

LFC Requester:	Antonio Ortega
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.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}

Date Prepared: 1/23/2026 *Check all that apply:*
Bill Number: HB 139 Original Correction
 Amendment Substitute

Sponsor: Janelle Anyanonu **Agency Name** 992 – New Mexico Mortgage
Short NM HOUSING TRUST FUND **and Code** Finance Authority
Title: **Number:** (Housing New Mexico | MFA)
Person Writing Robyn Powell
Phone: 505-757-2271 **Email** rpowell@housingnm.org

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	\$135,000	Nonrecurring	General Fund

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
NA	NA	NA	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected

Total	\$0	\$0	\$0	\$0	\$0	\$0
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(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None
 Duplicates/Relates to Appropriation in the General Appropriation Act: None

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 139 makes a one-time, non-reverting, appropriation of \$135 million from the general fund to the New Mexico Housing Trust Fund (NMHTF) for expenditure beginning in fiscal year 2027.

The legislature established the NMHTF in 2005 to fund the acquisition, building, rehabilitation, preservation, financing, weatherization, and home energy efficiency upgrades for low to moderate income New Mexicans. The New Mexico Mortgage Finance Authority, as the Trustee of the NMHTF, has established programs, partnerships, and administrative capacity to effectively utilize state funds for housing development, preservation of existing affordable housing, and homeownership programs across the entire state.

Since July 2023 (State Fiscal Year 2024), the New Mexico Mortgage Finance Authority has received 2.5% of the severance tax bond capacity, which has ranged from \$34.6 million to \$44.7 million. In the 2.5 years since funding from the NMHTF severance tax bond earmark legislation became available, the New Mexico Mortgage Finance Authority has allocated 100% (\$166,913,415) to various programs and activities, encumbered 100% (\$166,913,415) of the funds, awarded 85% (\$142,697,191) to grantees, and expended 45% (\$74,467,514) of the total allocations. This includes \$116.91 million from the severance tax bond earmark (state fiscal years 2024, 2025 and 2026) and the one-time \$50 million appropriation made available July 1, 2024. This funding has assisted over 8,200 families throughout the state. This performance demonstrates the need and the New Mexico Mortgage Finance Authority’s statewide infrastructure and capacity to efficiently deploy funding and serve households in need.

FISCAL IMPLICATIONS

The passage of **House Bill 139** would result in a one-time, non-reverting, appropriation of \$135 million from the general fund to the NMHTF. The appropriation does not impact the state operating budget because the New Mexico Mortgage Finance Authority, as a self-supporting quasi-governmental entity, does not rely on the state for any operational funding.

SIGNIFICANT ISSUES

Need – According to data provided by the Root Policy, New Mexico’s projected total units need by 2045 are 57,979 units- comprised of 39,338 ownership units and 18,641 rental units. In 2024, US Census Building Permit Survey and Root Policy showed that the total number of building permits requested was just under 8,000 units. The 2025 New Mexico Housing Needs Assessment found that the state’s median household income increased 22.2% (from \$48,059 to \$62,125) from 2018 to 2023, while the median home price increased 72.5% (from \$200,000 to \$345,000). As home prices outpace wage growth, the ability to achieve homeownership becomes more difficult. Preservation of the current housing stock is crucial as the American Community Survey

(2023 5-Year Estimates) states that 42.6% of the housing supply was built prior to 1980.

A transformative investment to the NMHTF is required to address the vast housing needs facing the state. The New Mexico Mortgage Finance Authority would use this appropriation to mitigate the affordable housing crisis in the state in the following ways:

- Build homeownership and rental housing,
- Supply downpayment assistance,
- Rehabilitate aging housing stock,
- Fund homelessness and homelessness prevention programs,
- Invest in innovative affordable housing developments.

Impact – An investment of \$135 million would allow the New Mexico Mortgage Finance Authority and its partners to serve an estimated 5,200 New Mexicans.

In the table below, the New Mexico Mortgage Finance Authority forecast that \$181 million is needed to serve New Mexico’s affordable housing needs, based on the organizational capacity, partner capacity, established pipelines, and the demand within the state. The New Mexico Mortgage Finance Authority estimates a \$135 million gap in funding after the estimated severance tax bond allocation of \$45 million in state fiscal year 2027. Without additional funding from this appropriation, there will not be sufficient resources available to fund the current pipeline and capacity and would result in a decrease from current production. The \$135 million appropriation will create the conditions for non-profit services providers to maintain and increase capacity to grow their impact and incentivize affordable housing developers and community development organizations to expand their pipelines in New Mexico.

Impact Area	Investment Cost		Assistance Target	Total Investment
Down Payment Assistance*	\$10,000	per borrower	2,000	\$20,000,000
Rental Housing Development*	\$50,000	per unit	1,400	\$70,000,000
Single Family Housing Development*	\$150,000	per unit	500	\$75,000,000
Home Rehabilitation and Preservation for Veterans, Seniors, Disabled People, and other Special Populations	\$25,000	per unit	200	\$5,000,000
Homeless and Homelessness Prevention – Permanent Supportive Housing	\$50,000	per unit	100	\$5,000,000
Homeless Services and Prevention	\$ 6,000	per household	1,000	\$6,000,000
Total NMHTF Demand			5,200	\$181,000,000
Estimated Severance Tax Bond Allocation to the NMHTF				\$45,000,000
Estimated Program Income Earned by the NMHTF				\$1,700,000
Funding Gap				\$134,500,000
*Funding for these uses is typically issued as a loan and generates program income.				

The New Mexico Mortgage Finance Authority balances NMHTF allocations to programs based on two primary criteria: meeting housing needs throughout the state and maintaining the sustainability of the funding source while meeting the NMHTF requirements to include leverage requirement.

While the statutory leverage requirement is three to one, the New Mexico Mortgage Finance Authority currently maintains a leverage requirement of 12 to 1. Downpayment assistance and rental and single-family housing development are typically administered as loans, generating

program income and significant leverage. The minimal amount of funds allocated as grants are prioritized for programs serving the most vulnerable populations, including those facing or experiencing homelessness as well as very low-income seniors and veterans.

Affordable Housing Defined – Housing is considered affordable when housing costs do not exceed 30% of household income. The Mortgage Finance Authority Act allows the New Mexico Mortgage Finance Authority to serve households earning up to 150% area median income (AMI) with the New Mexico Housing Trust Fund. This upper limit helps in providing homeownership opportunities and reaching the “working families/missing middle.”

PERFORMANCE IMPLICATIONS.

As the state’s affordable housing finance agency, the New Mexico Mortgage Finance Authority has dedicated homeownership, housing development, and community development departments that would immediately be able to implement the funding. The asset management department ensures compliance with all of the affordable housing requirements. The New Mexico Mortgage Finance Authority has an extensive network of providers statewide and established affordable housing request for proposals, notice of funding availabilities, and other procurement mechanisms to ensure that funding is efficiently distributed throughout the state in a fair and competitive process.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS