

LFC Requester: _____

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment
Correction Substitute

Date 2/7/2024

Bill No: HB 293cs

Sponsor: J. Anyanonu; P. Herndon
Short Title: CREDITWORTHINESS
ASSISTANCE PROGRAM

Agency Name and Code DFA-341
Number: _____
Person Writing Maureen Ayers
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	250.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE
COMMITTEE SUBSTITUTE ANALYSIS

House Bill 293 Committee Substitute (HB 293cs) makes a \$250 thousand appropriation to the Department of Finance and Administration (DFA) for the NM Mortgage Finance Authority to create a Creditworthiness program to provide financial assistance to tenants and landlords for rent assistance and property damage.

The HB 293cs simplifies the language of HB293 by summarizing the intent of the Bill and removing the Affordable Housing Act amendment citations and language of the original Bill.

Any unencumbered or unexpended balance remaining at the end of a fiscal year shall not revert to the general fund.

ORIGINAL BILL SUMMARY

House Bill 293 (HB 293) creates the creditworthiness assistance fund and program via assistance grants and budget training with a \$250 thousand appropriation in FY25 and subsequent years from the general fund to DFA to contract with NM Mortgage Finance Authority (MFA). The bill includes amendments to the Fair Housing Act (FHA) to enact and include the fund and program into the FHA, and establishes the parameters of the program, including purpose, eligibility, and program design.

FISCAL IMPLICATIONS

The appropriation for \$250 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SIGNIFICANT ISSUES

According to the NM Affordable Housing Needs Assessment, May 2020, NM has a 20% poverty rate, with housing costs that have outpaced wage growth, resulting in increased risk of eviction for low-income renters and the highest increase in homelessness.

The intent of this creditworthiness program is to help address pressing affordable housing needs by providing grants for rent assistance and improving financial success through budget training and improving creditworthiness.

This program will help stabilize the lives of low-income renters by improving tenant financial literacy and providing financial assistance when needed, while also helping alleviate landlords' financial risk.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

A grant agreement will be issued between DFA and MFA.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Not enacting this bill will allow the affordable housing crisis to degrade further and low-income individuals will continue to be at increased risk for homelessness and increased poverty.

AMENDMENTS