



NEW MEXICO
FINANCE AUTHORITY

Economic Development Revolving Fund Report

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- ◆ Statewide Economic Development Finance Act (“SWEDFA”) was established in 2003 to help stimulate the economy, particularly in rural and underserved areas of the state by creating financing tools that put New Mexico on par with neighboring states.
- ◆ The Economic Development Revolving Fund (“EDRF”) is the Fund created under SWEDFA from which NMFA makes loans. EDRF is currently segregated into six sub-accounts.
- ◆ Three of the sub-accounts are active:
 - ❑ **Energy Efficiency Revolving Loan Fund** is a Federally funded loan program to offer low-costs loans to commercial entities for energy efficiency upgrades
 - ❑ **Smart Money** is a State funded loan participation program
 - ❑ **Loan Participation Program (LPP)** is Federally funded State Small Business Credit Initiative (SSBCI 2.0) loan participation program
- ◆ Inactive sub-accounts include the 2011 SSBCI program, the SSBCI 2.0 Capital Access Program, and the Cannabis Microbusiness Pilot Program

- ♦ The initial authorization suspension bills began in 2011 and 2013, both sponsored by Sen. Munoz
- ♦ Rep. Adkins sponsored HB33 in 2016 Session which allowed for a four-year extension.
- ♦ In 2019 and 2023, Sen. Padilla sponsored bills to extend for four years each the legislative authorization suspension.
- ♦ **The current legislative authorization suspension expires on June 30, 2027.**
- ♦ SSBCI 2.0 provided State of New Mexico \$74.5 million into 3 programs
 - NMEDD – Collateral Support Program \$20 million
 - NMFA – Venture Capital Program \$15 million
 - NMFA - Loan Participation Program \$39.5 million
- ♦ The Federal funds are distributed in 3 different tranches which NMEDD and NMFA need to exhaust 80% of each tranche before applying for the next tranche
- ♦ To date, NMEDD and NMFA have been successful in securing 2 of the 3 tranches by allocating \$37.4 million into New Mexico's economy
- ♦ The 3rd and final tranche per U.S. Treasury requirements has to be secured by December 31, 2027 but the application must be submitted by October 24, 2027

- ◆ SWEDFA requires Legislative Authorization for the Loan Participation Program to make participating loan with banks
- ◆ NMEDD and NMFA will be applying for the 3rd tranche by December 31, 2026
- ◆ 3rd Tranche provides New Mexico additional funds to the programs:
 - NMEDD – Collateral Support Program \$3.6 million
 - NMFA - Loan Participation Program \$22.7 million
- ◆ Legislative Authorization will be required to deliver the remaining \$22.7 million into the New Mexico's Small business lending with participating banks
 - NMFA on average is approving \$1.5 million of new requests each month
- ◆ Legislative Authorization will allow NMFA to continue to revolve \$39.5 million allocated to Loan Participations as loans are repaid to the fund
- ◆ Provides NMFA ability to be responsive to the changing lending environment with our lending partners
- ◆ Banks are using this program to more small business to their portfolio
- ◆ Another alternative to SBA Loan programs which carry costs and penalties

- ♦ SSBCI 2.0 Loan Participations
 - ❑ 18 participations approved to date
 - ❑ NMFA has purchased 49% of each loan for a total NMFA investment of \$13.4 million
 - ❑ Businesses approved will retain 474 jobs and are expected to create 171 new jobs
- ♦ Program is seeing increased momentum
 - ❑ 7 participations approved since July
 - ❑ NMFA's 49% portion of these loans totals \$4,388,464 and supports total project financing of \$8,956,048

Business	County	Participating Bank	Total Project Financing	NMFA Portion
Child care	Bernalillo	Capra Bank	\$2,838,520	\$1,390,875
Fitness/Training	Bernalillo	Southwest Capital Bank	\$641,250	\$314,212
Electrical Construction	Dona Ana	Pioneer Bank	\$1,341,417	\$657,294
Summer Camp	Santa Fe	Century Bank	\$1,140,000	\$558,600
Outdoor Conservation	Santa Fe	Century Bank	\$495,000	\$242,000
Outdoor Conservation	Santa Fe	WaFd Bank	\$1,028,000	\$503,720
Cabinet Manufacturing	Bernalillo	Citizens Bank of Las Cruces	\$1,120,500	\$498,000
Auto Dealership	McKinley	Pinnacle Bank	\$5,388,500	\$2,640,365
Child care	Dona Ana	Westar Bank	\$3,000,000	\$1,470,000
Hospitality	Rosevelt	The Bank of Clovis	\$1,170,000	\$573,300
Fitness/Training	Bernalillo	Southwest Capital Bank	\$351,000	\$171,990
Metal Recycling Industry	Bernalillo	Southwest Capital Bank	\$1,135,048	\$556,174
Restaurant	Lea	Lea County State Bank	\$3,600,000	\$1,764,000
Restaurant	Lea	Lea County State Bank	\$1,535,000	\$752,150
Home Care Providers	Valencia	Nusenda Credit Union	\$279,000	\$136,710
Home Care Providers	Bernalillo	Nusenda Credit Union	\$1,251,000	\$612,990
Restaurant/ Event Planning	Dona Ana	Frist New Mexico Bank	\$756,000	\$370,440
Health and Wellness	Valencia	Southwest Capital Bank	\$400,000	\$196,000
Totals Approved to Date			\$27,470,235	\$13,408,820

♦ SSBCI Loan Participation Program Pipeline Update

- ❑ Pipeline approximately \$14.8 million in participations, Leveraging \$30.1 million in bank loans to small businesses
- ❑ NMFA is continuing to establish banking relationships throughout the state -- 13 different banks and credit unions have used the program across 9 different counties
- ❑ Banks are using this program to minimize risk and lower cost of funds for their borrowers
- ❑ Borrower's down payment is reduced with NMFA's participation

Pending Applications	Location	Participating Bank	Bank Amount	Participation Amount
Childcare	Bernalillo	WestStar	\$4,081,633	\$2,000,000
Lodging	Santa Fe	Enterprise Bank & Trust	\$1,500,000	\$735,000
Lodging	Bernalillo	Nusenda	\$3,000,000	\$1,470,000
Incubator	Bernalillo	Capra	\$10,204,082	\$5,000,000
Manufacturer	Bernalillo	Century	\$2,975,000	\$1,457,750
Child Care	Bernalillo	Nusenda	\$2,810,000	\$1,376,900
Surveying	Bernalillo	Century	\$1,680,000	\$823,200
Airplane	Bernalillo	Century	\$1,275,000	\$624,750
Veternarian	Santa Fe	WaFd Bank	\$718,367	\$352,000
Total			\$28,244,082	\$13,839,600

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