

# Community Development Lending Program



Version: March 23, 2018

<b>Borrowing Agency</b>	New Mexico Mortgage Finance Authority
<b>Program</b>	Community Development Lending Program
<b>Program Effective Date</b>	April 1, 2018
<b>Amended Date</b>	NA
<b>Program Summary</b>	Banks and federal savings associations that seek to meet their responsibility under the Community Reinvestment Act (CRA), are able to lend MFA funds to be used in providing Down Payment Assistance (DPA) mortgages to first time homebuyers. This type of borrowing is intended to provide regulatory benefit to these financial institutions and assist in furthering MFA's mission. Loan proceeds are used by MFA to fund DPA second mortgage loans for first time homebuyers earning 80% or less than Area Median Income (AMI) in the state of New Mexico.
<b>Loan Amounts</b>	<ul style="list-style-type: none"> <li>Minimum of \$500,000 per Community Development loan up to maximum borrowings of \$5,000,000 under the Community Development lending program</li> </ul>
<b>Loan Payments</b>	<ul style="list-style-type: none"> <li>Quarterly payments of interest. Principal due upon maturity. No penalty for prepayment.</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>0% interest but not to exceed 2% per annum, simple interest</li> </ul>
<b>Loan Term</b>	<ul style="list-style-type: none"> <li>Minimum of 1 year up to 10 years</li> </ul>
<b>Collateral</b>	<ul style="list-style-type: none"> <li>Security interest in MFA's existing DPA second mortgage portfolio of 80% AMI borrowers in the amount of 110% of Community Development loan principal balance. MFA to replace/substitute loans in the event of collateral payoff or runoff. MFA to provide updated collateral listings of existing, individual DPA loans to lender</li> </ul>
<b>Repayment</b>	<ul style="list-style-type: none"> <li>Guaranteed by MFA based on its issuer credit rating and financial strength</li> </ul>
<b>Contact</b>	<ul style="list-style-type: none"> <li>Jeff Payne, Senior Director of Homeownership 344 4<sup>th</sup> Street SW, Albuquerque, NM 87102 (505) 767-2270 <a href="mailto:jpayne@housingnm.org">jpayne@housingnm.org</a></li> </ul>