New Mexico Mortgage Finance Authority

MFA

Housing New Mexico

Legislative Oversight Committee

2013 Reference Guide

New Mexico Mortgage Finance Authority
2013 Reference Guide

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Tab 2

MFA Legislative Alert

Working together to provide quality affordable housing opportunities for all New Mexicans

MFA's Legislative Agenda

MFA's legislative agenda is now under consideration by the House Appropriations and Finance Committee. Please help us at this critical point in the 2013 Legislative Session by contacting House committee members by e-mail or phone.

It is important that you contact committee members today! Click on the link below to generate an automatic e-mail or to find a committee member's phone number.

Thank you for your support. Your voice makes a difference!

Contact committee members > **Contact Us >**

The New Mexico Mortgage Finance Authority (MFA) was created in 1975 by the New Mexico State Legislature to provide quality affordable housing opportunities for all New Mexico residents.

MFA receives no state funding for its operating budget, but utilizes housing bonds, tax credits and other federal and state resources to fund more than 30 housing programs including mortgage and down payment assistance for first-time home buyers, affordable housing construction and rehabilitation, homelessness prevention and emergency shelter, weatherization services and rental assistance.

MFA | Housing New Mexico

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2013 Agenda

Click on the titles below to read the bills.

Regional Housing Authority Funding >
Regional Housing Authorities SB61
Creating Affordable Housing in Rural Areas, $250,000

New Mexico Housing Trust Fund Appropriation >
NM Housing Trust Fund SB166
Providing Quality Housing for Low-Income New Mexicans, $5 Million

Affordable Housing Act Oversight Appropriation >
Affordable Housing Oversight Duties SB67
Safeguarding the Provisions of the Affordable Housing Act, $100,000

Rapid Re-Housing Services >
Rapid Rehousing of Certain Homeless Persons SB50
Preventing Homelessness, $500,00

NM Energy$mart Appropriation >
Expand Low-Income Residential Energy Program SB33
Helping New Mexicans Save Money on Utility Bills, $1 Million

Permanent Supportive Housing Services >
Long-Term Housing for Certain Persons SB32
Helping Disabled Homeless New Mexicans Stay Housed, $500,000

Affordable Housing Act Amendment >
Foreclosed Affordable Housing Project Sales HB74
Preserving Affordable Housing

Tab 3

MICHIE'S ANNOTATED STATUTES OF NEW MEXICO
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* CURRENT THROUGH THE FIRST SPECIAL SESSION OF THE FORTY-EIGHTH LEGISLATURE *
* ANNOTATIONS CURRENT THROUGH 2007-NMCA-163 and 2007-NMSC-060 *

CHAPTER 58. FINANCIAL INSTITUTIONS AND REGULATIONS
ARTICLE 18. MORTGAGE FINANCE AUTHORITY

Go to the New Mexico Code Archive Directory

N.M. Stat. Ann. § 58-18-1 (2008)

§ 58-18-1. Short title

Chapter 58, Article 18 NMSA 1978 shall be known and may be cited as the "Mortgage Finance Authority Act".

HISTORY: 1953 Comp., § 13-9-1, enacted by Laws 1975, ch. 303, § 1; 1982, ch. 86, § 1.

§ 58-18-2. Legislative findings; declaration of purpose

A. The legislature finds and declares that there exists in the state of New Mexico a serious shortage of decent, safe and sanitary residential housing available at prices and rentals within the financial means of persons and families of low or moderate income. This shortage is severe in certain urban areas of the state, is especially critical in the rural areas and is inimical to the health, safety, welfare and prosperity of all residents of the state.

B. The legislature finds and determines that the shortage of residential housing causes overcrowding and congestion and exacerbates existing slum conditions, which, in turn, contribute substantially and increasingly to the spread of disease and crime, impair economic values, necessitate excessive and disproportionate expenditures of public funds for crime prevention and punishment, public health, welfare and safety programs, fire and accident protection and other services, substantially impair or arrest the growth of municipalities, aggravate traffic problems and promote juvenile delinquency and other social ills.

C. The legislature finds and declares further that private enterprise unaided has not been able to produce the needed construction of decent, safe and sanitary residential housing at prices and rentals that persons and families of low or moderate income can afford or to achieve the urgently needed rehabilitation of much of their present housing. It is imperative that the supply of residential housing for persons and families of low or moderate income be increased substantially and that private enterprise and investment be encouraged to sponsor, build and rehabilitate residential housing for such persons and families.

D. It is found and declared that a major cause of this housing shortage is the lack of funds in private banking channels available for affordable residential mortgages. This lack of funds has contributed to drastic reductions in construction starts of new residential housing and has frustrated the sale and purchase of existing residential housing in the state.

E. It is further found and declared that the drastic reduction in residential construction starts and in residential rehabilitation projects associated with housing shortages has caused a condition of substantial unemployment and underemployment in the construction industry, which results in hardships to many individuals and families, wastes vital human resources, increases the public assistance burdens of the state and its municipalities, impairs the security of family life, impedes the economic and physical development of municipalities and adversely affects the welfare and prosperity of all the people of the state. A stable supply of adequate funds for affordable residential mortgages is required to spur new housing starts and the rehabilitation of existing units in an orderly and sustained manner and thereby to reduce the haz-

ards of unemployment and underemployment in the construction industry. The unaided operations of private enterprise have not met and cannot meet the need for a stable supply of adequate funds for affordable residential mortgage financing.

F. The legislature further finds and determines that for the purposes of remedying these conditions, helping to alleviate the shortage of adequate housing and encouraging and providing the financing for the acquisition, construction, rehabilitation and improvement of residential housing for persons and families of low or moderate income within the state, a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality to be known as the New Mexico mortgage finance authority should be created with power to raise funds from private and public investors, to make funds available for such purposes, to create and implement programs from time to time as may be necessary or appropriate to accomplish its purposes and to assist, administer, finance or service housing programs for or through private and nonprofit organizations and local, state, federal and tribal agencies or their instrumentalities. The legislature finds and declares further that in accomplishing these purposes, the New Mexico mortgage finance authority is acting in all respects for the benefit of the people of the state in the performance of essential public functions and is serving a valid public purpose in improving and otherwise promoting their health, welfare and prosperity, and that the enactment of the provisions set forth in the Mortgage Finance Authority Act [this article] is for a valid public purpose and is declared to be such as a matter of express legislative determination.

HISTORY: 1953 Comp., § 13-19-2, enacted by Laws 1975, ch. 303, § 2; 1995, ch. 9, § 1.

§ 58-18-2.1. Multiple-family, transitional and congregate dwellings; supplemental legislative findings and purpose

The legislature finds and declares that there is a critical shortage of multiple-family, transitional and congregate dwellings that provide decent, safe and sanitary residential housing at rentals that persons and families of low or moderate income can afford. It is further found and declared that private individuals, organizations and entities willing to undertake the construction of multiple-family, transitional and congregate dwellings are unable to obtain loans at sufficiently low interest rates to finance multiple-family, transitional and congregate dwelling projects for persons and families of low or moderate income. Providing mortgage loans at below-market interest rates for multiple-family, transitional and congregate dwellings would increase substantially the availability of multiple-family, transitional and congregate dwellings for occupancy by persons and families of low or moderate income and is expressly declared to be a valid public purpose and a corporate purpose that may be exercised by the authority.

HISTORY: 1978 Comp., § 58-18-2.1, enacted by Laws 1982, ch. 86, § 2; 1995, ch. 9, § 2.

§ 58-18-3. Definitions

As used in the Mortgage Finance Authority Act [Chapter 58, Article 18 NMSA 1978]:

A. "authority" means the New Mexico mortgage finance authority;

B. "bonds" or "notes" means the bonds or bond anticipation notes, respectively, issued by the authority pursuant to the Mortgage Finance Authority Act;

C. "federal government" means the United States of America and any agency or instrumentality of the United States of America;

D. "FHA" means the federal housing administration;

E. "FHLMC" means the federal home loan mortgage corporation;

F. "FNMA" means the federal national mortgage association;

G. "home improvement loan" means a mortgage loan to finance those alterations, repairs and improvements on or in connection with an existing residence that the authority determines will substantially protect or improve the basic livability or energy efficiency of the residence;

H. "mobile home" means a movable or portable housing structure, constructed to be towed on its own chassis and designed to be installed with or without a permanent foundation for human occupancy as a residence; it may include one or more components that can be retracted for towing purposes and subsequently expanded for additional capacity, or

two or more units separately towable but designed to be joined into one integral unit, as well as a single unit, except that "mobile home" does not include recreational vehicles, or modular or premanufactured homes built to Uniform Building Code standards and designed to be permanently affixed to real property;

I. "mortgage" means a mortgage, mortgage deed, deed of trust or other instrument creating a lien, subject only to title exceptions as may be acceptable to the authority, on a fee interest in real property located within the state or on a leasehold interest that has a remaining term at the time of computation that exceeds or is renewable at the option of the lessee until after the maturity day of the mortgage loan or an instrument creating a lien on a mobile home;

J. "mortgage lender" means any bank, bank or trust company, trust company, mortgage company, mortgage banker, national banking association, savings bank, savings and loan association, credit union building and loan association and any other lending institution; provided that the mortgage lender maintains an office in New Mexico, is authorized to make mortgage loans in the state and is approved by the authority and either the FHA, VA, FNMA or FHLMC;

K. "mortgage loan" means a financial obligation secured by a mortgage;

L. "municipality" means a county, city, town or village of the state;

M. "new mortgage loan" means a mortgage loan made by a mortgage lender to a person of low or moderate income to finance project costs and containing terms and conditions required by rule of the authority;

N. "persons of low or moderate income" means persons and families within the state who are determined by the authority to lack sufficient income to pay enough to cause private enterprise to build an adequate supply of decent, safe and sanitary residential housing in their locality or in an area reasonably accessible to their locality and whose incomes are below the income levels established by the authority to be in need of the assistance made available by the Mortgage Finance Authority Act [Chapter 58, Article 18 NMSA 1978], taking into consideration the following factors:

(1) the total income of those persons and families available for housing needs;

(2) the size of the family units;

(3) the cost and condition of housing facilities available;

(4) the ability of those persons and families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing; and

(5) standards established by various programs of the federal government for determining eligibility based on income of those persons and families;

O. "project" means a work or undertaking, whether new construction, acquisition of existing residential housing, remodeling, improvement or rehabilitation approved by the authority for the primary purpose of providing sanitary, decent, safe and affordable residential housing within the state for one or more persons of low or moderate income;

P. "project costs" means the total of all costs incurred in the development of a project that is approved by the authority as reasonable and necessary; "project costs" may include:

(1) the cost of acquiring real property and improvements located on the property, including payments for options, deposits or contracts to purchase real property;

(2) cost of site preparation, demolition and development;

(3) fees in connection with the planning, execution and financing of a project;

(4) operating and carrying costs during construction;

(5) cost of construction, remodeling, rehabilitation, reconstruction, home improvements, fixtures, furnishings and equipment for the project;

(6) cost of land improvements both on and off site;

(7) expenses in connection with initial occupancy of a project;

(8) reasonable profit and risk fees to the general contractor in addition to the job overhead and, if applicable, to the developer;

(9) allowances established by the authority for working capital and contingency reserves and reserves for any anticipated operating deficits during the first two years of occupancy; and

(10) the cost of other items, including tenant relocation if tenant relocation costs are not otherwise being provided for, indemnity and surety bonds, premiums on insurance and fees and expenses of trustees, depositaries and paying agents of the bonds and notes that the authority determines to be reasonable and necessary for the development of a project;

Q. "real property" means land, space rights, air rights and tangible, intangible, legal and equitable interests in land;

R. "rehabilitation loan" means a qualified rehabilitation loan within the meaning of *Section 143(k)(5) of the Internal Revenue Code of 1986*, as that section may be amended or renumbered;

S. "residential housing" means the acquisition, construction or rehabilitation of real property, buildings and improvements undertaken primarily to provide one or more dwelling accommodations for persons of low or moderate income;

T. "state" means New Mexico;

U. "state, local, federal or tribal agency" means any board, authority, agency, department, commission, public corporation, body politic or instrumentality of the state or of a local, federal or tribal government; and

V. "VA" means the veterans affairs department.

HISTORY: 1953 Comp., § 13-19-3, enacted by Laws 1975, ch. 303, § 3; 1979, ch. 399, § 1; 1981, ch. 191, § 1; 1984, ch. 62, § 1; 1995, ch. 9, § 3; 1999, ch. 11, § 1.

§ 58-18-3.1. Additional definitions; multiple-family dwellings, transitional and congregate housing facilities

As used in the Mortgage Finance Authority Act [*58-18-1 NMSA* 1978]:

A. "multiple-family dwelling project" means residential housing that is designed for occupancy by more than four persons or families living independently of each other or living in a congregate housing facility, at least sixty percent of whom are persons and families of low or moderate income, including without limitation persons of low or moderate income who are elderly and who have a disability as determined by the authority, provided that the percentage of low-income persons and families shall be at least the minimum required by federal tax law;

B. "transitional housing facility" means residential housing that is designed for temporary or transitional occupancy by persons or families of low or moderate income or special needs;

C. "congregate housing facility" means residential housing designed for occupancy by more than four persons or families of low or moderate income living independently of each other. The facility may contain group dining, recreational, health care or other communal facilities and each unit in a congregate housing facility shall contain at least its own living, sleeping and bathing facilities;

D. "project mortgage loan" means a mortgage loan made to a sponsor to finance project costs of a multiple-family dwelling or transitional or congregate housing facility; and

E. "sponsor" means an individual, association, corporation, joint venture, partnership, limited partnership, trust or any combination thereof that has been approved by the authority as qualified to own and maintain a multiple-family dwelling or transitional or congregate housing facility in New Mexico, maintains its principal office or a branch office in New Mexico and has agreed to subject itself to the regulatory powers of the authority and the jurisdiction of the courts of the state.

HISTORY: 1978 Comp., § 58-18-3.1, enacted by Laws 1982, ch. 86, § 3; 1983, ch. 310, § 1; 1995, ch. 9, § 4; 2007, ch. 46, § 47.

§ 58-18-3.2. Secondary mortgage funds; additional definitions

As used in the Mortgage Finance Authority Act [this article]:

A. "pass-through securities" means securities representing undivided ownership interests in a pool of mortgage loans; and

B. "secondary market facility" means a corporation, trust or other form of legal entity established by the authority for the purpose of the purchase, with private or public funds legally available therefor, of mortgage loans, mortgage-backed obligations, pass-through securities or interests therein.

HISTORY: 1978 Comp., § 58-18-3.2, enacted by Laws 1983, ch. 285, § 1; 1995, ch. 9, § 5.

§ 58-18-4. Authority created

A. There is created a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality, to be known as the "New Mexico mortgage finance authority", for the performance of essential public functions. The authority shall be composed of seven members. The lieutenant governor, state treasurer and attorney general shall be ex-officio members of the authority with voting privileges. The governor, with the advice and consent of the senate, shall appoint the other four members of the authority, who shall be residents of the state and shall not hold other public office. The four members of the authority appointed by the governor shall be appointed for terms of four years or less staggered so that the term of one member expires on January 1 of each year. Vacancies shall be filled by appointment by the governor for the remainder of the unexpired term. Any member of the authority shall be eligible for reappointment. Each member of the authority appointed by the governor may be removed by the governor for misfeasance, malfeasance or willful neglect of duty after reasonable notice and a public hearing, unless the notice and hearing are, in writing, expressly waived. Each member of the authority appointed by the governor, before entering upon duty, shall take an oath of office to administer the duties of the office faithfully and impartially, and a record of the oath shall be filed in the office of the secretary of state. The governor shall designate a member of the authority to serve as chair for a term that shall be coterminous with the chair's then current term as a member of the authority. The authority shall annually elect one of its members as vice chair. The authority shall also elect or appoint and prescribe the duties of other officers, who need not be members, as the authority deems necessary or advisable, including an executive director and a secretary, who may be the same person. The authority shall fix the compensation of officers. Officers and employees of the authority are not subject to the Personnel Act. The authority may delegate to one or more of its members, officers, employees or agents the powers and duties it may deem proper.

B. All members, officers, employees or agents exercising any voting power or discretionary authority shall be required to have a fiduciary bond in the amount of one million dollars ($1,000,000) for the faithful performance of their duties, the cost of which shall be proper expense of the authority.

C. The executive director shall administer, manage and direct the affairs and business of the authority, subject to the policies, control and direction of the members of the authority. The secretary of the authority shall keep a record of the proceedings of the authority and shall be custodian of all books, documents and papers filed with the authority, the minute book or journal of the authority and its official seal. The secretary shall have authority to make copies of all minutes and other records and documents of the authority and to give certificates under the official seal of the authority to the effect that the copies are true copies and all persons dealing with the authority may rely upon the certificates.

D. Meetings of the authority shall be held at the call of the chair or whenever three members so request in writing. A majority of members in office shall constitute a quorum for the transaction of any business and for the exercise of any power or function of the authority. A vacancy in the membership of the authority shall not impair the rights of a quorum to exercise all the rights and to perform all the duties of the authority. An ex-officio member from time to time may designate in writing another person to attend meetings of the authority and, to the same extent and with the same effect, act in the member's stead.

E. The authority is not created or organized, and its operations shall not be conducted, for the purpose of making a profit. No part of the revenues or assets of the authority shall inure to the benefit of or be distributable to its members or officers or other private persons. The members of the authority shall not receive compensation for their services, but the members of the authority, its officers and employees shall be paid allowed expenses if approved by the authority in accordance with policies adopted by the authority and approved by the Mortgage Finance Authority Act oversight committee.

F. The authority shall be separate and apart from the state and shall not be subject to the supervision or control of a board, bureau, department or agency of the state except as specifically provided in the Mortgage Finance Authority Act

[Chapter 58, Article 18 NMSA 1978]. To effectuate the separation of the state from the authority, the use of the terms "state agency" or "instrumentality" in any other law of the state shall not be deemed to refer to the authority unless the authority is specifically named.

HISTORY: 1953 Comp., § 13-19-4, enacted by Laws 1975, ch. 303, § 4; 1985, ch. 232, § 1; 1987, ch. 57, § 1; 1995, ch. 9, § 6; 2003, ch. 17, § 1.

§ 58-18-5. Powers of the authority

The authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Mortgage Finance Authority Act [*58-18-1 NMSA* 1978], including but without limiting the generality of the foregoing, the power:

A. to sue and be sued;

B. to have a seal and alter it at pleasure;

C. to make and alter bylaws for its organization and internal management;

D. to appoint other officers, agents and employees, prescribe their duties and qualifications and fix their compensation;

E. to acquire, hold, improve, mortgage, lease and dispose of real and personal property for its public purposes;

F. subject to the provisions of *Section 58-18-6 NMSA* 1978, to make loans, and contract to make loans, to mortgage lenders;

G. subject to the provisions of *Section 58-18-7 NMSA* 1978, to purchase, and contract to purchase, mortgage loans from mortgage lenders;

H. to procure or require the procurement of a policy of group or individual life insurance or disability insurance or both to insure repayment of mortgage loans in event of the death or disability of the borrower and to pay any premiums for the policy;

I. to procure insurance against any loss in connection with its operations, including without limitation the repayment of any mortgage loan, in amounts and from insurers, including the federal government, that the authority deems necessary or desirable; to procure liability insurance covering its members, officers and employees for acts performed within the scope of their authority as members, officers or employees; and to pay any premiums for insurance procured;

J. subject to any agreement with bondholders or noteholders:

(1) to renegotiate any mortgage loan or any loan to a mortgage lender in default;

(2) to waive any default or consent to the modification of the terms of any mortgage loan or any loan to a mortgage lender and otherwise exercise all powers with respect to its mortgage loans and loans to mortgage lenders that any private creditor may exercise under applicable law; and

(3) to commence, prosecute and enforce a judgment in any action or proceeding, including without limitation a foreclosure proceeding, to protect or enforce any right conferred upon it by law, mortgage loan agreement, contract or other agreement; and in connection with any such proceeding, to bid for and purchase the property or acquire or take possession of it and, in such event, complete, administer, pay the principal of and interest on any obligations incurred in connection with the property and operate or dispose of and otherwise deal with the property in such manner as the authority may deem advisable to protect its interests therein;

K. to make and execute contracts for the administration, servicing or collection of any mortgage loan and pay the reasonable value of services rendered to the authority pursuant to such contracts;

L. to fix, revise from time to time, charge and collect fees and other charges in connection with the making of mortgage loans, the purchasing of mortgage loans and any other services rendered by the authority;

M. subject to any agreement with bondholders or noteholders, to sell any mortgage loans at public or private sale at such prices and on such terms as the authority shall determine;

N. to borrow money and to issue bonds and notes that may be negotiable and to provide for the rights of the holders thereof;

O. to arrange for guarantees or other security, liquidity or credit enhancements in connection with its bonds, notes or other obligations by the federal government or by any private insurer or other provider and to pay any premiums therefor;

P. subject to any agreement with bondholders or noteholders, to invest money of the authority not required for immediate use, including proceeds from the sale of any bonds or notes:

(1) in obligations of any municipality or the state or the United States of America;

(2) in obligations the principal and interest of which are guaranteed by the state or the United States of America;

(3) in obligations of any corporation wholly owned by the United States of America;

(4) in obligations of any corporation sponsored by the United States of America that are or may become eligible as collateral for advances to member banks as determined by the board of governors of the federal reserve system;

(5) in certificates of deposit or time deposits in banks qualified to do business in New Mexico, secured in the manner, if any, as the authority shall determine;

(6) in contracts for the purchase and sale of obligations of the types specified in this subsection; or

(7) as otherwise provided in any trust indenture or a resolution authorizing the issuance of the bonds or notes;

Q. subject to any agreement with bondholders or noteholders, to purchase bonds or notes of the authority at the price as may be determined by the authority or to authorize third persons to purchase bonds or notes of the authority; bonds or notes so purchased shall be canceled or resold, as determined by the authority;

R. to make surveys and to monitor on a continuing basis the adequacy of the supply of:

(1) funds available in the private banking system in the state for affordable residential mortgages; and

(2) adequate, safe and sanitary housing available to persons of low or moderate income in the state and various sections of the state;

S. to make and execute agreements, contracts and other instruments necessary or convenient in the exercise of the powers and functions of the authority under the Mortgage Finance Authority Act [*58-18-1 NMSA* 1978];

T. to employ architects, engineers, attorneys (other than and in addition to the attorney general of the state), accountants, housing, construction and financial experts and such other advisors, consultants and agents as may be necessary in its judgment and to fix and pay their compensation;

U. to contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or from any other source and to comply, subject to the provisions of the Mortgage Finance Authority Act [*58-18-1 NMSA* 1978], with the terms and conditions thereof;

V. to maintain an office at such place in the state as it may determine;

W. subject to any agreement with bondholders and noteholders, to make, alter or repeal, subject to prior approval by the Mortgage Finance Authority Act [*58-18-1 NMSA* 1978] oversight committee, hereby created, to be composed of four members appointed by the president pro tempore of the senate and four members appointed by the speaker of the house of representatives, such rules and regulations with respect to its operations, properties and facilities as are necessary to carry out its functions and duties in the administration of the Mortgage Finance Authority Act;

X. to make, purchase, guarantee, service and administer mortgage loans for residential housing for the purposes set forth in the Mortgage Finance Authority Act [*58-18-1 NMSA* 1978] where private banking channels and private enterprise, unaided, have not, cannot or are unwilling to make, purchase, guarantee, service or administer the loans;

Y. to act as trustee and administer the land title trust fund created pursuant to *Section 58-28-3 NMSA* 1978;

Z. to act as trustee and administrator pursuant to the Low-Income Housing Trust Act [*58-18B-1 NMSA* 1978];

AA. to act as trustee and statewide administrator of the New Mexico housing trust fund pursuant to and to receive funds under the New Mexico Housing Trust Fund Act [*58-18C-1 NMSA* 1978];

BB. to act as a governmental entity or a qualifying grantee or as an intermediary for a governmental entity or a qualifying grantee pursuant to the Affordable Housing Act [*6-27-1 NMSA* 1978]; and

CC. to do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in the Mortgage Finance Authority Act [*58-18-1 NMSA* 1978].

HISTORY: 1953 Comp., § 13-19-5, enacted by Laws 1975, ch. 303, § 5; 1978, ch. 21, § 14; 1978, ch. 163, § 1; 1985, ch. 232, § 2; 1995, ch. 9, § 7; 2003, ch. 304, § 1; 2005, ch. 105, § 10.

§ 58-I8-5.1. Recompiled

§ 58-I8-5.2. Authority duties

The authority shall make available to the Mortgage Finance Authority Act [this article] oversight committee all of its records and facilities upon written request.

HISTORY: 1978 Comp., § 58-18-5.2, enacted by Laws 1981, ch. 173, § 2; 1995, ch. 9, § 8.

§ 58-18-5.3. Authority; multiple-family dwellings, transitional and congregate housing facilities

In addition to the specific powers of the authority set forth in *Section 58-18-5 NMSA* 1978, the authority shall have the power to:

A. subject to the limitations of Subsection X of *Section 58-18-5 NMSA* 1978, make project mortgage loans or purchase or contract to purchase project mortgage loans from mortgage lenders or participate with mortgage lenders in project mortgage loans at prices and upon terms and conditions as the authority determines. Each project mortgage loan made or purchased by the authority shall:

(1) be evidenced by a properly executed note or other evidence of indebtedness and be secured by a properly recorded mortgage;

(2) provide for payments sufficient to pay the project mortgage loan in full not later than the expiration of the useful life of the multiple-family dwelling project or transitional or congregate housing facility as determined by the authority; and

(3) not exceed such percentage of such project costs as the authority may determine;

B. make and contract to make loans to mortgage lenders on such terms and conditions as the authority determines, including without limitation requirements relating to collateral for such loans; provided the authority shall require as a condition of any such loan that the mortgage lender make a project mortgage loan or loans to sponsors in an aggregate principal amount at least equal to the amount of the loan received from the authority; and

C. otherwise provide funding for project mortgage loans, including the issuance of bonds or notes in private placements or public offerings. Any bonds or notes issued in a public offering for any purpose authorized by this section shall, at the time of issuance, be rated in at least the third highest rating category by an independent nationally recognized bond rating service.

HISTORY: 1978 Comp., § 58-18-5.3, enacted by Laws 1982, ch. 86, § 4; 1987, ch. 58, § 1; 1995, ch. 9, § 9.

§ 58-18-5.4. Duties of authority; multiple-family dwellings, transitional and congregate housing facilities

A. The authority shall require, as a condition of making or purchasing a project mortgage loan, that the sponsor agree to comply with the requirements and to make the representations and warranties as the authority deems reasonably necessary to protect its interests in the project mortgage loan and the multiple-family dwelling project or transitional or congregate housing facility, including the following:

(1) the multiple-family dwelling project or transitional or congregate housing facility and surrounding area shall be maintained in good repair;

(2) a reserve fund for repairs and replacements on the multiple-family dwelling project or transitional or congregate housing facility shall be established and maintained for the life of the project mortgage loan;

(3) the sponsor shall make all records and documents relating to the multiple-family dwelling project or transitional or congregate housing facility available to the authority and its agents at all reasonable times;

(4) the sponsor shall maintain its books and accounts in a manner satisfactory to the authority;

(5) the sponsor shall provide access to the authority and its agents at all reasonable times for the purpose of inspecting the multiple-family dwelling project or transitional or congregate housing facility;

(6) the sponsor shall file with the authority a copy of each report and schedule required to be filed with any provider of mortgage insurance or other security or liquidity enhancement for the mortgage loan or the authority's bonds or notes, the proceeds of which were used in whole or in part to acquire the project mortgage loan; annual financial and operating reports; and any other reports the authority may determine to be necessary;

(7) the sponsor shall purchase and maintain an insurance policy insuring the project against loss or damage by fire, windstorm, hail, smoke, explosion, riot or civil commotion in an amount not less than eighty percent of the replacement costs of the project, and the authority or its designee shall be named in the insurance policy as an additional named insured;

(8) the sponsor shall provide the authority with a market feasibility study, market-value appraisal, architectural design and outline specifications, tenant selection plans and any other documents the authority requires in determining whether to purchase the project mortgage loan;

(9) unless otherwise exempt under any other law of the state or any political subdivision of the state, all ad valorem, gross receipts and any other taxes imposed on the land or improvements for which a multiple-family dwelling project mortgage loan is being provided shall apply;

(10) the sponsor shall maintain the project as a multiple-family dwelling project or transitional or congregate housing facility throughout the life of the project mortgage loan; and

(11) the sponsor shall comply with any other reasonable requirements the authority deems necessary to impose in the future.

B. The authority shall distribute available funds to qualified sponsors and mortgage lenders on an equitable basis using guidelines that take into consideration geographic allocation and economic feasibility of affordable housing throughout the state, including the need for new housing to attract a new industry or plant or to provide housing in an economically depressed or low-income area.

HISTORY: 1978 Comp., § 58-18-5.4, enacted by Laws 1982, ch. 86, § 5; 1990, ch. 118, § 1; 1994, ch. 47, § 1; 1995, ch. 9, § 10.

§ 58-18-5.5. Additional powers of authority; authority designated as single state housing authority; application for and receipt of federal funds; administration of housing programs

In addition to the powers granted the authority pursuant to *Sections 58-18-5* and *58-18-5.3 NMSA* 1978, the authority:

A. is designated as the state housing authority for all purposes;

B. shall make application for federal housing funds and programs;

C. shall administer federal and state housing programs and federal tax credit provisions associated with those programs;

D. shall receive and expend funds pursuant to applicable federal housing laws, federal housing regulations, the provisions of the Mortgage Finance Authority Act [Chapter 58, Article 18 NMSA 1978] and regulations adopted pursuant to that act;

E. shall administer the following housing programs that were previously transferred to it by executive order, the provisions of which are ratified:

(1) the federal HOME program;

(2) the federal low-income housing tax credit program;

(3) the federal emergency shelter grant programs;

(4) the state homeless program;

(5) the federal and state weatherization programs and that part of the low-income home energy assistance program authorized for weatherization; and

(6) the state safe water program;

F. shall assist with technical consultation in connection with housing components of the community service block grant and community development block grant programs that are administered by the human services department and the department of finance and administration, respectively; and

G. shall not receive direct appropriations of state funds from the legislature, and, if a program for which the authority is granted the power and has the duty to administer involves the appropriation or expenditure of state funds, the authority is granted specific power to enter into a joint powers agreement with the department of finance and administration pursuant to the Joint Powers Agreements Act [*11-1-1 to 11-1-7 NMSA* 1978].

HISTORY: 1978 Comp., § 58-18-5.5, enacted by Laws 1998, ch. 63, § 6.

§ 58-18-5.6. Duties; behavioral health

The authority shall:

A. appoint a representative to both the behavioral health planning council and the interagency behavioral health purchasing collaborative; and

B. ensure that any behavioral health services, including mental health and substance abuse services, and any housing provided for consumers of those services, that are provided, contracted for or approved by the authority are in compliance with requirements of *Section 9-7-6.4 NMSA* 1978.

HISTORY: Laws 2004, ch. 46, § 13.

§ 58-18-6. Loans to mortgage lenders

A. The authority may make and contract to make loans to mortgage lenders on terms and conditions as it determines, and all mortgage lenders are authorized to borrow from the authority in accordance with the provisions of this section and the rules and regulations of the authority.

B. The authority shall require that each mortgage lender receiving a loan pursuant to this section shall issue and deliver to the authority an evidence of its indebtedness to the authority that shall constitute either a general or limited obligation of the mortgage lender, as determined by the authority, and shall bear such date or dates, shall mature at such time or times, shall be subject to prepayment and shall contain such other provisions consistent with this section as the authority determines.

C. Notwithstanding any other provision of this section to the contrary, the interest rate or rates and other terms of loans to mortgage lenders made from the proceeds of any issue of bonds or notes of the authority shall be at least sufficient to assure the payment of the bonds or notes and the interest thereon as they become due.

D. The authority shall require that loans to mortgage lenders made pursuant to this section shall be secured as to payment of both principal and interest by a pledge of collateral security in such amounts as the authority determines to be necessary to assure the payment of the loans and the interest thereon as they become due.

E. The authority may require that collateral for loans be deposited with a bank, trust company or other financial institution acceptable to the authority and designated by the authority as custodian. In the absence of this requirement,

each mortgage lender shall enter into an agreement with the authority containing such provisions as the authority deems necessary to:

(1) adequately identify and maintain the collateral;

(2) service the collateral; and

(3) require the mortgage lender to hold the collateral as an agent for the authority and be accountable to the authority as the trustee of an express trust for the application and disposition thereof and the income therefrom.

The authority may also establish such additional requirements as it deems necessary with respect to the pledging, assigning, setting aside or holding of collateral and the making of substitutions therefor or additions thereto and the disposition of income and receipts therefrom.

F. The authority shall require as a condition of each single-family loan to a mortgage lender that the mortgage lender, within a period that the authority may prescribe, shall have entered into written commitments to make and, within a period that the authority may prescribe, shall have disbursed the loan proceeds in new single-family mortgage loans to persons of low or moderate income in an aggregate principal amount equal to the amount of the loan. The new single-family mortgage loans shall have terms and conditions as the authority may prescribe.

G. The authority shall require the submission to it by each mortgage lender to which the authority has made a single-family mortgage loan evidence satisfactory to the authority of the making of new single-family mortgage loans to persons of low or moderate income as required by this section and in connection therewith may, through its members, employees or agents, inspect the books and records of any such mortgage lender.

H. The authority may require as a condition of any loans to mortgage lenders such representations and warranties as it determines to be necessary to secure the loans and carry out the purposes of this section.

I. Compliance by any mortgage lender with the terms of its agreement with or undertaking to the authority with respect to the making or servicing of any new mortgage loans may be enforced by decree of any court of competent jurisdiction. The authority may require as a condition of any loan to any national banking association the consent of the association to the jurisdiction of courts of the state over any such proceeding. The authority may also require, as a condition of any loan to a mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its undertakings to the authority.

J. To the extent that any provisions of this section may be inconsistent with any provision of law of the state governing the affairs of mortgage lenders, which other provision of law does not by its terms expressly amend the Mortgage Finance Authority Act [this article], the provisions of this section shall control.

HISTORY: 1953 Comp., § 13-19-6, enacted by Laws 1975, ch. 303, § 6; 1978, ch. 163, § 2; 1979, ch. 399, § 2; 1995, ch. 9, § 11.

§ 58-18-7. Purchase of mortgage loans

A. The authority may purchase and contract to purchase mortgage loans at the prices and upon the terms and conditions as it determines. All mortgage lenders are authorized to sell mortgage loans to the authority in accordance with the provisions of this section and the rules and regulations of the authority.

B. The authority shall require as a condition of purchase of single-family mortgage loans from mortgage lenders either:

(1) that the single-family mortgage loans be existing mortgage loans owned by the mortgage lenders and that the mortgage lenders, within the period after receipt of the purchase price as the authority may prescribe shall enter into written commitments to loan and, within such period thereafter as the authority may prescribe, shall loan an amount equal to the entire purchase price of the mortgage loans on new mortgage loans to persons of low or moderate income, which new mortgage loans shall have such terms and conditions as the authority may prescribe; or

(2) that the single-family mortgage loans qualify as new mortgage loans to persons of low or moderate income and were originated by the mortgage lenders for the purpose of selling them to the authority.

C. The authority shall require the submission to it by each mortgage lender from which the authority has purchased a single-family mortgage loan evidence satisfactory to the authority of the making of new mortgage loans to persons of low or moderate income as required by this section and in connection therewith may, through its members, employees or agents, inspect the books and records of any such mortgage lender.

D. Compliance by any mortgage lender with the terms of its agreement with or undertaking to the authority with respect to the making or servicing of any mortgage loans may be enforced by decree of any court of competent jurisdiction. The authority may require as a condition of purchase of mortgage loans from any national banking association the consent of the association to the jurisdiction of courts of the state over any proceeding. The authority may also require, as a condition of the authority's purchase of mortgage loans from, or servicing of mortgages by a mortgage lender, agreement by any mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its undertakings to the authority.

E. The authority may require as a condition of purchase of any mortgage loan from a mortgage lender that the mortgage lender represent and warrant to the authority that:

(1) the unpaid principal balance of the mortgage loan and the interest rate thereon have been accurately stated to the authority;

(2) the amount of the unpaid principal balance is justly due and owing;

(3) the mortgage lender has no notice of the existence of any counterclaim, offset or defense asserted by the mortgagor or his successor in interest;

(4) the mortgage loan is evidenced by a bond or promissory note and a mortgage that has been properly recorded with the appropriate public official;

(5) the mortgage constitutes a valid lien on the real property or mobile home described to the authority subject only to taxes not yet due, installments of assessments not yet due and easements and restrictions of record that do not adversely affect, to a material degree, the use or value of the real property or improvements thereon;

(6) the mortgagor is not now in default in the payment of any installment of principal or interest, escrow funds, taxes or otherwise in the performance of his obligations under the mortgage documents and has not to the knowledge of the mortgage lender been in default in the performance of any such obligation for a period of longer than sixty days during the life of the mortgage;

(7) the improvements to mortgaged real property are covered by a valid and subsisting policy of insurance issued by a company authorized to issue such policies in the state and providing fire and extended coverage in such amounts as the authority may prescribe by regulation; and

(8) the mortgage loan meets the prevailing investment quality standards for mortgage loans of that type in the state.

F. Each mortgage lender is liable to the authority for any damages suffered by the authority by reason of the untruth of any representation or the breach of any warranty and, in the event that any representation proves to be untrue when made or in the event of any breach of warranty, the mortgage lender shall, at the option of the authority, repurchase the mortgage loan for the original purchase price adjusted for amounts subsequently paid thereon, as the authority may determine. The authority may also require, as a condition of the authority's purchase of mortgage loans from the mortgage lender, agreement by the mortgage lender to the payment of penalties to the authority for any misrepresentation or breach of warranty.

G. The authority shall require the recording of an assignment of any mortgage loan purchased by it from a mortgage lender. The authority is not required to inspect or take possession of the mortgage documents if the mortgage lender from which the mortgage loan is purchased by the authority enters, or the mortgage lender's approved designee enters, a contract to service the mortgage loan and account to the authority therefor.

H. In the event of the foreclosure of any mortgage purchased under the provisions of this section, the foreclosure shall not be made in the name of the state. The authority is empowered to make appropriate arrangements for the foreclosure of such mortgages in the name of the authority or another party.

I. To the extent that any provisions of this section may be inconsistent with any provision of law of the state governing the affairs of mortgage lenders, which other provision of law does not by its terms expressly amend the Mortgage Finance Authority Act [this article], the provisions of this section shall control.

HISTORY: 1953 Comp., § 13-19-7, enacted by Laws 1975, ch. 303, § 7; 1978, ch. 163, § 3; 1979, ch. 399, § 3; 1995, ch. 9, § 12.

§ 58-18-7.1. Sale of project mortgage loans

All mortgage lenders are authorized to sell project mortgage loans to and to accept loans from the authority in accordance with the provisions of the Mortgage Finance Authority Act [this article] and the rules and regulations of the authority. To the extent that any provisions of this section may be inconsistent with any provision of law of the state governing the affairs of mortgage lenders, which other provision of law does not by its terms expressly amend the Mortgage Finance Authority Act, the provisions of this section shall control.

HISTORY: 1978 Comp., § 58-18-7.1, enacted by Laws 1982, ch. 86, § 6; 1995, ch. 9, § 13.

§ 58-18-7.2. Secondary market facility; findings and purposes; establishment

A. The legislature finds and declares that it is necessary and in the public interest that the authority be authorized to create, operate, fund, administer and maintain a secondary market facility for mortgage loans and to otherwise act as a conduit for public and private funds to provide an increased degree of liquidity for mortgage investments, thereby improving the distribution and availability of investment capital for use in mortgage investments in this state and promoting the economic well-being of the state through increased opportunity for employment, all of which are expressly declared to be valid public purposes and corporate purposes that may be exercised by the authority.

B. In connection with the establishment and implementation of a secondary market facility, the authority may issue pass-through securities and may purchase and contract to purchase mortgage loans, pass-through securities, obligations secured by mortgage loans, or revenues therefrom or interests therein, at the prices and upon the terms and conditions as the authority shall determine. All mortgage lenders are authorized to sell mortgage loans, pass-through securities and such obligations to the secondary market facility in accordance with the provisions of this section and the rules and regulations of the authority.

C. To provide funding for the secondary market facility, the authority or the secondary market facility may enter into agreements to administer funds made available to the secondary market facility, at such prices and upon such terms and conditions as the authority shall determine, and may issue its bonds, notes, other obligations, pass-through securities and guarantees in the same manner and on the same terms and conditions as the authority may issue its bonds and notes pursuant to *Section 58-18-11 NMSA* 1978 or on such other terms and conditions as the authority shall determine. In no event shall any bonds, notes, other obligations, pass-through securities or guarantees constitute an obligation, either general or special, of the state or any political subdivision thereof or constitute pecuniary liability of the state or any political subdivision thereof.

D. Notwithstanding any other provisions of the Mortgage Finance Authority Act [this article], the state shall have the power, out of funds legally available therefor, to purchase and to contract to purchase from the authority pass-through securities or participations therein and mortgage loans or participations therein.

HISTORY: 1978 Comp., § 58-18-7.2, enacted by Laws 1983, ch. 285, § 2; 1995, ch. 9, § 14.

§ 58-18-7.3. Rehabilitation loans and home improvement loans

The authority may develop a tax-exempt bond, a taxable bond or an authority-funded program for the financing of home improvement or rehabilitation loans. Such a home improvement or rehabilitation loan program may be conducted in concert with any appropriation provided by the legislature for the purpose of developing and conducting a program of subsidizing the interest rates on home improvement or rehabilitation loans to persons of low or moderate income.

HISTORY: 1978 Comp., § 58-18-7.3, enacted by Laws 1984, ch. 62, § 2; 1987, ch. 168, § 1; 1995, ch. 9, § 15.

§ 58-18-8. Rules and regulations of the authority

A. The authority shall adopt and may from time to time modify or repeal, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations:

(1) for determining income levels for the classification of persons of low or moderate income, which may vary between different areas in the state and in accordance with the size of family unit; and

(2) for governing:

(a) the making of loans to mortgage lenders; and

(b) the purchase of mortgage loans, to implement the powers authorized and to achieve the purposes set forth in the Mortgage Finance Authority Act [this article].

B. The rules and regulations of the authority relating to the making of loans to mortgage lenders pursuant to *Section 58-18-6 NMSA* 1978 or the purchase of mortgage loans pursuant to *Section 58-18-7 NMSA* 1978 shall provide at least for the following:

(1) procedures for the submission by mortgage lenders to the authority of:

(a) requests for loans; and

(b) offers to sell mortgage loans;

(2) standards for allocating bond proceeds among mortgage lenders requesting loans from or offering to sell mortgage loans to the authority;

(3) standards for determining the principal amount to be loaned to each mortgage lender and the interest rate thereon;

(4) standards for determining the aggregate principal amount of mortgage loans to be purchased from each mortgage lender and the purchase price thereof;

(5) qualifications or characteristics of:

(a) residential housing; and

(b) the purchasers of residential housing to be financed by new mortgage loans made in satisfaction of the requirements of Subsection F of *Section 58-18-6 NMSA* 1978 or Subsection B of *Section 58-18-7 NMSA* 1978, as the case may be;

(6) restrictions as to the interest rates to be allowed on new mortgage loans and the return to be realized therefrom by mortgage lenders;

(7) requirements as to commitments and disbursements by mortgage lenders with respect to new mortgage loans; and

(8) standards for mobile homes eligible for use as security.

C. The rules and regulations of the authority shall also provide for:

(1) schedules of any fees and charges to be imposed by the authority; and

(2) any other matters related to the duties and the exercise of the powers of the authority under the Mortgage Finance Authority Act.

HISTORY: 1953 Comp., § 13-19-8, enacted by Laws 1975, ch. 303, § 8; 1979, ch. 399, § 4; 1995, ch. 9, § 16.

§ 58-18-8.1. Rules and regulations of the authority; multiple-family dwellings, transitional and congregate housing facilities

Prior to financing a multiple-family dwelling project or transitional or congregate housing facility, the authority shall adopt, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations gov-

erning the purchase of project mortgage loans and the making of loans to finance project mortgage loans, which shall provide at least for the following:

A. procedures for the submission by mortgage lenders to the authority of:

(1) offers to sell project mortgage loans; or

(2) requests for loans;

B. standards for approving qualifications of sponsors and mortgage lenders;

C. standards for determining minimum equity requirements for sponsors and acceptable debt-to-equity ratios for sponsors;

D. methods for establishing uniform accounting systems for sponsors;

E. standards for approving costs of such projects; and

F. guidelines establishing reasonable geographic allocation procedures for project mortgage loans.

HISTORY: 1978 Comp., § 58-18-8.1, enacted by Laws 1982, ch. 86, § 7; 1995, ch. 9, § 17.

§ 58-18-8.2. Rules and regulations of the authority; secondary market facility

Prior to establishing a secondary market facility or issuing any pass-through security, the authority shall adopt, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations governing the operations of the secondary market facility and the issuance of pass-through securities, which shall provide for the following, to the extent that the secondary market facility proposes to engage in such activities:

A. procedures for submission by mortgage lenders to the authority of offers to sell:

(1) mortgage loans;

(2) pass-through securities; or

(3) obligations secured by mortgage loans or pledges of mortgage loan revenues;

B. standards for allocating available funds or guarantees among mortgage lenders through the secondary market facility;

C. qualifications or conditions relating to the reinvestment by mortgage lenders of the funds made available to mortgage lenders by the secondary market facility; and

D. characteristics of pass-through securities to be issued by the secondary market facility.

HISTORY: 1978 Comp., § 58-18-8.2, enacted by Laws 1983, ch. 285, § 3.

§ 58-18-8.3. Rules and regulations of the authority; home improvement loan program

Prior to implementing the home improvement loan program referred to in Subsection B of *Section 58-18-7.3 NMSA* 1978, the authority shall adopt, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations governing the purchase of home improvement loans or loans to mortgage lenders to fund home improvement loans under the program, which shall provide at least for the following:

A. procedures for submission by mortgage lenders to the authority of offers to sell home improvement loans;

B. standards for approving qualifications of mortgage lenders;

C. standards for allocating bond proceeds or other authority funds among mortgage lenders offering to sell home improvement loans to the authority and among mortgage lenders receiving loans from the authority to fund home improvement loans;

D. qualifications or characteristics of:

(1) residential housing upon which a home improvement loan may be made;

(2) the types of home improvements that may be made with the proceeds of home improvement loans, except that the authority shall not permit the proceeds to be used for landscaping, lawn sprinkling systems, swimming pools, tennis courts, saunas or other recreational facilities; and

(3) the persons of low or moderate income who may apply for home improvement loans;

E. restrictions as to the interest rates to be allowed on home improvement loans and the fees and other profit to be realized by mortgage lenders; and

F. procedures for determining eligibility for any subsidies to be provided to persons of low or moderate income.

HISTORY: 1978 Comp., § 58-18-8.3, enacted by Laws 1984, ch. 62, § 3; 1987, ch. 168, § 2; 1995, ch. 9, § 18.

§ 58-18-9. Required determinations of the authority

The authority shall not make loans to mortgage lenders pursuant to *Section 58-18-6 NMSA* 1978 or purchase mortgage loans pursuant to *Section 58-18-7 NMSA* 1978 until the authority has determined:

A. that the supply of funds available in the private banking system in the state for residential mortgages is inadequate to meet the demand of persons of low or moderate income for residential mortgage financing; and

B. that the purchase of mortgages or making of loans by the authority will alleviate the inadequate supply of residential mortgage money in the state's banking system.

HISTORY: 1953 Comp., § 13-19-9, enacted by Laws 1975, ch. 303, § 9; 1995, ch. 9, § 19.

§ 58-18-9.1. Repealed

§ 58-18-10. Planning, zoning and building laws

A. All multiple-family dwelling projects and transitional and congregate housing facilities shall be subject to any applicable master plan, official map, zoning regulation, building code, housing ordinance and other laws and regulations governing land use or planning or construction of the municipality in which the project is or is to be located.

B. The authority shall provide a description of any multiple-family dwelling project or transitional or congregate housing facility for which it proposes to finance a project mortgage loan to the local governing body of the municipality in which the multiple-family dwelling project or transitional or congregate housing facility is or is to be located. The description shall include the proposed number and type of dwelling units and the location of the project. Unless the local governing body, by majority vote, disapproves the multiple-family dwelling project or transitional or congregate housing facility within thirty days after receipt of the description, the authority may finance a project mortgage loan on the project.

HISTORY: 1953 Comp., § 13-19-10, enacted by Laws 1975, ch. 303, § 10; 1982, ch. 86, § 9; 1995, ch. 9, § 20.

§ 58-18-11. Bonds and notes of the authority

A. The authority may from time to time issue its bonds and notes in the principal amounts as, in the opinion of the authority, are necessary to provide sufficient funds for achieving its corporate purposes, the payment of principal and of premium, if any, and interest on bonds and notes of the authority, establishment of reserves to secure the bonds and notes and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

B. Except as may otherwise be expressly provided by the authority, all bonds and notes issued by the authority shall be general obligations of the authority, secured by the full faith and credit of the authority and payable out of any money, assets or revenues of the authority, subject only to any agreement with bondholders or noteholders pledging any particular money, assets or revenues. In no event shall any bonds or notes constitute an obligation, either general or special, of the state or any political subdivision of the state or constitute or give rise to a pecuniary liability of the state or any political subdivision of the state; nor shall the authority have the power to pledge the general credit or taxing power

of the state or any political subdivision of the state or to make its debts payable out of any money except that of the authority.

C. Bonds and notes shall be authorized by resolutions of the authority adopted as provided by the Mortgage Finance Authority Act [this article]; provided that any such resolution authorizing the issuance of bonds or notes may delegate to an officer of the authority the power to issue such bonds or notes from time to time and to fix or specify the manner of fixing the details of any such issues of bonds or notes by an appropriate certificate of the authorized officer.

D. The bonds shall:

(1) state on their face that they:

(a) are payable both as to principal and interest solely out of the assets of the authority; and

(b) do not constitute an obligation, either general or special, of the state or any political subdivision of the state; and

(2) be:

(a) either registered, registered as to principal only or in coupon form;

(b) issued in such denominations as the authority may prescribe;

(c) fully negotiable instruments under the laws of the state unless otherwise determined by the authority;

(d) signed on behalf of the authority with the manual or facsimile signature of the chairman or vice chairman attested by the manual or facsimile signature of the secretary, shall have impressed or imprinted on them the seal of the authority or a facsimile of the seal, and any coupons attached to them shall be signed with the facsimile signature of the chairman or vice chairman;

(e) payable as to interest at such rate or rates and at such time or times as the authority may determine or provide;

(f) payable as to principal at such times over a period not to exceed forty-five years from the date of issuance, at such place or places and with such reserved rights of prior redemption as the authority may prescribe;

(g) sold at such price or prices, at public or private sale, and in such manner as the authority may prescribe; and the authority may pay all expenses, premiums and commissions that it deems necessary or advantageous in connection with the issuance and sale of the bonds; and

(h) issued under and subject to such terms, conditions and covenants providing for the payment of the principal, redemption premiums, if any, and interest and such other terms, conditions, covenants and protective provisions safeguarding the payment, not inconsistent with the Mortgage Finance Authority Act, as may be found to be necessary by the authority for the most advantageous sale of the bonds, which may include but not be limited to covenants with the holders of the bonds as to: 1) pledging or creating a lien, to the extent provided by a resolution on all or any part of any money or property of the authority or of any money held in trust or otherwise by others to secure the payment of the bonds; 2) otherwise providing for the custody, collection, securing, investment and payment of any money of or due to the authority; 3) the setting aside of reserves or sinking funds and the regulation or disposition thereof; 4) limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied; 5) limitations on the issuance of additional bonds and on the refunding of outstanding or other bonds; 6) the procedure, if any, by which the terms of any contract with the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; 7) the creation of special funds into which any money of the authority may be deposited; 8) vesting in a trustee the properties, rights, powers and duties in trust as the authority may determine that may include any or all of the rights, powers and duties of the trustee appointed pursuant to *Section 58-18-14 NMSA* 1978 for the holders of any bonds issued by the authority in which event the provisions of that section authorizing appointment of a trustee by the holders of bonds shall not apply; or limiting or abrogating the right of the holders of bonds to appoint a trustee under *Section 58-18-14 NMSA* 1978 or limiting the rights, duties and powers of the trustee; 9) defining the acts or omissions to act that constitute a default in the obligations and duties of the authority and providing for the rights and remedies of the holders of bonds in the event of default, provided that the rights and remedies shall not be inconsistent with the general laws of the state and other provisions of the Mortgage Finance Authority Act; and 10) any other matters of like or different character that in any way affect the security and protection of the bonds and the rights of the holders of bonds.

E. The authority is authorized to issue its bonds or notes for the purpose of refunding any bonds or notes of the authority or of any issuer under the Municipal Mortgage Finance Act [*58-18A-1 to 58-18A-12 NMSA* 1978] or under any other authorizing act then outstanding, including the payment of any redemption premiums thereon and any interest accrued to or to accrue to the date of redemption of the outstanding bonds or notes. Until the proceeds of any bonds or notes issued for the purpose of refunding outstanding bonds or notes are applied to the purchase or retirement of the outstanding bonds or notes or the redemption of the outstanding bonds or notes, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of Subsection P of *Section 58-18-5 NMSA* 1978. The interest, income and profits, if any, earned or realized on any such investment may, in the discretion of the authority, also be applied to the payment of the outstanding bonds or notes to be refunded by purchase, retirement or redemption, as the case may be. After the terms of the escrow have been fully satisfied and carried out, any balance of the proceeds and interest, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner. All bonds or notes shall be issued and secured and shall be subject to the provisions of the Mortgage Finance Authority Act in the same manner and to the same extent as any other bonds or notes issued pursuant to the Mortgage Finance Authority Act.

F. The authority is authorized to issue bond anticipation notes and may renew them from time to time, but the maximum maturity of the notes, including renewals, shall not exceed ten years from the date of issue of the original notes. The notes may be payable from any money of the authority available therefor and not otherwise pledged or from the proceeds of sale of the bonds of the authority in anticipation of which the notes were issued. The notes may be issued for any corporate purpose of the authority. The notes shall be issued in the same manner as the bonds, and the notes and the resolution authorizing them may contain any provisions, conditions or limitations, not inconsistent with the provisions of this subsection, that the bonds or a bond resolution of the authority may contain. The notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided for bondholders in the Mortgage Finance Authority Act. The notes shall be as fully negotiable as the bonds of the authority.

G. It is the intention of the legislature that any pledge of earnings, revenues or other assets made by the authority shall be valid and binding from the time when the pledge is made; that the earnings, revenues or other assets so pledged and thereafter received by the authority shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether the parties have notice of the claims. The resolution or any other instrument by which a pledge is created need not be filed or recorded.

H. Neither the members of the authority nor any person executing the bonds, notes or other obligations shall be liable personally on the bonds, notes or other obligations or be subject to any personal liability or accountability by reason of the issuance thereof while acting in the scope of their authority.

HISTORY: 1953 Comp., § 13-19-11, enacted by Laws 1975, ch. 303, § 11; 1995, ch. 9, § 21.

§§ 58-18-11.1 to 58-18-11.5. Repealed.

§ 58-18-12. Reserve funds

A. The authority may create and establish one or more reserve funds.

B. The authority may create and establish other reserve funds as it deems advisable and necessary.

HISTORY: 1953 Comp., § 13-19-12, enacted by Laws 1975, ch. 303, § 12; 1995, ch. 9, § 22.

§ 58-18-13. Notice or publication not required

No notice, consent or approval by any governmental body or public officer shall be required as a prerequisite to the issuance, sale or delivery of any bonds, notes or other obligations of the authority pursuant to the provisions of the Mortgage Finance Authority Act [this article], except as specifically provided in that act.

HISTORY: 1953 Comp., § 13-19-13, enacted by Laws 1975, ch. 303, § 13; 1995, ch. 9, § 23.

§ 58-18-14. Remedies of bondholders and noteholders

Except to the extent this section conflicts with a term or condition of any trust indenture or note, bondholders and noteholders shall have the following remedies:

A. in the event that the authority defaults in the payment of principal of or interest on any issue of bonds or notes after it becomes due, whether at maturity or upon call for redemption, and the default continues for a period of thirty days, or in the event that the authority fails or refuses to comply with the provisions of the Mortgage Finance Authority Act [this article] or defaults in any agreement made with the holders of any issue of bonds or notes, the holders of twenty-five percent in aggregate principal amount of the bonds or notes of the issue then outstanding, by one or more instruments filed in the office of the clerk of the county in which the principal office of the authority is located and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds or notes for the purposes provided in this section;

B. a trustee may, and upon written request of the holders of twenty-five percent in aggregate principal amount of the issue of bonds or notes then outstanding shall, in his or its own name:

(1) enforce all rights of the bondholders or noteholders, including the right to require the authority to carry out its agreements with the holders of the bonds or notes and to perform its duties under the Mortgage Finance Authority Act;

(2) bring suit upon the bonds or notes;

(3) by action or suit, require the authority to account as if it were the trustee of an express trust for the holders of the bonds or notes;

(4) by action or suit, enjoin any acts or things that may be unlawful or in violation of the rights of the holders of the bonds or notes; and

(5) declare all such bonds or notes due and payable and, if all defaults are made good, then with the consent of the holders of twenty-five percent of the aggregate principal amount of the issue of bonds or notes then outstanding, annul the declaration and its consequences;

C. a trustee shall, in addition to the provisions of Subsection B of this section, have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights;

D. before declaring the principal of bonds or notes due and payable, the trustee shall first give thirty days' notice in writing to the governor, to the authority and to the attorney general of the state; and

E. the district court shall have jurisdiction of any suit, action or proceeding by the trustee on behalf of bondholders or noteholders. The venue of any such suit, action or proceeding shall be laid in the county in which the principal office of the authority is located.

HISTORY: 1953 Comp., § 13-19-14, enacted by Laws 1975, ch. 303, § 14; 1995, ch. 9, § 24.

§ 58-18-14.1. Project mortgage loans; enforcement of agreement

A. Compliance by any mortgage lender with the terms of its agreement with or undertaking to the authority with respect to the making of any project mortgage loans to sponsors may be enforced by decree of any court of competent jurisdiction. The authority shall require as a condition of purchasing project mortgage loans from or making a loan to any national banking or federal savings and loan association the consent of the association to the jurisdiction of courts of the state over any such proceeding. The authority shall also require as a condition of the authority's purchasing project mortgage loans from or making a loan to any mortgage lender agreement by the mortgage lender to the payment of penalties to the authority for violation by the mortgage lender of its undertakings to the authority.

B. Each mortgage lender shall be liable to the authority for any damages suffered by the authority by reason of the untruth of any representation or the breach of any warranty, and, in the event that any representation proves to be untrue when made or in the event of any breach of warranty, the mortgage lender shall, at the option of the authority:

(1) repurchase the project mortgage loan for the original purchase price adjusted for amounts subsequently paid thereon, as the authority may determine; or

(2) repay the then unpaid principal balance of the loan, together with interest accrued thereon and the penalties owed pursuant to Subsection A of this section.

HISTORY: 1978 Comp., § 58-18-14.1, enacted by Laws 1982, ch. 86, § 11; 1995, ch. 9, § 25.

§ 58-18-15. State and municipalities not liable on bonds and notes

The bonds, notes and other obligations of the authority shall not be a debt of the state or of any municipality, and neither the state nor any municipality shall be liable thereon.

HISTORY: 1953 Comp., § 13-19-15, enacted by Laws 1975, ch. 303, § 15.

§ 58-18-16. Agreement of the state

The state does hereby pledge to and agree with the holders of any bonds, notes, other obligations, pass-through securities or guarantees issued under the Mortgage Finance Authority Act [this article] that the state will not limit or alter the rights vested in the authority or any secondary market facility to fulfill the terms of any agreements made with the holders of the bonds, notes, other obligations, pass-through securities or guarantees or in any way impair the rights and remedies of the holders of the bonds, notes, other obligations, pass-through securities or guarantees until the bonds, notes, other obligations, pass-through securities or guarantees together with the interest thereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceedings by or on behalf of the holders of the bonds, notes, other obligations, pass-through securities or guarantees, are fully met and discharged. The authority or any secondary market facility is authorized to include this pledge and agreement of the state in any agreement with the holders of the bonds, notes, other obligations, pass-through securities or guarantees.

HISTORY: 1953 Comp., § 13-19-16, enacted by Laws 1975, ch. 303, § 16; 1995, ch. 9, § 26.

§ 58-18-17. Bonds, notes and other obligations; legal investments for public officers and fiduciaries

The bonds, notes, other obligations, pass-through securities and guarantees of the authority or any secondary market facility are securities in which all insurance companies and associations and other persons carrying on insurance business, all banks, bank and trust companies, trust companies, private banks, savings banks, savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries and all other persons who are or may be authorized to invest in bonds or other obligations of the state may properly and legally invest funds including capital in their control or belonging to them.

HISTORY: 1953 Comp., § 13-19-17, enacted by Laws 1975, ch. 303, § 17; 1995, ch. 9, § 27.

§ 58-18-18. Tax exemption

A. It is determined that the creation of the authority is in all respects for the benefit of the people of the state, for the improvement of their health and welfare and for the promotion of the economy and that those purposes are public purposes. The authority will be performing an essential governmental function in the exercise of the powers conferred upon it by the Mortgage Finance Authority Act [this article], and the state covenants with the purchasers and all subsequent holders and transferees of bonds and notes issued by the authority, in consideration of the acceptance of and payment for the bonds and notes, that the bonds and notes of the authority issued pursuant to that act and the income therefrom shall at all times be free from taxation, except for estate or gift taxes and taxes on transfers.

B. The income and operations of the authority and any secondary market facility shall be exempt from taxation of every kind and nature, provided that the authority shall be obligated to pay all ad valorem taxes and special assessments. The authority and any secondary market facility shall pay any recording fee for instruments recorded by it or on its behalf but shall not be required to pay any transfer tax of any kind on account of instruments recorded by it or on its behalf.

HISTORY: 1953 Comp., § 13-19-18, enacted by Laws 1975, ch. 303, § 18; 1981, ch. 190, § 1; 1985, ch. 232, § 3; 1995, ch. 9, § 28.

§ 58-18-19. No contribution by state or municipality

Neither the state nor any municipality shall have the power to pay out of its general funds or otherwise contribute its money to the authority, nor may the state or any state agency purchase any bonds or notes of the authority, nor shall the state or any municipality have the power to make or participate in the making of loans to mortgage lenders or to purchase or participate in the purchase of mortgage loans pursuant to the Mortgage Finance Authority Act [this article]. Notwithstanding the foregoing, neither the state nor any municipality shall be prohibited from appropriating its money to or in aid of the authority's programs or the beneficiaries of any program to the extent otherwise permitted by law.

HISTORY: 1953 Comp., § 13-19-19, enacted by Laws 1975, ch. 303, § 19; 1995, ch. 9, § 29.

§ 58-18-20. Money of the authority

A. All money of the authority from whatever source derived, except as otherwise authorized or provided in the Mortgage Finance Authority Act [this article], shall be paid to the treasurer of the authority and shall be deposited forthwith in a bank designated by the authority. The money in such accounts shall be withdrawn on the order of persons whom the authority may authorize. All deposits of such money shall, if required by the authority, be secured in such manner as the authority may determine. The state auditor and his legally authorized representatives are authorized and empowered from time to time to examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing. The authority shall pay a reasonable fee for such examination as determined by the state auditor.

B. The authority and any secondary market facility shall have power to contract with holders of any of its bonds, notes, other obligations, pass-through securities or guarantees as to the custody, collection, securing, investment and payment of any money of the authority or any secondary market facility of any money held in trust or otherwise for the payment of bonds, notes, other obligations, pass-through securities or guarantees and to carry out the contract. Money held in trust or otherwise for the payment of bonds, notes, other obligations, pass-through securities or guarantees or in any way to secure bonds, notes, other obligations, pass-through securities or guarantees and deposits of such money may be secured in the same manner as money of the authority, and all banks and trust companies are authorized to give security for deposits.

C. Subject to the provisions of any contract with bondholders, noteholders, or holders of other obligations, pass-through securities or guarantees, the authority and any secondary market facility shall prescribe a system of accounts.

D. The authority shall submit to the governor, the state auditor and the legislative finance committee, within thirty days of the receipt thereof by the authority, a copy of the report of every external examination of the books and accounts of the authority.

E. Money of the authority and any secondary market facility, including money held in trust or otherwise for the payment of bonds, notes, other obligations, pass-through securities or guarantees is not public money or state funds within the meaning of any law of the state relating to investment, deposit, security or expenditure of public money and, subject to any agreement with bondholders and any limitations imposed by the Mortgage Finance Authority Act, may be used by the authority in any manner necessary or appropriate in carrying out the powers given in the Mortgage Finance Authority Act.

HISTORY: 1953 Comp., § 13-19-20, enacted by Laws 1975, ch. 303, § 20; 1985, ch. 232, § 4; 1995, ch. 9, § 30.

§ 58-18-21. Limitation of liability

Neither the members of the authority nor any person acting in its behalf, while acting within the scope of their authority, shall be subject to any personal liability for any action taken or omitted within that scope of authority.

HISTORY: 1953 Comp., § 13-19-21, enacted by Laws 1975, ch. 303, § 21; 1995, ch. 9, § 31.

§ 58-18-22. Assistance by state officers and agencies

All state officers and all state agencies may render such services to the authority within their respective functions as may be requested by the authority.

HISTORY: 1953 Comp., § 13-19-22, enacted by Laws 1975, ch. 303, § 22.

§ 58-18-23. Court proceedings; preference; venue

Any action or proceeding to which the authority or the people of the state may be a party in which any question arises as to the validity of the Mortgage Finance Authority Act [this article] shall be preferred over all other civil causes in all courts of the state and shall be heard and determined in preference to all other civil business pending in the courts irrespective of position on the calendar. The same preference shall be granted upon application of counsel to the authority in any action or proceeding questioning the validity of that act in which he may be allowed to intervene. The venue of any action or proceeding to which the authority or the people of the state are a party shall be laid in the county in which the principal office of the authority is located.

HISTORY: 1953 Comp., § 13-19-23, enacted by Laws 1975, ch. 303, § 23; 1995, ch. 9, § 32.

§ 58-18-24. Corporate existence

The authority and its corporate existence shall continue until terminated by law, provided that no such law shall take effect so long as the authority has bonds, notes, other obligations or pass-through securities or guarantees outstanding unless adequate provision has been made for the satisfaction or payment thereof. Upon termination of the existence of the authority, all its rights and properties in excess of its obligations shall pass to and be vested in the state.

HISTORY: 1953 Comp., § 13-19-24, enacted by Laws 1975, ch. 303, § 24; 1995, ch. 9, § 33.

§ 58-18-25. Conflicts of interest; penalty

A. If any member, officer or employee of the authority has an interest, either direct or indirect, in any contract to which the authority or any secondary market facility is or is to be a party or in any mortgage lender requesting a loan from or offering to sell mortgage loans to the authority or any secondary market facility or in any sponsor requesting a project mortgage loan, the interest shall be disclosed to the authority in writing and shall be set forth in the minutes of the authority. The member, officer or employee having the interest shall not participate in any action by the authority or any secondary market facility with respect to the contract, mortgage lender or sponsor.

B. Nothing in this section shall be deemed or construed to limit the right of any member, officer or employee of the authority to:

(1) acquire an interest in bonds, notes, other obligations, pass-through securities or guarantees of the authority or any secondary market facility; or

(2) have an interest in any banking institution in which the funds of the authority are or are to be deposited or that is or is to be acting as trustee or paying agent under any trust instrument to which the authority is a party.

C. Any person having a conflict of interest as defined in this section and participating in any transaction involving the conflict of interest or failing to notify the authority of the conflict is guilty of a misdemeanor.

HISTORY: 1953 Comp., § 13-19-25, enacted by Laws 1975, ch. 303, § 25; 1981, ch. 172, § 1; 1982, ch. 86, § 12; 1995, ch. 9, § 34.

§ 58-18-26. Cumulative authority

The Mortgage Finance Authority Act [this article] shall be deemed to provide an additional and alternative method for the doing of the things authorized by that act, shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing; provided that the issuance of bonds,

notes, other obligations, pass-through securities or guarantees under the provisions of the Mortgage Finance Authority Act need not comply with the requirements of any other law applicable to the issuance of bonds, notes, other obligations, pass-through securities or guarantees.

HISTORY: 1953 Comp., § 13-19-26, enacted by Laws 1975, ch. 303, § 26; 1995, ch. 9, § 35.

§ 58-18-27. Liberal interpretation

The Mortgage Finance Authority Act [this article], being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect its purposes.

HISTORY: 1953 Comp., § 13-19-27, enacted by Laws 1975, ch. 303, § 27; 1995, ch. 9, § 36.

Tab 4

NEW MEXICO MORTGAGE FINANCE AUTHORITY
RULES AND REGULATIONS

SECTION 1. AUTHORITY. These Rules and Regulations are issued under and pursuant to the Mortgage Finance Authority Act, enacted as Chapter 303 of the Laws of 1975 of the State of New Mexico, as amended; Chapter 86 of the Laws of 1982 of the State of New Mexico, as amended (being Section 58-18-1 through 58-18-27, N.M.S.A. (1978); and Section 2-12-5, N.M.S.A. (1978), as amended (collectively, the "Act"). These Rules and Regulations supersede and replace all prior rules and regulations of the MFA and will become effective upon approval of the MFA Oversight Committee.

SECTION 2. PURPOSE AND OBJECTIVES. These Rules and Regulations are established to effectuate, and shall be applied so as to accomplish, the general purposes of the Act and the following specific objectives: (i) expanding the supply of funds in New Mexico available for new residential mortgages for persons and families of low or moderate income; (ii) alleviating the shortage of adequate housing, including multiple-family, transitional and congregate dwellings, in New Mexico for persons and families of low or moderate income; (iii) encouraging and providing the financing for the acquisition, construction, rehabilitation and improvement of residential housing, including multiple-family, transitional and congregate dwellings, in New Mexico for persons and families of low or moderate income; (iv) assisting in providing mortgage loans at below-market interest rates for private individuals, organizations and entities willing to undertake the acquisition, development and/or operation of multiple-family, transitional and congregate dwellings for persons and families of low or moderate income; and (v) obtaining the effective participation by lending institutions and others in the mortgage purchase program authorized by the Act, while restricting the financial return and benefit to such lending institutions to that necessary and reasonable to induce such participation. In carrying out its objectives and purposes, the New Mexico Mortgage Finance Authority, pursuant to the Act has the power to raise funds from private and public investors to make funds available for such purposes; to create and implement programs from time to time as may be necessary or appropriate to accomplish its purposes; and to assist, administer, finance or service housing programs and to contract for such services for or through private and nonprofit organizations and local, state, federal and tribal agencies or their instrumentalities.

SECTION 3. GENERAL DEFINITIONS. The following words and terms shall have the following meanings. A statutory change in the New Mexico Mortgage Finance Authority Act of any of the following definitions shall result in a corresponding change in the meaning of the same word or term within Section 3. of these Rules and Regulations.

A. "Act" shall mean the Mortgage Finance Authority Act, enacted as Chapter 303 of the Laws of 1975 of the State of New Mexico, as amended (being Sections 58-18-1 through 58-18-27, inclusive, N.M.S.A. (1978), as amended).

B. "Affiliate" shall mean any entity controlling, controlled by or under the common control of another entity, person or common parent company; provided that an entity which is.a

Mortgage Lender, must meet the MFA's requirements set forth in the Policies and Procedures of the MFA. For the purposes of this definition, "control" when used with respect to any specified entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract, statute or otherwise. For purposes of this definition the terms "person" and entity" include non-profit corporation, other public entities, governmental agencies and instrumentalities, Mortgage Lenders, Sponsors, Builders, and Applicants.

C. "Affordable" shall mean consistent with minimum rent and/or income limitations set forth in the Act, and in guidelines established for specific programs administered by MFA.

D. "Applicant" shall mean a lending institution, non-profit corporation, public or tribal entity, governmental agency or instrumentality, Mortgage Lender, Builder, Sponsor, or Affiliate of any of the foregoing, or any other person or entity meeting the appropriate criteria of the MFA.

E. "Application" shall mean an application for MFA approval to participate in one or more programs of the MFA submitted by an Applicant to the MFA.

F. "Bonds" or "Notes" shall mean the bonds or bond anticipation notes, respectively issued by the MFA pursuant to the Act.

G. "Builder" shall mean a person or entity licensed as a general contractor to construct Residential Housing in the state which has been approved by the MFA to participate in an MFA program.

H. "Code" shall mean the Internal Revenue Code of 1986, as amended.

I. "Existing Mortgage Loan" shall mean a loan secured by a Mortgage made by a Mortgage Lender to: (i) a Person of Low or Moderate Income to finance the purchase of an owner-occupied single family residence in the state; or (ii) to a person or entity to finance multiple-family, transitional and congregate dwelling projects for persons and families of low or moderate income, which loan was made prior to the date of submission by the Mortgage Lender of its Application.

J. "Federal Government" shall mean the United States of America and any agency or instrumentality, corporate or otherwise, of the United States of America.

K. "FHA" shall mean the Federal Housing Administration or its successors.

L. "FHLMC" or "Freddie Mac" shall mean the Federal Home Loan Mortgage Corporation or its successors.

M. "FNMA or "Fannie Mae" shall mean the Federal National Mortgage Association or its successors.

N. "GNMA" or "Ginnie Mae" shall mean the Government National Mortgage Association or its successors.

O. "Home Improvement Loan" shall mean a mortgage loan to finance such alterations, repairs and improvements on or in connection with an existing residence as the MFA may determine will substantially protect or improve the basic livability or energy efficiency of the residence, including without limitation the acquisition and installation of energy conservation building materials and solar energy equipment.

P. "HUD" shall mean the United States Department of Housing and Urban Development.

O. "MFA" shall mean the New Mexico Mortgage Finance Authority.

R. "Mobile Home" shall mean a movable or portable housing structure, constructed to be towed on its own chassis and designed so as to be installed with or without a permanent foundation for human occupancy as a residence that may include one or more components that can be retracted for towing purposes and subsequently expanded for additional capacity, or two or more units separately towable but designed to be joined into one integral unit, except that the definition does not include recreational vehicles or modular or remanufactured homes, built to Uniform Building Code standards, designed to be permanently affixed to real property.

S. "Mortgage" shall mean a mortgage, mortgage deed, deed of trust or other instrument creating a lien, subject only to title exceptions as may be acceptable to the MFA with a fee interest in real property located within the state, or with a leasehold interest that has a remaining term at the time of computation that exceeds the maturity date or is renewable at the option of the lessee after the maturity date, of the Mortgage Loan or the instrument creating a lien on a mobile home.

T. "Mortgage Credit Certificate" shall mean certificates issued by the MFA to Persons of Low or Moderate Income enabling them to claim a credit against federal income tax for a portion of interest paid by such persons on a Mortgage Loan.

U. "Mortgage Lender" shall mean any bank, trust company, mortgage company, mortgage banker, national banking association, , credit union, building and loan association and any other lending institution; *provided that the mortgage lender maintains an office in New Mexico, is authorized to make mortgage loans in the state and is approved by the MFA and either the FHA, VA, RHS, HUD's Office of Native American Programs, FNMA ("Fannie Mae"), or FHLMC ("Freddie Mac").*[1]

V. "Mortgage Loan" shall mean a financial obligation secured by a Mortgage, including a Project Mortgage Loan.

[1] Definition of "Mortgage Lender" was amended (as italicized) per 1999 legislative action and was subsequently approved by the MFA Board of Directors and MFA Legislative Oversight Committee.

W. "Municipality" shall mean any county, city, town or village or the state.

X. "New Mortgage Loan" shall mean a Mortgage Loan, including a Home Improvement Loan, made by a Mortgage Lender to a Person of Low or Moderate Income to finance project costs, and containing such terms and conditions as the MFA may require.

Y. "Oversight Committee" shall mean the MFA's Oversight Committee created by, and appointed in accordance with, the Act.

Z. "Persons of Very Low, Low, or Moderate Income" shall mean the categories of income levels attributed to persons and families for the determination of eligibility for affordable housing programs. Very Low, Low, Moderate, and in certain circumstances Middle Income persons and families within the state are those who are determined by the MFA to lack sufficient income to pay enough to cause private enterprise to build an adequate supply of decent, safe and sanitary residential housing in their locality or in an area reasonably accessible to their locality and whose incomes are below the income levels established by the MFA to be in need of the assistance made available by the Act, taking into consideration, without limitation, such factors as defined under the Act. For purposes of this definition, the word "families" shall mean a group of persons consisting of, but not limited to, the head of a household; his or her spouse, if any; and children, if any, who are allowable as personal exemptions for Federal income tax purposes. Very Low Income persons or families are those with income at or below 50% of the Area Median Income ("AMI"). For Loans to persons and families on Indian Reservations, MFA will use the income basis determined under HUD's Native American Housing and Self Determination Act (NAHASDA). Low Income persons or families are those with income above 50% and up to 80% of the AMI. Moderate Income persons or families are those with income above 80% and up to 120% of the AMI. AMI is defined as the point at which half the households in an area have lower incomes and half have higher incomes.

AA. "Policies and Procedures" shall mean Policies and Procedures of the MFA, including but not limited to, Mortgage Loan purchasing, selling, servicing and reservation procedures, which the MFA may update and revise from time to time as the MFA deems appropriate.

BB. "Recertification" shall mean the recertification of Applicants participating in MFA programs as determined necessary from time to time by the MFA.

CC. "Rehabilitation" shall mean the substantial renovation or reconstruction of an existing single-family residence, not including an increase in living area, which complies with requirements established by the MFA. Rehabilitation shall not include routine or ordinary repairs, improvements or maintenance, such as interior decorating, remodeling or exterior painting, except in conjunction with other substantial renovation or reconstruction.

DD. "Reservation and Compliance Procedures" shall mean the MFA's procedures for allocating funds to purchase Mortgage Loans, and allocating Mortgage Credit Certificates, if applicable. Such procedures may be updated and revised by the MFA as the MFA deems appropriate.

EE. "Residential Housing" shall mean a specific work or improvement undertaken primarily to provide one or more dwelling accommodations, including, without limitation, mobile homes, single-family, multiple-family, transitional and congregate dwellings for Persons of Low or Moderate Income, including the acquisition, construction or rehabilitation of real property, buildings and improvements

FF. "Residential Use" shall mean that the structure is designed primarily for use as the principal residence of the occupant or occupants and shall exclude vacation or recreational homes.

GG. "RHS/USDA" shall mean Rural Housing Service of the United States Department of Agriculture and Rural Housing Community Development Service (RHCDS) and its successors.

HH. "State" shall mean the State of New Mexico.

II. "VA" shall mean the Department of Veterans Affairs.

SECTION 4. GENERAL REQUIREMENTS. The following requirements shall apply to all programs established by the MFA.

4.1 Fees and Charges of the MFA. The MFA may establish and collect fees from Applicants who file Applications: (i) requesting allocations of funds for Mortgage Loans; or (ii) selling or offering to sell Mortgage Loans to the MFA in such amounts as the MFA may deem appropriate. Such fees may be used for, among other purposes: (i) reimbursing the MFA for all or part of its reasonably expected costs of issuing its bonds or other obligations and of administering its programs; and (ii) providing inducements to make or deliver Mortgage Loans or other financing for public purposes which the MFA determines require additional inducements to accomplish. The MFA may establish such other charges, premiums and penalties as it shall deem to be necessary in connection with the administration of its programs.

4.2 Servicing of Mortgage Loans. The MFA shall cause each Mortgage Loan financed by the MFA to be serviced pursuant to the Polices and Procedures of the MFA.

4.3 Examination of Books and Records. The MFA shall cause to be made such examinations of the books and records of each Applicant as the MFA deems necessary or appropriate to determine compliance with the terms of the Act, these Rules and Regulations and any agreement between the Applicant and the MFA. The MFA may require each Applicant to pay the costs of any such examination.

4.4 Consent to Jurisdiction. Each Applicant shall consent to the jurisdiction of the courts of the State, or the appropriate tribal court, over any proceeding to enforce compliance with the terms of the Act, these Rules and Regulations and any agreement between the Applicant and the MFA.

4.5 Purchase of the MFA's Bonds. No Mortgage Lender (including any "related person," as defined in Section 103 of the Code, and the regulations related thereto) shall, pursuant to any arrangement, formal or informal, or direct or indirect, purchase Bonds or other obligations of the MFA in an amount related to the aggregate principal amount of the Mortgage Loans to be sold to the MFA by such Mortgage Lender (or related person).

4.6 Policies and Procedures. The MFA shall adopt written Polices and Procedures for each of its programs and for the general conduct of its business. MFA's Policies and Procedures Manual shall become effective upon approval by the Board of Directors of the MFA; and shall be established in accordance with the Act, the Code, these Rules and Regulations, and if applicable, the requirements of the guarantor, insurer or purchaser with respect to the particular program. All Policies and Procedures and these Rules and Regulations shall be maintained at the offices of the MFA and be available for review by all Applicants and the general public during normal business hours.

4.7 Recertification. The MFA may establish procedures for recertifying Applicants from time to time. Applicants which fail to satisfy the MFA's requirements for recertification shall cease to be eligible and shall be denied further participation in MFA programs until the requirements of the MFA are satisfied.

SECTION 5. SINGLE FAMILY HOMEOWNERSHIP PROGRAMS. In addition to the programs defined in this Section 5, the MFA shall have the power to create variations or extensions of such programs, or additional programs which comply with the Act and these Rules and Regulations.

5.1 Additional Definitions. The following words and terms shall have the following meanings only within this Section 5.

A. "Single Family Homeownership Programs" shall mean the MFA's single family mortgage programs in which funds are available to finance Mortgage Loans through the sale of Bonds or other obligations, or from the proceeds of a secondary market facility, or from the MFA's general fund, or through the issuance of mortgage credit certificates are allocated to Applicants on an aggregate or loan-by-loan basis pursuant to the Act and these Rules and Regulations set forth in this Section 5, and shall include: (i) the MFA's program pursuant to which the MFA shall issue Mortgage Credit Certificates to Persons of Low or Moderate Income; (ii) the financing of Home Improvement Loans; and (iii) the purchase and sale of Mortgage Loans.

B. FOR PURPOSES OF THE MAKING OF LOANS TO MORTGAGE LENDERS, THE PURCHASE OF MORTGAGE LOANS AND HOME IMPROVEMENT LOANS, "Residential Housing" shall mean an owner-occupied, single family residence located in the State, which the mortgagor(s) intend(s) to occupy as his or her (their) principal residence within sixty (60) days after: (1) the date of the closing of the purchase of the residence, or (2) in the case of a Rehabilitation loan where the Rehabilitation is to be accomplished by the mortgagor, the date of completion of the Rehabilitation. For purposes of this definition, with regard to those properties and projects funded by tax exempt bonds, a single family residence:

(a) shall not include:

(i) a residence intended for occupancy by more than one family;

(ii) a residence which has been used as a residence for more than one family, or which could be used as a residence for more than one family;

(iii) a residence where more than an incidental portion of the total area of which is reasonably expected to be used primarily in a trade or business, which is used as a vacation or recreational home, or with respect to which all or any portion of the land acquired with the proceeds of the related Mortgage Loan is used in a trade or business. The term "incidental", as used in the paragraph, shall be determined by the MFA on a program basis;

(iv) a residence which has a separate entrance to a section thereof which contains a second kitchen consisting of a sink and cooking facilities in addition to the residence's main kitchen; and

(b) shall meet such other requirements as the MFA may from time to time determine to be necessary or appropriate to properly administer the Single Family Homeownership Program.

5.2 Allocation of Funds for Financing.

A. Notice of Funds Availability (NOFA). When funds are available or expected to be available, the MFA will issue a Notice of Funds Availability. The notice shall be an invitation to submit a request for reservation of funds to the MFA.

B. Allocation of Funds by the MFA. Funds may be allocated by the MFA either on an aggregate or on a loan-by-loan basis in accordance with the MFA's Reservation and Compliance Procedures. Allocations of funds for mortgages and/or Home Improvement Loans financed by the MFA shall be conclusive. In making such allocations, the MFA may consider, among other things, as appropriate:

1. In the case of programs, the funds of which are allocated on a loan-by-loan basis, the order of receipt of a request for reservation of funds, so as to generally allocate funds on a first-come, first-served basis;

2. The ability of the Applicant to deliver individual Mortgage Loans or Home Improvement Loans or otherwise utilize the funds for the purpose stated in the notice within the time limits of the program;

3. In the case of programs for the purchase of Existing Mortgage Loans, the terms and conditions of the Mortgage Loans offered for sale by the Applicant.

C. Allocation of Mortgage Credit Certificates. Mortgage Credit Certificates shall be allocated on a loan-by-loan basis in accordance with the Policies and Procedures established by the MFA.

5.3 Applications.

A. Process for Applying. The MFA shall maintain an application policy for Applicants wishing to apply for MFA approval to participate in the Single Family Homeownership Program. Applications will be mailed together with all documents required to be executed and submitted in connection therewith. An Application to sell Mortgage Loans or Home Improvement Loans to the MFA shall contain, among other things, the unconditional agreement of the Applicant, upon acceptance of the Application by the MFA, to sell Mortgage Loans or Home Improvement Loans to the MFA or its designee which comply with the terms of an agreement to be signed by the Applicant and the MFA.

B. Review by the MFA. On receipt of an Application, the MFA shall review and analyze the Applicant's ability to sell Mortgage Loans or Home Improvement Loans to the MFA or its designee and to service such Mortgage Loans or Home Improvement Loans, or cause them to be serviced. .

C. Notification of Acceptance. The MFA, by written notice shall notify each Applicant which has submitted an Application of the approval or disapproval of its Application. Upon approval of its Application, a Mortgage Lender or other Applicant shall be considered approved by the MFA to participate in the Single Family Homeownership Program. The MFA's approval or disapproval of any Application shall be conclusive.

5.4 Acceptance. The MFA shall establish Policies and Procedures for the purchase of Mortgage Loans and Home Improvement Loans as set forth in paragraph 4.6 of these Rules and Regulations. Each allocation of funds shall be conditioned upon the receipt by the MFA from the Applicant of a commitment fee, if any, and the documents required by the MFA within the time specified in the acceptance. In all cases the MFA may deny requests and may reallocate funds in accordance with the MFA's Reservation and Compliance Procedures. The allocation and reallocation of funds by the MFA for the financing of Mortgage Loans and Home Improvement Loans shall be conclusive.

5.5 Financing of Mortgage Loans and Home Improvement Loans. The financing of Mortgage Loans and Home Improvement Loans by the MFA shall be in accordance with the Policies and Procedures established by the MFA. Each Mortgage Loan and Home Improvement Loan financed must: (i) be the subject of an allocation of funds; (ii) be the subject of a written agreement executed by the MFA and the Applicant; (iii) comply with the terms and conditions of such agreement; (iv) be serviced in compliance with the servicing requirements of such agreement; and (v) otherwise comply with the MFA's requirements for the financing and

servicing of Mortgage Loans and Home Improvement Loans under the Single Family Homeownership Program.

5.6 Yield on Mortgage Loans and Home Improvement Loans. Mortgage Loans and Home Improvement Loans under the Single Family Homeownership Program shall bear interest at such a rate or rates as in the aggregate shall produce a yield to the MFA on such Mortgage Loans and Home Improvement Loans sufficient to (i) pay interest on any related issue of the MFA's bonds or other obligations; (ii) provide adequate reserves, if any, for the holder of any of the MFA's bonds or other obligations; and (iii) cover the operating costs of the MFA.

5.7 Conditions of Mortgage Loans and Home Improvement Loans.

A. Mortgage Loans and Home Improvement Loans financed by the MFA under the Single Family Homeownership Program shall: (i) comply with the applicable terms and conditions prescribed by the MFA in a written agreement between the MFA and the Applicant for such Mortgage Loan or Home Improvement Loan; and (ii) comply with the Policies and Procedures of the MFA.

B. Each loan commitment to make a Mortgage Loan or Home Improvement Loan must be made to a Person of Low or Moderate Income. Mortgage Loans and Home Improvement Loans shall be financed by the MFA within such time periods as are specified by the MFA.

5.8 Restrictions on Return Realized by Mortgage Lenders. The MFA shall establish and set forth the maximum rate or rates of return which may be realized by Mortgage Lenders from Mortgage Loans or Home Improvement Loans, including any commitment fees, premiums, bonuses, points or other fees charged by the Mortgage Lender in connection with the making of such Mortgage Loans or Home Improvement Loans. Such maximum rates of return shall be set in such amounts as the MFA finds to be reasonably necessary to induce participation in the Single Family Homeownership Program by Applicants in order to accomplish the purposes of the Act.

5.9 Mobile Homes. The eligibility of mobile homes for use as security for Mortgage Loans shall be determined in accordance with standards established by the MFA.

SECTION 6 MULTIPLE FAMILY DWELLING, TRANSITIONAL, AND CONGREGATE PROJECT MORTGAGE LOANS. In addition to the Multi-Family Housing Programs as defined in this Section 6, the MFA shall have the power to create variations or extensions of the programs, or additional programs which comply with the Act and these Rules and Regulations.

6.1 Additional Definitions. The following words and terms shall have the following meanings only within this Section 6.

A. "Congregate Housing Facility" shall mean residential housing designed for occupancy by more than four Persons of Low or Moderate Income living independently of

each other. The facility may contain group dining, recreational, health care or other communal facilities and each unit in a congregate housing facility shall contain at least its own living, sleeping and bathing facilities.

B. "Lender Loan" shall mean a loan made by the MFA to a Mortgage Lender, pursuant to the Act and these Rules and Regulations, the proceeds of which are used directly or indirectly to make Project Mortgage Loans.

C. "Multiple-Family Dwelling Project" shall mean the residential housing that is designed for occupancy by more than four persons or families living independently of each other or living in a congregate housing facility, at least sixty percent of whom are Persons of Low or Moderate Income, including without limitation Persons of Low or Moderate Income who are elderly and handicapped as determined by the MFA, provided that the percentage of low-income persons and families shall be at least the minimum, if any, required by federal tax law or other federal or state funding regulations.

D. "Multi-Family Housing Program" shall mean a program involving a Congregate Housing Facility, a Multi-Family Dwelling Project or a Transitional Housing Facility.

E. "Project" shall mean any work or undertaking, whether new construction, acquisition of existing residential housing, remodeling, improvement, rehabilitation or conversion approved by the MFA for the primary purpose of providing sanitary, decent, safe and affordable residential housing within the State for one or more Persons of Low or Moderate Income.

F. "Project Mortgage Loan" shall mean a Mortgage Loan made to Sponsor to finance project costs of a Multi-Family Housing Project

G. "Sponsor" shall mean an individual, association, corporation, public or tribal entity, joint venture, partnership, limited partnership, trust or any combination thereof which has been approved by the MFA as qualified to own and maintain a multiple-family dwelling, transitional or congregate housing project, maintains its principal office or a branch office in New Mexico and has agreed to subject itself to the regulatory power of the MFA and the jurisdiction of the courts of the State, including Tribal courts having jurisdiction of projects located on Native American Trust Lands located in New Mexico.

H. "Transitional Housing Facility" shall mean residential housing that is designed for temporary or transitional occupancy by Persons of Low or Moderate Income or special needs.

6.2 Application Procedures.

A. Offers to Sell Project Mortgage Loans. Application procedures for offers to sell Project Mortgage Loans shall be set forth in the Policies and Procedures established by the MFA in accordance with paragraph 4.6 of these Rules and Regulations. The Application shall

contain such information as required by the Act and the MFA for determining whether the MFA shall finance the Mortgage Loans.

B. Loans to Lenders Program. A Sponsor requesting a Lender Loan from the MFA must first submit an Application to the MFA, in the form prescribed by the MFA. Formal Application procedures for loans to lenders shall be set forth, in writing, in the Policies and Procedures established by the MFA in accordance with paragraph 4.6 of these Rules and Regulations.

C. Other Programs Established by the MFA. The MFA shall, from time to time, establish Application procedures for programs. The Application procedures shall be published in Policies and Procedures established by the MFA in accordance with paragraph 4.6 of these Rules and Regulations for various programs. The Application procedures shall take into consideration:

1. timely completion and submission to the MFA of a program Application;

2. timely submission of all other information and documentation related to the program required by the MFA, as set forth in MFA's Policies and Procedures;

3. timely payment of any fees required to be paid to the MFA at the time of submission of the Application; and

4. compliance with program eligibility requirements as set forth in MFA's Policies and Procedures.

6.3 Standards for Approving Qualification of Applicants.

A. Sponsors. The MFA shall, from time to time, establish standards for approving qualifications of Sponsors, which standards shall be published in Policies and Procedures established for the particular program. These standards shall take into consideration the following factors:

1. The MFA shall require each Sponsor, at the time of such Sponsor's request for MFA approval, to submit a verified certificate stating that, among other things:

(a) for every Multi-Family Housing Program, including every assisted or insured project of HUD, RHS/USDA, FHA and any other state or local government housing finance agency in which such Sponsor has been or is a principal;

(b) except as shown on such certificate:

(i) no mortgage on a project listed on such certificate has ever been in default, assigned to the United States government or foreclosed, nor has any mortgage relief by the mortgagee been given;

(ii) there has not been a suspension or termination of payments under any HUD assistance contract in which the Sponsor has had a legal or beneficial interest;

(iii) such Sponsor has not been suspended, debarred or otherwise restricted by any department or agency of the federal government or any state government from doing business with such department or agency because of misconduct or alleged misconduct; and

(iv) the Sponsor has not defaulted on an obligation covered by a surety or performance bond.

If such Sponsor cannot certify to each of the above, such Sponsor shall submit a signed statement to explain the facts and circumstances which such Sponsor believes will explain the lack of certification. The MFA may then, in its sole and absolute discretion, determine if such Sponsor is or is not qualified.

2. The experience of the Sponsor in developing, financing and managing Multiple-Family Residential Housing.

3. Whether the Sponsor has been found by the United States Equal Employment Opportunity Commission or the New Mexico Human Rights Commission to be in noncompliance with any applicable civil rights laws.

B. Mortgage Lenders. In approving Mortgage Lenders, the MFA shall consider, among other things:

1. The financial condition of the Mortgage Lender;

2. The terms and conditions of the Lender Loans to be made;

3. The aggregate principal balances of Lender Loans to be made to each Mortgage Lender compared with the aggregate principal balances of the Lender Loans to be made to all other Mortgage Lenders;

4. The MFA's assessment of the ability of the Mortgage Lender or its designated servicer to act as originator and servicer of Mortgage Loans for the Multi-Family Housing Programs to be financed; and

5. Previous participation by the Mortgage Lender in the MFA's programs and HUD, FHA, or RHS/USDA programs.

C. Other Applicants. The MFA shall, from time to time, establish standards for approving the qualifications of other Applicants seeking MFA assistance, which standards shall be published in Policies and Procedures established for the particular program.

6.4 Notice of Acceptance. The MFA shall, in writing, notify each Applicant, which has submitted an Application as to the aggregate principal balance of the loan, if any, the MFA shall agree to make, subject to the conditions set forth in the Application. The aggregate principal balance of loans, which the MFA agrees to make to any Applicant, may be in an amount less than that requested.

6.5 Standards for Determining Minimum Equity Requirements, Acceptable Debt-to-Equity Ratios, and Acceptable Loan-to-Value Ratios.

A. Generally. The MFA shall, from time to time, establish standards for (i) minimum equity requirements and acceptable debt-to-equity ratios; and (ii) acceptable loan-to-value ratios for each project under a particular program, which standards shall be in accordance with generally accepted standards in the lending industry and shall be published in Policies and Procedures established for the particular program.

B. Sponsors. With respect to establishing such standards for Sponsors, the MFA shall require that the maximum mortgage amount not exceed the estimate of the replacement cost of the Multi-Family Housing Project when the proposed improvements are completed and required reserves are funded. The replacement cost may include land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction and other miscellaneous charges incident to construction and approved by the MFA, including an allowance for Builder's and Sponsor's profit and risk.

6.6 Uniform Accounting System. The accounting system used by Sponsors shall be based upon generally accepted accounting standards for the industry. Additional requirements may be dictated by the state or federal funding source, which in such cases will be included in the Sponsor's contract or loan documents.

6.7 Costs of the Project.

A. Submission of Cost Certificate. Upon completion of any Multi-Family Housing Project, the MFA shall require the Sponsor to submit a cost certificate detailing the specific items of the project if required by the regulations of the funding source. MFA will require the Sponsor to document all costs funded by MFA.

B. Cost Approvals. The MFA shall, from time to time, develop standards for approving Project costs for Projects to be financed through an MFA program. These standards shall be set forth in Policies and Procedures established for the particular program and shall include such factors as:

1. the cost of the land upon which the project is to be built;

2. the architect's and other professionals' fees;

3. organizational and legal expenses;

4. the number of square feet to be built together with the cost per square foot to build;

5. the amount of Builder's and Sponsor's overhead to be allocated to the project;

6. the amount of Builder's and Sponsor's profit;

7. taxes and insurance, including title insurance and recording fees; and

8. the Sponsor's relationship, if any, with the Builder or general contractor for the project, including any collateral agreements.

The MFA shall take into account the guarantor's, insurer's, or purchaser's approved cost limits in effect at the time in evaluating the reasonableness of and approving the project costs for each project. These standards shall also take into consideration the requirements of the Act, the Code and the requirements of any applicable federal government program.

6.8 Geographic Allocation and Other Site Considerations. The MFA shall make all reasonable efforts to provide loan assistance under various Multi-Family Housing Programs on a statewide basis. In providing for reasonable geographic allocation for all MFA Multi-Family Housing Programs, the MFA may consider with respect to a project, among other things:

A. the nature of the proposed neighborhood;

B. whether there is a need in the area for decent, safe and sanitary housing for Persons of Low and Moderate Income;

C. the number of similar multi-family housing projects, if any, located in the particular area and the type, location, number of units and size of such projects;

D. the occupancy history of similar multi-family housing projects in the area;

E. the need for new housing in the area to attract a new industry or plant;

F. the availability of adequate utilities (water, sewer, gas and electricity) and streets to service the project;

G. the availability of, and accessibility to, social, recreational, educational, commercial and health facilities and services, which should at least be equivalent to those found in neighborhoods consisting largely of unassisted, standard housing of similar market rents; and

H. whether the project site is free from adverse environmental conditions, natural or man-made, such as instability, flooding, sewage hazards, harmful air pollution, smoke or dust, excessive vehicular traffic and fire hazards.

In addition, the MFA shall give great weight in making its determination with respect to geographic allocation to whether the project will promote a greater choice of housing opportunities in the area and will avoid an undue concentration of assisted persons in areas containing a high proportion of Persons of Low and Moderate Income. The MFA may rely on such guarantor's, insurer's or purchaser's approval as evidence that the above criteria have been met.

6.9 Discrimination Prohibited. The development, construction, occupancy and operation of a Multi-Family Housing Program financed or assisted by the MFA shall be undertaken in a manner consistent with principles of non-discrimination and equal opportunity, and the MFA shall require compliance with all applicable federal and State laws and regulations relating to affirmative action, non-discrimination and equal opportunity.

SECTION 7. HOUSING OPPORTUNITY FUND ("HOF"). In addition to the following programs defined in this Section 7, the MFA shall have the power to create certain variations or extensions of the programs, or additional programs which comply with the Act and these Rules and Regulations.

7.1 Additional Definitions. The following words and terms shall have the following meanings only within this Section 7.

A. "Down Payment Assistance Programs" shall mean the MFA's programs that provide down payment and closing cost assistance in the form of a second mortgage lien to Persons of Low and Moderate Income who are, with few exceptions, using the MFA's Single Family Homeownership Program (as defined in Section 5, above) to acquire single family homes.

B. "Partners Program" shall mean the MFA's program designed to serve as a secondary market for below-market-rate single family mortgages which have been originated by nonprofit organizations to provide financing for families earning no more than 50% of county or median income as published by the US Department of Housing and Urban Development at the time of initial family qualification by participants and MFA. This income limitation will be increased to a maximum of 60% of county or area median for areas that exhibit a combination of high housing costs and low median incomes which will be determined by the MFA on an annual basis and published in the Notice of Funds Availability (NOFA).

C. "Primero Investment Fund" shall mean the MFA's program designed to provide flexible financing to nonprofit organizations, Tribal and public agencies, as well as for-profit entities undertaking the development of Affordable owner-occupied, rental or special needs housing projects.

D. "ACCESS Loan Program" shall mean the MFA's program designed to provide guaranteed or insured construction and permanent financing for affordable rental developments.

E. "BUILD IT Loan Guaranty Program" shall mean the MFA's program designed to guaranty interim financing provide by other lenders for affordable housing developments.

F. "HERO" shall mean the MFA's program designed to provide a first fixed-rate mortgage loan, including down payment and closing cost assistance in the amount of a 3.5% grant to be funded to the borrower at the time of loan closing , to households in which at least one member is a teacher, safety worker, health care worker or active member of the armed forces.

7.2 Funding.

A. Initial Funding. The HOF shall be initially funded with net residual assets of the MFA's issue of Home Improvement Loan Revenue Bonds, 1985 Series A and financing adjustment factor (FAF) savings derived from the MFA's Multi-Family Housing Refunding Revenue Bonds 1990 Series A.

B. Additional Sources. Additional sources of funding may include, but are not limited to:

1. gifts and grants received from the federal government, private foundations, corporate and private individuals and other sources;

2. money and other assets specifically allocated by the MFA to the HOF from time to time; and

3. earnings of the HOF.

7.3 Use of Funds. Monies and other assets of the HOF shall be disbursed to Applicants in accordance with the purposes of the HOF and Policies and Procedures developed and established by the MFA for the HOF as follows:

A. to provide down payment assistance for the financing of housing by Persons of Low and Moderate Income;

B. to provide closing cost assistance for the financing of housing by Persons of Low and Moderate Income;

C. to pay fees for services utilized in connection with HOF programs;

D. to pay costs of acquisition, rehabilitation and/or construction of Affordable housing projects; and

E. in such other manner as the MFA may determine from time to time.

7.4 Administration. The MFA shall administer the affairs of the HOF in accordance with provisions of the Act, these Rules and Regulations, any applicable state and federal laws and regulations, each of which may be amended or supplemented from time to time. The MFA, in establishing, funding and administering the affairs of the HOF and by making, executing, delivering and performing any award, contract, grant or any other activity or transaction contemplated by the HOF, shall not violate any provision of law, rule or regulation or any decree, writ, order, injunction, judgment, determination or award and will not contravene the provisions of or otherwise cause a default under any of its agreements, indentures, or other instruments to which it may be bound.

7.5 Program Guidelines. The MFA shall, from time to time, develop and adopt Policies and Procedures for each program of the HOF, which shall set forth the specific Application and approval procedures.

SECTION 8. SECONDARY MARKET FACILITY. The MFA may establish and implement a secondary market facility for Mortgage Loans and to otherwise act as a conduit for public and private funds to provide an increased degree of liquidity for mortgage investments. In establishing a secondary market facility, the MFA may issue pass-through securities and may purchase and contract to purchase Mortgage Loans, pass-through securities, obligations secured by Mortgage Loans or revenues therefrom or interests therein. The MFA shall establish Policies and Procedures, in accordance with paragraph 4.6 of these Rules and Regulations, which Policies and Procedures shall provide for the governing of the operations of the secondary market facility, the issuance of pass-through securities and for the purchase or issuance by, or the sale of, such obligations to the secondary market facility. The Policies and Procedures shall include, among other things: (i) the submission by Mortgage Lenders of offers to sell Mortgage Loans; pass-through securities; and obligations secured by Mortgage Loans or pledges of Mortgage Loan revenues; (ii) standards for allocating available funds or guarantees among Mortgage Lenders through the secondary market facility; (iii) qualifications or conditions relating to the reinvestment by Mortgage Lenders of the funds made available to Mortgage Lenders by the secondary market facility; and (iv) characteristics of pass-through securities to be issued by the secondary market facility.

SECTION 9. MISCELLANEOUS. Capitalized terms not otherwise defined in these Rules and Regulations have the same meaning as defined in the Act.

SECTION 10. AMENDMENT TO RULES AND REGULATIONS. These Rules and Regulations may be amended or supplemented by the MFA, with the approval of the Oversight Committee, at any time. Proposed amendments to these Rules and Regulations will be posted on MFA's website for a minimum of thirty (30) days prior to approval by the Oversight Committee, to enable public comment on the proposed changes.

Tab 5

NEW MEXICO MORTGAGE FINANCE AUTHORITY
BOARD OF DIRECTORS

Mr. Dennis R. Burt, Chair
Burt & Company CPAs, LLC
4101 Indian School Rd. NE #440
Albuquerque, New Mexico 87110
(505) 265-6604 fax: 268-9931
Term: 4/26/11 – 12/31/14

The Honorable John Sanchez
Lieutenant Governor
State Capitol Building
Room 417
Santa Fe, NM 87501
(505) 476-2250, fax: (505) 476-2257
Term: Ex-officio (Elected 2011)

The Honorable Gary King
Attorney General
P.O. Drawer 1508 (87504-1508)
408 Galisteo Street
Villagra Third Floor
Santa Fe, NM 87501
(505) 827-6070, fax: 827-6989
Term: Ex-officio (Elected 2006)

The Honorable James B. Lewis
State Treasurer
P.O. Box 5135 (87505)
2055 South Pacheco Street
Suite 100 & 200
Santa Fe, NM 87505
(505) 955-1191, fax: (505) 955-1195
Term: Ex-officio (Elected 2006)

Ms. Sharron Welsh
Executive Director
The Housing Trust
1111 Agua Fria St.
Santa Fe, NM 87501
(505) 455-8113 fax: (505) 982-3960
Term: 2/10/10– 1/01/12

Mr. Angel Reyes
President, Centinel Bank in Taos
PO Box 818
Ranchos de Taos, NM 87571
512 Paseo del Pueblo Sur
Taos, NM 87571
575-758-6770 fax: 575-758-6712
Term: 6/30/11– 1/01/14

Vacant:
Term: - 12/31/13

05/30/13

Tab 6

MFA Mandate, Vision, Mission, and Core Values

MFA Mandate

In 1975 the New Mexico state legislature created the New Mexico Mortgage Finance Authority, a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality, with the power to raise funds from private investors in order to make such private funds available to finance the acquisition, construction, rehabilitation and improvement of residential housing for persons and families of low or moderate income within the state.[1]

MFA Vision

All New Mexicans will have quality affordable housing opportunities.

MFA Mission

Provide innovative products and services in collaboration with strategic partners to finance the purchase, construction and preservation of quality affordable housing to strengthen the social and economic development of New Mexico.

MFA Core Values

- Hire well qualified employees representing the diversity of the state, pay them competitively, treat them fairly, and provide opportunities for advancement.
- Provide prompt, courteous, quality service.
- Foster a professional environment that supports a high level of integrity, transparency, collaboration, and commitment to mission.
- Allocate resources to serve those with the greatest need while promoting partnerships to maximize housing opportunities.
- Practice cost-effective operations and prudent fiscal management.
- Promote sustainable growth, innovation, and environmentally conscious practices.

[1] Excerpted from the Mortgage Finance Authority Act, §58-18-2, NMSA 1978, as amended.

Tab 7

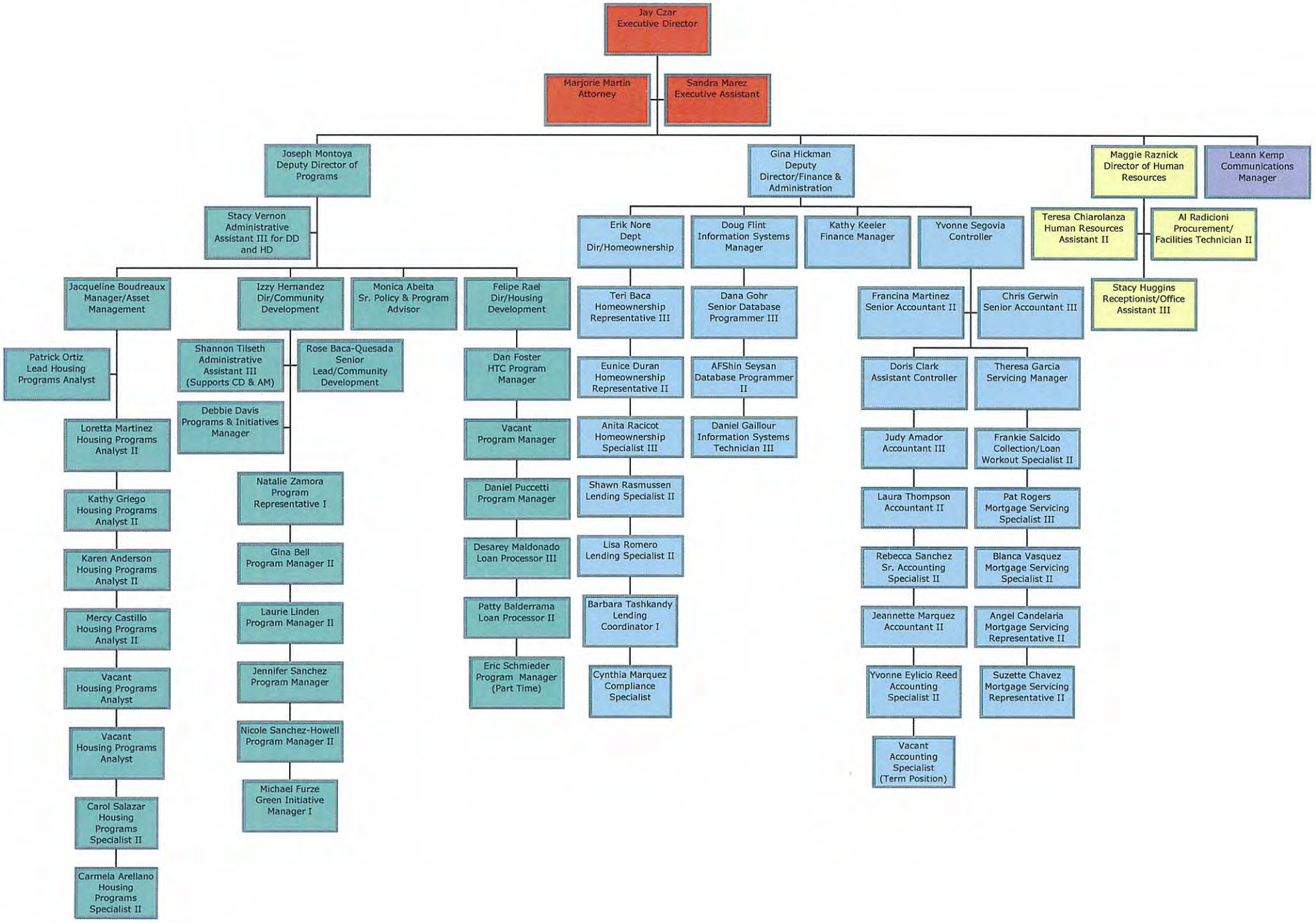
Top Ten MFA Myths…Debunked!

Myth . . .	. . . Debunked!
Myth #1: MFA develops/builds homes.	MFA does not develop and/or build homes. MFA provides financing to developers to build homes – we're kind of like a bank. Most of MFA's development financing is in the form of loans, but we also provide tax credits and some grants.
Myth #2: MFA has lots of grant funding available.	MFA has very little grant funding available. Because MFA borrows most of its funding, we must in turn make that funding available as loans, not grants. Additionally, some of the resources MFA receives require that we "recycle" them because they are limited. When we recycle funds—that is, when MFA asks that these funds be repaid—we can use the repayments to assist more people.
Myth #3: MFA is a state agency.	MFA is not a state agency; MFA is an "instrumentality of the state." MFA is like a state agency in that it was chartered by the state legislature in 1975 and serves a public purpose. MFA's Board of Directors is a public body, and MFA has a Legislative Oversight Committee. But MFA is unlike a state agency in that it receives no state funding to support its operations, its liabilities are not the state's liabilities, its employees are not employees of the state, and MFA does not participate in PERA.
Myth #4: MFA issues mortgage revenue bonds. Aren't they risky? Does this pose a risk to the state's financial position?	MFA has historically taken a very conservative approach in structuring bond offerings, and has never entered into any derivative or swap transactions, nor has MFA ever issued any variable rate debt. MFA's issuer rating is A+/Positive Outlook, and bond issues are typically AAA-rated. MFA was one of very few housing finance agencies in the country able to issue mortgage revenue bonds in 2009, and *MFA has never had a non-origination call*. MFA bonds are very sound investments. Finally, because MFA is not a state agency, MFA's bond issues pose no risk to the state because they are not considered a liability of the state. The New Mexico State Constitution significantly restricts the state's ability (and that of counties and municipalities) to issue debt: this is why MFA was created "separate and apart from the state" as an instrumentality.
Myth #5: MFA gave our town the money for our fire station/ courthouse/community center.	MFA provides funding for housing and housing-related activities *only*. The similarly named *New Mexico Finance Authority* ("NMFA") provides financing for the types of facilities mentioned in this myth, as well as other basic infrastructure and economic development projects. MFA and NMFA are completely separate organizations and MFA provides financing for very different purposes.

Myth . . .	. . . Debunked!
Myth #6: MFA oversees/regulates the regional housing authorities and the public housing authorities.	Prior to 2007, MFA had no oversight authority with the regional housing authorities. In 2007 several changes to the Regional Housing Law were enacted, and MFA was charged with some regional housing oversight responsibilities. MFA does not have, nor has it ever had, an oversight relationship with the public housing authorities: they report to boards and/or their county or municipal governments, and HUD oversees their administration of public housing resources.
Myth #7: If you want to buy a home, just go to MFA and they'll give you a mortgage loan.	MFA does not lend directly to individual homebuyers, nor do all individuals qualify for MFA's mortgage loan products. MFA works with a large network of participating lenders throughout New Mexico who in turn work with individual homebuyers. Most of MFA's mortgage loans are available to first-time homebuyers only, and they have to meet reasonably good credit standards. In addition, in order to qualify for many of MFA's loan and down payment assistance products, prospective borrowers must successfully complete a pre-purchase homebuyer education course.
Myth #8: MFA is at significant financial risk in today's housing market because more and more borrowers are defaulting on their loans.	While today's housing and mortgage markets are challenging in general, MFA is not at significant financial risk due to the uptick in poor loan performance. When MFA purchases loans from participating lenders, they are securitized and then the mortgage-backed securities are sold to the secondary market (either Ginnie Mae or Fannie Mae). The federal government then insures the mortgages so that even if the borrower defaults on his/her payments, MFA is held harmless and repayments continue to flow so that MFA can in turn repay the bond holders who purchased the bonds that provided the financing for the mortgages. What is more, because MFA borrowers receive 30-year fixed rate loans and are typically required to successfully complete pre-purchase homebuyer education courses, they usually enjoy lower delinquency and default rates.
Myth #9: My community could use some new homes/weatherization/ housing rehabilitation/a homeless shelter. MFA will make it happen.	This myth is related to Myth #1. It is important to understand that MFA does not develop and/or build homes, provide direct weatherization or housing rehabilitation services, build homeless shelters, or serve people experiencing homelessness. MFA provides the funds to do all of these things. If a developer, municipality, county, or other service provider wishes to apply to MFA for funding to carry out any of these activities in a given community, MFA can help.
Myth #10: MFA is part of HUD.	The U.S. Department of Housing and Urban Development (HUD) is a federal agency that provides various financial resources for housing and community development. MFA administers HUD funding and contracts on behalf of the state. HUD is an important partner to MFA, but MFA is not part of HUD.

Tab 8

Approved Organizational Chart
MFA - FTE 67.75
September 19, 2012 (revised 2/25/13)

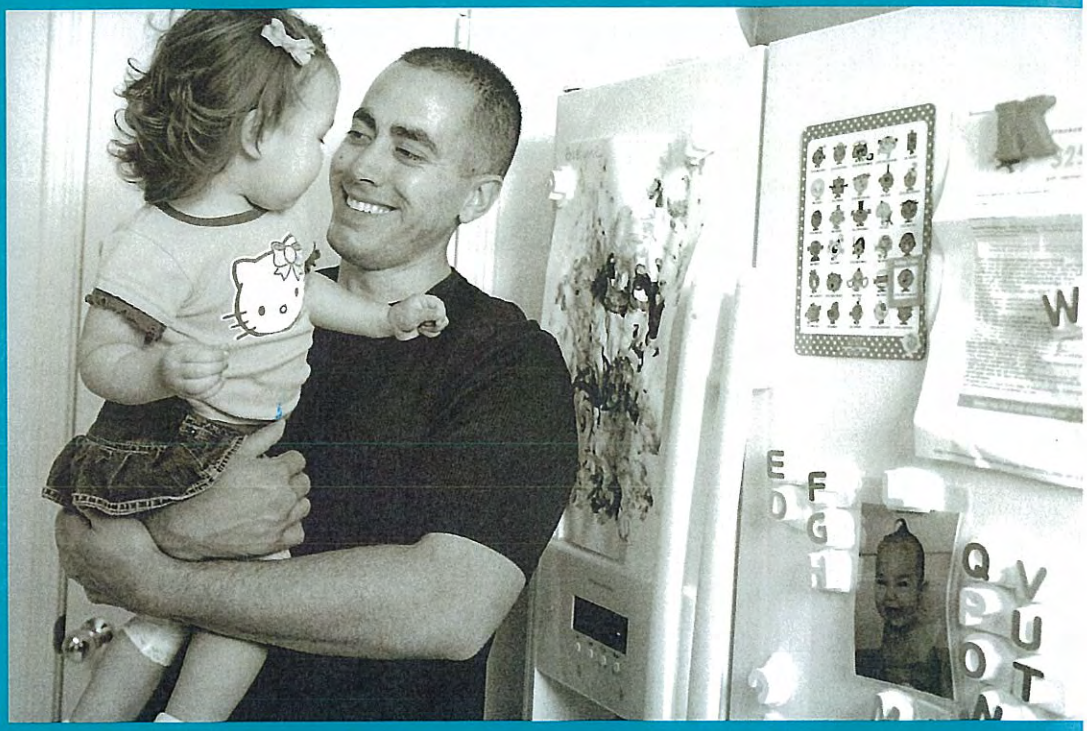


Tab 9

MFA Programs & Services

"We love our home.
It's a place where
our grandchildren
can grow and thrive."
– Kip Vaughn

MFA | Housing New Mexico



New Mexico Mortgage Finance Authority (MFA) is a self-supporting agency that was established by the New Mexico State Legislature in 1975 to help provide safe, quality affordable housing and related services for low- to moderate-income New Mexicans. In addition to providing low-interest rate mortgage loans and down payment assistance to first-time homebuyers, MFA administers more than 30 programs that include affordable housing construction financing, homelessness prevention and rental assistance. MFA's programs are available through a statewide network of lenders, REALTORS®, non-profit housing organizations, developers and local governments. For more information on any of our programs or for a list of participating mortgage lenders, please contact our office at **505-843-6880** or visit our website at **housingnm.org**

HOMEOWNERSHIP PROGRAMS

Building Trust
Below-market rate loans to Native American families or individuals from federally recognized tribes who have a home site lease on trust land to buy, build or make repairs on existing homes. First-time homebuyer requirements are waived.

Helping Hand
$8,000 for down payment and closing cost assistance to low-income families in which one family member has a disability. Helping Hand is a 0 percent loan due on sale, transfer or refinance of the home. Guidelines may vary by location.

HERO
The HERO program is a first mortgage loan that includes a 3.5 percent down payment assistance grant. The grant does not need to be repaid. HERO is available to low- to moderate-income households in which at least one member is a public safety worker, healthcare worker, educational worker or an active or reserve member of the armed forces. The HERO program is a 30-year, fixed-rate, FHA-insured mortgage loan.

Mortgage Booster
A fixed-rate second mortgage that is used in conjunction with either a Mortgage$aver or Mortgage$aver Zero first mortgage. Mortgage Booster features a 30-year term and a maximum loan amount of $8,000. Mortgage Booster has a 6 percent interest rate.

Mortgage$aver
Thirty-year fixed below-market rate mortgage loans priced with 1 percent discount and 1 percent origination fee for low to moderate-income first-time homebuyers.

Mortgage$aver Plus
Thirty-year fixed rate mortgage program that includes a 3.5 percent grant to offset down payment and closing costs for low- to moderate-income first-time homebuyers. Mortgage$aver Plus carries a slightly higher interest rate than Mortgage$aver and Mortgage$aver Zero loan products and features a 0 percent origination and 0 percent discount fee.

Mortgage$aver Zero
Thirty-year fixed-rate mortgage loans priced with 0 percent discount and 0 percent origination fee for low- to moderate-income first-time homebuyers.

Partners Program
First mortgages for families earning less than 60 percent of the area median income. Mortgages are procured through non-profit housing providers.

Payment$aver
A second mortgage loan that provides 8 percent of the sales price of the home (up to $8,000) for down payment, closing costs, principal reduction and/or interest rate buy-down for lower income families in eligible areas of the state. Payment$aver is a 0 percent loan due on sale, transfer or refinance, loan due on sale, transfer or refinance of the home.

Smart Choice
In areas where the local public housing authority offers the Section 8 Housing Choice Voucher Homeownership program, program participants may be eligible for a Smart Choice down payment and closing cost assistance loan of $15,000. Smart Choice features a 0 percent interest rate and is due on the sale, transfer or refinance of the home.

Streamline 203(k)
A 30-year, fixed rate FHA first mortgage that includes up to $35,000 for home improvements or energy efficiency upgrades. Down payment assistance programs may be used in conjunction with this loan.

HOUSING DEVELOPMENT PROGRAMS

Risk Sharing Loans HUD 542(c) and USDA 538
Construction and permanent loan programs aimed at the production and preservation of affordable, low-income rental housing units. Both programs require set-asides for a specific number of units to be rented to lower income tenants. These loans are often combined with Federal Low Income Housing Tax Credits and/or HOME Rental loans. Risk Sharing loans can also provide credit enhancement for tax-exempt bond financing.

ACCESS Loan
Streamlined Risk Sharing construction and permanent loans up to $2 million for small-scale affordable rental housing projects.

"Build It!" Loan Guaranty Program
Up to a 50 percent guaranty of interim loans used to acquire, build or rehabilitate affordable rental and for-sale housing. Build It! is available to non-profit organizations, for-profit corporations, units of local government, housing authorities and tribal entities.

HOME/Rental Loan
Gap financing loans for the development of affordable rental or special needs housing through either new construction or acquisition and rehabilitation of existing properties.

HOME/Single Family Loans
Gap financing loans for the construction and sale of affordable single family residences.

Land Title Trust Fund (LTTF)
Loans or grants to provide housing for low-income persons whose household income does not exceed 80 percent of area median income. MFA awards funds quarterly on a competitive basis to eligible applicants that include non-profit organizations, governmental housing agencies, housing authorities, governmental entities, governmental instrumentalities, tribal governments, and tribal housing agencies.

Low Income Housing Tax Credit (LIHTC)
A federal tax-based program that encourages private investment for the construction or rehabilitation of affordable rental housing. Each year, MFA awards funds on a competitive basis, as outlined in the Qualified Allocation Plan.

Tax-Exempt Bonds
MFA is a qualified issuer of tax-exempt bond financing and 501(c)3 bond financing for multi-family developments throughout the state. Risk Share financing can be utilized for credit enhancement. Federally mandated tenant income restrictions apply.

New Mexico Affordable Housing Tax Credit Program
Provides state tax credits to individuals, businesses and local governments that provide donations of land, buildings, materials, cash or services to affordable housing projects approved by MFA or cash donations made to the MFA Charitable Trust. The credit is equal to 50 percent of the value of the donation. Project sponsors can apply for an eligible affordable housing project designation and for a reservation of credits as outlined in the Notice of Funding Availability.

New Mexico Housing Trust Fund
Provides financing for affordable housing initiatives targeted primarily to low- and moderate-income households. MFA awards funds on a competitive basis as outlined in the Notice of Funding Availability. Eligible applicants include non-profit and for-profit housing developers and providers, units of local government, housing authorities and tribal entities.

Primero Investment Fund
Provides loans to meet the financial needs of affordable housing development initiatives that cannot be accommodated with other sources. For-profit and non-profit sponsors, public or government agencies including tribal entities are all eligible to apply. Permanent supportive housing pre-development and development grants are available for projects that set aside units for permanent supportive housing.

"Now we have a place where our children can build memories."

– Monica Anderson

COMMUNITY DEVELOPMENT PROGRAMS

Community Housing Development Organization (CHDO) Operating Fund Program
Operating funds designed to increase production capacity in non-profit organizations that develop affordable housing.

Continuum of Care (CoC)
A partnership between MFA and the New Mexico Coalition to End Homelessness, this program funds agencies that provide assistance for people experiencing homelessness. Services include prevention, street outreach, emergency shelter, transitional housing and permanent supportive housing.

HOME House by House Reservation Rehabilitation (REHAB)
Assistance for low-income homeowners to make necessary home repairs. MFA selects local housing authorities, community non-profit organizations and local governments to administer the program in communities throughout the state, excluding Albuquerque and Las Cruces.

New Mexico Energy$mart
Assistance for qualified households to improve their homes' energy efficiency and reduce utility expenses by as much as $500 per year. Homes receive an average of $4,500 in energy efficiency upgrades through the program, which may include insulation, caulking, new windows and/or new heating systems.

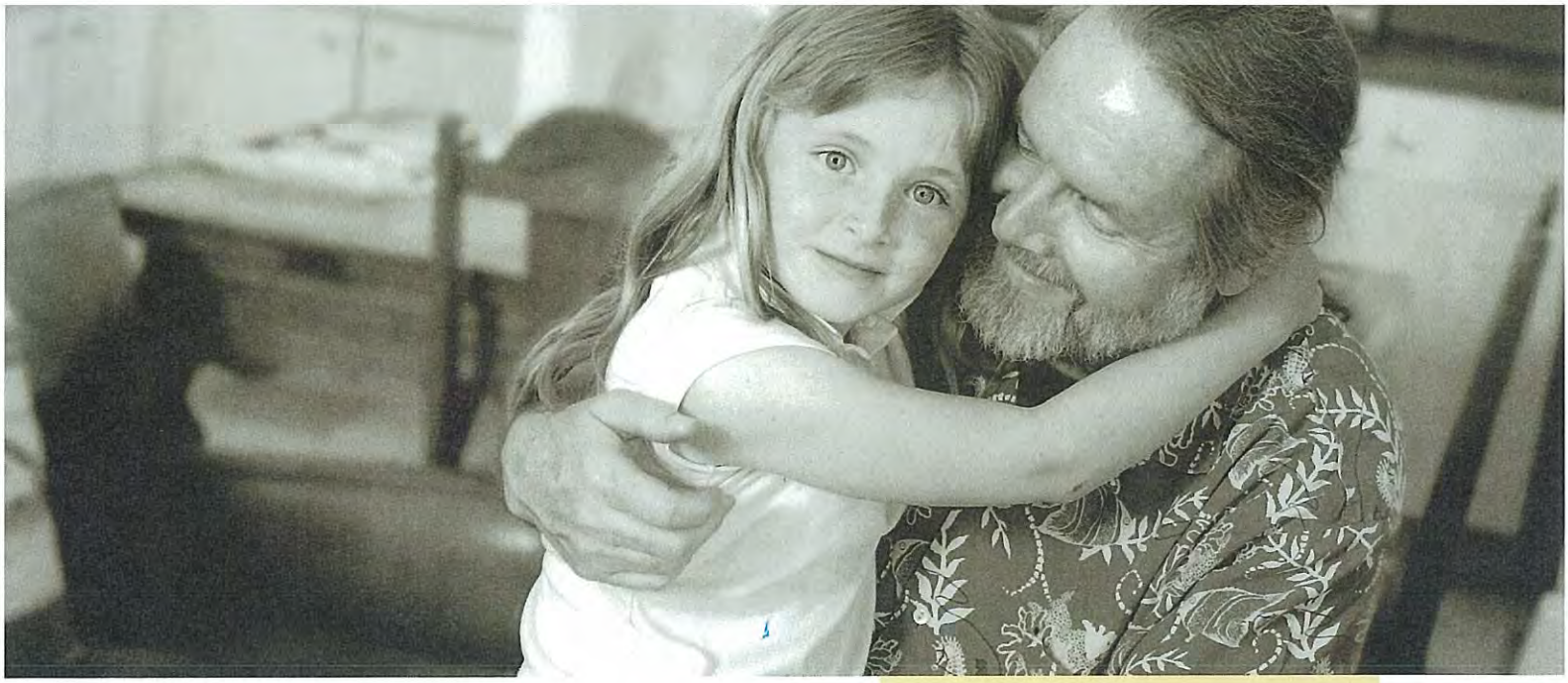
Transitional and Supportive Services (TSS)
Support for community non-profits and local governments that provide emergency, transitional and permanent housing and supportive services for individuals and families who are experiencing homelessness or at risk of becoming homeless.

Emergency Homeless Assistance
Funding for emergency shelters and housing providers to provide emergency shelter, housing and emergency services for needy individuals and families.

TSS: Rental Assistance Program (RAP)
A short- and medium-term rental assistance program for low-income families and individuals who are experiencing homelessness or who are at risk of becoming homeless. Assistance can include payments for security deposits and utility bills.

Housing Opportunities for People with AIDS (HOPWA)
Provides supportive housing and case management services to individuals who have been diagnosed with HIV to prevent homelessness in the HIV/AIDS community.

Linkages Program
A permanent supportive housing voucher program for persons with behavioral health disorders who have experienced long-term homelessness. Services are provided through community partnerships between local or regional public housing authorities and licensed behavioral health providers.



"I love the openness of the (Sawmill) Lofts and the community aspect. It's everything I was looking for in a home."

– Christopher Cates

TARGETED INITIATIVES

Housing Counseling
Pre-purchase housing counseling for prospective buyers funded by U.S. Department of Housing and Urban Development (HUD) grants. Counseling is done by sub-grantees selected by MFA.

Performance Based Annual Contributions Contract (ACC)
Monitoring and contractual compliance of owners and management agents participating in Project-Based Housing Assistance Payment contracts under Section 8 of the United States Housing Act of 1937. MFA oversees approximately 89 properties or 5,318 units throughout the state.

Affordable Rental Property Listing
Assistance for New Mexicans looking for affordable rental properties. Listings are available through MFA's Housing Services Directory.

Green Initiatives
Initiatives that encourage energy and water efficiency in MFA programs and promote healthy and cost effective affordable housing design and construction.

New Mexico Affordable Housing Charitable Trust
Charitable trust administered by MFA. Donors to the trust are eligible for New Mexico tax credits worth 50 cents of every dollar donated. Donations are leveraged several times over and used to fund affordable housing construction. Tax credits may be carried forward for five years and may be sold or otherwise transferred one time.

Tab 10

2012 Production Highlights

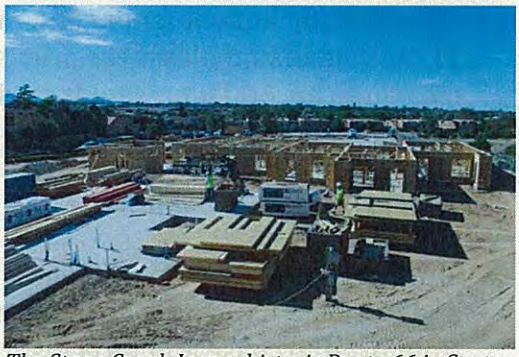
In 2012, MFA provided more than $223 million in low-interest financing and grants for affordable housing and related services throughout NM.

Helping to Build Affordable Housing

- MFA provided more than $65 million in financing for the new construction and acquisition/rehabilitation of 985 affordable rental homes, including 371 units already in the pipeline.
- MFA funded $2.3 million in loans for new construction and acquisition/ rehabilitation/resale of 83 affordable for-sale homes, including 10 Habitat for Humanity homes and 12 homes on tribal lands.
- MFA provided funding for the rehabilitation and energy efficiency improvement of more than 1,400 owner-occupied homes.

Assisting Homeowners and Renters

- Using tax-exempt single family mortgage bonds, MFA provided loans in excess of $106 million to 911 homebuyers to acquire their first homes.
- MFA provided more than $3.4 million in down payment assistance loans and grants.
- MFA processed more than $26 million in project-based Section 8 rental assistance payments for 5,297 apartments occupied by low-income households throughout New Mexico.



The Stage Coach Inn on historic Route 66 in Santa Fe will be home to 60 very low-income families, including families transitioning out of homelessness. The project is funded in part by $10,398,330 in tax credits and $1.8 million in additional funding from MFA.

Volunteers with Habitat for Humanity New Mexico help construct a home in Otero County. In 2012, MFA provided $280,000 in funding from the HOME Investment Partnership and State Tax Credits for Otero County Habitat to build seven homes in Alamogordo and Tularosa.

Housing Those in Need

- MFA Funded more than $1.3 million in shelter and operating costs for approximately 8,700 individuals experiencing homelessness and more than $1 million in homelessness prevention measures for 600 households at risk of becoming homeless.

Reaching out to Communities

- More than 1,508 prospective home buyers and troubled home owners have benefited from pre-purchase and foreclosure mitigation counseling classes and individualized sessions valued at more than $245,000.
- MFA's NM Energy$mart program provided more than 13,000 hours of specialized energy efficiency training for 581 attendees from the weatherization and construction workforce. Trainings occurred at the NM Energy$mart Training Academy at Santa Fe Community College along with field training in Roswell and on the Jicarilla Apache Nation.
- The 2012 New Mexico Housing Summit held in Albuquerque on August 22-24 drew a record crowd of more than 600 attendees. More than 40 New Mexico communities and 15 other states were represented. MFA holds the summit every other year.

A crew from Central New Mexico Housing Corporation, which provides weatherization services for MFA in central New Mexico, prepares to blow insulation into the attic of a home as trainees look on. MFA's NM Energy$mart program weatherizes thousands of homes each year for low income homeowners.

Over 100 speakers participated in break-out and training sessions at the 2012 New Mexico Housing Summit. MFA offers additional trainings year-round, including Request for Proposal trainings, Housing Development 101 workshops, and events for homeless service providers, housing non-profits, regional housing authorities, local governments, and housing counseling agencies.

Tab 11

Low Income Housing Tax Credit Developments in New Mexico's First Congressional District
2000 - 2012

MFA

Credit Type	Project	Address	City	County	Zip	Year Awarded	Award Amount	Total Development Cost	Tax Credit Proceeds	Total Units	Tax Credit Units
9% Credits	Ventana Ranch	10400 Universe Blvd.	Albuquerque	Bernalillo	87114	2003	$ 811,588	$ 19,368,690	$ 6,648,367	288	216
	Sawmill Lofts	1801 Bellamah Avenue NW	Albuquerque	Bernalillo	87104	2004	$ 598,993	$ 7,163,155	$ 5,450,836	60	59
	Casa Bonita/Carlisle Family Homes/Cc	4528 Carlisle Blvd. NE	Albuquerque	Bernalillo	87109	2004	$ 769,937	$ 11,454,116	$ 6,514,234	140	139
	Silver Gardens Phase I	100 Silver Ave SW	Albuquerque	Bernalillo	87102	2008	$ 1,031,881	$ 13,637,017	$ 5,150,484	66	56
	Downtown @ 700 - 2nd	700 2nd Street NW	Albuquerque	Bernalillo	87102	2008	$ 964,720	$ 12,606,116	$ 8,063,156	72	59
	Silver Gardens Phase II	100 Second Street SW	Albuquerque	Bernalillo	87102	2010	$ 747,130	$ 8,790,676	$ 5,378,798	55	45
	Plaza Feliz	509 San Pablo St. SE	Albuquerque	Bernalillo	87108	2010	$ 1,023,391	$ 12,440,009	$ 7,470,007	66	55
	Luna Lodge (Ubuntu)	9119 Central Avenue NE	Albuquerque	Bernalillo	87123	2010	$ 344,120	$ 4,429,354	$ 2,377,102	30	30
	Casitas de Colores	2nd/3rd Streets, Lead/Silver	Albuquerque	Bernalillo	87102	2012	$ 1,110,000	$ 12,408,064	$ 11,098,890	71	50
	Plaza Ciudana	312 Indian School Rd.	Albuquerque	Bernalillo	87102	2012	$ 1,110,000	$ 13,698,237	$ 10,821,418	67	56
	Sundowner	6101 Central Ave. NE	Albuquerque	Bernalillo	87108	2012	$ 638,687	$ 9,063,847	$ 5,428,297	71	60
4% Credits	Valencia Court	200 Valencia Drive SE	Albuquerque	Bernalillo	87108	2000	$ 413,492	$ 13,390,174	$ 3,224,589	188	188
	Sandpiper Apartments	4401 Montgomery Blvd. NE	Albuquerque	Bernalillo	87109	2001	$ 537,734	$ 15,733,657	$ 4,024,337	239	235
	Brentwood Gardens	6302 Harper Pl. NE	Albuquerque	Bernalillo	87109	2001	$ 229,631	$ 8,527,933	$ 1,833,101	122	122
	Manzano Mesa	700 Eubank Blvd. SE	Albuquerque	Bernalillo	87123	2001	$ 427,908	$ 15,114,152	$ 3,592,684	224	224
	El Paseo	301 El Pueblo Road NW	Albuquerque	Bernalillo	87114	2002	$ 320,366	$ 11,324,428	$ 2,734,307	166	166
	Vista Grande	12801 Copper NE	Albuquerque	Bernalillo	87123	2003	$ 149,146	$ 5,567,152	$ 1,161,500	96	95
	Sunny Acres	2821 Mountain Rd. NW	Albuquerque	Bernalillo	87104	2003	$ 132,521	$ 4,071,303	$ 897,271	75	74
	Sandia Vista	901 Tramway Blvd. NE	Albuquerque	Bernalillo	87123	2003	$ 183,494	$ 6,794,059	$ 172,583	138	136
	Aztec Village	4321 Montgomery Blvd. NE	Albuquerque	Bernalillo	87109	2003	$ 434,710	$ 13,981,772	$ 3,504,028	228	228
	El Paseo Phase II	291 El Pueblo Road NW	Albuquerque	Bernalillo	87107	2003	$ 326,001	$ 10,126,326	$ 2,290,852	124	124
	Arioso	7303 Montgomery Blvd. NE	Albuquerque	Bernalillo	87109	2004	$ 514,314	$ 11,892,456	$ 4,093,380	265	262
	Lafayette Square	3901 Lafayette Dr NE	Albuquerque	Bernalillo	87107	2004	$ 406,457	$ 11,597,071	$ 3,271,991	189	188
	El Pueblo/ Madera	Various Sites	Albuquerque	Bernalillo	87108	2004	$ 207,294	$ 5,467,752	$ 1,508,092	107	107
	Alta Vista	4200 Spanish Bit NE	Albuquerque	Bernalillo	87111	2004	$ 618,438	$ 18,478,034	$ 4,918,069	270	264
	Chateau	6101 Osuna RD NE	Albuquerque	Bernalillo	87109	2005	$ 185,203	$ 5,743,134	$ 1,496,471	78	78
	Sun Pointe Park	4057 Montgomery Blvd. NE	Albuquerque	Bernalillo	87109	2005	$ 724,002	$ 19,138,049	$ 6,110,416	260	260
	Cottwood Apartments	3600 Old Airport Road NW	Albuquerque	Bernalillo	87114	2005	$ 491,942	$ 18,241,079	$ 4,631,879	185	185
	Ladera Senior Apartments	3704 Ladera Drive NW	Albuquerque	Bernalillo	87112	2005	$ 326,308	$ 10,839,180	$ 2,918,121	114	114
	St. Anthony's Plaza	1750 Indian School	Albuquerque	Bernalillo	87104	2005	$ 230,520	$ 8,991,730	$ 2,330,331	160	158
	Westwood Village	901 68th Street NW	Albuquerque	Bernalillo	87121	2006	$ 104,048	$ 3,763,590	$ 922,525	64	64
	Montgomery Manor	4301 Morris St. NE	Albuquerque	Bernalillo	87111	2006	$ 192,692	$ 5,944,200	$ 1,577,461	80	80
	La Villa Elena	201 Villa Elena Ln.	Bernalillo	Sandoval	87004	2009	$ 94,021	$ 3,140,642	$ 557,658	54	53
Total							**$16,400,689**	**$352,927,154**	**$132,173,235**	**4,412**	**4,230**

Estimated Economic Impact of Low-Income Housing Tax Credit Developments
In New Mexico's First Congressional District
2000 - 2012

MFA

Local Income and Jobs By Industry	Phase I: Direct and Indirect Impact of Construction Activity					Phase II: Induced Effect of Spending Income and Tax Revenue from Phase I					Phase III: Ongoing Annual Effect That Occurs Because Units Are Occupied				
Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported
Construction	$163,561,664	$42,178,720	$121,378,532	$49,000	2,470.72	$5,250,280	$2,033,932	$3,216,348	$49,000	44.12	$2,219,236	$798,572	$1,420,664	$49,000	44.12
Manufacturing	$22,060	$0	$22,060	$51,000	0.00	$22,060	$0	$22,060	$51,000	0.00	$17,648	$0	$13,236	$51,000	0.00
Transportation	$370,608	$48,532	$322,076	$42,000	0.00	$383,844	$52,944	$330,900	$38,000	0.00	$379,432	$52,944	$326,488	$35,000	0.00
Communications	$2,426,600	$741,216	$1,685,384	$75,000	44.12	$6,754,772	$2,307,476	$4,447,296	$74,000	44.12	$4,579,656	$1,561,848	$3,017,808	$74,000	44.12
Utilities	$683,860	$264,720	$419,140	$84,000	0.00	$3,256,056	$1,283,892	$1,967,752	$84,000	44.12	$1,425,076	$555,912	$864,752	$84,000	0.00
Wholesale & Retail Trade	$23,683,616	$4,332,584	$19,351,032	$37,000	529.44	$19,011,308	$3,578,132	$15,433,176	$32,000	485.32	$15,914,084	$3,004,572	$12,909,512	$32,000	397.08
Finance & Insurance	$5,228,220	$423,552	$4,800,256	$83,000	44.12	$4,778,196	$432,376	$4,345,820	$74,000	44.12	$3,039,868	$273,544	$2,766,324	$74,000	44.12
Real Estate	$7,628,348	$6,715,064	$913,284	$51,000	0.00	$20,017,244	$17,621,528	$2,395,716	$51,000	44.12	$42,641,980	$37,537,296	$5,104,684	$51,000	88.24
Personal & Repair Services	$1,658,912	$626,504	$1,032,408	$33,000	44.12	$4,067,864	$1,870,688	$2,201,588	$33,000	88.24	$2,894,272	$1,372,132	$1,522,140	$33,000	44.12
Services to Dwellings/Buildings	$926,520	$185,304	$741,216	$33,000	44.12	$979,464	$194,128	$785,336	$33,000	44.12	$785,336	$154,420	$630,916	$33,000	0.00
Business & Professional Services	$22,849,748	$6,816,540	$16,033,208	$58,000	264.72	$10,760,868	$3,194,288	$7,566,580	$52,000	132.36	$7,915,128	$2,307,476	$5,607,652	$50,000	132.36
Eating & Drinking Places	$780,924	$105,888	$675,036	$20,000	44.12	$5,572,356	$750,040	$4,822,316	$20,000	220.60	$3,657,548	$494,144	$3,167,816	$20,000	176.48
Automobile Repair & Service	$785,336	$242,660	$542,676	$33,000	0.00	$2,739,852	$833,868	$1,905,984	$33,000	44.12	$1,610,380	$489,732	$1,120,648	$33,000	44.12
Entertainment Services	$136,772	$26,472	$105,888	$45,000	0.00	$1,310,364	$361,784	$948,580	$37,000	44.12	$820,632	$229,424	$586,796	$38,000	0.00
Health, Education & Social Services	$30,884	$8,824	$22,060	$38,000	0.00	$15,305,228	$1,928,044	$13,377,184	$49,000	264.72	$9,644,632	$1,173,592	$8,471,040	$48,000	176.48
Local Government	$282,368	$0	$282,368	$54,000	0.00	$10,235,840	$0	$10,235,840	$50,000	220.60	$6,141,504	$0	$6,141,504	$51,000	132.36
Other	$3,551,660	$1,279,480	$2,272,180	$44,000	44.12	$3,008,984	$1,072,116	$1,936,868	$35,000	44.12	$1,553,024	$591,208	$961,816	$35,000	44.12
Total	**$234,608,100**	**$63,996,060**	**$170,598,804**	**$47,800**	**3,529.60**	**$113,454,580**	**$37,515,236**	**$75,939,344**	**$41,170**	**1,808.92**	**$105,239,436**	**$50,596,816**	**$54,633,796**	**$40,742**	**1,367.72**

Local Government General Revenue by Type	Phase I: Construction Activity	Phase II: Induced Effect	Phase III: Ongoing Annual Effect
Taxes			
Business Property Taxes	$767,688	$3,882,560	$4,235,520
Residential Property Taxes	$0	$0	$4,764,960
General Sales Taxes	$1,694,208	$1,235,360	$1,367,720
Specific Excise Taxes	$105,888	$529,440	$573,560
Income Taxes	$458,848	$308,840	$308,840
License Taxes	$26,472	$44,120	$44,120
Other Taxes	$101,476	$485,320	$529,440
Total Taxes	**$3,154,580**	**$6,485,640**	**$11,824,160**
User Fees & Charges			
Residential Permit/Impact Fees	$13,425,716	$0	$0
Utilities & Other Gov't. Enterprises	$2,386,892	$4,323,760	$3,838,440
Hospital Charges	$1,032,408	$1,632,440	$1,853,040
Transportation Charges	$432,376	$220,600	$176,480
Education Charges	$454,436	$220,600	$220,600
Other Fees & Charges	$1,257,420	$1,500,080	$1,544,200
Total Fees & Charges	**$18,989,248**	**$7,897,480**	**$7,632,760**
Total General Revenue	**$22,143,828**	**$14,383,120**	**$19,456,920**

Low Income Housing Tax Credit Developments in New Mexico's Second Congressional District
2000 - 2012

MFA

Credit Type	Project	Address	City	County	Zip	Year Awarded	Award Amount	Total Development Cost	Tax Credit Proceeds	Total Units	Tax Credit Units
9%	Spicewood Canyon Villas	1301 E Alameda	Roswell	Chaves	88203	2003	$494,437	$5,307,216	$4,113,716	60	60
	Wilshire Gardens	2727 Wilshire Boulevard	Roswell	Chaves	88201	2006	$915,983	$11,602,242	$9,141,848	91	76
	Roswell Summit Apartments	1600 W. Summit	Roswell	Chaves	88201	2007	$328,473	$4,595,326	$3,087,337	52	52
	Laguna Homes I	West Veterans Memorial	Laguna	Cibola	87026	2004	$407,782	$5,995,287	$3,364,202	40	40
	Laguna Homes II	West Veterans Memorial	Laguna	Cibola	87026	2004	$294,765	$4,117,686	$2,428,892	39	39
	Franklin Vista V	505 Curry Court	Anthony	Doña Ana	88021	2001	$67,262	$1,857,541	$473,000	28	28
	Cimmaron	825 4th. Street	Anthony	Doña Ana	88021	2004	$534,785	$6,069,129	$4,652,630	60	59
	Franklin Vista VI	855 Clark Street	Anthony	Doña Ana	88021	2006	$116,486	$2,829,197	$1,025,077	24	24
	Franklin Vista VII	Clark Road	Anthony	Doña Ana	88021	2006	$162,547	$3,651,645	$1,355,649	25	24
	Montana Sr. Village II	335 E. Montana Avenue	Las Cruces	Doña Ana	88005	2001	$286,398	$6,236,401	$2,291,200	84	60
	Mira Vista Villas	2141 North Solano Drive	Las Cruces	Doña Ana	88001	2001	$358,609	$4,789,525	$2,904,634	76	60
	Desert Palms Apartments	2405 W. Picacho Ave	Las Cruces	Doña Ana	88007	2003	$227,879	$4,615,418	$1,891,396	100	100
	Mesquite Village	1851 N. Mesquite Street	Las Cruces	Doña Ana	88001	2003	$132,585	$4,214,148	$1,033,055	49	48
	Vista Montana	316 Foster Road	Las Cruces	Doña Ana	88005	2003	$698,931	$7,640,188	$5,655,680	80	79
	Four Hills	2595 Mars Avenue	Las Cruces	Doña Ana	88012	2003	$403,431	$6,505,830	$3,328,306	72	60
	Stone Mountain Place	930 East Boutz Road	Las Cruces	Doña Ana	88001	2005	$686,168	$9,872,018	$6,689,469	84	71
	Los Altos Apartments	2301 El Camino Real	Las Cruces	Doña Ana	88005	2005	$431,389	$7,310,584	$4,098,196	72	60
	Alta Tierra Apartments	1500 E. Madrid Avenue SW	Las Cruces	Doña Ana	88001	2008	$439,268	$5,038,361	$3,314,672	63	60
	Robledo Ridge	1571 Medina Drive	Las Cruces	Doña Ana	88005	2011	$744,879	$11,272,269	$6,778,399	71	60
	Valle Verde II Apartments	360 Bianes Street	Placitas/Hatch	Doña Ana	87937	2002	$96,332	$2,157,445	$684,632	25	25
	Valle Verde III Apartments	360 Bianes Street	Placitas/Hatch	Doña Ana	87937	2002	$39,120	$886,960	$279,048	10	10
	Santa Teresa Family Homes	155 Comerciantes Blvd.	Santa Teresa	Doña Ana	88008	2002	$567,143	$7,096,798	$4,021,142	74	60
	Willow Bend Villas	1000 North Marland Blvd.	Hobbs	Lea	88240	2003	$495,508	$5,394,618	$4,122,627	60	60
	La Pradera	2900 N Dal Paso Street	Hobbs	Lea	88240	2009	$1,140,553	$11,100,234	$7,606,728	60	60
	Casa Hermosa	902 East Michigan Dr.	Hobbs	Lea	88240	2012	104,603	$9,871,069	$8,464,378	88	87
	Ladera Courts/Ladera Apt. Homes	500 Dipaolo Hill Drive	Ruidoso Downs	Lincoln	88346	2000	$416,734	$6,360,315	$3,358,700	60	45
	Desert Sun/Deming Farm Labor	1201 N. 8th Street	Deming	Luna	88030	2000	$156,958	$3,426,690	$1,226,690	40	40
	Mariposa Village	901 S. Tennyson	Deming	Luna	88030	2002	$280,700	$4,146,263	$2,131,373	60	45
	Desert Sun Apartments II	1101 N. 8th Street	Deming	Luna	88030	2003	$201,438	$4,619,216	$1,558,563	56	55
	Sierra Vista	905 N. Tin Street	Deming	Luna	88030	2011	$536,569	$5,438,858	$4,426,252	24	24
	Mountain View Apartments	1101 South Shelly Drive	Deming	Luna	88030	2011	$556,678	$6,844,671	$5,065,770	48	45
	Azotea Senior Apt. Homes	2400 E. First Street	Alamogordo	Otero	88310	2004	$532,853	$5,598,019	$4,422,680	61	60
	Cottonwood Commons Housing	1200 Jefferson Avenue	Alamogordo	Otero	88310	2005	$637,349	$7,425,586	$6,166,352	61	60
	I-Sah'-din'-dii	BIA Road 6	Mescalero	Otero	88340	2007	$691,737	$7,445,266	$5,915,518	30	30
	Belen Apartments	1200 Court Street	Belen	Valencia	87002	2009	$482,634	$4,976,129	$2,431,941	40	40
	Ventana Cove	450 Los Cerritos Road	Los Lunas	Valencia	87031	2003	$392,445	$6,866,269	$3,606,602	72	60
	Hilltop Apartments	393 Canal Blvd	Los Lunas	Valencia	87031	2009	$386,061	$6,401,327	$2,992,032	40	39
4%	Wildewood	201 W Sherrill Lane	Roswell	Chaves	88201	2000	$139,167	$4,540,343	$1,138,770	60	60
	Montana Meadows	201 East Montana Ave.	Las Cruces	Doña Ana	88005	2001	$170,369	$5,682,539	$1,396,750	80	80
	Highland Park	2013 S. Triviz Dr.	Las Cruces	Doña Ana	88001	2006	$104,718	$3,255,026	$852,900	50	50
	Lintero	2711 North Leslie Road	Silver City	Grant	88061	2006	$100,000	$2,759,832	$824,060	50	50
	Casa Linda Apartments	100 East 17th St.	Silver City	Grant	88061	2009	$82,644	$2,752,148	$482,244	41	40
	King Arthur's Court	428 W Gales	Lordsburg	Hidalgo	88045	2003	$28,423	$893,127	$232,842	28	27
	Southview Apartments	1300 W. Avenue R	Lovington	Lea	88260	2009	$86,695	$2,875,829	$497,770	48	46
	Deming Manor	1000 S Zinc	Deming	Luna	88030	2003	$47,420	$1,426,733	$333,030	52	51
	Tradewinds Carriage	1301 Pershing Street	T or C	Sierra	87901	2003	$32,310	$1,128,939	$261,605	32	31
	Rio Abajo Apartments	1485 East 2nd St.	T or C	Sierra	87002	2009	$85,021	$2,994,151	$517,946	42	41
Total							**$16,324,239**	**$247,884,410**	**$142,646,299**	**2,562**	**2,381**

Estimated Economic Impact of Low-Income Housing Tax Credit Developments
In New Mexico's Second Congressional District
2000 - 2012

MFA

Local Income and Jobs By Industry	Phase I: Direct and Indirect Impact of Construction Activity					Phase II: Induced Effect of Spending Income and Tax Revenue from Phase I					Phase III: Ongoing Annual Effect That Occurs Because Units Are Occupied				
Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported
Construction	$94,978,464	$24,492,720	$70,483,182	$49,000	1,434.72	$3,048,780	$1,181,082	$1,867,698	$49,000	25.62	$1,288,686	$463,722	$824,964	$49,000	25.62
Manufacturing	$12,810	$0	$12,810	$51,000	0.00	$12,810	$0	$12,810	$51,000	0.00	$10,248	$0	$7,686	$51,000	0.00
Transportation	$215,208	$28,182	$187,026	$42,000	0.00	$222,894	$30,744	$192,150	$38,000	0.00	$220,332	$30,744	$189,588	$35,000	0.00
Communications	$1,409,100	$430,416	$978,684	$75,000	25.62	$3,922,422	$1,339,926	$2,582,496	$74,000	25.62	$2,659,356	$906,948	$1,752,408	$74,000	25.62
Utilities	$397,110	$153,720	$243,390	$84,000	0.00	$1,890,756	$745,542	$1,142,652	$84,000	25.62	$827,526	$322,812	$502,152	$84,000	0.00
Wholesale & Retail Trade	$13,752,816	$2,515,884	$11,236,932	$37,000	307.44	$11,039,658	$2,077,782	$8,961,876	$32,000	281.82	$9,241,134	$1,744,722	$7,496,412	$32,000	230.58
Finance & Insurance	$3,035,970	$245,952	$2,787,456	$83,000	25.62	$2,774,646	$251,076	$2,523,570	$74,000	25.62	$1,765,218	$158,844	$1,606,374	$74,000	25.62
Real Estate	$4,429,698	$3,899,364	$530,334	$51,000	0.00	$11,623,794	$10,232,628	$1,391,166	$51,000	25.62	$24,761,730	$21,797,496	$2,964,234	$51,000	51.24
Personal & Repair Services	$963,312	$363,804	$599,508	$33,000	25.62	$2,362,164	$1,086,288	$1,278,438	$33,000	51.24	$1,680,672	$796,782	$883,890	$33,000	25.62
Services to Dwellings/Buildings	$538,020	$107,604	$430,416	$33,000	25.62	$568,764	$112,728	$456,036	$33,000	25.62	$456,036	$89,670	$366,366	$33,000	0.00
Business & Professional Services	$13,268,598	$3,958,290	$9,310,308	$58,000	153.72	$6,248,718	$1,854,888	$4,393,830	$52,000	76.86	$4,596,228	$1,339,926	$3,256,302	$50,000	76.86
Eating & Drinking Places	$453,474	$61,488	$391,986	$20,000	25.62	$3,235,806	$435,540	$2,800,266	$20,000	128.10	$2,123,898	$286,944	$1,839,516	$20,000	102.48
Automobile Repair & Service	$456,036	$140,910	$315,126	$33,000	0.00	$1,591,002	$484,218	$1,106,784	$33,000	25.62	$935,130	$284,382	$650,748	$33,000	25.62
Entertainment Services	$79,422	$15,372	$61,488	$45,000	0.00	$760,914	$210,084	$550,830	$37,000	25.62	$476,532	$133,224	$340,746	$38,000	0.00
Health, Education & Social Services	$17,934	$5,124	$12,810	$38,000	0.00	$8,887,578	$1,119,594	$7,767,984	$49,000	153.72	$5,600,532	$681,492	$4,919,040	$48,000	102.48
Local Government	$163,968	$0	$163,968	$54,000	0.00	$5,943,840	$0	$5,943,840	$50,000	128.10	$3,566,304	$0	$3,566,304	$51,000	76.86
Other	$2,062,410	$742,980	$1,319,430	$44,000	25.62	$1,747,284	$622,566	$1,124,718	$35,000	25.62	$901,824	$343,308	$558,516	$35,000	25.62
Total	**$136,234,350**	**$37,161,810**	**$99,064,854**	**$47,800**	**2,049.60**	**$65,881,830**	**$21,784,686**	**$44,097,144**	**$41,170**	**1,050.42**	**$61,111,386**	**$29,381,016**	**$31,725,246**	**$40,742**	**794.22**

Local Government General Revenue by Type	Phase I: Construction Activity	Phase II: Induced Effect	Phase III: Ongoing Annual Effect
Taxes			
Business Property Taxes	$445,788	$2,254,560	$2,459,520
Residential Property Taxes	$0	$0	$2,766,960
General Sales Taxes	$983,808	$717,360	$794,220
Specific Excise Taxes	$61,488	$307,440	$333,060
Income Taxes	$266,448	$179,340	$179,340
License Taxes	$15,372	$25,620	$25,620
Other Taxes	$58,926	$281,820	$307,440
Total Taxes	**$1,831,830**	**$3,766,140**	**$6,866,160**
User Fees & Charges			
Residential Permit/Impact Fees	$7,796,166	$0	$0
Utilities & Other Gov't. Enterprises	$1,386,042	$2,510,760	$2,228,940
Hospital Charges	$599,508	$947,940	$1,076,040
Transportation Charges	$251,076	$128,100	$102,480
Education Charges	$263,886	$128,100	$128,100
Other Fees & Charges	$730,170	$871,080	$896,700
Total Fees & Charges	**$11,026,848**	**$4,585,980**	**$4,432,260**
Total General Revenue	**$12,858,678**	**$8,352,120**	**$11,298,420**

Low Income Housing Tax Credit Developments in New Mexico's Third Congressional District
2000 - 2012

MFA

Credit Type	Project	Address	City	County	Zip	Year Awarded	Award Amount	Total Development Cost	Tax Credit Proceeds	Total Units	Tax Credit Units
9%	Main Street Townhomes	3205 North Main Street	Clovis	Curry	88101	2001	$248,838	$2,362,473	$1,821,683	25	25
	Sedona Village/Villa del Sol	1500 Echols Avenue	Clovis	Curry	88101	2002	$205,194	$2,657,921	$1,507,000	50	50
	Parkside Village	1100 N. Sycamore	Clovis	Curry	88101	2003	$391,256	$4,677,436	$3,423,490	42	42
	Lolomas Senior Housing	Mitchell and 14th Street	Clovis	Curry	88101	2007	$952,795	$9,858,267	$8,718,074	55	55
	Clovis Apartments	3805 Gidding Street	Clovis	Curry	88101	2007	$904,052	$9,568,966	$8,474,640	61	60
	Hotel Clovis Lofts	S. Main St. & E. Second St.	Clovis	Curry	88101	2010	$1,055,077	$12,770,001	$8,017,783	60	60
	Mesquite	412 Avenue "F"	Texico	Curry	88135	2001	$200,760	$2,007,832	$1,530,944	20	20
	Mesa del Norte	650 San Ildefonso	Los Alamos	Los Alamos	87544	2012	$513,809	$6,245,618	$4,675,194	36	36
	Cliffside III	601 Dani Drive	Gallup	McKinley	87301	2000	$116,223	$2,607,036	$116,223	31	30
	Villa Mentmore	3420 Sanostee Drive	Gallup	McKinley	87301	2001	$386,691	$3,705,853	$2,685,456	52	52
	Casamera Apartments	350 Basilio Drive	Gallup	McKinley	87301	2006	$671,505	$9,581,191	$7,093,133	72	60
	Chuska Apartments	2534 Aztec Avenue	Gallup	McKinley	87301	2006	$659,512	$8,370,835	$6,199,413	30	30
	Tsigo bugeh/P'o K'ay	West Kennedy Subdivision	Ohkay Owingeh	Rio Arriba	87566	2001	$307,779	$3,973,269	$2,308,112	40	31
	Hidden Valley	717 Ruth Lane	Bloomfield	San Juan	87413	2003	$544,054	$6,094,227	$4,098,903	60	60
	Ladera/Regency Terrace	3500 North Butler	Farmington	San Juan	87401	2002	$355,260	$5,271,266	$2,770,751	60	45
	La Terraza	Cannery Ct.	Farmington	San Juan	87401	2009	$858,032	$10,307,210	$5,319,266	72	60
	Chaco River II	Highway 491 & N. 509 Rd.	Shiprock	San Juan	87420	2007	$875,538	$10,426,148	$6,959,831	72	60
	Villa Las Vegas	200 Mountain View Drive	Las Vegas	San Miguel	87701	2000	$524,164	$4,989,680	$3,793,464	60	60
	Gallinas Valley	2612 7th Street	Las Vegas	San Miguel	87701	2012	$295,960	$4,091,754	$2,456,222	43	43
	White Sands Village	.5 E of US84/285 on Cty Rd 109	Pojoaque	Santa Fe	87501	2000	$208,965	$3,158,918	$1,608,870	30	30
	Ventana de Vida I	1500 Pachecho Street	Santa Fe	Santa Fe	87505	2000	$558,889	$6,024,886	$4,191,670	60	59
	Ventana de Vida II	1500 Pachecho Street	Santa Fe	Santa Fe	87505	2001	$602,098	$6,195,993	$4,148,092	60	60
	Stone Creek/Casa Rufina	2323 Casa Rufina Road	Santa Fe	Santa Fe	87506	2003	$1,034,620	$14,024,423	$9,336,618	100	100
	White Sands Village II	Desert Rose	Santa Fe	Santa Fe	87501	2005	$200,196	$2,742,329	$1,801,764	20	20
	Casa Rufina, Phase II	2323 Casa Rufina Road	Santa Fe	Santa Fe	87507	2006	$258,685	$3,486,547	$2,560,982	20	17
	Villa Alegre	701 West Alameda St.	Santa Fe	Santa Fe	87501	2009	$963,071	$14,075,985	$6,939,934	60	51
	Cedar Creek Apartments	3991 Camino Juliana	Santa Fe	Santa Fe	87507	2011	$831,654	$12,110,127	$7,484,138	86	86
	Campo Apartments	104 Camino del Campo	Santa Fe	Santa Fe	87501	2011	$603,542	$7,185,876	$5,612,379	28	28
	Stage Coach Apartments	3360 Cerrillos Road	Santa Fe	Santa Fe	87507	2011	$1,039,833	$12,963,453	$9,773,453	60	60
	El Cerrito Housing	250 Paseo Del Canon E	Taos	Taos	87571	2005	$658,675	$7,969,196	$6,652,618	57	56
	Taos Haus	631 Paseo del Pueblo Sur	Taos	Taos	87571	2012	$631,861	$6,413,700	$5,408,189	30	30
	Walnut Street Courts	100 Walnut Street	Clayton	Union	88415	2000	$240,064	$2,444,380	$1,872,499	25	25
4%	Gatewood Village	1309 W. 15th St.	Clovis	Curry	88101	2006	$73,125	$2,228,759	$664,589	60	60
	Sagebrush	650 Dani Drive	Gallup	McKinley	87301	2006	$101,310	$3,522,863	$962,081	50	50
	Sage Apartments	110 Rudy Drive	Gallup	McKinley	87301	2009	$97,131	$2,971,221	$530,479	44	43
	Mundo Ranch	Stone Lake Rd.	Dulce	Rio Arriba	87520	2004	$264,611	$6,339,941	$2,434,421	46	46
	Apple Ridge Apartments	1600 Cliffside Drive	Farmington	San Juan	87401	2002	$201,487	$6,143,886	$1,602,778	80	80
	Northgate Village	2500 W. Apache St.	Farmington	San Juan	87405	2006	$115,682	$3,680,078	$888,789	50	50
	Gallup 3	810 Patten Drive	Gallup	McKinley	87301	2012	$488,409	$15,361,201	$4,248,733	208	208
	Enchanted Vista	4501 Sprint Blvd NE	Rio Rancho	Sandoval	87144	2003	$425,066	$18,705,531	$2,930,706	174	174
	Evergreen Apts	2020 Calle Lorca	Santa Fe	Santa Fe	87505	2000	$205,463	$6,625,859	$1,293,860	70	70
	Country Club Apartments	5999 Airport Road	Santa Fe	Santa Fe	87507	2002	$143,495	$5,480,790	$1,153,559	62	62
	Las Palomas	2000 Hopewell St	Santa Fe	Santa Fe	87505	2004	$525,378	$21,407,884	$6,203,042	280	278
	Santa Fe Retirement	3330 Calle Po Ae Pi	Santa Fe	Santa Fe	87507	2004	$370,972	$11,284,128	$2,616,097	107	106
	Airport Vista	6921 Airport Road	Santa Fe	Santa Fe	87507	2006	$456,446	$13,889,789	$3,385,120	116	114
	Sunset View	NE corner of Pacheco & St. Mic	Santa Fe	Santa Fe	87505	2006	$857,946	$18,674,233	$6,035,431	136	136
	Villas de San Ignacio	4499 San Ignacio Road	Santa Fe	Santa Fe	87507	2008	$499,111	$14,879,723	$3,755,320	127	127
	Villa Alegre Senior Apartments	701 West Alameda Street	Santa Fe	Santa Fe	87501	2009	$311,043	$10,449,575	$2,453,277	51	50
Total							**$23,035,327**	**$380,008,256**	**$190,519,069**	**3,238**	**3,155**

Estimated Economic Impact of Low-Income Housing Tax Credit Developments
In New Mexico's Third Congressional District
2000 - 2012

MFA

Local Income and Jobs By Industry	Phase I: Direct and Indirect Impact of Construction Activity					Phase II: Induced Effect of Spending Income and Tax Revenue from Phase I					Phase III: Ongoing Annual Effect That Occurs Because Units Are Occupied				
Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages and Salaries Per Full-time Job	Number of Local Jobs Supported
Construction	$120,039,136	$30,955,280	$89,080,618	$49,000	1,813.28	$3,853,220	$1,492,718	$2,360,502	$49,000	32.38	$1,628,714	$586,078	$1,042,636	$49,000	32.38
Manufacturing	$16,190	$0	$16,190	$51,000	0.00	$16,190	$0	$16,190	$51,000	0.00	$12,952	$0	$9,714	$51,000	0.00
Transportation	$271,992	$35,618	$236,374	$42,000	0.00	$281,706	$38,856	$242,850	$38,000	0.00	$278,468	$38,856	$239,612	$35,000	0.00
Communications	$1,780,900	$543,984	$1,236,916	$75,000	32.38	$4,957,378	$1,693,474	$3,263,904	$74,000	32.38	$3,361,044	$1,146,252	$2,214,792	$74,000	32.38
Utilities	$501,890	$194,280	$307,610	$84,000	0.00	$2,389,644	$942,258	$1,444,148	$84,000	32.38	$1,045,874	$407,988	$634,648	$84,000	0.00
Wholesale & Retail Trade	$17,381,584	$3,179,716	$14,201,868	$37,000	388.56	$13,952,542	$2,626,018	$11,326,524	$32,000	356.18	$11,679,466	$2,205,078	$9,474,388	$32,000	291.42
Finance & Insurance	$3,837,030	$310,848	$3,522,944	$83,000	32.38	$3,506,754	$317,324	$3,189,430	$74,000	32.38	$2,230,982	$200,756	$2,030,226	$74,000	32.38
Real Estate	$5,598,502	$4,928,236	$670,266	$51,000	0.00	$14,690,806	$12,932,572	$1,758,234	$51,000	32.38	$31,295,270	$27,548,904	$3,746,366	$51,000	64.76
Personal & Repair Services	$1,217,488	$459,796	$757,692	$33,000	32.38	$2,985,436	$1,372,912	$1,615,762	$33,000	64.76	$2,124,128	$1,007,018	$1,117,110	$33,000	32.38
Services to Dwellings/Buildings	$679,980	$135,996	$543,984	$33,000	32.38	$718,836	$142,472	$576,364	$33,000	32.38	$576,364	$113,330	$463,034	$33,000	0.00
Business & Professional Services	$16,769,602	$5,002,710	$11,766,892	$58,000	194.28	$7,897,482	$2,344,312	$5,553,170	$52,000	97.14	$5,808,972	$1,693,474	$4,115,498	$50,000	97.14
Eating & Drinking Places	$573,126	$77,712	$495,414	$20,000	32.38	$4,089,594	$550,460	$3,539,134	$20,000	161.90	$2,684,302	$362,656	$2,324,884	$20,000	129.52
Automobile Repair & Service	$576,364	$178,090	$398,274	$33,000	0.00	$2,010,798	$611,982	$1,398,816	$33,000	32.38	$1,181,870	$359,418	$822,452	$33,000	32.38
Entertainment Services	$100,378	$19,428	$77,712	$45,000	0.00	$961,686	$265,516	$696,170	$37,000	32.38	$602,268	$168,376	$430,654	$38,000	0.00
Health, Education & Social Services	$22,666	$6,476	$16,190	$38,000	0.00	$11,232,622	$1,415,006	$9,817,616	$49,000	194.28	$7,078,268	$861,308	$6,216,960	$48,000	129.52
Local Government	$207,232	$0	$207,232	$54,000	0.00	$7,512,160	$0	$7,512,160	$50,000	161.90	$4,507,296	$0	$4,507,296	$51,000	97.14
Other	$2,606,590	$939,020	$1,667,570	$44,000	32.38	$2,208,316	$786,834	$1,421,482	$35,000	32.38	$1,139,776	$433,892	$705,884	$35,000	32.38
Total	**$172,180,650**	**$46,967,190**	**$125,203,746**	**$47,800**	**2,590.40**	**$83,265,170**	**$27,532,714**	**$55,732,456**	**$41,170**	**1,327.58**	**$77,236,014**	**$37,133,384**	**$40,096,154**	**$40,742**	**1,003.78**

Local Government General Revenue by Type	Phase I: Construction Activity	Phase II: Induced Effect	Phase III: Ongoing Annual Effect
Taxes			
Business Property Taxes	$563,412	$2,849,440	$3,108,480
Residential Property Taxes	$0	$0	$3,497,040
General Sales Taxes	$1,243,392	$906,640	$1,003,780
Specific Excise Taxes	$77,712	$388,560	$420,940
Income Taxes	$336,752	$226,660	$226,660
License Taxes	$19,428	$32,380	$32,380
Other Taxes	$74,474	$356,180	$388,560
Total Taxes	**$2,315,170**	**$4,759,860**	**$8,677,840**
User Fees & Charges			
Residential Permit/Impact Fees	$9,853,234	$0	$0
Utilities & Other Gov't. Enterprises	$1,751,758	$3,173,240	$2,817,060
Hospital Charges	$757,692	$1,198,060	$1,359,960
Transportation Charges	$317,324	$161,900	$129,520
Education Charges	$333,514	$161,900	$161,900
Other Fees & Charges	$922,830	$1,100,920	$1,133,300
Total Fees & Charges	**$13,936,352**	**$5,796,020**	**$5,601,740**
Total General Revenue	**$16,251,522**	**$10,555,880**	**$14,279,580**

Tab 12

2012 Federal Program Fund Summary

Federal Administering Agency	Program and Acronym	How MFA Acquires Funding	Funding Amount/ Value	Beneficiaries	Eligible Activities
Department of Housing and Urban Development (HUD)	HOME Investment Partnerships Program ("HOME")	Formula grant	FY12 allocation = $3,781,059 53% cut from FY11 allocation of $7,152,461	Households earning no more than 80% of the area median income based on family size (AMI)	• down payment assistance to first-time homebuyers • owner-occupied housing rehab • development of homes for ownership or rent, as well as some related expenses • tenant-based rental assistance • certified Community Housing Development Organizations' (CHDOs) operating expenses
	Emergency Solutions Grant ("ESG")	Formula grant	FY12 allocation = $1,311,996	Homeless individuals and families as well as subpopulations within this group, such as victims of domestic violence, youth, people with mental illness, families with children, and veterans. ESG funds may also be used to aid people who are at imminent risk of becoming homeless due to eviction, foreclosure, or utility shutoff.	• rehabilitation or remodeling of a building used as a new shelter • operations and maintenance of an emergency shelter facility • essential supportive services (*i.e.*, case management, physical and mental health treatment, substance abuse counseling, childcare, *etc.*) • homelessness prevention

Federal Administering Agency	Program and Acronym	How MFA Acquires Funding	Funding Amount or Value	Beneficiaries	Eligible Activities
HUD	Housing Opportunities for Persons With AIDS ("HOPWA")	Formula grant	FY12 allocation = $281,585 (MFA also administers the City of Albuquerque's allocation of $326,702)	Households earning no more than 80% of AMI in which one or more members is medically diagnosed with HIV/AIDS	• development of housing units • costs for facility operations • rental assistance • short-term payments to prevent homelessness • supportive services (*e.g.*, case management, *etc.*)
	Neighborhood Stabilization Program ("NSP1")	Formula grant authorized under the Housing and Economic Recovery Act of 2008	One-time allocation of $19.6 million to NM. Of this amount, MFA received and will expend $8,708,000 by 6/30/13.	Households earning no more than 120% of AMI (25% of funds must benefit households earning no more than 50% of AMI)	• financing mechanisms for purchase and redevelopment of foreclosed homes • acquisition/rehabilitation/resale or rental of foreclosed properties • land banking • demolition of blighted structures • redevelop demolished or vacant properties
	Tax Credit Assistance Program ("TCAP")	Formula grant authorized under the American Recovery and Reinvestment Act of 2009 (ARRA)	One-time allocation of $13,876,558 expended by 02/16/12	Households earning no more than 60% of AMI (could be more restrictive, depending on the project).	Rental housing development: TCAP funds may be used for capital investment in eligible LIHTC projects. TCAP is subject to the same limitations (including rent, income, use restrictions and compliance monitoring) as required by the state housing credit agency with respect to an award of tax credits to a project.

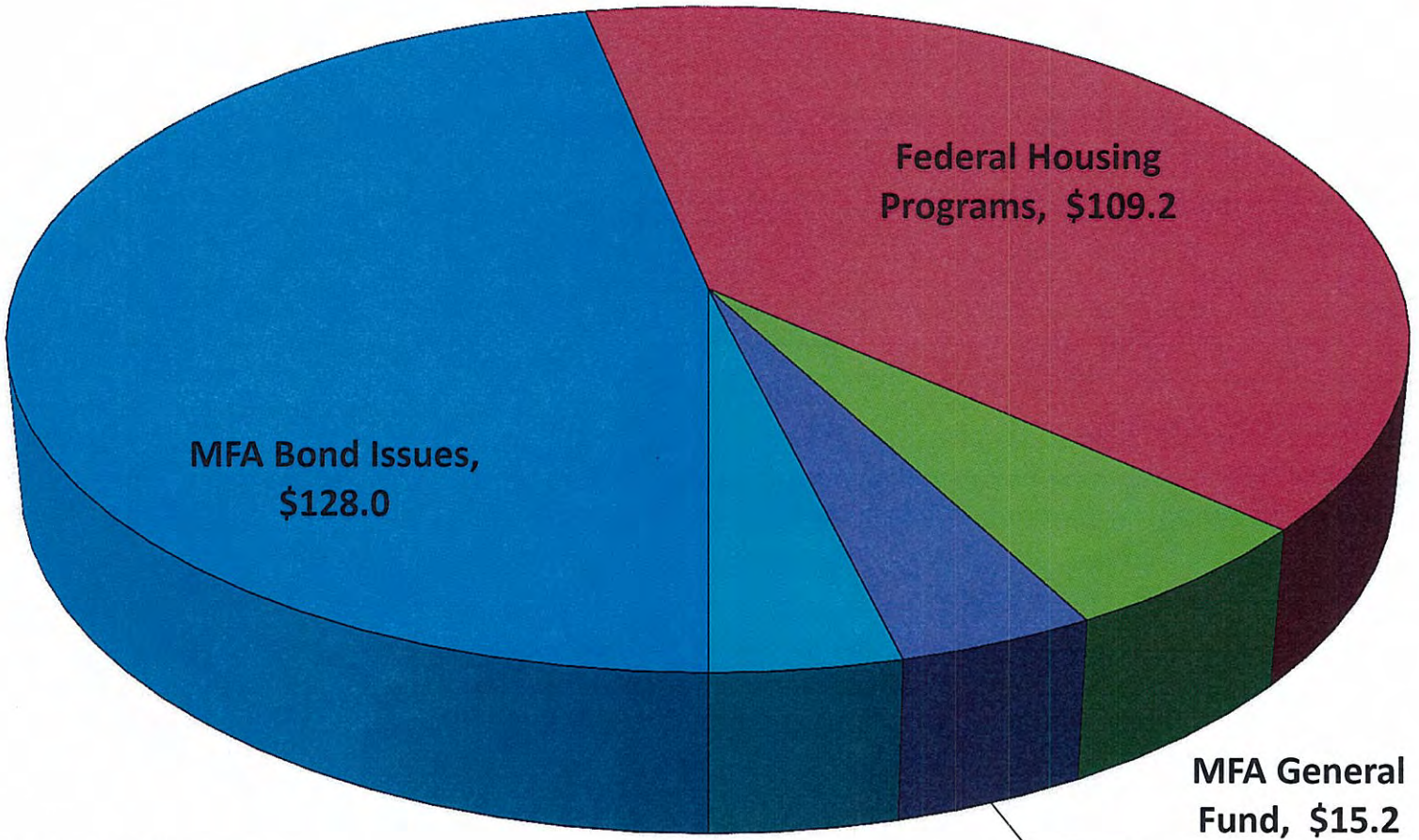
Federal Administering Agency	Program and Acronym	How MFA Acquires Funding	Funding Amount or Value	Beneficiaries	Eligible Activities
HUD	Homelessness Prevention and Rapid Re-Housing Program ("HPRP")	Formula grant authorized under ARRA	One-time allocation of $6,778,653 expended by 07/31/12	Households who earn no more than 50% AMI *and* who are either currently experiencing homelessness or who are at imminent risk of becoming homeless	Homelessness prevention activities such as: • short- or medium-term rental assistance • housing relocation and stabilization services • mediation with property owners • credit repair and case management • security or utility deposits utility payments
	Housing Counseling Program	Competitive grant	FY12 award = $195,659	Prospective homebuyers, low- to moderate-income renters, and the homeless	Pre-purchase homebuyer education activities such as: • individual counseling or group education/classes • marketing and outreach initiatives • training and capacity building • computer equipment/systems • administrative costs
NeighborWorks America	National Foreclosure Mitigation Counseling Program	Competitive grant	FY12 award = $50,102	Owner-occupants of single-family (one- to four-unit) properties with mortgages in default or in danger of default	Foreclosure intervention and loss mitigation counseling activities such as: • counseling • program-related support • operational oversight

Federal Administering Agency	Program and Acronym	How MFA Acquires Funding	Funding Amount or Value	Beneficiaries	Eligible Activities
Department of Energy (DOE)	Weatherization Assistance Program ("NM Energy$mart")	Formula grant	FY12 allocation = $610,245 A 55% cut from FY11 allocation of $1,369,544	Households with incomes at or below 200% of the federal poverty level (Priority is given to the elderly, households in which one or more members has a disability, and families with young children.)	Energy efficiency improvements like: • weather-stripping, caulking, and insulation • window and door replacement • tuning/repairing/replacing furnaces/heating units • replacing incandescent bulbs with CFLs • refrigerator replacement • training and technical assistance
	Weatherization Assistance Program ("NM Energy$mart")	Formula grant authorized under ARRA	One-time grant of $26,855,604 expended by 09/30/12	Same as above	Same as above
Department of the Treasury (Internal Revenue Service or IRS)	Low Income Housing Tax Credit Program ("LIHTC" or "Tax Credits")	Formula credit allocation	FY12 allocation = $4,404,920	Households earning no more than 60% of AMI (could be more restrictive, depending on the project)	Rental housing development (may be new construction, rehabilitation, or acquisition/rehabilitation)
	Tax Credit Exchange Program ("Exchange Program" or "Exchange")	Program authorized under ARRA	MFA requested and received one-time grants in lieu of credits for $47,777,169 that were expended by 12/31/11	Households earning no more than 60% of AMI (could be more restrictive, depending on the project)	Rental housing development: Exchange proceeds may be used for capital investment in eligible LIHTC projects. Exchange funds are subject to the same limitations (including rent, income, use restrictions and compliance monitoring) as required by the state housing credit agency with respect to an award of tax credits to a project.

Tab 13

MFA Estimated Funding Sources - 2012

Estimated Total: $273.8 mm



Dollars in millions

Tab 14

Strategic Plan Goals and Objectives FY2012 – 2014
Year 2

Goal 1. Development of Stronger Communities
Create, facilitate, promote, and support planning and development of sustainable affordable housing strategies, programs, and delivery systems that foster healthy living environments and livable communities.

Objectives:

1. Incorporate sustainable, healthy, energy efficient design in all applicable MFA products/ programs.

   FY2012: Implementation of Healthy Homes Production Program, if awarded (use production goals from grant application). Incorporate new NM Energy$mart standards into rehab specifications with select agencies.
   FY2013: Implementation of Healthy Homes planning outcomes. Incorporate new NM Energy$mart standards into rehab specification with select agencies.

2. Increase capacity of MFA partners to deliver services and housing.

3. Improve customer satisfaction (as measured by regular customer satisfaction surveys) by 09/30/2014.

   FY2012: Will design and distribute survey for Servicing to determine how best to implement an on-line payment system.
   FY2013: Evaluate subgrantee relationships with a survey by 9/30/14.

4. Research, design, and develop responsive programs.

5. Develop public awareness campaign strategy and implement strategy by 09/30/2014.

6. Research and assess feasibility of new sustainable revenue-generating activities by 09/30/2013. Develop and launch by 09/30/2014.

   FY2012: Research and assess 5 new sustainable revenue-generating activities by 9/30/2012.

FY2013: Research and assess 2 more new sustainable revenue generating activities by 9/30/13. Begin development and launch of feasible revenue generating activities identified in FY2012.

Goal 2. Homeownership

Provide financial and educational resources to create and preserve affordable homeownership opportunities, with an emphasis on quality customer service, support for underserved markets, and sustainable home ownership.

Objectives:

1. Provide first mortgage financing to 3,180 homebuyers. (three-year objective)

   FY2012: 880 first-time homebuyer loans
   FY2013: 1,050 first-time and non-first time homebuyer loans.
   FY2014: 1,250 first-time and non-first time homebuyer loans

2. Increase assistance to rural households, which may include first mortgage loans, down payment assistance loans, pre-purchase counseling and loss mitigation counseling.

   FY2012: Increase assistance by 10% over baseline.
   FY2013: Develop and implement rural marketing/referral program.

3. Assist at-risk homeowners to obtain loss mitigation counseling.

   FY2012: Assist 200 at-risk homeowners.
   FY2013: Assist 200 at-risk homeowners.

4. Assist in the development and implementation of the Attorney General's Homeownership Preservation initiative.

   FY2013: Develop with the Attorney General's office Homeownership Preservation Program data collection and reporting system, implement fiscal agent processes, and establish monitoring and audit schedules.

5. Assist 2,694 first-time homebuyers to obtain face-to-face or online pre-purchase homebuyer counseling. (three-year objective)

   FY2012: 762 on-line counseling units; 32 face-to-face sessions
   FY2013: 880 on-line counseling units; 35 face-to-face sessions
   FY2014: 950 on-line counseling units; 35 face-to-face sessions

6. Rehabilitate 2,507 existing housing units in New Mexico to achieve MFA health and resource conservation standards. (three-year objective)

   FY2012: 1400 units; successful close-out of WAP ARRA grant by 9/30/12; and transfer of NM Energy$mart contracts to new entities.
   FY 2013: 507 units w/ HOME and NM Energy$mart
   FY 2014: 600 units w/ HOME and NM Energy$mart

7. Provide funds to acquire and rehabilitate 17 units, for sale or rent, to reduce the inventory of foreclosed homes and to stabilize affected communities. (three-year objective)

   FY2012: 13 units
   FY2013: 4 units
   FY2014: 0 units

8. Maintain MFA single-family mortgage market share

FY2013: Establish benchmark and method of measuring market share; implement process by 9/30/13.

Goal 3. Rental & Group Shelter

Provide and preserve quality affordable rental opportunities, including shelter for people experiencing homelessness. Educate, design programs and provide oversight to ensure availability, quality maintenance, operations and preservation.

Objectives:

1. Net increase in affordable rental units in MFA's portfolio.

   FY2012: provide financing for new construction or acquisition/rehabilitation of 700 units, which exceeds the number of units lost in the same year.
   FY2013: provide financing for new construction or acquisition/rehabilitation of 500 units, which combined with units added in 2012 will exceed the number of units lost in the same time period.

2. Create/maintain long term viable rental properties through strong underwriting and proactive oversight. Continue risk management and analysis efforts on existing portfolio.

   FY2012: Implement new Risk Analysis Tool to determine ratings for 35% of the portfolio and establish regular reporting. Benchmarks will be established to determine targets for improvement in future years.
   FY2013: Determine ratings for another 35% of the portfolio and establish regular reporting.

3. Program 100% of all homeless funds for full annual expenditure in accordance with continuum of care and HUD planning objectives.

   FY2012:
   - Assist 400 households with Rental Assistance Program
   - Assist 8,000 individuals with Emergency Homeless Assistance
   - Assist 750 individuals with Continuum of Care Performance Program
   - Assist 1,500 individuals with HOPWA funding
   - Assist 30 individuals with Linkages funding

   FY2013:
   - Assist 700 households with Rental Assistance Program
   - Assist 8,000 individuals with Emergency Homeless Assistance
   - Assist 1,000 individuals with Continuum of Care Performance Program
   - Assist 350 individuals with HOPWA funding
   - Assist 30 households with Linkages funding

4. Develop services for owners to aid in preserving quality rental housing.

   FY2012: Develop services
   FY2013: Implement services targeted for 542(c) Risk Share program:

- Online portal for capital reserve for replacement account requests/management
- Online tool for completion of Affirmative Fair Housing Marketing Plan

5. The Asset Management Department will perform 100% of required long-term compliance monitoring for all affordable housing programs under its purview.

6. The Asset Management Department will earn 100% of the Annual Contributions Contract (ACC) base fee, incentive fee for quality, and incentive fee for customer service. (This objective is "proposed" pending outcome of litigation.

Goal 4. Talent & Operations
Provide support in employment, technology, facilities management and operations.

Objectives:

1. Monitor strategic plan progress at quarterly and annual intervals.

2. Each department must explore and suggest a minimum of 1 internal policy, process, or procedure that enhances and/or streamlines functions/practices (including elimination of unnecessary processes or procedures) aligned to accomplish goals in FY2013 and submit that policy, process, or procedure by 9/30/2013.

3. Continue to refine and implement policies and processes that attract and retain quality employees. Ongoing.

4. Research suggested/identified processes/programs and develop those that are found to be feasible to ensure employee satisfaction and staff development by 9/30/2013.

5. Continue to identify Board, staff and management training needs and develop and implement training utilizing internal resources, local universities, trade schools and/or consultants where applicable.

6. Evaluate and assess operational risks.

7. Provide maximum system availability through continued maintenance and upgrades, leveraging current technology. All production servers and applications will be available 99% of all business hours during a 12-month period. Production servers cannot be unavailable for more than a total of 20 business hours during a 12-month period.

8. Protect and secure MFA's data and systems from unauthorized access: perform vulnerability tests every 6 months, and mitigate any vulnerabilities identified as high risk within 1 business week following notification.

9. Research, implement and support technology solutions to improve operational efficiencies and data tracking capabilities for MFA and partners.

10. Research and evaluate the benefits and implications of implementing and maintaining a social media presence. Implement as determined.

    FY2012: Present initial findings and recommendations to management by 3/31/2012. Continue ongoing research and discussions.
    FY2013: Implement a mobile website and QR code distribution plan in the Homeownership Department.

11. Maintain and enhance MFA facilities and grounds within approved budget (within MFA's control) and continue to utilize "green" measures where feasible.

Goal 5. Financial Stewardship
Provide sustainable financial support for programs and administration.

Objectives:

1. Five-year rolling average consolidated rate of return on earning assets will be equal to or greater than .26% at 9/30/14

   FY2012: .38%
   FY2013: .32%

2. General Fund excess revenues over expenses will be least $1,739k for FY2012-2014.

   FY2012: $1,104k
   FY2013: $965k

3. Research, develop and implement a cost-benefit assessment tool for evaluating new and existing programs and projects in relation to mission, margin and risk tolerance.

   FY2012: Research and develop tool.
   FY2013: Implement program assessment tool for new programs.

4. Maintain General Fund cash reserves at a minimum level consistent with General Fund Cash Reserve Policy for support of program activities, operations and financial strength.

5. Manage and distribute grant funds to ensure that no more than 1% of the beginning of the year balance of grant funding is lost each fiscal year as a result of failure to expend or commit within the contract term.

   FY2012: $243k
   FY2013: $92k

6. Obtain an unqualified opinion on MFA's financial statements and no material weaknesses identified by the auditor in internal control over financial reporting or major programs (excluding first-time program audits) for the next three years.

7. Average internal rate of return on single family bond programs will be equal to or greater than 5.0% at 9/30/14.

   FY2012: Execution of strategies to achieve 5% IRR for FY2012.
   FY2013: 5% internal rate of return for the period ending 9/30/12.

8. Maintain loan defaults, workouts, foreclosures and grant non-compliance losses to MFA below $1,550k through FY2014.

FY2012: $273k
FY2013: $725k

9. Add income generating loan servicing portfolios which utilize the current servicing model.

   FY2012: Add two income generating loan servicing portfolios.
   FY2013: Respond to the City of Albuquerque servicing Request for Proposals and continue seeking other opportunities.

New Mexico Mortgage Finance Authority

All New Mexicans will have quality affordable housing opportunities

Strategic Plan Reporting
FY 9/30/13

1 - Development of Stronger Communities		
Incorporate sustainable, healthy, energy efficient design in all applicable MFA products/ programs. FY2013: Implementation of Healthy Homes planning outcomes. Incorporate new NM Energy$mart standards into rehab specification with select agencies.	MFA received funding for Healthy Homes Implementation, entered into an Memorandum of Understanding with the NM Department of Health for this funding, and is implementing a pilot program through Southwestern Regional Housing Community Development Corporation. SB 33 requesting additional funding for Energy$mart did not pass the 2013 NM Legislature. In preliminary discussions with a Colorado non-profit to increase capacity and funding for weatherization. Completed NM Energy$mart outreach to electric cooperative; funding opportunity with Kit Carson Electric Cooperative looks promising.	On Target
Increase capacity of MFA partners to deliver services and housing.	Submitted 2012 Annual Regional Housing Report to Department of Finance, Legislative Oversight Committee, and Legislative Finance Committee on 1/2013. Reviewing training opportunity for Regional Housing Authorities staff at the 2013 NAHRO Conference in April 2013. Held a study session for Taos County regarding the Northern Regional Housing Authority and continued discussions with HUD on this issue. Currently have T&TA contracts for Southwest Regional Housing Community Development Corporation and Eastern Regional Housing Authority. Held a strategic planning meeting with Southwest Regional Housing Community Development Corporation in April 2013. In process of developing afffordable housing technical manual. Currently assisting with affordable housing plans for Belen, Bernalillo, Portales, Artesia, Truth or Consequences and Lordsburg. Affordable housing plans for Belen and Bernalillo are in the adoption stage, and a new plan for Rio Arriba County has been requested. Technical Assistance Partners meeting held on March 20 with another meeting planned for 2013. Rental Assistance Program RFP training held in January 2013. MFA received $200,000 for the Housing Trust Fund and $200,000 for homeless prevention at the 2013 NM Legislative Session; however, all other bills including changes to the Affordable Housing Act, and funding for the Affordable Housing Act and Regional Housing Authority oversight, were not passed. Met personally with the NM Congressional Delegation during NCSHA Legislative Conference in March and submitted appropriations requests and Dear Colleague letters to support HOME Investment Partnership Program.	On Target

Improve customer satisfaction (as measured by regular customer satisfaction surveys) by 09/30/2014. FY2013: Evaluate subgrantee relationships with a survey by 9/30/14.	On-line Servicing Department customer survey has been in place since July 2012. By April 1, 2013, 43 suveys had been returned. Approximately 80 percent of responses for each question are in the "Excellent" or "Adequate to Excellent" categories. Based on survey results, customer servicing training for MFA staff is in progress and ongoing. Surveys will be available throughout FY 2013 to ensure customer service is maintained and improved. Weatherization, rehab and homeless prevention partners will be surveyed in FY2013.	On Target
Research, design, and develop responsive programs.	Research completed on Land Grant mortgage code, foreclosure and evictions procedure. Rewrite of the REVIVE manual in progress. Researching Section 811 Project Rental Assistance Demo program as new program and source of grant funding. Meeting held with Department of Finance and Administration on increasing Community Development Block Grant funding for housing. Working with Congresswoman Michelle Lujan Grisham's office to plan a Foreclosure Prevention event in Congressional District I in October 2013. In preliminary discussions with the State of New Mexico about State Tax Credit Rules.	On Target
Develop public awareness campaign strategy and implement strategy by 09/30/2014.	Idaho Housing branding complete; web site for borrowers and lenders is live; new homeowner packet printed. Updates to the master contact list are being done by all departments in preparation for issuing the 2013-2014 Housing Services Directory, which will be distributed in June. Department newsletter templates are now being implemented, with the first such newsletter developed and released by Community Development. All factsheets, the All Program brochure and three other brochures have been redesigned according to tier-two branding style guide. Fair Housing posters, including custom co-branded posters, have been designed and printed and are being distributed to almost 200 properties and partners. Four award submissions for two projects were submitted for national competitions. One won first place, the other an honorable mention. Attended and sponsored three housing-related conferences. Proposal to develop 2013 MFA Annual Report and restructure state of housing report was approved by the Executive Committee and is being implemented.	On Target
	In discussions with the City of Albuquerque regarding contracts for servicing, underwriting, and software purchase. Began work on Community Development Financial Institution (CDFI) business plan and internal assessment. Submitted application to the Small Business Investment Corporation for additional Primero loan funding. Held internal meetings to discuss and finalize assessments for fee-for-service	

Research and assess feasibility of new sustainable revenue-generating activities by 09/30/2013. Develop and launch by 09/30/2014. FY2013: Research and assess 2 more new sustainable revenue generating activities by 9/30/13. Begin development and launch of feasible revenue generating activities identified in FY2012.	activities in Asset Management (inspection and monitoring) and Community Development (environmental assessment, LEED services and historic preservation services). Management has been pursuing expanding single family loan servicing since the summer of 2012 at which time the Board was presented with an economic feasibility study and risk assessment. Staff was given the authority to continue pursuing this activity. Additional research is now completed and a 16-month implementation action plan has been developed. Information regarding the project was presented to the Board at an April 2013 Study Session and the recommendation to move forward will be presented for approval in the next one to two months.	On Target
2 - Homeownership		
Provide first mortgage financing to 3,180 first-time homebuyers.(3 year objective) FY2013: 1050 Units FTHB and non-FTHB loans.	As of 04/18/13, MFA has provided purchase loan financing to 539 first time and non-first time homebuyers.	On Target
Increase assistance to rural households, which may include first mortgage loans, down payment assistance loans, pre-purchase counseling and loss mitigation counseling. FY2013: Develop and implement rural marketing/referral program.	Staff has commenced the development of a rural marketing/referral program, which is designed to provide incentives for rural production in the single-family program. Incentives under consideration include homebuyer referrals for "MFA Certified" realtors and researching MFA wholesale loan originations in rural areas.	On Target
Assist 200 at-risk homeowners to obtain loss mitigation counseling.	As of 03/31/13, MFA has provided funding for 48 foreclosure mitigation counseling sessions and expects an additional 37 counseling sessions will be performed through the NeighborWorks Foreclosure Mitigation Counseling Program.The Attorney General's Homeownership Preservation Program is actively providing foreclosure mitigation counseling activities and the first quarterly production reports will be available after June 1, 2013.	On Target
Assist in the development and implementation of the Attorney General's Homeownership Preservation initiative. FY2013: Develop with the Attorney General's office Homeownership Preservation Program data collection and reporting system, implement fiscal agent processes, and establish monitoring and audit schedules.	MFA has implemented the fiscal agent process for the entire Homeownership Preservation Program and is currently developing a data collection/reporting system and monitoring/audit schedules for the housing counseling and 1-800 Hotline components of the Homeownership Preservation Program.	On Target
Assist 2,694 first-time homebuyers to obtain face-to-face or online pre-purchase homebuyer counseling. (3 year objective) FY2013: 880 on-line counseling units; 35 face-to-face sessions	As of 04/17/13, 678 on-line and 19 face-to-face housing counseling sessions have been provided to first-time homebuyers.	On Target
Rehabilitate 2,507 existing housing units in New Mexico to achieve MFA health and resource conservation standards. (3 year objective) FY 2013: 507 units w/ HOME and NM Energy$mart	Cumulative FYTD as of 3/30/13 - 344 units weatherized, 42 units rehabbed.	On Target
Provide funds to acquire and rehabilitate 17 units, for sale or rent, to reduce the inventory of foreclosed homes and to stabilize affected communities. (3 year objective) FY2013: 4 units	Two homes were purchased, rehabilitated and sold with closing by 3/1/13. Reallocated funds, will be able to purchase three more homes by 9/30/14.	On Target
Maintain MFA single-family mortgage market share. FY2013: Establish benchmark and method of measuring market share; implement process by 9/30/2013.	Currently in process of obtaining mortgage market data from various sources that will allow MFA to determine market share.	On Target

3 - Rental & Group Shelter		
Net increase in affordable rental units in MFA's portfolio. FY2013: Provide financing for new construction or acquisition/rehabilitation of 500 units, which combined with units added in 2012 will exceed the number of units lost in the same time period.	MFA has already met the target. A total of 1,049 units were financed for FYE 9/30/12. There have been no unit losses since then. For the six months ended 3/31/13 a total of 993 units were financed. The combined total is 2,042 units vs. a goal of 500 units.	Met
Create/maintain long term viable rental properties through strong underwriting and proactive oversight. Continue risk management and analysis efforts on existing portfolio. FY2013: Determine ratings for another 35% of the portfolio and establish regular reporting.	Housing Development executed efficiencies in their method of underwriting for Low Income Housing Tax Credit ("LIHTC") which resulted in a 50% reduction in the amount of time invested during the 2013 LIHTC review cycle. Our early projections indicate MFA will be able to meet our FY2013 objective for risk rating 70% of our targeted portfolio of properties. MFA Tracker 2.0 software development continues for improvements in risk rating function and reporting. Meeting our FY2013 target is tied to our housing partners' ability to provide electronic financial data through MFA's vendor, Housing Development Software ("HDS"). Due to errors with the HDS system, MFA's deadline for partners' electronic submittal of financial data was extended 30 days and is due by April 30, 2013. Once MFA has received all financial data Asset Management and Housing Development staff will be able to verify the data and run our risk rating function.	On Target
Program 100% of all homeless funds for full annual expenditure in accordance with continuum of care and HUD planning objectives. Assist 700 households with Rental Assistance Program, Assist 8,000 individuals with Emergency Homeless Assistance, Assist 1000 individuals with Continuum of Care Performance Program, Assist 350 individuals with HOPWA funding, Assist 30 individuals with Linkages funding	Linkages cumulative total of individuals served as of 4/30/13 is 40	Met
Develop services for owners to aid in preserving quality rental housing. FY2013: Implement services targeted for 542(c) Risk Share program. Online portal for capital reserve for replacement account requests/management and online tool for completion of Affirmative Fair Housing Marketing Plan	Asset Management staff training, which began in March, for 542(c) services will continue through the end of June. MFA is on target to make FY2013 services available online before end of fiscal year.	On Target
The Asset Management Department will perform 100% of required long-term compliance monitoring for all affordable housing programs under its purview.	As of January, 2013 all properties, across multiple programs, requiring monitoring have been identified and added to the Department's 2013 work plan. To date, approximately 26% of the work plan has been performed. The writing of a comprehensive guidebook for Housing Programs Analysts continues. All staff certifications and credentials are up to date and additional training has been ongoing.	On Target
4 - Talent & Operations		
Monitor strategic plan progress at quarterly and annual intervals.	Quarterly meetings for monitoring the strategic plan progress have been scheduled for the year. Planning meetings for Strategic Plan Year 3 updates have also been scheduled and recommendations will be presented to the Board at the July Board Retreat.	On Target
	12 internal policies, processes, or procedures that enhance and/or streamline functions/practices have been submitted by six	

Each department must explore and suggest a minimum of 1 internal policy, process, or procedure that enhances and/or streamlines functions/practices (including elimination of unnecessary processes or procedures) aligned to accomplish goals in FY2013 and submit that policy, process, or procedure by 9/30/2013.	departments which include updating procedures for processes and checklists, modifying the compliance file auditing worksheet tool for expanded use, expanding Accounts Payable image scanning for retention and look up functions, the elimination of fiscal year end tape backups, downloading Mortgage Backed Securities pool principal and interest payments instead of manual entry and Housing Development's processing of all pipeline reporting through the database.	On Target
Continue to refine and implement policies and processes that attract and retain quality employees. Ongoing.	MFA's new HR Director is currently evaluating existing employee polices and procedures as well as company benefits.	On Target
Research suggested/identified processes/programs and develop those that are found to be feasible to ensure employee satisfaction and staff development by 9/30/2013.	The HR director is currently evaluating existing programs and activities related to employee satisfaction and staff development. An employee satisfaction survey will be distributed and evaluated in order to collect more information on this objective.	On Target
Continue to identify Board, staff and management training needs and develop and implement training utilizing internal resources, local universities, trade schools and/or consultants where applicable.	MFA management is committed to the company-wide implementation of Situational Leadership. This management approach will provide a common language and communication framework for continued improvement in the area of leadership for managers. The model provides tools supervisors can use to help adapt to different management styles based on the employees needs. Supervisors were trained on the model in September and the remainder of the organization attended training in December. The HR Director is attending training to become a certified Situational Leadership trainer and supervisors are currently completing a 21-day Situational Leadership action plan which will continue to build skills necessary to fully implement the model. There have not been any board training needs identified this fiscal year. MFA continues to offer onsite training sessions for time management, public speaking, stress management and organization. University or trade school needs are determined by supervisors on a case by case basis. Staff from Homeownership, Asset Management, Servicing, Housing Development and Community Development have been participating in Financial Management Training conducted by UNM. This training will provide staff a stronger background in the fiscal aspects related to partner monitoring.	On Target
Evaluate and assess operational risks	Management is currently assessing building security. Several safety training courses conducted by APD have been held. Additionally, the Executive Team will be evaluating the current disaster plan and will provide staff training as needed. Current corporate insurance coverages are being reviewed as part of the annual renewal process. In conjunction with Housing Development, Servicing, Asset	On Target

	Management and Community Development, IS is developing an exposure reporting process which will provide outstanding financial commitment data by property and by organization.	
Provide maximum system availability through continued maintenance and upgrades, leveraging current technology. All production servers and applications will be available 99% of all business hours during a 12-month period. Production servers cannot be unavailable for more than a total of 20 business hours during a 12-month period.	Two incidents on 11/15/2012 and 12/6/2012 resulted in 30 minutes down time of 3 production servers. The cause has been corrected. Total availability is currently at 99.98%.	On Target
Protect and secure MFA's data and systems from unauthorized access: perform vulnerability tests every 6 months, and mitigate any vulnerabilities identified as high risk within 1 business week following notification.	No security breaches attempted in current FY to date. First vulnerability scan for current FY took place on 12/03/12. The final report was presented to Policy Committee on February 13th. Overal risk score is low. A follow-up test was conducted in March. Risk levels continue to be low.	On Target
Research, implement and support technology solutions to improve operational efficiencies and data tracking capabilities for MFA and partners.	Data Warehouse Reporting to incorporate Excel Power Pivot, enabling users to quickly create their own reports. Software demos from Emphasys have been completed. An additional software demo from The Mitas Group has been scheduled. Accounting is now imaging Accounts Payable.	On Target
Research and evaluate the benefits and implications of implementing and maintaining a social media presence. Implement measures determined to be beneficial to MFA. FY2013: Implement a mobile website and QR code distribution plan in the Homeownership Department.	Mobile web site with QR code distribution plan has been designed and tested. The site will go live on May 3.	On Target
Maintain and enhance MFA facilities and grounds within approved budget (within MFA's control) and continue to utilize "green" measures where feasible.	MFA participated in PNM's Quick Saver Program. This involves replacement of ballasts and lamps throughout the building. PNM has approved the application and the post inspection. MFA will receive a rebate from PNM for the ballasts and lamps replaced of approximately $2,800. This project will provide energy savings of 10 to 15%. After evaluating input from staff regarding building cleanliness, air ducts, cubicle fabric and carpets were cleaned. This was an unbudgeted expenditure, but was approved in advance by the Executive Team. Maintenance and enhancement of the facilities and grounds is ongoing.	On Target
5 - Financial Stewardship		
Five-year rolling average consolidated rate of return on earning assets will be equal to or greater than .26% at 9/30/14. FY2013: .32%	Five year return on average earning assets as of 4/30/13 was .41%.	On Target
General Fund excess revenues over expenses will be least $1,739k for FY2012-2014. FY2013 $965k	General Fund excess revenue over expenses as of 4/30/13 was 3,170k.	On Target
Research, develop and implement a cost-benefit assessment tool for evaluating new and existing programs and projects in relation to mission, margin and risk tolerance. FY2013: Implement program assessment tool for new programs.	The committee met in January to develop committee goals and project objectives for FY2013. In addition, the committee reviewed a draft template for the economic feasibility portion of the evaluation. The Homeownership Preservation Program case study was also reviewed and discussed. Edits were incorporated and approved by Policy Committee. The process for evaluating new programs was presented to and discussed with Supervisors in early April. Work is ongoing, including the development of an evaluation tool for existing programs.	Met

Maintain General Fund cash reserves at a minimum level consistent with General Fund Cash Reserve Policy for support of program activities, operations and financial strength.	General Fund cash reserves as of 4/30/13 were $61,473k, which is consistent with the Cash Reserve policy.	On Target
Manage and distribute grant funds to ensure that no more than 1% of the beginning of the year balance of grant funding is lost each fiscal year as a result of failure to expend or commit within the contract term. FY2013: $92k	As of 4/30/13, $33k has been lost in grant funds. MFA is at risk of losing approximately $1.4mm in HOME funds if they are not committed by the 6/30/2013 deadline. Staff have identified uses for those funds and are in the process of getting them committed.	On Target
Obtain an unqualified opinion on MFA's financial statements and no material weaknesses identified by the auditor in internal control over financial reporting or major programs (excluding first-time program audits) for the next three years.	External audit was approved by State Auditor's Office in December 2012, and approved by the Board of Directors January 2013. An unqualified opinion was issued and there were no findings.	Met
Average internal rate of return on single family bond programs will be equal to or greater than 5.0% at 9/30/14. FY2013: 5% internal rate of return for the period ending 9/30/12.	One of the key factors in managing our Internal Rate of Return on existing bond programs is to call bonds as quickly as possible as loan prepayments are received. In FY2012, staff began picking up an additional month of prepayments to call on semi-annual calls. Additionally, we do interim calls on the NIBP as required. 2012A and 2012B require quarterly calls. All these activities reduce float fund negative arbitrage and hence contribute to our program Internal Rate of Return. In this fiscal year, MFA utilized its first pass-through bond structure (2013A) in conjunction with internal warehousing to save negative arbitrage on the acquisition fund for new bond issues. The full $25mm in mortgage backed securities was delivered at closing in January. Additionally, staff is evaluating using real-time prepayment information from Bloomberg to continue to better manage prepayment cash received. The 9/30/2012 cash flow analysis has been completed and will be presented to Finance Committee at the June 2013 meeting. The average Internal Rate of Return for MFA's bond programs for FY 2012 is 6.59%.	Met
Maintain loan defaults, workouts, foreclosures and grant non-compliance losses to MFA below $1,550k through FY2014. FY2013: $725k	Losses as of 4/30/13 are $302k.	On Target
Add two income generating loan servicing portfolios which utilize the current servicing model. FY2013: Respond to the City of Albuquerque servicing Request for Proposals and continue seeking other opportunities.	MFA Staff met with City of Albuquerque staff on 4/2/13 and 4/16/13 to discuss MFA's Servicing operations and ability to provide servicing of COA loans.	On Target

Tab 15

Summary of MFA Audits 2006–2012

MFA has received an unqualified (clean) audit opinion on its financial statements for the last 20 years.

- In the past three years MFA averaged 25 audits per year by nine federal agencies and three state agencies.
- **No significant issues have been identified in audits conducted by federal and state agencies.**
- MFA has contracted with local accounting firms for 17 years to provide internal audit services.
- **No significant issues have been identified by contracted internal auditors.**
- MFA's external audit team is on site for more than three months in the summer and fall.
- The audit team and the New Mexico Office of the State Auditor conduct fraud interviews with individuals at all levels of the organization, including members of the board of directors.
- MFA's Finance Committee serves as the board's audit committee and is chaired by a CPA with extensive experience.
- External audit results are presented to MFA's board each January in Santa Fe.
- **MFA's external audit is submitted to office of the State Auditor more than two months earlier than is required by law.**

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Summary of MFA Audits 2006–2012

Audit	*Frequency	Auditing Agency	*Areas Audited
Processes and Procedures	On-going	Moss Adams/REDW, at the request of the MFA Board	Internal processes, functions, procedures, programs, departments
Quality Control, Servicing	Monthly	Moss Adams/REDW, at the request of the MFA Board	Mortgage loan servicing functions
Financial Statement and Single Audits	Annually	NM Office of the State Auditor, KPMG	Fiscal year-end financial statements, internal controls, compliance with federal program
Quality Control, Section 8 Administration	Annually	Moss Adams/REDW, at the request of the MFA Board	Section 8 Administration work plan
PCBA's Section 8 Program	Annually	Housing and Urban Development	Section 8 Administration work plan
HOME, ESG, HOPWA, RHED, Housing Counseling Program	Annually	Housing and Urban Development	Program administration and compliance
Weatherization Program	Annually	Department of Energy	Program administration and compliance
State of New Mexico	Annually	Department of Finance, Human Services Department	Program administration and compliance with Joint Powers and Grant Agreements
Affordable Housing Disposition Program	Annually	FDIC	Program compliance and monitoring of properties
Loan Servicing	Annually	Housing and Urban Development	Mortgage loan servicing functions, claims submitted, loss mitigation
State of New Mexico	Upon Discretion	NM Office of the State Auditor	Financial statements and/or joint powers agreements
Internal Revenue Service	Upon Discretion	IRS, Department of Treasury	Non-taxable bond issues, tax returns of bond arbitrage rebate calculation, Tax Credit allocations, Tax Credit Exchange program
Loan Servicing	Upon Discretion	Fannie Mae, Freddie Mac, Ginnie Mae	Mortgage loan servicing functions

* Subject to the discretion of the auditing agency.

Tab 16

APPENDIX K: GLOSSARY OF TERMS

This glossary contains key words and phrases frequently used in connection with the financing of housing by state and local housing and finance agencies. While most terms relate directly to bond financing, others are also used in mortgage financing and real estate development. If a definition varies between these disciplines, the given definition applies to bond financing.

A

Affordable Housing Program: This is a program offered through the Federal Home Loan Bank System which subsidizes the interest rate on loans and provides direct subsidies to Bank System member institutions that lend for long-term, very-low-, low-, and moderate-income, owner-occupied and affordable rental housing. The program is designed to encourage creative efforts in increasing affordable housing.*

Agency Buydown: An upfront agency payment, which reduces the monthly principal and interest payments on a loan by reducing the initial interest rate. By buying down a loan, an agency subsidizes the homeowner during the buydown period.

Agency Contribution: Upfront dollar transfer of agency unrestricted funds to a new bond issue to help pay the issuance costs. The agency thereby reduces the amount of non-asset bonds, making the potentially negative effect of partial non-origination of mortgages less of a credit problem.

Amortization: The reduction in the outstanding principal amount of a loan achieved as the result of repayment of principal.

Arbitrage (or Program's Gross Spread): The yield differential between the bond and, in the case of Mortgage Revenue Bonds, the mortgage contract rate. Costs which must be paid from this spread typically include: the underwriter's discount; bond counsel fees; other costs of issuance; and mortgage origination, servicing, and related fees. Arbitrage limitations on tax-exempt bonds are established by the Internal Revenue Service.

ARM (Adjustable-Rate Mortgage or Variable-Rate Mortgage): A mortgage on which the interest rate is adjusted on a periodic basis in reference to an accepted index of market interest rates, such as the 12-month U.S. Treasury borrowing rate. ARMs usually include limits, or caps, on the size of the interest rate adjustments, such as 1 percent a year and 5 percent overall.

B

Basis Point: Yields on municipal securities are usually quoted in increments of basis points. One basis point is equal to .01 or 1/100th of 1 percent.

Basis Price: The price of a security expressed in yield or percentage return on the investment.

Bearer Bond: A bond that has no identification as to owner and therefore is presumed to be owned by the person who holds it (the bearer). Bearer bonds are freely and easily

negotiable since ownership can be quickly transferred from seller to buyer. Bearer bonds are no longer permitted for new issues of tax-exempt bonds.

"Blue Sky" Laws: State laws enacted to protect the public against securities fraud.

Bond: An interest-bearing promise to pay a specified sum of money—the principal amount—which is due on a specific date and secured by specified sources of revenue.

Bond Anticipation Notes (BANs): Short-term securities issued by states and municipalities to obtain interim financing for projects, which will eventually be funded long-term through the sale of a bond issue.

Bond Counsel: Legal counsel responsible for determining that all applicable local, state, and federal laws, regulations, and procedures are met in the issuance of a bond.

Bond Insurance: Guarantee of timely principal and interest payments to bondholders in the event of issuer default.

Bond Rate: The interest rate which is stated on the bond and payable to the bondholders periodically.

Bond Traders: Investment bank and commercial bank employees who engage in the purchase and sale of bonds after they are first sold (a secondary market).

Bond Yield: The overall interest cost percentage for a series of bonds.

Broker: A securities firm or department of a commercial bank which engages in the underwriting, trading, and sales of municipal securities for the account of another.

C

Call Provisions: The terms under which bonds are redeemable by the issuer prior to the specified maturity date at a stated price (which often is above par).

Canadian Interest Cost (CIC): A method of calculating total cost for new issues of municipal securities that takes into consideration the time value of money.

Cash Flow: For bonds which finance mortgage loans, the sum of mortgage repayments and prepayments, plus other revenues available to make debt service payments on the bonds and to pay related fiduciary and servicing costs.

Capped Adjustable Mortgage: An adjustable-rate mortgage which has a limit on the size of the annual and/or total increase in the interest rate.

Capital Appreciation/Accumulator Bonds (CABs): Bonds which pay interest on an accumulated basis at maturity. Unlike zero coupon bonds, the par amount of CABs does not reflect future interest payments.

Capital (Debt Service) Reserve Fund: A security requirement established to provide a revenue bond program with reserves which would be available in the event of a shortfall in operating revenues. The requirement is normally set in terms of maximum annual debt

service but is sometimes calculated as a fixed percentage of the principal amount of outstanding debt.

