

Federal Policy, Financing, and Manufactured Housing: Implications for New Mexico

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The Pew Charitable Trusts

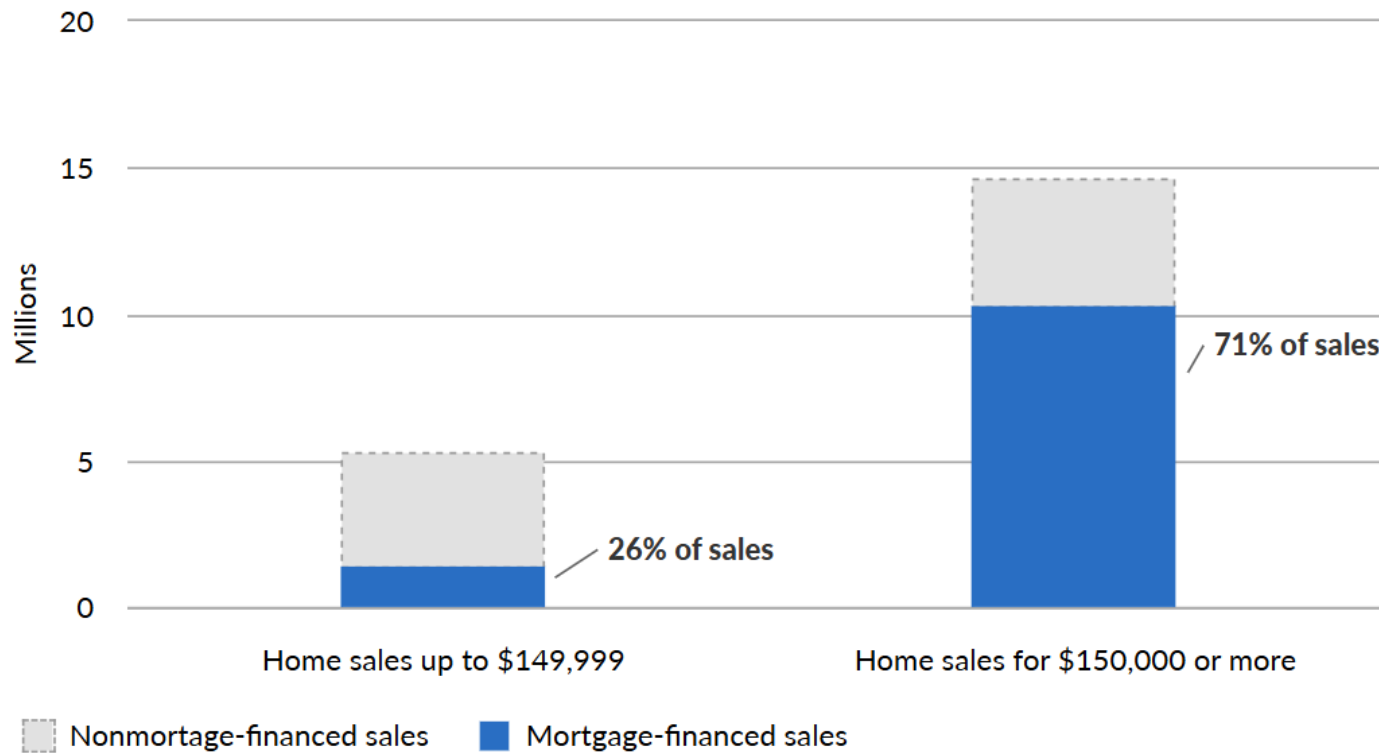
June 30, 2026

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Only 26% of low-cost homes are financed with mortgages compared to 71% of higher-cost homes.

Less Than a Third of Low-Cost Home Purchases Involve a Mortgage

Percentages of mortgage-financed sales by home value and loan size, 2018-21



Small mortgages are usually not profitable for lenders. From 2018-2021, 38% of lenders did not issue a single small mortgage.

Sources: Federal Financial Institutions Examination Council, "Home Mortgage Disclosure Act" (2018-21), <https://ffiec.cfpb.gov/data-browser/>; Zillow Group Inc., "Zillow's Transaction and Assessment Database" (2018-21), <https://www.zillow.com/research/ztrax/>

Small mortgages are a small, but significant part of New Mexico's mortgage market

169,365

Mortgage originations in
New Mexico from 2018-25

16,767

Mortgage originations
under \$150,000

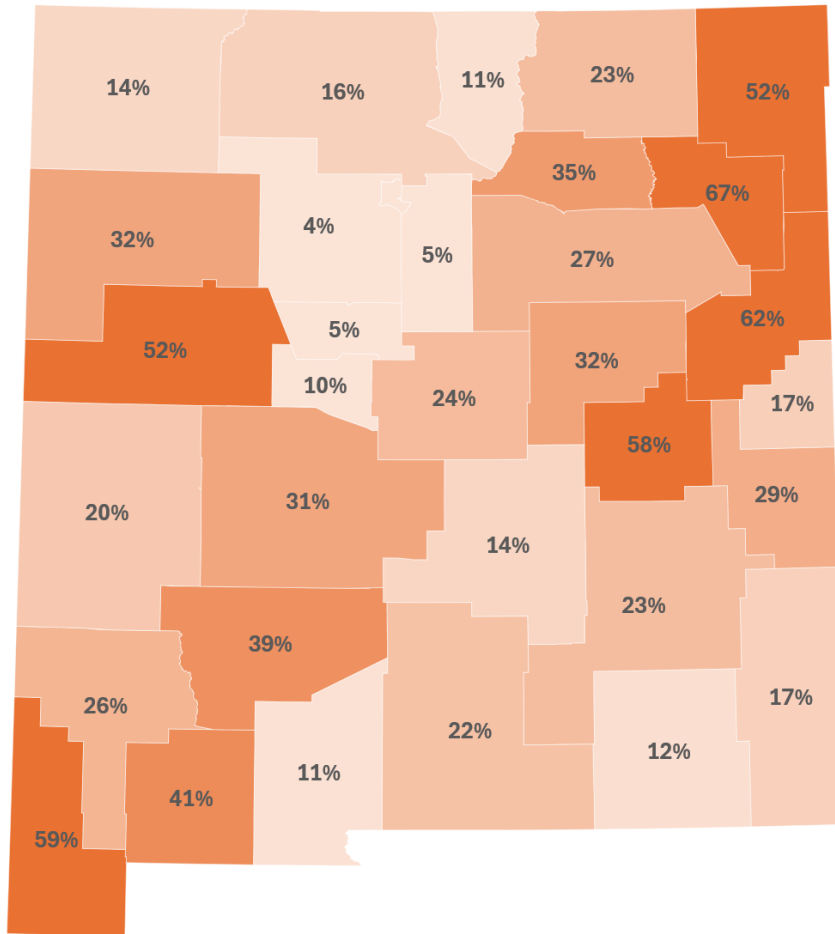
10%

Share of originations under
\$150,000

Source: Home Mortgage Disclosure Act (2018-2025)

Small mortgages are often used in rural counties in New Mexico

Share of Mortgages Under \$150,000 (Inflation-Adjusted)



Counties Where Small Mortgages Are Used Most Often		
County Name	Median Mortgage Amount	Median Property Value
Harding County	\$108,041	\$109,067
Quay County	\$125,783	\$135,846
Hidalgo County	\$126,585	\$141,226
De Baca County	\$138,641	\$148,039
Union County	\$139,435	\$150,697

Source: Home Mortgage Disclosure Act (2018-2025)

**36 million Americans have used
alternative financing to finance a home
purchase.**

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Millions of Americans Have Used Alternative Financing to Buy Homes

- **36 million Americans** have used an alternative arrangement at some point: land contracts, lease purchases, personal property loans, seller-financed mortgages (1 in 5 home borrowers)
 - **2.4 million Americans** were using a lease purchase arrangement in 2021
 - **1.4 million Americans** were using a land contract arrangement in 2021

