



HOUSING
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AVAILABLE PROGRAMS

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Programs to Create More Housing

9% Low-Income Housing Tax Credits (LIHTC)*

Each state receives federal tax credits to support development and rehabilitation of low-income units. The 9% tax credits are awarded through a competitive process to projects throughout the state. The tax credits are sold to investors which creates approximately 70% equity for the project.*

4% LIHTC Tax Exempt Bonds*

Private Activity Bonds (PABs) are tax-exempt bonds issued to finance projects with a public benefit, such as affordable housing. When over 50% of a project's financing comes from PABs, the project then qualifies for a non-competitive, "as-of-right" 4% LIHTC allocation. This tax credit provides approximately 30% equity into the project, thereby reducing the project's financing costs. The combination of PABs and the 4% LIHTC facilitates the development of affordable housing by making projects more financially feasible and ensuring lower rents for low-income residents.

542 (c) HUD & 538 Rural Development Risk Share Loan Programs

Multifamily housing loan enhancement programs/products. The 542(c) program allows for a risk sharing arrangement between New Mexico Mortgage Finance Authority (MFA) and U.S. Department of Housing and Urban Development (HUD). The 538 program is a loan guarantee program for construction and permanent loans for affordable rental developments in eligible rural areas.

Affordable Housing Act

The New Mexico State Legislature created the Affordable Housing Act as an exception to the anti-donation clause in the New Mexico Constitution to allow local governments and other political subdivisions to put resources towards affordable housing acquisition, development, financing, maintenance, and operation. Essentially, the Act permits public-private partnerships for affordable housing activities. It allows local governments to donate land, buildings, and money to affordable housing projects.

HOME Rental Development Funds*

HOME funds are used as gap financing and are typically the last dollars committed to a project. HOME funds are used in combination with other housing resources such as the Low-Income Housing Tax Credits and 542(c) loan programs.

National Housing Trust Fund*

Federal funding in the form of loans that are extended at a 0% interest rate and assist in construction or acquisition/rehabilitation of affordable housing for extremely low-income households whose incomes do not exceed the greater of 30% Area Median Income (AMI) or the federal poverty line.

New Mexico Affordable Housing Tax Credit (State Tax Credit)*

A tax credit program created by the State of New Mexico to encourage charitable donations to affordable housing projects. Donors receive 50% of the donation as a tax credit toward their New Mexico state tax liability.

New Mexico Housing Trust Fund*

Flexible funding for housing initiatives that provide acquisition, construction and/or preservation of affordable single or multifamily housing for persons or households of low or moderate income.

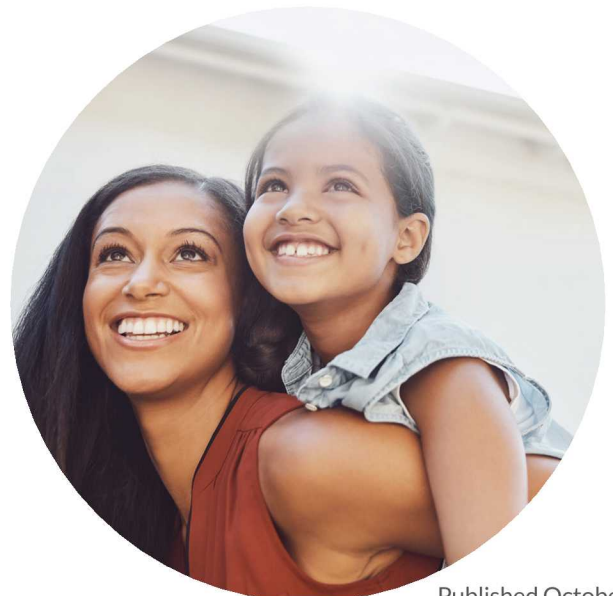
Primero

A flexible, low-cost loan program created to finance the development of affordable rental, special needs residential facilities, or single-family subdivisions that might be considered "high risk" by traditional lenders.

Single-Family Development

Flexible, low-cost loan programs that may be used for single-family development, including HOME, New Mexico Housing Trust Fund and Primero.

*These programs also support multifamily rental preservation projects.



Programs to Preserve and Improve Existing Affordable Housing and Catalyze Redevelopment

Emergency Housing Needs Program

A mechanism for MFA to quickly deploy assistance to respond to emergency housing situations as they arise.

Home Improvement Program

A direct service program that provides home rehabilitation to New Mexicans that live in counties that are not served by existing providers as part of the HOME Rehabilitation program. Provides home rehabilitation for health and safety issues, fall reduction items, accessibility and caregiver modifications, and code compliance upgrades at no cost to eligible homeowners.

HOME Rehabilitation

Provides home rehabilitation for health and safety issues, fall reduction items, accessibility and caregiver modifications, and code compliance upgrades at no cost to eligible homeowners.

Housing Innovation Program

A resource to spur innovative housing projects and create an opportunity to test novel housing solutions. The program addresses housing needs that are currently unmet by other MFA programs.

NM EnergySmart Weatherization Program

Provides energy-saving retrofits and home modifications at no charge to eligible homeowners and renters.

New Mexico Preservation Loan Fund

Provides funding for projects to support the preservation of at-risk affordable housing in the state.

Restoring Our Communities

Provides funding for the acquisition, rehabilitation, and resale of vacant, abandoned or foreclosed single-family homes with a goal of increasing homeowner opportunities for low- and moderate- income households while assisting communities in reducing abandoned properties.

Veterans Home Rehabilitation and Modification Program

Provides home rehabilitation for health and safety issues, fall reduction items, accessibility and caregiver modifications, and code compliance upgrades at no cost to eligible veterans.

Programs to Build Homeownership and Wealth

FirstDown

Available to first-time homebuyers, an amortizing down payment assistance program with monthly payments that must be combined with FirstHome.

FirstDown Plus

A third mortgage down payment assistance loan designed to provide additional down payment to first-time homebuyers qualified to use MFA's FirstHome program.

FirstHome

An affordable mortgage loan option for first-time homebuyers.

HomeNow

A down payment and closing cost second mortgage loan that is available to first-time homebuyers who have lower household incomes.

HomeForward

A recently updated first mortgage loan option for non-first-time homebuyers. Formerly known as NextHome.

HomeForward DPA

A 10 or 15 year, amortizing down payment assistance program with monthly payments that must be combined with HomeForward.

Partners

MFA purchases first time homebuyer loans originated by Habitat for Humanity affiliates in New Mexico.



Programs to Create Stable Housing Environments

Continuum of Care

Funding provides housing assistance to individuals/families experiencing homelessness and supportive services, such as assistance with medical, financial, and educational programs. The New Mexico Coalition to End Homelessness and the City of Albuquerque administer the federal Continuum of Care awards to selected service providers, and MFA provides the state match funding.

Emergency Homeless Assistance Program

MFA is awarded state homeless and federal Emergency Solutions Grant (ESG) funds annually for this program. Funding supports emergency shelter operations, essential services, and data collection.

Housing Opportunities for Persons With AIDS

Provides housing assistance, in the form of rent, mortgage or utility payments, to people who have a documented HIV/AIDS diagnosis that are at or below 80% AMI.

Landlord Collaboration Program

A collaboration between New Mexico Children, Youth and Families Department and MFA that increases access to safe, permanent, and supportive housing for youth (ages 18- 24) who are experiencing homelessness or are at risk of homelessness. The program provides incentive for landlords to rent to these youth by covering costs such as damages to the unit that are in excess of the security deposit.

Landlord Engagement Program

Increases access to safe, permanent, and supportive housing to City of Albuquerque voucher holders who are experiencing homelessness or are at risk of homelessness. The program provides incentive for landlords to rent to this population by covering costs such as damages to the unit that are in excess of the security deposit.

Linkages

A state-funded permanent supportive housing program that provides long-term rental subsidies, utility assistance, and supportive services to vulnerable populations. Serves homeless consumers with housing needs, prioritizing individuals with a serious mental illness, including Native Americans living off a reservation.

Rapid Rehousing and Homeless Prevention

MFA is awarded state homeless and federal ESG funds annually for this program to assist individuals with short- and medium-term rental assistance that are homeless or at risk of homelessness. HOME American Rescue Plan funds are also used for the same purpose.

Recovery Housing Program

Provides funds to develop housing or maintain housing and recovery services for individuals impacted by a substance use disorder, supporting efforts for independent living by providing stable housing to support recovery.

Section 8 Project-Based Rental Assistance

A public-private partnership to maintain rental homes for low-income persons. HUD provides private owners of multifamily housing a rental subsidy between the market rent and 30% of the household income as rental payment.

Section 811 Rental Assistance

A HUD initiative that assists extremely low-income people with disabilities to live independently in the community by providing rental subsidies linked with voluntary supportive services. Operated by MFA in collaboration with New Mexico Human Services Department's Behavioral Health Services Division, program subsidies are project-based and remain with the housing unit at turnover.

Youth Homeless Demonstration Project

Designed by HUD in cooperation with youth who have experienced homelessness. The goal is to drastically reduce the number of youth experiencing homelessness, including unaccompanied, pregnant, and parenting youth.

Other Programs

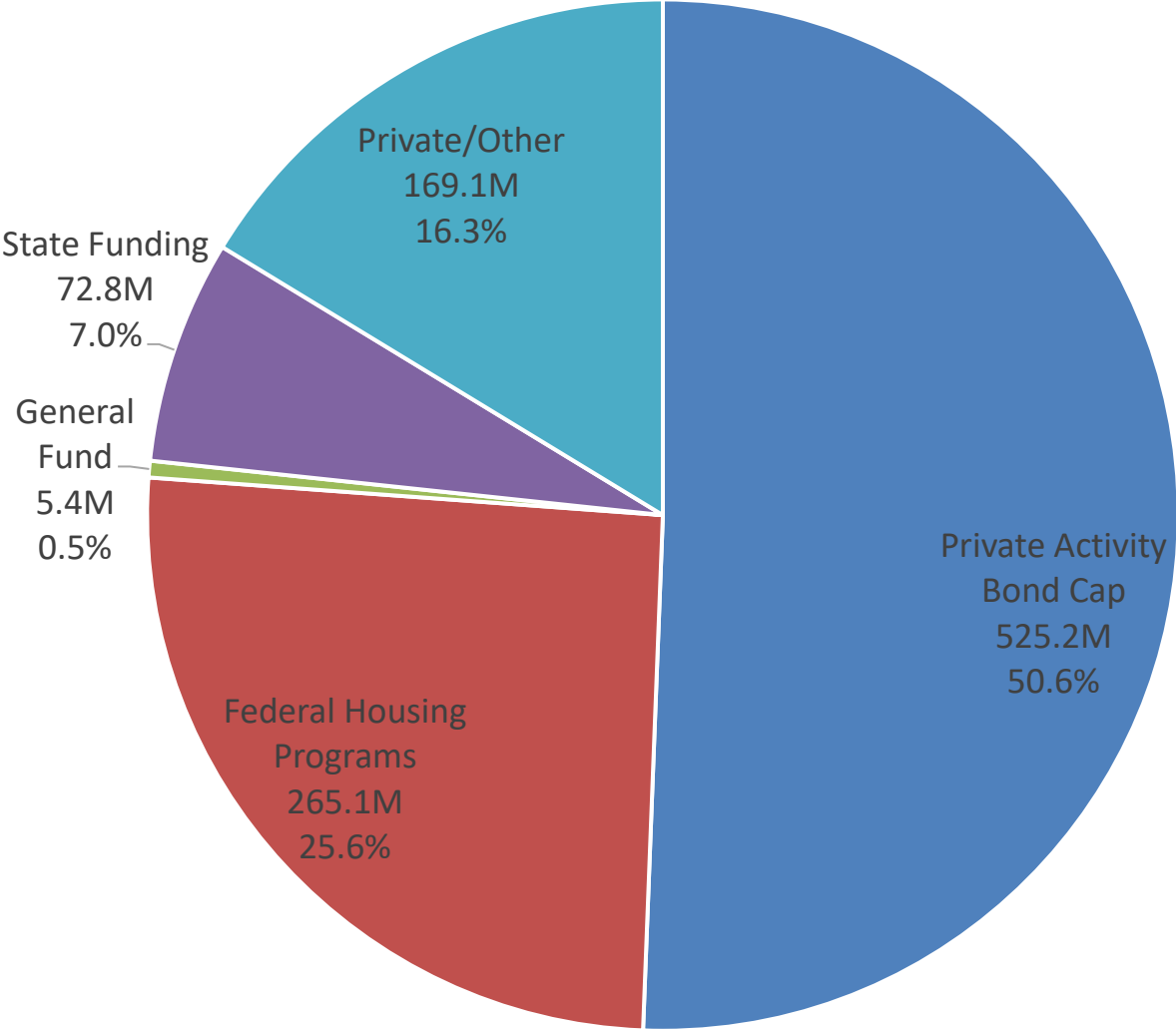
Congressional Funds: Community Project Funding for Fire Affected Counties

Funding supports the construction of temporary and permanent housing. Funds are also used to rehabilitate housing and provide housing support and stability services to meet the needs of New Mexicans who are or were displaced as a result of wildfires or otherwise affected by the wildfires.



Tab 16

2025 Estimate Available Funding for Housing New Mexico Programs – \$1.04 Billion



Private Activity Bond Capacity

Funding Source	Estimated Amount
Tax-Exempt Mortgage Revenue Bonds (Single Family)	\$325,177,377
Tax-Exempt Mortgage Revenue Bonds (Multifamily)	\$200,000,000
Total	\$525,177,377

Federal Housing Programs

Funding Source	Estimated Amount
HOME Annual Allocation	\$ 5,044,613
HOME Carry Forward	\$ 4,273,796
HOME Program Income	\$ 5,611,828
Recovery Housing Program (CDBG-RHP)	\$ 1,450,399
HOME American Rescue Plan	\$ 100,000
Low Income Housing Tax Credits (9%)	\$ 6,390,768
Bond Financed Low Income Housing Tax Credits (4%)	\$ 176,639,000
Project-Based Section 8 Housing Assistance	\$ 37,558,286
Section 811 Housing Assistance	\$ 420,672
Bipartisan Infrastructure Bill (DOE Weatherization Assistance Program)	\$ 12,892,780
Energy\$mart (DOE Weatherization Assistance Program) and Carry Over	\$ 1,718,505
Low Income Home Energy Assistance Program (LIHEAP)	\$ 989,398
EMNRD - CEED Grant	\$ 1,670,000
Emergency Solutions Grants Program	\$ 1,199,092
Emergency Solutions Grant RUSH	\$ 132,732
Housing Opportunities for Persons With HIV/AIDS (HOPWA)	\$ 1,383,431
Veterans Home Rehab 2020	\$ 1,184,484
Veterans Home Rehab 2019	\$ 215,822
Capital Magnet Fund	\$2,536,688
National Housing Trust Fund	\$ 3,134,373
*Community Project Funding- Fire Affected Areas	\$ 588,300
Total	\$265,134,969

Housing New Mexico General Fund

Funding Source	Estimated Amount
MFA Housing Opportunity Fund – Primero PRLF	\$961,916
MFA Housing Opportunity Fund – Partners Program	\$1,546,857



MFA Housing Opportunity Fund – First Down DPA	\$2,574,212
MFA Housing Opportunity Fund - Emergency Housing Needs	\$321,610
Total	\$5,404,595

State Funding

Funding Source	Estimated Amount
New Mexico Housing Trust Fund (Unawarded STB SFY 26 Earmark)	\$ 45,000,000
New Mexico Housing Trust Fund (2024 Legislative Appropriation Unencumbered Amount)	\$ 9,820,000
New Mexico Housing Trust Fund (Program Income)	\$3,363,284
New Mexico Housing Trust Fund (STB Program Income)	\$974,446
Landlord Collaboration - CYFD	\$90,000
Human Services Department/BHSD - Linkages	\$9,712,879
Human Services Department/BHSD - Rapid Rehousing/Homeless Prevention	\$78,100
Youth Homeless Demonstration Project	\$413,000
Espanola Pathways Shelter	\$225,000
State Homeless Assistance	\$1,215,700
Creditworthiness-HB2 2025	\$250,000
Landlord Program (DFA)	\$1,656,000
Total	\$72,798,409

Private Other

Funding Source	Estimated Amount
FHLB State Housing Finance Authority Education Grant	\$120,000
Taxable Mortgage Revenue Bonds (Single Family)	\$162,000,000
Land Title Trust Fund	\$115,216
New Mexico Affordable Housing Charitable Trust	\$250,000
New Mexico Affordable Housing Tax Credit Allocating Authority	\$5,748,237
NM Gas Company Energy\$mart	\$148,028
PNM Energy\$mart	\$293,494
El Paso Electric	\$200,000
Landlord Engagement Program - City of Albuquerque	\$250,000
Total	\$169,124,975



Tab 17

Federal Housing Programs Administered by Housing New Mexico

Department of Housing and Urban Development (HUD)

HOME Program	
Funding Amount/Value	FY2025 allocation – \$5,044,613
Funding Acquisition	Formula grant
Beneficiaries	Households earning 80% of area Median Income or Less
Eligible Activities	<ul style="list-style-type: none"> Affordable Housing Development Rehabilitation of Homeowner Housing

National Housing Trust Fund	
Funding Amount/Value	FY2025 allocation – \$3,134,373
Funding Acquisition	Formula grant
Beneficiaries	Households earning 30% or less of area median income.
Eligible Activities	Rental housing development and preservation.

Emergency Solutions Grant (ESG)	
Funding Amount/Value	FY2025 allocation – \$1,199,092
Funding Acquisition	Formula grant
Beneficiaries	Individuals who are homeless, at risk of homelessness, fleeing domestic violence, at the greatest risk of housing instability and veterans and their families.
Eligible Activities	<ul style="list-style-type: none"> Operations and maintenance of emergency shelter facilities Essential supportive services (i.e., case management, physical and mental health treatment, substance abuse counseling, childcare, etc.) Short- and medium-term rental assistance Housing Stability Case Management Data collection for homeless and domestic violence databases

Housing Opportunities for Persons with HIV/AIDS (HOPWA)	
Funding Amount/Value	FY2025 allocation – \$1,383,431
Funding Acquisition	Formula grant
Beneficiaries	Low income individuals (generally defined as at or below 80% of area median income) and be either the eligible person with HIV/AIDS or a family member who is determined to be important to their care and well-being.
Eligible Activities	<ul style="list-style-type: none"> Short-term rent, mortgage and utility payments Project-or tenant-based rental assistance



	<ul style="list-style-type: none"> • Housing Information Services • Support Services
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Recovery Housing Program (CDBG-RHP)	
Funding Amount/Value	FY2025 allocation – \$1,450,399
Funding Acquisition	Formula grant
Beneficiaries	Individuals in recovery from substance abuse disorders who are seeking stable, transitional housing
Eligible Activities	<ul style="list-style-type: none"> • Public facilities and improvements • Acquisition and disposition of real property • Payment of lease, rent, and utilities • Rehabilitation, reconstruction, and construction of both single family, multifamily, and public housing • Clearance and demolition • Relocation • Administration and technical assistance

Project-Based Section 8 Housing Assistance	
Funding Amount/Value	FY2025 allocation – \$37,558,286
Funding Acquisition	Formula grant
Beneficiaries	Housing assistance for families or individuals with incomes that do not exceed 80% of the local median income.
Eligible Activities	Rental assistance to low-income families within specific multifamily rental developments.

Section 811 Housing Assistance	
Funding Amount/Value	FY2025 allocation – \$420,672
Funding Acquisition	Formula grant
Beneficiaries	Very low-income families and individuals with disabilities.
Eligible Activities	<ul style="list-style-type: none"> • Project-based Rental Assistance • Construction, rehabilitation or acquisition of supportive housing • Supportive Services

Emergency Solutions Grant RUSH	
Funding Amount/Value	Remaining allocation – \$132,732
Funding Acquisition	One-time grant made in response to the Salt-Fork fires
Beneficiaries	People experiencing homelessness or at risk of homelessness in areas affected by disasters. Specifically, it helps communities provide rapid re-housing, homelessness prevention, street outreach, and emergency shelter. These services are intended to assist individuals and families who may be experiencing



	homelessness due to a disaster and whose needs are not fully met by existing federal disaster relief programs.
Eligible Activities	<ul style="list-style-type: none"> • Operations and maintenance of emergency shelter facilities • Essential supportive services (i.e., case management, physical and mental health treatment, substance abuse counseling, childcare, etc.) • Rapid Rehousing/Homelessness prevention • Data collection for homeless and domestic violence databases

HOME American Rescue Plan (HOME-ARP)	
Funding Amount/Value	Remaining allocation – \$100,000
Funding Acquisition	One-time allocation made in response to Coronavirus pandemic
Beneficiaries	Individuals and families who are facing homelessness, at risk of homelessness, fleeing domestic violence, dating violence, sexual assault, stalking or human trafficking, and veterans or families with veterans. These funds are intended to address housing needs for these vulnerable populations.
Eligible Activities	<ul style="list-style-type: none"> • Production or preservation of affordable housing • Purchase and Development of non-congregate shelter • Tenant-based rental assistance, transitional or permanent housing • Supportive Services

Veterans Home Rehab 2019 & 2020	
Funding Amount/Value	Remaining allocation – \$1,400,306
Funding Acquisition	One-time allocation
Beneficiaries	Grants may be used to modify or rehabilitate low-income, disabled veterans' primary residences or to provide grantees' affiliates with technical, administrative, and training support in connection with those services
Eligible Activities	<ul style="list-style-type: none"> • Home Rehabilitation and Modification • Adaptive Housing • Utility Assistance

Community Project Funding – Fire Affected Areas	
Funding Amount/Value	Remaining allocation - \$600,000
Funding Acquisition	One-time allocation awarded through Senator Martin Heinrich's Office.
Beneficiaries	Low- and moderate-income Households in New Mexico's fire affected counties.
Eligible Activities	Affordable housing development and preservation.

Department of Treasury

Low Income Housing Tax Credits (9%)	
Funding Amount/Value	FY2025 allocation – \$ 6,390,768
Funding Acquisition	Formula Credit Allocation



Beneficiaries	Households earning no more than 60% of area median income on average for each property (could be more restrictive, depending on the project).
Eligible Activities	Rental housing development including new construction, rehabilitation, or acquisition/rehabilitation.

Bond Financed Low Income Housing Tax Credits (4%)	
Funding Amount/Value	FY2025 allocation – \$ 176,639,000
Funding Acquisition	Formula grant
Beneficiaries	Households earning no more than 60% of area median income on average for each property (could be more restrictive, depending on the project).
Eligible Activities	Rental housing development including new construction, rehabilitation, or acquisition/rehabilitation.

Department of Energy

EnergySmart (DOE Weatherization Assistance Program)	
Funding Amount/Value	FY2025 allocation – \$1,718,505
Funding Acquisition	Formula grant
Beneficiaries	Individuals who are homeless, at risk of homelessness, fleeing domestic violence, at the greatest risk of housing instability and veterans and their families.
Eligible Activities	<ul style="list-style-type: none"> • Operations and maintenance of emergency shelter facilities • Essential supportive services (i.e., case management, physical and mental health treatment, substance abuse counseling, childcare, etc.) • Homelessness prevention • Data collection for homeless and domestic violence databases

Bipartisan Infrastructure Bill (DOE Weatherization Assistance Program)	
Funding Amount/Value	FY2025 allocation – \$12,892,780
Funding Acquisition	Formula grant
Beneficiaries	Households with incomes at or below 200% of the federal poverty level. Priority is given to the elderly, households in which one or more members have a disability, and families with young children.
Eligible Activities	<ul style="list-style-type: none"> • Weather-stripping, caulking, and insulation • Window and door replacement • Tuning, repairing, or replacing furnaces or heating units • Replacing incandescent bulbs with CFLs • Refrigerator replacement • Training and technical assistance

Department of Health & Human Services

Low Income Home Energy Assistance Program (LIHEAP)



Funding Amount/Value	FY2025 allocation – \$989,398
Funding Acquisition	Formula grant
Beneficiaries	Households with incomes at or below 200% of the federal poverty level. Priority is given to the elderly, households in which one or more members have a disability, and families with young children.
Eligible Activities	<ul style="list-style-type: none"> • Weather-stripping, caulking, and insulation • Window and door replacement • Tuning, repairing, or replacing furnaces or heating units • Replacing incandescent bulbs with CFLs • Refrigerator replacement • Training and technical assistance



Tab 18

9% Low Income Housing Tax Credit Awards by Congressional District and County, 2000-2024

Geographic Distribution Congressional District 1 received 29.7% or \$36.1 million in 9% LIHTCs
 Congressional District 2 received 30.9% or \$37.5 million in 9% LIHTCs
 Congressional District 3 received 39.4% or \$47.9 million in 9% LIHTCs
 \$61.8 million or 50.19% of awards were made in Bernalillo County or within the cities of Rio Rancho, Las Cruces, and Santa Fe

Urban and Rural Areas
 \$61.3 million or 49.8% of awards were made in rural areas.

Congressional District or County*	Population (July 1, 2023 Estimates)	Percent of Population	9% LIHTC Award Amount	Percent of Total 9% LIHTC Awards	9% LIHTC Awards in Urban Areas**	9% LIHTC Awards in Rural Areas
Congressional District 1						
Bernalillo County	671,747	31.5%	30,215,988	24.5%	30,215,988	0
Lincoln County	20,025	0.9%	1,912,734	1.6%		1,912,734
Sandoval County	157,757	7.4%	4,000,483	3.2%	2,850,483	1,150,000
Totals CD 1	849,529	39.9%	36,129,205	29.3%	33,066,471	3,062,734
Congressional District 2						
Bernalillo County	671,747	31.5%	3,892,646	3.2%	3,892,646	0
Cibola County	26,686	1.3%	5,462,707	4.4%		5,462,707
Doña Ana County	229,366	10.8%	14,470,418	11.7%	8,609,762	5,860,656
Eddy County	61,436	2.9%	2,224,358	1.8%		2,224,358
Grant County	27,541	1.3%	1,837,270	1.5%		1,837,270
Lea County	75,151	3.5%	1,455,008	1.2%		1,455,008
Luna County	25,878	1.2%	1,746,914	1.4%		1,746,914
Otero County	69,711	3.3%	3,024,457	2.5%		3,024,457
Socorro County	15,967	0.7%	768,507	0.6%		768,507
Valencia County	80,813	3.8%	4,352,263	3.5%		4,352,263
Totals CD 2	1,284,296	60.3%	39,234,548	31.8%	12,502,408	26,732,140
Congressional District 3						
Chaves County	63,697	3.0%	2,120,141	1.7%		2,120,141
Curry County	47,156	2.2%	5,090,452	4.1%		5,090,452
Eddy County	61,436	2.9%	1,150,000	0.9%		1,150,000
Lea County	75,151	3.5%	6,219,502	5.0%		6,219,502
Los Alamos County	19,675	0.9%	2,592,410	2.1%		2,592,410
McKinley County	68,945	3.2%	3,746,173	3.0%		3,746,173
Rio Arriba County	39,955	1.9%	307,779	0.2%		307,779
San Juan County	120,817	5.7%	2,775,168	2.3%		2,775,168
San Miguel County	26,428	1.2%	1,242,063	1.0%		1,242,063
Sandoval County	157,757	7.4%	848,948	0.7%		848,948
Santa Fe County	157,765	7.4%	17,392,569	14.1%	16,411,007	981,562
Taos County	34,482	1.6%	4,226,641	3.4%		4,226,641
Union County	3,926	0.2%	240,064	0.2%		240,064
Totals CD 3	877,190	41%	47,951,910	38.9%	16,411,007	31,540,903
Total New Mexico	2,130,256	100%	123,315,663	100%	61,979,886	61,335,777

*Only counties receiving 4% LIHTC awards are listed; therefore, county population totals do not add up to New Mexico population total. Further, Bernalillo, Eddy, Lea and Sandoval county populations are listed in two districts, which makes those districts' populations artificially high.

**Urban Areas include Bernalillo County and the Cities of Rio Rancho, Las Cruces, and Santa Fe

4% Low Income Housing Tax Credit Awards by Congressional District and County, 2000-2025

Geographic Distribution Congressional District 1 received 50.3% or \$38.9 million in 4% LIHTCs
 Congressional District 2 received 17.2% or \$13.3 million in 4% LIHTCs
 Congressional District 3 received 32.5% or \$25.2 million in 4% LIHTCs
 \$68.2 million or 88.05% of awards were made in Bernalillo County or within the cities of Rio Rancho, Las Cruces, and Santa Fe

Urban and Rural Areas \$9.2 million or 11.95% of awards were made in rural areas.

Congressional District or County*	Population (July 1, 2023 Estimates)	Percent of Population	4% LIHTC Award Amount	Percent of Total 4% LIHTC Awards	4% LIHTC Awards in Urban Areas**	4% LIHTC Awards in Rural Areas
Congressional District 1						
Bernalillo County	671,747	31.5%	30,289,455	39.1%	30,289,455	0
Lincoln County	20,025	0.9%	195,158	0.3%		195,158
Sandoval County	157,757	7.4%	8,485,738	11.0%	8,287,497	198,241
Totals CD 1	849,529	39.9%	38,970,350	50.3%	38,576,952	393,399
Congressional District 2						
Bernalillo County	671,747	31.5%	5,301,958	6.8%	5,301,958	0
Cibola County	26,686	1.3%	773,209	1.0%		773,209
Doña Ana County	229,366	10.8%	6,259,843	8.1%	5,250,572	1,009,271
Grant County	27,541	1.3%	169,183	0.2%		169,183
Hidalgo County	3,966	0.2%	27,952	0.0%		27,952
Lea County	75,151	3.5%	272,216	0.4%		272,216
Luna County	25,878	1.2%	295,079	0.4%		295,079
Sierra County	11,389	0.5%	119,443	0.2%		119,443
Valencia County	80,813	3.8%	112,770	0.1%		112,770
Totals CD 2	1,152,537	54.1%	13,331,654	17.2%	10,552,530	2,779,124
Congressional District 3						
Chaves County	63,697	3.0%	617,426	0.8%		617,426
Curry County	47,156	2.2%	73,125	0.1%		73,125
Eddy County	61,436	2.9%	1,816,620	2.3%		1,816,620
Lea County	75,151	3.5%	489,263	0.6%		489,263
McKinley County	68,945	3.2%	1,077,064	1.4%		1,077,064
Rio Arriba County	39,955	1.9%	264,611	0.3%		264,611
Roosevelt County	18,713	0.9%	122,604	0.2%		122,604
San Juan County	120,817	5.7%	1,296,734	1.7%		1,296,734
San Miguel County	26,428	1.2%	327,285	0.4%		327,285
Santa Fe County	157,765	7.4%	19,092,961	24.6%	19,092,961	0
Totals CD 3	680,063	32%	25,177,693	32.5%	19,092,961	6,084,732
Total New Mexico	2,130,256	100%	77,479,697	100%	68,222,443	9,257,254

*Only counties receiving 4% LIHTC awards are listed; therefore, county population totals do not add up to New Mexico population total. Further, Bernalillo, Eddy, Lea and Sandoval county populations have constituents in two districts, which may make those district populations artificially high.

**Urban Areas include Bernalillo County and the Cities of Rio Rancho, Las Cruces, and Santa Fe

Tab 19

Commonly Used Housing and Finance Acronyms

2MP	Second Modification Program
ACC	Annual Contributions Contract
ACED	Area of Chronic Economic Distress
ACF	Albuquerque Community Foundation
AFFH	Affirmatively Furthering Fair Housing
AFHMP	Affirmative Fair Housing Marketing Plan
AGMI	Area Gross Median Income
AHA	Affordable Housing Act or Albuquerque Housing Authority
AHIC	Affordable Housing Investors Council
AHP	Affordable Housing Program
AIDA	All Indian Business Development Program
AIPC	All Indian Pueblo Council
AIPHA	All Indian Pueblo Housing Authority
AMI	Area Median Income
AMT	Alternative Minimum Tax
ANA	Administration for Native Americans
ARC	Allocation Review Committee
ARM	Adjustable Rate Mortgage
ARP or ARPA	American Rescue Plan (Act)
ARRA	American Recovery and Reinvestment Act
ARPA-SLFRF	American Rescue Plan Act-State and Local Fiscal Recovery Funds
ASDN	Area(s) of Statistically Demonstrated Need
BA	Budget Authority
BABA	Build America, Buy America
BBER	Bureau of Business and Economic Research (University of New Mexico)
BHC	Behavioral Health Collaborative
BIA	Bureau of Indian Affairs
BIL	Biartisan Infrastructure Law
BMA	Bond Market Association
BoS	Balance of State
BPRC	Business Plan Review Committee
CA	Contract Administration
CAA	Community Action Agency
CAIVRS	Credit Alert Interactive Voice Response System (HUD Credit Alert System)
CAPER	Consolidated Annual Performance and Evaluation Report
CARES	Coronavirus, Aid, Relief, and Economic Security
CBO	Community-Based Organization

CDBG	Community Development Block Grant
CDBG-CV	Community Development Block Grant – Coronavirus
CDBG – DR	Community Development Block Grant – Disaster Relief
CDC	Certified Development Company
CDC	Certified Development Community
CDC	Community Development Council
CDCU	Community Development Credit Union
CDD	Community Development Department
CDFI	Community Development Financial Institution
CDRLF	Community Development Revolving Loan Fund
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CFPB	Consumer Financial Protection Bureau
CHDO	Community Housing Development Organization
CHO	Chief Housing Officer
CIP	Community Investment Program
CLO	Chief Lending Officer
CLT	Community Land Trust
CLTV	Combined Loan to Value-
CMF	Capital Magnet Fund
CNA	Capital Needs Assessment
COB	Convertible Option Bond
COC	Continuum of Care
COG	Council of Governments
COI	Costs of Issuance
COL	Contract Loan Program
CPF	Community Project Funding
CRA	Community Reinvestment Act
CRF	Cares Act Relief Funds
CRF	Coronavirus Relief Funds
CSBG	Community Services Block Grant
CSLFRF	Coronavirus State and Local Fiscal Recovery Funds
DDA	Difficult Development Area
DFA	New Mexico Department of Finance and Administration
DOE	Department of Energy
DOJ	Department of Justice
DOT	Department of Transportation
DPA	Down Payment Assistance
DSC or DSCR	Debt Service Coverage Ratio

DTI	Debt to Income Ratio
ECM	Energy Saving Measure
ECOA	Equal Credit Opportunity Act
EDA	Economic Development Administration
EHAP	Emergency Homelessness Assistance Program
EIV	Enterprise Income Verification
ELCDC	Enchantment Land Certified Development Company
eLOCCS	Line of Credit Control System
EOW	Energy Out West
ESG	Emergency Solutions Grant
ERA	Emergency Rental Assistance (Program)
ERHA	Eastern Regional Housing Authority
ETF	Early Termination Fee
Exchange	Housing Credit Exchange Program
FAMC	Federal Agriculture Mortgage Corporation
FCL	Foreclosure
FDIC	Federal Deposit Insurance Corporation
FEMA	Federal Emergency Management Agency
FHA	Federal Housing Administration or Fair Housing Act
FHEO	Office of Fair Housing and Equal Opportunity
FHFA	Federal Housing Finance Agency
FHFB	Federal Housing Finance Board
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation (Freddie Mac)
FICA	Federal Insurance Contribution Act
FICO	Fair Isaac and Company (credit score)
FMHCSS	Federal Manufactured Home Construction and Safety Standards
FMR	Fair Market Rents
FNMA	Federal National Mortgage Association (Fannie Mae)
FPDP	Foreclosure Prevention and Defense Program
FRF	Fiscal Recovery Funds
FSA	Financial Security Assurance
FSA	Farm Service Agency
GAAR	Greater Albuquerque Association of REALTORS
GAHP	Greater Albuquerque Housing Partnership (now Sol Housing)
GNMA	Government National Mortgage Association (Ginnie Mae)
GO	General Obligation
GP	General Partner
GSE	Government Sponsored Enterprise
GUS	Guaranteed Underwriting System

HA	Housing Authority
HAF	Homeowner Assistance Fund
HAFA	Home Affordable Foreclosure Alternatives
HAMP	Home Affordable Modification Program
HAP	Homeownership Assistance Fund
HAP	Housing Assistance Payments
HC	Housing Credit
HCA	Housing Credit Agency
HD or HDD	Housing Development Department
HECM	Home Equity Conversion Mortgage (HUD Reverse Mortgage)
HELOC	Home Equity Line of Credit
HERA	Housing and Economic Recovery Act
HFA	Housing Finance Agency
HHF	Hardest-Hit Fund
HIP	Home Improvement Program
HMA	Heath Management Alliance
HMDA	Home Mortgage Disclosure Act
HMIS	Homeless Management Information System
HNM MFA	Housing New Mexico Mortgage Finance Authority
HOEPA	Home Ownership and Equity Protection Act
HOME	HOME Investment Partnerships Program
HOME-ARP	HOME Investment Partnerships Program – American Rescue Plan
HOPE	Homeownership Opportunities for People Everywhere
HOPWA	Housing Opportunities for Persons with AIDS
HOTMA	Housing Opportunity Through Modernization Act
HRSA	Health Resources and Services Administration
HTF	Housing Trust Fund (national when federal, state when used by MFA)
HUD	US Department of Housing and Urban Development
IDIS	Integrated Disbursement and Information Service
IHA	Indian Housing Authority
IJA	Infrastructure Investment and Jobs Act
IMAX	Integrated Multifamily Access eXchange
IRA	Inflation Reduction Act
iREMS	Integrated Real Estate Management System
IREM	Institute of Real Estate Management
IRS	Internal Revenue Service
JTPA	Job Training and Partnership Act
LCP	Landlord Collaboration Program
LDC	Local Development Corporation
LEP	Landlord Engagement Program

LFC	Legislative Finance Committee
LGIP	Local Government Investment Pool
LIHEAP	Low Income Home Energy Assistance Program
LIHTC	Low Income Housing Tax Credit Program
LLC	Limited Liability Company
LLP	Limited Liability Partnership
LOC	Letter of Credit
LOC	Legislative Oversight Committee
LP	Limited Partner
LTTF	Land Title Trust Fund
LTV	Loan-to-Value Ratio
LURA	Land Use Restriction Agreement
MBE	Minority-Owned Business Enterprise
MBS	Mortgage Backed Securities
MCC	Mortgage Credit Certificate
MF	Multifamily
MFA	Mortgage Finance Authority
MFA	Multi-Factor Authentication
MH	Manufactured Housing
MHEA	Manufactured Home Energy Audit.
MIF	Mortgage Insurance Fund
MIP	Mortgage Insurance Premium
MMCR	Multi-Merged Credit Report
MO	Mortgage Operations
MOR	Management and Occupancy Review
MOU	Memorandum of Understanding
MPC	Mortgage Participation Certificate
MRB	Mortgage Revenue Bond
MSA	Metropolitan Statistical Area
MSR	Mortgage Servicing Rights
NAHASDA	Native American Housing & Self Determination Act of 1996
NAHRO	National Association of Housing and Redevelopment Officials
NAIHC	National American Indian Housing Council
NAIOP	National Association of Industrial and Office Properties
NASCSP	National Association for State Community Services Programs
NCAIED	National Center for American Indian Enterprise Development
NCSHA	National Council of State Housing Agencies
NCSHB	National Conference of State Housing Boards
NCUA	National Credit Union Administration
NDC	National Development Council (now Grow America)

NEAT	National Energy Audit Tool
NFIP	National Flood Insurance Program
NFMC	NeighborWorks Foreclosure Mitigation Counseling
NHS	Neighborhood Housing Services Enterprise
NHTF	National Housing Trust Fund
NIBP	New Issue Bond Program
NMAHCT	New Mexico Affordable Housing Charitable Trust
NMAR	New Mexico Association of REALTORS (replaces RANM)
NMCDLF	New Mexico Community Development Loan Fund
NMCEH	New Mexico Coalition to End Homelessness
NMCF	New Mexico Community Foundation
NME\$	New Mexico Energy\$mart
NMGC	New Mexico Gas Company
NMHTF	New Mexico Housing Trust Fund
NMSBDC	New Mexico Small Business Development Center
NOFA	Notice of Funding Availability
NOO	Notice of Obligation
NPL	Non-Performing Loan
NRC	Neighborhood Reinvestment Corporation
NRHA	Northern Regional Housing Authority
NSP	Neighborhood Stabilization Program
NSPIRE	National Standards for the Physical Inspections of Real Estate
OCAF	Operating Cost Adjustment Factor
OIG	Office of Inspector General
OMB	Office of Management and Budget
ONAP	Office of Native American Programs (HUD)
OPA	Original Principal Amount
PAB	Private Activity Bond
PAE	Participating Administrative Entity
PSH	Permanent Supportive Housing
PASS	Physical Assessment Subsystem
PBCA	Project-Based Contract Administrator
PBRA	Project-Based Rental Assistance
PHA	Public Housing Authority
PHP	Permanent Housing Placement
PIS	Placed in Service
PITI	Principal, Interest, Taxes, and Insurance
PJ	Participating Jurisdiction
PMA	Primary Market Area
PMI	Private Mortgage Insurance

PNA	Physical Needs Assessment
PNM	Public Service Company of New Mexico
POA	Period of Affordability
POA	Power of Attorney
(P)OS	(Preliminary) Official Statement
PRIMERO	Primero Loan Fund
PRLF	Preservation Revolving Loan Fund
PSH	Permanent Supportive Housing
PUD	Planned Unit Development
QAP	Qualified Allocation Plan
QC	Quality Control
QC	Qualified Contract
QCT	Qualified Census Tract
R2R	Rehab to Rental
RD	Rural Development
RDIC	Rural Development Investment Council
REMIC	Real Estate Mortgage Investment Conduit
REO	Real Estate Owned
RFP	Request for Proposals
RESPA	Real Estate Settlement Procedures Act
RFQ	Request for Qualifications
RFQ	Request for Quotes
RHA	Regional Housing Authority
RHED	Rural Housing and Economic Development
RHP	Recovery Housing Program
RHS	Rural Housing Service
RLF	Revolving Loan Fund
RMCR	Residential Mortgage Credit Report
ROC	Restoring Our Communities
RR/HP	Emergency Solutions Grant Rapid Rehousing/Homeless Prevention
RS	Risk Share or Risk Sharing Loan
RTC	Resolution Trust Corporation
RUSH	Rapid Unsheltered Survivor Housing (ESG)
S+C	Shelter Plus Care
SAIL	State Apartment Incentive Loan Program
SBA	Small Business Administration
SBI	Small Business Institute
SBIC	Small Business Investment Company
SBOF	State Board of Finance
SCRA	Servicemembers Civil Relief Act

SDDA	Small Difficult Development Area
SF	Single Family
SFHA	Special Flood Hazard Area
SFHGLP	Single Family Housing Guaranteed Loan Program
SHA	State Homeless Assistance
SHOP	Self-Help Homeownership Opportunity Program
SHP	Supportive Housing Program
SHPO	State Historic Preservation Office
SIC	State Investment Council
SIR	Savings to Investment Ratio
SL FRF	State and Local Fiscal Recovery Funds
SLIP	Statewide Landlord Incentive Program
SMA	Secondary Market Area
SRO	Single Room Occupancy
SRP	Service Release Premium
SSBIC	Specialized Small Business Investment Corporation
STRMU	Short Term Rent, Mortgage and Utilities
T&TA	Training and Technical Assistance
TANF	Temporary Assistance for Needy Families
TBA	"To Be Announced" (forward commitment of mortgage loan)
TBRA	Tenant Based Rental Assistance
TCAP	Tax Credit Assistance Program
TCEP	Tax Credit Exchange Program
TCLP	Temporary Credit and Liquidity Program
TDC	Total Development Cost
TDD	Telecommunications Device for the Deaf
TEFRA	Tax Equity and Fiscal Responsibility Act
TIC	Tenant Income Certification
TIF	Tax-Increment Financing
TOHILA	Title I Home Improvement Lenders Association
TPO	Third Party Originator
TRACS	Tenant Rental Assistance Certification System
UA	Utility Allowance
UPB	Unpaid Principal Balance
UPCS	Uniform Physical Conditions Standards
URLA	Uniform Residential Loan Application
URAR	Universal Residential Appraisal Report
USDA	US Department of Agriculture
VA	Department of Veterans Affairs
VAFF	Veterans Affairs Funding Fee

VASH	Veterans Affairs Supportive Housing
VAWA	Violence Against Women Act
VHRMP	Veteran Housing Rehabilitation and Modification Pilot Program
VRDO	Variable Rate Demand Option
WAP	Weatherization Assistance Program
WBE	Woman-Owned Business Enterprise
WRHA	Western Regional Housing Authority
YDHP	Youth Development Homeless Program
YHDP	Youth Homelessness Demonstration Project
ZIHP	Zero Interest Homebuilder Program

APPENDIX K: GLOSSARY OF TERMS

This glossary contains key words and phrases frequently used in connection with the financing of housing by state and local housing and finance agencies. While most terms relate directly to bond financing, others are also used in mortgage financing and real estate development. If a definition varies between these disciplines, the given definition applies to bond financing.

A

Affordable Housing Program: This is a program offered through the Federal Home Loan Bank System which subsidizes the interest rate on loans and provides direct subsidies to Bank System member institutions that lend for long-term, very-low-, low-, and moderate-income, owner-occupied and affordable rental housing. The program is designed to encourage creative efforts in increasing affordable housing.*

Agency Buydown: An upfront agency payment, which reduces the monthly principal and interest payments on a loan by reducing the initial interest rate. By buying down a loan, an agency subsidizes the homeowner during the buydown period.

Agency Contribution: Upfront dollar transfer of agency unrestricted funds to a new bond issue to help pay the issuance costs. The agency thereby reduces the amount of non-asset bonds, making the potentially negative effect of partial non-origination of mortgages less of a credit problem.

Amortization: The reduction in the outstanding principal amount of a loan achieved as the result of repayment of principal.

