



Budget Overview – FY24

Yvonne Segovia
Controller

Legislative Oversight Committee
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FY21 - FY23 Production & Financial Highlights

IMPACT LEGEND:
Red : Negative Impact
Green: Positive Impact

2021 COVID RESPONSE, TEAM EXPANSION & REORGANIZATION:

- Recovering from record mortgage delinquencies due to COVID-19
- Assisted New Mexicans with COVID-19 funds (CRF, CDBG-CV, HAF, ESG-CV, HOPWA-CV) *Revenue, Expenses, Assets Managed, Liquidity*
- High construction costs threaten new affordable housing projects (-2022)
- Building renovation completed *Expenses*
- Fifth record year of Single Family Mortgage Production *Revenue, Production/Assets Managed*
- HAF Program (-2023)

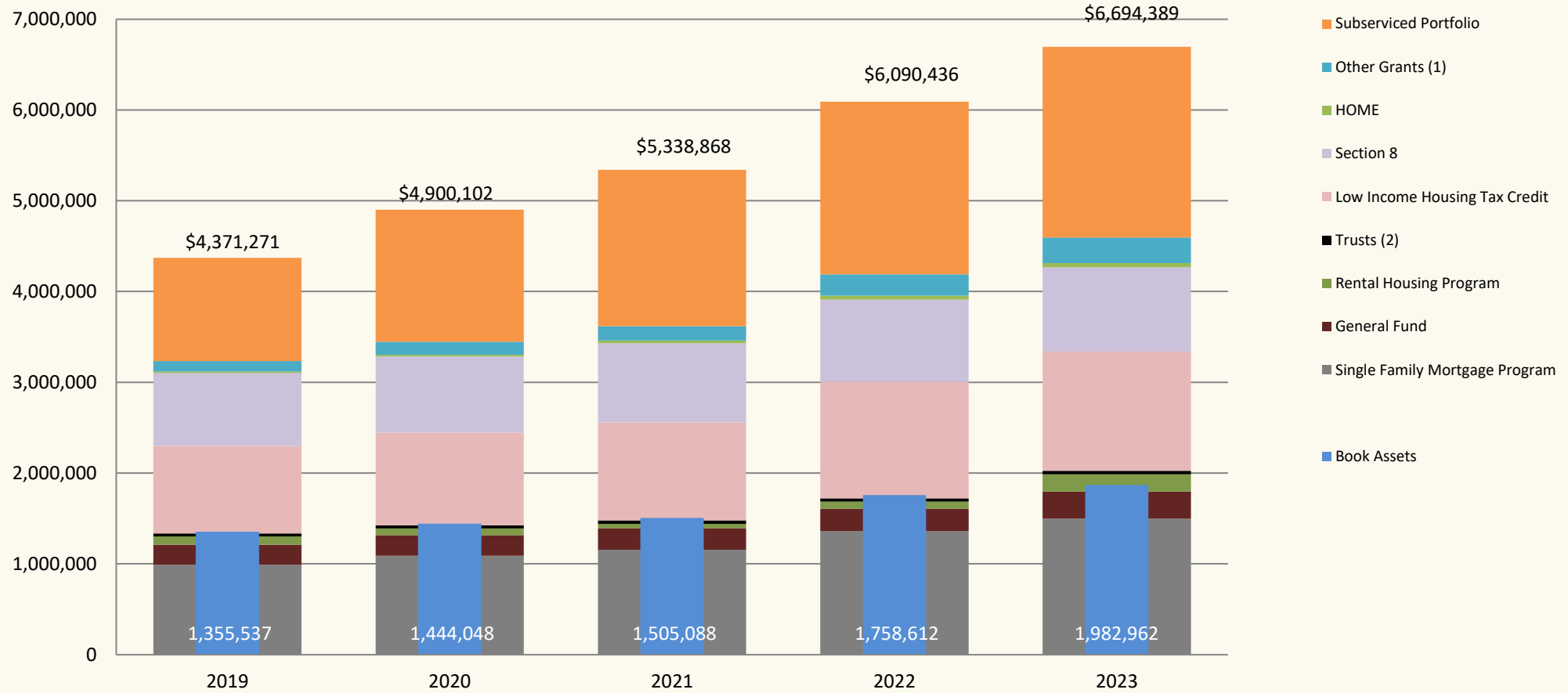
2022 ADAPTING TO CHANGING MARKET CONDITIONS:

