

2026 NMREC CORE COURSE

4

CE

CORE



MESA

Real Estate Institute, LLC
New Mexico

In addition to the 2024, 2025, and 2026 Core Courses, MESA REI offers the following:

NEWER:

On-Demand HOAs, COAs, PIDs, and SADs – 4 CE Core Elective

On-Demand Real Estate Success Across Multi-Generations: Leveraging Differences and Strengths
- 2 CE Elective

What the Bleep Do We Do Now – 4 CE Elective

Fair Housing and History of Discrimination – 4 CE Elective

Working with Buyers and Sellers in the New Era – 4 CE Core Elective

Four Letter Words: HOAs, COAs, PIDs, and SADs – 4 CE Core Elective

The Code Meets the Rules – 4 CE Ethics

RPM – Investment Properties – 3 CE Property Management and Core Elective

CORE ELECTIVES:

A Blunt Conversation About Marijuana – 4 CE

Anatomy of a Listing Contract – 4 CE

Anatomy of a Purchase Contract – 4 CE

Broker Beware: Protect Your Real Estate License – 4 CE

Clear the Confusion: Offers (Counters, Multiples, Contingencies, etc.) – 4 CE

Disclose, Disclose, Disclose (unless you're *not* supposed to) – 4 CE

Highest And Best Offers: An Escalating Concern – 2 CE

Inspections, ORR's & Repairs, Oh My! – 2 CE

Intro to Seller Financing – 4 CE

NMAR Forms Update - 4 CE

NMAR's Many Miscellaneous Forms – 4 CE

One Thing Leads to Another – The PA Contingencies Explained - 3 CE

QB Refresher Course 6 CE

Ready, Set, Go! Broker Duties and Other Required Disclosures – 2 CE

Triple D: Deadlines, Defaults, and Definitions – 3 CE

Yes, Your Honor, I Did Disclose – 4 CE

Understanding And Using NMAR Forms – 8 CE

ETHICS ELECTIVES:

Handling Multiple Offers Ethically and Effectively – 4 CE

NAR Code of Ethics & Enforcement – 4 CE

PROPERTY MANAGEMENT CORE ELECTIVES AND ELECTIVES:

RPM – Brokerage Operations 4 CE Core Elective

RPM – Case Studies 3 CE Core Elective

RPM – Going to Court 3 CE Core Elective

RPM – Leasing and Management 6 CE Core Elective

UORRA – 6 CE Core Elective

ON DEMAND CLASSES:

NMREC Meeting Replays (CE varies by month) - Elective
Closing On Time is Possible - 3 CE Elective
Pixels, Properties and People: Navigating AI in Real Estate - 2 CE Elective
Business Ethics in Real Estate - 4 CE Ethics
Handling Multiple Offers Ethically and Effectively - 4 CE Ethics
Triple D: Deadlines, Defaults and Definitions – 3 CE Core Elective
Qualifying Broker Refresher Course – 6 CE (QB Elective) (AB Core Elective)

BUY 3 CLASSES AND GET 1 FREE:

Register for three classes at the same time and get your 4th class on us! Your free class must be of equal or lesser value. Does not include bundled courses. Your free class must be used within six months of payment. Sign up for three classes and give us a call. We can register you for your 4th class or issue a coupon for a future class.

ASSOCIATE BROKER BUNDLE:

36 hours of CE credit for \$420.00. This bundle includes 3 Core Courses, Ethics, Core Electives, and Electives.

QUALIFYING BROKER BUNDLE:

42 hours of CE credit for \$495.00. This bundle includes 3 Core Courses, Ethics, Core Electives, Electives, QB Refresher, and NMREC Meeting Replay.

REFER A FRIEND:

Refer a friend and receive 50% off your next CE Course with MESA! Your 50% off code will apply to regularly priced courses, not to bundled courses or special bundles.

See our course schedule at mesarei.com or call us at 505.348.3381.
Updated as of February 2026.



MESA
Real Estate Institute, LLC
New Mexico



The Rental Scam

Several years ago, I listed a house for sale in Albuquerque's Taylor Ranch neighborhood. The property was in disrepair, and it had been vacant for over a year. During that time, a small leak had appeared under the kitchen sink, allowing mold to grow.

A restoration company was called, and the owner's insurance company approved replacing the kitchen cabinets and countertops.

Other repairs needed to be done, so several other contractors had access to the home. There was a contractor's box with a key on the property.

The listing was three or four houses off Golf Course Blvd., not too far from my house. One day, as I drove down Golf Course heading to an open house across town, I glanced down the road and noticed there was a truck in the front yard.

Other repairs were being done, and several other contractors had access to the home. There was a contractor's box with a key on the front door.

The listing was three or four houses off Golf Course Blvd., not too far from my house. One day, as I drove down Golf Course heading to an open house across town, I glanced down the road and noticed there was a moving truck in the front yard.

I turned onto the next street and went around the block to check out what was happening. Sure enough, someone was moving into my vacant listing!

The front door was closed, so I rang the bell, and a young lady came to the door. She looked tired and a little sweaty. I pointed out that it was my name on the sign in the yard, and she said, "Thank you, we're going to love renting here!"

That's when I said to her, "This property is not for rent."

Her boyfriend came up behind her as I was saying this, and she turned to him and said, "I told you this was too good to be true," and she started to cry.

I felt bad for them, so I treated them nicely, and after they calmed down, I asked them how they obtained a key to my listing.

They said there was an ad on Craigslist with pictures of the house, and it said the rent was \$1,400 per month. All they had to do was send \$1,400 to an address in Arkansas where the owner supposedly lived, and they would send them the keys.

