

Funding Sources



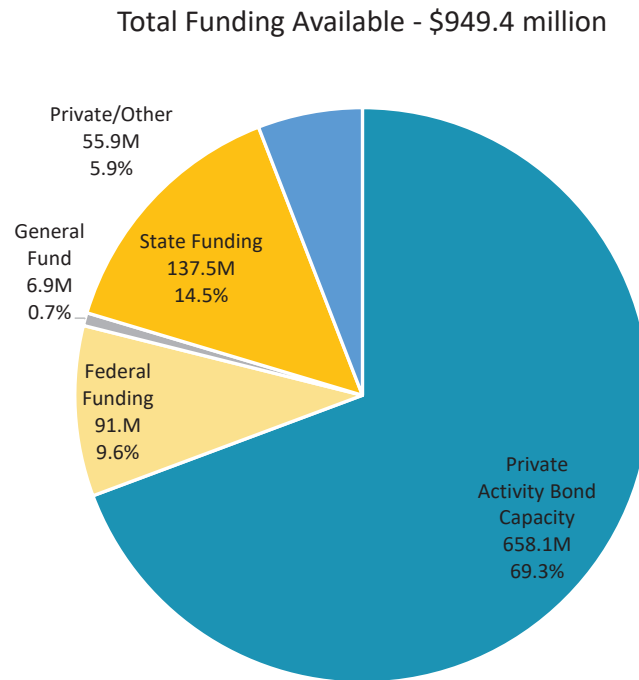
Funding Sources Overview

Housing New Mexico strives to fulfill its mission by leveraging federal, state, general fund, private, and private activity bond capacity funding.

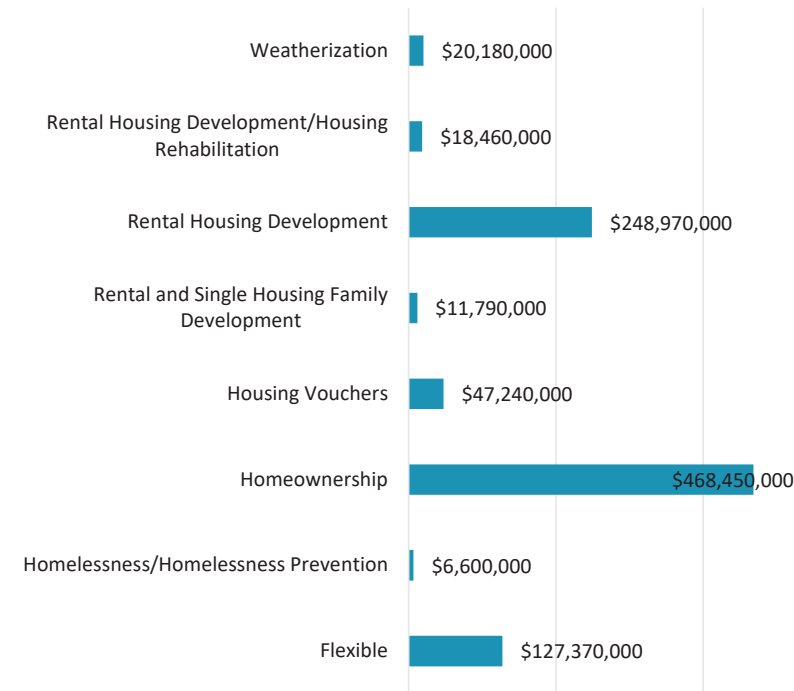
Most of Housing New Mexico's funding goes toward first mortgage loans, as private activity bond capacity is designated primarily for this purpose.

Federal funds often carrying highly restrictive uses and extensive regulation.

State funding has become among the most important resources as its flexibility allows Housing New Mexico respond to housing needs that would not otherwise be possible with more prescriptive funding programs.



