



HB 168 New Homes for New Mexico  
HB 200 New Homes for New Mexico  
Duplicates/Relates to Appropriation in the General Appropriation Act:

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

House Bill 176 proposes to create a “zero interest down payment loan fund for first time home buyers”. Additionally, House Bill 176 proposes redirecting distribution into the early childhood education and care fund, the behavioral health trust fund and the Medicaid trust fund to be made to the zero interest down payment loan fund.

- The down payment loans could cover up to 20% of a home’s purchase price.
- The loans are secured by a 30-year lien on the property, must be repaid if the home is sold before 30 years, and allow foreclosure in cases of default
- Eligibility is limited to households earning less than 400% of the federal poverty level.

The **New Mexico Mortgage Finance Authority** is tasked with administering the program, setting application procedures, and adopting rules to implement the fund

The bill takes effect on **July 1, 2026**.

#### **FISCAL IMPLICATIONS**

House bill 176 does not include a discrete appropriation but would fund the “zero interest down payment loan fund for first time home buyers” by redirecting certain excess state revenues—including surplus oil and gas extraction tax revenues and federal Mineral Leasing Act receipts—from the Early Childhood Education and Care Fund, Behavioral Health Trust Fund, and Medicaid Trust Fund to the new housing fund after reserve requirements are met Remaining excess revenues continue to flow to the Severance Tax Permanent Fund

#### **SIGNIFICANT ISSUES**

The New Mexico Mortgage Finance Authority currently administers three downpayment assistance programs that serve more than 2,000 households annually, most of whom are first time homebuyers, including:

- FirstDown – downpayment assistance for first time homebuyers with moderate income limits, which for example in the Albuquerque Metropolitan Statistical Area (MSA) (Bernalillo, Sandoval, Torrance, and Valencia County) is \$98,254 for a 1-to-2-person household and \$112,992 for households with 3 or more members. This downpayment assistance can be layered with other downpayment assistance programs.’
- FirstDown Plus – A third mortgage down payment assistance loan designed to provide additional down payment to first-time homebuyers qualified to use the New Mexico Mortgage Finance Authority’s FirstHome program. Previous homeowners who have not owned and occupied a home as their primary residence in the past three years may also be eligible for the program.
- HomeNow - downpayment assistance for first-time homebuyers who have lower household incomes. The loan has a 0% interest rate and may be forgiven after 10 years if certain conditions are met. The income limits for this program, for example, in Bernalillo County for a 3-person household is \$65,800.

Creating a new unfunded program will require a rule making period, as well as time for lender

education.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Other downpayment assistance program legislation that have been introduced this session to date include:

- HB 24 Professional Recruitment and Retention Act
- HB 168 New Homes for New Mexico
- HB 200 New Homes for New Mexico

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

## **AMENDMENTS**