- Strongly favored Bond vs. TBA funding *Revenue, Expenses, Assets Managed*
- Revised/increased DPA amounts *Revenue, Assets Managed*
- Secured recurring NMHTF monies *Revenue, Expenses, Assets Managed*
- Administering ARPA programs \$103 mm *Revenue, Expenses*
- Decreased Single Family Mortgage Production *Revenue, Production, Assets Managed*
- Awarded additional LIHTC and GAP funding to MF developments *Revenue, Assets Managed*
- Received \$22 mm in DOE BIL funding for WAP/5 years *Revenue, Expenses*
- Strongly favored Bond vs. TBA funding (-2023)

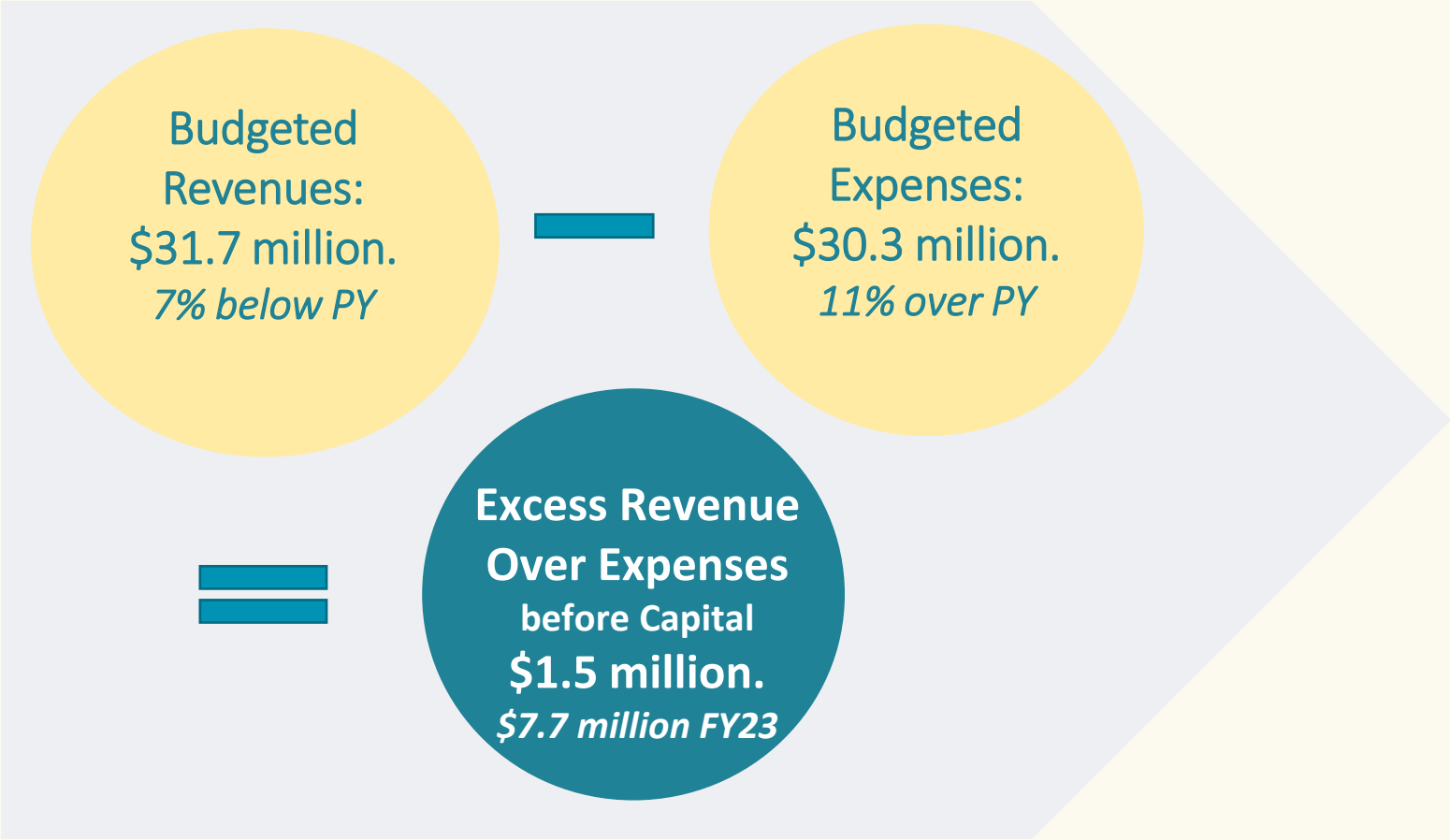
2023 EXPANDING CAPACITY AND IMPACT:

