

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: 1/29/2026 *Check all that apply:*
Bill Number: HB 168 Original Correction
Amendment Substitute

Sponsor: Cristina Parajon **Agency Name** 992 – New Mexico Mortgage
Javier Martinez **and Code** Finance Authority
Short NEW HOMES FOR NEW **Number:** (Housing New Mexico | MFA)
MEXICO **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		
	\$25,000	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	NA	NA	NA	NA	NA	NA
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(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Other legislation that proposes a downpayment assistance program -
 HB 24 Professional Recruitment and Retention Act
 HB 168 Create zero interest down payment assistance loan fund
 HB 200 New Homes for New Mexico

Duplicates/Relates to Appropriation in the General Appropriation Act: NA

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 200 amend the Affordable Housing Act by adding new material that would create the “new homes for New Mexico program.” The “new homes for New Mexico program” would be administered by the New Mexico Mortgage Finance Authority to provide loans for eligible home buyers to purchase starter homes from eligible builders. This program would be created with its own funding source and all program income generated would be reinvested into the fund. The New Mexico Mortgage Authority will administer the program by establishing program rules including: the application, eligibility requirements for a home buyers and builders, criteria for starter homes, loan disbursement and repayment, and periodic verifications of project.

The loans will be zero percent interest to the home buyers will not exceed \$50,000 per household or \$75,000 per household in a designated high-cost area, which includes Los Alamos, Santa Fe, and Taos County.

The requirements for eligible home buyers:

- First time home buyer
- Income certified at or below 120% area median income
- Home purchased is primary residence
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The New Mexico Mortgage Finance Authority will select homebuilders to participate in the program through a competitive procurement process based on the following criteria:

- Programmatic requirements:
 - The number of homes being built
 - Starter homes may not exceed 1,800 square feet
 - The lot of each starter home may not exceed 5,000 square feet
 - The projected sale price
- Marketing and sales strategies
- Timeline of entire project
 - Complete construction on a starter home within 3 years of program selection

FISCAL IMPLICATIONS

House Bill 200 appropriates \$25,000,000 from the general fund to the department of finance for expenditure by the New Mexico Mortgage Finance Authority to administer the program in fiscal year 2027 and subsequent years.

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

Fiscal Implications to the New Mexico Mortgage Finance Authority

The New Mexico Mortgage Finance Authority will be the administrative body of this program which may increase its overhead and operating expenses.

SIGNIFICANT ISSUES

Affordable Housing Act. House Bill 200 amends the Affordable Housing Act to create the new homes for New Mexico program, which would already be permissible under the Affordable Housing Act. The Affordable Housing Act is the affordable housing exception to the anti-donation clause in the New Mexico constitution and includes high level parameters for affordable housing donations and programs. The Affordable Housing Act does not authorize any specific affordable housing program or project, rather it provides the state, local governments, the New Mexico Mortgage Finance Authority, and school districts the ability to use public funds and assets for affordable housing purposes. The New Homes for New Mexico program as proposed is consistent with Affordable Housing Act requirements.

Potential increase in housing supply. With the subsidies the “new homes for New Mexico program,” proposes, this program may increase the number of qualified applicants who can purchase a new-construction home in New Mexico. It may also incentivize builders to construct more starter homes that are affordable to low and moderate income families.

Downpayment Assistance Programs. The New Mexico Mortgage Finance Authority currently administers three downpayment assistance programs, 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.

Single Family Development Programs. The New Mexico Mortgage Finance Authority currently administers the following single family development programs:

- **Construction loans** with a 60 month draw down infrastructure (infrastructure) or 36-month revolving line of credit (vertical construction). Single-family development loans will be underwritten with a base interest rate of 1.00%. Rates may be adjusted upward based on level of need and staff underwriting.
- **Zero Interest Homebuilder Program (ZIHP)** Loans combines low-cost construction financing for builders with mortgage programs and downpayment assistance for homebuyers. Homes financed by ZIHP will have a maximum sales price of approximately **\$250,000-\$325,000.**
- **Primero** provides pre-development funding and funding for the acquisition, construction, or rehabilitation of single-family homes to be owned by income qualified household.
- **HOME Investment Partnership** single family development program is designed to

provide below-market-rate loans to developers for land purchase, infrastructure development and construction of single-family homes for purchase by low-income households.

PERFORMANCE IMPLICATIONS

Performance Implications to the New Mexico Mortgage Finance Authority

The New Mexico Mortgage Finance Authority will develop the program criteria and will staff appropriately to administer a new program to eligible builders and eligible homebuyers.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 168 proposed the same new homes for New Mexico program, without amending the Affordable Housing Act. House bill proposes a \$10 million appropriation rather than the \$25 million appropriation included in House Bill 200.

TECHNICAL ISSUES

HB 200 requires that “the authority shall solicit competitive bids for eligible builders to participate in the program in accordance with the provisions of the Procurement Code.” MFA is not subject to State procurement as a quasi governmental entity. The New Mexico Mortgage Finance Authority has a board of directors that approves the organization’s procurement policies.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS