught in a perpetual situation where you only have a short time window to complete the third and last Core Course in your series of three. Hopefully, the following case study should help.

Licensee Ann began her cycle Feb 1, 2014 under old rules. She had until Dec 31, 2016, to take the 8 hour Mandatory Course. Ann failed to do so before the course rode off into the sunset. In order to renew by her deadline of January 31, 2017, she had to substitute the 4 hour 2017 NMREC Core Course for the Mandatory Course.

But looking forward into Ann’s next 3 year

cycle, she became alarmed. She knew she had to take 3 annual iterations of the NMREC Core Course. Well, she had already taken the 2017 NMREC Core Course for the current cycle now ending. So she projected to take the 2018, and 2019 with plenty of time, but for the third year, Ann saw that she was stuck with the awful 30 day restricted window to take the final of the three Core Courses.

The Rule’s 3 “annual” Core Course requirements (i.e. 12 cumulative hours or 4 hour course x three) assumes a full 3-year cycle. The CC requirement applies to Licensee Ann only in the months following the effective date of the New Rule. In her case, Ann has the extremely short window of 30 days between 1/1/17 and 1/31/17 to take the 2017 NMREC Core Course. And if in the next full cycle that begins February 1, 2017, she waits until 2018 to take her first of the series, she would indeed find her self stuck with a 30 day window to fulfill the last of the series in January of 2020.

Licensee Ann understandably complains that she is condemned forever to try to meet her last of the 3 NMREC Core Courses in this very narrow window to fulfill future licensing cycles.

Knowing that by Rule, continuing education credit hours cannot be carried forward to the next licensing cycle, Ann cannot fulfill the “annual” requirement by taking the 3rd annual iteration of her Core Course requirement after the beginning of the new cycle. The Rules

would not allow that.

She and all licensees have to fulfill the requirements all within one three year cycle.

Licensee Ann complains that this is unfair that she should be held to a 30 day window to complete her Core Course series.

Solution: Using the fact that the Rules allow for the 2017 CC to be taken again in the new cycle (that began 2/1/17), Licensee Ann may reset the CC schedule so as not to be forever caught in 30-day narrow window jail for the 3rd and final iteration of the CC requirement.

Once the schedule is reset, Licensee Ann will not be caught in narrow window jail for the 3rd iteration of the CC requirement. But it is an Option.

The key is to plan ahead. This is why the NMREC has provided a Planning Guide to assist licensees in meeting their CE requirements.



A little planning will help make your continuing education schedule go smoothly. Waiting until the last minute may jeop-

Planning Out Your Next Full Three Year Cycle

When is your Birth Month? _____

Your license expires on the Last Day of the Month FOLLOWING your birth month. What is that expiration date?

Your new cycle begins on the day following your license expiration date. What is that day? _____

What is the Range of your 3 Year cycle? [Calculate beginning from the First Day of your new cycle to the Expiration Date, three years later.] _____

Once you have the Range, You can then use the Guide Below and the Work Sheet that follows to determine your options.

Time Window
Begin Cycle to
Last Day in Dec.
___/___/___
___ months

Time Window
1/1/___-12/31/___
(12 months)

Time Window
1/1/___-12/31/___
(12 months)

Time Window
1/1/___-END OF CYCLE : ___
___ months

Option 1

20 ___
NIMREC
Core
Course

20 ___
NIMREC Core
Course

20 ___
NIMREC Core
Course

20 ___
NIMREC
Core
Course



Option 2

20 ___
NIMREC Core
Course

20 ___
NIMREC Core
Course

Cycle
Begin: ___/___/___

1/1/20 ___

1/1/20 ___

1/1/20 ___

Cycle End: ___/___/___

Core Course Planning Worksheet

Coming Soon: On-Line Renewals

Initiating an Online Renewal process of your New Mexico real estate license has taken a little longer than anticipated but we are very close. We anticipate sending either an e mail notification or by regular mail. **Make certain the NMREC has your most current email.**

On line renewals will reduce the cost of mailing paperwork and allow you to renew from the convenience of your home or office.

In order to have timely notification of your license renewal deadline, it is imperative that the Commission has your current email address on file at all times. Paper license renewal packets will be discontinued and the renewal email will be the only notification that you will receive that your license is due for renewal.

You will receive electronic notification that your renewal form is about to be emailed followed by the renewal form itself approximately 60 days prior to your renewal deadline.

The form will include a registration code that will be your permanent registration code for current and future license renewals. Debit or credit

cards will be the only acceptable form of payment.

The on-line renewal form will be self-explanatory. You will be asked to answer a series of questions similar to those found on the current license renewal form.

There will be some significant changes, including the requirement that brokers enter their own continuing education completion data into the appropriate fields. Course completion data will no longer be furnished to the Commission by course sponsors and you will be required to scan and email



Anatomy of the 3-year Cycle: Important Truths to Live or Die By!

1. CEUs **never** transfer from one cycle to the next.
2. You can take the same course more than once in a given year IF it is taken in two different cycles
3. This applies to the NMREC Core Course.
4. Core Courses are offered in Calendar Year iterations/ versions.
5. Each calendar iteration begins on Jan 1 of each year and ends Dec 31.
6. Time windows for completing a Core Course iteration vary based upon Cycle Beginnings and Endings
7. CE **Credits accrue to the cycle governed by Bookends**. Even if you renew a month earlier, and you take a course prior to the set expiration date, *you will not get credit in the new cycle.*

Disciplinary Actions

Action Taken	Name	License#	Findings
1. <u>Decision and Order</u> 2. <u>Decision and Order</u> <u>After failure to show cause.</u>	<u>Brian Ortiz</u>	19100 and 17556	\$5,000 Fine / 1 Year Suspension Licensed Revoked
Settlement Agreement	<u>Edwin Samuel Summons</u>	13800	Licensed Revoked, \$6,000 Fine, Continuing Education - no credit <u>Letter of Reprimand</u>
Settlement Agreement	<u>Todd Strickland</u>	47267	\$1,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Phyllis Tapia</u>	40049	\$1,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Rosie Harmon</u>	18643	\$1,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Jennifer L. Cooley</u>	48893	\$1,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Thomas J. Mestas</u>	18809	\$1,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Heather Guarino</u>	15805	<u>Continuing Education - no credit</u>
Settlement Agreement	<u>Jose Vazquez</u>	19312	<u>Letter of Reprimand</u>
Settlement Agreement	<u>Christopher Anderson</u>	15812	\$3,500 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Steve Stribling</u>	19392	<u>Letter of Reprimand</u>
Settlement Agreement	<u>Carolyn Mansfield</u>	46056	\$1,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Lorenzo Garcia</u>	15276	\$2,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Charles Hammitt</u>	12510	\$1,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Theresa E. McBee</u>	16792	\$500 Fine, <u>Letter of Reprimand</u>

Disciplinary Actions (continued)

Action Taken	Name	License#	Findings
Settlement Agreement	<u>Ken Hallum</u>	40902	\$500 Fine, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Carol Hallum</u>	39099	\$500 Fine, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Lynzi Hathcock</u>	19304	\$500 Fine, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Dean F. Robens</u>	19262	\$2,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Barbara Gregus</u>	18219	\$1,000 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Decision and Order	<u>Elizabeth Munoz-Hamilton</u>	15245	<u>Advisory Letter</u>
Default Order	<u>LaMount Austin</u>	Unlicensed	<u>NCA</u>
Default Order	<u>Charles Cookson</u>	2612	<u>License Revoked</u>
Default Order	<u>Carrie Moore</u>	18706	<u>License Revoked</u>
Default Order	<u>Cari Barlow</u>	17610	<u>License Revoked</u>
Default Order	<u>Dawn Olander</u>	17619	<u>Licensed Revoked</u>
Decision and Order	<u>Don and Geri Padilla</u>	21886 & 9035	\$1,000 Fine, <u>Letters of Reprimand</u>
Settlement Agreement	<u>Alonzo Baldonado</u>	16758	\$1,500 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Thomas M. Kempf</u>	15018	\$2,000 Fine, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Michelle Anthony</u>	18154	\$1,500 Fine, Continuing Education - no credit, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Paula E. Dalton</u>	19269	\$2,000 Fine, <u>Letter of Reprimand</u>
Settlement Agreement	<u>Rosalie Andersen at Century 21 Crest, Burbank, California</u>	Unlicensed	\$1,000 Fine, <u>Letter of Reprimand</u>
Default Order	<u>Jesus M. Cano</u>	Unlicensed	<u>Attorney General Referral 1</u> <u>Attorney General Referral 2</u>



On January 1, 2017, the New Mexico Real Estate Commission (Commission) enacted changes to continuing education requirements. One of the most important of these changes was the replacement of the old 8 hour Mandatory Course with the robust 4 hour NMREC Core Course. As you can see from this photo, licensees attend a course that is designed to garner the active participation of the students utilizing their own experience to come up with answers to age old issues that arise in the practice of real estate. So far, the evaluations of the Core Course has been extremely positive. We expect that continuous improvement will take place as time goes on so that the course will never become stale and will remain relevant into the future.