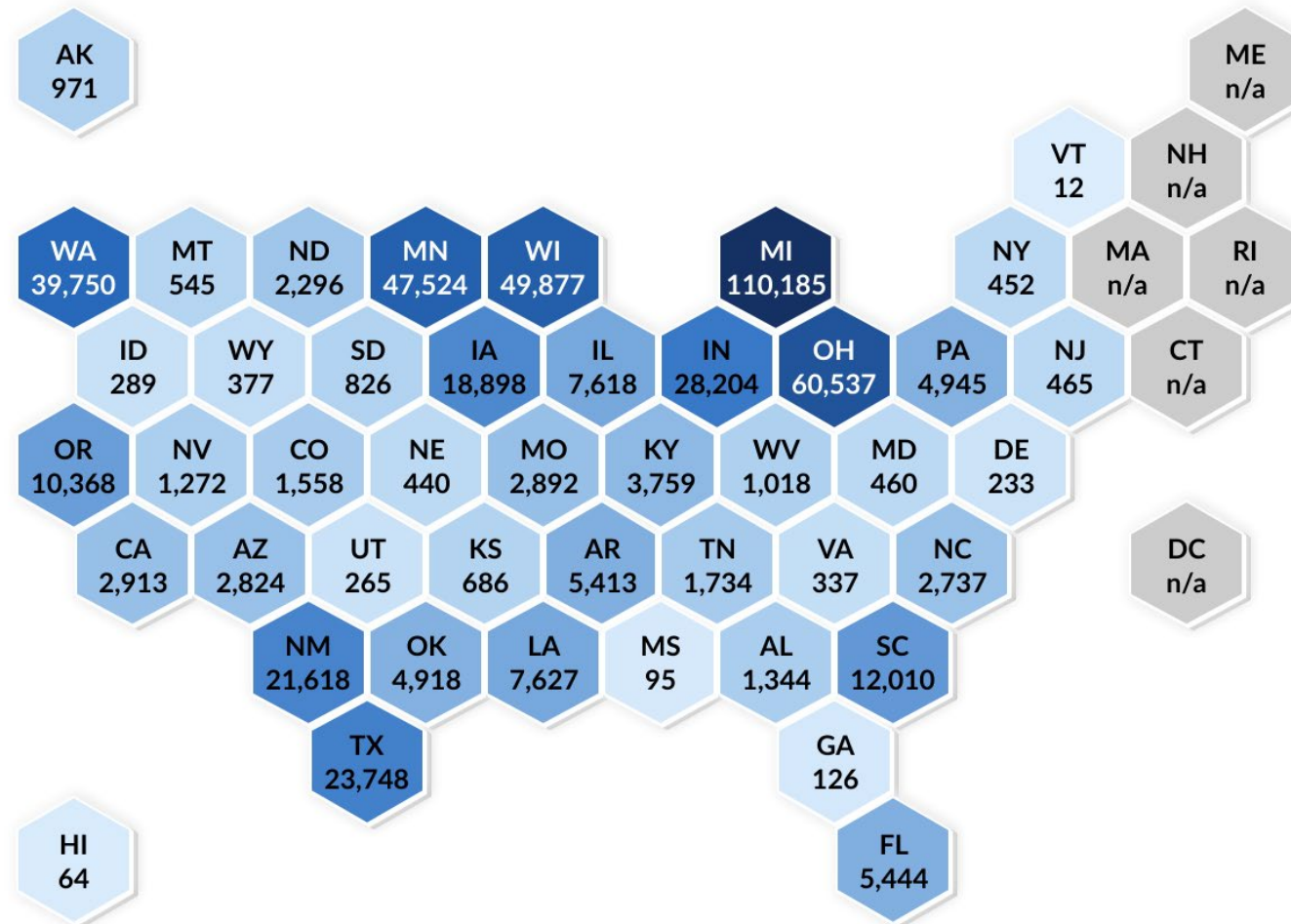
Source: The Pew Charitable Trusts, 2021 Alternative Financing Survey



5 Key Risks

1. Lack of transparency and clear written terms
2. Forfeiture of down payment and home equity
3. Inclusion of balloon payments
4. Unsafe or uninhabitable homes
5. Payment of property taxes without full ownership

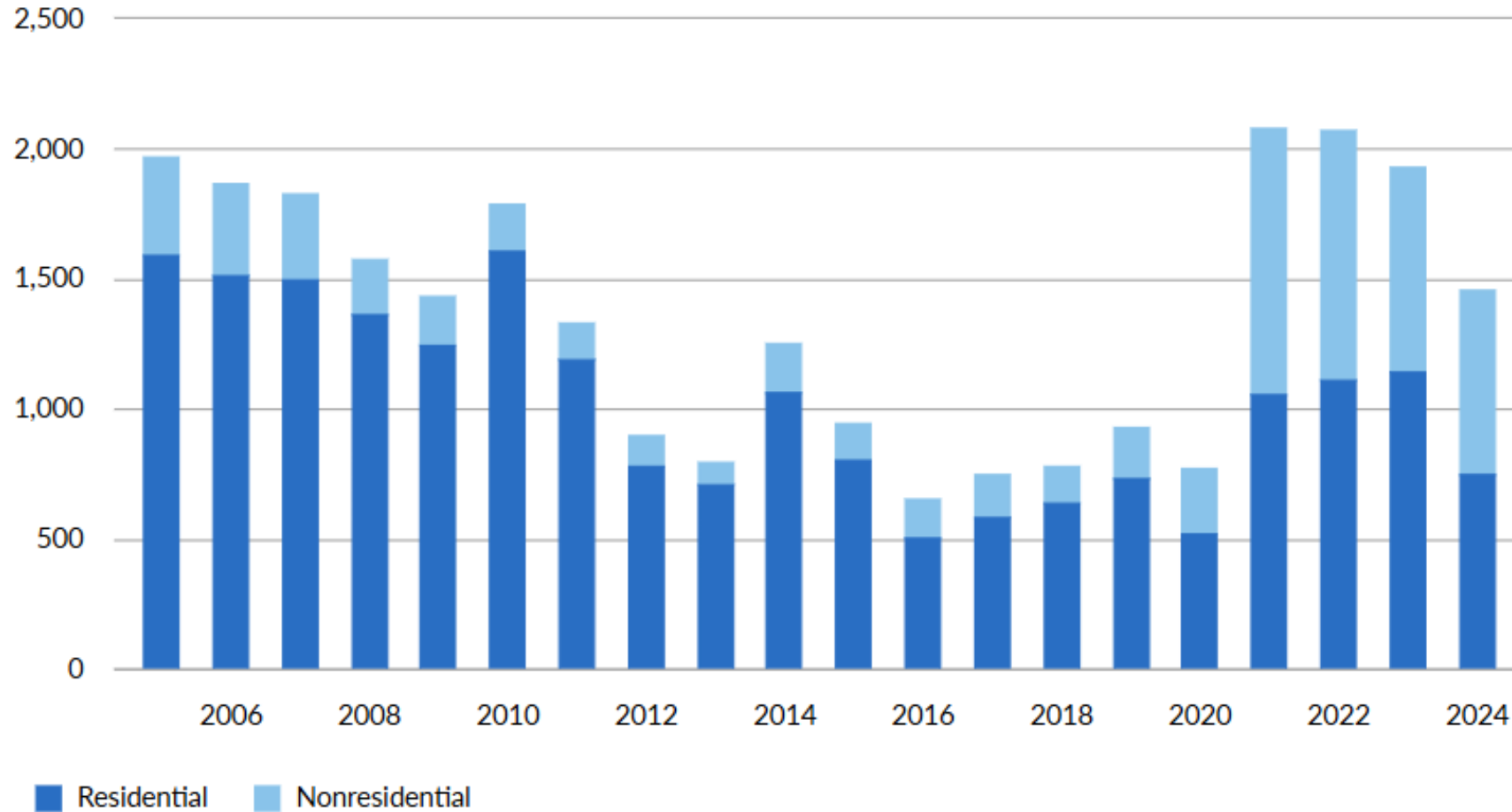
Nearly Half a Million Land Contracts Recorded in U.S., 2005-2022



Data on land contracts comes from ATTOM Data Solutions.

New Mexico homebuyers used the eighth-most land contracts in the nation.

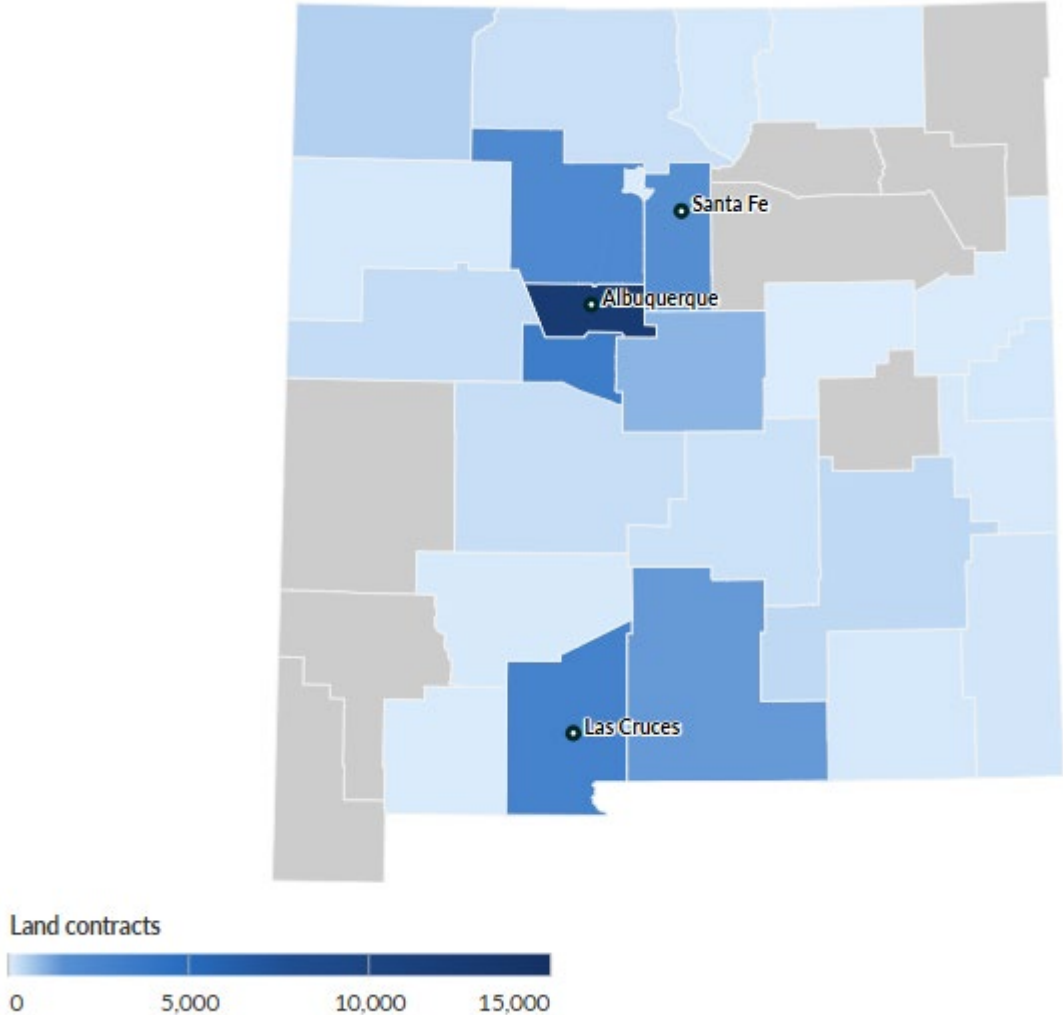
Tens of Thousands of New Mexico Homebuyers Rely on Land Contracts



Source: ATTOM Data Solutions, Property Data

Counties Surrounding Santa Fe, Albuquerque and Las Cruces Had the Most Land Contracts in the State

Number of new contracts recorded by county in New Mexico, 2005-2024



Where and How Are Land Contracts in New Mexico Used (2005-2024)?

1. Over 40% of all New Mexico land contracts were in Bernalillo County (Albuquerque).
2. More frequently used for smaller, older, and lower-cost homes.

	Land Contracts	State Medians
Sale Price	\$174,000	\$203,000
Year of Construction	1980	1988
Square Footage	1,524 sq ft.	1,718 sq ft.

3. 75% used for residential properties; 25% for commercial, agricultural, other.
4. Individuals made up 74% of land contract sellers; Corporations were 26%.

**About 350,000 New Mexico residents
live in manufactured or mobile homes.**

Pew

Array of Manufactured Home Types and Styles

- Basic HUD Code
- EnergyStar or Net-Zero
- Single-section, multi-section
- CrossMod
- Soon: multi-story, duplex/fourplex



Source: Zillow.com for Pennsylvania and Vermont, Clayton Homes, Cavco Homes

Factory Built: Mobile Home vs. Manufactured Home in New Mexico



Pre-1976 mobile home

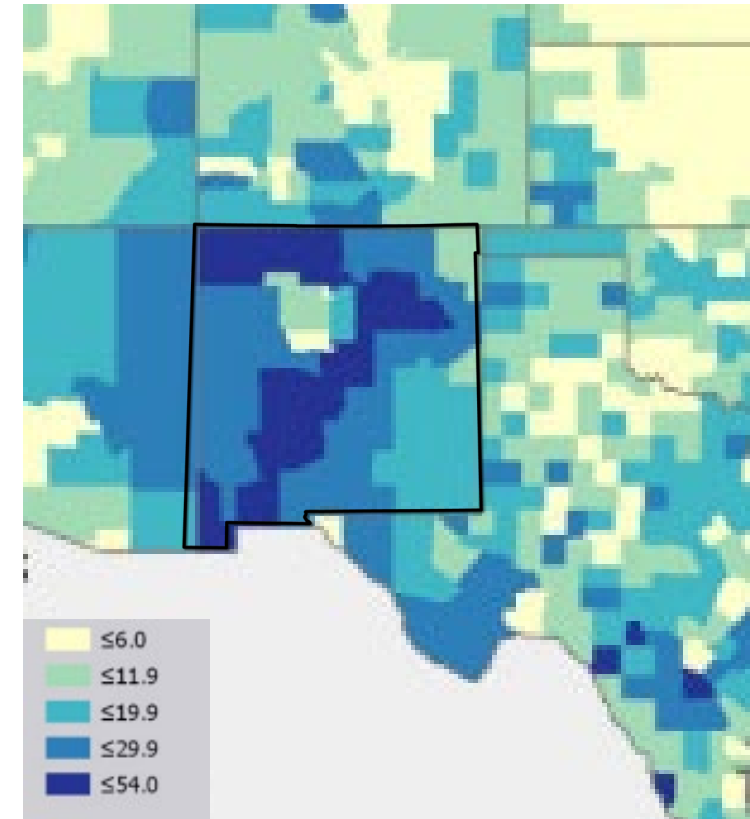


1976 and after HUD Code home

Source: Zillow.com example of mobile home in Albuquerque, NM compared with a 2020 manufactured home in Carlsbad, NM

Mobile and Manufactured Housing Is Used Across New Mexico

- About 16% of housing stock in NM vs. about 6% on average across the U.S.
 - 29%-54% of housing stock in some areas
- Over 153,000 homes across the state
 - About ¼ made before 1976



Sources: Map, Housing Assistance Council Tabulations of American Community Survey, 2018; [I'm HOME Manufactured Housing Data Factsheet – New Mexico - Lincoln Institute of Land Policy](#)

Manufactured Home Titling: Real Estate vs. Personal Property

Real estate titling

- Required for mortgage eligibility.
- In most states, **including New Mexico**, manufactured homes need to be converted to real estate.

Personal property titling

- Home-only (AKA personal property “chattel” loans) OR contract financing.
- **New Mexico** policy titles manufactured homes as personal property regardless of landownership

Mortgages Are More Affordable Than Home-Only Loans

Median interest rate from 2018-2024, loan term, and payments for a \$100,000 loan

	Median Interest Rate	Loan Term	Monthly Payment	Total Cost
Manufactured Home Mortgage	5.40%	360 months (30 years)	\$561.53	\$202,151
Home-only Loan	8.50%	276 months (23 years)	\$826.09	\$228,001
Savings	3.10%		\$264.56	\$25,850

Source: The Pew Charitable Trusts, States Hold The Keys To Greater Mortgage Access, 2026

Access to Financing Is Challenging in New Mexico



¼ of MH borrowers **who own land** use a home-only loan



Home-only loan interest rate 8.5% vs. mortgage 5.4%



44% of completed loan applications denied

Federal Policy Approaches To Expand Mortgage Access

Fannie Mae and Freddie Mac, Duty to Serve

- Fannie and Freddie treat double-section CrossMod like site-built in appraisal and mortgage rates.
 - Freddie also expanded to single-section CrossMod
 - Still room for improvement – interest rates higher for non CrossMod
- Fannie pilot in NH to purchase mortgages for buyers and homeowners in ROCs
 - Expanding to VT and OR
 - Considering expanding to land-lease communities
- Freddie working with buyers on Tribal land

USDA

- Older homes are now eligible
- New energy efficient homes on land with long-term lease are eligible

Ways To Improve Manufactured Home Availability And Affordability

1. [Zoning](#) - Enable manufactured homes to be used where single-family homes are allowed.
2. [Reducing minimum lot size](#) - for all housing types (including manufactured housing) eliminate or reduce minimum lot sizes greatly improves affordability of home and land ownership.
3. [Financing](#) - Expand eligibility (reduce frictions for real estate titling) for mortgage financing to reduce monthly loan payments and improve consumer protections.



What the 21st Century ROAD to Housing Act Means for States

- Expand [manufactured housing](#) by removing chassis requirement.
- Establish guidelines and award grants for [safe single-stair apartment buildings](#).
- Support [preapproved building plans](#) to reduce permitting delays and lower costs.
- Incentivize, offer support to [modernize zoning, land-use, and permitting policies](#).
- [Simplify permitting](#) for housing that uses federal subsidies in already developed areas by removing mandates for federal environmental reviews for low-impact housing.
- Simplify federal inspections making it easier for landlords to accept Housing Choice Vouchers.
- Identify barriers and expand [small mortgages](#) access.

