



Notice of Funding Availability (NOFA)

New Homes for New Mexico

June 17, 2026

Housing New Mexico | New Mexico Mortgage Finance Authority (MFA)

7425 Jefferson St. NE, Albuquerque, NM 87109 | housingnm.org | 505-843-6880



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PROGRAM BACKGROUND

The *New Homes for New Mexico* (New Homes DPA) Program provides a funding opportunity to address the shortage of affordable, for sale starter homes in New Mexico. Funding from the 2026 Regular Legislative Session is being made available to eligible buyers for down payment assistance loans to purchase newly constructed homes through eligible builders that meet the requirements set forth in House Bill 200 and the rules promulgated by Housing New Mexico | MFA.

PURPOSE AND OVERVIEW

This NOFA describes how eligible home builders may request a reservation of New Homes DPA funds for qualifying sales of newly constructed homes to eligible first-time homebuyers upon closing through eligible participating mortgage lenders. It outlines applicant eligibility, eligible and ineligible activities, funding terms, borrower requirements, and the evaluation process (threshold requirements and ranking criteria).

NEW HOMES FOR NEW MEXICO POINT OF CONTACT

Applicants should direct questions regarding the New Homes DPA Program Notice of Funding Availability (NOFA) and application to:

Rene Acuna, Director of Homeownership
Housing New Mexico
7425 Jefferson St. NE
Albuquerque, NM 87109
Phone: (505) 532-1786 or toll-free statewide (800) 444-6880
E-mail: racuna@housingnm.org
TTY/Voice: 711, or if no answer
1-800-659-8331 (English) OR 1-800-327-1857 (Spanish)

Housing New Mexico encourages applicants to discuss proposed projects with the New Homes for New Mexico point of contact prior to submission of an application.

USE OF ELECTRONIC VERSIONS OF THIS NOFA AND ADDENDA

This NOFA and any addenda are only available by electronic means. If accepted by such means, the applicant acknowledges and accepts full responsibility to ensure that no changes are made to the NOFA or addendum. In the event of a conflict between a version of the NOFA or addendum in the applicant's possession and the version Housing New Mexico maintains, Housing New Mexico's maintained version will govern.

FREQUENTLY ASKED QUESTIONS

In an effort to provide clarification or answers to questions about this NOFA and addenda, Housing New Mexico will publish all responses to any inquiries in the "Frequently Asked Questions" section on Housing New Mexico's website at: <https://housingnm.org/rfps/rfps-rfq.s>.

APPLICATION SUBMISSION

Housing New Mexico must receive competitive applications to reserve funds for the New Homes DPA through eligible builders. Builders may submit proposals for evaluation and consideration of a reservation of New Homes DPA Program loan funds within the first twelve (12) months from the commencement of the program or until funding has been completely reserved, whichever is sooner.

Process and reservation limits:

- An internal review committee will score proposals that meet the minimum threshold for consideration and will recommend proposals to the Housing New Mexico Board of Directors.
- Proposals will be prioritized based on overall score. In the event of a tie score, staff will recommend approval based on need as determined by staff.
- Initial reservations for successful proposals will be limited to **\$1,000,000**.
- Only one proposal per builder (and related parties) may receive a reservation at a time.
- Homebuilders may submit subsequent proposals once 80% of the previously awarded reservation has been committed to individual homebuyers with executed purchase agreements.
- Funds are limited and will be reserved for successful proposals on a first-come, first-served basis.
- Funds not utilized within the time limit specified will be made available for other proposals. At the conclusion of the program period, unused funds may be used to fund other Housing New Mexico programs.

The required application forms will be provided electronically and may be downloaded from Housing New Mexico's website at: <https://housingnm.org/rfps/rfps-rfq.s>.

Submission method: Applications must be submitted via email to racuna@housingnm.org and include "New Homes for New Mexico Program Application Submission" in the subject line.

ELIGIBLE APPLICANTS

Home Builders who wish to offer the program must submit a proposal in response to Housing New Mexico's Notice of Funding Availability (NOFA). Proposals must be for the construction of single family residences to be sold to first time homebuyers.

Eligible applicants are licensed general contractors (Home Builders) that can assume contractual liability and legal responsibility by executing one or more written agreements entered with Housing New Mexico. Proposals must be for the construction of single family residences to be sold to first time homebuyers. Only one proposal per builder (and related parties) may receive a reservation at a time.

Applicants must:

- Be a General Contractor, licensed in the state of New Mexico
- Demonstrate they have experience in constructing single family homes
- Be in good standing with the Construction Industry Licensing Division of the State of New Mexico
- Be in good standing with Housing New Mexico
- Be registered and in good standing with the New Mexico Secretary of State

Individual consumer, owner-builder applicants are not eligible for the New Homes for New Mexico Program.

ELIGIBLE ACTIVITIES

Proposals must be for the construction of attached or detached, single-family homes no more than 1,800 square feet in size on a lot no larger than 5,000 square feet in size. residences to be sold to first time homebuyers.

Proposals must:

- Indicate the proposed number of eligible homes to be built for the New Homes DPA Program
- Specify a time frame to complete the proposed homes
- Agree to update Housing New Mexico regarding progress with a monthly report of anticipated closings
- Report on individual homes with projected timeframes for completion
- Offer home sales prices that meet the Housing New Mexico New Homes DPA program sales price limits deemed affordable to the target AMI households
- Indicate which lender(s) authorized to participate in Housing New Mexico programs would be designated to process mortgage applications for eligible homebuyers
- Agree to report on entitlement timelines along with construction progress.

INELIGIBLE ACTIVITIES

New Homes DPA Project proposals that do not meet the minimum requirements set out by the legislation that created the New Homes DPA (House Bill 200) and the rules for implementation of the program set out by Housing New Mexico will not be awarded a reservation of New Homes DPA Program funds.

ELIGIBLE HOMEBUYERS

Only low- or moderate-income households, defined as a household with an annual income below 120% Area Median Income (AMI) for a household size of four, may be the beneficiaries of the New Homes DPA Program. The Annual Household Income limits for the respective first mortgage programs are established in accordance with Housing New Mexico's Rules and Regulations. With exception to borrower eligibility listed below, current first mortgage program requirements are published in the program guidelines, which are available on Housing New Mexico's website. Additional requirements for New Homes DPA borrower eligibility are summarized below:

- Homebuyers using the New Homes DPA Program loan program must be first-time homebuyers.
- Homebuyers using the New Homes DPA Program may not utilize other Housing New Mexico DPA or buydown programs.
- Homebuyers must purchase the home as their primary residence and continue to occupy the home while the New Homes DPA Program remains outstanding.
- Households occupying the proposed home must earn less than 120% AMI for a household size of four for the county in which the home is to be built.
- The income limits enforced will be the lesser of the first mortgage program or the New Homes DPA Program income limits.
- Borrower(s) must meet all other eligibility requirements for the respective Housing New Mexico first mortgage program. If requirements for the New Homes DPA program and the respective first mortgage program are different, the more restrictive requirements will be required.

FUNDING TERMS AND CONDITIONS

All reservations will be subject to the availability of funds. **Housing New Mexico will reserve no more than \$1,000,000 for approved, eligible builder applicants.** Housing New Mexico limits the maximum reservation to any one applicant to encourage multiple applicants to participate in the program. Builders may only apply for and receive one reservation for all related entities.

Upon commitment of 80% of the New Homes DPA reservation to eligible home buyers with executed sales contracts on eligible homes to be constructed, and provided funds remain available to award under the NOFA, eligible applicants may apply for an additional reservation of funds.

Housing New Mexico will make awards in the form of a reservation of funds to builders for DPA loans. Key terms include:

- Down payment assistance amount: **\$50,000** per home (**\$75,000** in the high-cost counties of Los Alamos, Santa Fe, and Taos).
- No prepayment penalty.
- No interest rate and no monthly payments.
- DPA proceeds may be used for down payment and closing costs.

AFFORDABILITY PERIOD

All awards will be subject to affordability restrictions which will include recording of Land Use Restriction Agreements (LURAs) which will enforce the due on sale, transfer, refinance or change in occupancy provisions of the DPA loan to the homebuyer. Should the homebuyer cease to reside in the home as their primary residence (by vacating, selling, transferring title, renting, or refinancing the unit) the full New Homes DPA Program loan balance will be due and payable immediately. The Borrower will execute a LURA at time of closing to enforce the affordability period. Borrowers must certify they will occupy property as their primary residence and notify Housing New Mexico of any change to occupancy status.

CANCELLATION OF NOTICE OF FUNDING AVAILABILITY OR REJECTION OF APPLICATIONS

Housing New Mexico may cancel this NOFA at any time for any reason and may reject all applications (or any application) which are/is not responsive.

