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FISCAL IMPACT REPORT

ORIGINAL DATE 01/24/12

SPONSOR Ortiz y Pino LAST UPDATED _____ HB _____

SHORT TITLE Foreclosure Counseling & Homebuyer Education SB 38

ANALYST Chabot

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$1,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$1,000.0	\$1,000.0	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Not Received From

Department of Finance and Administration (DFA)

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Bill

Senate Bill 38 appropriates \$1.0 million from the general fund to DFA for the MFA to provide foreclosure mitigation counseling for at-risk homeowners and to create and implement a home buyer education program.

FISCAL IMPLICATIONS

The appropriation of \$1.0 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

SIGNIFICANT ISSUES

Mortgage Debt and Home Equity, December 13, 2011, reported “Foreclosure statistics obviously vary from local jurisdiction to jurisdiction, as well as from one time period to the next. For example, sometime back in 2008, New Mexico was 36th in the nation in the number of foreclosures, obviously lower than average. Now it is 11th in the nation. Right now, one in every 452 Santa Fe homes and one in every 550 Albuquerque homes is in foreclosure, and about 15,000 cases are filed each year, about half in Albuquerque.”

ADMINISTRATIVE IMPLICATIONS

MFA would need to establish criteria for assisting individuals, create a home-buyer education program, hire counselors based on estimated workload, and advertise the program to the citizens of New Mexico.

GAC/svb:amm