

LFC Requester:	Helen Gaussoin
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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: 2/3/2026 *Check all that apply:*
Bill Number: HB 251 Original Correction
 Amendment Substitute

Sponsor: Cristina Parajon **Agency Name** 992 – New Mexico Mortgage
NEW HOMES **and Code** Finance Authority
Short DEVELOPMENT PROGRAM **Number:** (Housing New Mexico | MFA)
Title: **Person Writing**
Analysis: 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		
	\$30,000	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:

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:

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 251 would amend the Affordable Housing Act by adding new material that would create the “new homes development program.” The “new homes development program” would be administered by the New Mexico Mortgage Finance Authority to provide grants to eligible homebuyers to purchase new homes. The New Mexico Mortgage Authority will administer the program by establishing program rules including: eligibility requirements for homebuyers, grant disbursement, and procedures for a repayment.

The homebuyer assistance grant will not exceed \$10,000 per qualifying grantee and will be used to purchase a home in which a certificate of occupancy has been issued within 12 months prior to the assistance being awarded. The assistance will be disbursed at the time the qualifying grantee enter into an agreement to purchase a home using home buyer assistance.

The New Mexico Mortgage Finance Authority will submit a report annually to the Mortgage Finance Authority Act oversight committee beginning July 1, 2027 to report the number of home buyer assistance grants awarded and recommendation for program continuation, alteration, expansion, or cancellation.

FISCAL IMPLICATIONS

House Bill 251 appropriates \$30,000,000 from the general fund to the department of finance and administration for expenditure by the New Mexico Mortgage Finance Authority to administer the program in fiscal year 2027 through 2029.

Any unexpended balance remaining at the end of fiscal year 2027 shall 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 251 amends the Affordable Housing Act to create the new homes development 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 development program as proposed is consistent with Affordable Housing Act requirements.

The Affordable Housing Act Rules define a “housing assistance grant” as the donation, provision, or payment by a governmental entity or MFA of: land, existing building, cost of acquisition, development, construction, financing and operating or owning affordable housing, or the costs of financing or infrastructure necessary to support Affordable Housing.

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.

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 homebuyers.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS