



**Presentation to  
New Mexico Finance Authority Oversight Committee**

**Operations Overview and Strategic Plan**

**Kathy Keith, Chair  
Marquita Russel, CEO**

**November 3, 2025**

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Secretary, NM Dept of Finance & Administration
- ◆ Broad-based finance agency created in 1992 as a government instrumentality
  - ◆ Governed by an 11-member independent Board
    - ❑ Approves rules, policies, and projects
    - ❑ Oversees operations and approves budget
    - ❑ Active Committee process provides high level of oversight of NMFA's diverse and complex operations
  - ◆ Expansive programming and service to New Mexico
    - ❑ Authorized to operate 25 programs through 13 Acts
    - ❑ New Mexico Finance Authority Act
      - Purpose: "...to coordinate the planning and financing of state and local public projects ... and to improve cooperation among the executive and legislative branches of state government and local governments in financing public projects."
    - ❑ Statewide Economic Development Finance Act
      - Purpose: "assist eligible entities in financing projects" and to promote "achievement of economic development goals..."
  - ◆ Administrator of four other Boards and their respective committees and one Executive Task Force
  - ◆ Overseen by 24-Member NMFA Oversight Committee

# Statutory Authority

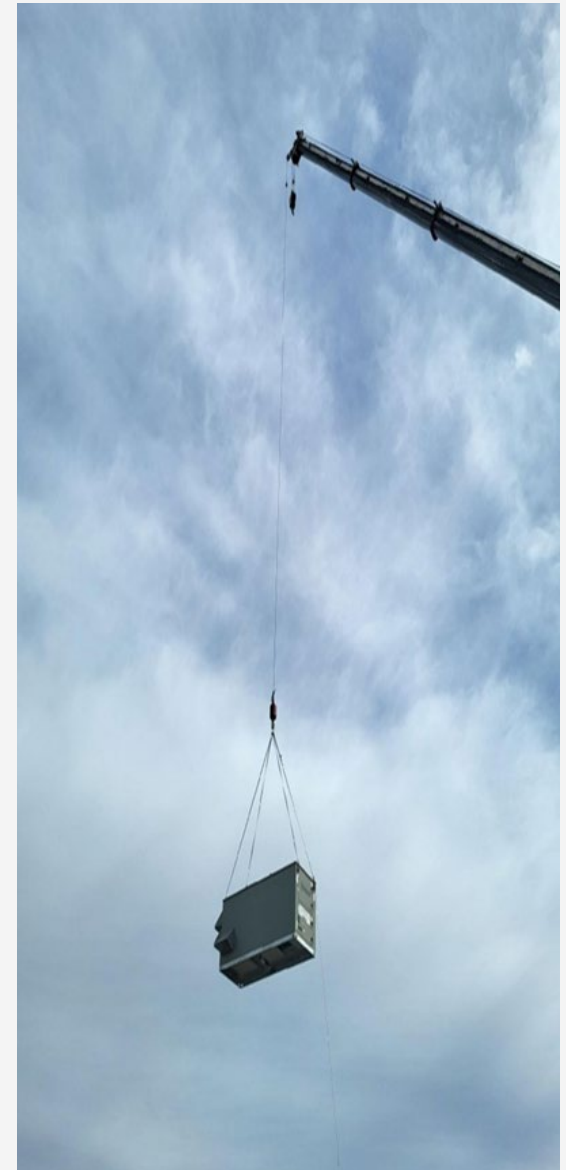
Active?	Funded	FY	Program Name	Enabling Act	Policy Partner
✓	✓	1992	Public Project Revolving Fund	New Mexico Finance Authority Act	6-21-6.0 Legislature
✓		1994	Primary Care Capital Fund	Primary Care Capital Funding Act	24-1C-4 DOH
✓	annually	1997	Drinking Water State Revolving Loan Fund	Drinking Water State Revolving Loan Fund Act	6-21A-4 NMED
		1999	Water and Wastewater Grant Fund	New Mexico Finance Authority Act	6-21-6.3 Legislature
✓	annually	2001	Water Project Fund	Water Project Finance Act	72-4A-9 WTB/Leg
✓	✓	2002	Local Government Planning Fund	New Mexico Finance Authority Act	6-21-6.4 Various
✓		2003	Economic Development Revolving Fund (Smart Money)	Statewide Economic Development Finance Act	6-25-6.1 NMEDD
✓	✓	2003	Child Care Revolving Loan Fund	Child Care Facility Loan Act	24-24-4.0 ECECD
		2004	Acequia Project Fund	Water Project Finance Act	72-4A-9.1 WTB/ISC/Leg
✓		2004	Behavioral Health Capital Fund	Behavioral Health Capital Funding Act	6-26-4 HCA
✓		2005	Energy Efficiency & Renewable Energy Bonding Act	New Mexico Finance Authority Act	6-21D-5 EMNRD
		2005	Local Transportation Infrastructure Fund	New Mexico Finance Authority Act	6-21-6.8 DOT
✓	✓	2006	New Markets Tax Credit	Statewide Economic Development Finance Act	6-25-6.1 FNM/NMEDD
		2007	Local Government Transportation Fund	New Mexico Finance Authority Act	6-21-6.12 DOT
✓	annually	2010	Colonias Infrastructure Project Fund	Colonias Infrastructure Finance Act	6-30-1.0 CIB
✓	✓	2011	Collateral Support Participation Program	Statewide Economic Development Finance Act	6-25-13 NMEDD
✓		2021	Essential Services Working Capital Program	Statewide Economic Development Finance Act	6-25-13 NMEDD
✓		2021	New Markets Tax Credit Small Loan Pool	Statewide Economic Development Finance Act	6-21-6.12 FNM/NMEDD
✓		2021	Small Business Recovery Loan Fund	Small Business Recovery Act of 2020	6-32-1 Legislature
		2021	New Mexico LEDA Recovery Grants	Local Economic Development Act	5-10-16 NMEDD/Leg
✓		2022	Cannabis Microbusiness Program	Statewide Economic Development Finance Act	6-25-6 RLD/NMEDD
✓	✓	2022	Venture Capital Fund	Venture Capital Program Act	6-33-3 (NMEDD)
✓	✓	2022	Charter School Facility Revolving Fund	Charter School Facility Improvement Act	6-21-6.16 (PSCOC)
✓	✓	2022	Opportunity Enterprise Revolving Fund	Opportunity Enterprise and Housing Development Act	6-34-12 OE&HDRB
✓	✓	2024	SSBCI Capital Access Program	Statewide Economic Development Finance Act	6-25-6 NMEDD
✓	✓	2024	Housing Development Revolving Fund	Opportunity Enterprise and Housing Development Act	6-34-1 OE&HDRB
✓	✓	2025	Local Solar Access Fund	Local Solar Access Fund	6-21-6.17 EMNRD



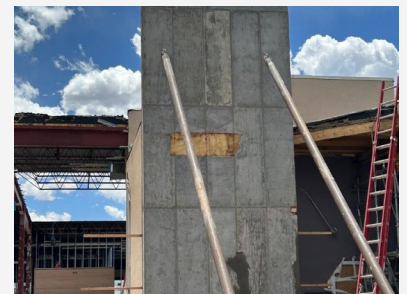
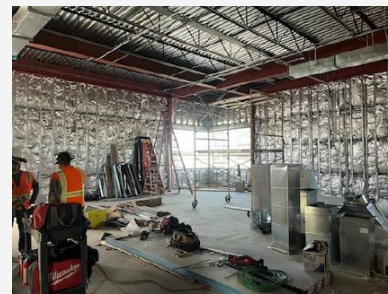
- ◆ In 2005, NMFA rented a 15,000 sf building on Shelby Street in downtown Santa Fe.
- ◆ From 2005 – 2020, NMFA’s staff size remained relatively consistent – around 40 FTEs. In the summer of 2020, NMFA began administering the high-volume, high-profile COVID recovery programs that began a five-year period of sustained growth.
- ◆ By July 2021, NMFA’s staff count had grown 31%, from 44 FTEs to 59. NMFA rented offices in the adjacent building and assembled a staff building committee. NMFA ultimately leased 14 offices from the second building.
- ◆ In 2021, based upon NMFA’s projections of likely growth, staff determined that a 25,000 square foot building would accommodate the maximum 75 employees and a board room.
- ◆ In August 2022 NMFA entered into a real estate contract to purchase for \$3.3 million a 25,000 sf, split level building; the sale was completed in December 2022.



- ◆ Lloyd and Associates designed the substantial renovations to LEED certified standards (documentation for certification is pending)
- ◆ Brycon served as General Contractor
- ◆ Demolition began in October 2023
- ◆ Total capital project budget, including acquisition, construction and technology is \$16.1 million.

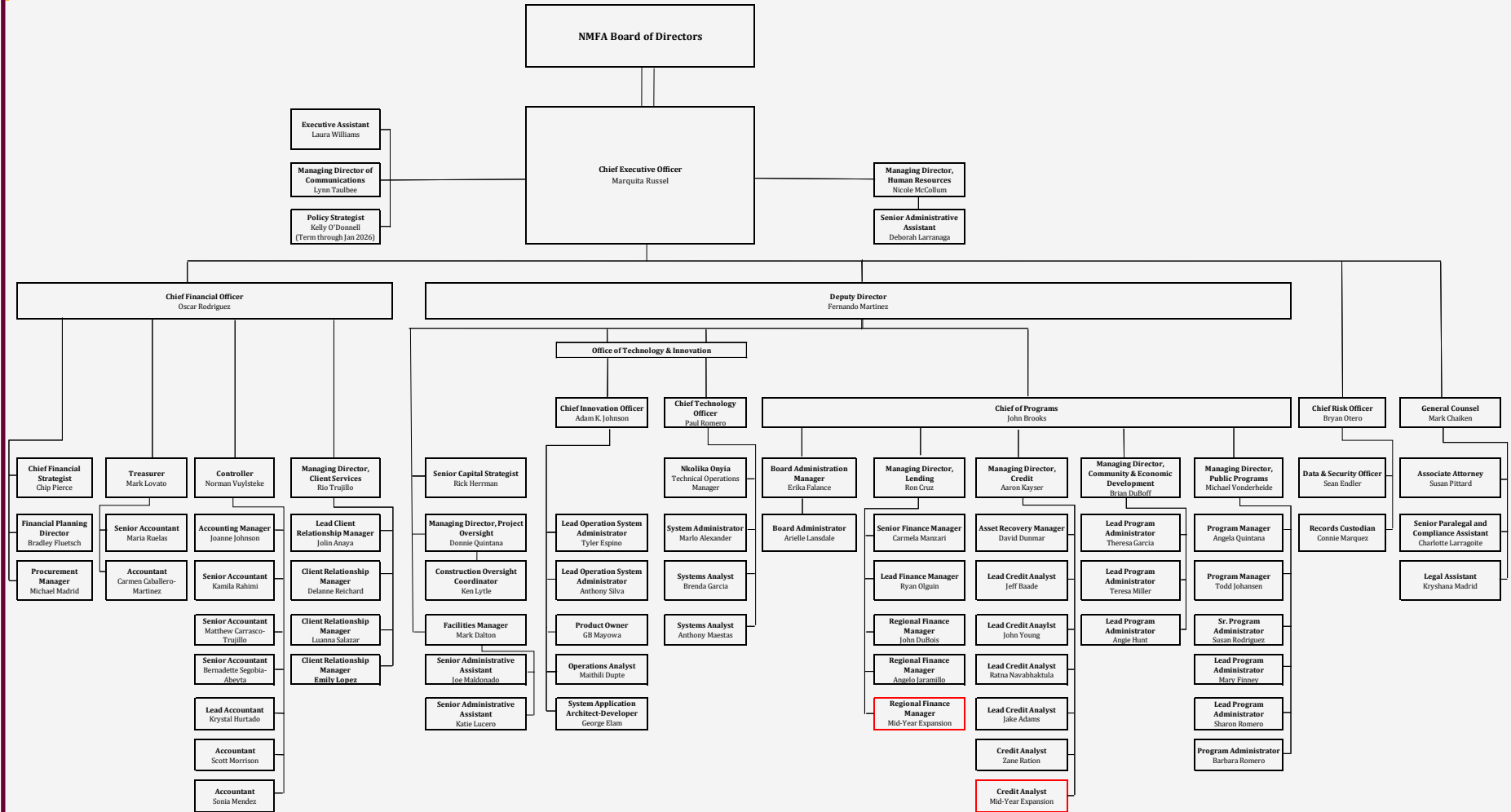


# NMFA Building Project



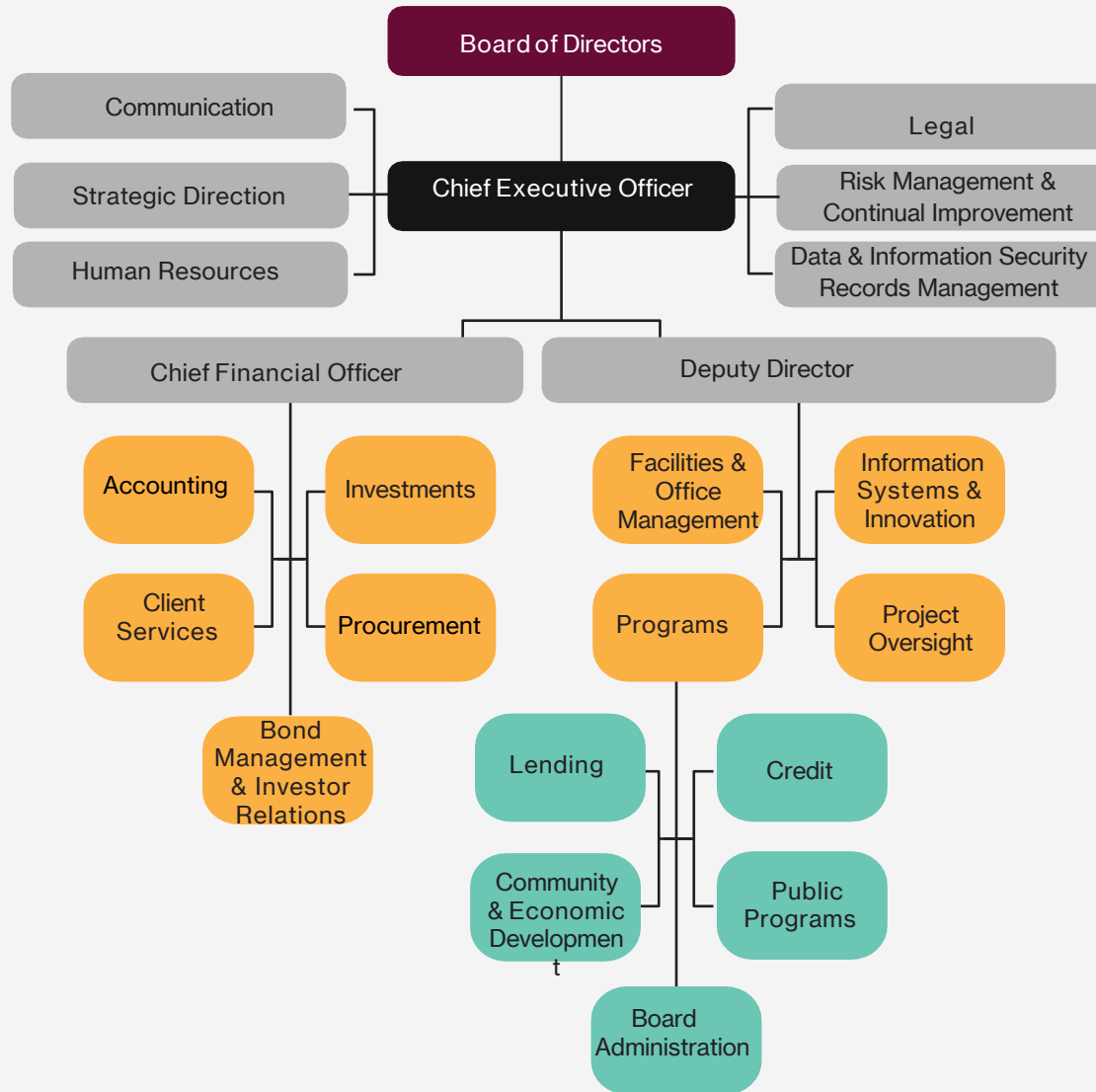
- ◆ Staff structure was first reorganized in January 2020 to allow for more efficient operation of limited duration programs and has continued to evolve as a result of program additions since FY 2021
  - Primary goal was to align business processes around function rather than programs
    - Allowed for more consistent practices across programs to reduce training time and error rates
    - Allows for greater expertise at staff level
    - Centralized and streamlined internal and external communications
    - Provided for greater ability to effectively oversee programs with fluctuating program balances
  - Alignment focused on risk mitigation, monitoring, and reporting and have resulted in greater capacity
- ◆ Staffing continued to evolve as NMFA maximizes use of recently acquired technology and enhanced security needs:
  - Established an Operations Innovation group that maximizes and bridges current technology to enhance client experience, operational efficiency and reporting quality
  - Increased investments in information technology and security have resulted in enhanced resiliency
- ◆ Initiatives undertaken over the past two years mitigate risk and provide organizational resiliency
  - Established an Enterprise Risk Management program to methodically and comprehensively evaluate operating and mission risk
  - Comprehensive review of policies and documentation of standard operating procedures
  - Electronic records management and retention project

# FY 2026 Operational Chart – 80 employees





# Staff Structure and Operations



- ◆ The FY 2025 – FY 2027 Strategic Plan builds upon the work of the 2018 Strategic Plan.
- ◆ Major Achievements stemming from the 2018 Strategic Plan
  - Commissioned an Access to Capital study that reviewed infrastructure and economic development tools available in New Mexico, provided findings from interviews with stakeholders and comparisons to peer states, and recommended opportunities for improvements.
  - Commissioned a Small Business Capital Landscape Study that looked at the New Mexico’s small businesses and identified capital gaps.
  - Worked with policymakers to amend statutes and rules to improve the financing tools available to NM governments, nonprofits, and small businesses.
  - Institutionalized program development processes that incorporate public comment into policy and rule development and formal roll-out with targeted webinars, FAQs, and how-to videos
- ◆ Operational constraints identified from the work completed in the 2018 Strategic Plan
  - Need formal customer feedback platform to address needed changes on existing programs, new program needs, and customer service improvements
  - Lack an integrated system that collects data and serves as baseline for metrics, KPIs and subsequent program effectiveness evaluation

### MISSION

New Mexico's partner in building economic prosperity and stronger communities.

### VALUES

- ◆ Integrity – We are honest, ethical, and reliable.
- ◆ Client Focus – We help clients reach their goals with respect, timeliness, and creativity.
- ◆ Professionalism – We promote a culture of accountability, quality, continuous learning, and adaptability.
- ◆ Great Place to Work – Our employees are our greatest asset. We provide a diverse, rewarding, respectful, and collaborative work environment.

### COMPETENCIES

- ◆ Create access to low-cost capital for infrastructure and economic development.
- ◆ Attract investor capital to New Mexico.
- ◆ Respond to challenges with a dedicated, solutions-focused Board and staff and agile, effective systems.
- ◆ Provide trusted stewardship and effective oversight of programs and funds.

**Advance community and economic development**

**GOAL ONE**

Objective: Effectively deploy funds from the State Small Business Credit Initiative.

Objective: Obtain funding for Behavioral Health Capital Fund, Primary Care Capital Fund, and Child Care Revolving Fund.

**Strengthen New Mexico’s infrastructure to promote healthy communities**

**GOAL TWO**

Objective: Improve water systems through regionalization, and technical assistance.

Objective: Meet the need for capital for infrastructure.

**Maximize community impact by leveraging strategic partnerships**

**GOAL THREE**

Objective: Establish a system of determining needs and priorities of strategic partners.

Objective: Assist strategic partners in meeting their goals.

Objective: Complete a metric study of NMFA’s and its partners’ impacts to inform future objectives.

**Optimize organizational effectiveness and efficiency**

**GOAL FOUR**

Objective: Implement the Integrated Business Application project

Objective: Maintain/improve financial reporting standards; implement risk rating system.

Objective: Maximize use of technology.

Objective: Improve data collection and reporting.

Objective: Modernize document and data management to support increased scale.

[Final-Strategic-Plan-low-res-version.pdf](#)

## Goal Four: Optimize Organizational Effectiveness and Efficiency Integrated Business Application

- ◆ Recent growth is unsustainable without increasing efficiencies wherever possible
  - ❑ Streamlining applications and eligibility processes
  - ❑ Standardizing program processes and procedures (a loan is a loan, a grant is a grant)
  - ❑ Scrutinizing statutes, rules and policies to ensure all requirements are value-based
- ◆ Integration of systems developed during the recovery programs is needed to ensure all business systems work cohesively across customer management, lending operations, financial management, and human resources to achieve organizational objectives.
- ◆ NMFA's Integrated Business Application ("IBA") project to provide a comprehensive enterprise architecture framework that unifies key business systems and processes with four goals:
  - ❑ Standardization and simplification: processes, language
  - ❑ Reducing manual processes
  - ❑ Trustworthy data and actionable reporting
    - Golden source of data
  - ❑ Sustainability and scalability
- ◆ Comprehensive planning effort began in spring of 2024. NMFA selected BDO Digital to assist in:
  - ❑ Comprehensive requirements gathering
  - ❑ RFP drafting, solicitation, vetting, and selection process
  - ❑ Integration planning and implementation
  - ❑ Change management

## Goal Four: Optimize Organizational Effectiveness and Efficiency IBA Minimum Viable Product

- ◆ The IBA architecture integrates onto a Salesforce platform. MVP includes switching to these new systems
  - ❑ **Salesforce CRM** - A cloud-based customer relationship management platform providing sales automation, lead management, opportunity tracking, marketing campaigns, and customer service capabilities with AI-powered insights and mobile accessibility. NMFA does not currently utilize a purpose-built CRM system.
  - ❑ **IvyTek** - An end-to-end loan and grant origination and servicing platform built on Salesforce, offering automated underwriting, loan servicing, collections, delinquency management, and comprehensive reporting for CDFIs, nonprofits, commercial, and consumer lending organizations. NMFA currently utilizes EnABLE for these functions.
  - ❑ **Sage Intacct** - A cloud-based ERP and financial management system delivering core accounting, multi-entity consolidation, real-time reporting, budgeting, project accounting, and AI-powered automation (AICPA preferred solution). NMFA currently utilizes MIP for these functions.
  - ❑ **Sage/ADP HRM** - The integration of Sage Intacct Payroll powered by ADP Workforce Now, providing comprehensive human capital management including payroll processing, benefits administration, time and attendance, talent management, and HR compliance across all 50 states. NMFA currently utilizes PayChex for payroll/timekeeping but does not otherwise utilize a human resource software.

## Goal Four: Optimize Organizational Effectiveness and Efficiency Enhanced Credit Management Initiative

- ◆ As NMFA continues to expand into private markets and more complicated public projects, the complexity and risk associated with its loan portfolio have also increased.
- ◆ To effectively manage this evolving risk environment, NMFA identified a need to clearly define and consistently assess risk.
- ◆ Implementing a loan risk rating system will enable NMFA to assign a credit rating or grade to each individual loan based on its perceived risk, using internally developed criteria and a standardized rating scale.
- ◆ This initiative will strengthen NMFA's overall credit risk management framework, with particular emphasis on the implementation of the Enhanced Credit Risk Management (ECRM) program.
- ◆ The tool is not intended to prevent NMFA from issuing loans that could default; rather, it is designed to help identify which loans are more likely to default.
- ◆ It does not make credit decisions. However, it provides enhanced credit risk assessment at the loan level and enables NMFA to better differentiate between varying risk profiles.
- ◆ Analyst judgment remains essential and plays a critical role in accurately completing the scorecard.
- ◆ This tool will not teach analysts to underwrite but rather serve as an additional objective measurement of credit risk exposure.

## Goal Four: Optimize Organizational Effectiveness and Efficiency Risk Rating System

Grade Level Descriptions
1 - Virtually Risk Free - 1
2 - Virtually Risk Free - 2
3 - Virtually Risk Free - 3
4- Virtually Risk Free - 4
5- Virtually Risk Free - 5
6 - Exceptional
7 - Superior
8 - Excellent
9 - Outstanding
10- Strong
11 - Very Good
12 - Satisfactory
13- Fair
14 – Low Pass - Max Risk
15 - Pass / Watch
16 - Special Mention
17 - Substandard - Lower Risk (Accruing)
18 - Substandard - Higher Risk (NonAccrual)
19 - Doubtful
20 - Loss

- ◆ Serves as a common language of risk throughout the organization, combining unique risk attributes and lending activities into a shared view,
- ◆ Provides consistency and an objective way to measure both default risk and loss severity,
- ◆ Facilitates the goal of uniformly discriminating risk for activities such as loan approval, risk rating, loan loss provisioning, pricing, portfolio management, and stress testing.
- ◆ Score Card Elements - Predefined, individual key Credit Risk Rating factors used to assess credit risk within each Score Card for each loan.
- ◆ Quantitative Measures - a way to numerically represent the magnitude or amount of something, allowing for comparison and statistical analysis.
- ◆ Qualitative Measure - involves gathering descriptive, non-numerical data, such as observations applicant responses, to gain insights and perceptions.



## Goal Four: Optimize Organizational Effectiveness and Efficiency ScoreCard Types by Sector

- ◆ Step 1: ScoreCard Types - Extensive loan portfolio analysis was conducted to determine the most appropriate ScoreCard types considering the borrower, loan purpose, programs and future program objectives.
  - ◆ Step 2: ScoreCard Elements - Extensive analysis of NMFA credit underwriting practices, key underwriting components, potential underwriting components, borrower profiles, and available data points were collaboratively considered to derive the resulting key elements for each ScoreCard.
  - ◆ Step 3: ScoreCard Element Weights - Each ScoreCard development included how much weight each element should have in the ScoreCard. Some borrower/loan types presented fewer element type options resulting in higher element weightings.
- ◆ **Private Score Cards**
    - ❑ Commercial & Industrial (C&I) - Goods & Services
    - ❑ Commercial and Industrial (C&I) – Healthcare
    - ❑ Commercial & Industrial (C&I) – Non-Profit
    - ❑ Commercial Real Estate – Land , Development, & Construction
    - ❑ Commercial Real Estate – Income producing commercial real estate
  - ◆ **Public Score Cards**
    - ❑ Governmental – Water, Sewer, & Electric
    - ❑ Governmental – Emergency Services
    - ❑ Governmental - Gross Receipts Tax
    - ❑ Educational- Charter Schools
    - ❑ Educational – General Obligation Bond
    - ❑ Educational – Public University
    - ❑ Governmental - General Obligation Bond

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**New Location !**  
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