

HOUSE FLOOR SUBSTITUTE FOR
HOUSE BILL 200

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

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.

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

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

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

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

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

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

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

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

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

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

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

8 E. The authority shall:

9 (1) prioritize loans to purchase starter homes
10 from individual homeowners; and

11 (2) solicit competitive proposals for eligible
12 builders to participate in the program.

13 F. A competitive proposal submitted by an eligible
14 builder pursuant to this subsection shall include:

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

17 (2) the projected price of each home;

18 (3) marketing and sales strategies; and

19 (4) a time line for completing the homes.

20 G. The authority shall promulgate rules to provide
21 for:

22 (1) administration of the program;

23 (2) criteria for applications;

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

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- 1 (4) criteria for starter homes;
2 (5) criteria for loan disbursement and
3 repayment;
4 (6) procedures to connect eligible buyers to
5 individual homeowners or eligible builders; and
6 (7) periodic verification that the starter
7 home purchased pursuant to this section remains the eligible
8 buyer's primary residence.

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

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

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

20 I. Loans granted pursuant to this section shall:

21 (1) not exceed fifty thousand dollars
22 (\$50,000) per household for a starter home located outside the
23 jurisdictional boundaries of a high-cost county or seventy-five
24 thousand dollars (\$75,000) per household for a starter home
25 within the jurisdictional boundaries of a high-cost county;

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

3 (3) be repaid upon:

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

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

9 J. An eligible builder shall:

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

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

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

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

18 K. An eligible buyer may purchase a starter home
19 that is not built by an eligible builder with assistance
20 granted pursuant to this section.

21 L. Nothing in this section prohibits an eligible
22 buyer from making payments toward a loan granted pursuant to
23 this section prior to the sale of the property or failure to
24 occupy the property."

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