New Mexico Mortgage Finance Authority

Legislative Oversight Meeting

September 26, 2024





Capital Markets



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MFA's Single Family Mortgage Program Bonds – Highlights

- Tax-exempt bond proceeds are used to make below market rate mortgages to first time home buyers (with income and purchase price limits set by the IRS).
- MFA doesn't take real estate risk. Timely loan repayments are guaranteed by FNMA or GNMA (regardless of borrower delinquency).
- Repayments of the loans repay the bonds. Spread between net mortgage and bond rates is an annuity for MFA.
- With GNMA/FNMA as revenue source, bonds are rated Aaa (Moody's).
- There are 43 series of bonds outstanding all fixed rate debt (no variable).
- MFA started issuing taxable bonds in 2024 (to stretch volume cap).
- \$150mm 2024 Series EF closed August 2024: MFA's largest bond issuance

NEW ISSUE - BOOK-ENTRY ONLY

Rating for Offered Bonds: Moody's: "Aaa" (See "RATING" herein)

This Official Statement has been prepared on behalf of the New Mexico Mortgage Finance Authority to provide information on the Offered Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Offered Bonds, a prospective investor should read this Official Statement in its entirety. Unless indicated, capitalized terms used on this cover page have the meanings given in this Official Statement.

1	NEW MEXICO MORTGAGE FINANCE AUTHORITY \$150,000,000 Single Family Mortgage Program Class I Bonds		
MFA Housing New Mexico	\$105,000,000 2024 Series E (Tax-Exempt) (Non-AMT)	\$45,000,000 2024 Series F (Federally Taxable)	
Dated: Date of Delive	ry	Due:	

Purpose of the Offered

Tax Matters

Redemption

Security

Interes Interes

Denom Deliver

Bond C Under Counse Trustee

Book-E

Due: As shown on inside cover

The proceeds of the Offered Bonds, together with any moneys made available upon the issuance of the Offered Bonds

Bonds and other available funds, will be made available for use by the Trustee, on behalf of the Authority, to (a) purchase: (i) mortgage loan pass through certificates guaranteed as to timely payment of principal and interest by GNMA, (ii) mortgage loan pass through certificates issued and guaranteed as to timely payment of principal and interest by Fannie Mae and/or (iii) mortgage loan pass through certificates issued and guaranteed as to timely payment of principal and interest by Freddie Mac, (b) make deposits to certain funds and accounts under the Indenture and (c) pay certain costs of issuing the Offered Bonds. See "FINANCING PLAN" herein.

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the 2024 Series E Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the 2024 Series E Bonds may affect the federal alternative minimum tax imposed on certain corporations. Interest on the 2024 Series F Bonds is included in gross income for federal income tax purposes. Bond Counsel is also of the opinion that, under existing laws of the State of New Mexico, the Offered Bonds and the income therefrom are free from State taxation except for estate or gift taxes and taxes on transfers. See "TAX MATTERS" herein.

The Offered Bonds are subject to redemption prior to their respective stated maturities at the times, under the conditions, and at the prices set forth herein. See "DESCRIPTION OF THE OFFERED BONDS - Redemption Provisions" herein

The General Indenture provides that Bonds (defined herein) and Auxiliary Obligations (defined herein) be designated a priority class, with Class I being the highest priority and the priority order decreasing as the Roman numerals increase. Bonds and Auxiliary Obligations of each Class issued under the General Indenture are equally and ratably secured by the pledges and covenants contained therein with other Bonds and Auxiliary Obligations of the same Class. The Offered Bonds are being issued as Class I Bonds under the General Indenture. All Bonds issued under the General Indenture to date have been issued as Class I Bonds. The General Indenture, the 2024 Series EF Indenture, and all supplemental indentures, including supplemental indentures providing for the issuance or remarketing of any Bonds, are referred to herein collectively as the "Indenture". The Offered Bonds are special obligations of the Authority, payable solely from and secured solely by the pledge pursuant to the Indenture of the revenues and assets derived from the proceeds of the Bonds, including the Mortgage Certificates and the moneys and securities held in the Funds and Accounts created by the Indenture (other than the Rebate Account and amounts deposited therein). In no event shall the Offered Bonds constitute an obligation or liability (either general or special) of the State of New Mexico or any political subdivision thereof or constitute or give rise to a pecuniary liability of the State of New Mexico or any political subdivision thereof. The Authority has no taxing power and has no power to pledge the general credit or taxing power of the State of New Mexico or any political subdivision thereof. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein. The Offered Bonds are not a debt of the United States of America, or any agency thereof, including GNMA, Fannie Mae or Freddie Mac. The obligations of Fannie Mae and Freddie