New Mexico's Housing Shortage And Lessons from Policy Outcomes Elsewhere

Alex Horowitz

Director, Housing Policy Initiative

The Pew Charitable Trusts

June 30, 2026

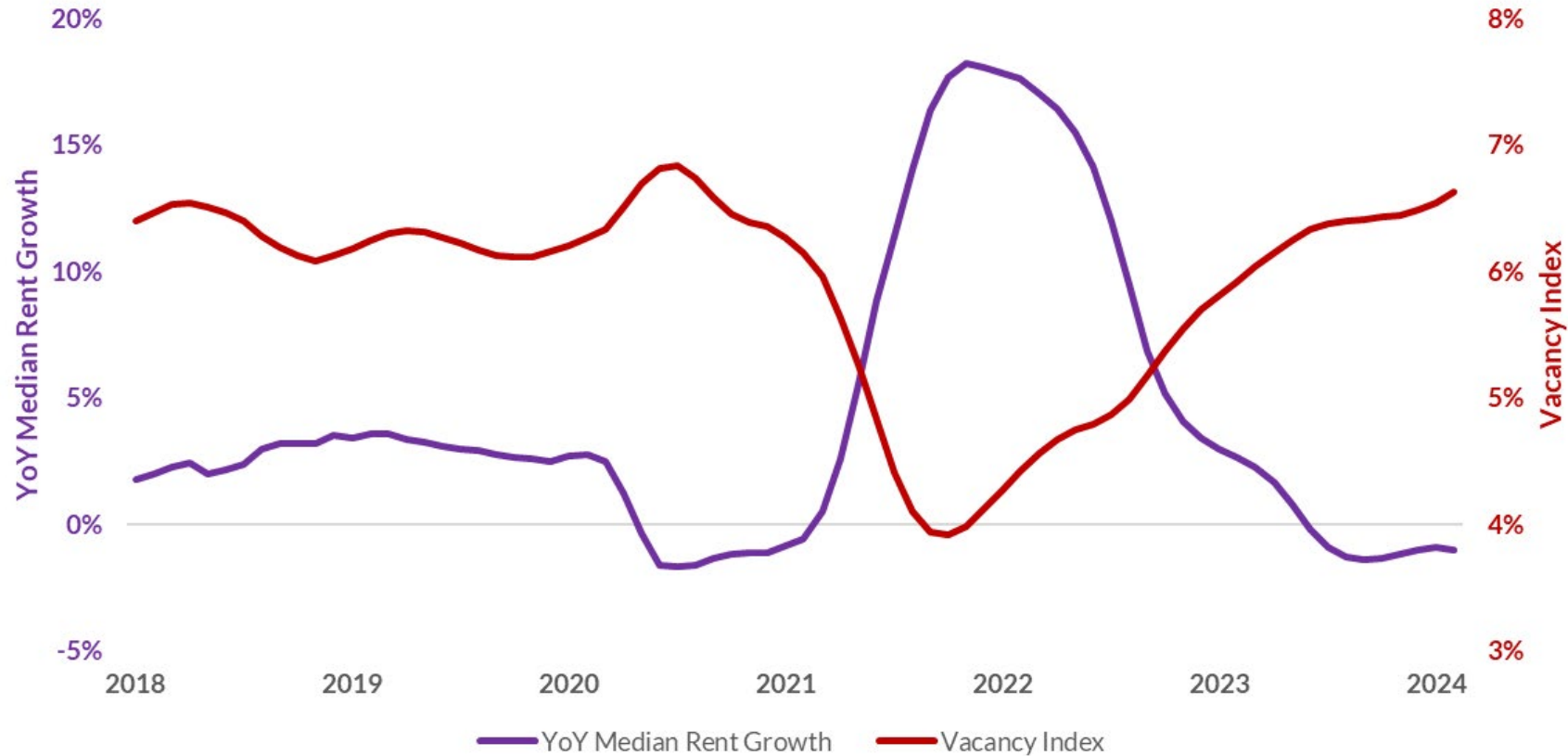
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Housing Costs Much Higher Than Historical Norms

- 50% of U.S. renters are spending 30% or more of their income on rent (50% in New Mexico)
- 27% of U.S. renters are spending 50% or more of their income on rent (27% in New Mexico)
- Median Home Price Is Around 5x Median Income (Historically 3x)
- 63% of U.S. households have 1 or 2 people (New Mexico: 67%)
- U.S. housing shortage estimated at 4-7 million homes

