NEW MEXICO FINANCE AUTHORITY

Presentation to NMFA Oversight Committee

Child Care Facility Revolving Loan Fund Update

John Brooks, Chief of Programs
Antoinette Vigil, Managing Director, CED
Sandro Tonini, Senior Finance Manager

NEW MEXICO FINANCE AUTHORITY

NMFA Governance

- **Kathy Keith, *Chair***
- **Martin Suazo, *Vice Chair***
- **AJ Forte, *Secretary***
  Executive Director, New Mexico Municipal League
- **Rob Black**
  Secretary, NM Economic Development Dept
- **Andrew Burke**
- **Teresa Costantinidis**
  Executive Vice President for Finance & Administration
  University of New Mexico
- **Joy Esparsen**
  Executive Director, New Mexico Counties
- **James Kenney**
  Secretary, NM Environment Dept
- **Ronald Lovato**
- **Wayne Propst**
  Secretary, NM Dept of Finance & Administration
- **Erin Taylor**
  Acting Secretary, Energy, Minerals and Natural Resources

- Broad-based public-finance agency created in 1992.
- NMFA's quasi-governmental structure allows it to combine public purpose, statutory authority, capital-market access, financial discipline, and cross-agency partnerships in ways that traditional state agencies, private lenders, and individual local governments cannot do on their own.
- Borrowers rely on NMFA for access to capital, expertise, and continuity. State partners rely on NMFA to turn policy priorities into workable financing tools. Investors rely on NMFA for transparency, predictability, and strong portfolio management.
- 80-employee organization 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
- Overseen by 24-Member NMFA Oversight Committee.

NEW MEXICO FINANCEAUTHORITY

Child Care Facility Revolving Loan Fund

- The Child Care Facility Revolving Loan Fund was created in 2003 by the Child Care Facility Loan Act. The mission of the Act is to increase access to quality child care in New Mexico, particularly in underserved communities.
- In 2023, SB 423 added working capital as a use of the fund. In 2025, SB 175 amended the Act to allow a Contract for Services component and was recapitalized by $12.5 million in 2025. Then, in 2026 the fund received a $10 million appropriation.
- NMFA partners with the NM Early Childhood Education and Care Department (ECECD) on administering this loan program:
  - ECECD determines project eligibility and priority
  - NMFA underwrites loan applications and administers the loan
- Eligibility
  - A privately owned facility, owned and managed by a nonprofit organization, or located on tribal lands and managed by tribal governments
  - A person, entity, or employer either licensed by ECECD to provide child care to infants, toddlers, and children or in receipt of a provisional license from ECECD
  - In good standing with ECECD licensure
  - In compliance with all applicable federal, state, and local laws and regulations
  - Health and safety improvements to a child care facility, including repair, maintenance, expansion, and operation of a facility; or
  - Creation of a new child care facility; or Operating capital to run a child care facility

NEW MEXICO FINANCEAUTHORITY

Child Care Facility Revolving Loan Fund

- **Loan Terms Overview**
  - Uses: Finance acquisition; Facility construction, expansion, equipment financing, renovations, permanent financing for eligible project costs, repairs, and operating capital.
  - Amounts: $100,000–$2.5 million; maximum 20% of fund per loan.
  - Interest Rate: Fixed at 2%; no prepayment penalty.
  - Terms: Capital projects – up to 20 years, with up to two years interest-only. Operating loans – up to 18 months; lines of credit – up to 12 months with renewal.
  - Requirements: Borrower equity, personal guarantees, and collateral. Debt Service Coverage Ratio, Additional Debt.
- **Contract-for-Services Terms**
  - Definition: An agreement between NMFA, ECECD, and a child care borrower to provide a specified number of child care slots for families receiving child care assistance from ECECD as adequate legal consideration for a loan.
  - Purpose: Providers offer designated child care slots for ECECD-assisted families in exchange for loan abatement.
  - Eligibility: Located in a child care desert, offers non-traditional hours, serves at least 50% assistance-eligible children, and increases enrollment by at least 10% for 36 of the first 48 months after project completion.
  - Abatement: 25% of project cost, plus an additional 10% if at least 50% of expanded capacity serves infants and toddlers; capped at $750,000. Operating capital is not eligible.

NEW MEXICO FINANCE AUTHORITY

Outcomes Round ONE

Application Process

Opened September 22, 2025

11 Projects Prioritized

Closed November 3, 2025

Applicant	Status	Loan	Project Location	Proposed Job Creation	Current Kids Served	Children to be Served 0-5	Ages 6+
Turquoise Child Care Development	Funded	$550,000	Tucumcari	3	40	38	12
3-D Enterprises, Inc	Funded	$2,500,000	Los Lunas	33	650	136	40
Creative Kids Childcare Center	Funded	$375,000	Española	3	62	31	0
Bubble Dreams Learning Center	Funded	$364,000	Chapparal	12	14	42	10
La Colmena LLC	Funded	$2,278,029	Sunland Park	26	400	224	80
Fundamentals Early Education	Funded	$525,117	Farmington	———	63	30	0
Future Generations LLC	Approved	$980,000	Clovis	14	168	60	0
Kids Planet II	Approved	$351,000	Alamogordo	———	79	30	0
Happy Face Academy II, LLC	Approved	$211,485	Albuquerque	8	34	28	14
Oceans Montessori Academy	Approved	$150,000	Albuquerque	14	0	56	0
New Mexico Early Academy	Approved	$150,000	Albuquerque	11	160	238	0
Total Funded		**$8,434,631**		**84**	**1670**	**913**	**156**

NEW MEXICO FINANCE AUTHORITY

Update on Round TWO

Opened
September 1, 2026

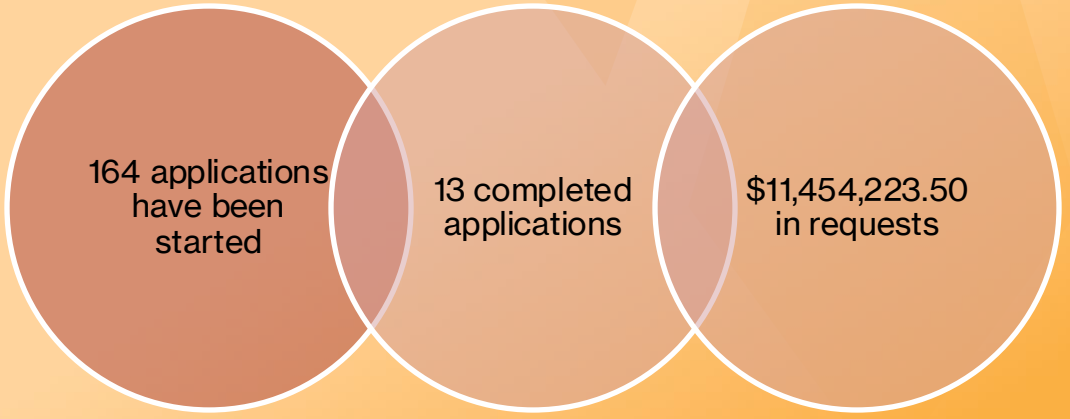
Closes
October 31, 2026

Application Process

ECECD Prioritization

ECECD Score and Rank
Nov 11 – Dec 31 2026

ECECD Prioritization Complete
January 31, 2027



As of 10/23/26

NEW MEXICO FINANCE AUTHORITY

Program Evolution: Changes that make a difference

- **Policy**
  - Definitions clarified and aligned to current practices
  - Language regarding eligible projects, contract for services, business types
  - Language around loan structuring parameters, loan terms, collateral, and loan types
  - Language on closing requirements
- **Outreach**
  - Increased visits, sessions, and platforms to inform
  - Bilingual sessions to **better** inform
  - Coordinated effort with ECECD on alternate resources that fit specific needs for interested parties
  - Investment and Implementation of a new tech platform
  - Programmatic efficiencies streamlined

NEW MEXICO FINANCEAUTHORITY

810 W. San Mateo Rd.
Santa Fe, NM 87505
505-984-1454

NMFA is New Mexico's diversified public-finance platform. Its quasi-governmental structure allows it to combine public purpose, statutory authority, capital-market access, financial discipline, and cross-agency partnerships in ways that traditional state agencies, private lenders, and individual local governments cannot do on their own.



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