

Agenda



HOUSING NEW MEXICO| MORTGAGE FINANCE AUTHORITY
Board Meeting
7425 Jefferson St. NE Albuquerque, NM 87109
Wednesday, August 19, 2026 - 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 7/15/26 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required

Finance Committee

- | | |
|--|-----|
| 1 Rapid Rehousing & Homelessness Prevention Internal Audit Executive Summary (Jackie Nutima & Baker Tilly) | YES |
| 2 Multifamily Bond Resolution – Nueva Acequia 4% (Jessica Franco & Jacobo Martinez) | YES |
| 3 Financial Statements Review 6.31.2026 (Jessica Franco & Joe McIntyre) | YES |

Contracted Services/Credit Committee

- | | |
|---|-----|
| 4 HOME Rehab NOFA Updates (Daniel Rule & John Garcia) | YES |
| 5 2025 Regional Housing Authority Annual Report (John Garcia) | YES |
| 6 Uptown Connect - HOME, NHTF, NMHTF Loan Request (Justin Carmona & George Maestas) | YES |
| 7 Nueva Acequia 4 - HOME, NHTF, NMHTF Loan Request (Clarissa Aragon & George Maestas) | |
| 8 Metro Square – NMHTF Loan Request (Clarissa Aragon & George Maestas) | YES |
| 9 NM EnergySmart Approval of 2026/2027 DOE Annual and Master State Plans (David Gutierrez & David Trembath) | YES |

Other

- | | |
|---|----|
| 10 Quarterly Multifamily Project Completion Report (George Maestas) | NO |
|---|----|

Other Board Items

Information Only

- | | |
|---|--|
| 11 (Staff is available for questions) <ul style="list-style-type: none">▪ 2026 Series A/B Pricing Summary▪ Staff Actions Requiring Notice to Board | |
|---|--|

Quarterly Board Reports

Non-Action Required

- | | |
|--|--|
| 12 (Staff is available for questions) <ul style="list-style-type: none">▪ Quarterly Strategic Plan Benchmarks Update Q3▪ Quarterly Investment Review▪ Quarterly Board Report | |
|--|--|

Monthly Reports

Non-Action Required

- | | |
|--|--|
| 13 (Staff is available for questions) <ul style="list-style-type: none">▪ New Mexico Housing Trust Fund Update | |
|--|--|

Confirmation of Upcoming Board Meetings

- September 8, 2026- Tuesday- 10:00 a.m. Contracted Services, 1:00 p.m. Finance Committee
- September 16, 2026 – Wednesday 9:30 a.m. Housing New Mexico | MFA Board of Directors Meeting
- October 7, 2026 – Tuesday- 10:00 a.m. Contracted Services, 1:00 p.m. Finance Committee
- October 15, 2026 - Wednesday- 9:30 a.m. Housing New Mexico | MFA Board of Directors Meeting
- November 10, 2026 - Tuesday- 10:00 a.m. Contracted Services, 1:00 p.m. Finance Committee
- November 18, 2026 – Wednesday – 9:30 a.m. Housing New Mexico | MFA Board of Directors Meeting



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Board Action Items

Action Required

Finance Committee

- 1 Rapid Rehousing & Homelessness Prevention Internal Audit Executive Summary (Jackie Nutima & Baker Tilly)** - Audit covered the period of October 1, 2024 through December 31, 2025. The audit was performed in cooperation with Director of Community Development, Kellie Tillerson, Program manager, Barbara Madrigal, as well as 9 subrecipients. Testing included subrecipients activities, documentation and transactions. Baker Tilly reported one low level observation related to record retention with one subrecipient. Housing New Mexico and subrecipient has developed a corrective action plan to be managed through the end of the calendar year. YES
- 2 Multifamily Bond Resolution – Nueva Acequia 4% (Jessica Franco & Jacobo Martinez)** - Staff requests approval for the attached Bond Resolution for Nueva Acequia 4%, authorizing the issuance of up to \$10,970,624 in tax-exempt bonds, with an expected closing date in September 2026. The City of Santa Fe faces a significant shortage of affordable housing. By approving this Bond Resolution, funds will be generated through bond proceeds to finance the new construction of 106 housing units for families in Santa Fe, NM. YES
- 3 Financial Statements Review 6.31.2026 (Jessica Franco & Joe McIntyre)** - Quarterly Key Financial Metrics will be discussed along with significant variances with root causes. YES

Contracted Services/Credit Committee

- 4 HOME Rehab NOFA Updates (Daniel Rule & John Garcia)** - Staff is requesting approval of the changes listed above in the HOME Rehab NOFA. Additionally, Staff requests Housing New Mexico Board of Directors approval to allow Policy Committee to approve future changes to the NOFA. YES
- 5 2025 Regional Housing Authority Annual Report (John Garcia)** - Staff recommends approval of the Regional Housing Authority 2025 Annual Report, as required by the Regional Housing Act. The report covers operational and fiscal activities for the Eastern, Western, and Northern Regional Housing Authorities for the period of July 1, 2024, through June 30, 2025. YES
- 6 Uptown Connect - HOME, NHTF, NMHTF Loan Request (Justin Carmona & George Maestas)** - A \$3,000,000 HOME loan, \$400,000 National Housing Trust Fund loan, and \$4,000,000 New Mexico Housing Trust Fund loan request for Uptown Connect. Uptown Connect is located in Albuquerque, New Mexico and is a proposed new construction multifamily project that will consist of 88 studio apartments, 44 one-bedroom units, 28 two-bedroom units, and 16 three-bedroom units for households with children. Fifty-

eight (58) units will be income restricted to households earning 30% or less of Area Median Income (AMI), thirty-nine (39) units will be income restricted to households earning 50% or less of AMI, and seventy-nine (79) units will be income restricted to households earning 80% or less of AMI. YES

- 7 **Nueva Acequia 4 - HOME, NHTF, NMHTF Loan Request (Clarissa Aragon & George Maestas)** - A \$2,000,000 HOME loan, \$1,000,000 National Housing Trust Fund loan, and \$4,000,000 New Mexico Housing Trust Fund loan request for Nueva Acequia 4. Nueva Acequia 4 is located in Santa Fe, New Mexico and is a proposed new construction multifamily project that will consist of 27 studio apartments, 51 one-bedroom units, 16 two-bedroom units, 10 three-bedroom units, and 2 four-bedroom units for households with children. Eleven (11) units will be income restricted to households earning 80% or less of Area Median Income (AMI), thirty-one (31) units will be income restricted to households earning 60% or less of AMI, forty-eight (48) units will be income restricted to households earning 50% or less of AMI, six (6) units will be income restricted to households earning 40% or less of AMI, and ten (10) units will be income restricted to households earning 30% AMI. YES
- 8 **Metro Square - NMHTF Loan Request (Clarissa Aragon & George Maestas)** - A \$3,000,000 New Mexico Housing Trust Fund revolving line of credit loan request for Metro Square. The Metro Square Subdivision is located in Las Cruces, New Mexico and is a proposed new construction single-family project that will consist of thirty-eight (38) detached homes and twenty-six (26) attached homes. Sixty-four (64) homes will be income restricted to households earning 150% or less of Area Median Income (AMI). YES
- 9 **NM Energy\$mart Approval of 2026/2027 DOE Annual and Master State Plans (David Gutierrez & David Trembath)** - The NM Energy\$mart program helps low-income New Mexican families keep more money in their pockets by reducing energy waste and lowering utility bills by making homes more energy efficient through measures such as insulation, air sealing and heating system upgrades, households use less energy while staying comfortable year-round. These improvements provide long-term savings helping constituents spend less on energy and more on other important household needs. In addition to saving money weatherization improves the comfort, health and safety of the home. The Department of Energy (DOE) is the primary funding source setting program rules and regulations while also providing funding for vehicles, equipment, and a training and technical assistance budget. YES

Other

- 10 **Quarterly Multifamily Project Completion Report (George Maestas)** - For information purposes, staff will provide an overview of the quarter three report on the construction progress for multifamily projects and present information on any upcoming loan closing and ribbon cuttings. NO

Other Board Items

Information Only

11 (Staff is available for questions)

- 2026 Series A/B Pricing Summary
- Staff Actions Requiring Notice to Board

Quarterly Board Reports

Non-Action Required

12 (Staff is available for questions)

- Quarterly Strategic Plan Benchmarks Update Q3
- Quarterly Investment Review
- Quarterly Board Report

Monthly Reports

Non-Action Required

13 (Staff is available for questions)

- New Mexico Housing Trust Fund Update

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings

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Minutes

HOUSING NEW MEXICO | MORTGAGE FINANCE AUTHORITY
Board Meeting Minutes
7425 Jefferson St. NE Albuquerque, NM 87109
Wednesday, July 15, 2026

Chair Angel Reyes convened the meeting on July 15, 2026, at 9:42 a.m. Secretary Isidoro Hernandez called the roll. Members attending in person: Chair Angel Reyes, Martina C'de Baca (designee for Lieutenant Governor Howie Morales, State Treasurer Laura M. Montoya, Billy Jimenez (designee for Attorney General Raúl Torrez), Rebecca Wurzburger and Randy Traynor. Members Excused: Derek Valdo. Hernandez informed the Board that everyone had been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

Chair Reyes welcomed Board members, guests, and staff. He informed everyone that the meeting is being recorded, referring to microphone sensitivity.

Approval of Agenda – Board Action. Motion to approve July 15, 2026, Agenda, as presented: Traynor. Second by Wurzburger. Vote: 6-0.

Approval of 6/17/2026 Board Meeting Minutes – Board Action. Motion to approve June 17, 2026, Board Meeting Minutes as presented. Wurzburger. Second by Traynor. Vote: 5-0-1. State Treasurer Laura M. Montoya-abstained.

Executive Director Updates- Hernandez began with an update on Production: Assisted 18,000 families with \$352M invested over the last two quarters ending in March. Homeownership reservations averaging \$1.5M above last year's weekly average. \$160M bond issue priced. New Homes for New Mexico Program released with up to \$50K in down payment assistance and \$75k in high-cost areas. New Homes Rate Advantage Program launching 7/20. Submitted an application for the Section 811 program for \$3.7M to assist 60 low-income households. Significant Meetings/Presentations: 6/30: HUD Mtg. 7/1: NMML City Manager's Association Mtg. 7/9: 3rd Collaboration Mtg w/DWS, NMFA and MFA,. 7/9: Housing Opportunities meeting with NMHBA, NMFA and NMML. 7/13: LOC Mtg. 7/14: Housing Abundance Coalition Mtg. Upcoming Meetings: 7/21: SBOF Mtg. 7/21: LIHEAP Audit. 7/31: Housing Fair, Laguna. Lastly, he provided a NM Housing Trust Fund update, highlighting \$51M in new funding, approximately \$15M awarded, and Down Payment Assistance expenditures at 86%, with Rental and Single-Family Development expenditures at 32%. He then gave a summary of the August 19-20, 2026, Board Retreat Agenda.

State Treasurer Laura M. Montoya introduced Emily Kim, intern at the State Treasurer's Office. Kim then gave a brief background on herself and spoke about the organization, Girls Who Invest.

Robyn Powell provided a high-level summary of the 21st Century ROAD to Housing Act, which became law on July 11, 2026. The bill is quite large with twelve titles, sixty sections and touches a large span of supply, manufactured housing, rural housing development and homeownership programs to name a few. The US Banking Housing and Urban Affairs Office and NCSHA have provided summaries of each section and can be provided to the Board. The Innovation program is the one program that received funding and established a \$200 million annual competitive program. She reviewed various programs and reforms under the Act. Lastly, she spoke on the Build America and Buy America section of the Act. More details on the Act will be provided at the Board Retreat in August.

Finance Committee

- 1 **Recommendation of Amendments to the Allocation Review Committee Rules (Jacobo Martinez & Jeff Payne)** - Martinez recommended approval of an amendment to the Allocation Review Committee Rules to allow the Housing New Mexico Board of Directors to appoint any committee member as chair. Discussion ensued regarding appointments of new members, with Members requesting Housing New Mexico seek interest from members of builder and/or developer community to serve on committee, conflicts of interest

and advisory members. Motion to approve Amendments to the Allocation Review Committee Rules as presented: State Treasurer Laura M. Montoya. Second by Wurzburger. Vote: 6-0.

Contracted Services/Credit Committee

- 2 Recommendation to Publish the Government Relations Request for Proposals (Robyn Powell)** – Powell recommended approval to publish a Request for Proposals for a consultant to furnish governmental services as shown on Exhibit A of the Board packet. Motion to approve Recommendation to Publish the Government Relations Request for Proposals as presented: State Treasurer Laura M. Montoya. Second Wurzburger. Vote 6-0.
- 3 Housing Innovation Award Recommendation – Heading Home (Daniela Freamon & Sonja Unrau)** - Freamon recommended the approval of the Heading Home award for a \$301,975 grant under the Housing Innovation Program NOFA to provide repairs and renovation for the Albuquerque Opportunity Center in Albuquerque, New Mexico. Melissa Kamisky, Director of Development of Heading Home was present for questions. Motion to approve Housing Innovation Award Recommendation as presented: Traynor. Second Wurzburger. Vote 6-0.
- 4 West Mesa Ridge B Apartments- HOME, NHTF, NMHTF Loan Request (Nick Ostrye & George Maestas)** – Ostrye presented a \$1,000,000 HOME, \$400,000 National Housing Trust Fund, \$3,000,000 New Mexico Housing Trust Fund loan requests for West Mesa Ridge B, located in Albuquerque, NM. He introduced Dan Foster, of Chelsea investment who was present for questions. West Mesa Ridge B is a proposed new construction multifamily project which will create 144 rental units serving households with children earning between 30% and 70% Area Median Income (AMI). Motion to approve West Mesa Ridge B Apartment-HOME, NHTF, NMHTF Loan Request with clarification that science/technology center is not part of the Project and is not yet funded: Traynor. Second Wurzburger. Vote 6-0.
- 5 Approval of Term Limited Source Procurement for Renewal of Hybrid Sub-Servicing Services Agreement (Theresa Laredo-Garcia & Jeff Payne)** - Laredo-Garcia requested approval of a five year (3-year with 2 – 1 year extension options) for the Mortgage Loan Sub-Servicing and Single-Family Program Support Services Agreement with Idaho Housing and Finance Association (IHFA). The Agreement would retain IHFA's partnership in performing front-end non-servicing functions and sub-servicing functions until such time as the front-end functions are brought in-house. Upon conclusion of the transition period, the Agreement would operate as a standard sub-servicing contract for first mortgage loan servicing. Payne summarized the progress over the last several years of Housing New Mexico's Servicing Expansion Project, taking over ownership of servicing rights and delivering and securitizing Housing New Mexico's own mortgage loans. Motion to approve Approval of Term Limited Source Procurement for Renewal of Hybrid Sub-Servicing Services Agreement as presented. Wurzburger. Second Traynor. Vote 6-0.

Other Board Items

- 6 There were no questions asked of staff.**
 - Staff Actions Requiring Notice to Board

Monthly Reports

- 7 There were no questions asked of staff.**
 - Marketing & Communications Monthly Update
 - New Mexico Housing Trust Fund Update
 - 5/31/26 Financial Statements

There being no further business, meeting was adjourned at 11:15 a.m.

Approved.

Chair, Angel Reyes

Secretary, Isidoro Hernandez

Tab 1



HOUSING NEW MEXICO | MFA
Finance/Operations Committee Meeting
Tuesday, August 11, 2026 at 1:00 p.m.

Webex - call-in information is 1-408-418-9388 (access code): 2487 373 9505
or you can join the call from the calendar item

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
Agenda		
1 Rapid Rehousing & Homelessness Prevention Internal Audit Executive Summary- Jackie Nutima for Baker Tilly	2-0	YES
2 Nueva Acequia 4% Bond Resolution -Jacobco Martinez & Jessica Franco	3-0	YES
3 Draft 2027 QAP- Jeanne Redondo & Jacobco Martinez	2-0	YES
4 June 2026 Quarterly Financial Statements	2-0	YES
5 2026-2027 Budget Discussion	✓	NO
Information items		
6 June 2026 Wire Transfers		NO
7 June 2026 Check Register		NO

Committee Members present:

Derek Valdo, Chair

☐ present

☐ absent

☒ conference call

State Treasurer Laura M. Montoya

☐ present

☐ absent

☒ conference call

Lt. Governor Howie Morales/

Proxy Martina C'de Baca

☐ present

☐ absent

☒ conference call

Items
(All)
(2-4)
(5-7)
(1&2)

Hernandez



As of June 3, 2025, Moss Adams LLP has merged with Baker Tilly.

Proprietary & Confidential

EXECUTIVE SUMMARY

Housing New Mexico

RAPID REHOUSING & HOMELESSNESS PREVENTION INTERNAL AUDIT

July 6, 2026

Baker Tilly Advisory Group, LP
999 Third Avenue, Suite 2800
Seattle, WA 98104
(206) 302-6500

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Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

I. Executive summary

Baker Tilly LLP (Baker Tilly) was contracted by Housing New Mexico (HNM) to perform an internal audit related to HNM's Rapid Rehousing (RR) and Homelessness Prevention (HP) programs. We performed a variety of procedures to test and assess the overall program function for compliance with select HNM and U.S. Department of Housing and Urban Development (HUD) requirements. These programs were delivered via the Emergency Solutions Grant (ESG) and HOME-American Rescue Plan (HOME-ARP) funding sources. Our procedures included reviewing HNM's annual risk assessment and subrecipient monitoring activities to assess whether providers were monitored in accordance with established risk levels and program requirements. We reviewed provider policies and procedures to evaluate whether required program components were maintained and aligned with select HNM and HUD requirements. We tested participant files to assess recordkeeping practices, participant eligibility determinations, and compliance with duplication of benefits requirements. In addition, we reviewed reimbursement requests and supporting documentation to determine if expenditures were allowable, properly documented, and compliant with select program requirements. We also tested salary and compensation allocations to evaluate whether costs were appropriately charged to the program based on actual activity. The audit took place from February through June 2026.

This engagement was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. Accordingly, we provide no opinion, attestation, or other form of assurance with respect to our work or the information upon which our work is based. This engagement was also performed consistent with the guidance issued by the Institute of Internal Auditor's International Professional Practices Framework. This report was developed based on information gained from our interviews and analyses of documentation provided. The procedures we performed do not constitute an examination in accordance with generally accepted auditing standards or attestation standards.

A. Objectives

Our objectives for this engagement were to assess HNM's RR and HP project compliance with select applicable federal requirements for program benefits provided from October 1, 2024, through December 31, 2025. Specifically, the objectives of this internal audit were to evaluate whether:

- provider monitoring activities were performed in accordance with established requirements and supporting documentation was maintained;
- participant files tested contained documentation supporting eligibility determinations and compliance with select HUD and HNM requirements; and
- payments and personnel cost allocations tested were allowable, adequately supported, and appropriately charged in accordance with program requirements.

B. Scope & Methodology

To obtain an understanding of the processes and controls related to the RR and HP programs, we interviewed key HNM personnel and performed testing of select HNM and subrecipient activities, documentation, and transactions. Our procedures included the following:

- **Provider monitoring**
 - reviewed HNM's risk assessment process and evaluated whether risk assessments were completed;
 - tested monitoring activities for a sample of providers to determine whether monitoring was performed in accordance with established requirements;
 - reviewed policies and procedures for a sample of providers to determine whether required program guidance had been established or adopted; and
 - tested a sample of participant files to determine whether required documentation was maintained.
- **Participant eligibility and compliance**
 - tested a sample of participant files to determine whether eligibility was supported and documented in accordance with select applicable HUD and HNM requirements; and
 - reviewed a sample of participant files to determine whether Duplication of Benefits forms were completed and signed, as required.
- **Payments and cost allocation**
 - tested a sample of reimbursement requests and supporting documentation to determine whether expenditures were allowable and supported in accordance with select HUD and HNM requirements; and
 - tested a sample of compensation charges billed to HNM to determine whether personnel costs were allocated appropriately based on supporting documentation.

C. Conclusions

Based on the procedures performed and the samples tested, HNM's HOME-ARP Rapid Rehousing and Homelessness Prevention programs were generally operating effectively and in substantial compliance with applicable HUD and HNM requirements. Our testing of provider monitoring, participant eligibility documentation, duplication of benefits documentation, expenditure reporting, and personnel time and cost allocations did not identify any moderate- or high-risk findings.

We identified one low-risk recordkeeping issue involving a participant file maintained by a subrecipient that did not contain required lead-based paint documentation. Although this matter did not indicate a broader pattern of noncompliance based on the items tested, complete file

documentation remains important to demonstrate compliance with federal requirements and support consistent program administration.

FINDING AND RECOMMENDATION		
Low Risk		
1.	Finding	One participant file, maintained by a subrecipient, was missing the tax form verifying the age of the rental unit, the Lead Screening Worksheet, and signed Lead-Based Paint Disclosure forms.
	Recommendation	Require corrective action by the subrecipient and reinforce lead-based paint documentation and record retention requirements. HNM should also consider enhancing monitoring or file review procedures to verify required documentation is maintained.

D. Commendations

Although the focus of this internal audit was to identify areas of non-compliance and opportunities for improvement, it is important to recognize areas where controls and program administration were operating effectively. Based on the testing performed during this internal audit, HNM should be commended for the following:

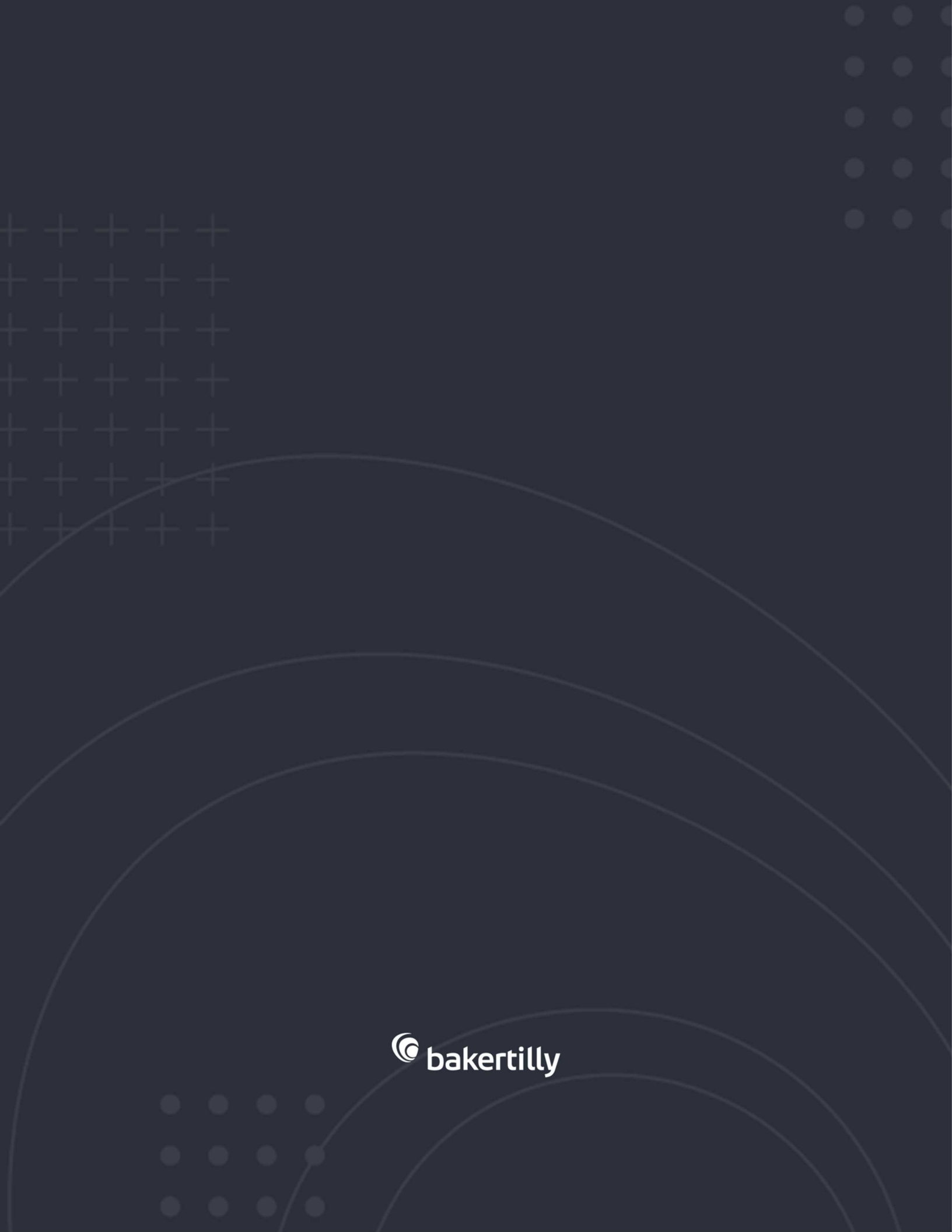
- HNM staff were responsive, knowledgeable, and timely in providing requested documentation and responding to audit inquiries throughout the engagement.
- Based on the items reviewed, HNM completed subrecipient monitoring activities in accordance with its established risk assessment process, and the documentation reviewed demonstrated appropriate oversight of participating providers.
- All participant files tested met the applicable eligibility requirements for the Rapid Rehousing and Homelessness Prevention programs and contained appropriate documentation supporting participant eligibility determinations.
- All Duplication of Benefits forms reviewed were properly completed and signed, demonstrating compliance with HUD requirements intended to prevent participants from receiving duplicative assistance.
- All expenditures and costs tested appeared allowable, adequately supported, and appropriately allocated in accordance with program requirements.
- All subrecipients reviewed maintained program policies and procedures or formally adopted HNM's program manual to support compliance with ESG and HOME-ARP requirements.

We would like to thank HNM staff and management for their time and efforts in assisting with this project. HNM staff were consistently professional, responsive, and cooperative throughout the audit, which contributed to an efficient review process and facilitated our understanding of program operations and compliance requirements.

II. Appendix A: Definitions of Audit Finding Rankings

A qualitative assessment of high, medium, or low helps to prioritize implementation of corrective action as shown in the following table.

HIGH	Critical control deficiencies that expose HNM to a high degree of combined risks. Recommendations from high-risk findings should be implemented immediately (preferably within three months) to address areas with the most significant impact or highest likelihood of significant noncompliance, loss, misappropriation, or damage related to the HNM assets.
MEDIUM	Represents less than critical deficiencies that expose HNM to a moderate degree of combined risks. Recommendations arising from moderate risk findings should be implemented in a timely manner (preferably within six months), to address moderate risks and strengthen or enhance efficiency in internal controls on areas with moderate impact and likelihood of exposure.
LOW	Represents low risk or control deficiencies and the exposure is not likely to expose HNM to a significant likelihood of material noncompliance. However, they should be addressed to improve efficiency and effectiveness of operations. Recommendations arising from low-risk findings should be implemented within 12 months.



Tab 2

TO: Housing New Mexico Board of Directors
Through: Finance Committee – August 11, 2026
Through: PC Committee – August 4, 2026

FROM: Jessica Franco, Chief Financial Officer
Jacobob Martinez, Housing Development Assistant Director

DATE: August 19, 2026

SUBJECT: Bond Resolution – Nueva Acequia 4%

Recommendation: Staff request approval of the attached Bond Resolution for Nueva Acequia 4% (the “Project”).

Background: Housing New Mexico received an application for 4% low-income housing tax credits and \$10,970,624 of tax-exempt bond volume cap for the new construction of Nueva Acequia 4%, is located on Camino de Jacobo in Santa Fe and is designed to provide quality affordable housing for households earning up to 80 percent of Area Median Income. Out of the 106 affordable units, Nueva Acequia 4% will set-aside twenty-five percent (25%) of the units for households with children (a total of twenty-seven (27) units) and set-aside an additional thirty-one percent (31%) of the units for households with disabled persons and/or victims of domestic violence (a total of thirty-three (33) units). The remainder of the units will be available to income-qualified tenants. Importantly, all of these units will be subject to rent restrictions for a duration of 45 years, ensuring long-term affordability.

The development is a partnership between Santa Fe County and TWG Development, an experienced, Indiana-based affordable housing developer with projects across the country. TWG Management, LLC was formed in 2008 as the property management affiliate of TWG Development, LLC. TWG manages five thousand apartment units across 57 properties, with the majority of those projects comprised of senior, low-income housing developments.

The Santa Fe County Housing Authority (the Authority), in particular, will lead the development of this project. Founded in 1966, the Authority fosters the

development of affordable housing units in Santa Fe County and administers the County's Housing Choice Voucher Program. The Authority also manages multiple public housing developments along with providing wraparound services to residents including job training and supportive services. Nueva Acequia will be the first housing project developed by Santa Fe County.

Nueva Acequia (4% LIHTC) will be a 106-unit multifamily apartment project targeting households with children in Santa Fe. The proposed site is currently a vacant, undeveloped parcel of land that is zoned C2 (General Commercial District), which allows for the development of multifamily housing. The project will consist of 27 studio units, each at approximately 433 sq. ft., 51 one-bedroom units, each at approximately 660 sq. ft., 16 two-bedroom units, each at approximately 965 sq. ft., 10 three-bedroom units, each at approximately 1,162 sq. ft, and 2 four-bedroom units, each at approximately 1,342 sq. ft. The project's gross square footage will be around 94,198 sq. ft. comprised of one U-shaped 4-story residential building.

The residents of Nueva Acequia will have access to a central courtyard area with a dedicated garden space between the 9% LIHTC portion's building and the 4% LIHTC portion's building, as well as a walking trail and park that will be developed on the northern end of the project's lot. On-site amenities included in the project will include a community room featuring a residential kitchen and mini library, a shared laundry room, a leasing office, a supportive services office, and a food pantry.

Before Housing New Mexico's Chief Lending Officer approved the inducement resolution on June 17, 2026, jurisdictional notices were sent to the City of Santa Fe in accordance with Internal Revenue Code Section 42(m)(1)(A)(ii) and Section 58-18-10 of the New Mexico Statutes Annotated 1978 edition.

The State Board of Finance approved the Project's request for \$10,970,624 in Private Activity Bonds at the July 21, 2026, meeting. A Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing was conducted on July 30, 2026, to gather public comments before the project was submitted to the Governor for final approval.

Discussion: Housing New Mexico staff have reviewed the proposed Project, including an area market study and the developer's pro forma spreadsheets, and have determined that 1) the proposed financing for the Project is financially feasible, and 2) the Project will comply with Housing New Mexico's design requirements. The market study concludes:

"The Subject will represent excellent quality affordable apartments that are in strong demand in the area. The Subject site is located in the southwestern portion of Santa

Fe. The Subject's neighborhood generally consists of single-family homes, commercial/retail uses, light industrial uses, and government buildings. Good quality affordable and market rate housing is in demand in the area and the Subject will have a positive impact on the surrounding neighborhood. All major shopping, employment, schools, and recreational amenities are located within reasonable proximity to the Subject. Public transportation, medical services, groceries, and shopping are available to the Subject. Construction of the Subject will positively impact the neighborhood."

The proposed bond structure is in a form similar to multifamily bond issuances previously issued by Housing New Mexico. The Project is slated to close in September 2026, with construction beginning immediately upon closing.

Summary: Staff requests approval for the attached Bond Resolution for Nueva Acequia 4%, authorizing the issuance of up to \$10,970,624 in tax-exempt bonds, with an expected closing date in September 2026. The City of Santa Fe faces a significant shortage of affordable housing. By approving this Bond Resolution, funds will be generated through bond proceeds to finance the new construction of 106 housing units for families in Santa Fe, NM.

CERTIFICATE REGARDING THE RESOLUTION
OF THE AUTHORITY

I, the undersigned, Isidoro Hernandez, the Executive Director/Chief Executive Officer and Secretary of the New Mexico Mortgage Finance Authority (the “Authority”), DO HEREBY CERTIFY that: (i) the annexed resolution was duly adopted by the members of the New Mexico Mortgage Finance Authority at a meeting thereof duly called and held on August 19, 2026, at which meeting a quorum was present and acting throughout; (ii) the annexed resolution has been compared by me with the original thereof recorded in the minute book of the Authority and is a correct transcript therefrom and of the whole of said original; (iii) the annexed resolution has not been altered, amended or repealed; and (iv) the annexed resolution is in full force and effect on the date of this certificate.

EXECUTED, DATED AND SEALED August 19, 2026.

Isidoro Hernandez
Executive Director/Chief Executive Officer and
Secretary

(SEAL)

BOND RESOLUTION
NUEVA ACEQUIA PROJECT

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY (THE “AUTHORITY”) AUTHORIZING THE ISSUANCE OR INCURRENCE OF INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,970,624 IN THE FORM OF BONDS, NOTES OR OTHER DEBT OBLIGATIONS TO FINANCE THE CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY RESIDENTIAL RENTAL HOUSING FACILITY; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH OBLIGATIONS; APPROVING THE TERMS AND AUTHORIZING THE EXECUTION OF CERTAIN FINANCING AGREEMENTS REQUIRED IN CONNECTION THEREWITH; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH SUCH OBLIGATIONS; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; REPEALING A PRIOR RESOLUTION OF THE AUTHORITY; AND RELATED MATTERS.

WHEREAS, the New Mexico Mortgage Finance Authority (the “**Authority**”) is authorized by the Constitution and the laws of the State of New Mexico (the “**State**”), particularly Chapter 58, Article 18, NMSA 1978, as amended (the “**Act**”) (a) to issue revenue bonds, notes, loans and other obligations for the purpose of making project mortgage loans to finance the acquisition, construction or rehabilitation of multifamily housing facilities, (b) to enter into agreements for the purpose of providing revenues to pay such revenue bonds upon such terms and conditions as the Authority may deem advisable, (c) to secure the payment of such revenue bonds, and (d) to otherwise participate fully in federal government housing programs to secure for the people of the State the benefits of such programs; and

WHEREAS, to provide decent, safe and sanitary residential housing facilities for low or moderate income persons within the State who are eligible under the Act, and after having determined that mortgage loans are not otherwise available upon reasonably equivalent terms and conditions from private lenders, the Authority has developed rules and regulations with respect to the issuance by the Authority of multifamily revenue bonds, notes, loans and other obligations to finance the construction, acquisition/rehabilitation and/or equipping of multifamily residential facilities intended for rental to eligible persons located in the State; and

WHEREAS, an entity related to or affiliated with TWG Development, LLC, an Indiana limited liability company, on behalf of itself and its affiliated entities either existing now or to be created (collectively, the “**Borrowers**” and each, a “**Borrower**”), has proposed a project consisting of the acquisition and rehabilitation of the multifamily housing project identified in Exhibit A attached hereto (the “**Project**”); and

WHEREAS, to finance a portion of the Project costs, to fund necessary reserves and to pay certain issuance costs, the Borrower has requested the Authority to issue its Tax-Exempt

Multifamily Housing Revenue Note (Nueva Acequia Project), Series 2026, in an aggregate principal amount not to exceed \$10,970,624 (the “**Obligation**”); and

WHEREAS, following the posting of a notice of a public hearing on the Authority’s website on July 22, 2026 (the “**Notice**”), the Authority conducted a public hearing on July 30, 2026 pursuant to and in compliance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (“**Code**”), at which such hearing all interested parties were given an opportunity to express their views orally or in writing for or against the proposed issuance of the Obligation to finance the costs of the Project, all pursuant to a plan of financing; and

WHEREAS, the Authority has proposed to issue the Obligation pursuant to one or more trust indentures, loan agreements, financing agreements, purchase agreements and/or funding agreements (each, a “**Financing Agreement**”) in order to make a loan of the proceeds thereof to the Borrower to finance the costs of the Project; and

WHEREAS, the Obligation is expected to be offered for sale to the public pursuant to a Preliminary Official Statement (the “**Preliminary Official Statement**,” and with such modifications and insertions of final terms as shall be necessary to reflect the final terms of the Obligation, the “**Official Statement**”) and, after satisfaction of certain conditions to conversion described in a Financing Agreement, subject to redemption and purchased by Cedar Rapids Bank and Trust Company (including any affiliate thereof, the “**Purchaser**”);~~—~~ pursuant to a Financing Agreement; and

WHEREAS, pursuant to the Financing Agreements, the Borrower will be required to make loan payments sufficient to pay when due the principal, premium (if any), and interest on the Obligation and related fees, costs and expenses and thereby provide a revenue source with which to pay the Obligation; and

WHEREAS, the Obligation shall be a special limited obligation of the Authority payable solely from and secured by the proceeds, moneys, revenues, rights, interest and collections pledged therefor under the Financing Agreements, as applicable; and

WHEREAS, in order to assure the Authority and the holders of the Obligation that interest thereon will be excludible from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code, and to satisfy the public purposes for which the Obligation is authorized to be issued under the Act, and to satisfy the purposes of the Authority in determining to issue the Obligation, certain limits on the occupancy of units at the Project and other requirements have been established pursuant to the terms of a Tax Regulatory Agreement (the “**Regulatory Agreement**”), by and among the Authority, any fiscal agent named therein (the “**Fiscal Agent**”), and the Borrower and the Tax Compliance Certificate (the “**Tax Certificate**”) to be entered into between the Authority and the Borrower; and

WHEREAS, in furtherance of the purposes of the Authority, it has been deemed appropriate and necessary that the Authority authorize the issuance and sale of the Obligation and prescribe and establish conditions and other appropriate matters with respect to the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Words used in the foregoing recitals shall have the same meanings when used in the body of this Resolution.

Section 2. The Authority hereby finds, determines and declares that the issuance of the Obligation, the sale thereof ~~to the Purchaser~~, and the loan of the proceeds thereof to the Borrower to finance the acquisition and rehabilitation of the Project is in furtherance of the public purposes set forth in the Act, is in compliance with the provisions of the Act, and therefore is in the public interest.

Section 3. The Chair, the Executive Director/Chief Executive Officer and Secretary, the Chief Housing Officer, the Chief Financial Officer and the Chief Lending Officer of the Authority (the “**Authorized Officers**”) are each hereby authorized to execute, attest, seal and deliver on behalf of the Authority one or more Financing Agreements, Regulatory Agreements, Tax Certificates and such other relating agreements, documents and certificates (collectively, the “**Authority Documents**”), their execution thereof to constitute conclusive evidence of their and the Authority’s approval of the terms thereof, subject to the parameters set forth in this Resolution.

Section 4. For the purpose of providing decent, safe and sanitary residential housing for low or moderate income persons within the State, all as authorized under the Act, the Authority shall issue the Obligation, which shall be designated (unless otherwise provided by an officer of the Authority pursuant to Section 9 hereof) “New Mexico Mortgage Finance Authority Tax-Exempt Multifamily Housing Revenue Note (Nueva Acequia Project), Series 2026,” in an aggregate principal amount not to exceed \$10,970,624. The Obligation shall be issued only in fully registered form and shall have a maturity not to exceed forty (40) years after their date of issuance. The weighted average interest rate on the Obligation shall not exceed 10% per annum.

Section 5. The form, terms and provisions of the Obligation and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, tender and number shall be as set forth in the Financing Agreements, as applicable. Each Authorized Officer is hereby authorized to execute, attest and seal by facsimile the Obligation and to deliver the Obligation to the fiscal agent (or as otherwise required by the Financing Agreements).

Section 6. The Obligation shall be sold ~~to the Purchaser~~ at a price not less than 100% of the principal amount thereof plus accrued interest, if any, in accordance with the provisions of the Financing Agreements. Each Authorized Officer is hereby authorized to execute and deliver such Financing Agreements for and on behalf of the Authority. Each Authorized Officer is hereby further authorized to specify and agree as to the interest rates and maturities of the Obligation for and on behalf of the Authority by the execution of the Financing Agreements, as applicable, provided such terms are within the parameters set by this Resolution.

Section 7. Each Authorized Officer is authorized to take all action necessary or reasonably required by the Authority Documents to carry out, give effect to and consummate the transactions as contemplated thereby.

Section 8. Upon issuance, the Obligation will constitute a special limited obligation of the Authority payable solely from and to the extent of the sources set forth in the Financing Agreements, as applicable. No provision of this Resolution, the Authority Documents or any other instrument shall be construed as creating a general obligation of the Authority, or as creating a general obligation of the State or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Authority.

Section 9. The appropriate officials of the Authority, including without limitation the Authorized Officers, are authorized to make any alterations, changes or additions in the Authority Documents, the Obligation, or any other document herein authorized or that may be made pursuant to the Act which may be necessary or desirable. In addition, to the extent that the mortgage loans to be made to the Borrower with proceeds of the Obligation are unable to be closed prior to the expiration of the volume cap allocations for the Obligation, as determined by the appropriate officials of the Authority, including without limitation the Authorized Officers, such appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Authority Documents, the Obligation, or any other document herein as may be necessary or desirable to issue the Obligation prior to expiration of the volume cap allocations and invest the proceeds thereof in permitted investments as provided under the Financing Agreements for a period of no more than a year until such Obligation can be refunded or remarketed and the proceeds thereof be used to make mortgage loans to the Borrower.

Section 10. The appropriate officials of the Authority, including without limitation the Authorized Officers, are hereby authorized and directed to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 11. After the ~~Obligation is delivered to or on behalf of the Purchaser~~issuance of the Obligation, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Obligation is deemed to have been fully discharged in accordance with the terms and provisions of the Financing Agreements.

Section 12. At the public hearing conducted by the Authority on July 30, 2026 regarding the proposal of the Authority to issue the Obligation for the purpose of financing the costs of the Project, all interested parties who desired to do so were given the opportunity to express their views orally and in writing for or against the proposed Obligation and the Project. Notice of the public hearing was published on the Authority's website (<https://housingnm.org/meetings-events-notices>) on July 22, 2026 in compliance with the requirements of Section 147(f) of the Code. The Notice was published in an area of the Authority's website which is used to inform its residents about events affecting the residents and which is clearly identified and accessible to members of the general public seeking information concerning the plan of finance, the issuance of the Obligation and the Project. The Notice remained continuously published on the Authority's website for the entire period of at least seven days prior to the hearing date described in the Notice. The Authority has considered all oral and written statements which were made or filed for or against the proposed Obligation and hereby determines that the proposed issuance by the Authority of the Obligation, for the purposes set forth in the Notice, is in the best interest of the Authority and the same is hereby approved in accordance with the public approval requirements of Section 147(f) of the Code.

Section 13. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Authority contained in this Resolution, the Obligation or any other document executed in connection therewith against any officer of the Authority or employee, as such, in his or her individual capacity, past, present or future, of the Authority, either directly or through the Authority, whether by virtue of any constitutional provision, statute or rule or law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution, the Obligation and all other documents referred to herein are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any officer of the Authority, employee as such, past, present or future, of the Authority, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Authority, the Fiscal Agent, or the Purchaser or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Obligation or any other documents referred to herein and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Obligation or any other documents referred to herein, expressly waived and released. The immunity of officers of the Authority and employees of the Authority under the provisions contained in this Section 13 shall survive the termination of this Resolution.

Section 14. Except as otherwise disclosed to the governing board of the Authority prior to the adoption of this Resolution, no member or employee of the Authority has any interest, direct or indirect, in the transactions contemplated by the Authority herein.

Section 15. If any provisions of this Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this Resolution.

Section 16. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 17. All actions not inconsistent with the provisions of this Resolution heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors, consultants, contractors or agents directed toward the issuance and sale of the Obligation are hereby approved and ratified.

Section 18. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE
AUTHORITY THIS AUGUST 19, 2026.

Chair

(SEAL)

ATTEST:

Executive Director/Chief Executive Officer
and Secretary

EXHIBIT A

PROJECT

The Project is described below:

- A 106-unit multifamily housing apartment project to be located at 1335 Camino de Jacobo in Santa Fe, New Mexico.

Summary report: Litera Compare for Word 11.12.0.83 Document comparison done on 8/6/2026 17:29:35	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4913-7077-6511/2/New Mexico Housing NMMFA 2026 Nueva Acequia - Bond Resolution.docx	
Modified DMS: nd://4913-7077-6511/3/New Mexico Housing NMMFA 2026 Nueva Acequia - Bond Resolution.docx	
Changes:	
<u>Add</u>	10
Delete	12
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	22

CERTIFICATE REGARDING THE RESOLUTION
OF THE AUTHORITY

I, the undersigned, Isidoro Hernandez, the Executive Director/Chief Executive Officer and Secretary of the New Mexico Mortgage Finance Authority (the “Authority”), DO HEREBY CERTIFY that: (i) the annexed resolution was duly adopted by the members of the New Mexico Mortgage Finance Authority at a meeting thereof duly called and held on August 19, 2026, at which meeting a quorum was present and acting throughout; (ii) the annexed resolution has been compared by me with the original thereof recorded in the minute book of the Authority and is a correct transcript therefrom and of the whole of said original; (iii) the annexed resolution has not been altered, amended or repealed; and (iv) the annexed resolution is in full force and effect on the date of this certificate.

EXECUTED, DATED AND SEALED August 19, 2026.

Isidoro Hernandez
Executive Director/Chief Executive Officer and
Secretary

(SEAL)

BOND RESOLUTION
NUEVA ACEQUIA PROJECT

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY (THE “AUTHORITY”) AUTHORIZING THE ISSUANCE OR INCURRENCE OF INDEBTEDNESS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,970,624 IN THE FORM OF BONDS, NOTES OR OTHER DEBT OBLIGATIONS TO FINANCE THE CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY RESIDENTIAL RENTAL HOUSING FACILITY; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH OBLIGATIONS; APPROVING THE TERMS AND AUTHORIZING THE EXECUTION OF CERTAIN FINANCING AGREEMENTS REQUIRED IN CONNECTION THEREWITH; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH SUCH OBLIGATIONS; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; REPEALING A PRIOR RESOLUTION OF THE AUTHORITY; AND RELATED MATTERS.

WHEREAS, the New Mexico Mortgage Finance Authority (the “**Authority**”) is authorized by the Constitution and the laws of the State of New Mexico (the “**State**”), particularly Chapter 58, Article 18, NMSA 1978, as amended (the “**Act**”) (a) to issue revenue bonds, notes, loans and other obligations for the purpose of making project mortgage loans to finance the acquisition, construction or rehabilitation of multifamily housing facilities, (b) to enter into agreements for the purpose of providing revenues to pay such revenue bonds upon such terms and conditions as the Authority may deem advisable, (c) to secure the payment of such revenue bonds, and (d) to otherwise participate fully in federal government housing programs to secure for the people of the State the benefits of such programs; and

WHEREAS, to provide decent, safe and sanitary residential housing facilities for low or moderate income persons within the State who are eligible under the Act, and after having determined that mortgage loans are not otherwise available upon reasonably equivalent terms and conditions from private lenders, the Authority has developed rules and regulations with respect to the issuance by the Authority of multifamily revenue bonds, notes, loans and other obligations to finance the construction, acquisition/rehabilitation and/or equipping of multifamily residential facilities intended for rental to eligible persons located in the State; and

WHEREAS, an entity related to or affiliated with TWG Development, LLC, an Indiana limited liability company, on behalf of itself and its affiliated entities either existing now or to be created (collectively, the “**Borrowers**” and each, a “**Borrower**”), has proposed a project consisting of the acquisition and rehabilitation of the multifamily housing project identified in Exhibit A attached hereto (the “**Project**”); and

WHEREAS, to finance a portion of the Project costs, to fund necessary reserves and to pay certain issuance costs, the Borrower has requested the Authority to issue its Tax-Exempt Multifamily Housing Revenue Note (Nueva Acequia Project), Series 2026, in an aggregate principal amount not to exceed \$10,970,624 (the “**Obligation**”); and

WHEREAS, following the posting of a notice of a public hearing on the Authority's website on July 22, 2026 (the "**Notice**"), the Authority conducted a public hearing on July 30, 2026 pursuant to and in compliance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended ("**Code**"), at which such hearing all interested parties were given an opportunity to express their views orally or in writing for or against the proposed issuance of the Obligation to finance the costs of the Project, all pursuant to a plan of financing; and

WHEREAS, the Authority has proposed to issue the Obligation pursuant to one or more trust indentures, loan agreements, financing agreements, purchase agreements and/or funding agreements (each, a "**Financing Agreement**") in order to make a loan of the proceeds thereof to the Borrower to finance the costs of the Project; and

WHEREAS, the Obligation is expected to be offered for sale to the public pursuant to a Preliminary Official Statement (the "**Preliminary Official Statement**," and with such modifications and insertions of final terms as shall be necessary to reflect the final terms of the Obligation, the "**Official Statement**") and, after satisfaction of certain conditions to conversion described in a Financing Agreement, subject to redemption and purchased by Cedar Rapids Bank and Trust Company (including any affiliate thereof, the "**Purchaser**") pursuant to a Financing Agreement; and

WHEREAS, pursuant to the Financing Agreements, the Borrower will be required to make loan payments sufficient to pay when due the principal, premium (if any), and interest on the Obligation and related fees, costs and expenses and thereby provide a revenue source with which to pay the Obligation; and

WHEREAS, the Obligation shall be a special limited obligation of the Authority payable solely from and secured by the proceeds, moneys, revenues, rights, interest and collections pledged therefor under the Financing Agreements, as applicable; and

WHEREAS, in order to assure the Authority and the holders of the Obligation that interest thereon will be excludible from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code, and to satisfy the public purposes for which the Obligation is authorized to be issued under the Act, and to satisfy the purposes of the Authority in determining to issue the Obligation, certain limits on the occupancy of units at the Project and other requirements have been established pursuant to the terms of a Tax Regulatory Agreement (the "**Regulatory Agreement**"), by and among the Authority, any fiscal agent named therein (the "**Fiscal Agent**"), and the Borrower and the Tax Compliance Certificate (the "**Tax Certificate**") to be entered into between the Authority and the Borrower; and

WHEREAS, in furtherance of the purposes of the Authority, it has been deemed appropriate and necessary that the Authority authorize the issuance and sale of the Obligation and prescribe and establish conditions and other appropriate matters with respect to the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE NEW MEXICO MORTGAGE FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Words used in the foregoing recitals shall have the same meanings when used in the body of this Resolution.

Section 2. The Authority hereby finds, determines and declares that the issuance of the Obligation, the sale thereof, and the loan of the proceeds thereof to the Borrower to finance the acquisition and rehabilitation of the Project is in furtherance of the public purposes set forth in the Act, is in compliance with the provisions of the Act, and therefore is in the public interest.

Section 3. The Chair, the Executive Director/Chief Executive Officer and Secretary, the Chief Housing Officer, the Chief Financial Officer and the Chief Lending Officer of the Authority (the “**Authorized Officers**”) are each hereby authorized to execute, attest, seal and deliver on behalf of the Authority one or more Financing Agreements, Regulatory Agreements, Tax Certificates and such other relating agreements, documents and certificates (collectively, the “**Authority Documents**”), their execution thereof to constitute conclusive evidence of their and the Authority’s approval of the terms thereof, subject to the parameters set forth in this Resolution.

Section 4. For the purpose of providing decent, safe and sanitary residential housing for low or moderate income persons within the State, all as authorized under the Act, the Authority shall issue the Obligation, which shall be designated (unless otherwise provided by an officer of the Authority pursuant to Section 9 hereof) “New Mexico Mortgage Finance Authority Tax-Exempt Multifamily Housing Revenue Note (Nueva Acequia Project), Series 2026,” in an aggregate principal amount not to exceed \$10,970,624. The Obligation shall be issued only in fully registered form and shall have a maturity not to exceed forty (40) years after their date of issuance. The weighted average interest rate on the Obligation shall not exceed 10% per annum.

Section 5. The form, terms and provisions of the Obligation and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, tender and number shall be as set forth in the Financing Agreements, as applicable. Each Authorized Officer is hereby authorized to execute, attest and seal by facsimile the Obligation and to deliver the Obligation to the fiscal agent (or as otherwise required by the Financing Agreements).

Section 6. The Obligation shall be sold at a price not less than 100% of the principal amount thereof plus accrued interest, if any, in accordance with the provisions of the Financing Agreements. Each Authorized Officer is hereby authorized to execute and deliver such Financing Agreements for and on behalf of the Authority. Each Authorized Officer is hereby further authorized to specify and agree as to the interest rates and maturities of the Obligation for and on behalf of the Authority by the execution of the Financing Agreements, as applicable, provided such terms are within the parameters set by this Resolution.

Section 7. Each Authorized Officer is authorized to take all action necessary or reasonably required by the Authority Documents to carry out, give effect to and consummate the transactions as contemplated thereby.

Section 8. Upon issuance, the Obligation will constitute a special limited obligation of the Authority payable solely from and to the extent of the sources set forth in the Financing Agreements, as applicable. No provision of this Resolution, the Authority Documents or any other instrument shall be construed as creating a general obligation of the Authority, or as creating a general obligation of the State or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Authority.

Section 9. The appropriate officials of the Authority, including without limitation the Authorized Officers, are authorized to make any alterations, changes or additions in the Authority

Documents, the Obligation, or any other document herein authorized or that may be made pursuant to the Act which may be necessary or desirable. In addition, to the extent that the mortgage loans to be made to the Borrower with proceeds of the Obligation are unable to be closed prior to the expiration of the volume cap allocations for the Obligation, as determined by the appropriate officials of the Authority, including without limitation the Authorized Officers, such appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Authority Documents, the Obligation, or any other document herein as may be necessary or desirable to issue the Obligation prior to expiration of the volume cap allocations and invest the proceeds thereof in permitted investments as provided under the Financing Agreements for a period of no more than a year until such Obligation can be refunded or remarketed and the proceeds thereof be used to make mortgage loans to the Borrower.

Section 10. The appropriate officials of the Authority, including without limitation the Authorized Officers, are hereby authorized and directed to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 11. After the issuance of the Obligation, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Obligation is deemed to have been fully discharged in accordance with the terms and provisions of the Financing Agreements.

Section 12. At the public hearing conducted by the Authority on July 30, 2026 regarding the proposal of the Authority to issue the Obligation for the purpose of financing the costs of the Project, all interested parties who desired to do so were given the opportunity to express their views orally and in writing for or against the proposed Obligation and the Project. Notice of the public hearing was published on the Authority's website (<https://housingnm.org/meetings-events-notices>) on July 22, 2026 in compliance with the requirements of Section 147(f) of the Code. The Notice was published in an area of the Authority's website which is used to inform its residents about events affecting the residents and which is clearly identified and accessible to members of the general public seeking information concerning the plan of finance, the issuance of the Obligation and the Project. The Notice remained continuously published on the Authority's website for the entire period of at least seven days prior to the hearing date described in the Notice. The Authority has considered all oral and written statements which were made or filed for or against the proposed Obligation and hereby determines that the proposed issuance by the Authority of the Obligation, for the purposes set forth in the Notice, is in the best interest of the Authority and the same is hereby approved in accordance with the public approval requirements of Section 147(f) of the Code.

Section 13. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Authority contained in this Resolution, the Obligation or any other document executed in connection therewith against any officer of the Authority or employee, as such, in his or her individual capacity, past, present or future, of the Authority, either directly or through the Authority, whether by virtue of any constitutional provision, statute or rule or law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Resolution, the Obligation and all other documents referred to herein are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any officer of the Authority, employee as such, past, present or future, of the Authority, either

directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Authority, the Fiscal Agent, or the Purchaser or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member, officer and employee is, by the adoption of this Resolution and the execution of the Obligation or any other documents referred to herein and as a condition of, and as a part of the consideration for, the adoption of this Resolution and the execution of the Obligation or any other documents referred to herein, expressly waived and released. The immunity of officers of the Authority and employees of the Authority under the provisions contained in this Section 13 shall survive the termination of this Resolution.

Section 14. Except as otherwise disclosed to the governing board of the Authority prior to the adoption of this Resolution, no member or employee of the Authority has any interest, direct or indirect, in the transactions contemplated by the Authority herein.

Section 15. If any provisions of this Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this Resolution.

Section 16. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 17. All actions not inconsistent with the provisions of this Resolution heretofore taken by or at the direction of the Authority and its directors, officers, counsel, advisors, consultants, contractors or agents directed toward the issuance and sale of the Obligation are hereby approved and ratified.

Section 18. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE
AUTHORITY THIS AUGUST 19, 2026.

Chair

(SEAL)

ATTEST:

Executive Director/Chief Executive Officer
and Secretary

EXHIBIT A

PROJECT

The Project is described below:

- A 106-unit multifamily housing apartment project to be located at 1335 Camino de Jacobo in Santa Fe, New Mexico.

Tab 3

New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

June 30, 2026

Housing New Mexico | MFA
Financial Review
For the nine-month period ended June 30, 2026

Comparative Fiscal Year-to-Date Figures (Dollars \$ in millions):

	9 months 6/30/2026	9 months 6/30/2025	Change Year / Year	Forecast 6/30/2026	Actual to Forecast
<u>BOND ISSUANCE</u>					
1 Single Family Bonds Issued (new money):	\$ 259.7	\$ 330.0	-21.3%	\$ 318.8	-18.5%
<u>PRODUCTION</u>					
2 Single-family Mortgages Settled (bond financing):	\$ 324.6	\$ 316.3	2.6%	\$ 318.4	2.0%
3 Single-family Mortgages Settled & Sold (TBA execution):	\$ 99.8	\$ 96.6	3.3%	\$ 76.8	30.0%
4 Total Single-family Mortgage Production	\$ 424.5	\$ 412.9	2.8%	\$ 395.2	7.4%
5 Single-family MBS Payoffs (unscheduled):	\$ 62.8	\$ 58.2	7.8%	\$ 51.1	22.9%
<u>STATEMENT OF NET POSITION</u>					
6 Average Earning Assets:	\$ 2,861.2	\$ 2,432.1	17.6%	\$ 2,925.4	-2.2%
7 General Fund Cash and Investments:	\$ 105.2	\$ 100.0	5.2%	\$ 87.2	20.6%
8 SIC FMV Adjustment (General Fund):	\$ 2.5	\$ 0.2	1511.1%	N/A	N/A
9 Total Bonds Outstanding:	\$ 2,569.9	\$ 2,238.9	14.8%	\$ 2,578.1	-0.3%
<u>STATEMENT OF REVENUES, EXPENSES, AND NET POSITION</u>					
10 General Fund Expenses (excluding capitalized assets):	\$ 23.6	\$ 23.6	-0.2%	\$ 24.4	-3.2%
11 General Fund Revenues:	\$ 33.9	\$ 33.2	2.0%	\$ 27.2	24.31%
12 Combined Net Revenues (all funds):	\$ 44.3	\$ 33.6	31.7%	N/A	N/A
13 SIC FMV Adjustment (combined net revenues):	\$ 2.5	\$ 0.1	3928.7%	N/A	N/A
14 Combined Net Position:	\$ 465.5	\$ 411.7	13.1%	\$ 462.8	0.6%
15 Combined Return on Average Earning Assets:	2.06%	1.84%	11.9%	N/A	N/A
16 SIC FMV Adjustment (return on average earning assets):	0.12%	0.00%	3324.6%	N/A	N/A
17 TBA-execution Cash Profit (as a % of loans sold):	1.30%	1.37%	-5.4%	0.50%	160.0%
18 Combined Interest Margin:	0.80%	0.86%	-6.7%	0.82%	-2.5%
<u>MOODY'S BENCHMARKS</u>					
19 Net Asset to Debt Ratio (5-year average):	21.47%	22.95%	-6.5%	21.57%	-0.5%
20 Net Revenues as a % of Total Revenues (5-year average):	13.24%	12.35%	7.2%	16.01%	-17.3%
<u>SERVICING</u>					
21 Subserviced Portfolio Balance (IHFA first mortgages)	\$ 3,218.5	\$ 2,842.6	13.2%	\$ 2,793.8	15.2%
22 Servicing Yield (subserviced portfolio)	0.353%	0.365%	-3.5%	0.387%	-8.8%
23 Combined Average Delinquency Rate (Housing New Mexico-serviced loans)	10.22%	9.70%	5.4%	N/A	N/A
24 DPA Loan Delinquency Rate	10.92%	10.54%	3.6%	N/A	N/A
25 Default Rate (Housing New Mexico-serviced loans)	0.80%	0.79%	1.7%	N/A	N/A
26 Subserviced Portfolio Delinquency Rate (IHFA first mortgages)	12.71%	11.67%	8.9%	N/A	N/A
27 Net Mortgage Servicing Rights Valuation (end of fiscal year Q3)	\$ 13.0	\$ 12.1	7.9%	N/A	N/A

Legend:

Positive Trend

Caution

Negative Trend

Known Trend/Immaterial

Housing New Mexico | MFA
Financial Review
For the nine-month period ended June 30, 2026

CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

BOND ISSUANCE

● In November 2025, Housing New Mexico issued a Convertible Option Bond (\$192.97mm), preserving tax-exempt authority used later in February's 2026 Series AB issuance (\$120mm) and May's 2026 Series CD Issuance (\$150mm.) While new-money transactions are on an atypical schedule, Housing New Mexico still observes consistent bond-funded production in single-family mortgages (~2.6% more pooling than last year). In May 2026, Housing New Mexico issued 2026 Series CD for \$150mm, of which ~\$139.65mm are expected to fund new mortgages. Housing New Mexico's next bond issue 2026 Series EF, is expected to close in August.

PRODUCTION

● The rate of pooling single-family mortgages is effectively flat year-over-year and in-line with forecasted figures. Unscheduled payoffs are slightly higher as well, but this is likely more a function of materially higher balance of loans than of increased prepayment speeds.

STATEMENT OF NET POSITION

● Housing New Mexico's funds invested with the State Investment Council outpaced growth compared to last year, however it still remains subject to changes in the macroeconomic climate, which are not under Housing New Mexico's direct control.

STATEMENT OF REVENUES, EXPENSES, AND NET POSITION

● With General Fund revenues outpacing last year's revenues and expenses flat year-over-year, excess revenues over expenses are outperforming budget nine months through the fiscal year. Year-over-year, combined net revenues also increased by 31.7%.

MOODY'S BENCHMARKS

Both the Net Asset to Debt Ratio and Net Revenue as a % of Total Revenue Ratio are measured as five-year averages, which may not reflect the standalone year-over-year change that these measures might otherwise exhibit.

● Based on Moody's Issuer Credit Rating scorecard, Housing New Mexico's 21.47% Net Asset to Debt Ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining HFA's creditworthiness under stressful circumstances (>20%). The 1-year measurement for this ratio as of June 2026 is 20.04%, a function of the record bond issuances and low prepayment speeds that we have consistently observed for a couple of years. Staff continue to monitor this figure and seek ways to mitigate the impact.

● Housing New Mexico's Net Revenue as a % of Total Revenue (5-year average) is currently 13.24%, indicating high profitability and favorable trends (>10%). The 1-year measurement as of June 2026 is 21.03%.

● Moody's Investor Services completed an updated credit opinion on Housing New Mexico's Issuer Credit Rating in December 2024, to which they assigned the Aa3 rating with a stable outlook. Comments included a high Net Asset to Debt Ratio, solid profitability, and a conservative/low-risk profile not currently exposed to variable-rate debt.

SERVICING

● The Mortgage Bankers Association (MBA) reported in their quarterly survey as of March 2026, that the national delinquency rate for FHA fixed-rate loans is 11.88% (seasonally adjusted), and 8.68% in New Mexico. The Federal Housing Administration (HUD) reported Single Family Loan Performance Trends in May 2026, showing a 14.96% national delinquency (for FHA-insured purchase loans only), which increased from 14.51% in April 2026.

- Data from both sources typically lag about 2-3 months after each quarter/month end.

- These figures can be used for market comparison, but may not always align with trends seen internally.

● Housing New Mexico's portfolio of single-family mortgages sits higher than MBA's measured New Mexico benchmark, but lower than HUD's measured national benchmark by comparison. The subserviced portfolio delinquency rate, currently serviced by Idaho Housing and Finance Association, stands at 12.71%, ~9% higher from last year. The subserviced portfolio is characterized by approximately 81% FHA-insured loans, 18% conventional GSE-insured loans, and 1% whole or warehoused loans; all fixed-rate. Its internal servicing delinquency rate is currently 10.22%, a ~5.4% increase from last year. Housing New Mexico continues to monitor delinquencies on its loan portfolio to identify reduction strategies and refer borrowers to available loss mitigation programs.

● Housing New Mexico's DPA delinquency rate is also in-line with last year. Housing New Mexico continues to monitor and support borrowers who are delinquent in order to prevent further delinquency or default, and promote favorable homeownership practices.

● Housing New Mexico's annualized default rate is 0.80%, in-line with this time last year. Macroeconomic inflationary pressures, high interest rates, and a weakening labor market can be major contributors to general default trends. Of note, defaults can also increase Housing New Mexico's unscheduled payoffs figure.

● The fair-market value for mortgage servicing rights as of June 2026 is \$39.18 million; subtracting out the book cost (\$26.14 million) leaves Housing New Mexico with a net value in purchased mortgage servicing rights of \$13.04 million, an increase in the net over the quarter (approximately \$1.2 million). GASB requires Housing New Mexico to record the value of servicing rights at the 'lower of cost or market'. Nevertheless, the FMV remains elevated from recent years, a function of continued uncertainty in the interest rate environment and sustained, lower-than-average projections for future prepayment speeds across the market, which may differ from Housing New Mexico's observed payoffs. Valuations are obtained quarterly.

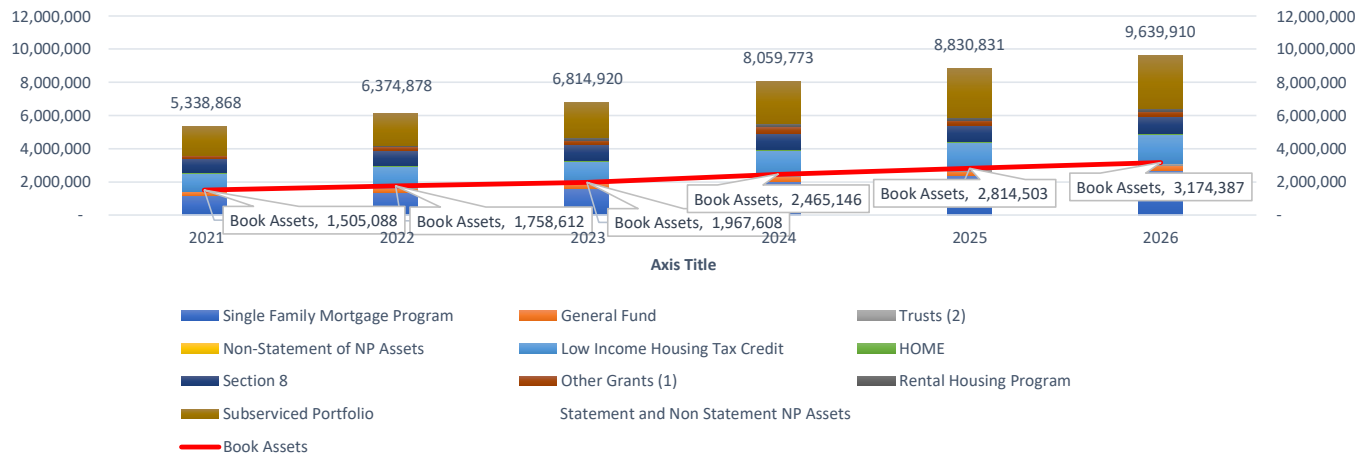
ADDITIONAL NOTES

● Bond Payoffs, GF expenses, and servicing delinquency & default rates use an inverse scale to measure year-over-year change. The colors in the comparison columns reference a materiality threshold of 10%, with a cautionary range between 10% and 25%. An exception to this are data which fluctuate in direct proportion with other figures; these figures are coded as known trends.

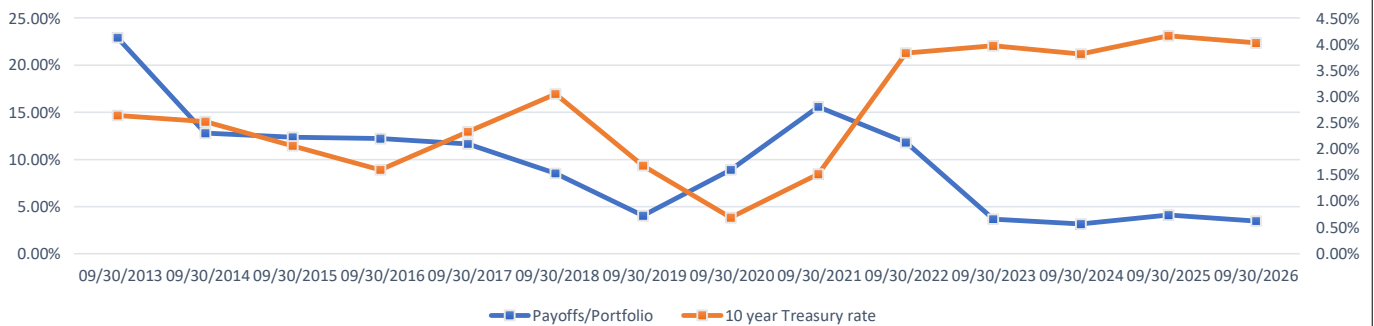
● The forecasted values for fiscal year 2026 are based off of historical data as of September 30, 2024 (Fiscal Year-end 2024).

MONTHLY FINANCIAL GRAPHS

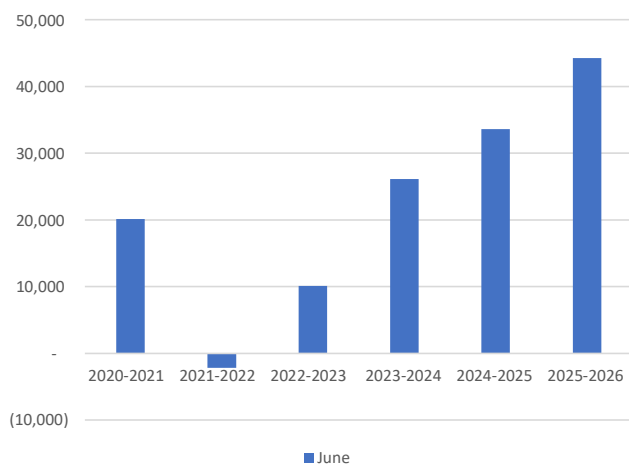
Assets Under Management as of 06/30/2026 (\$ in thousands)



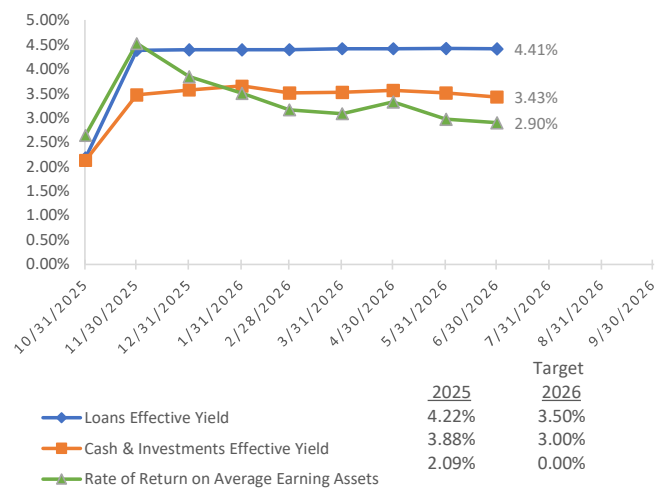
YTD Annualized Payoffs as a percentage of Single Family Mortgage Portfolio as of 06/30/2026



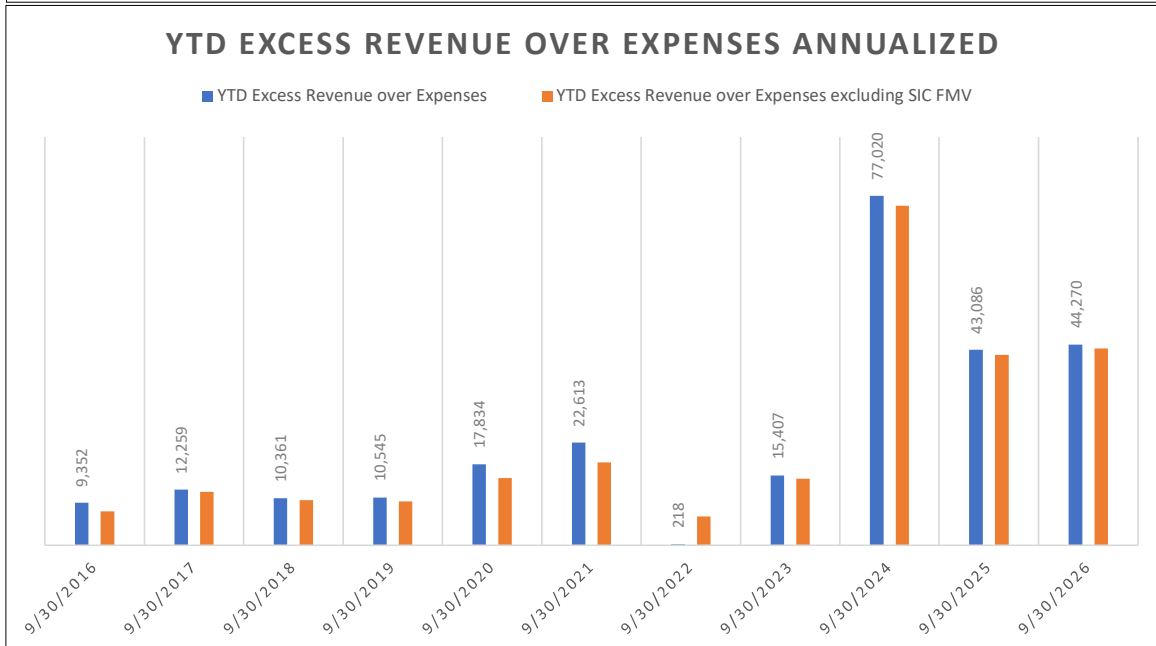
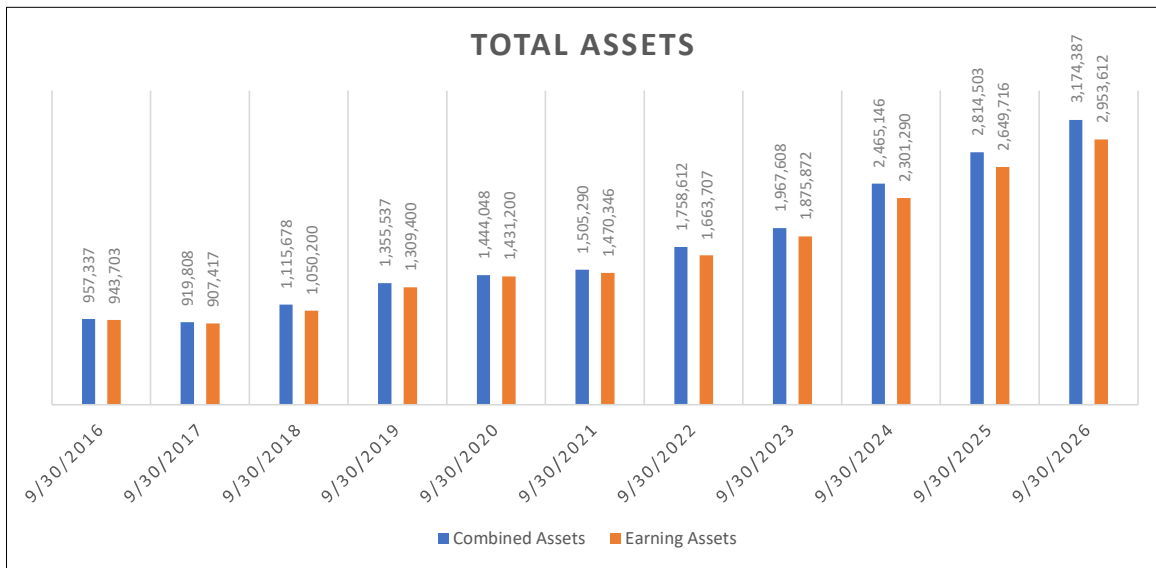
YTD Excess Revenues over Expenses as of 06/30/2026

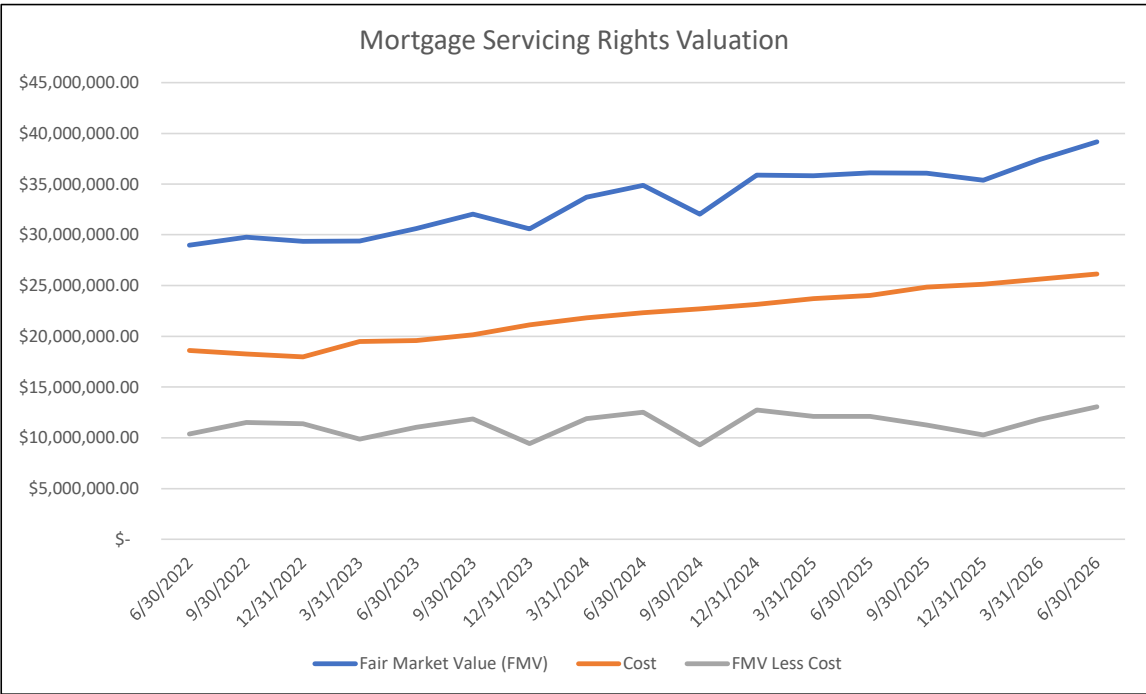
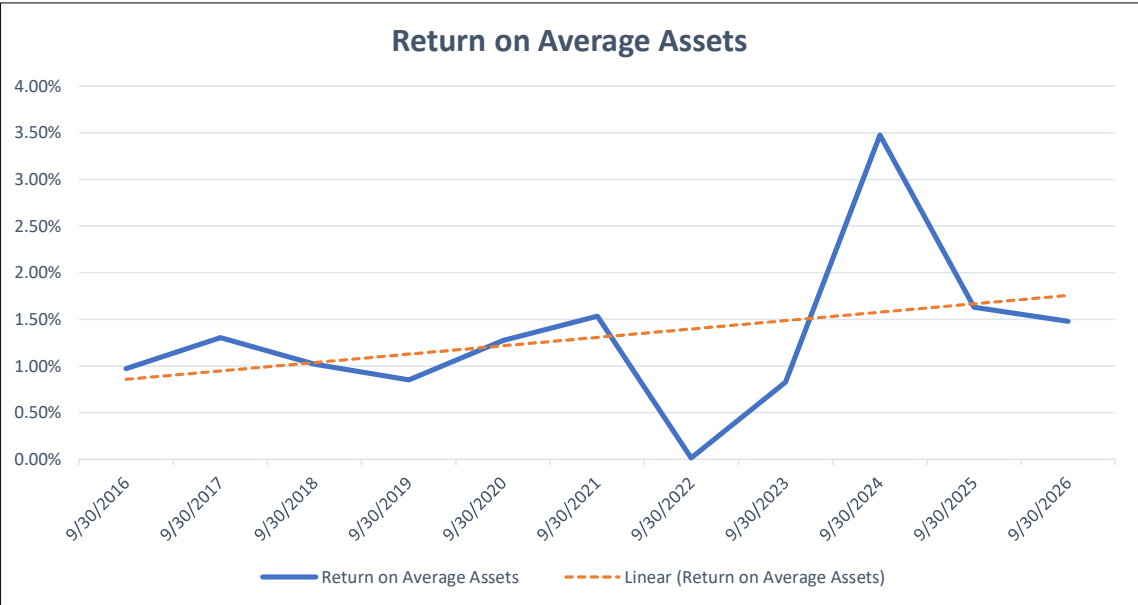


YIELD TARGETS 09/30/2026



(1) Weatherization Assistance Programs; Emergency Shelter Grant; State Homeless; Housing Opportunities for People With Aids; NM State Tax Credit; Governor's Innovations; EnergySaver; Tax Credit Assistance Program; Tax Credit Exchange; Neighborhood Stabilization Program; Section 811 PRA; Homeownership Preservation Program (2) NM Affordable Housing Charitable Trust Fund; Land Title Trust Fund; Housing Trust Fund





HOUSING NEW MEXICO | MFA
COMBINED STATEMENT OF NET POSITION
JUNE 2026
(THOUSANDS OF DOLLARS)

	<u>YTD 06/30/2026</u>	<u>YTD 06/30/25</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	80,429	\$92,143
RESTRICTED CASH HELD IN ESCROW	10,734	10,642
SHORT-TERM INVESTMENTS	(52)	-
ACCRUED INTEREST RECEIVABLE	12,649	9,554
OTHER CURRENT ASSETS	12,080	9,030
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	-
INTER-FUND RECEIVABLE (PAYABLE)	(0)	0
TOTAL CURRENT ASSETS	<u>115,840</u>	<u>121,369</u>
CASH - RESTRICTED	159,297	233,389
LONG-TERM & RESTRICTED INVESTMENTS	71,561	62,487
INVESTMENTS IN RESERVE FUNDS	110,496	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	2,379,121	2,068,683
MORTGAGE LOANS RECEIVABLE	307,130	248,203
ALLOWANCE FOR LOAN LOSSES	(17,372)	(14,978)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	13,756	14,326
OTHER REAL ESTATE OWNED, NET	7,713	6,442
OTHER NON-CURRENT ASSETS	2	5
INTANGIBLE ASSETS	26,646	24,193
TOTAL ASSETS	<u>3,174,191</u>	<u>2,764,119</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	197	247
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u>3,174,387</u>	<u>2,764,366</u>
<u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$36,777	\$31,485
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	14,925	17,318
ESCROW DEPOSITS & RESERVES	10,470	10,370
TOTAL CURRENT LIABILITIES	<u>62,172</u>	<u>59,172</u>
BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	2,569,868	2,238,867
MORTGAGE & NOTES PAYABLE	76,505	54,209
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	228	270
TOTAL LIABILITIES	<u>2,708,773</u>	<u>2,352,518</u>
DEFERRED INFLOWS	156	195
TOTAL LIAB/DEFERRED INFLOWS	<u>2,708,929</u>	<u>2,352,712</u>
<u>NET POSITION:</u>		
NET INVESTED IN CAPITAL ASSETS	13,756	14,326
UNAPPROPRIATED NET POSITION (NOTE 1)	199,451	158,535
APPROPRIATED NET POSITION (NOTE 1)	252,252	238,793
TOTAL NET POSITION	<u>465,459</u>	<u>411,654</u>
TOTAL LIABILITIES & NET POSITION	<u>3,174,387</u>	<u>2,764,366</u>

HOUSING NEW MEXICO | MFA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE NINTH MONTH ENDED JUNE 2026
(THOUSANDS OF DOLLARS)

	<u>YTD 06/30/2026</u>	<u>YTD 06/30/25</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$84,363	\$70,050
INTEREST ON INVESTMENTS & SECURITIES	11,182	9,545
LOAN & COMMITMENT FEES	3,200	3,349
ADMINISTRATIVE FEE INCOME (EXP)	5,952	5,856
RTC, RISK SHARING & GUARANTY INCOME	97	108
HOUSING PROGRAM INCOME	3,825	3,122
LOAN SERVICING INCOME	8,952	8,090
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>117,570</u>	<u>100,120</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	2,546	1,934
OTHER NON-OPERATING INCOME	83	1
GRANT AWARD INCOME	104,018	81,172
SUBTOTAL NON-OPERATING REVENUES	<u>106,646</u>	<u>83,107</u>
TOTAL REVENUES	<u>224,216</u>	<u>183,226</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	19,819	19,374
INTEREST EXPENSE	78,330	63,915
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(5,307)	(2,928)
PROVISION FOR LOAN LOSSES	682	(155)
MORTGAGE LOAN & BOND INSURANCE	82	-
TRUSTEE FEES	225	177
AMORT. OF SERV. RIGHTS & DEPRECIATION	2,209	2,566
BOND COST OF ISSUANCE	2,581	2,862
SUBTOTAL OPERATING EXPENSES	<u>98,621</u>	<u>85,811</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	152	136
GRANT AWARD EXPENSE	81,153	63,660
OTHER NON-OPERATING EXPENSE	21	-
SUBTOTAL NON-OPERATING EXPENSES	<u>81,325</u>	<u>63,797</u>
TOTAL EXPENSES	<u>179,946</u>	<u>149,608</u>
NET REVENUES	44,270	33,618
OTHER FINANCING SOURCES (USES)	-	-
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>44,270</u>	<u>33,618</u>
NET POSITION AT BEGINNING OF YEAR	<u>421,189</u>	<u>378,035</u>
NET POSITION AT 06/30/2026	<u><u>465,459</u></u>	<u><u>411,654</u></u>

NOTES TO FINANCIAL STATEMENTS
(For Informational Purposes Only)
(in Thousands of Dollars)

(Note 1) Housing New Mexico Net Position as of June 30, 2026

UNAPPROPRIATED NET POSITION:

\$ 46,620	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 152,247	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 584	is held for New Mexico Affordable Housing Charitable Trust.
\$ 199,451	Total Unappropriated Net Position

APPROPRIATED NET POSITION: GENERAL FUND

By actions of the Board of Directors on various dates, General Fund net assets have been appropriated as follows:

\$ 129,933	for use in the Housing Opportunity Fund (\$115,231 in loans and grants plus \$14,702 unfunded, of which \$8,273 is committed).
\$ 52,815	for future use in Single Family & Multi-Family housing programs.
\$ 871	for loss exposure on Risk Sharing loans.
\$ 13,756	invested in capital assets, net of related debt.
\$ 26,141	invested in mortgage servicing rights.
\$ 14,321	for the future General Fund Budget year ending 09/30/26 (\$40,876 total budget less \$26,555 expended budget through 6/30/26.)
<u>\$ 237,837</u>	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

\$ 28,171	for use in the federal and state housing programs administered by Housing New Mexico.
<u>\$ 28,171</u>	Subtotal - Housing Program
\$ 266,008	Total Appropriated Net Position
\$ 465,459	Total Combined Net Position at June 30, 2026

Total combined Net Position, or reserves, at June 30, 2026 was \$465.4 million, of which \$199.5 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$266 million of available reserves, with \$105.2 million primarily liquid in the General Fund and in the federal and state Housing programs and \$160.8 million illiquid in the programs of the General Fund, have been:

- for use in existing and future programs
- for coverage of loss exposure in existing programs
- to meet servicing requirements, and
- for support of operations necessary to carry out the programs.

Housing New Mexico's general plan for bond program reserves as they may become available to Housing New Mexico over the next 30 years is to use the reserves for future programs, loss exposure coverage, servicing requirements and operations.

GENERAL FUND
Fiscal Year 2025-2026 Budget
For the nine months ended 06/30/26

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Revenue							
Interest Income	911,401	7,935,586	8,246,698	10,995,597	311,112	3,060,011	72.17%
Interest on Investments & Securities	250,086	2,278,333	2,247,413	2,996,551	(30,920)	718,218	76.03%
Loan & Commitment Fees	(1,232)	5,295	236,239	314,985	230,944	309,690	1.68%
Administrative Fee Income (Exp)	1,261,798	9,774,511	9,232,522	12,310,030	(541,989)	2,535,519	79.40%
Risk Sharing/Guaranty/RTC fees	6,610	38,094	291,644	388,858	253,550	350,764	9.80%
Housing Program Income	507,477	2,245,234	1,388,838	1,851,784	(856,396)	(393,450)	121.25%
Loan Servicing Income	1,035,729	8,951,681	9,006,871	12,009,161	55,190	3,057,480	74.54%
Other Operating Income			-	-	-	-	
Operating Revenues	3,971,869	31,228,734	30,650,225	40,866,966	(578,509)	9,638,232	76.42%
Gain (Loss) Asset Sale/Debt Ex	717,215	2,556,693	-	-	(2,556,693)	(2,556,693)	
Other Non-operating Income	20	82,615	113	150	(82,503)	(82,465)	
Non-Operating Revenues	717,235	2,639,308	113	150	(2,639,195)	(2,639,158)	
Revenue	4,689,104	33,868,042	30,650,337	40,867,116	(3,217,705)	6,999,074	82.87%
Salaries	600,932	5,507,026	6,459,007	8,396,709	951,981	2,889,683	65.59%
Overtime	7,416	19,578	19,991	25,988	412	6,410	75.34%
Incentives	238,426	530,312	551,540	717,104	21,228	186,792	73.95%
Payroll taxes, Employee Benefits	296,244	2,595,086	3,444,105	4,475,900	849,019	1,880,814	57.98%
Compensation	1,143,017	8,652,002	10,474,643	13,615,701	1,822,641	4,963,699	63.54%
Business Meals Expense	87	1,576	10,043	13,390	8,467	11,814	11.77%
Public Information	16,772	257,288	334,995	446,660	77,707	189,372	57.60%
In-State Travel	2,555	42,531	121,805	162,407	79,275	119,876	26.19%
Out-of-State Travel	8,831	104,780	193,618	258,157	88,838	153,377	40.59%
Travel & Public Information	28,245	406,174	660,461	880,614	254,286	474,440	46.12%
Utilities/Property Taxes	16,561	149,135	162,802	217,070	13,668	67,935	68.70%
Insurance, Property & Liability	22,041	200,115	199,091	265,454	(1,024)	65,339	75.39%
Repairs, Maintenance & Leases	145,844	1,225,152	1,164,489	1,552,652	(60,663)	327,500	78.91%
Supplies	6,682	39,176	23,362	31,150	(15,814)	(8,026)	125.77%
Postage/Express mail	7,120	63,484	52,095	69,460	(11,389)	5,976	91.40%
Telephone	5,394	31,692	21,648	28,864	(10,044)	(2,828)	109.80%
Janitorial	8,009	40,047	37,875	50,500	(2,172)	10,453	79.30%
Office Expenses	204,754	1,667,432	1,555,982	2,074,642	(111,450)	407,210	80.37%
Dues & Periodicals	763	44,791	62,573	83,430	17,782	38,639	53.69%
Education & Training	2,948	59,195	134,660	179,546	75,464	120,351	32.97%
Contractual Services	83,409	813,964	1,171,567	1,562,090	357,603	748,126	52.11%
Professional Services-Program	15,786	56,941	61,800	82,400	4,859	25,459	69.10%
Direct Servicing Expenses	912,052	7,137,775	6,906,673	9,208,897	(231,102)	2,071,122	77.51%
Program Expense-Other	25,192	241,249	256,403	341,871	15,154	100,622	70.57%
Rebate Analysis Fees			-	-	-	-	
Other Operating Expense	1,040,151	8,353,916	8,593,675	11,458,234	239,760	3,104,318	72.91%

GENERAL FUND
Fiscal Year 2025-2026 Budget
For the nine months ended 06/30/26

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Interest Expense	260,212	2,077,811	2,505,646	3,340,861	427,835	1,263,050	62.19%
Non-Cash Expenses	289,219	2,139,920	3,308,338	4,411,117	1,168,418	2,271,197	48.51%
Expensed Assets	1,894	99,788	173,698	231,598	73,911	131,810	43.09%
Operating Expenses	2,967,491	23,397,043	27,272,443	36,012,767	3,875,400	12,615,724	64.97%
Program Training & Tech Asst	-	128,750	88,487	117,982	(40,264)	(10,768)	109.13%
Program Development	351	22,759	102,269	136,358	79,510	113,599	16.69%
Capacity Building Costs	351	151,509	190,755	254,340	39,246	102,831	59.57%
Other Non Operating Expenses	150	21,076			(21,076)	(21,076)	
Non-Operating Expenses	501	172,585	190,755	254,340	18,170	81,755	67.86%
Expenses	2,967,992	23,569,628	27,463,198	36,267,107	3,893,569	12,697,479	64.99%
Excess Revenue over Expenses	1,721,111	10,298,413	3,187,139	4,600,009	(7,111,274)	(5,698,405)	223.88%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2025-2026 Budget
For the nine months ended 06/30/26

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
2690 PURCHASED SERVICING RIGHTS	392,720	2,877,563	3,075,000	4,100,000	197,437	1,222,437	70.18%
2950 COMPUTER HARDWARE	-	66,884	198,655	264,873	131,771	197,989	25.25%
2960 SOFTWARE LICENSES	-	-	63,750	85,000	63,750	85,000	0.00%
2920 FURNITURE & EQUIPMENT-10 YR	-	5,382	40,650	54,200	35,268	48,818	9.93%
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	-	35,079	78,450	104,600	43,371	69,521	33.54%
2840 LAND	-	-			-	-	
2937 AUTOMOBILE	-	-	-	-	-	-	
Capital Budget	392,720	2,984,908	3,456,505	4,608,673	471,597	1,623,765	64.77%

NEW MEXICO HOUSING TRUST FUND
Fiscal Year 2025-2026 Budget
For the nine months ended 06/30/26

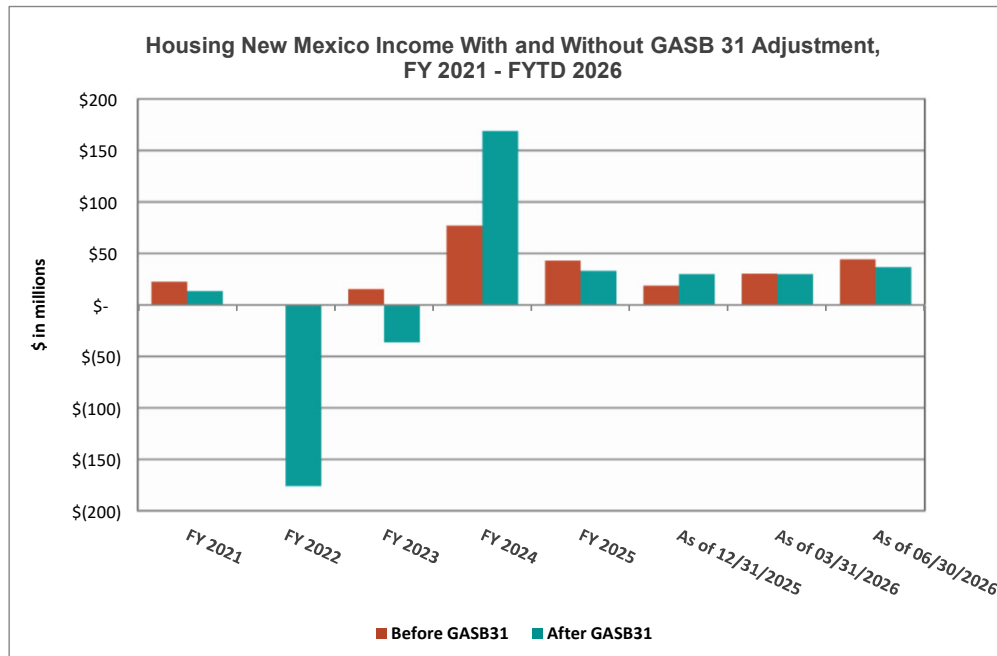
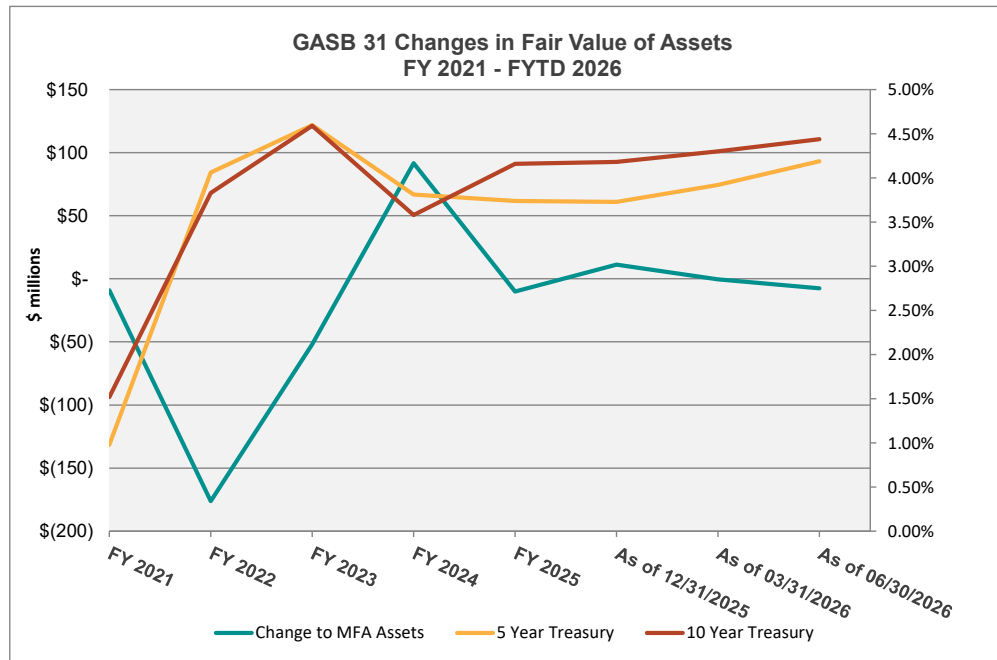
	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Revenue							
Interest Income	212,062	1,534,053	1,065,150	1,420,200	(468,903)	(113,853)	108.02%
Interest on Investments & Securities	141,538	1,334,182	962,700	1,283,600	(371,482)	(50,582)	103.94%
Administrative Fee Income (Exp)	3,007	32,243	39,750	53,000	7,507	20,757	60.84%
Risk Sharing/Guaranty/RTC fees	4,250	58,964	30,000	40,000	(28,964)	(18,964)	147.41%
Housing Program Income	281,145	1,579,761			(1,579,761)	(1,579,761)	
Gain (Loss) Asset Sale/Debt Ex	20,830	(13,797)			13,797	13,797	
Grant Award Income	894,858	32,450,815	33,137,025	44,182,700	686,210	11,731,885	73.45%
Revenue	1,557,691	36,976,220	35,234,625	46,979,500	(1,741,595)	10,003,280	78.71%
Salaries	33,855	370,144	442,309	575,001	72,165	204,857	64.37%
Overtime			1,369	1,780	1,369	1,780	
Incentives			37,560	48,827	37,560	48,827	
Payroll taxes, Employee Benefits	10,022	143,922	217,326	282,296	73,403	138,374	50.98%
Compensation	43,878	514,066	698,563	907,904	184,497	393,838	56.62%
Business Meals Expense	-	102			(102)	(102)	
Public Information			187	250	187	250	
In-State Travel	389	1,215	17,407	23,209	16,192	21,994	5.23%
Out-of-State Travel	-	1,363	3,800	5,066	2,436	3,703	26.91%
Travel & Public Information	389	2,680	21,394	28,525	18,714	25,845	9.39%
Office Expenses	6,503	77,614	105,352	140,469	27,738	62,855	55.25%
Education & Training	-	500	585	780	85	280	64.10%
Contractual Services	-	12,222	46,500	62,000	34,278	49,778	19.71%
Program Expense-Other			-	-	-	-	
Other Operating Expense	-	12,722	47,085	62,780	34,363	50,058	20.26%
Non-Cash Expenses	(18,909)	750,382	-	-	(750,382)	(750,382)	
Operating Expenses	31,861	1,357,464	872,393	1,139,678	(485,071)	(217,786)	119.11%
Program Training & Tech Asst			-	-	-	-	
Capacity Building Costs			-	-	-	-	
Grant Award Expense	1,336,736	9,572,141	7,056,525	9,408,700	(2,515,616)	(163,441)	101.74%
Expenses	1,368,597	10,929,605	7,928,918	10,548,378	(3,000,687)	(381,227)	103.61%
Excess Revenue over Expenses	189,094	26,046,615	27,305,707	36,431,122	1,259,091	10,384,507	71.50%

New Mexico Mortgage Finance Authority
Effect of GASB No. 31 on Financials
Fiscal Year 2021 through Fiscal Year 2026
(\$ in thousands)

UNAUDITED Financials
AUDITED Financials

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	As of 12/31/2025	As of 03/31/2026	As of 06/30/2026	As of 09/30/2026
Balance Sheet									
Total Assets & Deferred Outflows without GASB 31	\$ 1,505,290	\$ 1,684,243	\$ 1,967,608	\$ 2,465,146	\$ 2,813,823	\$ 3,030,911	\$ 3,011,351	\$ 3,174,387	
Unrealized Gain(loss) on investments - GASB 31	47,671	(128,680)	(179,742)	(88,042)	(97,224)	(85,961)	(97,702)	(103,699)	
Total Assets & Deferred Outflows with GASB 31	\$ 1,552,961	\$ 1,555,563	\$ 1,787,866	\$ 2,377,104	\$ 2,716,600	\$ 2,944,950	\$ 2,913,649	\$ 3,070,688	\$ -
Net Position without GASB 31	\$ 285,900	\$ 286,118	\$ 301,015	\$ 378,035	\$ 420,509	\$ 439,840	\$ 451,615	\$ 465,459	
Cumulative effect of change in fair value of investments - GASB 31	47,673	(128,494)	(179,741)	(87,940)	(97,224)	(85,961)	(97,702)	(103,699)	
Net Position with GASB 31	\$ 333,573	\$ 157,624	\$ 121,274	\$ 290,095	\$ 323,285	\$ 353,879	\$ 353,913	\$ 361,760	\$ -
Income Statement									
Unaudited Net Revenues without GASB 31	\$ 22,613	\$ 168	\$ 15,407	\$ 77,020	\$ 43,121	\$ 18,651	\$ 30,426	\$ 44,270	
Net increase (decrease) in fair value of investments - GASB 31	(9,052)	(176,117)	(51,858)	91,800	(9,931)	11,263	(478)	(7,509)	
Audited Net Revenues with GASB 31	\$ 13,561	\$ (175,949)	\$ (36,451)	\$ 168,820	\$ 33,190	\$ 29,914	\$ 29,948	\$ 36,761	\$ -
5 Year Treasury	0.98%	4.06%	4.60%	3.81%	3.74%	3.73%	3.92%	4.19%	
10 Year Treasury	1.52%	3.83%	4.59%	3.58%	4.16%	4.18%	4.30%	4.44%	

New Mexico Mortgage Finance Authority
Effect of GASB31 on Financials



Housing New Mexico | Mortgage Finance Authority
Loan and Credit Line Activity
As of 6/30/2026

Lender	Purpose	Collateral	Board Authorization Date	Authority Limit	Outstanding 3/31/2026	Advances	Repayments	Outstanding 6/30/2026	Maturity	Interest Rate as of 6/30/2026	Interest Payments this quarter
Community Banks	Fund DPA program and assist financial institutions meet CRA requirements	DPA portfolio	March 2018	5,000,000	-			-		2.00%	
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program	Mortgage loan pipeline/Securities	February 2026	100,000,000	50,000,000	743,500,000	731,000,000	62,500,000	7/1/2026	3.79%	667,055
Main Bank	Loan for Building on Jefferson	Jefferson Building	May 15, 2023	8,000,000	6,071,377		181,234	5,890,144	5/15/2033	4.26%	64,379
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans	September 2015 April 2014, March 2019, September 2023	2,125,000	1,997,309			1,997,309	5/15/2051	1.00%	4,980
SBIC	Capitalize Primero Loan Fund	None		3,500,000	1,000,000			1,000,000	11/30/2028	2.00%	5,056
Wells Fargo	Capitalize Primero Loan Fund	None	October 2011	850,000	-			-		2.00%	
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans	May 2011	2,000,000	1,238,626			1,238,626	1/20/2042	1.00%	3,088
TOTAL				116,475,000	60,307,312	743,500,000	731,181,234	72,626,079			744,558

Tab 4



HOUSING NEW MEXICO | MFA
Contracted Services/Credit Committee Meeting
Tuesday, August 11, 2026 @ 10:00 am

Webex- call in information is 1-408-418-9388 (access code): 2482 724 5045
Or you can join the call from the calendar item

AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 HOME Rehab NOFA Updates-Daniel Rule & John Garcia	10:00-10:05	3-0	YES
2 2025 Regional Housing Authority Annual Report-John Garcia	10:05-10:10	3-0	YES
3 Uptown Connect – HOME, NHTF, & NMHTF Loan Requests – Justin Carmona & George Maestas	10:10-10:15	3-0	YES
4 Nueva Acequia 4 – HOME, NHTF, & NMHTF Loan Requests – Clarissa Aragon & George Maestas	10:15-10:20	3-0	YES
5 Metro Square – NMHTF Loan Request – Clarissa Aragon & George Maestas	10:20-10:25	3-0	YES
6 NM EnergySmart Approval of 2026/2027 DOE Annual and Master State Plans- David Gutierrez and David Trembath	10:25-10:30	3-0	YES
Informational Items	10:30-10:35	✓	NO
7 Questions/comments from Committee			

Committee Members present:

Rebecca Wurzbarger, Chair

☐ present

☐ absent

☒ conference call

Attorney General Raul Torrez/Designee

Billy Jimenez

☐ present

☐ absent

☒ conference call

Randy Traynor

☐ present

☐ absent

☒ conference call

TO: Housing New Mexico | MFA Board of Directors
Through: Contracted Services Committee on 07/07/2026
Through: Policy Committee on 06/08/2026

FROM: Daniel Rule, HOME rehab program manager

DATE: 08/19/2026

SUBJECT: Approval of Notice of Funding Availability Changes

Recommendation: Staff requests approval of the changes to the Housing New Mexico Notice of Funding Availability to align with the approved new program structure, which includes funding subrecipients on a project-by-project basis. Additionally, staff is requesting permission to allow Policy Committee to authorize future NOFA changes.

Background: Historically, the HOME Rehab program has been funded through a single agency award covering multiple projects at the beginning of each program year. On May 11th, 2026, Policy Committee approved a change to fund service providers on a project-by-project basis. This change, along with several others, has been incorporated into the HOME Rehab NOFA presented here for approval.

Discussion:

The following changes have been incorporated into the NOFA:

- **Service provider funding** has been revised from a multi-project award model to a project-by-project approach. This change will free up funding that might otherwise remain tied to an under-performing service provider award. This is especially important because the HOME Rehab program shares HOME funding with the Home Improvement Program (HIP). Page 7
- An **alternative program model** has been introduced in coordination with the HIP program. Under this model, the service provider's role is limited to administrative activities, such as determining homeowner and property eligibility. This model is referred to as the **HIP Hybrid Program**. Page 7
- The **application review process** has been updated to include a five-day deficiency period. This allows applicants five days to submit any required documents missing. Page 13

from their original application. No additional documents will be accepted after the five-day period ends.

Summary: Staff is requesting approval of the changes listed above in the HOME Rehab NOFA. Additionally, Staff requests Housing New Mexico Board of Directors approval to allow Policy Committee to approve future changes to the NOFA.



Notice of Funding Availability (NOFA) Home Rehabilitation Program

August 5, 2026

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INTRODUCTION AND BACKGROUND

The New Mexico Mortgage Finance Authority (Housing New Mexico) is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, N.M. Stat. Ann. Sections 58-18-1 1978 *et seq.* (1978) for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

MFA is referred to throughout this document as “Housing New Mexico” receives Federal HOME Investment Partnership Program (HOME) funds through a Housing and Urban Development (HUD) formula grant and allocates a portion of these funds to the HOME Rehabilitation Program. The HOME Rehabilitation Program provides essential home repair and improvements that are non-luxury in nature to income eligible homeowners. The purpose of this Notice of Funding Availability (NOFA) is to invite the submittal of applications from Subrecipients in accordance with applicable guidelines set forth in this NOFA and established Housing New Mexico minimum qualifications. Housing New Mexico is looking for qualified, capable [Subrecipients](#), who are knowledgeable, skilled, and experienced in managing federal funding and can provide HOME Rehabilitation Program services. Subrecipients will be selected based on their capacity, experience, and the ability to provide Program services.

AGENCY CONTACTS

Housing New Mexico will be responsible for administering the HOME Rehabilitation Program for current and subsequent funding allocations which include but are not limited to fund management, reporting, and monitoring of the Home Rehabilitation Program activities to ensure program compliance.

Point of Contact: [Daniel Rule](#) , Program Manager
Community Development Department
Housing New Mexico/ NM Mortgage Finance Authority
7425 Jefferson Street NE, Albuquerque, NM 87109
Office: (505) 532-1673
Email: drule@housingnm.org

For questions pertaining to the NOFA, please use contact above.

DEFINITIONS

PARTICIPATING JURISDICTION

As defined in 24 CFR 92: The responsible party for managing the day-to-day operations of its HOME Program, ensuring that HOME funds are used in accordance with all Program requirements and written agreements, and taking appropriate action when performance problems arise. To be designated as a Participating Jurisdiction, the jurisdiction must comply with the requirements outlined in 24 CFR 92 and have its consolidated plan approved by HUD.

Housing New Mexico is the Participating Jurisdiction (“PJ”) for the State of New Mexico for HOME Investment Partnership Funding.

SUBRECIPIENT

As defined in 24 CFR 92: A public agency, nonprofit organization or other HUD approved agency selected by the PJ to administer all or a portion of its HOME Rehabilitation Program activities.

Historically, this role has been referred to as a Service Provider, however for Program consistency with regulatory literature, you will see that Service Provider verbiage has been removed.

Subrecipients (formerly known as Service Providers) are organizations (Eligible Applicants) approved to administer this Program on behalf of Housing New Mexico to homeowners.

FEASIBILITY

For the purpose of this Program: A “feasible” project is determined through an extensive application, review, and eligibility process. A feasible project, as it relates to this Program, will receive an IDIS number and be reimbursable through HOME award allocation.

Infeasible project expenses as it relates to this Program will only be reimbursable through administrative award.

PIPELINE

Projects from Board approved Subrecipient waiting lists that have been pre-qualified and will be submitted for Housing New Mexico approval within the current or future Program year.

ADMINISTRATIVE AWARD

The administrative award is granted to the PJ in the amount of 10% of the federal award. It is up to the PJ to determine what percentage of administrative funding will be awarded to those administering this [Program](#) on their behalf. Starting with 2025 funding awards that Subrecipients receive an administrative award of 5% of their allocated award amount.

OVERHEAD COSTS

Overhead costs are indirect costs that may be charged via “Administrative costs” or “Project Delivery costs” either under a cost allocation plan prepared and approved in accordance with 2 CFR 200.416 or the de minimis rate as permitted by 2 CFR 200.414(f)

Examples of indirect costs: Rent or mortgage; utilities; salaries/wages; office supplies; accounting/legal services; insurance premiums; etc.

All costs must be reasonable and necessary for the Program. No cost may be double billed to another funding source.

ADMINISTRATIVE COSTS

As defined in 24 CFR 92.207: Administrative costs are staff, overhead and direct costs that the Subrecipient incurs to administer or manage its overall HOME Rehabilitation Program. Administrative costs include Program related costs such as general management, oversight, and compliance costs.

HOME administrative costs must be identified in personnel records as time devoted to the HOME Program, but do not have to be specified to individual projects.

SOFT COSTS

Project soft costs are third-party costs incurred by the Subrecipient to implement the project. These costs are primarily associated with but not limited to determining the project’s feasibility.

Examples of soft costs: Environmental review costs; title searches; permit fees; recording fees; legal and accounting fees; etc.

HARD COSTS

Project hard costs are the actual rehabilitation/construction costs approved by Housing New Mexico to meet all Program property standards and all applicable codes and ordinances. Repairs and improvements are non-luxury in nature and meant to address health and safety hazards while creating sustainable housing.

Examples of hard costs: Repair or replacement of major systems or structural elements to meet useful life standards; accessibility modifications; energy-related improvements; lead based paint, radon and asbestos hazard reduction; etc.

PROJECT DELIVERY COSTS

As defined in 24 CFR 92.206(d)(6): Project Delivery costs are the staff, overhead and direct in-house costs that are incurred by the Subrecipient to implement activities specific to HOME-assisted units.

HOME Rehabilitation Program project delivery costs are required to be tied to a specified address, including documentation of the specified address on timesheets or personnel records consistent with the requirements of 24 CFR 200.430(i)

MASTER CONTRACT AND FUNDING SOURCE AGREEMENT

A Master Contract is issued annually to all active Subrecipients within the Department of Housing New Mexico (the “Department”). If an applicant already administers another program within this Department, they will have already completed a Master Contract for the current year. If not, applicants will be sent a Master Contract to cover all Housing New Mexico policies and procedures upon approval to become a Subrecipient.

An FSA is a Funding Source Agreement that is specific to the funding source. In this case, the Funding Source Agreement is specific to the HOME Investment Partnership Program. The FSA will go over the requirements of the Subrecipient on how to administer this Program.

Both the Master Contract and FSA will need to be fully executed prior to the Subrecipient administering this Program.

UNIQUE ENTITY IDENTIFIER (UEI)

The Federal Government has transitioned from the use of the DUNS Number to the Unique Entity Identifier (UEI) as the primary means of entity identification for Federal awards government-wide. UEIs are required in accordance with 24 CFR Part 25, and the transition from DUNS to UEI has resulted in the UEI being issued by the Federal Government in SAM.gov. This means entities no longer rely on a third-party to obtain an identifier (i.e., a DUNS issued by Dun and Bradstreet). This change streamlines the entity identification and validation process, making it easier and less burdensome for entities to do business with the Federal Government.

REHABILITATION

The improvement of the condition of a property from deteriorated or substandard to good condition. Rehabilitation may vary in degree from the extensive reconstruction to the cure of substantial accumulation of deferred maintenance. The HOME Rehabilitation Program funding requires the unit to meet the property standards of 24 CFR Part 92.251.

TOP PERFORMER

A Subrecipient that, within six (6) months after entering into a Master Contract and FSA with Housing New Mexico, has demonstrated, in the sole discretion of Housing New Mexico, the capacity to timely and consistently draw down

Program funds. A Subrecipient designated as a Top Performer shall be eligible to receive funding for multiple projects, subject to the terms and conditions of this Agreement and the availability of funds. This criterion applies to both new and existing Subrecipients.

FUNDING ELIGIBILITY APPROVAL INFORMATION

APPLICANT NOTICE

Housing New Mexico provided electronic notice (e-mail) of initial **approval** to successful Applicants within fifteen (15) days of the Housing New Mexico Board approval in August 2023 following the initial release of this NOFA. Housing New Mexico shall notify all future Applicants within fifteen (15) days of Housing New Mexico Board approval of Applicant as a qualified Subrecipient for the HOME Rehabilitation Program. The **approval** shall be contingent upon signing final **contractual agreements**. The notification will be delivered to the contact person indicated on the application. This process also applies to denial notification.

. All **Department** approvals of funding allocations **for projects** shall be contingent upon Subrecipient being in good standing within Housing New Mexico and with SAM.gov and providing Housing New Mexico all required documentation provided for the annual renewal process.

FUNDING ALLOCATION

The 2023 HUD HOME award allocations were approved by the Housing New Mexico Board of Directors on May 17, 2023. The HOME Rehabilitation Program received \$4,997,360 for the 2023 Program year. **As of [INSERT DATE] the HOME Rehabilitation Program has an available balance of \$ { } for the Program year 2025/2026.** This NOFA will remain open as long as there are available funds. Each Program year, we anticipate an additional award of **HOME Program funds** which may be added to this NOFA. Housing New Mexico will provide notice of additional funding allocations to the program through Housing New Mexico's website. As subsequent year awards are deposited into the HOME Rehabilitation Program funding availability this will also be posted to our website as the available balance to award to active and incoming qualified Subrecipients.

Awards will be given to approved Subrecipients on a project-by-project basis. **Following submission to Housing New Mexico of an eligible HOME Rehabilitation project, Subrecipients may be awarded funding for a single project provided Program funding is available, that the project meets the eligibility requirements of the Program, and the estimated project budget falls within Housing New Mexico's project subsidy restrictions. If the Subrecipient is completing projects within the necessary time frame is a Top Performer, they may request funding for multiple projects, at Housing New Mexico's discretion. Housing New Mexico may allow subrecipients up 3 projects, as may be determined by Housing New Mexico in its sole discretion or more active projects at once if Housing New Mexico determines that they have the capacity to successfully handle more projects while ensuring the project completion deadlines are being maintained. Alternatively, subrecipients have the option participate in the Housing New Mexico HIP Hybrid Model, which would constitute an administrative contractor role. Under this model subrecipients would be responsible for client intake, homeowner pre-qualification, and property eligibility, while the procurement of the contractors, construction oversight, and project completion would be conducted by Housing New Mexico. Subrecipients must choose a HOME Rehab model and cannot alternate between models for projects, but can change models if and when the need arises.**

The administrative award available to all Subrecipients will be up to 5% of the total award for 2025 contracts and ongoing. Administrative costs are authorized under 24 CFR 92.207 and this funding will continue to be available to reimburse overhead costs associated with the Program as well as the project delivery and soft costs associated with infeasible projects. No costs at any time may be billed to the homeowner.

FUNDING TERMS AND CONDITIONS

All awards will be subject to the availability of funds, applicable laws, and funding source regulations for the HOME Rehabilitation Program.

The HOME Rehabilitation Program mandates the following requirements to determine homeowner eligibility. Annual household income must be at or below (80%) of the area median income (“AMI”) of the HOME income limits, adjusted for family size; have ownership interest as permitted by the HOME final Rule and occupy the home as their principal residence. Subrecipients must certify eligibility within 6 months of the project start date. A more detailed description of requirements and how to determine eligibility is available in the HOME Rehabilitation Manual.

All federally funded rehabilitation projects are required to obtain environmental clearance. The HOME Rehabilitation Program follows 24 CFR Part 58 for this clearance. Housing New Mexico is the Responsibility Entity (RE) for the Program and tiers the Environmental Review process as permitted by 58.15. Housing New Mexico completes an annual Tier I review, and Subrecipients complete a Tier II Environmental Review for each project. All Tier II Environmental documentation is required to be submitted to the Housing New Mexico Environmental Officer for review prior to project approval. Housing New Mexico will not utilize HOME funding to rehabilitate homes within a floodplain. Additional details can be found in the HOME Rehabilitation Manual.

Housing New Mexico will allocate only the minimum amount of funds that it determines to be necessary and reasonable to complete each project. This will be determined through the project scope of work derived by the HOME Program Rehabilitation Standards. Subrecipients will be required to perform Program regulated procurement measures specified in the HOME Rehabilitation Program Manual as well as certify cost reasonableness for each project.

Regulation requires that the after-rehabilitation value of homeowner assisted units with HOME funds may not exceed 95 percent of the area median purchase price for single family housing, as determined by HUD. HUD publishes the existing housing value limit per county each year. The current limits are available at: <https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>.

To establish project eligibility, after-rehabilitation value must be established prior to any work being performed. To establish the after-rehabilitation value, Subrecipients must use the methodology provided by Housing New Mexico. This methodology is documented in the Homeowner Rehabilitation Manual. All Program policy must be utilized to ensure compliance with HUD regulation.

Housing New Mexico will place a lien on the property using a Restrictive Covenant Agreement (“RCA”) or Tribal Land Agreement (“TLA”) signed by the homeowner, notarized and recorded before any funds are expended on each project. At project completion, the agreement is to be re-recorded (if hard costs have changed) at the County Clerk’s office where the property is located and delivered to Housing New Mexico via certified mail. This will ensure compliance with the restrictive period as outlined in the RCA/TLA and the forgivable terms of the loan. In the event of a sale of the property during the restrictive period, the homeowner will be responsible to pay for hard costs associated with the rehabilitation of the home based on the terms of the RCA/TLA.

METHOD OF DISTRIBUTION

Housing New Mexico will award HOME Rehabilitation Program funds to eligible Subrecipients through this NOFA for the rehabilitation of eligible projects. All awards are distributed on a reimbursement basis. Please reference the HOME Rehabilitation Program Manual for further instruction. Housing New Mexico will solicit qualitative and quantitative information from Applicants to demonstrate if the project being proposed for HOME Rehabilitation Program funding fulfills the Program objectives.

ELIGIBILITY INFORMATION

ELIGIBLE APPLICANTS

Housing New Mexico will award HOME Rehabilitation Program funding to eligible Applicants to include, but not limited to, public and private non-profit organizations, governmental housing agencies, authorities, entities, or instrumentalities, regional housing authorities, tribal governments or housing agencies, or other entities that can assume contractual liability and legal responsibility through execution of a Master contract and FSA and/or other written agreements with Housing New Mexico. Individual homeowners are not eligible to apply directly through this NOFA for the HOME Rehabilitation Program. Applicants must be approved by Housing New Mexico and must have demonstrated experience and capacity to conduct eligible activities that meet the requirements of *24 CFR 92 HOME Investment Partnerships Program*. As part of the application, eligible Applicants must provide evidence the following:

1. Applicant must be able to provide housing rehabilitation related services to persons of low or moderate income.
2. Applicant must be formed as an organization under state, local, or tribal laws and provide proof of such organization and that the Applicant is in good standing with HUD or as applicable.
3. Applicant must be able to conduct business in New Mexico by evidence of a business license or other governmentally issued document.
4. Applicant must have a functioning accounting system that is operated in accordance with Generally Accepted Accounting Principles (GAAP) or has designated an entity that will maintain such an accounting system that is consistent with GAAP.
5. Applicant must provide an independent Certified Public Accountant (CPA)'s auditors report (Audit) conducted in accordance with Government Auditing Standards (GAS). The GAS Audit will include an independent auditor's report on the following: 1) financial statements; and 2) internal control over financial reporting and compliance. Applicant will submit the most recent audit available; only the most recent will be accepted. If Applicant receives \$1,000,000 or more in federal funds, a Single Audit is required pursuant to 2 CFR 200. The following types of audit findings may disqualify Applicant from funding:
 - a. Repeat and unresolved audit findings or any pending investigations.
 - b. If Applicant has received greater than \$1,000,000 in funding and the single audit did not meet the requirements of 2 CFR 200.500-520.
 - c. For Single Audit, no proof of federal audit clearinghouse submission (FORM SF-SAC) and, if Governmental entity, proof is not included of current audit submission to the Office of the New Mexico State Auditor.
 - d. If referenced in audit as a separate communication, no submission of management response letter.
 - e. If any findings, no submission of management response to findings.
6. For Applicants that did not receive prior HOME Rehabilitation funds, the Applicant must provide either an audit to the above standards or an independent CPA's review of financial statements.
7. Applicant shall have no significant financial audit findings, and (b) no significant outstanding or unresolved monitoring findings from any governmental entity, or from Housing New Mexico or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, Housing New Mexico or otherwise, stating that the findings are in the process of being resolved.
8. Applicant shall have among its purposes, the staffing capacity to provide significant activities related to providing HOME Rehabilitation services to income qualified homeowners. Therefore, Applicant must provide resumes of

the executive director (or equivalent), accountant, Program manager and case manager(s) who will be administering this grant.

9. Applicant shall not have defaulted on any obligation covered by a surety or performance bond.
10. Applicants who have received HOME Rehabilitation funds from Housing New Mexico in the past but discontinued providing these services due to capacity, compliance and/or programmatic issues will be evaluated on a case-by-case basis by Housing New Mexico to determine their capacity for receiving this funding.
11. Applicant must have a minimum of two (2) years of demonstratable history and familiarity with operating the type of activity related to providing housing or housing services to persons or households of low or moderate income for which it may receive funding.
12. Applicant must be in "good standing" as of the date of application. To be in good standing, Applicant must not have "suspended," "debarred" or have had HUD's Limited Denial of Participation status conferred upon it by Housing New Mexico and/or other funding sources because of misconduct or alleged misconduct.
13. All applicants must have a Unique Entity Identifier (UEI) number and an active registration in the System for Award Management (SAM), found at <https://sam.gov/>
14. Applicant must provide a print screen after logging with their information from <https://sam.gov/> and https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp documenting search for Applicant's name and executive director's name, as proof of compliance. The search must be dated within 30 days of the proposal date.
15. Applicant must have the capacity to attend all training related to administering this grant.
16. Applicants must provide proof of their business license.
17. Eligible Applicants can be located in any geographic area(s) within the State of New Mexico.

In addition to the eligibility requirements listed above, the following items are also required for eligibility:

18. **Non-Profits only**-Applicant must provide proof of its 501(c)(3) non- profit tax status.
19. **Non-Profits only**-Applicant must provide proof that it follows the Charitable Solicitations Act NMSA 1978, §5722-1, et seq. and with the filing requirements by the New Mexico [Department of Justice](#) under that Act; and must submit **proof of current registration as a charitable organization with the New Mexico [Department of Justice](#)** for the **most recent** fiscal year ending or proof of exemption therefrom. Registration/verification may be obtained at <https://secure.nmag.gov/coros/> Verification should be in the form of the first page of the "NM Charitable Organization Registration Statement."
20. **Non-Profits only**-Applicant must have no part of its net earnings benefitting any member, founder, contributor or individual.
21. **Non-Profits only**-Applicant must have a Board of Directors or other governing body and provide information on its members (names, contact information, employer, and term).
22. **Non-Profits only**-Applicant must provide a Resolution of the Board of Directors or Governing Body authorizing Applicant to apply for the HOME Rehabilitation funding or where authority has been delegated, documentation of the same and proof of authority to apply for HOME Rehabilitation funding. If Tribal entity, submit a current tribal resolution showing approval for applying to the HOME Rehabilitation Program.
23. **Non-Profits only**-Applicant must provide proof that they have been operating for a minimum of two (2) years.
24. **Completed and supplied the following documentation/exhibits.**

ELIGIBLE ACTIVITIES

Approved sub recipients must comply with HOME Rehabilitation Program rules and regulations for the rehabilitation of eligible homeowner occupied projects. HOME Rehabilitation Program funds may be used only for reasonable costs allowed under Program regulation that are directly attributable and traceable to the awarded project. Costs related to the rehabilitation of a qualified project are eligible and include the purchase and replacement of manufactured housing if deemed necessary.

REHABILITATION

HOME Rehabilitation Program funds may be used for eligible home improvement activities which include but are not limited to making energy saving conservation improvements, eliminating health and safety hazards, enhancing accessibility for a disabled or elderly person, structural alterations and reconstruction, repair or replacement of major housing systems, adding or replacing roofing, reconditioning plumbing, installing or replacing a septic system, and general property improvements that are non-luxury in nature.

For the HOME Rehabilitation Program, the home must be owned and occupied by the applicants and be the primary residence as evidenced by a title search and a deed. Homes located on Tribal Land may have a 50-year lease or alternative acceptable to Housing New Mexico. Any person(s) whose name(s) appears on the title to the property must agree to participate in this program and must sign the Restrictive Covenant/Tribal Land Agreement. All members of the household over the age of 18, must be included for income determination purposes. All property taxes must be current for non-tribal land.

All items listed in the Funding terms and conditions of this NOFA will be required for project eligibility and feasibility. Project checklists, Program manual and Program Rehabilitation Standards and subsequent forms will be supplied to all interested Applicants and awarded Subrecipients.

Properties with a home equity mortgage lien on the property are not eligible for this Program.

Both the City of Albuquerque and City of Las Cruces may be placed back into State jurisdiction for Subrecipients to operate within should they elect to service Bernalillo or Dona Ana County. HOME Rule 92.201(b) says “the State must distribute HOME funds to rural areas in amounts that take into account the non-metropolitan share of the States total population and objective measures of rural housing need, such as poverty and substandard housing, as set forth in the States approved consolidated plan.” Housing New Mexico has determined that HOME Rehabilitation Program funds awarded in the City of Albuquerque will not exceed 20% of the annual HOME Rehabilitation Program award and in the City of Las Cruces will not exceed 10% of the HOME Rehabilitation Program award per award year.

Manufactured Homes

Mobile or manufactured homes are also eligible for rehabilitation under this Program. HOME funds may be used to purchase mobile or manufactured homes to replace homes that are too costly to rehabilitate. Under this Program, eligible manufactured housing must comply with Housing New Mexico’s Resource Efficiency Standards. Mobile or manufactured home rehabilitations or replacements are eligible only if the land they are set on has a minimum term of the restrictive period of 15 years or greater or is owned by the homeowner. The mobile home is ineligible for this HOME Rehabilitation Program if it is in a mobile home park where a monthly lot fee is paid. Additionally, the mobile/manufactured home must be placed on a permanent foundation at time of completion.

SUBCONTRACTORS

Eligible Subrecipients shall not subcontract services for the management of the Program performed under the FSA without the prior written approval of Housing New Mexico. The only exceptions are for an EPA certified Risk and lead-based paint assessor, certified public accountant, and a general contractor's construction crews.

LEVERAGING AND MATCHING RESOURCES

It may take more than the "maximum" amount of HOME funds to adequately rehabilitate any single home. The intent of this Program is to provide more HOME funds to the lower income homeowners (0-80% AMI). To increase the number of families assisted with the limited HOME funds, [Housing New Mexico](#) highly encourages leveraging with other resources such as USDA-Rural Development loans. Whenever possible, eligible Subrecipients should coordinate with [Housing New Mexico's](#) NM EnergySmart Weatherization Program service providers to incorporate weatherization with all rehabilitation projects.

PROJECT RESERVATIONS

The reservation of funding of each project is subject to submission of a project application package including a completed reservation request form. The project application package must be uploaded to the secure file transfer website which may be accessed at <https://mfa.internal.housingnm.org/FileTransfer>. Housing New Mexico will not accept project application packages sent via U. S. mail, FedEx, UPS or physically delivered to the Housing New Mexico office. Applications will only be accepted through Housing New Mexico's prescribed document management system. Only complete project packages will be accepted.

Housing New Mexico's commitment to fund each rehabilitation project will be subject to Housing New Mexico approval as evidenced by a project acceptance notice which must be signed and acknowledged by the eligible Subrecipient and returned to Housing New Mexico via email. Once the project has been entered into HUD's IDIS system, a project number will be generated. The project number and Restrictive Covenants Agreement or Tribal Land Agreement will be forwarded via email to the eligible Subrecipient. Subrecipients may then begin construction on the approved project as well as invoicing Housing New Mexico for reimbursable expenses related to the project.

PROJECT FUNDING/REIMBURSEMENT

Subrecipient may request reimbursement by using Housing New Mexico's Request for Reimbursement form. All approved Program expenses are paid on a reimbursement basis only. There are no advances to this funding permitted.

All requests for reimbursements must have corresponding backup documentation such as a grant specific/project specific General Ledger, contractor/vendor invoices, material receipts, time sheets showing time spent providing project management, copies of check payments, etc.

Housing New Mexico will only accept a Request for Reimbursement that has the original authorized official signature and all corresponding backup documentation as well as the assigned 4-digit IDIS Project number. Documentation that is insufficient or difficult to decipher may delay or halt the reimbursement process and may be grounds for the entire request to be denied. If denied, the Subrecipient may resubmit the request for reimbursement with corrections and is encouraged to refer to the Program Manual for clarification on allowable costs.

Requests for Reimbursement and all backup documentation are due every Friday by 5pm to be paid by the following Friday. This due date will allow adequate time for the HOME Rehabilitation Program Manager to review the full submission and provide feedback if there are any deficiencies, as well as submit to the Housing New

Mexico Accounting Department by the internal deadline of Tuesday. Please note that Holidays may affect this time structure. Please refer to the Program manager for holiday deadlines.

The Subrecipient must hold back 10% of the final payment to the contractor until after final completion of construction work and all required documentation has been submitted. The holdback will not be drawn from IDIS or disbursed by Housing New Mexico until project completion.

Final invoices will be paid only when all close-out documents are received and approved by Housing New Mexico. Please refer to the Program Manual and checklist for the detailed list of required documentation.

PROJECT MINIMUM AND MAXIMUM FUNDING AMOUNTS

The minimum subsidy per unit is \$1,000. Housing New Mexico has removed the recommended amount per project as each project need is different and rarely comparable to the next. Within the Program there are checks and balances in place to ensure that only necessary and reasonable items are being addressed in each project. Quality Control will be implemented along with these changes and random inspections will be performed to ensure that there is consistency throughout the Program, across the state. Subrecipients can expect for Housing New Mexico staff to accompany them to perform initial walk through and scope of work inspections at random. Housing New Mexico will only approve project scopes of work that cover the recommendations of the HOME Rehabilitation Standards. Cost reasonableness must be determined and certified by the Subrecipient for each project per Program regulation and is subject to denial if the Housing New Mexico determines that the cost is not reasonable.

In the event that Program compliance is not being upheld by the Subrecipient, this Subrecipient may be subject to award deduction or project award termination, additional program oversight as well as additional training requirements up to reallocation of program funding if issues persist.

Housing New Mexico must always remain below the Federal limits which are updated annually by HUD.

Subrecipients are required to build their project scopes of work based on the Housing New Mexico Rehabilitation Standards and they are to provide price estimates that are reasonable and fair. Housing New Mexico will determine if a project is eligible based on the Rehabilitation Standards, scope of work and cost estimates. Housing New Mexico must always remain below the Federal limits which are updated annually by HUD.

RESTRICTIVE PERIOD

Each homeowner enters into a zero interest, conditionally forgivable loan and Restrictive Covenant Agreement or Tribal Land Loan Agreement. The terms of the agreement will vary depending on the cost to rehabilitate the home. The loan will be a non-amortizing, 0% interest loan that is due on sale, transfer, or refinance during the restrictive period. As long as the homeowner is in compliance with the requirements of the loan, the loan amount shall be reduced by 20% beginning on the anniversary date of the loan during the final 5 years of the restrictive period. The restrictive period for homes with over \$50,000 in hard cost will be a 15-year term. If applicable, any required repayments due to the sale, refinance, or transfer during the restrictive period will be made directly to Housing New Mexico.

ELIGIBLE BENEFICIARIES

Per HOME Rehabilitation Program guidelines, to be eligible to receive HOME Rehabilitation Program funding:

- Home must be owned and occupied by the household as a principal residence. Proof of ownership as well as primary residence is required.
- Annual household income must be at or below 80% of area median income (AMI) adjusted for family size as determined by the HUD for the HOME Program. The income(s) of all household members is required to determine income eligibility. All income and assets must be verified at the time eligibility is being

determined. Furthermore, once certified, the project must be entered into IDIS within 6 months of certification, or a recertification must take place prior to project approval.

- The after-rehabilitation value may not exceed 95 percent of the median value issued annually by HUD, linked below:

[HOME Homeownership Value Limits - HUD Exchange Home must pass an Environmental review to ensure it is not located within a flood plain or any other area deemed non-compliant to utilize federal funding.](#)

FUNDING LIMITS AND RESTRICTIONS

HOME Rehabilitation Program awards are contingent on available funds. Housing New Mexico, in its discretion, may set limits on the amount of funding to be awarded. Approved Subrecipients are limited to [one \(1\)](#) open project at any one time unless otherwise approved by Housing New Mexico [as a Top Performer](#).

To meet Housing New Mexico's construction standards and HOME regulatory requirement, the minimum subsidy per unit is \$1,000. The property must meet all construction standards upon final funding of the loan. The eligible Subrecipient will be responsible for guaranteeing that the work is properly inspected and completed. It will be the obligation of the eligible Subrecipient to ensure that the property meets all code requirements, construction standards and other HOME requirements, including but not limited to those associated with the HOME Rehabilitation standards (see Program Manual) and in compliance with all federal/state/local code and ordinance, including upcoming issuance of NSPIRE policies from HUD.

All work must meet Housing New Mexico and HUD Construction Standards, local building code and manufacturer's warranty requirements, and must be performed by a GB02 contractor and if working with mobile homes the contractor must be licensed for manufactured homes. Program funds can be used to secure a manufactured home to a permanent foundation.

ENVIRONMENTAL REQUIREMENTS

All projects are subject to an environmental review and must receive appropriate clearance prior to any expenditure of HOME funding. Housing New Mexico is the responsible entity for approving all Part 58 Environmental Reviews for the HOME homeowner rehabilitation program. Housing New Mexico will issue the Authority to use Grant Funds.

ENVIRONMENTAL TESTING

Subrecipients must certify and comply with applicable lead-based paint, asbestos, and radon regulations listed in *24 CFR Part 35*. Fees for testing and abatement cannot be passed to the homebuyer and are allowable expenses under HOME Rehabilitation Program.

On April 22, 2008, EPA issued a rule requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning in April 2010, contractors performing renovation, repair, and painting projects that disturb lead-based paint in homes, childcare facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

Furthermore, Housing New Mexico has adopted policy for not only Lead based paint, but also asbestos and radon as previously mentioned. Please see the Program Manual for further information on compliance with these environmental factors.

OTHER FEDERAL AND STATE REQUIREMENTS

Subrecipients must meet Conflict of Interest Requirements as well as any other federal and state requirements applicable to the HOME Rehabilitation Program.

APPLICATION, SUBMISSION, AND TIMELY RECEIPT OF INFORMATION

NOFA AVAILABILITY

The NOFA may remain open as long as there are funds available. Applications can be submitted once the NOFA is released. If funds remain following the initial funding round, Housing New Mexico will post an announcement on its website stating the amount of funds still available to be awarded. Thereafter, applications will be received on a [first-come](#), first-served basis, and will be evaluated in chronological order based on the date received. If sufficient funds are not available to fund all submitted requests for funding, they will be awarded based on the date received. Housing New Mexico will close the NOFA if funding is no longer available.

The HOME Rehabilitation Program NOFA applications and forms will be provided electronically and may be downloaded from Housing New Mexico's website. <https://housingnm.org/rfps/rfps-rfq>

Requested documentation must be provided, in order, according to the attached checklist Exhibit B. Forms provided by Housing New Mexico must be used. All requested documents must be submitted as one electronic PDF document to jsmith@housingnm.org and include "HOME Investment Partnership Home Rehabilitation Program Application Submission" in the subject line.

APPLICATION FORMAT AND INSTRUCTIONS TO APPLICANTS

Applicant's *subrecipient proposal* submissions must be complete and include all information requested in the NOFA. All exhibits identified in this NOFA are included in the application checklists. Application checklists include but are not limited to the exhibits, documentation, schedules, audits, certifications, and disclosures.

Staff may contact Applicants for clarification of the information provided. In the event of a tie score, staff will recommend approval based on need and what is best for achieving program objectives. Housing New Mexico will enter into a Master Contract and FSA and related agreements with the applicants whose applications are deemed to be most advantageous to achieving the goals of the HOME Rehabilitation Program.

Subrecipient Proposal (Application) – (Exhibit A) Applicants must complete and submit the subrecipient application form with all required documents included in the subrecipient application checklist (Exhibit B). Under the provisions of this open NOFA, Housing New Mexico staff will evaluate the application using the Minimum Qualifications and Requirements, and Subrecipient evaluation and scoring criteria listed in this NOFA. Upon approval, Housing New Mexico and the Subrecipient will enter into a Master Contract and FSA. Upon execution of both agreements, project applications can be submitted for project awards.

IRREGULARITIES IN APPLICATIONS

Housing New Mexico may waive technical irregularities in the application of any Applicant selected for an award which do not alter the price, quality or quantity of the services offered. Please note that the date and time of application submission as indicated herein under "Application Submission and Due Date" cannot be waived under any circumstances.

RESPONSIBILITY OF APPLICANTS

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

A responsible Applicant means an Applicant who submits an application that conforms in all material respects to the requirements of this NOFA and who has furnished, when required, information and data to support the application.

Housing New Mexico in its sole discretion, shall determine and otherwise verify Applicant's ability to make satisfactory delivery of the services described in this NOFA.

APPLICATION CONFIDENTIALITY

Housing New Mexico will not disclose the contents of any application or discuss the contents of any application with an Applicant or potential Applicant. The contents of any offer will not be disclosed to competing or potential Applicants. After awards have been made, and notice given to Applicant(s), all applications shall be made available and open to the public for review pursuant to the Housing New Mexico Request to Inspect Documents policy and procedure.

APPLICATION REVIEW INFORMATION

EVALUATION OF APPLICANTS AND DOCUMENTATION

Housing New Mexico staff will evaluate [Subrecipient](#) applications using the Minimum Qualifications and Requirements, and Subrecipient evaluation and scoring criteria as described in the following sections. Housing New Mexico will follow its own policies and procedures to obtain the necessary award approvals. This Notice of Funding availability has been updated to remove territory competition. Where we previously only allowed one [Subrecipient](#) per county/tribal territory; we now encourage multiple Applicants especially in underserved areas in hopes to reduce wait times for homeowners and increase productivity across the state.

Upon approval, Housing New Mexico and the [Subrecipient](#) will enter into a Master Contract and FSA with the term to be determined by Housing New Mexico based on Subrecipient capacity and other factors.

The FSA will include provisions for adequate security against the loss of HOME Rehabilitation Program funds in the event that a successful Applicant abandons or otherwise fails to complete a project and further will include remedies and default provisions in the event of the unsatisfactory performance by the successful Applicant.

SUBRECIPIENT EVALUATION CRITERIA

The following criteria must be met by all Applicants to be considered an approved [Subrecipient](#) to receive HOME Rehabilitation Program funding.

Qualified Applicants will submit a "Subrecipient Application" and all required supporting documentation which will be reviewed using the Minimum Qualifications and Requirements, and Subrecipient evaluation and scoring criteria listed in this NOFA.

Applicants must score a minimum of 70 points of the total points possible.

Housing New Mexico will review the application within 10 business days of receiving the application. After the review is complete, Housing New Mexico will issue the "Minimum Requirements Results Notice", which states whether the Applicant has passed the minimum requirements threshold. If the "Minimum Requirements Results Notice" identifies documentation that is missing, the applicant has a 5-business day "Deficiency Period" to collect all the needed documentation. All the deficient documents must be submitted as a single pdf document. When the [Subrecipient](#) has submitted their revised documentation and the "Deficiency Period" has passed, no further documentation will be accepted. If there is still missing documentation after the "Deficiency Period", the application will be denied.

MINIMUM QUALIFICATION AND REQUIREMENTS

1. Be organized under state, local, or tribal laws and can provide proof of such organization and that Applicant is in good standing, as applicable;
2. A functioning accounting system that is operated in accordance with generally accepted accounting principles or has designated an entity that will maintain such an accounting system consistent with generally accepted accounting principles or has a fiscal agent familiar with affordable housing Programs and projects.
3. Independent audit- or in lieu of an audit, they may use audited financial statements, signed by the reviewer.
4. No significant financial audit findings, and no significant outstanding or unresolved monitoring findings from any governmental entity, or from Housing New Mexico, or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, Housing New Mexico, or otherwise stating that the findings are in the process of being resolved.
5. Not having 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.
6. Not having defaulted on any obligation covered by a surety or performance bond.
7. Insurance Requirements – Subrecipient Applicants must maintain acceptable General Liability Insurance and work with qualified licensed and bonded contractors.

Non-profit Applicants must also provide proof of the following:

1. 501(c)(3) tax status;
2. Having no part of its net earnings inuring to the benefit of any member, founder, contributor or individual; and
3. Compliance with the Charitable Solicitations Act, NMSA 1978, §57-22-1 et seq. and with the filing requirements by the New Mexico [Department of Justice](#) under that Act. ([New Mexico Charitable Organization Registration Online System Verification](#))

SUBRECIPIENT SCORING CRITERIA

Criteria	Maximum Score
Financial Strength	25
Construction and Rehabilitation Experience	30
Implementation Plan	20
Waiting List	15
Underserved Counties	10
Total Maximum Points	100

Financial Strength – 25 Possible Points
--

External Audit (10 possible points)	
Unresolved findings	0
Independent Audit with management letter and auditor-cleared findings	5
Independent Audit with zero findings	10

An independent audit or audited financial statements must be for the most recent completed fiscal year. All audit materials must include management's response to any findings and corrective action to clear the findings, [an](#) or provide details on the current status of a finding.

Financial Management (15 possible points)	
Strength of internal control policy	10
Board of Director by-laws showing fiscal oversight	5

Provide the policy for the Applicant's system of internal controls for fiscal management as documented in a policies and procedures manual approved by the Applicant's Board of Directors.

Provide by-laws requiring Board of Director's fiscal oversight.

Construction and Rehabilitation Experience – 30 Possible Points
--

Complete the Field Experience and Capacity form and Project List in the

HOME REHABILITATION PROGRAM Project Application

Names and years of experience for Individuals Years of Experience Capacity/Role/Services
that will be managing the Program Offered

Number of Construction &/or Rehabilitation Projects Completed for Housing New Mexico's **HOME** Program (10 possible points)

0-4 units	0
5 plus units	5
7 plus units	7
10 plus units	10

Number of Construction &/or Rehabilitation Projects with other Federal [Rehabilitation](#) Programs (10 possible points)

0-4 units	0
5 plus units	5
7 plus units	7
10 plus units	10

Number of Years' Experience with Construction and Rehabilitation Projects (10 possible points)

Less than 15 years of combined experience	5
15 to 24 years of combined experience	7
25 plus years of combined experience	10

Implementation Plan – 20 Possible Points

Provide a summary of how the Subrecipient will implement the HOME Rehabilitation Program, a description of the process to be undertaken, listing all major steps chronologically. Also include an estimated timeline.

Implementation (20 possible points)

Executive Summary	5
How home rehabilitation fits into Subrecipients mission	10
Quality Assurance Plan	5
Waiting List – 15 Possible Points	
Subrecipient must provide property addresses for eligible homes. Number of Projects on Waiting List (up to 15 possible points)	
1-5 Projects	5
5-10 Projects	10
10 or more Projects	15
Underserved County Projects – 10 Possible Points	
Full Points will be awarded to Subrecipients who commit to providing home rehab services to two or more of the following counties:	
• San Juan • McKinley • Cibola • Rio Arriba • Taos • Colfax • Mora • San Miguel • Union • Los Alamos	• Harding • Quay • Guadalupe • Curry • De Baca • Lincoln • Chavez • Roosevelt • Otero • Lea
	10

OTHER INFORMATION

INCURRED EXPENSES

Housing New Mexico shall not be responsible for any expenses incurred by an Applicant in applying for HOME Rehabilitation 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.

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 jsmith@housingnm.org within five (5) business days after the [close of the Deficiency Period as described in Subrecipient Evaluation Criteria section above](#). 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 (5) business days of notice of protest. The protest and responses to the protest shall be reviewed by the Housing New Mexico Policy Committee, the Policy Committee shall make a final determination.

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 to present testimony to the Board. 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 or Housing New Mexico staff during any portion of the NOFA review process or does not follow the prescribed application and protest process.

CODE OF CONDUCT

Applicants, including members of the Applicant's board, shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services related to this application. The Applicant shall always conduct itself in a manner consistent with the Housing New Mexico's Third-Party Code of Conduct. A copy of the Housing New Mexico Third Party Code of Conduct is posted on the Housing New Mexico website for review at https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf . Upon request by Housing New Mexico, Applicant shall disclose information that Housing New Mexico may reasonably request relating to conflicts or potential conflicts of interest.

USE OF ELECTRONIC VERSIONS OF THIS NOFA

This NOFA is being made 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. In the event of a conflict between a version of the NOFA in the Applicant's possession and the version maintained by Housing New Mexico, the version maintained by Housing New Mexico will govern.

HOME REHABILITATION PROGRAM NOTICE OF FUNDING AVAILABILITY (NOFA) FORMS

The HOME Rehabilitation Program NOFA and forms may be obtained from [Housing New Mexico's](#) website under Funding Opportunities.

The Subrecipient application and project application must include all required forms, documentation, schedules, certifications listed on their respective checklists.

Tab 5



MEMO

TO: Housing New Mexico Board of Directors
Through: Contracted Services Committee – August 11, 2026
Through: PC Committee – August 4, 2026
FROM: John A. Garcia, Asst. Director of Community Development
DATE: August 19, 2026

SUBJECT: Regional Housing Authority 2025 Annual Report

Recommendation:

Staff recommends approval of the Regional Housing Authority 2025 Annual Report, as required by the Regional Housing Act. The report summarizes operational and fiscal activities for the Eastern Regional Housing Authority (ERHA), Northern Regional Housing Authority (NRHA), and Western Regional Housing Authority (WRHA) for the period of July 1, 2024, through June 30, 2025.

Background:

Section 11-3A-29 NMSA 1978 of the Regional Housing Law requires Housing New Mexico | New Mexico Mortgage Finance Authority (MFA) provide oversight of certain Regional Housing Authority (RHA) activities. This oversight includes submission of an annual report on operations and fiscal activities to the Department of Finance and Administration (DFA), the Legislative Oversight Committee (LOC), and the Legislative Finance Committee (LFC). Under this law, Housing New Mexico is responsible for limited oversight of specified RHA functions, including preparation and dissemination of the annual report and other actions expressly identified in statute.

The U.S. Department of Housing and Urban Development (HUD) funds the Regional Housing Authorities and serves as the primary oversight agency for operational matters such as budgets, procurements, and five-year plans. Housing New Mexico's oversight role is therefore limited and is carried out in coordination with HUD to obtain information required under Chapter 11, Article 3A NMSA 1978. Housing New Mexico's statutory oversight responsibilities are limited to the items listed below. No funding was appropriated to Housing New Mexico for RHA oversight activities.

1. Review of the RHA's operation budget (Housing New Mexico | MFA Staff)

2. Review and approval of new members of an RHA Board of Commissioners by the Housing New Mexico Board before recommendation to the Governor's Boards and Commissions Office (NMSA 1978 § 11-3A-6(E))
3. Approval of new executive directors by the Housing New Mexico Board (NMSA 1978 § 11-3A-6 C)
4. Approval of articles of incorporation, bylaws, and any subsequent amendments for nonprofit entities created by an RHA (Housing New Mexico Board) (NMSA 1978 § 11-3A-9)
5. Financial and operational oversight, limited to the responsibilities identified below (NMSA 1978 § 11-3A-30):
 - a. Approval of contracts and memoranda of understanding valued at more than \$100,000 (Housing New Mexico Policy Committee, as amended by the Delegations of Authority approved January 18, 2023) (NMSA 1978 § 11-3A-30(A)(1))
 - b. Approval of transfers, sales, or liquidations of real or personal property valued at more than \$100,000 (Housing New Mexico Board) (NMSA 1978 § 11-3A-30(A)(2))
6. Review of the final operating budget of the RHA and each nonprofit it has established (Housing New Mexico | MFA Staff and Board) (NMSA 1978 § 11-3A-30 B)
7. Review of the RHA's external financial audits (Housing New Mexico | MFA Staff and Board) (NMSA 1978 § 11-3A-30-C)
 - a. Review of the RHA's annual report of financial and operational activities and dissemination of the same to the Department of Finance and Administration of the State of New Mexico, the Housing New Mexico | MFA Legislative Oversight Committee (LOC), and the Legislative Finance Committee (LFC) (Housing New Mexico | MFA Staff and Board) (NMSA 1978 § 11-3A-30 D)
 - b. Qualified audit opinion¹ for more than two consecutive years (Housing New Mexico | MFA Staff and Board) (NMSA 1978 § 11-3A-30 E)
 - c. Where an RHA fails to correct any qualified audit within one year of the release of the audit all state funds shall be abated until such time as the corrective actions are taken (NMSA 1978 § 11-3A-30 E)

Discussion:

This report provides an update on the statutory oversight items described above for the three New Mexico Regional Housing Authorities during the period of July 1, 2024, through June 30, 2025.

- Eastern Regional Housing Authority (ERHA), located in Roswell

- Western Regional Housing Authority (WRHA), located in Silver City
- Northern Regional Housing Authority (NRHA), located in Taos

The attached report includes supporting documents and approval memoranda and is organized into the following five exhibits:

1. Approvals of articles of incorporation, bylaws, and operating budgets for nonprofits created by an RHA
2. Approvals of contracts and memoranda of understanding valued at more than \$100,000
3. RHA annual reports submitted to Housing New Mexico
4. Regional Housing Authority external financial audits
5. Northern Regional Housing Authority update

Summary:

Staff recommends approval of the Regional Housing Authority 2025 Annual Report, as required by the Regional Housing Act. The report covers operational and fiscal activities for the Eastern, Western, and Northern Regional Housing Authorities for the period of July 1, 2024, through June 30, 2025.



FY 2024–2025 Regional Housing Authority Annual Report

Prepared for Housing New Mexico’s Board of Directors

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Introduction

Section 11-3A-29 NMSA 1978 of the Regional Housing Law requires Housing New Mexico | New Mexico Mortgage Finance Authority (MFA) provide oversight of certain Regional Housing Authority (RHA) activities. This annual report presents Housing New Mexico's review of the three Regional Housing Authorities (RHAs) — the Eastern Regional Housing Authority (ERHA), the Northern Regional Housing Authority (NRHA), and the Western Regional Housing Authority (WRHA) — for the fiscal year running July 1, 2024 through June 30, 2025. It covers Housing New Mexico's oversight responsibilities, each authority's operating budget, board governance, executive leadership, and the results of the external financial audits.

Oversight Responsibilities

As the oversight entity, Housing New Mexico carries a defined set of responsibilities for each Regional Housing Authority. These include reviewing each RHA's operational budget and granting board approval for new board commissioners and new executive directors. Housing New Mexico also approves the articles of incorporation and bylaws of any non-profits created by an RHA, along with any contracts or memoranda of understanding valued above \$100,000. Finally, it reviews the final operating budgets of RHA-established non-profits and each authority's external financial audits.

Operational Budgets

Each fiscal year, the RHAs are required to submit a final operating budget to Housing New Mexico for review. The figures below reflect each authority's HUD-approved Low Income Rent Subsidy and Section 8 Voucher subsidy amounts.

Regional Housing Authority	HUD Approved Subsidy (7/1/24 – 6/30/25)	Subsidy Amount	Units/ Vouchers	Percent Utilized	Date Approved by RHA Board and/or HUD
ERHA	Low Rent Public Housing	\$1,952,707	623	100%	05/21/2025
	Section 8 Vouchers	\$9,963,949	1215	99%	
WRHA	Low Rent Public Housing	\$1,057,195	152	98%	04/09/2024
	Section 8 Vouchers	\$7,272,431	916	75%	
NRHA	Low Rent Public Housing	\$2,202,275	644	100%	06/27/2025
	Section 8 Vouchers	\$2,648,453	569	99%	

Overall, subsidy utilization is strong across all three authorities, with Western's Section 8 vouchers being the notable exception.

Boards of Commissioners

The powers of each Regional Housing Authority are vested in its Board of Commissioners, with representation for each county within the respective region.

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During this reporting period, the State of New Mexico's Boards and Commissions Department completed updated background checks and renewal terms for each RHA board. The rosters below reflect the most up-to-date status as of this reporting.

Eastern Regional Housing Authority — 1 Vacancy

County within Region	Commissioner Assigned	Status & Term End
Lea	Vacant	Open seat
Otero	Michael O'Hara	Term ends 7/1/2027
Chaves	Terri Douglass	Term ends 7/1/2027
Eddy	Sylvia Bueno	Term ends 7/1/2029
Curry	Sidney Strebeck	Term ends 7/1/2029
Otero	Nadia Sikes	Term ends 7/1/2028
Chaves	Alfred Velasquez Jr.	Term ends 7/1/2029

Northern Regional Housing Authority — 3 Vacancies

County within Region	Commissioner Assigned	Status & Term End
Sandoval	Vacant	Open seat
Colfax	Vacant	Open seat
Rio Arriba	Vacant	Open seat
San Juan	Nichole R. Sandoval-Belt	Term ends 7/1/2028
San Miguel	Donna Vigil	Term ends 7/1/2028
Cibola	Rev. Garland McCoy Moore	Term ends 7/1/2029
Taos	Bernadine Trujillo	Term ends 7/1/2027

Western Regional Housing Authority — 1 Vacancy

County within Region	Commissioner Assigned	Status & Term End
Luna	Vacant	Open seat
Grant	Lynne Featheringill	Term ends 7/1/2028
Sierra	Dr. G. Vincent Barrett	Term ends 7/1/2027
Socorro	Michael A. Hawkes	Term ends 7/1/2029
Valencia	Carol Ann Anaya	Term ends 7/1/2029
Grant	Martha Ann Peru Salas	Term ends 7/1/2029
Hidalgo	Irene Galvan	Term ends 7/1/2030

Executive Directors

There were no changes in RHA Executive Directors during this reporting period, reflecting continuity and experienced leadership across all three authorities.

- Chris Herbert has served as Executive Director of the Eastern Regional Housing Authority since 2006.
- Natasha Martinez has led the Northern Regional Housing Authority since December 18, 2024.
- Sonia Flores has led the Western Regional Housing Authority since January 1, 2025.

Creation of Non-Profits and Contract Activity

Articles of Incorporation, Bylaws, and Operating Budgets of RHA-Created Non-Profits

— No activity reported from July 1, 2024, to June 30, 2025; no new non-profits were established.

Contracts and MOUs Valued Greater Than \$100,000

— No activity reported; no qualifying agreements required board approval.

Transfers, Sales, or Liquidations of Property Valued Greater Than \$100,000

— No activity reported; no qualifying property transactions occurred.

External Financial Audits

Completed audits are submitted by each RHA to the State Auditor's Office for review and approval, then published on the Office of the State Auditor's website. Housing New Mexico subsequently reviews the audits and distributes them to the Legislative Finance Committee (LFC), the Department of Finance and Administration (DFA), and the Legislative Oversight Committee (LOC). Copies of the audits are attached as Exhibit 1.

Eastern Regional Housing Authority (ERHA)

Eastern Regional Housing Authority reported that its FY 2025 audit was delayed following the transfer of the City of Alamogordo Public Housing Program, effective January 1, 2025. ERHA initially engaged a REDW CPA to assist with compiling the financial statements; however, the auditor later sought to postpone the audit until January 2027, which ERHA determined was not acceptable. The auditor subsequently resigned, and ERHA initiated an emergency procurement process. After receiving three quotes, ERHA selected Maynard Accounting because its proposal was significantly lower in price than the other responses. Maynard Accounting expects to complete the audit by the end of July 2026, with the goal of providing either a final report or draft for board review in August, while also beginning work on the FY 2026 audit during that same month.

Western Regional Housing Authority (WRHA)

WRHA also received an unmodified opinion for the year ending June 30, 2025, with zero current-year findings. Four prior-year findings were resolved, and none recurred:

Western Regional Housing Authority

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

Section II – Prior Year Audit Findings, the following prior year audit findings have been resolved:

2024-001 Restatement of Construction-In-Progress (Material Weakness)

2024-002 IT General Controls (Significant Deficiency)

2024-003 – Late Audit Report Submittal (Other Noncompliance)

2024-004 – Late Real Estate Assessment Center (REAC) Submission (Other Noncompliance)

Section III – Financial Statement Audit Findings

None

Section VI - Federal Award Findings – Major Program

None

Section V – 12-6-5 NMSA Audit Findings

None

Northern Regional Housing Authority (NRHA)

NRHA remains in HUD-designated troubled status because it has not submitted the required unaudited and audited financial statements for fiscal years 2022 through 2025. The agency must complete the outstanding audits and become current through fiscal year 2026 before HUD can remove the troubled designation.

Despite these financial reporting deficiencies, NRHA continues to demonstrate strong operational performance. The authority maintains a 99.6% public housing occupancy rate, has strong Public Housing Assessment System (PASS) scores, has fully obligated its Capital Fund Program grants, reduced tenant accounts receivable, maintained a stable cash position, and achieved High Performer status under the Section Eight Management Assessment Program (SEMAP) for fiscal year 2025.

To address its audit backlog, NRHA is working with the New Mexico Office of the State Auditor to procure a qualified audit firm. The authority has also retained a financial consultant, a policy consultant—both former HUD employees—and a certified public accountant to assist with financial reporting, audit preparation, and development of a schedule for completing all outstanding financial statements and audits.

HUD has elected to pursue a monitored corrective action approach rather than impose more severe enforcement actions at this time. HUD-appointed cure monitors are assisting NRHA with developing and implementing a recovery plan, providing technical assistance, monitoring compliance with established milestones, participating in meetings, reviewing required reports, and tracking overall progress toward resolving the identified deficiencies.

NRHA will remain in troubled status until HUD determines that all identified deficiencies have been satisfactorily corrected.

A full report is included as Exhibit #3.

Report Summary

In summary, Housing New Mexico's FY 2024–2025 oversight review found that the Regional Housing Authorities generally maintained stable operations, strong subsidy utilization, and continuity in executive leadership, while also identifying areas requiring continued attention, including board vacancies, Western's lower Section 8 voucher utilization, and Northern's outstanding audit backlog and HUD-designated troubled status. Housing New Mexico will continue to monitor these matters, provide technical assistance where appropriate, and support each authority's efforts to strengthen compliance, financial accountability, and housing stability for the communities they serve.

Exhibit #1

RHA Annual Reports submitted to MFA

Western Regional Housing 2025 Annual Report

Agency	HUD Approved Subsidy (7/1/24 – 6/30/25)		Date Approved by RHA Board and/or HUD
WRHA	Low Rent Public Housing \$ 1,057,195 Section 8 Vouchers <u>\$ 7,272,431</u> \$ 8,329,626	152 Units 916 Vouchers	April 9 th , 2024

Western Regional Housing Authority – 1 Vacancy(Luna County)

County within Region	Commissioner Assigned to County	Current Status and Term End Date
Grant	Lynne Featheringill	7/1/27
Sierra	Dr. G Vincent Barrett	7/1/27
Socorro	Michael Hawkes	*Waiting for Gov. Approval
Valencia	Carol Ann Anaya	7/1/27
Grant	Martha Ann Peru Salas	7/1/27
Hidalgo	Irene Galvan	7/1/27

Executive Directors:

- WRHA: Sonia Granados has served as Executive Director since January 2025.

Creation/Dissolution of nonprofit entities:

- WRHA: N/A

Approved contracts and MOUs with a value greater than \$100,000:

- WRHA-N/A

Approve Transfers, sales, or liquidations of any real or personal property with a value greater than \$100,000.

- WRHA: N/A

Submission of external financial audits

- WRHA received an Unmodified Audit Opinion for FYE 2025
- All findings from the FYE 2024 Audit were corrected.
- Western Regional Housing Authority received no findings or comments in its 2025 Audit conducted by Southwest Accounting Solutions, LLC.

Agency Highlights and achievements:

- Received a High Performer Rating on our Section 8 Management Assessment Program (SEMAP)
- Approved for CHAP and are in the early stages of RAD development for our Hillside, Valley Vista and Pyramid Village apartment complexes. There is an RFQ due on May 5th for Western Regional Housing Authority to attain a Development Partner to begin the RAD process.
- WRHA continues to partner with the Town of Silver City and Gila Regional Medical Center, HMS and El Refugio. The coordination with our local partners is promoting a more community-based approach to addressing housing instability, health related hurdles and a better quality of life.
- Western Regional Housing Authority continues to participate in Legislative efforts and work closely with other Regionals in the State of New Mexico to build stronger, more efficient partnerships. This helps ensure a more coordinated and consistent approach to addressing statewide housing needs.

Eastern Regional Housing Authority 2025 Annual Report

Eastern Regional Housing Authority email responses [Re: 2025 Regional Housing Authority Annual Report](#) is a response from [Irene Murillo](#) and Chris Herbert regarding information requested for the 2025 Regional Housing Authority Annual Report.

Key points:

- Received a phone call from Chris Herbert stating that his current audit firm pushed back the completion date to January 2027. Chris stated that this was not acceptable and retained another firm who will have their audit complete by mid-July.
- [Irene Murillo](#) expects the FY2025 audit to be available during the **first week of July 2026**, which would allow it to be provided before your July 15 Board meeting.
- She confirmed that [Eastern Regional Housing Authority \(ERHA\)](#) **did not engage in any of the following activities during the reporting period:**
 - Creation of nonprofit entities requiring articles of incorporation or bylaws.
 - Contracts or Memoranda of Understanding (MOUs) valued at more than **\$100,000**.
 - Transfers, sales, or liquidations of real or personal property valued at more than **\$100,000**.
- In an earlier message referenced in the thread, ERHA indicated that it had engaged **REDW, CPA** to assist with compiling financial statements due to the transfer of the City of Alamogordo Public Housing Program effective January 1, 2025, and anticipated completing the FY2025 audit by June 30, 2025.

Eastern Regional Housing Authority	HUD Approved Subsidy (7/1/24-6/30/25)	Units/Vouchers	Percent utilized	Date Approved by RHA Board and/or HUD
Low Rent Public Housing	\$1,952,707	623	100%	5/21/2025
Section 8 Vouchers	\$9,963,949	1215	99%	5/21/2025

Bottom Line for Your Annual Report

ERHA has confirmed that:

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1. The FY2025 audit should be available in mid- July.

Northern Regional Housing Authority 2025 Annual Report

[Natasha Martinez](#), Executive Director of the Northern Regional Housing Authority (NRHA), provided the final information needed for your Regional Housing Authority annual report. She clarified that NRHA has:

- **644 Public Housing units**
- **569 Section 8 Housing Choice Vouchers**

In her earlier response within the same email thread, she also reported that for the July 1, 2024–June 30, 2025 reporting period:

- **Public Housing Subsidy:** \$2,202,275 with **100% utilization**
- **Section 8 Subsidy:** \$2,648,453 with **99.06% utilization**
- Budget approved on **June 27, 2025**

The thread reflects your follow-up efforts to collect information needed for the annual RHA report, including subsidy amounts, utilization rates, unit and voucher counts, unaudited financial statements, contracts over \$100,000, property transactions over \$100,000, and any nonprofit organizational documents. You also noted that NRHA had not reported contracts, major property transactions, or nonprofit filings during the reporting period.

Key Data for Your Report

Agency	Program	Subsidy Amount	Units/Vouchers	Utilization	Approval Date
NRHA	Public Housing	\$2,202,275	644 Units	100%	06/27/2025
NRHA	Section 8 Vouchers	\$2,648,453	569 Vouchers	99.06%	06/27/2025

Exhibit #2

Regional Housing Authority Operational Budgets

Dept	Eastern Regional Housing Authority Budget FY 2025	Total
0 Total	ASA	(924,935.30)
20 Total	ASA Development	(2,529.55)
80 Total	Section 8	646,794.88
81 Total	FSS	179,108.33
83 Total	EHV	(55,695.99)
310 Total	Alamogordo Development	497,184.70
400 Total	Sandstone Manor	(51.37)
450 Total	Vaughn Housing	21,846.23
470 Total	Eunice Housing	6,956.06
490 Total	Lovington Housing	(3,618.84)
495 Total	Artesia Housing	(100,044.80)
496 Total	Tucumcari Housing	(46,092.05)
497 Total	Alamogoro Housing	(193,326.22)
800 Total	Section 8 HAP	(159,800.73)
	Grand Total	(134,204.65)

Northern Regional Housing Authority
FY 2024-2025

AMP			Raton AMP 1	Las Vegas AMP 2	Taos AMP 3	COCC
Revenues						
450	55-04	Reimbursements/Refunds	5,000	152,000	10,000	
510	55-02	Interest Revenue	2,000	1,500	3,500	
520	56-10	Dwelling Rent	400,000	700,000	400,000	
540	56-20	Administrative Fee Section 8	0	-	299,350	
540	57-93	Operating Subsidy-Current	700,000	1,150,000	840,000	
550	58-09	Other Income	5,000	1,500	2,500	
550	58-15	Late Fee Charges	1,000	2,000	2,500	
550	58-91	Unit Repair Materials	8,000	12,000	10,000	
550	58-92	Fraud Recovery Revenue	5,000	5,000	5,000	
Total Revenue Budget			1,126,000	2,024,000	1,572,850	0
Expenditures						
600	66-01	Part Time Employees				
600	66-02	Overtime	9,987	8,320	9,987	
600	66-03	Full Time Employees	212,673	240,614	180,107	445,005
Admin -Salaries Sub-total			212,673	240,614	180,107	445,005
600	69-09	Social Security-FICA	7,069	14,918	8,973	23,773
600	69-10	Social Security - Medicare	1,654	3,488	2,099	5,698
600	69-12	Retirement PERA	15,091	24,783	14,182	40,479
600	69-13	Medical Insurance	29,883	65,742	52,593	59,765
600	69-14	Unemployment				
600	69-15	Worker's Comp	7,340	12,055	9,026	13,876
600	69-16	State Worker's Comp	3,670	6,028	4,513	6,938
600	69-18	RHCA	2,931	4,813	3,603	7,860
600	69-20	Dental Insurance	1,863	3,725	2,608	3,725
600	69-21	Vision Insurance	328	655	459	655
Admin - Fringe Benefits Sub-total			69,828	136,207	98,055	162,769
600	66-02	MAINTENANCE - OVERTIME	9,995	8,320	9,995	
600	66-03	MAINTENANCE - FTE	197,226	237,994	199,035	
Salaries Sub-total			207,220	246,314	209,030	0
600	69-09	MAINTENANCE - SS FICA	12,227	14,755	12,340	
600	69-10	MAINTENANCE - SS MEDICARE	2,860	3,451	2,887	
600	69-12	MAINTENANCE - RETIREMENT PERA	20,314	24,513	19,505	
600	69-13	MAINTENANCE - MEDICAL INSURANCE	59,765	78,890	65,742	
600	69-14	MAINTENANCE - UNEMPLOYMENT				
600	69-15	MAINTENANCE - WORKER'S COMP	9,890	11,934	9,980	
600	69-16	MAINTENANCE -STATE WORKER'S COMP	4,945	5,967	4,990	
600	69-18	MAINTENANCE - RHCA	3,944	4,760	3,980	
600	69-20	MAINTENANCE - DENTAL INSURANCE	3,725	4,470	3,725	
600	69-21	MAINTENANCE - VISION INSURANCE	655	786	655	
Fringe Benefits Sub-total			118,325	149,526	123,804	0
610	71-01	Office Supplies	5,000	4,500	4,500	
610	71-03	Janitorial	2,000	6,000	5,000	
610	71-06	Safety	2,000	2,000	2,000	
610	71-12	Tools	2,000	5,000	4,000	
610	71-24	Postage	1,300	4,000	1,500	
610	71-25	Uniforms	5,000	5,000	5,000	
Supplies Sub-total			17,300	26,500	22,000	0

610	72-01	Gas, Oil & Vehicles	8,500	6,000	7,500	3,000
610	72-02	Travel Expense	2,000	4,600	4,500	10,000
610	72-03	Training & Seminars	2,000	4,600	4,600	10,000
Travel Sub-total			12,500	15,200	16,600	23,000

610	73-01	Printing, Copying, & Repro	1,000	1,000	1,000	
610	73-03	Audit	16,000	16,000	16,000	
610	73-04	Attorney Fees	2,500	10,500	5,000	
610	73-05	Other Professional Serv	500	1,500	1,500	
610	73-10	Section 8 Management Fee	0	-	299,350	
610	73-06	Fee Accountant	6,000	6,000	6,000	
610	73-09	Telephone / internet	6,000	15,000	8,000	
610	73-16	Property Insurance	23,000	30,000	28,000	
610	73-16	Liability Insurance	17,500	21,000	18,000	
610	73-16.1	Workman's Compensation	9,000	9,000	9,000	
610	73-16.2	Auto Insurance	6,000	6,000	6,000	
610	73-16.3	Bond Insurance	25	200	200	
610	73-17	Publications & Advertisments	400	1,000	1,000	
610	73-60	Water	10,000	85,000	42,000	
610	73-64	Sewer / Other UT	4,000	60,000	50,000	
610	73-61	Electricity	17,750	18,000	50,000	
610	73-62	Gas	12,600	80,000	68,000	
610	73-63	Drug Testing	500	500	500	
610	73-71	Bank Charges	500	500	500	
Oth. Oper. Sub-total			133,275	361,200	610,050	0

610	74-29	Maint of Bld & Grounds-Service	5,615	50,000	35,000	
610	74-30	Maint of Bld & Grounds-Supplies	50,000	50,000	37,917	
610	74-02	Maint of Furn & Equip	1,500	2,000	2,000	
610	74-08	Maint of Road Equipment	5,000	5,000	5,000	
610	74-20	Appliance Repair	1,500	3,500	2,500	
610	74-21	Pest Control	600	12,000	4,500	
610	74-22	Sanitation	6,000	62,000	24,000	
Maint. Sub-total			70,215	184,500	110,917	0

610	75-53	Other Misc Sundry	9,032	187,759	53,153	
610	75-69	Payment in Lieu of Taxes	100	2,000	1,500	
610	75-70	Bad Debt Expense	3,000	5,000	12,000	
610	75-71	Resident Participation Funds	3,700	3,700	3,700	
630	77-13	Relocation Costs	600	600	1,200	
610	80-02	Off Furn & Equip >\$1000	1,000	1,000	1,000	
Other Sub-total			17,432	200,059	72,553	0

650	80-06	Extraordinary Maintenance				
650	80-07	Vehicles				
650	80-09	Betterments & Additions	200,817	287,874	50,898	
650	80-26	Replacement Equipment		75,000		
Furn. & Equip. Sub-total			200,817	362,874	50,898	0

Total Exp. Budget			1,059,584	1,922,993	1,494,014	630,774
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Transfers

890	89-06	Transfer In COCC				(582,276)
890	89-06	Transfer out COCC	170,309.00	258,617.00	201,848.00	
890	89-06	in Capital Operating sub 2024 CFP	(103,893)	(157,610)	(123,012)	(48,498)
Total Transfer Budget			66,416	101,007	78,836	(630,774)

Net , Rev.,Exp. & Trfrs.

(0)	(0)	(0)	(0)
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RESOLUTION #HA2024-01

**APPROVING OPERATING BUDGETS FOR
ALL PROGRAMS FYE 6/30/2025**

WHEREAS, the Commissioners of the Western Regional Housing Authority have deemed it necessary to adopt an annual budget that conforms to the needs and requirements of the various programs under contract by them for operation; and

WHEREAS, the budgets so adopted, encompass the operations of the programs under the United States Department of Housing & Urban, State of New Mexico and other legal entities, and are administered on behalf of the Western Regional Housing Authority; and

WHEREAS, the combined administrative funds for all of these programs must be budgeted and allocated on a fiscal year program;

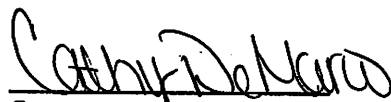
NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Western Regional Housing Authority that:

1. The attached documents are the administrative budget for the fiscal year beginning July 1, 2024 and ending June 30, 2025 and are hereby passed, approved, and adopted.
2. The budget shall be that budget as amended from time to time by proper legal action, for the administration of the programs set out herein by the Western Regional Housing Authority.

Passed, approved and adopted this 9th day of April, 2024.


Chairperson

ATTEST:


Secretary

Vote Record:

Irene Galvan-Chair	Yes	No	Abstain	Absent
Martha Salas	<u>Yes</u>	No	Abstain	Absent
Carol Anaya	<u>Yes</u>	No	Abstain	Absent
G. Vincent Barrett	<u>Yes</u>	No	Abstain	<u>Absent</u>
Jackie Muncy	Yes	No	Abstain	<u>Absent</u>
P. Lynne Featheringill	<u>Yes</u>	No	Abstain	Absent

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 06/30/2022)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Western Regional Housing Authority

PHA Code: NM067

PHA Fiscal Year Beginning: 7/1/2024

Board Resolution Number: HA#2024-01

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on:
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

04/09/2024

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:

Irene Galvan

Signature:



Date:

04/09/2024

Western Regional Housing Authority
Voucher and LRPB Program Budget Revision #1
FY 7/1/2024 to 6/30/2025

	LRPH						
	<u>Voucher</u>	<u>Voucher</u>	<u>Proj</u>	<u>#001</u>	<u>Proj</u>	<u>#002</u>	
	<u>Revised</u>	<u>Revised</u>	<u>#001</u>	<u>Revised</u>	<u>#002</u>	<u>Revised</u>	
	<u>Revised</u>	<u>Revised</u>	<u>(SC)</u>	<u>SC</u>	<u>(PV)</u>	<u>PV</u>	<u>Totals</u>
Income:							
Dwelling Rent	0	0	86,476	163,055	318,179	217,592	380,647
Fraud Recovery	25,000	30,000	0	0	0	0	30,000
Other Income	0	1,859	1,500	1,500	1,500	1,500	4,859
Housing Assistance Pmts	5,225,540	6,600,000	0	0	0	0	6,600,000
Operating Subsidy	0	0	228,858	226,006	430,718	437,542	663,548
20XX CFP Operations	0	0	0	0	0	0	0
Earned Admin Fee	593,578	627,072	0	0	0	0	627,072
Operating Reserve-Admin	20,000	13,500	33,000	10,000	0	0	23,500
Total Income	5,864,118	7,272,431	349,834	400,561	750,397	656,634	8,329,626
Expenses:							
Admin Salaries*	334,794	342,230	91,167	100,000	58,123	62,000	504,230
Travel	3,000	8,000	1,000	5,000	2,000	3,000	16,000
Audit	10,080	13,000	5,600	7,200	12,320	13,000	33,200
Sundry	45,347	48,000	12,038	17,561	13,677	16,500	82,061
Relocation Costs	0	0	0	1,500	5,000	3,000	4,500
Water	1,200	1,200	19,332	25,000	144,926	125,000	151,200
Electricity	5,000	5,000	3,421	4,000	10,895	7,500	16,500
Gas	1,500	1,500	1,788	1,800	60,772	46,500	49,800
Maintenance Labor*	0	0	61,988	64,000	56,684	57,000	121,000
Maintenance Materials	3,000	3,500	30,000	30,000	30,000	30,000	63,500
Maintenance Contract Costs	25,000	40,000	30,000	50,000	95,000	100,000	190,000
Garbage Removal	0	0	15,000	14,500	29,000	32,000	46,500
Employee Benefit - Maint/Labor	0	0	25,000	25,000	20,000	14,000	39,000
Insurance	8,000	4,347	3,500	8,000	5,000	6,000	18,347
Employee Benefit - Admin	150,657	138,004	36,000	33,000	25,000	25,000	196,004
Collection Losses	0	0	4,000	4,000	15,000	9,000	13,000
Admin Fee-Portability	36,000	62,650	0	0	0	0	62,650
Replacement Nonexp Equip	0	0	0	0	0	0	0
Property Betterments & Add	15,000	5,000	10,000	10,000	167,000	107,134	122,134
HAP-Portability	875,000	2,500,000	0	0	0	0	2,500,000
HAP-Occupied Units	4,350,540	4,100,000	0	0	0	0	4,100,000
Total Expenses	5,864,118	7,272,431	349,834	400,561	750,397	656,634	8,329,626

*May be adjusted to allow for Extra-Meritorious Cash Awards if funds are available and Board Approves

Voucher
7,272,431

LRPB
1,057,195

Total
\$ 8,329,626

Exhibit #3

Northern Regional Housing Authority update

Northern Regional Housing Authority (NRHA) – Update on HUD Substantial Default Determination and Cure Monitor Process

Purpose

This report provides an objective overview of recent correspondence between the Northern Regional Housing Authority (NRHA), the U.S. Department of Housing and Urban Development (HUD), and the New Mexico Office of the State Auditor (OSA) concerning HUD's determination of substantial default and the subsequent implementation of a cure-monitor process. The report summarizes the sequence of events, identifies the primary compliance issue, outlines NRHA's responses to both HUD and the OSA, describes HUD's current oversight approach, and discusses the implications for stakeholders.

Background

On **May 29, 2026**, HUD issued a determination that NRHA was in **substantial default** under its Public Housing Annual Contributions Contract (ACC). The determination was based primarily on NRHA's failure to submit required unaudited and audited financial statements within established deadlines.

On **June 9, 2026**, NRHA responded to HUD, acknowledging the outstanding audit backlog while providing additional context regarding the circumstances contributing to the delays. NRHA's response described organizational growth, operational improvements, and corrective actions implemented to address the Housing Authority's compliance deficiencies.

On **June 10, 2026**, HUD notified NRHA that it would assign two cure monitors, **Donica Davis** and **Michael Wurl**, to assist in developing and monitoring a corrective action plan. The cure monitors were assigned to provide technical assistance, monitor progress, review required deliverables, and coordinate with both NRHA and the HUD field office throughout the recovery process.

Subsequently, NRHA also provided additional correspondence to the **New Mexico Office of the State Auditor (OSA)** addressing questions surrounding its audit status, auditor engagement, and ongoing efforts to restore compliance.

Compliance Issue

The principal compliance issue identified by HUD is NRHA's failure to complete and submit required financial audits. Audits for Fiscal Years **2022 through 2025** remain outstanding,

and NRHA must ultimately complete audit requirements through **Fiscal Year 2026** to restore compliance.

NRHA attributes the audit delays to several factors, including transitions between independent audit firms, the merger of its original auditing firm, limited responsiveness from a subsequent audit firm, and contract deficiencies identified through the New Mexico Office of the State Auditor.

NRHA Response

Organizational Context

NRHA explained that it was established in **2009** through the consolidation of several small municipal housing authorities throughout northern New Mexico. Between **2020 and 2023**, the agency assumed responsibility for additional housing authorities and housing programs, significantly increasing its operational, financial, and administrative responsibilities.

Despite the audit deficiencies, NRHA highlighted several operational performance indicators, including:

- A **99.6 percent** public housing occupancy rate;
- Strong Public Housing Assessment System (PASS) performance;
- Full obligation of Capital Fund Program grants;
- A reduction in the Tenant Accounts Receivable System (TARS) balance;
- A stable cash position; and
- Achievement of **SEMAP High Performer** status for Fiscal Year 2025.

NRHA also reported that it has retained Nicole Willingham, a financial consultant, and Mandy Griego, a policy consultant. Both are former HUD employees, and a certified public accountant (CPA) consultant. NRHA has also initiated an evaluation of repositioning options for scattered-site public housing units in Grants, New Mexico, and developed schedules for completing and submitting all outstanding financial statements and audits.

Response to the New Mexico Office of the State Auditor

In separate correspondence to the Office of the State Auditor, Executive Director **Natasha Martinez** provided additional information regarding NRHA's audit delays and its engagement with the audit firm Fierro & Fierro.

Auditor Engagement

NRHA states that it executed a contract with Fierro & Fierro in **February 2025** and was never informed that the firm had declined to execute the agreement or that there were issues preventing the engagement from moving forward.

According to NRHA, staff made numerous attempts over several months to communicate with the firm but received little or no response. NRHA contends that this lack of communication resulted in the loss of more than one year that could have been used to secure another qualified audit firm. NRHA has officially terminated the contract with Fierro & Fierro effective July 19, 2026.

Wagon Mound Housing Authority

NRHA also clarified its relationship with the Wagon Mound Housing Authority, explaining that Wagon Mound is a separate legal entity that has operated under a management agreement with NRHA since 2022.

NRHA advised that the management agreement will terminate effective **June 30, 2026**, citing non-payment and a lack of cooperation from the Wagon Mound Housing Authority Board. Following termination, NRHA intends to return all financial records and supporting documentation to Wagon Mound, after which responsibility for future audits will rest solely with Wagon Mound Housing Authority.

Audit Timeline Concerns

NRHA noted that fieldwork for the Wagon Mound audit was completed in **October 2025**, yet audit results were not provided until approximately seven months later. NRHA asserted that such delays are incompatible with HUD's audit requirements, which require the agency to be current on audits through **June 30, 2026**, by **March 31, 2027**.

Accordingly, NRHA emphasized the need for an audit firm capable of providing timely communication and completing audit engagements within required regulatory deadlines.

Compliance and Recovery Efforts

NRHA emphasized that restoring full compliance with HUD requirements remains its highest priority. The agency stated that terminating the Wagon Mound management agreement was intended to reduce administrative demands and allow staff to focus exclusively on resolving NRHA's outstanding audit obligations.

NRHA further asserted that, because the management relationship with Wagon Mound is ending, there should be no further delays attributable to that entity in completing NRHA's audits.

HUD Oversight and Cure Monitor Process

HUD's June 10, 2026 correspondence indicates that the agency has elected to pursue a monitored corrective approach rather than immediately exercising more severe enforcement authorities.

Under this approach, the assigned cure monitors will:

- Assist in developing and implementing a recovery plan;
- Provide technical assistance;
- Monitor compliance with established milestones and deadlines;
- Participate in meetings with NRHA and HUD staff;
- Review required reports and other deliverables; and
- Monitor overall progress toward resolving the identified deficiencies.

HUD also emphasized that responsibility for achieving compliance remains with NRHA and that the appointment of cure monitors does not relieve the agency of its obligation to complete all required corrective actions.

Implications

The correspondence indicates that successful resolution of the substantial default will depend primarily on NRHA's ability to complete the outstanding audits and submit all required financial information within HUD-established deadlines.

The assignment of cure monitors establishes a structured oversight process that includes ongoing coordination, technical assistance, progress monitoring, and formal review of required deliverables. While HUD has elected to pursue a corrective approach at this stage, additional enforcement actions remain available should NRHA fail to demonstrate sufficient progress toward compliance.

NRHA's correspondence to both HUD and the Office of the State Auditor presents the agency's position that the audit backlog resulted from multiple external and organizational factors, including auditor transitions, communication issues with contracted auditors, and management responsibilities for additional housing authorities. NRHA further maintains that recent organizational changes, including the termination of the Wagon Mound management agreement, will allow the agency to concentrate resources on completing its audit obligations and restoring compliance.

Conclusion

The recent correspondence reflects a transition from HUD's formal determination of substantial default to a structured corrective action process focused on restoring compliance. NRHA has acknowledged the audit deficiencies, identified contributing factors, and outlined corrective actions intended to resolve the outstanding issues. Additional correspondence to the New Mexico Office of the State Auditor provides further context regarding NRHA's audit procurement efforts, its concerns with auditor responsiveness, and organizational changes intended to facilitate recovery. NRHA is working closely with the New Mexico Office of the State Auditor to execute a contract with a qualified audit firm.

HUD has responded by assigning cure monitors to oversee implementation of the recovery process while providing technical assistance and monitoring progress. Going forward, the effectiveness of this process will be measured by NRHA's ability to complete the required audits, submit outstanding financial reports, implement its corrective action plan, and demonstrate sustained compliance with HUD requirements. The timely completion of these actions will be central to resolving the substantial default determination and restoring NRHA to full compliance under its Annual Contributions Contract.

Exhibit #4

Regional Housing Authority External Financial Audits

**State of New Mexico
Western Regional Housing Authority
Annual Financial Report
for the Year Ended June 30, 2025**

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INTRODUCTORY SECTION

**State of New Mexico
Western Regional Housing Authority
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Western Regional Housing Authority
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**State of New Mexico
Western Regional Housing Authority
Official Roster
JUNE 30, 2025**

BOARD OF DIRECTORS

Irene Galvan Chairperson
Martha Peru Salas Vice Chairperson
Carol Anaya Treasurer
Dr. G. Vincent Barret.....Commissioner
Jackie MuncyCommissioner
Patricia Lynne Featheringill..... Resident Commissioner

ADMINISTRATIVE OFFICIALS

Sonia Flores..... Executive Director
April CookDeputy Director
Louann Velasquez Assistant Deputy Director

FINANCIAL SECTION



Auditors~Consultants~CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Joseph M. Maestas, P.E, CFE., New Mexico State Auditor, and
Office of Management and Budget
The Board of Commissioners
Western Regional Housing Authority
Silver City, New Mexico

Report on the audit of the Financial Statement

Opinion

We have audited the accompanying financial statements of Western Regional Housing Authority (the Authority) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2025, and the respective changes in financial position and, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

There are no key audit matters to report as of June 30, 2025.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and government auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12- 17, the GASB required pension schedules on pages 44-45, and the notes to the required supplementary information on page 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards (Schedule VI) as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the combining and individual financial statements detail (Statement A-1, Statement A-2, Statement A-3), the Schedule of Deposit (Schedule III) and the Schedule of Collateral Pledged by Depository for Public Funds (Schedule IV) required by Section 2.2.2 NMAC and the Financial Data Schedule (Schedule V), required by the U.S Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards (Schedule VI), the combining and individual financial statements detail (Statement A-1, Statement A-2, Statement A-3), the Schedule of Deposit (Schedule III), the Schedule of Collateral Pledged by Depository for Public Funds (Schedule IV) and the Financial Data Schedule (Schedule V), are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Southwest Accounting Solutions, LLC

Albuquerque, New Mexico
December 11, 2025

REQUIRED SUPPLEMENTARY INFORMATION

State of New Mexico
Western Regional Housing Authority
Managements Discussion and Analysis
For the Year Ending June 30, 2025

As Management of Western Regional Housing Authority (the Housing Authority), we offer the readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the financial statements of the Housing Authority and additional information provided.

Financial Highlights

- The assets of the Housing Authority exceeded their liabilities at the close of the most recent fiscal year by \$7,067,142 (net position). Of this amount, \$2,607,547 (unrestricted net position) may be used to meet the Housing Authority's ongoing obligations to residents and creditors.
- During the fiscal year the Housing Authority's total net position increased by \$158,517 as a result of an increase in operating subsidies.
- At the end of the fiscal year, unrestricted net position of the Housing Authority was \$2,607,547 or 30.79% of the total Housing Authority operating expenses.

The Housing Authority's mission is to promote, preserve and provide quality affordable housing and related services for low- and moderate-income families, helping residents to improve their lives and ensure a brighter future.

The Housing Authority, as of June 30, 2025, manages 157 residential units with 108 units being in adequate condition that are leased to low-income families and individuals. The remaining 49 units have been taken out of service due to the units requiring improvement to be fit for public housing. In addition, the Housing Authority also oversees the regulatory portion and subsidizes rent for HUD Section 8 of approximately 694 units as of June 30, 2025.

In view of this mission, the Housing Authority's financial reporting objective under GASB 34 in fiscal year 2025 focuses on the financial activities of the Housing Authority as a whole.

Overview of the Financial Statements

The Housing Authority is engaged in reporting enterprise funds and therefore, in accordance with GASB Statement No. 34, the Housing Authority is reporting only business-type activities. Included in the financial statements are the Management's Discussion and Analysis ("MD&A"), basis financial statements and notes to the financial statements.

The MD&A presents the financial position and the results of operations of the Housing Authority for the year ended June 30, 2025. This discussion and analysis are intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements comprise of two components: 1) basic financial statements which are comprised of the following: a) the statement of net position, b) the statement of revenues, expenses and changes in net position, and c) the statement of cash flows; and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

State of New Mexico
Western Regional Housing Authority
Managements Discussion and Analysis
For the Year Ending June 30, 2025

These financial statements are designed to provide readers with a broad overview of the Housing Authority's finance in a manner similar to a private-sector business. The enterprise financial statement can be found on pages 20-22 of this report.

Financial Statements

The Housing Authority is presenting its fiscal year 2025 discussion and analysis based on the financial results of its enterprise programs in three basic financial statements – the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows.

Statement of Net Position

The statement of net position reports all financial and capital assets of the Housing Authority and is presented in a format where assets plus deferred outflows of resources equal liabilities, plus deferred inflows of resources plus net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the entity is improving or deteriorating.

The focus of the statement of net position, the “unrestricted net position”, is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Housing Authority. Net position is reported in three broad categories:

- Investment in capital assets, net of related debt: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of assets and accumulated depreciation.
- Restricted net position: This component of net position consists of assets where constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. This category is subdivided into non-expendable and expendable. The nonexpendable category is restricted asset earmarked for investment purposes only, such as endowments. Expendable restricted assets are available for expenditures restricted by the creditor, donor or other external sources such as grants and contracts.
- Unrestricted net position: Consists of net position that does not meet the definition of “net position invested in capital asset, net of related debt” or “restricted net position”. This category reports the assets available to the Housing Authority for any lawful purpose, including program income to sue only for housing related activities by policy.

**State of New Mexico
Western Regional Housing Authority
Managements Discussion and Analysis
For the Year Ending June 30, 2025**

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position (similar to an income statement) includes operating revenues, such as charges for services, operating and capital grants and miscellaneous revenues. Operating expenses include administration, tenant services, utilities, ordinary maintenance and operations, general, housing assistance payments and depreciation. Non-operating revenues include interest income, capital grants, and gain on disposal of assets. The statement's focus is the change in net position, which is similar to net income or loss. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (e.g., accounts receivable and accounts payable).

Statement of Cash Flows

The statement of cash flows is included, which discloses net cash provided by (used in) operating activities, net cash provided by (used in) capital and related financing activities, net cash provided by (used in) noncapital and related financing activities, and net cash provided by (used in) investing activities, if applicable.

These financial statements utilize the economic resources measurement focus and the full accrual basis of accounting. They report the Housing Authority's net position and changes in net position in full compliance with GASB 34. Under the full accrual basis of accounting, revenues are recognized in the period they are earned and expenses in the period when they are incurred.

Housing Authority Programs

The Housing Authority maintains three programs within its operations. The detailed program financial statements provide separate information for the Low Rent Public Housing Program, Section 8 Housing Choice Voucher Program and Southwest Housing Assistance Program.

Individual program financial schedules can be found on pages 48-50 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 23-41 of this report.

**State of New Mexico
Western Regional Housing Authority
Managements Discussion and Analysis
For the Year Ending June 30, 2025**

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Housing Authority, assets and deferred outflows exceeded liabilities and deferred inflows by \$7,068,142 at the close of the most recent fiscal year.

Sixty-three percent of the Housing Authority's net position reflect its net investment in capital assets (e.g., land, buildings, and dwelling and administrative equipment), less any related debt used to acquire those assets that is still outstanding. The Housing Authority use these capital assets to provide services to residents; consequently, these assets are not available for future spending.

The Housing Authority had a balance of \$4,460,595 of net investment in capital assets, these balances are not in spendable form the meet the liabilities of the Housing Authority.

The remaining balance of unrestricted net position of \$2,607,547 may be used to meet the Housing Authority's ongoing obligations to residents and creditors.

At the end of the current fiscal year, the Housing Authority is able to report positive balances in all categories of net position, both for the Housing Authority as a whole as well as for its individual programs. The same situation held true for the prior fiscal year.

There was an increase of \$475,418 (22.30 percent) in unrestricted net position reported by the Housing Authority as compared to the prior year. This was primarily due to the increase in cash balance offset by increase in current and non-current liabilities.

There was a decrease of \$316,901 (-6.63 percent) in net investment in capital assets reported in connection with the Housing Authority's activities. This decrease is attributable to the Housing Authority's depreciation expense recognized in fiscal year 2025.

Capital Assets: The Housing Authority's net investment in capital assets for its business type activities as of June 30, 2025, amounts to \$4,460,595 (net of accumulated depreciation). This investment in capital assets included land, buildings & improvements, dwelling equipment and equipment. The total decrease in the Housing Authority's net investment in capital assets for the current fiscal year was \$316,901 (-6.63 percent).

State of New Mexico
Western Regional Housing Authority
Managements Discussion and Analysis
For the Year Ending June 30, 2025

Key elements of the Housing Authority's net position are as follows:

	June 30, 2025	June 30, 2024	\$ Variance	% Variance
Assets				
Total current assets	\$ 3,649,525	\$ 3,075,922	\$ 573,603	18.65%
Total non-current assets	4,460,595	4,777,496	(316,901)	-6.63%
Total Assets	<u>8,110,120</u>	<u>7,853,418</u>	<u>256,702</u>	<u>3.27%</u>
Total Deferred outflows of resources	<u>254,832</u>	<u>265,257</u>	<u>(10,425)</u>	<u>-3.93%</u>
Total assets and deferred outflows of resources	<u><u>\$ 8,364,952</u></u>	<u><u>\$ 8,118,675</u></u>	<u><u>\$ 246,277</u></u>	<u><u>3.03%</u></u>
Liabilities and net position				
Current Liabilities				
Total current liabilities	\$ 50,843	\$ 75,395	\$ (24,552)	-32.56%
Noncurrent liabilities				
Total noncurrent liabilities	<u>1,185,596</u>	<u>1,083,725</u>	<u>101,871</u>	<u>9.40%</u>
Total liabilities	<u>1,236,439</u>	<u>1,159,120</u>	<u>77,319</u>	<u>6.67%</u>
Deferred inflows of resources				
Deferred inflows - pensions	<u>60,371</u>	<u>31,858</u>	<u>28,513</u>	<u>89.50%</u>
Total liabilities and deferred inflows of resources	<u>1,296,810</u>	<u>1,190,978</u>	<u>105,832</u>	<u>8.89%</u>
Net position				
Net investment in capital assets	4,460,595	4,777,496	(316,901)	-6.63%
Unrestricted	<u>2,607,547</u>	<u>2,132,129</u>	<u>475,418</u>	<u>22.30%</u>
Total net position	<u>7,068,142</u>	<u>6,909,625</u>	<u>158,517</u>	<u>2.29%</u>
Total liabilities and net position	<u><u>\$ 8,364,952</u></u>	<u><u>\$ 8,100,603</u></u>	<u><u>\$ 264,349</u></u>	<u><u>3.26%</u></u>

State of New Mexico
Western Regional Housing Authority
Managements Discussion and Analysis
For the Year Ending June 30, 2025

Total operating revenues increased \$1,338,487 (18.57 percent) during the year. Most of this increase is the increase in HUD operating subsidies.

Increases in several categories of operating expenses reflect the increases in ongoing residential tenant operations and maintenance. Operating expenses overall increased \$1,118,656 (15.22 percent) from the prior year. The majority of this increase occurred in housing assistance payments of \$927,930, salaries expense of \$170,103 and in maintenance of \$128,630 due to aging capital assets.

Key elements of the Housing Authority's Changes in net position are as follows:

	June 30, 2025	June 30, 2024	\$ Variance	% Variance
Operating revenues				
Tenant revenue	\$ 425,146	\$ 392,510	32,636	8.31%
Other tenant revenue	1,859	3,022	(1,163)	-38.48%
Operating subsidies and grants	8,120,903	6,813,889	1,307,014	19.18%
Total operating revenues	8,547,908	7,209,421	1,338,487	18.57%
Operating expenses				
Depreciation	315,501	344,401	(28,900)	-8.39%
Personal services	905,222	735,119	170,103	23.14%
Utilities	259,635	255,183	4,452	1.74%
Maintenance	232,393	103,763	128,630	123.97%
Insurance	17,372	21,375	(4,003)	-18.73%
Housing assistance payments	6,542,483	5,614,553	927,930	16.53%
Other operating expenses	195,710	275,266	(79,556)	-28.90%
Total operating expenses	8,468,316	7,349,660	1,118,656	15.22%
Operating income (loss)	79,592	(140,239)	219,831	-156.75%
Non-operating revenues (expense)				
Fraud recovery	36,488	30,203	6,285	20.81%
Misc. income	5,076	-	NA	0.00%
Total non-operating revenues (expense)	41,564	30,203	6,285	20.81%
Income (loss) before transfers and Contributions	121,156	(110,036)	231,192	-210.11%
Transfers In (Out) and contributions				
HUD capital grants and contributions	37,361	457,588	(420,227)	-91.84%
Change in Net Position	158,517	347,552	(189,035)	-54.39%
Net Position - beginning	6,909,625	6,562,073	347,552	5.30%
Net Position - Ending	\$ 7,068,142	\$ 6,909,625	\$ 158,517	2.29%

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BASIC FINANCIAL STATEMENTS

State of New Mexico
Western Regional Housing Authority
Statement of Net Position
June 30, 2025

Assets**Current assets**

Cash and cash equivalents	\$ 3,600,208
Restricted cash	29,061
Accounts receivable - grants	9
Accounts receivable - tenants	11,422
Accounts receivable - other	1,240
Inventory (Net)	7,585

Total current assets	<u>3,649,525</u>
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Non Current Assets

Capital assets	13,789,544
Less: Accumulated depreciation	<u>(9,328,949)</u>

Total non-current assets	<u>4,460,595</u>
---------------------------------	------------------

Total Assets	<u>8,110,120</u>
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Deferred outflows

Deferred outflows - pension	<u>254,832</u>
-----------------------------	----------------

Total Deferred outflows of resources	<u>254,832</u>
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Total assets and deferred outflows of resources	<u><u>\$ 8,364,952</u></u>
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Liabilities and net position**Current Liabilities**

Accounts payable	\$ 24,137
Prepaid rent	1,010
Compensated absences	<u>25,696</u>

Total current liabilities	<u>50,843</u>
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Noncurrent liabilities

Compensated absences payable	54,602
Tenant deposits (Restricted)	28,051
Pension liability	<u>1,102,943</u>

Total noncurrent liabilities	<u>1,185,596</u>
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Total liabilities	<u>1,236,439</u>
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Deferred inflows of resources

Deferred inflows - pensions	<u>60,371</u>
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Total deferred inflows of resources	<u>60,371</u>
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Total liabilities and deferred inflows of resources	<u><u>1,296,810</u></u>
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Net position

Net investment in capital assets	4,460,595
Unrestricted	<u>2,607,547</u>

Total net position	<u>7,068,142</u>
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Total liabilities and net position	<u><u>\$ 8,364,952</u></u>
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State of New Mexico
Western Regional Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025

Operating revenues	
Tenant revenue	\$ 425,146
Management fees	1,859
Operating subsidies and grants	8,120,903
Total operating revenues	<u>8,547,908</u>
Operating expenses	
Depreciation	315,501
Personal services	905,222
Administrative	146,170
Contractual services	29,491
Travel	6,631
Collection losses	10,710
Utilities	259,635
Maintenance	232,393
Insurance	17,372
Housing assistance payments	6,542,483
Miscellaneous	2,708
Total operating expenses	<u>8,468,316</u>
Operating income (loss)	<u>79,592</u>
Non-operating revenues (expense)	
Fraud recovery	36,488
Misc. income	5,076
Total non-operating revenues (expense)	<u>41,564</u>
Income (loss) before transfers and Contributions	<u>121,156</u>
Transfers In (Out) and contributions	
HUD capital grants and contributions	37,361
Total transfers and contributions	<u>37,361</u>
Change in Net Position	<u>158,517</u>
Net Position - Beginning	6,927,697
Change in accountign principal - Note 6	(18,072)
Net Position - beginning restated	6,909,625
Net Position - Ending	<u><u>\$ 7,068,142</u></u>

See Independent Auditors' Report and Notes to Financial Statements

**State of New Mexico
Western Regional Housing Authority
Statement of Cash Flows
For the Year Ended June 30, 2025**

Cash flows from operating activities:

Cash received from tenant rents	\$ 425,097
Cash received from management fees	1,859
Cash payments to employees for services	(822,688)
Cash payments to suppliers for goods and services	(7,228,456)
Cash received from subsidies/grants	8,349,469

Net cash provided by (used in) operating activities

<u>\$ 725,281</u>

Cash flows from non-capital financing activities:

Miscellaneous income	\$ 42,963
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Net cash provided (used in) by noncapital financing activities

<u>\$ 42,963</u>

Cash flows from capital and related financing activities

Capital grant	\$ 37,361
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Net cash provided by (used in) capital and related financing activities

<u>\$ 37,361</u>

Net increase (decrease) in cash and cash equivalents

\$ 805,605

Cash and cash equivalents, beginning of year

2,823,664

Cash and cash equivalents, end of year

<u><u>\$ 3,629,269</u></u>

Reconciliation of operating income (loss) to**Net cash provided by operating activities:**

Operating income (loss)	\$ 79,592
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Adjustments to reconcile operating income (loss)**to net cash provided by operating activities:**

Depreciation	315,501
GASB 68 pension expense	74,882

Changes in assets and liabilities

Receivables	231,647
Inventory	352
Prepaid expenses	4
Accounts payable	18,781
Unearned revenue	(1,310)
Compensated absences	7,652
Prepaid expense	(55)
Customer deposits	(1,765)

Net cash provided by (used in) operating activities

<u><u>\$ 725,281</u></u>

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 1. Summary of Significant Accounting Policies

Western Regional Housing Authority (the "Housing Authority") is a public housing authority that provides a conduit for housing funds for disadvantaged New Mexicans. The Housing Authority is a political subdivision of the State of New Mexico. The programs operated by the Housing Authority are primarily funded with federal grants, principally through the U.S. Department of Housing and Urban Development (HUD), and tenant rents.

The New Mexico housing law was amended on March 31, 2009 to consolidate the regional housing authorities from seven to three to include Western Regional Housing Authority. Western Regional Housing Authority encompasses 8 southwest New Mexico counties to include Grant, Hidalgo, Luna, Sierra, Socorro, Catron, Torrance and Valencia counties. The Authority manages 152 public housing units and 916 voucher units as of June 30, 2025.

These financial statements represent the financial operations of the Housing Authority for the year ended June 30, 2025.

This summary of significant accounting policies of the Housing Authority is presented to assist in the understanding of the Housing Authority's financial statements. The financial statements and notes are the representation of the Housing Authority's management, who is responsible for their integrity and objectivity. The financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

A. Financial Reporting Entity

The reporting entity for the Housing Authority is based upon criteria established by the Governmental Accounting Standards Board (GASB). All functions of the Housing Authority for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and special financing relationships.

In evaluating how to define the Housing Authority for financial reporting purposes, management has considered all potential programs and operations of the Housing Authority. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing board by the Housing Authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion is the scope of public service. Application of this criterion involves considering whether the activity benefits the Housing Authority and/or its residents and participants, or whether the activity is conducted within the geographic boundaries of the Housing Authority and is generally available to its residents and participants.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Housing Authority is able to exercise oversight responsibilities.

Based upon the application of these criteria, the Housing Authority has no component units.

The following programs are operated by the Housing Authority and reported in the detail financial statements for these programs which are presented as supplementary information:

Low Rent Public Housing - A program with a combined total of 312 rental units in Roswell, Vaughn, Eunice, Lovington, Artesia, and Tucumcari. The developments are owned and managed by the Housing Authority. Participants in this program pay rent equal to 30% of their adjusted income. HUD, through the Authority, pays the balance of the rent.

Section 8 Housing Voucher Program - A rent subsidy program funded by HUD. The subsidy is equal to the difference between a payment standard based on HUD published fair market rents and a percentage of the tenant's adjusted monthly income.

Southwest Housing Assistance – the Authority owns a five-unit housing complex located in Silver City, New Mexico which the Authority places section 8 housing vouchers.

B. Basis of Accounting, and Measurement Focus

Basic Financial Statements

During the course of operations, the Housing Authority has activity between programs for various purposes. Any residual balances outstanding at year end are reported as due from/to other programs. While these balances are reported in detail financial statements, eliminations are made in the preparation of the basic financial statements. Balances between the programs included in the detail financial statements are eliminated.

The Housing Authority's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as set forth or adopted by the Governmental Accounting Standards Board ("GASB") and the Financial Accounting Standards Board ("FASB"), and their predecessors, the National Council on Governmental Accounting ("NCGA") and the Accounting Principles Board ("APB"), respectively. Generally accepted accounting principles for local governments include those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Basis of Accounting and Measurement Focus (continued)

The accounting and financial reporting treatment is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources measurement focus. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The Housing Authority's proprietary (enterprise) funds are accounted for on the economic resource measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and all liabilities associated with the operations are included on the Statement of Net Position. Net position (i.e., total assets and deferred outflows net of total liabilities and deferred inflows) are segregated into net investment in capital assets; restricted; and unrestricted components.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are operating subsidies and grants, and charges to customers for rent and services and subsidy grants.

Operating expenses for enterprise funds include the personnel services, contractual services, supplies, maintenance and materials, utilities, telephone, insurance, bad debt, housing assistance payments, depreciation on capital assets, and miscellaneous. All expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Housing Authority's cash flow statement includes changes in both operating cash and restricted cash and cash equivalents. Cash on the cash flow statement consist of the Housing Authority's cash and cash equivalents and short-term investments with an original maturity date of less than 90 days.

Revenue Recognition

Dwelling rental revenues are recorded as rents become due. Rental payments received in advance are unearned until earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Housing Authority has entered into contracts with HUD to develop, manage and own public housing projects. HUD makes monthly operating subsidy contributions within the Low Rent public housing program. Such contributions are reflected as operating subsidies and grant revenue. Contributions received from HUD for capital additions and improvements are reported as HUD capital grants and contributions.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Basis of Accounting and Measurement Focus (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures such as the lives of capital assets. Accordingly, actual results could differ from those estimates. Significant estimates in the Housing Authority's financial statements include depreciation on capital assets, the current portion of accrued compensated absences, and the allowance for uncollectible accounts receivable.

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Deposits and Investments

The Housing Authority is authorized under the provision of 6-10-10 NMSA 1978, as amended, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an Agency of the United States. The Housing Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Before any local funds are invested or reinvested for the purpose of short-term investment pursuant to Section 6-10-10.1 NMSA 1978, as amended, the local public body finance official shall notify and make such funds available to banks, savings and loan associations and credit unions located within the geographical boundaries of their respective governmental unit, subject to the limitation on credit union accounts. To be eligible for such funds, the financial institution shall pay to the local public body the rate established by the state treasurer pursuant to a policy adopted by the State Board of Finance for such short-term investments.

State regulations require that uninsured demand deposits and deposit-type investments, such as certificates of deposit, be collateralized by the depository thrift or banking institution. Currently, state statutes require that a minimum of fifty percent (50%) balances on deposit with any one institution must be collateralized. HUD depository agreements with the Housing Authority require 100% of the Housing Authority's balances on deposit with any one institution to be collateralized. If the securities pledged are United States government securities, they are pledged at market value.

The Housing Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investment with original maturities of three months or less from the date of acquisition.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Restricted Cash and Cash Equivalents

Restricted cash consists of unearned revenues, amounts required by contractual agreement for tenant security deposits, and reserves for capital replacements.

Accounts Receivable

All tenant receivables and other receivables are shown net of an allowance for doubtful accounts. The allowance is comprised of all accounts receivable which management estimates to be uncollectible. Grants and other receivables are considered to be fully collectible by the Housing Authority.

Inter-program Receivables and Payables

During the course of operations, transactions occur between individual programs that may result in amounts owed between programs. These inter-program loans are reported as "inter-program receivables/payables." Inter-program receivables/payables between individual programs are eliminated on the Statement of Net Position. The Authority had no program receivables as of June 30, 2025.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. An allowance for obsolete inventory is provided for items that are no longer usable.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are defined by the Housing Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.2.20.1.9 C (5). Contributed capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Depreciation is recorded using the straight-line method based on the estimated useful life of the asset. The following lives are utilized:

Asset	Years
Building & Improvements	10-40 Years
Dwelling Equipment	5-7 Years
Equipment	5-10 Years

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents the use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time.

The Housing Authority's deferred outflows of resources related to reporting under GASB 68 (pension liabilities), which total \$254,832 in the statement of net position. These amounts are deferred and recognized as outflows of resources in future periods and will reduce the net pension liability in future periods.

Accrued Payroll

Accrued payroll is comprised of amounts payable to employees for work performed by June 30, 2025, but not yet paid, and associated PERA and payroll taxes payable to governmental entities at June 30, 2025.

**Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025**

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Compensated Absences

The Housing Authority's recognizes compensated for, leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, Housing Authority considers relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits is not included in the liability for compensated absences.

Other Liabilities

The Housing Authority maintains liabilities related to deposits made by tenants for the following:

1) tenant security/damage deposits and pet deposits related to occupancy in the Housing Authority's Low Rent Public Housing Program and in the Southwest Housing Assistance Program.

Unearned Revenue

Unearned revenue recorded on the balance sheet represents amounts received before eligibility requirements are met and tenant prepaid rents.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Housing Authority's deferred inflows of resources relate to GASB 68 (pension liabilities), which total \$60,371 in the statement of net position. These amounts are deferred and recognized as inflows of resources in future periods and will increase the net pension liability in future periods.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resource's measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position is reported in three categories: net investment in capital assets, restricted, and unrestricted:

- Net investment in capital assets – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Net position is reported as restricted when constraints placed on net position use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – Net position that does not meet the definition of "restricted" or "net investment in capital assets."

Unrestricted and Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Housing Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

The Housing Authority's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America ("GAAP"), using an estimate of the anticipated revenue and expenditures. Annual budgets of the Housing Authority are prepared prior to June 1 and must be approved by resolution of the Board of Commissioners. Once the budget has been formally approved, any amendments must also be approved by the Board of Commissioners.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Subsequent Events

The date to which events occurring after June 30, 2025, the date of the most recent Statement of Net Position, have been evaluated for possible adjustment to the financial statements or disclosures is December 11, 2025, which is the date on which the financial statements were available to be issued.

NOTE 2. Deposits and Investments

State Statutes authorize the investment of Housing Authority funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the Housing Authority properly followed State investment requirements as of June 30, 2025. HUD requires the financial institution to provide pledged collateral for 100% of the deposit amount in excess of the deposit insurance.

Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Housing Authority. Deposits may be made to the extent that they are insured by an agency of the United States and fully collateralized.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The Housing Authority's accounts at an insured depository institution will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure, the Housing Authority's deposits may not be returned to it. The Housing Authority does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978) and requirements set forth by HUD.

Section 6-10-17, New Mexico Statutes Annotated, 1978 Compilation states the types of collateral allowed is limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico. All depositories had collateral exceeding the amount required by law. The collateral pledged for both deposits and investments are listed on the schedule of collateral pledged by depository for public funds of this report.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 2. Deposits and Investments (continued)

On June 30, 2025, \$3,328,781 of the Housing Authority's bank balance of \$3,693,781 was exposed to custodial credit risk. \$3,238,781 of the Housing Authority's cash deposits were uninsured and collateralized by collateral held by the pledging bank's trust department, not in the Housing Authority's name, and \$0 were uninsured and uncollateralized on June 30, 2025.

	Wells Fargo	Western Bank	Total
Bank deposits	\$ 2,354,272	\$ 1,339,509	\$ 3,693,781
Less FDIC Coverage	(250,000)	(205,000)	(455,000)
Total uninsured public funds	<u>2,104,272</u>	<u>1,134,509</u>	<u>3,238,781</u>
Collateralized by securities held by pledging institutions or by its trust	<u>2,104,272</u>	<u>1,134,509</u>	<u>3,238,781</u>
Uninsured and uncollateralized	<u>-</u>	<u>-</u>	<u>-</u>
Collateral Requirements (100%)	2,104,272	567,255	2,671,527
Pledged Collateral	<u>2,434,379</u>	<u>1,196,571</u>	<u>3,630,950</u>
Over (under) collateralized	<u>\$ 330,107</u>	<u>\$ 629,316</u>	<u>\$ 959,423</u>

The carrying balance of deposits and investments shown above are included in the Authority's Statement of Net Position as follows:

	Primary Government
Cash (Exhibit A-1)	\$ 3,600,208
Restricted cash (Exhibit A-1)	29,061
Investments (Exhibit A-1)	-
Total cash and investments	<u>\$ 3,629,269</u>
Add: outstanding checks	64,712
Less: petty cash	<u>(200)</u>
Bank balance of deposits	<u>3,693,781</u>

NOTE 3: Receivables

As of June 30, 2025, the Housing Authority had grants receivable of \$9, and tenant receivables of \$11,422 and tenant deposits receivable of \$1,240. The Housing Authority accrued an allowance for doubtful accounts of \$657 for aging tenant receivables and the remaining receivables balances are considered collectible.

Receivables due from external entities	Accounts Receivable
Grants receivable	\$ 9
Tenant rent receivable	11,422
Tenant deposits receivable	<u>1,240</u>
	<u>\$ 12,671</u>

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 4. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2025. Land and Construction in Progress are not subject to depreciation:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets not depreciated:				
Land	\$ 831,537	\$ -	\$ -	\$ 831,537
Construction in process	1,400		(1,400)	-
Total capital assets not depreciated	<u>831,537</u>	<u>-</u>	<u>-</u>	<u>831,537</u>
Capital assets depreciation				
Building & Improvements	12,620,167	-	-	12,620,167
Dwelling Equipment	51,657	-	-	51,657
Equipment	286,183	-	-	286,183
Total capital assets depreciated	<u>12,958,007</u>	<u>-</u>	<u>-</u>	<u>12,958,007</u>
Total capital assets	<u>13,789,544</u>			<u>13,789,544</u>
Accumulated Depreciation:				
Building & Improvements	8,711,099	302,235	-	9,013,334
Dwelling Equipment	25,437	4,415	-	29,852
Equipment	276,912	8,851	-	285,763
Total accumulative depreciation	<u>9,013,448</u>	<u>315,501</u>	<u>-</u>	<u>9,328,949</u>
Capital assets, net	<u>\$ 4,776,096</u>			<u>\$ 4,460,595</u>

NOTE 5. Long-Term Liabilities

The following summarizes changes in long-term liability activity during fiscal year 2025.

	Balance June 30, 2024	Change in Accounting Principle GASB 101	Balance June 30, 2024 Restated	Increase	Balance June 30, 2025	Due Within One Year
Compensated absences	\$ 54,576	\$ 18,072	\$ 72,648	\$ 7,650	\$ 80,298	\$ 25,696

The Housing Authority implemented GASB 101 resulting in a restatement to beginning compensated absences of \$18,072. The increase noted above is the net change.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 6. Change in Accounting Principle GASB 100

The authority booked the following restatements to the beginning net position as follows:

	Low Rent Public Housing	Section 8 Housing Choice Vouchers Program	Southwest Housing Assistance	Total
Beginning net position	\$ 5,611,953	\$ 392,754	\$ 922,990	\$ 6,927,697
Change in Accounting Principle:				
Compensated Absences	(9,673)	(8,399)	-	(18,072)
Net Position - beginning restated	<u><u>\$ 5,602,280</u></u>	<u><u>\$ 384,355</u></u>	<u><u>\$ 922,990</u></u>	<u><u>\$ 6,909,625</u></u>

The Housing Authority implemented GASB 101 which requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

The Above change in accounting principal has resulted in beginning compensated absences increasing by \$18,072 and a restatement to beginning net position for this amount.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 7. Pension Plan - Public Employees Retirement Association

General Information about the Pension Plan

Plan Description: The Public Employees Retirement Fund (PERA) is a cost-sharing, multiple employers defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund. PERA issues a publicly available financial report and an annual comprehensive financial report that can be obtained at <http://saonm.org/>.

Contributions

The contribution requirements of defined benefit plan members are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for fiscal year 2024 for the various PERA coverage options, for both Tier I and Tier II can be found at nmpera.org.

The PERA coverage options that apply to the Authority are: Municipal General. Statutorily required contributions to the pension plan from the Authority were \$66,478 and employer paid member benefits that were “picked up” by the employer were \$0 for the year ended June 30, 2025.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 7. Pension Plan - Public Employees Retirement Association (continued)

Contributions. See PERA's annual comprehensive financial report for Contributions Provided descriptions below:

PERA Contribution Rates and Pension Factors in effect during Fiscal Year 2024						
Coverage Plan	Employee Contribution		Employer Contribution Percentage	Pension Factor per		Pension Maximum as a Percentage of the Final Average Salary
	Annual Salary less than \$25,000	Annual Salary greater than \$25,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	10.92%	19.24%	3.0%	2.5%	100%
MUNICIPAL PLANS 1 - 4						
Municipal Plan 1 (plan open to new employers)	7.0%	9.5%	8.7%	2.0%	2.0%	100%
Municipal Plan 2 (plan open to new employers)	9.15%	11.65%	10.80%	2.5%	2.0%	100%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	5.65%	10.80%	3.0%	2.5%	100%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	18.15%	13.30%	3.0%	2.5%	100%
MUNICIPAL POLICE PLANS 1 - 5						
Municipal Police Plan 1	7.0%	9.5%	11.65%	2.0%	2.0%	100%
Municipal Police Plan 2	7.0%	9.5%	16.65%	2.5%	2.0%	100%
Municipal Police Plan 3	7.0%	9.5%	20.15%	2.5%	2.0%	100%
Municipal Police Plan 4	12.35%	14.85%	20.15%	3.0%	2.5%	100%
Municipal Police Plan 5	16.3%	18.8%	20.15%	3.5%	3.0%	100%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.0%	12.0%	12.65%	2.0%	2.0%	100%
Municipal Fire Plan 2	8.0%	12.0%	19.2%	2.5%	2.0%	100%
Municipal Fire Plan 3	8.0%	12.0%	22.90%	2.5%	2.0%	100%
Municipal Fire Plan 4	12.8%	16.8%	22.90%	3.0%	2.5%	100%
Municipal Fire Plan 5	16.2%	20.2%	22.90%	3.5%	3.0%	100%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	19.15%	18.30%	3.0%	3.0%	100%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.50%	3.0%	3.0%	100%
State Plan 3 - Peace Officer	7.42%	10.92%	19.24%	3.0%	3.0%	100%
Juvenile Correctional Officer Plan 2	4.78%	8.28%	28.37%	3.0%	3.0%	100%

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 7. Pension Plan - Public Employees Retirement Association (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2024. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2024, using generally accepted actuarial principles which included contributions to June 30, 2025, reflected as deferred outflows of resources. Therefore, the employer's portion was established as of the measurement date June 30, 2024.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups with the authority only participating in the municipal general members group. The Authority's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the Fiscal Year ended June 30, 2024. Only employer contributions for the pay period end dates that fell within the period of July 1, 2023, to June 30, 2024, were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to fiscal year 2024 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions within the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General, on June 30, 2025 (measurement date of June 30, 2024), the Housing Authority reported a liability of \$1,102,943 for its proportionate share of the net pension liability. On measurement date June 30, 2024, the Authority's proportion was .04622 percent, slightly changed from the measurement date June 30, 2023.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 7. Pension Plan - Public Employees Retirement Association (continued)

For the year ending June 30, 2025, the Authority recognized PERA Fund Division Municipal General Pension expense (revenue) of \$74,882. On June 30, 2025, the Authority reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 104,746	\$ 4,113
Changes of assumptions	35,463	-
Net difference between projected and actual earnings on pension plan investments	45,831	-
Changes in proportion and differences between HA's contributions and proportionate share of contributions	2,314	56,258
HA's contributions subsequent to the measurement date	66,478	-
Total	<u>\$ 254,832</u>	<u>\$ 60,371</u>

Deferred outflows of resources in the amount of \$66,478 related to pensions resulting from the Housing Authority's contributions subsequent to the measurement date June 30, 2024, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Amount
2025	\$ 24,064
2026	97,936
2027	10,888
2028	(4,905)
Thereafter	-
Total	<u>\$ 127,983</u>

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 7. Pension Plan - Public Employees Retirement Association (continued)

Actuarial assumptions

The total pension liability on June 30, 2025 (measurement date June 30, 2024) was determined using the following actuarial assumptions:

Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, Open
Amortization Period	25 years
Retirement	Changes to current assumed rates of
Disability	Lower rates for State police, Muni Male and
Remaining Amortization Period	25 Years
Administrative Expenses	.5% of Payroll
Actuarial assumptions:	Fair value
Investment rate of return	7.25% Static
Payroll growth	3.00% Static
Projected salary increases	3.25%-13.5%
Post Retirement Inflation	2.50%
Mortality assumption	Pre Retirement Mortality

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	46.0%	3.90%
Core Fixed Income	13.0%	2.20%
Credit Oriented	17.0%	2.30%
Real Assets	18.0%	5.90%
Absolute Return	6.0%	2.60%
Total	100%	

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 7. Pension Plan - Public Employees Retirement Association (continued)

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Housing Authority's net pension liability in each PERA Fund Division that the Authority participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

<u>PERA Fund Division Housing Authority</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Housing Authority's proportionate share of the net pension liability	\$ 1,586,436	\$ 1,102,943	\$ 703,251

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued fiscal year 2024 restated PERA financial report. The report is available at nmpear.org.

Changes of benefit terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA fiscal year 2024 audit available at: osa.nm.gov.

NOTE 8. Other Post-Employment Benefits – State Retiree Health Care Plan

Plan Description: The Housing Authority does not contribute to the New Mexico Retiree Health Care Fund, a cost-sharing multiple employers defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA).

NOTE 9. GASB 102 Certain Risk Disclosures

The Housing Authority faces a concentration risk by deriving approximately 94% of the 2025 revenues from HUD operating and capital grants. Any changes to funding of the Housing Authority by HUD will have a substantial impact on the Housing Authority's ability to continue operations. The Housing Authority's Management is not aware of any upcoming changes to their HUD operating and capital grant funding as of the date of these financial statements.

Western Regional Housing Authority
Notes to the Financial Statements
As of and For the Year Ended June 30, 2025

NOTE 10. Risk Management

The Authority is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; worker's compensation; and natural disasters. The Authority is insured through the Risk Management Division of the General Services Department which is accounted for as internal service fund of the State of New Mexico. In general, the Risk Management Division responds to suits against the State of New Mexico and state agencies, manages funds to provide unemployment compensation, tort liability insurance, worker's compensation, and general and property insurance, and attempts to reduce the number of lawsuits against the state and state agencies through the risk management process. The actuarial gains and losses of the Risk Management Division were not available and not included in this report. However, the Authority is not liable for more than the premiums paid and deductibles which are expected to be immaterial to the Housing Authority's financial statements.

NOTE 11. Restricted Net Position

On June 30, 2025, the Housing Authority reported restricted net position in the amount of \$0.

NOTE 12. Leases GASB 87

The Housing Authority has no leases related to GASB 87 at year end June 30, 2025.

NOTE 13. Tax Abatements

The Housing Authority has no tax abatements related to GASB 77 at year end June 30, 2025.

NOTE 14. GASB 96 Subscription Based Information Technology Arrangements

As of June 30, 2025, the Housing Authority has no Subscription Based Information Technology Arrangements as defined by GASB 96.

NOTE 15. Related Party

Management of the Authority was not aware of any related party transactions or relationships during the year ending June 30, 2025.

NOTE 16. Subsequent GASB Standards

GASB standard 103 is effective for fiscal years beginning after June 15, 2025. GASB 103 has the objective to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The Housing Authority will implement GASB 103 in the fiscal year ending June 30, 2026. The implementation of GASB 103 is expected to have an immaterial effect on the Housing Authority Financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

Western Regional Housing Authority
Schedule of the Housing Authority's Proportionate Share of the Net Pension Liability of Public Employees
Retirement Association (PERA) Fund Division Municipal General
Last 10 Fiscal Years

	Measurement Date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
WESTERN REGIONAL HOUSING AUTHORITY											
		<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
HA's proportion of the net pension liability (asset)		0.1253%	0.0504%	0.0509%	0.0499%	0.0481%	0.0475%	0.0394%	0.0370%	0.0377%	0.0386%
HA's proportionate share of the net pension liability (asset)		\$ 1,102,943	\$ 1,066,999	\$ 903,528	\$ 563,322	\$ 972,691	\$ 822,273	\$ 628,182	\$ 508,411	\$ 602,319	\$ 393,560
HA's covered-employee payroll		\$ 696,055	\$ 548,090	\$ 495,613	\$ 471,036	\$ 448,143	\$ 512,802	\$ 325,068	\$ 324,937	\$ 322,976	\$ 314,894
HA's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		158.46%	192.04%	182.30%	119.59%	217.05%	160.35%	193.25%	156.46%	186.49%	124.95%
Plan fiduciary net position as a percentage of the total pension liability		66.00%	67.26%	69.35%	77.25%	66.36%	70.52%	71.13%	73.74%	69.18%	76.99%

See Independent Auditors' Report

**Western Regional Housing Authority
Schedule of Pension Contributions
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years**

	Measurement Date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
WESTERN REGIONAL HOUSING AUTHORITY											
		<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
Contractually required contribution	\$	66,478	\$ 60,008	\$ 56,453	\$ 48,570	\$ 46,162	\$ 43,918	\$ 31,767	\$ 31,044	\$ 31,031	\$ 30,844
Contributions in relation to the contractually required contribution		66,478	60,008	56,453	48,570	46,162	43,918	31,767	31,044	31,031	30,844
Contribution deficiency (excess)		-	-	-	-	-	-	-	-	-	-
HA's covered-employee payroll	\$	696,055	\$ 548,090	\$ 495,613	\$ 471,036	\$ 448,143	\$ 512,802	\$ 325,068	\$ 324,937	\$ 322,976	\$ 314,894
Contributions as a percentage of covered-employee payroll		9.55%	10.95%	11.39%	10.31%	10.30%	8.56%	9.77%	9.55%	9.61%	9.80%

See Independent Auditors' Report

**Western Regional Housing Authority
Notes to the Required Supplementary Information
For the Year Ended June 30, 2025**

Changes of benefit terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA fiscal year 2024 audit.

Changes of assumptions

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2024 report is available at: nmpera.org

SUPPLEMENTARY INFORMATION

State of New Mexico
Western Regional Housing Authority
Statement of Net Position – Detail
June 30, 2025

	Low Rent Public Housing Program	Section 8 Housing Choice Vouchers Program	Southwest Housing Assistance	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 1,950,378	\$ 1,181,780	\$ 468,050	\$ 3,600,208
Restricted cash	25,779		3,282	29,061
Accounts receivable - grants	-	9	-	9
Accounts receivable - tenants	11,422	-	-	11,422
Accounts receivable - other	1,240	-	-	1,240
Inventory (Net)	7,585	-	-	7,585
Total current assets	<u>1,996,404</u>	<u>1,181,789</u>	<u>471,332</u>	<u>3,649,525</u>
Non Current Assets				
Capital assets	13,026,700	39,944	722,900	13,789,544
Less: Accumulated depreciation	(9,029,083)	(39,944)	(259,922)	(9,328,949)
Total non-current assets	<u>3,997,617</u>	<u>-</u>	<u>462,978</u>	<u>4,460,595</u>
Total Assets	<u>5,994,021</u>	<u>1,181,789</u>	<u>934,310</u>	<u>8,110,120</u>
Deferred outflows				
Deferred outflows - pension	101,933	152,899	-	254,832
Total Deferred outflows of resources	<u>101,933</u>	<u>152,899</u>	<u>-</u>	<u>254,832</u>
Total assets and deferred outflows of resources	<u>\$ 6,095,954</u>	<u>\$ 1,334,688</u>	<u>\$ 934,310</u>	<u>\$ 8,364,952</u>
Liabilities deferred inflows of resources and net position				
Current Liabilities				
Accounts payable	\$ 23,609	\$ 528	\$ -	\$ 24,137
Prepaid rent	996		14	1,010
Compensated absences	10,816	14,880	-	25,696
Total current liabilities	<u>35,421</u>	<u>15,408</u>	<u>14</u>	<u>50,843</u>
Noncurrent liabilities				
Compensated absences payable	28,497	26,105	-	54,602
Tenant deposits (Restricted)	24,783	-	3,268	28,051
Pension liability	441,177	661,766	-	1,102,943
Total noncurrent liabilities	<u>494,457</u>	<u>687,871</u>	<u>3,268</u>	<u>1,185,596</u>
Total liabilities	<u>529,878</u>	<u>703,279</u>	<u>3,282</u>	<u>1,236,439</u>
Deferred inflows of resources				
Deferred inflows - pensions	24,148	36,223	-	60,371
Total deferred inflows of resources	<u>24,148</u>	<u>36,223</u>	<u>-</u>	<u>60,371</u>
Total liabilities and deferred inflows of resources	<u>554,026</u>	<u>739,502</u>	<u>3,282</u>	<u>1,296,810</u>
Net position				
Net investment in capital assets	3,997,617	-	462,978	4,460,595
Unrestricted	1,544,311	595,186	468,050	2,607,547
Total net position	<u>5,541,928</u>	<u>595,186</u>	<u>931,028</u>	<u>7,068,142</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 6,095,954</u>	<u>\$ 1,334,688</u>	<u>\$ 934,310</u>	<u>\$ 8,364,952</u>

See Independent Auditors' Report

State of New Mexico
Western Regional Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position – Detail
For the Year Ended June 30, 2025

	Low Rent Public Housing Program	Section 8 Housing Choice Vouchers Program	Southwest Housing Assistance	Total
Operating revenues				
Tenant revenue	\$ 379,004	\$ -	\$ 46,142	\$ 425,146
Management fees	-	1,859	-	1,859
Operating subsidies and grants	656,369	7,464,534	-	8,120,903
Total operating revenues	1,035,373	7,466,393	46,142	8,547,908
Operating expenses				
Depreciation	302,527	-	12,974	315,501
Personal services	311,314	593,908	-	905,222
Administrative	25,619	99,001	21,550	146,170
Contractual services	17,990	11,501	-	29,491
Travel	2,569	4,062	-	6,631
Collection losses	10,710	-	-	10,710
Utilities	254,094	5,541	-	259,635
Maintenance	197,398	32,236	2,759	232,393
Insurance	13,208	3,318	846	17,372
Housing assistance payments	-	6,542,483	-	6,542,483
Miscellaneous	393	2,315	-	2,708
Total operating expenses	1,135,822	7,294,365	38,129	8,468,316
Operating income (loss)	(100,449)	172,028	8,013	79,592
Non-operating revenues (expense)				
Fraud recovery	-	36,488	-	36,488
Misc. income	2,736	2,315	25	5,076
Total non-operating revenues (expense)	2,736	38,803	25	41,564
Income (loss) before transfers and Contributions	(97,713)	210,831	8,038	121,156
Transfers and contributions				
HUD capital grants and contributions	37,361	-	-	37,361
Total transfers and contributions	37,361	-	-	37,361
Change in Net Position	(60,352)	210,831	8,038	158,517
Net Position - Beginning	5,611,953	392,754	922,990	6,927,697
Change in accountign principal - Note 6	(9,673)	(8,399)	-	(18,072)
Net Position - beginning restated	5,602,280	384,355	922,990	6,909,625
Net Position - Ending	\$ 5,541,928	\$ 595,186	\$ 931,028	\$ 7,068,142

See Independent Auditors' Report

State of New Mexico
Western Regional Housing Authority
Statement of Cash Flows – Detail
For the Year Ended June 30, 2025

	Low Rent Public Housing Program	Section 8 Housing Choice Vouchers Program	Southwest Housing Assistance	Total
Cash flows from operating activities:				
Cash received from tenant rents	\$ 379,010	\$ -	\$ 46,087	\$ 425,097
Cash received from management fees	-	1,859	-	1,859
Cash payments to employees for services	(355,319)	(467,369)	-	(822,688)
Cash payments to suppliers for goods and services	(501,585)	(6,701,716)	(25,155)	(7,228,456)
Cash received from subsidies/grants	657,769	7,691,700	-	8,349,469
Net cash provided by (used in) operating activities	\$ 179,875	\$ 524,474	\$ 20,932	\$ 725,281
Cash flows from non-capital financing activities:				
Miscellaneous income	\$ 4,135	\$ 38,803	\$ 25	\$ 42,963
Net cash provided (used in) by noncapital financing activities	\$ 4,135	\$ 38,803	\$ 25	\$ 42,963
Cash flows from capital and related financing activities				
Capital grant	\$ 37,361	\$ -	\$ -	\$ 37,361
Net cash provided by (used in) capital and related financing activities	\$ 37,361	\$ -	\$ -	\$ 37,361
Net increase (decrease) in cash and cash equivalents	\$ 221,371	\$ 563,277	\$ 20,957	\$ 805,605
Cash and cash equivalents, beginning of year	1,754,786	618,503	450,375	2,823,664
Cash and cash equivalents, end of year	\$ 1,976,157	\$ 1,181,780	\$ 471,332	\$ 3,629,269
Reconciliation of operating income (loss) to				
Net cash provided by operating activities:				
Operating income (loss)	\$ (100,449)	\$ 172,028	\$ 8,013	\$ 79,592
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	302,527	-	12,974	315,501
Change in pension deferred outflows / inflows and liability	(45,073)	119,955	-	74,882
Changes in assets and liabilities				
Receivables	4,481	227,166	-	231,647
Inventory	352	-	-	352
Prepaid expenses	4	-	-	4
Accounts payable	20,040	(1,259)	-	18,781
Unearned revenue	(1,310)	-	-	(1,310)
Comp absences	1,068	6,584	-	7,652
Prepaid rent	-	-	(55)	(55)
Customer deposits	(1,765)	-	-	(1,765)
Net cash provided by (used in) operating activities	\$ 179,875	\$ 524,474	\$ 20,932	\$ 725,281

SUPPLEMENTARY INFORMATION
(SUPPORTING SCHEDULES)

**State of New Mexico
Western Regional Housing Authority
Schedule of Deposits
June 30, 2025**

Schedule III

Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
Wells Fargo					
Vouchers	Non-interest -bearing	\$ 1,191,165	\$ -	\$ (9,535)	\$ 1,181,630
Housing Assistance Program	Non-interest -bearing	3,873	-	(3,873)	-
Low Rent Public Housing	Non-interest -bearing	670,890	-	(319)	670,571
Payroll	Non-interest -bearing	17,012	-	(16,974)	38
Southwest Housing Assistance	Non-interest -bearing	471,332	-	-	471,332
Total Wells Fargo		<u>\$ 2,354,272</u>	<u>\$ -</u>	<u>\$ (30,701)</u>	<u>\$ 2,323,571</u>
Western Bank					
Pyramid Village	Non-interest -bearing	\$ 1,339,509	\$ -	\$ (34,011)	\$ 1,305,498
Total Western Bank		<u>\$ 1,339,509</u>	<u>\$ -</u>	<u>\$ (34,011)</u>	<u>\$ 1,305,498</u>
Petty cash		<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>
Total deposits		<u>\$ 3,693,981</u>	<u>\$ -</u>	<u>\$ (64,712)</u>	<u>\$ 3,629,269</u>
Total cash and cash equivalents per Statement of Net Position					\$ 3,600,208
Total restricted cash per Statement of Net Position					29,061
					<u>\$ 3,629,269</u>

See Independent Auditors' Report

State of New Mexico
Western Regional Housing Authority
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2025

Schedule IV

Name of Depository	Description	Maturity Date	CUSP / Description	Fair Market Value
Wells Fargo	FMAC FEPC 3%	8/1/2046	3132A5FL4	\$ 768,591
Wells Fargo	FMAC FEPC 1.5%	1/1/2051	3132DWAV5	571,083
Wells Fargo	FMAC FEPC 3%	2/1/2050	3133A1XU1	19,737
Wells Fargo	FMAC FEPC 2%	1/1/2051	3133AE3S1	574,625
Wells Fargo	FMAC FEPC 2.5%	12/1/2051	313B0SE4	10,133
Wells Fargo	FMAC FEPC 2.5%	12/1/2051	3133B0Z48	15,507
Wells Fargo	FMAC FEPC 2.5%	1/1/2052	3133B2Bw8	1,620
Wells Fargo	FMAC FEPC 2.5%	12/1/2051	3133KNEC3	22,355
Wells Fargo	FMAC FEPC 2%	7/1/2051	3133N3X82	450,728
Total Wells Fargo				\$ 2,434,379
Western Bank	FN BF0219	9/1/2057	3140FXG55	\$ 454,282
Western Bank	FN BFO371	7/1/2048	3140FXMV1	458,377
Western Bank	GNR 2018-128 WA	9/20/2033	38381AAU0	27,084
Western Bank	Silver City N Mex CONS SCH DIST	8/1/2029	827513GR7	256,828
Total Western Bank				\$ 1,196,571

See Independent Auditors' Report

**State of New Mexico
Western Regional Housing Authority
Financial Data Schedule
June 30, 2025**

Line Item #	Description	Low Rent Public Housing	Section 8 Housing Choice Vouchers Program	Southwest Housing Assistance	Total
111	Cash - unrestricted	\$ 1,951,374	\$ 1,181,780	\$ 468,064	\$ 3,601,218
114	Cash - tenant security deposits	24,783	-	3,268	28,051
100	Total cash	<u>1,976,157</u>	<u>1,181,780</u>	<u>471,332</u>	<u>3,629,269</u>
	Accounts Receivable - HUD Other				
122	Accounts receivable - HUD other projects	-	9	-	9
126	Accounts receivable - tenants	13,319	-	-	13,319
126.1	Allowance for doubtful accounts - tenants	(657)	-	-	(657)
120	Total receivables, net of allowance for doubtful accounts	<u>12,662</u>	<u>9</u>	<u>-</u>	<u>12,671</u>
143	Inventories	7,585	-	-	7,585
	Total other current assets	<u>7,585</u>	<u>-</u>	<u>-</u>	<u>7,585</u>
150	Total current assets	<u>1,996,404</u>	<u>1,181,789</u>	<u>471,332</u>	<u>3,649,525</u>
161	Land	536,727	-	294,810	831,537
162	Buildings	12,192,076	-	428,090	12,620,166
164	Furniture equipment and machinery - administration	297,897	39,944	-	337,841
166	Accumulated depreciation	(9,029,083)	(39,944)	(259,922)	(9,328,949)
180	Total non-current assets	<u>3,997,617</u>	<u>-</u>	<u>462,978</u>	<u>4,460,595</u>
190	Total assets	<u>5,994,021</u>	<u>1,181,789</u>	<u>934,310</u>	<u>8,110,120</u>
200	Deferred outflows	101,933	152,899	-	254,832
290	Total assets and deferred outflows of resources	<u>\$ 6,095,954</u>	<u>\$ 1,334,688</u>	<u>\$ 934,310</u>	<u>\$ 8,364,952</u>
	Liabilities:				
312	Accounts payable ≤90 days	\$ 23,609	\$ 528	\$ -	\$ 24,137
341	Tenant security deposits	24,783	-	3,268	28,051
342	Unearned revenues	996	-	14	1,010
310	Total current liabilities	<u>49,388</u>	<u>528</u>	<u>3,282</u>	<u>53,198</u>
354	Accrued compensation absences - non-current	39,313	40,985	-	80,298
357	Accrued pension liabilities	441,177	661,766	-	1,102,943
350	Total noncurrent liabilities	<u>480,490</u>	<u>702,751</u>	<u>-</u>	<u>1,183,241</u>
300	Total liabilities	<u>529,878</u>	<u>703,279</u>	<u>3,282</u>	<u>1,236,439</u>
400	Deferred inflows	24,148	36,223	-	60,371
508.4	Net investment in capital assets	3,997,617	-	-	3,997,617
512.4	Unrestricted net position	1,544,311	595,186	931,028	3,070,525
513	Total Net Position	<u>5,541,928</u>	<u>595,186</u>	<u>931,028</u>	<u>7,068,142</u>
600	Total liabilities deferred inflows of resources and net position	<u>\$ 6,095,954</u>	<u>\$ 1,334,688</u>	<u>\$ 934,310</u>	<u>\$ 8,364,952</u>

**State of New Mexico
Western Regional Housing Authority
Financial Data Schedule
June 30, 2025**

Line Item #	Description	Low Rent Public Housing	Section 8 Housing Choice Vouchers Program	Southwest Housing Assistance	Total
70300	Net tenant rental revenue	\$ 379,004	\$ -	\$ 46,142	\$ 425,146
70400	Tenant revenue - other	-	-	25	25
70500	Total tenant revenue	<u>379,004</u>	<u>-</u>	<u>46,167</u>	<u>425,171</u>
70600	HUD PHA operating grants	656,369	7,464,534	-	8,120,903
70610	Capital grants	37,361	-	-	37,361
70710	Management fees	-	1,859	-	1,859
70750	Other fees	2,736	-	-	2,736
71400	Fraud recovery	-	36,488	-	36,488
71500	Other revenue	-	2,315	-	2,315
70700	Total fee revenue	<u>696,466</u>	<u>7,505,196</u>	<u>-</u>	<u>8,201,662</u>
70000	Total revenues	<u>1,075,470</u>	<u>7,505,196</u>	<u>46,167</u>	<u>8,626,833</u>
91100	Administrative salaries	131,135	463,212	-	594,347
91200	Auditing fees	17,990	11,501	-	29,491
91500	Employee benefit contribution - administrative	45,616	130,696	-	176,312
91800	Travel	2,569	4,062	-	6,631
91900	Other operating - administrative	25,619	101,316	21,550	148,485
91000	Total operating - administrative	<u>222,929</u>	<u>710,787</u>	<u>21,550</u>	<u>955,266</u>
92200	Relocation costs	393	-	-	393
92500	Total tenant services	<u>393</u>	<u>-</u>	<u>-</u>	<u>393</u>
93100	Water	75,620	979	-	76,599
93200	Electricity	9,188	3,472	-	12,660
93300	Gas	45,858	1,090	-	46,948
93600	Sewer	75,620	-	-	75,620
93000	Total utilities	<u>206,285</u>	<u>5,541</u>	<u>-</u>	<u>211,826</u>
94100	Ordinary maintenance and operation - labor	98,317	-	-	98,317
94200	Ordinary maintenance and operation - materials and other	79,355	2,499	1,084	82,938
94300	Ordinary maintenance and operations contracts	165,852	29,737	1,675	197,264
94500	Employee benefit contributions - ordinary maintenance	36,246	-	-	36,246
94000	Total maintenance	<u>379,770</u>	<u>32,236</u>	<u>2,759</u>	<u>414,765</u>
96110	Property insurance	13,208	-	-	13,208
96120	Liability insurance	-	3,318	846	4,164
96100	Total insurance premiums	<u>13,208</u>	<u>3,318</u>	<u>846</u>	<u>17,372</u>
96400	Bad debt tenant rents	10,710	-	-	10,710
96000	Total other general expenses	<u>10,710</u>	<u>-</u>	<u>-</u>	<u>10,710</u>
96900	Total operating expenses	<u>833,295</u>	<u>751,882</u>	<u>25,155</u>	<u>1,610,332</u>
97000	Excess (deficiency) operating revenues over operating expenses	<u>242,175</u>	<u>6,753,314</u>	<u>21,012</u>	<u>7,016,501</u>
97300	Housing assistance payments	-	4,077,493	-	4,077,493
97350	HPA portability-In	-	2,464,990	-	2,464,990
97400	Depreciation expense	302,527	-	12,974	315,501
		<u>302,527</u>	<u>6,542,483</u>	<u>12,974</u>	<u>6,857,984</u>
90000	Total expenses	<u>1,135,822</u>	<u>7,294,365</u>	<u>38,129</u>	<u>8,468,316</u>
10000	Excess (deficiency) of total revenues over (under) total expenses	<u>(60,352)</u>	<u>210,831</u>	<u>8,038</u>	<u>158,517</u>
11030	Beginning net position	5,611,953	392,754	922,990	6,927,697
11040	Prior Period adjustments	(9,673)	(8,399)	-	(18,072)
	Beginning net position restated	5,602,280	384,355	922,990	6,909,625
	Ending net position	<u>\$ 5,541,928</u>	<u>\$ 595,186</u>	<u>\$ 931,028</u>	<u>\$ 7,068,142</u>
11190	Unit months available	1,290	10,992	60	12,342
11210	Number of unit months leased	1,264	8,323	60	9,647

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COMPLIANCE SECTION



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Joseph M. Maestas, P.E, CFE., New Mexico State Auditor, and
Office of Management and Budget
The Board of Commissioners
Western Regional Housing Authority
Silver City, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Western Regional Housing Authority (the Authority) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Southwest Accounting Solutions, LLC

Albuquerque, New Mexico

December 11, 2025

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COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Joseph M. Maestas, P.E, CFE., New Mexico State Auditor, and
The Board of Commissioners
Western Regional Housing Authority
Silver City, New Mexico

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Western Regional Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs for the year ended June 30, 2025. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered

material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Southwest Accounting Solutions, LLC

Albuquerque, New Mexico
December 11, 2025

State of New Mexico
Western Regional Housing Authority
Schedule of Expenditures of Federal Awards
June 30, 2025

Schedule VI

<u>Federal grantor/Pass-through Grantor/Program Title</u>	<u>Major Program</u>	<u>Federal Assistance Listing Number</u>	<u>Identifying Number</u>	<u>Grant Period</u>	<u>Federal Awards Provided to Sub-recipients</u>	<u>Federal Expenditures</u>
United States Department of Housing and Urban Development Passed Through: Direct						
Public and Indian Housing	No	14.850	NM00200000121D	7/1/2024-6/30/2025	-	656,369
Public Housing Capital Fund	No	14.872	CFP 20-22	7/1/2024-6/30/2025	-	38,761
Housing Voucher Cluster Under HUD						
Section 8 Housing Choice Voucher	Yes	14.871	NM067	7/1/2024-6/30/2025	-	4,709,420
Housing Authority of Portland	Yes	14.871	NA	7/1/2024-6/30/2025	20,784	20,784
Anaheim Housing Authority	Yes	14.871	NA	7/1/2024-6/30/2025	31,365	31,365
Housing Authority Of the City of Dallas	Yes	14.871	NA	7/1/2024-6/30/2025	39,402	39,402
Housing Authority of the City of El Paso	Yes	14.871	NA	7/1/2024-6/30/2025	9,156	9,156
Housing Authority Of The City Of Yuma	Yes	14.871	NA	7/1/2024-6/30/2025	6,578	6,578
Housing Authority Of The County Of San Diego	Yes	14.871	NA	7/1/2024-6/30/2025	2,096,818	2,096,818
Orange County	Yes	14.871	NA	7/1/2024-6/30/2025	108,662	108,662
San Diego Housing Commission	Yes	14.871	NA	7/1/2024-6/30/2025	137,660	137,660
Vancouver Housing Authority	Yes	14.871	NA	7/1/2024-6/30/2025	14,565	14,565
Total Expenditures of Federal Awards					<u>\$ 2,464,990</u>	<u>\$ 7,869,540</u>

See Independent Auditors' Report

State of New Mexico
Western Regional Housing Authority
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2025

NOTE 1. Basis of Presentation and Significant Accounting Policies

The above Schedule of Expenditures of Federal Awards includes the federal award activity of Western Regional Housing Authority (the Authority) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the Schedule presents only a selected portion of operations of the Housing Authority, it is not intended to and does not present the financial net position, changes in net position, or cash flows of the Housing Authority.

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance; wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE 2: Loan Guarantees

The Authority did not expend federal awards related to loans or loan guarantees during the year.

NOTE 3: Sub-recipients

The Authority provided \$2,464,990 of federal expenditures to sub-recipients to other housing authorities related to housing choice voucher portability.

NOTE 4: Noncash Federal Assistance

The Authority did not receive any noncash assistance and the Authority has no federally funded insurance.

NOTE 5: Indirect Cost Rate

The Authority has not elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

**State of New Mexico
Western Regional Housing Authority
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2025**

NOTE 6. Federally Funded Insurance

The Authority has no federally funded insurance.

NOTE 7. Subsequent revisions to the Uniform Guidance

For years beginning after October 1, 2024, the following key revisions took effect:

Key Revisions to the Uniform Guidance

- **Single Audit Threshold Increase:** The threshold for non-Federal entities required to undergo a Single Audit was raised from **\$750,000 to \$1 million** in total Federal awards expended in a fiscal year.
- **Equipment and Supply Threshold Increase:** The definition of equipment (for tracking and disposition purposes) and the threshold for expensing unused supplies was increased from **\$5,000 to \$10,000**.
- **De Minimis Indirect Cost Rate:** The optional de minimis indirect cost rate was increased from 10% to **up to 15%** of Modified Total Direct Costs (MTDC).

These revisions had no effect on the Authority's Schedule of Federal Awards at June 30, 2025.

NOTE 8. General

The following is a reconciliation of the total Federal Awards of the Authority for the year ended June 30, 2025:

Expenditures of federal awards on SEFA	\$ 7,869,540
Depreciation expense Exhibit A-2	315,501
GASB 68 pension expense Exhibit A-3	74,882
Expenditures funded by other Sources	208,393
Total expenses Exhibit A-2	<u>\$ 8,468,316</u>

**State of New Mexico
Western Regional Housing Authority
Schedule of Findings and Questioned Costs
JUNE 30, 2025**

Section I: Summary of Audit Results

Financial Statements:

Type of auditors' report issued **Unmodified**

Internal control over financial reporting:

Material weakness identified? No
Significant deficiency identified? No
Noncompliance material to the financial statements? No

Federal Awards:

Type of Auditors report issued on compliance for major federal programs **Unmodified**

Internal control over major federal programs:

Material weakness(es) identified? No
Significant Deficiency(ies) identified? No

Any Audit finding disclosed that are required to be reported in
accordance with 2 CFR 200.516(a)? No

Identification of major federal programs and type of auditors report issued on compliance for major
federal programs:

Federal	Assistant Listings Program title	Federal Funding Source
14.871	Section 8 Housing Choice Voucher	US Department of Housing and Urban Development

Dollar threshold used to distinguish between a type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes

**State of New Mexico
Western Regional Housing Authority
Schedule of Findings and Questioned Costs
JUNE 30, 2025**

Section II – Prior Year Audit Findings

The following prior year audit findings have been resolved:

2024-001 Restatement of Construction-In-Progress (Material Weakness)

2024-002 IT General Controls (Significant Deficiency)

2024-003 – Late Audit Report Submittal (Other Noncompliance)

2024-004 – Late Real Estate Assessment Center (REAC) Submission (Other Noncompliance)

Section III – Financial Statement Audit Findings

None

Section VI - Federal Award Findings – Major Program

None

Section V – 12-6-5 NMSA Audit Findings

None

**State of New Mexico
Western Regional Housing Authority
Exit Conference
June 30, 2025**

EXIT CONFERENCE:

An exit conference was held on December 11, 2025. In attendance were the

following: **Representing Western Regional Housing Authority:**

Irene Galvan	Vice Chairperson
Sonia Flores	Executive Director
Lou Ann Valasquez	Assistant Deputy Director

Representing Southwest Accounting Solutions, LLC:

Geoff Mamerow, CFE	Sr. Audit Manager
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Auditor Prepared Financial Statements:

Southwest Accounting Solutions, LLC prepared the GAAP based financial statements and the footnotes of Western Regional Housing Authority (the Authority) from the original books and records provided to them by the Authority. The responsibility of the financial statements remains with the Authority.

Tab 6

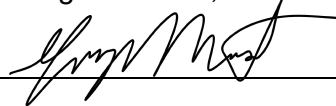
2026 RENTAL AWARD SUMMARY

Project Name & Address	Uptown Connect 2121 Indiana Street NE, Albuquerque, NM 87110			
Proposed Awards	\$3,000,000	HOME	Rate	0%
	\$400,000	National Housing Trust Fund (NHTF)	Rate	0%
	\$4,000,000	New Mexico Housing Trust Fund (NMHTF)	Rate	2.0% Fixed
Borrower	Uptown Transit Apartments, LLLP will be owned 0.0051% by FHDC UTC, LLC, as Co-General Partner, and 0.0049% by Palindrome Affordable UTC, LLC as Co-General Partner and 99.99% by a subsidiary of Hunt Capital as Limited Partner.			
Management	PacifiCap Management, Inc. is the property management subsidiary of Palindrome Properties Group, LLC. Founded in 1992, this corporation manages approximately 3,800 units, including approximately 3,500 affordable housing units across New Mexico, Colorado, Arizona, Nevada, Washington, and Oregon.			
Developers	Family Housing Development Corporation (FHDC) is a New Mexico nonprofit corporation established in 1989. Since their founding, FHDC has developed 6 affordable housing projects comprised of 600 units across New Mexico. Rick Davis, who has served as the President and Executive Director of FHDC since 1992, has overseen the development of FHDC's affordable housing projects, along with having decades of experience developing commercial properties. Palindrome Properties Group, LLC (Palindrome) is a vertically-integrated Oregon for-profit housing developer established in 1999. Over that period, Palindrome has developed around 9,100 housing units, including approximately 8,300 affordable housing units, as well as around 278,000 square feet of commercial space across six Western states. This group builds and manages its housing properties through its subsidiaries PacifiCap Construction, PacifiCap Management, and SOMOS Destinations. FHDC's CPA audited consolidated financial statements for FYE 6/30/2024 show unrestricted cash of \$201K, total assets of \$1.3M, a net worth of \$1.3M, a debt-to-worth ratio of 0.0003 to 1.00, a net income of \$534K, and a positive traditional cash flow. FHDC's CPA audited consolidated financial statements for FYE 6/30/2025 show unrestricted cash of \$170K, total assets of \$1.3M, a net worth of \$1.3M, a debt-to-worth ratio of 0.0003 to 1.00, a net income (loss) of (\$29K), and a negative traditional cash flow. Palindrome's internally reviewed combined financial statements for FYE 12/31/23 show unrestricted cash of \$2.4M, total assets of \$73M, a net worth of \$36M, a debt-to-worth ratio of 1.00 to 1.00, a net income (loss) of (\$3.0M), and a positive traditional cash flow. Palindrome's internally reviewed combined financial statements for FYE 12/31/24 show unrestricted cash of \$2.5M, total assets of \$90M, a net worth of \$31M, a debt-to-worth ratio of 1.89 to 1.00, a net income (loss) of (\$4.3M), and a positive traditional cash flow. Palindrome's internally reviewed combined financial statements for FYE 12/31/25 show unrestricted cash of \$10.9M, total assets of \$104M, a net worth of \$22M, a debt-to-worth ratio of 3.67 to 1.00, a net income of \$5.5M, and a positive traditional cash flow. The net loss reported by FHDC in FYE 2025 was primarily due to delays in receiving anticipated development fee revenue, as well as financial support provided by FHDC to Uptown Connect to be paid back by receiving developer fees from the project in the future. Palindrome's net losses reported in their FYE 2023 and FYE 2024 financial statements are largely attributable to accounting for interest expense and depreciation associated with their housing developments.			
Project Type & Size	New construction of a 176-unit multifamily apartment complex located on a 1.90-acre site. Uptown Connect will serve households with children, setting aside 44 units for this target population (25% of the total units). Thirty (30) units will receive project-based vouchers from the Albuquerque Housing Authority.			

	Fifty-eight (58) units will be income restricted to households earning 30% or less of Area Median Income (AMI), 39 units will be income restricted to households earning 50% or less of AMI, and 79 units will be income restricted to households earning 80% or less of AMI.
Project Description	FHDC and Palindrome are proposing the new construction of Uptown Connect (the <i>project</i>), a 176-unit apartment development located in Albuquerque. The project will set aside units for households with children. Uptown Connect will have a gross square footage of approximately 155,800 square feet. The project is comprised of 88 studio apartment units ranging in size from approximately 458 square feet to 468 square feet each, 44 one-bedroom units ranging in size from approximately 734 square feet to 749 square feet each, 28 two-bedroom units ranging in size from approximately 810 square feet to 875 square feet each, and 16 three-bedroom units, each at approximately 1,057 square feet. This project will consist of one five-story residential building with elevator service; on-site amenities will include underground parking, a children's play area, community space, and laundry facilities. The project is a mixed-use, transit-oriented development located at the Uptown Transit Station, which will provide residents direct access to six ABQ RIDE bus routes. The project will also feature on-site commercial and office spaces available for lease on the first floor of the building. Within one and half miles of the project, residents will have access to dozens of services and public facilities including grocery stores, retail shops, and parks. Gill Group conducted a market study for Uptown Connect dated November 12, 2025. The market study generally defines the project's Primary Market Area (PMA) as the eastern middle portion of Albuquerque with the following boundaries: Montgomery Boulevard to the north, Zuni Road to the south, Eubank Boulevard to the east, and Carlisle Boulevard to the west. Commercial uses immediately surround the project on all sides. The market studies advise that upon completion, Uptown Connect will provide excellent quality affordable housing. The market study demand analysis shows a Capture Rate of 2.2% for the project, which indicates that the project will only need to capture a small percentage of income qualified households who live in the PMA. Gill Group expects that Uptown Connect will have an absorption rate of 15 units per month, meaning the project is anticipated to be fully leased up approximately one year after opening.
Environmental & Site	A Phase 1 Environmental Site Assessment (ESA) was completed by Dominion Due Diligence Group on July 21, 2026. No recognized environmental conditions (RECs), historic recognized environmental conditions (HRECs), or controlled recognized environmental conditions (CRECs) were identified in connection with the subject property. As required by HOME, the project must be determined to comply with HUD Environmental Review 24 CFR part 58 before site control and/or execution of loan documents. As required by the National Housing Trust Fund, the project must be determined to comply with HUD Environmental Provisions of 24 CFR part 93.301 before construction is complete.
Site and Neighborhood Standards (HOME and NHTF New Construction only)	The project will be required to meet HUD's Site and Neighborhood Standards prior to the acquisition of the property.
Project Financials, Projections and Assumptions, and Subsidy Analysis Review	This project was underwritten utilizing Housing New Mexico's standard 7% vacancy rate for projects; this is considered conservative due to low vacancy rates at nearby affordable and market rate housing properties reported as below that rate per Uptown Connect's market study. The applicant has provided a detailed 15-year cash flow projection for the project, which assumes a total annual income of \$2,722,837. The developers estimate \$910,134 in total operating expenses less reserves and social services (i.e., \$5,171 per unit per year), which is slightly beneath Housing New Mexico's standard underwriting range of \$5,300 to \$7,600 per unit per year. However, large projects like Uptown Connect benefit from economies of scale, which allows the project to spread costs associated with operations over more units.

	The project's Debt Service Coverage Ratio (DSCR) starts at 1.15 to 1.00 in year one, increasing to 1.41 to 1.00 in year 15. This ratio is within Housing New Mexico's underwriting standards of a range between 1.20 – 1.40 to 1:00 from year four of operation through year 15. This ratio is slightly beneath our guidelines in year one through year three, but trends upwards the entire first 15 years and is acceptable to the investor group. The interest rate for BWE's first mortgage loan is assumed to be 6.41% (5.91% adjusted upwards by 50 basis points for underwriting). If, for any reason, the rate increases too much to accommodate the required DSCR, then the first mortgage permanent loan can be reduced and that portion of it replaced by a cash flow loan from FHDC and/or Palindrome. Currently, \$6,192,345 (~64%) of the \$9,606,900 developer fee will be deferred during the project's permanent period. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferring the developer fee is allowable, provided that cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Current projections indicate the project would fully pay off the deferred developer fee by the end of year 14. Based on the investor's letter of interest, the project is currently underwritten using a credit price of 85 cents on the dollar, which is within the average range for recent LIHTC projects. Every one (1) cent drop in that price would create the need for an additional \$312K in deferred developer fee or a cash flow loan from FHDC and Palindrome. Subsidy Analysis Review <u>HOME</u>- Housing New Mexico's Housing Development Department's subsidy analysis, performed for the HOME loan request, show this project is not over-subsidized per HUD regulations. <u>National HTF</u>- Housing New Mexico's Housing Development Department's subsidy analysis, performed for the National Housing Trust Fund loan request, show this project is not over-subsidized per HUD regulations.
Affordability Requirements	HOME: Thirteen HOME units consisting of: three studio apartment units, three 1-bedroom apartment units, two 2-bedroom apartment units and two 3-bedroom apartment units for households at or below 60% AMI and restricted to High HOME rents and two studio apartment units and one 1-bedroom apartment unit for households at or below 50% AMI and restricted to Low HOME Rents, for which a Land Use Restriction Agreement (LURA) will be filed in Bernalillo County. The affordability period is 40 years: 20 years as required by HOME rules standards and 20 years for Housing New Mexico's extended affordability period (i.e. in concurrence with the loan term). The affordability period starts on the date of acceptance by HUD of a final HOME project completion report and ends 40 years later. NHTF: Two NHTF units consisting of: one studio apartment unit and one 1-bedroom apartment unit restricted to households earning the greater of 30% AMI or the federal poverty level, for which a Land Use Restriction Agreement (LURA) will be filed in Bernalillo County. The affordability period is 35 years, starting on the date of acceptance by HUD of a final NHTF project completion report and ends 35 years later. NMHTF: Ninety-seven (97) units income-restricted to households earning 60% or less of AMI for which a Land Use Restriction Agreement (LURA) will be filed in Bernalillo County. The NMHTF affordability period imposed by the LURA will be 40 years; 20 as required by Affordable Housing Act Rules and 20 for Housing New Mexico's extended affordability period (i.e., in concurrence with the loan term) and starts on the date the Certificate of Occupancy is issued.
Repayment and Disbursement	HOME: <u>Payments:</u> No payments during the construction period, which is not to exceed 24 months; thereafter, 479 equal principal payments during the permanent loan period, based on an 80-year amortization, with one final balloon payment of all outstanding principal. All outstanding principal due at the earlier of maturity, refinance, or sale of the project.

	Disbursement: Allow up to three draws: two during the construction period and the third upon submission of a final HOME project completion report to HUD. NHTF: Payments: No payments during the construction period, which is not to exceed 24 months; thereafter, an annual fixed principal payment of \$500, maturing in 35 years. On the final day of the NHTF affordability period either 1) all outstanding principal is due or 2) all outstanding principal is forgiven, assuming all terms are met during the loan's affordability period. Disbursement: Allow up to three draws: two during the construction period and the third upon submission of a final NHTF project completion report to HUD. NMHTF: Payments: Interest only monthly during the construction period not to exceed 24 months; thereafter, paid down to \$3,000,000 with 479 equal principal & interest payments during the permanent loan period, based on a 40-year amortization, with one final payment of all outstanding principal and interest due at maturity. All outstanding principal and interest due at the earlier of maturity, refinance, or sale of the project. Disbursement: Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.
Special Conditions	1. All loans are subject to Housing New Mexico's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing; 2. Any changes or additions to the following development team members listed in the loan application must be approved by Housing New Mexico including the developer, contractor, management company, consultant, or architect; 3. Financing commitments acceptable to Housing New Mexico prior to disbursing all funding sources; 4. Acceptance of 2026 award of Low-Income Housing Tax Credits (LIHTC); 5. Approval of plans/construction monitoring/draws by Housing New Mexico's Architectural Services Representative or a third party acceptable to Housing New Mexico (i.e. hired by Housing New Mexico, investor, or primary construction lender) and shared with Housing New Mexico. Cost to be paid by applicant; 6. This award is contingent upon approval of Uptown Connect's Private Activity Bond allocation by the New Mexico State Board of Finance (SBOF); 7. Other conditions as may be determined by staff; and 8. Subject to availability of funds. Additional Conditions: HOME 9. Loan to be in second lien position; 10. HUD Environmental Review (ER) approval must occur prior to acquisition and construction start, and any other ER approval conditions must be met; 11. FHDC and Palindrome must each provide guaranties during the construction period; and 12. If HOME CHDO (Community Housing Development Organization) funds are to be used, FHDC must be approved by Housing New Mexico as a CHDO, and any transfers of ownership must be in accordance with HUD's CHDO rules. Additional Conditions: NHTF 13. Loan to be in third lien position; 14. HUD Environmental Provision (EP) approval must occur prior to construction completion; and 15. Project building plans must meet NHTF Rehabilitation Standards (if applicable) prior to acquisition and construction start; and 16. FHDC and Palindrome must each provide guaranties during the construction period; Additional Conditions: NMHTF 17. Loan to be in fourth lien position; and 18. FHDC and Palindrome must each provide guaranties during the construction period.
Housing New Mexico Commitments to Other Projects	FHDC: N/A – Uptown Connect is this developer's first proposed affordable multifamily project financed by Housing New Mexico.

	Palindrome: 2002 HOME – Valle Verde II - \$225,000 2005 Risk Share – Chateau Apartments - \$2,549,377 2005 Risk Share – Sun Pointe Park Apartments - \$8,148,677 2009 LIHTC (9%) – The Artisan at Sawmill Lofts - \$1,140,845 2010 LIHTC (9%) – Artisan East Apartments - \$1,040,594 2010 TCEP Grant – The Artisan at Sawmill Lofts - \$9,251,591 2022 LIHTC (4%) – Trailhead at Chamizal - \$2,087,180 <i>Notes: Risk Share loans carry only 10% risk to Housing New Mexico risk; Loan balances as of 7/23/26</i>		
Housing New Mexico Exposure	Total Housing New Mexico Exposure with FHDC: \$0. Total Housing New Mexico Exposure with Palindrome: \$10,923,054 (excludes LIHTC, grants and loans pending approval).		
Risk Factors	1. Market – Medium (Strong demand for proposed property in PMA as demonstrated by its low capture rate, as well as low vacancy rates reported at neighboring affordable and market rate housing properties) 2. Construction – Medium (Construction material pricing remains high, however, the developers have recent experience developing projects in New Mexico plus the investor and main construction lender will provide additional oversight and controls) 3. Developer – Medium (Developers have experience developing in New Mexico and Palindrome has experience utilizing Housing New Mexico funding) 4. Guarantor – Medium (Guarantors' financials show they have substantial net assets, though Palindrome reports a net loss of income) 5. General Partner/Managing Member – Medium (i.e. the developer) 6. Community Opposition – Medium (Project is next to existing commercial uses) 7. Financing – Medium (As long as market conditions for interest rates & LIHTC pricing do not fluctuate too much, the project is feasible. However, in the event of adverse market conditions the project would not move forward. Final underwriting is required before loan closing to ensure viability)		
Summary & Recommendation	The proposed project presents a favorable risk profile and is recommended for approval.		
Prepared by	Justin Carmona, Housing Development Supervisor 	Date	August 4, 2026
Reviewed by	George Maestas, Director of Housing Development 	Date	August 4, 2026

PROJECT INFORMATION SUMMARY						
Project Name		City	NC, AR, or NC/AR	Total # Units	Unit Sizes	Target AMIs
Uptown Connect		Albuquerque				
Total Development Cost	\$ 86,945,392		NC	176	STUDIO, 1-BED, 2-BED, 3-BED	30% AMI, 50% AMI, 80% AMI
Borrower	Uptown Transit Apartments, LLLP					
Management	PacifiCap Management, Inc.		YEAR BUILT (AR)		LIHTC ALLOC	4% or 9%
Developers	FHDC Palindrome		N/A		\$ 3,129,105	4%
			NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments			
HOME LOAN INFORMATION			NUMBER OF HOME UNITS			13
Funds Available as of:	07/28/26	\$3,857,970				
	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$1,250,000	\$3,000,000	Per Housing New Mexico's Annual Action Plan, "depending on fund availability, higher awards may be allowed, at MFA's discretion."			
Rates	0.0% to 3.0%	0.0%				
Loan Fees	N/A					
Maximum Loan Term	2 yr construct, 40 yr perm	2 yr construct, 40 yr perm				
Loan Amortization	40 to 80 years	80 years				
Lien Position	Subordinate allowed	2nd lien				
Affordability Requirements	Min 20 yrs, max 60% AMI	40 yrs, 10 units @ 60% AMI, 3 units @ 50% AMI				
DSCR	1.20 to 1.40 : 1 on all must-pay debt	1.15 : 1.00 increasing to 1.41 : 1.00 by year 15	DSCR within guidelines years 4-15. Slightly below guidelines in years 1 through 3. Trends up across all years			
Scoring Criteria	N/A					
NATIONAL TRUST FUND (NHTF) LOAN INFORMATION			NUMBER OF NHTF UNITS:			2
Funds Available as of:	07/28/26	\$1,960,913				
	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$400,000	\$400,000				
Rates	0.0%	0.0%				
Loan Fees	N/A					
Maximum Loan Term	2 yr construct, no max on perm	2 yr construct, 35 yr perm				
Loan Amortization	N/A	N/A	\$500 annually			
Lien Position	Subordinate allowed	3rd lien				
Affordability Requirements	Min 30 years, Max 30% AMI	35 yrs, 2 units @ 30% AMI				
DSCR	1.20 to 1.40 : 1 on all must-pay debt	1.15 : 1.00 increasing to 1.41 : 1.00 by year 15	DSCR within guidelines years 4-15. Slightly below guidelines in years 1 through 3. Trends up across all years			
Scoring Criteria	40-115 points	85				
NEW MEXICO HOUSING TRUST FUND (NMHTF) LOAN INFORMATION			NUMBER OF NMHTF UNITS:			97
Funds Available as of:	07/28/26	\$10,910,700				
	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$4,000,000	\$4,000,000	Max NMHTF loan amount. Paid down to \$3MM at Perm.			
Rates	0.0% to 5.0%	2.0%	Base rate of 2% for 4% LIHTC projects			
Loan Fees	N/A					
Maximum Loan Term	2 yr construct, 40 yr perm	2 yr construct, 40 yr perm				
Loan Amortization	40 years	40 years				
Lien Position	Subordinate allowed	4th lien				
Affordability Requirements	Min 20 years, Max 60% AMI	40 yrs, 97 units @ at or below 60% AMI				
DSCR	1.20 to 1.40 : 1 on all must-pay debt	1.15 : 1.00 increasing to 1.41 : 1.00 by year 15	DSCR within guidelines years 4-15. Slightly below guidelines in years 1 through 3. Trends up across all years			
Scoring Criteria	57-112 points	66				

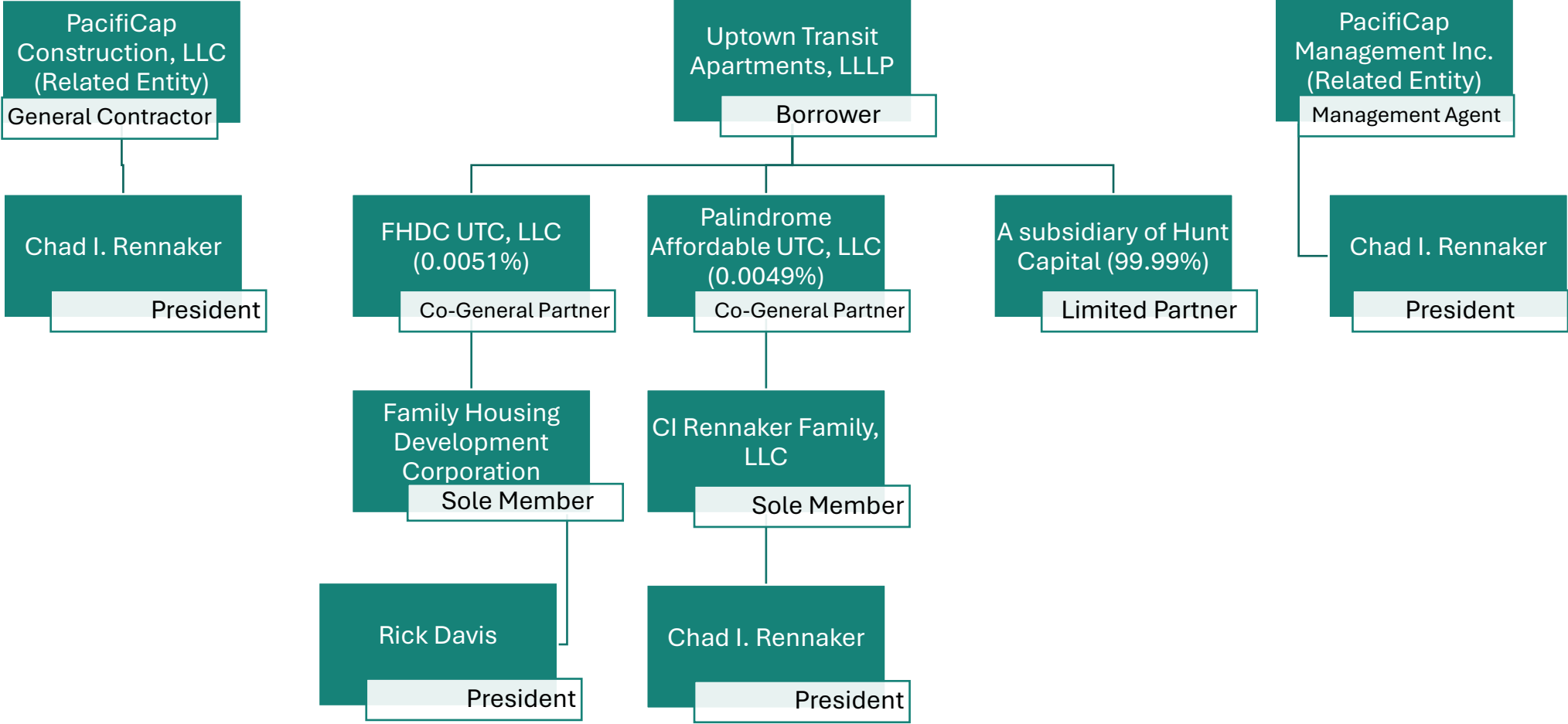
TOTAL DEVELOPMENT COST INFORMATION SUMMARY				
Project:	Uptown Connect	Total	% TDC	Cost/GSF*
Acquisition Costs <i>(land, building acquisition, & other acquisition costs)</i>		\$ 988,042	1%	\$ 6.34
Construction Hard Costs		\$ 55,752,966	64%	\$ 357.85
Other Construction Costs <i>(contractor O&P, general req, GRT, landscaping, furnishings, etc)</i>		\$ 10,780,585	12%	\$ 69.20
Professional Services/Fees <i>(architect, engineer, real estate legal, etc)</i>		\$ 3,637,109	4%	\$ 23.34
Construction Financing Costs <i>(interest, insurance, inspections, fees, etc)</i>		\$ 4,054,096	5%	\$ 26.02
Permanent Financing Costs <i>(fees, title/recording, etc)</i>		\$ 403,346	0.5%	\$ 2.59
Other Soft Costs <i>(tax credit fees, environmental reports, appraisals, accounting, etc)</i>		\$ 335,224	0%	\$ 2.15
Syndication-Related Costs <i>(organization, bridge loan, tax opinion, etc)</i>		\$ 65,000	0.1%	\$ 0.42
Reserves <i>(rent-up, operating, replacement, escrows, etc)</i>		\$ 1,322,124	2%	\$ 8.49
Developer Fees <i>(inc consultant fees)</i>		\$ 9,606,900	11%	\$ 61.66
Total Development Costs (TDC)		\$ 86,945,392	100%	\$ 558.06
TDC w/o Land, Reserves & Commercial		\$ 84,635,226	97%	\$ 543.23

CONSTRUCTION SOURCES				
Project:	Uptown Connect	Total	% of Total	Per Unit
Construct. Lender - 1st Lien	UMB/Construction Loan	\$ 37,349,549	43.0%	\$ 212,213.35
2nd Lien Holder	Housing New Mexico/HOME	\$ 2,700,000	3.1%	\$ 15,340.91
3rd Lien Holder	Housing New Mexico/NHTF	\$ 360,000	0.4%	\$ 2,045.45
4th Lien Holder	Housing New Mexico/NMHTF	\$ 4,000,000	4.6%	\$ 22,727.27
Other	City of Albuquerque/Raise Grant	\$ 15,901,301	18.3%	\$ 90,348.30
Other	City of Albuquerque/WHTF	\$ 8,983,823	10.3%	\$ 51,044.45
Other	City of Albuquerque/CDBG	\$ 621,685	0.7%	\$ 3,532.30
Other	DWS & City of Albuquerque/DWS Grant	\$ 1,000,000	1.2%	\$ 5,681.82
Deferred Developer Fee	FHDC & Palindrome	\$ 9,380,352	10.8%	\$ 53,297.45
LIHTC Equity	Hunt Capital	\$ 6,648,682	7.6%	\$ 37,776.60
Total Construction Sources		\$ 86,945,392	100.0%	\$ 494,007.91

PERMANENT SOURCES				
Project:	Uptown Connect	Total	% of Total	Per Unit
Perm. Lender - 1st Lien	BWE/Tax-Exempt Bonds	\$ 19,909,040	22.9%	\$ 113,119.55
2nd Lien Holder	Housing New Mexico/HOME	\$ 3,000,000	3.5%	\$ 17,045.45
3rd Lien Holder	Housing New Mexico/NHTF	\$ 400,000	0.5%	\$ 2,272.73
4th Lien Holder	Housing New Mexico/NMHTF	\$ 3,000,000	3.5%	\$ 17,045.45
Other	City of Albuquerque/Raise Grant	\$ 16,738,212	19.3%	\$ 95,103.48
Other	City of Albuquerque/WHTF	\$ 9,456,656	10.9%	\$ 53,731.00
Other	City of Albuquerque/CDBG	\$ 654,406	0.8%	\$ 3,718.22
Other	DWS & City of Albuquerque/DWS Grant	\$ 1,000,000	1.2%	\$ 5,681.82
Deferred Developer Fee	FHDC & Palindrome	\$ 6,192,345	7.1%	\$ 35,183.78
LIHTC Equity	Hunt Capital	\$ 26,594,733	30.6%	\$ 151,106.44
Total Permanent Sources		\$ 86,945,392	100.0%	\$ 494,007.91

Development Cost Budget		
Uptown Connect	Gross Sq. Footage:	155,800
Albuquerque	TOTAL COST	COST/GSF
ACQUISITION COSTS		
Land Acquisition	\$ 988,042	\$ 6.34
Building Acquisition	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 988,042	\$ 6.34
CONSTRUCTION HARD COSTS		
Demolition	\$ -	\$ -
Accessory Structures	\$ -	\$ -
Site Construction	\$ 6,301,638	\$ 40.45
Buildings and Structures	\$ 48,233,916	\$ 309.59
Off-Site Improvements	\$ -	\$ -
Other: Tower crane	\$ 1,217,412	\$ 7.81
SUBTOTAL	\$ 55,752,966	\$ 357.85
OTHER CONSTRUCTION COSTS		
Contractor Overhead	\$ 1,170,813	\$ 7.51
Contractor Profit	\$ 2,341,624	\$ 15.03
General Requirements	\$ 2,341,624	\$ 15.03
Construction Contingency	\$ 2,787,648	\$ 17.89
Gross Receipts Tax (GRT)	\$ 1,400,922	\$ 8.99
Landscaping	\$ -	\$ -
Furniture, Fixtures, & Equipment	\$ 170,000	\$ 1.09
Other: UEC Fees, Building Permit Fees	\$ 567,954	\$ 3.65
SUBTOTAL	\$ 10,780,585	\$ 69.20
PROFESSIONAL SERVICES/FEES		
Architect (Design)	\$ 3,353,890	\$ 21.53
Architect (Supervision)	\$ -	\$ -
Attorney (Real Estate)	\$ -	\$ -
Engineer/Survey	\$ 156,209	\$ 1.00
Other: Traffic Impact Study, Geotechnical Reports, Contingency	\$ 127,010	\$ 0.82
SUBTOTAL	\$ 3,637,109	\$ 23.34
CONSTRUCTION FINANCING COSTS		
Builder's Risk/Hazard Insurance	\$ 557,530	\$ 3.58
Liability Insurance	\$ 324,720	\$ 2.08
Performance Bond	\$ -	\$ -
Interest	\$ 2,305,261	\$ 14.80
Origination\Discount Points	\$ 334,939	\$ 2.15
Credit Enhancement	\$ -	\$ -
Inspection Fees	\$ 47,734	\$ 0.31
Title and Recording	\$ 83,539	\$ 0.54
Legal	\$ 288,324	\$ 1.85
Taxes	\$ -	\$ -
Other: Bond Fees	\$ 112,049	\$ 0.72
SUBTOTAL	\$ 4,054,096	\$ 26.02

Project: Uptown Connect		
PERMANENT FINANCING COSTS		
Bond Premium	\$ -	\$ -
Credit Report	\$ -	\$ -
Origination\Discount Points	\$ 288,818	\$ 1.85
Credit Enhancement	\$ -	\$ -
Title and Recording	\$ -	\$ -
Legal	\$ 103,278	\$ 0.66
Cost of Bond Issuance	\$ -	\$ -
Pre-Paid MIP	\$ -	\$ -
Reserves and Escrows	\$ -	\$ -
Other: Trustee Fees	\$ 11,250	\$ 0.07
SUBTOTAL	\$ 403,346	\$ 2.59
SOFT COSTS		
Market Study	\$ 5,500	\$ 0.04
Environmental	\$ 7,000	\$ 0.04
Tax Credit Fees	\$ 278,724	\$ 1.79
Appraisal	\$ 24,000	\$ 0.15
Hard Relocation Costs	\$ -	\$ -
Accounting/Cost Certification	\$ 20,000	\$ 0.13
Other:	\$ -	\$ -
SUBTOTAL	\$ 335,224	\$ 2.15
SYNDICATION		
Organization	\$ 65,000	\$ 0.42
Bridge Loan	\$ -	\$ -
Tax Opinion	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 65,000	\$ 0.42
TDC before Dev. Fees & Reserves	\$ 76,016,368	\$ 488
RESERVES		
Rent Up	\$ 75,000	\$ 0.48
Operating	\$ 1,247,124	\$ 8.00
Replacement (inc. only if capitalized)	\$ -	\$ -
Escrows/Working Capital	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 1,322,124	\$ 8.49
DEVELOPER FEES		
Developer Fee	\$ 9,606,900	\$ 61.66
Consultant Fee	\$ -	\$ -
Relocation Consultant	\$ -	\$ -
SUBTOTAL	\$ 9,606,900	\$ 61.66
Total Development Cost (TDC)	\$ 86,945,392	\$ 558.06
TDC w/o Land, Reserves & Commercial	\$ 84,635,226	\$ 543.23



Tab 7

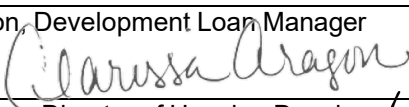
2025 RENTAL AWARD SUMMARY

Project Name & Address	Nueva Acequia 4 1335 Camino de Jacobo, Santa Fe, NM 87507			
Proposed Award	\$2,000,000	HOME	Rate	0%
	\$1,000,000	National Housing Trust Fund (NHTF)	Rate	0%
	\$4,000,000	New Mexico Housing Trust Fund (NMHTF)	Rate	2.0% Fixed
Borrower	Nueva Acequia 4, LLLP will be owned 0.0051% by Nueva Acequia 4 Santa Fe County, LLC as General Partner, 0.0049% by Nueva Acequia 4 TWG, LLC as Co-General Partner, and 99.99% by a to-be formed tax credit equity investor entity as Limited Partner.			
Management	TWG Management, LLC was formed in 2008 as the property management affiliate of TWG Development, LLC. Five thousand apartment units are managed by this corporation across 57 properties, with the majority of those projects comprised of senior, low-income housing developments.			
Developer	TWG Development, LLC (TWG) is a developer of both market rate and affordable housing apartments and is headquartered in Indianapolis, Indiana. Founded in 2007, this corporation has developed 28 market rate projects and 102 affordable housing projects across 22 states, comprised of over 15,000 units. Nueva Acequia will be the first development that TWG has undertaken in New Mexico. Santa Fe County is the co-developer of Nueva Acequia 4. The Santa Fe County Housing Authority (the Authority), in particular, will lead the development of this project. Founded in 1966, the Authority fosters the development of affordable housing units in Santa Fe County and administers the County's Housing Choice Voucher Program. The Authority also manages multiple public housing developments along with providing wraparound services to residents including job training and supportive services. Nueva Acequia will be the first housing project developed by Santa Fe County. TWG's audited financial statements as of FYE 12/31/24 show unrestricted cash of \$7.8 MM, total assets of \$189 MM, a net worth of \$109 MM, a debt-to-worth ratio of 0.74 to 1.00, a net income of \$12.8 MM, and positive traditional cash flow. TWG's audited financial statements as of FYI 12/31/2025 show unrestricted cash of \$5.8 MM, total assets of \$211 MM, a net worth of \$122 MM, a debt-to-worth ratio of 0.73 to 1.00, a net income of \$41.8 MM, and a positive traditional cash flow. TWG's internally prepared interim financial statements for the three months ending 3/31/2026 show unrestricted cash of \$1.5 MM, total assets of \$162M, a net worth of \$116 MM, a debt-to-worth ratio of 0.39 to 1:00, a net income of \$4.9 MM, and positive traditional cash flow. Santa Fe County's Annual Comprehensive Financial Report dated June 30, 2023, shows current assets of \$481 MM, total assets of \$965 MM, a net worth of \$198 MM, a debt-to-worth ratio of 0.62 to 1:00, a net income of \$79 MM, and positive traditional cash flow. Santa Fe County's Annual Comprehensive Financial Report dated June 30, 2024, shows current assets of \$537 MM, total assets of \$1.06 B, a net worth of \$689MM, a debt-to-worth ratio of 0.54 to 1:00, a net income of \$88 MM, and positive traditional cash flow. Santa Fe County's Annual Comprehensive Financial Report dated June 30, 2025, shows current assets of \$570M, total assets of \$1.11B, a net worth of \$743M, a debt-to-worth ratio of 0.50 to 1:00, a net income of \$81 MM and positive traditional cash flow.			
Project Type & Size	New construction of 106 multifamily units, The project will consist of 27 studio units, each at approximately 433 sq. ft., 51 one-bedroom units, each at approximately 660 sq. ft., 16 two-bedroom units, each at approximately 965 sq. ft., 10 three-bedroom units, each at approximately 1,162 sq. ft. and 2 four-bedroom units, each at approximately 1,342 sq. ft. The project's gross square footage will be around 94,198 sq. ft. comprised of one U-shaped 4-story residential building The project will be located on a 6.68-acre site. Twenty-seven units, or 25% of the project, will serve households with children. Eleven units will be income restricted to households earning 80% or less of Area Median Income (AMI), 31 units will be income restricted to households earning 60% or less of AMI, 48 units will be income restricted to households earning 50% or less of AMI, six units will be income restricted			

	to households earning 40% or less of AMI, and the final 10 units will be income restricted to households earning 30% or less of AMI. Eight units will receive Project Based Vouchers (PBV) from the Santa Fe County Housing Authority and seven units will be handicap accessible.
Project Description	TWG and Santa Fe County are proposing the new construction of Nueva Acequia 4, the first project in New Mexico that may receive both 4% LIHTCs (Low Income Housing Tax Credits) and 9% LIHTCs. Housing New Mexico's Board of Directors previously approved an allocation of 9% LIHTC, as well as HOME, NHTF, & NMHTF loans for the 9% LIHTC portion of the project in May 2025. The loans requested and project information provided in this summary pertain to the 4% LIHTC portion of the project. Nueva Acequia (4% LIHTC) will be a 106-unit multifamily apartment project targeting households with children in Santa Fe. The proposed site is currently a vacant, undeveloped parcel of land that is zoned C2 (General Commercial District), which allows for the development of multifamily housing.. The residents of Nueva Acequia will have access to a central courtyard area with a dedicated garden space between the 9% LIHTC portion's building and the 4% LIHTC portion's building, as well as a walking trail and park that will be developed on the northern end of the project's lot. On-site amenities of the project will include a community room featuring a residential kitchen and mini library, a shared laundry room, a leasing office, a supportive services office, and a food pantry. Adjacent to the project site are commercial and retail uses, multifamily apartment projects, single-family homes, and government buildings. The project is within half a mile of multiple grocery stores offering fresh produce and a shopping center, home to many restaurants and retailers. Nueva Acequia 4 is also in close proximity to a City of Santa Fe operated bus stop, providing residents with access to a frequent public transportation option. A market study, prepared by Novogradac and dated January 19, 2026, generally defines Nueva Acequia's Primary Market Area (PMA) as the City of Santa Fe and the surrounding communities of Agua Fria, La Cienega, and Seton Village. The market study states that Nueva Acequia (4% LIHTC) will represent excellent quality affordable apartments that will have a positive impact on the surrounding neighborhood. The market study demand analysis shows an overall Capture Rate of 0.7%, which is considered extremely low and indicates significant demand for the proposed project. This analysis also shows that Nueva Acequia (4% LIHTC) will be fully occupied within five to seven months of opening. This absorption period is based on an estimated average absorption rate of approximately 15 to 20 units per month.
Environmental & Site	A Phase I Environmental Site Assessment (ESA) was completed in July of 2025 for the subject property by Gill Group. No Recognized Environmental Conditions (RECs) were identified in connection with the site. The developer reports that no construction activity has occurred on the site since the completion of this ESA. As required by HOME, the project must be determined to comply with HUD Environmental Review 24 CFR part 58 before site control and/or execution of loan documents. As required by National Housing Trust Fund, the project must be determined to comply with HUD Environmental Provisions of 24 CFR part 93.301 before construction is complete.
Site and Neighborhood Standards (HOME and NHTF New Construction only)	The project will be required to meet HUD's Site and Neighborhood Standards prior to the acquisition of the property.
Project Financials, Projections and Assumptions, and Subsidy Layering Review	This project was underwritten utilizing Housing New Mexico's standard 7% vacancy rate for households with children projects. The applicant has provided a detailed 15-year cash flow projection for the project, which assumes total annual revenue of \$1,430,690. The developers estimate \$618,503 in total operating expenses less reserves and social services (i.e., \$5,835 per unit per year), which is within Housing New Mexico's standard underwriting range of \$5,300 to \$7,600. The project's Debt Service Coverage Ratio (DSCR) starts at 1.20 to 1.00 in year one, increasing to

	1.41 to 1.00 in year 15. This ratio is within Housing New Mexico's underwriting standards of a range between 1.20 – 1.40 to 1:00 from year one of operation through year 14. The DSCR for years 15 is just slightly above underwriting standards. The interest rate for Cedar Rapids Bank & Trust first mortgage loan is assumed to be 7.25% (6.75% adjusted upwards by 50 basis points for underwriting). If, for any reason, the rate increases too much to accommodate the required DSCR, then the first mortgage permanent loan can be reduced and that portion of it replaced by a cash flow loan from TWG and/or Santa Fe County. Currently, it appears that \$1,503,338 (~32%) of the \$4,651,595 developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferring the developer fee is allowable, provided that cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Current projections indicate the project will fully pay off the deferred developer fee by the end of year 10. Based on the investor's letter of interest, the project is currently underwritten using a credit price of 73 cents on the dollar, which is within the average range for recent LIHTC projects. Every one (\$0.01) cent drop in that price would create the need for an additional \$190K in a cash flow loan from TWG and/or Santa Fe County. Subsidy Layering Review <u>HOME</u>- Housing NM's Housing Development Department's subsidy layering analysis, performed for the HOME loan request, show this project is not over-subsidized per HUD regulations. <u>National HTF</u>- Housing NM's Housing Development Department's underwriting guidelines, performed for the National Housing Trust Fund loan request, show this project is not over-subsidized per HUD regulations.
Affordability Requirements	HOME: Nine HOME units consisting of: 2 studio apartment units, 2 one-bedroom apartment units, 2 two-bedroom apartment units, and 1 three-bedroom apartment unit for households at or below 60% AMI and restricted to High HOME rents and 1 studio apartment unit and 1 one-bedroom apartment unit for households at or below 50% AMI and restricted to Low HOME Rents, for which a Land Use Restriction Agreement (LURA) will be filed in Santa Fe County. The affordability period is 40 years: 20 years as required by HOME rules' standards and 20 years for Housing NM's extended affordability period (i.e. in concurrence with the loan term). The affordability period starts on the date of acceptance by HUD of a final HOME project completion report and ends 40 years later. NHTF: Four NHTF units consisting of: One studio apartment unit, one 1-bedroom apartment unit, one 2-bedroom apartment unit and one 3-bedroom apartment unit restricted to households earning the greater of 30% AMI or the federal poverty level, for which a Land Use Restriction Agreement (LURA) will be filed in Santa Fe County. The affordability period is 35 years, starting on the date of acceptance by HUD of a final NHTF project completion report and ends 35 years later. NMHTF: Ninety-five (95) units income-restricted to households earning 60% or less of AMI for which a Land Use Restriction Agreement (LURA) will be filed in Santa Fe County. The NMHTF affordability period is 40 years; 20 as required by Affordable Housing Act Rules and 20 for Housing New Mexico's extended affordability period (i.e., in concurrence with the loan term) and starts on the date the Certificate of Occupancy is issued.

Repayment and Disbursement	HOME: <u>Payments:</u> No payments during the construction period, which is not to exceed 24 months; thereafter, 480 equal principal payments during the permanent loan period, fully amortized over 40 years. All outstanding principal due at the earlier of maturity, refinance, or sale of the project. <u>Disbursement:</u> Allow up to three draws: two during the construction period, and the third upon submission of a final HOME project completion report to HUD. NHTF: <u>Payments:</u> No payments during the construction period, which is not to exceed 24 months; thereafter, an annual fixed principal payment of \$500, maturing in 35 years. On the final day of the NHTF affordability period either 1) all outstanding principal is due or 2) all outstanding principal is forgiven, assuming all terms are met during the loan's affordability period. <u>Disbursement:</u> Allow up to three draws: two during the construction period, and the third upon submission of a final NHTF project completion report to HUD. NMHTF: <u>Payments:</u> Interest only monthly during the construction period not to exceed 24 months; thereafter, paid down to \$3,000,000 with 479 equal principal & interest payments during the permanent loan period, based on a 40-year amortization, with one final payment of all outstanding principal and interest due at maturity. All outstanding principal and interest due at the earlier of maturity, refinance, or sale of the project. <u>Disbursement:</u> Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.
Special Conditions	1. All loans are subject to Housing New Mexico's final underwriting for project feasibility. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing; 2. Any changes or additions to the following development team members listed in the loan application must be approved by Housing New Mexico: developer, contractor, management company, consultant or architect; 3. Financing commitments acceptable to Housing New Mexico prior to funding on all funding sources; 4. Acceptance of 2026 award of Low-Income Housing Tax Credits (LIHTC); 5. Approval of plans/construction monitoring/draws by Housing New Mexico's Architectural Services Representative or a third party acceptable to Housing New Mexico (i.e. hired by Housing New Mexico, investor or primary construction lender) and shared with Housing New Mexico. Cost to be paid by applicant; 6. Other conditions as may be determined by staff; and 7. Subject to availability of funds. Additional Conditions: HOME Loan 1. Loan to be in third lien position during the construction period, second lien position during the permanent period; 2. HUD Environmental Review (ER) approval must occur prior to acquisition and construction start, and any other ER approval conditions must be met; 3. If other than minimal funds used during construction (i.e. \$50,000 or less), TWG and Santa Fe County must provide a guarantee during the construction period; 4. If HOME CHDO (Community Housing Development Organization) funds are to be used, TWG or Santa Fe County must be approved by Housing New Mexico as a CHDO, and any transfers of ownership must be in accordance with HUD's CHDO rules. Additional Conditions: NHTF Loan 1. Loan to be in fourth lien position during the construction period, third lien position during the permanent period; 2. HUD Environmental Provision (EP) approval must occur prior to construction completion; and 3. If applicable, project building plans must meet NHTF Rehabilitation Standards prior to acquisition and construction start; and 4. If other than minimal funds used during construction (i.e. \$50,000 or less), TWG and Santa Fe County must provide a guarantee during the construction period; Additional Conditions: NMHTF

	1. Loan to be in fifth lien position; during the construction period, fourth lien position during the permanent period; 2. TWG and Santa Fe County must provide a guarantee during the construction period.		
Housing New Mexico Commitments to Other Projects	<u>TWG Development, LLC</u> 2025 LIHTC (9%) – Nueva Acequia (9% LIHTC) – \$1,288,621 2025 HOME – Nueva Acequia (9% LIHTC) - \$397,500 2025 NHTF – Nueva Acequia (9% LIHTC) – \$210,000 2025 NMHTF – Nueva Acequia (9% LIHTC) - \$2,000,000 <u>Santa Fe County</u> 2025 LIHTC (9%) – Nueva Acequia (9% LIHTC) – \$1,288,621 2025 HOME – Nueva Acequia (9% LIHTC) - \$397,500 2025 NHTF – Nueva Acequia (9% LIHTC) – \$210,000 2025 NMHTF – Nueva Acequia (9% LIHTC) - \$2,000,000		
Housing New Mexico Exposure	Total Housing New Mexico Exposure with TWG Development, LLC: \$2,607,500 (excludes LIHTC, grants and loans pending approval). Total Housing New Mexico Exposure with Santa Fe County: \$2,607,500 (excludes LIHTC, grants and loans pending approval).		
<u>Risk Factors</u>	1. Market – Low (Strong demand for proposed property in PMA as demonstrated by the market study's low capture rate) 2. Construction – Medium (Construction material pricing remains high; however, one of the developers has experience constructing LIHTC projects plus the investor and main construction lender will provide additional oversight and controls) 3. Developers – Medium (One of the developers (TWG) has significant experience, but it is their first development in New Mexico; both developers have strong balance sheets) 4. Guarantors – Medium (Both developers have strong balance sheets) 5. General Partners/Managing Members – Medium (i.e. the developers) 6. Community Opposition – Low (Project located next to existing multifamily developments) 7. Financing – Medium (As long as market conditions for interest rates & LIHTC pricing do not fluctuate too much, the project is feasible. However, in the event of adverse market conditions the project may not move forward. Final underwriting is required before loan closing to ensure viability)		
Summary & Recommendation	The proposed project presents a favorable risk profile and is recommended for approval.		
Prepared by	Clarissa Aragon, Development Loan Manager 	Date	08/04/2026
Reviewed by	George Maestas, Director of Housing Development 	Date	08/04/2026

PROJECT INFORMATION SUMMARY						
Project Name		City	NC, AR, or NC/AR	Total # Units	Unit Sizes	Target AMIs
Nueva Acequia 4		Santa Fe				
Total Development Cost	\$ 39,212,299		NC	106	STUDIO, 1-BED, 2-BED, 3-BED & 4-BED	30% AMI, 40% AMI, 50% AMI, 60% AMI, 80% AMI
Borrowers	Nueva Acequia 4, LLLP					
Management	TWG Management, LLC		YEAR BUILT (AR)		LIHTC ALLOC	4% or 9%
Developer	TWG Development, LLC Santa Fe County		N/A		\$ 1,901,594	4%
			NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments			
HOME LOAN INFORMATION			NUMBER OF HOME UNITS		9	
Funds Available as of:	07/28/26	\$3,857,970				
	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$1,250,000	\$2,000,000	Per Housing New Mexico's Annual Action Plan, "depending on fund availability, higher awards may be allowed, at Housing New Mexico's discretion."			
Rates	0.0% to 3.0%	0.0%				
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, 40 yr perm	2 yr construct, 40 yr perm				
Loan Amortization	20 to 80 years	40 years				
Lien Position	Subordinate allowed	3rd lien during const., 2nd lien during perm				
Affordability Requirements	Min 20 yrs, max 60% AMI	40 yrs, 7 units @ 60% AMI, 2 units @ 50% AMI				
DSCR	1.20 to 1.40 : 1 on all must-pay debt	1.20 : 1.00 increasing to 1.41 : 1.00 by year 15	DSCR starts at 1.20 : 1.00 in year 1, trends up and stays at or below 1.40 : 1.00 through year 14 and increases to slightly above 1.40 : 1.00 in year 15 to 1.41 : 1.00			
Scoring Criteria	N/A					
NATIONAL HOUSING TRUST FUND (NHTF) LOAN INFORMATION			NUMBER OF NHTF UNITS:		4	
Funds Available as of:	07/28/26	\$1,960,913				
	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$400,000	\$1,000,000	Per the National Housing Trust Fund NOFA "Depending on program demand, participation, and fund availability, higher awards may be allowed, at Housing New Mexico Board of Directors' discretion."			
Rates	0.0%	0.0%				
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, no max on perm	2 yr construct, 35 yr perm				
Loan Amortization	N/A	N/A	Annual Principal Payment of \$500			
Lien Position	Subordinate allowed	4th lien during const., 3rd lien during perm				
Affordability Requirements	Min 30 years, Max 30% AMI	35 yrs, 4 units @ 30% AMI				
DSCR	1.20 to 1.40 : 1 on all must-pay debt	1.20 : 1.00 increasing to 1.41 : 1.00 by year 15	DSCR starts at 1.20 : 1.00 in year 1, trends up and stays at or below 1.40 : 1.00 through year 14 and increases to slightly above 1.40 : 1.00 in year 15 to 1.41 : 1.00			
Scoring Criteria	40-115 points	93				
NEW MEXICO HOUSING TRUST FUND (NMHTF) LOAN INFORMATION			NUMBER OF NMHTF UNITS:		95	
Funds Available as of:	07/28/26	\$10,910,700				
	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$4,000,000	\$4,000,000	Max NMHTF loan amount. Paid down to \$3MM at Perm.			
Rates	0.0% to 5.0%	2.0%	Base rate for 4% LIHTC projects is 2%			
Loan Fees	N/A	N/A				

Maximum Loan Term	2 yr construct, 40 yr perm	2 yr construct, 40 yr perm	
Loan Amortization	40 years	40 years	
Lien Position	Subordinate allowed	5th lien during const., 4th lien during perm	
Affordability Requirements	Min 20 years, Max 60% AMI	40 yrs, 95 units @ at or below 60% AMI	
DSCR	1.20 to 1.40 : 1 on all must-pay debt	1.20 : 1.00 increasing to 1.41 : 1.00 by year 15	DSCR starts at 1.20 : 1.00 in year 1, trends up and stays at or below 1.40 : 1.00 through year 14 and increases to slightly above 1.40 : 1.00 in year 15 to 1.41 : 1.00
Scoring Criteria	57-112 points	76	

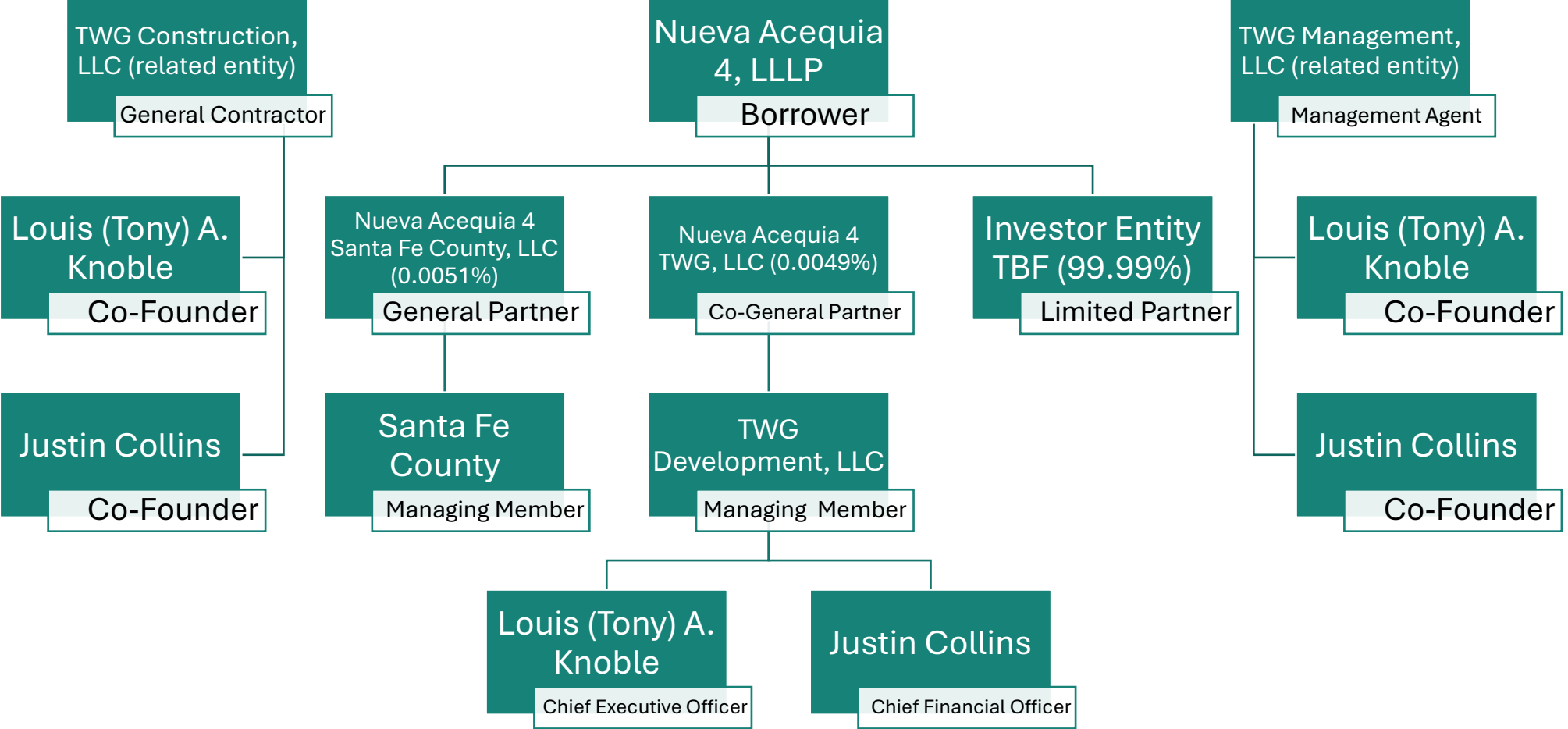
TOTAL DEVELOPMENT COST INFORMATION SUMMARY				
Project: Nueva Acequia 4		Total	% TDC	Cost/GSF*
Acquisition Costs (land, building acquisition, & other acquisition costs)		\$ -	0%	\$ -
Construction Hard Costs		\$ 21,868,500	56%	\$ 232.15
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)		\$ 6,800,361	17%	\$ 72.19
Professional Services/Fees (architect, engineer, real estate legal, etc)		\$ 1,597,923	4%	\$ 16.96
Construction Financing Costs (interest, insurance, inspections, fees, etc)		\$ 2,634,043	7%	\$ 27.96
Permanent Financing Costs (fees, title/recording, etc)		\$ 509,160	1%	\$ 5.41
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)		\$ 312,123	1%	\$ 3.31
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)		\$ 75,000	0.2%	\$ 0.80
Reserves (rent-up, operating, replacement, escrows, etc)		\$ 683,591	2%	\$ 7.26
Developer Fees (inc consultant fees)		\$ 4,651,595	12%	\$ 50.23
Total Development Costs (TDC)		\$ 39,212,299	100%	\$ 416.28
TDC w/o Land, Reserves & Commercial		\$ 38,528,705	98%	\$ 409.02

CONSTRUCTION SOURCES				
Project:	Nueva Acequia 4	Total	% of Total	Per Unit
Construct. Lender - 1st Lien	Cedar Rapids Bank and Trust - Tax-Exempt Bond	\$ 10,674,967	27.2%	\$ 100,707.24
2nd Lien Holder	Cedar Rapids Bank and Trust - Taxable Bond	\$ 4,200,000	10.7%	\$ 39,622.64
3rd Lien Holder	Housing NM/HOME	\$ 1,800,000	4.6%	\$ 16,981.13
4th Lien Holder	Housing NM/NHTF	\$ 900,000	2.3%	\$ 8,490.57
5th Lien Holder	Housing NM/NMHTF	\$ 4,000,000	10.2%	\$ 37,735.85
Other	GP Note	\$ 1,000,000	2.6%	\$ 9,433.96
Other	FHLB / AHP	\$ 2,000,000	5.1%	\$ 18,867.92
Other	SF County, City of SF, DWS	\$ 8,215,000	21.0%	\$ 77,500.00
Deferred Developer Fee	TWG & SF County	\$ 1,489,381	3.8%	\$ 14,050.76
Other Equity	GP Equity Contribution	\$ 100	0.0%	\$ 0.94
LIHTC Equity	Raymond James	\$ 4,932,851	12.6%	\$ 46,536.33
Total Construction Sources		\$ 39,212,299	100.0%	\$ 369,927.35

PERMANENT SOURCES				
Project:	Nueva Acequia 4	Total	% of Total	Per Unit
Perm. Lender - 1st Lien	Cedar Rapids Bank and Trust - Tax-Exempt Bond	\$ 6,400,000	16.3%	\$ 60,377.36
2nd Lien Holder	Housing NM/HOME	\$ 2,000,000	5.1%	\$ 18,867.92
3rd Lien Holder	Housing NM/NHTF	\$ 1,000,000	2.6%	\$ 9,433.96
4th Lien Holder	Housing NM/NMHTF	\$ 3,000,000	7.7%	\$ 28,301.89
Other	GP Note	\$ 1,000,000	2.6%	\$ 9,433.96
Other	FHLB / AHP	\$ 2,000,000	5.1%	\$ 18,867.92
Other	SF County, City of SF, DWS	\$ 8,215,000	21.0%	\$ 77,500.00
Deferred Developer Fee	TWG & SF County	\$ 1,503,338	3.8%	\$ 14,182.43
Other Equity	GP Equity Contribution	\$ 100	0.0%	\$ 0.94
LIHTC Equity	Raymond James	\$ 14,093,861	35.9%	\$ 132,960.95
Total Permanent Sources		\$ 39,212,299	100.0%	\$ 369,927.35

Development Cost Budget		
Nueva Acequia (4% LIHTC)	Gross Sq. Footage:	94,198
Santa Fe	TOTAL COST	COST/GSF
ACQUISITION COSTS		
Land Acquisition		\$ -
Building Acquisition	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ -	\$ -
CONSTRUCTION HARD COSTS		
Demolition	\$ -	\$ -
Accessory Structures	\$ -	\$ -
Site Construction	\$ 1,496,500	\$ 15.89
Buildings and Structures	\$ 17,744,844	\$ 188.38
Off-Site Improvements	\$ 2,525,718	\$ 26.81
Other: Pre-Construction Services	\$ 101,438	\$ 1.08
SUBTOTAL	\$ 21,868,500	\$ 232.15
OTHER CONSTRUCTION COSTS		
Contractor Overhead	\$ 404,621	\$ 4.30
Contractor Profit	\$ 1,199,974	\$ 12.74
General Requirements	\$ 1,202,410	\$ 12.76
Construction Contingency	\$ 1,221,321	\$ 12.97
Gross Receipts Tax (GRT)	\$ 1,807,474	\$ 19.19
Landscaping	\$ -	\$ -
Furniture, Fixtures, & Equipment	\$ 80,000	\$ 0.85
Other: Utilities fees/meters	\$ 884,561	\$ 9.39
SUBTOTAL	\$ 6,800,361	\$ 72.19
PROFESSIONAL SERVICES/FEES		
Architect (Design)	\$ 842,056	\$ 8.94
Architect (Supervision)		\$ -
Attorney (Real Estate)	\$ 190,000	\$ 2.02
Engineer/Survey	\$ 230,000	\$ 2.44
Other: Permits & Fees, Soft Cost Contingency, Special Materials Inspections	\$ 335,867	\$ 3.57
SUBTOTAL	\$ 1,597,923	\$ 16.96
CONSTRUCTION FINANCING COSTS		
Hazard Insurance		\$ -
Liability Insurance	\$ 553,360	\$ 5.87
Performance Bond	\$ 121,239	\$ 1.29
Interest	\$ 1,485,238	\$ 15.77
Origination\Discount Points	\$ 154,206	\$ 1.64
Credit Enhancement	\$ -	\$ -
Inspection Fees	\$ 80,000	\$ 0.85
Title and Recording	\$ 50,000	\$ 0.53
Legal	\$ 70,000	\$ 0.74
Taxes	\$ -	\$ -
Other: Predev Loan Interest & Fees	\$ 120,000	\$ 1.27
SUBTOTAL	\$ 2,634,043	\$ 27.96

Project: Nueva Acequia (4% LIHTC)		
PERMANENT FINANCING COSTS		
Bond Premium	\$ -	\$ -
Credit Report	\$ -	\$ -
Origination\Discount Points	\$ 64,000	\$ 0.68
Credit Enhancement	\$ -	\$ -
Title and Recording	\$ -	\$ -
Legal	\$ 80,000	\$ 0.85
Cost of Bond Issuance	\$ 245,160	\$ 2.60
Pre-Paid MIP	\$ -	\$ -
Reserves and Escrows	\$ -	\$ -
Other: Lease up costs	\$ 120,000	\$ 1.27
SUBTOTAL	\$ 509,160	\$ 5.41
SOFT COSTS		
Market Study	\$ 20,000	\$ 0.21
Environmental	\$ 30,000	\$ 0.32
Tax Credit Fees	\$ 181,123	\$ 1.92
Appraisal	\$ 6,000	\$ 0.06
Hard Relocation Costs	\$ -	\$ -
Accounting/Cost Certification		\$ -
Other: Acctg/Cost Cert, Green Building Consultant/Cert, Gen Liability Insur	\$ 75,000	\$ 0.80
SUBTOTAL	\$ 312,123	\$ 3.31
SYNDICATION		
Organization	\$ 75,000	\$ 0.80
Bridge Loan	\$ -	\$ -
Tax Opinion	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 75,000	\$ 0.80
TDC before Dev. Fees & Reserves	\$ 33,797,110	\$ 359
RESERVES		
Rent Up	\$ -	\$ -
Operating	\$ 651,794	\$ 6.92
Replacement (inc. only if capitalized)	\$ 31,800	\$ 0.34
Escrows/Working Capital	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 683,594	\$ 7.26
DEVELOPER FEES		
Developer Fee	\$ 4,651,595	\$ 49.38
Consultant Fee	\$ 80,000	\$ 0.85
SUBTOTAL	\$ 4,731,595	\$ 50.23
Total Development Cost (TDC)	\$ 39,212,299	\$ 416.28
TDC w/o Land, Reserves & Commercial	\$ 38,528,705	\$ 409.02



New Mexico Housing Trust Fund Verification Form

Date: 7/30/2026

1. Awardee Information

Awardee:	TWG Development, LLC and Santa Fe County
Project:	Nueva Acequia
Total Award Recommendation:	\$4,000,000
Procurement:	Rental Development NOFA
Purpose:	REN
Accounting Unique Identifier:	SFY27-06

2. Funding Information

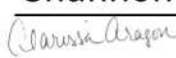
New Mexico Housing Trust Fund Source	SFY 2027 STB
Certified Use and Allocation	Activity and Allocation
Rental and single-family development	Rental Development
\$ 51,300,000.00	\$ 25,500,000.00
Certified Use Balance Before Award (CURRENT Balance)	Activity Balance Before Award (CURRENT Balance)
\$ 36,710,700.00	\$ 10,910,700.00
Award Recommendation	
(\$4,000,000)	
Certified Use Balance After Award	Activity Balance After Award
\$ 32,710,700.00	\$ 6,910,700.00

<i>Additional</i> New Mexico Housing Trust Fund Source	N/A
Certified Use and Allocation	Activity and Allocation
Certified Use Balance Before Award	Activity Balance Before Award
Award Recommendation	
\$0	
Certified Use Balance After Award	Activity Balance After Award
\$ -	\$ -

3. Supplemental Information

Award Terms:	Loan
Anticipated Leverage:	8.80 : 1.00
Anticipated Program Income:	\$4,832,158.00
Anticipated Impact (Units or Hseholds):	106

4. Approvals

Prepared by:	Shannon Tilseth	Date:	7/30/2026
Program Manager Verification:		Date:	Jul 30, 2026
Accounting Verification:		Date:	07/30/2026

REVISIONS

New Total Award Recommendation:	
New Mexico Housing Trust Fund Source:	
Certified Use and Allocation	Activity and Allocation
Certified Use Balance Before Award	Activity Balance Before Award
Award Recommendation	
Certified Use Balance After Award	Activity Balance After Award

Prepared by:		Date:	
Program Manager Verification:		Date:	
Accounting Verification:		Date:	

SFY27 STB-RenDev-Nueva Acequia 7.30.26

Final Audit Report

2026-07-30

Created:	2026-07-30
By:	Shannon Tilseth (stilseth@housingnm.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAijgv1Xn_jY92B7n0Jl136SJYRfog_aqO

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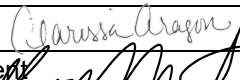
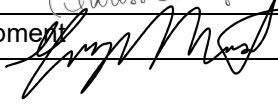
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Tab 8

2026 SINGLE FAMILY HOUSING DEVELOPMENT AWARD SUMMARY METRO SQUARE

Project Name & Address	Metro Square Subdivision Red Hawk Golf Road and Sonoma Ranch Boulevard Las Cruces, NM 88012			
Proposed Awards	\$3,000,000 Vertical Revolving Construction Line of Credit	New Mexico Housing Trust Fund - (Single Family Construction)	Rate:	1.0% Fixed
Borrower	KT Homes, LLC is a family-owned New Mexico corporation formed in December of 2011 for the purposes of residential real estate development and is headquartered in Las Cruces. To date, they've built well over 2,000 homes across Southern New Mexico.			
Developer	KT Homes, LLC (KT Homes) currently operates under the ownership of President/Owner, Kent Thurston. Kent Thurston is also the President/Co-Owner of Carlsbad Equity Corporation, also headquartered in Las Cruces, NM and incorporated since December of 2011. KT Homes, LLC will be the contractor and oversee construction while Carlsbad Equity Corporation handles real estate marketing and consulting services. KT Homes, LLC's 2024 corporate tax returns ending 12/31/2024 showed \$641K in Cash (Schedule L), \$740K in Total Assets (Schedule L), \$267K in Total Liabilities and a Net Worth/Equity of \$473K, resulting in a Debt-to-Total Assets Ratio of 0.36 (Ideal = less than 1.00) and positive taxable income of \$498K. KT Homes, LLC's 2025 corporate tax returns ending 12/31/2025 showed \$114K in Cash (Schedule L), \$192K in Total Assets (Schedule L), \$99K in Total Liabilities and a Net Worth/Equity of \$92K, resulting in a Debt-to-Total Assets Ratio of 0.52 (Ideal = less than 1.00) and positive taxable income of \$388K. KT Homes, LLC's company-prepared interim balance sheet and income statement as of 2026 for the six-month period ending 05/31/2026 shows (\$423K) in Cash, (\$90K) in Total Assets, (\$352K) in Total Liabilities and a Net Worth/Equity of \$260K, and positive net income of \$173K. Carlsbad Equity Corporation's 2024 corporate tax returns ending 12/31/2024 showed \$1.6M in Cash (Schedule L), \$15.6M in Total Assets (Schedule L), \$402K in Total Liabilities and a Net Worth/Equity of \$15.2M, resulting in a Debt-to-Total Assets Ratio of 0.03 (Ideal = less than 1.00) and positive taxable income of \$5.7M. Carlsbad Equity Corporation's 2025 corporate tax returns ending 12/31/2025 showed \$6.4M in Cash (Schedule L), \$19.4M in Total Assets (Schedule L), \$410K in Total Liabilities and a Net Worth/Equity of \$19M, resulting in a Debt-to-Total Assets Ratio of 0.02 (Ideal = less than 1.00) and positive taxable income of \$5.8M. Carlsbad Equity Corporation's company-prepared interim balance sheet and income statement for the six-month period ending 05/31/2026 shows \$403K in Cash, \$21M in Total Assets, \$414K in Total Liabilities and a Net Worth/Equity of \$20.7M, and positive net income of \$2.3M. KT Homes, LLC and Carlsbad Equity Corporation are experienced developers that collectively show positive trends and an overall stable financial foundation, and their industry knowledge, in addition to the guaranties provided by each of the entities, provides further financial strength and capacity to handle the proposed project.			
Project Type & Size	Vertical construction of sixty-four (64) single-family site-built homes in Las Cruces, NM to be included within the Metro Verde Master Planned Community. The project consists of a mix of attached and detached single-family homes designed to provide attainable homeownership opportunities for low- and moderate-income households earning up to 150% of Area Median Income (AMI). The community is situated on approximately 11.468 acres near Red Hawk Golf Road and Sonoma Ranch Boulevard, adjacent to the Red Hawk Golf Club and within one of the fastest-growing residential corridors in Southern New Mexico. The project includes a mix of detached and attached housing products ranging			

	from approximately 1,113 square feet to 1,759 square feet with anticipated sales prices ranging from approximately \$263,000 to \$298,000.
Project Description	Metro Square project will consist of sixty-four (64) homes with 100% of those units' income restricted to those earning 150% of area median income or less. The project will provide opportunities for those looking for newly constructed ownership housing below a \$300K sales price, attached and detached housing options, energy-efficient new construction, and access to a master-planned community environment. Metro Square will provide a diversified housing mix including thirty-eight (38) detached homes and twenty-six (26) attached homes. Housing products will range from 2BR to 4BR, including 2 to 2.5 BA and 1 to 2 car garages. These options will be spread over nine (9) floor plans. KT Homes, LLC intends to begin the project with approximately ten (10) speculative homes and adjust future production levels based upon market demand and sales velocity.
Environmental (Phase I) and Appraisal	Although the subject property began as raw land, a Phase I Environmental Assessment was completed by Souder, Miller & Associates, Inc on July 15, 2026. The Phase I Environmental Site Assessment did not identify any recognized environmental conditions (RECs) or controlled recognized environmental conditions (CRECs) in connection with the Subject Property. A Housing New Mexico-ordered master appraisal has been ordered at the borrower's expense, and the results are to be provided by Lowery Property Advisors. Award will be contingent upon environmental and appraisal analyses that are deemed acceptable by Housing New Mexico.
Affordability Requirements	<u>NMHTF:</u> In this phase of Metro Square, 100% or sixty-four (64) of the proposed units will be restricted to households at 150% or less of the area median income (AMI). A five (5)-year Land Use Restriction Agreement will be filed in Doña Ana County on the subject property to ensure that all applicable lots will be sold to income qualifying households.
Repayment and Disbursement	<u>NMHTF:</u> <u>Payments</u> – Based on a 36-month construction term, the Borrower will pay the principal amount of each Draw Request attributed to each lot upon the earlier to occur of (i) upon purchase of a home by an eligible homebuyer or (ii) upon Maturity. In addition, borrower shall make monthly payments of interest only on the outstanding unpaid principal balance of the Loan, paid in arrears, at an interest rate of One Percent (1.00%) per annum, until the Maturity Date. The entire principal amount of the Loan, plus all accrued and unpaid interest, will be due and payable in full upon the Maturity Date. <u>Disbursement</u> - Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.
Special Conditions	1. All loans are subject to Housing New Mexico's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e., interest rate & amortization) may be revised in line with projected cash flow at closing; 2. Any changes or additions to the following development team members listed in the loan application must be approved by Housing New Mexico: developer, contractor, management company, consultant and architect; 3. Financing commitments acceptable to Housing New Mexico prior to funding on all funding sources; 4. Approval of plans/construction monitoring/draws by Housing New Mexico's Architectural Services Representative or a third party acceptable to Housing New Mexico (i.e. hired by Housing New Mexico, investor or primary construction lender) and shared with Housing New Mexico. Cost to be paid by applicant; 5. Other conditions as may be determined by staff; and

	6. Subject to availability of funds. Additional Conditions: NMHTF 1. Loan to be in first lien position; 2. KT Homes, LLC and Carlsbad Equity Corporation must provide construction guarantees; 3. Borrower must provide evidence that (1) the project has been registered with the relevant certifying agency (i.e. to achieve Enterprise Green Building Certification) before loan closing, and (2) certification by that agency upon project completions. 4. Receipt and review of an as-is real estate appraisal report on the subject subdivision with an Loan-To-Value ratio of no more than 55%.
Housing New Mexico Commitments to Other Projects	N/A – Metro Square is this developer's first proposed affordable housing project financed by Housing New Mexico.
Current Housing New Mexico Exposure	None
Risk Factors	1. Market- Low (prior sales data for Phase I of this project paired with realtor statements and proposed appraisal absorption rates indicate a strong demand for this type of housing the subject market area) 2. Construction- Moderate (current economic and political strains continue to provide additional stress on both labor and material availability and expense) 3. Developer- Moderate (developer has extensive previous residential subdivision experience) 4. Guarantor- Low (guarantors shows acceptable income and assets via 2024-2026 tax returns and financial statements) 5. General Partner/Managing Member- Moderate (see Developer) 6. Community Opposition- Low (community support for project has been proven via local government communications and data as provided by local real estate agents) 7. Financing- Low (Housing New Mexico will be the first lienholder and will, therefore, be more directly attached to items such as construction monitoring, on-time repayments, etc.)
Summary & Recommendation	The proposed project presents a favorable risk profile and is recommended for approval.
Prepared by	Clarissa Aragon – Development Loan Manager  Date 08/04/2026
Reviewed by	George Maestas –Director of Housing Development  Date 08/04/2026

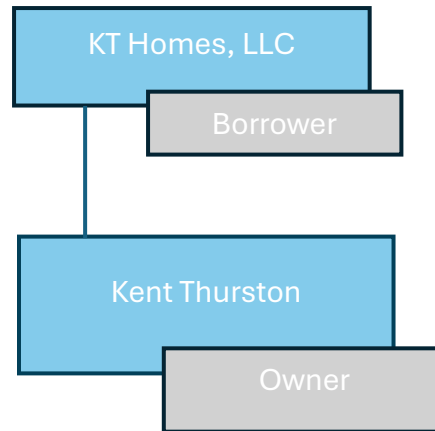
PROJECT INFORMATION SUMMARY						
Project Name		City	NC, AR, or NC/AR	Total # Units	Unit Sizes	Target AMIs
Metro Square		Las Cruces, NM				
Total Development Cost	\$ 18,075,445			NC	64	1,113 to 1,759 square feet
Borrowers	KT Homes, LLC					
Management	N/A			YEAR BUILT (AR)	LIHTC ALLOC	4% or 9%
Developer	KT Homes, LLC			N/A	N/A	N/A
			NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments			
NEW MEXICO HOUSING TRUST FUND (NMHTF) SINGLE FAMILY LOAN INFORMATION			NUMBER OF NMHTF UNITS:		64	
Funds Available as of:	07/28/26	\$33,100,000				
	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$3,000,000	\$3,000,000	Vertical Construction Revolving Line of Credit			
Rates	0.0% to 5.0%	1.0%				
Loan Fees	N/A	N/A				
Maximum Loan Term	3 yr construction	3 yr construction				
Loan Amortization	N/A	Due at Maturity	Based on a 36-month construction term, the Borrower will pay the principal amount of each Draw Request attributed to each lot upon the earlier to occur of (i) upon purchase of a home by an eligible homebuyer or (ii) upon Maturity. Borrower shall make monthly payments of interest only on the outstanding unpaid principal balance of the Loan, paid in arrears, at an interest rate of One Percent (1.00%) per annum, until the Maturity Date. The entire principal amount of the Loan, plus all accrued and unpaid interest, will be due and payable in full upon the Maturity Date.			
Lien Position	Subordinate allowed	1st lien				
Affordability Requirements	Min 5 years, Max 150% AMI	5 years, 100% of units at or below 150% AMI				
Scoring Criteria	57-112 points	70				

TOTAL DEVELOPMENT COST INFORMATION SUMMARY				
Project:	Metro Square	Total	% TDC	Cost/GSF*
Acquisition Costs (land, building acquisition, & other acquisition costs)		\$ 2,498,400	14%	\$ 26.55
Construction Hard Costs		\$ 12,257,967	68%	\$ 130.26
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)		\$ 2,193,952	12%	\$ 23.31
Professional Services/Fees (architect, engineer, real estate legal, etc)		\$ 1,119,676	6%	\$ 11.90
Construction Financing Costs (interest, insurance, inspections, fees, etc)		\$ -	0%	\$ -
Permanent Financing Costs (fees, title/recording, etc)		\$ -	0%	\$ -
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)		\$ 5,450	0%	\$ 0.06
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)		\$ -	0%	\$ -
Reserves (rent-up, operating, replacement, escrows, etc)		\$ -	0%	\$ -
Developer Fees (inc consultant fees)		\$ -	0%	\$ -
Total Development Costs (TDC)		\$ 18,075,445	100%	\$ 192.08
TDC w/o Land, Reserves & Commercial		\$ 15,577,045	86%	\$ 165.53

Development Cost Budget		
Metro Square	Gross Sq. Footage:	94,106
Las Cruces, NM	TOTAL COST	COST/GSF
ACQUISITION COSTS		
Land Acquisition	\$ 2,498,400	\$ 26.55
Building Acquisition	\$ -	\$ -
Other: Costs / Entitlements to Date of Purchase		\$ -
SUBTOTAL	\$ 2,498,400	\$ 26.55
CONSTRUCTION HARD COSTS		
Demolition	\$ -	\$ -
Accessory Structures	\$ -	\$ -
Site Construction	\$ -	\$ -
Buildings and Structures	\$ 12,257,967	\$ 130.26
Off-Site Improvements	\$ -	\$ -
Other:		\$ -
SUBTOTAL	\$ 12,257,967	\$ 130.26
OTHER CONSTRUCTION COSTS		
Contractor Overhead	\$ 903,730	\$ 9.60
Contractor Profit	\$ 1,265,222	\$ 13.44
General Requirements	\$ -	\$ -
Construction Contingency	\$ 25,000	\$ 0.27
Gross Receipts Tax (GRT)	\$ -	\$ -
Landscaping	\$ -	\$ -
Furniture, Fixtures, & Equipment	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 2,193,952	\$ 23.31
PROFESSIONAL SERVICES/FEES		
Architect (Design)	\$ -	\$ -
Architect (Supervision)		\$ -
Attorney (Real Estate)		\$ -
Engineer/Survey	\$ 35,200	\$ 0.37
Other : Real Estate Agent	\$ 1,084,476	\$ 11.52
SUBTOTAL	\$ 1,119,676	\$ 11.90
CONSTRUCTION FINANCING COSTS		
Hazard Insurance		\$ -
Liability Insurance		\$ -
Performance Bond		\$ -
Interest		\$ -
Origination\Discount Points		\$ -
Credit Enhancement		\$ -
Inspection Fees		\$ -
Title and Recording		\$ -
Legal		\$ -
Taxes		\$ -
Other: Permits, Accounting, Warranty Insurance & Reserve		\$ -
SUBTOTAL	\$ -	\$ -

Project: Metro Square		
PERMANENT FINANCING COSTS		
Bond Premium	\$ -	\$ -
Credit Report	\$ -	\$ -
Origination\Discount Points	\$ -	\$ -
Credit Enhancement	\$ -	\$ -
Title and Recording	\$ -	\$ -
Legal	\$ -	\$ -
Cost of Bond Issuance	\$ -	\$ -
Pre-Paid MIP	\$ -	\$ -
Reserves and Escrows	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ -	\$ -
SOFT COSTS		
Market Study	\$ 5,450	\$ 0.06
Environmental	\$ -	\$ -
Tax Credit Fees	\$ -	\$ -
Appraisal	\$ -	\$ -
Hard Relocation Costs	\$ -	\$ -
Accounting/Cost Certification	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 5,450	\$ 0.06
SYNDICATION		
Organization	\$ -	\$ -
Bridge Loan	\$ -	\$ -
Tax Opinion	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ -	\$ -
TDC before Dev. Fees & Reserves	\$ 18,075,445	\$ 192
RESERVES		
Rent Up	\$ -	\$ -
Operating	\$ -	\$ -
Replacement (inc. only if capitalized)	\$ -	\$ -
Escrows/Working Capital	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ -	\$ -
DEVELOPER FEES		
Developer Fee	\$ -	\$ -
Consultant Fee	\$ -	\$ -
SUBTOTAL	\$ -	\$ -
Total Development Cost (TDC)	\$ 18,075,445	\$ 192.08
TDC w/o Land, Reserves & Commercial	\$ 15,577,045	\$ 165.53

KT Homes, LLC – Organizational Chart



New Mexico Housing Trust Fund Verification Form

Date: 7/30/2026

1. Awardee Information

Awardee:	KT Homes
Project:	Metro Square
Total Award Recommendation:	\$3,000,000
Procurement:	SF Development NOFA
Purpose:	DEV
Accounting Unique Identifier:	SFY-2628

2. Funding Information

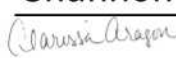
New Mexico Housing Trust Fund Source	SFY 2026 STB
Certified Use and Allocation	Activity and Allocation
Rental and single-family development	Single Family Development
\$ 35,500,000.00	\$ 12,600,000.00
Certified Use Balance Before Award (CURRENT Balance)	Activity Balance Before Award (CURRENT Balance)
\$ 27,850,851.00	\$ 6,000,000.00
Award Recommendation	
(\$3,000,000)	
Certified Use Balance After Award	Activity Balance After Award
\$ 24,850,851.00	\$ 3,000,000.00

<i>Additional</i> New Mexico Housing Trust Fund Source	N/A
Certified Use and Allocation	Activity and Allocation
Certified Use Balance Before Award	Activity Balance Before Award
Award Recommendation	
\$0	
Certified Use Balance After Award	Activity Balance After Award
\$ -	\$ -

3. Supplemental Information

Award Terms:	Loan
Anticipated Leverage:	1.00 to 1.00
Anticipated Program Income:	\$90,903.00
Anticipated Impact (Units or Hseholds):	64

4. Approvals

Prepared by:	Shannon Tilseth	Date:	7/30/2026
Program Manager Verification:		Date:	Jul 30, 2026
Accounting Verification:		Date:	Jul 30, 2026

REVISIONS

New Total Award Recommendation:	
---------------------------------	--

New Mexico Housing Trust Fund Source:	
---------------------------------------	--

Certified Use and Allocation	Activity and Allocation
Certified Use Balance Before Award	Activity Balance Before Award
Award Recommendation	
Certified Use Balance After Award	Activity Balance After Award

Prepared by:		Date:	
Program Manager Verification:		Date:	
Accounting Verification:		Date:	

SFY26 STB-SFD-Metro Square 7.30.26

Final Audit Report

2026-07-30

Created:	2026-07-30
By:	Shannon Tilseth (stilseth@housingnm.org)
Status:	Signed
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-  Agreement completed.
2026-07-30 - 8:03:07 PM GMT

Tab 9



MEMO

TO: Housing New Mexico | MFA Board of Directors

Through: Policy Committee – August 4, 2026

Through: Contracted Services – August 11, 2026

FROM: David Gutierrez and David Trembath

DATE: August 4, 2026

SUBJECT: NM Energy\$mart Approval of 2026/2027 DOE Annual and Master State Plans

Recommendation

Staff recommends approval of the NM Energy\$mart 2026/2027 Department of Energy (DOE) Weatherization Assistance Program Annual and Master State Plans.

Background

State Plan Description

The State Plan is the annual application package submitted by Housing New Mexico | MFA to the Department of Energy (DOE) prior to receiving funding for the Weatherization Assistance Program. While the DOE typically requires submission earlier in the year, **due to federal funding delays, the State Plan must be submitted by September 7.**

The State Plan consists of two primary sections:

- **The Annual Plan:** Details a breakdown of how the funds will be allocated.
- **The Master Plan:** Outlines the overall management of the NM Energy\$mart Program. This includes the Training and Health and Safety Plans.

Total Program Funding

For Program Year 2026/2027 the anticipated funding from all funding sources for the NM Energy\$mart Program is **\$17,933,694**. The State Plan only includes DOE funding.

Funding Source	2026-2027
DOE	\$3,146,692
Infrastructure Investment and Jobs Act (IIJA) – Annual amount	\$3,152,393
LIHEAP	\$3,125,000
New Mexico Gas Co.	\$1,000,000
NMHTF -Total amount	\$3,500,000

Public Service Company of NM	\$339,609
Community Energy Efficiency Development (CEED)	\$3,670,000
Total	\$17,933,694

Other than DOE, funding sources referred to as leverage are used to increase the amount of work each home receives and it allows the federal funds to stretch further to weatherize more homes. An explanation of those funding sources is below:

- Utility funding such as NM Gas, and PNM are driven by energy savings and Public Regulation Commission requirements.
- Low Income Home Energy Assistance Program (LIHEAP) funding is a federal source. The guidelines are based on DOE rules and regulations. Thanks to a recent Savings Investment Ratio (SIR) update by our local LIHEAP administrators, homes can receive energy saving weatherization measures that are less than 1, if the cumulative SIR in the home is 1 or above. This means that instead of just evaluating single items to pay for themselves on their own, we are able to combine all the measures in a home like insulation, air sealing, and HVAC upgrades to realize a cumulative SIR of 1 or greater.
- NMHTF is used to increase the number of homes that can be completed and increase the number of measures performed on a home that are not covered with federal funds.

Category	MFA	Central NM Housing Corp.	Southwestern Regional Housing & CDC	Multifamily To Be Determined	Red Feather Development	Total
Administration	\$146,403.85	\$157,033.87	\$63,125.30	\$58,590.49	\$14,202.81	\$439,356.32
Leverage	\$25,000.00	-	-			\$25,000.00
Readiness Fund	-	\$145,877.00	\$58,640.41	\$54,427.78	\$13,193.73	\$272,138.92
Capital Outlay(Includes \$217K of Carry Over)	\$474,000.00	-	-	-		\$474,000.00
Training & Technical Assistance	\$178,187.00	\$110,000.00	\$85,000.00	\$40,000.00	\$74,400.00	\$487,587.00
Program Operations	-	\$454,964.22	\$182,888.90	\$169,750.50	\$41,148.90	\$848,752.52
Health & Safety	-	\$127,283.07	\$51,165.91	\$47,490.25	\$11,512.02	\$237,451.25
Financial Audit	-	\$25,000.00	0-	0-	0-	\$25,000.00

Liability Insurance	-	\$209,700.00	\$75,000.00	\$25,000.00	\$27,706.00	\$337,406.00
TOTAL Grant	\$823,590.85	\$1,229,858.16	\$515,820.52	\$395,259.02	\$182,163.46	\$3,146,692.01

Service Provider Category Breakdown

**** The admin allocation is set at 15% total with MFA receiving 5% and the remaining 10% allocated to our subgrantees.**

Process

The State Plan is subject to a 10-day public comment and review period. It was advertised in 18 statewide New Mexico newspapers and was posted on the Housing New Mexico | MFA website on March 2, 2026. A Weatherization Assistance Program Policy Advisory Committee (WAP PAC) meeting and public hearing was held virtually and in-person on March 25, 2026

Summary

The **NM Energy\$mart** program helps low-income New Mexican families keep more money in their pockets by reducing energy waste and lowering utility bills by making homes more energy efficient through measures such as insulation, air sealing and heating system upgrades, households use less energy while staying comfortable year-round. These improvements provide long-term savings helping constituents spend less on energy and more on other important household needs. In addition to saving money weatherization improves the comfort, health and safety of the home. The Department of Energy (DOE) is the primary funding source setting program rules and regulations while also providing funding for vehicles, equipment, and a training and technical assistance budget.

Due to federal funding delays, the State Plan to receive funding from the DOE must be submitted no later than **September 7, 2026**.

Funding for the 2026/2027 State Plan totals **\$3,146,092**. With this DOE funding, we project weatherizing a statewide total of **154 units**, broken down by provider:

- **Central New Mexico Housing:** 83
- **Southwestern Regional Housing and Community Development Corporation:** 33
- **Red Feather Development:** 7
- **Multifamily New Provider** 31

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This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

Definition of income used to determine eligibility:

A unit shall be eligible for weatherization assistance under this part if it is occupied by a family unit whose income is at or below 200% of the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, contains a member who has received cash assistance payments under Title IV or XVI of the Social Security Act or applicable State or local law at any time during the 12 month period preceding the determination of eligibility for weatherization assistance.

The 2023 US Census American Community Survey identified 194,151 family households in the state with incomes at or below 200% of the poverty level, the WAP eligibility limit. These households represent approximately 21% of the state's population of households.

Additionally, the 2023 US Census American Community Survey provides other significant findings about persons with incomes at or below the poverty level:

- 264,568 households contain one or more people under 18 years of age;
 - Approximately 20% of these households contain children that were under six years of age.

From the 2023 US Census American Community Survey, regardless of poverty status:

- The number of units in which the elderly reside was estimated at 320,118;
- The number of units in which people with disabilities reside was estimated at 399,341.

New Mexico has three designated Rural Partner Networks: The Southwest NM Council of Governors region, Dona Ana region, and North Central Economic Development District. These three regions oversee the colonias housing issues and are exploring ways to designate funding to the colonias regions due to inadequate housing.

To be eligible for New Mexico Weatherization Assistance Program services, clients must meet the income criteria outlined in 10 CFR 440.22 or meet a minimum of one of the following criteria as outlined in WPN 243:

1. Has a gross household income (total annual cash receipts) at or below 200% of the federal poverty level as established by the Director of the Office of Management and Budget (OMB);
2. Receive cash assistance payments under Title IV or Title XVI of the Social Security Act or in accordance with applicable State or local law, at any time during the past one year preceding the determination of eligibility. Acceptable programs include:
 - a. Temporary Aid to Needy Families (TANF);
 - b. Supplemental Security Income (SSI)
 - c. Social Security Disability Insurance (SSDI);
 - d. Aid to Needy Disabled (AND);
 - e. Old Age Pension (OAP);
 - f. Supplemental Nutrition Assistance Program (SNAP);
 - g. HUD means tested programs at 80% AMI.

Describe what household eligibility basis will be used in the Program

Eligibility Basis

Before a unit is qualified for weatherization, the client must be approved. This approval process begins with receipt of an application. A NM Energy\$mart intake

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staff member reviews applications to ensure that clients qualify for the program. A client will not be qualified unless the following items are provided for the file. All eligibility documents must be maintained by the agency in client files and may be electronic or hard copies. Client files for single family must contain at minimum:

- A completed application;
- Income verification criteria listed in WPN -243;
- Recertification must be done when 12 months of time lapses. Agencies will contact clients with the highest priority ranking in each county for recertification prior to scheduling assessments for those counties.

Income validation includes:

- Documented verification from income sources;
- Current income tax return.
- Proof of ownership and/or landlord sign off
- A current utility bill for gas & electric service.

Multifamily Eligibility

Multifamily income eligibility can be verified by using **five** different methods:

1. Privately owned buildings receiving tenant based assistance. Subrecipient must verify residents that hold Section 8 Housing Choice Vouchers through the property owners or residents themselves. Percentage of eligibility is determined by the ratio of these vouchers to total units. Section 8 vouchers do NOT certify the entire household. The property owners must verify that either all adults in the unit have these vouchers, or the household income. This process will show that more than 67% of the tenants are Section 8 holders and the Property Owner certifies to that fact;
2. PHA operated buildings on DOE lists to be income eligible.
3. PHA operated buildings receiving assistance and confirmed by MFA to be eligible;
4. Privately owned buildings receiving project-based assistance and confirmed by MFA;
5. Tennant verification by obtaining necessary documents from each individual tenant.
6. WPN 174 procedures must be followed to certify buildings. The property owner or authorized agent of the property must sign a Self-Certification form attesting that: The property owner or authorized agent maintains certified income records for households residing at the property.
 - The property owner or authorized agent certifies that all the information provided with the certification request is true and accurate.
 - The property owner or authorized agent has determined that at least 66 percent of the units in each building (or at least 50 percent of the units for 2- and 4-unit buildings) have certified incomes that are at or below 200 percent of the current federal poverty level based on household size;
 - The property owner or authorized agent has reviewed its current certified income records.

All documentation of multifamily eligibility must be provided to MFA before project approval and kept in the project folder to be made available during monitoring, invoice payment, or inspections. This documentation must at minimum include:

- Property owner self-certification letter for income, and eligible alien status.
- Back up documentation for income certification.
- Landlord agreement.
- **Un**Signed contract between property owner and agency.
- Estimated project cost breakdown with all anticipated funding sources listed.

Single Family Eligibility

Proof of ownership may be in the form of:

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- Evidence of mortgage payments/title;
- Property deeds or proof of tax payment.
- Real Estate Contract

For renters, rental agreements from landlords must be obtained and accompanied with a landlord agreement. Intake staff also reviews the documentation for demographic information such as:

- Proper identification of head of household;
- Other household members are identified as applicable for disability or child status;
- Proof of disability (Medical documentation is requested to ascertain disability status).

Documentation proving eligibility must be verified by the agency prior to weatherization, kept in the client file, and made available to MFA upon request. Eligibility documentation is updated at least annually.

Notification:

Applicants are immediately notified of their eligibility status. Ineligible applicants are notified in writing, stating the reason for ineligibility.

Re-weatherization

Units may be re-weatherized if fifteen years have passed since the month of the final inspection. Units with higher ranking points that have never been weatherized in the same county will have a higher preference over units that have been previously weatherized.

For multifamily properties, the service provider contacts MFA to check within their online invoicing system to determine if a property has been weatherized within the last 15 years. The name and address of the property is run through the system for previous dates of weatherization. The property is also viewed on Google Maps to verify the address is correct, and nearby streets are also viewed within the system. If it is determined that no weatherization using federal dollars has occurred with the property within the 15-year period, the service provider is given approval to proceed to the next step.

Client Appeals Policy

All subrecipients shall establish and maintain a policy allowing a client to appeal a denial of service in the agency's weatherization program manual. In addition, the agency **must post the policy on their website**, so clients have access to submit a formal appeal for denial of services. The policy must clearly state how the client can initiate an appeal, who will make the determination, and the timeline for review. Client comments, concerns, and resolutions will be included in MFA's annual monitoring results letter as an attachment.

Steps that should be part of subrecipient's policy include:

When the agency defers a unit or otherwise denies a client weatherization services, the agency must provide a formal letter to the client indicating the specific reason(s) for the denial.

If an appeal is received, the agency should have a minimum of a one tier review of the client's application by a staff member in the organization with a supervisory position. The person reviewing the appeal must be someone other than the person who made the initial decision to deny the client services. The reviewer must also be familiar with the regulations regarding eligibility.

The person reviewing the appeal should compare the provisions of the relevant regulation(s) to the application, speak to the agency staff involved in the initial denial, and speak to the client before deciding.

If a judgement is made that the original determination was correct, a formal letter must be sent to the client outlining the reason for the appeal and once again articulate why services were denied. The letter should include the process that took place to confirm the denial.

If the person reviewing the appeal determines the appeal is granted, the client should be provided a letter stating such and detailing when their unit will be weatherized. The letter should include the process that took place to confirm the approval.

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

MFA requires subrecipients to collect proof of a social security number/Identity for at least one adult living in the residence. If a social security number is not available for the remaining members of the household, a Noncitizen Immigrant Status for all other members of the household is required. Immigrants are eligible under the current law referenced on the U.S. Department of Health and Human Services website. Questions regarding immigrant eligibility may be found within

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the following Health and Human Services guidance: <https://www.acf.hhs.gov/ocs/policyguidance/liheapinhhsguidanceusesocialsecuritynumberssnsand-citizenshipstatus> and <http://aspe.hhs.gov/hsp/immigration/restrictionssum.shtml>.

Multifamily (MF) property owners must certify that the residents have provided proof of a social security number/Identity for at least one adult living in the residence from the clients in rental units. **MF Multifamily** property owners may provide the required demographics as an alternative to supplying individual birthdates for an entire project, otherwise a birthdate must be provided. This certified document must be supplied within 5 business days after project approval and contract being signed between multifamily provider and property owner.

The subrecipient passes the information through MFA's online system which has a secure server where the information is encoded. All data is redacted after it has been put into the online system. The online system scrambles the data for protection of the client.

V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Procedures to determine that units weatherized have eligibility documentation

A unit is eligible for weatherization assistance if it is occupied by clients that meet the eligibility requirements in Section V.1.1. In addition, the client must have evidence of mortgage payment, property deed or proof of tax payment to be qualified. For renters, rental agreements from landlords must be obtained and accompanied with a landlord agreement. These documents must be kept in the client file and verified upon desk monitoring, monitoring and Quality Control Inspections (QCI).

Describe Reweatherization compliance

Re-Weatherization

New Mexico does not encourage re-weatherization of units; however, if a unit or project has not been weatherized with DOE, LIHEAP, or other federal funds prior to 15 years of the current date, eligibility requirements for re-weatherization include the following:

- A DOE approved energy audit must be run on the unit;
- All health and safety issues must be addressed.
- When applicable leverage funding for any measure that qualifies will be allowed;
- The subrecipient must determine that the applicant is eligible;
- There are no other applicants with higher ranking/priority residing in the same county.

If federal funds have been used to improve the conditions of the structure, and the work included measures not specific to weatherization, but the improvements save energy, that does not disqualify the unit from receiving full weatherization services.

Households located in a disaster area would be considered a priority for weatherization if the households are eligible, meet one of the ranking priorities, and are free and clear of any insurance claim resulting from damage incurred from the disaster.

All units that have received weatherization using any funding source since 2004 have been tracked by MFA's online system. All units are assigned a unique client number. When an application is received by intake, it is first entered into the online system to determine if the unit has been previously weatherized and if so, the date. If the online system shows the unit has been previously weatherized, the unit is deferred until 15 years have passed from the date of final inspection.

For multifamily properties, the service provider contacts MFA to check within their online invoicing system to determine if a property has been weatherized within the last 15 years. The name and address of the property is run through the system for previous dates of weatherization. The property is also viewed on Google Maps to verify the address is correct, and nearby streets are also viewed within the system. If it is determined that no weatherization using federal dollars has occurred with the property within the 15-year period, the service provider is given approval to proceed to the next step.

Describe what structures are eligible for weatherization

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Eligible Structures

Housing types qualifying for weatherization include site built, mobile homes, shelters, and multifamily buildings.

Nontraditional dwelling units such as shelters or dwelling units sharing a wall with a business will be discussed with the DOE project officer prior to commencement of the project and full caution will be exercised to be sure the particular units are eligible. Weatherization of nonstationary campers and trailers that do not have a mailing address associated with the eligible applicant are not eligible and will not be allowed.

Buildings that have a major deficiency in their structure or condition that makes weatherization impractical or not cost effective, may be eligible for other funding to first mitigate these issues. Subrecipients must explore all funding options such as weatherization readiness before deferring a unit.

Health and safety issues requiring more than what is allowed by WPN 227, or our Health and Safety Plan, will be deferred only if other funding options are not viable. The current Health and Safety Plan lists conditions of deferral that include code violations, fuel leaks exceeding the threshold, incidental repairs that cause the cumulative SIR of the building to be less than one, roofing and other structural issues, most of which can be remedied by weatherization readiness funds.

If the area is known to have redevelopment plans, then weatherization will be deferred until redevelopment is complete.

All site built and multifamily units 45 years old or older will need SHPO clearance prior to weatherization. The SHPO programmatic agreement is uploaded as an attachment.

Describe how Rental Units/Multifamily Buildings will be addressed

Rental Units

Subrecipients must ensure that single family rentals follow WPN 2213 and the five points below:

1. Benefits of weatherization services accrue primarily to the low-income tenants;
2. The tenants have a way to appeal if they feel that the rent has increased because of these services and the landlords provide a statement notifying tenants of this procedure;
3. No undue or excessive enhancement shall occur to the unit.
 - Work based off an energy audit is not considered undue enhancement.
4. Rent and permission of the building customers or authorized agents must be obtained before commencing work;
5. The customer or authorized agent must sign a statement that rent may not be increased for a minimum of one year unless increases are demonstrably related to matters other than weatherization work.

Single family rental units qualify for weatherization only if the landlord agrees to the weatherization and signs a waiver stating that rents will not be raised on the units for a minimum of one year unless those increases are demonstrably related to matters other than the weatherization work performed.

To ensure that no undue or excessive enhancements are made to the unit, a NEAT or MHEA audit must be run on the unit prior to the scope of work being outlined. The necessary steps that must be taken to ensure proper documentation for weatherizing a single-family rental unit include:

- An application must be completed by the client.
- Proof of income must be provided.
- Proof of a lease must be obtained.
- Current copies of the clients' gas and electric bills must be obtained;
- Written permission must be obtained from the landlord/agent;
- Subrecipient must obtain certification from the landlord that the rent of the unit will remain the same for at least one year following performance of weatherization work;
- MFA will monitor compliance with this policy only to the extent of the 5% to 10% sample monitoring;
- MFA's monitoring will include rental projects weatherized through the Program.
- Certification must contain guidelines that explain what will happen if the rent does increase. This must include details about how the tenant can notify or file a complaint with MFA should the rent increase within 12 months.

Multifamily Rental Units

Multifamily (MF) Rental units that are defined as five units in a building or more, qualify for weatherization as long as the clients that are housed in the property qualify for weatherization. The MF agency may ask the customer/agent for a contribution of 20% of the weatherization materials. The customer/agent must sign a document agreeing to have weatherization services, that includes a waiver stating that they will not raise the rent on the units

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for a minimum of one year unless those increases are related to matters other than the weatherization work performed.

To ensure that no undue or excessive enhancements are made to the unit, a TREAT audit or approved priority list, depending on the building structure must be run on the complex prior to the scope of work being outlined.

The necessary steps that must be taken to ensure proper documentation for weatherizing a multifamily rental unit include:

- Obtain written permission from the customer or authorized agent;
- Verify that no less than 66 percent (50 percent for duplexes and four-unit buildings, and certain eligible types of large multifamily buildings) of the units in the building are eligible units, or will become eligible units within 180 days;
- **The contract between the landlord and the weatherization agency must include the minimum amount (number) of income qualified tenants.**
- Ensure that the benefits of weatherization assistance in connection with such rental units including units where the tenants pay for their energy through their rent, **will accrue primarily to the low-income tenants residing in such units;**
- By way of use of the energy audit, subrecipient must make certain that no undue or excessive enhancements are made to the units;
- Completed applications must be obtained from each of the clients in the rental units or
- Customer (property owner or manager) must fill out applications, project application templates and all forms to sign for tenants since they have the information on file;
- Current copies of gas and electric bills must be obtained from *some* of the rental units or supplied by the management to prove the utility is serving the property or provide documentation that shows this, such as Tenant Income Certifications (TIC);
- The multifamily audit process must be followed and include the detailed scope of work, photos, and regular meetings between MFA, subrecipient, and multifamily building management or customers.
- **Subrecipients Weatherization agencies** must follow WPN 2212.
- **The weatherization agencies will provide** tenants **will be provided** with MFA's contact information to notify MFA if their rent increases within one year.
- No work paid for by DOE funds may be reimbursed that is not listed on the TREAT audit generated scope of work. All items must show an SIR on the audit. Items that do not show an SIR must be listed as an eligible incidental repair or H&S measure.

Agencies will include a chart that is like the one listed on page 7 of WPN 2212 that describes the benefits to the tenants prior to project approval.

- Agencies must collect the necessary demographics from the property owners for both reporting purposes and to be included in the online report with invoicing. Before project approval, agencies must collect the necessary demographics to determine priority and client vulnerability to ensure the project is a higher priority than other eligible projects in the area.

Once the information above is in place, an approval request, in the form of an approved energy audit, must be submitted to MFA in order to weatherize multifamily units larger than one 4-plex. A description of the process that determined the measures being installed must be provided with the audit.

Procedures for customer contributions are as follows:

- A 20% contribution commitment of the weatherization materials may be requested from the customer prior to commencement of the weatherization project. The customer contribution is based on the estimated costs **from the energy audit.**
- Customers have the option of buying down measures if it is determined by use of TREAT energy audits that the cost is not a cost-effective measure;
- Customers are not responsible for any additional costs over the written estimate. If the actual (final) cost of the project is higher than the estimate, then the Program will pay the difference;
- For large projects, estimated cost for an engineer's estimate of HVAC costs is added to the energy audit costs.
- A contract or Memorandum of Understanding (MOU) will be executed between the customer's representative and **subrecipient the weatherization agency** prior to the commencement of work;
- The contract will detail the amount of the customer contribution.
- The contract will commit the customer to certify that he/she will maintain rent at the HUD designated affordable rent levels for a period of one year following performance of weatherization work;
- The **subrecipient weatherization agency** is responsible for obtaining the required landlord contribution. The amount of the contribution must be included in the project outline to MFA prior to project approval.
- Customer contributions received shall be applied to supplement the cost of the project and be reported on the statement of expenditures for the month in which they are received;
- MFA will monitor compliance with this policy **for every project. as needed. Invoices will not be reimbursed until this information is reviewed.** This may include monitoring during unit inspections, technical monitoring, programmatic monitoring, desk monitoring, and upon initial project submittal.

Describe the deferral Process

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Deferral Process

There are some situations in which an agency or contractor should not, or may choose not to, weatherize an otherwise eligible unit. MFA implements the deferral policy for all agencies administering the NM EnergySmart Program. This policy allows weatherization staff to defer services when certain conditions or circumstances exist. Under no circumstances will partial weatherization be allowed to be reported as a completed unit and all units must be inspected by a Quality Control Inspection (QCI) and determined to be complete. Deferral is allowed under certain conditions; however, an agency should define its intentions at the time a condition occurs.

Client Driven Deferral

Subrecipients must defer weatherization under the following conditions where failure or the inability by the client to take appropriate actions occur:

- A unit received weatherization with federal funds (DOE, LIHEAP) within the 15-year period prior to the date of application;
- A unit is vacant.
- A unit is for sale.
- A unit is scheduled for demolition.
- The client is uncooperative with the weatherization agency or its contracted agent, either in demanding that certain work be done, refusing higher priority work which is needed, being abusive to the work crew or contractor, or by being unreasonable in allowing access to the unit. Every attempt should be made to explain the program and the benefits of the work. If this fails, work should be suspended, and MFA should be consulted. In such cases, detailed documentation is required;
- Discrepancies found between the client application and observed conditions at the time of weatherization that cannot be resolved;
- There are illegal activities occurring on the premises.
- One or more occupants in a unit have been diagnosed with a contagious and life-threatening disease and the subrecipient has determined the staff is unable to perform services safely;
- When a person's health may be at risk and/or the work activities could constitute a health and safety hazard, the occupant at risk will be required to take appropriate action based on the severity of the risk;
- If at any time prior to the beginning of work (work officially begins when the audit is performed) the agency or contractor determines that the client is no longer eligible or staff believe that circumstances may have changed, the unit shall not be weatherized until the situation is resolved;
- Loose dogs that can't be contained by the client;
- Unvented combustion appliances the client will not agree to replace.
- Any perceived danger to the agency or procured contractors for the unit/project.

When these situations occur, and work has already been performed on the unit, the agency will be unable to report it as a completed unit but will be allowed to bill for expenses incurred.

Structure Driven Deferral

NM strives to eliminate the number of structure-driven deferrals by using Weatherization Readiness Funds (WRF) or other funding. The WRF Plan located in the Misc. Section of the Annual File must be followed when using this funding category. The following conditions will trigger approval requests for the use of WRF or other funding prior to deferral:

- A unit proves to be dilapidated or structurally unsound and unsafe. Dilapidated units are classified as those which do not provide decent, safe, and sanitary shelter in their present state and have defects so serious and numerous that the repairs required to revive the structure to standard condition would not be economically feasible;
- A unit is deemed by the auditor to pose a threat to the health or safety of the crew or contractor;
- A mobile home is improperly installed (for example, without adequate supports);
- A unit is uninhabitable (for example, a burned-out apartment);
- A unit is affected by mold and mildew and the area affected is too large for the weatherization crew or contractor to remediate;
- Asbestos abatement is needed;
- The presence of animal feces and/or other excrement;
- There are rats, bats, roaches, reptiles, insects, or other animals/varmints that are present or not properly contained on the premises that could cause harm to the crew or contractor;
- Disconnected wastewater pipes;
- Hazardous electrical wiring where the cost to repair exceeds the SIR threshold of the unit.

In unusual situations where unique problems exist or not covered above, MFA should be consulted.

Deferral Procedure:

If the subrecipient or its contractors cannot, or choose not to weatherize a unit, it must notify the client or owner/authorized agent by use of the Deferral of Services Form which should include:

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- The nature and extent of the problem(s) and how the problem(s) relate(s) to the determination not to weatherize the unit;
- Any corrective action required before weatherization services can be initiated;
- A time limit for correcting problems so that weatherization services may be rescheduled if needed;
- The name of the person or entity responsible for correcting the problem(s);
- The right of appeal;
- All documentation justifying the decision to defer services must be kept in the client file.
- Agencies must also keep an updated spreadsheet to track all referrals and deferrals.

MFA will view these reports monthly and ask the agency for clarification for deferred units, particularly when the units have been deferred based on structural problems that could be mitigated through other funds.

If MFA has been contacted by the client, agencies must send the date of anticipated follow-up in writing to MFA.

Weatherization Readiness Fund (WRF)

By the end of PY 2024-2025, NM will have completed 2 multi-family projects and 70 single family units for WRF, well above the intended goal of 14 units per year. All of these units would have resulted in deferral if it were not for this funding category. For PY 2025, NM intends on continuing with the same proven method as previous years.

Our simple rule of thumb is that WRF is only to be used to **prevent deferral of units**. This is when the work needed before a home can receive services is beyond the scope of weatherization and falls in one or more of four categories:

- Health and Safety measures that exceed the threshold;
- Health and Safety measures that are not eligible costs under current guidance;
- Incidental Repairs that if included in the SIR calculations, would cause a unit to not be cost effective;
- Repairs not eligible under current guidance that are needed before weatherization can take place.

Distribution of Funds

Funds will be distributed to each agency using the same agency ratios as program funding. The agencies will prioritize deferred households using our ranking system described in Section V.3 of the Master File for each county. Homes that have been **previously deferred and currently meet eligibility requirements** will receive WRF services before other homes in the same county. If one agency is unable to use the funds in a timely manner, the funds will be transferred to the other agencies that can use the funding for the intended purpose. Under no circumstances will WRF be used for other categories.

Restrictions

The following restrictions will apply to the use of WRF funding:

- All units must receive approval from MFA prior to commencement of work through our online system;
- Must only be used for homes that will receive full weatherization with the 2025-2028 DOE grant cycle;
- All other measures that are eligible under DOE rules are NOT eligible under WRF, unless those measures include incidental repairs that put the home below the cumulative SIR of 1. The funding is only to be used to prevent deferrals.
- Home must be completed with full weatherization within 6 months of weatherization readiness use. Exceptions will be made upon approval of a formal request.

Monitoring

MFA will monitor the use of this funding in accordance with the regular monitoring routine. This includes desk monitoring before an invoice is paid, and QCI when a unit is selected for inspection. Agencies will include the weatherization readiness scope of work in their final QCI inspection.

Maximum ACPU

Subrecipients Weatherization agencies must keep the ACPU for this category at or below \$19,000 statewide. The three weatherization agencies must work together to meet this goal. This is kept separate from all other categorical ACPUs. There is no cap or maximum amount if the average is kept at or below \$19,000.

Tracking and Reporting

The following items are currently tracked and will continue to be tracked:

- Year built;
- Housing type;

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- Location;
- Client Ranking;
- Specific nature of repairs;
 - Roof repair and replacement;
 - Structure repair (wall, floor, ceiling, foundation);
 - Plumbing;
 - Electrical;
 - Multiple repairs;
- Per unit average;
- Federal funding source used for weatherization (DOE or **IJA BIL**);
- Other funds used for leverage.

Process

- Homes that have been previously deferred that are still eligible will be the first to receive services. For all other WRF needs, the agencies must follow the same priority and ranking used for weatherization.
- When it is identified by the agency that a home is in need of WRF, the agency must send MFA's program managers a scope of work, photos, and estimated costs of the unit uploaded through our online system.
- If request is reasonable, MFA issues an approval and the agency schedules the work.
- Agencies are expected to follow procurement requirements consistent with federal (2 CFR 200), and their own policies.
- All state and local codes must be followed with required permits pulled, and final code enforcement inspections must be scheduled.
- Weatherization work is expected to occur as close to completion of WRF work as possible.
- Final QCI for the weatherization work includes final inspection of the WRF work. If deficiencies are present, a punch list for the contractor is generated and the contracting party does not receive final payment until the work is satisfactory.
 - Both the client and final inspector must sign off on the scope of work for both WRF and weatherization (two signatures are required).
- Completed units are reported to MFA during invoicing. WRF is treated as a separate billing category in the agency's invoice.
- Units that received WRF are tracked separate with their own ACPU.
- MFA will include a sample of units that received WRF as part of the minimum 5% QCI.
- Units that need work that are beyond what WRF, other funding sources, and weatherization can provide will be deferred following the regular deferral policy (Section V.1.2 Master File) and tracked.
 - The use of other funding sources is encouraged as much as possible to prevent the above situations.
- Upon monthly invoicing, MFA will run a deferral report and question agencies about deferrals that are due to scope of work, and why WRF was not used.

V.1.3 Definition of Children

Definition of children (below age): **19**

V.1.4 Approach to Tribal Organizations

☐ Recommend tribal organization(s) be treated as local applicant?

If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

Low-income members of an Indian Tribe are eligible to apply for services under this plan. Low income members of an Indian Tribe will receive benefits equivalent to the assistance provided to other low-income persons within the state.

V.2 Selection of Areas to Be Served

The NM EnergySmart Program is a statewide program serving the 33 counties of New Mexico:

San Juan; McKinley; Cibola; Rio Arriba; Taos; Colfax; Los Alamos; Santa Fe; Mora; San Miguel; Union; Harding; Quay; Curry; Guadalupe; DeBaca; Roosevelt; Sandoval; Bernalillo; Valencia; Torrance; Catron; Grant; Hidalgo; Luna; Socorro; Sierra; Dona Ana; Lincoln; Chaves; Otero; Eddy; and Lea.

The Program also serves the Pueblos of Zuni, Acoma, Laguna, Santa Clara, Ohkay Owingeh, Taos, Picuris, Nambe, Tesuque, Pojoaque, Cochiti, Isleta, Jemez, San Felipe, San Ildefonso, Sandia, Santa Ana, Santo Domingo, Zia, Jicarilla Apache Reservation, the Mescalero Apache Reservation, and the Navajo Nation.

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The 2023 US Census American Community Survey was used to compile the data used for the distribution formula. The funding allocations for each county and tribe are arrived by using a formula that is based on the number of households with elderly, young children, disabled and low income occupants, weighted by heating and cooling degree days. This formula follows a similar method as the 10 CFR 440.10 that describes state allocations. The at-risk population segments are averaged with the amount of low income households to determine the allocations for each county and tribe.

DOE, LIHEAP and State funds are allocated statewide based on the allocation formula. Utility funds will be allocated to the areas served by the participating utility companies using the same formula.

All subrecipients that serve the above areas must be a CAA, public, or nonprofit entity, and have been selected through an RFP process.

V.3 Priorities

Subrecipients will be required to disseminate information to the public about the availability of services within 30 days of receipt of the contractual agreement and shall retain proof of such dissemination in their records.

Subrecipients are encouraged to update the waiting lists annually to include written notification to individuals on the waiting list to determine if they still desire services.

Updating the waiting list will allow the subrecipients to identify the higher-ranking clients regardless of the amount of time they have been on the waiting list.

Priority among eligible applicants for the receipt of NM EnergySmart services is established by the NM EnergySmart online system, which follows the requirements specified in CFR 440.16 (b).

Priority is given by assigning points to each of the four categories:

1. Elderly persons (a person who is 60 years of age or older) are assigned one to five points for each member based on the age;
2. People with disabilities are assigned one point for each member of the household with a disability;
3. Families with children (households with dependents not exceeding 18 years of age) are assigned one to five points for each member based on the age;
4. Households with high energy burden are assigned points in the following breakdown:

Energy Burden Percentage	Points
Between 6% and 10%	3
Between 11% and 15%	6
Between 16% and 20%	9
Between 21% and 30%	12
Between 31% and 40%	15
Between 41% and 50%	18
Between 51% and 60%	21
Between 61% and 70%	24
Between 71% and 80%	27
Between 81% and 90%	30
Between 91% and 99%	33
100% and over	36

Energy burden percentage is determined by dividing the energy bills by the household income. When a household uses 15% or more of the household income for energy usage, it is considered high energy burden.

Ranking of "high residential energy users" is not used to determine priority for weatherization and do not receive priority points.

These categories are the only allowable priorities for the NM EnergySmart Program. Applicants that have the oldest certification date within the same ranking category that have the same score may be serviced before other applicants within the same ranking category.

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All housing types allowable within this Master Plan are included in the ranking system, however, housing type is not used as a priority and may not be used to determine priority.

Subrecipients are required to service the minimum number of homes in each county determined by the allocation formula no less frequently than every two years. This requirement can only be waived with a "high energy burden waiver". Counties that have a higher concentration of energy burden on the waiting list compared to other counties within the same service territory may qualify for a "high energy burden waiver" under the following conditions:

- Homes with the highest-ranking score in the county are weatherized first.
- The agency's production plan shows when the units in the remaining counties will be weatherized.
- Allocations for counties outside of the high energy burden county will be reduced evenly across all counties by a percentage of the original allocation.
- Other funding sources are fully leveraged to spread the funds as far as possible;
- It can be demonstrated at the time of waiver submission; the county has a greater need than the minimum allocated units due to a dense concentration of high energy burden within that county. MFA will work with the agency by providing wait lists and energy burden scores regularly to the subrecipients.

V.4 Climatic Conditions

New Mexico is the 5th largest of the 50 United States with a total area of 121,599 square miles (121,365 square miles land and 234 square miles covered by water). Within the state's boundaries, elevations reach as high as 13,161 feet above sea level (Wheeler Peak in Taos County) and as low as 2,842 feet above sea level (Red Bluff Reservoir in Eddy County). The vast land area, variations in local topography and elevation disparities cause measurable differences in climate even within each of the two identified regions.

Likewise, Lawrence Berkeley National Laboratories (LBNL) has identified three distinct climactic zones that are independent of the particular heating and cooling demand associated with the region, but still significantly affect the performance of units within each zone. The Department of Energy has defined three distinct climate zones that cover parts of New Mexico. These climate zones help approximate the performance of a building within each zone due to the effects of heating cooling demand, precipitation, and relative humidity.

The three zones identified in NM are three (hot dry), four (mixed dry), and five (cold). For the purpose of this analysis, the county seat or most populous city was used to determine the average degree days for each county where available. Data was collected for 12 months to arrive at annual totals.

HEATING DEGREE DAYS Base 68: Zone three has an average of 4,799 HDD; Zone four has 5,104 average HDD; and Zone five has an average of 6,305 HDD. COOLING DEGREE DAYS Base 70: Zone three has an average of 1,419 CDD; Zone four has 956 average CDD; and zone five has 738 average CDD.

Air conditioning system replacement, repair, or installation is allowed in units of at-risk occupants or where climate conditions warrant. At risk, occupants are defined as an occupant that is over the age of 60, has respiratory ailments, allergies, pregnant, or other unique health concerns. Climate conditions that would warrant this allowance are areas that have an average of 800 Cooling Degree Days (CDDs) or higher using a base 70. For all other areas, medical eligibility from a third-party medical professional proving at risk is required for any occupant.

Some counties are very large in square footage and may have a vast variance in elevation and both heating and cooling degree days. Therefore, it is necessary to modify the weather files to a climate that most closely resembles the local area of the individual buildings receiving the weatherization work, and not just the closest city. Due to the variations in climate throughout the state, each energy audit shall be adjusted to most accurately model the climactic conditions of the individual location. Likewise, each energy audit shall indicate the model climate used (either a location included in the DOE approved auditing software, or the HDD base 68 /CDD base 70 factors). There are 26 different weather stations used throughout New Mexico for the energy audit. Two maps have been uploaded that describe the different climatic zones that are used in New Mexico.

V.5 Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

The NM EnergySmart Program is committed to full compliance with 10 CFR 440.21(i) and WPN 194 for energy audit procedures. All installations are using materials that are listed in Appendix A of 10 CFR 440.

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The NM EnergySmart Program has approached the goal of meeting the specifications, desired outcomes, and objectives of the Standard Work Specifications (SWS) with several successful methods. Our **Subrecipients weatherization agencies** have been in the practice of utilizing the SWS at full implementation since PY 2014. Below is a list of manuals and guides with dates of issue. Each of these have been uploaded with the State Plan in addition to the links provided below.

- NM EnergySmart Administrative Manual
- Reissued 09/30/2024, updated 09/30/2024

- NM EnergySmart Technical Standards
- Reissued 02/28/24, updated 02/28/24

- Field Guide Single Family
- Issued 02/16/2021, updated 11/18/2025

- Field Guide Mobile Homes
- Issued 02/16/2021, updated 11/18/2025

- Field Guide Multifamily
- Issued 01/08/2020, updated 11/18/2025

- Energy Audit Procedures
 - Reissued 02/28/24, updated 02/28/24

There are **five several** ways the documents are made available to our subrecipients:

- We communicate with our **subrecipients weatherization agencies** on a regular basis referencing the necessary materials. This communication is either triggered by a conversation, email, monitoring, or new regulations;
- Technical Committee calls are held biweekly. During these calls, the Technical Standards, Field Guides, WPNs, Codes, and SWS may be discussed with challenges, successes, and innovative approaches to compliance. The attendees for these meetings are the Energy Auditors, Program Managers, Quality Control Inspectors and the staff from the Energy Smart Academy;
- During any WAP RFP process, the links to the manuals are provided with the RFP package;
- **Subrecipient Weatherization agency** use of the documents and guide compliance are verified through the monitoring process.
- Monthly desk monitoring when invoices are submitted, agencies are reminded of where to find answers to questions.

All NM EnergySmart contracts between **subrecipients weatherization agencies** and MFA reference compliance to the SWS. The contracts contain the following statement:

Subrecipients Weatherization agencies will be responsible for providing services as required by the Department of Energy (DOE) Standard Work Specifications (SWS). The SWS requirements for Single Family Homes & Manufactured Housing can be accessed at <https://sws.nrel.gov>. If these specifications are not followed, reimbursement will not be made.

All **subrecipients weatherization agencies** have incorporated language in their contracts with their subcontractors requiring compliance with SWS. Subrecipients will incorporate language into their contracts that require all materials used must be listed in the 10 CFR 440 Appendix A. All contracts between any entities using WAP funds have signatures from both parties verifying acknowledgement of the aforementioned expectations.

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Field guide types approval dates

Single-Family:
Manufactured Housing:
Multi-Family:

V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Audit Procedure: Single-Family
Audit Name: NEAT
Approval Date:

Audit Procedure: Manufactured Housing
Audit Name: MHEA
Approval Date:

Audit Procedure: Multi-Family
Audit Name: TREAT
Approval Date:

Comments

<u>Energy Model Software</u> NM was approved to use TREAT for multifamily buildings on June 27, 2022. All MF projects must be approved by MFA prior to commencement of work. New Mexico's single-family site-built energy audit procedures have been approved by DOE to use NEAT on February 12, 2024. New Mexico's single family manufactured home energy audit procedures have been approved by DOE to use MHEA on February 12, 2024. For these two building types, NM has received energy audit approval using the WA 10 online software May 29, 2024. <u>Audit Procedures</u> This section summarizes the protocol that is detailed in the single family and multifamily energy audit procedures submitted with the energy audit review packages. Energy audit procedures can be found here: Energy Auditors must fully comply with the Energy Audit Standards that were approved by DOE on February 12, 2024, and updated to include WA WEB 10 on May 29, 2024. • Pre-visit planning and desk viewing; • A certified energy auditor performs an in-person meeting, including client education, and completes a full building screening for weatherization viability and hazards; • Thorough exterior envelope inspection for SWS requirements, Health and Safety, TREAT, NEAT or MHEA entry, and BPI standards; • Interior inspection for data entry, Health and Safety, lead tests, baseload usage measures (lighting, refrigeration, etc.), number and location of appliances, and diagnostic testing arrangements; • Diagnostic tests are performed on all required appliances for efficiency, safety, and operating condition outlined in the NM EnergySmart Technical Standards; • Blower door testing procedures are performed including air leakage and barrier assessments, zonal tests, ASHRAE 62.22016 determinations, and duct leakage tests; • Final walk through with recap on client education, double check on field notes, pilot lights, house condition, additional tests if needed;
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- All information is reviewed and entered into energy audit software. This includes verifying input reports against actual notes, comparing audit results with preliminary scope of work, review of measure and SIR ranking, incidental repair and health and safety items;
- The energy audit assumptions are checked against the assessor's knowledge, photos, and videos of the unit for accuracy.
- ~~Energy Auditors will comply fully with the NM EnergySmart COVID Safety Response Plan by wearing all the required PPE, washing hands, spraying down surfaces, post cleaning of tools, and pre-client screening, when applicable.~~

Fuel Switching

MFA has gained approval from DOE to issue state level fuel switching approvals. Subrecipients must follow the fuel switching procedures that include package submittal to MFA. Package elements include photos of the home and complete audit paperwork. The audit inputs and recommendations are reviewed for accuracy. Approval is not awarded until all fields are satisfactory and the switch is proven to be cost effective.

Fuel Switching Procedure:

1. Opportunity is first identified by the assessor/energy auditor
 - a. Client education is provided, and owners of the dwelling must agree to the fuel switch.
 - b. A determination is made that all codes can be complied with and associated costs by the agency.
 - c. The electrical panel must be able to accommodate the equipment for both electrical load and physical location if switching to electric. If upgrade is needed, costs are included as incidental repairs to the heating system replacement in the audit. Cumulative SIR must be 1 or higher.
2. The assessor obtains existing fuel use and cost from the owner of the dwelling either in utility bills or propane company.
3. All the audit procedures are followed as with any other audit.
4. The following is sent to MFA for review:
 - a. Photos of the unit, location where replacement will be, and of the existing heat source.
 - b. Complete energy audit including recommended measures, input report, field data, and other relevant information about the unit.
 - c. Estimated fuel usage based on a season's billing and service.
 - d. If audit libraries have been updated since the last request, they are provided with utility cost, escalation rate, and related utility charges including permits and connections needed if any.
 - e. Age and type of home.
5. All associated costs with the fuel switch must be included with the measure or as an incidental repair.
6. ~~*Site built units require additional steps for the modeling heat pumps replacing propane fuel that are supplied with this plan*~~
7. MFA reviews the documents, compares the field data with the photos, input reports and recommended measures for accuracy.
 - a. All entries within the audit must be accurate to determine if the switch is cost effective.
8. Any errors or discrepancies found are communicated to the assessor and the items are corrected prior to approval.
9. An approval is issued only if it is demonstrated that the individual fuel switch measure and the cumulative savings for the unit shows a savings to investment ratio (SIR) of 1 or greater.

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Cooling Systems

10. Existing evaporative coolers are to remain as the only cooling source; Clients are provided education as to the potential higher costs of the heat pump in the event it desired be used for temporary emergencies.
11. Must include modeled electric use for the summer months associated with cooling if heat pump is used for cooling.
12. When window AC units are present as secondary systems to the evaporative cooler, the units must be included in the model for replacement by heat pump in addition to the evaporative cooler to determine cost effectiveness of the heat pump replacing both evaporative cooler and window units.
13. MFA uses a checklist that helps look for details when determining if all things have been considered for the particular switch.

Asbestos

In the event that dangerous friable materials (e.g. Lead based paint dust, disturbed asbestos, or hazardous organic materials such as mold) may become airborne due to depressurization testing, any testing requiring the use of a blower door may be omitted. Such conditions must be documented within the unit file including photographs. For the purposes of energy auditing and air sealing specifications, the Energy Auditor will assume a .5 cfm 50 square feet of exposed envelope area.

Software Used

To ensure eligible occupants of multifamily housing will receive cost effective weatherization services, each weatherized building will have a computerized energy audit, TREAT, which complies with 10 CFR 440.21(b) completed prior to the installation of any weatherization measures. This energy audit will be included in each unit file. For single-family units a NEAT audit will be completed. For mobile home units, a MHEA, or if the mobile home is structured more like a site-built unit, a NEAT audit will be completed.

Priority Lists

NM was approved to use priority lists December 6, 2022, for all building types. Agencies must follow the approved priority list procedures when it has been determined that the use of the priority list will be most advantageous to the home or project. MF projects must be approved by MFA prior to commencement of work. Priority list procedures are contained within the Energy Audit Procedures

V.5.3 Final Inspection

In accordance with WPN 224, MFA will ensure that all final inspections meet the criteria below.

Subrecipients Weatherization agencies may not report a unit as having been weatherized until all weatherization materials identified for installation at said unit have been installed and the weatherization agency subrecipient, or authorized representative, has performed a final inspection(s) of said unit, and certified that the work has been completed in a workmanlike manner and in accordance with the priority determined by the audit procedures required by 10 CFR 440.21. All final inspections will meet the requirements of the Standard Work Specifications, Technical Standards, and the NM Field Guide. Local code requirements for mechanical appliance installation are included.

All subrecipient's weatherization agencies final inspections will continue to be performed by a certified Quality Control Inspector (QCI) independent from the initiation of the work order, assessment, or work completed. All three of New Mexico's subrecipients weatherization agencies have certified Quality Control Inspectors and Energy Auditors on staff. The NM EnergySmart Program continues to encourage each agency to pursue more QCI Inspectors and Energy Auditors. The use of contractors for QCI and energy audits is encouraged and allowable.

The subrecipient weatherization agency must verify that all weatherization materials identified for installation at the particular unit have been installed in a workmanlike manner and in accordance with the priority determined by the auditing procedure as required by 10 CFR 440.21, meet the requirements of SWS, Scope of Work, and our Field Guides prior to reporting the completed unit. Said verification must include, at a minimum, the following verifications and tests:

- Detailed and thorough file inspection compared with work for consistency. The final inspector/QCI **MUST** verify all energy audit inputs.
- Evaluation of the original assessment, the original audit, work order, invoices, and contents of the file;
- The original field data collection, field notes, and input report must be reviewed to ensure the energy audit called for the correct measures. Missed opportunities must be addressed prior to unit passing inspection;

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- Files are not to be closed if missed opportunities are found. This includes an evaluation of all potential funding sources to be sure that all eligible energy saving measures (ECMs) are installed.
- Final inspector must verify that health and safety measures have comments inserted in the energy audit and health and safety sheet.
- The final inspector must assess the energy audit and confirm the accuracy of the field site data collection, energy audit software inputs, and the measures called for on the work order. These must be verified against the approved energy audit procedures.
- All weatherization measures completed by agency's crew(s) or procured contractors;
- All mechanical work performed including: verification of new equipment size and rating; state inspector has been contacted for inspection, and required diagnostic testing;
- Combustion Appliance Zone (CAZ) Required testing under worse case conditions (BPI Protocol) Required SWS tests must be completed or verified that HVAC contractor has completed;
- Post Retrofit Blower Door Depressurization Test, Zone Pressure Diagnostics (See Energy Audit Section for more detail); Minimum Ventilation Compliance Verification.
 - Multifamily projects are required to test the same units initially sampled for blower door. Further blower door testing may be performed by the QCI as needed but is not required.
- Visual inspection of all work completed for quality;
- Client satisfaction interview and dialogue that includes review of client education;
- If Mechanical Ventilation has been installed, then the inspector shall verify continuous and peak flow output of the unit through Flow Hood Testing. NOTE: For HRV/ERV installations which use the central supply and return ductwork, Flow Hood Tests may be required at all supply and return register locations. All mechanical ventilation must comply with ASHRAE 62.2 2016;

If Duct sealing was performed:

- Worst case depressurization test with air handler on and off;
- Pressure Pan Testing;
- System Balance Testing between rooms with ducts and unit (maximum 3pa pressurization) ;
- Visual inspection for plenum and end of leg boot sealing;
- Visual inspection for applied field guide methods;

The final inspection for each weatherized unit shall be performed by a certified subrecipient QCI, or a contracted MFA-approved certified QCI within 45 working days of the final day of weatherization work being completed by agency crew(s) or contractors. Any required rework shall be completed in a timely manner and must be verified by the original inspector. It is considered best practice to schedule the inspection as close to the completion of work as possible.

MFA's certified QCI staff or staff from Santa Fe Community College (SFCC) will inspect 5% of all completed units. In the event an Energy Auditor also needs to inspect the units due to the QCI requirement, or if through previous QCIs problems have surfaced that need follow up, MFA's Technical Manager will inspect 10% of the completed units for that subrecipient.

The QCI inspector may make minor adjustments to previously installed retrofits to obtain satisfactory inspection results. Such adjustments must not exceed one working hour per unit or within a reasonable time frame depending on the distance and will not be considered a "weatherization retrofit" as noted above. The QCI inspector must not have performed weatherization work on the unit prior to the final inspection.

Once completed, subrecipients weatherization agencies must ensure that the client file contains a form that certifies the unit has had a final inspection, and that all work meets the required standards. The subrecipient weatherization agency then uploads detailed information on each measure installed in the unit, including final inspector name, estimated & actual cost, energy savings and SIR into MFA's online system. MF projects are uploaded by project with the same information for the entire project.

During the invoicing process, MFA's Technical Managers review the information on the units to determine the accuracy and technical implications of the data. If the entries raise questions or concerns, then the unit is not eligible for reimbursement until all questions and concerns are answered to MFA's satisfaction. The said units may be flagged to be included in MFA's QCI inspections.

Under no circumstances may a job be completed if there are unsafe appliances or conditions left in the home as a result of weatherization, or that funds available to the agency could remedy.

Disciplinary actions for inadequate inspection processes determined by 100% desk monitoring or the required 5% to 10% field monitoring will first involve exploring the options of QCI retraining for the inspector. If training is not a viable option or does not remedy the problem, the inspector will not be allowed to perform inspections for a specified period, depending on the severity of the infraction, until proof of adequacy is obtained.

Continued inspector inability or refusal to comply with policies is grounds for MFA to recommend suspension, termination, or otherwise apply special conditions to the inspector performing further QCI inspections for the program. The agency will be required to utilize other QCI inspectors to verify completed units.

During the technical monitoring process, the Technical Managers verify the certificates of each QCI and Energy Auditor of the agency being monitored.

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The Energy Smart Academy and the Technical Managers are in communication as needed about upcoming certification expirations and the need for training review prior to recertification.

The monitoring process also observes the procedures of the QCI during a final inspection. Suggestions, comments, and best practice observations are communicated to the QCI, and an official letter is sent to the agency after review.

~~As needed Final Inspectors will comply with the NM EnergySmart COVID Safety Response Plan by wearing all the required PPE, washing hands, spraying down surfaces, and client interviews.~~

~~This program year, MFA may submit procedures for the QCI mentorship program to our DOE project officer. This will enable an individual who is in the process of obtaining the QCI certificate to conduct the inspection per DOE approved procedures.~~

Two MFA staff members (David Trembath and David Gutierrez) are working towards achieving their QCI certification by starting with entry courses in Building Sciences.

Attached are final inspection forms, final diagnostic testing forms, and technical field monitoring forms.

V.6 Weatherization Analysis of Effectiveness

MFA qualified staff, our in-house on-line reporting system and the Energy Smart Academy provide long-term stability of the program. The Academy, developed in partnership with Santa Fe Community College, has earned a growing reputation as one of the premier training centers in the Weatherization Assistance Program. The Academy is IREC accredited in the four training job categories of Retrofit Installer, Crew Leader, Energy Auditor, and QCI. MFA and our partners use these pieces to enhance communication and target resources where they are needed. Our process for communication will remain in place going forward and will be used to help align with the announced new DOE program requirements.

In order to assess effectiveness, the NM EnergySmart Online System (System) captures the unit production data on a monthly basis. The completed unit data is captured for each agency and shows the projected energy savings in MMBTUs for each auditor in the network. The System also shows the frequency with which each agency and auditor installs individual measures and also allows MFA to assess each Agency's performance in a number of areas. The system-level assessment allows MFA to select individual units for inspection. A separate unit inspection database collects information from inspected units. Monitoring data follows the path of information sharing that occurs through the online system.

MFA is using this online system to increase the value of energy burden in relation to the other priority categories to place emphasis on underrepresented groups that tend to have a greater energy burden than populations that are not underserved. MFA is also working with the training academy to recruit and hire individuals from all communities, including the underrepresented communities as part of a workforce solutions plan.

MFA uses the System to conduct a 100% desk audit of all units completed prior to paying subrecipient invoices. Prior to invoices being paid, the following is reviewed by the weatherization team for accuracy:

- Measures installed on each unit are compared to determine the relationship between estimated costs and actual costs;
- Energy saving measures are confirmed to have SIRs and corresponding MMBTU savings;
- The SIRs and MMBTU savings are compared with averages. If a particular measure appears to be unusually high, the agency is asked to provide back up;
- Total cost and projected energy savings are tracked for each measure and for the unit as a whole;
- Year the unit was built to determine if additional information is needed from the agency for compliance with lead based paint and SHPO;
- Square footage and structure type(mobile home or site built);
- For some measures more detailed information is collected including R values of added insulation, Manual J calculations of new heating systems, and air reductions relative to the initial blower door reading, air sealing target and the achieved reduction.

This System is also used to flag units that need additional unit inspection monitoring. Any unusual numbers, costs, or circumstances may trigger the inspection. These unit inspections become a portion of the required 5% to 10% Quality Control Inspections. During the unit inspection, the entire client file is compared to the entries for accuracy along with client interview regarding utility bill savings.

During the MFA unit inspection process of completed units, the techniques used to achieve such reductions, efficacy of installation methods, baseload measure assumptions, and other energy saving measures are observed and any findings, concerns, comments, and best practices are noted.

The data generated by the System or during technical monitoring and unit inspections stimulates dialogue between agency management, Green Initiatives Managers and the Energy Smart Academy. Stakeholders can quickly determine additional training where needed. Due to the specific nature of the System's reporting capability, specific training can be directed for specific auditors, inspectors and/or weatherization crews in order to resolve deficiencies in their skill set, and showcase best practices.

Monthly, a report is sent out to of the agencies detailing MMBTU savings, client monetary savings on average, wait lists in each county, total households

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weatherized for each funding source, average/total cost per unit, demographic information, deferrals, total unit entry for each client, and total numbers. This will enable the team to see how they compare with others and the national number of 29.3 MMBTUs per unit.

Energy Auditors are encouraged to compare energy auditing estimates with utility bill usage. This helps the team realize how accurate their models are in comparison to actual usage and helps to spawn training where needed.

WAP staff review the costs of measures monthly prior to processing invoices comparing program costs of measures with estimated market costs. If a measure appears to be high, a detailed explanation is requested from the agency, or the agency's procurement of that item can be examined to ensure the agency purchased materials at the lowest possible price. Over the last five years WAP staff have seen the cost of materials and gasoline drastically increase. In a state the size of New Mexico, the increase in prices, especially gasoline negatively affects the number of units the WAP programs can service.

Energy Auditors are encouraged to practice the comparing of energy auditing estimates with utility bill usage. This helps the team realize how accurate their models are in comparison to actual usage and helps to spawn training where needed.

Over the last three years, the costs of materials have been observed to be increasing when reviewing invoices in the System. The costs of measures are reviewed on a regular basis prior to invoices being processed to compare with market costs of those particular measures. If something appears to be high, a detailed explanation is requested from the agency, or the agency's procurement may be examined for that item.

Continuous process and improvement is the goal of the combined training and monitoring programs. Through comprehensive training, staff continues to be cross trained and the basics are reviewed to widen the capabilities in addition to ensuring the existing staff understands the basics of the program on the most fundamental levels. Technical monitoring and regular conversation with the agencies help determine additional training needs.

MFA now has multiple staff members that use this system to generate multiple reports for the purpose of agency education, training, monitoring, and funder requests. These reports will be reviewed by the Green Initiatives Managers and dispersed to the agencies regularly. In addition to reports being made available to agencies and funders, the data will be used to target areas that can benefit from outreach to increase knowledge of the program.

At any point, a full report can be obtained for any subrecipient, funding source, or time period containing all the fields that have been entered into the system during the monthly invoicing.

If not already located in the Technical Standards or Administration Manual, the agencies answers to questions are reviewed by the Technical Review Committee that meets twice a month. These responses are entered into the appropriate manual and section during the normal updating process.

V.7 Health and Safety

See attached Health and Safety Plan.

V.8 Program Management

V.8.1 Overview and Organization

Housing New Mexico | New Mexico Mortgage Finance Authority (MFA) was created by the New Mexico State Legislature in 1975 as a statewide government "enterprise" to provide financing for affordable housing to medium and low-income persons and receives no money from the state to operate. MFA is governed by a board of seven members. Four members are appointed by the Governor and three members serve by virtue of their state office: the State Attorney General, the Lt. Governor and the New Mexico State Treasurer. The Chairman of the Board is appointed by the Governor. Rules and regulations formulated by the MFA are approved by a Legislative Oversight Committee of the State Legislature. The committee is comprised of eighteen members.

By Executive Order 9701, the State Governor transferred all federally funded housing programs to MFA on January 14, 1997. The Weatherization Assistance Program (WAP) was included in this transfer. Consequently, MFA took over the administration of WAP during the ongoing plan for 1996/97. Shortly thereafter, MFA staff produced its first plan (1997/98). MFA does not administer the State Energy Plan nor LIHEAP.

MFA has assigned significant managerial resources to the Weatherization Assistance Program to ensure its successful administration. A list of MFA personnel with direct WAP responsibilities is provided below. MFA has integrated WAP as a core activity throughout its organization; e.g. Information Technology. The Accounting, Human Resource, Legal, and Marketing Departments are available to act on WAP activities and issues.

Weatherization Team

Weatherization Supervisor, Troy Cucchiara has been with MFA as technical manager since March 2014. Troy came to the position with over 8 years of

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weatherization experience with a technical background. He is responsible for overall direction and supervision of the program, leverage efforts, coordination with grantee staff; and the overall management of subrecipients. His responsibilities for the technical aspects of the program include training and technical assistance as well as health and safety issues and program compliance with all DOE technical requirements. His qualifications include 10 years of field experience, and he holds certificates for several areas in the field of weatherization including Energy Auditor and QCI Certification.

QCI and Technical Manager, Dimitri Florez has been assisting Troy since 2019 with managing the NM EnergySmart Program. Dimitri arranges technical monitoring visits and handles all onsite unit inspections. Dimitri manages most utility funders and carefully reviews each invoice for proper allocations between funding sources. Dimitri's qualifications include 6 years of field experience and he holds the Building Analyst, Energy Auditor, and Quality Control Inspector Certifications.

David Gutierrez is the weatherization program manager with three years of experience in code enforcement, zoning, and housing inspections with the City of Albuquerque. He has 17 years of housing experience including property management, LIHTC, HUD, HMIS, CoC, RAP, FEMA, Motel Vouchers, Displaced Tenants, and Rental Assistance. David is responsible for finding new funding sources, all reporting, purchases, programmatic monitoring, file organization, manual revisions, contracts, amendments, and risk assessments.

Program Manager David Trembath has been with the MFA since October 2024. He has over 25 years of experience with contracts, including contract writing and review, contract compliance, programmatic monitoring, as well as experience in Requests For Proposals and other forms of procurement. He conducts programmatic monitoring visits to the sub-recipients and reviews invoices submitted through the NM EnergySmart system for accuracy. Additionally, David prepares and submits monthly reports to funding sources, the sub-recipients, and ensures that numbers reported to the MFA Board of Directors are accurate.

~~Program Manager David Trembath has 25 years of experience with contracts, including contract writing and review, contract compliance, as well as experience in Requests For Proposals and other forms of procurement. He will conduct programmatic monitoring visits to the provider agencies. David is also learning the EnergySmart system and will assist with invoices and reporting.~~

Troy, Dimitri, David G. and David T. work closely to monitor subrecipients' activities. They will conduct a minimum of one financial and operations monitoring visit and one technical monitoring visit per year for each agency. They will also monitor a minimum of 5% of files and provide onsite unit inspections of the files reviewed. On a monthly basis the three will conduct 100% desk monitoring through our online system for all funding sources. A prescribed monitoring tool is used for all monitoring visits. The team provides training and technical assistance to our subrecipients as needed throughout the program year.

Leadership:

Kellie Tillerson, Director of Community Development, is responsible for the successful implementation of the weatherization program. She also provides direction to staff and promotes the weatherization efforts externally. Her oversight includes directing the activities and acceptable performance of the weatherization subrecipients and ensures that MFA and subrecipients are following all regulatory and contractual requirements of the program. She ensures the monitoring of subrecipients is following their contracted programs in accordance with regulations outlined in federal/state contractual agreements and MFA's Compliance Manuals. Ms. Tillerson works with staff in assisting the efforts to build their capacity through training and providing technical assistance on the program development. Ms. Tillerson also oversees the efforts to increase funding for the program.

John Garcia is the Assistant Director of Community Development at MFA. Mr. Garcia will assist Kellie Tillerson, the Director of Community Development, as needed and will assume her duties in the event of her absence.

Mr. Garcia is responsible for supervising the program managers for the HUD HOME and Veterans Homeowner Rehabilitation program, Home Improvement program (HIP), the Emergency Services program and the Restoring Our Communities program (ROC). John retired from the state of New Mexico after 25 years of service. His last position with the state was the Grants Management Bureau Chief for the Human Services Department. Over his career at the state, he has held the positions of EBT Program Manager, Benefit Management Track Lead for the SNAP and TANF eligibility system, Management Analyst, Child Support Enforcement Officer, and Income Support Specialist. He has a master's degree in business administration and holds a certificate in Project Management.

Administrative Support:

Indirect costs will be charged using the de-minimis rate of 15% of Modified Total Direct Costs. Included indirect costs include the support of administrative staff.

The Controller and accountants, are responsible for reviewing monthly fiscal reports, preparing reimbursements, and maintaining all required financial records to account for Grantee and subrecipient expenditures and balances. They are also responsible for subrecipient financial management and quarterly reporting to DOE. The Administrative Support staff provides Marketing and Information Technology support to weatherization staff necessary to carry out the functions of the weatherization program.

MFA will comply with the record keeping requirements prescribed on section 10 CFR 440.24, and with the reporting requirements on section 10 CFR 440.25.

MFA's Policy Committee is responsible for overall management of the weatherization program. They provide oversight and effective and efficient management of the weatherization program and provide direction to weatherization staff along with the Director of Community Development. They promote the weatherization efforts externally

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V.8.2 Administrative Expenditure Limits

New Mexico's admin is set at 15% with MFA receiving 5% and the remaining 10% allocated to our subrecipients. MFA will NOT be requesting the additional admin funds for our existing subrecipients are already receiving 10% admin.

V.8.3 Monitoring Activities

Monitoring Approach

Monitoring is a tool used to assist its subrecipients with their efforts to resolve problems encountered in the administration and operation of the NM EnergySmart Program, and to ensure compliance with all applicable Federal and State laws, rules, codes and regulations. To achieve this goal, Troy Cucchiara, Dimitri Florez, David Gutierrez and David Trembath will conduct all monitoring. For the program year 2026-2027 training and technical assistance funding in the amount of \$10,311 \$9,565.66 will be used for monitoring and \$2,250- \$1,324.95 of leveraging will be used. Administration funds used for monitoring are \$14,783-\$1,270.39 and will be 54% of the monitoring budget.

Desk Monitoring

~~MFA has included a component of fiscal monitoring within the monthly desk monitoring. Upon submission of invoices, the agencies will be asked to produce a detailed GL for each funding source. The program managers will then select one item per funding source to trace back to the origin to ensure that all costs are eligible.~~

MFA has included a component of fiscal monitoring within the monthly desk monitoring. Upon submission of invoices, WAP staff will randomly select one item per funding source. After each funding source has had one item per invoice cycle selected, WAP staff will ask the agencies to produce a detailed GL and backup documentation for each funding source. WAP staff will then review the invoiced amount, the detailed GL, and the backup documentation to trace the expenditure back to the origin to ensure that all costs are eligible.

Each month, agencies invoice for completed units that include data entry by the agencies for numerous fields. This enables MFA to perform the following:

- Inquire about the WA10 Online input reports and recommended measures inserted for units that have unusual circumstances, and random units.
- Completed Unit Reports that show a detailed view all funding sources, amounts, and savings for each measure with each unit.
- All units and associated measures are viewed in detail for compliance during invoicing.
- Total costs for labor and materials are viewed for reasonableness;
- SIR and energy savings in MMBTUs are compared to averages;
- Geographical patterns with production plan submitted by agency are reviewed;
- Based on the age of each unit, random selections are made for compliance of Lead Based Paint (LBP) rules and State Historic Preservation Office (SHPO) obligations;
- Size of home reasonableness for savings, fuel source, potential missed opportunities, and eligible costs.

Unit Inspections

Unit inspections include at minimum the below items:

- Homes are selected based off desk monitoring, geography, random selections, or other factors;

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- Prior to home visit, the client file is inspected from front to back for full program compliance.
- Complete inspections are conducted on the unit following BPI QCI protocol;
- Minimum of 5% for all three agencies is conducted.
- Minimum of 10% when the QCI final inspector is the same person as the assessor/energy auditor;
- 10% QCI is performed when there are repeat findings or concerns.
- Multifamily receives 5% units from each MF project.

Technical Monitoring

The below items are part of technical monitoring:

- Review of scheduling procedures is conducted.
- Eligibility and intake are reviewed.
- Rental audit procedures are confirmed;
- Multifamily audit procedures and compared with field work;
- Energy audits for single families are reviewed.
- Qualifications & training of agency staff (includes new hires) are reviewed;
- T and TA progress is discussed;
- Overall weatherization of units is monitored by field visits;
- Field work methods and work in progress is reviewed.
- This includes a work-in-progress, energy audit assessment, and QCI final inspection.
- The agency's QCI methods are discussed and observed;
- Unit inspections can be additional to the technical monitoring.
- During all field visits, Health & Safety procedures and OSHA compliance is monitored.
- Equipment/inventory/material condition and calibration is inspected;
- Feedback & reporting is discussed with the agency;

Programmatic Monitoring

The following items are reviewed for programmatic monitoring:

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- ~~Program overview (client file review, work orders, etc.);~~
- ~~Financial/administrative process;~~
- ~~Expenditures and admin;~~
- ~~Financial administration;~~
- ~~Quality management assurance;~~
- ~~Vehicles & equipment inventory and maintenance;~~
- ~~Procurement procedures and packages;~~
- ~~Insurance requirements;~~

Programmatic Monitoring

The following items are reviewed for programmatic monitoring:

- Weatherization agency's Programmatic and Financial Policies and Procedures; and
- Compliance with weatherization agency by-laws; and
- Minutes of sub-recipient Board of Directors meetings; and
- Program overview (client file review, work orders, etc.); and
- Financial/administrative process (including agency succession plan; and
- Expenditures and admin; and
- Financial administration; and
- Quality management assurance; and
- Vehicles & equipment inventory and maintenance; and
- Procurement procedures and packages; and
- Insurance requirements; and
- Succession planning for when staff leave the agency.

Financial Monitoring

~~During the programmatic monitoring, the fiscal piece is reviewed and includes:~~

- ~~Financial management/accounting systems and operations;~~
- ~~Financial audits and audit compliance;~~
- ~~Fiscal tests including tracing item on GL to source if the monthly desktop review requires revision;~~
- ~~Fiscal tests on each funding source to all costs eligible if the monthly desktop review requires revision;~~
- ~~Random items selected from the selected month's GLs;~~
- ~~Payroll and personnel;~~
- ~~Grant specific GLs;~~

Financial Monitoring

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During the programmatic monitoring, the fiscal piece is reviewed and includes:

- Financial management/accounting systems and operations; and
- Financial audits and audit compliance; and
- Fiscal tests on expenditures from each funding source to ensure all costs are eligible; and
- Fiscal tests including tracking random expenditures, selected from the GL for the month under review, from source to payment; and
- Payroll and personnel files; and
- Grant specific General Ledgers.

MFA staff coordinate all activities and provide clear and concise directions to comply with the applicable standards and regulations. Staff conduct field monitoring of subrecipient financial activities including financial audits, production and reporting requirements. Program staff also assist subrecipients to improve operations through training and technical assistance to correct noted problem areas.

Single Audits or Audited Financial Statements

In addition to the staff that conduct the monitoring, MFA's Accounting Department and Internal Auditors are available when needed to review subrecipient financial operations. Subrecipients financial audits are reviewed as part of their onsite monitoring. Financial audits are also reviewed at the time of audit submission when the financial audit is due for that year.

To complete the approval of the annual external financial audits, the first layer of review is by the Program Manager. The second layer of review and approval is either done by the Assistant Director of MFA's Community Development Department or MFA's Controller.

At a minimum, MFA staff conducts one onsite or virtual programmatic monitoring visit, one financial visit, and one in field technical monitoring visit each year. Comprehensive monitoring tools are used as part of the thorough review of each subrecipient. If necessary, a follow-up monitoring visit will be conducted to verify that corrective action has been initiated or completed. Through our online reporting system, staff conduct reviews on financial reporting and expenses.

Single Audits or Audited Financial Statements

In this section, both single Audits and Audited financial statements will be referred to as "Audits".

All weatherization agencies are required to have an audit conducted annually. Any entity wishing to be a weatherization agency that has not had an audit within the previous twelve (12) months, is not allowed to apply/reapply for funding. The only exception to this rule would be a newly formed agency that has not had the need to receive an audit yet. The process of receiving and reviewing an audit is detailed below:

- The weatherization agency submits their audit electronically to either the Program Manager or the Program Coordinator directly. If the Program Manager receives the audit, they will notify the Program Coordinator and save it to the Audit file which is maintained by the Program Coordinator; then
- The Program Coordinator will review the audit, looking for findings; and, if any, will look for an adequate, detailed plan of action the Agency will take; then
- If any findings are found, the Program Coordinator will send the audit to the Assistant Director of Community Development for their review; then
- The Assistant Director will review the finding/plan of action. If the Assistant Director has questions about the finding or the plan of action, they will consult with the MFA Controller for guidance. The Assistant Director and the Controller will determine if the plan of action is adequate and accept the finding/plan of action, or will notify the Program Coordinator that further research/action by MFA staff is warranted; then
- The Program Coordinator will then either reach out to the sub-recipient directly or ask the Program Manager to reach out and get further clarification.
- It should be noted the MFA may have the weatherization agency increase the actions they need to take to ensure the finding is resolved to MFA's satisfaction.

General Monitoring Practices

Staff will perform field onsite technical monitoring visits to Southwestern Regional Housing Community Development Corporation (SRHCDC), Central New Mexico Housing Corporation (CNMHC), and Red Feather Development Group in the 2026/2027 Program Year. In the event travel is restricted due to future pandemics, monitoring visits may need to be conducted virtually and remain consistent with the approved virtual monitoring plan.

Monitoring visits to the weatherization agencies are planned for the second quarter of the Federal Fiscal Year.

In addition to monitoring, MFA staff have developed their own QCI inspection policies. The team will perform certified QCI reviews of client files and inspect the corresponding units a minimum of 5%. This will occur on a continual basis to ensure that SWS, DOE guidance, energy audit procedures, and NM Standards are being followed. The team looks closely for missed opportunities, and client safety. Health and Safety approach with the best practice possible is encouraged. In the event quality is not up to standards, and it is determined that there is a pattern, comprehensive or specific training will be scheduled to correct the issues. Health and Safety deficiencies, depending on the severity, are corrected immediately, with preference being the same day.

Quality Control review of units and files consists of reviewing every detail for each file prior to the unit visit. The file should accurately tell the story of the

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weatherization work that took place at the unit. If one thing is out of place, it serves as an indicator to look for additional related items.

In the event subrecipients fail QCI inspections; they are given the opportunity to remedy the problem within a reasonable time period. This rework is not eligible for reimbursement with DOE funds. The unit may be re-inspected by MFA's QCI, depending on the nature of the failure. Photos or other proof of correction is required. The training Academy is notified of the area of weakness and modifies the classes if needed. In extreme cases, additional classes are scheduled for the agency.

When there are findings or concerns that surface during inspections, the subrecipient is asked to explain how they will improve in their correction plan. This may entail updating their policies and procedures, more frequent monitoring by MFA, or training to help the subrecipient understand how the problem occurred and how to prevent it.

MFA also requires subrecipients to be audited in accordance with section 10 CFR 440.23(d). For program year 2025/2026 only one of the NM EnergySmart subrecipients met the 2 CFR 200 threshold amount of \$1,000,000.00.

As a follow up to each visit, MFA staff provides the subrecipient with a written report that describes noncompliance or problem areas, suggested comments and best practices. The report is submitted to the subrecipient within 30 days of the visit and the subrecipient is required to respond within 30 days to MFA with a Corrective Action Plan addressing any findings, concerns, and recommendations. This Corrective Action Plan must include an identified target date for each deficiency. This is tracked by an online tracking system. Follow up communication through phone conversations, email, and necessary onsite visits is continual until the problem is resolved. MFA keeps the line of communication open to help the subrecipients achieve the ultimate goal of compliance and best practice.

The subrecipients are sent the updated monitoring instruments prior to the visit that will be used, since they are accountable for implementation of the program in accordance with the standards and procedures.

In all instances, MFA is committed to working closely with subrecipients to succeed. However, if after numerous attempts have been made towards compliance or if a subrecipient is either unwilling or unable to resolve a noncompliance issue, MFA would start to work toward defunding the agency. This is a last resort and will only be implemented in the most extreme cases.

When a problem is resolved to the mutual satisfaction of the subrecipient and MFA, staff will send a follow up letter to close the finding.

MFA looks for patterns of fraud within the agency documents, such as the general ledgers. If there is any suspicion of mismanagement, fraud, waste or abuse or if any significant problems are found, MFA will immediately notify the DOE Project Officer, and the Inspector General.

MFA will submit annual reports to the DOE Project Officer describing its monitoring efforts to date. The report will include at least the following:

- Number of monitoring visits to each subrecipient;
- General nature of the findings;
- A discussion of significant corrective actions.

MFA will also have all monitoring reports available, upon request, for DOE inspection. MFA will summarize and review its monitoring activities and findings for internal assessment of subrecipient needs, strengths and weaknesses and annual planning. This data will be incorporated in the New Mexico Consolidated Plan and Annual Performance report.

Credentials

MFA staff has substantial experience in monitoring NM EnergySmart and other Federal and State programs:

Troy Cucchiara is the weatherization Supervisor and a QCI for MFA. Troy oversees all aspects of the weatherization program including the programmatic, fiscal, technical, and QCI monitoring. He has been involved with the home retrofit industry for 26 years and has been an integral part of the Weatherization Assistance Program for different agencies since 2006. He has earned numerous certifications including Commercial Energy Auditor, Water Specialist IV, CBI Thermographer, Lead Certified Renovator, Lead Dust Sampling Technician, AHERA, OSHA 30, Building Analyst, Building Envelope, and Home Energy Professional Quality Control Inspector, Multifamily QCI, Energy Auditor, and has been a BPI Proctor for the Santa Fe Community College. Technical experience includes energy auditing, unit inspections, program management, water treatment design, inventory control, public speaking, staff training, and client education.

Dimitri Florez is the Technical Manager and QCI for MFA. Since 2019, he has been managing the NM EnergySmart Program with programmatic, fiscal, and mostly the technical aspect of weatherization. Dimitri schedules all technical monitoring visits, and onsite unit inspections. Dimitri's qualifications include 6 years of field experience and holds the Building Analyst, Energy Auditor, and Quality Control Inspector Certification in the field of weatherization.

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~~Program Manager, David Trembath, has 25 years of experience with contracts, including contract writing and review, contract compliance, as well as experience in Requests for proposals and other forms of procurement. He will conduct programmatic monitoring visits to the provider agencies. David is also learning the EnergySmart system and will assist with invoices and reporting~~

Program Manager David Trembath has been with the MFA since October 2024. He has over 25 years of experience with contracts, including contract writing and review, contract compliance, programmatic monitoring, as well as experience in Requests For Proposals and other forms of procurement. He conducts programmatic monitoring visits to the sub-recipients and reviews invoices submitted through the NM EnergySmart system for accuracy. Additionally, David prepares and submits monthly reports to funding sources, the sub-recipients, and ensures that numbers reported to the MFA Board of Directors are accurate.

David Gutierrez conducts all programmatic and fiscal monitoring. David has three years of experience in code enforcement, zoning, and housing inspections with the City of Albuquerque. He has 15 years of housing experience including property management, OSHA, Lead Awareness, LIHTC, HUD, HMIS, CoC, RAP, FEMA, Motel Vouchers, Displaced Tenants, and Rental Assistance.

Levels of Agency Performance

High Performance or Exemplary Agencies: By way of monitoring review, an agency has demonstrated performance standards that meet or exceed standards that are commonly observed in the following areas:

- Client complaints that are resolved on their own with little to no involvement from MFA;
- Solid succession plan and organization chart;
- Agency has representation at all meetings and meets all deadlines;
- No Health and Safety findings;
- No procedural findings;
- No financial audit material findings;
- In general, an agency's production is high relative to funding.
- No "at risk" elements are found in major categories for an agency;
- The agency provides comprehensive service utilizing the latest building science and renewable technology, in a cost-effective manner in accordance with NM EnergySmart Weatherization Assistance Program guidelines.

Stable Agency Performance: Typically, the frequency of monitoring will be (1) fiscal/operational visit and (1) technical visit per year by NM EnergySmart staff. The need for additional visits within the same year will be determined by the agency's program funding and production level and the timely responses to any outstanding monitoring findings. MFA expects every agency to meet standards of performance, have a well-established system for program administration and operations, with no more than one finding in the following areas:

- Numerous client complaint that escalates to MFA for resolution;
- Developing succession plan;
- Agency occasionally misses meetings or deadlines;
- Compliance with major program requirements, such as, lead based paint procedures, cost allocation;
- No more than one program specific finding in the annual monitoring visit;
- No more than one fiscal specific finding in the annual monitoring visit;

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- Staff is well trained in performance of specific job duties.
- Agency has complete and organized files.
- Evidence of prudent decision making as to the use of program resources;
- Complete scopes of work;
- NEAT/MHEA/TREAT documentation is current and consistent with billing;
- Staff is proficient in the use of auditing software.
- Evidence that NEAT/MHEA/TREAT is used with actual and true pre audit data (including costs);
- Evidence that NEAT/MHEA/TREAT is used effectively and thoughtfully in determining cost effective measures;
- Staff and contractors have demonstrated proficiency in technical applications, including diagnostics;
- Agency has a minimal number of procedural findings (as related to programs rules, policies and procedures) and health and safety findings from previous monitoring report;
- Agency complies with OSHA and MFA safety rules, as applicable;
- The agency maintains a professional working relationship with MFA.
- Past corrections are made and reported in a timely manner;
- Participate in NM Energy\$mart Peer Exchange meetings;
- No "at risk" elements are found in major categories for an agency.

Vulnerable Agency Performance: If an agency's performance is deficient in some or all of the following levels of performance MFA will prepare a plan to help the agency clear the deficiencies and will provide additional monitoring within the same year to ensure the agency has a well-established system for program administration and operations, with no more than one finding in the following areas:

- Client complaints that remain unresolved;
- Weak succession plan, no evidence of cross training;
- Agency consistently misses meeting and deadlines;
- Compliance with major program requirements such as lead based paint procedures, cost allocation plan/indirect cost rate, required contractor information;
- No more than one program specific finding in the annual monitoring visit;
- No more than one fiscal specific finding in the annual monitoring visit;
- Staff are well trained in performance of specific job duties.
- Lack of prudent decision making as to use of program resources;
- Completes scope of work.
- NM Energy\$mart online reporting is current and consistent with billing;
- Staff is proficient in its use of the NM Energy\$mart online payment system;

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- Evidence of the NM EnergySmart online payment system is used with actual and true pre- and post- data (including costs);
- Evidence of the NM EnergySmart online payment system is used effectively and thoughtfully in determining cost effective measures;
- Staff and contractors have not demonstrated proficiency in technical applications, including diagnostics;
- Agency has a number of and severity of procedural findings (as related to programs rules, policies and procedures) and health and safety findings from previous monitoring report;
- Agency does not comply with OSHA and MFA safety rules, as applicable;
- The agency does not maintain a professional working relationship with MFA;
- Past corrections were not made and reported in a timely manner;
- Agency does not participate in NM EnergySmart Exchange meetings;
- Agency does not report as outlined in program manual; and
- Several “at risk” elements are found in major categories for an agency.

At Risk Agency Performance: At risk agencies will be monitored no less than twice annually. Other factors in the frequency of monitoring visits may be based upon the requirements of specific funding sources. These agencies may be identified as a result of a variety of factors that may include:

- Numerous unresolved client complaints where the agency is unwilling to work towards resolution;
- No succession plan or evidence of cross training;
- Agency does not attend required meetings;
- Agency’s probation, i.e. an agency’s first year with the program;
- There is evidence of significant administrative or program substandard performance; for example, repetitive pattern of findings, failure to have copies of permits on file or lack of compliance with historical preservation rules;
- Agency is not in compliance with program policies, procedures and specifications.
- Agency has repeated health and safety findings.
- Agency staff members/crew has deficient technical skills;
- There has been a change in key staff.
- There has been a change in key weatherization subrecipients;
- Agency has deficient scopes of work (work plan is insufficient).
- Agency has program specific audit findings.
- Agency has fiscal findings.
- Agency files are incomplete or disorganized.
- Agency staff is unresponsive to MFA requests and deadlines. For example, the agency consistently fails to provide monthly reports and contract closeouts in a timely manner.
- Agency production is low relative to funding

U.S. Department of Energy
Weatherization Assistance Program (WAP)
STATE PLAN / MASTER FILE WORKSHEET
Grant Number: SE0001839, **State:** NM, **Program Year:** 2026
Recipient: State of New Mexico-NMMFA

V.8.4 Training and Technical Assistance Approach and Activities

See Attached T and TA Plan

Percent of overall trainings

Comprehensive Trainings: 40.0

Specific Trainings: 60.0

Breakdown of T&TA training budget

Percent of budget allocated to Auditor/QCI trainings: 25.0

Percent of budget allocated to Crew/Installer trainings: 50.0

Percent of budget allocated to Management/Financial trainings: 25.0

V.9 Energy Crisis and Disaster Plan

Objective: The objective of the New Mexico disaster response plan is to implement response activities that ameliorate the effects of the disaster to affected low-income persons with due consideration to the limited funds available during the program year.

Definition: A disaster is an event or development in the State declared by a Presidential or Gubernatorial order to be either a Federal or State emergency.

Procedures: Declaration of an energy crisis enables a subrecipient to place households affected by the crisis at the top of the weatherization waiting list. Subrecipient must follow WPN 127 and complete all allowed measures by the energy audit. Partial weatherization is not allowed with DOE funds. Once a QCI has approved the work, the crews can move to the next identified unit that qualifies. If at all possible, the subrecipient should complete the emergency units within the current program year.

The subrecipients must maintain a list of the units served during the crisis and provide the list of measures for each unit and the proposed date for full weatherization during invoice submission.

Criteria include:

1. Households must meet current income guidelines.
2. Priority will be given to elderly person, persons with disabilities, families with children, high residential energy users, and household with high energy burdens;
3. Priority will be determined through the program priority list for the particular disaster area.
4. ~~Units weatherized 15 years before the present date, can receive additional assistance under "Energy Crisis".~~ MFA will follow DOE requirements and will not waive regulations for an energy crisis or disaster. Units weatherized within 15 years of the present date will **NOT** be eligible to receive weatherization services, even in an area deemed to be a disaster area. Units that have received weatherization services before the present date **ARE** eligible to receive weatherization, and if in a designated disaster area, will be prioritized as such.
5. Incidental repairs to an eligible unit will be allowed if the repairs are necessary to make the installation of weatherization materials effective;
6. Elimination of health and safety hazards will be allowed when it is necessary before the installation of weatherization materials.
7. Debris removal so a unit can be weatherized is considered an allowable cost but not an allowable cost for any units that will not be weatherized.
8. If DOE purchased vehicles are used to assist in disaster relief for debris removal or other allowable activities, the activity must be allocated in accordance with 2 CFR 200.405.
9. Disaster area households may be considered a priority over other households within a subrecipient's weatherization agency's territory only if the households are free and clear of any insurance claim or other form of compensation resulting from damage caused by the disaster, and the household must also meet one of the other priorities used within this State Plan.

U.S. Department of Energy
Weatherization Assistance Program (WAP)
STATE PLAN / MASTER FILE WORKSHEET
Grant Number: SE0001839, **State:** NM, **Program Year:** 2026
Recipient: State of New Mexico-NMMFA

10. DOE funds may be used to pay subrecipient staff to perform functions such as securing materials, tools, equipment, vehicles, files, and records. DOE funds are NOT to be used to perform work in the community for disaster relief.

V.10 Dispute Resolution

Subgrantee General Guidelines.

To resolve weatherization disputes, consider alternative dispute resolution methods like mediation, arbitration, or follow a formal grievance process, potentially involving MFA and/or the Department of Energy (DOE). All client complaints will be recorded in writing within the agency that is working or has worked with the client, Community Development Department, Weatherization Supervisor, Quality Control Inspectors, Program Managers, and Technical Managers. Alternative dispute resolutions are recommended when client complaints remain unresolved.

Considerations: Agencies should consider the use of alternative dispute resolution procedures, including arbitration and mediation procedures, to assist in resolving client complaints.

- **Mediation:** A neutral third party helps parties reach a mutually agreeable solution.
- **Arbitration:** A neutral third party makes a binding decision after hearing both sides.

If further assistance is needed, MFA will provide a formal response to the client. This response may include a plan of action, an answer to a question, or contain more questions for the client. Under no circumstances will MFA advise the client that work can be done under the program; this action will be completed by the agency that is working with the client.

Grantee General Guidelines.

Pursuant to the authority of the Consumer Financial Protection Bureau (CFPB), MFA is responsible for maintaining a comprehensive Consumer Complaint Policy and Procedure for resolving consumer complaints related to the financial products it offers, and the services related to those products it provides. The standards set out in this policy represent minimum requirements based on applicable legal and regulatory guidance and are intended to prevent violation of federal regulations related to consumer protection and mortgage lending. MFA's Consumer Complaint policy and procedure is separate from MFA's Fraud, Waste & Abuse Reporting. MFA will provide the public with MFA's Consumer Complaint process as well as the link to submit a Consumer Complaint. The Consumer Complaint form will be available to consumers through MFA | MFA's Website at <http://housingnm.org/resources/consumercomplaints>. Consumer Complaint tracking and resolution will be achieved through the steps outlined in this policy and the use of MFA's Consumer Complaint Tracking database.

- a) Consumer Complaints may come to MFA in many forms, including but not limited to:
 - 1) MFA website - <http://housingnm.org/resources/consumercomplaints>.
 - 2) Phone Calls

- 3) Letters (Regular Mail)
 - 4) Certified Mail
 - 5) E-mail
 - 6) Voice Mail
 - 7) Legal Action
 - 8) Official MFA Social Media Account Comments
- b)** Regardless of the intake, all consumer complaints will be tracked through MFA | MFA's Complaint Tracking and Reporting database. The database will include:
- 1) Receipt date and source
 - 2) Consumer contact information
 - 3) Research and results
 - 4) Consumer response type and date
 - 5) Corrective actions taken
 - 6) Resolution code
- c)** The Compliance Manager will serve as MFA's complaint monitoring point of contact (POC). As the POC, the Compliance Manager will be responsible for intake, data input, monitoring the status of complaints, compliance with requirements related to resolution and providing reporting to Management when complaints are received. In addition, the Compliance Manager will be responsible for assigning the complaint to the appropriate department Director or Manager via the Complaint Tracking Database for resolution as required. When a department Director or Manager receives notification that a complaint has been reported in relation to their department, they have the responsibility of investigating the nature and credibility of the Consumer Complaint.
- d)** All MFA Employees subject to this policy will be provided training of the process for handling consumer complaints upon hire and annually thereafter.
- e)** MFA is committed to the highest standards of compliance with consumer protection and fair lending laws and requires Management, Employees, and third-party vendors to follow this policy in accordance with CFPB requirements.
- f)** Consumer complaints received by MFA staff shall be:
- 1) Brought to the attention of the Board of Directors at the discretion of the Executive Director/CEO, who shall consider the severity, accuracy, and

verifiability of the allegations of any complaint report when making this determination.

- 2) Included in the agency monitoring results letter as an attachment that describes the nature of the complaint, resolution, and status of the complaint.

V.11 Investigating Allegations of Fraud, Waste and Abuse

All MFA Members, Management, Employees, contractors, sub-contractors, grantees, sub-recipients, and business associates must maintain the highest ethical standards in conducting company business. It is MFA's intent that all Members, Management, Employees, contractors, sub-contractors, grantees, sub-recipients and business associates will conduct business with honesty and integrity and comply with all applicable laws and regulations in a manner that excludes considerations of personal advantage or personal gain, and not seek or accept for themselves any gifts, favors, entertainment, or payments, without a legitimate business purpose.

All MFA Members, Management, Employees, contractors, sub-contractors, grantees, sub-recipients, and business associates should avoid any situation that involves or may involve a conflict between their personal interests and the interests of MFA.

- 1. Third Party Complaints.** MFA is responsible for reporting any indication of fraud, waste, abuse, or potentially criminal activity pertaining to any federal or state funds received in any form by MFA and/or provided by MFA to any contractors, sub-contractors, grantees, sub-recipients, and business associates. Any MFA Member, Management, or Employee who acquires information or receives a complaint of suspected fraud, waste, abuse or potentially criminal activity by any contractor, sub-contractor, grantee, sub-recipient, or business associate of MFA in regard to federal or state funds provided and/or administered by MFA, shall promptly report the information to MFA's General Counsel. Upon receipt of such information, MFA's General Counsel shall, after appropriate notice and involvement of the Policy Committee, promptly notify the appropriate Inspector General or responsible State Official.

Reported activities will be investigated by MFA, which may include a third-party investigative services provider if deemed necessary. Upon completion of the investigation MFA will take appropriate action should the reported activities be substantiated and determined to be fraudulent, unethical, illegal or in violation of Housing New Mexico | MFA's Code of Conduct or Third-Party Code of Conduct.

- 2. Internal Complaints.** It is the responsibility of all Employees to report suspected fraud, unethical, or illegal activities or activities which MFA's Code of Conduct, as committed by any MFA Member, Management, or Employee. All reports are anonymous unless the individual making the report chooses otherwise. To ensure anonymity and encourage compliance with best practices MFA has contracted with a third-party service provider to receive reports of fraud, waste, and abuse, and/or unethical or illegal activities. Individuals may report such activities anonymously by:

All reported activities received through the Report IT hotline/website, by written or verbal communication or via telephone are directed to the Human Resources Director who will coordinate review with General Counsel. All reported activities will be treated the same and will be promptly investigated by MFA, which may include a third-party investigative services provider if deemed necessary. Upon completion of

the investigation MFA will take appropriate action, including the involvement of Policy Committee and the Board, as necessary, should the reported activities be substantiated and determined to be fraudulent, unethical, illegal or in violation of MFA's Code of Conduct.

MFA will not enter into a professional services contract for a special audit, performance audit or attestation engagement regarding the financial affairs and transactions of MFA and relating to financial fraud, waste, or abuse in government without the prior written approval of the NM State Auditor. Such engagement will be conducted in accordance with 2.2.2 NMAC and the State Audit Rule Section 2.2.2.15. This requirement is only for MFA-related internal investigations, not sub-recipient investigations.

If the individual making the report chooses not to remain anonymous, he/she will be made aware of the outcome of the investigation. All individuals who make reports will be protected from discharge, demotion, discrimination, or other type of retaliation. Allegations of retaliation may be reported to (877) 778-5463 or at www.reportit.net. Reports of retaliation also will be promptly investigated by MFA, which may include engagement of a third-party investigative services provider if deemed necessary. Upon completion of the investigation MFA will take appropriate action if the reported retaliation is substantiated. Complete information on how to report fraud, waste & abuse and unethical or illegal activities can be found on Report It flyers posted within MFA's premises and on MFA's website at www.housingnm.org.

Reports of fraud, waste and abuse received by MFA staff shall be brought to the attention of the Board of Directors at the discretion of the Executive Director/CEO, who shall consider the severity, accuracy, and verifiability of the allegations of any report when making this determination.

3. **Mandatory Disclosures** 2 CFR 200.113 MFA staff, Subrecipients, and subcontractors must promptly disclose in writing credible evidence of fraud, conflict of interest, bribery, or gratuity violations to the Department of Energy's Office of Inspector General and MFA.

4. **U.S. Department of Energy Hotline**

Suspected fraud, waste, or abuse to the Department of Energy can be reported through the following options:

- Phone: (800) 541-1625 or (202) 586-4073
- Email: ighotline@hq.doe.gov
- Postal Mail: U.S. Department of Energy
Office of Inspector General
ATTN: Hotline
1000 Independence Avenue, SW
Mail Stop 5A-235
Washington, DC 20585

**TRAINING AND TECHNICAL ASSISTANCE (T&TA)
PLAN NEW MEXICO**

1.0 – GENERAL INFORMATION

COMMENTS THAT DO NOT GENERALLY FIT INTO THE AVAILABLE TABLES BELOW

The descriptions within this template will address both online and in-person classes.

2.0 – OVERALL T&TA PLAN

YOUR OVERALL T&TA PLAN MUST INCORPORATE SUGGESTIONS AND FEEDBACK THE FOLLOWING ELEMENTS.

FEEDBACK FROM INTERNAL AND EXTERNAL REVIEWS, EXAMPLES INCLUDE:

- FEEDBACK FROM DEPARTMENT OF ENERGY (DOE) PROJECT OFFICER (PO) MONITORING VISITS
- INTERNAL STATE AUDITS
- GRANTEE MONITORING OF THE SUBRECIPIENTS
- OFFICE OF INSPECTOR GENERAL (OIG) REPORTS
- AMERICAN CUSTOMER SATISFACTION INDEX FEEDBACK, AND
- OTHER. EXAMPLES INCLUDE:
 - TRAINING FEEDBACK
 - TRAINING RETENTION ACTIVITIES

Scheduled training is determined by the existing number of staff in each of the four categories, the desired number in each category, monitoring results, agency feedback, and unit inspections. The training schedule is changed to reflect feedback from the DOE Project Officer or other monitoring visits. Contractual requirements bind Subrecipients to the training schedule.

In addition to training in house staff, the network's intention is to use T&TA funding to train qualified contractors in as many areas of the state feasible.

State Audit Feedback:

MFA requires a yellow book financial audit that follows all GAGAS standards for all Subrecipients. Single audits are required for entities that receive over \$1,000,000. One of the three entities will exceed this amount and therefore will be required to provide their single audits for MFA review. The financial statements audited and auditors report are reviewed by my MFA upon completion. Areas that are considered findings are discussed with the Subrecipients to help find suitable solutions or training. The area of finding is reviewed by MFA during the annual monitoring visit.

Monitoring of Subrecipients:

MFA closely communicates with Subrecipients on a consistent basis. MFA can assess training needs through the process of desk monitoring, invoice approval, 5% to 10% quality control site visits, annual onsite programmatic and technical monitoring. The training needs are communicated immediately to the Subrecipients when they are determined and then to the Energy Smart Academy (ESA).

Notations, concerns, and findings resulting from a monitoring or inspection visit may but not always lead to comprehensive or specific training for the agency or individual in question.

When technical issues are discovered, the results are sent to the ESA with a request for training in the area of concern. This may result in changes in the agency training plan. If the problem is severe enough, the individual(s) will be required to complete training prior to working on any more homes.

EXISTING OR PLANNED ACCREDITED TRAINING CENTER PARTNERSHIP OR WORKING RELATIONSHIP.

Energy Smart Academy, Santa Fe Community College, 6401 Richards Avenue, Santa Fe, NM 87508

<https://www.energysmartacademy.com/online-courses.html>

Southwest Building Science Training Center, 3051 S. 45th St. Phoenix, Arizona 85040

<https://swbstc.org/>

PREPARATIONS FOR FUTURE/UPCOMING PROGRAM REQUIREMENTS, EXAMPLES INCLUDE:

- **UPDATED STANDARD WORK SPECIFICATIONS (SWS)**
- **ONLINE WEATHERIZATION ASSISTANT TRAININGS AND UPDATES**
- **INCLUSION OF SPECIFIC LANGUAGE FROM WEATHERIZATION PROGRAM NOTICES (WPN)**
- **HEALTH AND SAFETY GUIDANCE CHANGES**
- **ENERGY AUDIT PROCEDURES**
- **PLANNING FOR NEW CATEGORIES OF FUNDINGS SUCH AS WEATHERIZATION READINESS**

In addition to following WAP Program Notices, MFA staff stay in close contact with NASCSP, Energy Out West, HPC, NM Energy and Minerals, and other industry experts. Information gathered from phone meetings, conferences, emails, and updates is regularly dispersed to the Subrecipients and the Energy Smart Academy (Academy). If the industry changes or updates warrant a change in training or policies, those changes will be implemented soon after communication or training has taken place.

- Relevant WPNs and memos are sent out to the network within a day of release.
- Changes are discussed during our technical calls every two weeks.
- Agencies are contacted individually to discuss how changes can be made.

WHAT PROTOCOLS ARE IN PLACE WHICH ENSURE UNTRAINED STAFF ARE NOT LEFT WITHOUT SUPERVISIONS DURING FIELD OPERATIONS?

Untrained staff do not complete any work without supervision of trained staff. Although it is encouraged to hire certified staff from the network it is not frequently possible, therefore, it is not a requirement for applicants to have certification prior to hiring. Each Subrecipient is required to have a training plan for each job position.

Upon hire, the employee is required to complete the online training curriculum for their position after each agency's individual new employee probationary period. In addition, Subrecipients all have internal training/shadowing on the job mentoring plan.

Each new staff member is responsible for attending and passing all the courses required for their job category and encouraged to within one year of being hired. MFA watches this process and communicates with the agency about the employees' progress.

For individuals that struggle with language barriers, there are Spanish/English courses available to help the student comprehend the job duties.

Contractor Training

MFA allows the use of T&TA funds to train the staff of contractors who will be working with the program in all applicable job areas, and for both specific and comprehensive categories. This helps ensure that untrained staff are not left unattended at the job sites. Training is not required for contractors but may be a condition of continued work with the program if issues are discovered upon inspection. Agencies must ensure the following is met:

- Retention agreement with contractor as part of the MOU or contract that states a minimum and

reasonable number of projects or timeframe set by the agency. These agreements must not exceed one year.

- Agencies must have procurement standards that align with 2 CFR 200. MFA will monitor agencies to their own procurement standards.
- During the procurement process of contractors, agencies must include the training opportunities in their advertisements.
- If contractors are reimbursed for training, the invoice issued must be clear what line items are training and what line items are overhead. Agencies must ensure training for the same activity is not billed for more than once.
- All reimbursement policies must be included in the contract and binding agreement with the contractors.
- Contractor's completed training certifications must be provided to MFA to ensure all applicable guidelines such as WPN 22-4 are met.
- When agencies are submitting invoices for contractor T&TA reimbursement, the amounts must be in the T&TA category. Contractor invoices for the training must be provided to MFA at the time and must reflect Subgrantee labor rates, or other available data.
- Travel and other expenses must be based on actual costs, GSA per diem rates, or Subgrantee policy rates.
- Agencies must have contractor specific limits for reimbursement.

It is expected that the use of contractors will increase by 200% for HVAC and installers. Most of the contractor's need for training will be field work of installers and HVAC technicians.

It is an allowable expense for contractors to be reimbursed for labor, and other expenses related to training such as mileage and lodging only if the above conditions are met.

PARTNERSHIPS WITH THE STATEWIDE HOME PERFORMANCE INDUSTRY ON TRAINING ISSUES; IF APPLICABLE.

NA

HOW DOES ANALYSIS CONDUCTED, AS DETAILED IN SECTION V.6 OF THE ANNUAL APPLICATION, INFLUENCE THE DEVELOPMENT OF T&TA ACTIVITIES AND PRIORITIES?

To assess effectiveness, the NM EnergySmart Online System (System) captures the individual unit production data monthly. The completed unit data is captured for each agency and shows the projected energy savings in MMBTUs for each auditor in the agency in addition to other important details about the unit.

Not only does this screen ineligible cost, but it allows for one and one conversation with the auditor, final inspector, or data entry person that yields opportunities for training that person. Each month, invoicing precipitates conversation between MFA and the agencies that can result in further conversation at technical meetings or training.

This information is useful in that it can compare agency to agency, and auditor to auditor. Though the climatic conditions are vastly different from the northern part of the state to the southern, these comparisons can be helpful in determining weaknesses and individual training needs.

The System also shows the frequency with which each agency and auditor installs individual measures and allows MFA to assess each agency's performance that is not tied to climatic differences.

Reports are discussed during peer exchanges and are helpful for agencies to see the different needs between

climates, and how multifamily differs from single family.

The form of desk monitoring allows units to be flagged for future inspection if a particular house appears to be a good candidate for inspection and training. All correspondence that results from the desk monitoring yields opportunities for training.

3.0 – WORKFORCE CREDENTIALS

DESCRIBE THE FOLLOWING ASPECTS OF YOUR T&TA PLAN RELATED TO WORKFORCE CREDENTIALS.

FEDERALLY REQUIRED CREDENTIALS. EXAMPLES INCLUDE:

- **ENVIRONMENTAL PROTECTION AGENCY LEAD RENOVATION, REPAIR, AND PAINTING PROGRAM**
- **HOME ENERGY PROFESSIONALS QUALITY CONTROL INSPECTOR CERTIFICATION**

Installer/Crew Leader

In addition to hiring in-house installers and crew leaders, the agencies will be utilizing some contractors for installer duties but will be keeping the crew leaders within the agency staff except for the multifamily provider who may train one contractor for this role.

EPA RRP

Crew Leaders, Energy Auditors, and QCI Inspectors are required to have received and passed the EPA Renovation, Repair and Painting course offered by the academy within timeframes set by each agency.

Recertifications needed: 4

New Certifications needed: 7

Energy Auditor

BPI Energy Auditor is required before obtaining a QCI. We do not require new assessors to successfully pass the tests, however, new assessors must receive the online class upon hire of that position.

Online Energy Auditor

This 36-hour class covers the following topics:

Basic building science, intro to weatherization, basic health and safety, construction details, data gathering, baseload, heating and cooling equipment, diagnostic testing, auditing software and more.

Additional classes that Energy Auditors will take as they progress:

OSHA 10, Lead RRP, AHERA for Inspectors, Advanced Auditing Software, Infrared for Home Retrofits.

Students wishing to take the Energy Auditor written exam may take it in person or through remote proctoring. Students taking the BPI EA Field exam usually will have a day of prep at the EnergySmart Academy before their scheduled exam.

The candidate must first complete Building Science Principles and Building Analyst prior to taking the exam and it is recommended prior to enrolling in Energy Auditor courses.

Recertifications needed: 2

New Certifications needed: 4

Quality Control Inspector**Online Quality Control Inspector Preparation Class**

This class covers everything needed to take the BPI Quality Control Inspector online exam and is 15 hours long. There is an Energy Auditor Certification as a prerequisite for this class.

Recertifications needed: 3

New Certifications needed: 3

There are currently no QCI's without an energy auditor certification in NM. Two agencies practice cross training and the assessor/QCI performs both functions. One agency subcontracts out the QCI program requirement. The goal is for three or more people to successfully pass this exam after obtaining their Energy Auditor.

OSHA

Recertifications needed: 0

New Certifications needed: 4

GRANTEE/STATE REQUIRED CREDENTIALS. EXAMPLES INCLUDE:

- **BUILDING PERFORMANCE INSTITUTE BUILDING ANALYST**
- **GRANTEE-DEVELOPED CERTIFICATIONS**

Optional certifications will be available for individuals and contractors within the agencies for various installer and crew leader activities. The system outlined below has been developed by the DOE toolkit and the Academy and can be a source of state certifications for weatherization. These badges map exactly to the Field Guide tasks.

1. **MFA** works with each agency to designate one trusted QCI, EA or CL (Grader) at the agency who can approve badges for **Installer** tasks. A Crew Leader who is already working with Installers in the field is the easiest choice.
2. **The Grader** then has a Zoom call or in-person meeting with Academy staff, to go over the tasks, work guide and rubrics for grading.
3. While working, once an Installer can successfully complete a task (2-3 times), based on the steps in the visual guide, the **Installer** can ask the **Grader** to evaluate him / her, using the appropriate rubric.
4. **The Grader** will evaluate the task, fill out the grading rubric, then he/she will sign and send it to ESA.
5. ESA will then **award a badge** to the candidate. The badge can be shared by email, social media, or downloaded as a certificate.
6. Although contractors who work with the program are encouraged to obtain their full credentials, they have the option of working with agency staff to obtain badges in areas designated by each agency.

SUBRECIPIENT/LOCAL REQUIRED CREDENTIALS. EXAMPLES INCLUDE:

- **LICENSING INCLUDING HVAC, ELECTRICAL, CONTRACTOR**

All Subrecipients that are not exclusive to working on Native Lands are required to have contractor licenses issued by the Regulation and Licensing Department of the State of NM for the buildings in which they perform the work. Single family agencies need the GB02, mobile home crossover, and multifamily agencies are required to have the GB98 license.

The mechanical/plumbing licenses (MM04) are optional; however, the agencies have and maintain their mechanical license. Journeyman and electrical licenses should be obtained by the agencies as required.

INDUSTRY REQUIRED CREDENTIALS. EXAMPLES INCLUDE:

- **EQUIPMENT/MATERIAL MANUFACTURE CERTIFICATION**
- **VENDOR CERTIFICATION**
(E.G. EQUIPMENT/MATERIAL MANUFACTURE CERTIFICATION, VENDOR CERTIFICATION)

No industry credentials are required; however, we are exploring if certifications are required for specific heat pump installations.

PROCESS FOR MAINTAINING WORKFORCE CREDENTIALS

Subrecipients are responsible for ensuring everyone within their organization maintains each of their earned credentials. As a credential is approaching the expiration date, the individual holding that certification will schedule review classes if necessary and arrange for the recertification process and testing with the testing center that oversees that credential. In most cases that is the Academy.

As part of Training Needs Assessments and monitoring, MFA obtains the number of recertifications needed in each category from each agency, names of individuals, and expiration dates. MFA is notified when the credential is successfully renewed.

HOW CREDENTIALS ARE TRACKED

During the annual renewal or RFP period, the Subrecipients are required to provide existing credentials with expiration dates for each person. This is also reviewed during monitoring, discussed during our bi-weekly calls, and individual ongoing discussion with each agency.

4.0 – TRAINING

GRANTEES HAVE TWO OPTIONS TO DESCRIBE THEIR TRAINING.

- A) USE THE EMBEDDED SPREADSHEET* TO IDENTIFY AND DESCRIBE THE TRAINING SCHEDULE FOR GRANTEE AND SUBRECIPIENT STAFF. INCLUDE TECHNICAL AND NON-TECHNICAL TRAINING.
- B) OR USE THE FIELDS BELOW TO IDENTIFY AND DESCRIBE THE TRAINING SCHEDULE FOR GRANTEE AND SUBRECIPIENT STAFF. INCLUDE TECHNICAL AND NON-TECHNICAL TRAINING.

GRANTEE'S ARE TO INCLUDE THE FOLLOWING IN THEIR DESCRIPTIONS REGARDLESS OF WHAT OPTION IS BEING USED TO DESCRIBE THEIR TRAINING PLAN:

- SPECIFY WHETHER ATTENDANCE IS MANDATORY, AND THE RAMIFICATIONS FOR NON-COMPLIANCE.
- SPECIFY IF THE T&TA PLAN SPANS MULTIPLE PROGRAM YEARS (PY), INDICATE WHICH TRAININGS ARE INTENDED IN THE CURRENT PY AND WHICH ARE PLANNED FOR FUTURE PYs.

* THE EMBEDDED SPREADSHEET, IF COMPLETED AT THE END OF THE YEAR TO RECORD DELIVERED TRAINING, CAN BE USED AS DOCUMENTATION FOR THE REQUIRED ANNUAL T&TA REPORT. DOUBLE CLICK TO OPEN SPREADSHEET. ENTER INFORMATION AND CLOSE. IT WILL AUTOMATICALLY SAVE YOUR INFORMATION

PROGRAMMATIC/ADMINISTRATION TRAINING

- FINANCIAL (I.E. 2 CFR 200)
- MANAGEMENT (I.E. 10 CFR 440)

Financial training

2 CFR 200 training is offered annually or more frequently if requested this training covers how to understand the code, cost allocation plans, indirect costs, and procurement.

Procurement and Program Management

Training made available through the Litmos and EERE websites are encouraged for all new program staff and especially management. MFA will schedule additional procurement training as needed with each or all agencies. ED2GO will be used by the SFCC to enhance the existing skills of each agency throughout the year.

COMPREHENSIVE TECHNICAL TRAINING ALIGNED TO THE JOB TASK ANALYSIS (IDENTIFY AT WHAT INTERVALS WORKERS WILL RECEIVE REGULAR, COMPREHENSIVE TRAINING AS REQUIRED BY WEATHERIZATION PROGRAM NOTICE (WPN) 15-4)

- QUALITY CONTROL INSPECTOR
- ENERGY AUDITOR
- CREW LEAD
- RETROFIT INSTALLER/TECHNICIAN

Comprehensive training is normally offered when requested by the Energy Smart Academy. Each agency consults with MFA prior to signing up for the classes about what would be most appropriate based off the most

recent desk monitoring, monitoring, unit inspections, or phone conversations. The Comprehensive training classes should be determined at least one month prior to scheduling the class. Follow up on agency skills and conversations happen on a continual basis. Agencies must send MFA all certifications obtained from staff and contractors for comprehensive training.

MFA, the Academy and Subrecipients work together to develop comprehensive training for new individuals as they are hired. As agencies hire new staff, the training centers are contacted to schedule training in their job category. Examples of this include Retrofit, Crew Leader, Building Analyst Technician/Professional, Building Science Principles, OSHA 10, Lead Based Paint Installer, and QCI.

In addition to specific course modules, the Academy has the capability of providing Specific training and even additional Comprehensive training as needed to resolve issues from MFA or DOE monitoring. Training that results from a monitoring finding must be completed within the timeframe specified in the monitoring response letter.

The schedule minimizes production downtime and allows sufficient opportunities for Subrecipients to complete mandatory trainings in a timely manner. The Academy provides classroom space and a well-equipped lab to optimize skills acquisition across all training levels through a combination of lecture, hands-on demonstration and field training. The Training Academy is fully equipped with a mobile rig, a diagnostic cabin, and demonstration units for insulation, attic air sealing, mobile home training, combustion appliances and an online training platform. Access to an expanded staff of specialists will allow additional training in OSHA, Lead Renovator/Dust Sampling, and HVAC.

SPECIFIC TECHNICAL TRAINING

- TOPICS IDENTIFIED DURING MONITORING VISIT(S)
- ENERGY MODELING
- HEALTH & SAFETY. ALL H&S TOPICS IN WPN 22-7 REQUIRE SOME LEVEL OF TRAINING FOR ALL AFFECTED WORKERS, THE FREQUENCY OF THIS TRAINING IS A GRANTEE DECISION. EXAMPLES INCLUDE:
 - AIR CONDITIONING AND HEATING SYSTEMS
 - ASBESTOS
 - BIOLOGICAL AND UNSANITARY CONDITIONS
 - BUILDING STRUCTURE AND ROOFING
 - CODE COMPLIANCE
 - COMBUSTION GASES
 - ELECTRICAL
 - FORMALDEHYDE, VOLATILE ORGANIC COMPOUNDS (VOCs), FLAMMABLE LIQUIDS, AND OTHER AIR POLLUTANTS
 - FUEL LEAKS
 - GAS RANGE/OVENS
 - HAZARDOUS MATERIALS DISPOSAL
 - INJURY PREVENTION OF OCCUPANTS AND WEATHERIZATION WORKERS
 - LEAD BASED PAINT
 - EPA'S LEAD RENOVATION, REPAIR & PAINTING PROGRAM (RRP)MOLD/MOISTURE
 - PESTS
 - RADON
 - SAFETY DEVICES
 - VENTILATION AND INDOOR AIR QUALITY
 - AMERICAN SOCIETY OF HEATING REFRIGERATION AND AIR-CONDITIONING ENGINEERS (ASHRAE)

○ WINDOW REPAIR, DOOR REPAIR ○ WORKER SAFETY ▪ OSHA ○ ADDITIONAL TOPICS AS DESCRIBED IN HEALTH & SAFETY PLAN • CLIENT EDUCATION (TRAINING WORKERS TO CONDUCT CLIENT EDUCATION). EXAMPLES INCLUDE: ○ ENERGY SAVINGS STRATEGIES ○ PROGRAM-SPECIFIC INFORMATION. EXAMPLES INCLUDE: ▪ WHAT TO EXPECT ▪ ADDITIONAL RESOURCES ○ HEALTH & SAFETY ISSUES
Specific training offered: Electrification Hands on Lab Cold Climate Air Source Heat Pump installation and design Infrared Thermography OSHA 10 hours for Construction, OSHA 30 for Construction Lead RRP Ride-Alongs for all job tasks AHERA (Asbestos) HVAC Electrician Training Electrical training offered through Interplay. Residential Construction offered through Interplay. Plumbing offered through Interplay. Radon Health Home Evaluator Solar offered through Interplay Utility Analysis Building Science Principles Version 10 Weatherization Assistant Online Administrative and Business Training Basic academic skills offered through Litmos. Project Management Transitioning to Supervisor
CONFERENCES. EXAMPLES INCLUDE: • ENERGY OUT WEST • BUILDING PERFORMANCE ASSOCIATION/NATIONAL HOME PERFORMANCE CONFERENCE • NATIONAL ASSOCIATION FOR STATE AND COMMUNITY SERVICE PROVIDERS • NATIONAL COMMUNITY ACTION PARTNERSHIP • NATIONAL ENERGY & UTILITY AFFORDABILITY COALITION
Energy OutWest, BPA/NHPC, NASCSP, NCAP, and NEUAC conferences are allowable training under the NM EnergySmart Program. Agencies must use their Specific training budget for these conferences. Agencies may be limited on the amount of funds available for the conferences because of the Comprehensive majority requirement, and possible mandatory ride alongs resulting from unit inspections. Therefore, it is important that each agency carefully consider what staff will be attending each conference and which conference will be most beneficial for the individuals attending. Conference training can be made available to contractors only after the agency has given an opportunity to all in-house staff to attend and there are specific T&TA funds remaining for that agency. Contractors will follow the same protocol as the agency staff if T&TA funds are used and will be required to fully attend each session available.

Since this is a highly sought after use of training funding, it is considered a valuable commodity. **Agencies are expected to make full use of information gathered from the conferences. This includes attendance at all classes, updates, and sessions in addition to utilizing as much networking with other states as possible.** Agencies must submit a list to MFA of who will be attending each conference and a statement that everyone will attend all the classes that he or she has selected. No conference reimbursements will be released without proof of all class attendance. If an individual chooses not to attend a class or does not obtain the necessary proof of attendance, the agency may not receive full reimbursement for that individual. T and TA funds may not be used to pay anyone attending a conference that does not attend the accompanying classes or sessions. If conference activities such as hotel and flight costs have been paid for in advance by MFA and an individual is unable to attend the classes offered by the conference, MFA will not ask for reimbursement of those costs from the agency if there is justification for missing the classes.

OTHER, PLEASE SPECIFY:

5.0 – TECHNICAL ASSISTANCE

DESCRIBE THE TECHNICAL ASSISTANCE ACTIVITIES INCLUDED IN THE T&TA BUDGET CATEGORY.

PROGRAMMATIC/ADMINISTRATION SUPPORT

In addition to the Training Program, MFA meets with Subrecipients regularly throughout the year to discuss emergent issues. This type of communication helps maintain consistency in the services provided throughout the state. Each of these meetings will serve a core group of the weatherization workforce, in addition to including a gathering of program directors to discuss the program. These meetings will include a Program Director round table and, when necessary, staff discussion covering a specific topic, including fiscal, administrative, technical intake and client education issues. The goal of the program is to have two in person peer exchanges and numerous virtual meetings with all agencies.

Agencies reach out to MFA on a regular basis with administrative questions. It is our practice to provide accurate answers within a timely manner to prevent mistakes and keep production flowing.

Agency to agency peer exchanges is allowable provided MFA approves the purpose and amount of T&TA used.

TECHNICAL SUPPORT

The NM Energy\$mart program has a Technical Committee which meets twice a month. The committee is composed of lead technical weatherization staff from each of the Subrecipients, MFA's Energy\$mart staff and the training academy staff. The purpose of the Technical Committee is to identify challenges and share the best practice among the agencies.

NM has been reaching out to other states with similar climates for the purpose of state-to-state peer exchanges. This will be considered specific training and will involve mostly technical and some program staff from participating agencies.

Web-Based NEAT and MHEA Transition

NM Energy\$mart will continue implementing NEAT and MEAH through the DOE approved WAWeb energy audit system.

There will be constant oversight from MFA's Program Managers for training, consulting, and review during monthly desk monitoring.

HEALTH & SAFETY SUPPORT ACTIVITIES

Health and Safety is continuously assessed and discussed throughout the year during monthly technical calls, desk monitoring, and unit inspections. Dialogue also takes place on an as needed basis between the field staff and MFA's technical managers (AKA Green Initiative Managers) with health and safety questions, comments or issues noticed from monthly reporting or day-to-day routine assessments. All this communication can result in Comprehensive or Specific training that can be anything from structured classroom setting to "ride alongs" where the instructor accompanies the crew on an actual job site.

At any point if an agency or individual feels more health and safety training is needed, MFA and the agency will work together to find the most viable option for that request.

All Subrecipient field staff will be required to complete OSHA 10 training within the first six months of employment. These courses will be construction safety courses configured to weatherization with Job Hazard Analysis and existing accident and injury logs of the Subrecipients. If contractors do not have their OSHA certifications, these courses will be made available to them.

When agencies are monitored, both the Health and Safety of the agency culture for staff is examined and the health and safety practices for the clients. This includes desk monitoring and day-to-day interactions with the agencies.

MONITORING

WHAT PERCENTAGE OF T&TA FUNDING IS ALLOCATED TO MONITORING? (IF DEFINED IN SECTION B OF THE BUDGET DETAILS WITHIN THE ANNUAL APPLICATION, INCLUDE THAT WITHIN YOUR DESCRIPTION BELOW.)

Administration funds used for monitoring are \$1,270.39 and will be 10 % of the monitoring budget. T and TA funding will be \$9,565.66 for monitoring.

OTHER, PLEASE SPECIFY

DESCRIBE OTHER TECHNICAL ASSISTANCE ACTIVITIES HERE

6.0 CLIENT EDUCATION

DESCRIBE WHAT CURRENT AND PLANNED CLIENT EDUCATION MATERIALS AND/OR ACTIVITIES ARE INCLUDED IN THE T&TA BUDGET CATEGORY. ONLY THOSE PAID FOR WITH T&TA FUNDS NEED TO BE MENTIONED.

NOTE: THIS DOES NOT INCLUDE TRAINING WORKERS TO DELIVER CLIENT EDUCATION. THIS SHOULD BE DESCRIBED IN THE TRAINING SECTION, ABOVE.

CLIENT EDUCATION ACTIVITIES PRIOR TO, DURING AND AFTER WEATHERIZATION WHICH ADDRESS THE WEATHERIZATION PROCESS AND ENERGY SAVINGS DETAILS

In tandem with a well-trained workforce, a well-informed consumer will help make the best choices in maximizing the effect of weatherization measures. Understanding measures to be implemented at home is key to garnering homeowner and occupant cooperation during installation and afterward.

The SWS has been thoroughly examined for all client education points. A list of all sections that specifically spell out what needs to be delivered to the clients has been given to the Subrecipients and the Subrecipient utilization of these topics is currently part of what monitoring and unit inspections include.

CLIENT EDUCATION ACTIVITIES REGARDING H&S ISSUES AS INDICATED IN WPN 22-7

- AIR CONDITIONING AND HEATING SYSTEMS

- ASBESTOS
- BIOLOGICAL AND UNSANITARY CONDITIONS
- BUILDING STRUCTURE AND ROOFING
- CODE COMPLIANCE
- COMBUSTION GASES
- ELECTRICAL
- FORMALDEHYDE, VOLATILE ORGANIC COMPOUNDS (VOCs), FLAMMABLE LIQUIDS, AND OTHER AIR POLLUTANTS
- FUEL LEAKS
- GAS RANGE/OVENS
- HAZARDOUS MATERIALS DISPOSAL
- INJURY PREVENTION OF OCCUPANTS AND WEATHERIZATION WORKERS
- LEAD BASED PAINT
- EPA’S LEAD RENOVATION, REPAIR & PAINTING PROGRAM (RRP)MOLD/MOISTURE
- PESTS
- RADON
 - AGENCIES MUST FOLLOW WPN 22-7 AND EXPLAIN POTENTIAL RISK OF INCREASING RADON LEVELS WHEN BUILDING TIGHTNESS IS IMPROVED, PROVIDE A LIST OF PRECAUTIONARY MEASURES, WEATHERIZATION BENEFITS, AND CONFIRM THAT “A CITIZEN’S GUIDE TO RADON” WAS RECEIVED.
- SAFETY DEVICES
- VENTILATION AND INDOOR AIR QUALITY
 - AMERICAN SOCIETY OF HEATING REFRIGERATION AND AIR-CONDITIONING ENGINEERS (ASHRAE)
- WINDOW REPAIR, DOOR REPAIR
- WORKER SAFETY
 - OSHA
- ADDITIONAL TOPICS AS DESCRIBED IN HEALTH & SAFETY PLAN
- USE OF HEAT PUMP

Health and safety client education is provided by the intake staff, the energy auditor, the crew leader, installers, and final inspectors of the program. Everyone covers different areas and, in many cases, overlap with each other depending on the client’s needs and level of understanding. The following list are topics that may be covered during client education:

- Lead Based Paint – every home.
- Suspected asbestos containing materials.
- Radon- **every home must receive notification.**
- Combustion venting
- Carbon monoxide- almost every home
- Mold and mildew
- Plumbing and gas leaks
- Pests
- Existing air quality issues
- Electrical hazards
- Kitchen range safe use
- Dryer lint trap cleaning of 1/4” mesh
- ASHRAE fan use- most homes
- COVID-19 – as needed.
- Heat pump operation and use-
- Multifamily clients are provided with education through the property management that has received it

from the agency.

Weatherization Grantee Health and Safety Plan

New Mexico Health and Safety Plan

☒ POLICY SUBMITTED WITH PLAN

1.0 – GENERAL INFORMATION

Grantees are encouraged to enter additional information here that does not fit neatly in one of the other sections of this document.

2.0 – BUDGETING

Grantees are encouraged to budget Health & Safety (H&S) costs as a separate category and, thereby, exclude such costs from the average cost per unit cost (ACPU) limitation. This separate category also allows these costs to be isolated from energy efficiency costs in program evaluations. Grantees are reminded that, if H&S costs are budgeted and reported under the program operations category rather than the H&S category, the related H&S costs must be included in the calculation of the ACPU and cost-justified through the approved energy audit.

Select which option is used below.

Separate Health and Safety Budget ☒

Contained in Program Operations ☐

3.0 – HEALTH AND SAFETY EXPENDITURE LIMITS

Pursuant to [10 CFR 440.16\(h\)](#), Grantees must set H&S expenditure limits for their Program, providing justification by explaining the basis for setting these limits and providing related historical experience.

Low percentages should include a statement of what other funding is being used to support H&S costs, while larger percentages will require greater justification and relevant historical support. It is possible that these limits may vary depending upon conditions found in different geographical areas. These limits must be expressed as a percentage of the ACPU. For example, if the ACPU is \$5,000, then an average expenditure of \$750 per dwelling would equal 15 percent expenditures for H&S.

15 percent is not a limit on H&S expenditure but exceeding this amount will require ample justification. These funds are to be expended by the Program in direct weatherization activities. While required as a percentage of the ACPU, if budgeted separately, the H&S costs are not calculated into the per-house limitation. DOE strongly encourages using the table below in developing justification for the requested H&S budget amount. Each H&S measure the Grantee anticipates addressing H&S funds should be listed along with an associated cost for each measure, and by using historical data the estimated frequency that each measure is installed over the total production for the year.

It is also recommended reviewing recent budget requests, versus expenditures, to see if previous budget estimates have been accurate. The resulting “Total Average H&S Cost per Unit” multiplied by the Grantee’s production estimate in the Annual File should correlate to the H&S budget amount listed in the Grantee’s state plan.

Should a Grantee request to have more than 15 percent of Program Operations used for health and safety purposes, DOE will conduct a secondary level of review. DOE strongly encourages use of this H&S template and matrix to help expedite this process.

WPN 22-7 reinforces the requirement that all H&S expenditures are documented in each client file with the specific reason, cost, and funding source and clarifies that client education materials and H&S related training are not allowable H&S expenses but are Training and Technical Assistance budget items.

Agencies are expected to budget for health and safety funds to allow for all allocated units within the program year to receive weatherization. Agencies must keep their per unit average for health and safety below **\$1534.9400.**

For health and safety costs that are estimated to be greater than **\$3,500**, agencies must obtain prior approval from MFA prior to proceeding with work.

4.0 – INCIDENTAL REPAIR MEASURES

If Grantees choose to identify any H&S measures as incidental repair measures (IRMs), they must be implemented as such under the Grantee's weatherization program in all cases – meaning, they can never be applied to the H&S budget category. In order to be considered IRMs, the measure must fit the following definition and be cost justified along with the associated efficiency measure.

Incidental Repairs means those repairs necessary for the effective performance or preservation of weatherization materials. Such repairs include, but are not limited to, framing or repairing windows and doors which could not otherwise be caulked or weather-stripped and providing protective materials, such as paint, used to seal materials installed under this program. ([10 CFR 440 "Definitions"](#))

Incidental Repairs means those repairs necessary for the effective performance or preservation of weatherization materials.

Incidental repairs include:

- Glass replacement
- Door Replacement
- Structural repairs to maintain the integrity of weatherization materials.
- Skirting for mobile homes
- Flue and venting replacement
- Dryer vents
- T and P for water heaters
- Fuel supply line repair
- Electrical repairs
- Modifications to allow condensing furnace drainage.
- Minor roof repair <12 square feet
- Cover for evaporative coolers.
- Lock latch
- Wall repair
- Electrical costs for fan installation
- Thermostats
- Electrical panel upgrade for heat pumps

Health and safety measures may be listed as incidental repair only if the entire building still receives an SIR of 1 and this decision may not be made in the field. Incidental repairs are included in the per unit cost limitation and must be cost justified with the SIR for the package of measures. If incidental repairs are so exhaustive that the building no longer receives a cumulative SIR of 1, the agency may use weatherization readiness funds for the item that causes the high costs of IR.

General heat waste measures are included in the energy audit as itemized costs and do receive an SIR above 1.

Items that have the potential of receiving an SIR on their own, such as doors, must be run as an ECM first. When the item is not cost effective, then it must be run under air sealing if it would normally be an incidental repair to

air sealing. Otherwise, the item may be run as an incidental repair if the entire home receives an SIR above 1. For all HVAC units, the agencies must run the item as an ECM first and exhaust all potential eligible leveraged funding sources to determine if an SIR of 1 is achieved prior to using H&S funds.

5.0 – DEFERRAL/REFERRAL POLICY

Deferral of services may be necessary if H&S issues cannot be adequately addressed according to WPN 22-77 guidance. The decision to defer work in a dwelling is difficult but necessary in some cases. This does not mean that assistance will never be available, but that work must be postponed until the problems can be resolved and/or alternative sources of help are found. If, in the judgment of the auditor, any conditions exist which may endanger the health and/or safety of the workers or occupants, the unit should be deferred until the conditions are corrected. Deferral may also be necessary where occupants are uncooperative, abusive, or threatening. Grantees must be specific in their approach and provide the process for clients to be notified in writing of the deferral and what conditions must be met for weatherization to continue. Grantees must also provide a process for the client to appeal the deferral decision to a higher level in the organization.

Grantee has developed a comprehensive written deferral/referral policy that covers both H&S, and other deferral reasons?

Yes ☒ No ☐

Where can this deferral/referral policy be accessed?

The Administration Manual, Section 6. This resides on the Grantee website and is also distributed to the Service Providers annually or when there are updates.

6.0 – HAZARD IDENTIFICATION AND NOTIFICATION FORM(S)

Documentation forms must be developed that include at a minimum: the client's name and address, dates of the audit/assessment and when the client was informed of a potential H&S issue, a clear description of the problem, a statement indicating if, or when weatherization could continue, and the client(s) signature(s) indicating that they understand and have been informed of their rights and options.

Documentation Form(s) have been developed and comply with guidance?

Yes ☒ No ☐

7.0 – HEALTH AND SAFETY CATEGORIES

For each of the following H&S categories identified by DOE:

- *Explain whether you concur with existing guidance from WPN 22-77 and how that guidance will be implemented in your Program, if you are proposing an alternative action/allowability, or if the identified category will not be addressed and will always result in deferral. Alternatives must be comprehensively explained and meet the intent of DOE guidance.*
- *Where an Action/Allowability or Testing is "required" or "not allowed" through WPN 22-77, Grantees must concur or choose to defer all units where the specific category is encountered.*
- *"Allowable" items under WPN 22-77 leave room for Grantees to determine if the category, or testing, will be addressed and in what circumstances.*
- *Declare whether DOE funds or alternative funding source(s) will be used to address the category.*
- *Describe the explicit methods to remedy the specific category.*
- *Describe what testing protocols (if any) will be used.*
- *Define minimum thresholds that determine minor and major repairs.*
- *Identify minimum documentation requirements for at-risk occupants.*
- *Discuss what explicit steps will be taken to educate the client, if any, on the specific category if this is not explained elsewhere in the Plan. Some categories, like mold and moisture, require client education.*
- *Discuss how training and certification requirements will be provided for the specific category. Some categories, like Lead Based Paint, require training.*
- *Describe how occupant health and safety concerns and conditions will be solicited and documented.*

Grantees may include additional H&S categories for their Programs. Additional categories must include, at a minimum, all the same data fields as the DOE-provided categories. Two additional tables have been created to utilize.

7.1 – Air Conditioning and Heating Systems						
Concurrence, Alternative, or Deferral						
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐				
Air Conditioning Unallowable Measure ☐		Heating Unallowable Measure ☐				
Funding						
DOE ☒	LIHEAP ☒	State ☒	Utility ☒	Other ☒		
How do you address unsafe or non-functioning primary heating/cooling systems?						

Heating Systems

All homes must contain a safe, operable, primary heating system for the entire dwelling unit after weatherization is complete.

System repair, replacement, or installation is allowed of red-tagged, inoperable, or nonexistent heating systems in all climate zones.

- Manual J must be used for sizing the equipment when replacing.
- Flue and chimney inspection for code
- Complete testing consistent with the NM Technical Standards testing protocol within the CAZ.
- Depressurization consideration in conjunction with other combustion appliances in worse case and natural conditions.
- Inspection and testing procedures for solid fuel appliances (i.e., woodstoves and fireplaces) include requirements that Grantees have specific testing policies and action levels.
- Solid fuel burning appliances must:
 - Adhere to local code including the venting.
 - Include a CO alarm installed in the combustion zone.
 - Client education and danger signs of what to do if the alarm were to sound.
 - Worst case of CAZ depressurization testing
 - Be simulated at 300 CFM for worse case testing of other appliances.
 - Replacement is allowed for primary units but not secondary units.
- Repair and replacement of inoperable or unsafe combustion appliances is allowed, including the installation of direct-vent, sealed combustion appliances.
 - Repair and cleaning should be done before replacement is considered.
 - Proper venting to the outdoors, including gas dryers, is required.
 - Correction of venting is allowed when testing or visual inspection indicates a problem.
 - This may be listed under incidental repair when it meets the definition of WPN 12-9.
- No work is permitted if the completed unit's primary heat source is an unvented gas heater. Replacement with a vented unit is an allowable H & S expense.
 - Unit must be sized to heat entire dwelling unit. And comply with the audit requirements of 10 CFR 440.21 (e) (2)
- **Building permits must be secured and other applicable building codes followed for all space heater work.** This is considered a program operation cost per 17-7 Attachment A.

All fuel-burning appliances in mobile homes, except ranges, ovens, illuminating appliances, clothes dryers, solid fuel-burning fireplaces and solid fuel-burning stoves, must be installed to provide for the complete separation of the combustion system from the interior atmosphere of the manufactured home (i.e., to draw their combustion air from outside).

- Masonry chimneys used by vented space heaters will be properly lined in compliance with the International Fuel Gas Code (IFGC). New equipment must meet local code requirements.

Cooling Systems

Before cooling units are installed as a H&S measure, the agency must determine that enough funds are available in the H&S budget to allow for the installation or replacement of a unit. If there is no room in the budget, the agency may make a determination on whether to defer the unit if it is believed future funding will allow for the measure.

Air conditioning system replacement, repair, or installation is allowed in homes of at-risk occupants or where climate conditions are warranted. Climate conditions that would warrant this allowance are areas that have an average of 800 CDDs or higher using a base 70. If weather data is unavailable the agency must use the weather file or data that most closely resembles the climate of the potential replacement. For other towns or areas with less than 800 CDD, medical eligibility from a third-party medical professional proving at risk is required for any occupant.

At risk, occupants are defined as an occupant that is over the age of 60, has respiratory ailments, allergies, pregnancy, or other unique health concerns. The cooling system must be run as an ECM first to determine if the unit is cost effective and Manual J must be used for the sizing of equipment.

Service Providers must provide T&TA to clients when installing a cooling unit when no previous unit existed.

An example statement of medical eligibility:

Re: Air Conditioner Replacement or Installation

Name: _____ DOB: _____ age _____ years, is a patient under my care. S/he has a respiratory condition that increases her/his risk for heat-related illness during a heat wave.

As her/his health care provider, I strongly advise that s/he use an air conditioner at home during a heat wave to prevent serious heat-related illness and possibly death. If you have any questions or concerns, please feel free to contact me.

(Signature of health care provider)

How do you address unsafe or non-functioning secondary heating systems, Including unvented secondary space heaters?
○ Secondary unvented units must conform to the safety standards of ANZI Z21.11.2 and must not have an input rating more than 40,000 Btu/hour. Replacement is not allowed, however the unit may be repaired, removed, or rendered inoperable. Deferral is required if this is not possible. ○ Must not be in, or obtain combustion air from sleeping rooms, bathrooms, toilet rooms, or storage closets except: ▪ One listed wall-mounted space heater in a bathroom or bedroom if permitted by the authority having jurisdiction and: • Does not have an input rating exceeding 6,000 Btu/hour for bathroom and not exceeding 10,000 Btu/hour for bedroom. • Equipped with an oxygen-depletion sensing safety shut-off system. • Bathrooms or bedrooms have adequate combustion air. ○ No unvented combustion appliances may remain, even as secondary units, in manufactured homes.
Indicate Documentation Required for At-Risk Occupants
To determine at risk, the client must show medical provider proof in the form of test results or letter describing respiratory ailments, allergies, pregnancy, or other conditions determined to put the client at risk by the medical provider.
Testing Protocols
Testing protocol is described in the NM Technical Standards pages 98-109. Testing includes at minimum: • Combustion gases (carbon monoxide, oxygen, etc.) under worse cases, • Flue temperature, • Temperature rise, • Static pressure, • Limit switch, • Gas pressure test, • Gas leaks, • Flue condition, • Combustion of air supply, • Spillage under worse case, • Efficiency, • Blower speed where applicable, • Room to room balancing, • Other testing determined by a licensed HVAC professional. All systems must be checked for operations and performance. This includes determining if the system can be installed as an ECM using the energy audit, inspecting the chimney/flue, and testing the CAZ for depressurization. Solid fuel appliances must be inspected for visual evidence of soot on the surrounding areas.
Client Education

Clients are educated on the existing levels and dangers of CO, maintenance needs, basic operation, air blocking, disposal of bulk fuel tanks, how to recognize depressurization, and thermostat use. If the assessor determines a client is unable to use a thermostat, then it will not be installed. Clients must receive information in writing describing reasons for deferral if deferral is the only option. A copy of this must be kept in the client file.

When heat pumps are used as a health and safety heating fuel switch, and the clients are utilizing evaporative cooling, they must sign off on a form stating their understanding that the electric bills may increase if the heat pump is used in addition to or instead of an evaporative cooler. Clients must be informed that the heat pump does not feel the same as an evaporative cooler when used. Agencies will explain to the clients that windows are not to be left open when the heat pump is in use, and to keep the thermostat at a constant temperature.

Training

Energy Auditor, Crew Leader, QCI as comprehensive training and specified HVAC classes as needed. All HVAC installers must have a New Mexico MM 03 or MM 98 for multifamily license.

All agencies will be required to have field staff receive training on cold climate air source heat pumps and must achieve an EPA 608 certification for heat pump installation.

7.2 - Asbestos - All

What is the blower door testing policy when suspected Asbestos Containing Material (ACM) is identified?

Blower doors should be done with pressurization only. If friable asbestos is suspected, blower door testing will not be allowed. **All energy auditors must be able to identify friable asbestos.** Abatement is not allowed.

7.2a – Asbestos - in siding, walls, ceilings, etc.

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☒

Alternative Guidance ☐

Results in Deferral ☐

Funding

DOE ☐

LIHEAP ☒

State ☐

Utility ☐

Other ☒

How do you address suspected ACMs in siding, walls, or ceilings that will be disturbed through the course of weatherization work?

If ACM (Asbestos Containing Material) is suspected within the walls, ceilings, flooring, roofing, or siding, the energy auditor must determine if the material is friable or non-friable and assess the likelihood of disturbance during any weatherization activity. When visual assessment is inconclusive, sampling and laboratory analysis conducted by a licensed asbestos professional may be required prior to proceeding.

Blower door testing will not be permitted if friable ACM is present and could become airborne. Agencies must evaluate whether pressure diagnostics may disturb ACM, including vermiculite insulation that may contain asbestos. If friable ACM is identified, the home must be deferred until proper abatement or stabilization is completed by a licensed asbestos contractor.

If ACM will be disturbed during installation of a cost-effective measure, the cost of testing, containment, abatement, air monitoring, clearance testing, and proper disposal by a licensed asbestos professional must be included in the cost of the associated measure and factored into the SIR calculation. All abatement costs must be documented in the client file.

If the cumulative SIR for the dwelling falls below 1.0 after inclusion of asbestos-related costs, the home must be deferred in accordance with DOE Weatherization Program guidance.

It is recommended to drill from the interior side when feasible to avoid disturbing siding or exterior materials that may contain ACM. Where asbestos-containing siding is intact and in good condition (non-friable), it may be temporarily removed and reinstalled using safe work practices that prevent breakage. Damaged asbestos siding shall not be reinstalled.

Additional Compliance Language to Consider Adding

Agencies must comply with:

OSHA 29 CFR 1926.1101 (Construction Industry Asbestos Standard)

EPA NESHAP regulations (40 CFR Part 61)

State Environment Department Solid Waste and hazardous material disposal requirements

All applicable state and local asbestos licensing requirements

Proper notification to occupants must be provided if asbestos is identified or suspected.

Work crews must not disturb known or suspected ACM unless properly licensed, trained, and equipped.

Testing Protocols

Inspect exterior wall, ceiling and other surface and subsurface for asbestos prior to drilling or cutting. Agencies will assume asbestos is present *when suspected* and defer the unit unless testing proves otherwise. Testing is an allowable H&S expense and must be collected by a certified tester. Spells it out above

Client Education

Inform the client that suspected asbestos is present and what precautions will be needed, and what the test results show. This must be done in writing, and if tests are conducted, the client must be notified of results. If home is tested then provide the test results from Lab or testing agency.

Training and Certification Requirements

Safe practices for siding removal and replacement are part of installer training. How to identify asbestos containing materials is part of energy auditor training. ACME and DC Environmental provides asbestos Inspector Training Course and is required for all energy auditors

7.2b – Asbestos - in vermiculite				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☒
How do you address suspected ACMs in vermiculite that will be disturbed through the course of weatherization work?				
When vermiculite is present, unless testing determines otherwise, take precautionary measures as if it contains asbestos, such as not using blower door tests and utilizing personal air monitoring while in attics. Proper respiratory protection must be used while in areas containing asbestos. Blower door testing of any kind will not be allowed when vermiculite is present. Encapsulation by an appropriately trained asbestos control professional is allowed. Removal is not allowed.				
Testing Protocols				
Assess whether vermiculite is present. Asbestos Hazard Emergency Response Act of 1986 (AHERA) certified prescriptive sampling is allowed by a certified tester.				
Client Education				
Clients should be instructed not to disturb suspected asbestos containing material. Asbestos safety information should be provided to the client. Formally notify client if test results are positive for asbestos and signed by the client. Client must receive in writing that conditions must be met prior to any weatherization activities.				
Training and Certification Requirements				
Auditors are required to have Energy Auditor training on how to recognize vermiculite and ACMs. AHERA or other appropriately trained/certified asbestos control professional are required for encapsulation training.				

7.2c – Asbestos - on pipes, furnaces, other small, covered surfaces				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☒
How do you address suspected ACM's (e.g., pipes, furnaces, other small surfaces) that will be disturbed through the course of weatherization work?				
Assume asbestos is present in covering materials. When friable asbestos is suspected, blower door testing will only be allowed after encapsulation by a trained professional. Removal may be allowed by an AHERA asbestos control professional on a case-by-case basis. H&S costs directly associated with testing and encapsulation. Removal is not allowed.				

Testing Protocols
After ACM is assessed for presence, AHERA testing, and collection is allowed by a certified tester.
Client Education
Clients should be instructed not to disturb suspected asbestos containing material. Asbestos safety information should be provided to the client. Formally notify client if test results are positive for asbestos and signed by the client. Clients must receive in writing that conditions must be met prior to any weatherization activities.
Training and Certification Requirements
AHERA course for testing and asbestos control professional training for abatement. This includes how to identify asbestos containing materials and what constitutes friable asbestos.

7.5 – Biologicals and Unsanitary Conditions (odors, mustiness, bacteria, viruses, raw sewage, rotting wood, etc.)				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐		Results in Deferral ☐	
Unallowable Measure ☐				
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☒
What guidance do you provide Subgrantees for dealing with biological and/or unsanitary conditions in homes slated for weatherization?				
Remediation of conditions that may lead to or promote biological concerns and unsanitary conditions is allowed, however, addressing bacteria and viruses is not an allowable cost. Agencies must contact MFA for the use of Weatherization Readiness Funds prior to issuing a deferral. If all options are exhausted, deferral may be necessary in cases where a known agent is present in the home that may create a serious risk to occupants or weatherization workers that cannot be mitigated. This is like Mold and Moisture guidance in section 7.16.				
Testing Protocols				
Sensory inspection, visual inspection, client feedback.				
Client Education				
Inform clients of observed conditions. Provide information on how to maintain a sanitary home and steps to correct deferral conditions.				
Training				
Agencies are trained as part of energy auditor and crew leader training in addition to field training on how to recognize conditions and when to defer. Worker safety when coming in contact these conditions is a huge priority.				

7.6 – Building Structure and Roofing

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☒
What guidance do you provide Subgrantees for dealing with structural issues (e.g., roofing, wall, foundation) in homes slated for weatherization?				
Agencies must utilize Weatherization Readiness and all funding sources available to remedy rehabilitation issues before deferring a unit. Funding sources such as CSLRF that can address many of these issues. Agencies are encouraged to defer as little as possible. DOE Health and Safety funds will not be used to fix structural issues beyond the thresholds outlined in this plan.				
How do you define “minor” or allowable structure and roofing repairs, and at what point are repairs considered beyond the scope of weatherization?				
12 square feet as is the maximum allowed for minor repair and the threshold for Weatherization Readiness or deferral for all homes except for flooring in mobile homes. The threshold for mobile home flooring is 32 square feet. Circumstances that warrant exceeding these thresholds will be considered on a case-by-case basis. An agency generated waiver to MFA will need to be first obtained with adequate justification. Repairs that are needed and can’t be remedied using other funding sources, Weatherization Readiness, or eligible activities listed within this plan must result in the unit being deferred.				
If priority lists are used, and these repairs are designated as Incidental Repairs, at what point is a site-specific audit required?				
Site-built audits will be used at any point where there will be ECMs that the priority list does not cover. Site built audits may be run to determine the cumulative SIR of a building if it is reasonable for the assessor to believe the incidental repairs are extensive enough to warrant that action.				
Client Education				
The agency is to notify clients of structurally compromised areas. The proper steps for the client to take in order for weatherization work to occur plus how to prevent future deterioration is communicated to the client verbally and in writing.				
Training				
Code compliance, energy auditor, crew leader, and installer, specifically how to identify structural and roofing issues. Carpentry through Interplay is available to agencies for basic understanding of structural issues.				

7.7 – Code Compliance				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☒	Utility ☒	Other ☒
What guidance do you provide Subgrantees for dealing with code compliance issues in homes receiving weatherization measures?				

Correction of pre-existing code compliance issues is not an allowable cost *other* than where weatherization measures are being conducted. State and local (or jurisdiction having authority) codes must be followed while installing weatherization measures. Condemned properties and properties where “red tagged” health and safety conditions exist that cannot be corrected under this guidance should be deferred if other funding sources or Weatherization Readiness cannot be used.

What specific situations commonly trigger code compliance work requirements for your network? How are they addressed?

The most common code compliance triggers are electrical issues, electrical upgrade for mini-splits, water heater and heating system replacements. Code compliance determined by the state inspectors for each item must be adhered to when replacing any mechanical appliance. These issues are addressed by obtaining a proper permit, replacing the unit, or conducting the work to code, and requesting inspection after work is complete.

The specific code must be cited and written clearly in the client file.

Client Education

Inform clients of observed code compliance issues. If deferral is necessary, information must be provided in writing that describes the conditions that must be met for weatherization to begin.

Training

Code compliance for auditors. All field crew are trained as to when to contact the licensed contractor for that agency with code questions.

7.8 – Combustion Gases

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ☒ LIHEAP ☒ State ☐ Utility ☐ Other ☐

Testing Protocols

- ◆ The following health and safety measures **must be performed on all combustion appliances** of weatherized homes. Staff must be training to simulate and recognize **worse case depressurization** when testing combustion equipment. These are performed at the **assessment level**, **work in progress end of day**, and **quality control final** inspection.
- ◆ Homes may not be left in an unsafe condition due to appliance failure of any kind.
 - Measurement of **ambient carbon monoxide** concentrations should be done. If any ambient level of CO **above 9 ppm** is found, the source must be identified, and the problem corrected.
 - The energy auditor should enter the dwelling with their CO measurement instrument running so that they can check the ambient CO concentration throughout the dwelling. An ambient air test for CO should be taken on coal, wood, unvented heaters and gas cook stoves.
 - A **CO test of undiluted flue gases** must be done on **all vented combustion appliances in worse case depressurization where applicable**. If a CO level **above 100 ppm** as measured is found in the undiluted flue gas sample, corrective action must be taken to reduce the CO to acceptable levels. If readings are detected above the minimum levels, no weatherization work is to be done until the problem is corrected.
 - A **gas leak detection test** must be taken on all natural and LP gas appliances and supply lines. All gas leaks must be repaired before any work is done.
 - **Spillage** on all vented natural gas, LP gas and oil appliances must be performed under **worst-case depressurization** conditions to ensure adequate venting.
 - An **inspection of the vent system** must be completed to ensure that the proper size and type of pipe is used, the condition of the vent pipe is satisfactory, the clearance meets applicable codes, and the vent system is unobstructed.
 - **Identify the combustion air source** and make sure it is unobstructed and sufficient, as defined by NFPA code.
- ◆ Replacement is an allowable H&S measure if unsafe conditions whose remediation is necessary to perform weatherization and the appliance run through the energy audit to determine if it can be justified as an ECM measure.
- ◆ Documentation justifying replacement with a cost comparison between replacement and repair must be maintained in the client file.
- ◆ A detailed description of these tests can be found in Section 7 and Section 3.10 of the NM EnergySmart Technical Standards.
- ◆ The local agency is responsible for any potential health and safety problems that will be compounded if prescribed conservation measures are installed. For example, if a furnace is emitting unacceptable levels of CO, it is likely that tightening the home would increase the problem. Therefore, this problem must be fixed before any air sealing is completed.

How are crews instructed to handle problems discovered during testing, and what are the specific protocols for addressing hazards that require an immediate response?

Emergency Situations, Immediate Follow-up Required

Some safety problems may warrant discontinuing the combustion appliance testing or shutting off the appliance until the repairs can be made. Whenever a technician questions the safety of a situation, they should consult a supervisor. The local natural gas or propane supplier should be called in whenever possible. Examples of this type of situation are:

1. Propane or natural gas leak: Propane can be smelled more than three feet from the leaking fitting or verified by gas tester.
2. Clogged or disconnected flue: A clogged or disconnected flue that cannot be fixed, causing significant spillage of combustion products into a heated space or working area of the technician.
3. Back drafting or significant spillage: Any back drafting of combustion products in combination with carbon monoxide indications, which cannot be fixed.
4. Cracked furnace heat exchanger: Any visually identified cracked heat exchanger leaking combustion byproducts.
5. Carbon monoxide levels in the heated space above 35 ppm in the ambient air.
6. CO detected within the heating appliance greater than 100ppm air free or 200ppm as measured for the oven.
7. Other hazards: Any other situation or combination of situations that the technician or supervisor judges hazardous to the health of the client or others.

Non-Emergency, One-day Follow-up Recommended

Some situations may not warrant discontinuing testing or shutting down the heating system but are serious enough to require attention within twenty-four hours. Examples of this type of situation are:

1. If carbon monoxide measured in the heated space exceeds 9 ppm.
2. There is inadequate draft or spillage.
3. A furnace with no limit switch, or a limit switch that is disconnected.

Non-Emergency, Five-day Follow-up Recommended

All other safety-related follow-ups must begin within five days. Examples of this type of situation are:

1. Draft or spillage in an unheated area that does not comply with the procedures in Section 12860.
2. A furnace limit switch that does not shut the gas off at 225°F.
3. A cracked heat exchanger is suspected, but there are no other apparent problems with the furnace.

Client Education

Clients are provided with combustion safety and hazards information, including the importance of using exhaust ventilation when cooking and the importance of keeping burners clean to limit the production of CO. Clients are informed of any high levels of other gases and fuel leaks.

Training

Agencies learn how to perform appropriate testing, determine when a building is excessively depressurized, and the difference between air free and as-measured CO action levels during the Energy Auditor training. This is also covered in HVAC, Crew Leader, Building Analyst and other trainings.

7.9 – Electrical

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☒	Other ☒
What guidance do you provide Subgrantees for dealing with electrical hazards, including knob & tube wiring, in homes slated for weatherization?				
Minor upgrades and repairs necessary for weatherization measures where the health or safety of the occupant is at risk are allowed. Agencies must provide sufficient over-current protection and damming prior to insulating over knob-and-tube wiring. When repairs needed are over the threshold of \$3,500 , agencies must use Weatherization Readiness Funds or other funding before deferring the unit.				
How do you define “minor” or allowable electrical repairs, and at what point are repairs considered beyond the scope of weatherization?				
Minor threshold is determined by cost and cumulative SIR. If the resulting cost of the electrical work causes the home to no longer achieve the SIR of 1 the home will need to be deferred. If the cost of the work is greater than \$3,500, prior approval must be obtained.				
If priority lists are used, and these repairs are designated as Incidental Repairs, at what point is a site-specific audit required?				
Site specific audit is required if the repairs can result in more ECMs being installed that are not part of the priority list.				
Client Education				
Provide information to clients on over-current protection, overloading circuits, basic electrical safety/risks.				
Training				
State code training for energy auditors and crew leaders covers identification of electrical hazards.				

7.10 – Formaldehyde, Volatile Organic Compounds (VOCs), Flammable Liquids, and other Air Pollutants

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☒
What guidance do you provide Subgrantees for dealing with formaldehyde, VOCs, flammable liquids, and other air pollutants identified in homes slated for weatherization?				
Removal of pollutants is allowed and is required if they pose a risk to workers. It is preferred the client remove these items prior to weatherization work. If pollutants pose a risk to workers and removal cannot be performed by the client or agency, the unit must be deferred.				
Testing Protocols				
Client Education				

Inform clients of observed conditions and associated risks. Provide client with written materials on safety and proper disposal of household pollutants. If deferral is warranted, the client must be provided in writing with the proper steps that must be met prior to weatherization.

Training

How to recognize potential hazards and when removal is necessary as part of field training. Healthy Homes training can help identify these hazards.

7.11 – Fuel Leaks

(please indicate specific fuel type if policy differs by type)

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ☒ LIHEAP ☒ State ☐ Utility ☐ Other ☒

Remediation Protocols

All exposed lines are tested from utility gas meter or propane tank to, and throughout the home. When there is a suspected fuel leak, it is verified with spray solution for bubble inspection. When confirmed a leak is present, it is considered an emergency with immediate follow-up required.

1. Determine if location of leak falls on client side of meter or supplier side.
2. Call the appropriate party (gas company, propane company, licensed HVAC) to assess the situation.
3. When the leak is determined to be on the client side of the meter, the severity of the leak and repair is communicated to the agency and client. If the leak is on the supplier/ gas company side, the leak is repaired and retested. If the leak is on the client side, the severity and cost of the leak will determine if it is within the scope of the program. Weatherization will not continue until the leak is repaired.

How do you define allowable fuel leak repairs, and at what point are repairs considered beyond the scope of weatherization?

If the amount of repairs exceed the threshold limit of \$1,500, the agency may request approval for the use of Weatherization Readiness Funds. Deferral must be issued to the client if the use of WRF or other funding sources is not able to remedy the situation.

Client Education

Clients are notified verbally and in writing of the leak location and advised not to use combustible appliances until the leak is corrected. If the line to the home will be closed until the leak is repaired, the clients are informed of the estimated repair timeframe.

Clients are advised that there will be more visits that same day from either the fuel supplier company or a licensed HVAC professional to remedy the situation. Clients are also advised if deferral is needed, and the next steps involved.

Training

Energy Auditor, Crew Leader, and HVAC for Energy Auditors.

7.12 – Gas Ovens / Stovetops / Ranges

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☐

Funding				
DOE ☒	LIHEAP ☒	State ☒	Utility ☐	Other ☒
What guidance do you provide Subgrantees for addressing unsafe gas ovens/stoves/ranges in homes slated for weatherization?				
All gas ranges are to be tested and inspected for gas leaks, condition, carbon monoxide, and burner condition. When using DOE funds, replacement, tune and cleaning are allowed. The use of LIHEAP or State funds may also be allowed when the appliance is no more than 32" wide.				
Testing Protocols				
1. Check for CO in ambient air upon arrival. If it is greater than 9 ppm, determine the source and correct the problem before proceeding. 2. Inspect the gas range installation for code compliance. Refer to the latest edition of the National Fuel Gas Code (NFPA 54), Household Cooking Appliances. 3. Check for gas leaks. If leaks are found, repair and document them before proceeding. 4. Check the flexible range connector for the date ring. If the connector does not have a date ring and/or is brass, replace the connector. The connector must connect outside of the cabinet and must pass through the wall of the range cabinet. 5. Inspect and test range top burners according to BPI Standards . 6. For the oven bake burner (do not test a separate broil burner): a. Remove cooking utensils from oven. Make sure foil or other materials do not obstruct the holes in the oven floor. b. Turn on burner to the maximum temperature, but not to "broil". c. Insert the probe into the oven vent far enough to get an undiluted exhaust gas sample. d. The CO emissions increase and then peak just after burner starts up; they then fall to a momentary plateau before the burner shuts down as part of the duty cycle. The reading CO ppm must be taken during this stable plateau. Record this "plateau" reading in the client file. e. If the reading at steady state exceeds 200 ppm as measured or 800 ppm air-free, then: I. Clean any rust and soot buildup on the spreader plate caused by flame impingement. II. Clean the burner if needed. III. Check for obstructed secondary air. If it is obstructed, remove the obstruction and educate the client how to keep from obstructing the burner. IV. Check the primary air adjustment and adjust if necessary or clear away any restrictions. V. Check to see that the burner is in alignment; it may require leveling the entire appliance. VI. Check the orifice size to ensure they are the right type and size in regard to LPG or natural gas. If the orifices need to be changed or adjusted, do so with the burner and the pilot orifices. 7. With a manometer (water column gauge), check that the gas pressure is correct. If the pressure regulator requires replacement, do so.				
Client Education				
Clients are informed of any problems associated with the unit, including CO levels, gas leaks, condition and cleanliness of unit, use of ventilation fan when cooking, and the dangers of carbon monoxide.				
Training				
Energy Auditor, Building Analyst, Crew Leader.				

7.13 – Hazardous Materials Disposal [Lead, Refrigerant, Asbestos, Mercury (including CFLs/fluorescents), etc.] (please indicate material where policy differs by material)				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☒
Client Education				
Client must be informed in writing of hazards being handled in the home.				
Training				
OSHA 30, local disposal requirements, and any health risks associated with the use of these materials.				
Disposal Procedures and Documentation Requirements				
Hazardous materials that are a result of weatherization work or generated as result of weatherization work shall be disposed of according to all local laws and regulations. Documentation of these activities must be kept in the client file. The person who replaces the mercury containing bulb or thermostat is responsible for proper disposal. Bulbs can be disposed in recycling bins at most hardware stores that sell the items. Mercury containing thermostats are less common but are still in existence. These are placed in recycle bins located with the vendor that provides thermostats and similar items.				

7.14 – Injury Prevention of Occupants and Weatherization Workers (Measures such as repairing stairs and replacing handrails)				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☒
What guidance do you provide Subgrantees regarding allowable injury-related repairs (e.g., stairs, handrails, porch deck board)?				
Workers must take all reasonable precautions against performing work on homes that will subject workers or occupants to health and safety risks. Minor repairs and installation may be conducted only when necessary to effectively weatherize the home; otherwise, these measures are not allowed.				
If the installation of handrails or other environmental modifications are considered an emergency to the client, then CSLRF Funds may be used.				
How do you define “minor” or allowable injury prevention measures, and at what point are repairs considered beyond the scope of weatherization? Quantify “minor” or allowable injury prevention measures.				
Minor is described as less than 12 square feet of work.				
Training				
OSHA 30 and other hazard identification training included in Energy Auditor or Installer and OSHA 10 for crew leaders and installers.				

7.15 – Lead Based Paint				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☒	Other ☐
Safe Work Protocols				

Each Service Provider must give notification to the occupants of homes to be weatherized regarding the potential hazards of lead paint and lead paint dust if the home was built prior to 1978. Lead-based surface coverings (paint, varnishes, roofing, etc.) can exist in other forms than just paint. EPA's publication "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools" must be given to an adult occupant of the affected home. For occupied homes, the weatherization staff, crew, or contractors must have an adult tenant or homeowner sign an acknowledgement after receiving the pamphlet. The pamphlet can also be sent by certified mail with receipt to be placed in the customer file.

Crews must follow EPA's Lead RRP when working in pre-1978 housing unless testing confirms the work area to be lead free.

Lead-Safe Weatherization (LSW) includes weatherization worker protection, general LSW work practice standards, and lead dust containment standards. Please refer to the latest weatherization program standard for details.

Only costs directly associated with testing and lead safe practices are allowable H&S costs.

- ◆ **Level 1 Containment. LESS THAN SIX (6) SQUARE FEET OF INTERIOR OR LESS THAN TWENTY (20) SQUARE FEET OF EXTERIOR WORK**
 - Level 1 containment is required in pre-1978 homes when less than 6 square feet of interior painted surface per room or 20 square feet of exterior painted surface will be disturbed.
 - Level 1 consists of methods that prevent dust generation and contain all debris generated during the work process. The containment establishes the work area which must be kept secure.
- ◆ **Level 2 Containment. MORE THAN OR EQUAL TO SIX (6) SQUARE FEET OR MORE THAN OR EQUAL TO TWENTY (20) SQUARE FEET OF EXTERIOR WORK**
 - Level 2 containment is required when Weatherization activities will disturb equal to or more than 6 square feet of interior surface per room or equal to or more than 20 square feet of exterior surfaces in homes built prior to 1978. Level 2 containment consists of methods that define a work area that will not allow any dust or debris from work area to spread. Level 2 containment requires the covering of all horizontal surfaces, constructing barrier walls, sealing doorways, covering HVAC registers with approved materials, and closing windows to prevent the spread of dust and debris.
 - If an EPA certified lead test demonstrates there is no lead present, level 2 containment will not be required.
 - Measures requiring level 2 containment other than areas that are equal to or more than 6 squares of interior surface per room or equal to or more than 20 square feet of exterior surfaces may include:
 - Drilling holes in interior walls.
 - Drilling holes in exterior walls, removing painted siding.
 - Cutting attic access into ceiling or knee walls.
 - Planning a door in place.
 - Replacing door jambs and thresholds.
 - Replacing windows or doors.
 - Furnace replacements.
 - Additionally, Level 2 containment must ALWAYS be used where any of the following is conducted (even if the activities will disturb less than the hazard levels of 6 square feet of interior or 12 square feet of exterior surfaces within the Level 1 category):
 - Window replacement.
 - Demolition of painted surface areas.
 - Using any of the following: Open flame burning or torching; machines to remove paint through high-speed operation without HEPA exhaust control; or operating a heat gun at temperatures at or above 1100 F. Note that the use of a drill, reciprocating saw, or other power tool is considered a "machine" for removing paint. As examples: Cutting an attic hatch inside the dwelling or interior drilling of holes for the installation of insulation require level two containment.
- ◆ There must be adequate documentation in the client file to demonstrate that lead safe weatherization measures were performed when necessary. Documentation should include photos of the site and containment set up, measures taken, and a list of materials used. The final inspector for each unit must also certify that LSW procedures were used and properly implemented.
- ◆ New Mexico Weatherization will adhere to EPA lead safe rules as written in the "Lead; Renovation, Repair, and Painting Program" Final Rule (LRRPP Final Rule), as directed by DOE.
- ◆ In cases where the subgrantee cannot safely weatherize a home due to lead paint hazards, the subgrantee may defer the work. Such deferral will be considered by the state on a case-by-case basis.

Service Providers may not weatherize dwellings where there are cases of documented or suspected lead poisoning. Additionally, they shall not weatherize homes where there is an extraordinary lead paint hazard and there are no means to abate the hazard, including insufficient funds or insufficient training to properly address the hazard.

Testing Protocols
EPA approve testing kits must be used to determine presence or absence of lead, and the costs of test must be economically feasible. Job site cleaning is verified by the Certified Renovator. Lead safe work practices are verified during monitoring. If lead is present and the job is large enough for Weatherization Readiness Funds to be used, agencies must obtain a risk assessment for lead.
Client Education
Clients are given the Renovate Right pamphlet and are notified of the presence of lead and location. If deferral is necessary, clients must be notified in writing describing what steps must take place prior to weatherization.
Training and Certification Requirements
All employees and contractors working on these homes (pre-1978) must be Certified Renovators and receive training to install measures in a lead-safe manner according to SWS and EPA protocols. This training is the RRP Course offered through the Energy Smart Academy.
Documentation Requirements
Renovate Right must be signed and kept in each client file, certified renovator certification, lead testing information including photos of tests and site set up, location of lead presence, and notification of lead presence.

7.16 – Mold and Moisture (Including but not limited to drainage, gutters, down spouts, extensions, flashing, sump pumps, dehumidifiers, landscape, vapor retarders, moisture barriers, etc.)		
Concurrence, Alternative, or Deferral		
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐
Funding		
DOE ☒	LIHEAP ☒	State ☐ Utility ☐ Other ☒
What guidance do you provide Subgrantees for dealing with moisture related issues (e.g., drainage, gutters, down spouts, moisture barriers, dehumidifiers, vapor barrier on bare earth floors) in homes slated for weatherization?		

The Weatherization Assistance Program is not a mold remediation program. The use of DOE funds for the removal of mold and other related biological substances is not an allowable health and safety expense. If necessary, Weatherization Program services may need to be deferred until the existing mold problem can be corrected or referred to another agency for funding of remedial action.

All homes should be checked for previous or existing moisture problems.

- Visual assessment of exterior drainage and other moisture danger areas is required.
- A moisture assessment must be conducted with special attention to the following signs:
 - Evidence of condensation on windows and walls indicated by stains or mold.
 - Standing water, open sumps, open wells, dirt floors, water stains, etc. in basements or crawlspaces. Also, check to see if firewood is stored in the basement and whether laundry is hung to dry during the winter months.
 - Leaking supply or waste pipes.
 - Attic roof sheathing that shows signs of mold or mildew.
 - Active roof leaks.
 - Dryer fan and bath exhaust fan ducting that is nonexistent, damaged or constricted, too long, or not connected to outdoors.
 - Presence of unvented space heaters.
- During weatherization, measures that help reduce the humidity levels in the house may be installed. Examples of these measures are venting dryers to the outside, venting existing bath or kitchen exhaust fans or installing moisture barriers on dirt floors. Repair of moisture problems that might 1) result in health problems for the client, 2) damage the structure over the short- or long-term, or 3) diminish the effectiveness of the weatherization measures, must be done before the weatherization job is completed.
- Moisture problems can be reduced or eliminated by ventilating areas where excessive moisture is produced, such as bathrooms and kitchens. This should include installation of a high quality properly sized exhaust fan in the subject area and informing the client of the related moisture issues and the proper operation and use of the fan. Other methods include:
 - Venting dryers to the outside of the dwelling.
 - Exhaust ventilation
 - Sealing the foundation.
 - Providing positive drainage away from the foundation.
 - Repairing the roof, flashing, gutter, and downspouts.
 - Educating the client about the sources of moisture that they can control.
 - Removal of unvented space heaters.
- If an existing moisture, mold or mildew problem is found, the agency must determine if the moisture problem can be fixed under the scope of weatherization or if there should be a deferral of service because of the severity of the problem (typically 10 square feet or more of affected surface).
 - If it is determined that the problems are too severe under the scope of weatherization, a Deferral of Service form shall be signed at the time of inspection and left with the client and a copy placed in the client file.
 - Client education must be given to the client to inform them of the health and safety problems associated with mold or mildew and the possible self-help solutions they can perform at a later date.
 - The agency should try to refer the client to other programs or agencies that may be able to assist in resolution of the problem.
- If surface preparation includes measures such as cleaning mold from windows prior to apply caulking or other similar items, it must be charged to the corresponding ECM, and not health and safety.
- Testing is not an allowable cost; agencies are encouraged to use moisture meters but it is not required.
- Weatherization Readiness Funds may be used to prevent deferral.

How do you define “minor” or allowable moisture-related measures, and at what point is work considered beyond the scope of weatherization?

12 Square feet or more will trigger deferral.

Client Education

All clients are provided with written documentation on the presence of mold, moisture, and if deferral is necessary. Clients are provided with information on proper moisture control such as repairing roof leaks, drainage, and water flow towards the property. If deferral is necessary, clients must be notified in writing describing what steps must take place prior to weatherization.

Training

How to recognize drainage, moisture, or mold issues is included with Energy Auditor and Building Analyst Technician (BAT).

7.17 – Pests				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☐
What guidance do you provide Subgrantees for dealing with pests and pest intrusion prevention in homes slated for weatherization?				
Pest removal is allowed only where infestation would prevent weatherization. Infestation of pests may be cause for deferral where it cannot be reasonably removed or poses health and safety concern for workers. Screening of windows and points of access is allowed to prevent intrusion.				
Define Pest Infestation Thresholds, Beyond Which Weatherization Is Deferred				
Testing Protocols				
Assessment of presence and degree of infestation and risk to worker				
Client Education				
Inform clients of observed condition, associated risks, and deferral policy.				
Training				
How to assess presence and degree of infestation, associated risks, and need for deferral.				

7.18 – Radon				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☒
What guidance do you provide Subgrantees around radon?				

○ Provide the client with EPA’s consumer guide to radon. ○ PER SWS requirements, crawlspaces with exposed dirt must be covered with a 6-mil vapor permeable ground cover. In dwellings where radon may be present, precautions should be taken to reduce the likeliness of making radon concentrations higher. ○ Based on the BEX report, every home is required to receive the following package of measures if applicable, regardless of radon zone where located: ▪ Cover exposed dirt floors within the pressure/thermal boundary with a sealed soil gas retarder ▪ Cover sump well/pits with airtight covers ▪ Implement ventilation as required by ASHRAE 62.2-2016 ○ Provide an updated sample template for the occupant’s informed consent which includes the required information and updated references. ○ Radon mitigation is not allowed by DOE.
Testing Protocols
Testing is allowed in locations with high radon potential but is not recommended or practiced. These include Rio Arriba, Taos, Colfax, Mora, San Miguel, Santa Fe and Bernalillo Counties.
Client Education
Clients are provided with A Citizens Guide to Radon and informed of the risks. They must sign an informed consent form prior to receiving weatherization services. Informed consent form is required to be kept in the client file. This form must include: The results of the IAQ Study and the small risk of increasing radon levels when tightness is improved, list of precautionary measures that WAP installs, and the benefits of weatherization such as energy savings, improved home comfort, and increased safety.
Training and Certification Requirements
Training is provided to assessors and crew as to what radon is, and how it occurs. What factors may make radon worse are observed. Staff are trained in what weatherization measures may be helpful such as vapor barrier installation and mechanical ventilation. Weatherization staff are expected to be familiar with the zonal map located http://www.epa.gov/radon/pdfs/zonemapcolor.pdf .
Documentation Requirements
Citizen’s Guide to Radon documentation that client has signed is kept in the client file, along with the informed consent form.

7.19 – Safety Devices: Smoke and Carbon Monoxide Alarms, Fire Extinguishers

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☐
What is your policy for installation or replacement of the following?				

Smoke Alarms: Installation of smoke/CO detectors is allowed where detectors are not present or are inoperable. Installation of CO alarms is required in every home regardless of location or fuel sources. Replacement of functional smoke and CO alarms is allowed that are past the manufacturer's stated lifetime (usually 10 years), or the batteries of those that are operational but need replacement batteries.

All installations must follow manufacturer directions and SWS requirements.

- ◆ All smoke alarms must be in compliance with NFPA 72.
- ◆ All smoke alarms must be in accordance with UL 217.

Carbon Monoxide Alarms: Installation of smoke/CO detectors is allowed where detectors are not present, hard wired, or are inoperable. Replacement of operable smoke/CO detectors is not an allowable cost. All installations must follow manufacturer directions and SWS requirements.

- ◆ Where operable units are not present at least one CO alarm must be installed outside of each sleeping area. and follow the manufacturer's recommendations for locating and installing the alarm. Typically, alarms are installed where the clients spend most time, such as near bedrooms. If an entire multifamily building is to receive weatherization services, a CO alarm should be installed in each unit of the complex.
 - Combustion appliances are defined as any piece of equipment (such as a water heater, cook stove, or heating system) that burns fuel such as wood, kerosene, oil, natural gas, or propane.
 - Unvented space heaters are expressly prohibited in weatherized homes unless they are compliant with ANSI Z21.11.2 with an alarm system indicating high CO levels.
- ◆ All installed CO alarms must:
 - In compliance with NFPA 720.
 - Be UL 2034 listed.
 - Have an electrochemical sensor with a 5-year warranty.
 - Be a plug-in type with a battery backup or battery-operated units with a 5-year warranty.
 - Have a sensor life monitor that alarms after 5 years or at the expiration of the useful sensor life.
 - Have a digital LCD display.
 - Sample ambient air at least every 2 minutes.
 - Have an alarm of 85 decibels at 10 feet.
 - Be capable of displaying: the current CO level detected from 35ppm to 500 ppm CO, the peak level detected, the total time peak level was recorded.
- ◆ Customer education is a vital part of protecting households from the dangers of CO. Ensure that client education regarding the potential hazards of combustion appliances is delivered.
- ◆ The cost of the CO alarm or combination CO and smoke alarm is health and safety material and labor cost.
- ◆ Upon final inspection, the client will be interviewed and questioned on the usage of the alarm. Review by the final inspector will be necessary for clients that were not present during the initial installation or clients with unclear ideas of how the unit works.
 - The unit cannot be reported as complete if there are no residents that understand how the unit works and what to do in the event it was to sound an alarm.

Fire Extinguishers: Providing fire extinguishers is allowed only when solid fuel is present.

Testing Protocols

Operation checks on all existing alarms.

Client Education
Provide clients with verbal and written information on use of smoke/CO detectors and fire extinguishers where allowed. Clients must receive adequate education on operation of alarm during final inspection in addition to assessment and work in progress.
Training
Where to install detectors. Local code compliance. Code for Energy Auditors class.

7.20 – Occupant Health and Safety Concerns and Conditions				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☒		
Funding				
DOE ☒	LIHEAP ☒	State ☐	Utility ☐	Other ☒
What guidance do you provide Subgrantees for soliciting the occupants' health and safety concerns related to components of their homes?				
General When a person's health may be at risk and/or the work activities could constitute a health or safety hazard, the occupant at risk will be required to take appropriate action based on severity of risk. <u>Temporary relocation of at-risk occupants may be allowed on a case-by-case basis.</u> Failure or the inability to take appropriate action must result in deferral.				
What guidance do you provide Subgrantees for determining whether occupants suffer from health conditions that may be negatively affected by the act of weatherizing their home?				
General • All client applications must include a field for clients to include suspected health and safety concerns. • Health and safety issues should be addressed as part of the client education process, both verbally and by distributing educational pamphlets during the audit "walk-through." This can be particularly effective as the auditor notices and discusses potential hazards. • All Health and Safety Forms signed by the client must include a check box acknowledging that the weatherization work that will be performed will not worsen suspected health and safety concerns. • Screening of occupant health conditions must be documented using the "Occupant Pre-existing or Potential Health Condition Screening Form" required by WPN 22-7.				
What guidance do you provide Subgrantees for dealing with potential health concerns when they are identified?				

General

- Weatherization services must be provided in a manner that minimizes risk to clients.
- Dwellings with unvented (vent-free) combustion appliances used as a primary heat source, may not be weatherized until such appliances are properly vented outdoors (according to the appropriate code) or removed. Refer to Section 8430 and DOE Guidance 17-7 for more information.
- Building owners and clients must be notified of any health or safety problems that require deferring the weatherization work. Documentation of this notification must be included in the client file.
- It is preferred that Subgrantees minimize or restrict the use of materials that may be hazardous to the client.
- Special precautions must be taken if the occupant of the home has respiratory ailments, allergies, is pregnant, or has unique health concerns.
- Subgrantees should try to protect all clients from respirable particles, such as paint or insulation dust, during the weatherization process.
- NM does not use two-part foam. If it is used, it must be done in well-ventilated areas.
- Weatherization personnel shall not smoke cigarettes, cigars, or pipes in a client's home or outdoors within 25 feet of the client's home.
- If strong smelling chemicals, such as formaldehyde, are detected in the client's home, service provider should not perform any weatherization measures that would reduce the natural air leakage of the dwelling until the hazards are remedy.
- At a minimum, auditors and weatherization personnel should inform property owners of safety problems, code problems, and other health and safety issues. These items might include:
 - Hazardous levels of carbon monoxide.
 - Raw sewage leaks from waste plumbing pipes.
 - Mold and moisture.
 - Friable asbestos.
 - Radon gas.
 - Lead safe weatherization requirements.