They sent the check, received the keys, and had moved in for about two hours when I told them that they would have to leave before I called the police.

As I was driving away, more than a little late from my open house, I tried calling two of the local television stations to report my story. Neither station was interested. They said they received reports of this often, so often, in fact, that my story was no longer newsworthy.

What were the red flags in this scenario?

What steps can we take to protect our clients from this kind of fraud?



The Land Scam

Broker Nicole received an email from an out-of-state buyer who owned some vacant land just south of Santa Fe, near Galisteo. They wanted to list the land for sale at \$250,000 and secure a quick, cash sale.

Broker Nicole was unsure about the land's value and a little suspicious, so she called her Qualifying Broker.

According to Ed, her qualifying Broker, the land was worth at least \$500,00.

Broker Nicole relayed this information to the sellers and asked if she could give them a call or maybe a text to discuss. The sellers said no, that would not be possible.

Nicole asked if they would do a Zoom call with her instead, to which they agreed to, but when she sent them the Zoom link, it was somehow blocked. The sellers were insistent that they use their own Zoom link instead.

What's wrong with this scenario?

What steps can we take to protect our clients from this kind of fraud?



The Wire Scam

In 2008 or so, I helped Mindy purchase her home in Albuquerque's Stormcloud neighborhood. Several years later, Mindy contacted me to help her sell the house because she wanted to move back to Roswell, her hometown. I listed her home for sale, then helped her find a REALTOR® in Roswell to help her shop for a home.

Mindy and her husband quickly found a home to buy and went under contract. On a Friday afternoon, a few days before the closing, she received an email, supposedly from the title company, that read, "Have you wired us your funds yet? If you don't wire us your funds by 5:00 PM today, we won't be able to close you on Monday."

Mindy has an important job interviewing physicians for medical facilities and hospitals, and she had interviews that afternoon, so it was hard for her to leave her desk. She finally managed to leave work a bit early, around 4:45 p.m. She rushed to the bank to make that important wire transfer for their down payment and closing costs. Mindy and her husband were planning to move in on Tuesday after closing on Monday.

As she was rushing to her bank, she hit road construction and heavy traffic. By the time she got there, it was 5:01 p.m., and the bank was closed. She knocked on the door, but they wouldn't open it. Upset that her closing was going to be delayed, she picked up the phone and called her real estate broker. She explained that she had tried to get to the bank before 5 pm, that she was angry and frustrated, and that she didn't understand why they hadn't told her about this in advance.

Her real estate broker told her, "This seems fishy to me; you don't have to wire your funds. You can go to the bank on Monday before closing, get a certified check, and bring it to the closing table." Her broker asked her who had told her to wire the funds anyway? Mindy said, "It was the escrow officer with the title company."

The real estate broker went over to Mindy's house. After she calmed Mindy down, she looked at the e-mail on Mindy's cell phone. She said, "Wait a minute, this is not right. It looks like her e-mail signature, but this email comes from a different email address."

What's wrong with this scenario?

What steps can we take to protect our clients from this kind of fraud?



Claim Study 1 - Water Woes

Bonnie Broker listed the subject property, which was next to her own home. Bonnie and the sellers had been best friends for years until the sellers moved to another state and rented the subject property. When they were ready to sell, they listed the property with Bonnie.

Years before the listing, an unusually heavy rain event caused water to pond on the subject property. The sellers denied any water intrusion in the home during that event. The insured was adamant that she never saw water ponding on the property.

However, several prior renters testified that they had water intrusion in the home during significant rains and that Bonnie, as the next-door neighbor, was aware of these issues.

The buyers conducted multiple inspections during the due diligence period, none of which disclosed any water intrusion issues. Shortly after closing, another unusually heavy rain fell, and the buyers allegedly experienced ponding on the property near the home.

The buyers engaged a contractor who estimated it would cost at least \$75,000 to grade the landscaping to drain away from the home. Other contractors estimated less than \$10,000.

The buyers sued the sellers and Bonnie, alleging failure to disclose prior water issues, and sought damages of at least \$75,000. Bonnie immediately reported the claim in writing to her E&O provider.

A settlement was reached, with Bonnie's insurer paying over \$50,000 to resolve the claim on her behalf.

The only cost to Bonnie was her \$1,000 damage deductible. Her insurer also incurred tens of thousands of dollars in defense costs on her behalf.

While the buyers did not have proof that Bonnie knew of prior water issues at the subject property, her proximity to the property (next door), close friendship with one of the sellers, and testimony of prior tenants that she was aware of issues increased the risk of a finding against her if the case went to trial.

Bonnie could not have advised the sellers to disclose issues that she was not aware of; however, this serves as a good reminder that it's wise for brokers to review any prior history they may have with a property when taking a new listing.

Notes/Comments



Burning Down the House

Dorothy is a real estate broker in Albuquerque, New Mexico, with good intentions and a big heart. When she learned that a distant family member was looking to sell a Rio Rancho house, she couldn't help but see what she could do to help.

Dorothy met with the property's heir, completed a CMA, and hoped to secure a Listing Agreement when the time was right.

In the meantime, the house had been vacant for a while, and weeds had taken over the front and back yards. Wanting the property to look nice, she hired a landscaper to remove the weeds. Needing a referral for a landscaper, Dorothy turned to Facebook and posted that she was looking for someone to remove the weeds. A broker friend answered, and Dorothy hired one of the people her broker friend recommended.

That evening, after the weeds were removed, Dorothy received a call from the property owner, who informed her that the house was on fire. Dorothy immediately headed over to the house, stood with the owner, and watched it burn. The landscaper was there too, but the Fire Marshall kept them separated, which was a good thing because Dorothy was very upset.

There was nothing the firefighters could do, and the house burned to the ground. Dorothy called her Qualifying Broker that evening to make sure they knew what was happening. Dorothy also notified CRES, her Errors and Omissions company, in writing shortly thereafter.

For Dorothy, there were many months of wondering and worrying about what would happen. There were conversations and emails with the Brokerage's attorney and the attorney supplied by CRES, but Dorothy was unsure exactly what was happening. The fact that it could be several weeks before she corresponded with the attorneys did little to ease her fear of being sued. Eventually, she received a demand letter from the seller's insurance company for nearly \$200,000.

Meanwhile, Dorothy's personal and professional life became difficult. She was anxious, felt demoralized, and struggled to get excited about selling real estate. She went from earning \$200,000 a year to \$40,000 a year. Eventually, she took a job at a coffee shop to make ends meet.

While she was trying to put the pieces of her life back together, the insurance company was rebuilding the house that had been burned, and after the property was rebuilt, it was worth more than it had been before the fire. The seller, a distant family member, wasn't too upset about the incident, but it did make things uncomfortable at family events, and the relationship eventually ended.

Dorothy is doing better now; she no longer has to work at a coffee shop to make ends meet and is back to selling real estate. although she has learned a harsh lesson about hiring contractors. If she could say one thing to you, it would be “Don’t recommend unlicensed contractors, and if you need one, don’t put out an ISO, or 'in search of' on Facebook. You never know what you’re going to get.

Notes/Comments



Claim Study 2 – Plumbing Problems

Broker Lynn listed the subject property. When Lynn initially met with the sellers, they informed her that they had ongoing plumbing issues in the home due to tree roots in the sewer line. Lynn informed them that they would need to include that information on their Adverse Material Facts statement.

The Adverse Material Facts form disclosed “roots in sewer line.” During contract negotiations, the sellers agreed to have the sewer line cleared and, if necessary, repaired. The sellers provided Lynn with a copy of the paid invoice from a licensed plumber for \$500 as evidence that they had the sewer line cleaned.

After closing, the buyers experienced plumbing issues and called the same company that the sellers used to clear the sewer line.

The person who came out said he was familiar with the property, as he had unclogged the sewer lines multiple times over the past several years and told the sellers that the sewer line needed to be completely replaced. He provided the buyers with an estimate of \$35,000 for the recommended work.

The buyers sued the sellers and Lynn, alleging that they failed to disclose the extent of the sewer problems and made misrepresentations that the \$500 cleaning would resolve the issue. The lawsuit sought over \$35,000 in alleged damages. Lynn immediately notified her E&O insurance provider of the lawsuit in writing.

During the course of the litigation, the sellers alleged that they relied on Lynn for advice in completing their disclosure form and that she should have advised them to provide more details about their history with plumbing problems on the form.

They also alleged Lynn told them they did not need to do additional repairs to the sewer line if it was in working condition after the cleaning, even if they were aware it was just a “quick fix”, which Lynn denied.

The parties reached a settlement, with Lynn’s insurer paying over \$10,000 on her behalf. The sellers also paid a significant amount to the buyers under the settlement agreement. Additionally, Lynn’s insurer paid nearly \$15,000 in defense costs on her behalf. The only cost to Lynn was her \$1,000 damage deductible.

Notes/Comments



**NEW MEXICO ASSOCIATION OF REALTORS® — 2026
INFORMATION SHEET — WATER RIGHTS AND
DOMESTIC WELLS**



This form is NOT a disclosure and does NOT provide property-specific information. The general information contained herein is not an exhaustive analysis of the subject matter. Brokers are not experts in the subject matter. If you have additional questions or concerns, you are encouraged to conduct further research and to contact a subject-matter expert.

1. WATER RIGHTS:

A Property may or may not include water rights. **Title to water rights, their location and permitted use, and applicable restrictions should be independently verified by an expert employed by the Buyer (such as an engineer, hydrologist, or qualified attorney).** Water rights of record are subject to court decisions, laws, ordinances, rules, and regulations and compacts of the State of New Mexico and local governing bodies, including Ditch Associations and Conservancy Districts, and may also be subject to private contracts. Existence of water rights does not assure that water actually is or will be available or that legal or physical access to the water is available. Water rights that exist at the time of a purchase may be limited, altered or extinguished in the future as a result of court decisions, laws, ordinances, or regulations. **Title insurance does not generally cover water rights.** Buyer must complete specific legal procedures to transfer or develop water rights.

2. DOMESTIC WELLS:

If a Property is not connected to a public water system, it may use a private, shared, or community well. Domestic wells fall under the jurisdiction of the Office of the State Engineer (OSE). The following information is based on OSE requirements. **PLEASE NOTE: Additional county and/or municipal ordinances and restrictions may apply to domestic well permitting and usage. This form is NOT all inclusive of the regulations governing domestic wells. Buyer and Seller should familiarize themselves with all current state and local regulatory requirements prior to entering into a contract.**

3. DOMESTIC HOUSEHOLD USAGE:

The drilling of a domestic well and the amount and use of water permitted are subject to such additional or more restrictive limitations imposed by a court, by lawful municipal or county ordinance, or by the OSE, such as but not limited to by the OSE's orders or administrative guidelines. The maximum permitted diversion of water from a domestic well that is not subject to additional or more restrictive limitations shall be as follows. **For wells drilled on or after August 15, 2006, the maximum household usage per domestic well is one-acre-foot per year.** For wells serving a single household permitted and drilled prior to August 15, 2006, the maximum household usage per well is three-acre-feet per year. The maximum usage for wells serving multi-households is one-acre-foot per household per year with a cumulative maximum of three-acre-feet per shared well per year (regardless of the date the well was permitted and/or drilled). While not required by State regulations, some counties have ordinances that require that single-household wells be metered.

4. FINES FOR EXCEEDING MAXIMUM DIVERSION:

The owner of a well who exceeds maximum diversion shall repay (in water) twice the amount of the over-diversion during the following calendar year in a manner acceptable to the OSE.

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INFORMATION SHEET.



**NEW MEXICO ASSOCIATION OF REALTORS® — 2026
INFORMATION SHEET — WATER RIGHTS AND
DOMESTIC WELLS**



5. WELL MUST BE PERMITTED IN CURRENT OWNER'S NAME:

In order to comply with New Mexico law, domestic wells must be permitted in the current Property owner's name. If a well is not permitted in the current owner's name, the current owner of the Property on which the well is located must retrieve warranty deeds or other instruments of conveyance from the County Clerk's Office for each transfer of the Property from the time beginning with the last owner of the domestic well as recorded with the OSE to the present. These deeds or other instruments of conveyance must be submitted to the OSE, along with change of ownership notification, in order for the well to be permitted in the current Property owner's name.

6. REQUIREMENTS UPON TRANSFER:

The transfer of Property with a domestic well is subject to the regulations of the OSE which were amended effective August 15, 2006. Among other requirements, the regulations require that the OSE be notified when a domestic well changes ownership. Under New Mexico law, new owners of a Property with a domestic well must file a change of ownership notification with the OSE. The form must contain all information conforming with water rights or record filed with the OSE and must be accompanied by a copy of the warranty deed or other instrument of conveyance. The new owner must also record a copy of the "Change of Ownership" form filed with the OSE and with the County Clerk's Office of the County in which the water right is located.

7. WELL-SHARE AGREEMENTS:

A shared or community well may be subject to written "of record" or unwritten agreements governing water usage, maintenance and repair, testing, easements, periodic charges and reserves, etc. A Buyer should carefully review any such agreements with an attorney.

8. WELL SERVING MULTIPLE HOUSEHOLDS:

A well serving multiple households must be permitted in the name of the person who owns the property on which the well is located. The permit holder must place a meter on the well and must file quarterly meter readings with the OSE. The permit holder of a well serving multiple households is also required to provide notice to the OSE of the following: the number of households being served by the well; the owners' contact information for each household being served by the well; and, a Legal description of the property of record for each household being served by the well. A copy of the Well-Share Agreement may be filed to support a claim that a well is serving more than one household. A copy of the Well-Share Agreement should be filed with the County Clerk's Office in the county where the well is located.

9. DEVELOPER PERMITS:

Developers may obtain a permit that allows them to use the water from a domestic well for construction resale purposes until the home is sold. Once sold, the developer-owner must provide the Buyer with notice in writing of the requirement to file a "Change of Ownership" form for the domestic well permit with the OSE. A copy of the notice provided by the developer-owner to the Buyer must be filed with the OSE along with a copy of the deed or other instrument of conveyance for the land upon which the domestic well is located. A developer will not be issued more than five "Construction-Resale" permits at any given time.

10. FEE:

Contact the OSE for applicable fees for a permit to drill any well.

11. CANCELLATION OF PERMITS:

The OSE may cancel a domestic well permit upon failure of a permit holder to comply with any permit condition of approval or any applicable provision of the regulations; **this includes, but is not limited to, the failure to file a Change of Ownership at the time of transfer that meets the requirements set forth under New Mexico law.** The OSE may cancel a domestic well permit and proceed with enforcement action if a permit holder diverts water in excess of the authorized maximum amount and fails to repay the over-diversion in a time and manner acceptable to the OSE.

INITIALS SIGNIFY THAT THE BUYER(S) AND/OR SELLER(S) HAS RECEIVED AND REVIEWED THIS
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**NEW MEXICO ASSOCIATION OF REALTORS® — 2026
INFORMATION SHEET — WATER RIGHTS AND
DOMESTIC WELLS**



12. INSPECTIONS AND TESTING:

Well inspections can include a visual inspection; examination of the pump, other equipment, and well-house; and tests for flow and potability. **The OSE does NOT require a potability test; however local ordinances may. There is no "standard" test for potability. A Buyer must normally specify all the substances that are of concern to the Buyer.** Generally, a separate fee is charged for each test requested. Underground contamination from on or off-site conditions may affect the water quality in the future even if the water appears unaffected at the time of sale.

The water condition and amount of the water available may vary seasonally or with the weather. Indoor and outdoor water use may be subject to restrictions that could affect a Buyer's ability to use the property as the Buyer intends. Past performance of a well is no guarantee of future performance. **Any well can go dry, and there is no guarantee that merely deepening the well or digging another well (if permitted) will result in an adequate supply of water.**

13. CONNECTION TO PUBLIC WATER SYSTEM:

If a public system becomes available, the property owner may be required to connect to that system. However, there can be no guarantee that such a system ever will become available. A Buyer should investigate these alternatives.

DISCLAIMER:

Neither the Seller nor the Broker makes any warranties concerning water rights or wells on the Property. Buyer should thoroughly investigate all issues involving water rights and/or wells, whether existing or contemplated, associated with the Property.

FOR MORE INFORMATION:

For questions or additional information, contact the New Mexico Office of the State Engineer (OSE) at (505)827-6166 or www.ose.state.nm.us.