	Mac are not backed by the full faith and credit	of the United States of America.
st Payment Dates	March 1 and September 1, and at maturity, con	mmencing March 1, 2025.
st Rates	As set forth on the inside cover hereof.	
ninations	The Offered Bonds will be issued in denomina	tions of \$5,000 each, or any integral multiple thereof.
ry Date	August 20, 2024	
Counsel	Kutak Rock LLP, Omaha, Nebraska	
writers' Counsel	Orrick, Herrington & Sutcliffe LLP, San France	isco, California
el to the Authority	Stelzner, Winter, Warburton, Flores & Dawes,	P.A., Albuquerque, New Mexico
æ	Zions Bancorporation, National Association, I	Denver, Colorado
Entry-Only System	The Depository Trust Company. See "APPEN	DIX F – BOOK ENTRY SYSTEM" attached hereto.
RBC	Capital Markets	Raymond James
		174-

Dated: July 16, 2024





Historical Mortgage Rates

Freddie Mac Primary (Conventional, Conforming 30-Yr Fixed Rate) Mortgage Market Survey Since 1971

After approximately 20 years of low mortgage rates (Fed intervention), rates started increasing in 2022. During the low rate environment, HFAs relied on downpayment assistance to help first-time borrowers.



Source: https://www.freddiemac.com/pmms

Single Family Municipal Housing Bond Volume by Tax Status



- HFA bond issuance on track to surpass the historical high set in 2007
- 40% of the total par amount = taxable (lack of volume cap and to fund non-conforming loans)
- 63% of HFA single family bond issuances contained taxable bonds (first half of 2024)



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Taxable Municipal Bond Volume First Half 2024

- Housing Bonds have comprised 43% of all taxable municipal bond issuance in first half of 2024
 - shortage of private activity volume cap needed to issue tax-exempt mortgage revenue bonds
 - taxable bonds used to find non first-time homebuyer/income/purchase price restricted loans
- MFA started issuing taxable bonds in 2024 (shortage of volume cap)

Sector	Taxable Issuance 2024 YTD (\$000)
Single Family Housing	\$5,508,230
General Obligation	1,132,380
Economic Dev. & Corp.	881,380
Higher Education	863,970
Public Power & Water	637,540
Appropriation	516,920
Healthcare	503,710
Student Loans	428,510
Transportation	356,420
Multi-Family Housing	202,330
All Others	1,886,180
Total	12,917,570











NMMFA Historical Single Family Bond Balances

MFA's bond balance has grown from \$533 million in 2017 to \$1.8 billion as of 6/20/24

- Tax-exempt bonds effective (relative to mortgage rates)
- Increased production levels
- Larger loan sizes (\$106,797 in 2014 vs. \$223,367 in 2024)
- · Slower prepayments of existing loans (less refinancing) during higher rate environment



--- Total Single Family Bonds Outstanding (9/30 each year except 6/30/24)

State HFA DPA Summary



Downpayment assistance is a key driver of production



HFAs' increasing use of DPA products is unlikely to abate



DPA--Down payment assistance. HFA--Housing finance agency. Source: S&P Global Ratings. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

2022

0.0

2017

2022

	Colorado	ldaho	South Dakota	North Dakota	Wyoming	Montana
	chfa.	Idaho Housing and Finance Association		NORTH DAKOTA		MONTANA HOUSING
2023 SF Issuance	\$1,433,000,000	\$600,150,000	\$577,000,000	\$440,000,000	\$233,505,000	\$127,000,000
Aggregate DPA Portfolio	\$399,000,000	\$80,000,000	\$42,267,504	\$23,000,000	\$30,839,758	\$8,223,425
DPA Needed 2024	\$54,432,000	\$20,000,000	\$6,414,282	\$12,000,000	\$10,370,000	\$2,400,000
Avg DPA Per Loan	\$14,536	Varies	\$6,453	\$6,945	\$11,400	\$10,560
Avg Loan Size	\$363,394	\$330,000	\$219,666	\$198,726	\$231,000	\$264,830
DPA Percentage	4.0%	Varies	2.9%	3.5%	4.9%	4.0%
DPA Source	• Bonds • TBA • Reserves	Reserves	Reserves	• Bonds	• Bonds	• Bonds • Reserves

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2017





NMMFA 2024 Series EF Bond Sale (July 16, 2023)

- Tax-Exempt Bond Yield @ 4.34% and Taxable Bond Yield @ 5.60%
- MFA Mortgage Rate 6.25% at time of pricing (currently 5.75%)

Orders and Allotments by Purchaser (\$000):

Series E \$105mm Tax-Exempt

Investor	Order Type	Orders	Allotments
Brown Brothers	Institutional	\$36,400	\$7,300
Whitehaven Asset Mgmt	Institutional	36,400	7,000
Mackay Shields Financial Corp	Institutional	36,400	-
Vanguard	Institutional	36,400	8,500
Seattle Northwest Asset Mgmt	Institutional	36,400	6,500
PNC Bank, N.A.	Institutional	36,400	6,500
Wells Fargo Bank Trust	Institutional	22,100	14,010
Nuveen Advisory Corp	Institutional	17,405	7,805
Standish, Ayer & Wood Inc.	Institutional	15,000	11,500
Edward D. Jones	Institutional	4,385	2,385
Thornburg Investment Mgmt	Institutional	4,000	2,500
Tolleson Private Wealth Mgmt	Institutional	2,740	1,770
Franklin Municipal	Institutional	2,330	700
Gulfstream Partners	Institutional	2,000	750
Hazoor Partners	Institutional	2,000	750
First Tennessee	Institutional	1,000	700
Johnson Bank	Institutional	750	200
Northwestern Mutual Life	Institutional	600	600
Rockefellar And Co	Institutional	365	365
Smith Shellnut Wilson	Institutional	200	100
Total Institutional	76%	\$293,275	\$79,935
Total Retail	19%	\$25,410	\$20,405
Total Member	4%	\$33,670	\$4,660
Grand Total		\$352,355	\$105,000
Data Source: S&P Global Ipreo			

Series F \$45mm Taxable

Investor	Order Type	Orders	Allotments
City of Chicago, Illinois	Institutional	\$21,460	\$8,195
Metlife Investments	Institutional	16,505	6,760
Schroder Investment Mgmt	Institutional	15,600	14,600
Spring Lake Asset Management	Institutional	9,610	3,000
Southern Farm Bureau Life Insurance	Institutional	4,955	1,550
Federated Mutual Insurance Co	Institutional	4,955	1,555
Smith Shellnut Wilson	Institutional	3,875	1,250
Allspring Global Investments	Institutional	3,575	1,575
Enterprise Portfolio Holdings	Institutional	2,500	650
Cherokee Insurance Company	Institutional	2,000	1,000
Belle Haven Investments	Institutional	1,750	1,555
Charles Schwab Investment	Institutional	1,010	985
Savings Bank Life Insurance Co	Institutional	1,000	300
Edward D. Jones	Institutional	735	250
Aon	Institutional	600	350
Wauwatosa Investments	Institutional	570	570
Wise Investments	Institutional	415	340
Hightower Securities	Institutional	395	195
Multi Bank Securities Inc.	Institutional	265	-3
Cypress Capital Partners	Institutional	50	50
Total Institutional	99%	\$91,825	\$44,730
Total Retail	0%	\$0	\$0
Total Member	1%	\$19,270	\$270
Grand Total		\$111,095	\$45,000





\$105mm Series E Tax-Exempt (\$000)

	Institu	tional	Reta	ail	Member	/Inventory	Total	í.
Underwriter	Order	Allotment	Order	Allotment	Order	Allotment	Order	Allotment
Manager								
RBC Capital Markets	\$293,275	\$79,935	\$10,795	\$8,535	-		\$304,070	\$88,470
Raymond James	-	-	4,980	3,485	20,500	-	25,480	3,485
Selling Group	13		_					
D.A. Davidson	, ,,, ,	-	500	500	11,255	2,745	11,755	3,245
Drexel Hamilton	-		1.7		=	-		
Fidelity	-	-	9,085	7,835	1,915	1,915	11,000	9,750
HilltopSecurities	-	-	50	50	-	<u>-</u>	50	50
Jefferies	-	-	-				-	-
Total	293,275	79,935	25,410	20,405	33,670	4,660	352,355	105,000

\$45mm Series F Taxable (\$000)

	Inst	titutional	Retail		Member/Inventory		Total	
Underwriter	Order	Allotment	Order	Allotment	Order	Allotment	Order	Allotment
Manager								
RBC Capital Markets	\$91,725	\$44,630	\$0	\$0	\$270	\$270	\$91,995	\$44,900
Raymond James	100	100	-	-	19,000	-	19,100	100
Total	91,825	44,730	-		19,270	270	111,095	45,000



Who Issued Bonds in New Mexico in 2024 YTD (as of 09/01/2024)

New Mexico Bond I	ssuance 2024 YTD
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Date	Issuer	Par (\$000)
08/06/2024	Fort Sumner Municipal School District No 20	1,945
07/16/2024	New Mexico Mortgage Finance Authority	150,000
06/27/2024	City of Rio Rancho NM	16,000
06/25/2024	City of Albuquerque NM Gross Receipts Tax Revenue	19,835
06/13/2024	Aspire Public Improvement District	7,650
06/11/2024	New Mexico Finance Authority	117,485
06/06/2024	Village of Corrales NM	2,400
05/10/2024	Santa Fe Public School District	28,000
05/09/2024	Santa Fe Public School District	11,000
04/25/2024	Loving Municipal School District No 10	5,980
04/23/2024	Southern Sandoval County Arroyo Flood Control Authority	6,000
04/23/2024	Albuquerque Municipal School District No 12	80,000
04/23/2024	Hobbs School District No 16	9,325
04/18/2024	City of Albuquerque NM	111,850
04/17/2024	New Mexico Finance Authority Public Project Revolving Fund	49,890
04/17/2024	Santa Fe Community College District	13,000
04/16/2024	New Mexico Mortgage Finance Authority	125,000
04/02/2024	City of Sunland Park NM	3,500
03/14/2024	City of Las Cruces NM	6,000
02/28/2024	County of Bernalillo NM	21,115
02/21/2024	Trails Public Improvement District	6,815
02/13/2024	Los Alamos Public School District	20,000
01/24/2024	New Mexico Mortgage Finance Authority	120,000
01/23/2024	Bernalillo Municipal School District No 1	4,155
01/17/2024	Ruidoso Municipal School District No 3	6,000
Total		942,945

Year	Par (\$000)	# of Issues
2024 YTD	942,950	25
2023	1,378,250	33
2022	1,676,320	34
2021	1,966,510	34
2020	1,258,340	39
2019	2,120,830	42
2018	1,674,010	42
2017	1,687,920	42
2016	1,869,000	58
2015	2,027,280	70
2014	2,291,700	68
2013	1,550,430	70