

"New Mexico Real Estate Installment Contract Act"

Senate Bill 320, Introduced by Peter Wirth

Comments: Lou Tulga CCIM CRB

1. It is important to note that New Mexico Real Estate Contract seller financing has through the years been a "safety valve" allowing real estate transactions to occur when buyers were not able to obtain home purchase financing from institutional sources.
2. Apart from whatever motives of its supporters, SB 320 would effectively eliminate the use of seller financing for residential property in New Mexico because of undue complexity, conditions of compliance, documentation requirements, penalties, etc. In effect, SB 320 could not be better designed if the intent were to totally shut down the use of installment contract seller financing.
3. SB 320 mandates a mind-boggling comprehensive list of property and financial disclosures, and related documents from sellers--coupled with a buyer's right of rescission that extend far into the future would furnish interminable sources of dispute against sellers and almost limitless occasions for litigation--in effect prohibiting any informed seller from offering *installment contract* financing for residential property
4. This SB 320 would be just on more unnecessary impediment for home buyers