HOUSE BILL 200

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO HOUSING; CREATING THE NEW HOMES FOR NEW MEXICO PROGRAM; PROVIDING FOR PROGRAM ADMINISTRATION BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY; PROVIDING LOANS TO ELIGIBLE HOME BUYERS; PROVIDING FOR REPAYMENT; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Affordable Housing Act is enacted to read:

"[NEW MATERIAL] NEW HOMES FOR NEW MEXICO PROGRAM CREATED--PROGRAM REQUIREMENTS--REPAYMENT.--

A. As used in this section:

(1) "eligible builder" means a residential home builder that meets eligibility criteria for participation in the program;

(2) "eligible buyer" means a person seeking to

purchase residential property that meets eligibility criteria for participation in the program;

(3) "high-cost county" means Los Alamos, Santa Fe or Taos county;

(4) "program" means the new homes for New Mexico program; and

(5) "starter home" means a home built by an eligible builder to be purchased by an eligible buyer that meets eligibility criteria established by rules promulgated pursuant to this section.

B. The "new homes for New Mexico program" is created in the authority to provide loans for eligible buyers to purchase starter homes from eligible builders. The authority shall promulgate rules to carry out the provisions of this section.

C. The authority shall create an account for any money designated for the program. Loans for the program shall be provided from the account, and the account may consist of subaccounts as the authority deems necessary. Money from repayment of a loan granted pursuant to this section shall be deposited into the account and provided to future eligible buyers.

D. The authority may grant a loan to an eligible buyer to purchase a starter home from an eligible builder; provided that the eligible buyer:

(1) has not owned a home prior to acceptance into the program;

(2) earns a current annual income that is below one hundred twenty percent of the area median income in the county in which the starter home being purchased will be located, for a family of four, as determined by the United States department of housing and urban development; and

(3) resides in the starter home as the eligible buyer's primary residence.

E. The authority shall solicit competitive bids for eligible builders to participate in the program in accordance with the provisions of the Procurement Code. A competitive bid submitted pursuant to this subsection shall include:

(1) the number of homes the builder proposes to build;

(2) the projected price of each home;

(3) marketing and sales strategies; and

(4) a time line for completing the homes.

F. The authority shall promulgate rules to provide for:

(1) administration of the program;

(2) criteria for applications;

(3) eligibility criteria for eligible builders and eligible buyers;

(4) criteria for starter homes built by

eligible builders;

(5) criteria for loan disbursement and repayment;

(6) procedures to connect eligible buyers and eligible builders; and

(7) periodic verification that the starter home purchased pursuant to this section remains the eligible buyer's primary residence.

G. Applications for loans to purchase starter homes pursuant to this section shall be submitted to the authority on forms provided by the authority and shall include:

(1) documentation that the applicant earns a current annual income that is below one hundred twenty percent of the area median income in the county in which the starter home being purchased will be located, for a family of four, as determined by the United States department of housing and urban development; and

(2) other documentation required by the authority in rules promulgated pursuant to this section.

H. Loans granted pursuant to this section shall:

(1) not exceed fifty thousand dollars ($50,000) per household for a starter home located outside the jurisdictional boundaries of a high-cost county or seventy-five thousand dollars ($75,000) per household for a starter home within the jurisdictional boundaries of a high-cost county;

(2) bear an annual interest rate of zero percent; and

(3) be repaid upon:

(a) the sale of the property purchased with a loan granted pursuant to this section; or

(b) the failure of the eligible buyer to occupy the property purchased with a loan granted pursuant to this section as the eligible buyer's principal residence.

I. An eligible builder shall:

(1) not build a starter home that exceeds one thousand eight hundred square feet;

(2) not build a starter home on a lot that exceeds five thousand square feet;

(3) complete construction on a starter home within three years of program selection; and

(4) build starter homes that are affordable to an eligible buyer."

SECTION 2. APPROPRIATION.--Twenty-five million dollars ($25,000,000) is appropriated from the general fund to the department of finance and administration for expenditure in fiscal year 2027 and subsequent fiscal years for expenditure by the New Mexico mortgage finance authority to conduct the new homes for New Mexico program. Any unexpended balance remaining at the end of a fiscal year shall not revert to the general fund.