

“FirstDown” Program Policy

July 20, 2026

Program Description:

The *FirstDown* program (“*FirstDown*”) is a second mortgage loan that provides Down Payment and Closing Cost Assistance (“DPA”) for First-time homebuyers. *FirstDown* may only be combined with a *FirstHome* first mortgage loan. Qualification/eligibility guidelines vary, based on the size and location of the household. See *FirstHome* first mortgage program policy for eligibility and requirements.

Eligible Mortgage Lenders:

Mortgage Lenders must be approved by MFA (“Participating Lender”) to originate *FirstDown* program loans. Only Participating Lenders will be eligible to originate *FirstDown* program loans. A list of eligible Participating Lenders is published on the MFA website. (www.housingnm.org/homebuyers/find-a-participating-lender).

Availability of Funds:

FirstDown program funds are made available on a continuous basis and may be reserved in conjunction with a *FirstHome* program loan through an MFA approved participating lender.

FirstDown Fund Use:

FirstDown is available to homebuyers who obtain first mortgage loan financing through the *FirstHome* program. *FirstDown* may only be used to finance the minimum down payment and eligible closing costs. Eligible closing costs may include, but are not restricted to, “reasonable and customary” lender fees (underwriting, document preparation, processing, etc.), mortgage insurance premiums, pre-paid interest, property taxes, homeowners/flood insurance, title insurance policies/premiums, appraisals and home inspections, if applicable.

FirstDown Loan Terms:

The *FirstDown*, second mortgage loan maturity is 30-year, 15-year or 10-year amortization. *FirstDown* loans do not carry a prepayment penalty.

Interest Rate:

FirstDown interest rates are fixed with monthly, fully amortizing payments of principal and interest.

- The *FirstDown* 30-year interest rate shall not exceed two percent (2.00%) above the corresponding *FirstHome* FNMA <80% AMI loan interest rate.
- The *FirstDown* 15-year interest rate shall not exceed one point five percent (1.50%) above the corresponding *FirstHome* FNMA <80% AMI loan interest rate.

- The *FirstDown* 10-year interest rate shall not exceed one percent (1.00%) of the corresponding *FirstHome* FNMA <80% AMI loan interest rate.

Maximum Loan Amount:

The maximum *FirstDown* maximum loan amount is four percent (4%) of the purchase price.

When combined with other MFA administered funds, maximum DPA assistance is not to exceed \$35,000.

Reservation/Extensions/Late fees:

Loan reservation, loan extension and late fee guidelines can be found on MFA's website. (www.housingnm.org/lenders_realtors/online-reservations).

Maximum Loan to Value ("LTV") and Combined Loan to Value ("CLTV")

- FHA/VA/USDA-RHS: as determined within the underwriting/insurance eligibility criteria for each loan type.
- Fannie Mae HFA Preferred: 97%/105%.
- Freddie Mac HFA Advantage: 97%/105%

Fees:

Participating Lenders may charge the borrower an origination fee of one hundred dollars (\$100.00) in conjunction with a *FirstDown* loan.

Other allowable fees that may be charged in conjunction with a *FirstDown* loan including the recording fees, mortgagee title insurance policy premiums, settlement/closing fees and daily interest charges.

Borrower and Property Eligibility

FirstDown DPA second mortgages may only be obtained if the borrower qualifies for and uses the *FirstHome* program. Borrower income, acquisition cost limits and property eligibility requirements for the *FirstDown* program are the same as the eligibility requirements for the *FirstHome* program. Please refer to Exhibit A for current limits.

Program Guideline Limits:

- This policy establishes minimums and maximum limits for the identified program. From time-to-time staff may impose overlays to operate within the band of the above established minimums and maximums. This allows management the flexibility to comply with regulatory changes as they arise or to mitigate risk.

Exhibit A

2026 FirstHome Single Family Programs

Household Income Limits

Effective July 27, 2026

Non-Targeted Areas	1-2 Person Household	3+ Person Household
Albuquerque MSA (Bernalillo, Sandoval, Torrance, and Valencia)	\$101,254	\$116,443
Las Cruces MSA (Dona Ana)	\$93,240	\$108,780
Farmington MSA (San Juan)	\$96,360	\$112,420
Santa Fe MSA (Santa Fe)	\$109,400	\$125,810
Catron	\$89,000	\$102,350
Chaves	\$89,000	\$102,350
Cibola	\$89,000	\$102,350
Colfax	\$89,000	\$102,350
Curry	\$94,800	\$110,610
De Baca	\$103,434	\$118,950
Eddy	\$101,314	\$116,512
Grant	\$89,280	\$104,160
Guadalupe	\$89,000	\$102,350
Harding	\$102,240	\$119,280
Hidalgo	\$89,000	\$102,350
Lea	\$103,774	\$119,341
Lincoln	\$89,000	\$103,320
Los Alamos	\$170,900	\$196,535
Luna	\$89,000	\$102,350
McKinley	\$89,000	\$102,350
Mora	\$89,000	\$102,350
Otero	\$89,000	\$102,350
Quay	\$89,000	\$102,350
Rio Arriba	\$89,000	\$103,180
Roosevelt	\$89,000	\$102,350
San Miguel	\$89,160	\$104,020
Sierra	\$89,000	\$102,350
Socorro	\$89,000	\$102,350
Taos	\$96,600	\$112,700
Union	\$89,000	\$102,350

**Source: Kutak Rock*

Exhibit A (cont.)

2026 FirstHome Single Family Programs

Acquisition Limits

Effective July 27, 2026

County	Purchase Price Limits
Santa Fe County	\$ 595,612
Los Alamos	\$ 724,361
All Other Areas and Counties within the State	\$ 566,354

**Source:* Kutak Rock

2026 FirstHome Single Family Targeted Area Programs

Household Income Limits

Effective July 27, 2026

Targeted Area	1-2 Person Household	3+ Person Household
Albuquerque MSA (Bernalillo, Sandoval, Torrance, and Valencia Counties)	\$120,480	\$140,560
All other census tracts	\$106,800	\$124,600

**Source:* Kutak Rock

2026 FirstHome Single Family Targeted Area Programs

Acquisition Cost Limits

Effective July 27, 2026

County	Purchase Price Limits
All Areas and Counties within the State	\$692,211

**Source:* Kutak Rock