

# New Mexico Mortgage Finance Authority



**MFA**

*Housing New Mexico*

**Legislative Oversight Committee**

**2020 Reference Manual  
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# New Mexico Mortgage Finance Authority 2020 Reference Guide

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# Tab 2

CHAPTER 58. FINANCIAL INSTITUTIONS AND REGULATIONS  
ARTICLE 18. MORTGAGE FINANCE AUTHORITY

N.M. Stat. Ann. § 58-18-1 (2013)

§ 58-18-1. Short title

Chapter 58, Article 18 NMSA 1978 shall be known and may be cited as the "Mortgage Finance Authority Act".

HISTORY: 1953 Comp., § 13-9-1, enacted by Laws 1975, ch. 303, § 1; 1982, ch. 86, § 1.

§ 58-18-2. Legislative findings; declaration of purpose

A. The legislature finds and declares that there exists in the state of New Mexico a serious shortage of decent, safe and sanitary residential housing available at prices and rentals within the financial means of persons and families of low or moderate income. This shortage is severe in certain urban areas of the state, is especially critical in the rural areas and is inimical to the health, safety, welfare and prosperity of all residents of the state.

B. The legislature finds and determines that the shortage of residential housing causes overcrowding and congestion and exacerbates existing slum conditions, which, in turn, contribute substantially and increasingly to the spread of disease and crime, impair economic values, necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, welfare and safety programs, fire and accident protection and other services, substantially impair or arrest the growth of municipalities, aggravate traffic problems and promote juvenile delinquency and other social ills.

C. The legislature finds and declares further that private enterprise unaided has not been able to produce the needed construction of decent, safe and sanitary residential housing at prices and rentals that persons and families of low or moderate income can afford or to achieve the urgently needed rehabilitation of much of their present housing. It is imperative that the supply of residential housing for persons and families of low or moderate income be increased substantially and that private enterprise and investment be encouraged to sponsor, build and rehabilitate residential housing for such persons and families.

D. It is found and declared that a major cause of this housing shortage is the lack of funds in private banking channels available for affordable residential mortgages. This lack of funds has contributed to drastic reductions in construction starts of new residential housing and has frustrated the sale and purchase of existing residential housing in the state.

E. It is further found and declared that the drastic reduction in residential construction starts and in residential rehabilitation projects associated with housing shortages has caused a condition of substantial unemployment and underemployment in the construction industry, which results in hardships to many individuals and families, wastes vital human resources, increases the public

assistance burdens of the state and its municipalities, impairs the security of family life, impedes the economic and physical development of municipalities and adversely affects the welfare and prosperity of all the people of the state. A stable supply of adequate funds for affordable residential mortgages is required to spur new housing starts and the rehabilitation of existing units in an orderly and sustained manner and thereby to reduce the hazards of unemployment and underemployment in the construction industry. The unaided operations of private enterprise have not met and cannot meet the need for a stable supply of adequate funds for affordable residential mortgage financing.

F. The legislature further finds and determines that for the purposes of remedying these conditions, helping to alleviate the shortage of adequate housing and encouraging and providing the financing for the acquisition, construction, rehabilitation and improvement of residential housing for persons and families of low or moderate income within the state, a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality to be known as the New Mexico mortgage finance authority should be created with power to raise funds from private and public investors, to make funds available for such purposes, to create and implement programs from time to time as may be necessary or appropriate to accomplish its purposes and to assist, administer, finance or service housing programs for or through private and nonprofit organizations and local, state, federal and tribal agencies or their instrumentalities. The legislature finds and declares further that in accomplishing these purposes, the New Mexico mortgage finance authority is acting in all respects for the benefit of the people of the state in the performance of essential public functions and is serving a valid public purpose in improving and otherwise promoting their health, welfare and prosperity, and that the enactment of the provisions set forth in the Mortgage Finance Authority Act [58-18-1 NMSA 1978] is for a valid public purpose and is declared to be such as a matter of express legislative determination.

HISTORY: 1953 Comp., § 13-19-2, enacted by Laws 1975, ch. 303, § 2; 1995, ch. 9, § 1.

#### § 58-18-2.1. Multiple-family, transitional and congregate dwellings; supplemental legislative findings and purpose

The legislature finds and declares that there is a critical shortage of multiple-family, transitional and congregate dwellings that provide decent, safe and sanitary residential housing at rentals that persons and families of low or moderate income can afford. It is further found and declared that private individuals, organizations and entities willing to undertake the construction of multiple-family, transitional and congregate dwellings are unable to obtain loans at sufficiently low interest rates to finance multiple-family, transitional and congregate dwelling projects for persons and families of low or moderate income. Providing mortgage loans at below-market interest rates for multiple-family, transitional and congregate dwellings would increase substantially the availability of multiple-family, transitional and congregate dwellings for occupancy by persons and families of low or moderate income and is expressly declared to be a valid public purpose and a corporate purpose that may be exercised by the authority.

HISTORY: 1978 Comp., § 58-18-2.1, enacted by Laws 1982, ch. 86, § 2; 1995, ch. 9, § 2.

#### § 58-18-3. Definitions

As used in the Mortgage Finance Authority Act [58-18-1 NMSA 1978]:

- A. "authority" means the New Mexico mortgage finance authority;
- B. "bonds" or "notes" means the bonds or bond anticipation notes, respectively, issued by the authority pursuant to the Mortgage Finance Authority Act [58-18-1 NMSA 1978];
- C. "federal government" means the United States of America and any agency or instrumentality of the United States of America;
- D. "FHA" means the federal housing administration;
- E. "FHLMC" means the federal home loan mortgage corporation;
- F. "FNMA" means the federal national mortgage association;
- G. "home improvement loan" means a mortgage loan to finance those alterations, repairs and improvements on or in connection with an existing residence that the authority determines will substantially protect or improve the basic livability or energy efficiency of the residence;
- H. "mobile home" means a movable or portable housing structure, constructed to be towed on its own chassis and designed to be installed with or without a permanent foundation for human occupancy as a residence; it may include one or more components that can be retracted for towing purposes and subsequently expanded for additional capacity, or two or more units separately towable but designed to be joined into one integral unit, as well as a single unit, except that "mobile home" does not include recreational vehicles, or modular or premanufactured homes built to Uniform Building Code standards and designed to be permanently affixed to real property;
- I. "mortgage" means a mortgage, mortgage deed, deed of trust or other instrument creating a lien, subject only to title exceptions as may be acceptable to the authority, on a fee interest in real property located within the state or on a leasehold interest that has a remaining term at the time of computation that exceeds or is renewable at the option of the lessee until after the maturity day of the mortgage loan or an instrument creating a lien on a mobile home;
- J. "mortgage lender" means any bank, bank or trust company, trust company, mortgage company, mortgage banker, national banking association, savings bank, savings and loan association, credit union building and loan association and any other lending institution; provided that the mortgage lender maintains an office in New Mexico, is authorized to make mortgage loans in the state and is approved by the authority and either the FHA, VA, FNMA or FHLMC;
- K. "mortgage loan" means a financial obligation secured by a mortgage;
- L. "municipality" means a county, city, town or village of the state;
- M. "new mortgage loan" means a mortgage loan made by a mortgage lender to a person of low or moderate income to finance project costs and containing terms and conditions required by rule of the authority;



N. "persons of low or moderate income" means persons and families within the state who are determined by the authority to lack sufficient income to pay enough to cause private enterprise to build an adequate supply of decent, safe and sanitary residential housing in their locality or in an area reasonably accessible to their locality and whose incomes are below the income levels established by the authority to be in need of the assistance made available by the Mortgage Finance Authority Act [58-18-1 NMSA 1978], taking into consideration the following factors:

(1) the total income of those persons and families available for housing needs;

(2) the size of the family units;

(3) the cost and condition of housing facilities available;

(4) the ability of those persons and families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing; and

(5) standards established by various programs of the federal government for determining eligibility based on income of those persons and families;

O. "project" means a work or undertaking, whether new construction, acquisition of existing residential housing, remodeling, improvement or rehabilitation approved by the authority for the primary purpose of providing sanitary, decent, safe and affordable residential housing within the state for one or more persons of low or moderate income;

P. "project costs" means the total of all costs incurred in the development of a project that is approved by the authority as reasonable and necessary; "project costs" may include:

(1) the cost of acquiring real property and improvements located on the property, including payments for options, deposits or contracts to purchase real property;

(2) cost of site preparation, demolition and development;

(3) fees in connection with the planning, execution and financing of a project;

(4) operating and carrying costs during construction;

(5) cost of construction, remodeling, rehabilitation, reconstruction, home improvements, fixtures, furnishings and equipment for the project;

(6) cost of land improvements both on and off site;

(7) expenses in connection with initial occupancy of a project;

(8) reasonable profit and risk fees to the general contractor in addition to the job overhead and, if applicable, to the developer;

(9) allowances established by the authority for working capital and contingency reserves and reserves for any anticipated operating deficits during the first two years of occupancy; and

(10) the cost of other items, including tenant relocation if tenant relocation costs are not otherwise being provided for, indemnity and surety bonds, premiums on insurance and fees and expenses of trustees, depositaries and paying agents of the bonds and notes that the authority determines to be reasonable and necessary for the development of a project;

Q. "real property" means land, space rights, air rights and tangible, intangible, legal and equitable interests in land;

R. "rehabilitation loan" means a qualified rehabilitation loan within the meaning of Section 143(k)(5) of the Internal Revenue Code of 1986 [26 USCS § 143(k)(5)], as that section may be amended or renumbered;

S. "residential housing" means the acquisition, construction or rehabilitation of real property, buildings and improvements undertaken primarily to provide one or more dwelling accommodations for persons of low or moderate income;

T. "state" means New Mexico;

U. "state, local, federal or tribal agency" means any board, authority, agency, department, commission, public corporation, body politic or instrumentality of the state or of a local, federal or tribal government; and

V. "VA" means the veterans affairs department.

HISTORY: 1953 Comp., § 13-19-3, enacted by Laws 1975, ch. 303, § 3; 1979, ch. 399, § 1; 1981, ch. 191, § 1; 1984, ch. 62, § 1; 1995, ch. 9, § 3; 1999, ch. 11, § 1.

#### § 58-18-4. Authority created

A. There is created a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality, to be known as the "New Mexico mortgage finance authority", for the performance of essential public functions. The authority shall be composed of seven members. The lieutenant governor, state treasurer and attorney general shall be ex-officio members of the authority with voting privileges. The governor, with the advice and consent of the senate, shall appoint the other four members of the authority, who shall be residents of the state and shall not hold other public office. The four members of the authority appointed by the governor shall be appointed for terms of four years or less staggered so that the term of one member expires on January 1 of each year. Vacancies shall be filled by appointment by the governor for the remainder of the unexpired term. Any member of the authority shall be eligible for reappointment. Each member of the authority appointed by the governor may be removed by the governor for misfeasance, malfeasance or willful neglect of duty after reasonable notice and a public hearing, unless the notice and hearing are, in writing, expressly waived. Each member of the authority appointed by the governor, before entering upon duty, shall take an oath of office to administer the duties of the office faithfully and impartially, and a record of the oath shall be filed in the office of the secretary of state. The governor shall designate a member of the authority to

serve as chair for a term that shall be coterminous with the chair's then current term as a member of the authority. The authority shall annually elect one of its members as vice chair. The authority shall also elect or appoint and prescribe the duties of other officers, who need not be members, as the authority deems necessary or advisable, including an executive director and a secretary, who may be the same person. The authority shall fix the compensation of officers. Officers and employees of the authority are not subject to the Personnel Act [10-9-1 NMSA 1978]. The authority may delegate to one or more of its members, officers, employees or agents the powers and duties it may deem proper.

B. All members, officers, employees or agents exercising any voting power or discretionary authority shall be required to have a fiduciary bond in the amount of one million dollars (\$ 1,000,000) for the faithful performance of their duties, the cost of which shall be proper expense of the authority.

C. The executive director shall administer, manage and direct the affairs and business of the authority, subject to the policies, control and direction of the members of the authority. The secretary of the authority shall keep a record of the proceedings of the authority and shall be custodian of all books, documents and papers filed with the authority, the minute book or journal of the authority and its official seal. The secretary shall have authority to make copies of all minutes and other records and documents of the authority and to give certificates under the official seal of the authority to the effect that the copies are true copies and all persons dealing with the authority may rely upon the certificates.

D. Meetings of the authority shall be held at the call of the chair or whenever three members so request in writing. A majority of members in office shall constitute a quorum for the transaction of any business and for the exercise of any power or function of the authority. A vacancy in the membership of the authority shall not impair the rights of a quorum to exercise all the rights and to perform all the duties of the authority. An ex-officio member from time to time may designate in writing another person to attend meetings of the authority and, to the same extent and with the same effect, act in the member's stead.

E. The authority is not created or organized, and its operations shall not be conducted, for the purpose of making a profit. No part of the revenues or assets of the authority shall inure to the benefit of or be distributable to its members or officers or other private persons. The members of the authority shall not receive compensation for their services, but the members of the authority, its officers and employees shall be paid allowed expenses if approved by the authority in accordance with policies adopted by the authority and approved by the Mortgage Finance Authority Act oversight committee.

F. The authority shall be separate and apart from the state and shall not be subject to the supervision or control of a board, bureau, department or agency of the state except as specifically provided in the Mortgage Finance Authority Act [58-18-1 NMSA 1978]. To effectuate the separation of the state from the authority, the use of the terms "state agency" or "instrumentality" in any other law of the state shall not be deemed to refer to the authority unless the authority is specifically named.

HISTORY: 1953 Comp., § 13-19-4, enacted by Laws 1975, ch. 303, § 4; 1985, ch. 232, § 1; 1987, ch. 57, § 1; 1995, ch. 9, § 6; 2003, ch. 17, § 1.

§ 58-18-5. Powers of the authority

The authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Mortgage Finance Authority Act [58-18-1 NMSA 1978], including but without limiting the generality of the foregoing, the power:

- A. to sue and be sued;
- B. to have a seal and alter it at pleasure;
- C. to make and alter bylaws for its organization and internal management;
- D. to appoint other officers, agents and employees, prescribe their duties and qualifications and fix their compensation;
- E. to acquire, hold, improve, mortgage, lease and dispose of real and personal property for its public purposes;
- F. subject to the provisions of Section 58-18-6 NMSA 1978, to make loans, and contract to make loans, to mortgage lenders;
- G. subject to the provisions of Section 58-18-7 NMSA 1978, to purchase, and contract to purchase, mortgage loans from mortgage lenders;
- H. to procure or require the procurement of a policy of group or individual life insurance or disability insurance or both to insure repayment of mortgage loans in event of the death or disability of the borrower and to pay any premiums for the policy;
- I. to procure insurance against any loss in connection with its operations, including without limitation the repayment of any mortgage loan, in amounts and from insurers, including the federal government, that the authority deems necessary or desirable; to procure liability insurance covering its members, officers and employees for acts performed within the scope of their authority as members, officers or employees; and to pay any premiums for insurance procured;
- J. subject to any agreement with bondholders or noteholders:
  - (1) to renegotiate any mortgage loan or any loan to a mortgage lender in default;
  - (2) to waive any default or consent to the modification of the terms of any mortgage loan or any loan to a mortgage lender and otherwise exercise all powers with respect to its mortgage loans and loans to mortgage lenders that any private creditor may exercise under applicable law; and
  - (3) to commence, prosecute and enforce a judgment in any action or proceeding, including without limitation a foreclosure proceeding, to protect or enforce any right conferred upon it by law, mortgage loan agreement, contract or other agreement; and in connection with any such proceeding, to bid for and purchase the property or acquire or take possession of it and, in such event, complete, administer, pay the principal of and interest on any obligations incurred in connection with the property and operate or dispose of and otherwise deal with the property in such manner as the authority may deem advisable to protect its interests therein;

K. to make and execute contracts for the administration, servicing or collection of any mortgage loan and pay the reasonable value of services rendered to the authority pursuant to such contracts;

L. to fix, revise from time to time, charge and collect fees and other charges in connection with the making of mortgage loans, the purchasing of mortgage loans and any other services rendered by the authority;

M. subject to any agreement with bondholders or noteholders, to sell any mortgage loans at public or private sale at such prices and on such terms as the authority shall determine;

N. to borrow money and to issue bonds and notes that may be negotiable and to provide for the rights of the holders thereof;

O. to arrange for guarantees or other security, liquidity or credit enhancements in connection with its bonds, notes or other obligations by the federal government or by any private insurer or other provider and to pay any premiums therefor;

P. subject to any agreement with bondholders or noteholders, to invest money of the authority not required for immediate use, including proceeds from the sale of any bonds or notes:

(1) in obligations of any municipality or the state or the United States of America;

(2) in obligations the principal and interest of which are guaranteed by the state or the United States of America;

(3) in obligations of any corporation wholly owned by the United States of America;

(4) in obligations of any corporation sponsored by the United States of America that are or may become eligible as collateral for advances to member banks as determined by the board of governors of the federal reserve system;

(5) in certificates of deposit or time deposits in banks qualified to do business in New Mexico, secured in the manner, if any, as the authority shall determine;

(6) in contracts for the purchase and sale of obligations of the types specified in this subsection; or

(7) as otherwise provided in any trust indenture or a resolution authorizing the issuance of the bonds or notes;

Q. subject to any agreement with bondholders or noteholders, to purchase bonds or notes of the authority at the price as may be determined by the authority or to authorize third persons to purchase bonds or notes of the authority; bonds or notes so purchased shall be canceled or resold, as determined by the authority;

R. to make surveys and to monitor on a continuing basis the adequacy of the supply of:

(1) funds available in the private banking system in the state for affordable residential mortgages; and

(2) adequate, safe and sanitary housing available to persons of low or moderate income in the state and various sections of the state;

S. to make and execute agreements, contracts and other instruments necessary or convenient in the exercise of the powers and functions of the authority under the Mortgage Finance Authority Act [58-18-1 NMSA 1978];

T. to employ architects, engineers, attorneys (other than and in addition to the attorney general of the state), accountants, housing, construction and financial experts and such other advisors, consultants and agents as may be necessary in its judgment and to fix and pay their compensation;

U. to contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or from any other source and to comply, subject to the provisions of the Mortgage Finance Authority Act [58-18-1 NMSA 1978], with the terms and conditions thereof;

V. to maintain an office at such place in the state as it may determine;

W. subject to any agreement with bondholders and noteholders, to make, alter or repeal, subject to prior approval by the Mortgage Finance Authority Act oversight committee, hereby created, to be composed of four members appointed by the president pro tempore of the senate and four members appointed by the speaker of the house of representatives, such rules and regulations with respect to its operations, properties and facilities as are necessary to carry out its functions and duties in the administration of the Mortgage Finance Authority Act [58-18-1 NMSA 1978];

X. to make, purchase, guarantee, service and administer mortgage loans for residential housing for the purposes set forth in the Mortgage Finance Authority Act [58-18-1 NMSA 1978] where private banking channels and private enterprise, unaided, have not, cannot or are unwilling to make, purchase, guarantee, service or administer the loans;

Y. to act as trustee and administer the land title trust fund created pursuant to Section 58-28-3 NMSA 1978;

Z. to act as trustee and administrator pursuant to the Low-Income Housing Trust Act [58-18B-1 NMSA 1978];

AA. to act as trustee and statewide administrator of the New Mexico housing trust fund pursuant to and to receive funds under the New Mexico Housing Trust Fund Act [58-18C-1 NMSA 1978];

BB. to act as a governmental entity or a qualifying grantee or as an intermediary for a governmental entity or a qualifying grantee pursuant to the Affordable Housing Act [6-27-1 NMSA 1978]; and

CC. to do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in the Mortgage Finance Authority Act [58-18-1 NMSA 1978].

HISTORY: 1953 Comp., § 13-19-5, enacted by Laws 1975, ch. 303, § 5; 1978, ch. 21, § 14; 1978, ch. 163, § 1; 1985, ch. 232, § 2; 1995, ch. 9, § 7; 2003, ch. 304, § 1; 2005, ch. 105, § 10.

§ 58-18-5.2. Authority duties

The authority shall make available to the Mortgage Finance Authority Act oversight committee all of its records and facilities upon written request.

HISTORY: 1978 Comp., § 58-18-5.2, enacted by Laws 1981, ch. 173, § 2; 1995, ch. 9, § 8.

§ 58-18-5.3. Authority; multiple-family dwellings, transitional and congregate housing facilities

In addition to the specific powers of the authority set forth in Section 58-18-5 NMSA 1978, the authority shall have the power to:

A. subject to the limitations of Subsection X of Section 58-18-5 NMSA 1978, make project mortgage loans or purchase or contract to purchase project mortgage loans from mortgage lenders or participate with mortgage lenders in project mortgage loans at prices and upon terms and conditions as the authority determines. Each project mortgage loan made or purchased by the authority shall:

(1) be evidenced by a properly executed note or other evidence of indebtedness and be secured by a properly recorded mortgage;

(2) provide for payments sufficient to pay the project mortgage loan in full not later than the expiration of the useful life of the multiple-family dwelling project or transitional or congregate housing facility as determined by the authority; and

(3) not exceed such percentage of such project costs as the authority may determine;

B. make and contract to make loans to mortgage lenders on such terms and conditions as the authority determines, including without limitation requirements relating to collateral for such loans; provided the authority shall require as a condition of any such loan that the mortgage lender make a project mortgage loan or loans to sponsors in an aggregate principal amount at least equal to the amount of the loan received from the authority; and

C. otherwise provide funding for project mortgage loans, including the issuance of bonds or notes in private placements or public offerings. Any bonds or notes issued in a public offering for any purpose authorized by this section shall, at the time of issuance, be rated in at least the third highest rating category by an independent nationally recognized bond rating service.

HISTORY: 1978 Comp., § 58-18-5.3, enacted by Laws 1982, ch. 86, § 4; 1987, ch. 58, § 1; 1995, ch. 9, § 9.

§ 58-18-5.4. Duties of authority; multiple-family dwellings, transitional and congregate housing facilities

A. The authority shall require, as a condition of making or purchasing a project mortgage loan, that the sponsor agree to comply with the requirements and to make the representations and warranties as the authority deems reasonably necessary to protect its interests in the project mortgage loan and the multiple-family dwelling project or transitional or congregate housing facility, including the following:

(1) the multiple-family dwelling project or transitional or congregate housing facility and surrounding area shall be maintained in good repair;

(2) a reserve fund for repairs and replacements on the multiple-family dwelling project or transitional or congregate housing facility shall be established and maintained for the life of the project mortgage loan;

(3) the sponsor shall make all records and documents relating to the multiple-family dwelling project or transitional or congregate housing facility available to the authority and its agents at all reasonable times;

(4) the sponsor shall maintain its books and accounts in a manner satisfactory to the authority;

(5) the sponsor shall provide access to the authority and its agents at all reasonable times for the purpose of inspecting the multiple-family dwelling project or transitional or congregate housing facility;

(6) the sponsor shall file with the authority a copy of each report and schedule required to be filed with any provider of mortgage insurance or other security or liquidity enhancement for the mortgage loan or the authority's bonds or notes, the proceeds of which were used in whole or in part to acquire the project mortgage loan; annual financial and operating reports; and any other reports the authority may determine to be necessary;

(7) the sponsor shall purchase and maintain an insurance policy insuring the project against loss or damage by fire, windstorm, hail, smoke, explosion, riot or civil commotion in an amount not less than eighty percent of the replacement costs of the project, and the authority or its designee shall be named in the insurance policy as an additional named insured;

(8) the sponsor shall provide the authority with a market feasibility study, market-value appraisal, architectural design and outline specifications, tenant selection plans and any other documents the authority requires in determining whether to purchase the project mortgage loan;

(9) unless otherwise exempt under any other law of the state or any political subdivision of the state, all ad valorem, gross receipts and any other taxes imposed on the land or improvements for which a multiple-family dwelling project mortgage loan is being provided shall apply;

(10) the sponsor shall maintain the project as a multiple-family dwelling project or transitional or congregate housing facility throughout the life of the project mortgage loan; and

(11) the sponsor shall comply with any other reasonable requirements the authority deems necessary to impose in the future.

B. The authority shall distribute available funds to qualified sponsors and mortgage lenders on an equitable basis using guidelines that take into consideration geographic allocation and economic feasibility of affordable housing throughout the state, including the need for new housing to attract a new industry or plant or to provide housing in an economically depressed or low-income area.



HISTORY: 1978 Comp., § 58-18-5.4, enacted by Laws 1982, ch. 86, § 5; 1990, ch. 118, § 1; 1994, ch. 47, § 1; 1995, ch. 9, § 10.

§ 58-18-5.5. Additional powers of authority; authority designated as single state housing authority; application for and receipt of federal funds; administration of housing programs

In addition to the powers granted the authority pursuant to Sections 58-18-5 and 58-18-5.3 NMSA 1978, the authority:

- A. is designated as the state housing authority for all purposes;
- B. shall make application for federal housing funds and programs;
- C. shall administer federal and state housing programs and federal tax credit provisions associated with those programs;
- D. shall receive and expend funds pursuant to applicable federal housing laws, federal housing regulations, the provisions of the Mortgage Finance Authority Act [58-18-1 NMSA 1978] and regulations adopted pursuant to that act;
- E. shall administer the following housing programs that were previously transferred to it by executive order, the provisions of which are ratified:
  - (1) the federal HOME program;
  - (2) the federal low-income housing tax credit program;
  - (3) the federal emergency shelter grant programs;
  - (4) the state homeless program;
  - (5) the federal and state weatherization programs and that part of the low-income home energy assistance program authorized for weatherization; and
  - (6) the state safe water program;
- F. shall assist with technical consultation in connection with housing components of the community service block grant and community development block grant programs that are administered by the human services department and the department of finance and administration, respectively; and
- G. shall not receive direct appropriations of state funds from the legislature, and, if a program for which the authority is granted the power and has the duty to administer involves the appropriation or expenditure of state funds, the authority is granted specific power to enter into a joint powers agreement with the department of finance and administration pursuant to the Joint Powers Agreements Act [11-1-1 NMSA 1978].

HISTORY: 1978 Comp., § 58-18-5.5, enacted by Laws 1998, ch. 63, § 6.

§ 58-18-5.6. Duties; behavioral health

The authority shall:

A. appoint a representative to both the behavioral health planning council and the interagency behavioral health purchasing collaborative; and

B. ensure that any behavioral health services, including mental health and substance abuse services, and any housing provided for consumers of those services, that are provided, contracted for or approved by the authority are in compliance with requirements of Section 9-7-6.4 NMSA 1978.

HISTORY: Laws 2004, ch. 46, § 13.

§ 58-18-6. Loans to mortgage lenders

A. The authority may make and contract to make loans to mortgage lenders on terms and conditions as it determines, and all mortgage lenders are authorized to borrow from the authority in accordance with the provisions of this section and the rules and regulations of the authority.

B. The authority shall require that each mortgage lender receiving a loan pursuant to this section shall issue and deliver to the authority an evidence of its indebtedness to the authority that shall constitute either a general or limited obligation of the mortgage lender, as determined by the authority, and shall bear such date or dates, shall mature at such time or times, shall be subject to prepayment and shall contain such other provisions consistent with this section as the authority determines.

C. Notwithstanding any other provision of this section to the contrary, the interest rate or rates and other terms of loans to mortgage lenders made from the proceeds of any issue of bonds or notes of the authority shall be at least sufficient to assure the payment of the bonds or notes and the interest thereon as they become due.

D. The authority shall require that loans to mortgage lenders made pursuant to this section shall be secured as to payment of both principal and interest by a pledge of collateral security in such amounts as the authority determines to be necessary to assure the payment of the loans and the interest thereon as they become due.

E. The authority may require that collateral for loans be deposited with a bank, trust company or other financial institution acceptable to the authority and designated by the authority as custodian. In the absence of this requirement, each mortgage lender shall enter into an agreement with the authority containing such provisions as the authority deems necessary to:

(1) adequately identify and maintain the collateral;

(2) service the collateral; and

(3) require the mortgage lender to hold the collateral as an agent for the authority and be accountable to the authority as the trustee of an express trust for the application and disposition thereof and the income therefrom.

The authority may also establish such additional requirements as it deems necessary with respect to the pledging, assigning, setting aside or holding of collateral and the making of substitutions therefor or additions thereto and the disposition of income and receipts therefrom.

F. The authority shall require as a condition of each single-family loan to a mortgage lender that the mortgage lender, within a period that the authority may prescribe, shall have entered into written commitments to make and, within a period that the authority may prescribe, shall have disbursed the loan proceeds in new single-family mortgage loans to persons of low or moderate income in an aggregate principal amount equal to the amount of the loan. The new single-family mortgage loans shall have terms and conditions as the authority may prescribe.

G. The authority shall require the submission to it by each mortgage lender to which the authority has made a single-family mortgage loan evidence satisfactory to the authority of the making of new single-family mortgage loans to persons of low or moderate income as required by this section and in connection therewith may, through its members, employees or agents, inspect the books and records of any such mortgage lender.

H. The authority may require as a condition of any loans to mortgage lenders such representations and warranties as it determines to be necessary to secure the loans and carry out the purposes of this section.

I. Compliance by any mortgage lender with the terms of its agreement with or undertaking to the authority with respect to the making or servicing of any new mortgage loans may be enforced by decree of any court of competent jurisdiction. The authority may require as a condition of any loan to any national banking association the consent of the association to the jurisdiction of courts of the state over any such proceeding. The authority may also require, as a condition of any loan to a mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its undertakings to the authority.

J. To the extent that any provisions of this section may be inconsistent with any provision of law of the state governing the affairs of mortgage lenders, which other provision of law does not by its terms expressly amend the Mortgage Finance Authority Act [58-18-1 NMSA 1978], the provisions of this section shall control.

HISTORY: 1953 Comp., § 13-19-6, enacted by Laws 1975, ch. 303, § 6; 1978, ch. 163, § 2; 1979, ch. 399, § 2; 1995, ch. 9, § 11. N.M. Stat. Ann. § 58-18-7 (2013)

#### § 58-18-7. Purchase of mortgage loans

A. The authority may purchase and contract to purchase mortgage loans at the prices and upon the terms and conditions as it determines. All mortgage lenders are authorized to sell mortgage loans to the authority in accordance with the provisions of this section and the rules and regulations of the authority.

B. The authority shall require as a condition of purchase of single-family mortgage loans from mortgage lenders either:

(1) that the single-family mortgage loans be existing mortgage loans owned by the mortgage lenders and that the mortgage lenders, within the period after receipt of the purchase price as the authority may prescribe shall enter into written commitments to loan and, within such period thereafter as the authority may prescribe, shall loan an amount equal to the entire purchase price of the mortgage loans on new mortgage loans to persons of low or moderate income, which new mortgage loans shall have such terms and conditions as the authority may prescribe; or

(2) that the single-family mortgage loans qualify as new mortgage loans to persons of low or moderate income and were originated by the mortgage lenders for the purpose of selling them to the authority.

C. The authority shall require the submission to it by each mortgage lender from which the authority has purchased a single-family mortgage loan evidence satisfactory to the authority of the making of new mortgage loans to persons of low or moderate income as required by this section and in connection therewith may, through its members, employees or agents, inspect the books and records of any such mortgage lender.

D. Compliance by any mortgage lender with the terms of its agreement with or undertaking to the authority with respect to the making or servicing of any mortgage loans may be enforced by decree of any court of competent jurisdiction. The authority may require as a condition of purchase of mortgage loans from any national banking association the consent of the association to the jurisdiction of courts of the state over any proceeding. The authority may also require, as a condition of the authority's purchase of mortgage loans from, or servicing of mortgages by a mortgage lender, agreement by any mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its undertakings to the authority.

E. The authority may require as a condition of purchase of any mortgage loan from a mortgage lender that the mortgage lender represent and warrant to the authority that:

(1) the unpaid principal balance of the mortgage loan and the interest rate thereon have been accurately stated to the authority;

(2) the amount of the unpaid principal balance is justly due and owing;

(3) the mortgage lender has no notice of the existence of any counterclaim, offset or defense asserted by the mortgagor or his successor in interest;

(4) the mortgage loan is evidenced by a bond or promissory note and a mortgage that has been properly recorded with the appropriate public official;

(5) the mortgage constitutes a valid lien on the real property or mobile home described to the authority subject only to taxes not yet due, installments of assessments not yet due and easements and restrictions of record that do not adversely affect, to a material degree, the use or value of the real property or improvements thereon;

(6) the mortgagor is not now in default in the payment of any installment of principal or interest, escrow funds, taxes or otherwise in the performance of his obligations under the mortgage documents and has not to the knowledge of the mortgage lender been in default in the performance of any such obligation for a period of longer than sixty days during the life of the mortgage;

(7) the improvements to mortgaged real property are covered by a valid and subsisting policy of insurance issued by a company authorized to issue such policies in the state and providing fire and extended coverage in such amounts as the authority may prescribe by regulation; and

(8) the mortgage loan meets the prevailing investment quality standards for mortgage loans of that type in the state.

F. Each mortgage lender is liable to the authority for any damages suffered by the authority by reason of the untruth of any representation or the breach of any warranty and, in the event that any representation proves to be untrue when made or in the event of any breach of warranty, the mortgage lender shall, at the option of the authority, repurchase the mortgage loan for the original purchase price adjusted for amounts subsequently paid thereon, as the authority may determine. The authority may also require, as a condition of the authority's purchase of mortgage loans from the mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for any misrepresentation or breach of warranty.

G. The authority shall require the recording of an assignment of any mortgage loan purchased by it from a mortgage lender. The authority is not required to inspect or take possession of the mortgage documents if the mortgage lender from which the mortgage loan is purchased by the authority enters, or the mortgage lender's approved designee enters, a contract to service the mortgage loan and account to the authority therefor.

H. In the event of the foreclosure of any mortgage purchased under the provisions of this section, the foreclosure shall not be made in the name of the state. The authority is empowered to make appropriate arrangements for the foreclosure of such mortgages in the name of the authority or another party.

I. To the extent that any provisions of this section may be inconsistent with any provision of law of the state governing the affairs of mortgage lenders, which other provision of law does not by its terms expressly amend the Mortgage Finance Authority Act [58-18-1 NMSA 1978], the provisions of this section shall control.

HISTORY: 1953 Comp., § 13-19-7, enacted by Laws 1975, ch. 303, § 7; 1978, ch. 163, § 3; 1979, ch. 399, § 3; 1995, ch. 9, § 12.

#### § 58-18-7.1. Sale of project mortgage loans

All mortgage lenders are authorized to sell project mortgage loans to and to accept loans from the authority in accordance with the provisions of the Mortgage Finance Authority Act [58-18-1 NMSA 1978] and the rules and regulations of the authority. To the extent that any provisions of this section may be inconsistent with any provision of law of the state governing the affairs of mortgage lenders, which other provision of law does not by its terms expressly amend the Mortgage Finance Authority Act, the

provisions of this section shall control.

**HISTORY:** 1978 Comp., § 58-18-7.1, enacted by Laws 1982, ch. 86, § 6; 1995, ch. 9, § 13.

§ 58-18-7.2. Secondary market facility; findings and purposes; establishment

A. The legislature finds and declares that it is necessary and in the public interest that the authority be authorized to create, operate, fund, administer and maintain a secondary market facility for mortgage loans and to otherwise act as a conduit for public and private funds to provide an increased degree of liquidity for mortgage investments, thereby improving the distribution and availability of investment capital for use in mortgage investments in this state and promoting the economic well-being of the state through increased opportunity for employment, all of which are expressly declared to be valid public purposes and corporate purposes that may be exercised by the authority.

B. In connection with the establishment and implementation of a secondary market facility, the authority may issue pass-through securities and may purchase and contract to purchase mortgage loans, pass-through securities, obligations secured by mortgage loans, or revenues therefrom or interests therein, at the prices and upon the terms and conditions as the authority shall determine. All mortgage lenders are authorized to sell mortgage loans, pass-through securities and such obligations to the secondary market facility in accordance with the provisions of this section and the rules and regulations of the authority.

C. To provide funding for the secondary market facility, the authority or the secondary market facility may enter into agreements to administer funds made available to the secondary market facility, at such prices and upon such terms and conditions as the authority shall determine, and may issue its bonds, notes, other obligations, pass-through securities and guarantees in the same manner and on the same terms and conditions as the authority may issue its bonds and notes pursuant to [Section 58-18-11 NMSA 1978](#) or on such other terms and conditions as the authority shall determine. In no event shall any bonds, notes, other obligations, pass-through securities or guarantees constitute an obligation, either general or special, of the state or any political subdivision thereof or constitute pecuniary liability of the state or any political subdivision thereof.

D. Notwithstanding any other provisions of the Mortgage Finance Authority Act [[58-18-1 NMSA 1978](#)], the state shall have the power, out of funds legally available therefor, to purchase and to contract to purchase from the authority pass-through securities or participations therein and mortgage loans or participations therein.

**HISTORY:** 1978 Comp., § 58-18-7.2, enacted by Laws 1983, ch. 285, § 2; 1995, ch. 9, § 14.

§ 58-18-7.3. Rehabilitation loans and home improvement loans

The authority may develop a tax-exempt bond, a taxable bond or an authority-funded program for the financing of home improvement or rehabilitation loans. Such a home improvement or rehabilitation loan program may be conducted in concert with any appropriation provided by the legislature for the purpose of developing and conducting a program of subsidizing the interest rates on home improvement or rehabilitation loans to persons of low or moderate income.

**HISTORY:** 1978 Comp., § 58-18-7.3, enacted by Laws 1984, ch. 62, § 2; 1987, ch. 168, § 1; 1995, ch. 9, § 15.

§ 58-18-8. Rules and regulations of the authority

A. The authority shall adopt and may from time to time modify or repeal, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations:

(1) for determining income levels for the classification of persons of low or moderate income, which may vary between different areas in the state and in accordance with the size of family unit; and

(2) for governing:

(a) the making of loans to mortgage lenders; and

(b) the purchase of mortgage loans, to implement the powers authorized and to achieve the purposes set forth in the Mortgage Finance Authority Act [58-18-1 NMSA 1978].

B. The rules and regulations of the authority relating to the making of loans to mortgage lenders pursuant to [Section 58-18-6 NMSA 1978](#) or the purchase of mortgage loans pursuant to [Section 58-18-7 NMSA 1978](#) shall provide at least for the following:

(1) procedures for the submission by mortgage lenders to the authority of:

(a) requests for loans; and

(b) offers to sell mortgage loans;

(2) standards for allocating bond proceeds among mortgage lenders requesting loans from or offering to sell mortgage loans to the authority;

(3) standards for determining the principal amount to be loaned to each mortgage lender and the interest rate thereon;

(4) standards for determining the aggregate principal amount of mortgage loans to be purchased from each mortgage lender and the purchase price thereof;

(5) qualifications or characteristics of:

(a) residential housing; and

(b) the purchasers of residential housing to be financed by new mortgage loans made in satisfaction of the requirements of Subsection F of [Section 58-18-6 NMSA 1978](#) or Subsection B of [Section 58-18-7 NMSA 1978](#), as the case may be;

(6) restrictions as to the interest rates to be allowed on new mortgage loans and the return to be realized therefrom by mortgage lenders;

(7) requirements as to commitments and disbursements by mortgage lenders with respect to new mortgage loans; and

(8) standards for mobile homes eligible for use as security.

C. The rules and regulations of the authority shall also provide for:

(1) schedules of any fees and charges to be imposed by the authority; and

(2) any other matters related to the duties and the exercise of the powers of the authority under the Mortgage Finance Authority Act [58-18-1 NMSA 1978].

**HISTORY:** 1953 Comp., § 13-19-8, enacted by Laws 1975, ch. 303, § 8; 1979, ch. 399, § 4; 1995, ch. 9, § 16.

§ 58-18-8.1. Rules and regulations of the authority; multiple-family dwellings, transitional and congregate housing facilities

Prior to financing a multiple-family dwelling project or transitional or congregate housing facility, the authority shall adopt, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations governing the purchase of project mortgage loans and the making of loans to finance project mortgage loans, which shall provide at least for the following:

A. procedures for the submission by mortgage lenders to the authority of:

(1) offers to sell project mortgage loans; or

(2) requests for loans;

B. standards for approving qualifications of sponsors and mortgage lenders;

C. standards for determining minimum equity requirements for sponsors and acceptable debt-to-equity ratios for sponsors;

D. methods for establishing uniform accounting systems for sponsors;

E. standards for approving costs of such projects; and

F. guidelines establishing reasonable geographic allocation procedures for project mortgage loans.

**HISTORY:** 1978 Comp., § 58-18-8.1, enacted by Laws 1982, ch. 86, § 7; 1995, ch. 9, § 17.

§ 58-18-8.2. Rules and regulations of the authority; secondary market facility



Prior to establishing a secondary market facility or issuing any pass-through security, the authority shall adopt, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations governing the operations of the secondary market facility and the issuance of pass-through securities, which shall provide for the following, to the extent that the secondary market facility proposes to engage in such activities:

A. procedures for submission by mortgage lenders to the authority of offers to sell:

(1) mortgage loans;

(2) pass-through securities; or

(3) obligations secured by mortgage loans or pledges of mortgage loan revenues;

B. standards for allocating available funds or guarantees among mortgage lenders through the secondary market facility;

C. qualifications or conditions relating to the reinvestment by mortgage lenders of the funds made available to mortgage lenders by the secondary market facility; and

D. characteristics of pass-through securities to be issued by the secondary market facility.

HISTORY: 1978 Comp., § 58-18-8.2, enacted by Laws 1983, ch. 285, § 3.

#### § 58-18-8.3. Rules and regulations of the authority; home improvement loan program

Prior to implementing the home improvement loan program referred to in Subsection B of Section 58-18-7.3 NMSA 1978, the authority shall adopt, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations governing the purchase of home improvement loans or loans to mortgage lenders to fund home improvement loans under the program, which shall provide at least for the following:

A. procedures for submission by mortgage lenders to the authority of offers to sell home improvement loans;

B. standards for approving qualifications of mortgage lenders;

C. standards for allocating bond proceeds or other authority funds among mortgage lenders offering to sell home improvement loans to the authority and among mortgage lenders receiving loans from the authority to fund home improvement loans;

D. qualifications or characteristics of:

(1) residential housing upon which a home improvement loan may be made;

(2) the types of home improvements that may be made with the proceeds of home improvement loans, except that the authority shall not permit the proceeds to be used for landscaping, lawn sprinkling systems, swimming pools, tennis courts, saunas or other recreational facilities; and

(3) the persons of low or moderate income who may apply for home improvement loans;

E. restrictions as to the interest rates to be allowed on home improvement loans and the fees and other profit to be realized by mortgage lenders; and

F. procedures for determining eligibility for any subsidies to be provided to persons of low or moderate income.

HISTORY: 1978 Comp., § 58-18-8.3, enacted by Laws 1984, ch. 62, § 3; 1987, ch. 168, § 2; 1995, ch. 9, § 18.

#### § 58-18-9. Required determinations of the authority

The authority shall not make loans to mortgage lenders pursuant to Section 58-18-6 NMSA 1978 or purchase mortgage loans pursuant to Section 58-18-7 NMSA 1978 until the authority has determined:

A. that the supply of funds available in the private banking system in the state for residential mortgages is inadequate to meet the demand of persons of low or moderate income for residential mortgage financing; and

B. that the purchase of mortgages or making of loans by the authority will alleviate the inadequate supply of residential mortgage money in the state's banking system.

HISTORY: 1953 Comp., § 13-19-9, enacted by Laws 1975, ch. 303, § 9; 1995, ch. 9, § 19.

#### § 58-18-10. Planning, zoning and building laws

A. All multiple-family dwelling projects and transitional and congregate housing facilities shall be subject to any applicable master plan, official map, zoning regulation, building code, housing ordinance and other laws and regulations governing land use or planning or construction of the municipality in which the project is or is to be located.

B. The authority shall provide a description of any multiple-family dwelling project or transitional or congregate housing facility for which it proposes to finance a project mortgage loan to the local governing body of the municipality in which the multiple-family dwelling project or transitional or congregate housing facility is or is to be located. The description shall include the proposed number and type of dwelling units and the location of the project. Unless the local governing body, by majority vote, disapproves the multiple-family dwelling project or transitional or congregate housing facility within thirty days after receipt of the description, the authority may finance a project mortgage loan on the project.

HISTORY: 1953 Comp., § 13-19-10, enacted by Laws 1975, ch. 303, § 10; 1982, ch. 86, § 9; 1995, ch. 9, § 20.

§ 58-18-11. Bonds and notes of the authority

A. The authority may from time to time issue its bonds and notes in the principal amounts as, in the opinion of the authority, are necessary to provide sufficient funds for achieving its corporate purposes, the payment of principal and of premium, if any, and interest on bonds and notes of the authority, establishment of reserves to secure the bonds and notes and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

B. Except as may otherwise be expressly provided by the authority, all bonds and notes issued by the authority shall be general obligations of the authority, secured by the full faith and credit of the authority and payable out of any money, assets or revenues of the authority, subject only to any agreement with bondholders or noteholders pledging any particular money, assets or revenues. In no event shall any bonds or notes constitute an obligation, either general or special, of the state or any political subdivision of the state or constitute or give rise to a pecuniary liability of the state or any political subdivision of the state; nor shall the authority have the power to pledge the general credit or taxing power of the state or any political subdivision of the state or to make its debts payable out of any money except that of the authority.

C. Bonds and notes shall be authorized by resolutions of the authority adopted as provided by the Mortgage Finance Authority Act [58-18-1 NMSA 1978]; provided that any such resolution authorizing the issuance of bonds or notes may delegate to an officer of the authority the power to issue such bonds or notes from time to time and to fix or specify the manner of fixing the details of any such issues of bonds or notes by an appropriate certificate of the authorized officer.

D. The bonds shall:

(1) state on their face that they:

(a) are payable both as to principal and interest solely out of the assets of the authority; and

(b) do not constitute an obligation, either general or special, of the state or any political subdivision of the state; and

(2) be:

(a) either registered, registered as to principal only or in coupon form;

(b) issued in such denominations as the authority may prescribe;

(c) fully negotiable instruments under the laws of the state unless otherwise determined by the authority;

(d) signed on behalf of the authority with the manual or facsimile signature of the chairman or vice chairman attested by the manual or facsimile signature of the secretary, shall have impressed or imprinted on them the seal of the authority or a facsimile of the seal, and any coupons attached to them shall be signed with the facsimile signature of the chairman or vice chairman;

(e) payable as to interest at such rate or rates and at such time or times as the authority may determine or provide;

(f) payable as to principal at such times over a period not to exceed forty-five years from the date of issuance, at such place or places and with such reserved rights of prior redemption as the authority may prescribe;

(g) sold at such price or prices, at public or private sale, and in such manner as the authority may prescribe; and the authority may pay all expenses, premiums and commissions that it deems necessary or advantageous in connection with the issuance and sale of the bonds; and

(h) issued under and subject to such terms, conditions and covenants providing for the payment of the principal, redemption premiums, if any, and interest and such other terms, conditions, covenants and protective provisions safeguarding the payment, not inconsistent with the Mortgage Finance Authority Act [58-18-1 NMSA 1978], as may be found to be necessary by the authority for the most advantageous sale of the bonds, which may include but not be limited to covenants with the holders of the bonds as to: 1) pledging or creating a lien, to the extent provided by a resolution on all or any part of any money or property of the authority or of any money held in trust or otherwise by others to secure the payment of the bonds; 2) otherwise providing for the custody, collection, securing, investment and payment of any money of or due to the authority; 3) the setting aside of reserves or sinking funds and the regulation or disposition thereof; 4) limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied; 5) limitations on the issuance of additional bonds and on the refunding of outstanding or other bonds; 6) the procedure, if any, by which the terms of any contract with the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; 7) the creation of special funds into which any money of the authority may be deposited; 8) vesting in a trustee the properties, rights, powers and duties in trust as the authority may determine that may include any or all of the rights, powers and duties of the trustee appointed pursuant to Section 58-18-14 NMSA 1978 for the holders of any bonds issued by the authority in which event the provisions of that section authorizing appointment of a trustee by the holders of bonds shall not apply; or limiting or abrogating the right of the holders of bonds to appoint a trustee under Section 58-18-14 NMSA 1978 or limiting the rights, duties and powers of the trustee; 9) defining the acts or omissions to act that constitute a default in the obligations and duties of the authority and providing for the rights and remedies of the holders of bonds in the event of default, provided that the rights and remedies shall not be inconsistent with the general laws of the state and other provisions of the Mortgage Finance Authority Act; and 10) any other matters of like or different character that in any way affect the security and protection of the bonds and the rights of the holders of bonds.

E. The authority is authorized to issue its bonds or notes for the purpose of refunding any bonds or notes of the authority or of any issuer under the Municipal Mortgage Finance Act [58-18A-1 NMSA 1978] or under any other authorizing act then outstanding, including the payment of any redemption premiums thereon and any interest accrued to or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of any bonds or notes issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of the outstanding bonds or notes or the redemption of the outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of Subsection P of Section 58-18-5 NMSA 1978. The interest, income and profits, if any, earned or realized on any such investment may, in the discretion of the authority, also be applied to the payment of the outstanding bonds or

notes to be refunded by purchase, retirement or redemption, as the case may be. After the terms of the escrow have been fully satisfied and carried out, any balance of the proceeds and interest, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner. All bonds or notes shall be issued and secured and shall be subject to the provisions of the Mortgage Finance Authority Act in the same manner and to the same extent as any other bonds or notes issued pursuant to the Mortgage Finance Authority Act.

F. The authority is authorized to issue bond anticipation notes and may renew them from time to time, but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. The notes may be payable from any money of the authority available therefor and not otherwise pledged or from the proceeds of sale of the bonds of the authority in anticipation of which the notes were issued. The notes may be issued for any corporate purpose of the authority. The notes shall be issued in the same manner as the bonds, and the notes and the resolution authorizing them may contain any provisions, conditions or limitations, not inconsistent with the provisions of this subsection, that the bonds or a bond resolution of the authority may contain. The notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided for bondholders in the Mortgage Finance Authority Act [58-18-1 NMSA 1978]. The notes shall be as fully negotiable as the bonds of the authority.

G. It is the intention of the legislature that any pledge of earnings, revenues or other assets made by the authority shall be valid and binding from the time when the pledge is made; that the earnings, revenues or other assets so pledged and thereafter received by the authority shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether the parties have notice of the claims. The resolution or any other instrument by which a pledge is created need not be filed or recorded.

H. Neither the members of the authority nor any person executing the bonds, notes or other obligations shall be liable personally on the bonds, notes or other obligations or be subject to any personal liability or accountability by reason of the issuance thereof while acting in the scope of their authority.

HISTORY: 1953 Comp., § 13-19-11, enacted by Laws 1975, ch. 303, § 11; 1995, ch. 9, § 21.

#### § 58-18-12. Reserve funds

A. The authority may create and establish one or more reserve funds.

B. The authority may create and establish other reserve funds as it deems advisable and necessary.

HISTORY: 1953 Comp., § 13-19-12, enacted by Laws 1975, ch. 303, § 12; 1995, ch. 9, § 22.

#### § 58-18-13. Notice or publication not required

No notice, consent or approval by any governmental body or public officer shall be required as a prerequisite to the issuance, sale or delivery of any bonds, notes or other obligations of the authority pursuant to the provisions of the Mortgage Finance Authority Act [58-18-1 NMSA 1978], except as specifically provided in that act.

HISTORY: 1953 Comp., § 13-19-13, enacted by Laws 1975, ch. 303, § 13; 1995, ch. 9, § 23.

§ 58-18-14. Remedies of bondholders and noteholders

Except to the extent this section conflicts with a term or condition of any trust indenture or note, bondholders and noteholders shall have the following remedies:

A. in the event that the authority defaults in the payment of principal of or interest on any issue of bonds or notes after it becomes due, whether at maturity or upon call for redemption, and the default continues for a period of thirty days, or in the event that the authority fails or refuses to comply with the provisions of the Mortgage Finance Authority Act [58-18-1 NMSA 1978] or defaults in any agreement made with the holders of any issue of bonds or notes, the holders of twenty-five percent in aggregate principal amount of the bonds or notes of the issue then outstanding, by one or more instruments filed in the office of the clerk of the county in which the principal office of the authority is located and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds or notes for the purposes provided in this section;

B. a trustee may, and upon written request of the holders of twenty-five percent in aggregate principal amount of the issue of bonds or notes then outstanding shall, in his or its own name:

(1) enforce all rights of the bondholders or noteholders, including the right to require the authority to carry out its agreements with the holders of the bonds or notes and to perform its duties under the Mortgage Finance Authority Act [58-18-1 NMSA 1978];

(2) bring suit upon the bonds or notes;

(3) by action or suit, require the authority to account as if it were the trustee of an express trust for the holders of the bonds or notes;

(4) by action or suit, enjoin any acts or things that may be unlawful or in violation of the rights of the holders of the bonds or notes; and

(5) declare all such bonds or notes due and payable and, if all defaults are made good, then with the consent of the holders of twenty-five percent of the aggregate principal amount of the issue of bonds or notes then outstanding, annul the declaration and its consequences;

C. a trustee shall, in addition to the provisions of Subsection B of this section, have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights;

D. before declaring the principal of bonds or notes due and payable, the trustee shall first give thirty days' notice in writing to the governor, to the authority and to the attorney general of the state; and

E. the district court shall have jurisdiction of any suit, action or proceeding by the trustee on behalf of bondholders or noteholders. The venue of any such suit, action or proceeding shall be laid in the county in which the principal office of the authority is located.

HISTORY: 1953 Comp., § 13-19-14, enacted by Laws 1975, ch. 303, § 14; 1995, ch. 9, § 24.

§ 58-18-14.1. Project mortgage loans; enforcement of agreement

A. Compliance by any mortgage lender with the terms of its agreement with or undertaking to the authority with respect to the making of any project mortgage loans to sponsors may be enforced by decree of any court of competent jurisdiction. The authority shall require as a condition of purchasing project mortgage loans from or making a loan to any national banking or federal savings and loan association the consent of the association to the jurisdiction of courts of the state over any such proceeding. The authority shall also require as a condition of the authority's purchasing project mortgage loans from or making a loan to any mortgage lender agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its undertakings to the authority.

B. Each mortgage lender shall be liable to the authority for any damages suffered by the authority by reason of the untruth of any representation or the breach of any warranty, and, in the event that any representation proves to be untrue when made or in the event of any breach of warranty, the mortgage lender shall, at the option of the authority:

(1) repurchase the project mortgage loan for the original purchase price adjusted for amounts subsequently paid thereon, as the authority may determine; or

(2) repay the then unpaid principal balance of the loan, together with interest accrued thereon and the penalties owed pursuant to Subsection A of this section.

HISTORY: 1978 Comp., § 58-18-14.1, enacted by Laws 1982, ch. 86, § 11; 1995, ch. 9, § 25.

§ 58-18-15. State and municipalities not liable on bonds and notes

The bonds, notes and other obligations of the authority shall not be a debt of the state or of any municipality, and neither the state nor any municipality shall be liable thereon.

HISTORY: 1953 Comp., § 13-19-15, enacted by Laws 1975, ch. 303, § 15.

§ 58-18-16. Agreement of the state

The state does hereby pledge to and agree with the holders of any bonds, notes, other obligations, pass-through securities or guarantees issued under the Mortgage Finance Authority Act [58-18-1 NMSA 1978] that the state will not limit or alter the rights vested in the authority or any secondary market facility to fulfill the terms of any agreements made with the holders of the bonds, notes, other obligations, pass-through securities or guarantees or in any way impair the rights and remedies of the holders of the bonds, notes, other obligations, pass-through securities or guarantees until the bonds, notes, other obligations, pass-through securities or guarantees together with the interest thereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of the holders of the bonds, notes, other obligations, pass-through securities or guarantees, are fully met and discharged. The authority or any secondary market facility is

authorized to include this pledge and agreement of the state in any agreement with the holders of the bonds, notes, other obligations, pass-through securities or guarantees.

HISTORY: 1953 Comp., § 13-19-16, enacted by Laws 1975, ch. 303, § 16; 1995, ch. 9, § 26.

§ 58-18-17. Bonds, notes and other obligations; legal investments for public officers and fiduciaries

The bonds, notes, other obligations, pass-through securities and guarantees of the authority or any secondary market facility are securities in which all insurance companies and associations and other persons carrying on insurance business, all banks, bank and trust companies, trust companies, private banks, savings banks, savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries and all other persons who are or may be authorized to invest in bonds or other obligations of the state may properly and legally invest funds including capital in their control or belonging to them.

HISTORY: 1953 Comp., § 13-19-17, enacted by Laws 1975, ch. 303, § 17; 1995, ch. 9, § 27.

58-18-18. Tax exemption

A. It is determined that the creation of the authority is in all respects for the benefit of the people of the state, for the improvement of their health and welfare and for the promotion of the economy and that those purposes are public purposes. The authority will be performing an essential governmental function in the exercise of the powers conferred upon it by the Mortgage Finance Authority Act [58-18-1 NMSA 1978], and the state covenants with the purchasers and all subsequent holders and transferees of bonds and notes issued by the authority, in consideration of the acceptance of and payment for the bonds and notes, that the bonds and notes of the authority issued pursuant to that act and the income therefrom shall at all times be free from taxation, except for estate or gift taxes and taxes on transfers.

B. The income and operations of the authority and any secondary market facility shall be exempt from taxation of every kind and nature, provided that the authority shall be obligated to pay all ad valorem taxes and special assessments. The authority and any secondary market facility shall pay any recording fee for instruments recorded by it or on its behalf but shall not be required to pay any transfer tax of any kind on account of instruments recorded by it or on its behalf.

HISTORY: 1953 Comp., § 13-19-18, enacted by Laws 1975, ch. 303, § 18; 1981, ch. 190, § 1; 1985, ch. 232, § 3; 1995, ch. 9, § 28.

§ 58-18-19. No contribution by state or municipality

Neither the state nor any municipality shall have the power to pay out of its general funds or otherwise contribute its money to the authority, nor may the state or any state agency purchase any bonds or notes of the authority, nor shall the state or any municipality have the power to make or participate in the making of loans to mortgage lenders or to purchase or participate in the purchase of mortgage loans pursuant to the Mortgage Finance Authority Act [58-18-1 NMSA 1978]. Notwithstanding the foregoing, neither the state nor any municipality shall be prohibited from appropriating its money to or in aid of the authority's programs or the beneficiaries of any program to the extent otherwise permitted by law.



HISTORY: 1953 Comp., § 13-19-19, enacted by Laws 1975, ch. 303, § 19; 1995, ch. 9, § 29.

§ 58-18-20. Money of the authority

A. All money of the authority from whatever source derived, except as otherwise authorized or provided in the Mortgage Finance Authority Act [58-18-1 NMSA 1978], shall be paid to the treasurer of the authority and shall be deposited forthwith in a bank designated by the authority. The money in such accounts shall be withdrawn on the order of persons whom the authority may authorize. All deposits of such money shall, if required by the authority, be secured in such manner as the authority may determine. The state auditor and his legally authorized representatives are authorized and empowered from time to time to examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing. The authority shall pay a reasonable fee for such examination as determined by the state auditor.

B. The authority and any secondary market facility shall have power to contract with holders of any of its bonds, notes, other obligations, pass-through securities or guarantees as to the custody, collection, securing, investment and payment of any money of the authority or any secondary market facility of any money held in trust or otherwise for the payment of bonds, notes, other obligations, pass-through securities or guarantees and to carry out the contract. Money held in trust or otherwise for the payment of bonds, notes, other obligations, pass-through securities or guarantees or in any way to secure bonds, notes, other obligations, pass-through securities or guarantees and deposits of such money may be secured in the same manner as money of the authority, and all banks and trust companies are authorized to give security for deposits.

C. Subject to the provisions of any contract with bondholders, noteholders, or holders of other obligations, pass-through securities or guarantees, the authority and any secondary market facility shall prescribe a system of accounts.

D. The authority shall submit to the governor, the state auditor and the legislative finance committee, within thirty days of the receipt thereof by the authority, a copy of the report of every external examination of the books and accounts of the authority.

E. Money of the authority and any secondary market facility, including money held in trust or otherwise for the payment of bonds, notes, other obligations, pass-through securities or guarantees is not public money or state funds within the meaning of any law of the state relating to investment, deposit, security or expenditure of public money and, subject to any agreement with bondholders and any limitations imposed by the Mortgage Finance Authority Act [58-18-1 NMSA 1978], may be used by the authority in any manner necessary or appropriate in carrying out the powers given in the Mortgage Finance Authority Act.

HISTORY: 1953 Comp., § 13-19-20, enacted by Laws 1975, ch. 303, § 20; 1985, ch. 232, § 4; 1995, ch. 9, § 30.

§ 58-18-21. Limitation of liability

Neither the members of the authority nor any person acting in its behalf, while acting within the scope of their authority, shall be subject to any personal liability for any action taken or omitted within that scope of authority.

HISTORY: 1953 Comp., § 13-19-21, enacted by Laws 1975, ch. 303, § 21; 1995, ch. 9, § 31.

#### § 58-18-22. Assistance by state officers and agencies

All state officers and all state agencies may render such services to the authority within their respective functions as may be requested by the authority.

HISTORY: 1953 Comp., § 13-19-22, enacted by Laws 1975, ch. 303, § 22.

#### § 58-18-23. Court proceedings; preference; venue

Any action or proceeding to which the authority or the people of the state may be a party in which any question arises as to the validity of the Mortgage Finance Authority Act [58-18-1 NMSA 1978] shall be preferred over all other civil causes in all courts of the state and shall be heard and determined in preference to all other civil business pending in the courts irrespective of position on the calendar. The same preference shall be granted upon application of counsel to the authority in any action or proceeding questioning the validity of that act in which he may be allowed to intervene. The venue of any action or proceeding to which the authority or the people of the state are a party shall be laid in the county in which the principal office of the authority is located.

HISTORY: 1953 Comp., § 13-19-23, enacted by Laws 1975, ch. 303, § 23; 1995, ch. 9, § 32.

#### § 58-18-24. Corporate existence

The authority and its corporate existence shall continue until terminated by law, provided that no such law shall take effect so long as the authority has bonds, notes, other obligations or pass-through securities or guarantees outstanding unless adequate provision has been made for the satisfaction or payment thereof. Upon termination of the existence of the authority, all its rights and properties in excess of its obligations shall pass to and be vested in the state.

HISTORY: 1953 Comp., § 13-19-24, enacted by Laws 1975, ch. 303, § 24; 1995, ch. 9, § 33.

#### § 58-18-25. Conflicts of interest; penalty

A. If any member, officer or employee of the authority has an interest, either direct or indirect, in any contract to which the authority or any secondary market facility is or is to be a party or in any mortgage lender requesting a loan from or offering to sell mortgage loans to the authority or any secondary market facility or in any sponsor requesting a project mortgage loan, the interest shall be disclosed to the authority in writing and shall be set forth in the minutes of the authority. The member, officer or employee having the interest shall not participate in any action by the authority or any secondary market facility with respect to the contract, mortgage lender or sponsor.

B. Nothing in this section shall be deemed or construed to limit the right of any member, officer or employee of the authority to:

(1) acquire an interest in bonds, notes, other obligations, pass-through securities or guarantees of the authority or any secondary market facility; or

(2) have an interest in any banking institution in which the funds of the authority are or are to be deposited or that is or is to be acting as trustee or paying agent under any trust instrument to which the authority is a party.

C. Any person having a conflict of interest as defined in this section and participating in any transaction involving the conflict of interest or failing to notify the authority of the conflict is guilty of a misdemeanor.

HISTORY: 1953 Comp., § 13-19-25, enacted by Laws 1975, ch. 303, § 25; 1981, ch. 172, § 1; 1982, ch. 86, § 12; 1995, ch. 9, § 34.

#### § 58-18-26. Cumulative authority

The Mortgage Finance Authority Act [58-18-1 NMSA 1978] shall be deemed to provide an additional and alternative method for the doing of the things authorized by that act, shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing; provided that the issuance of bonds, notes, other obligations, pass-through securities or guarantees under the provisions of the Mortgage Finance Authority Act need not comply with the requirements of any other law applicable to the issuance of bonds, notes, other obligations, pass-through securities or guarantees.

HISTORY: 1953 Comp., § 13-19-26, enacted by Laws 1975, ch. 303, § 26; 1995, ch. 9, § 35.

#### § 58-18-27. Liberal interpretation

The Mortgage Finance Authority Act [58-18-1 NMSA 1978], being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect its purposes.

HISTORY: 1953 Comp., § 13-19-27, enacted by Laws 1975, ch. 303, § 27; 1995, ch. 9, § 36.

# Tab 3

## NEW MEXICO MORTGAGE FINANCE AUTHORITY RULES AND REGULATIONS

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**SECTION 1. AUTHORITY.** These Rules and Regulations are issued under and pursuant to the Mortgage Finance Authority Act, enacted as Chapter 303 of the Laws of 1975 of the State of New Mexico, as amended; Chapter 86 of the Laws of 1982 of the State of New Mexico, as amended (being Section 58-18-1 through 58-18-27, N.M.S.A. (1978); and Section 2-12-5, N.M.S.A. (1978), as amended (collectively, the “Act”). These Rules and Regulations supersede and replace all prior rules and regulations of the MFA and will become effective upon approval of the MFA Oversight Committee.

**SECTION 2. PURPOSE AND OBJECTIVES.** These Rules and Regulations are established to effectuate, and shall be applied so as to accomplish, the general purposes of the Act and the following specific objectives: (i) expanding the supply of funds in New Mexico available for new residential mortgages for persons and families of low or moderate income; (ii) alleviating the shortage of adequate housing, including multiple-family, transitional and congregate dwellings, in New Mexico for persons and families of low or moderate income; (iii) encouraging and providing the financing for the acquisition, construction, rehabilitation and improvement of residential housing, including multiple-family, transitional and congregate dwellings, in New Mexico for persons and families of low or moderate income; (iv) assisting in providing mortgage loans at below-market interest rates for private individuals, organizations and entities willing to undertake the acquisition, development and/or operation of multiple-family, transitional and congregate dwellings for persons and families of low or moderate income; and (v) obtaining the effective participation by lending institutions and others in the mortgage purchase program authorized by the Act, while restricting the financial return and benefit to such lending institutions to that necessary and reasonable to induce such participation. In carrying out its objectives and purposes, the New Mexico Mortgage Finance Authority, pursuant to the Act has the power to raise funds from private and public investors to make funds available for such purposes; to create and implement programs from time to time as may be necessary or appropriate to accomplish its purposes; and to assist, administer, finance or service housing programs and to contract for such services for or through private and nonprofit organizations and local, state, federal and tribal agencies or their instrumentalities.

**SECTION 3. GENERAL DEFINITIONS.** The following words and terms shall have the following meanings. A statutory change in the New Mexico Mortgage Finance Authority Act of any of the following definitions shall result in a corresponding change in the meaning of the same word or term within Section 3. of these Rules and Regulations.

A. “Act” shall mean the Mortgage Finance Authority Act, enacted as Chapter 303 of the Laws of 1975 of the State of New Mexico, as amended (being Sections 58-18-1 through 58-18-27, inclusive, N.M.S.A. (1978), as amended).

B. “Affiliate” shall mean any entity controlling, controlled by or under the common control of another entity, person or common parent company; provided that an entity which is a

Mortgage Lender, must meet the MFA's requirements set forth in the Policies and Procedures of the MFA. For the purposes of this definition, "control" when used with respect to any specified entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract, statute or otherwise. For purposes of this definition the terms "person" and "entity" include non-profit corporation, other public entities, governmental agencies and instrumentalities, Mortgage Lenders, Sponsors, Builders, and Applicants.

C. "Affordable" shall mean consistent with minimum rent and/or income limitations set forth in the Act, and in guidelines established for specific programs administered by MFA.

D. "Applicant" shall mean a lending institution, non-profit corporation, public or tribal entity, governmental agency or instrumentality, Mortgage Lender, Builder, Sponsor, or Affiliate of any of the foregoing, or any other person or entity meeting the appropriate criteria of the MFA.

E. "Application" shall mean an application for MFA approval to participate in one or more programs of the MFA submitted by an Applicant to the MFA.

F. "Bonds" or "Notes" shall mean the bonds or bond anticipation notes, respectively issued by the MFA pursuant to the Act.

G. "Builder" shall mean a person or entity licensed as a general contractor to construct Residential Housing in the state which has been approved by the MFA to participate in an MFA program.

H. "Code" shall mean the Internal Revenue Code of 1986, as amended.

I. "Existing Mortgage Loan" shall mean a loan secured by a Mortgage or Deed of Trust made by a Mortgage Lender to: (i) a Person of Low or Moderate Income to finance the purchase of an owner-occupied single family residence in the state; or (ii) to a person or entity to finance multiple-family, transitional and congregate dwelling projects for persons and families of low or moderate income, which loan was made prior to the date of submission by the Mortgage Lender of its Application.

J. "Federal Government" shall mean the United States of America and any agency or instrumentality, corporate or otherwise, of the United States of America.

K. "FHA" shall mean the Federal Housing Administration or its successors.

L. "FHLMC" or "Freddie Mac" shall mean the Federal Home Loan Mortgage Corporation or its successors.

M. "FNMA" or "Fannie Mae" shall mean the Federal National Mortgage Association or its successors.

N. “GNMA” or “Ginnie Mae” shall mean the Government National Mortgage Association or its successors.

O. “Home Improvement Loan” shall mean a mortgage loan to finance such alterations, repairs and improvements on or in connection with an existing residence as the MFA may determine will substantially protect or improve the basic livability or energy efficiency of the residence, including without limitation the acquisition and installation of energy conservation building materials and solar energy equipment.

P. “HUD” shall mean the United States Department of Housing and Urban Development.

O. “MFA” shall mean the New Mexico Mortgage Finance Authority.

R. “Mobile Home” shall mean a movable or portable housing structure, constructed to be towed on its own chassis and designed so as to be installed with or without a permanent foundation for human occupancy as a residence that may include one or more components that can be retracted for towing purposes and subsequently expanded for additional capacity, or two or more units separately towable but designed to be joined into one integral unit, except that the definition does not include recreational vehicles or modular or remanufactured homes, built to Uniform Building Code standards, designed to be permanently affixed to real property.

S. “Mortgage” shall mean a mortgage, mortgage deed, deed of trust or other instrument creating a lien, subject only to title exceptions as may be acceptable to the MFA with a fee interest in real property located within the state, or with a leasehold interest that has a remaining term at the time of computation that exceeds the maturity date or is renewable at the option of the lessee after the maturity date, of the Mortgage Loan or the instrument creating a lien on a mobile home.

T. “Mortgage Credit Certificate” shall mean certificates issued by the MFA to Persons of Low or Moderate Income enabling them to claim a credit against federal income tax for a portion of interest paid by such persons on a Mortgage Loan.

U. “Mortgage Lender” shall mean any bank, trust company, mortgage company, mortgage banker, national banking association, credit union, building and loan association and any other lending institution; *provided that the mortgage lender maintains an office in New Mexico, is authorized to make mortgage loans in the state and is approved by the MFA and either the FHA, VA, RHS, HUD’s Office of Native American Programs, FNMA (“Fannie Mae”), or FHLMC (“Freddie Mac”).*<sup>1</sup>

V. “Mortgage Loan” shall mean a financial obligation secured by a Mortgage, including a Project Mortgage Loan.

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<sup>1</sup> Definition of “Mortgage Lender” was amended (as italicized) per 1999 legislative action and was subsequently approved by the MFA Board of Directors and MFA Legislative Oversight Committee.

W. “Municipality” shall mean any county, city, town or village or the state.

X. “New Mortgage Loan” shall mean a Mortgage Loan, including a Home Improvement Loan, made by a Mortgage Lender to a Person of Low or Moderate Income to finance project costs, and containing such terms and conditions as the MFA may require.

Y. “Oversight Committee” shall mean the MFA’s Oversight Committee created by, and appointed in accordance with, the Act.

Z. “Persons of Very Low, Low or Moderate Income” shall mean the categories of income levels attributed to persons and families for the determination of eligibility for MFA’s programs. Very Low, Low or Moderate Income persons and families within the state are those who are determined by the MFA to lack sufficient income to pay enough to cause private enterprise to build an adequate supply of quality affordable residential housing in their locality or in an area reasonably accessible to their locality and whose incomes are below the income levels established by the MFA to be in need of the assistance made available by the Act, taking into consideration, without limitation, such factors as defined under the Act. For purposes of this definition, the word “families” shall mean a group of persons consisting of, but not limited to, the head of a household; his or her spouse, if any; and children, if any, who are allowable as personal exemptions for Federal income tax purposes. Very Low Income persons or families are those with income at or below 50% of the Area Median Income (“AMI”). For Loans to persons and families on Indian Reservations, MFA will use the income basis determined under HUD’s Native American Housing and Self Determination Act (NAHASDA). Low Income persons or families are those with income above 50% and up to 80% of the AMI. Moderate Income persons or families are those with income above 80% and up to 120% of the AMI, or up to 140% AMI, on a program by program basis, as determined by MFA, in light of the needs throughout the State and in accordance with the requirements of the Act. AMI is defined as the point at which half the households in an area have lower incomes and half have higher incomes.

AA. “Policies and Procedures” shall mean Policies and Procedures of the MFA, including but not limited to, Mortgage Loan purchasing, selling, servicing and reservation procedures, which the MFA may update and revise from time to time as the MFA deems appropriate.

BB. “Recertification” shall mean the recertification of Applicants participating in MFA programs as determined necessary from time to time by the MFA.

CC. “Rehabilitation” shall mean the substantial renovation or reconstruction of an existing single-family residence, not including an increase in living area, which complies with requirements established by the MFA. Rehabilitation shall not include routine or ordinary repairs, improvements or maintenance, such as interior decorating, remodeling or exterior painting, except in conjunction with other substantial renovation or reconstruction.

DD. “Reservation and Compliance Procedures” shall mean the MFA’s procedures for allocating funds to purchase Mortgage Loans, and allocating Mortgage Credit Certificates, if



applicable. Such procedures may be updated and revised by the MFA as the MFA deems appropriate.

EE. “Residential Housing” shall mean a specific work or improvement undertaken primarily to provide one or more dwelling accommodations, including, without limitation, mobile homes, single-family, multiple-family, transitional and congregate dwellings for Persons of Low or Moderate Income, including the acquisition, construction or rehabilitation of real property, buildings and improvements

FF. “Residential Use” shall mean that the structure is designed primarily for use as the principal residence of the occupant or occupants and shall exclude vacation or recreational homes.

GG. “RHS/USDA” shall mean Rural Housing Service of the United States Department of Agriculture and Rural Housing Community Development Service (RHCDS) and its successors.

HH. “State” shall mean the State of New Mexico.

II. “VA” shall mean the Department of Veterans Affairs.

**SECTION 4. GENERAL REQUIREMENTS.** The following requirements shall apply to all programs established by the MFA.

4.1 Fees and Charges of the MFA. The MFA may establish and collect fees from Applicants who file Applications: (i) requesting allocations of funds for Mortgage Loans; or (ii) selling or offering to sell Mortgage Loans to the MFA in such amounts as the MFA may deem appropriate. Such fees may be used for, among other purposes: (i) reimbursing the MFA for all or part of its reasonably expected costs of issuing its bonds or other obligations and of administering its programs; and (ii) providing inducements to make or deliver Mortgage Loans or other financing for public purposes which the MFA determines require additional inducements to accomplish. The MFA may establish such other charges, premiums and penalties as it shall deem to be necessary in connection with the administration of its programs.

4.2 Servicing of Mortgage Loans. The MFA shall cause each Mortgage Loan financed by the MFA to be serviced pursuant to the Policies and Procedures of the MFA.

4.3 Examination of Books and Records. The MFA shall cause to be made such examinations of the books and records of each Applicant as the MFA deems necessary or appropriate to determine compliance with the terms of the Act, these Rules and Regulations and any agreement between the Applicant and the MFA. The MFA may require each Applicant to pay the costs of any such examination.

4.4 Consent to Jurisdiction. Each Applicant shall consent to the jurisdiction of the courts of the State, or the appropriate tribal court, over any proceeding to enforce compliance with the terms of the Act, these Rules and Regulations and any agreement between the Applicant and the MFA.

4.5 Purchase of the MFA's Bonds. No Mortgage Lender (including any "related person," as defined in Section 103 of the Code, and the regulations related thereto) shall, pursuant to any arrangement, formal or informal, or direct or indirect, purchase Bonds or other obligations of the MFA in an amount related to the aggregate principal amount of the Mortgage Loans to be sold to the MFA by such Mortgage Lender (or related person).

4.6 Policies and Procedures. The MFA shall adopt written Policies and Procedures for each of its programs and for the general conduct of its business. MFA's Policies and Procedures Manual shall become effective upon approval by the Board of Directors of the MFA; and shall be established in accordance with the Act, the Code, these Rules and Regulations, and if applicable, the requirements of the guarantor, insurer or purchaser with respect to the particular program. All Policies and Procedures and these Rules and Regulations shall be maintained at the offices of the MFA and be available for review by all Applicants and the general public during normal business hours.

4.7 Recertification. The MFA may establish procedures for recertifying Applicants from time to time. Applicants which fail to satisfy the MFA's requirements for recertification shall cease to be eligible and shall be denied further participation in MFA programs until the requirements of the MFA are satisfied.

**SECTION 5. SINGLE FAMILY HOMEOWNERSHIP PROGRAMS.** In addition to the programs defined in this Section 5, the MFA shall have the power to create variations or extensions of such programs, or additional programs which comply with the Act and these Rules and Regulations.

5.1 Additional Definitions. The following words and terms shall have the following meanings only within this Section 5.

A. "Single Family Homeownership Programs" shall mean the MFA's single family mortgage programs in which funds are available to finance Mortgage Loans through the sale of Bonds or other obligations, or from the proceeds of a secondary market facility, or from the MFA's general fund, or through the issuance of mortgage credit certificates allocated to Applicants on an aggregate or loan-by-loan basis pursuant to the Act and these Rules and Regulations set forth in this Section 5, and shall include: (i) the MFA's program pursuant to which the MFA shall issue Mortgage Credit Certificates to Persons of Low or Moderate Income; (ii) the financing of Home Improvement Loans; and (iii) the purchase and sale of Mortgage Loans.

B. FOR PURPOSES OF THE MAKING OF LOANS TO MORTGAGE LENDERS, THE PURCHASE OF MORTGAGE LOANS AND HOME IMPROVEMENT LOANS, "Residential Housing" shall mean an owner-occupied, single family residence located in the State, which the mortgagor(s) intend(s) to occupy as his or her (their) principal residence within sixty (60) days after: (1) the date of the closing of the purchase of the residence, or (2) in the case of a Rehabilitation loan where the Rehabilitation is to be accomplished by the

mortgagor, the date of completion of the Rehabilitation. For purposes of this definition, with regard to those properties and projects funded by tax exempt bonds, a single family residence:

(a) shall not include:

(i) a residence intended for occupancy by more than one family;

(ii) a residence which has been used as a residence for more than one family, or which could be used as a residence for more than one family;

(iii) a residence where more than 15% of the total area of which is reasonably expected to be used primarily in a trade or business, which is used as a vacation or recreational home, or with respect to which all or any portion of the land acquired with the proceeds of the related Mortgage Loan is used in a trade or business.

(iv) a residence which has a separate entrance to a section thereof which contains a second kitchen consisting of a sink and cooking facilities in addition to the residence's main kitchen; and

(b) shall meet such other requirements as the MFA may from time to time determine to be necessary or appropriate to properly administer the Single Family Homeownership Program.

## 5.2 Allocation of Funds for Financing.

A. Notice of Funds Availability (NOFA). When tax exempt bond proceeds are available or expected to be available, the MFA will issue a Notice of Funds Availability. The notice shall be an invitation to submit a request for reservation of funds to the MFA.

B. Allocation of Funds by the MFA. Funds may be allocated by the MFA either on an aggregate or on a loan-by-loan basis in accordance with the MFA's Reservation and Compliance Procedures. Allocations of funds for mortgages and/or Home Improvement Loans financed by the MFA shall be conclusive. In making such allocations, the MFA may consider, among other things, as appropriate:

1. In the case of programs, the funds of which are allocated on a loan-by-loan basis, the order of receipt of a request for reservation of funds, so as to generally allocate funds on a first-come, first-served basis;

2. The ability of the Applicant to deliver individual Mortgage Loans or Home Improvement Loans or otherwise utilize the funds for the purpose stated in the notice within the time limits of the program;

3. In the case of programs for the purchase of Existing Mortgage Loans, the terms and conditions of the Mortgage Loans offered for sale by the Applicant.

C. Allocation of Mortgage Credit Certificates. Mortgage Credit Certificates shall be allocated on a loan-by-loan basis in accordance with the Policies and Procedures established by the MFA.

### 5.3 Applications.

A. Process for Applying. The MFA shall maintain an application policy for Applicants wishing to apply for MFA approval to participate in the Single Family Homeownership Program. Applications will be provided with all documents required to be executed and submitted in connection therewith upon request. An Application to sell Mortgage Loans or Home Improvement Loans to the MFA shall contain, among other things, the unconditional agreement of the Applicant, upon acceptance of the Application by the MFA, to sell Mortgage Loans or Home Improvement Loans to the MFA or its designee which comply with the terms of an agreement to be signed by the Applicant and the MFA.

B. Review by the MFA. On receipt of an Application, the MFA shall review and analyze the Applicant's ability to sell Mortgage Loans or Home Improvement Loans to the MFA or its designee and to service such Mortgage Loans or Home Improvement Loans, or cause them to be serviced.

C. Notification of Acceptance. The MFA, by written notice shall notify each Applicant which has submitted an Application of the approval or disapproval of its Application. Upon approval of its Application, a Mortgage Lender or other Applicant shall be considered approved by the MFA to participate in the Single Family Homeownership Program. The MFA's approval or disapproval of any Application shall be conclusive.

5.4 Acceptance. The MFA shall establish Policies and Procedures for the purchase of Mortgage Loans and Home Improvement Loans as set forth in paragraph 4.6 of these Rules and Regulations. Each allocation of funds shall be conditioned upon the receipt by the MFA from the Applicant of a commitment fee, if any, and the documents required by the MFA within the time specified in the acceptance. In all cases the MFA may deny requests and may reallocate funds in accordance with the MFA's Reservation and Compliance Procedures. The allocation and reallocation of funds by the MFA for the financing of Mortgage Loans and Home Improvement Loans shall be conclusive.

5.5 Financing of Mortgage Loans and Home Improvement Loans. The financing of Mortgage Loans and Home Improvement Loans by the MFA shall be in accordance with the Policies and Procedures established by the MFA. Each Mortgage Loan and Home Improvement Loan financed must: (i) be the subject of an allocation of funds; (ii) be the subject of a written agreement executed by the MFA and the Applicant; (iii) comply with the terms and conditions of such agreement; (iv) be serviced in compliance with the servicing requirements of such agreement; and (v) otherwise comply with the MFA's requirements for the financing and

servicing of Mortgage Loans and Home Improvement Loans under the Single Family Homeownership Program.

5.6 Yield on Mortgage Loans and Home Improvement Loans. Mortgage Loans and Home Improvement Loans under the Single Family Homeownership Program shall bear interest at such a rate or rates as in the aggregate shall produce a yield to the MFA on such Mortgage Loans and Home Improvement Loans sufficient to (i) pay interest on any related issue of the MFA's bonds or other obligations; (ii) provide adequate reserves, if any, for the holder of any of the MFA's bonds or other obligations; and (iii) cover the operating costs of the MFA.

5.7 Conditions of Mortgage Loans and Home Improvement Loans.

A. Mortgage Loans and Home Improvement Loans financed by the MFA under the Single Family Homeownership Program shall: (i) comply with the applicable terms and conditions prescribed by the MFA in a written agreement between the MFA and the Applicant for such Mortgage Loan or Home Improvement Loan; and (ii) comply with the Policies and Procedures of the MFA.

B. Each loan commitment to make a Mortgage Loan or Home Improvement Loan must be made to a Person of Low or Moderate Income. Mortgage Loans and Home Improvement Loans shall be financed by the MFA within such time periods as are specified by the MFA.

5.8 Restrictions on Return Realized by Mortgage Lenders. The MFA shall establish and set forth the maximum rate or rates of return which may be realized by Mortgage Lenders from Mortgage Loans or Home Improvement Loans, including any commitment fees, premiums, bonuses, points or other fees charged by the Mortgage Lender in connection with the making of such Mortgage Loans or Home Improvement Loans. Such maximum rates of return shall be set in such amounts as the MFA finds to be reasonably necessary to induce participation in the Single Family Homeownership Program by Applicants in order to accomplish the purposes of the Act.

5.9 Mobile Homes. The eligibility of mobile homes for use as security for Mortgage Loans shall be determined in accordance with standards established by the MFA.

**SECTION 6 MULTIPLE FAMILY DWELLING, TRANSITIONAL, AND CONGREGATE PROJECT MORTGAGE LOANS.** In addition to the Multi-Family Housing Programs as defined in this Section 6, the MFA shall have the power to create variations or extensions of the programs, or additional programs which comply with the Act and these Rules and Regulations.

6.1 Additional Definitions. The following words and terms shall have the following meanings only within this Section 6.

A. "Congregate Housing Facility" shall mean residential housing designed for occupancy by more than four Persons of Low or Moderate Income living independently of

each other. The facility may contain group dining, recreational, health care or other communal facilities and each unit in a congregate housing facility shall contain at least its own living, sleeping and bathing facilities.

B. “Lender Loan” shall mean a loan made by the MFA to a Mortgage Lender, pursuant to the Act and these Rules and Regulations, the proceeds of which are used directly or indirectly to make Project Mortgage Loans.

C. “Multiple-Family Dwelling Project” shall mean the residential housing that is designed for occupancy by more than four persons or families living independently of each other or living in a congregate housing facility, at least sixty percent of whom are Persons of Low or Moderate Income, including without limitation Persons of Low or Moderate Income who are elderly and handicapped as determined by the MFA, provided that the percentage of low-income persons and families shall be at least the minimum, if any, required by federal tax law or other federal or state funding regulations.

D. “Multi-Family Housing Program” shall mean a program involving a Congregate Housing Facility, a Multi-Family Dwelling Project or a Transitional Housing Facility.

E. “Project” shall mean any work or undertaking, whether new construction, acquisition of existing residential housing, remodeling, improvement, rehabilitation or conversion approved by the MFA for the primary purpose of providing sanitary, decent, safe and affordable residential housing within the State for one or more Persons of Low or Moderate Income.

F. “Project Mortgage Loan” shall mean a Mortgage Loan made to Sponsor to finance project costs of a Multi-Family Housing Project

G. “Sponsor” shall mean an individual, association, corporation, public or tribal entity, joint venture, partnership, limited partnership, trust or any combination thereof which has been approved by the MFA as qualified to own and maintain a multiple-family dwelling, transitional or congregate housing project, maintains its principal office or a branch office in New Mexico and has agreed to subject itself to the regulatory power of the MFA and the jurisdiction of the courts of the State, including Tribal courts having jurisdiction of projects located on Native American Trust Lands located in New Mexico.

H. “Transitional Housing Facility” shall mean residential housing that is designed for temporary or transitional occupancy by Persons of Low or Moderate Income or special needs.

## 6.2 Application Procedures.

A. Offers to Sell Project Mortgage Loans. Application procedures for offers to sell Project Mortgage Loans shall be set forth in the Policies and Procedures established by the MFA in accordance with paragraph 4.6 of these Rules and Regulations. The Application shall

contain such information as required by the Act and the MFA for determining whether the MFA shall finance the Mortgage Loans.

B. Loans to Lenders Program. A Sponsor requesting a Lender Loan from the MFA must first submit an Application to the MFA, in the form prescribed by the MFA. Formal Application procedures for loans to lenders shall be set forth, in writing, in the Policies and Procedures established by the MFA in accordance with paragraph 4.6 of these Rules and Regulations.

C. Other Programs Established by the MFA. The MFA shall, from time to time, establish Application procedures for programs. The Application procedures shall be published in Policies and Procedures established by the MFA in accordance with paragraph 4.6 of these Rules and Regulations for various programs. The Application procedures shall take into consideration:

1. timely completion and submission to the MFA of a program Application;
2. timely submission of all other information and documentation related to the program required by the MFA, as set forth in MFA's Policies and Procedures;
3. timely payment of any fees required to be paid to the MFA at the time of submission of the Application; and
4. compliance with program eligibility requirements as set forth in MFA's Policies and Procedures.

### 6.3 Standards for Approving Qualification of Applicants.

A. Sponsors. The MFA shall, from time to time, establish standards for approving qualifications of Sponsors, which standards shall be published in Policies and Procedures established for the particular program. These standards shall take into consideration the following factors:

1. The MFA shall require each Sponsor, at the time of such Sponsor's request for MFA approval, to submit a verified certificate stating that, among other things:

(a) for every Multi-Family Housing Program, including every assisted or insured project of HUD, RHS/USDA, FHA and any other state or local government housing finance agency in which such Sponsor has been or is a principal;

(b) except as shown on such certificate:

(i) no mortgage on a project listed on such certificate has ever been in default, assigned to the United States government or foreclosed, nor has any mortgage relief by the mortgagee been given;

(ii) there has not been a suspension or termination of payments under any HUD assistance contract in which the Sponsor has had a legal or beneficial interest;

(iii) such Sponsor has not been suspended, debarred or otherwise restricted by any department or agency of the federal government or any state government from doing business with such department or agency because of misconduct or alleged misconduct; and

(iv) the Sponsor has not defaulted on an obligation covered by a surety or performance bond.

If such Sponsor cannot certify to each of the above, such Sponsor shall submit a signed statement to explain the facts and circumstances which such Sponsor believes will explain the lack of certification. The MFA may then, in its sole and absolute discretion, determine if such Sponsor is or is not qualified.

2. The experience of the Sponsor in developing, financing and managing Multiple-Family Residential Housing.

3. Whether the Sponsor has been found by the United States Equal Employment Opportunity Commission or the New Mexico Human Rights Commission to be in noncompliance with any applicable civil rights laws.

B. Mortgage Lenders. In approving Mortgage Lenders, the MFA shall consider, among other things:

1. The financial condition of the Mortgage Lender;

2. The terms and conditions of the Lender Loans to be made;

3. The aggregate principal balances of Lender Loans to be made to each Mortgage Lender compared with the aggregate principal balances of the Lender Loans to be made to all other Mortgage Lenders;

4. The MFA's assessment of the ability of the Mortgage Lender or its designated servicer to act as originator and servicer of Mortgage Loans for the Multi-Family Housing Programs to be financed; and

5. Previous participation by the Mortgage Lender in the MFA's programs and HUD, FHA, or RHS/USDA programs.

C. Other Applicants. The MFA shall, from time to time, establish standards for approving the qualifications of other Applicants seeking MFA assistance, which standards shall be published in Policies and Procedures established for the particular program.



6.4 Notice of Acceptance. The MFA shall, in writing, notify each Applicant, which has submitted an Application as to the aggregate principal balance of the loan, if any, the MFA shall agree to make, subject to the conditions set forth in the Application. The aggregate principal balance of loans, which the MFA agrees to make to any Applicant, may be in an amount less than that requested.

6.5 Standards for Determining Minimum Equity Requirements, Acceptable Debt-to-Equity Ratios, and Acceptable Loan-to-Value Ratios.

A. Generally. The MFA shall, from time to time, establish standards for (i) minimum equity requirements and acceptable debt-to-equity ratios; and (ii) acceptable loan-to-value ratios for each project under a particular program, which standards shall be in accordance with generally accepted standards in the lending industry and shall be published in Policies and Procedures established for the particular program.

B. Sponsors. With respect to establishing such standards for Sponsors, the MFA shall require that the maximum mortgage amount not exceed the estimate of the replacement cost of the Multi-Family Housing Project when the proposed improvements are completed and required reserves are funded. The replacement cost may include land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction and other miscellaneous charges incident to construction and approved by the MFA, including an allowance for Builder's and Sponsor's profit and risk.

6.6 Uniform Accounting System. The accounting system used by Sponsors shall be based upon generally accepted accounting standards for the industry. Additional requirements may be dictated by the state or federal funding source, which in such cases will be included in the Sponsor's contract or loan documents.

6.7 Costs of the Project.

A. Submission of Cost Certificate. Upon completion of any Multi-Family Housing Project, the MFA shall require the Sponsor to submit a cost certificate detailing the specific items of the project if required by the regulations of the funding source. MFA will require the Sponsor to document all costs funded by MFA.

B. Cost Approvals. The MFA shall, from time to time, develop standards for approving Project costs for Projects to be financed through an MFA program. These standards shall be set forth in Policies and Procedures established for the particular program and shall include such factors as:

1. the cost of the land upon which the project is to be built;
2. the architect's and other professionals' fees;
3. organizational and legal expenses;

4. the number of square feet to be built together with the cost per square foot to build;
5. the amount of Builder's and Sponsor's overhead to be allocated to the project;
6. the amount of Builder's and Sponsor's profit;
7. taxes and insurance, including title insurance and recording fees; and
8. the Sponsor's relationship, if any, with the Builder or general contractor for the project, including any collateral agreements.

The MFA shall take into account the guarantor's, insurer's, or purchaser's approved cost limits in effect at the time in evaluating the reasonableness of and approving the project costs for each project. These standards shall also take into consideration the requirements of the Act, the Code and the requirements of any applicable federal government program.

6.8 Geographic Allocation and Other Site Considerations. The MFA shall make all reasonable efforts to provide loan assistance under various Multi-Family Housing Programs on a statewide basis. In providing for reasonable geographic allocation for all MFA Multi-Family Housing Programs, the MFA may consider with respect to a project, among other things:

- A. the nature of the proposed neighborhood;
- B. whether there is a need in the area for decent, safe and sanitary housing for Persons of Low and Moderate Income;
- C. the number of similar multi-family housing projects, if any, located in the particular area and the type, location, number of units and size of such projects;
- D. the occupancy history of similar multi-family housing projects in the area;
- E. the need for new housing in the area to attract a new industry or plant;
- F. the availability of adequate utilities (water, sewer, gas and electricity) and streets to service the project;
- G. the availability of, and accessibility to, social, recreational, educational, commercial and health facilities and services, which should at least be equivalent to those found in neighborhoods consisting largely of unassisted, standard housing of similar market rents; and
- H. whether the project site is free from adverse environmental conditions, natural or man-made, such as instability, flooding, sewage hazards, harmful air pollution, smoke or dust, excessive vehicular traffic and fire hazards.

In addition, the MFA shall give great weight in making its determination with respect to geographic allocation to whether the project will promote a greater choice of housing opportunities in the area and will avoid an undue concentration of assisted persons in areas containing a high proportion of Persons of Low and Moderate Income. The MFA may rely on such guarantor's, insurer's or purchaser's approval as evidence that the above criteria have been met.

6.9 Discrimination Prohibited. The development, construction, occupancy and operation of a Multi-Family Housing Program financed or assisted by the MFA shall be undertaken in a manner consistent with principles of non-discrimination and equal opportunity, and the MFA shall require compliance with all applicable federal and State laws and regulations relating to affirmative action, non-discrimination and equal opportunity.

**SECTION 7. HOUSING OPPORTUNITY FUND ("HOF").** In addition to the following programs defined in this Section 7, the MFA shall have the power to create certain variations or extensions of the programs, or additional programs which comply with the Act and these Rules and Regulations.

7.1 Additional Definitions. The following words and terms shall have the following meanings only within this Section 7.

A. "Down Payment Assistance Programs" shall mean the MFA's programs that provide down payment and closing cost assistance in the form of a second mortgage lien to Persons of Low and Moderate Income who are, with few exceptions, using the MFA's Single Family Homeownership Program (as defined in Section 5, above) to acquire single family homes.

B. "Partners Program" shall mean the MFA's program designed to serve as a secondary market for below-market-rate single family mortgages which have been originated by nonprofit organizations to provide financing for families earning no more than 60% of county or median income as published by the US Department of Housing and Urban Development at the time of initial family qualification by participants and MFA.

C. "Primero Investment Fund" shall mean the MFA's program designed to provide flexible financing to nonprofit organizations, Tribal and public agencies, as well as for-profit entities undertaking the development of Affordable owner-occupied, rental or special needs housing projects.

D. "ACCESS Loan Program" shall mean the MFA's program designed to provide guaranteed or insured construction and permanent financing for affordable rental developments.

E. "BUILD IT Loan Guaranty Program" shall mean the MFA's program designed to guaranty interim financing provide by other lenders for affordable housing developments.

F. “HERO” shall mean the MFA’s program designed to provide a first fixed-rate mortgage loan, including down payment and closing cost assistance in the amount of a 3.5% grant to be funded to the borrower at the time of loan closing, to households in which at least one member is a teacher, safety worker, health care worker or active member of the armed forces.

7.2 Funding.

A. Initial Funding. The HOF shall be initially funded with net residual assets of the MFA’s issue of Home Improvement Loan Revenue Bonds, 1985 Series A and financing adjustment factor (FAF) savings derived from the MFA’s Multi-Family Housing Refunding Revenue Bonds 1990 Series A.

B. Additional Sources. Additional sources of funding may include, but are not limited to:

1. gifts, loans and grants received from the federal government, private foundations, corporate and private individuals and other sources;

2. money and other assets specifically allocated by the MFA to the HOF from time to time; and

3. earnings of the HOF.

7.3 Use of Funds. Monies and other assets of the HOF shall be disbursed to Applicants in accordance with the purposes of the HOF and Policies and Procedures developed and established by the MFA for the HOF as follows:

A. to provide down payment assistance for the financing of housing by Persons of Low and Moderate Income;

B. to provide closing cost assistance for the financing of housing by Persons of Low and Moderate Income;

C. to pay fees for services utilized in connection with HOF programs;

D. to pay costs of acquisition, rehabilitation and/or construction of Affordable housing projects, as well as costs associated with single family mortgages; and

E. in such other manner as the MFA may determine from time to time.

7.4 Administration. The MFA shall administer the affairs of the HOF in accordance with provisions of the Act, these Rules and Regulations, any applicable state and federal laws and regulations, each of which may be amended or supplemented from time to time. The MFA, in establishing, funding and administering the affairs of the HOF and by making, executing, delivering and performing any award, contract, grant or any other activity or transaction

contemplated by the HOF, shall not violate any provision of law, rule or regulation or any decree, writ, order, injunction, judgment, determination or award and will not contravene the provisions of or otherwise cause a default under any of its agreements, indentures, or other instruments to which it may be bound.

7.5 Program Guidelines. The MFA shall, from time to time, develop and adopt Policies and Procedures for each program of the HOF, which shall set forth the specific Application and approval procedures.

**SECTION 8. SECONDARY MARKET FACILITY.** The MFA may establish and implement a secondary market facility for Mortgage Loans and to otherwise act as a conduit for public and private funds to provide an increased degree of liquidity for mortgage investments. In establishing a secondary market facility, the MFA may issue pass-through securities and may purchase and contract to purchase Mortgage Loans, pass-through securities, obligations secured by Mortgage Loans or revenues therefrom or interests therein. The MFA shall establish Policies and Procedures, in accordance with paragraph 4.6 of these Rules and Regulations, which Policies and Procedures shall provide for the governing of the operations of the secondary market facility, the issuance of pass-through securities and for the purchase or issuance by, or the sale of, such obligations to the secondary market facility. The Policies and Procedures shall include, among other things: (i) the submission by Mortgage Lenders of offers to sell Mortgage Loans; pass-through securities; and obligations secured by Mortgage Loans or pledges of Mortgage Loan revenues; (ii) standards for allocating available funds or guarantees among Mortgage Lenders through the secondary market facility; (iii) qualifications or conditions relating to the reinvestment by Mortgage Lenders of the funds made available to Mortgage Lenders by the secondary market facility; and (iv) characteristics of pass-through securities to be issued by the secondary market facility.

**SECTION 9. MISCELLANEOUS.** Capitalized terms not otherwise defined in these Rules and Regulations have the same meaning as defined in the Act.

**SECTION 10. AMENDMENT TO RULES AND REGULATIONS.** These Rules and Regulations may be amended or supplemented by the MFA, with the approval of the Oversight Committee, at any time. Proposed amendments to these Rules and Regulations will be posted on MFA's website for a minimum of thirty (30) days prior to approval by the Oversight Committee, to enable public comment on the proposed changes.

# Tab 4



## MFA 2020 Legislative Agenda

### **New Mexico Housing Trust Fund**

**\$10 million**

**Sponsor:** *Senator Nancy Rodriguez*

*This appropriation will help build or rehabilitate approximately 1,000 quality affordable homes for low-income New Mexicans. A \$10 million request for each year has been included in MFA's FY 2021-2025 Infrastructure Capital Improvements Plan (ICIP).*

**Background:** The New Mexico Housing Trust Fund was created by the New Mexico Legislature in 2005 with an initial appropriation of \$10 million and subsequent appropriations of \$10.85 million. **Results:** MFA has grown the fund to \$27.9 million through loan and investment interest and has awarded more than \$49 million by recycling interest and principal payments. The New Mexico Housing Trust Fund has helped to construct or rehabilitate over 3,500 homes in 57 housing developments and has leveraged over \$507 million in other funding—a 25-to-1 return on the state's investment.

### **Regional Housing Authority Oversight**

**\$300,000**

**Sponsor:** *Senator Mary Kay Papen*

*Twenty-five percent of this appropriation will be used to cover MFA's oversight costs, with the remaining seventy-five percent dedicated to specialized training, technical assistance and capacity building for New Mexico's three regional housing authorities, which exclusively serve rural counties.*

**Background:** In 2009, MFA was mandated by the state to restructure and oversee the regional housing authorities (RHAs), which exclusively serve New Mexico's rural counties. MFA consolidated the seven RHAs into three (Northern RHA in Taos, Eastern RHA in Roswell, and Western RHA in Silver City and Deming) and began providing training and technical assistance and ensuring annual audits. MFA receives no recurring funds for its oversight function. **Results:** The RHAs continue to successfully administer Section 8 vouchers and public housing in rural areas, have consolidated with smaller public housing authorities, and have added new programs and housing development capacity.

### **Affordable Housing Act Oversight Duties**

**\$250,000**

**Sponsor:** *Senator Stuart Ingle*

*This appropriation will enable MFA to 1) oversee the Affordable Housing Act, including review and approval of plans and ordinances, 2) provide direct technical assistance to local governments, and 3) offer planning and implementation grants to local governments on an as-needed basis.*



**Background:** The Affordable Housing Act was signed into law in 2004. Like the Local Economic Development Act (LEDA), it is an exemption to the state’s Anti-Donation clause. It permits the state and local governments to contribute public funds, land, buildings and other resources to create and preserve affordable housing. MFA is charged with rulemaking authority and oversight of the Act but receives no funds for these purposes. **Results:** To date, MFA has assisted 34 local governments in adopting an affordable housing ordinance and 37 local governments in creating affordable housing plans. These local governments have donated land and resources totaling more than \$56 million for affordable housing as of January 2019.

## Low-Income Energy Conservation Program

**\$2 million**

**Sponsor:** *Senator Richard C. Martinez*

*This appropriation will weatherize and provide energy-efficiency upgrades for an additional 300 low-income households statewide. The request has been included in MFA’s FY 2021-2025 Infrastructure Capital Improvements Plan (ICIP).*

**Background:** MFA has operated New Mexico’s weatherization program—NM EnergySmart—since 1997. NM Energy Smart weatherizes the homes of approximately 750 low-income families each year using two federal sources, the Weatherization Assistance Program (WAP) and the Low Income Home Energy Assistance Program (LIHEAP), in addition to utility company sources. Demand for the program is great. Based on income eligibility, more than 200,000 households across the state are eligible, and our current wait list numbers over 2,300 households. **Results:** Low-income homeowners, many of who are frail elderly with fixed incomes, save hundreds of dollars in annual utility costs, realize an improved quality of life and are healthier and safer in their homes.

## Home Rehab for Certain Veterans

**\$2 million**

**Sponsor:** *Senator Richard C. Martinez*

*This appropriation will rehabilitate an additional 120 homes of low-income, honorably discharged veterans. If funded, this request will be used as matching funds for HUD’s Veterans Home Rehabilitation and Modification (VHRM) pilot program, for which MFA has been awarded funding.*

**Background:** New Mexico has a high percentage of veterans. Our state is home to 150,650 veterans representing 9.5 percent of our adult population, compared to only 7.7 percent in the U.S. Of these, 45,849 are disabled veterans, and 5,075 are disabled veterans in poverty. More than 25,000 New Mexico veterans live in homes with one or more major problem with quality, crowding or cost and an estimated 248 veterans are currently homeless. Furthermore, approximately half of New Mexico veterans are over age 65, meaning the need to modify homes to address physical mobility and other age-related issues is increasing over time (Sources: Veterans Data Central, <http://veteransdata.info/>; VA state summary and U.S. Census, 2016). While veterans are eligible for MFA’s existing rehabilitation and weatherization programs, high demand and limited funding only enable us to assist approximately 100 veteran households each year.





## Low-Income Home Emergency Repairs

**\$2 million**

**Sponsor:** *Representative Roberto J. Gonzales*

*This appropriation will provide emergency home repair, including mitigation of health and safety hazards, roof replacement and accessibility improvements, for approximately 250 low-income households.*

**Background:** New Mexico's housing stock is aging. Forty-six percent of homes were built before 1980, with only 19 percent built since 2000. Furthermore, New Mexico has one of the highest rates of poverty (20.6 percent) and one of the lowest household median incomes (\$46,718) in the U.S. (2013-2017 American Community Survey 5-Year Estimates). A high percentage of low-income households own their homes but often lack resources to make repairs, much less respond to life-changing conditions, natural disasters or emergencies. While MFA receives many requests for emergency assistance each year, it cannot fund these requests through its existing rehabilitation program due to high demand, limited funding and federal requirements that the home be brought fully up to code.

## Pre-Purchase Homebuyer Education

**\$500,000**

**Sponsor:** *Senator Michael Padilla*

*This appropriation will enable MFA to create and begin implementation of a statewide pre-purchase education program for first-time homebuyers. This legislation was originally proposed in 2015 by the Foreclosure Process Task Force, which was established by SM11 in 2014.*

**Background:** Studies have found that pre-purchase homebuyer counseling significantly reduces the rate of delinquencies and foreclosures and is therefore an effective tool to promote neighborhood and community stability. MFA requires pre-purchase homebuyer education for all MFA loans and confirms these findings. However, pre-purchase homebuyer education is not required by other lenders unless they are using MFA mortgage products. This appropriation would allow MFA to develop a more robust homebuyer counseling program that can potentially be deployed statewide, by all lenders.

## Furnace Replacement Program

**\$2 million**

**Sponsor:** *Representative Eliseo Lee Alcon*

*This appropriation will enable MFA to develop and implement a furnace replacement program to replace low-efficiency furnaces for low-income persons in New Mexico with high-efficiency furnaces.*

**Background:** This program would leverage New Mexico Gas Company (NMGC) funds in partnership with MFA to replace low-efficiency furnaces in an effort to meet the Governor's goal of reducing greenhouse gas emissions by 45% by 2030. The program would also



benefit low income residents by lowering their utility bills. Assuming that NMGC would contribute \$1 million, MFA estimates the combined funding would lead to 1,250 replaced furnaces.

# Tab 5

# MFA Board Members



**Angel Reyes, Chair**  
President, Centinel Bank, Taos

**Angel Reyes** has been the president of Centinel Bank of Taos since 2003. Prior to that time, he was the bank's chief financial officer for five years. Born and raised in Taos, Mr. Reyes graduated from the New Mexico Military Institute as the ranking cadet. He completed undergraduate studies at the University of New Mexico's Anderson School of Management and received his graduate degree from the Graduate School of Banking at the University of Colorado. Mr. Reyes has served as a board member of the New Mexico Bankers Association and was chair of the Taos Community Foundation.



**Derek Valdo, Vice Chair**  
Chief Executive Officer, AMERIND Risk

**Derek Valdo** has been the chief executive officer of AMERIND Risk since 2012. AMERIND Risk is the only insurance company that is 100 percent tribally-owned. An enrolled member of Acoma Pueblo, Mr. Valdo served for 14 years as a tribal councilman. Mr. Valdo has a bachelor's degree in economics with a minor in management from the University of New Mexico. He serves on the boards of the UNM Anderson School of Management Foundation and the United Way for Central New Mexico. He previously served as chairman of the Acoma Business Enterprises Board of Directors.



**Howie Morales, Ex Officio Member**  
Lieutenant Governor

**Lt. Gov. Howie Morales** was raised in Silver City, New Mexico. As a teenager, he worked to help support his family and was the first in his family to attend college. He earned both a bachelor's and master's degree in bilingual special education from Western New Mexico University, and attained a doctorate from New Mexico State University. Lt. Gov. Morales taught special education in Silver City and in the Cobre School Districts and was a high school baseball coach. He was elected to the office of county clerk in Grant County in 2005, where he oversaw the modernization of the county's voting systems. In 2008, Lt. Gov. Morales was appointed to fill the state legislative seat formerly held by Sen. Ben. Altamirano. Later that year, he ran for and won the seat. During his time as a state senator, he served on the Legislative Finance Committee and worked to improve New Mexico's public education system. He was elected to the office of Lieutenant Governor of New Mexico in November, 2018.



**Hector Balderas, Ex Officio Member**  
Attorney General

**A native New Mexican, Hector Balderas** was raised by a single mother in the small village of Wagon Mound. He was the first person from his community to earn a law degree, which he received from the University of New Mexico School of Law. After law school, Attorney General Balderas followed his passion for public service, working as an assistant district attorney for Bernalillo County and as a special prosecutor for domestic violence cases in New Mexico's Fourth Judicial District. He served as a state representative from 2004 to 2006, and during his first legislative term, was elected state auditor. At the age of 33, he became the youngest Hispanic statewide elected official in the nation. Attorney General Balderas has been recognized by the State Bar Association for his efforts to reform the criminal justice system, and was honored by Carolyn Kennedy as the recipient of the 2010 John F. Kennedy New Frontier Award. In addition to being licensed to practice law in New Mexico, he is a Certified Fraud Examiner.



**Tim Eichenberg, Ex Officio Member**  
State Treasurer

**Tim Eichenberg** was raised in Albuquerque and graduated from the University of New Mexico. He operated a small business in Albuquerque for more than 30 years working as a property tax consultant, certified appraiser, general contractor and real estate broker. Treasurer Eichenberg's public service career began in 1974 when he was elected Bernalillo County treasurer. He was appointed as the New Mexico State Property Tax Director in 2004. In 2008 he was elected to the New Mexico State Senate and served on the Public Affairs and Judiciary committees; he also chaired the Restructuring Committee and the Revenue Stabilization and Tax Policy Committee. In 1994, he was elected to the Albuquerque Metropolitan Arroyo Flood Control Authority Board, a position he still holds today.



**Rebecca Wurzbürger**  
Strategic Planning Consultant

**Rebecca Wurzbürger** served as a Santa Fe city councilor for 12 years, including a stint as mayor pro-tem. She has also had a successful career as a construction contractor. Ms. Wurzbürger holds numerous advanced degrees in public administration and social work. She has a long history of working in advocacy and community housing.



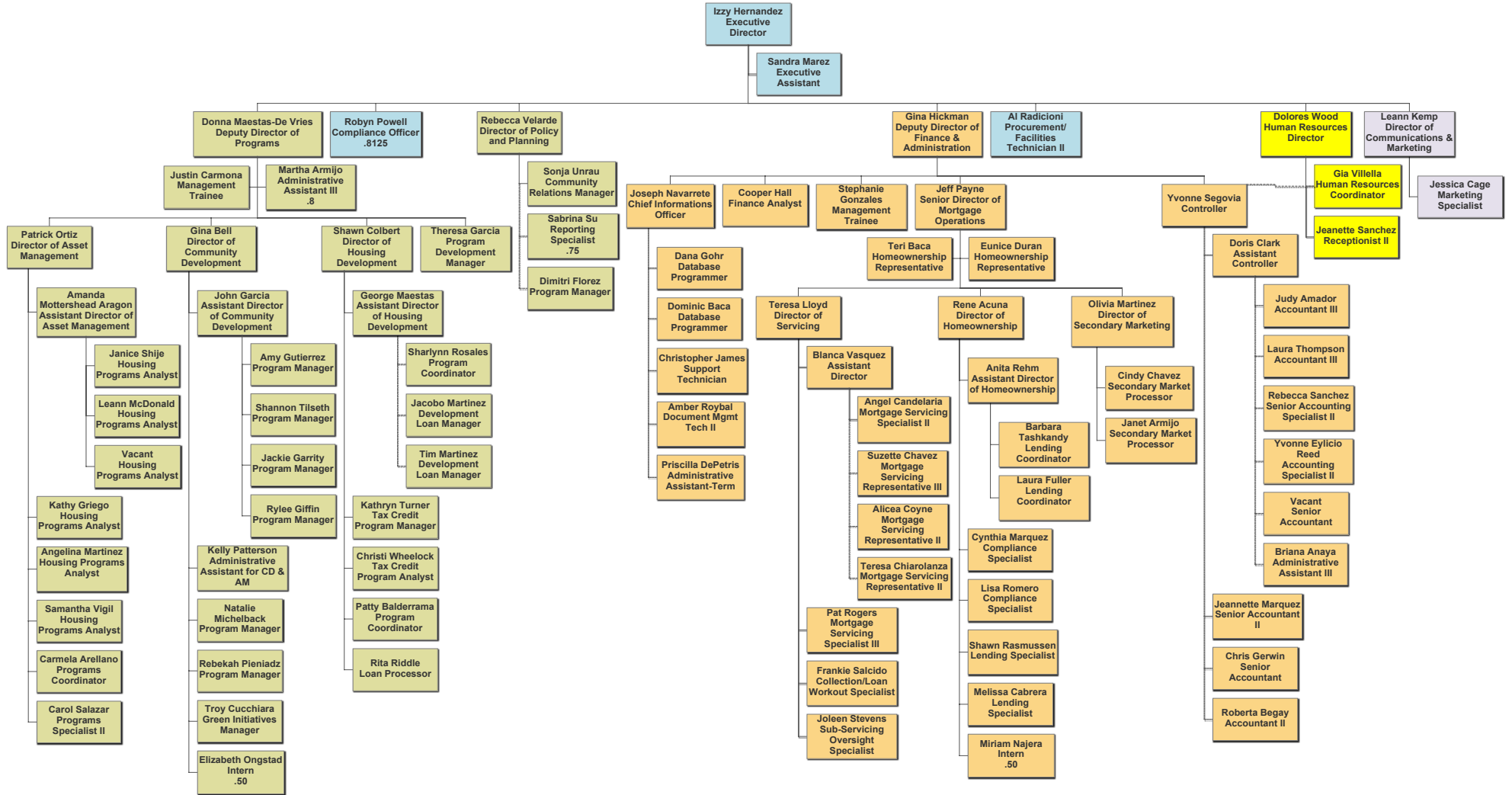
**Rosalyn Nguyen Chafey**  
**Attorney**

**Rosalyn D. Nguyen, Esq.**, a Tucumcari native, is an Attorney with Presbyterian Healthcare Services where she practices in the fields of health and business law. She holds a JD, an MBA in Public Policy, and a BBA in Finance from the University of New Mexico. Rosalyn has been a recipient of the UNM Anderson Schools of Business Young Alumni Hall of Fame Award in 2017 and Albuquerque Business First 40 Under 40 in 2016. She has been past Chairs of the State Bar of New Mexico Health Law Section & Business Law Section. Rosalyn currently serves on the New Mexico Board of Bar Examiners by appointment of the New Mexico Supreme Court, and serves on the UNM Alumni Association Board of Directors and Executive Committee.

# Tab 6



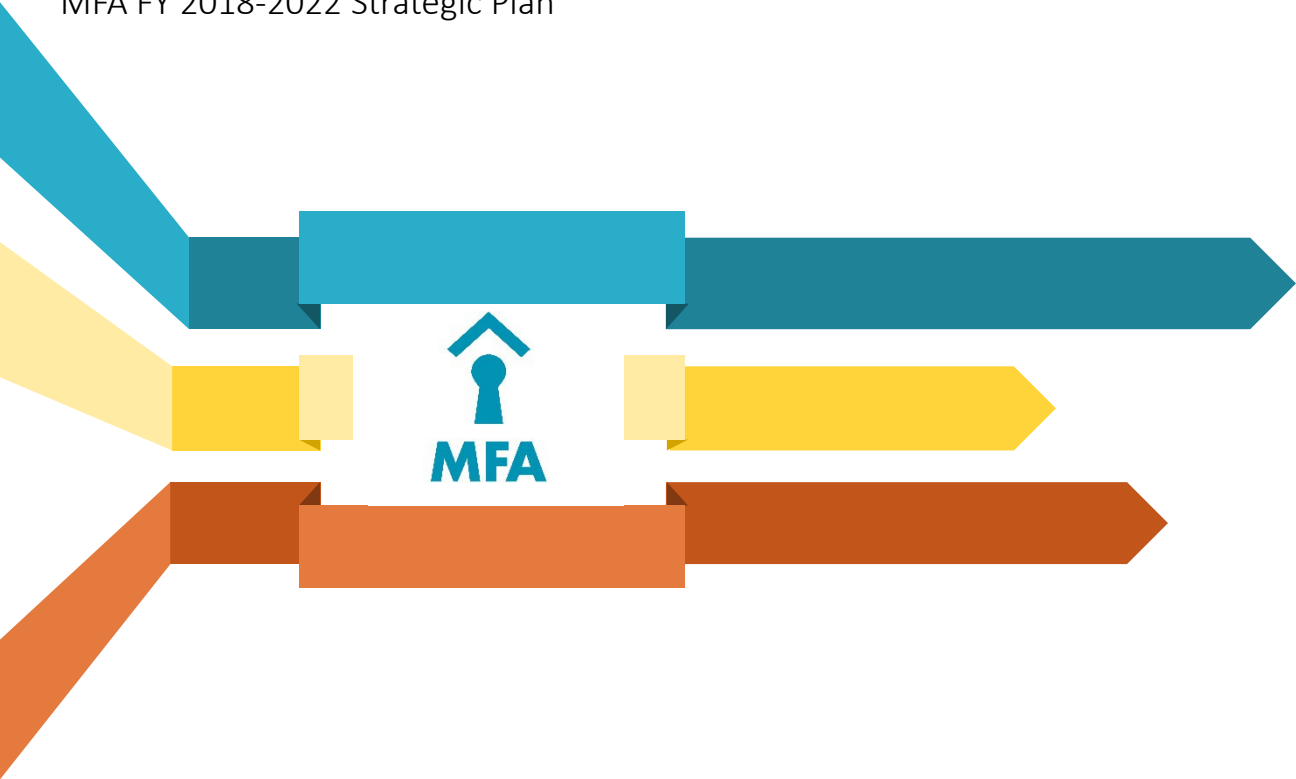
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# Tab 7

# A Bold Path Forward

MFA FY 2018-2022 Strategic Plan



# MFA Vision, Mission and Core Values

## VISION

All New Mexicans will have quality affordable housing opportunities.



## MISSION

MFA is New Mexico's leader in affordable housing. We provide innovative products, education and services to strengthen families and communities.

## CORE VALUES

### **Responsive**

To meet New Mexico's needs, MFA optimizes resources, cultivates partnerships and makes our programs accessible.

### **Professional**

MFA upholds high personal and professional standards. We comply with regulations and ensure prudent financial stewardship.

### **Dynamic**

MFA is a dynamic place to work. Our employees are our strength. We embrace diversity and provide opportunities for personal and professional growth.

# Message from the Executive Director

Jay Czar

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In the face of uncertainty for affordable housing funding and programs, Our strategic plan, *A Bold Path Forward*, focuses on bolstering resources to accomplish our mission, leading the way in addressing New Mexico's unique affordable housing needs and improving internal systems to support our work. Even in potentially challenging times, MFA will continue its affordable housing mission and make it more robust and successful in meeting the needs of all New Mexicans.

Our strategic planning process identified several themes, described at right, which drove the strategic initiatives in this plan. In the context of goals and objectives that reflect our core affordable housing work, the strategic initiatives will be updated annually to reflect progress made, changes to conditions and trends and risks identified through our annual enterprise risk management process.

**Affordable housing funding is under threat and diminishing.** MFA continues to be proactive in developing new resources, efficiencies, business opportunities and financial innovations, as well as fostering creative partnerships.

**New Mexico's rural areas are struggling and require unique approaches.** MFA will evaluate ways to serve more rural residents with mortgage products and nimble development financing and to strengthen our partners throughout the state.

**Along with the US, New Mexico is at risk of losing many affordable rental homes.** MFA is working to provide financial options and rehabilitation financing, and to make all rental properties financially sustainable over the long term.

**New Mexico's high poverty rate and low incomes indicate a great need for financial education.** Our strategic initiatives focus on better educating MFA borrowers so that they can enjoy stability, sustain homeownership and build wealth.

**Significant changes in the workforce and in technology are on the horizon.** MFA is working to create a technology platform that supports innovation and future growth and to foster a dynamic, diverse work environment that supports our mission.

# The MFA Planning Process

MFA updates its strategic plan every five years. The planning process is led by MFA's Strategic Management Committee.



## Housing Needs Assessment

In 2016, MFA prepared an assessment of affordable housing needs to inform the strategic planning process.



## Interviews and SWOT Analysis

In January-March 2017, interviews were conducted with board members and each MFA department. The Strategic Management Committee translated the interview results into an analysis of strengths, weaknesses, opportunities and threats (SWOT).



## Housing Trends Series

MFA hosted five speakers who spoke to staff on MFA finances, fair housing and trends in housing policy, multifamily and single family housing.



## Enterprise Risk Management

MFA's Strategic Management Committee participated in an enterprise risk management exercise based on the SWOT analysis. The Committee prioritized risks and developed mitigation strategies for the strategic plan.

# Goal Statements

1



Respond to New Mexico's affordable housing needs.

2



Ensure prudent stewardship of affordable housing resources.

3

Strengthen affordable housing partners.



4

Provide robust technology solutions.



5

Foster a dynamic work environment.



# Goal 1 Respond to New Mexico's affordable housing needs.



*Like all housing finance agencies, MFA administers affordable housing programs in accordance with its enabling legislation and program requirements. MFA seeks opportunities to improve and develop products, programs and processes to address our state's unique needs.*

## **Objective 1**

Strengthen and improve existing MFA products and programs.

### **Strategic initiatives:**

- Preferred lenders program
- Capital Magnet Fund
- Neighborhood stabilization program
- USDA Section 538 on tribal lands
- Development program improvements
- Homeowner rehab program expansion
- *Homeless programs alignment*
- *Freddie Mac & Fannie Mae loan sales programs*

## **Objective 2**

Develop specialty products to meet demand and community needs.

### **Strategic initiatives:**

- *Correspondent lending*
- *Specialty housing development programs*
- *Manufactured home lending*

## **Objective 3**

Increase awareness of affordable housing and MFA products and programs.

### **Strategic initiatives:**

- Enhanced public awareness of MFA
- Single family marketing
- Builder outreach

## **Objective 4**

Promote sustainable homeownership.

### **Strategic initiatives:**

- Delinquency prevention strategies
- Tribal and Colonias homebuyer counseling program
- *Homebuyer counseling enhancements*

## **Objective 5**

Provide options to preserve and improve affordable rental homes.

### **Strategic initiatives:**

- Loan modification and restructuring
- Risk rating of properties

*Strategic initiatives in italics require evaluation prior to implementation.*



# Goal 2 Ensure prudent stewardship of affordable housing resources.



*MFA has long maintained a level of excellence in managing its financial resources. As a self-supporting agency, MFA continually works to expand and diversify available resources through government sources, self-generated earnings from lending and investments, operational efficiencies, and the use of creative partnerships and financial tools.*

**Objective 1**  
Optimize existing financial strategies.

**Strategic initiatives:**

- Management strategies for oversight of MSRs and subserviced portfolio
- Industry awareness
- Best execution for financing single family mortgages

**Objective 2**  
Expand MFA business models and diversify financial tools.

**Strategic initiatives:**

- Servicing expansion
- Community Reinvestment Act lending credit program
- *Multifamily bond structures*
- *Develop private activity bond cap preservation program*

**Objective 3**  
Maintain and grow existing funding sources.

**Strategic initiatives:**

- Renewal of HUD Section 8 PBCA contract
- State tax credit and Charitable Trust contributions
- State and federal policy engagement

**Objective 4**  
Evaluate new funding and business opportunities.

**Strategic initiatives:**

- Housing development outreach
- State funding sources
- New funding opportunities

*Strategic initiatives in italics require evaluation prior to implementation.*

# Goal 3 Strengthen affordable housing partners.



*MFA relies heavily on its partners in a rural and geographically large state like New Mexico. Yet partners face many challenges that may hinder their ability to succeed. MFA is committed to helping its partners build capacity, prosper and provide all New Mexicans access to affordable housing.*

## **Objective 1**

Expand access to MFA products and services in underserved and high-need areas.

### **Strategic initiatives:**

- Outreach to increase HOPWA referrals
- Strengthen the capacity of new service providers
- Comprehensive approach to homeownership expansion in rural areas

## **Objective 2**

Help partners realize strong organizational, technical and financial capacity.

### **Strategic initiatives:**

- Maintain situational awareness with Regional Housing Authorities
- Local government technical assistance
- Tribal government technical assistance
- Specialized training for key service providers
- Service provider training program
- Property manager training program
- Developer training

## **Objective 3**

Provide resources and processes that strengthen partner capacity and program effectiveness.

### **Strategic initiatives:**

- Lender training videos
- Streamlining of the affordable housing plan process
- Online applications
- Implement LIHTC compliance

*Strategic initiatives in italics require evaluation prior to implementation.*

# Goal 4 Provide robust technology solutions.



*Technology is fundamental to MFA's day-to-day business operations as well as partner and customer service needs. Increased integration and automation will support current needs while providing an essential platform for business growth.*

## **Objective 1**

Protect MFA's data and systems.

### **Strategic initiatives:**

- Best practices in cybersecurity

## **Objective 2**

Maintain system reliability and implement redundancy improvements.

### **Strategic initiatives:**

- Disaster recovery site

## **Objective 3**

Build and maintain a technology platform that supports MFA's long-term plans for innovation, functionality and growth.

### **Strategic initiatives:**

- Software improvements
- Document management system

*Strategic initiatives in italics require evaluation prior to implementation.*

# Goal 5 Foster a dynamic work environment.



*MFA provides a fulfilling work environment to support the many generations in its changing workforce. Skilled, professional and engaged employees are at the core of MFA's unique business model and specialized programs.*

## **Objective 1**

Provide a competitive compensation and benefits package to attract and retain employees.

### **Strategic initiatives:**

- Compensation survey

## **Objective 2**

Support opportunities that increase flexibility and engagement for employees.

### **Strategic initiatives:**

- Implement office space expansion plan
- Web-based training opportunities
- Implement alternative work schedule

## **Objective 3**

Maintain stability in staffing and operations throughout MFA.

### **Strategic initiatives:**

- Employee cross-training
- Succession planning
- External specialty training
- Robust on-boarding
- Evaluate staffing levels

*Strategic initiatives in italics require evaluation prior to implementation.*

# Benchmarks

*Each quarter, MFA assesses its performance using these benchmarks, which relate to goals and objectives in the strategic plan. At the end of the fiscal year, the status of each benchmark (did not meet, met, exceeded) determines payouts made through MFA's incentive compensation plan.*

Goal 1	<ol style="list-style-type: none"> <li>1. Provide mortgage financing for 2,250 homebuyers (1.1)</li> <li>2. Maintain average mortgage product utilization of 25% of all FHA loans recorded in New Mexico (1.1)</li> <li>3. Finance 600 rental units (1.5)</li> <li>4. Achieve annual combined average loan delinquencies of MFA serviced portfolio below 14.00% (1.4)</li> <li>5. Expand social media reach by 150 new followers across all three platforms (1.3)</li> <li>6. Evaluate at least three new specialty products or significant program or product improvements (1.2)</li> </ol>	Goal 2, Continued	<ol style="list-style-type: none"> <li>14. Earn 100% base fees for PBCA contract (2.3)</li> <li>15. Yield a collection rate of 95% or greater for compliance monitoring fees (2.3)</li> <li>16. Meet commitment and expenditure requirement of 95% of grant funding (2.3)</li> <li>17. Generate at least \$500,000 in contributions through the state affordable tax credit program (2.3)</li> <li>18. Evaluate at least one new business model or financial tool (2.2)</li> <li>19. Increase funding by at least one new source (2.4)</li> <li>20. Expand services of at least one program to an underserved area of the state (3.1)</li> </ol>
Goal 2	<ol style="list-style-type: none"> <li>7. Obtain unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits (2.0)</li> <li>8. Maintain or improve credit rating (2.0)</li> <li>9. Achieve operating performance and profitability equal to net revenues over total revenues of at least 10.1%, based on five-year average (2.1)</li> <li>10. Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least change to 28.1%, based on five-year average (2.1)</li> </ol>	Goal 3	<ol style="list-style-type: none"> <li>21. Assist at least 15 local or tribal governments with affordable housing plans, implementation or programs (3.2)</li> <li>22. Provide at least 10 formal training opportunities for property owners, developers and/or service providers (3.2)</li> <li>23. Improve at least three MFA processes or resources (3.3)</li> </ol>
	<ol style="list-style-type: none"> <li>11. Realize administrative fee of at least 18 basis points on all bond issues (2.1)</li> <li>12. Realize profitability of 1.25% on TBA executions (2.1)</li> <li>13. Maintain servicing fee yield at an average of 0.41% of the purchased servicing portfolio (2.2)</li> </ol>	Goal 4	<ol style="list-style-type: none"> <li>24. Maintain a RS3 score greater than or equal to 700, averaged over four quarters (4.1)</li> <li>25. Maintain system availability at 99% (4.2)</li> <li>26. Implement new software solutions (4.3)</li> </ol>
		Goal 5	<ol style="list-style-type: none"> <li>27. Achieve employee engagement survey participation of 90% and score of 82% (5.2, 5.3)</li> <li>28. Complete compensation survey (5.1)</li> <li>29. In a prompt manner, adopt organizational and administrative changes to maintain business continuity in response to the COVID-19 crisis (5.3)</li> </ol>

# Tab 8

## Top Ten MFA Myths...Debunked!

Myth . . .	. . . Debunked!
<p><b>Myth #1:</b> MFA develops/builds homes.</p>	<p>MFA does not develop and/or build homes. Like a bank, MFA provides financing to developers to build homes. Most of MFA’s development financing is in the form of loans, but we also allocate tax credits and provide some grants.</p>
<p><b>Myth #2:</b> MFA has lots of grant funding available.</p>	<p>MFA has very little grant funding available. Because MFA borrows most of its funding, it must make that funding available as loans, not grants. Additionally, MFA is often required to “recycle” certain sources of funding because they are limited. Recycling means that when the funds are repaid, the repayments are used to assist more people.</p>
<p><b>Myth #3:</b> MFA is a state agency.</p>	<p>MFA is an “instrumentality of the state,” but not a state agency. MFA is like a state agency in that it was created by the state legislature in 1975 and serves a public purpose. MFA’s Board of Directors is a public body, and MFA receives state oversight through a Legislative Oversight Committee. But MFA is unlike a state agency in that it is self-supporting. It receives no state funding for operations, its liabilities are not the state’s liabilities, its employees are not state employees, and MFA does not participate in PERA.</p>
<p><b>Myth #4:</b> MFA issues mortgage revenue bonds. Aren’t they risky? Does this pose a risk to the state’s financial position?</p>	<p>MFA has historically taken a very conservative approach in structuring bond offerings. MFA has never entered into derivative or swap transactions or issued single family variable rate debt. MFA’s current issuer credit rating is Aa3 Stable from Moody’s Investor Service. MFA’s single family bond issues, which are secured by collateral guaranteed by the federal government, carry either an AAA or AA+ rating, depending on the agency rating the bonds. <i>MFA has never had a non-origination call.</i> MFA bonds are very sound investments. Finally, because MFA is not a state agency, MFA’s bond issues pose no risk to the state because they are not considered a liability of the state. The New Mexico State Constitution significantly restricts the state’s ability (and that of counties and municipalities) to issue debt. This is why MFA was created “separate and apart from the state” as an instrumentality.</p>
<p><b>Myth #5:</b> MFA gave our town the money for our fire station/ courthouse/community center.</p>	<p>MFA provides funding for housing and housing-related activities <i>only</i>. The similarly named <i>New Mexico Finance Authority</i> (“NMFA”) provides financing for the community facilities, as well as other basic infrastructure and economic development projects. MFA and NMFA are completely separate organizations and provide financing for very different purposes.</p>

Myth . . .	. . . Debunked!
<p><b>Myth #6:</b> MFA oversees/regulates public housing authorities.</p>	<p>In 2007, several changes to New Mexico’s Regional Housing Law were enacted and MFA was charged with oversight of the <i>regional</i> housing authorities. However, MFA does not have, nor has it ever had, an oversight relationship with the public housing authorities. The public housing authorities report to boards of directors and/or county or municipal governments, and HUD oversees their administration of public housing resources.</p>
<p><b>Myth #7:</b> If you want to buy a home, just go to MFA and they’ll give you a mortgage loan.</p>	<p>MFA does not lend directly to individual homebuyers, nor do all individuals qualify for MFA’s mortgage loan products. MFA works with a large network of participating lenders throughout New Mexico that in turn work with individual homebuyers. MFA’s mortgage and down payment assistance loans are available to first-time and step-up homebuyers if they meet income eligibility requirements and have reasonably good credit. In addition, prospective borrowers must successfully complete a pre-purchase homebuyer education course.</p>
<p><b>Myth #8:</b> Borrowers who default on their loans put MFA at financial risk.</p>	<p>MFA is not at significant financial risk due to poor loan performance. When MFA purchases loans from participating lenders, they are securitized and the mortgage-backed securities are sold to the secondary market (either Ginnie Mae or Fannie Mae). The federal government then insures the mortgages so that even if the borrower defaults on his/her payments, MFA is held harmless and repayments continue to flow. In this way, MFA can in turn repay the bond holders who purchased the bonds that provided the financing for the mortgages. Also, MFA’s delinquency and default rates are usually lower because MFA borrowers receive 30-year fixed rate loans and are required to complete pre-purchase homebuyer education courses.</p>
<p><b>Myth #9:</b> My community could use some new homes/weatherization/ housing rehabilitation/a homeless shelter. MFA will make it happen.</p>	<p>This myth is related to Myth #1. While MFA provides the funds to do all of these things, MFA does not itself develop or build homes, homeless shelters or provide direct services. MFA works with many developers, local governments and service providers to carry out these activities in specific communities.</p>
<p><b>Myth #10:</b> MFA is part of HUD.</p>	<p>The U.S. Department of Housing and Urban Development (HUD) is a federal agency that provides various financial resources for housing and community development. MFA administers HUD funding and contracts on behalf of the state. HUD is an important partner to MFA, but MFA is not part of HUD.</p>

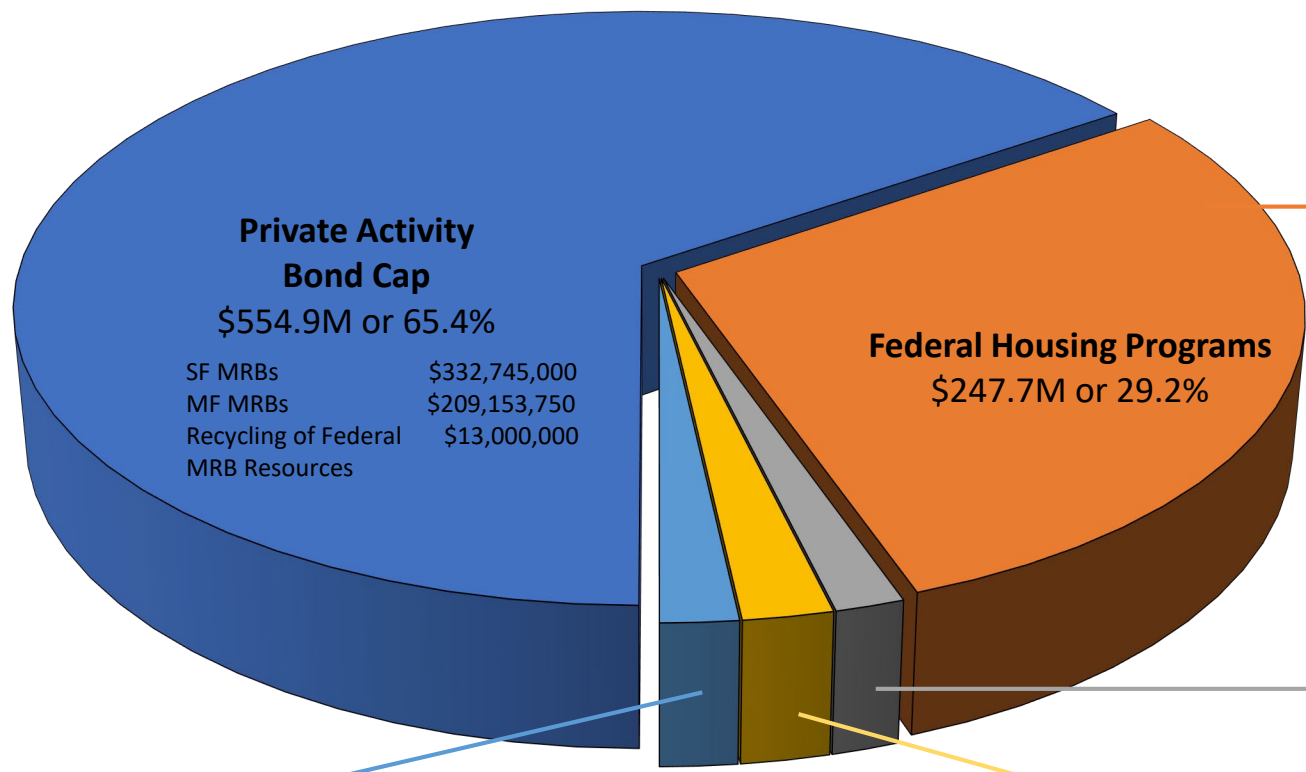


# Tab 9



# MFA Estimated Funding Sources – 2020

Estimated Total: \$848 Million



LIHTCs (9%)	\$58,973,320
*LIHTCs (4%)	\$125,492,250
Project Based Section 8	\$32,392,364
HOME (incl. carryover)	\$12,020,677
National HTF	\$3,000,000
DOE WAP	\$2,508,160
LIHEAP	\$2,621,321
ESG	\$1,200,740
PRLF	\$3,250,000
HOPWA	\$1,004,413
Veterans' Home Rehab.	\$1,000,000
CARES Act ESG	\$4,100,000
CARES Act HOPWA	\$146,170

\*LIHTC (4%) estimate is based on complete utilization of the State Multifamily Bond Capacity on 4% LIHTC projects.

### MFA General Fund \$13.3M or 1.6%

Primero	\$786,000
DPA	\$11,730,000
ACCESS	\$412,000
Cap Build/Training	\$262,000
Partners Program	\$88,000

### Private Activity Bond Cap \$554.9M or 65.4%

SF MRBs	\$332,745,000
MF MRBs	\$209,153,750
Recycling of Federal MRB Resources	\$13,000,000

### Federal Housing Programs \$247.7M or 29.2%

### State Funding & Appropriations \$17.3M or 2.0%

NM Housing Trust Fund	\$11,488,187
Governor's Innovation Award	\$13,026
Linkages	\$2,920,000
NM Energy Smart	\$1,000,000
State Homeless	\$1,215,700
Youth Homelessness Project	\$413,000
Espanola Pathways Shelter	\$225,000

### Private/Other \$14.9M or 1.8%

NM Gas	\$1,300,000
PNM	\$165,043
Electric Co-ops	\$35,000
Land Title Trust Fund	\$580,136
*Tax Credit Donations	\$9,565,772
Local Gov't Contributions	\$3,248,123

\*The New Mexico Affordable Housing Tax Credit incentivizes \$9 million in potential private donations for affordable housing.

# Tab 10



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**SUMMARY OF AUDITS**  
**Updated as of 10/24/2019**

**Financial Statement and Single Audit**

Conducted by CliftonLarsonAllen LLP in accordance with Government Auditing Standards, State Audit Act, and OMB 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Annually

Audit of fiscal year-end financial statements, internal controls and compliance with federal programs

**Internal Audit**

Conducted by REDW at the request of MFA Board

Throughout the year

Audit of internal processes, functions, procedures, programs, departments, etc.

**Quality Control Audit of Servicing**

Conducted by REDW at the request of MFA Management

Monthly

Audit of Mortgage Loan Servicing functions

**Quality Control Audit of Section 8 Administration**

Conducted by REDW at the request of MFA Management

Annually

Audit of Section 8 Administration Work Plan

**Section 8 Administration Audit**

Conducted by Department of Housing & Urban Development in accordance with program regulations

Annually

Audit of Section 8 Administration Work Plan

**HOME, ESG, and HOPWA Program Audits**

Conducted by Department of Housing & Urban Development in accordance with program regulations

Annually

Audit of program administration and compliance



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**Weatherization Assistance Program Audit**

Conducted by Department of Energy in accordance with program regulations

Annually

Audit of program administration and compliance

**State of New Mexico**

Conducted by Department of Finance and Human Services Department

Annually

Audit of program administration and compliance with Joint Powers Agreements, Memorandums of Understanding, or Grant Agreements

**State of New Mexico**

Conducted by State Auditor

Upon Discretion

Audit of financial statements or Joint Powers Agreements

**Internal Revenue Service**

Conducted by Internal Revenue Service, Department of Treasury

Upon Discretion

Audit of non-taxable bond issues, tax returns of bond arbitrage rebate calculation, Tax Credit allocations

**Affordable Housing Disposition Program**

Conducted by FDIC in accordance with contract

Upon Discretion

Audit of program compliance and monitoring of properties

**Audit of Loan Servicing**

Conducted by Department of Housing & Urban Development in accordance with Servicing qualification

Upon Discretion

Audit of Mortgage Loan Servicing functions, claims submitted and loss mitigation

**Audit of Loan Servicing**

Conducted by Fannie Mae, Freddie Mac, Ginnie Mae in accordance with Seller/Servicer qualification

Upon Discretion

Audit of Mortgage Loan Servicing functions

# Tab 11

## 2020 Federal Program Fund Summary

Federal Administering Agency	Program and Acronym	Funding Acquisition	Funding Amount/ Value	Beneficiaries	Eligible Activities
Department of Housing and Urban Development (HUD)	HOME Investment Partnerships Program ("HOME")	Formula grant	FY20 allocation = \$5,245,062  <i>36% reduction from FY10 allocation of \$8,151,446, but a 12% increase from FY19 allocation of \$4,685,234</i>	Households earning no more than 60% of area median income	<ul style="list-style-type: none"> <li>• Development of rental homes and some related expenses</li> <li>• Certified Community Housing Development Organization (CHDO) operating expenses</li> <li>• Owner-occupied housing rehab</li> </ul>
	Emergency Solutions Grant ("ESG")	Formula grant	FY20 allocation = \$1,200,740	Homeless individuals and families, victims of domestic violence, youth, people with mental illness, families with children and veterans. ESG funds may also be used to aid people who are at imminent risk of becoming homeless due to eviction, foreclosure or utility shutoff.	<ul style="list-style-type: none"> <li>• Operations and maintenance of emergency shelter facilities</li> <li>• Essential supportive services (i.e., case management, physical and mental health treatment, substance abuse counseling, childcare, etc.)</li> <li>• Homelessness prevention</li> <li>• Data collection for homeless and domestic violence databases</li> </ul>
	Coronavirus Aid, Relief, and Economic Security Act (CARES Act)- Emergency Solutions Grant ("ESG-CV")	Passed as Part of the CARES Act and allocated to NM based on a formula grant	FY20 allocation= \$12,936,302		

Federal Administering Agency	Program and Acronym	Funding Acquisition	Funding Amount/ Value	Beneficiaries	Eligible Activities
Department of Housing and Urban Development (HUD)	Housing Opportunities for Persons with AIDS (“HOPWA”)	Formula grant	FY20 allocation = \$1,004,413  <i>MFA administers the City of Albuquerque’s \$476,714 share of the total allocation</i>	Households earning no more than 80% of area median income in which one or more members is medically diagnosed with HIV/AIDS	<ul style="list-style-type: none"> <li>• Rental assistance</li> <li>• Short-term payments to prevent homelessness</li> <li>• Permanent housing placement</li> <li>• Supportive services (i.e., case management)</li> <li>• Acquisition, rehabilitation, repair, conversion and lease of facilities</li> </ul>
	Coronavirus Aid, Relief, and Economic Security Act - Housing Opportunities for Persons with AIDS (“HOPWA-CV”)	Passed as Part of the CARES Act and allocated to NM based on a formula grant	FY20 allocation= \$146,170  <i>MFA administers the City of Albuquerque’s \$76,795 share of the total allocation</i>		
	National Housing Trust Fund	Formula grants funded by an assessment on new business volume of the government-sponsored enterprises, Fannie Mae and Freddie Mac	FY20 allocation = \$3,000,000	Households earning no more than the greater of 30% of area median income or the federal poverty level, based on family size	



Federal Administering Agency	Program and Acronym	Funding Acquisition	Funding Amount/ Value	Beneficiaries	Eligible Activities
Department of Energy (DOE)	Weatherization Assistance Program (“NM Energy\$mart”)	Formula grant	FY20 allocation = \$2,508,160	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 has a disability, and families with young children	Energy efficiency improvements including: <ul style="list-style-type: none"> <li>• Weather-stripping, caulking, and insulation</li> <li>• Window and door replacement</li> <li>• Tuning, repairing or replacing furnaces or heating units</li> <li>• Replacing incandescent bulbs with CFLs</li> <li>• Refrigerator replacement</li> <li>• Training and technical assistance</li> </ul>
Department of the Treasury (Internal Revenue Service or IRS)	Low Income Housing Tax Credit Program (“LIHTC” or “Tax Credits”)	Formula credit allocation	FY20 allocation = \$5,897,332  <i>Based on NM population estimate of 2,096,829 and a 2% increase from the 2019 allocation</i>	Households earning no more than 60% of area median income on average for each property (could be more restrictive, depending on the project)	Rental housing development including new construction, rehabilitation, or acquisition/rehabilitation

# Tab 12

# 9% Low Income Housing Tax Credit Awards by Congressional District and County, 2000-2020

**Geographic Distribution** Congressional District 1 received 25.4% or \$22.4 million in 9% LIHTCs  
 Congressional District 2 received 37.5% or \$34.6 million in 9% LIHTCs  
 Congressional District 3 received 37.1% or \$34.3 million in 9% LIHTCs  
 \$44 million or 47.6% of awards were made in Bernalillo County or within the cities of Rio Rancho, Las Cruces, Farmington, Santa Fe or Roswell

**Urban and Rural Areas** \$48.4 million or 52.4% of awards were made in rural areas

Congressional District or County*	Population (ACS 2018 1-Yr 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
<b>Congressional District 1</b>						
Bernalillo County	678,701	32.4%	22,356,446	24.2%	22,356,446	
Sandoval County	145,179	6.9%	1,150,000	1.2%		1,150,000
<b>Totals CD 1</b>	<b>823,880</b>	<b>39.3%</b>	<b>23,506,446</b>	<b>25.4%</b>	<b>22,356,446</b>	<b>1,150,000</b>
<b>Congressional District 2</b>						
Chaves County	64,689	3.1%	2,120,141	2.3%	2,120,141	
Cibola County	26,746	1.3%	3,373,518	3.6%		3,373,518
Doña Ana County	217,522	10.4%	10,838,368	11.7%	5,315,827	5,522,541
Eddy County	57,900	2.8%	3,374,358	3.6%		3,374,358
Grant County	27,346	1.3%	1,836,680	2.0%		1,836,680
Lea County	69,611	3.3%	6,606,491	7.1%		6,606,491
Lincoln County	19,556	0.9%	416,734	0.5%		416,734
Luna County	23,963	1.1%	1,732,343	1.9%		1,732,343
Otero County	66,781	3.2%	2,447,526	2.6%		2,447,526
Valencia County	76,456	3.6%	1,894,770	2.0%		1,894,770
<b>Totals CD 2</b>	<b>650,570</b>	<b>31.0%</b>	<b>34,640,929</b>	<b>37.5%</b>	<b>7,435,968</b>	<b>27,204,961</b>
<b>Congressional District 3</b>						
Bernalillo County	678,701	32.4%	811,588	0.9%	811,588	
Curry County	49,437	2.4%	5,134,327	5.6%		5,134,327
Los Alamos County	19,101	0.9%	2,592,410	2.8%		2,592,410
McKinley County	72,290	3.4%	3,728,121	4.0%		3,728,121
Rio Arriba County	39,006	1.9%	307,779	0.3%		307,779
San Juan County	125,043	6.0%	2,775,168	3.0%	1,213,292	1,561,876
San Miguel County	27,591	1.3%	1,260,432	1.4%		1,260,432
Sandoval County	145,179	6.9%	848,948	0.9%		848,948
Santa Fe County	150,056	7.2%	13,197,579	14.3%	12,216,017	981,562
Taos County	32,835	1.6%	3,424,937	3.7%		3,424,937
Union County	4,118	0.2%	240,064	0.3%		240,064
<b>Totals CD 3</b>	<b>1,343,357</b>	<b>64%</b>	<b>34,321,353</b>	<b>37.1%</b>	<b>14,240,897</b>	<b>20,080,456</b>
<b>Total New Mexico</b>	<b>2,095,428</b>	<b>100%</b>	<b>92,468,728</b>	<b>100%</b>	<b>44,033,311</b>	<b>48,435,417</b>

\*Only counties receiving 9% LIHTC awards are listed; therefore, county population totals do not add up to New Mexico population total. Further, Bernalillo 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, Santa Fe, Farmington and Roswell

# Low Income Housing Tax Credits in New Mexico Congressional District 1: 2000-2020

Credit Type	Project	Address	City	County	Zip	Year Awarded	Award Amount	Total Development Cost	Tax Credit Proceeds	Total Units	Tax Credit Units
9%	Sawmill Lofts	1801 Bellamah Avenue NW	Albuquerque	Bernalillo	87104	2004	\$603,117	\$7,163,155	\$5,450,836	60	59
	Casa Bonita/Carlisle Family Homes/Cox Estate	4528 Carlisle Blvd. NE	Albuquerque	Bernalillo	87109	2004	\$769,937	\$11,454,116	\$6,514,234	140	139
	*NewLife Homes 4	6600 Delia SW	Albuquerque	Bernalillo	87121	2007	\$507,176	\$7,794,791	\$5,797,789	48	48
	Silver Gardens Phase I	100 Silver Ave SW	Albuquerque	Bernalillo	87102	2008	\$984,958	\$13,637,017	\$5,150,484	66	56
	Downtown @ 700 - 2nd	700 2nd Street NW	Albuquerque	Bernalillo	87102	2008	\$964,720	\$12,606,116	\$8,063,156	72	59
	*Sawmill Senior Housing	990 18th Street NW	Albuquerque	Bernalillo	87104	2008	\$947,376	\$9,029,479	\$7,354,176	46	44
	*The Artisian at Sawmill Village	1751 Bellamah Avenue NW	Albuquerque	Bernalillo	87104	2009	\$1,140,845	\$13,142,997	\$9,251,591	62	60
	Silver Gardens Phase II	100 Second Street SW	Albuquerque	Bernalillo	87102	2010	\$768,729	\$8,790,676	\$5,534,849	55	45
	Plaza Feliz	509 San Pablo Street SE	Albuquerque	Bernalillo	87108	2010	\$1,023,391	\$12,440,009	\$7,470,007	66	55
	Luna Lodge (Ubuntu)	9119 Central Avenue NE	Albuquerque	Bernalillo	87123	2010	\$344,120	\$4,429,354	\$2,377,102	30	30
	Casitas de Colores	215 Lead Avenue SW	Albuquerque	Bernalillo	87102	2012	\$1,110,000	\$12,408,064	\$11,098,890	71	50
	Plaza Ciudadana	312 Indian School Road	Albuquerque	Bernalillo	87102	2012	\$1,110,000	\$13,698,237	\$10,821,418	67	56
	Sundowner	6101 Central Avenue NE	Albuquerque	Bernalillo	87108	2012	\$638,687	\$9,063,847	\$5,428,297	71	60
	Cuatro	1319 Fourth Street NW	Albuquerque	Bernalillo	87102	2014	\$1,072,150	\$12,972,711	\$10,291,610	56	55
	The Imperial Building	205 Silver Avenue SW	Albuquerque	Bernalillo	87102	2014	\$1,150,000	\$19,089,351	\$11,498,850	74	54
	Casa Feliz	443 Española Street SE	Albuquerque	Bernalillo	87108	2015	\$1,150,000	\$14,899,321	\$12,532,493	85	84
	Rio Vista Apartments	7770 Juan Tabo Blvd. NE	Albuquerque	Bernalillo	87123	2016	\$984,000	\$12,433,085	\$9,248,863	75	75
	Generations at West Mesa	5715 Avalon Road	Albuquerque	Bernalillo	87105	2017	\$674,999	\$10,853,689	\$6,479,342	54	45
	Solar Villa	1135 Texas NE	Albuquerque	Bernalillo	87110	2017	\$1,150,000	\$17,563,297	\$11,613,839	100	99
	Nuevo Atrisco	7909 Central Avenue	Albuquerque	Bernalillo	87121	2018	\$1,019,999	\$16,187,728	\$9,689,022	100	100
6100 Harper	6100 Harper Drive	Albuquerque	Bernalillo	87109	2020	\$912,789	\$12,118,590	\$11,027,917	56	56	
Broadway/McKnight	1840-1878 Broadway Place	Albuquerque	Bernalillo	87102	2020	\$954,720	\$14,073,431	\$13,369,759	54	54	
Copper Terrace (Vista Grande)	12801 Copper NE	Albuquerque	Bernalillo	87123	2020	\$1,232,333	\$17,864,244	\$16,971,032	96	90	
Luminaria Senior	10600 Central Ave. SE	Albuquerque	Bernalillo	87123	2020	\$1,142,400	\$17,048,929	\$15,003,058	91	91	
Village in the Bosque	857 Calle Los Mayores	Bernalillo	Sandoval	87004	2013	\$1,150,000	\$17,580,185	\$10,808,919	98	83	

\*Tax Credit Exchange Program project authorized under the American Recovery and Reinvestment Act

# Low Income Housing Tax Credits in New Mexico Congressional District 1: 2000-2020

Credit Type	Project	Address	City	County	Zip	Year Awarded	Award Amount	Total Development Cost	Tax Credit Proceeds	Total Units	Tax Credit Units
4%	Valencia Court	200 Valencia Drive SE	Albuquerque	Bernalillo	87108	2000	\$413,492	\$13,390,174	\$3,224,589	188	188
	Sandpiper Apartments	4401 Montgomery Blvd. NE	Albuquerque	Bernalillo	87109	2001	\$50,937	\$15,733,657	\$4,024,337	239	235
	Brentwood Gardens	6302 Harper Place NE	Albuquerque	Bernalillo	87109	2001	\$229,631	\$8,527,933	\$1,833,101	122	122
	Manzano Mesa	700 Eubank Blvd. SE	Albuquerque	Bernalillo	87123	2001	\$427,908	\$15,114,152	\$3,592,684	224	224
	El Paseo	301 El Pueblo Road NW	Albuquerque	Bernalillo	87114	2002	\$331,364	\$11,324,428	\$2,734,307	166	166
	Vista Grande	12801 Copper NE	Albuquerque	Bernalillo	87123	2003	\$148,910	\$5,567,152	\$1,161,500	96	95
	Sunny Acres	2821 Mountain Road NW	Albuquerque	Bernalillo	87104	2003	\$118,062	\$4,071,303	\$897,271	75	74
	Sandia Vista	901 Tramway Blvd. NE	Albuquerque	Bernalillo	87123	2003	\$172,583	\$6,794,059	\$172,583	138	136
	Aztec Village	4321 Montgomery Blvd. NE	Albuquerque	Bernalillo	87109	2003	\$432,596	\$13,981,772	\$3,504,028	228	228
	El Paseo Phase II	291 El Pueblo Road NW	Albuquerque	Bernalillo	87107	2003	\$279,372	\$10,126,326	\$2,290,852	124	124
	Arioso	7303 Montgomery Blvd. NE	Albuquerque	Bernalillo	87109	2004	\$473,223	\$11,892,456	\$4,093,380	265	262
	Lafayette Square	3901 Lafayette Drive NE	Albuquerque	Bernalillo	87107	2004	\$351,827	\$11,597,071	\$3,271,991	189	188
	El Pueblo/ Madera	Various Sites	Albuquerque	Bernalillo	87108	2004	\$207,294	\$5,467,752	\$1,508,092	107	107
	Alta Vista	4200 Spanish Bit NE	Albuquerque	Bernalillo	87111	2004	\$554,224	\$18,478,034	\$4,918,069	270	264
	Chateau	6101 Osuna Road NE	Albuquerque	Bernalillo	87109	2005	\$159,199	\$5,743,134	\$1,496,471	78	78
	Sun Pointe Park	4057 Montgomery Blvd. NE	Albuquerque	Bernalillo	87109	2005	\$639,834	\$19,138,049	\$6,110,416	260	260
	Cottwood Apartments	3600 Old Airport Road NW	Albuquerque	Bernalillo	87114	2005	\$487,615	\$18,241,079	\$4,631,879	185	185
	Ladera Senior Apartments	3704 Ladera Drive NW	Albuquerque	Bernalillo	87112	2005	\$326,308	\$10,839,180	\$2,918,121	114	114
	St. Anthony's Plaza	1750 Indian School	Albuquerque	Bernalillo	87104	2005	\$245,298	\$8,991,730	\$2,330,331	160	158
	Westwood Village	901 68th Street NW	Albuquerque	Bernalillo	87121	2006	\$98,141	\$3,763,590	\$922,525	64	64
	Montgomery Manor	4301 Morris Street NE	Albuquerque	Bernalillo	87111	2006	\$167,815	\$5,944,200	\$1,577,461	80	80
	Silver Moon Lodge	901 Park Avenue SE	Albuquerque	Bernalillo	87102	2013	\$454,736	\$12,859,463	\$3,952,247	151	150
	Volcanes Commons (Glenrio Apts)	6901 Glenrio Road NW	Albuquerque	Bernalillo	87121	2013	\$683,936	\$21,467,841	\$6,285,919	198	198
	Village at Avalon	Los Volcanes Road/90th Street NW	Albuquerque	Bernalillo	87121	2015	\$1,026,520	\$27,818,287	\$9,853,606	240	238
	Arroyo Vista	4201 Bryn Mawn Dr & Pan American Fw NE	Albuquerque	Bernalillo	87107	2016	\$852,888	\$24,521,706	\$8,954,428	190	190
	The Sterling Downtown	800 Silver Avenue SW	Albuquerque	Bernalillo	87102	2016	\$594,218	\$15,484,931	\$6,624,868	111	99
	La Vida Nueva	1200 Dickerson Dr. SE	Albuquerque	Bernalillo	87106	2017	\$970,572	\$35,423,513	\$10,865,293	316	316
	Ceja Vista Senior Apartments	Dennis Chavez Blvd. at 98th Street	Albuquerque	Bernalillo	87121	2019	\$886,136	\$23,503,071	\$7,974,426	154	154
	Marbella Apartments	6801 Glenrio Road NW	Albuquerque	Bernalillo	87121	2019	\$226,472	\$13,094,077	\$3,849,959	96	96
	Sandia Vista/Plaza David Chavez	901 Tramway Blvd. NE/2821 Mountain Road NW	Albuquerque	Bernalillo	87123/87104	2019	\$858,145	\$37,753,989	\$12,339,086	213	213
The Commons at Martineztown	415 Fruit Ave NE, 320 Roma St NE, and 615 Arroyo Blvd NE	Albuquerque	Bernalillo	87102	2020	\$576,449	\$15,485,290	\$5,533,357	96	96	
The Gateway	SWC University Blvd & Bobby Foster Rd	Albuquerque	Bernalillo	87105	2020	\$740,401	\$34,532,046	\$6,662,943	192	117	
La Villa Elena	201 Villa Elena Lane	Bernalillo	Sandoval	87004	2009	\$94,021	\$3,140,642	\$557,658	54	53	
Sandia Vista	492 Camino Don Tomas	Bernalillo	Sandoval	87004	2017	\$0	\$0	\$0	39	39	
<b>Total</b>							<b>\$37,692,551</b>	<b>\$805,013,864</b>	<b>\$368,957,653</b>	<b>7,122</b>	<b>6,866</b>

\*Tax Credit Exchange Program project authorized under the American Recovery and Reinvestment Act

# Estimated Economic Impact of LIHTC Projects in New Mexico Congressional District 1: 2000-2020

7,122 units																	
Local Income and Jobs By Industry		Phase I: Direct and Indirect Impact of Construction Activity				Phase II: Induced Effect of Spending Income and Tax Revenue from Phase I					Phase III: Ongoing Annual Effect That Occurs Because Units Are Occupied						
Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported		
Construction	\$434,498,976	\$167,117,730	\$267,381,246	\$55,000	4,843	\$16,494,552	\$6,075,066	\$10,419,486	\$55,000	214	\$6,189,018	\$2,343,138	\$3,838,758	\$55,000	71		
Manufacturing	\$28,488	\$0	\$28,488	\$54,000	0	\$64,098	\$0	\$64,098	\$52,000	0	\$42,732	\$0	\$35,610	\$52,000	0		
Transportation	\$14,244	\$7,122	\$7,122	\$29,000	0	\$747,810	\$363,222	\$384,588	\$29,000	0	\$420,198	\$199,416	\$213,660	\$29,000	0		
Communications	\$2,813,190	\$968,592	\$1,844,598	\$77,000	0	\$14,998,932	\$6,196,140	\$8,802,792	\$81,000	142	\$10,455,096	\$4,330,176	\$6,117,798	\$81,000	71		
Utilities	\$662,346	\$142,440	\$519,906	\$97,000	0	\$5,092,230	\$1,075,422	\$4,016,808	\$97,000	71	\$2,086,746	\$441,564	\$1,645,182	\$97,000	0		
Wholesale & Retail Trade	\$48,030,768	\$10,597,536	\$37,433,232	\$33,000	1140	\$39,455,880	\$6,666,192	\$32,782,566	\$31,000	1068	\$31,108,896	\$4,643,544	\$26,465,352	\$34,000	783		
Finance & Insurance	\$2,563,920	\$99,708	\$2,464,212	\$102,000	0	\$8,624,742	\$334,734	\$8,282,886	\$90,000	71	\$5,733,210	\$220,782	\$5,512,428	\$87,000	71		
Real Estate	\$10,861,050	\$9,351,186	\$1,509,864	\$55,000	0	\$27,092,088	\$11,231,394	\$15,860,694	\$55,000	285	\$35,545,902	\$14,728,296	\$20,810,484	\$55,000	356		
Personal & Repair Services	\$1,773,378	\$420,198	\$1,353,180	\$40,000	0	\$10,355,388	\$3,717,684	\$6,637,704	\$40,000	142	\$5,533,794	\$2,015,526	\$3,525,390	\$40,000	71		
Services to Dwellings/Buildings	\$1,068,300	\$413,076	\$655,224	\$37,000	0	\$3,774,660	\$1,460,010	\$2,314,650	\$37,000	71	\$2,357,382	\$911,616	\$1,445,766	\$37,000	71		
Business & Professional Services	\$19,407,450	\$4,743,252	\$14,664,198	\$63,000	214	\$37,960,260	\$10,910,904	\$27,056,478	\$58,000	499	\$19,321,986	\$5,434,086	\$13,880,778	\$53,000	285		
Eating & Drinking Places	\$555,516	\$85,464	\$462,930	\$29,000	0	\$18,153,978	\$3,561,000	\$14,592,978	\$27,000	570	\$13,830,924	\$2,713,482	\$11,117,442	\$27,000	427		
Automobile Repair & Service	\$398,832	\$121,074	\$277,758	\$40,000	0	\$7,955,274	\$2,392,992	\$5,562,282	\$40,000	142	\$6,708,924	\$2,015,526	\$4,686,276	\$40,000	142		
Entertainment Services	\$170,928	\$14,244	\$156,684	\$33,000	0	\$2,193,576	\$413,076	\$1,780,500	\$30,000	71	\$2,521,188	\$341,856	\$2,179,332	\$29,000	71		
Health, Education & Social Services	\$49,854	\$0	\$49,854	\$51,000	0	\$42,717,756	\$4,750,374	\$37,967,382	\$55,000	712	\$26,151,984	\$2,741,970	\$23,417,136	\$55,000	427		
Local Government	\$1,281,960	\$0	\$1,281,960	\$78,000	0	\$64,126,488	\$0	\$64,126,488	\$60,000	1068	\$17,363,436	\$0	\$17,363,436	\$60,000	285		
Other	\$3,083,826	\$1,808,988	\$1,274,838	\$47,000	0	\$5,704,722	\$2,813,190	\$2,891,532	\$43,000	71	\$2,692,116	\$1,303,326	\$1,388,790	\$42,000	0		
<b>Total</b>	<b>\$527,263,026</b>	<b>\$195,890,610</b>	<b>\$331,365,294</b>	<b>\$52,000</b>	<b>6,196</b>	<b>\$305,512,434</b>	<b>\$61,961,400</b>	<b>\$243,543,912</b>	<b>\$48,000</b>	<b>5,199</b>	<b>\$188,063,532</b>	<b>\$44,384,304</b>	<b>\$143,643,618</b>	<b>\$46,000</b>	<b>3,134</b>		

Local Government General Revenue by Type	Phase I: Construction Activity	Phase II: Induced Effect	Phase III: Ongoing Annual Effect
<b>Taxes</b>			
Business Property Taxes	\$2,514,066	\$8,859,768	\$6,488,142
Residential Property Taxes	\$0	\$0	\$10,462,218
General Sales Taxes	\$5,726,088	\$3,126,558	\$2,286,162
Specific Excise Taxes	\$370,344	\$1,310,448	\$961,470
Income Taxes	\$1,146,642	\$997,080	\$655,224
License Taxes	\$277,758	\$847,518	\$619,614
Other Taxes	\$199,416	\$676,590	\$498,540
<b>Total Taxes</b>	<b>\$10,234,314</b>	<b>\$15,817,962</b>	<b>\$21,971,370</b>

<b>User Fees &amp; Charges</b>			
Residential Permit/Impact Fees	\$97,371,984	\$0	\$0
Utilities & Other Gov't. Enterprises	\$5,491,062	\$12,734,136	\$7,563,564
Hospital Charges	\$2,542,554	\$2,855,922	\$2,955,630
Transportation Charges	\$997,080	\$576,882	\$356,100
Education Charges	\$1,032,690	\$598,248	\$370,344
Other Fees & Charges	\$3,361,584	\$3,853,002	\$2,642,262
<b>Total Fees &amp; Charges</b>	<b>\$110,796,954</b>	<b>\$20,618,190</b>	<b>\$13,887,900</b>

<b>Total General Revenue</b>	<b>\$121,031,268</b>	<b>\$36,436,152</b>	<b>\$35,859,270</b>
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Source: National Association of Home Builders, *The Economic Impact of Home Building in a Typical Local Area* (Multifamily Construction), 2015

# Low Income Housing Tax Credits in New Mexico Congressional District 2: 2000-2020

Credit Type	Project	Address	City	County	Zip	Year Awarded	Award Amount	Total Development Cost	Tax Credit Proceeds	Total Units	Tax Credit Units
9%	Spicewood Canyon Villas	1301 E. Alameda	Roswell	Chaves	88203	2003	\$494,437	\$5,307,216	\$4,113,716	60	60
	Wilshire Gardens	2727 Wilshire Boulevard	Roswell	Chaves	88201	2006	\$915,983	\$11,602,242	\$9,141,848	91	76
	Roswell Summit Apartments	1600 W. Summit	Roswell	Chaves	88201	2007	\$328,473	\$4,595,326	\$3,087,337	52	52
	Cielo del Oro Senior Housing	1700 W. Hendricks Street	Roswell	Chaves	88203	2014	\$381,248	\$5,044,389	\$3,434,701	30	30
	Laguna Homes I	13 Rodeo Drive	Laguna	Cibola	87026	2004	\$407,782	\$5,995,287	\$3,364,202	40	40
	Laguna Homes II	13 Rodeo Drive	Laguna	Cibola	87026	2004	\$294,765	\$4,117,686	\$2,428,892	39	39
	PAHA LIHTC Homes #1	Pinsbaari Dr. & Cedar Meadow Lane	Acoma	Cibola	87034	2016	\$767,638	\$7,122,589	\$7,061,563	30	30
	Sunray Village & Lobo Canyon	1071 Lobo Canyon Rd., 1801 Cordova Ct.	Grants	Cibola	87020	2019	\$1,232,333	\$18,234,341	\$11,151,499	128	126
	PAHA LIHTC Homes #2	South of Pinon Street	Pueblo of Acoma	Cibola	87034	2020	\$671,000	\$7,559,179	\$6,652,078	30	30
	Franklin Vista V	505 Curry Court	Anthony	Doña Ana	88021	2001	\$67,262	\$1,857,541	\$473,000	28	28
	Montana Sr. Village II	335 E. Montana Avenue	Las Cruces	Doña Ana	88005	2001	\$286,398	\$6,236,401	\$2,291,200	84	60
	Mira Vista Villas	2141 N. Solano Drive	Las Cruces	Doña Ana	88001	2001	\$358,609	\$4,789,525	\$2,904,634	76	60
	Valle Verde II Apartments	360 Bienes Street	Placitas/Hatch	Doña Ana	87937	2002	\$96,332	\$2,157,445	\$684,632	25	25
	Valle Verde III Apartments	360 Bienes Street	Placitas/Hatch	Doña Ana	87937	2002	\$39,120	\$886,960	\$279,048	10	10
	Santa Teresa Family Homes	155 Comerciantes Blvd.	Santa Teresa	Doña Ana	88008	2002	\$567,143	\$7,096,798	\$4,021,142	74	60
	Desert Palms Apartments	2405 W. Picacho Avenue	Las Cruces	Doña Ana	88007	2003	\$227,879	\$4,615,418	\$1,891,396	100	100
	Mesquite Village	1851 N. Mesquite Street	Las Cruces	Doña Ana	88001	2003	\$132,585	\$4,214,148	\$1,033,055	49	48
	Vista Montana	316 Foster Road	Las Cruces	Doña Ana	88005	2003	\$698,931	\$7,640,188	\$5,655,680	80	79
	Four Hills	2595 Mars Avenue	Las Cruces	Doña Ana	88012	2003	\$403,431	\$6,505,830	\$3,328,306	72	60
	Cimmaron	825 4th Street	Anthony	Doña Ana	88021	2004	\$537,797	\$6,069,129	\$4,652,630	60	59
	Stone Mountain Place	930 E. Boutz Road	Las Cruces	Doña Ana	88001	2005	\$686,168	\$9,872,018	\$6,689,469	84	71
	Los Altos Apartments	2301 El Camino Real	Las Cruces	Doña Ana	88005	2005	\$431,389	\$7,310,584	\$4,098,196	72	60
	Franklin Vista VI	855 Clark Avenue	Anthony	Doña Ana	88021	2006	\$118,963	\$2,829,197	\$1,025,077	24	24
	Franklin Vista VII	855 Clark Avenue	Anthony	Doña Ana	88021	2006	\$162,547	\$3,651,645	\$1,355,649	25	24
	*Falcon Ridge	20 S. Chile Capital Street	Hatch	Doña Ana	87937	2007	\$742,881	\$10,564,181	\$6,976,074	72	72
	*Cimmaron II	801 4th Street	Anthony	Doña Ana	88021	2008	\$984,958	\$10,977,202	\$9,525,110	84	84
	Alta Tierra Apartments	1500 E. Madrid Avenue SW	Las Cruces	Doña Ana	88001	2008	\$345,908	\$5,038,361	\$3,314,672	63	60
	Robledo Ridge	1571 Medina Drive	Las Cruces	Doña Ana	88005	2011	\$744,879	\$11,272,269	\$6,778,399	71	60
	Paseo del Oro	4350 Elks Drive	Las Cruces	Doña Ana	88005	2014	\$439,650	\$6,083,451	\$4,044,376	24	24
	El Camino Real	21 Chile Capital Street	Hatch	Doña Ana	87937	2015	\$884,729	\$10,826,013	\$8,669,477	40	40
	Valle Verde I Apartments	350 Bienes Street	Placitas/Hatch	Doña Ana	87937	2018	\$472,169	\$5,820,195	\$4,202,307	36	36
	Desert Hope	1310 Pecos Street	Las Cruces	Doña Ana	88001	2019	\$560,000	\$6,730,119	\$5,123,488	40	40
	Villa Mirasol	Country Club/McNutt Road	Sunland Park	Dona Aña	88008	2020	\$848,640	\$11,109,771	\$10,332,087	48	48
	Roselawn Manor Apartments	800 S. Roselawn Avenue	Artesia	Eddy	88210	2015	\$1,150,000	\$13,104,879	\$11,383,862	63	62
	Colonial Hillcrest Apartments	605 N. 5th Street	Carlsbad	Eddy	88220	2016	\$852,000	\$14,416,196	\$8,093,191	75	76
	Villa San Jose Apartments	415 W. Del Rio Street	Carlsbad	Eddy	88220	2017	\$572,358	\$7,212,665	\$5,174,660	60	60
	Parkside Place Apartments	805/710 Hueco Street	Carlsbad	Eddy	88220	2018	\$800,000	\$15,289,314	\$7,199,280	80	80
	Silver Cliffs Apartments	1414 Little Walnut Road	Silver City	Grant	88061	2015	\$802,339	\$9,703,670	\$8,183,039	80	80
	Mountain View Senior Apartments	N. Juniper/E. 16th Street	Silver City	Grant	88061	2017	\$1,034,341	\$11,504,313	\$9,313,448	69	69
	Willow Bend Villas	1000 N. Marland Blvd.	Hobbs	Lea	88240	2003	\$495,508	\$5,394,618	\$4,122,627	60	60
	La Pradera	2900 N. Dal Paso Street	Hobbs	Lea	88240	2009	\$1,140,553	\$11,100,234	\$7,606,728	60	60
	Casa Hermosa	902 E. Michigan Drive	Hobbs	Lea	88240	2012	\$896,512	\$9,871,069	\$8,464,378	88	87
	New Leaf Community	1621 E. Marland Street	Hobbs	Lea	88240	2014	\$959,500	\$13,437,301	\$9,498,100	72	60
	Playa Escondida	E. Yeso Dr. & N. Jefferson Street	Hobbs	Lea	88240	2014	\$869,157	\$12,287,568	\$8,647,247	60	46
	Parkside Terrace	S. Fowler & E. White Streets	Hobbs	Lea	88240	2015	\$1,087,936	\$12,686,040	\$10,878,272	65	64
	Skyview Terrace	3600 N. Skyview Street	Hobbs	Lea	88240	2019	\$1,157,325	\$16,331,617	\$10,878,855	72	72
	Ladera Courts/Ladera Apt. Homes	500 Dipaolo Hill Drive	Ruidoso Downs	Lincoln	88346	2000	\$416,734	\$6,360,315	\$3,358,700	60	45
	Desert Sun/Deming Farm Labor	1201 N. 8th Street	Deming	Luna	88030	2000	\$156,958	\$3,426,690	\$1,226,690	40	40
	Mariposa Village	901 S. Tennyson	Deming	Luna	88030	2002	\$280,700	\$4,146,263	\$2,131,373	60	45
	Desert Sun Apartments II	1101 N. 8th Street	Deming	Luna	88030	2003	\$201,438	\$4,619,216	\$1,558,563	56	55
Sierra Vista	905 N. Tin Street	Deming	Luna	88030	2011	\$536,569	\$5,438,858	\$4,426,252	24	24	
Mountain View Apartments	1101 S. Shelly Drive	Deming	Luna	88030	2011	\$556,678	\$6,844,671	\$5,065,770	48	45	
Azotea Senior Apt. Homes	2400 E. First Street	Alamogordo	Otero	88310	2004	\$532,853	\$5,598,019	\$4,422,680	61	60	
Cottonwood Commons Housing	1200 Jefferson Avenue	Alamogordo	Otero	88310	2005	\$637,349	\$7,425,586	\$6,166,352	61	60	
I-Sah'-din'-dii	101 Central Avenue	Mescalero	Otero	88340	2007	\$650,553	\$7,445,266	\$5,915,518	30	30	
A'diidi ni'kuwaa	Off Old Road and Pinto Drive	Mescalero	Otero	88340	2020	\$626,771	\$7,098,813	\$6,246,955	39	39	
Ventana Cove	450 Los Cerritos Road	Los Lunas	Valencia	87031	2003	\$392,445	\$6,866,269	\$3,606,602	72	60	
Belen Apartments	1200 Court Street	Belen	Valencia	87002	2009	\$482,634	\$4,976,129	\$2,431,941	40	40	
Hilltop Apartments	393 Canal Blvd.	Los Lunas	Valencia	87031	2009	\$386,061	\$6,401,327	\$2,992,032	40	39	
Encantada Apartments	300 Canal Blvd.	Village of Los Lunas	Valencia	87031	2020	\$633,630	\$7,463,178	\$6,940,756	47	47	

\*Tax Credit Exchange Program project authorized under the American Recovery and Reinvestment Act

# Low Income Housing Tax Credits in New Mexico Congressional District 2: 2000-2020

Credit Type	Project	Address	City	County	Zip	Year Awarded	Award Amount	Total Development Cost	Tax Credit Proceeds	Total Units	Tax Credit Units
4%	Wildewood	201 W. Sherrill Lane	Roswell	Chaves	88201	2000	\$139,167	\$4,540,343	\$1,138,770	60	60
	Montana Meadows	201 E. Montana Avenue	Las Cruces	Doña Ana	88005	2001	\$170,369	\$5,682,539	\$1,396,750	80	80
	Highland Park	2013 S. Triviz Drive	Las Cruces	Doña Ana	88001	2006	\$90,734	\$3,255,026	\$852,900	50	50
	Dona Aña 6	Various Sites	Anthony/Sunland Pa	Dona Aña	88021/88063	2016	\$611,651	\$18,483,703	\$5,687,785	200	200
	Franklin Vista I - V	820 Hettinga Lane	Anthony	Dona Aña	88021	2017	\$0	\$0	\$0	136	136
	Lintero	2711 N. Leslie Road	Silver City	Grant	88061	2006	\$87,666	\$2,759,832	\$824,060	50	50
	Casa Linda Apartments	100 E. 17th Street	Silver City	Grant	88061	2009	\$82,644	\$2,752,148	\$482,244	41	40
	King Arthur's Court	428 W. Gales	Lordsburg	Hidalgo	88045	2003	\$27,952	\$893,127	\$232,842	28	27
	Southview Apartments	1300 W. Avenue R	Lovington	Lea	88260	2009	\$86,695	\$2,875,829	\$497,770	48	46
	Washington Place	1405 Marland Street	Hobbs	Lea	88240	2015	\$272,216	\$8,387,561	\$2,476,918	76	76
	Four Seasons	2405 N Jefferson St	Hobbs	Lea	88240	2020	\$328,052	\$12,425,963	\$3,476,271	80	80
	Deming Manor	1000 S. Zinc	Deming	Luna	88030	2003	\$43,820	\$1,426,733	\$333,030	52	51
	Columbus Apartments	60 Botanico Ave.	Columbus	Luna	88029	2017	\$75,839	\$2,608,104	\$688,921	24	24
	Rio Mimbres I - II	1608 South Tin St.	Deming	Luna	88030	2018	\$0	\$0	\$0	60	60
	Tradewinds Carriage	1301 Pershing Street	Truth or Consequ	Sierra	87901	2003	\$34,422	\$1,128,939	\$261,605	32	31
Rio Abajo Apartments	1485 E. 2nd Street	Truth or Consequ	Sierra	87002	2009	\$85,021	\$2,994,151	\$517,946	42	41	
<b>Total</b>							<b>\$36,692,156</b>	<b>\$527,402,574</b>	<b>\$334,068,672</b>	<b>4,440</b>	<b>4,231</b>

\*Tax Credit Exchange Program project authorized under the American Recovery and Reinvestment Act



# Estimated Economic Impact of LIHTC Projects in New Mexico Congressional District 2: 2000-2020

4,440 units															
Local Income and Jobs By Industry	Phase I: Direct and Indirect Impact of Construction Activity					Phase II: Induced Effect of Spending Income and Tax Revenue from Phase I					Phase III: Ongoing Annual Effect That Occurs Because Units Are Occupied				
Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported
Construction	\$270,875,520	\$104,184,600	\$166,690,920	\$55,000	3,019	\$10,283,040	\$3,787,320	\$6,495,720	\$55,000	133	\$3,858,360	\$1,460,760	\$2,393,160	\$55,000	44
Manufacturing	\$17,760	\$0	\$17,760	\$54,000	0	\$39,960	\$0	\$39,960	\$52,000	0	\$26,640	\$0	\$22,200	\$52,000	0
Transportation	\$8,880	\$4,440	\$4,440	\$29,000	0	\$466,200	\$226,440	\$239,760	\$29,000	0	\$261,960	\$124,320	\$133,200	\$29,000	0
Communications	\$1,753,800	\$603,840	\$1,149,960	\$77,000	0	\$9,350,640	\$3,862,800	\$5,487,840	\$81,000	89	\$6,517,920	\$2,699,520	\$3,813,960	\$81,000	44
Utilities	\$412,920	\$88,800	\$324,120	\$97,000	0	\$3,174,600	\$670,440	\$2,504,160	\$97,000	44	\$1,300,920	\$275,280	\$1,025,640	\$97,000	0
Wholesale & Retail Trade	\$29,943,360	\$6,606,720	\$23,336,640	\$33,000	710	\$24,597,600	\$4,155,840	\$20,437,320	\$31,000	666	\$19,393,920	\$2,894,880	\$16,499,040	\$34,000	488
Finance & Insurance	\$1,598,400	\$62,160	\$1,536,240	\$102,000	0	\$5,376,840	\$208,680	\$5,163,720	\$90,000	44	\$3,574,200	\$137,640	\$3,436,560	\$87,000	44
Real Estate	\$6,771,000	\$5,829,720	\$941,280	\$55,000	0	\$16,889,760	\$7,001,880	\$9,887,880	\$55,000	178	\$22,160,040	\$9,181,920	\$12,973,680	\$55,000	222
Personal & Repair Services	\$1,105,560	\$261,960	\$843,600	\$40,000	0	\$6,455,760	\$2,317,680	\$4,138,080	\$40,000	89	\$3,449,880	\$1,256,520	\$2,197,800	\$40,000	44
Services to Dwellings/Buildings	\$666,000	\$257,520	\$408,480	\$37,000	0	\$2,353,200	\$910,200	\$1,443,000	\$37,000	44	\$1,469,640	\$568,320	\$901,320	\$37,000	44
Business & Professional Services	\$12,099,000	\$2,957,040	\$9,141,960	\$63,000	133	\$23,665,200	\$6,802,080	\$16,867,560	\$58,000	311	\$12,045,720	\$3,387,720	\$8,653,560	\$53,000	178
Eating & Drinking Places	\$346,320	\$53,280	\$288,600	\$29,000	0	\$11,317,560	\$2,220,000	\$9,097,560	\$27,000	355	\$8,622,480	\$1,691,640	\$6,930,840	\$27,000	266
Automobile Repair & Service	\$248,640	\$75,480	\$173,160	\$40,000	0	\$4,959,480	\$1,491,840	\$3,467,640	\$40,000	89	\$4,182,480	\$1,256,520	\$2,921,520	\$40,000	89
Entertainment Services	\$106,560	\$8,880	\$97,680	\$33,000	0	\$1,367,520	\$257,520	\$1,110,000	\$30,000	44	\$1,571,760	\$213,120	\$1,358,640	\$29,000	44
Health, Education & Social Services	\$31,080	\$0	\$31,080	\$51,000	0	\$26,631,120	\$2,961,480	\$23,669,640	\$55,000	444	\$16,303,680	\$1,709,400	\$14,598,720	\$55,000	266
Local Government	\$799,200	\$0	\$799,200	\$78,000	0	\$39,977,760	\$0	\$39,977,760	\$60,000	666	\$10,824,720	\$0	\$10,824,720	\$60,000	178
Other	\$1,922,520	\$1,127,760	\$794,760	\$47,000	0	\$3,556,440	\$1,753,800	\$1,802,640	\$43,000	44	\$1,678,320	\$812,520	\$865,800	\$42,000	0
<b>Total</b>	<b>\$328,706,520</b>	<b>\$122,122,200</b>	<b>\$206,579,880</b>	<b>\$52,000</b>	<b>3,863</b>	<b>\$190,462,680</b>	<b>\$38,628,000</b>	<b>\$151,830,240</b>	<b>\$48,000</b>	<b>3,241</b>	<b>\$117,242,640</b>	<b>\$27,670,080</b>	<b>\$89,550,360</b>	<b>\$46,000</b>	<b>1,954</b>

Local Government General Revenue by Type	Phase I: Construction Activity	Phase II: Induced Effect	Phase III: Ongoing Annual Effect
<b>Taxes</b>			
Business Property Taxes	\$1,567,320	\$5,523,360	\$4,044,840
Residential Property Taxes	\$0	\$0	\$6,522,360
General Sales Taxes	\$3,569,760	\$1,949,160	\$1,425,240
Specific Excise Taxes	\$230,880	\$816,960	\$599,400
Income Taxes	\$714,840	\$621,600	\$408,480
License Taxes	\$173,160	\$528,360	\$386,280
Other Taxes	\$124,320	\$421,800	\$310,800
<b>Total Taxes</b>	<b>\$6,380,280</b>	<b>\$9,861,240</b>	<b>\$13,697,400</b>

<b>User Fees &amp; Charges</b>			
Residential Permit/Impact Fees	\$60,703,680	\$0	\$0
Utilities & Other Gov't. Enterprises	\$3,423,240	\$7,938,720	\$4,715,280
Hospital Charges	\$1,585,080	\$1,780,440	\$1,842,600
Transportation Charges	\$621,600	\$359,640	\$222,000
Education Charges	\$643,800	\$372,960	\$230,880
Other Fees & Charges	\$2,095,680	\$2,402,040	\$1,647,240
<b>Total Fees &amp; Charges</b>	<b>\$69,073,080</b>	<b>\$12,853,800</b>	<b>\$8,658,000</b>

<b>Total General Revenue</b>	<b>\$75,453,360</b>	<b>\$22,715,040</b>	<b>\$22,355,400</b>
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# Low Income Housing Tax Credits in New Mexico Congressional District 3: 2000-2020

Credit Type	Project	Address	City	County	Zip	Year Awarded	Award Amount	Total Development Cost	Tax Credit Proceeds	Total Units	Tax Credit Units
9%	Ventana Ranch	10400 Universe Blvd.	Albuquerque	Bernalillo	87114	2003	\$811,588	\$19,368,690	\$6,648,367	288	216
	Main Street Townhomes	3205 N. Main Street	Clovis	Curry	88101	2001	\$248,838	\$2,362,473	\$1,821,683	25	25
	Sedona Village/Villa del Sol	1500 Echols Avenue	Clovis	Curry	88101	2002	\$205,194	\$2,657,921	\$1,507,000	50	50
	Parkside Village	1100 N. Sycamore	Clovis	Curry	88101	2003	\$391,256	\$4,677,436	\$3,423,490	42	42
	Lolomas Senior Housing	1500 Mitchell Street	Clovis	Curry	88101	2007	\$952,795	\$9,858,267	\$8,718,074	55	55
	Clovis Apartments	3805 Gidding Street	Clovis	Curry	88101	2007	\$930,407	\$9,568,966	\$8,474,640	61	60
	Hotel Clovis Lofts	201 N. Main Street	Clovis	Curry	88101	2010	\$1,055,077	\$12,770,001	\$8,017,783	60	60
	Andalusia Apartments	201 N. Connelly Street	Clovis	Curry	88101	2013	\$1,150,000	\$11,682,546	\$9,429,057	60	60
	Mesquite	412 S. Avenue F	Texico	Curry	88135	2001	\$200,760	\$2,007,832	\$1,530,944	20	20
	Mesa del Norte	650 San Ildefonso	Los Alamos	Los Alamos	87544	2012	\$513,809	\$6,245,618	\$4,675,194	36	36
	Canyon Walk Apartments	120 DP Road	Los Alamos	Los Alamos	87544	2018	\$1,049,930	\$14,329,930	\$9,238,460	70	70
	The Bluffs Senior Apartments	135 DP Road	Los Alamos	Los Alamos	87544	2019	\$1,028,671	\$12,871,284	\$9,051,400	64	64
	Cliffside III	601 Dani Drive	Gallup	McKinley	87301	2000	\$116,223	\$2,607,036	\$116,223	31	30
	Villa Mentmore	3420 Sanostee Drive	Gallup	McKinley	87301	2001	\$386,691	\$3,705,853	\$2,685,456	52	52
	Casamera Apartments	350 Basilio Drive	Gallup	McKinley	87301	2006	\$671,505	\$9,581,191	\$7,093,133	72	60
	Chuska Apartments	2534 Aztec Avenue	Gallup	McKinley	87301	2006	\$659,512	\$8,370,835	\$6,199,413	30	30
	Sunset Hills Apartments	220 Rudy Drive	Gallup	McKinley	87301	2013	\$966,241	\$12,082,142	\$9,081,757	61	59
	ZHA LIHTC #1	A Avenue, 4th St. & BIA Route 301E	Zuni Pueblo	McKinley	87327	2014	\$584,862	\$7,095,271	\$5,204,751	38	38
	ZHA LIHTC #2	A Avenue, 4th St. & BIA Route 301E	Zuni Pueblo	McKinley	87327	2015	\$343,087	\$4,103,098	\$3,396,222	21	21
	Tsigo bugeh/P'o K'ay	West Kennedy Subdivision	Ohkay Owingeh	Rio Arriba	87566	2001	\$307,779	\$3,973,269	\$2,308,112	40	31
	Hidden Valley	717 Ruth Lane	Bloomfield	San Juan	87413	2003	\$544,054	\$6,094,227	\$4,098,903	60	60
	Ladera/Regency Terrace	3500 N. Butler	Farmington	San Juan	87401	2002	\$355,260	\$5,271,266	\$2,770,751	60	45
	La Terraza*	900 Cannery Court	Farmington	San Juan	87401	2009	\$858,032	\$10,307,210	\$5,319,266	72	60
	Chaco River	Highway 491 & N. 509 Road	Shiprock	San Juan	87420	2006	\$142,284	\$3,267,680	\$1,305,158	24	24
	Chaco River II	Highway 491 & N. 509 Road	Shiprock	San Juan	87420	2007	\$875,538	\$10,426,148	\$6,959,831	72	60
	Villa Las Vegas	200 Mountain View Drive	Las Vegas	San Miguel	87701	2000	\$524,164	\$4,989,680	\$3,793,464	60	60
	Gallinas Valley	2612 7th Street	Las Vegas	San Miguel	87701	2012	\$295,960	\$4,091,754	\$2,456,222	43	43
	Kristin Park	2351 Moreland Street	Las Vegas	San Miguel	87701	2014	\$440,308	\$6,021,542	\$3,896,336	44	43
	Domingo Housing Project	Old BIA Road 88/New BIA Road 88	Santo Domingo Pueblo	Sandoval	87052	2015	\$848,948	\$8,917,398	\$8,369,790	41	41
	Villa Del Norte Apartments	737 La Joya Street	Espanola	Santa Fe	87532	2019	\$572,401	\$7,792,180	\$5,151,094	50	50
	White Sands Village	27 Tribal Works Road	Pojoaque	Santa Fe	87501	2000	\$208,965	\$3,158,918	\$1,608,870	30	30
	White Sands Village II	27 Tribal Works Road	Pojoaque	Santa Fe	87501	2005	\$200,196	\$2,742,329	\$1,801,764	20	20
	Ventana de Vida I	1500 Pacheco Street	Santa Fe	Santa Fe	87505	2000	\$558,889	\$6,024,886	\$4,191,670	60	59
	Ventana de Vida II	1500 Pacheco Street	Santa Fe	Santa Fe	87505	2001	\$602,098	\$6,195,993	\$4,148,092	60	60
	Stone Creek/Casa Rufina	2323 Casa Rufina Road	Santa Fe	Santa Fe	87506	2003	\$1,034,620	\$14,024,423	\$9,336,618	100	100
	Casa Rufina, Phase II	2323 Casa Rufina Road	Santa Fe	Santa Fe	87507	2006	\$258,685	\$3,486,547	\$2,560,982	20	17
	San Ildefonso/Mesa Vista		Santa Fe	Santa Fe		2006	\$293,415	\$3,342,118	\$2,640,735	20	20
	*The Village	5951 Larson Loop	Santa Fe	Santa Fe	87507	2008	\$828,406	\$10,319,120	\$8,872,429	60	60
	Villa Alegre	701 W. Alameda Street	Santa Fe	Santa Fe	87501	2009	\$963,071	\$14,075,985	\$6,939,934	60	51
	Cedar Creek Apartments	3991 Camino Juliana	Santa Fe	Santa Fe	87507	2011	\$831,654	\$12,110,127	\$7,484,138	86	86
	Campo Apartments	104 Camino del Campo	Santa Fe	Santa Fe	87501	2011	\$603,542	\$7,185,876	\$5,612,379	28	28
	Stage Coach Apartments	3360 Cerrillos Road	Santa Fe	Santa Fe	87507	2011	\$1,039,833	\$12,963,453	\$9,773,453	60	60
	Villa Alegre	821 W. Alameda Street	Santa Fe	Santa Fe	87501	2011	\$92,024	\$25,948	\$59,815	60	51
	Villa Hermosa	1510-1520 Luisa Lane	Santa Fe	Santa Fe	87505	2016	\$1,150,000	\$14,857,838	\$12,763,724	116	116
	Soleras Station	4690 Rail Runner Road	Santa Fe	Santa Fe	87507	2016	\$1,081,327	\$14,430,718	\$9,947,214	87	73
	1115 Calle La Resolana	1115 Calle La Resolana	Santa Fe	Santa Fe	87507	2019	\$723,285	\$10,906,275	\$6,870,520	45	45
	Siler Yard: Arts+Creativity Center	1218 Siler Road	Santa Fe	Santa Fe	87505	2019	\$1,040,000	\$18,539,801	\$9,542,409	65	65
Villa Consuelo	1200 Camino Consuelo	Santa Fe	Santa Fe	87505	2018	\$1,115,168	\$16,515,173	\$10,258,520	100	100	
El Cerrito Housing	250 Paseo Del Canon East	Taos	Taos	87571	2005	\$658,675	\$7,969,196	\$6,652,618	57	56	
Taos Haus	631 Paseo del Pueblo Sur	Taos	Taos	87571	2012	\$631,861	\$6,413,700	\$5,408,189	30	30	
Tierra Montosa Phase 2	750 Gusdorf Road	Taos	Taos	87571	2016	\$984,401	\$10,860,001	\$10,827,328	70	70	
Herdner 80	120 Herdner Road/812 Gudsorf Road	Taos	Taos	87571	2018	\$1,150,000	\$14,090,000	\$10,980,252	80	80	
Walnut Street Courts	100 Walnut Street	Clayton	Union	88415	2000	\$240,064	\$2,444,380	\$1,872,499	25	25	

\*Tax Credit Exchange Program project authorized by the American Recovery and Reinvestment Act

# Low Income Housing Tax Credits in New Mexico Congressional District 3: 2000-2020

Credit Type	Project	Address	City	County	Zip	Year Awarded	Award Amount	Total Development Cost	Tax Credit Proceeds	Total Units	Tax Credit Units
4%	Gatewood Village	1309 W. 15th Street	Clovis	Curry	88101	2006	\$70,701	\$2,228,759	\$664,589	60	60
	Sagebrush	650 Dani Drive	Gallup	McKinley	87301	2006	\$102,349	\$3,522,863	\$962,081	50	50
	Sage Apartments	110 Rudy Drive	Gallup	McKinley	87301	2009	\$97,131	\$2,971,221	\$530,479	44	43
	Gallup 3	Various Sites	Gallup	McKinley	87301	2012	\$488,409	\$15,361,201	\$4,248,733	208	204
	Cliffside I-III	621 Dani Drive	Gallup	McKinley	87301	2017	\$379,417	\$10,988,690	\$3,456,921	105	105
	Mundo Ranch	Stone Lake Road	Dulce	Rio Arriba	87520	2004	\$264,611	\$6,339,941	\$2,434,421	46	46
	Apple Ridge Apartments	1600 Cliffside Drive	Farmington	San Juan	87401	2002	\$205,484	\$6,143,886	\$1,602,778	80	80
	Northgate Village	2500 W. Apache Street	Farmington	San Juan	87405	2006	\$97,016	\$3,680,078	\$888,789	50	50
	Enchanted Vista	4501 Sprint Blvd. NE	Rio Rancho	Sandoval	87144	2003	\$357,190	\$18,705,531	\$2,930,706	174	174
	South Shiprock Homes	U.S. Highway 491	Shiprock	San Juan	87420	2016	\$794,672	\$25,150,318	\$6,912,955	255	252
	Pinos Blancos I-II	512 West Blanco Blvd.	Bloomfield	San Juan	87413	2017	\$180,896	\$6,203,922	\$1,656,554	67	67
	Evergreen Apts	2020 Calle Lorca	Santa Fe	Santa Fe	87505	2000	\$205,463	\$6,625,859	\$1,293,860	70	70
	Country Club Apartments	5999 Airport Road	Santa Fe	Santa Fe	87507	2002	\$139,830	\$5,480,790	\$1,153,559	62	62
	Las Palomas	2000 Hopewell Street	Santa Fe	Santa Fe	87505	2004	\$681,799	\$21,407,884	\$6,203,042	280	278
	Santa Fe Retirement	3330 Calle Po Ae Pi	Santa Fe	Santa Fe	87507	2004	\$406,314	\$11,284,128	\$2,616,097	107	106
	Airport Vista	6921 Airport Road	Santa Fe	Santa Fe	87507	2006	\$425,494	\$13,889,789	\$3,385,120	116	114
	Sunset View	1899 Pacheco Street	Santa Fe	Santa Fe	87505	2006	\$857,946	\$18,674,233	\$6,035,431	136	136
	Villas de San Ignacio	4499 San Ignacio Road	Santa Fe	Santa Fe	87507	2008	\$499,111	\$14,879,723	\$3,755,320	127	127
	Villa Alegre Senior Apartments	701 W. Alameda Street	Santa Fe	Santa Fe	87501	2009	\$311,043	\$10,449,575	\$2,453,277	51	50
	Santa Fe Community Living	664 Alta Vista Street	Santa Fe	Santa Fe	87505	2014/2016	\$819,699	\$23,820,730	\$7,474,362	120	113
Pasa Tiempo	664 Alta Vista Street	Santa Fe	Santa Fe	87505	2017	\$630,451	\$21,061,105	\$6,871,121	121	121	
<b>Total</b>							<b>\$42,336,379</b>	<b>\$688,651,774</b>	<b>\$370,426,320</b>	<b>5,370</b>	<b>5,175</b>

\*Tax Credit Exchange Program project authorized by the American Recovery and Reinvestment Act

# Estimated Economic Impact of LIHTC Projects in New Mexico Congressional District 3: 2000-2020

5,370 units															
Local Income and Jobs By Industry	Phase I: Direct and Indirect Impact of Construction Activity					Phase II: Induced Effect of Spending Income and Tax Revenue from Phase I					Phase III: Ongoing Annual Effect That Occurs Because Units Are Occupied				
Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported
Construction	\$327,612,960	\$126,007,050	\$201,605,910	\$55,000	3,652	\$12,436,920	\$4,580,610	\$7,856,310	\$55,000	161	\$4,666,530	\$1,766,730	\$2,894,430	\$55,000	54
Manufacturing	\$21,480	\$0	\$21,480	\$54,000	0	\$48,330	\$0	\$48,330	\$52,000	0	\$32,220	\$0	\$26,850	\$52,000	0
Transportation	\$10,740	\$5,370	\$5,370	\$29,000	0	\$563,850	\$273,870	\$289,980	\$29,000	0	\$316,830	\$150,360	\$161,100	\$29,000	0
Communications	\$2,121,150	\$730,320	\$1,390,830	\$77,000	0	\$11,309,220	\$4,671,900	\$6,637,320	\$81,000	107	\$7,883,160	\$3,264,960	\$4,612,830	\$81,000	54
Utilities	\$499,410	\$107,400	\$392,010	\$97,000	0	\$3,839,550	\$810,870	\$3,028,680	\$97,000	54	\$1,573,410	\$332,940	\$1,240,470	\$97,000	0
Wholesale & Retail Trade	\$36,215,280	\$7,990,560	\$28,224,720	\$33,000	859	\$29,749,800	\$5,026,320	\$24,718,110	\$31,000	806	\$23,456,160	\$3,501,240	\$19,954,920	\$34,000	591
Finance & Insurance	\$1,933,200	\$75,180	\$1,858,020	\$102,000	0	\$6,503,070	\$252,390	\$6,245,310	\$90,000	54	\$4,322,850	\$166,470	\$4,156,380	\$87,000	54
Real Estate	\$8,189,250	\$7,050,810	\$1,138,440	\$55,000	0	\$20,427,480	\$8,468,490	\$11,958,990	\$55,000	215	\$26,801,670	\$11,105,160	\$15,691,140	\$55,000	269
Personal & Repair Services	\$1,337,130	\$316,830	\$1,020,300	\$40,000	0	\$7,807,980	\$2,803,140	\$5,004,840	\$40,000	107	\$4,172,490	\$1,519,710	\$2,658,150	\$40,000	54
Services to Dwellings/Buildings	\$805,500	\$311,460	\$494,040	\$37,000	0	\$2,846,100	\$1,100,850	\$1,745,250	\$37,000	54	\$1,777,470	\$687,360	\$1,090,110	\$37,000	54
Business & Professional Services	\$14,633,250	\$3,576,420	\$11,056,830	\$63,000	161	\$28,622,100	\$8,226,840	\$20,400,630	\$58,000	376	\$14,568,810	\$4,097,310	\$10,466,130	\$53,000	215
Eating & Drinking Places	\$418,860	\$64,440	\$349,050	\$29,000	0	\$13,688,130	\$2,685,000	\$11,003,130	\$27,000	430	\$10,428,540	\$2,045,970	\$8,382,570	\$27,000	322
Automobile Repair & Service	\$300,720	\$91,290	\$209,430	\$40,000	0	\$5,998,290	\$1,804,320	\$4,193,970	\$40,000	107	\$5,058,540	\$1,519,710	\$3,533,460	\$40,000	107
Entertainment Services	\$128,880	\$10,740	\$118,140	\$33,000	0	\$1,653,960	\$311,460	\$1,342,500	\$30,000	54	\$1,900,980	\$257,760	\$1,643,220	\$29,000	54
Health, Education & Social Services	\$37,590	\$0	\$37,590	\$51,000	0	\$32,209,260	\$3,581,790	\$28,627,470	\$55,000	537	\$19,718,640	\$2,067,450	\$17,656,560	\$55,000	322
Local Government	\$966,600	\$0	\$966,600	\$78,000	0	\$48,351,480	\$0	\$48,351,480	\$60,000	806	\$13,092,060	\$0	\$13,092,060	\$60,000	215
Other	\$2,325,210	\$1,363,980	\$961,230	\$47,000	0	\$4,301,370	\$2,121,150	\$2,180,220	\$43,000	54	\$2,029,860	\$982,710	\$1,047,150	\$42,000	0
<b>Total</b>	<b>\$397,557,210</b>	<b>\$147,701,850</b>	<b>\$249,849,990</b>	<b>\$52,000</b>	<b>4,672</b>	<b>\$230,356,890</b>	<b>\$46,719,000</b>	<b>\$183,632,520</b>	<b>\$48,000</b>	<b>3,920</b>	<b>\$141,800,220</b>	<b>\$33,465,840</b>	<b>\$108,307,530</b>	<b>\$46,000</b>	<b>2,363</b>

Local Government General Revenue by Type	Phase I: Construction Activity	Phase II: Induced Effect	Phase III: Ongoing Annual Effect
<b>Taxes</b>			
Business Property Taxes	\$1,895,610	\$6,680,280	\$4,892,070
Residential Property Taxes	\$0	\$0	\$7,888,530
General Sales Taxes	\$4,317,480	\$2,357,430	\$1,723,770
Specific Excise Taxes	\$279,240	\$988,080	\$724,950
Income Taxes	\$864,570	\$751,800	\$494,040
License Taxes	\$209,430	\$639,030	\$467,190
Other Taxes	\$150,360	\$510,150	\$375,900
<b>Total Taxes</b>	<b>\$7,716,690</b>	<b>\$11,926,770</b>	<b>\$16,566,450</b>

<b>User Fees &amp; Charges</b>			
Residential Permit/Impact Fees	\$73,418,640	\$0	\$0
Utilities & Other Gov't. Enterprises	\$4,140,270	\$9,601,560	\$5,702,940
Hospital Charges	\$1,917,090	\$2,153,370	\$2,228,550
Transportation Charges	\$751,800	\$434,970	\$268,500
Education Charges	\$778,650	\$451,080	\$279,240
Other Fees & Charges	\$2,534,640	\$2,905,170	\$1,992,270
<b>Total Fees &amp; Charges</b>	<b>\$83,541,090</b>	<b>\$15,546,150</b>	<b>\$10,471,500</b>

<b>Total General Revenue</b>	<b>\$91,257,780</b>	<b>\$27,472,920</b>	<b>\$27,037,950</b>
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# Estimated Economic Impact of LIHTC Projects in New Mexico: 2000-2020

16,932 units															
Local Income and Jobs By Industry		Phase I: Direct and Indirect Impact of Construction Activity				Phase II: Induced Effect of Spending Income and Tax Revenue from Phase I					Phase III: Ongoing Annual Effect That Occurs Because Units Are Occupied				
Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported
Construction	\$1,032,987,456	\$397,309,380	\$635,678,076	\$55,000	11,514	\$39,214,512	\$14,442,996	\$24,771,516	\$55,000	508	\$14,713,908	\$5,570,628	\$9,126,348	\$55,000	169
Manufacturing	\$67,728	\$0	\$67,728	\$54,000	0	\$152,388	\$0	\$152,388	\$52,000	0	\$101,592	\$0	\$84,660	\$52,000	0
Transportation	\$33,864	\$16,932	\$16,932	\$29,000	0	\$1,777,860	\$863,532	\$914,328	\$29,000	0	\$998,988	\$474,096	\$507,960	\$29,000	0
Communications	\$6,688,140	\$2,302,752	\$4,385,388	\$77,000	0	\$35,658,792	\$14,730,840	\$20,927,952	\$81,000	339	\$24,856,176	\$10,294,656	\$14,544,588	\$81,000	169
Utilities	\$1,574,676	\$338,640	\$1,236,036	\$97,000	0	\$12,106,380	\$2,556,732	\$9,549,648	\$97,000	169	\$4,961,076	\$1,049,784	\$3,911,292	\$97,000	0
Wholesale & Retail Trade	\$114,189,408	\$25,194,816	\$88,994,592	\$33,000	2,709	\$93,803,280	\$15,848,352	\$77,937,996	\$31,000	2,540	\$73,958,976	\$11,039,664	\$62,919,312	\$34,000	1,863
Finance & Insurance	\$6,095,520	\$237,048	\$5,858,472	\$102,000	0	\$20,504,652	\$795,804	\$19,691,916	\$90,000	169	\$13,630,260	\$524,892	\$13,105,368	\$87,000	169
Real Estate	\$25,821,300	\$22,231,716	\$3,589,584	\$55,000	0	\$64,409,328	\$26,701,764	\$37,707,564	\$55,000	677	\$84,507,612	\$35,015,376	\$49,475,304	\$55,000	847
Personal & Repair Services	\$4,216,068	\$998,988	\$3,217,080	\$40,000	0	\$24,619,128	\$8,838,504	\$15,780,624	\$40,000	339	\$13,156,164	\$4,791,756	\$8,381,340	\$40,000	169
Services to Dwellings/Buildings	\$2,539,800	\$982,056	\$1,557,744	\$37,000	0	\$8,973,960	\$3,471,060	\$5,502,900	\$37,000	169	\$5,604,492	\$2,167,296	\$3,437,196	\$37,000	169
Business & Professional Services	\$46,139,700	\$11,276,712	\$34,862,988	\$63,000	508	\$90,247,560	\$25,939,824	\$64,324,668	\$58,000	1,185	\$45,936,516	\$12,919,116	\$33,000,468	\$53,000	677
Eating & Drinking Places	\$1,320,696	\$203,184	\$1,100,580	\$29,000	0	\$43,159,668	\$8,466,000	\$34,693,668	\$27,000	1,355	\$32,881,944	\$6,451,092	\$26,430,852	\$27,000	1,016
Automobile Repair & Service	\$948,192	\$287,844	\$660,348	\$40,000	0	\$18,913,044	\$5,689,152	\$13,223,892	\$40,000	339	\$15,949,944	\$4,791,756	\$11,141,256	\$40,000	339
Entertainment Services	\$406,368	\$33,864	\$372,504	\$33,000	0	\$5,215,056	\$982,056	\$4,233,000	\$30,000	169	\$5,993,928	\$812,736	\$5,181,192	\$29,000	169
Health, Education & Social Services	\$118,524	\$0	\$118,524	\$51,000	0	\$101,558,136	\$11,293,644	\$90,264,492	\$55,000	1,693	\$62,174,304	\$6,518,820	\$55,672,416	\$55,000	1,016
Local Government	\$3,047,760	\$0	\$3,047,760	\$78,000	0	\$152,455,728	\$0	\$152,455,728	\$60,000	2,540	\$41,280,216	\$0	\$41,280,216	\$60,000	677
Other	\$7,331,556	\$4,300,728	\$3,030,828	\$47,000	0	\$13,562,532	\$6,688,140	\$6,874,392	\$43,000	169	\$6,400,296	\$3,098,556	\$3,301,740	\$42,000	0
<b>Total</b>	<b>\$1,253,526,756</b>	<b>\$465,714,660</b>	<b>\$787,795,164</b>	<b>\$52,000</b>	<b>14,731</b>	<b>\$726,332,004</b>	<b>\$147,308,400</b>	<b>\$579,006,672</b>	<b>\$48,000</b>	<b>12,360</b>	<b>\$447,106,392</b>	<b>\$105,520,224</b>	<b>\$341,501,508</b>	<b>\$46,000</b>	<b>7,450</b>

Local Government General Revenue by Type	Phase I: Construction Activity	Phase II: Induced Effect	Phase III: Ongoing Annual Effect
<b>Taxes</b>			
Business Property Taxes	\$5,976,996	\$21,063,408	\$15,425,052
Residential Property Taxes	\$0	\$0	\$24,873,108
General Sales Taxes	\$13,613,328	\$7,433,148	\$5,435,172
Specific Excise Taxes	\$880,464	\$3,115,488	\$2,285,820
Income Taxes	\$2,726,052	\$2,370,480	\$1,557,744
License Taxes	\$660,348	\$2,014,908	\$1,473,084
Other Taxes	\$474,096	\$1,608,540	\$1,185,240
<b>Total Taxes</b>	<b>\$24,331,284</b>	<b>\$37,605,972</b>	<b>\$52,235,220</b>

<b>User Fees &amp; Charges</b>			
Residential Permit/Impact Fees	\$231,494,304	\$0	\$0
Utilities & Other Gov't. Enterprises	\$13,054,572	\$30,274,416	\$17,981,784
Hospital Charges	\$6,044,724	\$6,789,732	\$7,026,780
Transportation Charges	\$2,370,480	\$1,371,492	\$846,600
Education Charges	\$2,455,140	\$1,422,288	\$880,464
Other Fees & Charges	\$7,991,904	\$9,160,212	\$6,281,772
<b>Total Fees &amp; Charges</b>	<b>\$263,411,124</b>	<b>\$49,018,140</b>	<b>\$33,017,400</b>

<b>Total General Revenue</b>	<b>\$287,742,408</b>	<b>\$86,624,112</b>	<b>\$85,252,620</b>
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# Tab 13

# Our Programs

MFA operates around 30 programs that assist low and moderate income households, from people experiencing homelessness to homeowners.

Homeless

Special Needs

Renter

First-Time Homebuyer

Homeowner



Emergency Shelter

Development Financing

Down Payment Assistance

Subsidized Rental

Low-Interest Mortgages

Transitional Shelter

Rehabilitation

Rental Assistance

Weatherization

Homeless Prevention

# Delivery System

MFA allocates resources and works with partners to serve all New Mexicans.



## FUNDERS

MFA receives affordable housing resources from the federal government and the state. We also use bonding capacity, investments and our own revenue to support affordable housing programs.



## MFA

MFA allocates resources to around 30 different affordable housing programs.



## PARTNERS

MFA contracts with and monitors service providers throughout New Mexico. We also work with lenders, realtors, developers, property owners and tribal and local governments.



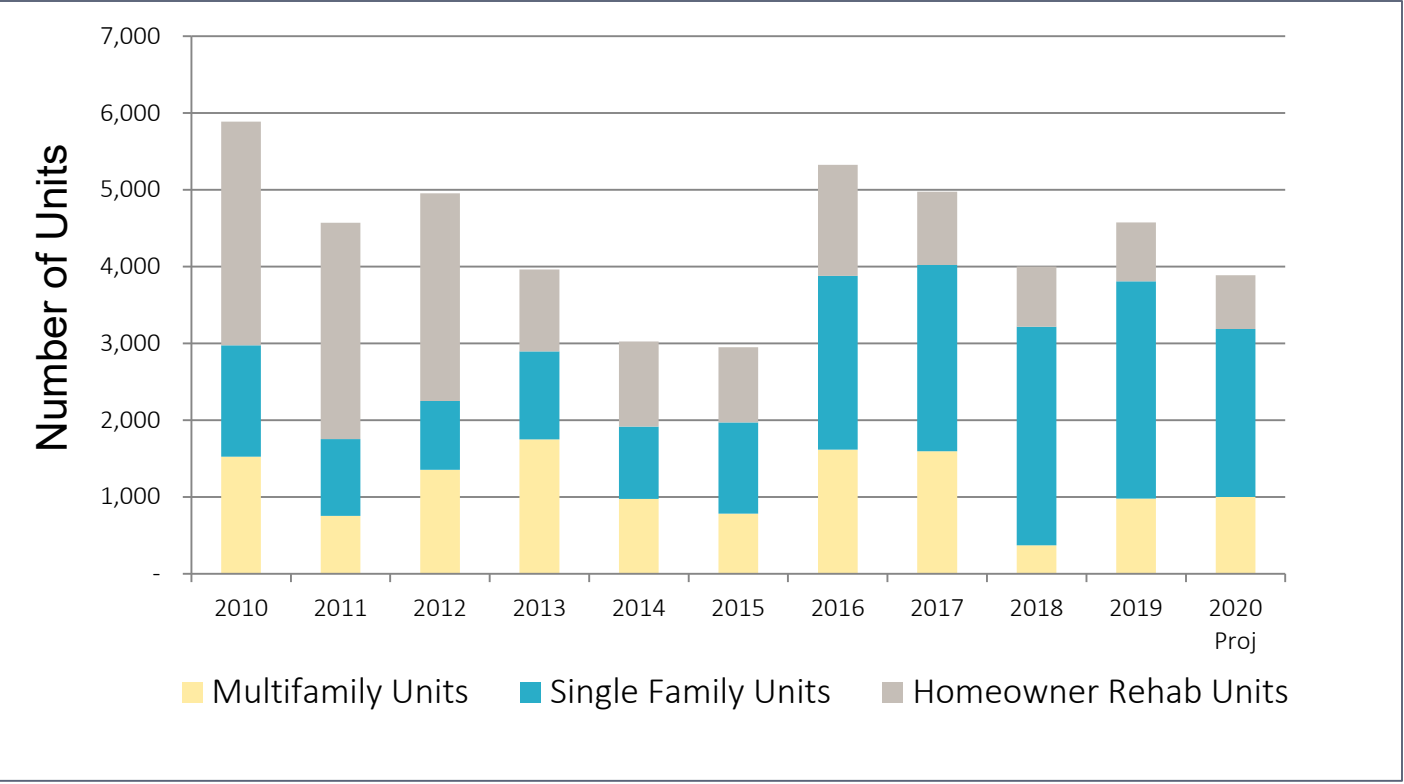
## CONSTITUENTS

New Mexico residents have access to affordable housing and related services and resources statewide.



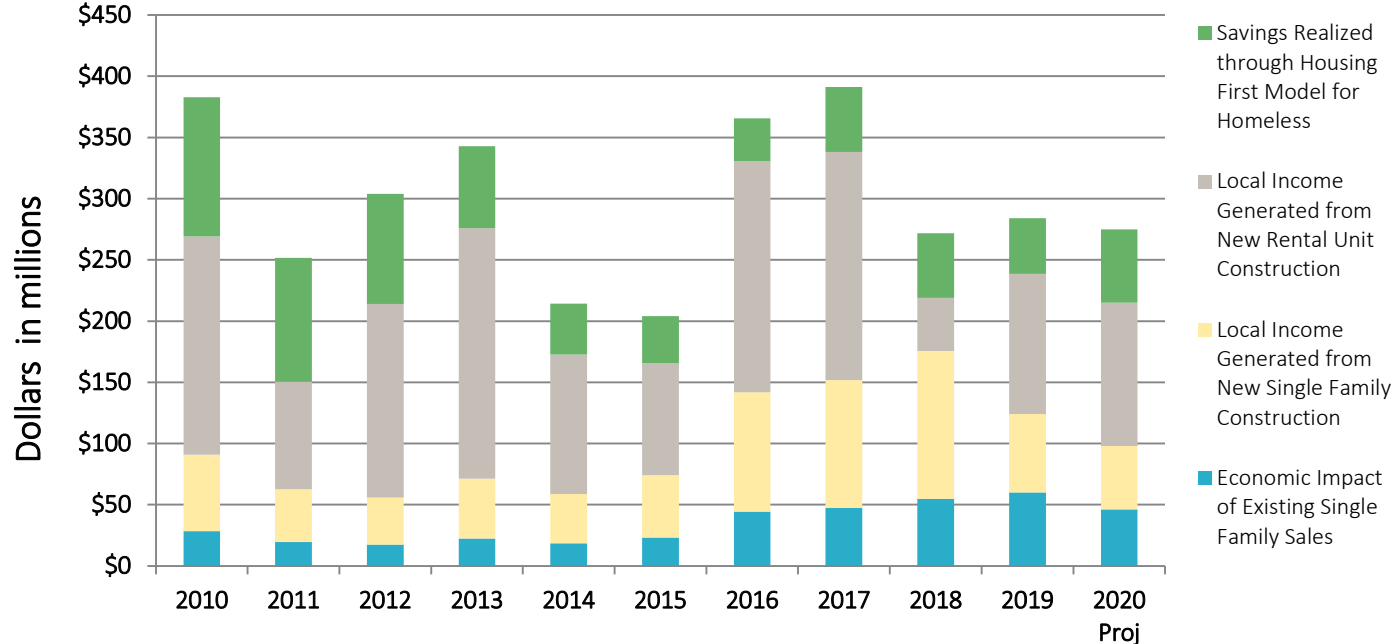
# MFA Production Data

Multifamily, Single Family First Mortgage and Single Family Homeowner Rehab Units



# Economic Impact of MFA Programs

Housing is economic development



**Sources:**

- Economic impact of single family home sales assumes \$23,000 per sale per the REALTORS Association of New Mexico
- Economic impact of construction calculated using the National Association of Home Builders, *Local Economic Impact of Home Building models*, 2015
- Savings realized through Housing First Model assumes savings of \$6,000 per person assisted, City of Albuquerque Heading Home Cost Study, May 2016

# Our Results

In 2019, MFA provided more than **\$527** million in low-interest financing and grants for affordable housing and related services.

## Homeless



Nearly 7,600 persons sheltered & housed and 640 households where homelessness was prevented with over \$2 million in shelter and rapid rehousing assistance.

## Special Needs



Over 1,550 special needs households assisted with \$2.1 million in housing vouchers and services.

## Renter



Nearly 5,200 low-income renters assisted with project-based Section 8 rental assistance totaling \$31.2 million.

Nearly 980 rental homes built and preserved with \$35.2 million in MFA financing.

## First-Time Homebuyer



Over 2,800 New Mexico families became homeowners with \$432.4 million in MFA mortgage loans and \$18.3 million in down payment assistance.

## Homeowner



Nearly 770 homes rehabilitated or weatherized with \$5.8 million in MFA funding.

Everyone deserves a home.



That's what we believe here in New Mexico and that's why the New Mexico Mortgage Finance Authority was created in 1975. Since then, MFA has helped thousands of New Mexicans with low to moderate incomes become homeowners.

But our work doesn't stop there. Using funding from housing bonds, tax credits and other federal and state resources, MFA creates new affordable housing, makes existing homes more energy efficient and provides quality rental opportunities. Some of our 20 programs include emergency housing for people experiencing homelessness, supportive housing for individuals with special needs and rent and utility assistance. And because MFA is self-supporting, no taxpayer dollars are used to operate our agency.

MFA has more than 130 partners who make our programs available to the people of New Mexico. Lenders, real estate agents, nonprofit service providers, developers and local and tribal governments -- we all share a common goal to help strengthen New Mexico's communities and families by financing, developing and preserving the places where lives are lived.

We're MFA. We're housing New Mexico.

To learn more about MFA, visit our website at [housingnm.org](http://housingnm.org).



**MFA** | *Housing New Mexico*



# PROGRAMS AT A GLANCE

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## Own a Home

### First Home

Affordable mortgage loans for first-time homebuyers with low to moderate incomes.

### First Down

Up to \$8,000 to cover down payment and closing costs.

### Next Home

Affordable mortgage loans for first-time and non-first-time homebuyers with low to moderate incomes. Includes a 3 percent grant that does not need to be repaid.

## Rent a Home

### Affordable and Subsidized Apartments

MFA monitors more than 28,000 affordable and subsidized housing units for quality and safety. A complete list is available through MFA's Housing Services Directory and online at [housingnm.org](http://housingnm.org).

Rental Assistance Program Security deposits and utility bill assistance for families and individuals who are at risk of becoming homeless.

## Preserve Affordable Housing

### NM EnergySmart

Up to \$6,500 in energy efficiency upgrades for qualified households.

### House by House Reservation Rehabilitation

Home repairs for low-income homeowners.

## A Place to Call Home

### Homelessness Assistance

The Continuum of Care and Emergency Homeless Assistance Programs provide emergency shelter and essential services to transition homeless individuals to independent living.

### Special Needs Housing

Housing Opportunities for People with AIDS, Section 811 and the Linkages Program help prevent homelessness for people with HIV/AIDS or who have physical or mental disabilities.

## Create Quality Affordable Housing

Low Income Housing Tax Credits The deepest subsidy for affordable housing development and rehabilitation, these federal tax credits are awarded through a competitive process every year.

Housing Development Funding Programs include: the HOME Program; Primero Investment Fund; 542(c) HUD Risk Sharing Loans, New Mexico Housing Trust Fund; New Mexico Affordable Housing Tax Credit and Charitable Trust; Preservation Revolving Loan Fund and MFA's Land Title Trust Fund.

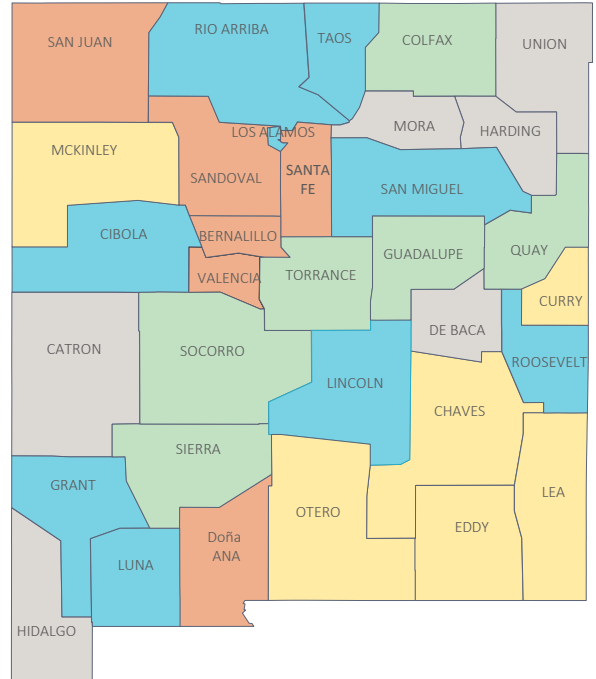


# Tab 14

2020

# New Mexico Affordable Housing Needs Assessment

Produced by the  
New Mexico  
Mortgage Finance Authority



Data current as of May 2020

# Introduction

## Housing Needs Assessment

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While every housing market in the United States is unique, it is particularly true in a large, rural state like New Mexico. Housing markets in New Mexico vary widely between larger metro areas, many of which are growing and stable, and rural areas with declining populations and low economic activity. Metro areas with stable economies attract developers who build diverse housing across a wide range of price points, while the housing stock in many rural areas consists of aging housing and exceptionally high numbers of mobile homes.

In order to understand how housing needs vary across the state, MFA's Housing Needs Assessment organizes data by county population. The data is current as of May 2020 and is drawn from the following sources: American Community Survey (ACS); United States Commercial Real Estate Service (CBRE) Albuquerque and Santa Fe Multi-Family Market Survey; University of New Mexico Bureau of Business and Economic Research (UNM BBER) Apartment Survey; the New Mexico Coalition to End Homelessness; as well as other sources.

Where indicated, data for Rio Arriba County reflects 2017 ACS 5 Year Estimate distributions. ACS researchers were not always able to collect sufficient quality responses in that area.

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  - Southwest New Mexico



# PROFILE of NM

## Urban and Rural Differences

New Mexico is the fifth largest state in land area in the United States. With just over two million residents, New Mexico ranks 37th in the country by population size.

Two-thirds of the state's population is located in four Metropolitan Statistical Areas (MSAs), which include Albuquerque MSA, Las Cruces MSA, Santa Fe MSA, and Farmington MSA. Forty-four percent of New Mexico's residents live in the Albuquerque MSA, which is comprised of Bernalillo, Sandoval, Valencia and Torrance counties.

Figure 1 shows the five-year population growth rate in New Mexico's counties. With few exceptions, urban counties are growing and rural, small rural and extremely rural counties are shrinking.

Due to more employment opportunities and generally stronger economies, urban counties have younger populations and low housing vacancy rates. Conversely, most rural counties have aging populations, older housing stock and high vacancy rates. The differences reflect national and global trends toward urbanization and diminishing economic opportunity in rural areas.

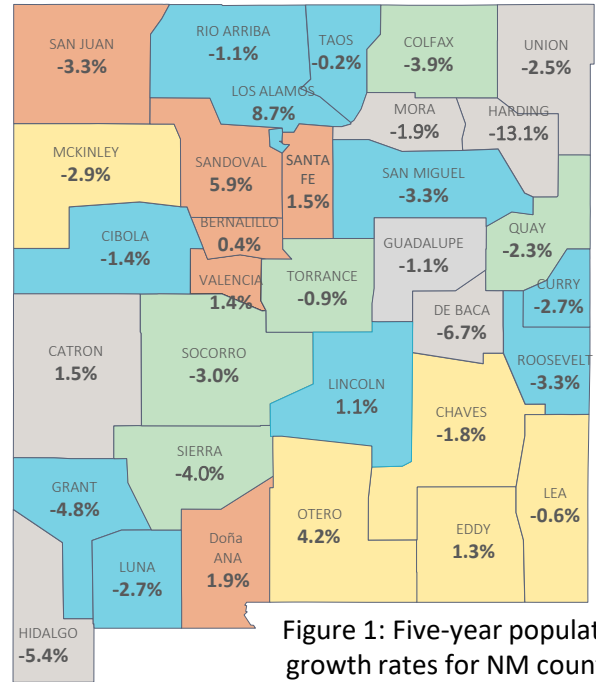
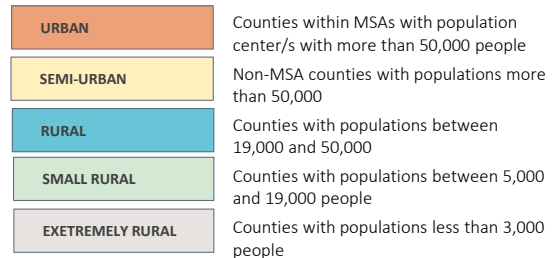
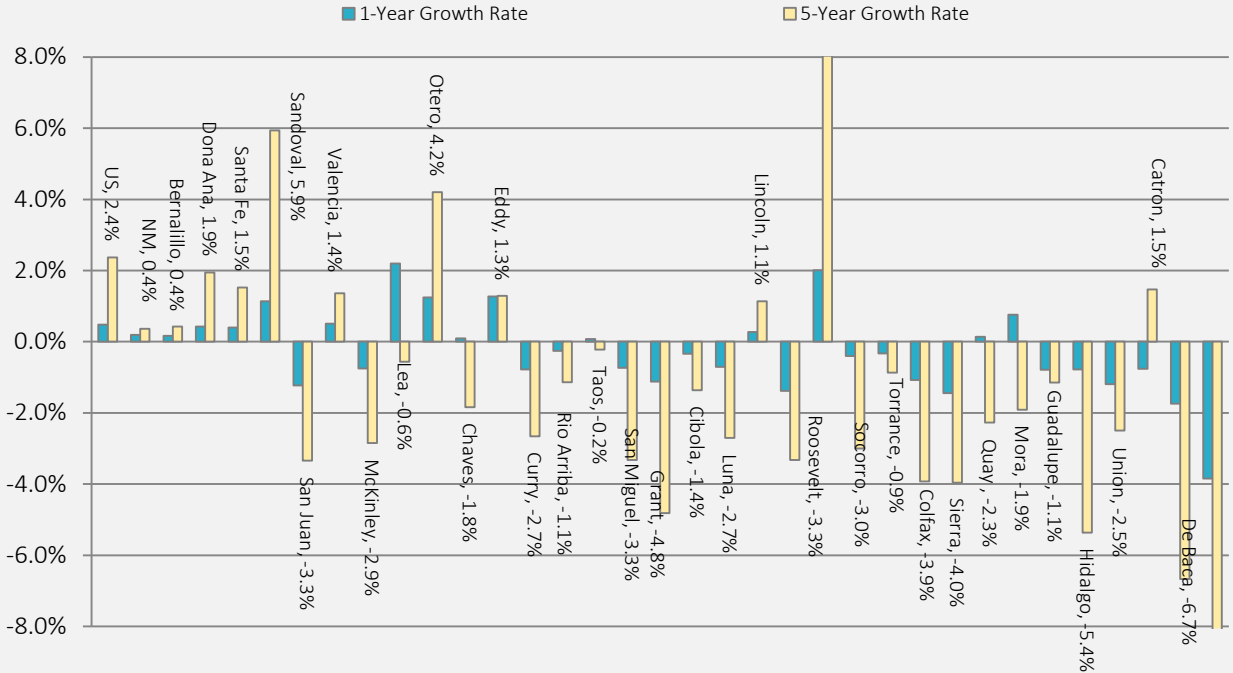


Figure 1: Five-year population growth rates for NM counties



# Population Growth

Figure 2: One and Five-Year Population Growth Rates by County



Source: PEPANNRES Annual Estimates of the Resident Population 2015 to 2019

# PROFILE of NM

## Economy

While New Mexico has historically struggled with lower incomes and higher poverty rates than the nation as a whole, it has consistently performed well in job growth.

The New Mexico Department of Workforce solutions reports that from February 2019 to February 2020, 12,000 new jobs were created in the state. The largest areas of job growth were in the natural resources, government and education and health service sectors. Job growth was concentrated in metropolitan areas and in oil and gas producing regions, with the exception of the gas producing area around Farmington, where the number of jobs continues to decline.

Figures 3 and 4 show that government employment makes up 22% of jobs in New Mexico compared to 15% in the U.S. In the private sector, New Mexico's distribution of jobs is similar to the rest of the country, with a few exceptions. One of those exceptions is the higher percentage of mining jobs in New Mexico compared to the nation as a whole: 3% vs 0.5%. This is due to the fact that oil and gas are the state's largest industries. Also, New Mexico has a much lower percentage of manufacturing jobs than the rest of the U.S.: 3.2% vs 8.4%. Notably, the number of people employed in the construction industry in New Mexico grew by 9.3% over the last year, which is an indication of economic growth.

Please note that the sudden and widespread job losses New Mexico experienced as a result of the COVID-19 crisis are not reflected in these figures. The resiliency of the state's economy remains to be seen. Similarly, the impact on employment across industries both in New Mexico and the nation is still uncertain.

Figure 3: Percent Employment in Top Industries, NM

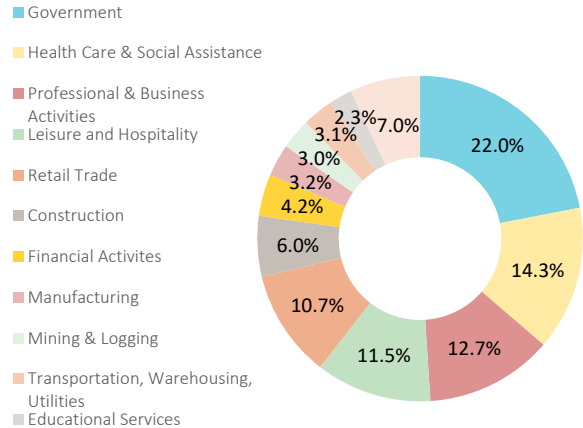
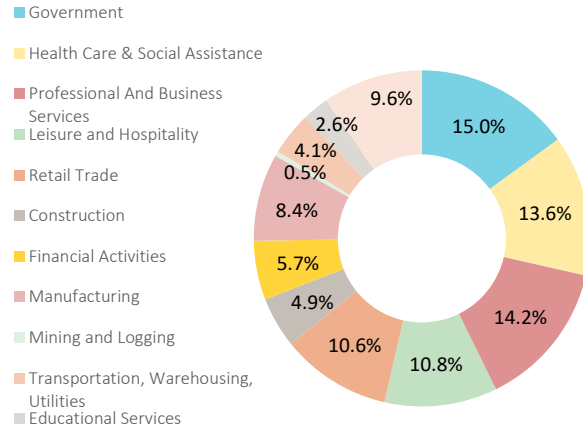


Figure 4: Percent Employment in Top Industries, U.S.



# PROFILE of NM

## Population Growth

For decades, population growth in the Southwestern region of the United States has outpaced the rest of the nation. However, growth in New Mexico lags behind that of neighboring states due to out-migration. The state's positive population growth is a result of a high birth rate that offsets the death rate and negative net migration.

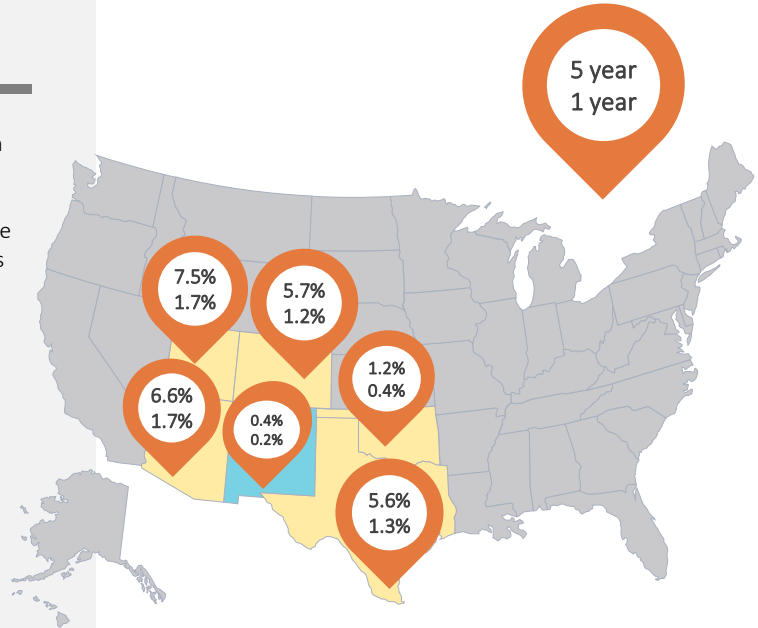


Figure 5: Five-year and one-year population growth rates for NM and surrounding states

# PROFILE of NM

## Income and Poverty

New Mexico's weak economy translates into a low median household income, \$48,059, and a high poverty rate, 20%. Comparatively, the national median household income is \$60,293, and the poverty rate is 14.1%. Figure 6 shows that, even among the states with the lowest median household incomes and highest poverty rates in the nation, New Mexico is lower. Additionally, many New Mexico counties have even lower household incomes and higher poverty rates than the state as a whole.

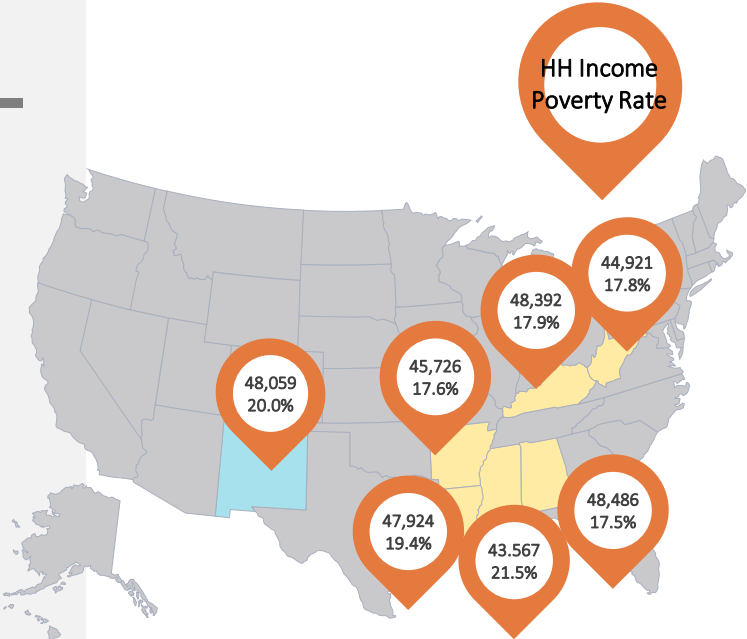
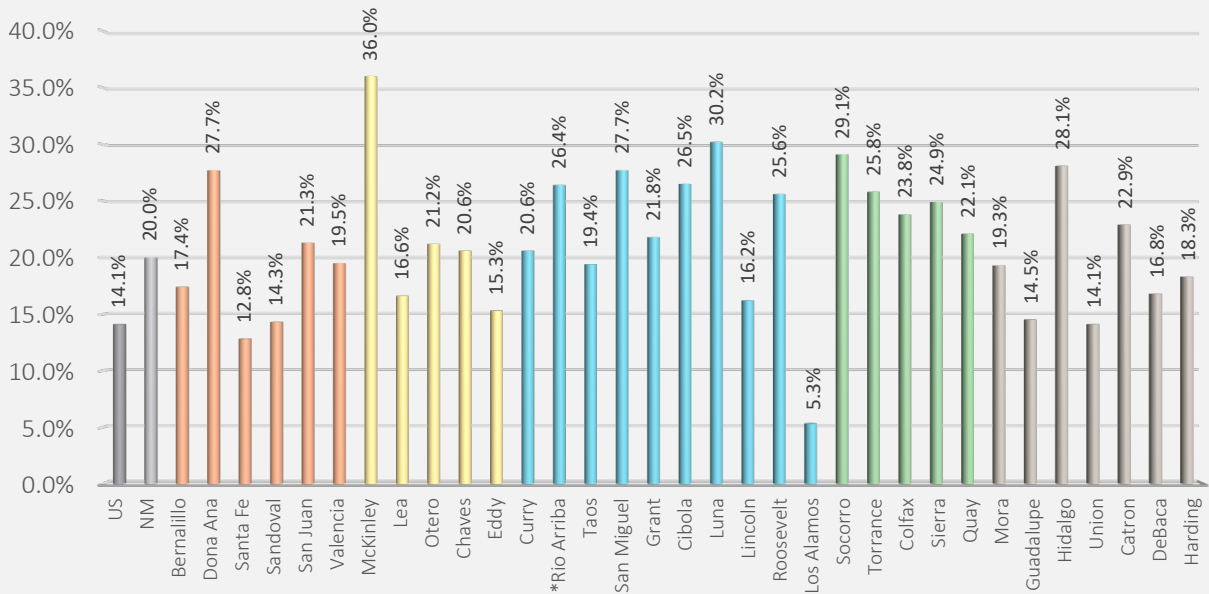


Figure 6: States with the lowest median household incomes and high poverty rates

# Economic Indicators

## Poverty Rate for New Mexico Counties

Figure 7: Poverty Rate for New Mexico Counties



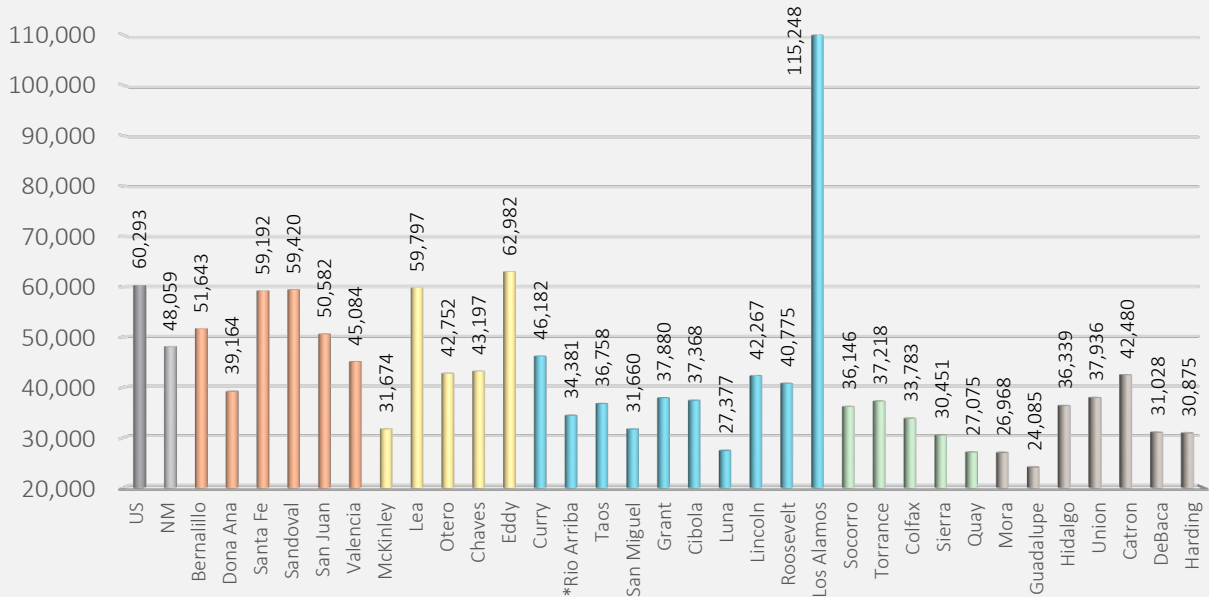
Source: American Community Survey 5-year estimates for 2014-2018

\* Rio Arriba figure reflects American Community Survey 5-year estimate for 2013-2017

# Economic Indicators

## Median Household Income for New Mexico Counties

Figure 8: Median Household Income for New Mexico Counties



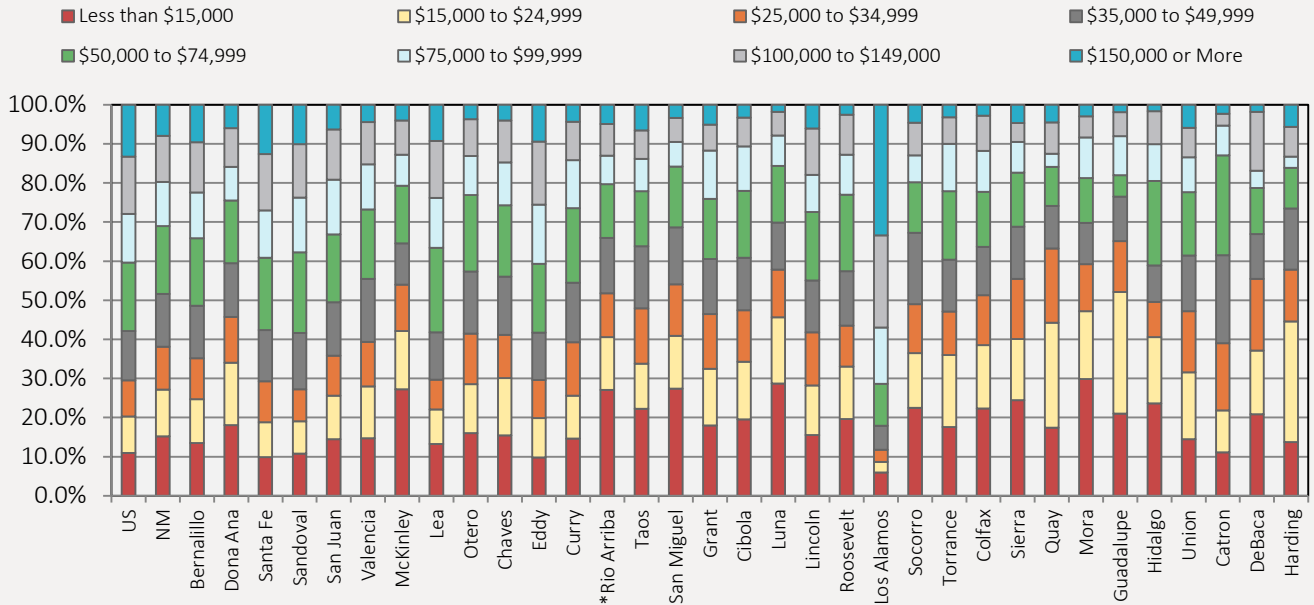
Source: American Community Survey 5-year estimates for 2014-2018

\* Rio Arriba figure reflects American Community Survey 5-year estimate for 2013-2017

# Economic Indicators

## Income Ranges for All Households

Figure 9: Household Income in New Mexico Counties



Source: American Community Survey 5-year estimates for 2014-2018

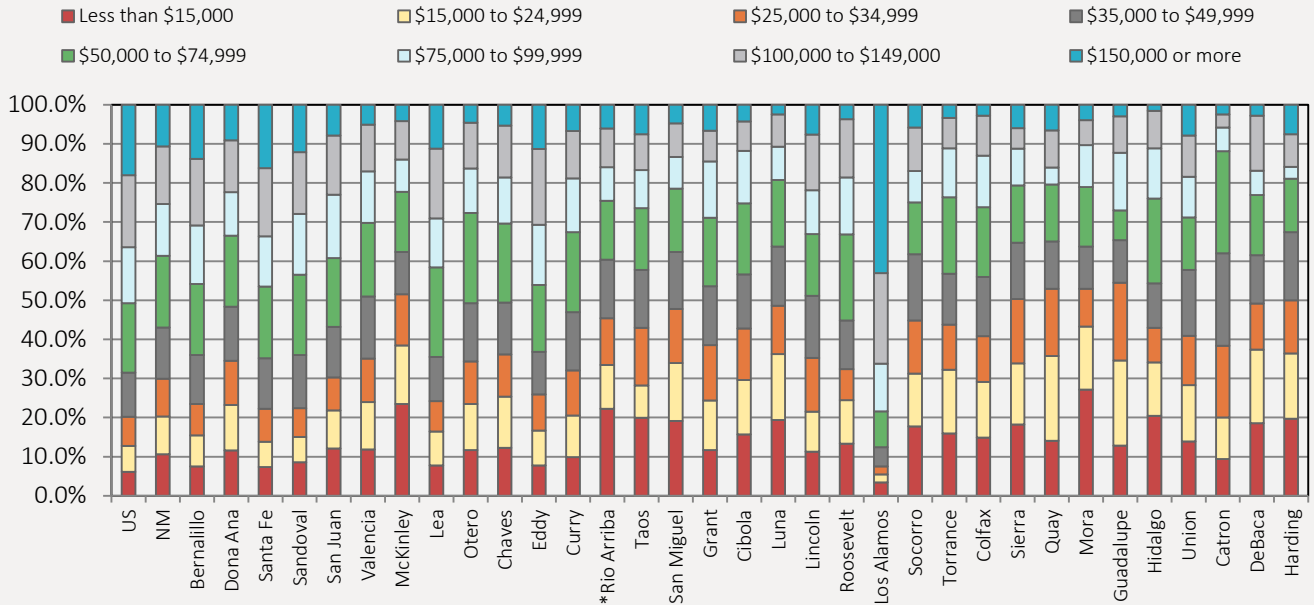
\* Rio Arriba figure reflects American Community Survey 5-year estimate for 2013-2017



# Economic Indicators

## Income Ranges for Owner-Occupied Households

Figure 10: Homeowner Income in New Mexico Counties



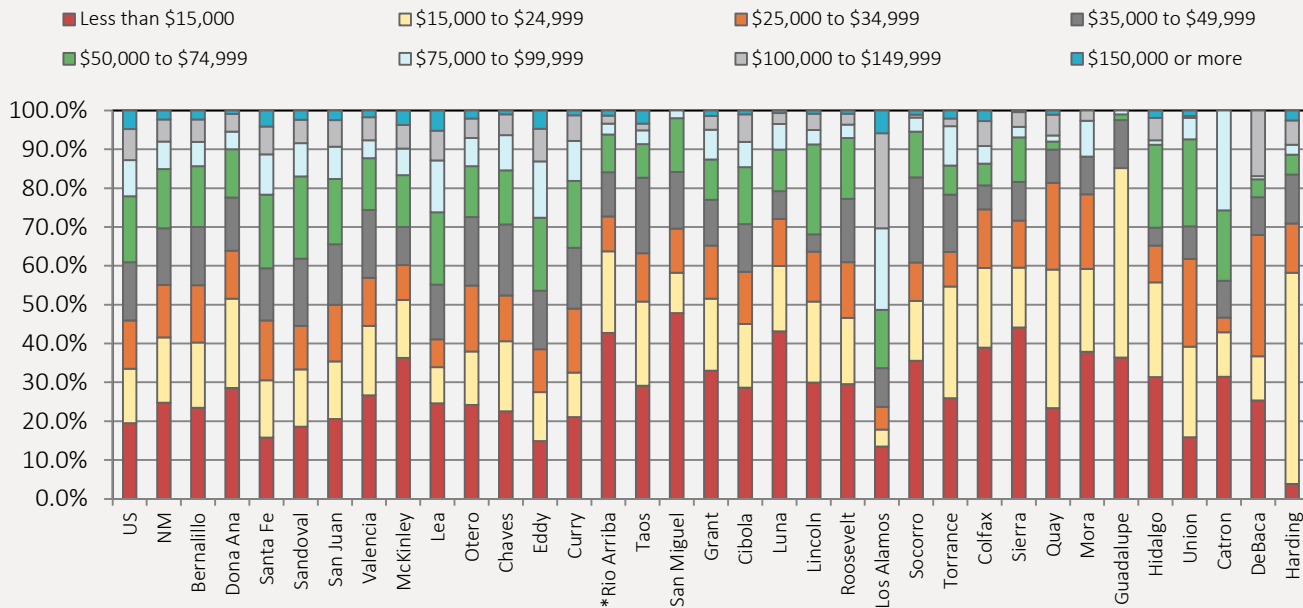
Source: American Community Survey 5-year estimates for 2014-2018

\* Rio Arriba figure reflects American Community Survey 5-year estimate for 2013-2017

# Economic Indicators

## Income Ranges for Renter Households

Figure 11: Renter Income in New Mexico Counties



Source: American Community Survey 5-year estimates for 2014-2018

\* Rio Arriba figure reflects American Community Survey 5-year estimate for 2013-2017

# PROFILE of NM

## Race and Age

New Mexico's racial and ethnic diversity is a unique characteristic of the state. New Mexico is a minority-majority state, with 48.5% of residents identifying as Hispanic or Latino and 8.8% percent identifying as American Indian. This is in stark contrast to the U.S., where 17.6% and 0.7% the population identifies as Hispanic or Latino and American Indian, respectively. New Mexico has a lower percentage of persons identifying as Black or African American (1.8%) and Asian (1.4%) than in the U.S., where African Americans make up 12.3% of the population and Asians make up 5.3%.

New Mexico has a slightly younger median age (37.5 years) than the U.S. (38.2 years). The components of this younger median age are interesting. New Mexico has a higher percentage of persons younger than age 25 and older than age 54 than the U.S., but a lower percentage of persons age 25 to 54.

Figure 12: Race in New Mexico

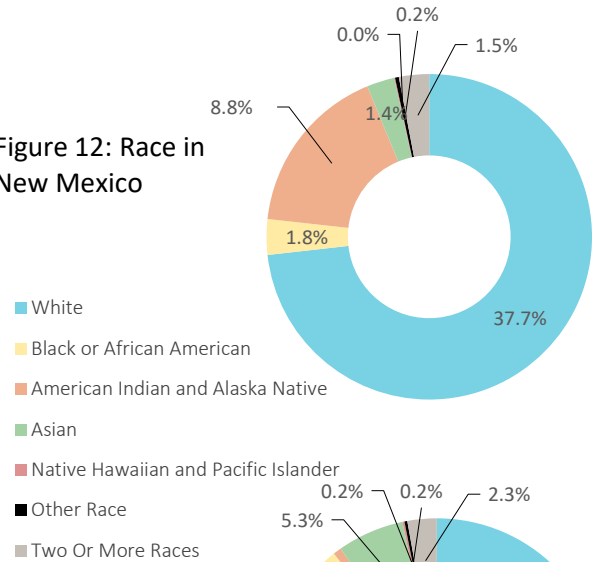
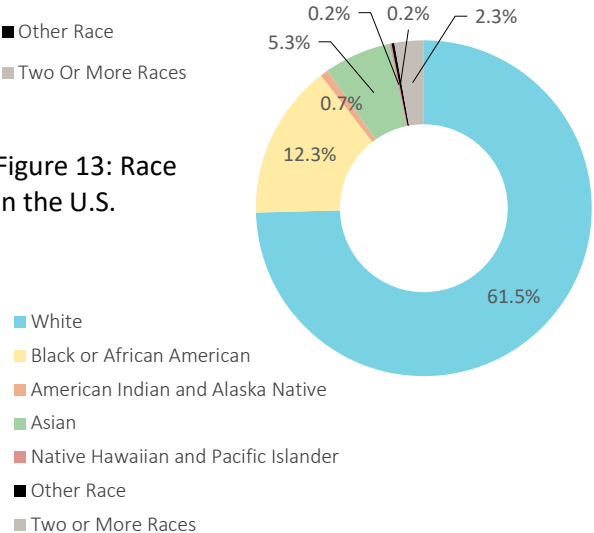
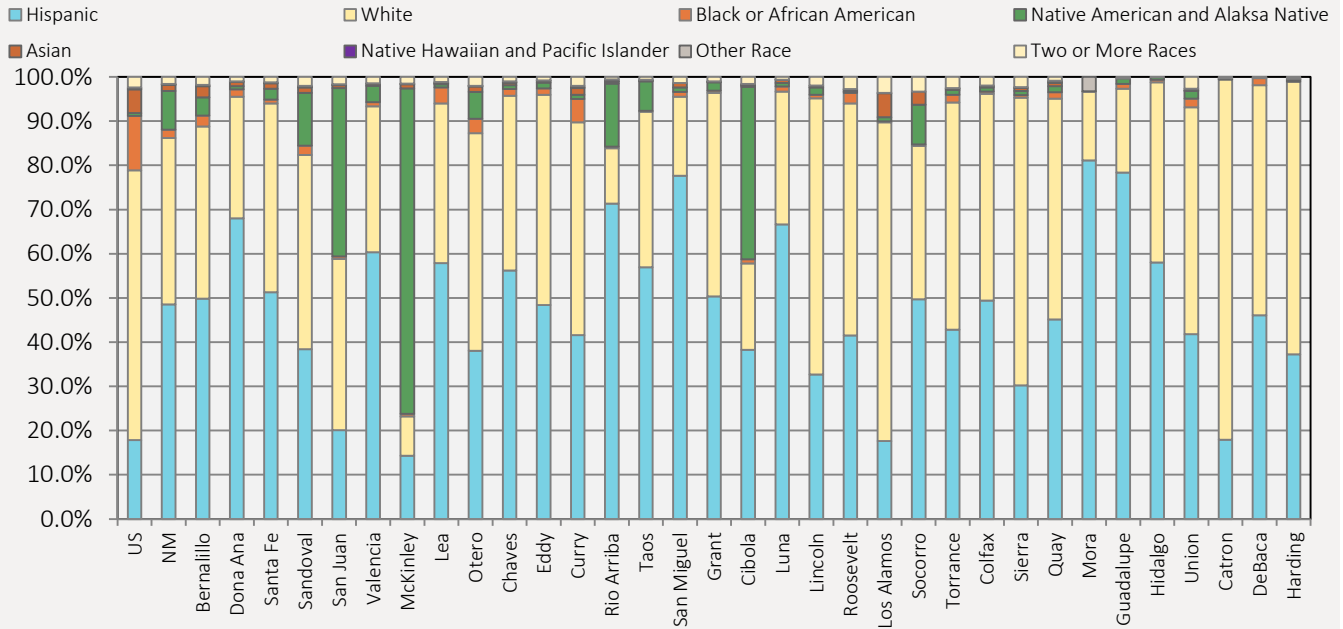


Figure 13: Race in the U.S.



# Race

Figure 14: Race in New Mexico Counties



Source: American Community Survey 5-year estimates for 2014-2018

# Age and Household Size

Figure 15: Median Age in New Mexico Counties

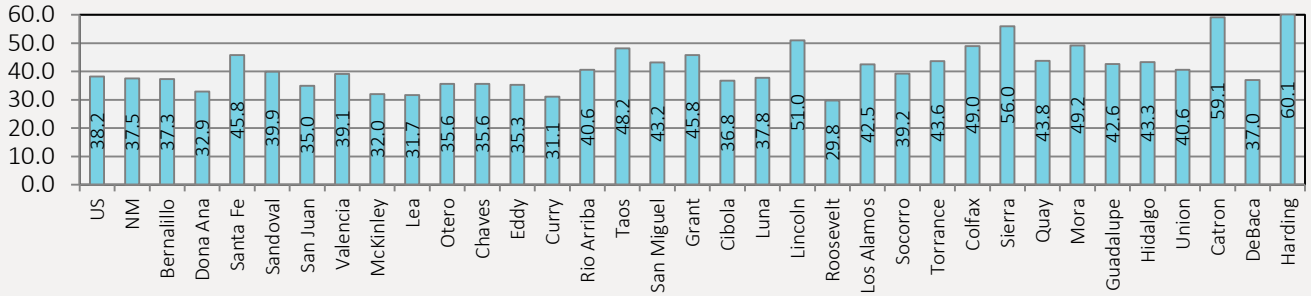
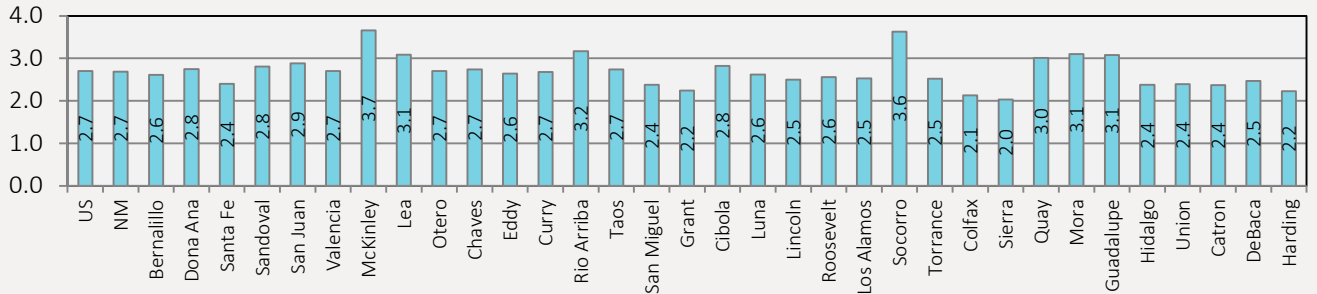


Figure 16: Average Household Size in New Mexico Counties



Source: American Community Survey 5-year estimates for 2014-2018

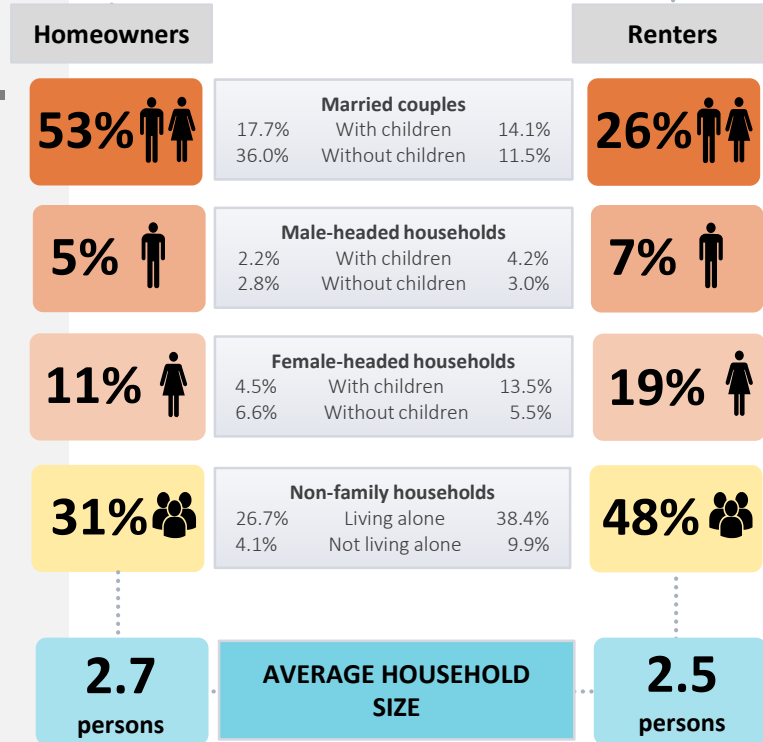
# PROFILE of NM

## Households

Almost 70% percent of households that own a home in New Mexico are family households, including married couples and single households, with and without children. Among New Mexico homeowners, there is a lower percentage of family households (69.2% vs 73.3%) and married couple households (53.1% vs 60.2%) than the U.S. and a higher percentage of male-headed (5.1% vs 4.1%) and female-headed (11.0% vs 9.0%) households. The percentage of non-family homeowner households is higher in New Mexico than the U.S. (30.8% vs 26.7%), as is the percentage of persons living alone (26.7% vs 22.7%).

The composition of New Mexico renter households is similar to that of the U.S. with 51.7% family households and 48.3% non-family households. Family households that rent in New Mexico include 25.6% married couples, 7.1% male-headed households and 19.0% female-headed households, with and without children.

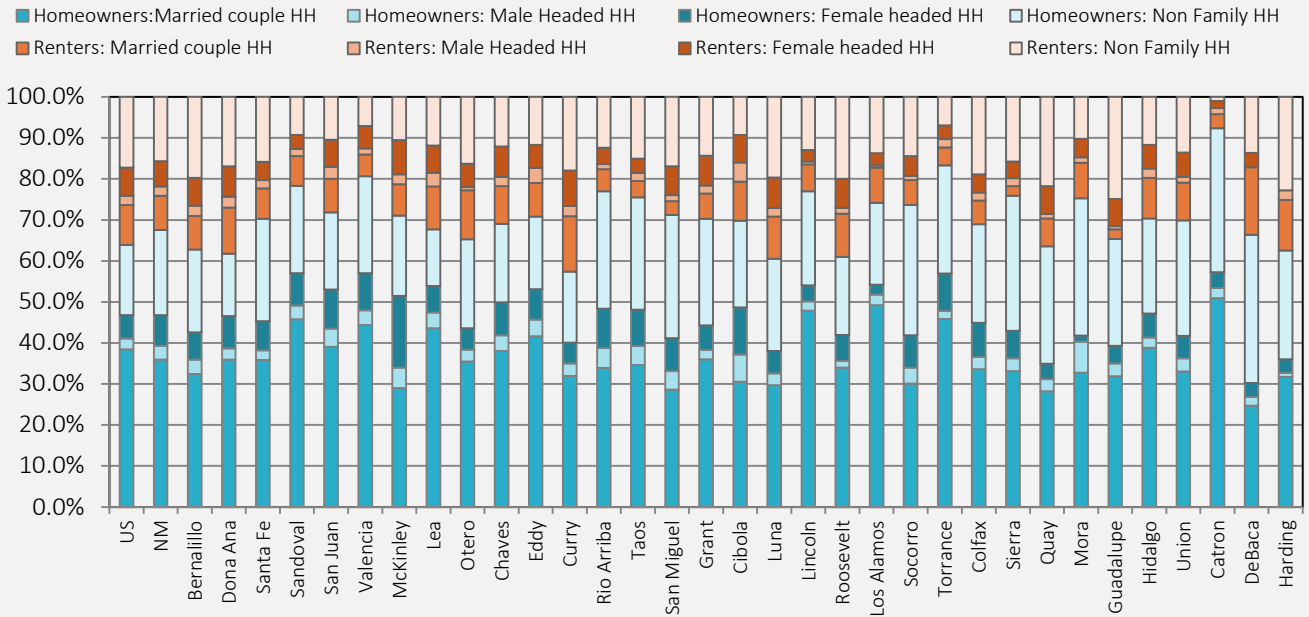
**Figure 17: Household Types in New Mexico**



# Household Type

Household Type by Homeowners and Renters

Figure 18: Household Type in New Mexico Counties



Source: American Community Survey 5-year estimates for 2014-2018

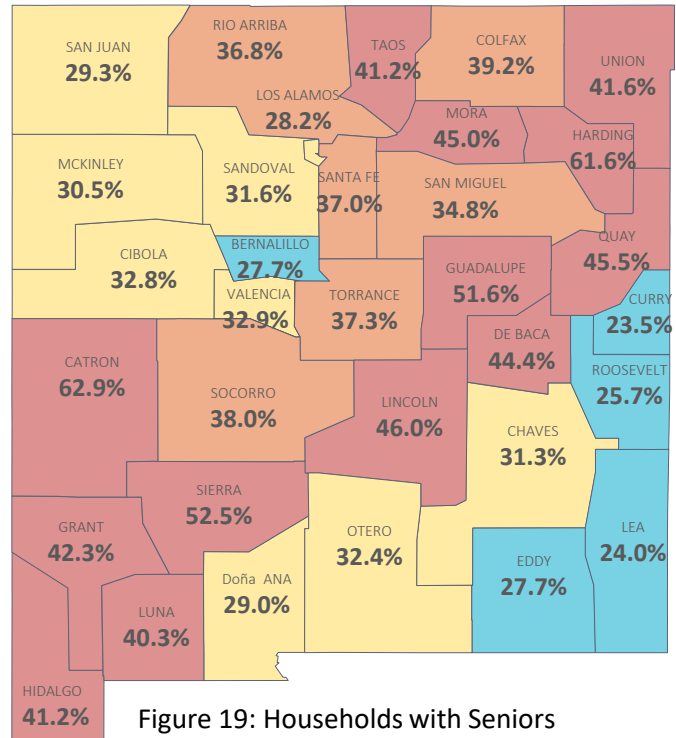
# PROFILE OF NM

## Senior Households

New Mexico has a higher percentage of senior households than the U.S. (30.1% vs. 28.1%). A senior household is defined as a household with one or more members age 65 years or older. Bernalillo County has a lower than average rate of senior households because the county's greater economic opportunity attracts working-age adults, many of whom have families with children. Some of the semi-urban counties that produce oil and gas (Eddy and Lea) also have a lower than average rate of households with seniors. Some of the counties with military bases or government facilities (Otero and Los Alamos) have average rates of senior households. In Santa Fe, a known retirement destination, senior households make up 37% of households.

In most rural counties, more than 30% of households have senior occupants, with 13 counties exhibiting rates higher than 40%. The two exceptions to the aging rural county trend are Roosevelt and Los Alamos Counties. Roosevelt County is home to Eastern New Mexico University (ENMU), and students and faculty likely balance the rate of senior households. Similarly, in Los Alamos, the National Labs and other industries attract a younger population.

Most of New Mexico seniors either live alone (38.9%) or live with family (57.4%), including a spouse. Only 3.7% of seniors are living in non-family households like group homes or assisted living facilities.



- LOW RATE OF SENIOR HOUSEHOLDS** Less than 28% of households are occupied by seniors
- AVERAGE RATE OF SENIOR HOUSEHOLDS** 28-32% of households are occupied by seniors
- HIGH RATE OF SENIOR HOUSEHOLDS** 33-39% or more of households are occupied by seniors
- EXTREMELY HIGH RATE OF SENIOR HOUSEHOLDS** 40% or more of households are occupied by seniors

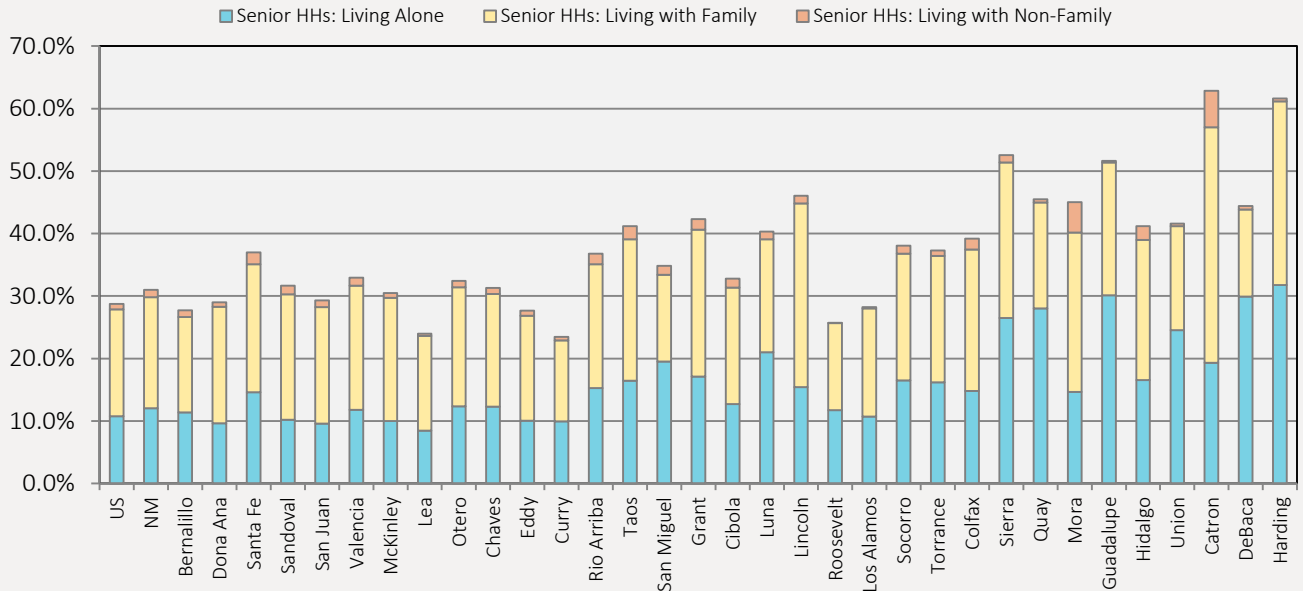
Source: American Community Survey 5-year estimates for 2014-2018



# Senior Households

Occupied Households with One or More Senior, 65 years and older

Figure 20: Senior Households in New Mexico Counties



Source: American Community Survey 5-year estimates for 2014-2018

Note: "Living with Family" includes seniors living with a spouse and/or extended family.

# PROFILE OF NM

## Senior Households

Senior-headed households in New Mexico are predominately homeowners, but many are also low-income. The senior homeownership rate of 83% is much higher than the rate for all New Mexico households, which is 67.6%, and for senior households in the U.S., which is 78.8%. Yet assuming these seniors live in households of two persons or more (which is the case for 61% people age 65 and over), at least 50.9% of these households are considered low-income by HUD's Statewide Income limits for New Mexico.

This combination of high homeownership rates and low incomes means that many seniors may not have the financial ability to move as they age and will either need age-in-place services or affordable rentals. Both options are sparse in many areas of the state.

Figure 21: Income for Senior-Headed Households in New Mexico

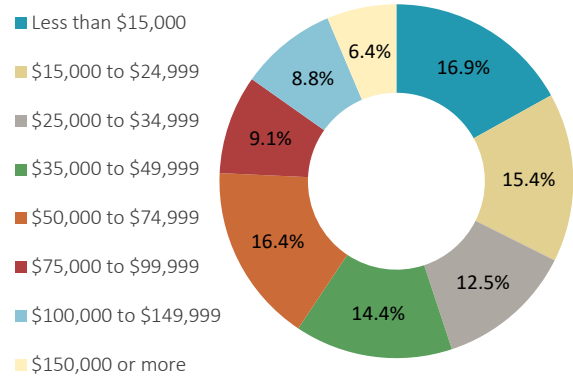
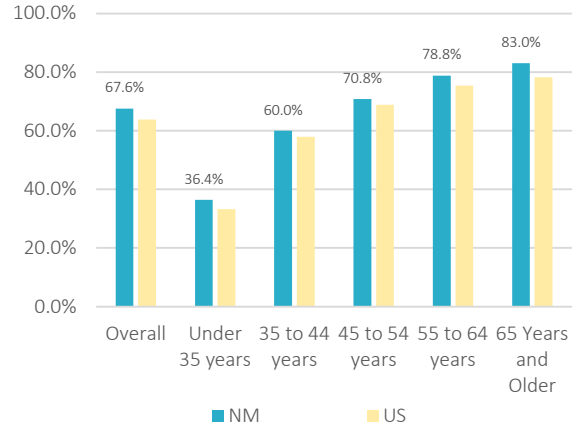


Figure 22: Homeownership Rate within Age Cohorts



Source: American Community Survey 5-year estimates for 2014-2018

# PROFILE OF NM

## Homeowners vs. Renters

New Mexico has historically boasted a higher homeownership rate (67.6%) than the U.S. (63.8%). This trend has remained steady despite declines in homeownership through the past decade. Homeownership rates are particularly high in many rural counties, where they can exceed 80%. Among homeowners, New Mexico also has a higher rate of homeowners without a mortgage, 45.2%, compared to 36.9% in the U.S.

Higher than average numbers of renters are found in counties with post-secondary institutions such as Bernalillo (University of New Mexico), Doña Ana (New Mexico State University) and Roosevelt (Eastern New Mexico University). This is also true in Otero and Curry counties where air force base personnel are likely to rent or live on base.

Homeownership helps a family build wealth and stability. However, this typically positive indicator is complicated in New Mexico by several factors:

- Seventeen percent of the state’s homeownership rate can be attributed to mobile homes, some of which are substandard and will not appreciate.
- Thirty-two percent of New Mexico homeowner households are low income and may struggle with housing costs even if they inherited their home and/or do not have a mortgage.
- Concentrated in rural areas, aging housing stock requires rehabilitation, which many low-income homeowners cannot afford.

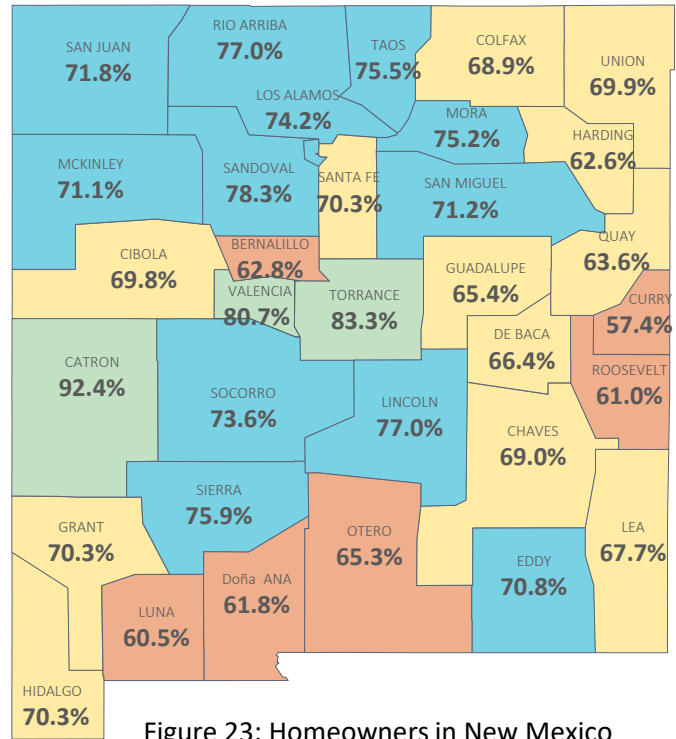
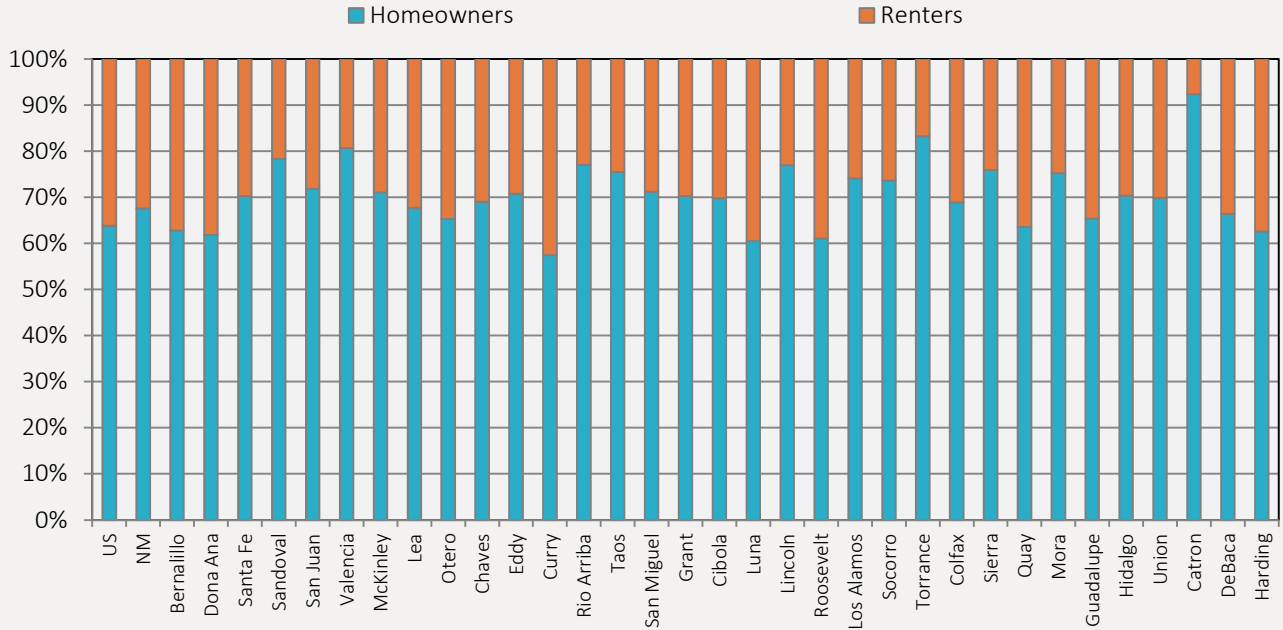


Figure 23: Homeowners in New Mexico

<b>EXTREMELY HIGH HOMEOWNERSHIP RATE</b>	80% or more homeowners
<b>HIGH HOMEOWNERSHIP RATE</b>	71-79% homeowners
<b>AVERAGE HOMEOWNERSHIP RATE</b>	66-70% of homeowners
<b>LOWER THAN AVERAGE HOMEOWNERSHIP RATE</b>	65% or less homeowners

# Homeowners and Renters

Figure 24: Homeowner and Renter Households



Source: American Community Survey 5-year estimates for 2014-2018

# HOUSING IN NM

## Mix of Occupied Housing Stock

New Mexico has a slightly higher percentage of single family homes (65.5%) than the U.S. (62.8%). Of the single family homes, 80.2% are owned. New Mexico also has a lower percentage of multifamily units, including townhomes/condos, duplexes, triplexes, fourplexes and, significantly, larger apartment communities than the U.S. This lack of housing diversity and choice can be problematic in urban and rural communities alike.

The most significant difference between housing stock in New Mexico and the U.S. is the high percentage of mobile homes: 16.0% vs 5.6%. In the mobile home category, 11.7% are owned and 4.3% are rented. This category includes older, single-wide models, some of which are not on permanent foundations. These models do not meet modern building codes and are no longer manufactured. On the other hand, the mobile home classification also includes manufactured homes on permanent foundations that meet residential building codes. These homes are good quality and often appreciate in value.

Figure 25:  
Occupied Housing  
Stock in NM

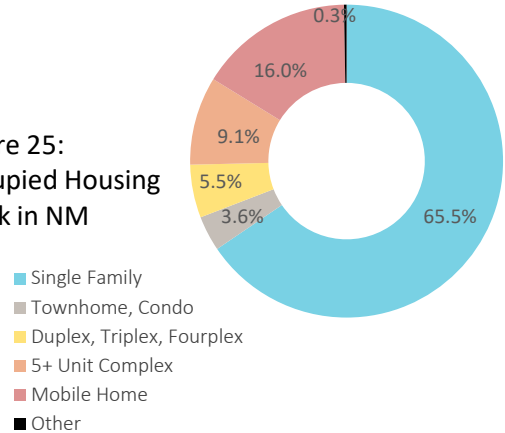
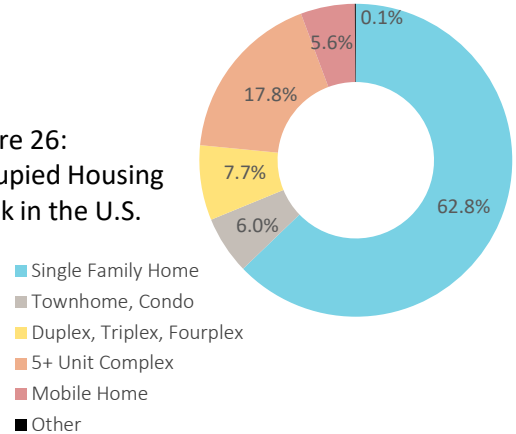


Figure 26:  
Occupied Housing  
Stock in the U.S.



# HOUSING IN NM

## Manufactured Housing

It is important to understand the role that manufactured housing plays in New Mexico-- particularly for new homeowners. Manufactured housing is a widely-used form of affordable housing for many low-income homeowners in the state. In regions like northern New Mexico, where families own land but may lack resources to build a home, manufactured housing can be a convenient and affordable option.

Manufactured homes are important in rural communities that cannot attract new investment. Because of the lack of new development, for-sale housing is scarce and often limited to older, outdated homes that need substantial rehabilitation or remodeling beyond the reach of first-time homebuyers. In these areas, manufactured homes provide an expedient, modern housing option with low upfront costs. For these reasons, manufactured homes represent more than 30 percent of the housing stock in nine New Mexico counties.

A potential downside is that chattel financing associated with manufactured homes often comes with high interest rates that may create affordability problems later on. And because this financing has lower standards for qualification, some families are compelled to purchase manufactured homes after being denied traditional financing through a conventional lender. Finally, manufactured homes require site infrastructure on the land where they will be located, which can also be costly and complicated.

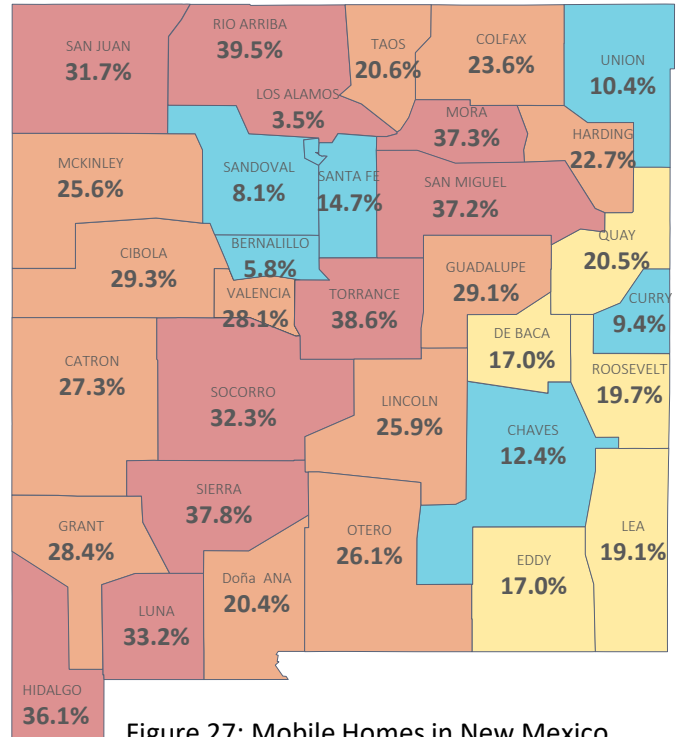


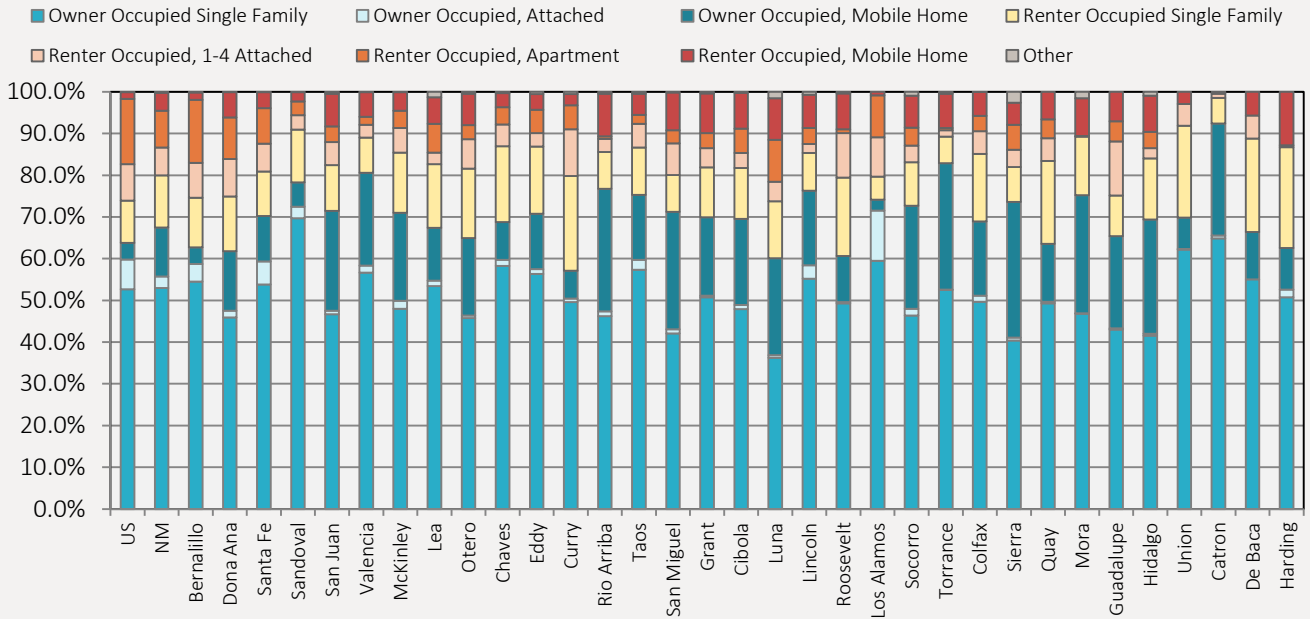
Figure 27: Mobile Homes in New Mexico

<b>LOW PERCENTAGE OF MOBILE HOMES</b>	Less than 15% of occupied housing stock in mobile homes
<b>AVERAGE PERCENTAGE OF MOBILE HOMES</b>	15-19% of occupied housing stock in mobile homes
<b>HIGH PERCENTAGE OF MOBILE HOMES</b>	20-29% of occupied housing stock in mobile homes
<b>EXTREMELY HIGH PERCENTAGE OF MOBILE HOMES</b>	30% or more of occupied housing stock in mobile homes

# Type of Housing

Type of Housing by Homeowners and Renters

Figure 28: Type of Housing in New Mexico Counties



Source: American Community Survey 5-year estimates for 2014-2018

# HOUSING IN NM

## Age of Housing

Like other Western states, housing development boomed in New Mexico in the 1970s and kept up a consistent pace in the 1980s and 1990s. According to the ACS, approximately 52.4% of the state’s housing units were built in that time period. The rate of new construction remained relatively consistent in the 2000s, when 15.5% of the state’s housing units were built. Around 2010, development became stagnant both in New Mexico and the U.S. because of the Great Recession. By 2018, residential construction nationally and within New Mexico had picked up to a pre-recession pace. Las Cruces and Santa Fe have been the state’s fastest building cities in terms of residential units being built per person.

Housing is generally newer in New Mexico than in the U.S. However, development activity is quite uneven between New Mexico’s urban and rural counties. In total, 19.2% of NM’s housing was developed after 2000. All counties located within the MSAs are close to that average age, with Sandoval, Doña Ana and Santa Fe Counties having the newest housing stock. While most rural counties have aging or old housing stock, some rural areas may have average-age housing stock in mobile or manufactured homes.

Housing stock is aging in some semi-urban counties as well, including Chaves and Lea. It is important that these counties attract new investment and remain viable to support the large rural regions of New Mexico that they serve.

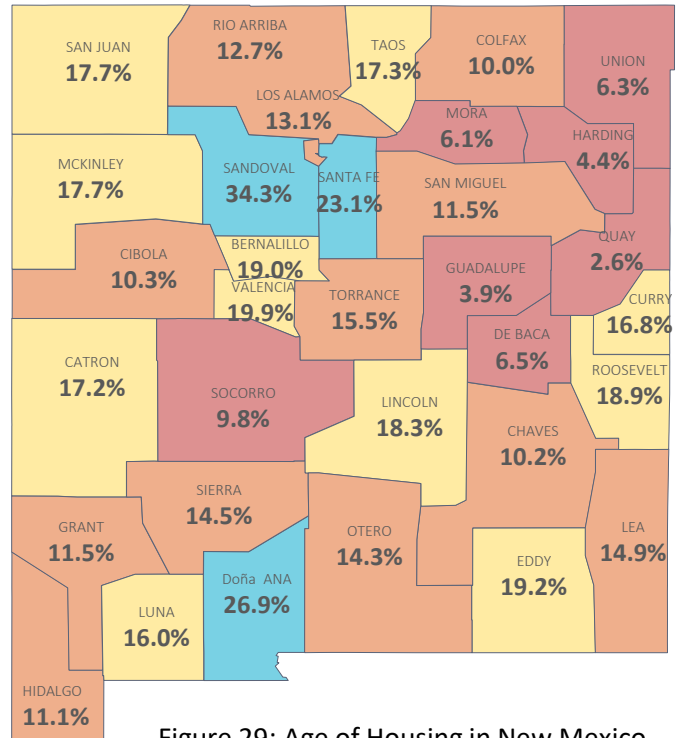


Figure 29: Age of Housing in New Mexico

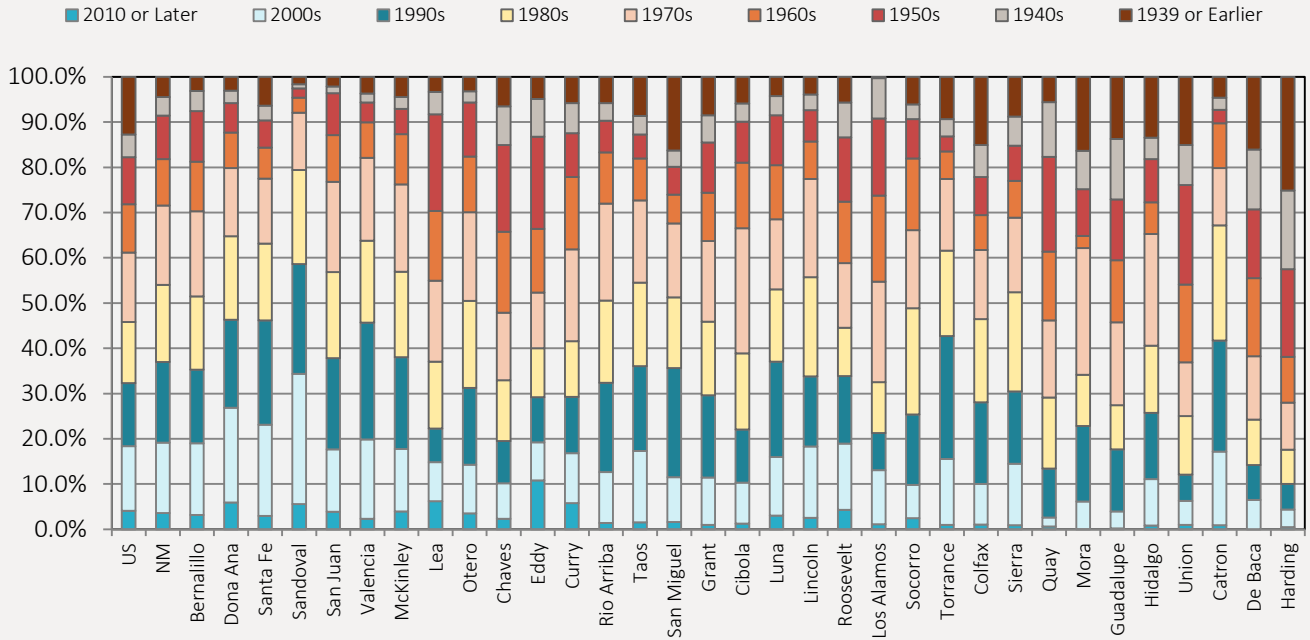
<b>RECENT HOUSING STOCK</b>	More than 20% of housing units built in 2000 or later
<b>AVERAGE-AGE HOUSING STOCK</b>	16-20% of housing units built in 2000 or later
<b>AGING HOUSING STOCK</b>	10-15% of housing units built in 2000 or later
<b>OLD HOUSING STOCK</b>	Less than 10% of housing units built in 2000 or later

Source: American Community Survey 5-year estimates for 2014-2018



# Age of Housing

Figure 30: Age of Housing in New Mexico Counties

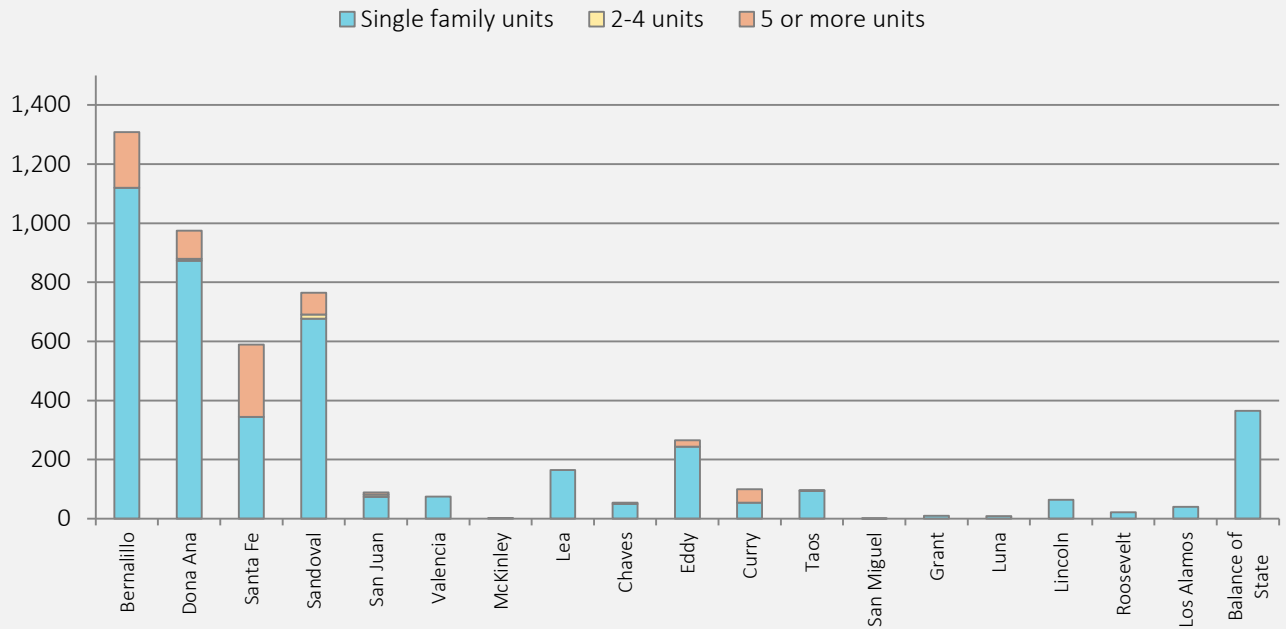


Source: American Community Survey 5-year estimates for 2014-2018

# Units Constructed, 2019

Number of new units for which building permits were issued

Figure 31: Building Permits, 2019



Source: U.S. Census, 2019 Building Permit Survey

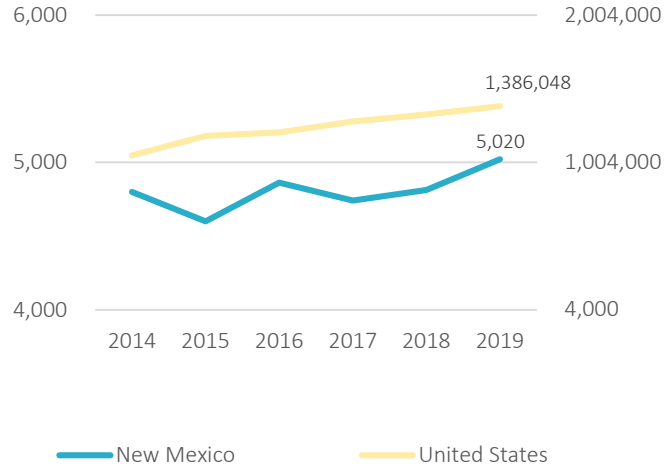
# HOUSING IN NM

## Residential Development Trends

Since the Great Recession, new construction of residential dwellings has slowed. From 2011 to 2019 the supply of housing stock increased at an average annual rate of 10%. In contrast, annual additions to the housing supply averaged 30% from 1970 to 2010 and met the need for replacement stock, vacation homes and population shifts across markets. The current lag in construction maybe attributed to the reluctance of builders and lenders and lenders to repeat the mistakes that were made in the 2000s when the housing supply expanded too rapidly. Furthermore, labor shortages in the construction industry have created a challenge to building quickly. Much of the housing that is being built is meant for a high-end market and is rarely affordable to moderate-income persons. (Joint Center for Housing Studies, 2019)

In New Mexico, this pattern of slow growth in residential construction is even more acute than in the rest of the nation. Figure 32 contains data from the Annual Building Permit Survey that shows the average annual increase in permits for residential housing units was 1% for New Mexico and 6% for the United States from 2014 to 2019.

Figure 32: New Privately-Owned Housing Units Authorized



# HOUSING IN NM

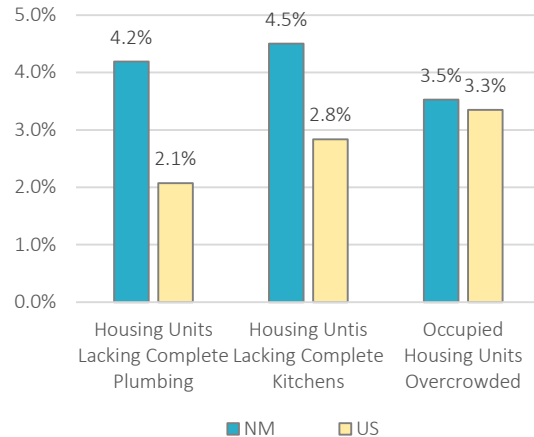
## Housing Conditions

The percentage of housing units lacking complete plumbing or kitchen facilities has long served as an indicator for the overall condition of housing, although the lack of such facilities is relatively rare in the present day. Overcrowding, defined as a household that has more members than rooms in a home, has been associated with negative health outcomes (World Health Organization Housing and Health Guidelines 2018). The toll of COVID-19 in areas where housing units are overcrowded and substandard demonstrates the critical intersection of housing and public health.

In the U.S., 2.1% of housing units lack complete plumbing and 2.8% lack complete kitchens. These rates are higher in New Mexico where 4.2% of homes lack complete plumbing and 4.5% of homes lack complete kitchens. The rate of overcrowding in New Mexico and the U.S. is similar.

The prevalence of poor housing conditions and overcrowding is highest in New Mexico's poorest and more rural counties. In McKinley County, where the poverty rate is the highest in the state, 34.7% of housing units lack either or both complete plumbing and complete kitchens. With 13.5% of occupied homes having more than one household member per room, McKinley County ranks the highest in the state for overcrowding. Due in part to poor housing conditions, McKinley County has suffered some of the most devastating consequences of COVID-19 in the state.

Figure 33: Housing Condition Issues



Source: American Community Survey 5-year estimates for 2014-2018

# HOUSING IN NM

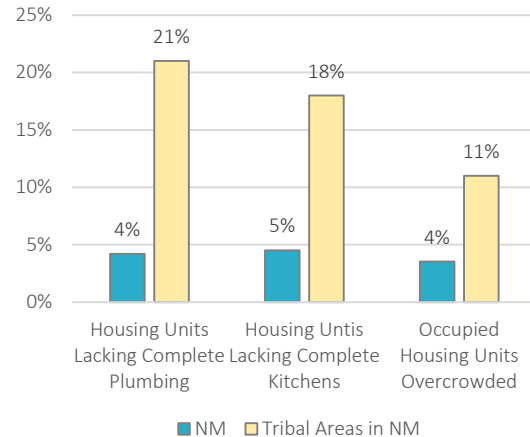
## Housing Conditions

In addition to the housing condition issues listed in Figure 34, sub-standard heating, electrical and design is more widespread and severe in the homes of Native Americans than those of average Americans "Not only do these sub-standard conditions subject household members to extreme heat and cold and air pollution, it puts them at risk for asthma, stunted growth, neurological damage, accidents, and injury (World Health Organization, American Journal of Public Health, May 2002).

An affordable housing deficit also has resulted in high rates of overcrowding in Tribal Areas. Households are compelled to take in family and friends who are unable to secure housing for themselves and who might otherwise become homeless. Stronger kinship ties may also be a contributing factor for larger households; however many households "doubling up" would rather be in a home of their own if they had the opportunity (Housing Assistance Council, 2013).

Almost 60% of reported COVID-19 cases and approximately 50% of COVID-attributed deaths in New Mexico occurred in tribal communities where overcrowding and poor housing conditions are widespread. These numbers underscore the urgency of addressing the critical lack of quality, safe housing in tribal areas. Simply improving access to safe water and reducing household size could help prevent such a tragedy in the future.

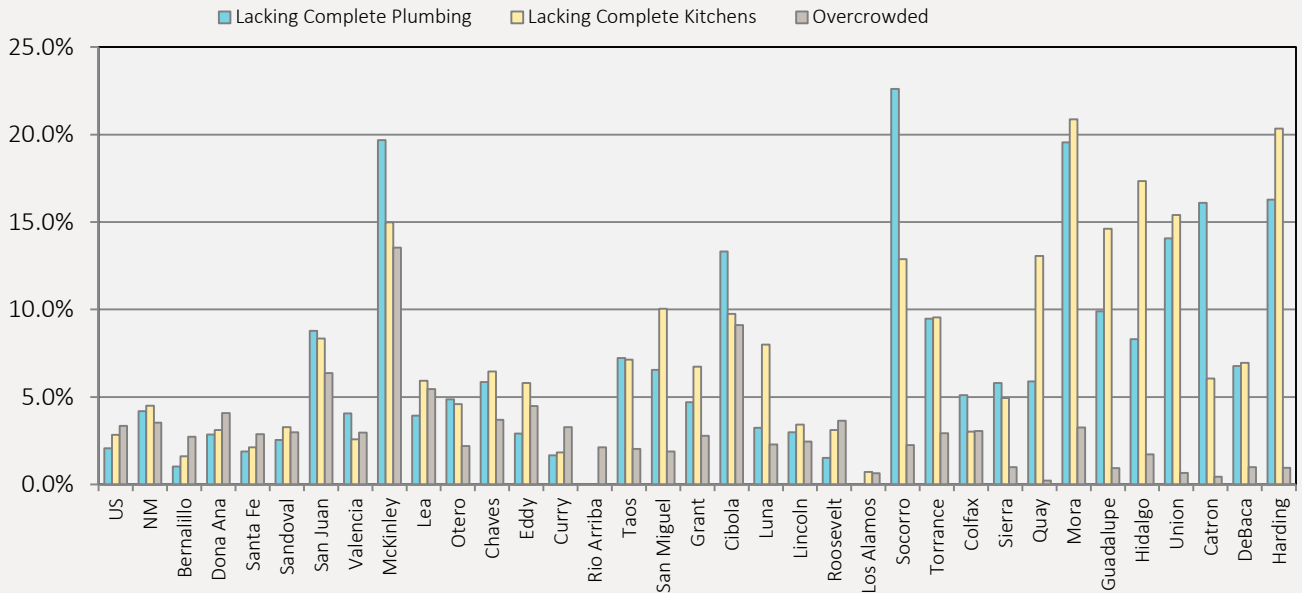
Figure 34: Housing Condition Issues in Tribal Areas



# Housing Condition Issues

Lack of Complete Plumbing or Kitchens and Overcrowding

Figure 35: Housing Condition Issues in New Mexico Counties



Source: American Community Survey 5-year estimates for 2014-2018.

# AFFORDABILITY

## What is affordable housing?

Affordable housing is commonly defined as housing costs that do not exceed 30% of a household's income. This standard is dependent on income level and housing expenses. If a wealthy household chooses to spend more than 30% of income on housing costs, the household would have the resources to cover other expenses. However, households with low incomes may not be able to even find housing priced at 30% or even 50% of their income.

Figure 36 shows the percentage of New Mexico the percentages of New Mexico household incomes based on Area based on Area Median Incomes (AMI). Figure 37 shows the maximum affordable housing cost for each income based on the state median income. While the estimates in these figures do not consider household size (as the limits for HUD and other programs do), they demonstrate the high rate of low and moderate low and moderate income levels in the state. Almost 41% of New Mexicans fall into the low income or below low income categories. Low income households are cost burdened when their total monthly housing expenses exceed \$1,068.

Figure 36: NM Households by Income Range

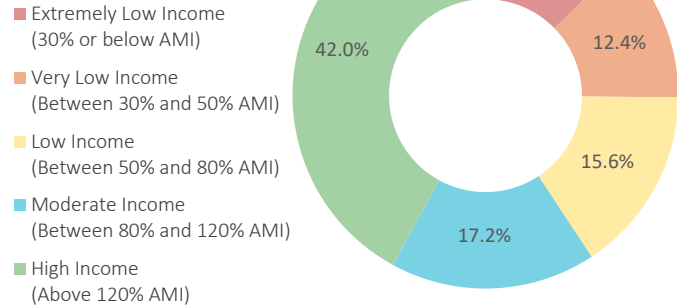


Figure 37: Affordable Housing Cost

Annual HH Income	Monthly HH Income	Maximum Monthly Housing Cost
\$14,418	\$1,202	\$401
\$24,030	\$2,003	\$668
\$38,447	\$3,204	\$1,068
\$57,671	\$4,806	\$1,602

# AFFORDABILITY

## What is Cost Burden?

---

Cost burden is a measure of housing affordability. Cost burdened households pay more than 30% of their income in housing costs and extremely cost-burdened households pay more than 50%. Cost burden for renters and homeowners differs greatly and continues to diverge. The fundamental difference is that renters have much lower incomes than homeowners overall. In New Mexico, for example, the median household income for renters is \$30,817, compared to \$58,417 for homeowners.

Nationally, cost burden for renters has doubled since the 1960s, when incomes began to fall behind increases in housing costs. The highest renter cost burden occurred during the Great Recession when large numbers of foreclosed homeowners entered the rental market and fewer renters pursued homeownership due to tight credit standards, high student debt, a weak job market and stagnating incomes. The resulting increase in the number of renters put pressure on the rental market, driving up occupancy rates and rents. While rental demand remains strong, this pressure has eased as more Millennials, now in their thirties, increasingly form households and purchase homes (Joint Center for Housing Studies, 2018).

Equally important to understanding how demand affects affordability is the issue of housing supply. Nationally, the availability of low-cost housing has declined since the 1990s. In New Mexico, the number of rental units priced at \$600 per month (based on real contract rent) has dropped by 29,213 units from 1990-2017. The change in the proportion of rental units at this price is -27%. Similarly, the number of units priced at \$800 in the state has increased by 3,843 units during this period, but the share of these units decreased by 22% (Joint Center for Housing Studies, 2018).

The combination of increased demand and decreased supply means that the problem of cost burdened renters must be addressed from multiple angles. Increasing funding for tenant-based vouchers (TBV), for example, gives low-income renters more power to find housing despite limited affordable options. Continuing to develop affordable properties creates housing opportunities for low-income households without TBV. Finally, there are some households whose earnings are so low that a combination of vouchers and affordable housing development is imperative to ensure that those families remain housed.



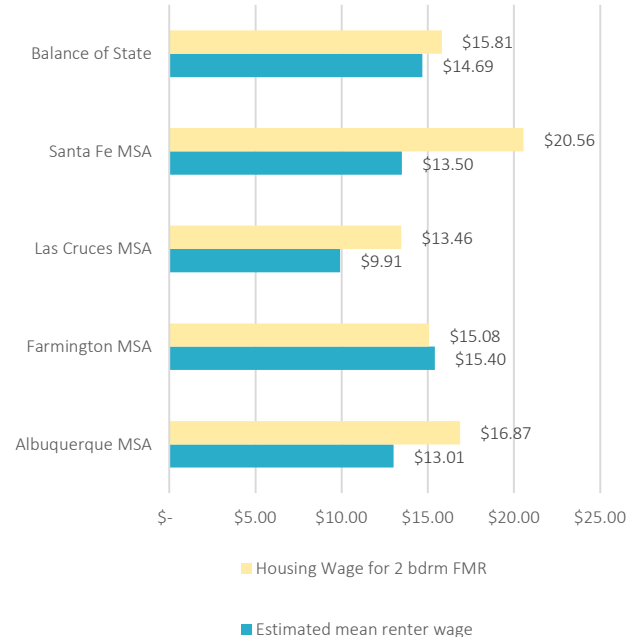
# AFFORDABILITY

## Housing Wage

The National Low Income Housing Coalition (NLIHC) looks at rental affordability by comparing hourly wages with “housing wages.” NLIHC defines housing wage as the hourly earnings needed to spend less than 30% of income on housing cost. In its 2019 report, NLIHC found that the average New Mexican renter earns \$13.41 per hour and the housing wage needed to afford a modest, market-rate, two-bedroom apartment is \$16.34. Therefore, the average housing wage gap for a two-bedroom apartment in New Mexico is \$2.93.

The housing wage gap is the largest in the Santa Fe MSA, at \$7.06. This gap is driven both by a low supply of housing stock and high demand. In the Albuquerque and Las Cruces MSAs, the wage gap is \$3.86 and \$3.55 respectively. Growing populations in these areas creates a demand for housing that drives up cost of renting. The wage gap is low in non-MSA areas, primarily due to lower housing costs.

Figure 38: Average Renter Wage and Housing Wage



# AFFORDABILITY

## Cost Burden

In the U.S., cost burden has declined from its peak in 2010 primarily among homeowners. During the Great Recession, homeowners had access to low interest rates, and many homeowners moved to rental housing. On the other hand, renter cost burden has only improved modestly, leaving close to half of renters cost-burdened nationwide (Joint Center for Housing Studies, 2018).

In New Mexico, a total of 21.6% of homeowners are cost-burdened, including 9.3% that are extremely cost-burdened. The U.S. rates are 23.1% and 9.3%, respectively. The lower rate of cost burden in New Mexico can be attributed to the high rate of owner-occupied homes without mortgages, which is 44.2% compared to 36.9% in the U.S.

Because renters have lower incomes than homeowners, 43.8% of New Mexico renters are cost-burdened, including 22% that are extremely cost-burdened. In the U.S., the percentages of cost-burdened and extremely cost-burdened renters are slightly higher at 46.5% and 23.4%, respectively.

Figure 39: Cost Burden for NM Homeowner Households

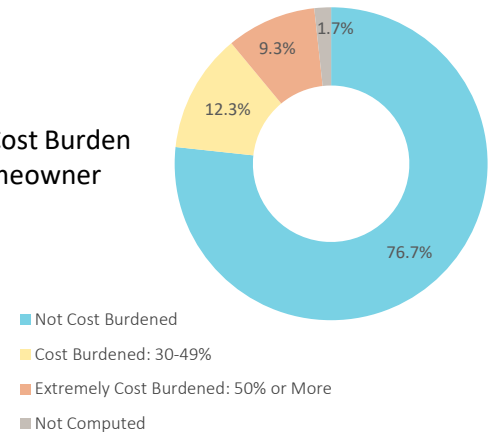
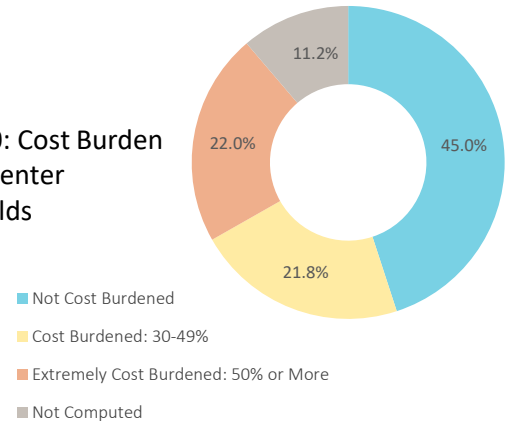


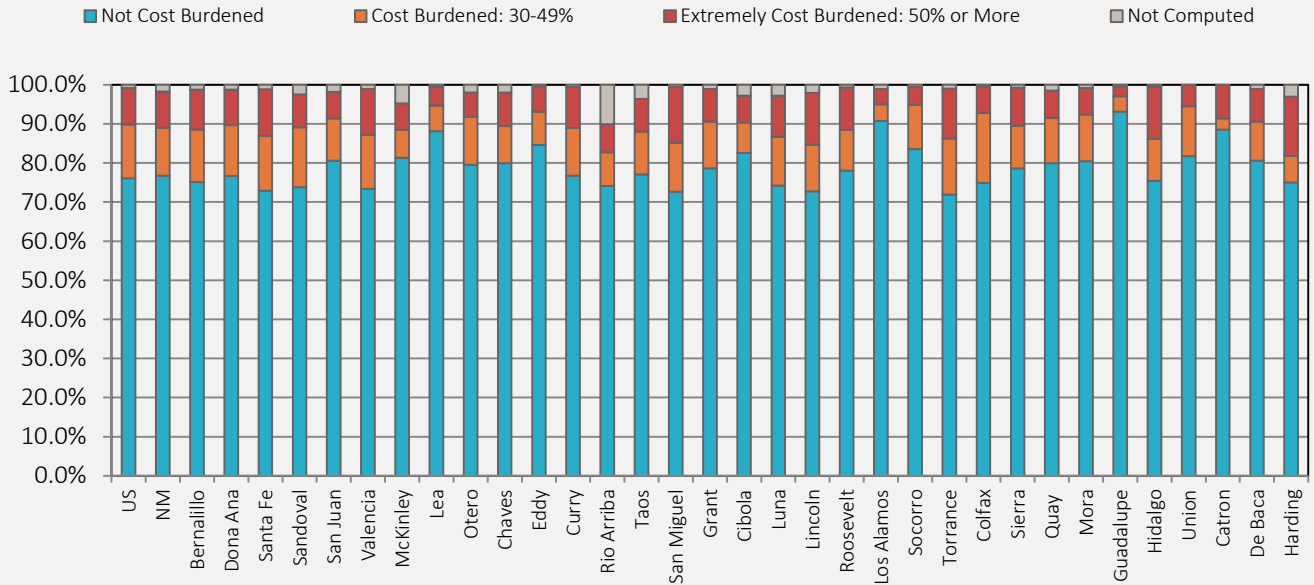
Figure 40: Cost Burden for NM Renter Households



# Affordability Indicators

## Cost Burden for Owner-Occupied Households

Figure 41: Homeowner Cost Burden in New Mexico Counties

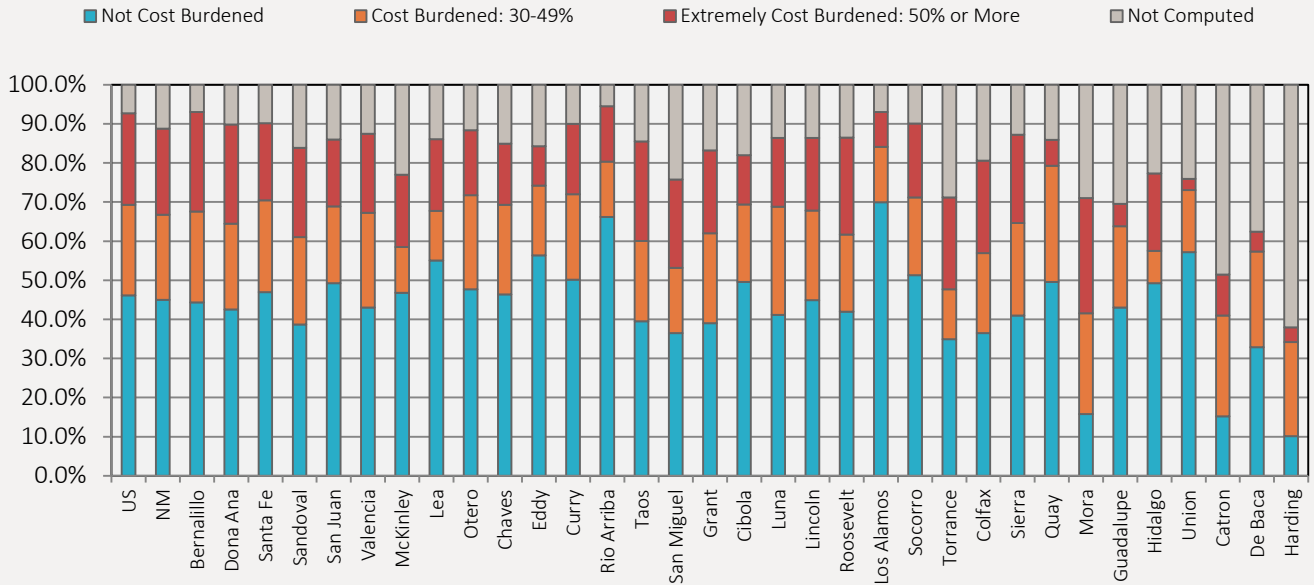


Source: American Community Survey 5-year estimates for 2014-2018

# Affordability Indicators

## Cost Burden for Renter-Occupied Households

Figure 42: Renter Cost Burden in New Mexico Counties



Source: American Community Survey 5-year estimates for 2014-2018

# AFFORDABILITY

## Buying a Home

The percentage of renters who can afford a median-priced home is a good measure of affordability, because most homes are purchased by people who are currently renting. Figure 43 shows the estimated percentage of renter households in each county that can afford the median home price in that county.

Calculations were made using the following assumptions: 32% debt to income ratio, 30-year fixed rate mortgage at 4.75% with a 5% down payment, property taxes at 1% of purchase price, homeowners insurance of \$700 per year and property mortgage insurance at 0.9% of the loan amount. Home prices were taken from the New Mexico Realtors Association reporting for 2019.

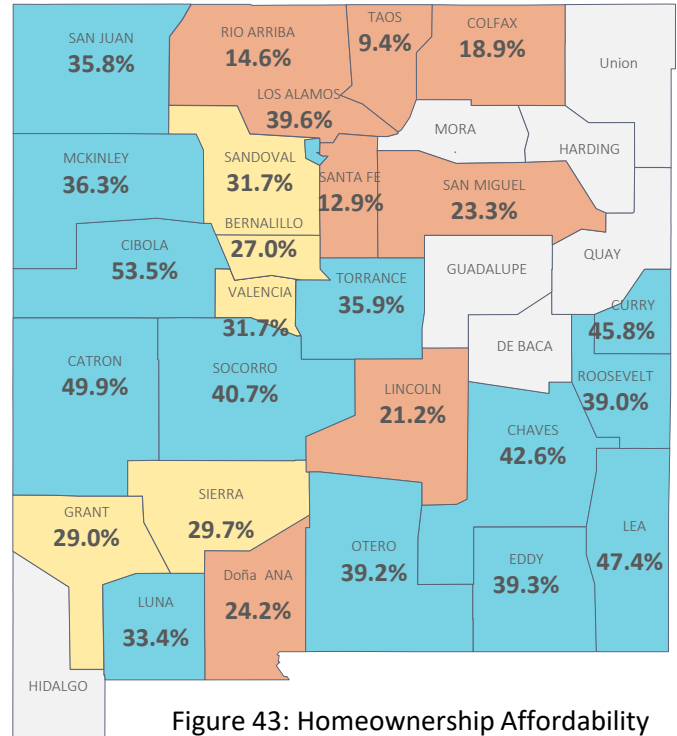


Figure 43: Homeownership Affordability

<b>GOOD AFFORDABILITY</b>	32% or more of renter households can qualify for the median-priced home
<b>AVERAGE AFFORDABILITY</b>	25-31% of renter households can qualify for the median-priced home
<b>POOR AFFORDABILITY</b>	24% or less of renter household can qualify for the median priced home
<b>INSUFFICIENT DATA</b>	Less than 10 home sales per year

# Affordability Indicators

## Home Prices and Sales

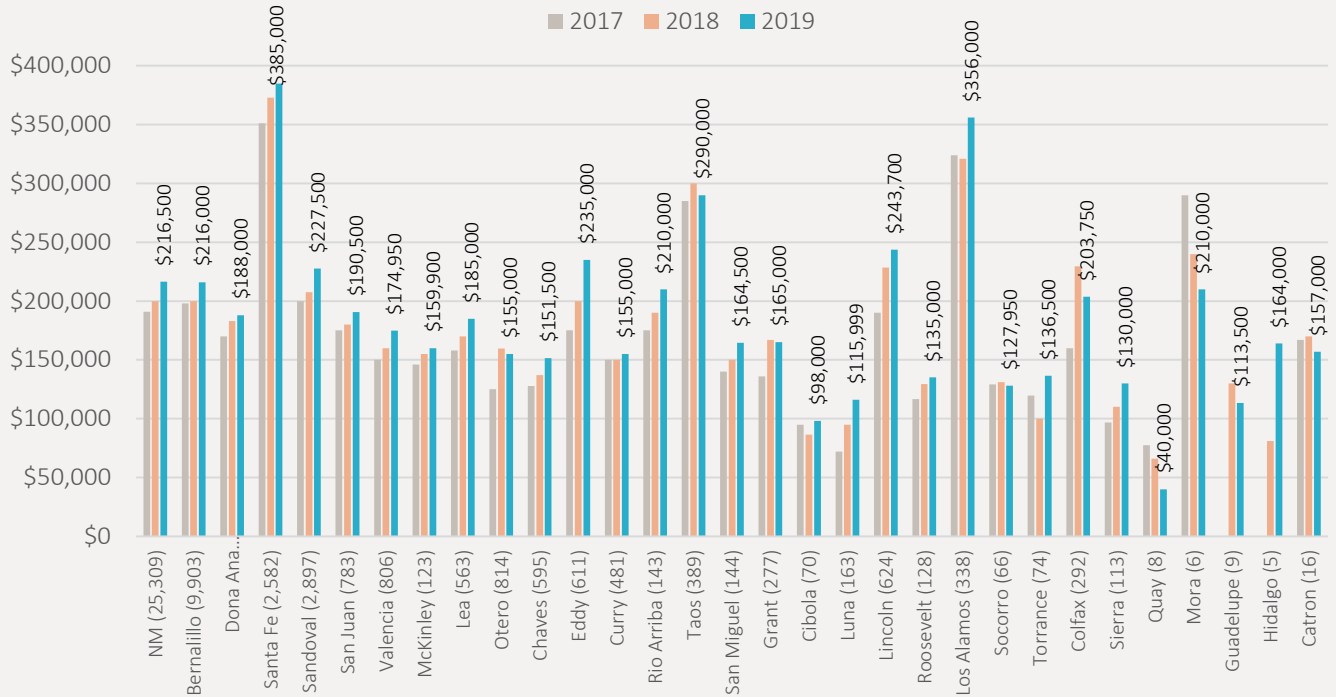
As mentioned earlier, affordability is a function of both income and housing costs. For this reason, affordability is good in counties ranging from Los Alamos, where incomes are high, to Cibola and Luna where home prices low. Outside of these areas, some notable trends exist:

- Except for Santa Fe, affordability is good to average in New Mexico's metropolitan areas due to greater economic opportunities and a wide range of home prices. Doña Ana County, however, is nearing poor affordability.
- Affordability is good in counties with economies driven by military installations (Otero and Curry) and oil and gas production (Lea, Eddy and Chaves), because incomes are high and home prices are low to moderate.
- Affordability is poor in Santa Fe, Taos, and Lincoln Counties due in part to a high percentage of housing stock that is used as vacation and second homes. This situation creates supply problems for local residents.
- Low incomes impact affordability in the northern counties of Rio Arriba, Colfax and San Miguel, even though home prices are below the statewide median.
- Some of the state's small rural counties are effectively without home sales markets. At less than 10 home sales per year, a comparison of incomes to home prices in those counties would be misleading. These counties include: De Baca, Guadalupe, Harding, Hidalgo, Mora, Quay, and Union.
- There were a record number of home sales in New Mexico in 2018, and the number of home sales has increased steadily in almost every county since 2015. In 2019, home sales were strong but fell slightly short of the 2018 number.
- From 2017 to 2018, home prices increased in almost every New Mexico county. While the median home price in the state increased from \$200,000 in 2018 to \$216,500 in 2019, 10 counties saw a decrease in median home prices. No urban counties experienced decrease.

# Affordability Indicators

Median Home Sales Prices

Figure 44: Median Home Price, 2019



Source: New Mexico Association of REALTORS, 2019

Number of home sales, 2018 in parenthesis

# AFFORDABILITY

## Renting

While rents are relatively affordable in New Mexico, finding and keeping an affordable place to live is challenging for many renters -- especially those in the lowest income categories. Based on 30% of household income, the figure 45 shows the estimated the percentage of renter households that can afford the average rent in their county. For New Mexico as a whole, 49.4% of renter households can afford their counties' average rents.

As with homeownership, renter affordability can be good in counties where rents are high, provided that incomes are also high. Good examples of this are Los Alamos and Sandoval counties. The oil and gas producing areas of the state also have good affordability due to higher incomes. Counties with poor affordability have renters that are concentrated in lower-income tiers, including those earning \$15,000 per year or less.

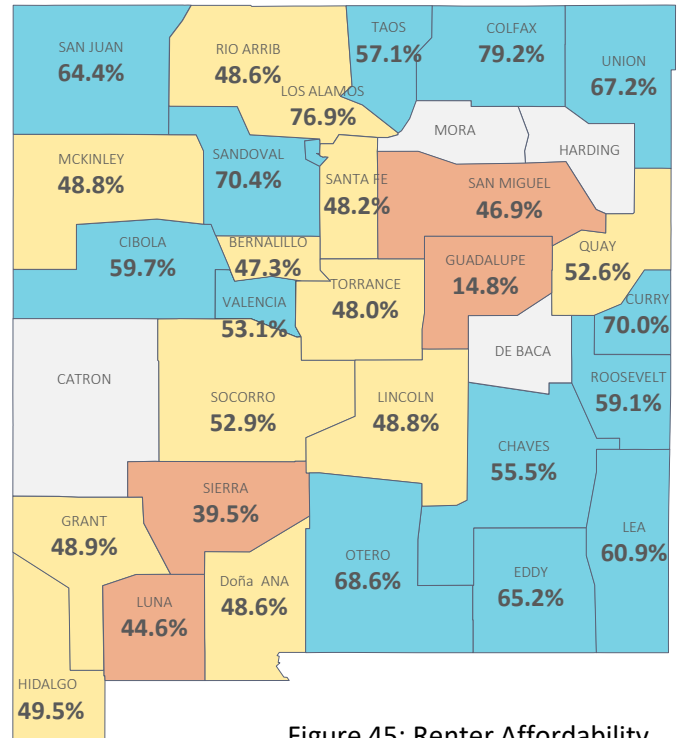


Figure 45: Renter Affordability

<b>GOOD AFFORDABILITY</b>	53% or more renter households can afford average rent
<b>AVERAGE AFFORDABILITY</b>	47-52% of renter households can afford average rent
<b>POOR AFFORDABILITY</b>	Less than 47% of renter households can afford average rent
<b>INSUFFICIENT DATA</b>	No average rent data available



# Affordability Indicators

## Average Rents

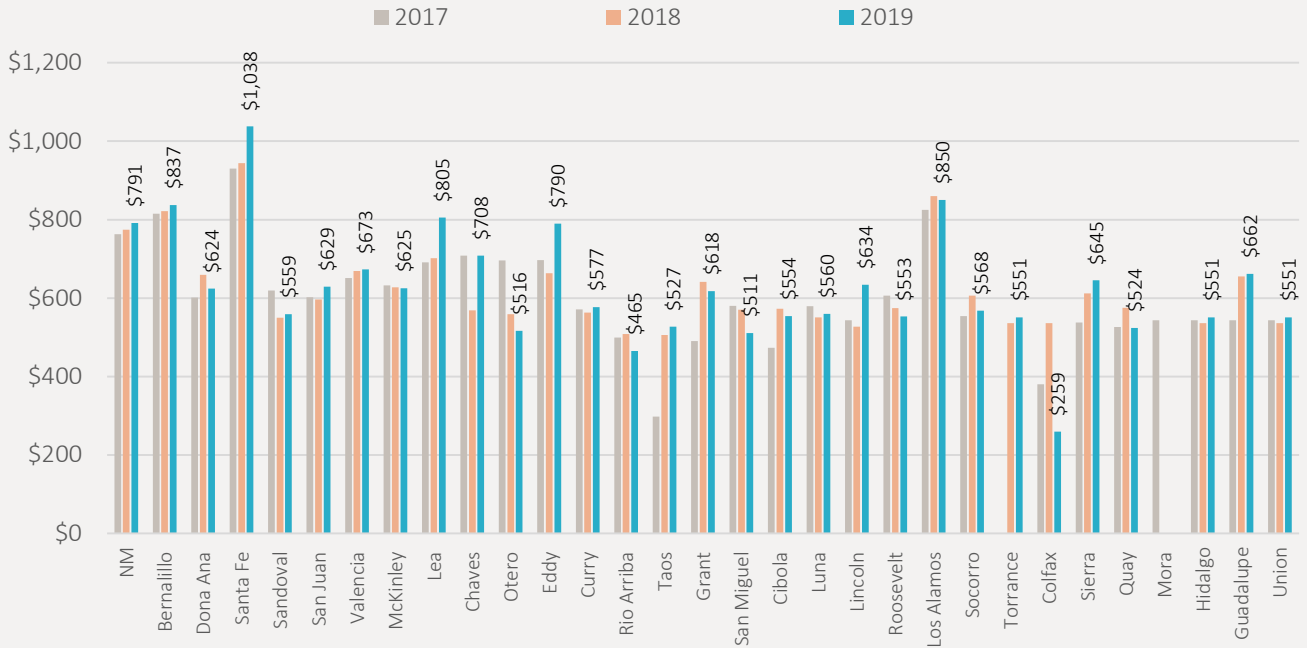
In New Mexico, apartment rents and occupancy rates are tracked through two surveys: one conducted by the Bureau of Business and Economic Research (BBER) on behalf of MFA for rural counties; and another conducted by CBRE, a commercial realty company, for the large Albuquerque and Santa Fe markets. Rents reported by BBER for Sandoval County represent the rural part of Sandoval County only, while the higher-priced Rio Rancho market is included in the Albuquerque market survey. Average rents are shown for 2017- 2019 in Figure 46. Please note the following:

- New Mexico's highest rents are concentrated in the high-cost markets of Santa Fe and Los Alamos, followed by Albuquerque.
- Despite having more than half of its multi-family units located in affordable properties, Santa Fe continues to have the highest average rent prices in the state. The high cost of renting in Santa Fe is due to the low supply of multifamily units and increasing demand. CBRE notes that the efforts by the City of Santa Fe to ease building regulation is helping to resolve this imbalance.
- In 2019, rent increased from 2018 in most urban counties.
- Semi-urban oil-producing counties also experienced rent increases. Eddy and Lea counties saw rent increases of 19% and 15%, respectively.
- With a few exceptions, average rents in rural counties generally fall below \$600. Rural counties tend to have lower incomes, lower rental demand and older properties, all of which contribute to lower rents.
- There is no data for the rural counties of Catron, De Baca and Harding, which have populations under 5,000, very few renters and few apartments
- The small rural counties of Torrance and Mora have data for some, but not all, years due to a low number of properties that may or may not respond to the annual survey.

# Affordability Indicators

## Average Rents

Figure 46: Average Rent in New Mexico Counties



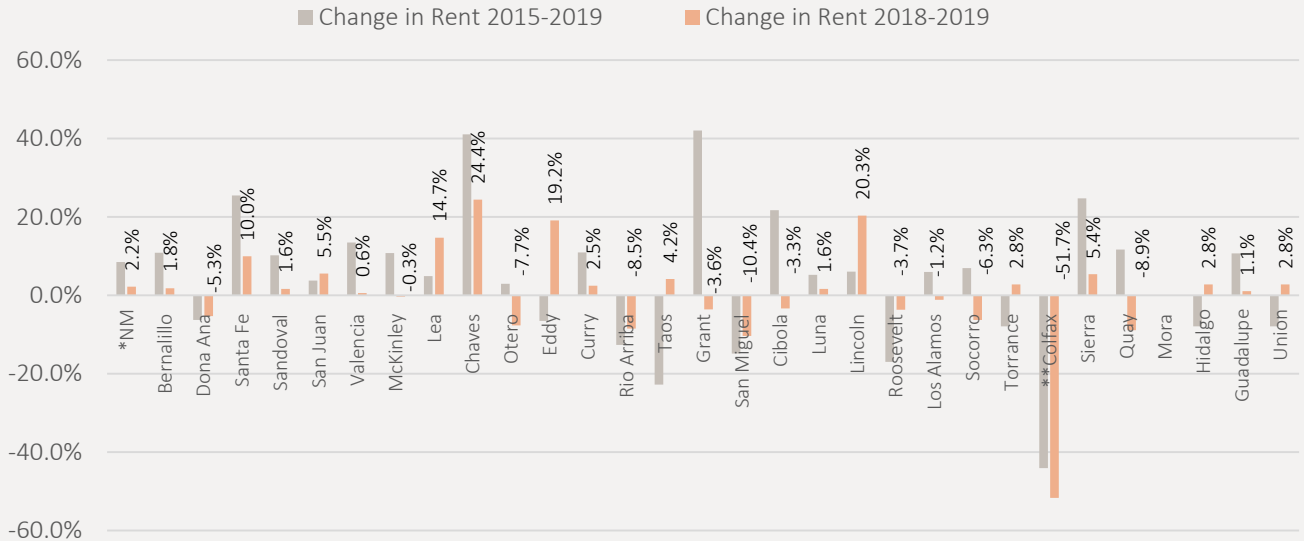
Source: BBER and CBRE Rental Surveys

\*NM Average Rent is a weighted average among CBRE average rents for Albuquerque and Santa Fe and the statewide average rent from the BBER survey.

# Affordability Indicators

## Average Rents

Figure 47: Average Rent in New Mexico Counties



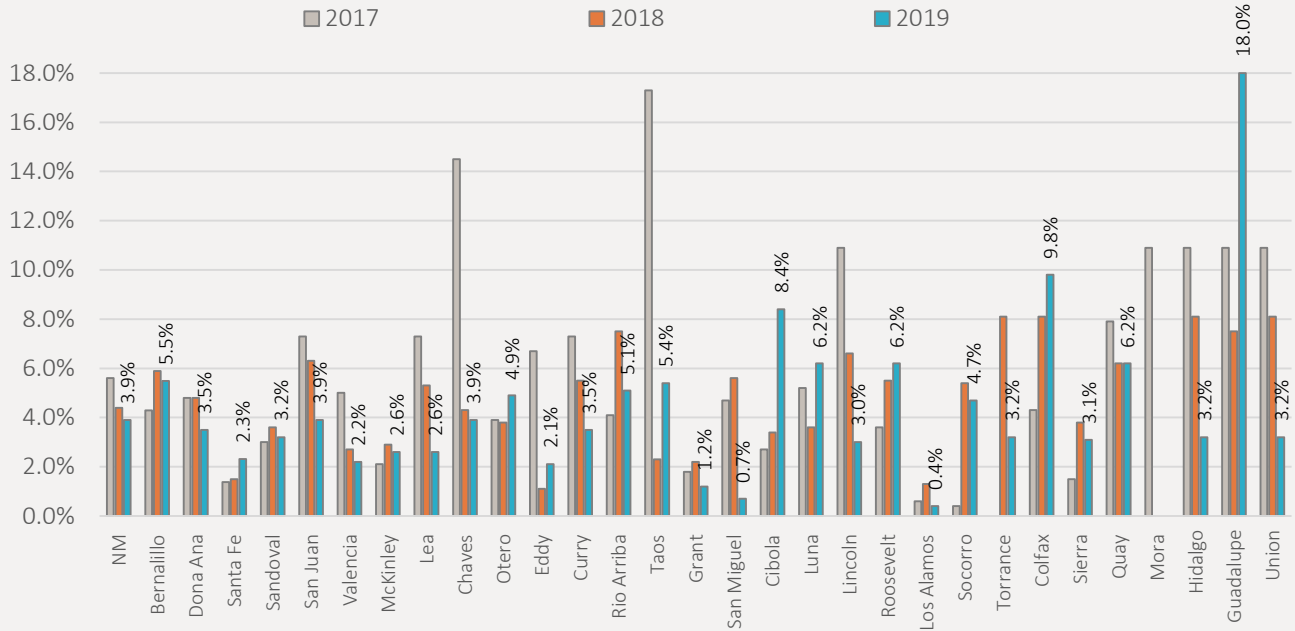
\*NM Average Rent is a weighted average among CBRE average rents for Albuquerque and Santa Fe and the statewide average rent from the BBER survey.

\*\*The drop on Colfax County is a result of data for the County previous to 2019 being combined with Hidalgo, Torrance, and Union Counties

Source: BBER and CBRE Rental Surveys

# Average Rental Vacancy Rate

\*Figure 48: Rental Vacancy Rates in New Mexico Counties

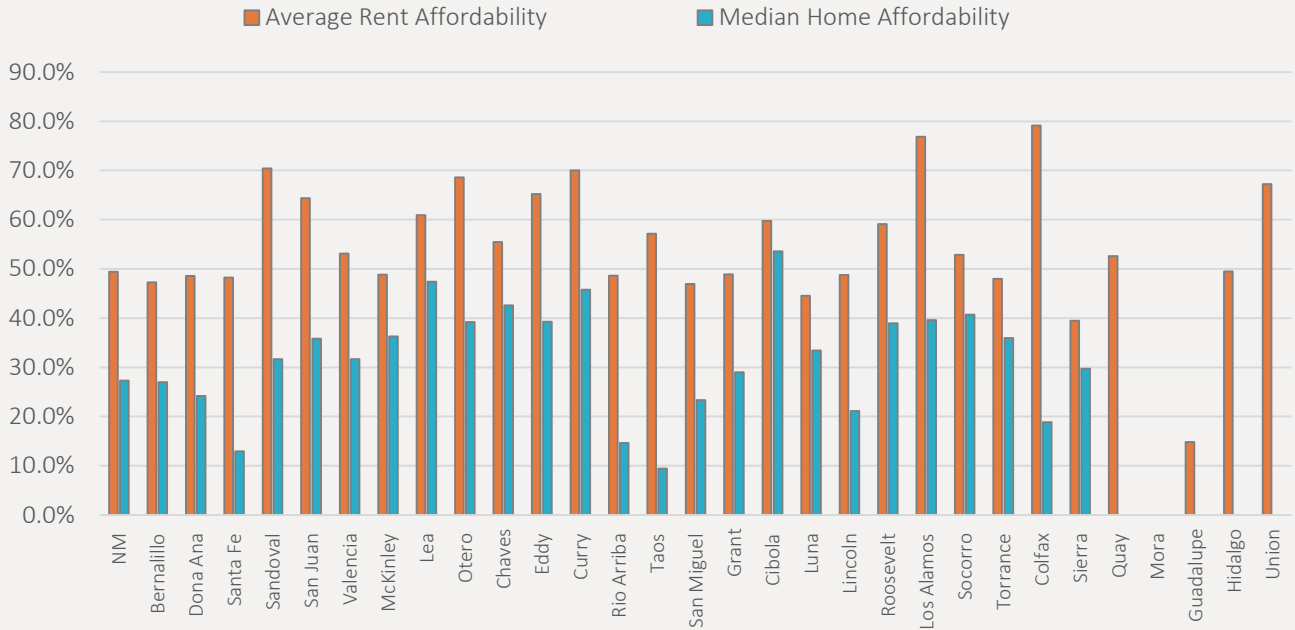


\*Large variation within a county across a few years in vacancy rates is attributed to somewhat inconsistent survey responses from properties.

Source: BBER and CBRE Rental Surveys

# Affordability

Figure 49: Percent of Renters who Can Afford Average Rent and the Median-Priced Home



Source: MFA tabulations of New Mexico REALTORS Association median home prices, BBER and CBRE average rents and household incomes from American Community Survey 5-year estimates for 2014-2018

# Eviction

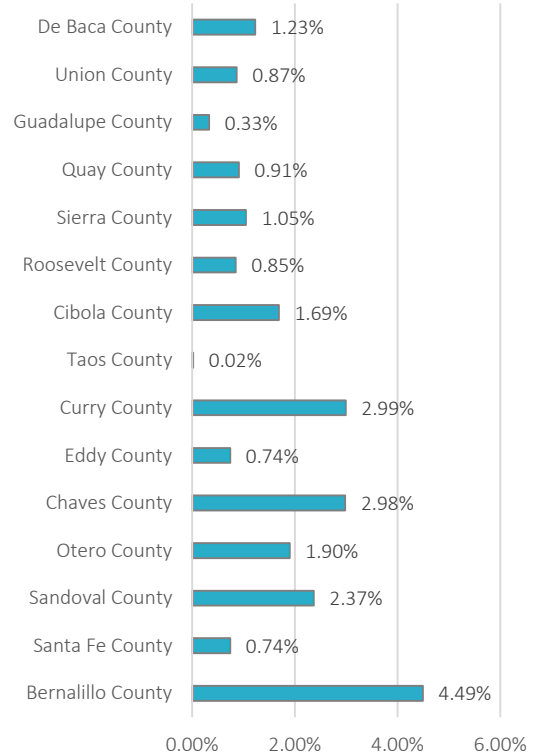
## Challenge to Housing Security

As housing costs continue to outpace wage growth, low-income renters are increasingly at risk of eviction. While there are multiple reasons a landlord may pursue eviction, a renter’s inability to pay rent is the primary cause. Research shows that evictions not only cause families to lose their home, but it also completely disrupts a family’s stability. Eviction is associated with truancy, job loss and depression. Furthermore, court records of eviction make it more challenging for low- and moderate-income families to secure housing in the future. Among the groups most vulnerable to eviction are domestic violence victims and families with children (Eviction Lab, 2018).

Princeton University’s Eviction Lab project investigates the prevalence of eviction on the United States. The primary metrics is the number of evictions per 100 renter households, or the “eviction rates.” Drawing on data from 2016, the project found that, among large cities in the U.S., Albuquerque has the 45th highest eviction rate, with 4.72% (4,541) of renter households evicted that year. Among New Mexico’s cities with high eviction rates are Clovis, Roswell and Albuquerque’s South Valley, which were found to have eviction rates exceeding 3.1%. (Data was not available for all New Mexico cities including Las Cruces, Farmington, and Gallup).

Figure 50 shows the rate of eviction and the number of evictions in New Mexico counties for which data exist.

Figure 50: Eviction Rate by County\*



\*Figures 48 does not include counties for which data was unavailable or where no evictions were reported. Counties that reported no evictions include: Socorro, Mora, Catron, and Harding.

# Homelessness

## An emerging housing priority

HUD’s 2020 Annual Homeless Assessment Report to Congress showed that among all states, New Mexico had the highest increase in homelessness as measured by the point-in-time (PIT) count at 27%. The PIT count estimates the number of people in homeless shelters, transitional housing and unsheltered locations during a single night in January. While PIT count data is one of the main measures of homelessness, it does not completely capture the extent of homelessness. For example, many families and children staying in hotels, living in vehicles or staying other places not meant for shelter are unlikely to be included in the PIT count.

Data on individuals experiencing homelessness can also be drawn from the Homelessness Management Information System (HMIS). During 2018, the HMIS unduplicated count of persons experiencing homelessness in New Mexico was 18,391.

Like the PIT count data, figures from HMIS underreport the homeless population. However, HMIS data gives service providers, funders and legislators a reasonable understanding of the prevalence of homelessness in the state.

Figure 51: Annual Point In Time Count of Homeless Persons

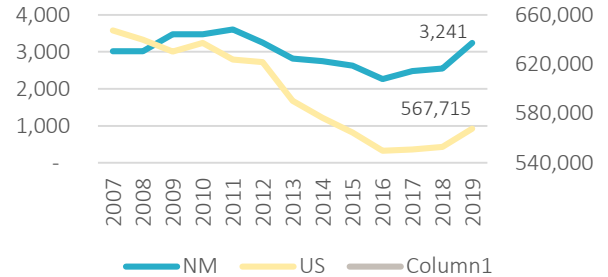
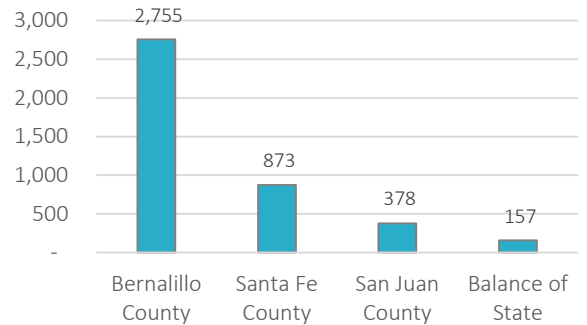


Figure 52: Number of Sheltered Homelessness Persons in 2018



# Homelessness

## Demographic Characteristics

Most individuals experiencing homelessness in New Mexico are male. Nationwide, transgender men and women are disproportionately over-represented among the homeless. While this trend is not reflected in the 2018 HMIS data, the 2019 PIT count found an overrepresentation of transgender persons among unsheltered homeless population .

New Mexico’s homeless population is primarily adults, with children under 17 making up about 17% the population. Parents with children are often reluctant to seek homeless services for a variety of reasons, including fear of child welfare authorities. Therefore, the number of homeless children in New Mexico is likely underrepresented.

Figure 53: Gender of NM Homeless population

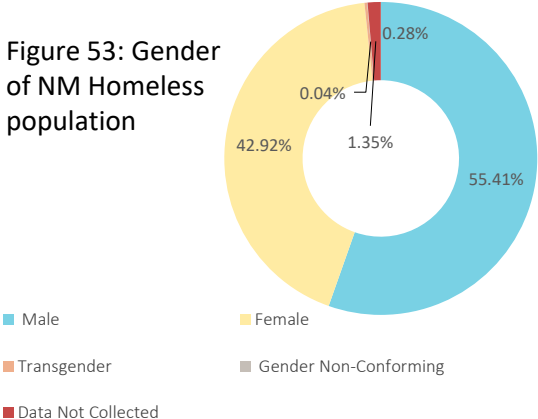
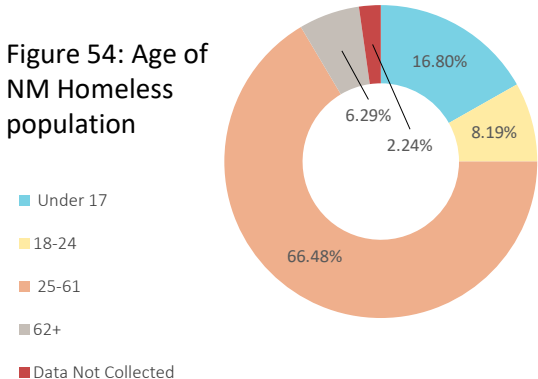


Figure 54: Age of NM Homeless population





# Homelessness

## Demographic Characteristics

The ethnicity of New Mexico’s homeless population is a close reflection of the state’s total population. This proportional representation is not the case for race indicators. African Americans account for 8.2% of New Mexico’s homeless population and Native Americans make up 13.9%. Considering that African Americans account for only 1.8% of New Mexico’s total population and Native Americans comprise 8.8%, these groups are far overrepresented among individuals experiencing homelessness.

Figure 55: Race of NM Homeless Population

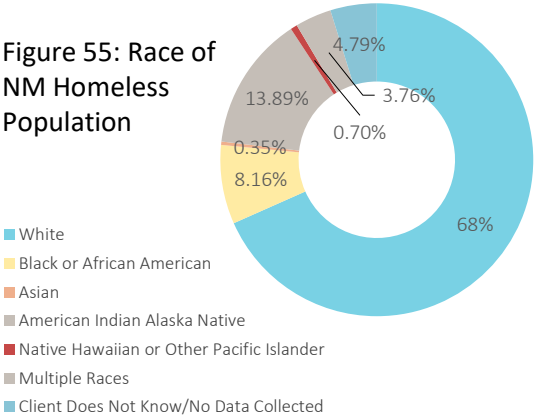
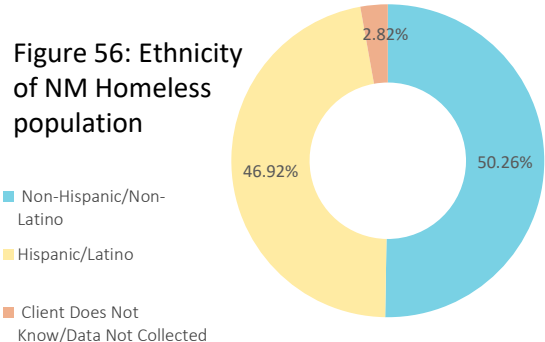


Figure 56: Ethnicity of NM Homeless population



# Homelessness

## Demographic Characteristics

More than one-fifth of individuals experiencing homelessness in New Mexico have experienced domestic violence. Homeless service providers offer immediate but temporary shelter for those fleeing violence. This type of shelter is crucial for survivors of domestic violence, because many survivors lack the financial resources to secure housing after leaving an abusive relationship.

A similar proportion of the state's homeless population is chronically homeless, meaning these individuals have experienced homelessness for at least one year and have a severe health condition. Chronically homeless individuals are more likely to live in unsheltered locations.

Figure 58 shows where New Mexico's homeless population shelters:

- Emergency shelters: Short-term housing for individuals experiencing homelessness. Shelters for women and children fleeing domestic violence are included in this category.
- Transitional housing: Longer-term housing, but not permanent residences. May include therapeutic services for persons dealing with substance abuse disorders or other health conditions.
- Places not meant for human habitation: Vehicles, parks, and other public places.

Figure 57: Homelessness Condition

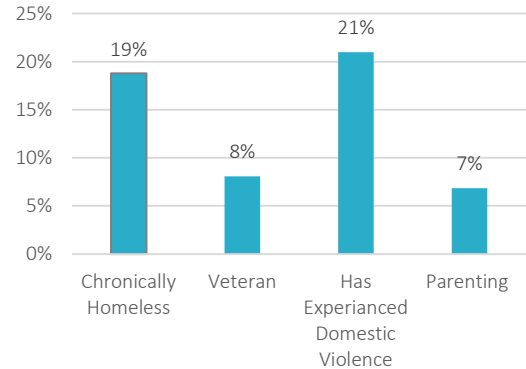
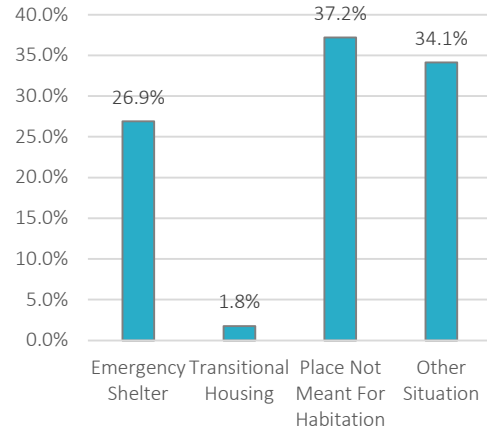


Figure 58: Homelessness Situation



# Homelessness

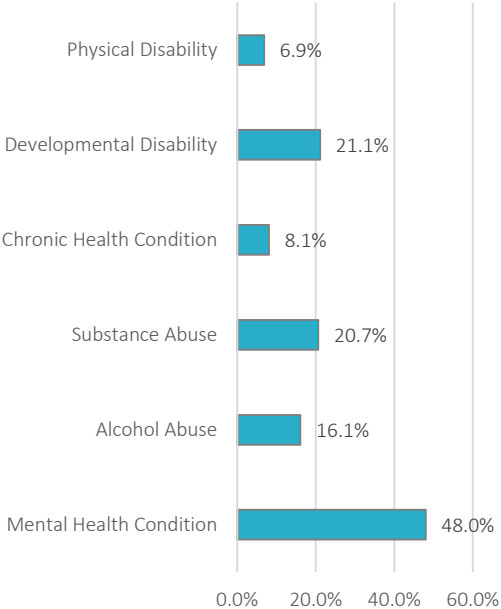
## Health Conditions

As is the case nationally, mental health conditions are present in nearly half of New Mexico’s homeless population. Severe mental illness can infringe on people’s self-sufficiency and, consequently, contribute to the loss of one’s home. Once homeless, securing treatment and therapeutic intervention can become an insurmountable challenge. Individuals experiencing homelessness who suffer from other chronic illnesses such as HIV/AIDS often have difficulty getting the care they need. Homelessness is likely to exacerbate the severity of any medical condition.

While a health condition may contribute to homelessness, research suggests that it is not the root cause of homelessness. Lack of affordable housing is the primary reason individuals become homeless. Without an adequate affordable housing supply, there will be no reduction in the prevalence of homelessness for individuals with and without health conditions (*American Behavioral Scientist 1994*).

MFA has made housing for special needs populations a priority for its Low-Income Housing Tax Credit (LIHTC) program by incentivizing housing development for persons with severe health conditions who may require long term support. This type of housing, often referred to as “permanent supportive housing,” has been shown to reduce the public cost of default housing solutions like hospitals, jails and prisons.

Figure 59: Presence of Health Conditions among NM Homeless Population



Source: New Mexico Coalition to End Homelessness

# COVID-19

## Impact on Housing and Housing Needs

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Despite being unable to predict the long-term effects of the COVID-19 pandemic on housing, there are certain populations whose housing security has become immediately more precarious: Native Americans, individuals experiencing homelessness and younger renters with low incomes.

Overcrowding and poor housing conditions have contributed to the high rates of COVID-19 cases and deaths among New Mexico's Native American population. Densely populated homes likely increased the speed at which the virus spread in Native communities. Furthermore, homes in tribal areas are more likely to be sub-standard. Poor quality housing is associated with the chronic health conditions that increase the risk of dying from COVID-19.

For individuals experiencing homelessness, "stay at home" orders critical to mitigating the spread of the virus are impossible to heed. Moreover, the challenge of maintaining basic hygiene becomes dangerous due to the possibility of exposure to the virus. Many homeless shelters are operating at reduced capacity to allow for social distancing, and persons experiencing homelessness appear reluctant to risk entering group quarters (*Homelessness and the Coronavirus, New York Times, April 2020*).

Perhaps the largest group likely to face housing insecurity as a result of COVID-19 is the population of young, low-income renters. Even before the pandemic, they were more likely to have difficulty paying rent. Because many of these renters were employed in industries most impacted by "stay at home" policies, they are now at a greater risk of financial instability and, consequently, homelessness (*Low-Income Renters Are More Likely to Work in the Five Industries Most Vulnerable to COVID-19, Urban Institute, May 2020*).

# HOUSING NEEDS

## Methodology

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The following section explores the housing needs in each region of New Mexico and provides estimates on the shortage of affordable rental units as well as the number of households eligible for down-payment assistance.

The affordable unit shortage estimate reflects number of cost-burdened renter households with household incomes at or below 80% of Area Median Income (AMI). The 80% threshold is the maximum household income allowed for a family or individual to be eligible to live in an income-restricted unit in an LIHTC property.

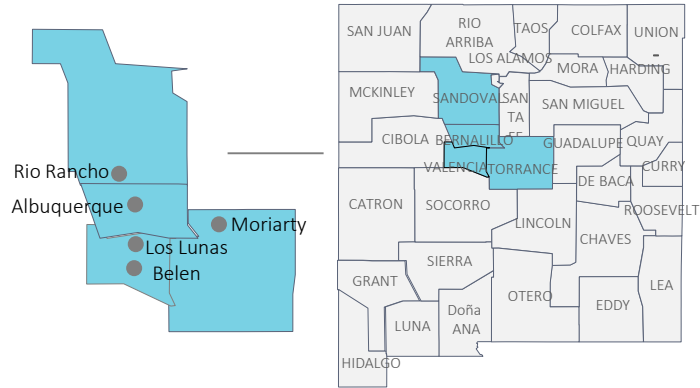
MFA estimated the number of renter households eligible for down payment assistance by determining the number of rental households with household incomes between 60% and 120% of AMI.

# HOUSING NEEDS

## Albuquerque Metro

The Albuquerque Metropolitan Statistical Area (MSA) is the economic and population center of the state of New Mexico. The area consists of Bernalillo, Sandoval, Valencia and Torrance counties, with a combined population of 918,018 or 44% of the state's population. The cities of Albuquerque and Rio Rancho are the first and third largest in the state, at 559,202 and 94,765 in population, respectively, according to 2018 American Community Survey 5-Year Estimates. These cities and the small municipalities and unincorporated places adjacent to them function as a cohesive housing market. There is regular housing turnover and increasing demand for all types of housing at different price points. On the other hand, much of Valencia, Torrance and Sandoval counties that lie outside of Rio Rancho are rural in nature and suffer from a lack of investment and development similar to other rural communities.

**Owner-Occupied Housing:** Despite a higher concentration of new single-family home construction in Bernalillo and Sandoval County compared to the rural areas of New Mexico, the housing market in the Albuquerque Metro area is becoming increasingly tight. This trend is evidenced by growth in median home sale price and a decline in the inventory of homes for sale.



**Figure 60: Albuquerque MSA  
Bernalillo, Sandoval, Valencia & Torrance Counties**

Single family home development is critical to support the growth associated with the arrival of companies including Facebook, Netflix and Amazon. Increasing supply will help attract a workforce and create homeownership opportunities for low-income renters. In rapidly growing cities like Albuquerque, Rio Rancho and Los Lunas, adding to the supply of townhouses and smaller detached units can create affordable options for first-time or lower-income home buyers.

# HOUSING NEEDS

## Albuquerque Metro

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**Rental Housing:** Like the for-sale housing market, low vacancy rates and continual growth in rent prices reflect the strength of Albuquerque’s rental market. Consequently, rental units affordable to low-income households are often occupied by households with higher incomes. The challenge low-income households face finding affordable housing is likely to become more acute due to the fact that approximately half of the current supply of income-restricted rental units are eligible to become market-rate units by 2030. Thus, incentives and policies to both preserve existing subsidized rental housing and to build new multifamily properties with long-term affordability requirements are crucial to ensure that low-income households have access to housing they can afford. Development of market-rate multifamily properties will also reduce rental market pressure for households at all income levels.

- **Rental Housing in Valencia County** Continued economic development in Valencia County depends on the availability of infrastructure – including housing stock – to support a workforce. Multifamily developments in the cities of Los Lunas and Belen will prevent serious affordability problems in the future.

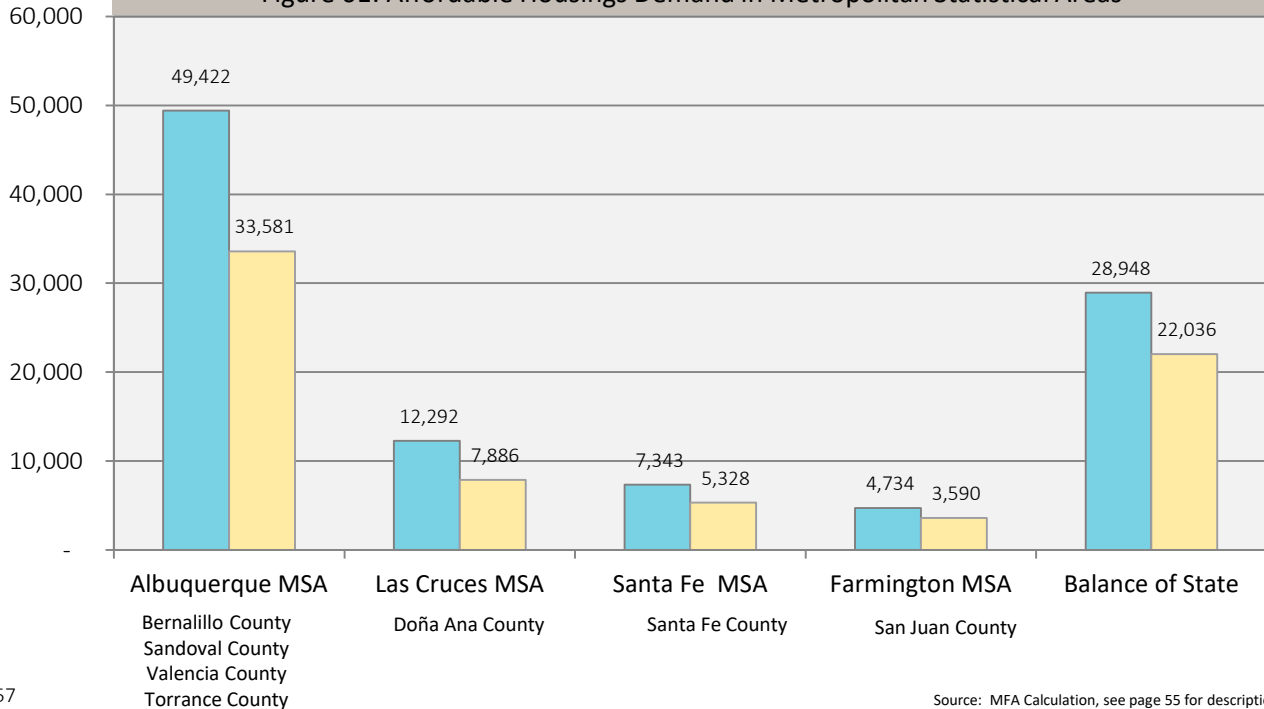
- **Permanent Supportive Housing for Special Needs Populations** From 2018 to 2019, New Mexico’s homeless population grew 27% -- the largest increase in the nation. Most of this population is concentrated in the Albuquerque area (HUD 2019 PIT Count). A proven strategy to reduce homelessness is permanent supportive housing that combines affordable housing with healthcare and support services. An Urban Institute report produced for the City of Albuquerque estimated that 2,200 households are in need of permanent supportive housing. Without creating this type of housing, the root cause of homelessness, which is a lack of shelter and long-term support services, will remain unaddressed.

# Demand for Affordable Housing

## Metropolitan Statistical Areas

- Estimated Shortage of Affordable Rental Units
- Estimated Number of Renter Households Eligible for Down Payment Assistance

Figure 61: Affordable Housing Demand in Metropolitan Statistical Areas





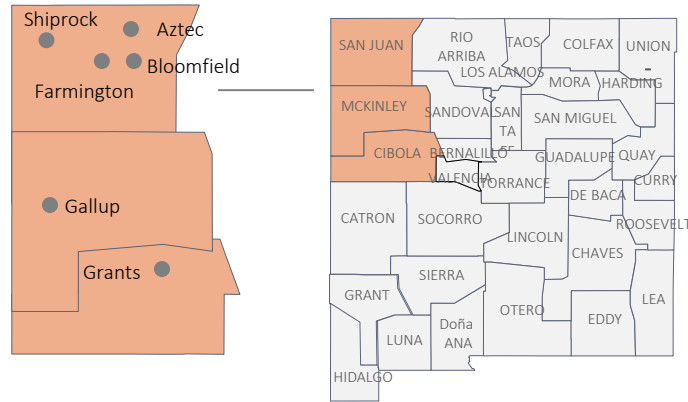
# HOUSING NEEDS

## Northwest New Mexico

The cities of Farmington, Bloomfield, Aztec and Shiprock in San Juan County and the city of Gallup in McKinley county are hubs for a large area of the state, including the portion of the Navajo Nation that lies within New Mexico. City residents, residents of nearby Navajo chapters and rural communities, workers in the energy sector, and people moving through this well-traveled area rely on these cities for goods, services and employment. In Cibola County, the small city of Grants is also a center of services for the area between Albuquerque and Gallup, which includes the Pueblos of Laguna and Acoma and some Navajo Nation chapters.

**Economic Conditions and Growth:** All three counties in the Northwest are suffering from economic decline and population loss. Cibola County's economy has struggled since the curtailment of uranium mining in the 1980s. This decline is not only reflected in a loss of 1.5% of its population over the last 5 years, but in an 8.4% apartment vacancy rate in 2019. Over the past decade, the decline in natural gas prices has resulted in substantial job loss and high housing vacancies in San Juan County. However, multifamily vacancy rates in the county fell in 2019 to 3.9 % from 6.3% in 2018.

**Owner-Occupied Housing:** San Juan, McKinley and Cibola counties have high homeownership rates of 70% or more. Mobile and manufactured homes make up an exceptionally high percentage (25.6% to 31.7%) of owner- occupied housing.



**Figure 62: Northwest New Mexico  
San Juan, McKinley and Cibola Counties**

Rehabilitation of older homes is critical, given that the region has an exceptionally high percentage of aging and deteriorating housing stock. Rehabilitating these homes could help meet some critical housing needs in the region including the need for workforce housing in Gallup, age-in-place solutions for Cibola County, which has an older population, and improving living conditions for families who live in rural areas and tribal lands.

# HOUSING NEEDS

## Northwest New Mexico

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**Rental Housing:** Currently, there is a decent inventory of both affordable and market rate apartments in Aztec and Farmington and a largely affordable apartment inventory in Bloomfield and Gallup. The apartment inventory in Grants also includes affordable and market rate units, but is more limited and quite old, having been built in 1980 or earlier. For the reasons described below, all markets except Farmington can support some level of new rental development:

- **Extremely Low-Income and Workforce Housing in Gallup** Gallup has a high rate of renters (40%), many of whom are extremely low-income. The city also lacks quality rental units for its critical workforce that includes teachers, nurses and public safety workers. New federal regulations that allow income averaging in LIHTC properties may provide an opportunity to address rental demand for low and middle income renters alike.
- **Caution with New Rental Development in Farmington** While this report indicates a need for rental units in San Juan County, job loss in and around Farmington has resulted in the county having one of the highest negative growth rates in the state. The exodus of the energy sector and the economic disruption caused by COVID-19 have contributed to the population decline.

Improving the condition of existing rental housing stock and making rental vouchers available to low-income renters is likely a more appropriate approach to relieving housing cost burden than new development.

**Overcrowding?** The number of households whose occupants exceed the number of a home's rooms is the highest in this part of the state. Whereas the rate of overcrowded households for the state is 3.5%, in McKinley and Cibola County the rate is 19.7% and 13.3% respectively. Overcrowding is an indication that people are "doubling-up" on housing and suggests a lack of affordable alternatives. Despite population decline, these counties would benefit from new development, including scattered-site multifamily rental units, as well as single family homes and townhouses. New construction would likely help cities like Gallup and Grants attract and retain workforce populations.

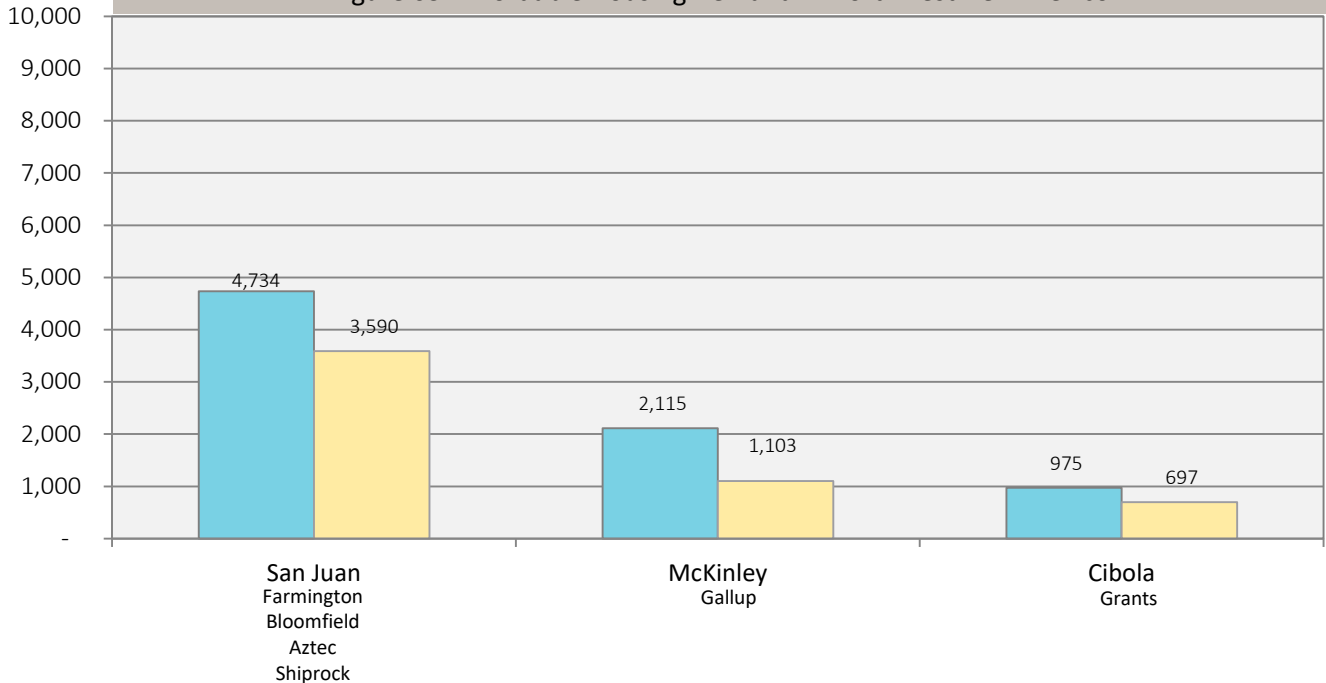
**Permanent Supportive Housing for Special Needs Populations and Senior Housing:** New development of multifamily housing specifically to serve people with behavioral health conditions and disabilities could reduce homelessness in the region, since only a few of these types of developments currently exist. Multifamily properties with support services could also allow the region's elderly population to continue to live in their communities.

# Demand for Affordable Rental Units

Northwest New Mexico

- Estimated Shortage of Affordable Rental Units
- Estimated Number of Renter Households Eligible for Down Payment Assistance

Figure 63: Affordable Housing Demand in Northwest New Mexico



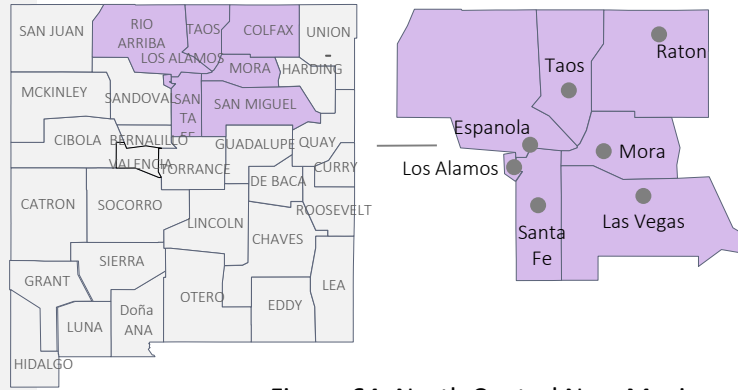
# HOUSING NEEDS

## North Central New Mexico

North Central New Mexico is home to eight of the state’s pueblo tribes and is dotted with agricultural villages established by Spanish and Mexican settlers along the banks of the Rio Grande. To this day, it retains a high percentage of Native American and Hispanic residents. Communities throughout the region have experienced varied economic and cultural changes such as the rise and fall of mining in Colfax and Taos counties, construction of the railroad in San Miguel County in the 1890s, establishment of arts colonies in Taos and Santa Fe in early 1900s, opening of Los Alamos National Laboratories in 1943, and, more recently, the growth of a tourism-based economy throughout the region.

**Economic Conditions and Growth:** Most counties in North Central New Mexico have declining populations and are struggling economically. Taos, Colfax, Mora and San Miguel counties have poverty rates around or above the state’s already high poverty rate and substantially lower median household incomes than the state average. The North Central counties rely on tourism and have service-based economies with concentrations of low paying jobs. For many years, mining in Questa provided some high-paying jobs; however, the mine permanently closed in 2014.

The major drivers of higher-paying jobs in North Central New Mexico are Los Alamos National Laboratories and government employment in the state capitol of Santa Fe. Los Alamos and Santa Fe are the only counties in the region with positive growth rates, with Los Alamos having the highest



**Figure 64: North Central New Mexico  
Santa Fe, Rio Arriba, Taos, San Miguel,  
Los Alamos, Colfax and Mora Counties**

growth rate in the state. Both counties have lower-than-average poverty rates and higher-than-average incomes. Los Alamos County also boasts one of the highest median household incomes in the nation, clearly an anomaly in a poor state. Increased economic activity in these areas has made rental housing and homeownership unaffordable to low-income residents. Shortages of quality affordable housing means that much of the workforce must commute from other cities such as Albuquerque and Espanola.

For all of these reasons, a high priority should be placed building and rehabilitating affordable multifamily properties in this area. Weatherization and energy-efficiency improvements are equally important, given low temperatures and the fact that many rural residents rely on propane—an expensive heating option—to heat their homes.

# HOUSING NEEDS

## North Central New Mexico

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Throughout the North Central region there is a need for single family and multifamily development that are affordable to households with low and moderate incomes. The City of Santa Fe has been successful in working with a variety of housing partners including affordable housing developers, lenders, and housing counseling agencies that include Homewise, the Santa Fe Civic Housing Authority, and the Santa Fe Community Housing Trust. The success these organizations have had in creating housing options for both renters and homeowners should be duplicated in other North Central New Mexico counties.

**Owner-Occupied Housing:** With the exception of Santa Fe and to some extent Taos, North Central New Mexico suffers from aging housing stock and lack of new development. Construction is generally expensive in this remote, mountainous region, and the tourism economy has inflated housing prices. In Santa Fe and Taos, for-sale homes are now priced beyond the means of most locals, in part because a substantial portion of the housing stock is used for second homes and vacation rentals. Older homes that are candidates for rehabilitation are often priced high in Santa Fe and Taos but could be an important component of mid-priced housing in places like Las Vegas and Raton.

Furthermore, homeownership programs such as homebuyer counseling, down payment assistance and FHA loans can increase homeownership opportunities for low- and moderate-income households. In areas like Rio Arriba and Taos counties where many families own land or where land is affordable, supporting the purchase of quality manufactured housing would also increase housing opportunities for these households.

**Rental Housing:** All counties in North Central New Mexico can support new apartment development. Santa Fe and Los Alamos counties can support both market rate and affordable apartments; counties with lower-income populations can support affordable developments.

# HOUSING NEEDS

## North Central New Mexico

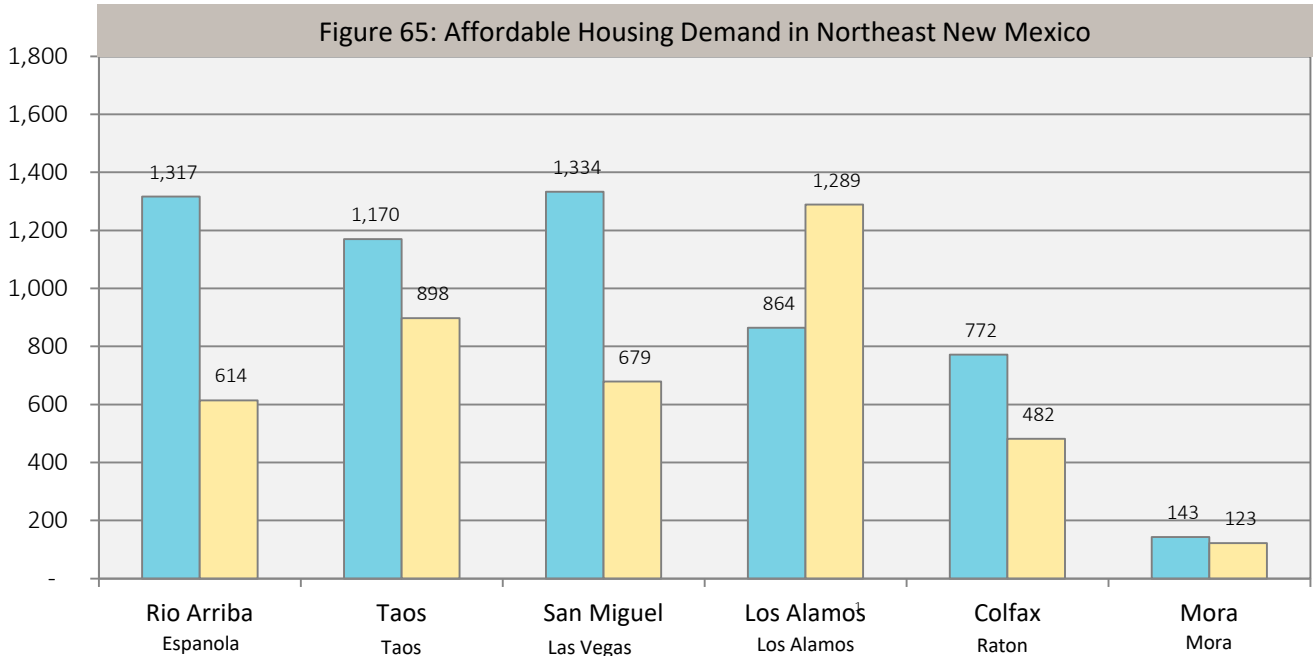
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- **Permanent Supportive Housing for Special Needs Populations.** Santa Fe County has the state’s second highest rate of homelessness, which could be reduced by developing subsidized rental units that offer essential health services to residents. Rio Arriba County continues to deal with homelessness and destabilized families as a result of the opioid crisis and could similarly benefit from permanent supportive housing.
- **Apartments in Colfax and Mora Counties** With some exceptions, small declining populations in these counties would make significant new development hard to support. Rehabilitating and weatherizing existing housing stock would better serve homeowners and renters in single family homes. However, some scattered site development for senior housing would create more local housing opportunities for the aging population that currently lives in this region. In Angel Fire and Eagle Nest, where tourism has pushed up housing cost, new multifamily development would expand affordable housing options for both permanent residents and the seasonal workforce.
- **Single Family Rentals** Many communities have vacant single family homes that could be repurposed as affordable rentals to meet local demand. This model could be used for larger cities like Raton, which is losing population and has high vacancy rates, as well as small villages that only need a handful of rentals to support their population.

# Demand for Affordable Rental Units

## Northeast New Mexico

- Estimated Shortage of Affordable Units
- Estimated Number of Renter Households Eligible for Down Payment Assistance



# HOUSING NEEDS

## Eastern New Mexico

Eastern New Mexico is the most rural and sparsely populated region of the state. Four of the state's six counties that have a population of less than 5,000 are located here. Historically, the region played an important role in trade via the Santa Fe Trail, the railroad and Route 66 (present-day I-40). Agriculture, including peanut and cotton farming and cattle ranching for meat and dairy, continue to be economic staples. The region is home to Cannon Air Force Base in Clovis, Eastern New Mexico University in Portales and Mesalands Community College in Tucumcari. In recent years, a cheese manufacturing plant outside of Clovis, a wind farm and the Bravo Dome carbon dioxide gas field in Harding County have provided new economic opportunities for the region.

**Economic Conditions and Growth:** All counties in the Eastern region are losing population. The economies of Harding, De Baca and Union are concentrated in agriculture, gas extraction and wind energy. Guadalupe and Quay maintain tourist-based economies benefiting from Santa Rosa and Tucumcari's location on historic Route 66. Curry and Roosevelt are the largest counties and boast populations that are younger than most rural counties because of Cannon Air Force Base and Eastern New Mexico College. All other counties in the region have aging populations.

While poverty rates vary across the region, all counties have median household incomes below the state average. Incomes in Curry County are close to the state's median income, while Quay and Guadalupe are some of New Mexico's poorest.

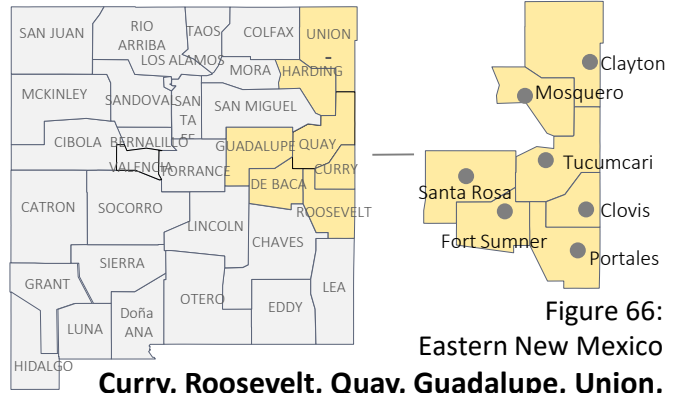


Figure 66:  
Eastern New Mexico  
Curry, Roosevelt, Quay, Guadalupe, Union,  
DeBaca and Harding Counties

**Owner-Occupied Housing:** Rehabilitation, weatherization and accessibility improvements to support the growing senior population is a high priority in Eastern New Mexico, which has the greatest concentration of old housing in the state. In Quay, Guadalupe, Union, De Baca and Harding County, less than 10 percent of the housing stock was built after 2000.

Quay, Guadalupe, Union, De Baca and Harding counties each reported less than 10 home sales in 2019, which is not atypical of these areas. Low home sales and population loss make new single family development unlikely. However, the high percentage of mobile homes in Guadalupe County indicates some demand for modern homeownership options in Santa Rosa.



# HOUSING NEEDS

## Eastern New Mexico

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**Rental Housing:** Rental needs in Eastern New Mexico differ significantly between the smaller and larger counties. Harding, De Baca and Union, which are small, have old and limited apartment stock. The two larger counties, Curry and Roosevelt, could more easily support new development.

- **Harding, DeBaca and Union Counties** New apartment development may seem unlikely for the region’s three smallest counties, due to their small and aging populations, negative growth rates and remote locations. However, all three counties have extremely old housing stock. What little multifamily development there is consists almost entirely of public housing built in the 1970s. Strategies to provide modern, quality rental housing include the continued use of single family homes for rent, particularly if those homes are rehabilitated and modernized, and possibly building new, scattered-site apartments in communities where the population is concentrated. If new apartments are built, they should have a variety of rent levels and apartment sizes and should definitely include senior housing.
- **Quay and Guadalupe Counties** The populations of Quay and Guadalupe counties are concentrated in the cities of Tucumcari and Santa Rosa. While Tucumcari has a larger population than Santa Rosa, both benefit from being located along I-40, which gives rise to a small tourist economy.

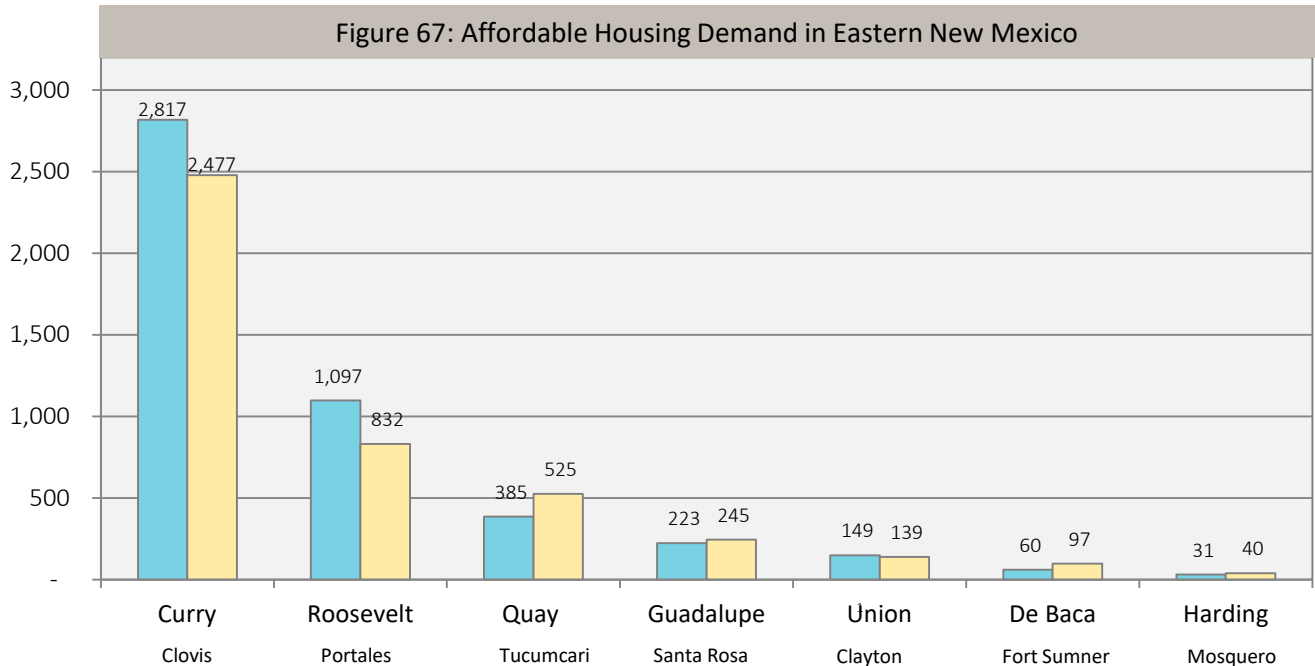
Development of rental housing should support the needs of the local workforce, which includes service workers, personnel at the corrections facility outside of Santa Rosa and the student population attending Mesalands. Both cities have an inventory of five to seven apartment communities, with most being affordable and built in the 1970s to mid-1990s. The 2019 BBER Rental Survey reports higher-than-average vacancy rates in both Quay and Guadalupe Counties. New development may be most marketable to seniors, who make up a large percentage of the area’s population.

- **Curry and Roosevelt Counties** Curry and Roosevelt are larger counties where the cities of Clovis and Portales serve as the primary markets for jobs and housing. Both have a higher-than-average number of renters due to Cannon Air Force Base and Eastern New Mexico College. Each community has a decent inventory of apartments, both affordable and market-rate, as well as more recent development activity. Rental housing development should be focused on rehabilitating aging properties. New development in Clovis or Portales could serve both the younger, more transient, population of students and Air Force members, as well as the area’s senior population.

# Demand for Affordable Rental Units

Eastern New Mexico

- Estimated Shortage of Affordable Rental Units
- Estimated Number of Renter Housholds Eligible for Down Payment Assistance

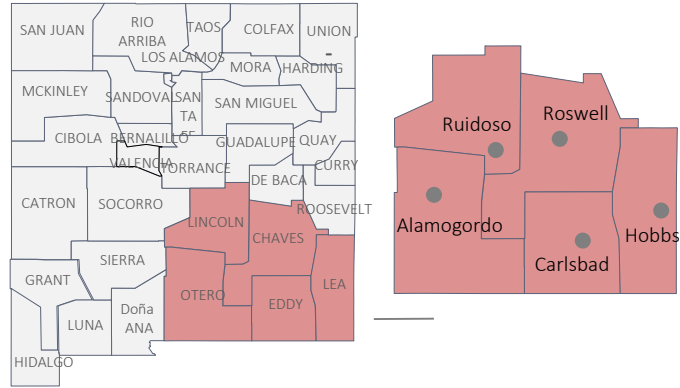


# HOUSING NEEDS

## Southeast New Mexico

Southeast New Mexico is a diverse region whose economy depends on oil extraction, the military and tourism. Population is concentrated in the cities of Hobbs and Carlsbad, with Artesia and Eunice playing important roles in refining and uranium enrichment. The City of Roswell is also impacted by oil production but stands on its own as a major tourist and commercial center and home to a regional airport and the New Mexico Military Institute. Otero County, whose population is concentrated in and around Alamogordo, has an economy driven by Holloman Air Force Base and White Sands Missile Range. Finally, Lincoln County boasts a tourist-based economy drawn from its scenic national forest and associated recreation activities. Its population is concentrated in the small cities of Ruidoso and Ruidoso Downs.

**Economic Conditions and Growth:** In Lea and Eddy counties, the booms and busts of oil production have created unique challenges for housing, which is expensive and in short supply when oil prices are stable or high but suffers from depreciation and disinvestment when prices and jobs fall off. Oil production in the Southeast began to recover in 2008 after a devastating bust period that began in the 1970s. The recovery began in Hobbs, which caused a housing crisis in Carlsbad and even in Roswell. Accordingly, population data shows Lea and Eddy Counties were growing during this time period.



**Figure 68: Southeast New Mexico  
Lea, Otero, Chaves, Eddy and Lincoln Counties**

Low vacancy rates across all types of rental units (including hotels), costly rent prices and the establishment of “man camps” suggest a dire need for more housing in these counties. However, the double hit of the coronavirus pandemic and oil market declines have resulted in a slowdown of the extraction industry, which makes the timing of new housing development uncertain.

Lincoln County’s economy has been stable. However, due to a high rate of vacation rentals and second homes in Ruidoso, the community continues to struggle to provide affordable housing for service workers and its essential workforce. Smaller towns in Lincoln County, including Lincoln, Carrizozo and Capitan, continue to develop tourist economies, which may affect housing affordability for local residents in the future.

# HOUSING NEEDS

## Southeast New Mexico

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**Owner-Occupied Housing:** Until recently, all counties in Southeast New Mexico could support new owner-occupied housing. Strong oil production was fueling new subdivision development in the Carlsbad area, and builders were continuing to develop in Hobbs. However, with oil production falling and operations scaling back, market-rate home construction may slow.

Single family home development is still important for the Southeast, especially where housing stock is aging and population growth has been positive over the last year. New single family homes could offer the region's residents an alternative to mobile homes. Rehabilitation and weatherization initiatives could also increase options for safe and energy efficient homes.

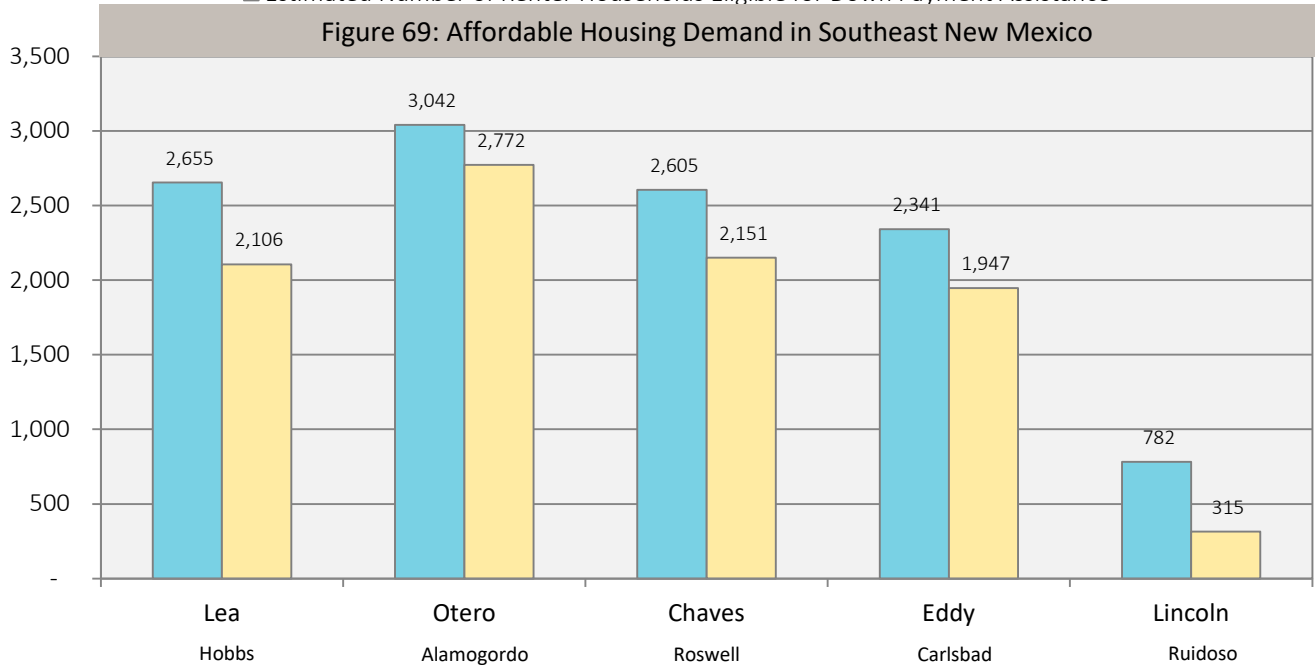
**Rental Housing:** All counties in Southeast New Mexico have a deficit of rental apartments and can support new development. The following are considerations related to new apartment development:

- **Rental Housing for a Fluctuating Workforce** Small- and moderate-sized scattered site rental housing development in oil- and gas-producing counties will alleviate the pressure on the rental market when oil and gas prices are high but can also be absorbed by more permanent residents during periods of low production.
- **Senior Apartments.** There are very few senior apartments in Otero, Lea and Lincoln counties. New senior apartments are needed to support the current senior population.
- **Balance of Affordable and Market Rate Apartments** At the time of data collection, household incomes in Eddy and Lea counties were substantially higher than the state median. Otero, Chaves and Lincoln counties were slightly below. It is important that a balance between market-rate and affordable units be maintained, especially in markets where there is upward pressure on rents. This is true in Ruidoso, with its high number of vacation rentals and second homes, and also true in Carlsbad and Hobbs, where boom periods cause rental rates to skyrocket.

# Demand for Affordable Rental Units

Southeast New Mexico

■ Estimated Shortage of Affordable Rental Units  
■ Estimated Number of Renter Households Eligible for Down Payment Assistance

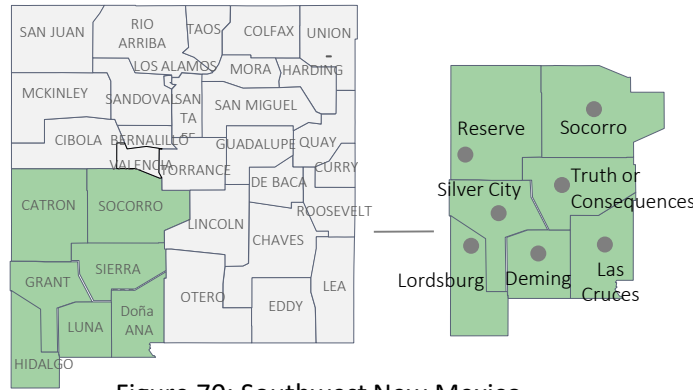


# HOUSING NEEDS

## Southwest New Mexico

Southwest New Mexico is anchored by Doña Ana County and the city of Las Cruces, which is the state's second largest city and home to New Mexico State University. Las Cruces has historically been a fast-growing city, and Doña Ana County stands out in the region today for positive growth and a young population. Most of the region has a high rate of agricultural employment including cattle, pecan, chile and wine production, and is developing tourism through its national forests and monuments, lakes and historic sites. Grant County is unique as a center of mining activity, and Socorro County is home to the state's highly-ranked science and engineering school, New Mexico Tech. Many aspects of the region are influenced by the U.S.-Mexico border including trade zones, industrial park development, federal and agricultural employment, a large Spanish-speaking population and colonia communities. The region has a high concentration of households with seniors.

**Economic Conditions and Growth** Adjacent to El Paso, Texas, the Santa Teresa/Sunland Park border area in Doña Ana County stands out in the region for its recent economic growth and development. The area continues to experience high rates of industrial development at the Santa Teresa Port of entry. Every effort is being made to drive economic activity, including housing development, to the New Mexico side of the state line. However, much of the demand for services and housing is absorbed by the larger city of El Paso.



**Figure 70: Southwest New Mexico Doña Ana, Grant, Luna, Socorro, Sierra, Hidalgo and Catron Counties**

There are several workforce dynamics that impact housing in Southwest New Mexico. The seasonal agricultural industry creates pressures and demand for quality housing for farmworkers, especially in Las Cruces, Hatch and Deming. Higher-paid workers at Deming's recently-built industrial parks and the Lordsburg Station of the U.S. Customs and Border Patrol lack housing options due to stagnant development in these communities. Amenities and housing for students are important in Las Cruces, Silver City and Socorro, each with their own four-year universities.

The entire Southwest region is lower income. All counties have poverty rates above the state average of 20%, with Luna having the highest rate at 30.2%.

Median household incomes in the region are also far lower than that of the state, the highest being \$42,480 in sparsely-populated Catron County. All counties have high rates of mobile homes, and, with the exception of Doña Ana County, have aging populations and little new housing stock.

# HOUSING NEEDS

## Southwest New Mexico

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**Owner-Occupied Housing:** For the rural counties of the Southwest region, rehabilitation, weatherization and accessibility improvements to improve older housing stock and support the aging population is critical. New single family development can likely be supported in the municipalities of Silver City, Deming, Socorro and Truth or Consequences. These communities have high homeownership rates, aging housing, lack of recent development and high numbers of mobile homes. New residential development is more difficult to justify in Lordsburg and Hidalgo County where there are less than 10 home sales per year and in Catron County where the population is dispersed among large, private ranches.

Las Cruces and Doña Ana county have strong home sales, and new residential development is occurring in the Santa Teresa/Sunland Park area. Both substantial rehabilitation and quality new housing are needed in Doña Ana County's many colonia communities, some of which support large and growing populations. In some areas, infrastructure is needed to support new development.

**Rental Housing in Rural Southwest Counties:** In Luna, Hidalgo and Sierra counties where populations are low and declining, maintaining or improving the quality of existing rental housing stock should be prioritized. High vacancy rates and low renter populations suggest significant new development would be difficult to support. If economic activity associated with the New Mexico Port of Entry increases, it is conceivable that future demand for new rental housing would be more feasible.

- **Senior Housing** There is a high percentage of households with senior members throughout this region. Senior apartments would create an alternative to costly renovations of aging and non-accessible homes and could provide greater access to support services. Las Cruces and mid-size cities like Silver City, Deming and Socorro have adequate demand to support new senior housing.
- **Doña Ana County** Doña Ana County is the only urban county in the Southwest region. Apartment stock is concentrated in Las Cruces, Anthony, Santa Teresa, Sunland Park and Hatch. Priorities for Doña Ana County include new affordable apartments in and around Las Cruces where incomes and vacancy rates are low. Additional multifamily development is needed in Santa Teresa/Sunland Park where there is considerable demand due to economic growth spilling over from El Paso. New market-rate apartments targeted to the area's workforce and student population will also ease rental market pressure.
- **Grant County** Low vacancy rates and a limited supply of units in multifamily properties suggest rental housing development in Grant County could be supported. Smaller units would create affordable options for Western New Mexico University students and the county's workforce. Similarly, the county's senior population, which is likely to live in older, substandard homes, could also support multifamily development.

# HOUSING NEEDS

## Southwest New Mexico

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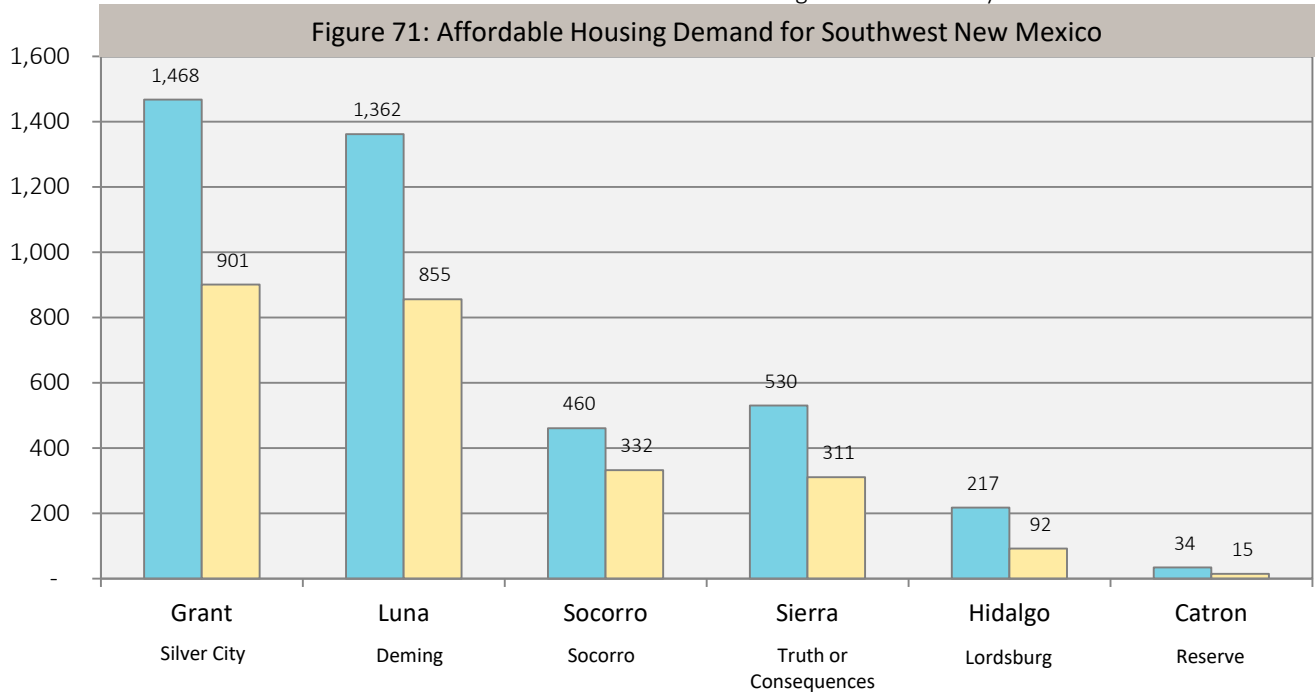
- **Luna County** There are 14 multifamily properties in Luna County. These apartment communities were built more recently than those in surrounding counties, with some constructed in the 1990s and others in the early 2000s. The units are primarily one-, two- or three-bedroom, with a few four-bedroom and efficiency units. The overall vacancy rate is 6.2%, which is higher than the state average. Vacancies are similar across unit type. New development should focus on housing for low-income households and farmworkers and should include senior housing.
- **Socorro County** Affordable rentals in Socorro County consist mainly of one-bedroom apartments. There are no efficiencies and few two-and three-bedroom options. The overall vacancy rate is 4.7%. New construction should include senior housing to improve the housing options for the county's aging population.
- **Sierra County** Sierra County has four multifamily properties. Similar to Socorro County, one-bedroom units are the most common. The county has no efficiencies, very few two-bedroom units and a handful of three-bedroom units. The overall vacancy rate is low at 3.1 percent. New apartments should include senior housing and two- bedroom units.
- **Hidalgo County** Hidalgo County is one of six New Mexico counties with a population of less than 5,000. Most of the multifamily housing in the county is public housing that was built in the 1970s. As with smaller counties in Eastern New Mexico, it is recommended that new development include housing for seniors, low-income renters and the higher-paid U.S. Border Patrol workforce that is stationed in Lordsburg.
- **Catron County** Neither BBER nor the U.S. Census identifies any apartments in Catron County, although some single family homes and mobile homes are used as rentals. Because the number of renters is very low and the population is dispersed throughout Catron County, rental housing is best provided through single family homes, which is currently the case.



# Demand for Affordable Rental Units

## Southwest New Mexico

- Estimated Shortage of Affordable Rental Units
- Estimated Number of Renter Households Eligible for Down Payment Assistance



# Tab 15

## 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).



## ***Commonly Used Housing & Finance Acronyms***

2MP	Second Modification Program
ACC	Annual Contributions Contract
ACED	Area of Chronic Economic Distress
AFHMP	Affirmative Fair Housing Marketing Plan
AGMI	Area Gross Median Income
AHA	Affordable Housing Act or Albuquerque Housing Authority
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
ARRA	American Recovery and Reinvestment Act
ASDN	Area(s) of Statistically Demonstrated Need
BA	Budget Authority
BBER	Bureau of Business and Economic Research (UNM)
BHC	Behavioral Health Collaborative
BIA	Bureau of Indian Affairs
BoS	Balance of State
BPRC	Business Plan Review Committee
BMA	Bond Market Association
CA	Contract Administration
CAA	Community Action Agency
CAPER	Consolidated Annual Performance and Evaluation Report
CBO	Community-Based Organization
CDBG	Community Development Block Grant
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
CFR	Code of Federal Regulations
CFPB	Consumer Financial Protection Bureau

CHDO	Community Housing Development Organization
CIP	Community Investment Program
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
CRA	Community Reinvestment Act
CSBG	Community Services Block Grant
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
ECOA	Equal Credit Opportunity Act
EDA	Economic Development Administration
EHAP	Emergency Homeless Assistance Program
EIV	Enterprise Income Verification
ELCDC	Enchantment Land Certified Development Company
eLOCCS	Line of Credit Control System
EHAP	Emergency Homeless Assistance Program
ESG	Emergency Solutions Grant
ERHA	Eastern Regional Housing Authority
Exchange	Housing Credit Exchange Program
FAMC	Federal Agriculture Mortgage Corporation
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)
FICO	Fair Isaac and Company (credit score)

FMR	Fair Market Rents
FNMA	Federal National Mortgage Association (Fannie Mae)
FSA	Financial Security Assurance
GAAR	Greater Albuquerque Association of Realtors
GNMA	Government National Mortgage Association (Ginnie Mae)
GO	General Obligation
GP	General Partner
GSE	Government Sponsored Enterprise
HA	Housing Authority
HAFA	Home Affordable Foreclosure Alternatives
HAMP	Home Affordable Modification Program
HAP	Housing Assistance Payments
HC	Housing Credit
HCA	Housing Credit Agency
HD or HDD	Housing Development Department
HERA	Housing and Economic Recovery Act
HFA	Housing Finance Agency
HMA	Heath Management Alliance
HHF	Hardest-Hit Fund
HMDA	Home Mortgage Disclosure Act
HMIS	Homeless Management Information System
HOEPA	Home Ownership and Equity Protection Act
HOME	HOME Investment Partnerships Program
HOPE	Homeownership Opportunities for People Everywhere
HOPWA	Housing Opportunities for Persons with AIDS
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
IMAX	Integrated Multifamily Access eXchange
iREMS	Integrated Real Estate Management System
IREM	Institute of Real Estate Management
IRS	Internal Revenue Service
JTPA	Job Training and Partnership Act
LDC	Local Development Corporation
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
LOC	Letter of Credit

LOC	Legislative Oversight Committee
LP	Limited Partner
LLP	Limited Liability Partnership
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
MHEA	Manufactured Home Energy Audit.
MF	Multifamily
MFA	New Mexico Mortgage Finance Authority
MIF	Mortgage Insurance Fund
MIP	Mortgage Insurance Premium
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
NCAIED	National Center for American Indian Enterprise Development
NCSHA	National Council of State Housing Agencies
NCSHB	National Conference of State Housing Boards
NEAT	National Energy Audit Tool
NFMC	NeighborWorks Foreclosure Mitigation Counseling
NHS	Neighborhood Housing Services Enterprise
NHTF	National Housing Trust Fund
NIBP	New Issue Bond Program
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 Fundings Availability
NRHA	Northern Regional Housing Authority

NRC	Neighborhood Reinvestment Corporation
NSP	Neighborhood Stabilization Program
OCAF	Operating Cost Adjustment Factor
OIG	Office of Inspector General
OMB	Office of Management and Budget
ONAP	Office of Native American Programs (HUD)
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
PJ	Participating Jurisdiction
PMA	Primary Market Area
PMI	Private Mortgage Insurance
PNM	Public Service Company of New Mexico
POA	Period of Affordability
(P)OS	(Preliminary) Official Statement
PRIMERO	Primero Loan Fund
PRLF	Preservation Revolving Loan Fund
PUD	Planned Unit Development
QAP	Qualified Allocation Plan
QC	Quality Control
QC	Qualified Contract
QCT	Qualified Census Tract
RANM	REALTORS Association of New Mexico
RAP	Rental Assistance Program
RD	Rural Development
RDIC	Rural Development Investment Council
REMIC	Real Estate Mortgage Investment Conduit
REO	Real Estate Owned
RESPA	Real Estate Settlement Procedures Act
RFP	Request for Proposals
RFQ	Request for Qualifications
RFQ	Request for Quotes
RHA	Regional Housing Authority
RHED	Rural Housing and Economic Development
RHS	Rural Housing Service
RLF	Revolving Loan Fund

RS	Risk Share or Risk Sharing Loan
RTC	Resolution Trust Corporation
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
SF	Single Family
SHA	State Homeless Assistance
SHOP	Self-Help Homeownership Opportunity Program
SHP	Supportive Housing Program
SHPO	State Historic Preservation Office
SIC	State Investment Council
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
TIF	Tax-Increment Financing
TOHILA	Title I Home Improvement Lenders Association
TRACS	Tenant Rental Assistance Certification System
UA	Utility Allowance
UPCS	Uniform Physical Conditions Standards
USDA	US Department of Agriculture
VA	Department of Veterans Affairs
VAFF	VA Funding Fee
VASH	Veterans Affairs Supportive Housing
VAWA	Violence Against Women Act
VRP	Veteran's Housing Rehab & Modification Pilot Program
VRDO	Variable Rate Demand Option
WAP	Weatherization Assistance Program
WBE	Woman-Owned Business Enterprise



WRHA  
YDHP

Western Regional Housing Authority  
Youth Development Homeless Program