EVALUATION OF APPLICATIONS AND DOCUMENTATION

An internal review committee will score and recommend approval of proposals meeting minimum threshold for consideration and approval by the Housing New Mexico Board of Directors. Housing New Mexico staff will evaluate applications using the Threshold Requirements and Ranking Criteria as described in the following sections. Housing New Mexico will follow its own policies and procedures to obtain the necessary reservation approvals. Housing New Mexico reserves the right to make final decisions at its discretion.

Staff may contact applicants for clarification of information provided. Housing New Mexico will enter into fund reservation agreements with the applicants whose applications are deemed to be most advantageous to achieving the goals of the New Homes DPA Program. All agreements will include provisions for remedies and provisions in the event of the unsatisfactory performance by the successful applicant.

THRESHOLD REQUIREMENTS

To be considered for funding, an applicant must demonstrate that it meets each of the following application and project threshold requirements:

- The application is complete and legible and includes all required documents.
- The application complies with all applicable requirements established in this NOFA, and any applicable addendum.
- The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of constructing, marketing, selling eligible homes to eligible buyers and/or administering an affordable housing project.
- The application provides sufficient evidence that the proposed homes are financially feasible and includes a proposed budget and performance schedule for the proposed project.

Additionally, applicants must satisfy and evidence with the required supporting documents the following threshold requirements:

Applicant Threshold Requirements	Required Supporting Documents
Evidence the builder is a General Contractor, licensed in the State of New Mexico and that the applicant is in good standing with the Construction Industry Licensing Division of the State of New Mexico.	<ul style="list-style-type: none"> • Signature Resolution • Evidence of Good Standing with the New Mexico Secretary of State • Copy of current GB – 98 License
Applicant has not been suspended, debarred or otherwise restricted by any department or agency of the federal government, any state or local government, or Housing New Mexico from doing business with such department, agency, or authority because of misconduct or alleged misconduct.	<ul style="list-style-type: none"> • Applicant’s certification of good standing with Federal and State of New Mexico departments and agencies
Applicant has not defaulted on any obligation covered by a surety or performance bond.	<ul style="list-style-type: none"> • Good standing certification • Reputation certification <p>These forms can be downloaded from the New Homes DPA NOFA webpage.</p>
Proposed homes meet the requirements of the New Homes DPA	<ul style="list-style-type: none"> • Proposed homes are newly constructed, detached, single family residences (Home not previously occupied where Certificate of Occupancy issued within 12 months of closing) • Recorded plat showing homes to be built on residential building lots not to exceed 5,000 square feet in size • Appraisal(s) showing home market value and floor plan(s) to be no more than 1,800 square feet in size • Home sales prices must be at or below the published Housing New Mexico New Homes DPA program sales price limits deemed affordable to the target AMI households

Proposed Homes to be sold to eligible home buyers	<ul style="list-style-type: none"> • Homebuyers are first time homebuyers • Homebuyers earn less than 120% of the county AMI for household size of 4 • Homebuyers will occupy the home as their primary residence while the New Home DPA loan is outstanding
Proposed first mortgage loans obtained through eligible mortgage lenders	<ul style="list-style-type: none"> • Mortgage lenders are approved to participate in Housing New Mexico mortgage programs and listed as “participating lenders” by Housing New Mexico

Applications from Applicants that do not meet the Threshold Requirements will be rejected.

RANKING CRITERIA

Applicants will be scored on the following ranking criteria below. Applicants must score a minimum of 70% of the total points possible to be considered for funding.

Criteria	Points Possible	
<p>1. Applicant’s Experience in construction and sale of affordable, single family homes</p> <p>Housing New Mexico will evaluate the extent to which the applicant can demonstrate experience in single family home construction and a reasonable expectation they can build the proposed homes in a timely fashion and on budget.</p>	20	
<p>2. Affordability and proposed number of homes eligible for the New Homes DPA</p> <p>Housing New Mexico will evaluate the degree of affordability of the applicant’s proposal for the construction of new homes at prices affordable for eligible buyers as evidenced by sales price schedule and appraisal(s) of available floor plan(s).</p>	15	30
<p>Points are awarded to projects that evidence readiness to proceed with construction (bids, architectural plans, evidence of site control, project timeline, or other documentation) and evidence of demand.</p>	15	
<p>3. Marketing Plan for Proposed Homes</p> <p>Housing New Mexico will evaluate the applicant’s plan to market the proposed homes to eligible buyers with financing through Housing New Mexico approved, participating mortgage lenders. The applicant’s plan to identify qualifying buyers and ensure compliance with program requirements will be evaluated</p>	15	
<p>4. Program Administration</p> <p>Housing New Mexico will evaluate the extent to which the applicant’s proposed plan communicates and reports sales, planned completion dates, and scheduled closings</p>	15	
<p>5. Tribal or rural priority</p> <p>Points are awarded to projects that will serve residents in rural communities (defined as communities outside the cities of Albuquerque, Las Cruces, Santa Fe, and Farmington) and/or residents of Tribal areas.</p>	15	

<p>6. Resident Business</p> <p>Points are awarded to applicants that are a New Mexico Resident Business which for the purpose of this NOFA is defined as one in which the majority of the applicant’s employees who would perform services related to the project reside in New Mexico.</p>	<p>5</p>
<p>Total</p>	<p>100</p>

APPLICATION FORMAT AND INSTRUCTIONS TO APPLICANTS

All applicants must complete **Exhibit 1: New Homes DPA Application Form** and provide all required documents included on the **Exhibit 2: Application Required Documents Checklist**, which are located at this link on Housing New Mexico’s website: <https://housingnm.org/rfps/rfps-rfq.s>.

INCURRED EXPENSES

Housing New Mexico will not be responsible for any expenses incurred by an applicant in applying for New Homes DPA Program funding. All costs incurred by an applicant in the preparation, transmittal or presentation of any application or material submitted in response to this NOFA will be borne solely by the applicant.

AWARD NOTICE

Housing New Mexico will provide written notice of the approved reservation to all applicants within 15 days of the date of the approval. The awarded reservation will be contingent upon signing final reservation and program agreements.

APPLICATION CONFIDENTIALITY

Housing New Mexico will not disclose any information regarding a proposed application provided during such inquiries and contacts to any third party, except as may be required under Housing New Mexico’s Request to Inspect Documents policy. After the application and until reservation awards are made and notice given to all applicants, Housing New Mexico will not disclose the contents of any application or discuss the contents of any proposal with an applicant or potential applicant, so as to make the contents of any offer available to competing or potential applicants, except as may be required under Housing New Mexico’s Request to Inspect Documents policy.

RESPONSIBILITY OF APPLICANTS

If an applicant who otherwise would have been awarded a reservation of funds is found not to be a responsible applicant, a determination setting forth the basis of the finding will be prepared, and the applicant disqualified from receiving the reservation of funding.

A responsible applicant means an applicant who submits an application that conforms in all material respects to the requirements of this NOFA and the New Homes DPA Program application and who has furnished, when required, information and data to prove that the applicant’s financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services described in this NOFA.

PROTEST

Any Applicant who is aggrieved in connection with this NOFA or the notification of preliminary selection to this NOFA may protest to Housing New Mexico. A protest must be based on an allegation of a failure to adhere to the evaluation process as designated in the NOFA, including Housing New Mexico's evaluation of proposals.

The protest must be delivered to Housing New Mexico via e-mail to racuna@housingnm.org within five business days after the preliminary notice of application denial. Protests received after the deadline will not be considered. Upon the timely filing of a protest, Housing New Mexico shall give notice of the protest to all Applicants who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Applicants receiving notice may file responses to the protest within five business days of notice of protest. The protest and responses to the protest shall be reviewed by the Housing New Mexico Board of Directors (the Board); the Board shall make a final determination. The determination by Housing New Mexico shall be final.

No appeal of the determination shall be allowed. Applicants or their representatives shall not communicate with members of Housing New Mexico's Board of Directors, or any Housing New Mexico staff member regarding any application under consideration, except when specifically permitted. An application will be deemed ineligible if the Applicant or any person or entity acting on behalf of the Applicant attempts to influence members of the Housing New Mexico Board of Directors, Policy Committee or Housing New Mexico staff during any portion of the NOFA review process or does not follow the prescribed application and protest process.

THIRD-PARTY CODE OF CONDUCT

Applicant will conduct themselves in a manner consistent with Housing New Mexico's Third-Party Code of Conduct which is located on Housing New Mexico's website at:

https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf.

Applicant will promptly disclose information Housing New Mexico may reasonably request relating to conflicts or potential conflicts of interest.