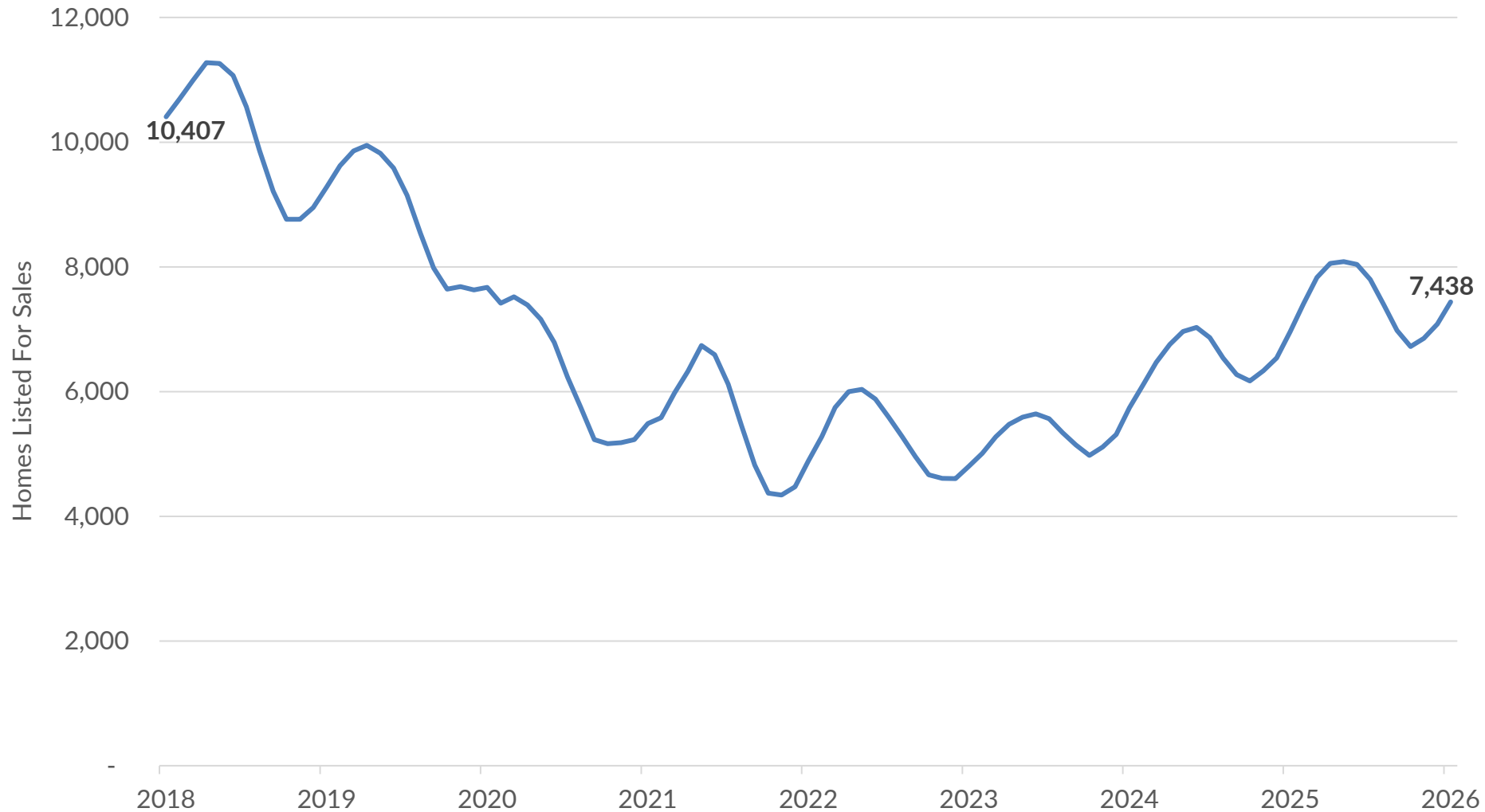
Rents Rise Quickly When Shortages Occur

Rent Growth vs. Vacancy Rate in the United States



Source: Data from Apartment List

New Mexico's Housing Inventory Almost 30% Lower Than 2018 Level

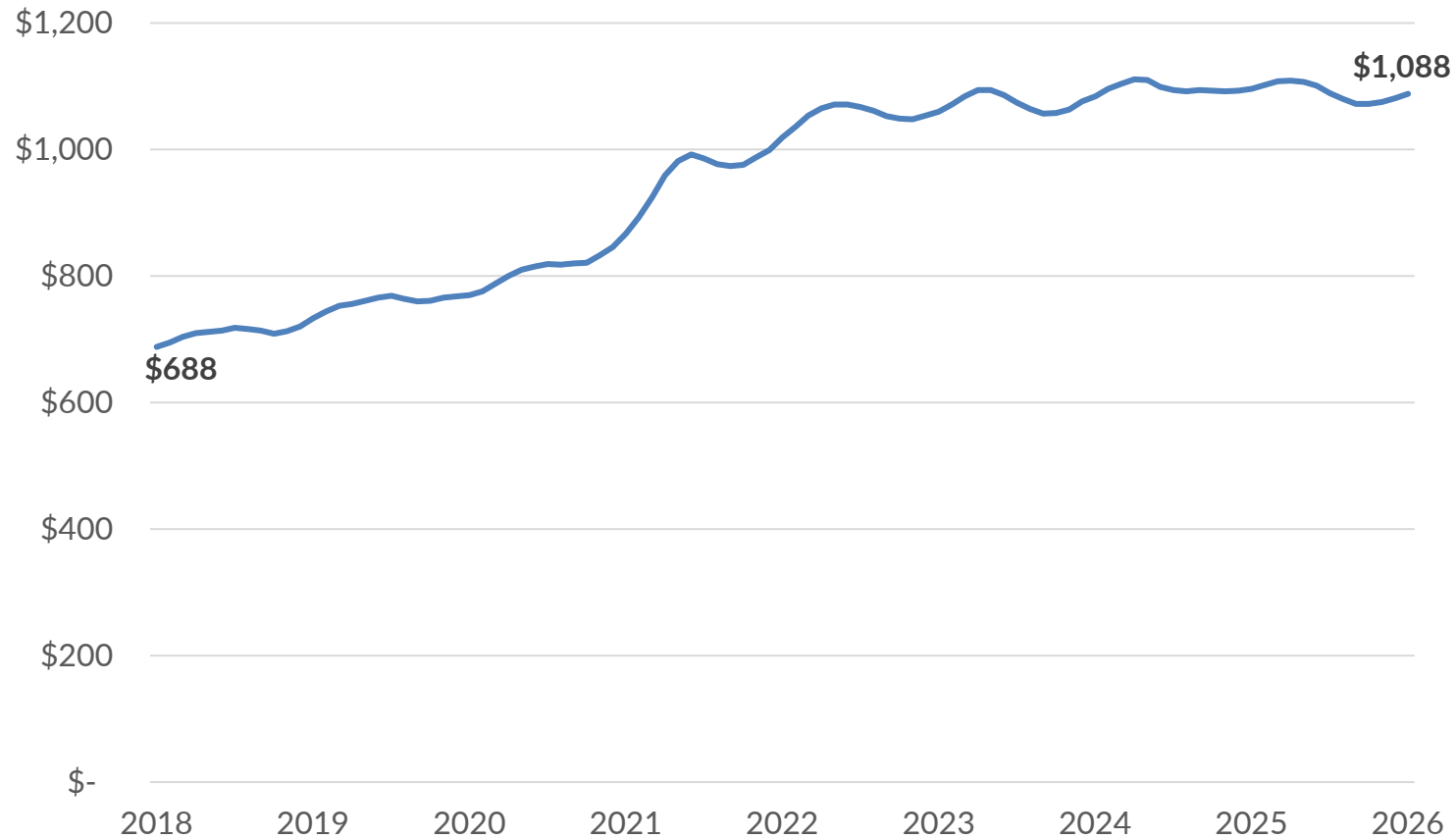


**New Mexico
median home cost:**
May 2016: \$177k
May 2026: \$320k

Source: Zillow Data

New Mexico Rents Rise Amidst Shortage

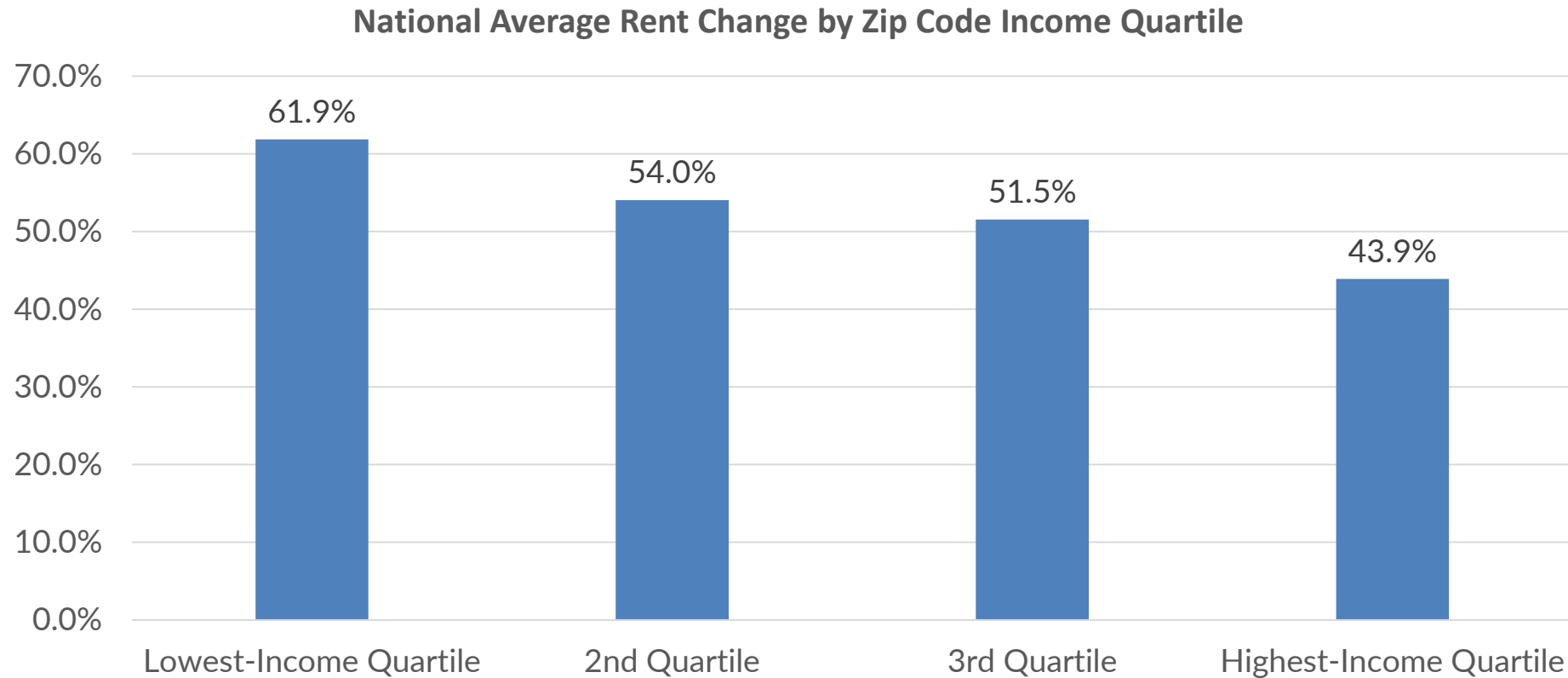
Median Monthly Rent in New Mexico
Increased 58% from Mar. 2018 to Mar. 2026



U.S. = 23%
N.M.=58%
Albuquerque= 59%
Santa Fe= 49%

Source: Apartment List Rent Estimate data

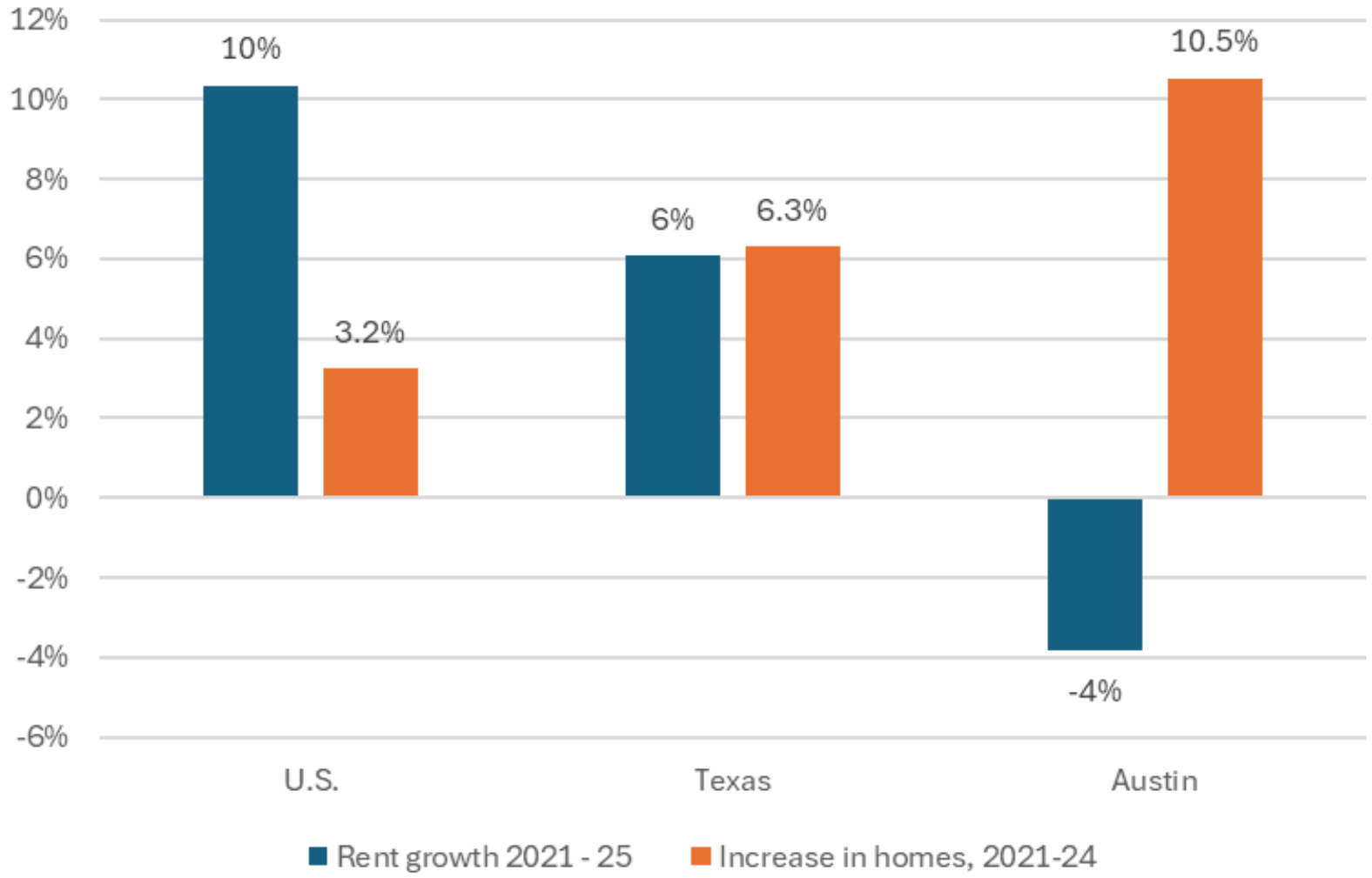
Housing Shortage Hurts Low and Moderate-Income Households Most



Source: Pew's analysis of Zillow rent estimate data (Sep. 2017-Sep. 2024) and IRS Income by ZIP Code data (2017)

New Data Confirms More Supply = Lower Housing Costs

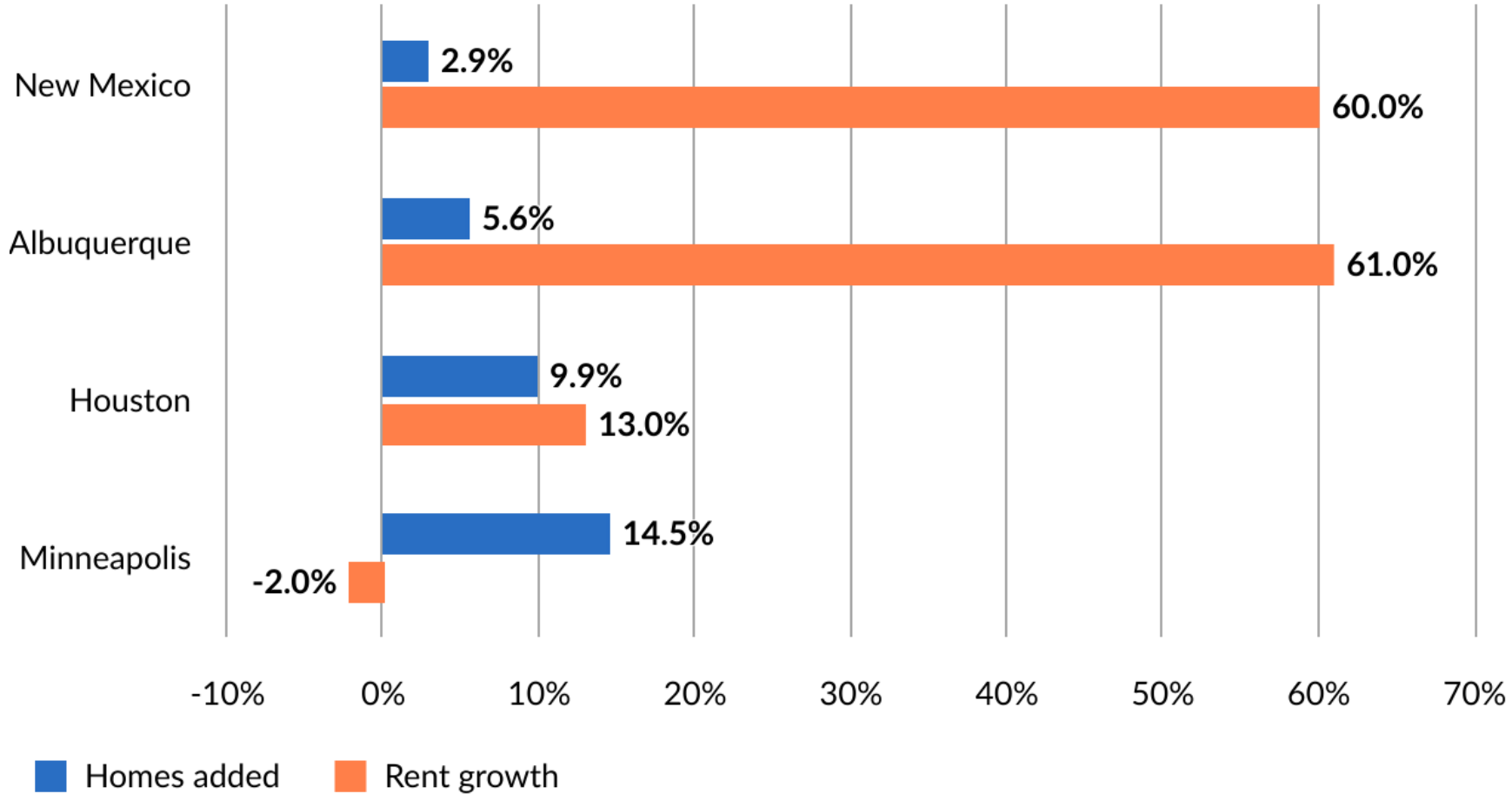
Austin Rents Have Fallen As City Has Removed Regulatory Barriers



Source: Pew's analysis of Apartment List rent estimate data (2021-2024) and U.S. Census data on housing units (2021-2024)

Land-Use Reform Boosts Supply, Affordability

Homes added (2017-2023) and rent growth (Oct. 2017-Oct. 2024)



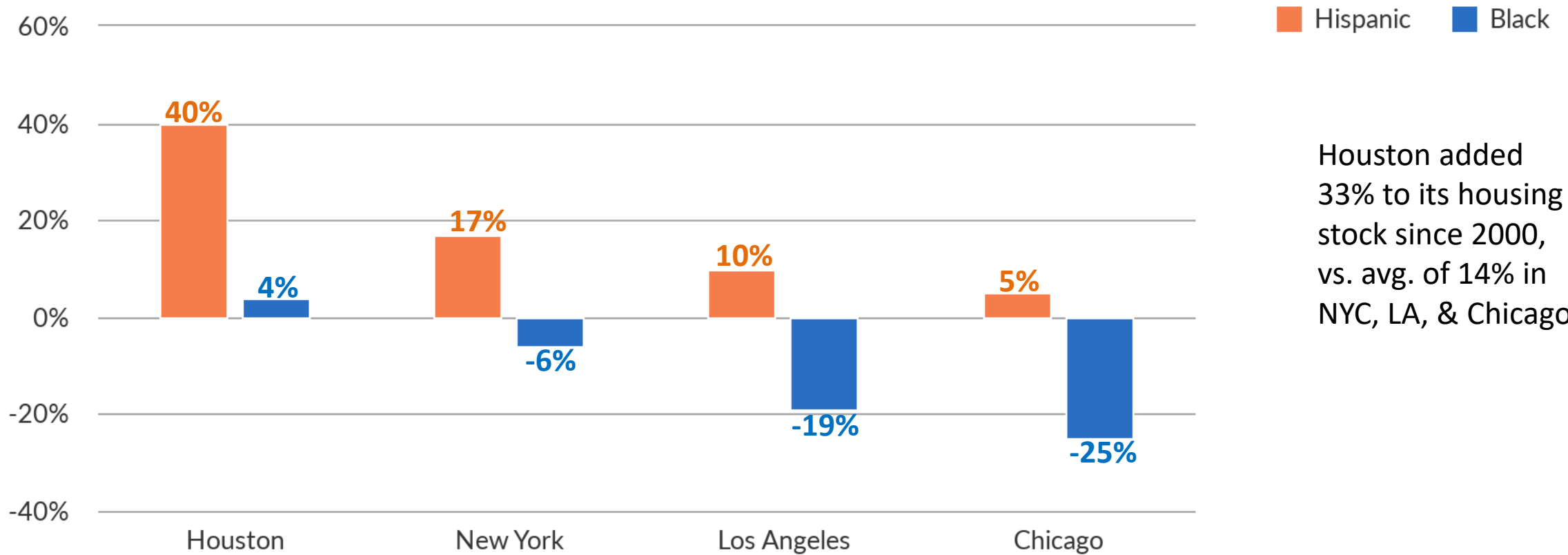
In High-Supply Housing Markets, Low-Income Renters Have Benefitted Most

Market	Effective Rent Change in 2023			
	Market Average	Class A	Class B	Class C
Austin	-6.0%	-4.4%	-5.7%	-7.9%
Dallas	-1.4%	-0.4%	-1.9%	-1.5%
Orlando	-4.0%	-2.9%	-5.1%	-3.1%
Phoenix	-4.3%	-1.9%	-3.9%	-7.2%
Salt Lake City	-3.4%	-1.9%	-3.9%	-3.6%
San Antonio	-2.9%	-1.7%	-3.6%	-2.8%

Source: RealPage rent data

Allowing More Housing Reduces Displacement

Percentage change in Black and Hispanic populations by city, 2000-21



Houston added 33% to its housing stock since 2000, vs. avg. of 14% in NYC, LA, & Chicago.

Source: ACS Census Bureau data

Action on Housing Has Moved from Localities to States

Avg. number of state laws passed annually to allow more homes, nationwide

- 2011-2016: 1
- 2017-2022: 18
- 2023-2024: 48
- 2025: 100+

Recent Progress on State Housing Policy

	AZ	CA	CO	MT	NM	NV	TX	UT
Casitas allowed on most lots	✓	✓	✓	✓		✓		✓
By-Right Apartments Near Commerce or Transit	✓	✓	✓	✓		✓	✓	
Curbed parking mandates for some housing	✓	✓	✓	✓			✓	
Building Code Reforms			✓	✓			✓	✓
Permitting Reforms	✓	✓		✓			✓	

New Mexico Ranks Second-to-Last in West in Permitting New Housing

Rank out of 50 states based on housing unit permits issued per capita, 2018-2025

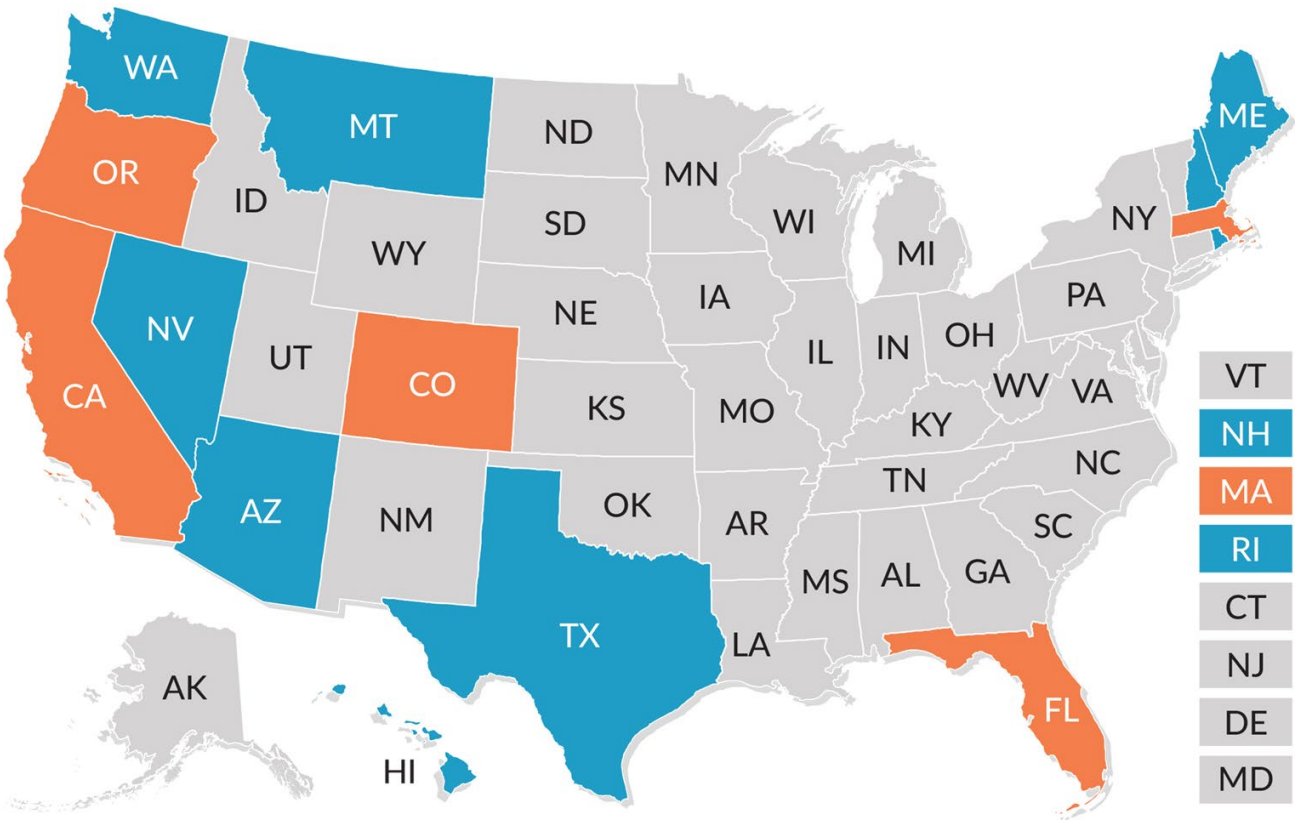
- **#2: Utah**
- **#6: Arizona**
- **#7: Texas**
- **#8: Colorado**
- **#12: Nevada**
- **#15: Montana**
- **#33: New Mexico**
- **#38: California**

Source: SOCDs Building Permits, U.S. Census.

Note: States covered are those in the continental Western U.S.

States Allowing Apartments On Commercial Corridors or Near Transit

Replicates Most Effective Local Reform



Residential in commercial zones or transit-development laws, 2024 and earlier

2025 law to allow or expand residential in commercial zones or transit-oriented development

Pre-Approved Plans Speed Up Permitting, Reduce Costs, and Save Staff Time



Sixplex



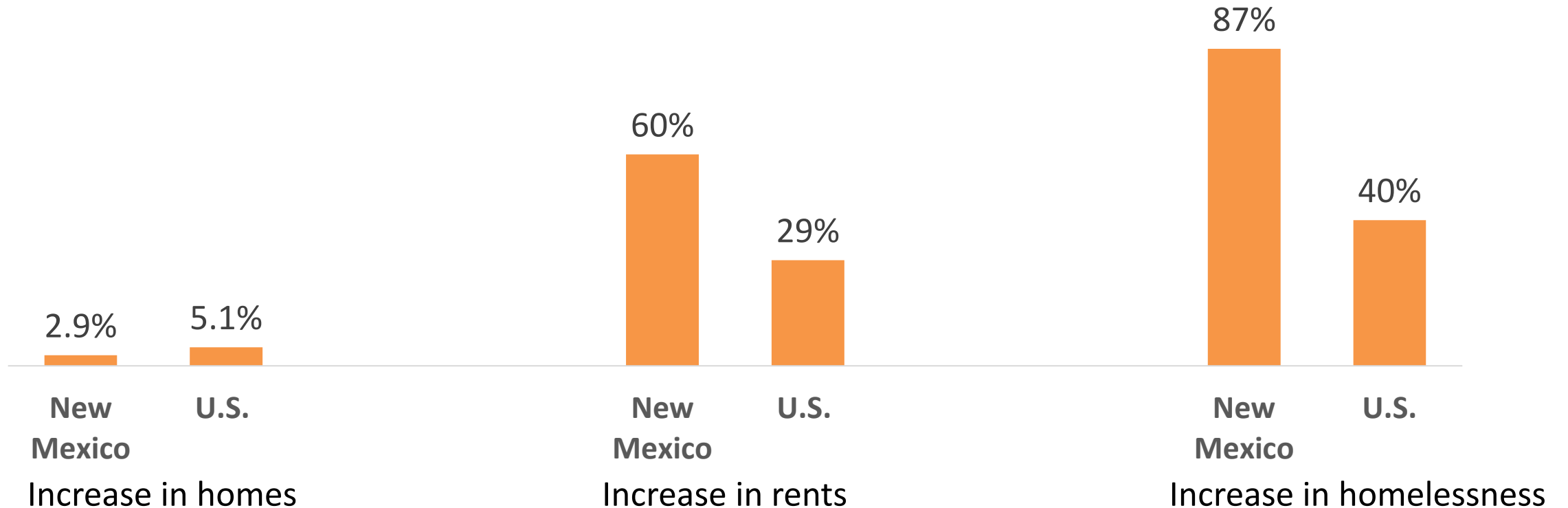
Stacked Duplex



Side-by-side Duplex

Source: South Bend, Indiana's Preapproved Plan Catalog, <https://southbendin.gov/bsb/preapprovedplans/>

New Mexico Added Less Housing Than U.S., Saw Rents & Homelessness Rise More
Homes Added cover 2017-2023, Rents & Homelessness cover Oct. 2017-Oct. 2024



Office Conversions to Co-Living: Rendering of a Micro-Unit



Source: Gensler

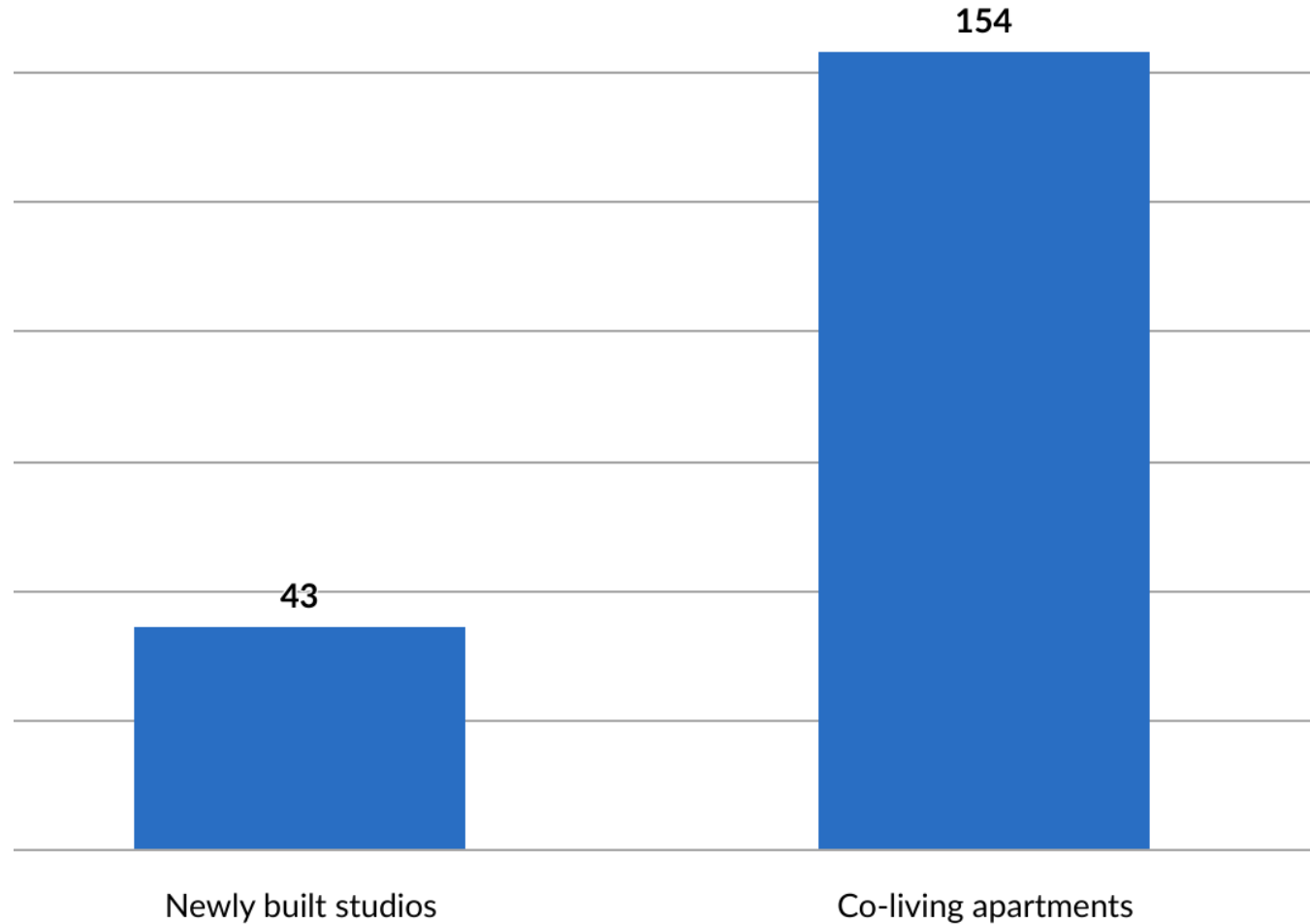
Albuquerque Building Floor Plan



- 4 residential floors
- 68 beds per floor
- Total of 256 units (272 residents)

