

New Mexico Mortgage Finance Authority 401(k) Plan

- New Mexico Mortgage Finance Authority (MFA) sponsors a 401(k) plan. The Plan is a defined-contribution 401(k) plan, which covers all of MFA's employees.
- Participating employees may make pre-tax salary deferrals. Eligible employees may elect to reduce their compensation by a specific percentage or dollar amount and have that amount contributed to their retirement account on a pre-tax basis through payroll deductions.
- An employee may contribute a minimum of 1 percent of their compensation, up to an annual dollar limit which is set by law.
- MFA will make a matching contribution for salary deferral contributions. MFA will match one dollar for every dollar the participant puts into the plan for the first 1 percent or 2 percent of participant's eligible compensation. If the participant defers 3 percent or more, MFA will match 5 percent of participant's eligible compensation each pay period (up to allowable tax limits to the 401(k) plan under IRC Section 402(g)).

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- In addition to the matching contribution, MFA makes a fixed contribution equal to 11% of each participating employee's salary regardless of whether or not the employee makes a salary deferral
- An employee's "vested percentage" of the matching and non-elective contributions made to the 401(k) Plan by MFA is based on "Years of Service." To earn a "Year of Service," an employee must be credited with at least one thousand (1,000) hours of service during a Plan Year. An employee's vested percentage is determined according to the following schedule:

Vesting Schedule:

Less than Two Years	0%
Two Years but less than three	25%
Three Years but less than four	50%
Four Years but less than five	75%
Five Years or more years	100%

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- MFA's 401(k) plan has been adopted as a governmental plan and has been in existence for approximately 25 years
- The original intent was and is to remain competitive in the private and governmental markets
- The Plan is a critical component of MFA's compensation package and recruiting plan
- The Plan is administered through the Bank of Oklahoma, which also provides fiduciary oversight
- The Plan is reviewed annually by MFA's Board of Directors and auditors as well as periodic reviews by legal staff to ensure compliance
- An internal committee oversees the Plan; the committee is made up of the executive director, deputy director of finance and administration, deputy director of programs, human resources director and two additional staff members