Arbitrage (or Program's Gross Spread): The yield differential between the bond and, in the case of Mortgage Revenue Bonds, the mortgage contract rate. Costs which must be paid from this spread typically include: the underwriter's discount; bond counsel fees; other costs of issuance; and mortgage origination, servicing, and related fees. Arbitrage limitations on tax-exempt bonds are established by the Internal Revenue Service.

ARM (Adjustable-Rate Mortgage or Variable-Rate Mortgage): A mortgage on which the interest rate is adjusted on a periodic basis in reference to an accepted index of market interest rates, such as the 12-month U.S. Treasury borrowing rate. ARMs usually include limits, or caps, on the size of the interest rate adjustments, such as 1 percent a year and 5 percent overall.

B

Basis Point: Yields on municipal securities are usually quoted in increments of basis points. One basis point is equal to .01 or 1/100th of 1 percent.

Basis Price: The price of a security expressed in yield or percentage return on the investment.

Bearer Bond: A bond that has no identification as to owner and therefore is presumed to be owned by the person who holds it (the bearer). Bearer bonds are freely and easily

negotiable since ownership can be quickly transferred from seller to buyer. Bearer bonds are no longer permitted for new issues of tax-exempt bonds.

“Blue Sky” Laws: State laws enacted to protect the public against securities fraud.

Bond: An interest-bearing promise to pay a specified sum of money—the principal amount—which is due on a specific date and secured by specified sources of revenue.

Bond Anticipation Notes (BANs): Short-term securities issued by states and municipalities to obtain interim financing for projects, which will eventually be funded long-term through the sale of a bond issue.

Bond Counsel: Legal counsel responsible for determining that all applicable local, state, and federal laws, regulations, and procedures are met in the issuance of a bond.

Bond Insurance: Guarantee of timely principal and interest payments to bondholders in the event of issuer default.

Bond Rate: The interest rate which is stated on the bond and payable to the bondholders periodically.

Bond Traders: Investment bank and commercial bank employees who engage in the purchase and sale of bonds after they are first sold (a secondary market).

Bond Yield: The overall interest cost percentage for a series of bonds.

Broker: A securities firm or department of a commercial bank which engages in the underwriting, trading, and sales of municipal securities for the account of another.

C

Call Provisions: The terms under which bonds are redeemable by the issuer prior to the specified maturity date at a stated price (which often is above par).

Canadian Interest Cost (CIC): A method of calculating total cost for new issues of municipal securities that takes into consideration the time value of money.

Cash Flow: For bonds which finance mortgage loans, the sum of mortgage repayments and prepayments, plus other revenues available to make debt service payments on the bonds and to pay related fiduciary and servicing costs.

Capped Adjustable Mortgage: An adjustable-rate mortgage which has a limit on the size of the annual and/or total increase in the interest rate.

Capital Appreciation/Accumulator Bonds (CABs): Bonds which pay interest on an accumulated basis at maturity. Unlike zero coupon bonds, the par amount of CABs does not reflect future interest payments.

Capital (Debt Service) Reserve Fund: A security requirement established to provide a revenue bond program with reserves which would be available in the event of a shortfall in operating revenues. The requirement is normally set in terms of maximum annual debt

service but is sometimes calculated as a fixed percentage of the principal amount of outstanding debt.

CHAS (Comprehensive Housing Affordability Strategy): An analysis of housing needs and strategies which is required of states and local governments to receive HUD program funds or assistance.

Coinsurance: Mortgage insurance in which the loan originator agrees to insure part of the mortgage in return for part of the premium. A stop-loss provision with respect to a pool of mortgage is usually involved. The term is often used in a less generic sense to refer to a now-terminated Federal Housing Administration (FHA) multifamily program.

Collateralized Mortgage Obligations (CMOs): A security backed by a pool of mortgages or mortgage pass-through certificates. CMOs are issued with varying classes (tranches), all of which receive interest payments semi-annually from monthly interest payments on the mortgages in the pool. Principal payments on the mortgages in the pool are applied to the CMOs of the shortest tranche until retirement, next to the CMOs of the next shortest tranche, and so forth until all of the CMOs backed by the pool have been paid off.

Community Development Block Grants (CDBG): Programs administered by HUD to aid community and economic development, mostly to benefit activities serving low and moderate income persons. Three types of CDBGs:

CDBGs (Entitlement): Grants to entitlement communities, for a wide range of community development programs for neighborhood revitalization, economic development and improved community facilities and services. These communities develop their own programs in consultation with local residents.

CDBGs (Non-Entitlement) For States And Small Cities: Grants to non-entitlement communities, for similar programs.

CDBGs (Section 108 Loan Guarantee): These are loan guarantees that offer eligible communities financing for housing rehabilitation, economic development and large-scale physical development projects.

Community Housing Development Organizations (CHDOs): Community-based nonprofit entities for which a portion of HOME funds must be set aside.

Community Investment Program: This is a program offered through the Federal Home Loan Bank System which provides funds for community-oriented mortgage lending. Under the program, each Bank also designates a community investment officer to implement the Banks' community lending and affordable housing advance programs.

Competitive Bids: A sale of municipal securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities. This contrasts with negotiated underwriting.

Compliance Monitoring: The process of determining whether program requirements continue to be met. For example, the Low Income Housing Tax Credit program has specific compliance monitoring requirements.

CBO (Congressional Budget Office): The major budgetary analysis organization for Congress.

CRS (Congressional Research Service): The research arm of the Congress.

CDI (the Continuing Disclosure Information (Pilot)): This is the Municipal Securities Rulemaking Board's (MSRB's) effort to collect continuing financial information regarding municipal bond issues.

Convertible Option Bonds (COBs): Bonds initially issued at a short-term interest rate which may be converted later at the option of the issuer to a long-term fixed-rate bond.

Costs of Issuance: All expenses related to the authorization, sale, and issuance of bonds.

Coupon: The stated interest rate on a bond, usually paid semi-annually. For bearer bonds, "coupons" specifying the date and amount of each interest payment are attached to the bond. To receive an interest payment, the bondholder detaches and presents the coupon for payment.

Credit Enhancement: Security devices such as letters of credit, moral obligation pledge, or bond insurance which are obtained for a bond issue to enhance the marketability of the bonds (to improve ratings/lower interest costs).

Current Yield: The ratio of the interest rate to the actual market price of a bond, stated as a percentage. For example, a bond selling for \$1,000 that pays \$80 per year in interest has a current yield of 8 percent.

D

Dealer: A securities firm or department of a commercial bank which engages in the underwriting, trading, and sales of municipal securities for its own account.

Debt Limit: The statutory or constitutional maximum debt which an issuer can legally incur.

Debt Service: The payments required for interest on and repayment of the principal amount of debt.

Default: Failure to pay principal or interest when due. Non-monetary default is a violation of the terms and conditions of a mortgage or a bond issue.

Delinquency Experience: The level of loans with overdue payments, expressed as a percentage of the total portfolio of loans.

Denomination: The face amount or par value of a security which the issuer promises to pay on the maturity date. Most municipal bonds are issued in minimum denominations of \$5,000, although a few are available in \$1,000 denominations. Notes are generally available in \$25,000 minimum denominations.

Discount: The amount by which the purchase price of a security is less than the principal amount or par value.

Disposition Demonstration Program: Also known as "dispo/demo," this is a demonstration program under which HUD enters into agreements with HFAs to dispose

of some of the properties that HUD owns as a result of foreclosures in HUD-insured mortgages.

Dollar Bond: A bond which is quoted and traded in dollar prices rather than in terms of yield.

Double Barreled Bond: A bond secured by the pledge of two or more sources of repayment, such as the unlimited taxing power of the issuer as well as the revenues generated by a particular user charge.

Double Exemption: Securities on which the interest is exempt from taxation imposed by two levels of government, such as exemption from state and federal income taxes.

E

Equity Sharing (or Shared Appreciation Mortgage): A mortgage in which the borrower makes payments at an interest rate below the prevailing market rate. In return for accepting the lower rate, the lender (or holder of the mortgage) receives the right to a predetermined share of any future appreciation in the value of the property.

F

Face Amount: The par value (e.g., principal or maturity value) of a security shown on the face of the instrument.

Fair market rents (FMRs): Established by HUD to determine how much rent HUD will subsidize when it assists low income renters under its rental assistance programs. HUD determines the FMR by calculating the 45th percentile rent for an area, i.e., the rent level below which 45 percent of the units should rent.

FDIC (Federal Deposit Insurance Corporation): An instrumentality of the federal government which insures the deposits of member institutions.

FHA (Federal Housing Administration): A federal agency within HUD which insures mortgages on both single family and multifamily loans, usually with high loan-to-value ratios.

FHFB (Federal Housing Finance Board): The governing body of the Federal Home Loan Bank System.

FHLB (Federal Home Loan Bank): One of the 12 federally-chartered regional banks of the Federal Home Loan Bank System. A bank's primary function is to supply credit to members, principally savings and loan institutions.

FHLMC (Federal Home Loan Mortgage Corporation, or "Freddie Mac"): A government-sponsored enterprise which is authorized to buy and to package for sale (usually in the form of mortgage-backed securities) conventional, FHA, and VA loans and participating interests in blocks of such loans.

Financial Advisor: A consultant to an issuer of municipal securities who provides the issuer with advice with respect to the structure, timing, terms, or related matters concerning a new issue of securities.

First-Time Homebuyer: For purposes of the MRB and MCC programs, a mortgagor who has not held an ownership interest in a principal residence at any time during the three-year period which ends on the date on which the qualified MRB loan or MCC-assisted loan is executed or assumed.

FNMA (Federal National Mortgage Association, or "Fannie Mae"): A government-sponsored enterprise which is authorized to buy and to package for sale (usually in the form of mortgage-backed securities) conventional, FHA, and VA loans and participating interests in blocks of such loans.

Foreclosure: A procedure in which property pledged as security for a debt is sold to repay the debt in the event of a default in payments or terms.

G

General Obligation Bond: A bond which is secured by the pledge of the issuer's full faith and credit and usually also its taxing power.

GNMA (Government National Mortgage Association, or "Ginnie Mae"): A government corporation within HUD which provides full-faith-and-credit-of-the-federal-government guarantees of timely payment on securities backed by FHA and VA loans.

Government-Sponsored Enterprises (GSEs): Federally chartered, privately owned corporations which carry an implicit guarantee of the federal government. Examples are FNMA and FHLMC.

H

HOME Investment Partnerships (HOME) Program: A "housing block grant" program authorized by the National Affordable Housing Act of 1990 which provides federal funds which may be used for ownership or rental housing or tenant-based assistance.

HUD (U.S. Department of Housing and Urban Development): The executive department which administers most federal housing programs.

I

Indenture (Bond Indenture): A written agreement under which debt securities are issued. It sets forth the maturity date, interest rate, call provisions, security, and other factors affecting the bonds.

Industrial Development Bond: A security issued by a state, certain agencies or authorities, a local government, or development corporation to finance the construction or purchase of industrial plants or equipment which will be leased to a private corporation and backed by the credit of the private corporation.

Interest: Compensation paid or to be paid for the use of money. Interest is generally expressed as an annual percentage rate.

Issuer: A state, political subdivision, agency, or authority which borrows money through the sale of bonds or notes.

L

Lead Underwriter: The bond underwriter which “runs the books of the account” for a group of underwriters (syndicate) created to buy and sell a bond issue.

Legal Opinion: An opinion concerning the validity of a securities issue with respect to statutory authority, constitutionality, procedural conformity, and usually the exemption of interest from federal income taxes. The legal opinion is usually rendered by a law firm recognized as specializing in public borrowings (often referred to as bond counsel).

Lendable Proceeds: Bond proceeds available for direct loans, mortgage purchases, or loans-to-lenders activities.

Letter of Credit (LOC): A direct guarantee provided by a bank which agrees to provide a trustee with the funds necessary to make payments to bondholders. A “standby” LOC provides funds only in the event of a shortfall in other available funds.

Level Payment (Self Amortizing) Mortgage: A level (or fixed) payment mortgage is a standard, fully amortizing mortgage with a fixed term and fixed equal payments to term.

Loans-to-Lenders: A mortgage financing method used by bond issuers in which loans are made to lenders under conditions which set the mortgage contract rate and the borrower eligibility standards under which the funds will be reloaned to the ultimate borrowers..

Loan-to-Value (LTV) Ratio: The ratio of the amount of funds borrowed when financing a property relative to the total sales price. The lower the ratio, the larger the share of owner equity and presumably the less risk involved in making the loan.

Local Authorities: Refers to local housing finance or other municipal agencies which issue tax-exempt bonds.

Low Income: In program eligibility determinations, defined as some percentage (usually 80 percent) of median income.

Low Income Housing Tax Credit (Tax Credit): A credit against ordinary income taxes which is permitted under Section 42 of the Internal Revenue Code for certain investments in low income rental housing.

“Lower Floaters”: Refers to adjustable-rate tender bonds (usually 30-year bonds) which are tied to short-term rates and allow the bondholder to “put” the bonds back to the issuer at the bondholder’s discretion.

M

Major Rehab: Major or substantial rehab refers to residential rehabilitation which involves substantial structural renovation (e.g., of a gutted building), usually to one or more of a building’s systems (e.g., roof, boiler, electrical, etc.). This type of rehab requires major costs to complete.

Marketability: A subjective measure of the ease with which a security can be sold in the secondary market.

Maturity: The date on which the principal amount of a security becomes due and payable.

“McKinney Act” Programs: A series of program enacted by Congress to address the needs of homeless persons and to prevent homelessness.

Median Family Income: The annual gross income above which and below which lie an equal number of family incomes. Income eligibility for subsidized housing programs are often set as a percentage (%) of the area median income.

Median Sales Price: The home price in a defined market area above which and below which lie an equal number of home sales by price for a period of time.

Moderate Income: In program eligibility determinations, often defined as families with gross incomes between 80 and 120 percent of median family income.

Moral Obligation Bond: A type of municipal security which is not backed by the full faith and credit of a state, but for which state law provides that the state will consider replenishing the issue’s debt reserve fund if necessary.

Mortgage Banker: A private company which originates and services mortgage loans which are sold to primary or secondary market institutions.

Mortgage Credit Certificate (MCC): Certificates issued by state and local HFAs to qualified first-time homebuyers which provide federal income Tax Credits equal to a specified percentage of the annual mortgage interest paid. These Tax Credits directly reduce the federal income tax liability of the recipients. The program is an alternative to the issuance of MRBs.

Mortgage Revenue Bond (MRB): A tax-exempt security issued by a state, certain agencies or authorities, or a local government to make or purchase loans (including mortgages or other owner financing) for single family residences.

Multifamily Housing: Usually refers to rental housing in buildings of five or more units.

MSIL (Municipal Securities Information Library): The central repository of information regarding bond issues and continuing disclosure of financial information related to them.*

Municipal Securities Rulemaking Board (MSRB): An independent self-regulatory organization established by the Securities Acts Amendments of 1975 which is charged with primary rulemaking authority over dealers, dealer banks, and brokers in municipal securities.

N

NAHA (National Affordable Housing Act): Legislation that created the HOME Program.

Negative Amortization: In the case of mortgage loans, a payment plan in which the interest payments are insufficient and the shortfall is added to the outstanding loan balance as additional principal. As a result, the total principal amount of the mortgage can become larger than the initial principal amount. A mortgage which allows for negative amortization early in the life of the mortgage usually provides for increased

payments later to assure full payment of the principal and interest by the end of the loan term.

Negative Arbitrage: The result of paying a higher interest rate on bonds than is achieved from the investment of bond proceeds.

Negotiated Sales: Sales in which the issuer chooses one underwriter or group of underwriters to sell its bonds to investors. There is no competitive bid for the issue. Instead, the interest rate and terms of sale are negotiated.

Net Interest Cost (NIC): The traditional method of calculating total cost for new issues of municipal securities which does not consider the time value of money.

Non-Callable Bond: A bond which cannot be redeemed at the option of the issuer before its specified maturity date.

Notes: Short-term instruments which promise to pay specified amounts of money and are secured by specific sources of future revenues, such as taxes, federal and state aid payments, and bond proceeds.

Notice of Sale: An official document disseminated by an issuer of municipal securities which gives pertinent information regarding an upcoming bond issue and invites competitive bids from prospective underwriters.

O

Offering Price: The price at which the members of an underwriting syndicate for a new issue decide to offer the securities for sale to investors.

OTA (Office of Technology Assessment): The research organization of the Congress specializing in technology issues.

OTS (Office of Thrift Supervision): The federal regulatory agency responsible for examination and regulation of federally and state chartered savings institutions.

Official Statement: A document prepared by or for the issuer which provides detailed security and financial information on the bond issue.

Over-the-Counter Market (OTC): A securities market which is conducted among dealers throughout the country through negotiation rather than by using an auction system (as represented by the stock exchanges).

P

Par Value: The stated principal amount of a bond or note due at maturity.

Private Mortgage Insurance (PMI): Private mortgage insurance, usually providing coverage for loans with less than a 20 percent downpayment, up to a 97 percent loan-to-value ratio. PMI companies are regulated by states.

Pool Insurance: Additional security for a single family mortgage loan portfolio. This usually provides coverage equal to 10 percent of the original aggregate loan amount, frequently with a minimum dollar amount of coverage also specified.

Premium: The amount by which the price of a security exceeds its par amount.

Prepay: Used in conjunction with low-income rental units that will become eligible for their owners to pay off the underlying HUD mortgages and convert the units to market-rate housing.*

Prepayment Assumption: A calculated guess of the future performance of a portfolio of single family loans, relative to the incidence of recoveries of principal. The assumption is often expressed as a percentage of the long-term FHA loan performance experience with the rate of recoveries of principal in a particular state or region.

Primary Market (new issue market): Market for new issues of municipal bonds and notes.

Principal: The face amount of a bond, exclusive of accrued interest and payable at maturity.

Public Housing: Low income housing developed, owned, and operated by public housing authorities (PHAs) and financed through the sale of tax-exempt bonds. HUD provides debt service contributions, operation subsidies, modernization funds, and technical assistance to support PHA projects.

PIG: Public interest group.

Put Options: A contract which gives its owner the right to sell a security at a specific price within a defined time period.

Q

Qualified Allocation Plan: A required plan which a state allocating agency must use to allocate Low Income Housing Tax Credits.

R

Ratings: Designations provided by investors' ratings service to securities to indicate their relative credit quality (e.g., Standard and Poor's, Moody's, Fitch).

Recapture: Provision under MRB program by which an MRB borrower who sells his or her house within 10 years of initial purchase must count a certain portion of the profit as taxable income.*

Red Herring: A preliminary prospectus or official statement which does not include the price at which the securities will be offered to the public. It is issued to obtain an indication of the interest in an offering. It gets its name from the statement, printed in red ink on its front cover, which says the document is a preliminary prospectus or official statement.

REMICs (Real Estate Mortgage Investment Conduits): A REMIC is an entity which holds a pool of mortgage loans and issues securities representing interests in those mortgages. This entity enables a pool of mortgages to be split into different ownership interests offering a range of maturities, thereby giving greater choice as to the length of

investment. Income generated by the mortgage pools is taxed not at the entity level but at the investor level.

Refunding: A procedure by which a bond issue is redeemed with funds from a new bond issue under conditions generally more favorable to the issuer. This results in the proceeds of the new bonds (the refunding bonds) being substituted for the proceeds of the old bonds (the refunded bonds), which may or may not be redeemed.

Registered Bond: A bond whose owner is registered with the issuer or its agents, either as to both principal and interest, or as to principal only. Transfer of ownership can be accomplished only when the securities are properly endorsed by the registered owner.

Resolution (Bond Resolution): Formal board action authorizing the issuance of bonds. This is an alternative to indenture.

Revenue Anticipation Notes (also see Tax Anticipation Notes): Securities issued in anticipation of other sources of future revenue, typically a form of federal or state aid.

Revenue Bond: A bond payable solely from net or gross non-tax revenues derived from tolls, charges, or rents paid by the users of a facility constructed with the proceeds of a bond issue.

RFP: Request for Proposals.

RTC (Resolution Trust Corporation): A federal corporation created to sell or liquidate ("resolve") failed savings and loan associations.

Risk-sharing: A concept by which HFAs insure mortgages they issue in partnership with entities such as private insurers or FHA.

Rural Housing Service (formerly Farmers Home Administration): An agency of the federal government which makes, participates in, and insures loans for rural housing and other purposes. FmHA recently was renamed the Rural Housing and Community Development Department.

S

Safe Harbor: "Safe Harbor" refers to Internal Revenue Service (IRS) estimates issued for the MRB and MCC programs which are used to determine purchase price limits for homes eligible to be bought under the programs. The estimates are developed from federal data samples and may be appealed by individual agencies seeking to use their own limits (based on a more accurate, comprehensive, and timely data base than the official limits).

Savings and Loan Association (S&L): A financial institution which takes savings deposits and invests them mainly in mortgage loans. Always a corporation, an S&L may be either a mutual or a capital stock institution and may be either state or federally chartered.

Savings Bank: A financial institution which takes savings deposits and invests them in mortgages and other securities allowed under law.

Savings Institutions: Savings and loans and savings banks which have historically been primary investors in residential mortgage loans.

Secondary Financing: A loan secured by a second mortgage or deed of trust on real property.

Secondary Market: A market for issues previously offered or sold.

Section 8: A rental assistance program administered by HUD under which the federal government pays the difference between what a household can afford to pay for a housing unit and its fair market rent. Eligible tenants pay 30 percent of their income toward rent.

Section 8: Lower Income Rental Assistance Program under which HUD makes up the difference between what a low- and very-low income household can afford and approved rent. Among aspects of Section 8 Program:

Section 8 Moderate Rehabilitation Program: A HUD program under which PHAs administering the program advertise fund availability and select participating landlords based on a competitive process. The landlords agree to rehabilitate the properties to certain standards, and the PHAs set rents based on a number of factors.

Section 8 Rental Certificate Program: HUD contracts with PHAs and IHAs, which issue rental certificates to very low income families. The families may find a suitable home, and assistance payments are made to the property owners. A certificate pays the difference between the recipient's unit's actual rent and 30 percent of the tenant's income. Generally, the rent for the units may not exceed the fair market rent (FMR), which is set at roughly the 45th percentile of local rents.

Section 8 Rental Voucher Program: HUD contracts with local public housing agencies (PHAs) and Indian Housing agencies (IHAs), which issue rental vouchers to very low income families. A voucher pays the difference between a payment standard (similar to the FMR) and 30 percent of the tenant's income. If the actual rent exceeds or is less than the payment standard, the tenant pays the excess or keeps the difference.

Section 10b: This section of the Federal Home Loan Bank Act allows organizations that are not members of the Federal Home Loan Bank ("non-members", such as HFAs) to collect advances from the Federal Home Loan Banks for affordable housing activities. Amendment was enacted in 1992 pursuant to NCSHA advocacy.

Section 203(k): Rehabilitation Mortgage Insurance. Mortgage insurance program for one-to-four-family properties under which HUD insures loans to finance: rehabilitation of an existing property; purchase and rehabilitation of a property; or rehabilitation and refinancing of the outstanding indebtedness of a property.

Section 221(d)(3) and (4): Multifamily Rental Housing for Moderate Income Families. Mortgage insurance programs administered by HUD to finance rental or cooperative multifamily housing for moderate-income households, including housing for the elderly and Single Room Occupancy (SRO) housing. The primary distinction between the two programs is that HUD may insure full replacement cost under 221(d)(3) for public

nonprofit and cooperative mortgagors, but only up to 90 percent under Section 221(d)(4), regardless of the type of mortgagor.

Section 223(f): A federal mortgage insurance program administered by FHA for refinancing existing apartment buildings.

Section 515: Program administered by the Farmers Home Administration (FmHA) under which FmHA provides direct loans to private and public sponsors for the construction, acquisition, rehabilitation, and operation of multifamily rental projects for low and moderate income families in rural areas.*

Section 811: Supportive Housing for Persons with Disabilities. Program administered by HUD under which capital advances are made to eligible nonprofit sponsors to finance the development of rental housing with supportive services for disabled persons.

Section 142 of the Internal Revenue Code: Tax law establishing and defining exempt facility bond programs (multifamily housing bonds).

SEC (Securities and Exchange Commission): The agency that administers federal securities laws.

Serial Bonds: Bonds issued with serial maturity dates and commensurate interest rates.

Servicing: The collection of payments on a mortgage. Servicing also consists of operational procedures covering accounting, bookkeeping, insurance, tax records, loan payment follow-up, delinquent loan follow-up, and loan analysis.

Single Family: Usually refers to one-to-four unit owner-occupied family housing.

Sinking Fund: A fund accumulated by an issuer over a period of time which is designated for use to retire debt, either periodically or all at one time.

Special Tax Bond: A bond secured by a special tax, such as a gasoline tax.

Spread: In bond underwriting, the difference between the price received for a security by the issuer and the price paid by the investor.

Swap: A transaction in which an investor sells one security and simultaneously buys another with the proceeds, usually for about the same price. The term is also used to refer to an interest rate swap, in which an obligor on fixed-rate debt agrees to exchange repayment responsibilities with an obligor on a similar amount of variable-rate debt for a stated period.

Syndicate: A group of investment bankers and commercial banks which buy (underwrite) a new issue from the issuer and offer it for resale to the general public.

T

Take-Down: (Sometimes referred to as take-down concession). The discount from the list price allowed to a member of an underwriting account on any bonds it sells.

Targeted Area: An area of chronic economic distress or an area with a high percentage of low income families entitled to special treatment (e.g., higher purchase price limits) under the MRB and MCC programs.

Tax Anticipation Notes (TANs): Notes issued by states or municipalities to finance current operations in anticipation of future tax receipts.

Tender Bond: A bond which gives the investor the option to tender or "put" the bond to the issuer at par on a specified date. A premium is paid for a tender bond because the put option affords protection against the erosion of principal during periods of rising interest rates.

Term Bond: A bond that has a single stated maturity date.

TEFRA Hearing: A public hearing required prior to the issuance of certain kinds of tax-exempt bonds. The hearing allows persons to express their views on both the issuance of the bonds and the location of the proposed facility.

Total Bond Indebtedness: The amount of total general obligation debt issued by a municipality, regardless of the purposes of the debt.

Triple Exemption: Securities on which the interest is exempt from federal, state, and local income taxes.

True Interest Cost (TIC): A method of calculating bids for new issues of municipal securities which accounts for the time value of money.

Trustee: A bank designated by the issuer as the custodian of funds and the official representative of the bondholders. Trustees are appointed to ensure compliance with the contract and to represent bondholders to enforce their contract with the issuer.

U

Underwrite: To purchase a bond or note issue from the issuing body for the purpose of reselling the securities to the general public.

Unlimited Tax Bond: A bond secured by the pledge of taxes which is not limited by rate or amount.

V

VA (U.S. Department of Veterans Administration, formerly the Veterans Administration): A federal agency responsible for administering veterans benefits programs, including the provision of federal guarantees for home loans for veterans.

Y

Yield: The dividends or interest paid on a particular security, expressed as a percentage of the current price or cost price or as related to the maturity of a bond.

Yield-to-Call: The hypothetical return which is projected to be earned on a bond, assuming that the issuer calls it on the first date permitted.

Yield-to-Maturity: The hypothetical return which is projected to be earned on a bond, assuming that the bond is held to maturity.

Z

Zoning: The designation by a city or county authorities of the eligible uses of property or eligible kind of activities in a specific geographic area.

Zero Coupon Bonds: Bonds which sell for less than their face amount because no interest is paid until maturity. The face amount represents the full amount of principal and accumulated interest (with effects of compounding) at maturity (also see Capital Appreciation/Accumulator Bonds).