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HOUSE BILL 168

**57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026**

INTRODUCED BY

Cristina Parajón

AN ACT

RELATING TO HOUSING; CREATING THE NEW HOMES FOR NEW MEXICO  
PROGRAM; PROVIDING FOR PROGRAM ADMINISTRATION BY THE NEW MEXICO  
MORTGAGE FINANCE AUTHORITY; PROVIDING LOANS TO ELIGIBLE HOME  
BUYERS; PROVIDING FOR REPAYMENT; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] NEW HOMES FOR NEW MEXICO  
PROGRAM CREATED--PROGRAM REQUIREMENTS--REPAYMENT.--

A. As used in this section:

(1) "authority" means the New Mexico mortgage  
finance authority;

(2) "eligible builder" means a residential  
home builder that meets eligibility criteria for participation  
in the program;

(3) "eligible buyer" means a person seeking to

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1 purchase residential property that meets eligibility criteria  
2 for participation in the program;

3 (4) "high-cost county" means Los Alamos, Santa  
4 Fe or Taos county;

5 (5) "program" means the new homes for New  
6 Mexico program; and

7 (6) "starter home" means a home built by an  
8 eligible builder to be purchased by an eligible buyer that  
9 meets eligibility criteria established by rules promulgated  
10 pursuant to this section.

11 B. The "new homes for New Mexico program" is  
12 created in the authority to provide loans for eligible buyers  
13 to purchase starter homes from eligible builders. The  
14 authority shall promulgate rules to carry out the provisions of  
15 this section.

16 C. The authority shall create an account for any  
17 money designated for the program. Loans for the program shall  
18 be provided from the account, and the account may consist of  
19 subaccounts as the authority deems necessary. Money from  
20 repayment of a loan granted pursuant to this section shall be  
21 deposited into the account and provided to future eligible  
22 buyers.

23 D. The authority may grant a loan to an eligible  
24 buyer to purchase a starter home from an eligible builder;  
25 provided that the eligible buyer:

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1 (1) has not owned a home prior to acceptance  
2 into the program;

3 (2) earns a current annual income that is  
4 below one hundred twenty percent of the area median income in  
5 the county in which the starter home being purchased will be  
6 located, for a family of four, as determined by the United  
7 States department of housing and urban development; and

8 (3) resides in the starter home as the  
9 eligible buyer's primary residence.

10 E. The authority shall solicit competitive bids for  
11 eligible builders to participate in the program in accordance  
12 with the provisions of the Procurement Code. A competitive bid  
13 submitted pursuant to this subsection shall include:

14 (1) the number of homes the builder proposes  
15 to build;

16 (2) the projected price of each home;

17 (3) marketing and sales strategies; and

18 (4) a time line for completing the homes.

19 F. The authority shall promulgate rules to provide  
20 for:

21 (1) administration of the program;

22 (2) criteria for applications;

23 (3) eligibility criteria for eligible builders  
24 and eligible buyers;

25 (4) criteria for starter homes built by

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1 eligible builders;

2 (5) criteria for loan disbursement and  
3 repayment;

4 (6) procedures to connect eligible buyers and  
5 eligible builders; and

6 (7) periodic verification that the starter  
7 home purchased pursuant to this section remains the eligible  
8 buyer's primary residence.

9 G. Applications for loans to purchase starter homes  
10 pursuant to this section shall be submitted to the authority on  
11 forms provided by the authority and shall include:

12 (1) documentation that the applicant earns a  
13 current annual income that is below one hundred twenty percent  
14 of the area median income in the county in which the starter  
15 home being purchased will be located, for a family of four, as  
16 determined by the United States department of housing and urban  
17 development; and

18 (2) other documentation required by the  
19 authority in rules promulgated pursuant to this section.

20 H. Loans granted pursuant to this section shall:

21 (1) not exceed fifty thousand dollars  
22 (\$50,000) per household for a starter home located outside the  
23 jurisdictional boundaries of a high-cost county or seventy-five  
24 thousand dollars (\$75,000) per household for a starter home  
25 within the jurisdictional boundaries of a high-cost county;

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1 (2) bear an annual interest rate of zero  
2 percent; and

3 (3) be repaid upon:

4 (a) the sale of the property purchased  
5 with a loan granted pursuant to this section; or

6 (b) the failure of the eligible buyer to  
7 occupy the property purchased with a loan granted pursuant to  
8 this section as the eligible buyer's principal residence.

9 I. A qualified builder shall:

10 (1) not build a starter home that exceeds one  
11 thousand eight hundred square feet;

12 (2) not build a starter home on a lot that  
13 exceeds five thousand square feet;

14 (3) complete construction on a starter home  
15 within three years of program selection; and

16 (4) build starter homes that are affordable to  
17 a qualified buyer.

18 SECTION 2. APPROPRIATION.--Ten million dollars  
19 (\$10,000,000) is appropriated from the general fund to the  
20 department of finance and administration for expenditure in  
21 fiscal year 2027 and subsequent fiscal years for expenditure by  
22 the New Mexico mortgage finance authority to conduct the new  
23 homes for New Mexico program. Any unexpended balance remaining  
24 at the end of a fiscal year shall not revert to the general  
25 fund.

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