Funding Available by Category



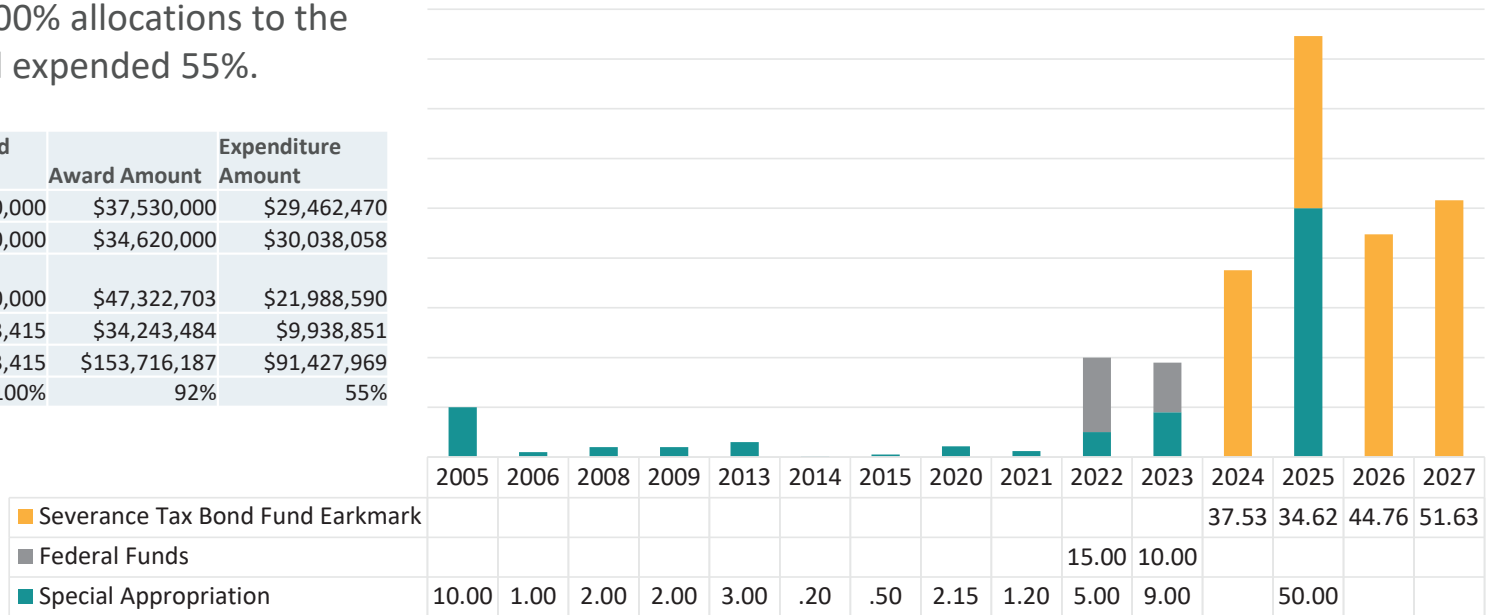


New Mexico Housing Trust Fund – Appropriations

Since July 1, 2023 (SFY 2024) Housing New Mexico has encumbered 100% allocations to the NMHTF, awarded 92%, and expended 55%.

Allocation	Allocation Amount	Encumbered Amount	Award Amount	Expenditure Amount
SFY24 STB	\$37,530,000	\$37,530,000	\$37,530,000	\$29,462,470
SFY25 STB	\$34,620,000	\$34,620,000	\$34,620,000	\$30,038,058
SFY 2025 Sp. Appropriation	\$50,000,000	\$50,000,000	\$47,322,703	\$21,988,590
SFY26 STB	\$44,763,415	\$44,763,415	\$34,243,484	\$9,938,851
Grand Total	\$166,913,415	\$166,913,415	\$153,716,187	\$91,427,969
		100%	92%	55%

Appropriations to the NMHTF
(in millions of dollars)



Who NMHTF Serves

NMHTF projects or programs may serve households earning up to 150% area median income (AMI). The income limits vary by county and the number of people in a household.

Many projects or programs use lower income limits depending on the populations targeted or restrictions from other funding sources. Homeownership programs typically use the highest income limit compared to homelessness prevention programs. Rental housing development project often use mixed income limits.

State Income Limits for New Mexico		
	1-4 Person Household	5+ Person
50% of Median*	\$40,600	\$43,850
150% of Median	\$121,800	\$131,550

**Note: Income Limits may not equal exactly 50% or 150% of the statewide median family income due to the application of ceilings and floors. Income Limits also vary by county.*

New Mexico Housing Trust Fund – Impact

Activity	Households Impacted	Funding Awarded
FirstDown Plus	3,671	\$40,255,771
HomeForwardDPA	1,021	\$8,702,644
Preservation	172	\$3,259,703
Rental Development	2,742	\$60,900,000
Single Family Development	371	\$16,063,000
Home Improvement Program	60	\$1,600,000
Restoring Our Communities	17	\$3,500,000
Weatherization	123	\$1,725,000
Weatherization - EnergySmart Solar Program	177	\$2,500,000
Homelessness and Homelessness Prevention	13	\$1,000,000
Housing Innovation	1,770	\$14,210,069
Total	10,137	\$153,716,187



SFY 2027 Funding

Housing New Mexico is required to “certify uses” of NMHTF STB earmark allocations to State Board of Finance, based on categories of affordable housing activities.

Housing New Mexico considers factors including priorities of the Board, legislature, and Governor, other funding sources available for each activity, partner capacity to administer funding, geographic impact, leverage and program income.

Certified Use	Activity	SFY 27 Severance Tax Bond Earmark Allocation	General Fund Special Appropriation <i>(Separate from the NMHTF)</i>	Total
Down Payment Assistance	Down Payment Assistance		\$26,000,000	\$26,000,000
	Single Family New Construction		\$5,000,000	\$5,000,000
	Interest Rate Buydown			
Single family acquisition and rehabilitation		\$328,000		\$328,000
Rental and single family development	Rental development	\$25,500,000		\$25,500,000
	Single family development	\$16,500,000	\$10,000,000	\$26,500,000
	Multi-family Preservation Loan Program	\$4,300,000		\$4,300,000
	Housing Innovation/Homelessness and Homelessness Prevention	\$5,000,000	\$5,000,000	\$10,000,000
Reserve for Demand			\$3,500,000	\$3,500,000
Affordable Housing Act			\$500,000	\$500,000
Total		\$51,628,000	\$50,000,000	\$101,628,000

Questions?

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We Are Housing New Mexico

Housing New Mexico | MFA

2026 Legislative Sessions –
Outcomes for Housing

Prepared for MFA
Legislative Oversight
Committee

May 18, 2026



Highlights

Housing Related Appropriations

Funding by Agency

HB 200 – New Homes for New Mexico

SB 151 – Corporate Income Tax Changes

Other Housing Policy Bills Introduced



Highlights

23 housing-related bills were introduced

HB 200 “New Homes for New Mexico”

SB 151 “Corporate Income Tax Changes” included a GRT deduction for affordable multifamily construction were enacted.

All Funding for Housing – General Appropriations & Capital Outlay Projects – \$196,695,299



Housing Related Appropriations

General Appropriations Act (House Bill 2) \$152.4 Million for Housing Related Appropriations

\$50 million to Housing New Mexico	To fund affordable housing, transitional housing, homelessness initiatives and the expansion of housing services statewide, including to fund downpayment assistance and interest rate buydown for for-sale housing and \$500,000 for administration of the Affordable Housing Act. Any unexpended balances remaining at the end of fiscal year 2027 shall not revert and may be expended in subsequent fiscal years.
\$20 million to the New Mexico Finance Authority (NMFA)	To continue funding affordable and attainable housing throughout the state, including \$5,000,000 for tribal housing infrastructure in consultation with the Indian affairs department.
\$30 million for the Department of Workforce Solutions (DWS)	To fund housing, affordable housing, transitional housing, homelessness initiatives and the expansion of housing services statewide.
\$5,153,300 in the Government Results and Opportunity (GRO) Fund.	<p>The GRO Fund is an expendable trust which funds three-year pilot programs before they are considered for permanent, recurring state funding.</p> <ul style="list-style-type: none"> • \$1.3 million to DWS for Office of Housing operations • \$510,000 to Department of Finance and Administration (DFA) for homelessness and eviction prevention programs • \$3.310 million to various Councils of Governments for affordable programs and services

Capital Outlay (Senate Bill 240) - \$44.3

\$5,144,000 to DFA for Housing New Mexico	For various single family affordable housing projects statewide and a scattered site multifamily project. This funding was appropriated as eleven separate projects.
\$26,575,000 to DWS	For housing and homelessness projects statewide.