Office to Co-Living Conversions Can Produce More Homes with Same Spending

45% AMI homes that would be created with \$10 million in subsidies, Albuquerque



Source: Gensler and The Pew Charitable Trusts, 2025

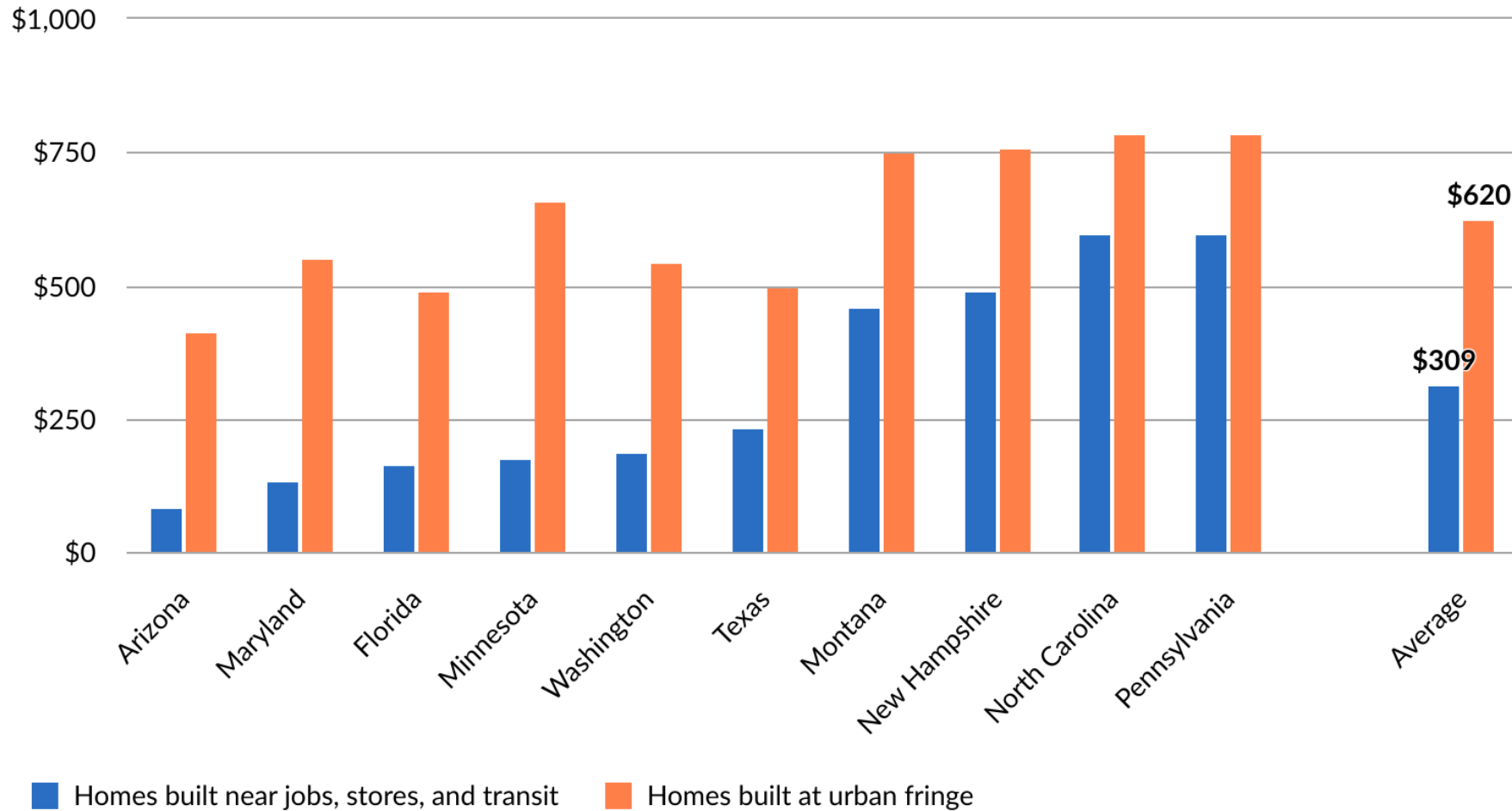
Manufactured Housing on Small Lots Can Offer Deeply Affordable, Unsubsidized Rental Housing By the Room



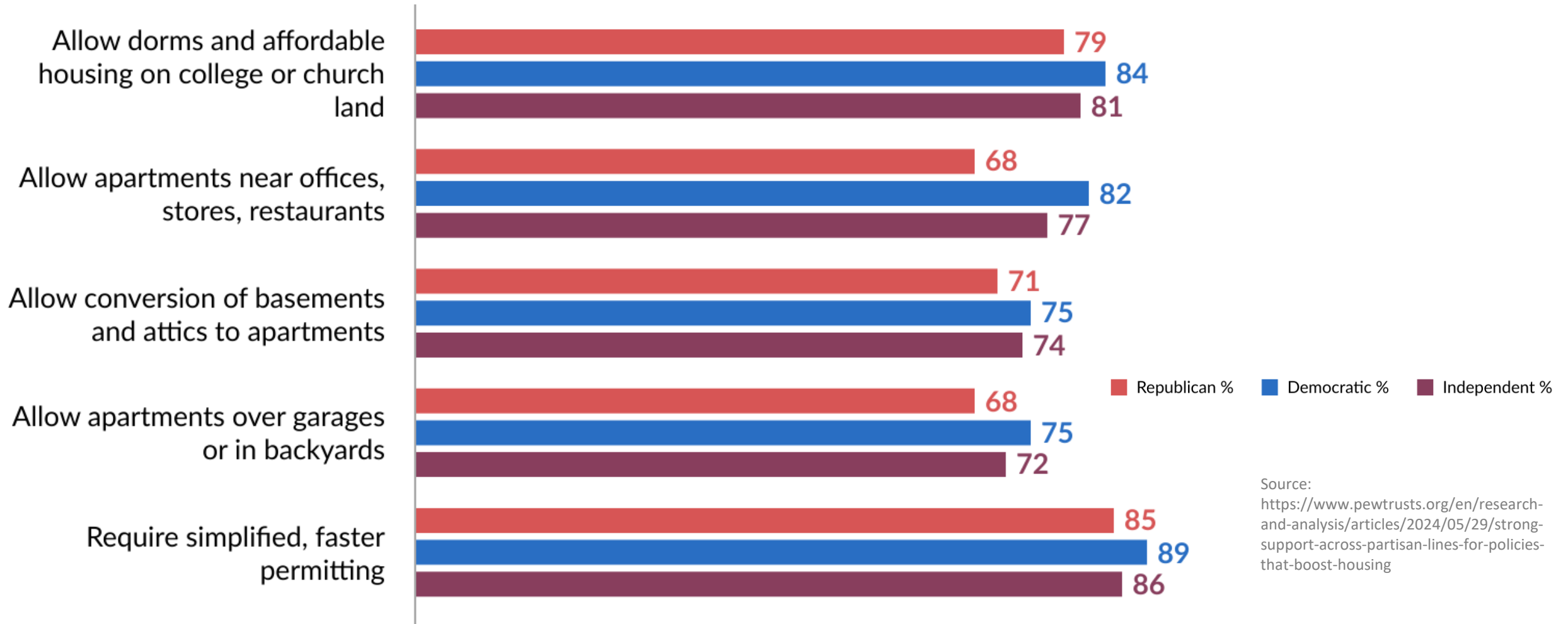
Duplex with 2-3 bedrooms on each side: On a small lot, using land-bank land or other inexpensive land, with rents of roughly \$750/month per room, including all utilities and rented by the room, this housing could be provided with no subsidies to someone earning \$30k or less per year

With widespread adoption on vacant or blighted blocks in moderate-cost cities, homelessness would fall quickly by reducing inflows

Infrastructure Maintenance Costs Double When New Homes Are Built Far From Jobs, Stores, and Transit



2023 Pew Survey: Share of Americans Favoring Each Policy



Source:
<https://www.pewtrusts.org/en/research-and-analysis/articles/2024/05/29/strong-support-across-partisan-lines-for-policies-that-boost-housing>

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