- Expedited NMHTF funding and approved allocations to activities *Revenue, Expenses, Assets Managed*
- Implemented DPA Grant for Low Income homebuyers *Revenue, Production*
- Expanded Income Limits for non-Federal programs *Revenue, Production*
- Created new Direct Services, ROC, Emergency Fund, TBA Mortgage programs *Revenue, Expenses, Production*
- Acquired a new building for MFA *Expenses, Assets Managed*
- Experienced highest interest rates in almost 23 Years *Revenue, Expenses, Assets Managed*
- Subserviced portfolio exceeded \$2 billion *Revenue, Expenses, Assets Managed*
- Received Congressional funding grant *Revenue, Expenses, Assets Managed*

Assets Under Management as of 08/31/2023 (\$ in thousands)



FY24 Operating Budget



- The reserves created from excess revenue over expenses are used to meet rating agency reserve requirements and to fund MFA’s internal revolving loan fund to **support affordable housing activities**.

Summary of Significant Budget Variances

FY 2023 to FY 2024

INCREASE IN ADMINISTRATIVE FEE INCOME

- Projected increase in bond administrative fees as bonds have become the best execution model for financing single family loans.

COMPENSATION INCREASES

- 4% salary increase; merit- based process; organization wide average.
- Due to organization growth, added 10.375 FTE.
- Benefit increases of 13% due to increased insurance premiums.

CHANGES IN DIRECT SERVICING EXPENSES

- A decrease in loan servicing income due to a reduction in the service fee yield on the Ginnie Mae loan product.
- An increase in repurchase loan expenses are expected as the COVID related moratorium on foreclosures has expired.

INVESTMENT PORTFOLIO INCOME

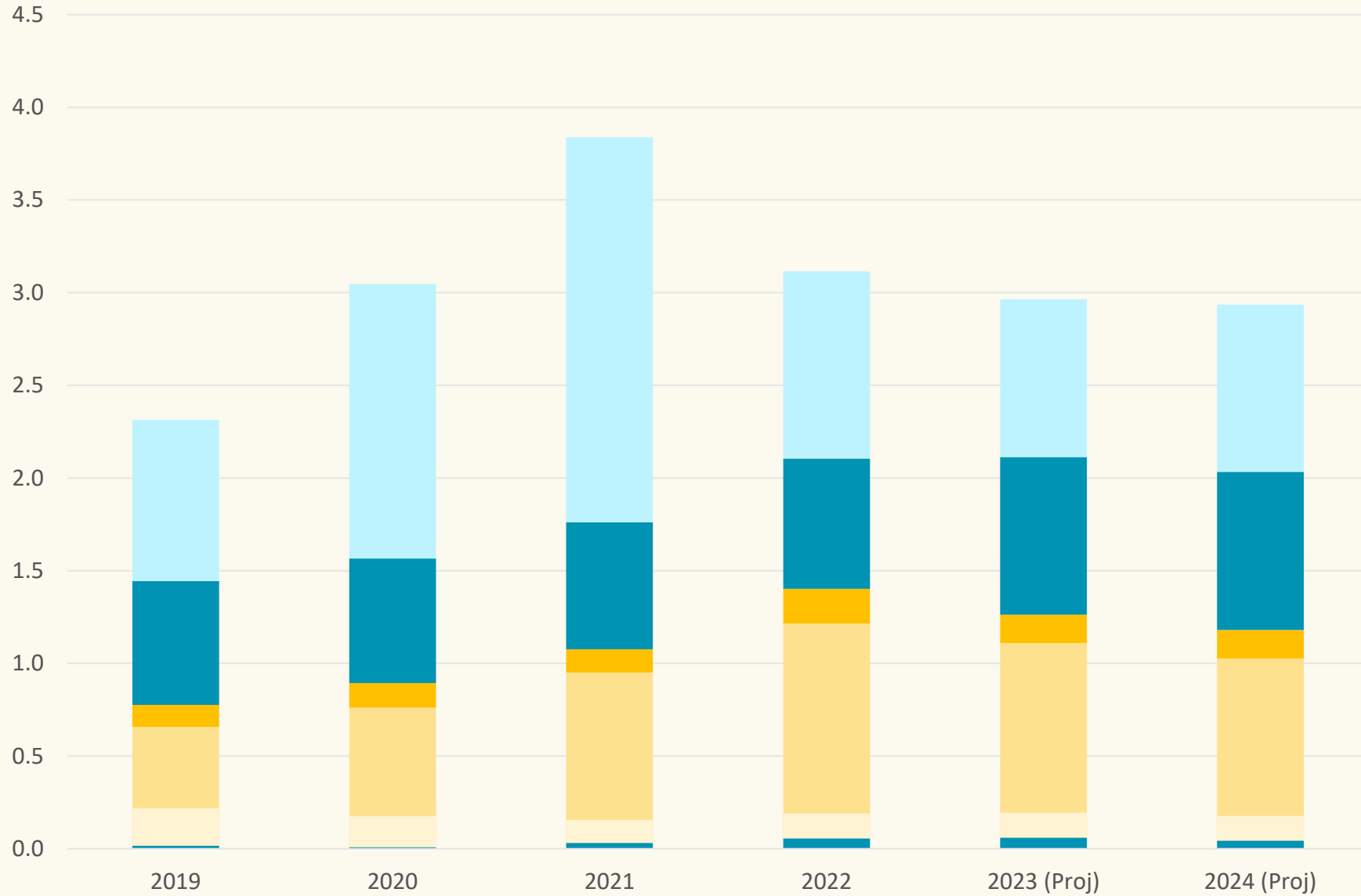
- Increased interest income due to higher interest rates.

MISCELLANEOUS VARIANCES

- Non-Cash Expenses- increase due to an increase in amortization of servicing rights and depreciation on the Jefferson building.

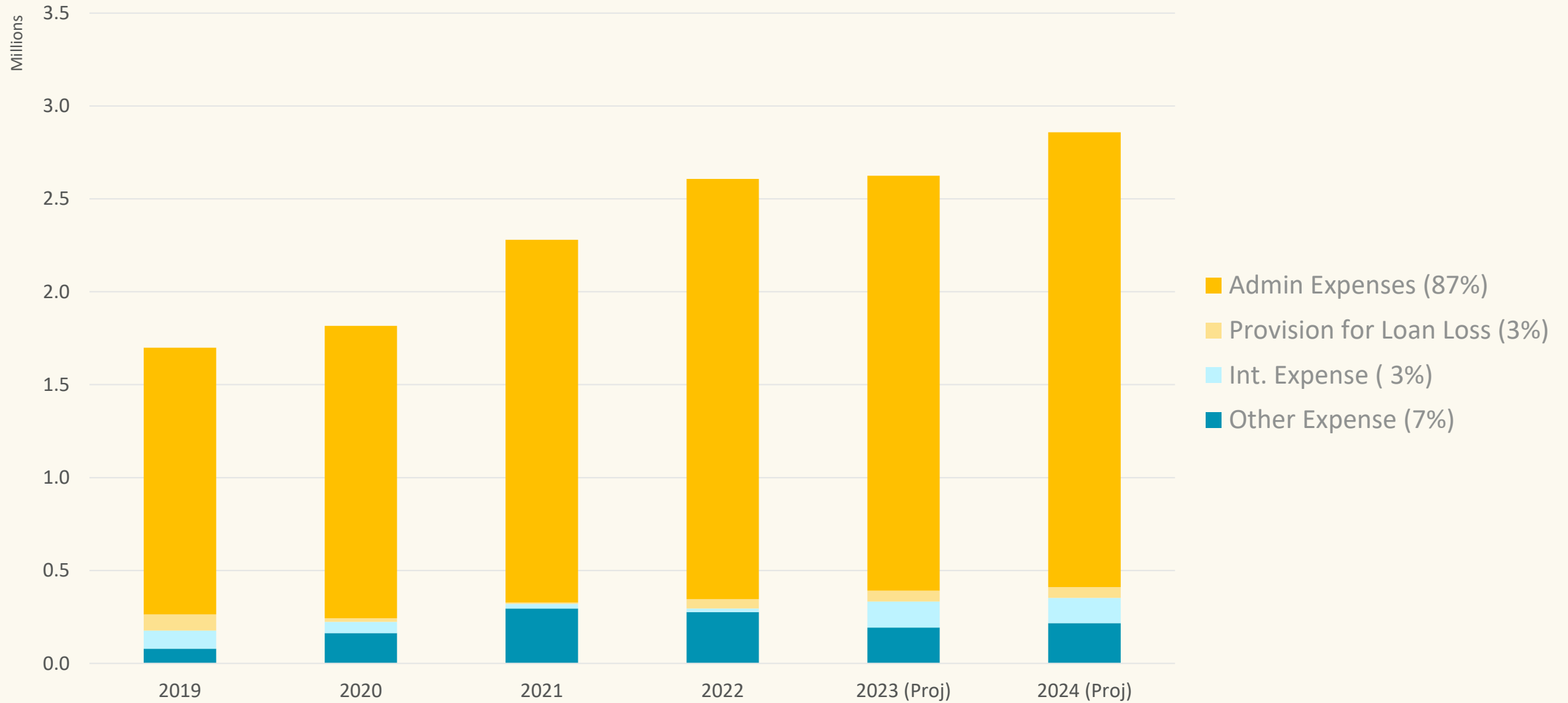
Operating Revenue Summary 2019-2024

Millions



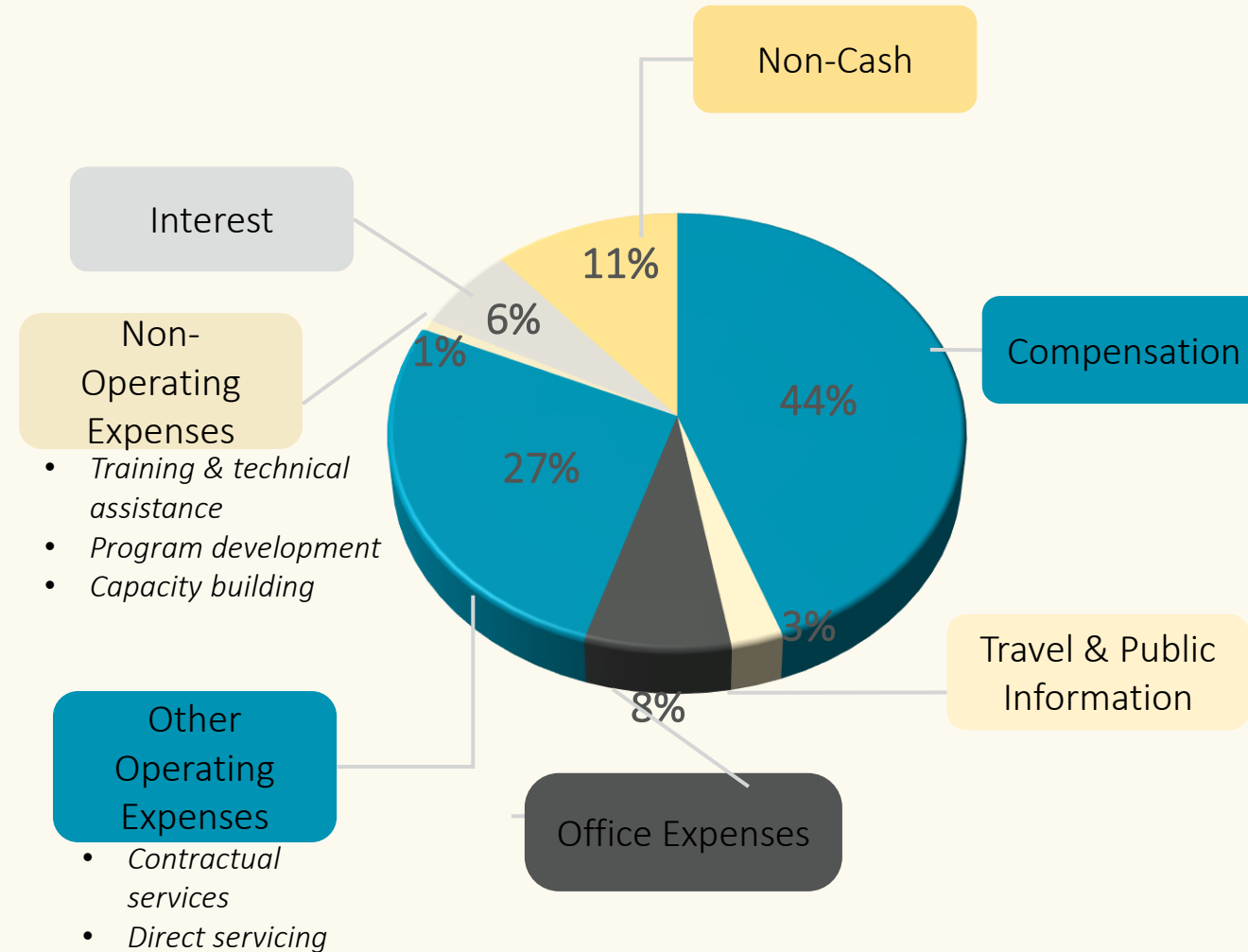
- Admin Fees (42%)
- Interest-Loans (24%)
- Housing Program Income (5%)
- Servicing Income (23%)
- Interest-Investments (5%)
- Other Income (1%)

Operating Expense Summary 2019-2024



MFA Detailed Administrative Expense Breakout

MFA General Fund: FY 2024 Budget



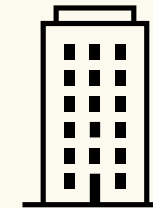
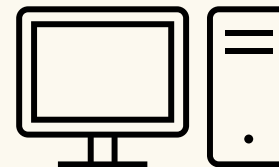
FY24 Capital Budget

FY24

Purchased Servicing Rights	\$ 3,772,362
Furniture & Equipment	\$ 778,500
Computer Hardware	\$ 105,324
Building	<u>\$ 3,442,189</u>
Total	<u>\$ 8,098,375</u>

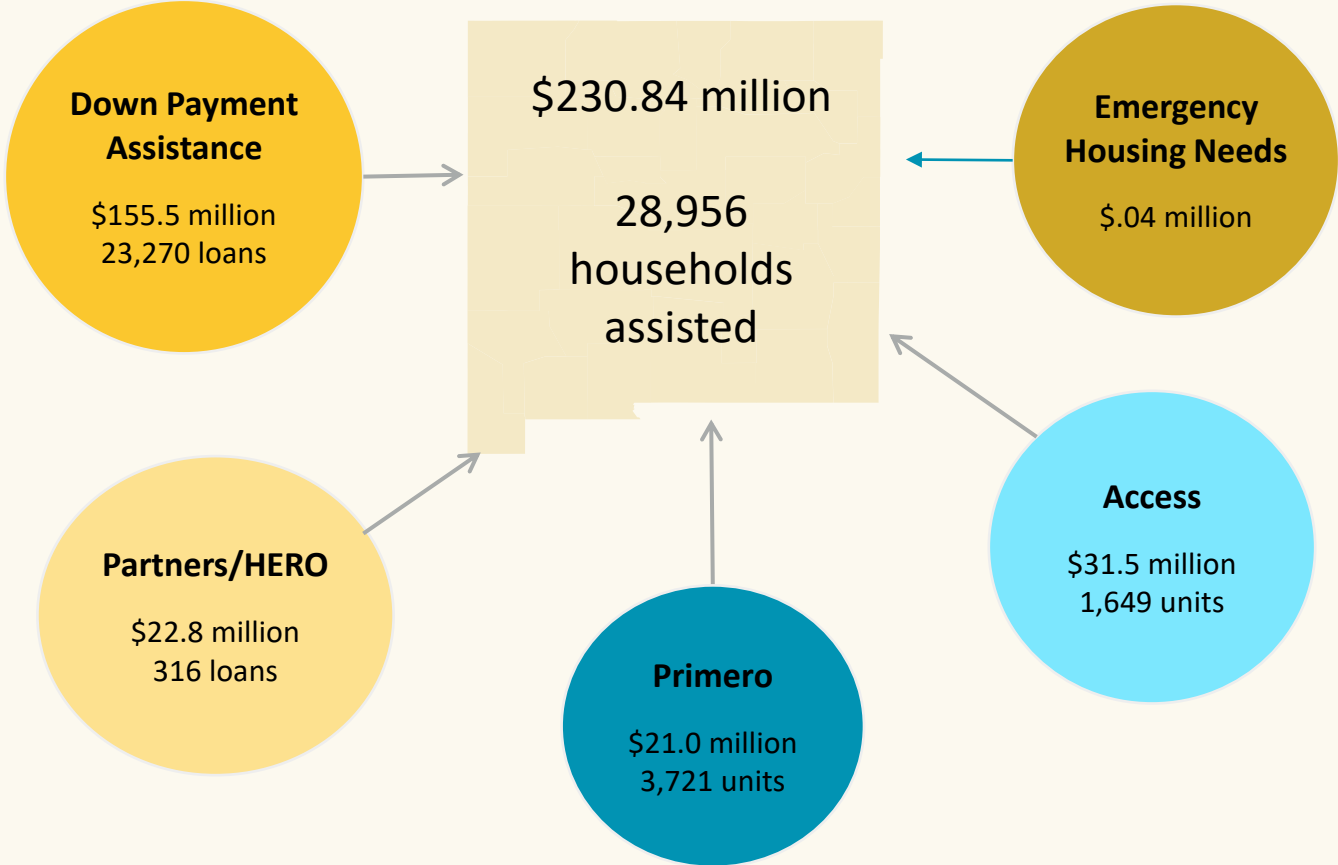
SIGNIFICANT VARIANCES