CHAS (Comprehensive Housing Affordability Strategy): An analysis of housing needs and strategies which is required of states and local governments to receive HUD program funds or assistance.

Coinsurance: Mortgage insurance in which the loan originator agrees to insure part of the mortgage in return for part of the premium. A stop-loss provision with respect to a pool of mortgage is usually involved. The term is often used in a less generic sense to refer to a now-terminated Federal Housing Administration (FHA) multifamily program.

Collateralized Mortgage Obligations (CMOs): A security backed by a pool of mortgages or mortgage pass-through certificates. CMOs are issued with varying classes (tranches), all of which receive interest payments semi-annually from monthly interest payments on the mortgages in the pool. Principal payments on the mortgages in the pool are applied to the CMOs of the shortest tranche until retirement, next to the CMOs of the next shortest tranche, and so forth until all of the CMOs backed by the pool have been paid off.

Community Development Block Grants (CDBG): Programs administered by HUD to aid community and economic development, mostly to benefit activities serving low and moderate income persons. Three types of CDBGs:

> CDBGs (Entitlement): Grants to entitlement communities, for a wide range of community development programs for neighborhood revitalization, economic development and improved community facilities and services. These communities develop their own programs in consultation with local residents.
>
> CDBGs (Non-Entitlement) For States And Small Cities: Grants to non-entitlement communities, for similar programs.
>
> CDBGs (Section 108 Loan Guarantee): These are loan guarantees that offer eligible communities financing for housing rehabilitation, economic development and large-scale physical development projects.

Community Housing Development Organizations (CHDOs): Community-based nonprofit entities for which a portion of HOME funds must be set aside.
Community Investment Program: This is a program offered through the Federal Home Loan Bank System which provides funds for community-oriented mortgage lending. Under the program, each Bank also designates a community investment officer to implement the Banks' community lending and affordable housing advance programs.

Competitive Bids: A sale of municipal securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities. This contrasts with negotiated underwriting.

Compliance Monitoring: The process of determining whether program requirements continue to be met. For example, the Low Income Housing Tax Credit program has specific compliance monitoring requirements.

CBO (Congressional Budget Office): The major budgetary analysis organization for Congress.

CRS (Congressional Research Service): The research arm of the Congress.

CDI (the Continuing Disclosure Information (Pilot)): This is the Municipal Securities Rulemaking Board's (MSRB's) effort to collect continuing financial information regarding municipal bond issues.

Convertible Option Bonds (COBs): Bonds initially issued at a short-term interest rate which may be converted later at the option of the issuer to a long-term fixed-rate bond.

Costs of Issuance: All expenses related to the authorization, sale, and issuance of bonds.

Coupon: The stated interest rate on a bond, usually paid semi-annually. For bearer bonds, "coupons" specifying the date and amount of each interest payment are attached to the bond. To receive an interest payment, the bondholder detaches and presents the coupon for payment.

Credit Enhancement: Security devices such as letters of credit, moral obligation pledge, or bond insurance which are obtained for a bond issue to enhance the marketability of the bonds (to improve ratings/lower interest costs).

Current Yield: The ratio of the interest rate to the actual market price of a bond, stated as a percentage. For example, a bond selling for $1,000 that pays $80 per year in interest has a current yield of 8 percent.

D

Dealer: A securities firm or department of a commercial bank which engages in the underwriting, trading, and sales of municipal securities for its own account.

Debt Limit: The statutory or constitutional maximum debt which an issuer can legally incur.

Debt Service: The payments required for interest on and repayment of the principal amount of debt.

Default: Failure to pay principal or interest when due. Non-monetary default is a violation of the terms and conditions of a mortgage or a bond issue.

Delinquency Experience: The level of loans with overdue payments, expressed as a percentage of the total portfolio of loans.

Denomination: The face amount or par value of a security which the issuer promises to pay on the maturity date. Most municipal bonds are issued in minimum denominations of $5,000, although a few are available in $1,000 denominations. Notes are generally available in $25,000 minimum denominations.

Discount: The amount by which the purchase price of a security is less than the principal amount or par value.

Disposition Demonstration Program: Also known as "dispo/demo," this is a demonstration program under which HUD enters into agreements with HFAs to dispose

of some of the properties that HUD owns as a result of foreclosures in HUD-insured mortgages.

Dollar Bond: A bond which is quoted and traded in dollar prices rather than in terms of yield.

Double Barreled Bond: A bond secured by the pledge of two or more sources of repayment, such as the unlimited taxing power of the issuer as well as the revenues generated by a particular user charge.

Double Exemption: Securities on which the interest is exempt from taxation imposed by two levels of government, such as exemption from state and federal income taxes.

E

Equity Sharing (or Shared Appreciation Mortgage): A mortgage in which the borrower makes payments at an interest rate below the prevailing market rate. In return for accepting the lower rate, the lender (or holder of the mortgage) receives the right to a predetermined share of any future appreciation in the value of the property.

F

Face Amount: The par value (e.g., principal or maturity value) of a security shown on the face of the instrument.
Fair market rents (FMRs): Established by HUD to determine how much rent HUD will subsidize when it assists low income renters under its rental assistance programs. HUD determines the FMR by calculating the 45th percentile rent for an area, i.e., the rent level below which 45 percent of the units should rent.

FDIC (Federal Deposit Insurance Corporation): An instrumentality of the federal government which insures the deposits of member institutions.

FHA (Federal Housing Administration): A federal agency within HUD which insures mortgages on both single family and multifamily loans, usually with high loan-to-value ratios.

FHFB (Federal Housing Finance Board): The governing body of the Federal Home Loan Bank System.

FHLB (Federal Home Loan Bank): One of the 12 federally-chartered regional banks of the Federal Home Loan Bank System. A bank's primary function is to supply credit to members, principally savings and loan institutions.

FHLMC (Federal Home Loan Mortgage Corporation, or "Freddie Mac"): A government-sponsored enterprise which is authorized to buy and to package for sale (usually in the form of mortgage-backed securities) conventional, FHA, and VA loans and participating interests in blocks of such loans.

Financial Advisor: A consultant to an issuer of municipal securities who provides the issuer with advice with respect to the structure, timing, terms, or related matters concerning a new issue of securities.

First-Time Homebuyer: For purposes of the MRB and MCC programs, a mortgagor who has not held an ownership interest in a principal residence at any time during the three-year period which ends on the date on which the qualified MRB loan or MCC-assisted loan is executed or assumed.

FNMA (Federal National Mortgage Association, or "Fannie Mae"): A government-sponsored enterprise which is authorized to buy and to package for sale (usually in the form of mortgage-backed securities) conventional, FHA, and VA loans and participating interests in blocks of such loans.

Foreclosure: A procedure in which property pledged as security for a debt is sold to repay the debt in the event of a default in payments or terms.

G

General Obligation Bond: A bond which is secured by the pledge of the issuer's full faith and credit and usually also its taxing power.

GNMA (Government National Mortgage Association, or "Ginnie Mae"): A government corporation within HUD which provides full-faith-and-credit-of-the-federal-government guarantees of timely payment on securities backed by FHA and VA loans.

Government-Sponsored Enterprises (GSEs): Federally chartered, privately owned corporations which carry an implicit guarantee of the federal government. Examples are FNMA and FHLMC.

H

HOME Investment Partnerships (HOME) Program: A "housing block grant" program authorized by the National Affordable Housing Act of 1990 which provides federal funds which may be used for ownership or rental housing or tenant-based assistance.

HUD (U.S. Department of Housing and Urban Development): The executive department which administers most federal housing programs.

I

Indenture (Bond Indenture): A written agreement under which debt securities are issued. It sets forth the maturity date, interest rate, call provisions, security, and other factors affecting the bonds.

Industrial Development Bond: A security issued by a state, certain agencies or authorities, a local government, or development corporation to finance the construction or purchase of industrial plants or equipment which will be leased to a private corporation and backed by the credit of the private corporation.

Interest: Compensation paid or to be paid for the use of money. Interest is generally expressed as an annual percentage rate.

Issuer: A state, political subdivision, agency, or authority which borrows money through the sale of bonds or notes.

L

Lead Underwriter: The bond underwriter which "runs the books of the account" for a group of underwriters (syndicate) created to buy and sell a bond issue.

Legal Opinion: An opinion concerning the validity of a securities issue with respect to statutory authority, constitutionality, procedural conformity, and usually the exemption of interest from federal income taxes. The legal opinion is usually rendered by a law firm recognized as specializing in public borrowings (often referred to as bond counsel).

Lendable Proceeds: Bond proceeds available for direct loans, mortgage purchases, or loans-to-lenders activities.

Letter of Credit (LOC): A direct guarantee provided by a bank which agrees to provide a trustee with the funds necessary to make payments to bondholders. A "standby" LOC provides funds only in the event of a shortfall in other available funds.

Level Payment (Self Amortizing) Mortgage: A level (or fixed) payment mortgage is a standard, fully amortizing mortgage with a fixed term and fixed equal payments to term.

Loans-to-Lenders: A mortgage financing method used by bond issuers in which loans are made to lenders under conditions which set the mortgage contract rate and the borrower eligibility standards under which the funds will be reloaned to the ultimate borrowers..

Loan-to-Value (LTV) Ratio: The ratio of the amount of funds borrowed when financing a property relative to the total sales price. The lower the ratio, the larger the share of owner equity and presumably the less risk involved in making the loan.

Local Authorities: Refers to local housing finance or other municipal agencies which issue tax-exempt bonds.

Low Income: In program eligibility determinations, defined as some percentage (usually 80 percent) of median income.

Low Income Housing Tax Credit (Tax Credit): A credit against ordinary income taxes which is permitted under Section 42 of the Internal Revenue Code for certain investments in low income rental housing.

"Lower Floaters": Refers to adjustable-rate tender bonds (usually 30-year bonds) which are tied to short-term rates and allow the bondholder to "put" the bonds back to the issuer at the bondholder's discretion.

M

Major Rehab: Major or substantial rehab refers to residential rehabilitation which involves substantial structural renovation (e.g., of a gutted building), usually to one or more of a building's systems (e.g., roof, boiler, electrical, etc.). This type of rehab requires major costs to complete.

Marketability: A subjective measure of the ease with which a security can be sold in the secondary market.

Maturity: The date on which the principal amount of a security becomes due and payable.

"McKinney Act" Programs: A series of program enacted by Congress to address the needs of homeless persons and to prevent homelessness.

Median Family Income: The annual gross income above which and below which lie an equal number of family incomes. Income eligibility for subsidized housing programs are often set as a percentage (%) of the area median income.

Median Sales Price: The home price in a defined market area above which and below which lie an equal number of home sales by price for a period of time.

Moderate Income: In program eligibility determinations, often defined as families with gross incomes between 80 and 120 percent of median family income.

Moral Obligation Bond: A type of municipal security which is not backed by the full faith and credit of a state, but for which state law provides that the state will consider replenishing the issue's debt reserve fund if necessary.

Mortgage Banker: A private company which originates and services mortgage loans which are sold to primary or secondary market institutions.

Mortgage Credit Certificate (MCC): Certificates issued by state and local HFAs to qualified first-time homebuyers which provide federal income Tax Credits equal to a specified percentage of the annual mortgage interest paid. These Tax Credits directly reduce the federal income tax liability of the recipients. The program is an alternative to the issuance of MRBs.

Mortgage Revenue Bond (MRB): A tax-exempt security issued by a state, certain agencies or authorities, or a local government to make or purchase loans (including mortgages or other owner financing) for single family residences.

Multifamily Housing: Usually refers to rental housing in buildings of five or more units.

MSIL (Municipal Securities Information Library): The central repository of information regarding bond issues and continuing disclosure of financial information related to them.*

Municipal Securities Rulemaking Board (MSRB): An independent self-regulatory organization established by the Securities Acts Amendments of 1975 which is charged with primary rulemaking authority over dealers, dealer banks, and brokers in municipal securities.

N

NAHA (National Affordable Housing Act): Legislation that created the HOME Program.

Negative Amortization: In the case of mortgage loans, a payment plan in which the interest payments are insufficient and the shortfall is added to the outstanding loan balance as additional principal. As a result, the total principal amount of the mortgage can become larger than the initial principal amount. A mortgage which allows for negative amortization early in the life of the mortgage usually provides for increased

payments later to assure full payment of the principal and interest by the end of the loan term.

Negative Arbitrage: The result of paying a higher interest rate on bonds than is achieved from the investment of bond proceeds.

Negotiated Sales: Sales in which the issuer chooses one underwriter or group of underwriters to sell its bonds to investors. There is no competitive bid for the issue. Instead, the interest rate and terms of sale are negotiated.

Net Interest Cost (NIC): The traditional method of calculating total cost for new issues of municipal securities which does not consider the time value of money.

Non-Callable Bond: A bond which cannot be redeemed at the option of the issuer before its specified maturity date.

Notes: Short-term instruments which promise to pay specified amounts of money and are secured by specific sources of future revenues, such as taxes, federal and state aid payments, and bond proceeds.

Notice of Sale: An official document disseminated by an issuer of municipal securities which gives pertinent information regarding an upcoming bond issue and invites competitive bids from prospective underwriters.

O

Offering Price: The price at which the members of an underwriting syndicate for a new issue decide to offer the securities for sale to investors.

OTA (Office of Technology Assessment): The research organization of the Congress specializing in technology issues.

OTS (Office of Thrift Supervision): The federal regulatory agency responsible for examination and regulation of federally and state chartered savings institutions.

Official Statement: A document prepared by or for the issuer which provides detailed security and financial information on the bond issue.

Over-the-Counter Market (OTC): A securities market which is conducted among dealers throughout the country through negotiation rather than by using an auction system (as represented by the stock exchanges).

P

Par Value: The stated principal amount of a bond or note due at maturity.
Private Mortgage Insurance (PMI): Private mortgage insurance, usually providing coverage for loans with less than a 20 percent downpayment, up to a 97 percent loan-to-value ratio. PMI companies are regulated by states.

Pool Insurance: Additional security for a single family mortgage loan portfolio. This usually provides coverage equal to 10 percent of the original aggregate loan amount, frequently with a minimum dollar amount of coverage also specified.

Premium: The amount by which the price of a security exceeds its par amount.

Prepay: Used in conjunction with low-income rental units that will become eligible for their owners to pay off the underlying HUD mortgages and convert the units to market-rate housing.*

Prepayment Assumption: A calculated guess of the future performance of a portfolio of single family loans, relative to the incidence of recoveries of principal. The assumption is often expressed as a percentage of the long-term FHA loan performance experience with the rate of recoveries of principal in a particular state or region.

Primary Market (new issue market): Market for new issues of municipal bonds and notes.

Principal: The face amount of a bond, exclusive of accrued interest and payable at maturity.

Public Housing: Low income housing developed, owned, and operated by public housing authorities (PHAs) and financed through the sale of tax-exempt bonds. HUD provides debt service contributions, operation subsidies, modernization funds, and technical assistance to support PHA projects.

PIG: Public interest group.

Put Options: A contract which gives its owner the right to sell a security at a specific price within a defined time period.

Q

Qualified Allocation Plan: A required plan which a state allocating agency must use to allocate Low Income Housing Tax Credits.

R

Ratings: Designations provided by investors' ratings service to securities to indicate their relative credit quality (e.g., Standard and Poor's, Moody's, Fitch).

Recapture: Provision under MRB program by which an MRB borrower who sells his or her house within 10 years of initial purchase must count a certain portion of the profit as taxable income.*

Red Herring: A preliminary prospectus or official statement which does not include the price at which the securities will be offered to the public. It is issued to obtain an indication of the interest in an offering. It gets its name from the statement, printed in red ink on its front cover, which says the document is a preliminary prospectus or official statement.

REMICs (Real Estate Mortgage Investment Conduits): A REMIC is an entity which holds a pool of mortgage loans and issues securities representing interests in those mortgages. This entity enables a pool of mortgages to be split into different ownership interests offering a range of maturities, thereby giving greater choice as to the length of

investment. Income generated by the mortgage pools is taxed not at the entity level but at the investor level.

Refunding: A procedure by which a bond issue is redeemed with funds from a new bond issue under conditions generally more favorable to the issuer. This results in the proceeds of the new bonds (the refunding bonds) being substituted for the proceeds of the old bonds (the refunded bonds), which may or may not be redeemed.

Registered Bond: A bond whose owner is registered with the issuer or its agents, either as to both principal and interest, or as to principal only. Transfer of ownership can be accomplished only when the securities are properly endorsed by the registered owner.

Resolution (Bond Resolution): Formal board action authorizing the issuance of bonds. This is an alternative to indenture.

Revenue Anticipation Notes (also see Tax Anticipation Notes): Securities issued in anticipation of other sources of future revenue, typically a form of federal or state aid.

Revenue Bond: A bond payable solely from net or gross non-tax revenues derived from tolls, charges, or rents paid by the users of a facility constructed with the proceeds of a bond issue.

RFP: Request for Proposals.

RTC (Resolution Trust Corporation): A federal corporation created to sell or liquidate ("resolve") failed savings and loan associations.

Risk-sharing: A concept by which HFAs insure mortgages they issue in partnership with entities such as private insurers or FHA.

Rural Housing Service (formerly Farmers Home Administration): An agency of the federal government which makes, participates in, and insures loans for rural housing and other purposes. FmHA recently was renamed the Rural Housing and Community Development Department.

S

Safe Harbor: "Safe Harbor" refers to Internal Revenue Service (IRS) estimates issued for the MRB and MCC programs which are used to determine purchase price limits for homes eligible to be bought under the programs. The estimates are developed from federal data samples and may be appealed by individual agencies seeking to use their own limits (based on a more accurate, comprehensive, and timely data base than the official limits).

Savings and Loan Association (S&L): A financial institution which takes savings deposits and invests them mainly in mortgage loans. Always a corporation, an S&L may be either a mutual or a capital stock institution and may be either state or federally chartered.

Savings Bank: A financial institution which takes savings deposits and invests them in mortgages and other securities allowed under law.

Savings Institutions: Savings and loans and savings banks which have historically been primary investors in residential mortgage loans.

Secondary Financing: A loan secured by a second mortgage or deed of trust on real property.

Secondary Market: A market for issues previously offered or sold.

Section 8: A rental assistance program administered by HUD under which the federal government pays the difference between what a household can afford to pay for a housing unit and its fair market rent. Eligible tenants pay 30 percent of their income toward rent.

> Section 8: Lower Income Rental Assistance Program under which HUD makes up the difference between what a low- and very-low income household can afford and approved rent. Among aspects of Section 8 Program:
>
> Section 8 Moderate Rehabilitation Program: A HUD program under which PHAs administering the program advertise fund availability and select participating landlords based on a competitive process. The landlords agree to rehabilitate the properties to certain standards, and the PHAs set rents based on a number of factors.
>
> Section 8 Rental Certificate Program: HUD contracts with PHAs and IHAs, which issue rental certificates to very low income families. The families may find a suitable home, and assistance payments are made to the property owners. A certificate pays the different between the recipient's unit's actual rent and 30 percent of the tenant's income. Generally, the rent for the units may no exceed the fair market rent (FMR), which is set at roughly the 45th percentile of local rents.
>
> Section 8 Rental Voucher Program: HUD contracts with local public housing agencies (PHAs) and Indian Housing agencies (IHAs), which issue rental vouchers to very low income families. A voucher pays the difference between a payment standard (similar to the FMR) and 30 percent of the tenant's income. If the actual rent exceeds or is less than the payment standard, the tenant pays the excess or keeps the difference.

Section 10b: This section of the Federal Home Loan Bank Act allows organizations that are not members of the Federal Home Loan Bank ("non-members", such as HFAs) to collect advances from the Federal Home Loan Banks for affordable housing activities. Amendment was enacted in 1992 pursuant to NCSHA advocacy.

Section 203(k): Rehabilitation Mortgage Insurance. Mortgage insurance program for one-to-four-family properties under which HUD insures loans to finance: rehabilitation of an existing property; purchase and rehabilitation of a property; or rehabilitation and refinancing of the outstanding indebtedness of a property.

Section 221(d)(3) and (4): Multifamily Rental Housing for Moderate Income Families. Mortgage insurance programs administered by HUD to finance rental or cooperative multifamily housing for moderate-income households, including housing for the elderly and Single Room Occupancy (SRO) housing. The primary distinction between the two programs is that HUD may insure full replacement cost under 221(d)(3) for public

nonprofit and cooperative mortgagors, but only up to 90 percent under Section 221(d)(4), regardless of the type of mortgagor.

Section 223(f): A federal mortgage insurance program administered by FHA for refinancing existing apartment buildings.

Section 515: Program administered by the Farmers Home Administration (FmHA) under which FmHA provides direct loans to private and public sponsors for the construction, acquisition, rehabilitation, and operation of multifamily rental projects for low and moderate income families in rural areas.*

Section 811: Supportive Housing for Persons with Disabilities. Program administered by HUD under which capital advances are made to eligible nonprofit sponsors to finance the development of rental housing with supportive services for disabled persons.

Section 142 of the Internal Revenue Code: Tax law establishing and defining exempt facility bond programs (multifamily housing bonds).

SEC (Securities and Exchange Commission): The agency that administers federal securities laws.

Serial Bonds: Bonds issued with serial maturity dates and commensurate interest rates.

Servicing: The collection of payments on a mortgage. Servicing also consists of operational procedures covering accounting, bookkeeping, insurance, tax records, loan payment follow-up, delinquent loan follow-up, and loan analysis.

Single Family: Usually refers to one-to-four unit owner-occupied family housing.

Sinking Fund: A fund accumulated by an issuer over a period of time which is designated for use to retire debt, either periodically or all at one time.

Special Tax Bond: A bond secured by a special tax, such as a gasoline tax.

Spread: In bond underwriting, the difference between the price received for a security by the issuer and the price paid by the investor.

Swap: A transaction in which an investor sells one security and simultaneously buys another with the proceeds, usually for about the same price. The term is also used to refer to an interest rate swap, in which an obligor on fixed-rate debt agrees to exchange repayment responsibilities with an obligor on a similar amount of variable-rate debt for a stated period.

Syndicate: A group of investment bankers and commercial banks which buy (underwrite) a new issue from the issuer and offer it for resale to the general public.

T

Take-Down: (Sometimes referred to as take-down concession). The discount from the list price allowed to a member of an underwriting account on any bonds it sells.

Targeted Area: An area of chronic economic distress or an area with a high percentage of low income families entitled to special treatment (e.g., higher purchase price limits) under the MRB and MCC programs.

Tax Anticipation Notes (TANs): Notes issued by states or municipalities to finance current operations in anticipation of future tax receipts.

Tender Bond: A bond which gives the investor the option to tender or "put" the bond to the issuer at par on a specified date. A premium is paid for a tender bond because the put option affords protection against the erosion of principal during periods of rising interest rates.

Term Bond: A bond that has a single stated maturity date.

TEFRA Hearing: A public hearing required prior to the issuance of certain kinds of tax-exempt bonds. The hearing allows persons to express their views on both the issuance of the bonds and the location of the proposed facility.

Total Bond Indebtedness: The amount of total general obligation debt issued by a municipality, regardless of the purposes of the debt.

Triple Exemption: Securities on which the interest is exempt from federal, state, and local income taxes.

True Interest Cost (TIC): A method of calculating bids for new issues of municipal securities which accounts for the time value of money.

Trustee: A bank designated by the issuer as the custodian of funds and the official representative of the bondholders. Trustees are appointed to ensure compliance with the contract and to represent bondholders to enforce their contract with the issuer.

U

Underwrite: To purchase a bond or note issue from the issuing body for the purpose of reselling the securities to the general public.

Unlimited Tax Bond: A bond secured by the pledge of taxes which is not limited by rate or amount.

V

VA (U.S. Department of Veterans Administration, formerly the Veterans Administration): A federal agency responsible for administering veterans benefits programs, including the provision of federal guarantees for home loans for veterans.

Y

Yield: The dividends or interest paid on a particular security, expressed as a percentage of the current price or cost price or as related to the maturity of a bond.

Yield-to-Call: The hypothetical return which is projected to be earned on a bond, assuming that the issuer calls it on the first date permitted.

Yield-to-Maturity: The hypothetical return which is projected to be earned on a bond, assuming that the bond is held to maturity.

Z

Zoning: The designation by a city or county authorities of the eligible uses of property or eligible kind of activities in a specific geographic area.

Zero Coupon Bonds: Bonds which sell for less than their face amount because no interest is paid until maturity. The face amount represents the full amount of principal and accumulated interest (with effects of compounding) at maturity (also see Capital Appreciation/Accumulator Bonds).

Commonly Used Housing & Finance Acronyms

2MP	Second Modification Program
ACED	Area of Chronic Economic Distress
AFHMP	Affirmative Fair Housing Marketing Plan
AGMI	Area Gross Median Income
AHA	Affordable Housing Act
AHP	Affordable Housing Program
AIDA	All Indian Business Development Program
AIPC	All Indian Pueblo Council
AIPHA	All Indian Pueblo Housing Authority
AMI	Area Median Income
AMT	Alternative Minimum Tax
ANA	Administration for Native Americans
ARM	Adjustable Rate Mortgage
ARRA	American Recovery and Reinvestment Act
ASDN	Area(s) of Statistically Demonstrated Need
BBER	Bureau of Business and Economic Research (UNM)
BHC	Behavioral Health Collaborative
BIA	Bureau of Indian Affairs
BPRC	Business Plan Review Committee
BMA	Bond Market Association
CAA	Community Action Agency
CBO	Community-Based Organization
CDBG	Community Development Block Grant
CDC	Certified Development Company
CDC	Certified Development Community
CDC	Community Development Council
CDCU	Community Development Credit Union
CDFI	Community Development Financial Institution
CDRLF	Community Development Revolving Loan Fund
CHDO	Community Housing Development Organization
CLT	Community Land Trust
CLTV	Combined Loan to Value
CNA	Capital Needs Assessment
COB	Convertible Option Bond
COG	Council of Governments
COI	Costs of Issuance
COL	Contract Loan Program
CRA	Community Reinvestment Act
CSBG	Community Services Block Grant
DDA	Difficult Development Area
DFA	New Mexico Department of Finance and Administration
DOE	Department of Energy
DOJ	Department of Justice

DOT	Department of Transportation
DPA	Down Payment Assistance
DSC	Debt Service Coverage
DTI	Debt to Income Ratio
ECOA	Equal Credit Opportunity Act
EDA	Economic Development Administration
EHAP	Emergency Homeless Assistance Program
ELCDC	Enchantment Land Certified Development Company
ESG	Emergency Solutions Grant
FAMC	Federal Agriculture Mortgage Corporation
FDIC	Federal Deposit Insurance Corporation
FEMA	Federal Emergency Management Agency
FHA	Federal Housing Administration or Fair Housing Act
FHEO	Office of Fair Housing and Equal Opportunity
FHFB	Federal Housing Finance Board
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation (Freddie Mac)
FICO	Fair Isaac and Company (credit score)
FMR	Fair Market Rents
FNMA	Federal National Mortgage Association (Fannie Mae)
GNMA	Government National Mortgage Association (Ginnie Mae)
GRH	Guaranteed Rural Housing
GSE	Government Sponsored Enterprise
HAFA	Home Affordable Foreclosure Alternatives
HAMP	Home Affordable Modification Program
HERA	Housing and Economic Recovery Act
HMDA	Home Mortgage Disclosure Act
HOME	Home Investment Partnership Program
HOPE	Homeownership Opportunities for People Everywhere
HOPWA	Housing Opportunities for Persons with AIDS
HPP	Homeownership Preservation Program
HPRP	Homeless Prevention and Rapid Re-Housing Program
HTF	Housing Trust Fund
HUD	US Department of Housing and Urban Development
IHA	Indian Housing Authority
JTPA	Job Training and Partnership Act
LDC	Local Development Corporation
LFC	Legislative Finance Committee
LGIP	Local Government Investment Pool
LIHEAP	Low Income Home Energy Assistance Program
LIHTC	Low Income Housing Tax Credit Program
LOC	Letter of Credit
LOC	Legislative Oversight Committee
LTTF	Land Title Trust Fund
LTV	Loan-to-Value Ratio
LURA	Land Use Restriction Agreement

MBE	Minority-Owned Business Enterprise
MBS	Mortgage Backed Securities
MHEA	Manufactured Home Energy Audit.
MF	Multifamily
MFA	New Mexico Mortgage Finance Authority
MRB	Mortgage Revenue Bond
MSA	Metropolitan Statistical Area
NAHASDA	Native American Housing & Self Determination Act of 1996
NAHRO	National Association of Housing and Redevelopment Officials
NAIHC	National American Indian Housing Council
NAIOP	National Association of Industrial and Office Properties
NCAIED	National Center for American Indian Enterprise Development
NCSHA	National Council of State Housing Agencies
NCSHB	National Conference of State Housing Boards
NEAT	National Energy Audit Tool
NEDA	National Economic Development Associates Program
NFMC	NeighborWorks Foreclosure Mitigation Counseling
NHS	Neighborhood Housing Services Enterprise
NIBP	New Issue Bond Program
NMCDLF	New Mexico Community Development Loan Fund
NMCF	New Mexico Community Foundation
NMGC	New Mexico Gas Company
NMORR	New Mexico Office of Recovery and Reinvestment
NMSBDC	New Mexico Small Business Development Center
NOFA	Notice of Funds Availability
NRC	Neighborhood Reinvestment Corporation
NSP	Neighborhood Stabilization Program
OIG	Office of Inspector General
OMB	Office of Management and Budget
ONAP	Office of Native American Programs (HUD)
PAB	Private Activity Bond
PAE	Participating Administrative Entity
PBCA	Project-Based Contract Administrator
PHA	Public Housing Authority
PJ	Participating Jurisdiction
(P)OS	(Preliminary) Official Statement
PUD	Planned Unit Development
QAP	Qualified Allocation Plan
QCT	Qualified Census Tract
RA	Redevelopment Act
RANM	REALTORS Association of New Mexico
RAP	Rental Assistance Program
RD	Rural Development
RDIC	Rural Development Investment Council
RFP	Request for Proposals
RFQ	Request for Qualifications

RFQ	Request for Quotes
RHA	Regional Housing Authority
RHED	Rural Housing and Economic Development
RHS	Rural Housing Service
RLF	Revolving Loan Fund
RTC	Resolution Trust Corporation
SBA	Small Business Administration
SBDP	Santa Fe Small Business Development Program
SBI	Small Business Institute
SBIC	Small Business Investment Company
SBOF	State Board of Finance
SF	Single Family
SHA	State Homeless Assistance
SHPO	State Historic Preservation Office
SIC	State Investment Council
SRO	Single Room Occupancy
SRP	Service Release Premium
SSBIC	Specialized Small Business Investment Corporation
TBA	"To Be Announced" (forward commitment of mortgage loan)
TBRA	Tenant Based Rental Assistance
TCAP	Tax Credit Assistance Program
TCEP	Tax Credit Exchange Program
TDC	Total Development Cost
TOHILA	Title I Home Improvement Lenders Association
USDA	US Department of Agriculture
VA	Department of Veterans Affairs
WAP	Weatherization Assistance Program
WBE	Woman-Owned Business Enterprise

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