Funding By Agency

All Funding for Housing – General Appropriations & Capital Outlay Projects – **\$196,695,299**

Housing New Mexico	
Affordable Housing Activities	\$49,500,000
Affordable Housing Act	\$500,000
Fiscal Agent Projects - Various single family affordable housing projects, scattered site multifamily project	\$5,144,000
Subtotal	\$55,144,000

New Mexico Finance Authority	
Affordable & Attainable Housing	\$15,000,000
Tribal Housing Infrastructure	\$5,000,000
Subtotal	\$20,000,000

Department of Finance & Administration/ Department of Workforce Solution	
Affordable housing, transitional housing, homelessness initiatives, and expansion of housing services	\$30,000,000
Office of Housing operations	\$1,333,300
Homelessness and eviction prevention	\$510,000
Housing and homeless projects statewide	\$26,575,000
Transitional housing and domestic violence shelters	\$10,000,000
Subtotal	\$68,418,300

Other	
COGS - Various Housing	\$3,310,000
State Fair Housing - GSD	\$30,000,000
Variety of Other	\$14,822,999
Subtotal	\$48,132,999



State Funding Administered by Housing New Mexico

FY2027
Severance Tax
Bond Funds
Earmark

FY2027
Special
Appropriation

Certified Use	Activity/Program	SFY 27 Severance Tax Bond Allocation	General Fund Special Appropriation
Down Payment Assistance	Down Payment Assistance		\$26,000,000.00
	Single Family New Construction Interest Rate Buydown		\$5,000,000.00
Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Weatherization Readiness		
Single family acquisition and rehabilitation		\$328,000.00	
Rental and single-family development	Rental development	\$25,500,000.00	
	Single family development	\$16,500,000.00	\$10,000,000.00
	Multi-family Preservation Loan Program	\$4,300,000.00	
	Housing Innovation	\$5,000,000.00	\$5,000,000.00
Homelessness and +Homelessness Prevention	Homelessness and Homelessness Prevention		
Reserve for Demand			\$3,500,000.00
Special Appropriation - Affordable Housing Act (\$500,000)			\$500,000.00
Total		\$51,628,000.00	\$50,000,000.00

HB 200 – New Homes for New Mexico

The passage of House Bill 200 created the “New Homes for New Mexico” program, which provides downpayment assistance to low- or moderate-income households purchasing a newly constructed home. HB 200 tasks Housing New Mexico with creating and administering the program, which will be implemented through home builders selected through a competitive process. The bill stipulates the following terms:

- Eligible Builders
 - Build homes for the program that do not to exceed 1,800 square feet and on lots that do not exceed 5,000 square feet
 - Complete homes to be sold with the program within three years of selection
 - Build homes for the program that are affordable to the borrower.
- Eligible Borrowers
 - First time homebuyer
 - Annual income at or below 120% AMI
 - Home purchased will be the primary residence
- Downpayment Assistance Loan Terms
 - Up to \$50,000 for most counties and up to \$75,000 for “high cost” counties of Santa Fe, Taos, and Los Alamos.
 - 0% annual interest rate
 - Repaid in full upon sale of the property, failure to occupy home as the primary residence

Housing New Mexico is currently developing program rules and drafting a request for proposal to select builders to participate.

SB 151– Corporate Income Tax Changes

The passage of Senate Bill 151 “Corporate Income Tax Changes” created gross receipts tax exemption for construction materials and labor for affordable multifamily developments that meet the following requirements:

- At least 80% of the units are income restricted to households earning no more than 80% area median income
- Construction materials and labor are sold to a “qualifying grantee” as defined in the Affordable Housing Act
- The purchase must provide the seller a “non-taxable transaction certification”
- The taxpayer must comply with reporting required by the Department of Taxation and Revenue
- Effective dates July 1, 2027, to July 30, 2030

Farolito Senior Community in Albuquerque open its doors in March 2026. The development offers 82 units to low and moderate income seniors. Housing New Mexico provided \$1.6 million in tax credits to the project.





New Construction Interest Rate Buydown

The New Construction Buydown Program is being piloted with \$5,000,000 from the FY27 Special Appropriation, on first come, first served basis. The program will be available beginning July 1, or upon execution of any necessary agreements and/or contracts with DFA.

- Eligible Program
 - The Buydown Program may only be used with Housing New Mexico's HomeForward Program. HomeForward loans taking advantage of the Buydown Program must be for the purchase of a newly constructed home to be occupied by the borrower as their primary residence.
 - A newly constructed home is defined as a home that has not been previously occupied and that received a certificate of occupancy within the prior twelve (12) months.
- Eligible Borrowers
 - The HomeForward and Homeforward Down Payment Assistance (DPA) loan program do not require the borrower to be a first-time homebuyer.
 - Borrowers using the HomeForward/Buydown Program may also use the HomeForward DPA loan program. The rate buydown only applies to the HomeForward first mortgage.
- Eligible Property
 - Home purchased will be the primary residence
 - Property types eligible for financing under the Buydown Program include newly constructed, site built, detached properties.
- Downpayment Assistance Loan Terms
 - The HomeForward/Buydown Program features an interest rate of one percent (1%) below the Housing New Mexico PAR rate which is published daily. The mortgage loan terms are a 30 - year amortizing loan.
 - HomeForward loans do not carry a prepayment penalty.



New Construction Interest Rate Buydown

Housing New Mexico would offset the cost of the discount points with a portion of the funding provided by the legislature. This Buydown program would continue until the funding for the pilot is exhausted and the program's success is evaluated. The cost of a 1% buydown will vary based on the pricing in the secondary mortgage market on a particular day.

Estimated costs based on mortgage rates for March 16, 2026.

	Market FHA	Market Conv <	Market Conv >	Price Reduction	Govt Scenario	Conv < 80%	Conv > 80%
		80%	80%	Scenario		Scenario	Scenario
Purchase Price	\$ 300,000	\$ 300,000	\$ 300,000	\$ 290,000	\$ 300,000	\$ 300,000	\$ 300,000
Down Payment	\$ 10,500	\$ 9,000	\$ 9,000	\$ 12,000	\$ 10,500	\$ 9,000	\$ 9,000
Loan Amount	\$ 289,500	\$ 291,000	\$ 291,000	\$ 278,000	\$ 289,500	\$ 291,000	\$ 291,000
Loan with MIP	\$ 294,566	\$ 291,000	\$ 291,000	\$ 282,865	\$ 294,566	\$ 291,000	\$ 291,000
Market Interest Rate	6.375%	6.500%	6.625%	6.375%			
Buydown Interest Rate					5.375%	5.500%	5.625%
Payment Summary				Rate Reduction	1.000%	1.000%	1.000%
P & I (30 yrs)	\$1,837.71	\$1,839.32	\$1,863.30	\$1,764.71	\$1,649.49	\$1,652.27	\$1,675.16
Mortgage Insurance	\$ 120.63	\$ 121.25	\$ 121.25	\$ 115.83	\$ 120.63	\$ 121.25	\$ 121.25
Property Tax	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
Home Owner Insurance	\$ 166.67	\$ 166.67	\$ 166.67	\$ 166.67	\$ 166.67	\$ 166.67	\$ 166.67
Total Payment	\$ 2,375.00	\$ 2,377.23	\$ 2,401.22	\$ 2,297.21	\$ 2,186.78	\$ 2,190.18	\$ 2,213.08
			Buydown Points (Mar 2026 Rates)		4.11719%	4.60484%	4.90297%
			Buydown Cost		\$ 12,127.84	\$ 13,400.10	\$ 14,267.64
			Payment Reduction	\$73.00	\$188.22	\$187.05	\$188.14

(monthly savings of \$188/month would equate to \$2,256/year or \$67,680 over 30 years)

Other Housing Policy Bills Introduced

The legislature continues to demonstrate a strong interest in improving housing affordability as evidenced by the number of housing policy-related bills introduced.

Land Use

- HB 17 Accessory Dwelling Units in Certain Areas
- HB 138 Zoning Lot Requirement
- HB 194 Expand Metro Redevelopment Code

Tax Bills

- HB 77 Affordable Housing Revitalization Tax Credit
- HB 103 Residential Property Valuation Increase

Regulatory

- HB 167 Notice of Sale of Mobile Home Parks
- SB 114 Investment Ownership of Residential Properties
- HB 110 Housing Development Data Reporting

Questions?

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