

MFA Legislative Oversight Committee



Homewise Mission

Create successful homeowners and strengthen neighborhoods so that individuals and families can improve their long-term financial wellbeing and quality of life.



Homewise Business Model



Successful Homeownership

Each function is aligned with the next, building the foundation for customers' long term financial security and the organization's self-sufficiency

A Proven Path to Affordable Homeownership

While Homewise works with people from all income levels, we specialize in helping first-time homebuyers navigate an achievable path to homeownership through the following services that, together, can provide a seamless home buying experience:

FREE COACHING & EDUCATION

in English and Spanish to help clients become financially prepared, qualify for the best possible mortgage, and make sound home purchase decisions.

DOWN PAYMENT ASSISTANCE (DPA)

to give qualifying modest-income buyers the boost they need to overcome one of the largest barriers to owning a home. DPA bridges the savings gap, provides 'instant' equity, and reduces the amount that must be borrowed, resulting in lower monthly payments and greater affordability.

NON-COMMISSIONED REALTORS®

who will guide clients through the home buying process at their own speed and help them find the right home for their budget and lifestyle.

AFFORDABLE, FIXED-RATE MORTGAGES

with low down payments—typically just 2% — and stable monthly payments for the life of the loan. In addition, we structure our loans to eliminate the need for mortgage insurance, saving clients even more.

FY2025 Key Results

FINANCIAL & HOMEBUYER COACHING:



2,960

clients who received free 1:1 coaching in English and Spanish

HOME PURCHASE:



360

homeowners created who are building wealth and improving their financial wellbeing

HOMEWISER HOMES:



57 energy-efficient homes sold

8 homes renovated

HOME IMPROVEMENT:

67

clients who were able to invest in their homes with energy-efficient upgrades

HOME REFINANCE:

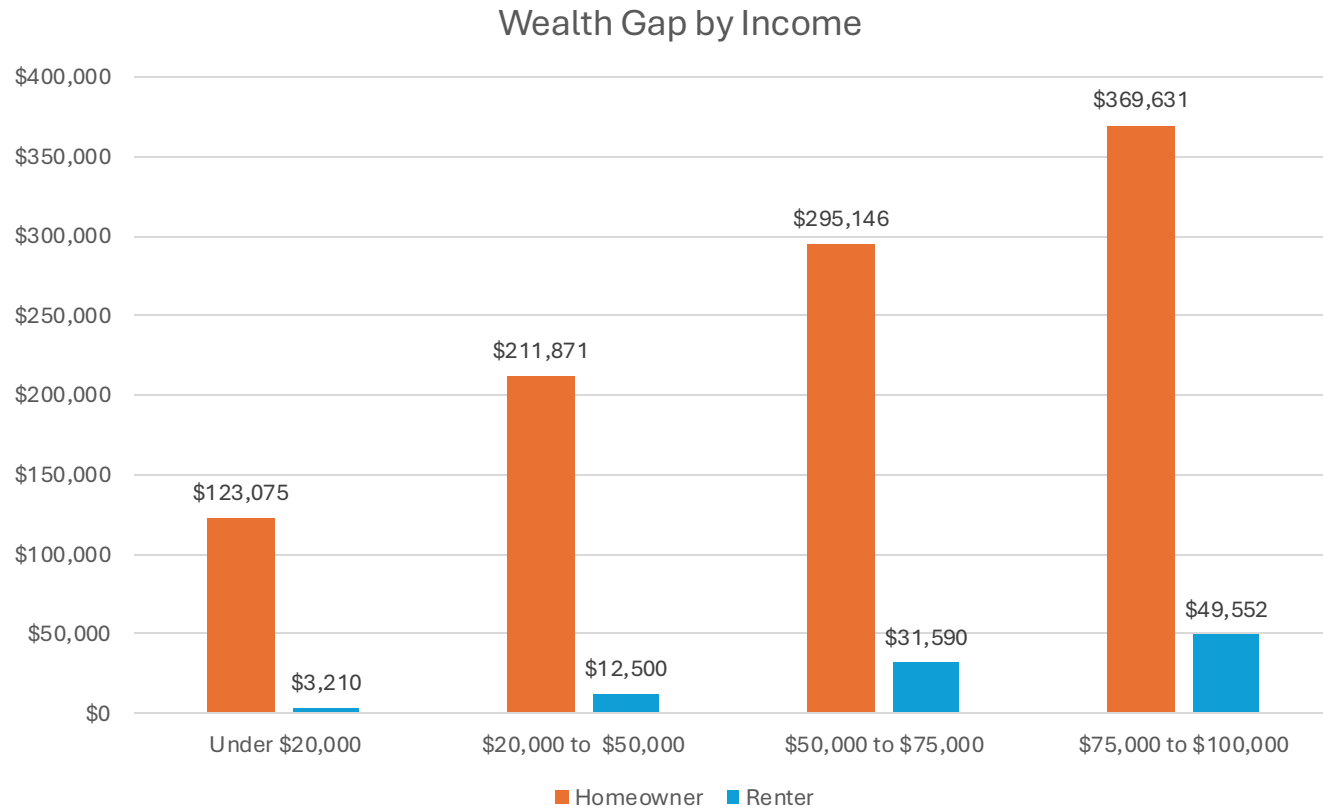
19

clients who saved money with a lower interest rate

The Importance of Homeownership

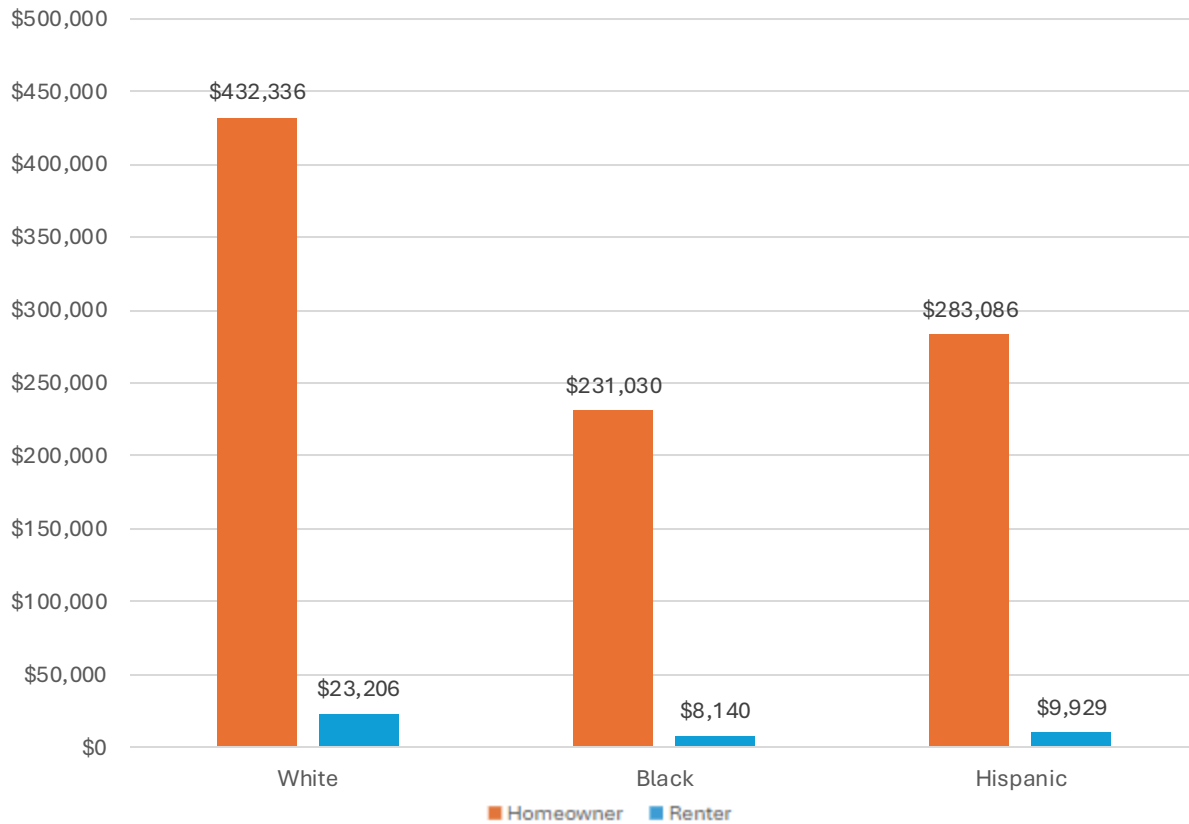


Median Household Wealth



Median Household Wealth

Wealth Gap by Race



Homeowners Build Wealth

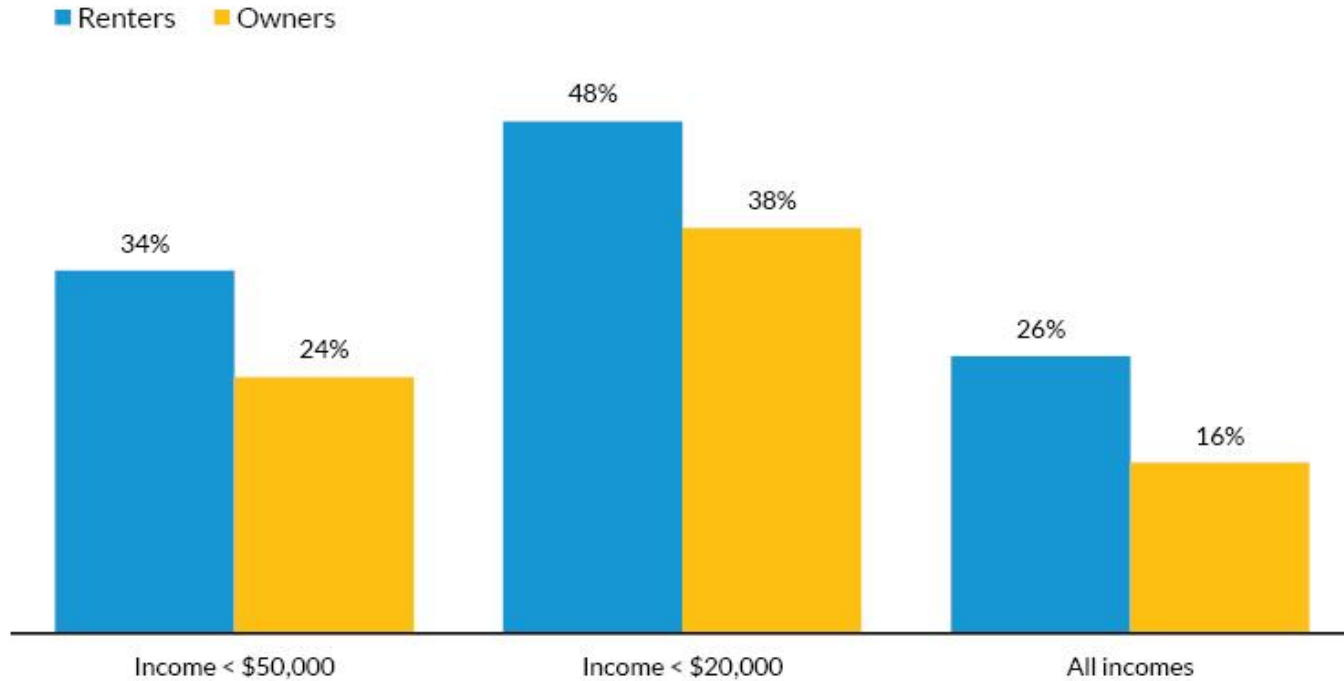
As of March 2024, households that purchased a home with Homewise in 2018 had built equity in their homes totaling **\$65.7 million**, an average of \$171.2k per household.

71% of that equity, or roughly \$46.76 million in assets, accrued to households of color.



\$171.2k
per household

Share of Income Spent on Housing, by Income

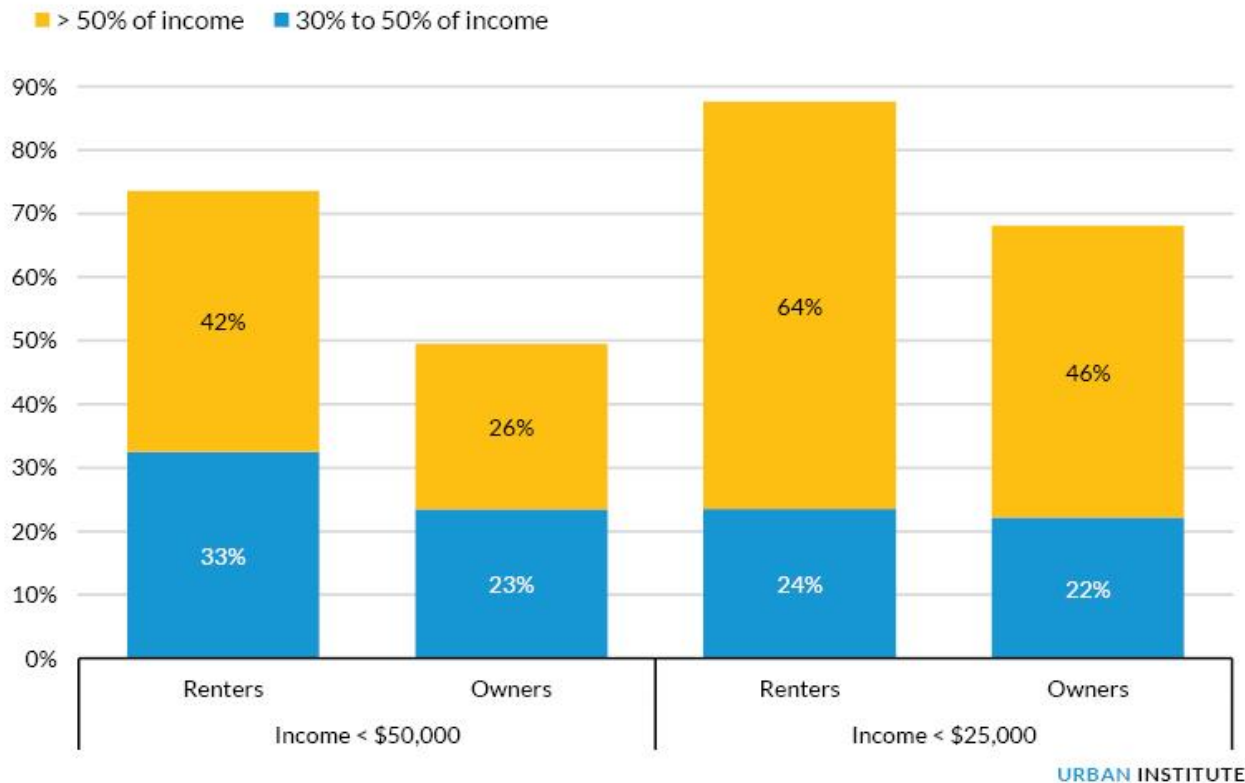


URBAN INSTITUTE

Source: 2019 American Community Survey.

Note: The data are limited to households with annual incomes greater than or equal to annual housing expenses.

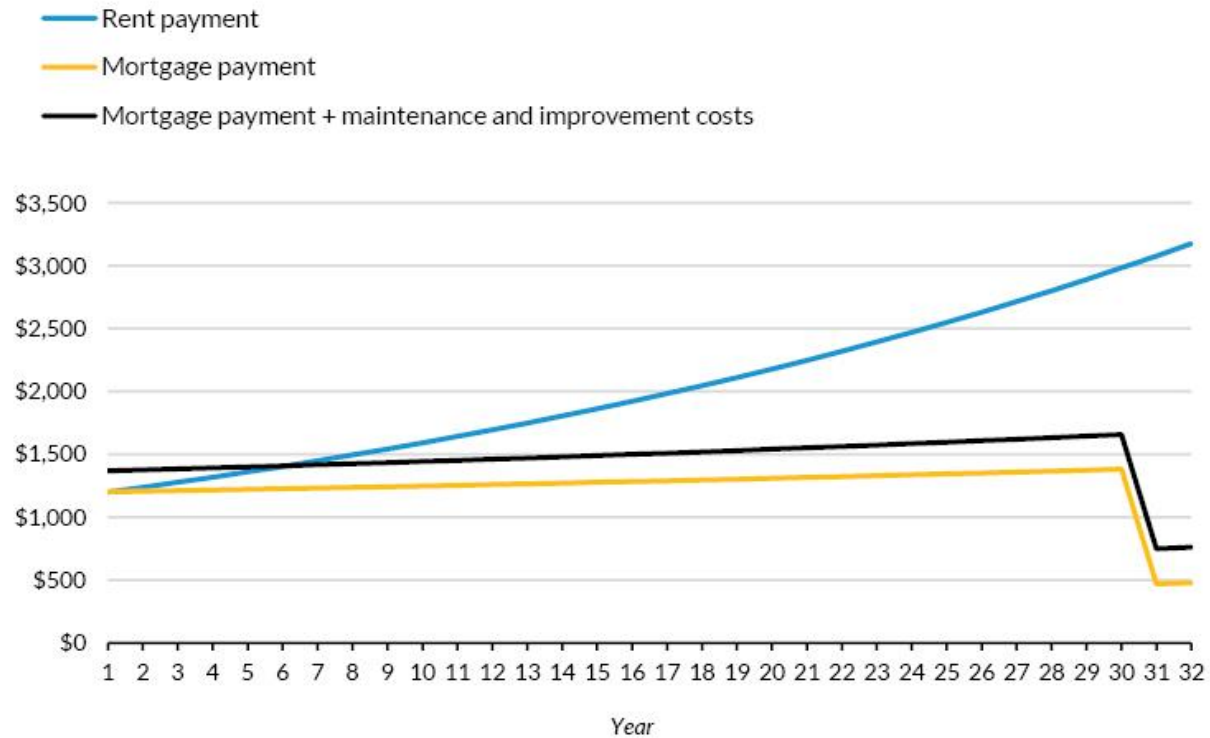
Share of Low- and Very Low-Income Households Who are Cost Burdened



Source: 2019 American Community Survey.

Note: The data are limited to households with annual incomes greater than or equal to annual housing expenses.

Homeownership's Affordability "Big Bang"



URBAN INSTITUTE

Sources: 2019 American Housing Survey and Urban Institute calculations.

Note: The mortgage payment includes principal, interest, taxes, and insurance.

Housing Spectrum



Supportive
housing



Subsidized
rental



Assisted
homeownership



Market
Rental

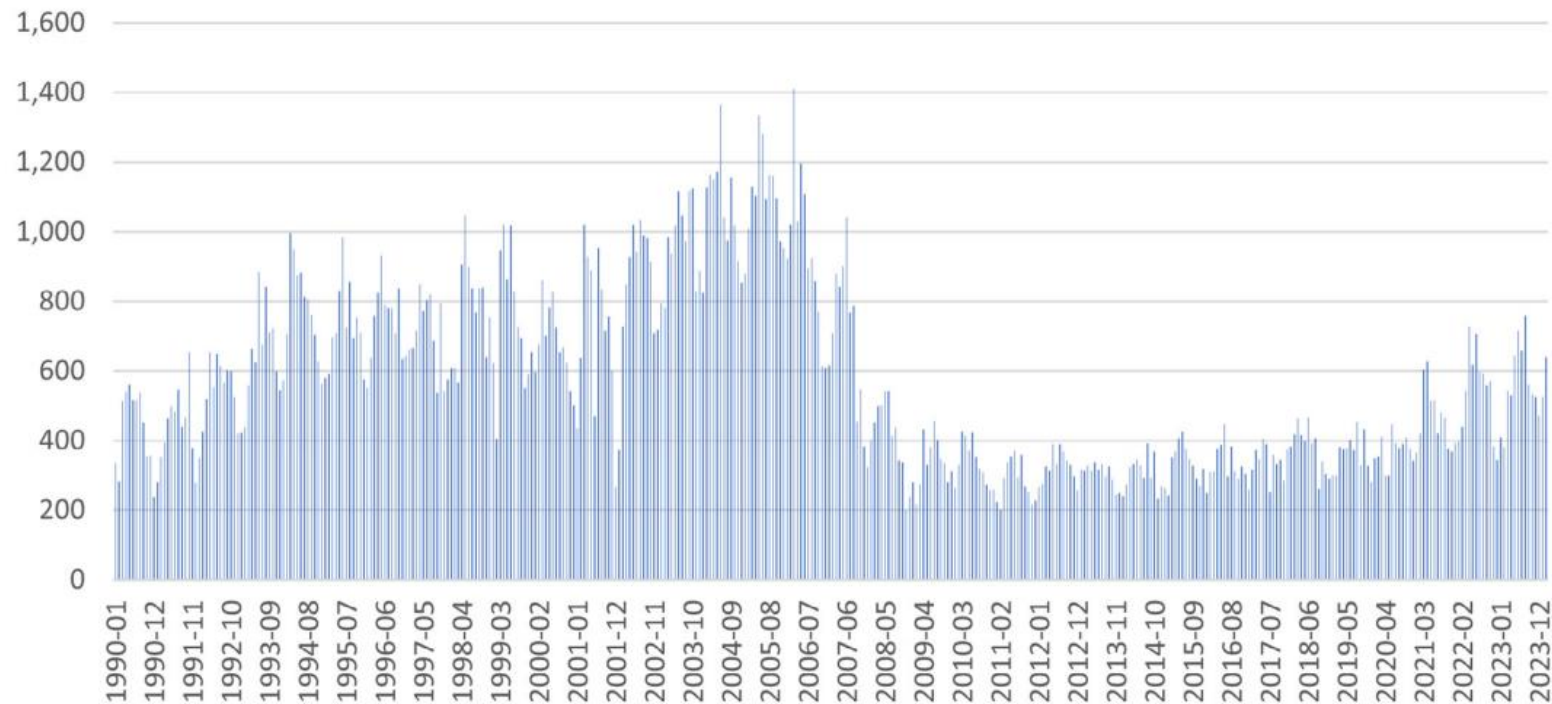


Market
Homeownership

Barriers to Homeownership



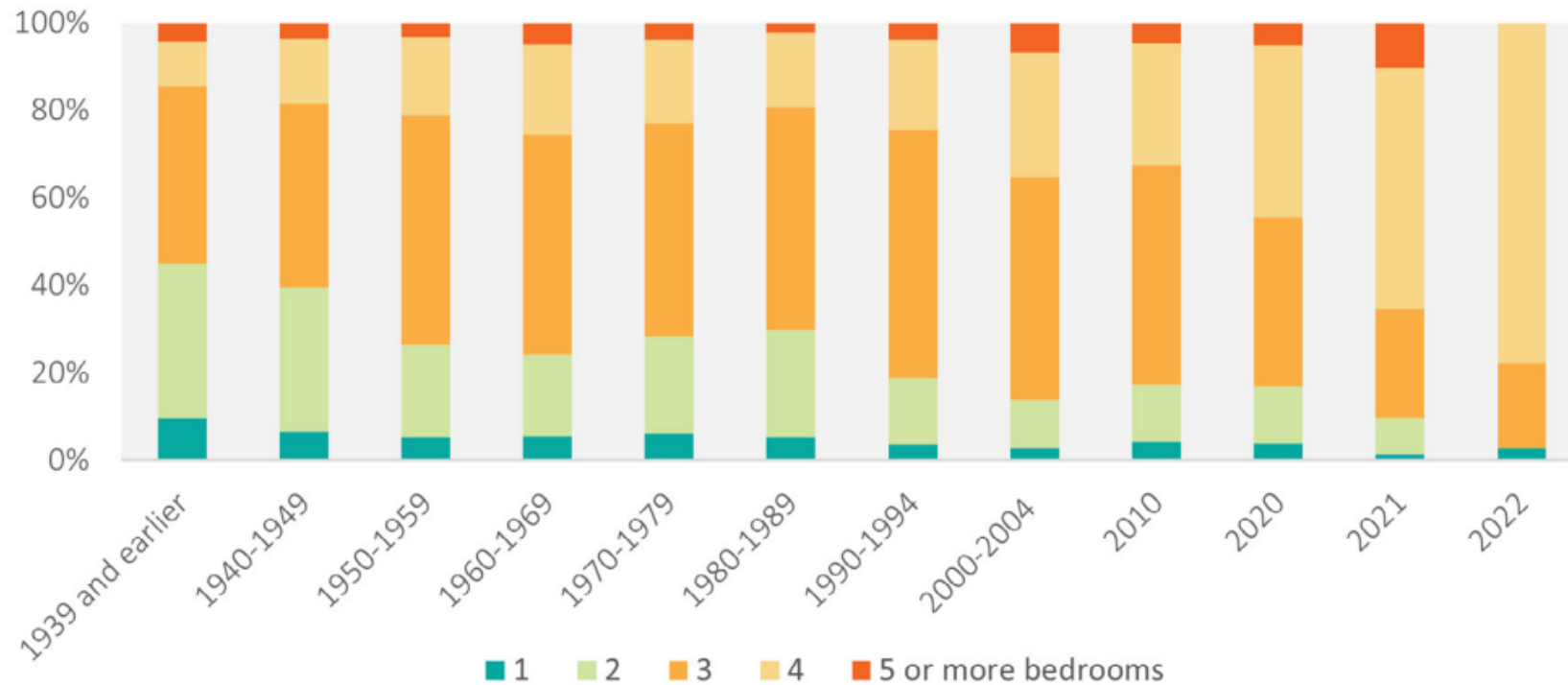
Privately Owned Single Family Residential Units Permitted for Construction in NM 1990 - 2023



U.S. Census Bureau Building Permits Survey

<https://www.census.gov/library/visualizations/interactive/bps-new-privately-owned-housing-unit-authorizations.html>

NM Single Family Homes: Number of Bedrooms by Year of Construction



Source: 2022 5-Year Housing Unit American Community Survey Accessed via iPUMS (IPUMS USA, University of Minnesota, www.ipums.org).

Homes Under 1,400 SF as a Share of All Home* Sales in Albuquerque 2013 - 2024



*Single family detached houses sold through the Albuquerque MLS
Source: Albuquerque Multiple Listing Service

ALBUQUERQUE

Sombra del Oeste

- Total of 72 townhomes, including
 - 29 deeply affordable homes for homebuyers under income thresholds
 - 43 market rate homes priced below the area median home prices
- Mix of 2-bedroom (1000 square feet) and 3-bedroom (1200 square feet) homes
- Fully electric community
- High level of affordability possible because of subsidy mix (including \$500,000 project subsidy from Housing NM)



Sombra del Oeste Pro Forma

| Unit Type | 2BR/2Bath/1 Car Garage | 3BR/2Bath/1 Car Garage |
|---|------------------------|------------------------|
| Square Feet | 1,000 | 1,200 |
| Total Cost to Build | \$265,000 | \$295,000 |
| Market Sales Price | \$285,000 | \$310,000 |
| Affordable Sales Price (Household Under 80% AMI) | \$200,000 | \$225,000 |

SANTA FE

Miraflores

- Total of 56 homes, including
 - 22 deeply affordable homes for homebuyers under income thresholds
 - 34 market rate homes priced below the area median home prices
- 6 models ranging from 1 – 4 bedrooms
- Community open space complete with a pergola, picnic tables, and a native plant garden to support pollinators



Miraflores Pro Forma

| Unit Type | 2BR/2Bath/1 Car Garage | 3BR/2Bath/1 Car Garage |
|---|------------------------|------------------------|
| Square Feet | 1,160 | 1,350 |
| Total Cost to Build | \$340,000 | \$381,000 |
| Market Sales Price | \$405,000 | \$455,000 |
| Affordable Sales Price (Household Under 80% AMI) | \$210,000 | \$236,000 |

Policy Solutions



Local Government

- Incentivize local governments to streamline the entitlement and permitting process and allow for a mix of housing shapes and sizes that are attainable to families trying to purchase their first home.
- Require local governments to prioritize affordable housing needs in making land use decisions



Homeownership Priority Fund

Invest in nonprofit homeownership organizations, including Community Development Financial Institutions, so they can provide homebuyer assistance to first time homebuyers.



New Homes for New Mexico Program

- The New Homes for New Mexico Program would incentivize homebuilders to build starter homes for modest income New Mexicans throughout the state.
- Under this program, buyers of new homes built by participating for-profit and non-profit homebuilders would be able to access homebuyer assistance.
- Participating builders would benefit from a pool of ready buyers with homebuyer assistance that enables them to purchase homes they could not otherwise afford, expanding the market for the homes.