- Decrease in purchased servicing rights due to projected decreased single family mortgage production
- Reduction for one-time Building acquisition costs in FY23



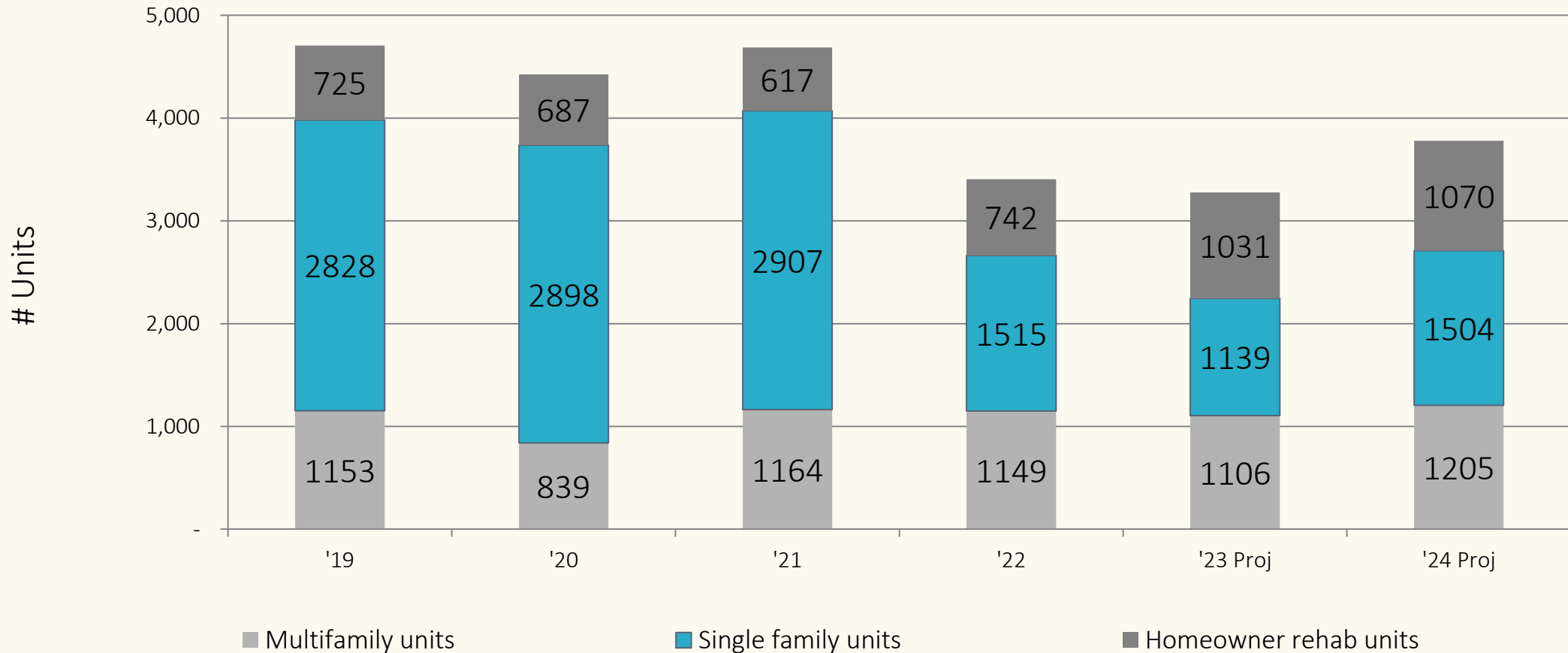
MFA's Housing Opportunity Fund

Investing in New Mexico



FY19-FY24 Production Data

Multifamily, Single Family First Mortgage, and Single-Family Homeowner Rehab Units





Comments & Questions

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