SAMPLE

INITIALS SIGNIFY THAT THE BUYER(S) AND/OR SELLER(S) HAS RECEIVED AND REVIEWED THIS
INFORMATION SHEET.



Questions for a Listing Broker to Ask About Solar (before you list, please!)

- 1) Is the system leased, loaned, owned, or PPA?
- 2) Do you have all the documentation for the system? Do you have system schematics, component details, and anticipated generation information?
- 3) Who installed the system? Do you have contact information for the company, the salesperson, and the installer?
- 4) Who was the manufacturer of the system (panels, inverter, etc.)?
- 5) Is the system under warranty? Is the warranty transferable? Is there a cost to transfer?
- 6) Do you have production information or reports?
- 7) Who holds the loan or lease? Will it be paid off at closing, or will it be assumed by the new owner?
- 8) Is there an app? If so, what is the name of the app? Is there a fee to transfer that app? Does the app provide production reports?
- 9) Do you have a copy of the interconnection agreement with the utility company and any agreement where the seller is being compensated for power generation (net metering)?
- 10) Can you provide copies of the utility bills?



NEW MEXICO ASSOCIATION OF REALTORS® — 2026 INFORMATION SHEET – SOLAR SYSTEM PANEL



This form is NOT a disclosure and does NOT provide property-specific information. The general information contained herein is not an exhaustive analysis of the subject matter. Brokers are not experts in the subject matter. If you have additional questions or concerns, you are encouraged to conduct further research and to contact a subject-matter expert.

1. HOW SOLAR ENERGY WORKS.

Solar Panels (also called distributed energy generation systems, (DEGS)) are made of photovoltaic (PV) cells which convert sunlight into Direct Current (DC) electricity throughout the day. An inverter changes the DC electricity to Alternating Current (AC) electricity which travels into the home through the electrical panel or “breaker box.” During the day, excess AC electricity not used in the home is sent back to the utility grid, resulting in a credit to the homeowner (this is net metering). Net metering allows resident to get credit for extra electricity produced by their solar panel at peak retail prices during the day (the electric meter spins backwards giving energy back to the grid) and draws from the grid during the night, at lower off-peak rates (the electric meter spins forward returning electricity from the grid to the home).

2. SOLAR RIGHT LAWS

A. NM’s Solar Rights Act (SRA) – 1997. The owner of real property upon which a DEGS can claim a solar right, which allows the owner to create a solar easement for the purpose of protecting and maintaining proper access to sunlight. The solar right prevents neighboring property owners from constructing new buildings or planting new trees which would block their access to the sun.

The SRA establishes procedures for filing a solar right through the County Clerk's Office, which includes the requirement that the property owner seeking the solar right give advanced notice to the adjacent property owners, who are entitled to contest the claim. Once awarded, the solar right attaches to the property (easement appurtenant) and remains in effect even if the property is sold. Further, the solar right can be sold separately from the property; this allows a neighboring property owner to purchase the solar right and then cancel it. An owner of a solar right may enforce the right in court.

B. Solar Recordation Act - 1983. The Solar Rights Act and the Solar Recordation Act includes provisions that allow local governments to create their own ordinances or zoning rules pertaining to the protection of solar rights.

C. Solar Collector Definitions and Restrictions Bill (SCDRB) - 2007. The SCDRB strengthened solar access rights in New Mexico by limiting the ability of a county or municipality to restrict the placement of solar collectors unless the location is within a historic district. It also voided all covenants and restrictions (from July 1, 1978 forward) that effectively prohibit the installation of solar collectors.

D. Distributed Generation Disclosure Act. After January, 2018, any agreement governing the financing, sale or lease of a DEGS or the sale of power to a power purchaser, governing the financing, sale or lease of a DEGS, or the sale of power to a power purchaser, shall include a written statement with font no smaller than 10 points and no more than four pages, unless a font larger than ten points is used, separate from the agreement and separately signed by the buyer or lessee, that includes provides detailed provisions regarding the DEGS. See Exhibit “A” attached.

E. Local Ordinances. In addition to state laws regarding Solar Panels, local jurisdictions may have ordinances that impact the installations and rights associated with a DEGS.

This form and all New Mexico Association of REALTORS® (NMAR) forms are for the sole use of NMAR members and those New Mexico Real Estate Licensees to whom NMAR has granted prior written authorization. Distribution of NMAR forms to non-NMAR members or unauthorized Real Estate Licensees is strictly prohibited. NMAR makes no warranty of the legal effectiveness or validity of this form and disclaims any liability for damages resulting from its use. By use of this form, the parties agree to the limitations set forth in this paragraph. The parties hereby release NMAR, the Real Estate Brokers, their Agents and employees from any liability arising out of the use of this form. You should consult your attorney with regards to the effectiveness, validity or consequences of any use of this form. The use of this form is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by Real Estate Licensees who are members of the National Association of REALTORS® and who subscribe to the Association's strict Code of Ethics.

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NEW MEXICO ASSOCIATION OF REALTORS® — 2026
INFORMATION SHEET – SOLAR SYSTEM PANEL



3. **BUYING OR LEASING SOLAR PANELS.** *NOTE: Consumers should explore all of the solar financing options available to determine the “best” choice for their individual needs.*

DEGS may be bought or leased. The most significant practical distinction between buying and leasing of an DEGS is in the ownership. When purchasing a DEGS, the buyer owns the system, either outright (if purchasing with cash) or after repaying the solar loan. When leasing the DEGS or entering into a power purchase agreement (PPA), a third party owns the DEGS. This distinction impacts the cost, maintenance, terms, financial offsets, and savings/returns on investment of the DEGS. Not all companies offer solar leases and/or PPAs.

