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HOUSE BILL 200

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

INTRODUCED BY

Cristina Parajón and Javier Martínez and Heather Berghmans

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. A new section of the Affordable Housing Act is
enacted to read:

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

A. As used in this section:

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

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

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

7 (5) "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. An eligible 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 an eligible buyer."

18 SECTION 2. APPROPRIATION.--Twenty-five million dollars
19 (\$25,000,000) 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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