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FISCAL IMPACT REPORT

SPONSOR: Boitano DATE TYPED: 02/09/03 HB _____

SHORT TITLE: Fetus As Dependent Child for MFA Loan SB 430

ANALYST: Kehoe

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
NFI		See Narrative	Recurring	Federal

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Regulation & Licensing Department,
 Financial Institutions Division (FID)
 Office of Attorney General (AGO)
 New Mexico Mortgage Authority (MFA)
 Legislative Finance Committee Files (LFC)

SUMMARY

Synopsis of Bill

Senate Bill 430 requires the New Mexico Mortgage Finance Authority (MFA), by rule, to classify a nine month old or older in utero fetus as a dependent child for the purpose of determining loan assistance eligibility.

Significant Issues

The New Mexico Mortgage Finance Authority is a semi-autonomous instrumentality of the State of New Mexico created under the Mortgage Finance Act (Laws of 1975, Chapter 303), and authorized to administer various programs to assist low- and moderate-income persons in the state with financing of housing. The majority of housing and community development resources administered by MFA are characterized as “federal” and “other.” Nearly all loan programs administered by MFA require compliance, either directly or indirectly, with federal law and regulations (OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) that control MFA eligibility requirements for loans.

Federal resources comprise the four Housing & Urban Development (HUD) formula grants awarded to the state each year (Small Cities Community Development Block Grant, Home Investment Partnerships Program, Emergency Shelter Grant and Housing Opportunities for Persons with AIDS), as well as HUD-funded grants for which the MFA, the Department of Finance and Administration's Local Government Division, and partner agencies compete (Supportive Housing Program, Rural Housing and Economic Development, Housing Counseling). Federal resources also include Internal Revenue Service-funded mortgage revenue bonds and Low Income Housing Tax Credits, Weatherization Assistance Program monies awarded by the Department of Energy and Department of Agriculture-funded rural housing dollars. *Other* resources consist of MFA Housing Opportunity and General Fund dollars, taxable bonds, 501©(3) bonds state appropriations and the Land Title Trust Fund.

Certain mortgage loans of the Authority are insured by the Federal Housing Administration (FHA) and partially guaranteed by the Veterans Administration (VA). The Authority also participates in the Risk Sharing loan program. Under the program, the Department of Housing and Urban Development (HUD) provides credit enhancements for multi-family housing project loans. HUD and the Authority share in the risk of loss on the mortgage.

FISCAL IMPLICATIONS

According to the New Mexico Office of Attorney General, any rule adopted by MFA to recognize an in utero fetus of a woman in her ninth or later month of pregnancy as a dependent child for loan eligibility purposes, may have no effect under federal eligibility requirements and may jeopardize MFA's continued receipt of federal funds or participation in federal program with eligibility requirements in conflict with such a rule.

LMK/yr