A. Solar Leases. Solar Leases help eliminate most or all upfront costs, maintenance and operations costs associated with operating a DEGS. The developer installs and owns the DEGS, and is responsible for the maintenance, monitoring and insurance for the DEGS. A standard lease term is 15-25 years and typically comes with a minimum performance or production guarantee, compensating the borrower if the DEGS fails to meet the energy output required for in the lease for that period. State or federal tax credits associated with owning the solar energy system will go to the 3rd party owner of the system, the homeowner does NOT reap the benefits of tax credits. Scheduled monthly lease payments must be included in the debt-to-income (DTI) ratio if the buyer is getting a loan and the appraisal should NOT give value to the solar panels. The title work will reflect a Uniform Commercial Code (“UCC”) financing statement or Notice of Independent Solar Energy and the UCC financing statement termination or Release of Notice of Independent Solar Energy would need to be obtained at closing as evidence of its removal.

B. Power Purchase Agreements (PPAs). PPAs are solar energy agreements where the homeowner purchases the energy generated by the DEGS. The homeowner only pays for the energy that was produced. PPA payments are excluded from the DTI ratio since the payments are solely based on the energy produced. As with solar leases, a third-party buy, installs and maintains the DEGS and is the owner of the DEGS and therefore; the beneficiary of any state of federal tax credits. As with a solar lease, the maintenance, monitoring and insurance is the responsibility of the third-party owner. In the case of a loan, the appraisal will not give value to the solar panels. Like a Solar Lease, the title work will reflect a UCC financing statement or Notice of Independent Solar Energy, which would need to be released in the same manner at closing.

C. Solar Loans. A homeowner borrows money from a lender or solar developer for the installation of the DEGS. The homeowner owns the system and is therefore the beneficiary of all state and federal tax credit as well as responsible for the maintenance, monitoring operation of the system. The loan payment is included in the DTI ratio. The appraisal should give value to the solar panels. The system is not covered under an insurance policy or warranty, it is the homeowner’s responsibility to seek out insurance.

D. Property Assessed Clean Energy (PACE) Program. A PACE Program allows a property owner to finance renewable energy improvements to that owner’s property through an additional assessment added to the owner’s tax bill. (usually for a period of 15-20 years). The PACE assessment is attached to the property rather than to the homeowner, thus, making it easier for homeowners to purchase a DEGS, even if they may want to sell their home before the system is fully paid off. Two New Mexico laws address PACE Loans: The Renewable Energy Financing District (“REFD”) Act and the Solar Energy Improvement Assessment (“SEIA”) Act, both passed in 2009. Both Acts address the priority of a PACE Loan.

Under the REFD Act, full special assessment constitutes a lien on the property, which has priority over ALL OTHER liens except liens for ad valorem property taxes. Under the SEIA ACT, PACE Liens have priority co-equal with other property tax liens and no lien can exceed the annual amount of Solar Energy Improvement Special Assessment imposed on the property. FHA announced in December 2017 that it would no longer insure mortgages on homes that carry a PACE lien.

4. **CONSIDERATIONS WHEN SELLING/BUYING A HOME WITH A DEGS:**

If the DEGS is owned out right, it may increase the value of the property and result in a faster sales time. If the seller purchased the DEGS with a loan, the loan will have to be paid off before selling the property. If the DEGS is leased, the issue becomes more complicated. As discussed, DEGS leases can last between 10 and 20 years, and it can be

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expensive to “buy out” the DEGS lease or roll the lease into the house purchase. Further, if the DEGS lease raises the buyer’s DTI ratio, the buyer may not be able to qualify for a mortgage. Sellers should prepare the following resources for prospective buyers, as Buyers should investigate these issues BEFORE purchasing a home with a DEGS:

- A. If the DEGS is leased, what are the steps for transferring a lease?** Find out the details of the contract, including monthly fees, length of the contract, transferability of the lease/PPA. **Whether a buyer will qualify for a lease assumption depends on a number of factors and buyers should make this determination early in the process. See Solar Panel System Lease/Loan/PPA Assumption (NMAR Form 5125).**
- B. Which company installed the DEGS and what are the system’s warranty details?** Consult the DEGS paperwork to determine if the warranty will cover a new buyer and if it does, to determine the length of time for such coverage.
- C. How can the DEGS be removed?** There is a possibility a buyer will request the solar panels to be removed, either because they do not want them or because they do not qualify for the lease/PPA. Speak with the company that installed the DEGS to see how much it would cost to remove or relocate the DEGS. **NOTE: Often, a DEGS may NOT be removed unless the DEGS owner/seller has another property upon which to immediately install the DEGS.**
- D. Who manufactured the DEGS?** Determine the array’s manufacturers. If the DEGS was produced by a U.S. corporation, DEGS owners are covered by the Magnuson–Moss Warranty Act, which protects U.S. consumers from misleading warranty terms.
- E. What’s the size of the DEGS?** The size of the solar array will determine the energy bill savings. Review past energy bills or find out the number of kilowatts the system produces.
- F. Does the utility company offer net metering?** Depending on the utility company, some DEGS owners are eligible for net metering. This can help you determine how much a prospective buyer may save on their monthly electricity

5. CONVENTIONAL LOAN/APPRAISAL CONSIDERATIONS. NOTE: Other loan programs may have different and/or additional loan requirements.

A. DEGS Owned by Seller

If the DEGS is owned, a copy of the DEGS receipt/sales agreement must be provided to the underwriter. The appraiser must identify the property energy-efficient features, comment on any effect to value or marketability and make appropriate adjustments to reflect the market reaction to the energy-efficient features. The appraisal must indicate that the property has access to traditional electric utilities (there must be a backup in the event the solar panel is defective or does not produce the amount of energy intended). For a loan or if the system is owned, the appraisal **CAN** give value to the solar panels.

B. DEGS Leased or Owned by a Third-Party.

A copy of the Power Purchase Agreement (PPA) will have to be provided and the following shall apply:

1. The solar panels may not be included in the appraised value of the property;
2. The property must maintain access to an alternate source of electric power that meets community standards; and
3. The monthly lease payment must be included in the DTI Ratio calculation unless the lease is structured to: provide delivery of the specific amount of energy at a fixed payment during a given period and has a production guarantee that compensates the borrower on the prorated basis in the event the solar panel fail to meet the energy output required for in the lease for the period. **NOTE:** Payments under the PPA where the payment is calculated solely based on the energy produced may be excluded from the DTI ratio.

6. Power Purchase Agreement MUST include/state:

- A.** Any damage that occurs as a result of installation, malfunction, Any damage that occurs as a result of installation, malfunction, manufacturing defect, or the removal of the solar panels is the responsibility of the owner of the equipment and the owner must be obligated to repair the damage and return the improvements to their original or prior condition (for example, sound and watertight conditions that are architecturally consistent with the home).

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- B. The owner of the solar panels agrees not to be named loss payee (or named insured) on the property owner's property insurance policy covering the residential structure on which the panels are attached. As an alternative to this requirement, the lender may verify that the owner of the solar panels is not a named loss payee (or named insured) on the property owner's property insurance policy, and
 - C. In the event of foreclosure, the lender or assignee has the discretion to:
 - 1. Terminate the lease/agreement and require the third-party owner to remove the equipment
 - 2. Become, without payment of any transfer or similar fee, the beneficiary of the borrower's lease/agreement with the third party, or
 - 3. Enter into a new lease/agreement with the third party, or
 - 4. Enter into a new lease/agreement with the third party, under terms no less favorable than the prior owner
 - D. An exception to coverage on the title insurance policy for recorded instruments relating to the solar panels must comply with B7-2-05, Title Exceptions and Impediments, which addresses the UCC lien discussed above.
7. **FANNIE MAE:** Fannie Mae also requires a letter on the Lease Holder, or third party owner's letterhead, dated, and signed stating the following: *"In the event of foreclosure, the lender or assignee has the discretion to: terminate the lease/agreement and require the third-party owner to remove the equipment; become, without payment of any transfer or similar fee, the beneficiary of the borrower's lease/agreement with the third party or enter into a new lease/agreement with the third party, under terms no less favorable that the prior owner."*

SAMPLE

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SOLAR PANEL SYSTEM LEASE/LOAN OR POWER PURCHASE AGREEMENT ASSUMPTION CONTINGENCY ADDENDUM

THIS FORM TO BE USED WHEN THE SOLAR PANEL SYSTEM INSTALLED ON THE PROPERTY IS SUBJECT TO A LEASE, LOAN OR A POWER PURCHASE AGREEMENT AND NEITHER PARTY WILL BE SATISFYING (PAYING-OFF) THE LEASE, LOAN OR POWER PURCHASE AGREEMENT PRIOR TO CLOSING. FOR MORE INFORMATION, NMAR FORM 5130- SOLAR PANEL SYSTEM INFORMATION SHEET

This Addendum is hereby incorporated into and made part of the Purchase Agreement dated _____, 20____ between _____ ("Buyer") and _____ ("Seller") and relating to the following Property:

Address (Street, City, State, Zip Code) _____

Legal Description or see metes and bounds description attached as Exhibit _____, _____ County(ies), New Mexico.

Subject to the terms of this Addendum, the Agreement is contingent on the following: 1) Buyer's approval of Solar Panel System Documents, as defined herein; and 2) Buyer obtaining approval from the Lessor to assume Seller's Solar Panel System lease/loan or PPA under the existing terms and conditions thereof.

1. TYPE OF ASSUMPTION: A solar photovoltaic ("PV") panel system ("Solar Panel System") has been installed on the Property that is subject to a lease, unpaid loan or Power Purchase Agreement ("PPA"). The Solar Panel System shall convey with the Property. The term "Lessor," as used herein, shall refer to the company that leases the Solar Panel System to Seller, the company with whom the Seller has entered into a PPA or the servicer of the unpaid loan used by Seller to purchase the Solar Panel System, as indicated below.

- A. [] Loan on Solar Panel System
B. [] Lease on Solar Panel System
C. [] Power Purchase Agreement

2. SELLER OBLIGATIONS. [] Seller has OR [] Within _____ days after Date of Acceptance, Seller shall:
A. Deliver to Buyer the most recent version of the Solar Panel System lease/loan or PPA documents and all other Solar Panel System documents in Seller's possession. (collectively, "Solar Panel System Documents");
B. Provide to Buyer the name and phone number of the Lessor; and;
C. Notify Lessor of the sale, the name of Buyer, and the name of the Escrow Company as set forth in Paragraph 3 of the Agreement.

3. BUYER DUE DILIGENCE.
A. Buyer is advised that if the cost, insurability, operation, or value of the Solar Panel System is a material matter to Buyer, Buyer must investigate all concerns within the allotted time frame set forth below. This may include, but is not limited to:
*Age *Maintenance *Tax Implications
*End of Lease Terms *Output and Production Guarantees *Payment Adjustments
*Grid Tie-In *Utility and Lessor Fees *Warranties
*Homeowner's Insurance Coverage *Utility Bills

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- B. Seller and Buyer recognize, acknowledge and agree that Brokers are not qualified to advise on solar panel systems, including, but not limited to, cost, insurability, operation, value, or transferability. Seller and Buyer are instructed to consult with independent legal counsel and other qualified licensed professionals to assist in their due diligence efforts.
- 4. **BUYER’S OBJECTION PERIOD.** Buyer shall have _____ days from receipt of Solar Panel System Documents to terminate the Agreement based on the Solar Panel System Documents or any information discovered by Buyer’s due diligence (“Solar Panel System Objection Deadline”). Buyer’s failure to deliver a signed notice of termination within Solar Panel System Objection Deadline, shall conclusively be deemed a waiver of Buyer’s right to terminate the Agreement based on objection(s) to the Solar Panel System Documents.
- 5. **LEASE/LOAN ASSUMPTION CONTINGENCY.**
 - A. If Buyer does not terminate the Agreement by the Solar Panel System Objection Deadline, Buyer shall immediately apply for lease/loan or PPA assumption approval in the manner required by Lessor, and Seller and Buyer agree to cooperate fully with Lessor and supply the necessary documentation to complete the assumption.
 - B. Buyer shall assume the Solar Panel System lease/loan or PPA under the existing terms and conditions within _____ days prior to the Settlement/Signing Date. (“Assumption Approval Deadline”). This Agreement shall terminate, and Earnest Money shall be refunded to Buyer if, after a diligent and good faith effort, Buyer: (i) is unable to obtain assumption of the Solar Panel System lease/loan or PPA from Lessor; and (ii) delivers to Seller no later than the Assumption Approval Deadline a notice from the Lessor stating that Buyer was unable to obtain approval of the Solar Panel System lease/loan or PPA (“Rejection Notice”).
 - C. If Buyer does not assume the Solar Panel System lease/loan or PPA within the Assumption Approval Deadline and fails to deliver a Rejection Notice prior to the Assumption Approval Deadline, Buyer shall forfeit his Earnest Money to Seller.

ADDENDUM PROVISIONS CONTROL. If there is any conflict between the provisions of this Addendum and the provisions of the Agreement and/or any earlier Addendum, the provisions of this Addendum shall control. The remaining, unchanged provisions of the Agreement and/or any previously dated Addendum shall remain in effect.

⚠ IMPORTANT NOTICE ⚠

Because conducting due diligence with respect to the Solar Panel System is beyond the scope of Broker’s expertise, Seller and Buyer expressly release and hold harmless Broker(s) from liability for any defects, conditions or transferability problems pertaining to the Solar Panel System

BUYER(S)

Buyer Signature Printed Name Date Time

Buyer Signature Printed Name Date Time

SELLER(S)

Seller Signature Printed Name Date Time

Seller Signature Printed Name Date Time

If additional signature lines are needed, please use NMAR Form 1150 — Signature Addendum



Types of Insurance to Consider for Your Business

General Liability

General Liability covers legal or medical expenses that your business is responsible for, such as if a customer is injured as a result of your business's products or services. It also provides coverage if your business is liable for property damage or if it's sued for things like libel or false advertising. Just about every business needs general liability insurance.

Business Owner's Policy

A Business Owner's Policy (BOP) combines several types of commercial insurance—such as general liability, property, and business interruption—into a single policy.

Home-Based Business Insurance

If you run a business out of your home, you may consider getting a home-based insurance policy to cover your business equipment, like furniture and technology that your company relies on for operations. This kind of insurance can be especially helpful if your clients visit your home, as some of these policies include general liability insurance, which provides protection if a client sues you.

Some business owners may benefit from simply adding a business property home insurance endorsement to their existing homeowners' insurance policy. This can be a good option if you're the sole employee of your company and you rarely (if ever) have clients or customers on site.

Business Auto Insurance

If you or your employees use company vehicles, you'll need a business auto insurance policy to cover unexpected costs that your business is responsible for, such as vehicle repairs or third-party medical expenses after an accident. A strong business auto policy should include property damage and liability insurance, but you may want to consider additional coverage depending on the vehicle type and how often your company uses it.



Other Types of Insurance for Your Business

Umbrella Policy

Umbrella insurance policies add a crucial layer of liability protection beyond typical homeowners, auto, or watercraft policies, safeguarding individuals at risk of lawsuits from the financial burden of extensive liability. These policies are vital for anyone who may face claims exceeding their coverage limits due to accidents that result in property damage or personal injuries. In addition, umbrella policies cover claims such as libel, slander, vandalism, and invasion of privacy, providing comprehensive protection.

Key Person Policy

Key person insurance is a life insurance policy that a company purchases on the life of an owner, a top executive, or another individual considered critical to the business. The company is the beneficiary of the policy and pays the premiums. Key person insurance is a life insurance policy a company buys on the life of a top executive or another critical individual who dies.

Cyber Policy

Cyber insurance, also known as cyber liability insurance, helps protect businesses from computer, network or technology-related risks, including:

- Network interruptions
- Data breaches
- Lawsuits
- Malware and ransomware cyberattacks
- Extortion and phishing attacks
- To protect your business from the devastating financial consequences of a cyber event, many business owners add cyber insurance coverage to their policy.

Business Crime Policy

Crime insurance is a type of business insurance that protects organizations from financial losses caused by criminal acts like theft, fraud, forgery, embezzlement, or robbery committed by employees or third parties. It acts as a financial safety net when internal or external crimes affect company assets like money, securities, or property.