Client Education

Provide client information of any known risks. Client must be informed in writing of known risks to the client due to pre-existing health conditions. Clients must also be provided with contact information in writing. If deferral is necessary, clients must be notified in writing describing what steps must take place prior to weatherization.

Documentation Form(s) have been developed and comply with guidance? Yes ☒ No ☐

7.21 – Ventilation and Indoor Air Quality**Concurrence, Alternative, or Deferral**

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ☒ LIHEAP ☒ State ☐ Utility ☐ Other ☐

Identify the Most Recent Version of ASHRAE 62.2 Implemented (optional: identify Addenda used)
All units must comply with ASHRAE 62.2 2016. Prior to beginning work and during the initial assessment, clients will first receive proper education as to why it is important for the home to have adequate ventilation. If after being given ample opportunity to receive the services, the client refuses mechanical ventilation, and there are no other solutions that comply with ASHRAE 62.2 2016, then the deferral process will begin. Protocols have been incorporated into the following areas of our training agenda: ○ Energy audit process ○ Air quality assessment ○ ASHRAE 62.2 Ventilation and Acceptable Indoor Air Quality shall be used for the installation of ventilation systems, both local ventilation and whole-building ventilation. Agencies are encouraged to arrange the installation of the ventilation fan before other work begins. This is to prevent the client from refusing the fan after other work is done, resulting in a unit that can not be reported to DOE, and depending on the available funding sources and per unit average, ineligible for reimbursement. Actions to prevent zonal pressure differences greater than 3 pascals across a closed door if one exists are required.
Testing and Final Verification Protocols
ASHRAE 62.2 -2016 evaluation, fan flow, installed equipment and follow up testing are required to ensure compliance.
Client Education
Provide clients with information on function, use, cleaning, and maintenance of ventilation system and components. This includes the location of the service switch. Disclaimers that ASHRAE 62.2 does not account for high polluting sources or guarantee indoor air quality should be included. Clients must receive equipment manuals.
Training
ASHRAE 62.2 -2016 training required including proper sizing, evaluation of existing and new systems, depressurization tightness limits, critical air zones, etc. Energy Auditor, Crew Leader, QCI

7.22 – Window and Door Replacement, Window Guards				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☒	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ☐	LIHEAP ☐	State ☐	Utility ☐	Other ☒
No funding is used as health and safety for these items.				
What guidance do you provide to Subgrantees regarding window and door replacement and window guards?				

Replacement, repair, or installation of windows and doors is not an allowable health and safety cost, but door replacement may be allowed as an incidental repair or an efficiency measure if cost justified. If windows and doors present health and safety concern, agencies must look to other funding sources to take care of the problem.

Testing Protocols

NA

Client Education

Lead Based Paint Risks

Training

Guidance Awareness

7.23 – Worker Safety (OSHA, etc.)

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☒ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ☒ LIHEAP ☒ State ☐ Utility ☐ Other ☐

How do you verify safe work practices? What is your policy for in-progress monitoring?

Jobsites are visited during technical monitoring and crews are observed using PPE and following OSHA standards such as safe ladder use. SDS sheets are inspected for updates and location during the technical field monitoring.

OSHA's Hazzard Communication Standard

NM agencies have been compliant with OSHA's Hazzard Communication Standard utilizing Safety Data Sheets that have replaced the MSDS since PY 2015. Each vehicle is equipped with SDS sheets for the commonly used chemicals.

OSHA's Confined Space Requirement

The assessor must test for oxygen, carbon monoxide, hydrogen sulfide, and combustible gases prior to entry and decide if the space is a permit required space based off OSHA guidance 1910.146. Agencies are required to keep documents in each client file that describes if confined spaces such as attics and crawl spaces require a safety permit and designated competent person during entry of a confined space.

Training and Certification Requirements

OSHA 10, OSHA 30, and use of PPE

7.24 – <Add in Topic>

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☐ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ☐ LIHEAP ☐ State ☐ Utility ☐ Other ☐

Remediation Protocols

Testing Protocols

ASHRAE 62.2 -2016 evaluation, fan flow, and follow up testing are required to ensure compliance.
Client Education
Training

7.24 – <Add in Topic>
Concurrence, Alternative, or Deferral
Concurrence with Guidance ☐ Alternative Guidance ☐ Results in Deferral ☐
Funding
DOE ☐ LIHEAP ☐ State ☐ Utility ☐ Other ☐
Remediation Protocols
Testing Protocols
Client Education
Training

U.S. Department of Energy
Weatherization Assistance Program (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET
Grant Number: SE0001839, **State:** NM, **Program Year:** 2026
Recipient: State of New Mexico-NMMFA

IV.1 Subgrantees

Subgrantee (City)	Planned Funds/Units
Central NM Housing Corporation (Albuquerque)	\$1,229,858.16 83
Multifamily New Provider (Albuquerque)	\$395,259.02 31
Red Feather Development Group (Flagstaff)	\$182,163.45 7
Southwest Regional Housing Community Development Corporation (Deming)	\$515,820.52 33
Total:	\$2,323,101.15 154

IV.2 WAP Production Schedule

Weatherization Plans		Units
Total Units (excluding reweatherized)		154
Rewaterized Units		0

Average Unit Costs, Units subject to DOE Project Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$217,000.00
B	Total Units Weatherized	154
C	Total Units Reweatherized	0
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	154
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	\$1,409.09
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	\$969,766.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	154
H	Average Program Operations Costs per Unit (F divided by G)	\$6,297.18
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	\$1,409.09
J	Total Average Cost per Dwelling (H plus I)	\$7,706.27

IV.3 Energy Savings

Method used to calculate savings: ☒ WAP algorithm ☐ Other (describe below)				
	Units	Savings Calculator (MBtus)	Energy Savings	
This Year Estimate	154	29.3	4512	
Prior Year Estimate	190	29.3	5567	
Prior Year Actual	220	29.3	6446	

Method used to calculate savings description:

New Mexico uses the DOE WAP algorithm to estimate energy savings. For program year 2026-2027 we estimate 4,512 MBTUs will be saved in 154 homes.
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U.S. Department of Energy
Weatherization Assistance Program (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET
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IV.4 DOE-Funded Leveraging Activities

Leveraging Structure

DOE's annual funding helps only a portion of New Mexico's low-income homes in need of weatherization. MFA recognizes that increasing the number of weatherized homes requires additional funding and pursues other funding sources accordingly. Leveraging funds from other local partners has become crucial to maintaining the service level in New Mexico. We use these funds to defray costs from DOE by utilizing multiple funding sources in each home when applicable which frees up funding from DOE so that more homes can be weatherized across the state.

For PY 2026-2027, MFA is requesting leveraging funding in the amount of \$25,000 compared to last year's leverage of \$9,000. MFA's increased leverage request will result in collaborating with all utilities across NM for weatherization services. The NM EnergySmart Program Managers spend time on leveraging funding sources ensuring that MFA complies with all contractual requirements, reporting and monitoring. Our leveraging funding sources are approximately \$14,270,000 \$7,000,000. The program's efforts for leveraging funding sources continue to be fruitful and have created a strong weatherization program for New Mexico. Our current subrecipients are structured in a way that they can increase staff levels by using available T and TA funding without jeopardizing their programs. We work closely with our agencies to ensure that not only is our leverage funding expended but that the additional weatherization services provided are done in the most efficient manner possible.

When leveraged funds are combined with DOE funds in any given house, all the rules of the program must be followed. All energy saving measures must rank with the approved energy audit, incidental repairs must be within the scope and cost of the program, and all required health and safety measures must be installed.

LIHEAP

For the 2026/2027 program year MFA received \$2.5M from the New Mexico Income Support Division, LIHEAP. For this year, the amount that will be received from LIHEAP will be the same amount of \$2.5M. The Model Plan that has been written for LIHEAP states that DOE rules will be followed with some exceptions. MFA and the subrecipients work with these exceptions to provide the highest benefit possible to each household. NM allows LIHEAP and DOE funds to fund the same unit, and are in discussions about funding the same energy efficiency measure. If this is allowed, it will be closely watched to prevent double payment.

Utility Funding

The New Mexico legislature passed the Efficient Use of Energy Act (the Act) in 2005, which required public utility companies to place a tariff on their customers' utility bills. Both the electric and gas utility companies must redistribute the funds to the customers in the form of energy efficiency programs. MFA's receipt of these funds continues to be contingent upon award of DOE funds.

PNM

The Public Service Company of New Mexico funding is approximately \$325,000. Reimbursements are provided to the subrecipients based on actual kWh savings determined by a calibrated energy audit and deemed savings. Additionally, in 2025 subrecipients were reimbursed for whole house weatherization implementation for all measures with the exception of natural gas/propane based measures. NM will continue this method in for PY 2026.

NM Gas

The New Mexico Gas Company (NMGC) funding has increased the amount to \$2,015,000 \$1,000,000. This utility funding will not only be used to achieve therm saving measures in homes being weatherized, but has been used for whole house weatherization for all measures with the exception of electric based measures. NM will continue this method for PY 2025.

El Paso Electric

El Paso Electric 2025 funding is in the renewal process for the amount of \$200,000. These funds will be used to pay for any measure that yields a kWh savings and are reimbursed based on a lifetime savings basis. This reimbursement is similar to the pay structure that is used by NM Gas and PNM.

Central Valley Electric Cooperative

MFA is currently negotiating with the electric utility to make \$60,000 available to weatherize homes in their service territory.

Otero Electric/Tri-State

MFA is currently negotiating with the electric utility to make \$1.6M available to weatherize and perform propane to electric fuel switches for over 125 homes within the Mescalero Apache reservation.

State Funding

U.S. Department of Energy
Weatherization Assistance Program (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET
Grant Number: SE0001839, **State:** NM, **Program Year:** 2026
Recipient: State of New Mexico-NMMFA

Staff will continue to pursue State agencies and the State legislature for additional funding, while remaining with the proposals submitted by other public utility companies to the PRC in order to receive more funding.

NM Housing Trust Fund

NM EnergySmart received \$4.5M from the 2023 legislature for weatherization and will continue using a portion of that funding to increase the amount of leverage and for agencies to provide the items each home needs. The EnergySmart program is **expecting to expend remainder of this funding** for PY 2026 as leverage with other grants, to weatherize more homes, install solar, and complete more measures per home.

CSLRF

MFA received \$15M of Coronavirus State and Local Fiscal Recovery Funds (CSLRF) through the State of NM, and has ~~started using~~ **completely expended** \$3.75M of those funds for emergency home repair needs. ~~The balance of these funds is estimated to be \$900,000.~~ All homes that receive this service ~~will~~ have also receive full weatherization between all funding sources. ~~Only some~~ **Several** homes using this funding ~~will be~~ **were** leveraged with DOE funds.

CEED

MFA received Community Energy Efficiency Development (CEED) grant in the amount of ~~\$1,670,000~~ **\$3,670,000** from the New Mexico Energy, Minerals, and Natural Resources Department (EMNRD) to bring fuel-switching and lower energy costs to rural New Mexico. **Most of these homes are leveraged with DOE funding sources.**

IV.5 Policy Advisory Council Members

☐ Check if an existing state council or commission serves in this category and add name below

Cyndi Hazzard	Type of organization: Non-profit (not a financial institution) Contact Name: Phone: 5053454949 Email: chazzard@centralnmhousing.org
Ferdinand Garcia	Type of organization: Non-profit (not a financial institution) Contact Name: Phone: (575)374-6207 Email: fgarcia.gs@plateautel.net
Freddie Sandoval	Type of organization: Unit of State Government Contact Name: Freddie Sandoval Phone: 5057095747 Email: freddie.sandoval@hca.nm.go
Isaac Perez	Type of organization: Indian Tribe Contact Name: Phone: (505)771-9291 Email: iperez@sfpha.org
Jack MacGillivray, CPM	Type of organization: For-profit or Corporate (not a financial institution or utility) Contact Name: Phone: (505)681-7778 Email: jmacg@monarchnm.com
Jamie Apodaca	Type of organization: Utility Contact Name: Phone: 5052414420 Email: jaime.apodaca@pnm.com
Nadine Flores	Type of organization: Unit of State Government Contact Name: Phone: 5054707885 Email: Nadine.Flores@gcd.nm.gov
New Mexico Gas Company	Type of organization: Utility Contact Name: Carey Salaz Phone: 5056973586 Email: Carey.Salaz@nmgeo.com
Page Olice	Type of organization: For-profit or Corporate (not a financial institution or utility) Contact Name: Phone: 5059239607 Email: pollice@yeshousing.org
	Type of organization: Unit of Local Government

U.S. Department of Energy
Weatherization Assistance Program (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET
Grant Number: SE0001839, **State:** NM, **Program Year:** 2026
Recipient: State of New Mexico-NMMFA

Priscilla Lucero	Contact Name: Phone: (575)388-1509 Email: priscillalucero@gilanet.com
Veronika Molina	Type of organization: Non-profit (not a financial institution) Contact Name: Phone: (575)546-4181 Email: veronika@swnm.org

IV.6 State Plan Hearings (Note: attach notes and transcripts to the SF-424)

Date Held	Newspapers that publicized the hearings and the dates the notice ran
03/26/2026	Draft of the State Plan has been posted on MFA's website on March 2, 2026. Notice was sent to major newspapers throughout the State on February 18 and 19, 2026, for publication on or before March 11, 2026. The Public Hearing notice was published in the newspapers at the following locations: February 26- Lovington Daily Leader, March 8-March 11, 2026 - Rio Rancho Observer, Las Vegas Optic, Santa Fe New Mexican, Silver City Daily Press and Independent, Las Cruces Sun News, Roswell Daily Record, Valencia County News, Deming Headlight, Taos News, Ruidoso News, Sierra County Sentinel, and Cibola Citizen.

IV.7 Miscellaneous

Business Recipient Business Officer Donna Maestas-DeVries dmaestas-devries@housingnm.org 7425 Jefferson St NE Albuquerque, NM 87109 (505) 767-2225 Recipient Principal Investigator Troy Cucchiara tcucchiara@housingnm.org 7425 Jefferson St NE Albuquerque, NM 87109 (505) 532-1698 <u>Composition of WAP PAC</u> Nadine Flores- Disabled (Employed by the State of NM) Isaac Perez - Native American Representation (Employed and Member of the San Felipe Pueblo) Jack MacGillvary - Multi-Family Property Management Company for low income properties Page Olice, Ferdinand Garcia, Priscilla Lucero, Veronika Molina and Cyndi Hazzard are all employed by Housing Agencies that provide services directed to low income families which include children, elderly and disabled members. Carey Salaz, Jaime Apodaca and Marilyn Wright-Newton are all representative of our leverage funders. MFA works closely with these entities to ensure present and future funding in order to provide services through our subrecipients that are directed to low income families which include children, elderly and disabled members.

Tab 10

Project Completion Pipeline Report					
Fiscal Year: 2025-2026	Total LIHTC Award:	\$	86,999,070	Total Projects:	62
Quarter: Q3	Total MFA-Issued Bond Amount:	\$	213,335,649	Total # of Apts:	5,522 Which will result in \$1,455,543,980 in local income and 17,836 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
Prepared:	Total MFA Loan and Grant Amount:	\$	163,460,518	# of Projects Under Construction:	50
	Overall Awards:	\$	463,795,237	Total # of Apts Under Construction:	4,794 Which will result in \$1,263,650,460 in local income and 15,485 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
				# of Municipalities Served:	21 Pueblo of Laguna, Albuquerque, Rio Rancho, Las Cruces, Socorro, Belen, Taos, Mescalero, Santa Fe, Los Ranchos de Albuquerque, Anthony, Village of Ruidoso, Artesia, Tucumcari, Tularosa, Cloudcroft, Silver City, Los Lunas, Roswell, Deming, Town of Bernalillo
				# of Counties Served:	15 Cibola, Bernalillo, Sandoval, Dona Ana, Socorro, Valencia, Taos, Otero, Santa Fe, Eddy, Lincoln, Quay, Grant, Chaves, Luna

Main Funding Source	Reported at February, May, August, and November Board Meetings for the prior quarter																											
	Project Name	Project Location	Project County	Developer	Application or Allocation Year	Total Development Cost (TDC)	Board Approval Date	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Housing Priority or N/A	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments							
	1	Desert Sun III	Deming	Luna	J.L Gray Company	2026	\$ 20,304,314	5/20/2026	(P)	11/1/2027	53	NC	Households with Children	(P)	1/1/2027	(P)	7/1/2027	(P)	11/1/2027	(P)	4/1/2028	(P)	5/1/2028	\$ 1,392,000	N/A	\$ 3,000,000	NMHTF	
																								\$ 500,000	HOME			
																								\$ 400,000	NHTF			
	2	Edward Romero Terrace II	Albuquerque	Bernalillo	EHD0C Development Services	2026	\$ 17,384,795	5/20/2026	(P)	1/1/2027	51	NC	Seniors	(P)	1/12027	(P)	6/1/2027	(P)	12/1/2027	(P)	3/1/2028	(P)	3/1/2028	\$ 1,447,129	N/A	\$ 3,000,000	NMHTF	
	3	Este Es Otono	Taos	Taos	GHK Properties	2026	\$ 13,591,476	5/20/2026	(P)	11/1/2026	35	NC	Seniors	(P)	11/1/2026	(P)	5/1/2027	(P)	8/1/2027	(P)	11/1/2027	(P)	11/1/2027	\$ 1,406,249	N/A	\$ 2,000,000	NMHTF	
																									\$ 500,000	HOME		
	4	Laguna #5	Pueblo of Laguna	Cibola	Laguna Housing Development and Management Enterprise	2026	\$ 13,908,137	5/20/2026	N/A	No MFA loans	39	AR	Households with Children	(P)	1/1/2027	(P)	9/1/2027	(P)	5/1/2028	(P)	9/1/2028	(P)	10/1/2028	\$ 1,237,436	N/A	N/A	N/A	
	5	Niko Commons	Bernalillo	Sandoval	Spire Development	2026	\$ 18,918,586	5/20/2026	(P)	1/1/2027	55	NC	Households with Children	(P)	1/1/2027	(P)	5/1/2027	(P)	11/1/2027	(P)	4/1/2028	(P)	4/1/2028	\$ 1,590,840	N/A	\$ 3,000,000	NMHTF	
																									\$ 500,000	HOME		
																									\$ 400,000	NHTF		
																									\$ 1,500,000	Ventana		
	6	Paseos Verdes I	Las Cruces	Doña Ana	Mesilla Valley PHA	2025	\$ 22,781,049	5/21/2025	(P)	8/13/2026	80	NC	N/A	(A)	2/18/2026	(P)	10/1/2026	(P)	2/1/2027	(P)	5/1/2027	(P)	5/1/2027	\$ 1,700,000.00	N/A	\$ 400,000	NHTF	
	7	Nueva Acequia (9%)	Santa Fe	Santa Fe	TWG Development & Santa Fe County	2025	\$ 18,846,413	5/21/2025	(P)	8/25/2026	53	NC	Seniors	(P)	9/1/2026	(P)	3/1/2027	(P)	8/1/2027	(P)	12/1/2027	(P)	12/1/2027	\$ 1,288,621	N/A	\$ 397,500	HOME	
																									\$ 2,000,000	NMHTF		
																									\$ 210,000	NHTF		
8	Plaza Luna Lofts	Los Lunas	Valencia	Spire Development	2025	\$ 18,364,377	5/21/2025	(A)	2/25/2026	57	NC	Seniors	(A)	1/22/2026	(P)	9/1/2026	(P)	12/1/2026	(P)	4/1/2027	(P)	4/1/2027	\$ 1,690,335	N/A	\$ 500,000	HOME		
																								\$ 3,000,000	NMHTF			
9	San Mateo Manor	Albuquerque	Bernalillo	Spire Development	2025	\$ 15,759,955	5/21/2025	(A)	4/28/2026	50	NC	Seniors	(A)	1/22/2026	(P)	9/1/2026	(P)	12/1/2026	(P)	4/1/2027	(P)	4/1/2027	\$ 1,392,905	N/A	\$ 375,000	HOME		
																								\$ 3,000,000	NMHTF			
																								\$ 400,000	NHTF			
10	Villa de Tulaosa	Tularosa	Otero	Tierra del Sol Housing Corporation	2025	\$ 6,072,057	5/21/2025	(P)	8/27/2026	22	AR	Special Needs	(A)	2/27/2026	(P)	9/1/2026	(P)	11/1/2026	(P)	4/1/2027	(P)	4/1/2027	\$ 535,747	N/A	\$ 2,500,000	NMHTF		
																								\$ 1,950,000	Primero			
																								\$ 400,000	NHTF			
11	Country Club	Santa Fe	Santa Fe	Santa Fe Civic Housing Authority	2024	\$ 21,593,630	5/22/2024	(A)	11/12/20205	62	AR/NC	Households with Children	(A)	12/11/2025	(P)	8/30/2026	(P)	12/31/2026	(P)	6/30/2027	(P)	6/30/2027	\$ 1,240,558	N/A	\$ 400,000	HOME	Has requested extension for 10% Cost Test	
																								\$ 2,000,000	NMHTF			
																								\$ 400,000	NHTF			
12	Somos Apartments	Albuquerque	Bernalillo	Greater Albuquerque Housing Partnership	2024	\$ 21,751,638	5/22/2024	(A)	5/15/2025	70	NC	Seniors	(A)	12/19/2024	(A)	12/9/2025	(A)	5/1/2026	(P)	9/1/2026	(P)	9/1/2026	\$ 1,622,805	N/A	\$ 4,000,000	NMHTF		
13	Ocate Apartments	Santa Fe	Santa Fe	Santa Fe Civic Housing Authority	2024	\$ 22,275,632	5/22/2024	(A)	11/18/2025	60	NC	Households with Children	(A)	7/10/2025	(P)	8/30/2026	(P)	10/31/2026	(P)	6/30/2027	(P)	6/30/2027	\$ 1,622,805	N/A	\$ 400,000	HOME	Has requested extension for 10% Cost Test	
																								\$ 3,000,000	NMHTF			
																								\$ 400,000	NHTF			
14	Laguna #4	Pueblo of Laguna	Cibola	Laguna Housing Development and Management Enterprise	2024	\$ 11,482,452	5/22/2024	N/A	No MFA loans	40	AR	Households with children	(A)	10/24/2024	(A)	8/20/2025	(A)	1/27/2026	(A)	6/23/2026	(P)	8/30/2026	\$ 1,163,732	N/A	N/A		No loans	
15	Elk Meadows Apartments	Village of Ruidoso	Lincoln	Enriched Communities LLC	2024	\$ 19,477,026	5/22/2024	(A)	5/15/2025	61	NC	Households with Children	(A)	3/4/2025	(A)	9/26/2025	(A)	4/28/2026	(P)	9/1/2026	(P)	9/1/2026	\$ 1,496,000	N/A	\$ 400,000	HOME		

Main Funding Source	Any Known Issues or Comments																					
	Project Name	Project Location	Project County	Developer	Application or Allocation Year	Total Development Cost (TDC)	Board Approval Date	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Housing Priority or N/A	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs		
9%																			\$ 2,000,000	NMHTF		
																		\$ 400,000	NHTF			
	16	Tierra Encantada	Anthony	Doña Ana	Tierra del Sol Housing Corporation	2023		5/17/2023	(A) 11/12/2024	24	AR	Households with children	(A) 3/7/2024	(A) 10/14/2025	(A) 11/18/2025	(A) 1/7/2026	(A) 12/2/2025	\$ 388,782	N/A	\$ 400,000	NHTF	Waiting for 8609's
																			\$ 2,000,000	NHTF		
																			\$ 750,000	Ventana		
																			\$ 100,000	TCAP	TCAP approved Sept 2024	
																			\$ 1,000,000	PRIMERO		
	17	Route 66	Albuquerque	Bernalillo	BlueLine Development Inc.	2023	\$ 16,060,144	5/17/2023	(A) 5/30/2024	47	NC	Special Needs (PSH)	(A) 4/8/2024	(A) 2/13/2025	(A) 7/25/2025	(A) 10/24/2025	(A) 10/30/2025	\$ 1,417,000	N/A	\$ 1,701,121	HOME ARP	HOME ARP awarded 11/22/2022 Final Allocation Package under review
	18	Felician Villa II	Rio Rancho	Sandoval	Chelsea Investments & CC Housing	2023	\$ 20,254,528	5/17/2020	(A) 3/12/2024	65	NC	Seniors	(A) 3/12/2024	(A) 10/31/2024	(A) 4/11/2025	(A) 8/22/2025	(A) 8/1/2025	\$ 1,621,723	N/A	\$ 1,000,000	HOME-CHDO	Waiting for Final Allocation Package
																			\$ 400,000	NHTF		
	19	Farolito Senior Community	Albuquerque	Bernalillo	Greater Albuquerque Housing Partnership	2023	\$ 24,250,000	5/17/2023	N/A No MFA loans	82	NC	Seniors	(A) 4/24/2024	(A) 3/14/2025	(A) 7/28/2025	(A) 1/16/2026	(A) 12/4/2025	\$ 1,622,805	N/A	N/A	N/A	Waiting for Final Allocation Package
	20	Calle Cuarta	Albuquerque	Bernalillo	YES Housing	2022 2023	\$ 18,948,536	5/18/2022	(A) 9/21/2023	61	NC	Households with Children	(A) 9/21/2023	(A) 5/17/2024	(A) 1/8/2025	(A) 9/12/2025	(A) 10/29/2025	\$ 1,078,540	N/A	\$ 915,000	HOME-CHDO	Add'l Tax Credits awarded for 2023 Board approved 5/17/2023
																			\$ 316,286	NHTF		
																			\$ 1,000,000	NMHTF	Waiting for Final Allocation Package	
21	120 La Plata	Albuquerque	Bernalillo	Albuquerque Housing Authority	2022	\$ 10,637,950	5/18/2022	(A) 12/27/2023	32	AR	Households with Children	(A) 3/27/2024	(A) 3/28/2025	(P) Did not occur	(A) 5/22/2026	(P) 8/30/2026	\$ 749,825	N/A	\$ 1,000,000	Ventana	Developer failed to reach out for 66% inspection	
22	9000 Veranda	Albuquerque	Bernalillo	Albuquerque Housing Authority	2022	\$ 12,211,462	5/18/2022	(A) 12/27/2023	35	AR	Households with Children	(A) 3/27/2024	(A) 3/28/2025	(P) Did not Occur	(A) 5/22/2026	(P) 8/30/2026	\$ 765,840	N/A	\$ 1,000,000	Ventana	Developer failed to reach out for 66% inspection	
23	Felician Villa	Rio Rancho	Sandoval	Chelsea Investment Corp. & Catholic Charities	2022	\$ 16,322,792	5/18/2022	(A) 11/7/2023	65	NC	Seniors	(A) 11/20/2023	(A) 7/2/2024	(A) 4/11/2025	(A) 4/11/2025	(A) 4/1/2025	\$ 1,228,760	N/A	\$ 1,000,000	HOME-CHDO	ARPA-FRF awarded 3-16-2023	
																		\$ 400,000	NHTF	8609 Form was issued in Q3		
																		\$ 2,800,000	ARPA-FRF			
24	The Three Sisters Apartments	Las Cruces	Doña Ana	Chelsea Investment Corp. & Catholic Charities	2022	\$ 17,423,330	5/18/2022	(A) 11/9/2023	69	NC	Households with Children	(A) 11/20/2023	(A) 7/10/2024	(A) 3/27/2025	(A) 6/24/2025	(A) 6/1/2025	\$ 1,341,912	N/A	\$ 1,000,000	HOME-CHDO	8609 Form was issued in Q3	
																		\$ 400,000	NHTF			
																		\$ 3,500,000	CSLFRF (NMHTF)			
25	Vista de Socorro	Socorro	Socorro	JL Gray	2021	\$ 13,345,390	05/19/21	(A) 12/28/2023	32	NC	Special Needs (PSH)	(A) 2/29/2024	(A) 10/25/2024	(A) 1/21/2025	(A) 5/6/2025	(A) 4/8/2025	\$768,507	N/A	\$400,000	HOME	8609 Form was issued in Q3	
																		\$400,000	NHTF			
																		\$2,000,000	NMHTF			
																		\$ 1,000,000	TCAP			
26	Belen Vista	Belen	Valencia	Chelsea Investment Corp.	2021	\$ 12,026,396	05/19/21	(A) 12/11/2024	57	AR	Households with Children	(A) 9/29/2023	(A) 7/1/2025	(A) 10/16/2025	(A) 2/10/2025	(P) 8/31/2026	\$787,639	N/A	\$1,000,000	HOME-CHDO		
																		\$400,000	NHTF			
27	Mariposa	Taos	Taos	Chelsea Investment Corp.	2021	\$ 14,308,030	05/19/21	(A) 12/12/2025	58	AR/NC	Households with Children	(A) 9/29/2023	(A) 8/30/2025	(A) 9/30/2025	(A) 3/25/2026	(P) 7/30/2026	\$1,069,704	N/A	\$1,000,000	HOME-CHDO	board approved additional NMHTF \$3,000,000 8/21/2024	
																		\$2,000	NMHTF			
																		\$400,000	NHTF			
28	A'diidi ni'kuwaa	Mescalero	Otero	Mescalero Apache Housing Authority	2021	\$ 12,453,378	06/17/20	(A) 9/21/2022	40	NC	Special Needs (PSH)	(A) 2/10/2023	(A) 5/5/2023	(A) 12/23/2025	(A) 6/25/2026	(P) 8/31/2026	\$626,772	N/A	\$292,500	HOME		
																		\$400,000	NHTF			
	1	West Mesa Ridge B	Albuquerque	Bernalillo	Chelsea Investment Corporation & YES Housing, Inc	2026	\$ 47,240,292	(P) 7/15/2026	(P) 11/1/2026	144	NC	Households with Children	(P) 11/1/2026	(P) 7/1/2027	(P) 4/1/2028	(P) 9/1/2028	(P) 9/28/2026	\$2,224,877	County Issued Bonds	\$4,000,000	NMHTF	23 Million PAB - Bern Co is the issuer
																			\$360,000	NHTF		
																			\$900,000	HOME		
	2	Montana Meadows & Wildewood	Las Cruces & Roswell	Doña Ana & Chavez	Redwood Housing	2026	\$ 28,102,316	06/17/26	(P) 8/11/2026	140	AR	Seniors	(P) 8/1/2026	(P) 11/1/2026	(P) 3/1/2027	(P) 7/1/2027	(P) 7/1/2027	\$1,212,916	\$14,129,723	\$3,000,000	NMHTF	Housing NM is the issuer of the bonds
	3	Desert Willow	Albuquerque	Bernalillo	Dominium	2025	\$ 50,031,453	10/15/25	N/A No MFA loans	224	AR	Households with Children	(A) 4/10/2026	(P) 9/1/2026	(P) 11/30/2026	(P) 12/31/2026	(P) 12/31/2026	\$1,934,238	County-issued bonds	\$2,000,000	NMHTF	26 Million in PAB - Bern Co. is the issuer
	4	Nueva Acequia (4%)	Santa Fe	Santa Fe	TWG Development & Santa Fe County	2024	\$ 31,841,321	06/17/26	(P) 8/25/2026	106	NC	Households with Children	(P) 9/1/2026	(P) 2/28/2027	(P) 8/31/2027	(P) 2/1/2028	(P) 2/1/2028	\$1,530,180	\$17,655,926	\$3,000,000	NMHTF	Housing NM is the issuer of the bonds
																			\$2,000,000	HOME		
																		\$375,000	NHTF			
																		\$1,500,000	Ventana			
5	St. Anthony's Plaza	Albuquerque	Bernalillo	Community Preservation Partners, LLC	2025	\$ 70,798,105	N/A No HNM Loans or Grants	N/A No MFA loans	160	AR	Households with Children	(A) 8/18/2025	(A) 11/21/2025	(A) 2/20/2026	(P) 8/15/2026	(P) 8/15/2026	\$2,558,452	County-issued bonds	N/A	N/A	33.5 Million in PAB	
6	Casitas del Camino	Albuquerque	Bernalillo	Albuquerque Housing Authority	2025	\$ 32,184,330	03/19/25	(A) 12/29/2025	88	AR	Households with children	(A) 12/22/25	(A) 6/26/2026	(P) 9/1/2026	(P) 12/31/2026	(P) 12/31/2026	\$1,507,919	County-issued bonds	\$1,000,000	Ventana	16.5 Million in PAB	
																		\$2,000,000	HOME			

Main Funding Source		Project Name	Project Location	Project County	Developer	Application or Allocation Year	Total Development Cost (TDC)	Board Approval Date	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Housing Priority or N/A	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments
4%	7	West Mesa Ridge A	Albuquerque	Bernalillo	Chelsea Investment Corporation & Yes Housing, Inc.	2024	\$50,106,044	03/19/25	(A) 3/17/2026	128	NC	Households with Children	(A) 03/13/25	(P) 8/15/2026	(P) 11/1/2026	(P) 1/15/2027	(P) 1/15/2027	\$2,339,023	County-issued bonds	3000000 \$ 2,000,000	NMHTF HOME	26.1 Million in PAB
	8	Tierra Linda	Albuquerque	Bernalillo	DBG Properties, LLC	2024	\$79,239,809	11/20/24	(A) 6/27/2025	240	NC	Households with Children	(A) 05/14/25	(A) 4/7/2026	(P) 9/30/2026	(P) 10/27/2027	(P) 10/27/2027	\$3,761,046	County-issued bonds	\$ 3,000,000	NMHTF	47.5 million in PAB
	9	Sunset 1600	Roswell	Chaves	Synergy CDC	2024	\$11,406,219	01/15/25	(A) 6/2/2025	60	AR	Seniors	(A) 06/03/25	(A) 12/17/2025	(A) 2/25/2026	(P) 8/1/2026	(P) 8/1/2026	\$475,077	\$5,700,000	\$ 3,000,000 \$ 1,000,000	NMHTF HOME	
	10	Cresta Ranch	Santa Fe	Santa Fe	Lincoln Avenue Communities	2024	\$103,995,896	10/16/24	(A) 12/12/2024	240	NC	Households with Children	(A) 12/09/24	(A) 10/10/2025	(P) 1/15/2027	(P) 4/8/2027	(P) 4/8/2027	\$4,702,152	County-issued bonds	\$ 4,000,000	NMHTF	60 Million in PAB
	11	Peachtree Canyon II	Las Cruces	Doña Ana	Thomas Development and NMHCDC	2024	\$39,238,094	06/18/25	(A) 9/10/2025	144	NC	Households with Children	(A) 09/10/25	(A) 3/10/2026	(A) 6/16/2026	(P) 12/31/2026	(P) 12/31/2026	\$1,926,635	\$23,350,000	\$ 800,000 \$ 1,500,000 \$ 2,000,000	HOME NHTF NMHTF	
	12	Turquoise Trail	Santa Fe	Santa Fe	Dominium	2023	\$131,189,030	02/19/25	(A) 11/25/2025	312	NC	Households with Children	(A) 10/09/25	(P) 8/15/2026	(P) 10/15/2026	(P) 12/30/2026	(P) 12/30/2026	\$6,115,499	County-issued bonds	\$ 2,000,000 \$ 2,000,000	NMHTF HOME	70 Million in PAB
	13	Encino Gardens	Albuquerque	Bernalillo	Encino Development and Management, Inc.	2023	\$32,894,496	11/15/23	(A) 2/23/2024	165	AR	Households with Children	(A) 03/28/24	(A) 4/18/2025	(A) 12/9/2025	(P) 8/31/2026	(P) 8/31/2026	\$1,502,840	County-issued bonds	\$800,000 \$2,000,000 \$1,000,000	HOME NMHTF CSLFRF	24 Million in PAB
	14	La Serena	Albuquerque	Bernalillo	Thomas Development and Supportive Housing	2023	\$ 31,043,417	10/18/23	(A) 2/28/2024	100	NC	Seniors	(A) 08/23/23	(A) 11/14/2024	(A) Did not occur	(A) 1/23/2026	(P) 9/30/2026	\$1,488,169	County-issued bonds	\$800,000 \$1,500,000 \$ 1,000,000	HOME NHTF NMHTF	19,661,209 PAB
	15	JLG NM ABQ 2023	Albuquerque	Bernalillo	Community Preservation Partners	2023	\$ 52,960,324	05/17/23	N/A No MFA Loans	241	AR	Households with children	(A) MFA Did not Approve	(A) 3/27/2024	(A) 8/16/2024	(A) 12/10/2025	(A) 2/19/2025	\$2,458,653	\$37,500,000	N/A	N/A	Mountain View II & III Apartments. Developer started construction without permission Waiting for Final Allocation Package
	16	JLG NM SAF 2023	Santa Fe	Santa Fe	Community Preservation Partners	2023	\$ 81,286,062	05/17/23	N/A No MFA Loans	228	AR	Households with children	(A) MFA Did not Approve	(A) 8/28/2024	Did not occur	(A) 6/17/2025	(A) 4/17/2025	\$3,361,695	\$60,500,000	N/A	N/A	Developer did not call for 66% inspection Waiting for Final Allocation Package
	17	Peachtree Canyon	Las Cruces	Doña Ana	Thomas Development and NMHCDC (Tom Andrews and Steven	2023	\$ 40,693,965	04/17/24	(A) 9/30/2024	144	NC	Households with Children	(A) 09/09/24	(A) 9/23/2025	(A) 3/10/2026	(A) 6/16/2026	(P) 9/30/2026	\$1,809,597	\$21,500,000	\$ 800,000 \$ 1,500,000 \$ 3,000,000 \$ 1,250,000	HOME NHTF NMHTF CSLFRF	Arch Comments sent 4/15 - Additional Volume Cap \$1.5 Million
	18	Pedrena Senior	Las Cruces	Doña Ana	Thomas Development Co and Northwest Integrity Housing	2023	\$ 25,406,492	09/30/23	(A) 3/7/2024	80	NC	Seniors	(A) 3/15/2024	(A) 9/25/2024	(A) 2/27/2025	(A) 9/23/2025	(A) 8/30/2025	\$1,211,411	County-issued bonds	\$ 800,000 \$ 1,500,000 \$ 1,000,000 \$ 2,000,000	HOME NHTF NMHTF CSLFRF	16 million PAB Waiting for Final Allocation Package
	19	San Roque	Albuquerque	Bernalillo	Thomas Development and Supportive Housing Coalition	2022	\$ 48,423,556	1/20/2021	(A) 5/10/2023	137	NC	Households with Children	(A) 06/08/23	(A) 2/28/2024	(A) 8/13/2024	(A) 1/23/2026	(A) 12/9/2025	\$2,291,773	County-issued bonds	\$ 800,000 \$ 2,622,031 \$ 1,325,000	HOME NMHTF NHTF	25,838,791 Million PAB Waiting for Final Allocation Package
	20	Sandoval Flats	Rio Rancho	Sandoval	Dominium	2024	\$ 74,302,735	8/21/2024	(A) 11/13/2024	216	NC	Households with Children	(A) 02/18/25	(A) 04/24/26	(A) 06/12/26	(P) 09/01/26	(P) 09/01/26	\$4,153,573	County-issued bonds	\$ 3,000,000	NMHTF	Re-applied for \$2MM NMHTF July 2024 \$52 million in Bond Cap Developer Failed to reach out for 33% inspection as of 4/28 project is at 66%
	21	Trailhead at Chamizal	Los Ranchos de Albuquerque	Bernalillo	Palindrome Properties Group	2022	\$ 54,948,042	N/A - no MFA loans or bonds	N/A No MFA loans	204	NC	Households with Children	(A) 02/15/23	(A) 09/08/23	(A) 03/29/24	(A) 04/01/25	(A) 05/22/25	\$2,087,905	County-issued bonds	N/A	N/A	43.9 million in PAB Waiting on Final Allocation Package
	22	EMLI at Wells of Artesia	Artesia	Eddy	Liberty Multifamily	2021	\$ 39,469,339	01/19/22	(A) 7/28/2022	192	NC	Households with Children	(A) 08/10/22	(A) 3/12/2023	(A) 07/26/23	(A) 5/10/2024	(P) 09/30/26	\$1,734,183	\$33,000,000	\$ 800,000 \$ 500,000 \$ 500,000	HOME NHTF NMHTF	27.8 million PAB Waiting on Final Allocation Package
	1	Central Apartments	Santa Clara	Grant	Alan Deke Nofstker	2026	\$ 1,000,511	03/18/26	(P) 10/14/2026	20	AR	N/A	(P) 10/14/26	N/A	N/A	(P) 5/1/2027	(P) TBD*	N/A	N/A	\$ 1,000,511	NMPLF	Preservation Loan
	2	Valley View Apartments	Silver City	Grant	Alan Deke Nofstker	2026	\$ 1,259,192	03/18/26	(P) 10/14/2026	32	AR	N/A	(P) 10/14/26	N/A	N/A	(P) 5/1/2027	(P) TBD*	N/A	N/A	\$ 1,259,192	NMPLF	Preservation Loan
	3	Las Brisas	Albuquerque	Bernalillo	Post Las Brisas, LLC	2024	\$ 1,000,000	4/4/2024	(A) 11/15/2024	120	AR	N/A	(A) 12/02/24	N/A	N/A	(P) 12/31/25	(P) TBD*	N/A	N/A	\$1,000,000	NMPLF	

Main Funding Source		Project Name	Project Location	Project County	Developer	Application or Allocation Year	Total Development Cost (TDC)	Board Approval Date	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Housing Priority or N/A	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments
LOANS ONLY	4	Mountain View	Tucumcari	Quay	JL Gray	2021	\$ 995,044	4/21/2021	(A) 2/7/2024	45	N/A	N/A	(A) 03/07/24	N/A	N/A	(A) 03/07/26	(P) TBD*	N/A	N/A	\$ 995,044	PRLF	Closed 2/7/2024 Funds do not require inspections according to LIHTC schedule.
	5	Las Rosas I	Tularosa	Otero	JL Gray	2019	\$ 682,555	7/15/2020	(A) 8/5/2024	28	AR	N/A	(A) 09/05/24	N/A	N/A	(A) 02/26/26	(P) TBD*	N/A	N/A	\$682,555	PRLF	Funds do not require inspections according to LIHTC schedule.
	6	Las Rosas II	Tularosa	Otero	JL Gray	2019	\$ 925,710	7/15/2020	(A) 8/5/2024	29	AR	N/A	(A) 09/05/24	N/A	N/A	(A) 02/12/26	(P) TBD*	N/A	N/A	\$925,710	PRLF	Funds do not require inspections according to LIHTC schedule.
	7	Sacramento Apts	Cloudcroft	Otero	JL Gray	2019	\$ 510,726	7/15/2020	(A) 7/24/2024	20	AR	N/A	(A) 08/15/24	N/A	N/A	(A) 02/26/26	(P) TBD*	N/A	N/A	\$510,726	PRLF	Funds do not require inspections according to LIHTC schedule.
	8	Bella Luz (WITHDRAWN APRIL 2026)	Santa Fe	Santa Fe	JL Gray	2021	\$ 4,109,123	2/19/2025	(P) 4/17/2026	N/A	AR	N/A	N/A	N/A	N/A	N/A	(P) TBD*	N/A	N/A	\$2,000,000	HOME	
GRANT ONLY	1	Lamplighter Inn (Bella Luz) (WITHDRAWN APRIL 2026)	Santa Fe	Santa Fe	JL Gray	2021	\$ 8,737,339	11/17/21	(P) 4/17/2026	N/A	AR	Special Needs (PSH)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4,200,000	DFA CDBG-CV	
	2	Cornerstone	Silver City*	Grant**	BlueLine Development Inc.	2022	\$ 8,863,574	11/16/2022	(P) 7/17/2026	31	AR	Special Needs (PSH)	(A) 02/12/26	N/A	N/A	N/A	N/A	N/A	N/A	\$5,939,517	HOME ARP Grant	
	3	Amador Crossing	Las Cruces	Doña Ana	The City Las Cruces	2024	15,969.199.	3/19/2025	(A) 6/16/2025	49	NC	Homeless	(A) 06/16/25	N/A	N/A	N/A	N/A	N/A	N/A	\$1,118,524	TCAP	Closed & funded June 2025
			*Approved for Lordsburg, Location	**Approved for Hildago County,																\$921,530	LTTF	

Q1: C of O, P to A: Vista de Socorro, The Three Sisters, Felician Villa I, Calle Cuarta, Felician II, Route 66, JLG SAF, JLG ABQ, Farolito, Tierra Encantada; Construction Start, P to A: Country Club, Casitas del Camino; Closing date, P to A: Country Club, Ocate, Casitas del Camino and Arroyo Oeste (SF); Removed: Plaza David Chavez and Sandia Vista, Casa de Encantada.

Q2: C of O, P to A: Trailhead at Chamizal; Construction Start, P to A: Villa de Tularosa and Paseos Verdes I; Closing Date, P to A: Oaks Subdivision Unit 7, West Mesa Ridge A and Plaza Luna Lofts; Added: Montana Meadows/Wildewood; Removed: Salazar South

Q3: Bella Luz/Lamplighter withdrawn April 2026 (construction dates and units removed); Added: West Mesa Ridge B, Desert Sun III, Edward Romero Terrace II, Este es Otoño, Laguna #5, Niko Commons, Central Apartments and Valley View Apartments, Montana Meadows & Wildewood.; Added 11 units for Cornerstone; Construction Start, P to A: Cornerstone; C of O date, P to A: Pedrena, San Roque; Closing date P to A, San

Q4:

Q3 2026 QUARTERLY MULTIFAMILY PIPELINE REPORT SUMMARY

Sixty-two (62) ACTIVE PROJECTS representing:

- ~\$87.0 million in annual tax credits
- ~\$213.3 million in Housing NM-issued bonds
- ~\$163.5 million in Housing NM loans & grants
- Totaling \$463,795,237 in combined funding
- Consisting of 5,522 apartment units
- Located in 21 municipalities in 15 counties across the state.

There was one (1) multifamily project CLOSING in Q3 2026:

- San Mateo Manor Apartments- a 50-unit new construction project located in Albuquerque (50-units)
 - Total of 50 units

Fifty (50) projects are currently UNDER CONSTRUCTION:

- One project was added to the report, and none were removed, so there are now 50 projects currently under construction.
- Approximately seven projects are expected to be completed by the end of the fourth fiscal quarter of 2026.

Recent and Upcoming Ground Breakings/Ribbon-cuttings:

- West Mesa Ridge A Apartments celebrated its groundbreaking on April 16th (128 units)
- Peachtree Canyon Apartments celebrated its Grand Opening on May 21st (144 units)
- Plaza Luna Lofts held its groundbreaking on May 21st (57 units)
 - All three projects total 329 units
- We are not currently aware of any upcoming events

Estimated Economic Impact of the 50 projects (4,794 units) currently under construction:

- Approximately \$1.26 billion in local income
- Approximately 15,485 jobs

The eventual Economic Impact of all 62 projects (5,522 units) once under construction:

- Approximately \$1.46 billion in local income
- Approximately 17,836 jobs

Total MFA Loan and Grant Amount:	\$24,563,000	Total Projects:	10
		Total # of Homes:	470 Which will result in \$139,103,080 in local income and 1,739 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
		# of Projects Under Construction:	6
		Total # of Homes Under Construction:	298 Which will result in \$88,197,272 in local income and 1,103 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
		# of Municipalities Served:	7 Roswell, Vado, Santa Fe, Hobbs, Moriarty, Angel Fire, Las Cruces
		# of Counties Served:	6 Chaves, Doña Ana, Santa Fe, Lea, Torrance, Colfax

	Main Funding Source	Project Name	Project Location	Project County	Developer	Application or Allocation Year	Total Development Cost (TDC)	Board Approval Date	Loan Closing Date Actual (A) or Projected (P)	No of Homes	NC - New Construction or AR - Acquisition/Rehab	Housing Priority or N/A	Construction Start Approval Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or	MFA Loan and Grant Amounts	Any Known Issues or Comments
1	NMHTF	El Toro	Roswell	Chaves	Artisan's Guild Contracting LLC	2024	\$ 7,330,030	6/19/2024	(A) 8/15/2024	29	NC	N/A	(A) 08/15/24	(P) TBD*	\$3,000,000	
1	Primero-NMHTF	Vado New Horizon	Vado	Doña Ana	Tierra del Sol	2024	\$ 3,914,000	9/18/2024	(P) 11/30/2026	56	NC	N/A	(P) TBD*	(P) TBD*	\$3,500,000	
1	NMHTF	Arroyo Oeste	Santa Fe	Santa Fe	Santa Fe Community Housing Trust	2024	\$2,223,000.00	2/19/2025	(A) 12/18/2025	8	NC	N/A	(A) 12/18/25	(P) TBD*	\$1,000,000	
1	NMHTF	South 40 Subdivision	Hobbs	Lea	Y.M.C. dba Young Homes	2024	\$2,361,000.00	2/19/2025	(A) 6/12/2025	47	NC	N/A	(A) 06/12/25	(P) TBD*	\$2,000,000	
1	NMHTF	Oaks Subdivision Unit 7 (infrastructure)	Roswell	Chaves	JH Homes., Inc.	2026	\$2,545,028.00	1/21/2026	(A) 3/30/2026	48	NC	N/A	(A) 3/30/2026	(P) TBD*	\$2,163,000	
1	NMHTF	Villa Encantada II	Moriarty	Torrance	Clearbrook Investment	2025	\$3,212,300.00	6/18/2025	(A) 7/31/2025	83	NC	N/A	(A) 07/31/25	(P) 07/02/26	\$2,900,000	
1	NMHTF	Sangre de Cristo	Angel Fire	Colfax	AF MVB Fund, LLC	2026	\$ 11,753,558	TBD*	(P) 11/15/2026	5	NC	N/A	(P) TBD*	(P) TBD*	\$1,000,000	
1	NMHTF	Oaks Subdivision Unit 7 VC	Roswell	Chaves	JH Homes., Inc.	2026	\$ 12,102,685	6/17/2026	(P) 9/17/2026	47	NC	N/A	(P) TBD*	(P) TBD*	\$3,000,000	
1	NMHTF	Metro Square	Las Cruces	Doña Ana	KT Homes, LLC	2026	TBD*	TBD*	(P) 9/15/2026	64	NC	N/A	(P) TBD*	(P) TBD*	\$3,000,000	
1	NMHTF	Villa Encantada II VC	Moriarty	Torrance	Stillbrooke Homes, Inc.	2026	\$21,346,362.00	5/20/2026	(A) 6/29/2026	83	NC	N/A	(A) 06/29/26	(P) TBD*	\$3,000,000	

Tab 11

TO: Housing New Mexico | MFA Board of Directors
Through: Policy Committee – August 4, 2026

FROM: Jessica Franco, Chief Financial Officer

DATE: August 19, 2026

SUBJECT: Single Family Mortgage Program Bonds, 2026 Series C/D,
Pricing & Closing Summary

Summary:

The 2026 Series C/D transaction is a new money bond issue which priced on April 27, 2026 and closed on May 28, 2026. Below is a summary of the bond sale:

Structure: This deal closed \$150.0 million in principal value providing for an economic refunding of two older bond issuances, as well as new money for financing single-family first-time homebuyer mortgages. It is financed by non-AMT serial bonds, term bonds, and premium amortization class (“PAC”) bonds. This issuance blended \$126 million tax-exempt with \$24 million taxable bonds to stretch state-allocated Private Activity Bond (PAB) volume cap efficiently while keeping rates below the New Mexico market for borrowers.

Marketing: To enhance marketing to retail investors, our selling group members participated in the underwriting syndicate, namely: Fidelity Capital Markets, Hilltop Securities, D.A. Davidson, FHN Financial, and Jefferies. This underwriting syndicate submitted \$17.430 million in orders and was allotted \$16.310 million of bonds, with Fidelity, DA Davidson, and FHN Financial as participating members.

Tax-Exempt Issue Performance:

- \$171.95 million institutional orders
- \$15.34 million retail orders
 - \$2.69 million of which from NM-based retail investors

Taxable Issue Performance:

- \$68.78 million institutional orders
- \$0.05 million retail orders

Total orders for the bond issue were \$258.80 million for both retail and institutional investors (not including stock member orders), which is a decrease of 41.0% in total orders compared to Housing New Mexico’s previous new money bond issuance, the 2026 Series A/B issuance. The. Market factors, fueled by a deteriorating bond market resulting from inflation, led to a lower

subscription on the date of pricing. It is beneficial to mention, however, that the pricing Housing New Mexico received was the best pricing of any bond issuance over the course of about one month as the market continued to deteriorate due to sustained tension between the US and Iran.

In some cases, demand for certain bonds within the issuance resulted in meaningful oversubscription which allowed Housing New Mexico to revise its pricing and lead to yields that were more advantageous for the Authority.

Use of Bond Proceeds:

Economic Refunding:

Approximately \$10.4 million of the proceeds went to refund previously issued bonds series (i.e., 2013 Series C and 2014 Series A). The purpose of the refunding was twofold. First, it was advantageous for Housing New Mexico refund its older debt, which had begun to lag slightly behind on repayments to cover debt service responsibilities. Second, the Mortgage-Backed Securities (MBS) backing the refunded bonds were transferred to the new issuance and provided immediate equity to the new bond in the form of seasoned loans.

New Money:

Approximately \$139.6 million will finance the purchase of new securitized mortgage loans originated under Housing New Mexico's FirstHome program and to roll forward a subsidy generated from prior bond issues which has helped to maintain competitive mortgage rates. The weighted average mortgage rates that will be funded by the proceeds of the bonds is expected to be as follows:

<u>Program</u>	<u>Government (FHA-insured)</u>	<u>Conventional (FNMA-insured)</u>	<u>Conventional (FHLMC-insured)</u>
FirstHome	5.680%	5.948%	5.948%

Yield Spread: Spread is the difference between the above mortgage loan yield and the bond yield. The maximum spread permitted by federal tax law on tax-exempt bond issues is 1.125% but when blended with taxable bond issues, the aggregate spread can be higher. The following table details the individual spread anticipated for each portion of the issue:

	<u>Tax-Exempt</u>	<u>Taxable</u>	<u>Aggregate</u>
Loan Yield	5.410%	6.765%	5.617%
Bond Yield	4.292%	5.506%	4.487%
Spread	1.118%	1.260%	1.130%

Additionally, the net present value benefit of the entirety of the transaction is estimated at \$4.16 million, or 2.8% of the bonds issued. Housing New Mexico has kept interest rates competitive in the current market and this ultimately led to the use of ~\$1 million of zero participating loans.

Investment of Bond Proceeds: Until fully spent, funds from the bond issue are invested in Federated Hermes' Government Obligations Fund Institutional Shares (GOIXX) through Zions Bank, the General Indenture Trustee.

Exhibits:

1. The attached Exhibit 1 contains a table summarizing more detailed information about the 2026 Series C/D bond issue as well as bond issue characteristics from other recent single-family issuances for comparative purposes.
2. The attached Exhibit 2 is a comprehensive in-depth "Post-Sale Analysis" for 2026 Series C/D, prepared by Housing New Mexico's Financial Advisor, CSG Advisors Inc.
3. The attached Exhibit 3 is a summary from the rating agency, Moody's, detailing how zero participations (or zeroes) function when they are created in a bond issue.

EXHIBIT 1

Housing New Mexico | MFA
Summary of Recent Bond Issue Characteristics

		For Info Only	For Info Only	For Info Only	For Info Only
		2025A/B	2025C/D	2025E/F	2026A/B
		2026C/D			
Type of Structure		New Money Blended	New Money Blended	New Money Blended	New Money Blended
		Traditional	Traditional	Traditional	Traditional
	1 Tax Exempt Bonds	\$72,000,000	\$100,000,000	\$60,000,000	\$96,000,000
	Taxable Bonds	\$48,000,000	\$40,000,000	\$40,000,000	\$24,000,000
	Tax-Exempt Refunding Bonds	n/a	n/a	n/a	n/a
	Taxable Refunding Bonds	n/a	n/a	n/a	n/a
Total Amount of Bonds Issued		\$120,000,000	\$140,000,000	\$100,000,000	\$120,000,000
		\$150,000,000			
2	Bond Issue(s) Refunded	n/a	n/a	n/a	n/a
					2013 C 2014 A
3	Economic Benefit/ Net of PV Subsidies*	\$4.0 million/ \$3.5 million	\$4.4 million/ \$3.7 million	\$3.2 million/ \$1.7 million	\$3.8 million/ \$3.3 million
4	Original/Current Bond Ratings: Moody's	Aaa/Aa1	Aa1	Aa1	Aa1
5	Pricing Date(s)	1/23/2025	4/26/2025	7/31/2025	1/23/2026
6	Bond Closing Date	2/26/2025	5/29/2025	8/27/2025	2/25/2026
7	Serial Bond Maturities				
	AMT	None	None	None	None
	Non-AMT	9/1/26-9/1/37	9/1/26-9/1/37	9/1/26-9/1/37	3/1/27-9/1/38
	Taxable	9/1/26-9/1/36	3/1/27-9/1/36	9/1/26-9/1/33	3/1/27-9/1/38
8	Term Bond Maturities				
	Non-AMT	9/1/40,9/1/45 9/1/50,9/1/55	9/1/40,9/1/45 9/1/50,9/1/55	9/1/40,9/1/45 9/1/50,9/1/55	9/1/41,9/1/46 9/1/51,9/1/56
	Taxable	9/1/40,9/1/45 9/1/50,9/1/55	9/1/40,9/1/45 9/1/50,9/1/55	9/1/37,9/1/40 9/1/45,9/1/50 9/1/55	9/1/41,9/1/46 9/1/51,9/1/56
9	Premium PAC Maturity				
	Non-AMT	\$57,040	3/1/2056	3/1/2056	3/1/2057
	Taxable	\$57,040	3/1/2056	3/1/2056	3/1/2057
10	Split Between FIRST HOME Government and Conventional Loans				
	Government	66%	70%	80%	80%
	Conventional	34%	30%	20%	20%
11	Weighted Average Loan Rates+				
	FIRST HOME - Government	5.985%	6.220%	6.220%	5.722%
	FIRST HOME - FNMA <80%	6.360%	6.595%	6.478%	5.965%
	FIRST HOME - FNMA >80%	6.360%	6.595%	6.478%	5.965%
	FIRST HOME - FHLMC <80%	6.360%	6.595%	6.478%	5.989%
	FIRST HOME - FHLMC >80%	6.360%	6.595%	6.478%	5.989%
12	10-Year Treasury Rate at Pricing	4.65%	4.30%	4.37%	4.65%
13	Authority Contribution at Closing	\$3,239,800	\$3,743,331	\$3,538,660	\$77,030
	Cost of Issuance (COI)	\$1,055,000	\$1,190,000	\$920,000	\$1,070,000
	COI as a % of Bonds Issued	0.86%	0.84%	0.92%	0.89%
	Negative Arbitrage Deposit	\$2,600,000	\$3,200,000	\$3,000,000	\$0
14	Administrative Fee (to MFA)	0.200%	0.200%	0.200%	0.200%
15	Bond Allocation System Followed***	Yes	Yes	Yes	Yes

*Subsidy generated/(utilized) by a prior bond issue. Assumed 150% PSA over the life of the bonds.

+Weighted average rate of loans in the pipeline.

**The Guaranteed Investment Contract is competitively bid.

***The bond allocation system that is followed is common in the investment banking industry and is as follows:

The lead manager keeps track of when the orders are received which is referred to as an order flow tracking system.

The bond allocation system also dictates that Bonds are awarded to managers prior to any selling group members

even though group members may have entered orders first. In-state retail orders receive first priority,

followed by orders for the benefit of the group which are allocated by management fee percentage;

next are net designated orders placed through the senior manager where the buyer designates the sales credit

to specific managers, and finally, member orders receive the lowest priority.

\$150,000,000
New Mexico Mortgage Finance Authority
Single Family Mortgage Program Class I Bonds
\$126,000,000 2026 Series C (Tax-Exempt) (Non-AMT)
\$24,000,000 2026 Series D (Federally Taxable)

POST-SALE ANALYSIS

KEY RESULTS FOR HNM

Purpose. This transaction is a traditional single-family bond issue with semi-annual interest and principal, though bonds can be redeemed quarterly from excess revenues. Its purpose, like similar prior new money transactions, is to:

1. Finance new loan production at attractive interest rates for homebuyers,
2. Provide beneficial economics to HNM with as close to the maximum yield spread permitted by the IRS as possible,
3. Use taxable financing for 16% of the par amount of the bonds, thus stretching scarce private activity bond volume cap,
4. Strategically use HNM's zero participation loans as needed, and
5. Keep negative arbitrage to a minimum.

Additionally, this transaction uses some of the zero participation loans from past series (2025 Series EF). 2026 Series CD will use approximately \$1.035 million of HNM's estimated \$27.3 million zero participation loans pipeline. A future bond issue will reallocate the remaining zero participation loans from 2026 Series CD.

Approach and Strategy. HNM issued a portion of the financing as taxable bonds, thus reducing the amount of new volume cap needed in the transaction. Since early 2024, HNM has used taxable bonds to finance the purchase of new loans in order to preserve its tax-exempt volume cap.

From a strategic point of view, HNM has been:

1. Building a loan pipeline by reserving loans, while reviewing expected rates on a traditional bond structure,
2. Issuing bonds to begin financing mortgage-backed securities at bond closing through a 3 to 4 month origination period, and
3. Protecting itself against rates rising before bonds are sold by using zero participation interest subsidies it has earned from past transactions.

Primary Objectives. HNM therefore has four primary objectives in this issuance:

1. Finance existing production at the lowest yield possible,
2. While keeping mortgage loan rates low, strategically use HNM's approximately \$27.3 million of zero participations (prior to issuing 2026CD) to achieve full spread and preserve more zero participations for future production, and
3. Include taxable bonds (16% of total par) in the structure, thus reducing the use of new volume cap which is in greater demand across the state, and
4. Raise bond premium in order to generate proceeds to help fund the purchase of the MBS from the servicer at 101%, to fund cash flow lag, and to fund all of the costs of issuance of the transaction.

Structure. The 2026CD bonds:

- Included bond proceeds sufficient to finance \$150.0 million of new pipeline production and provide sufficient proceeds to use and store zero participations,
- Both 2026C and 2026D were structured with serial bonds, term bonds, and Planned Amortization Class (PAC) bonds,
- Sold the 2026C and 2026D PAC bonds with a total premium of \$3.9 million which provides additional funds to purchase \$150.0 million of MBS and costs of issuance,
- Were priced 4 weeks prior to closing, enabling HNM to lock in its borrowing cost sooner as well as finance more of its pipeline production prior to closing, thus reducing both interest rate risk and negative arbitrage,
- Allow for either GNMA, Fannie Mae (FNMA), or Freddie Mac (FHLMC) MBS depending on HNM's loan pipeline,
- Provided HNM with an optional call in 8 years at par (or slight premium with regard to the PAC bond) if it proves profitable to redeem the bonds in the future, and
- Required no negative arbitrage deposit and will use the General Capitalized Interest account to provide necessary funds to cover non-origination stress test in rating agency cash flow runs.

Results. Both the 2026C and 2026D bond structure consisted of three major components: serial bonds, term bonds and premium PAC bonds.

1. **Yields.** The aggregate bond yield (true interest cost) of the total 2026CD issuance was 4.49% assuming 100% FHA prepayments (compared to 4.53% for the 2026AB bonds sold three months prior in January, which was 20% taxable).
2. **Use of Zero Participations.** In order to maintain full yield spread, 2026CD is forecasted to use \$1.035 million in zeros on a nominal basis resulting in a total of \$26.15 million in zeros for future bond issues (assuming participation with a future issue in 6 months).
3. **Net Economic Benefits.** The transaction's projected net present value was \$5.27 million at 150% PSA prepayment speed, or approximately 3.5% of the bonds issued. Including the impact of zeros used, the net present value was \$4.23 million.

Bond Results. Following are key highlights:

1. **Timing.** The bonds were priced on Monday, April 27th, with a combined single two-hour order period for both retail and institutional buyers.

General municipal bond issuance as well as housing bond issuance was heavy during the week of 2026CD's pricing. In addition to HNM's sale, Virginia, Tennessee, and Oklahoma priced single family tax-exempt bonds during the week of April 27th.

On the pricing date of April 27th, the 10-year Treasury ended the day at a yield of 4.35%, while the 10-year MMD rate was 2.91%. See "Market Details" below for a full description of the market leading up to the pricing date.

Retail Interest. On the morning of Monday, April 27th, a two-hour order period was established with first priority to orders from New Mexico retail investors and second priority to national retail investors. This resulted in a total of \$18.03 million of retail orders for the 2026C bonds (\$2.69 million of New Mexico retail). There were only \$0.50 million of retail orders for the taxable 2026D bonds, as taxable demand largely comes from institutions.

2. **2026C Institutional Interest.** In all, institutions put in orders for the 2026C bonds totaling \$171.9 million (compared to \$312.7 million for 2026A). Due to subscription across the serial bonds two of the serial bond yields were lowered by 5 bps, and four were termed up into two term bonds. The 2046, 2051 and 2056 term bonds were oversubscribed by 1.9x, 2.1x, and 2.7x respectively. Investor interest in the \$28.0 million of PAC bonds was light, with RBC underwriting the entire PAC with a 5 basis point increase in yield.
3. **2026D Institutional Interest.** In all, institutions put in orders for the 2026D bonds totaling \$68.8 million compared to only \$24 million of bonds offered. The 3/34 – 9/38 serials were termed up at a 22 basis point reduction in yield. The 2046, 2051, and 2056 term bonds were oversubscribed by 1.0x, 1.8x, and 4.0x, and were lowered by 0 bps, 3 bps, and 3 bps, respectively. The PAC bond also received strong demand at 2.1x subscription.
4. **Selling Group.** To enhance the order flow, particularly with retail investors, six selling group members were included in the underwriting syndicate for 2026C. Selling group members included D.A. Davidson, Hilltop Securities, Bancroft Capital, Jefferies, Fidelity Capital Markets, and FHN Financial Markets. See below for orders and allotments from the selling group, of which Fidelity brought the most orders to the pricing:

TABLE 1: RETAIL ORDERS BY SELLING GROUP MEMBER (THOUSANDS):

Selling Group Member	Orders	Allotments
Fidelity Capital Markets	\$ 16,330	\$ 15,210
Bancroft Capital	-	-
D.A. Davidson	1,000	1,000
FHN Financial D.A. Davidson	100	100
Hilltop Securities	-	-
Jefferies	-	-
TOTAL	\$ 10,765	\$ 8,595

**excludes unfilled stock orders.*

The selling group was useful to the issuance in terms of generating additional retail interest. Fidelity led the selling group by a wide margin in generating orders that received allotments.

5. **2026C Comparable Transactions (Tax-Exempt).** The 2026C bonds priced similarly on a nominal yield basis and on a spread to MMD basis as the Virginia, Tennessee, and Oklahoma issues. The importantly, the 3 longest term bonds priced 3-5 bps higher in yield than comparable issues. HNM's PAC bond (5 year average life, 75-500% PSA band) priced at a spread of +97, 8 bps higher than Oklahoma's PAC bond (6 year A/L, 75-700% PSA band) sold on the same day.
6. **2026D Comparable Transactions (Taxable).** The 2026D taxable bonds priced in line with Virginia's taxable issue, at slightly lower nominal yields given the higher US Treasury rates later in the week when Virginia priced its bonds. HNM's PAC bond spread of +88 to the 5-year UST was 2 bps inside the +90 that Maryland achieved 2 weeks prior. Overall, HNM's 2026D taxable issuance priced in line with recent taxable housing bond transactions with strong results for the PAC bond.

MARKET DETAILS

Key Dates: Retail and Institutional Order Period: Monday, April 27, 2026
 Closing Date: Thursday, May 28, 2026

Market Dynamics. Since early 2026, rates markets have remained focused on the timing and pace of additional Federal Reserve easing, however, the conflict in the Middle East beginning early March has significantly increased bond yields due to concerns over elevated inflation. In fact, UST yields are up more than 70 bps across much of the yield curve since their lows in late February. At its April meeting, the FOMC maintained the federal funds target range at 3.50%–3.75%, citing elevated inflation and increased uncertainty related to global energy markets and geopolitical developments, however, market participants have reversed their view of two rate cuts in 2026 to likely no rate cuts and likely rate hikes in late 2026 or early 2027.

Municipal market technicals have generally remained supportive despite periods of volatility. Municipal yields declined early in the year before retracing some gains alongside Treasuries, while investor demand has remained resilient due to strong reinvestment flows and continued fund inflows.

Interest Rates. On Monday, April 27th, the 10-year US Treasury yield was 4.35%, and the 10-year MMD was 2.91%, with a very favorable MMD/Treasury ratio of 67%. Treasury and municipal markets appear to have stabilized since the shock the markets experienced in April of 2025.

Municipals.

Additional factors affecting the municipal bond market include:

- **Supply.** In 2025, the supply of new issue municipal bonds was the highest of the last five years at \$580 billion, a 13% increase to the \$514 billion issued in 2024. Through April, year-to-date issuance is 4.2% higher than same period in 2025, with robust supply in the first quarter.
- **Demand.** 2026 year-to-date reinvestment appetite has helped meet the increased supply. Municipal exchange traded funds (“ETFs”) have also grown, helping to keep a more positive tone to investor demand in the muni market. In the months since the tariff turmoil of April 2025, investor demand has been solid in part due to elevated yield levels and more favorable MMD to US Treasury ratios.
- **Ratios.** Showing the greater sensitivity of treasury yields to global investor sentiment and other market changes, ratios between the 10-year MMD index and the 10-year treasury bond yields and the 30-year MMD and the 30-year treasury yields often do not move in sync. Spreads between the 10-year and 30-year MMD index levels and their respective US Treasury yields are important indicators for institutional investors in tax-exempt bonds and remain favorable to HFAs. On the date of pricing for 2026CD, the 10-year MMD/Treasury ratio was 67%, compared to ratios in the 66-80% range throughout 2025 (see **Table 2** below).

TABLE 2: COMPARISON OF RATES IN RECENT TRANSACTIONS

Issue	Date	10 Year MMD	10 Year Treasury	MMD to Treasury Ratio	30 Year MMD	30 Year Treasury	MMD to Treasury Ratio
2025 AB	1/23/25	3.07%	4.65%	66%	4.02%	4.87%	83%
2025 CD	4/24/25	3.44%	4.30%	80%	4.48%	4.77%	94%
2025 EF	7/31/25	3.32%	4.37%	76%	4.67%	4.89%	96%
2026 AB	1/22/26	2.67%	4.26%	64%	4.29%	4.84%	89%
2026 CD	4/27/26	2.91%	4.35%	67%	4.27%	4.94%	86%
<i>Change from 2026AB to 2026CD</i>		<i>+ 24 bps</i>	<i>+ 9 bps</i>	<i>+ 3%</i>	<i>- 2 bps</i>	<i>+ 10 bps</i>	<i>- 3%</i>

UNDERWRITING

Underwriter. RBC Capital Markets served as senior managing underwriter and Raymond James as co-manager. As described above, there was also a six-firm selling group.

Underwriting Fees. The underwriter discount of \$6.53 per \$1,000 bonds is reasonable compared to other similarly sized issues in the market.

Performance. RBC Capital Markets as book-running senior manager and Raymond James as co-manager worked well together and achieved sufficient order flow as described above and evidenced by ~\$259 million in total orders (excluding stock member orders).

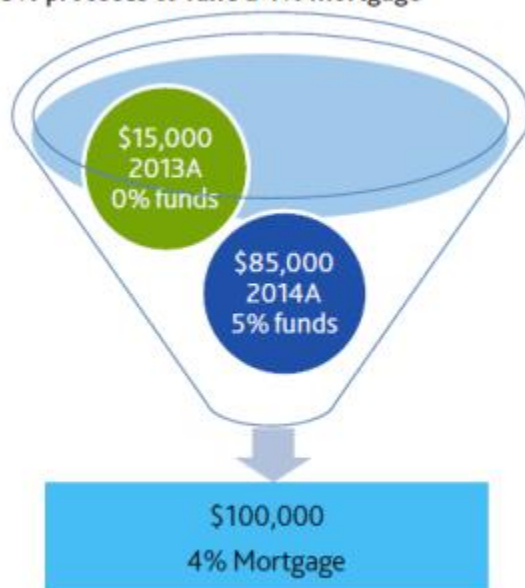
The six-firm selling group enhanced the sale of the bonds. We recommend that HNM use a selling group on the next traditional bond issuance as well.

EXHIBIT 3

0% participation funds: HFAs may elect to save the subsidy generated by the excess yield as “0% participation funds” (called zeroes) so they can be used to “blend” down higher mortgage rates in the future. For example, an HFA can earn full-spread on bond-financed mortgages if it can borrow at 4% and lend at 5%, but the prevailing mortgage rate is 4%. In this case, bond financing would not have been practical to the HFA in the example because its full-spread 5% mortgage rate is considerably higher than its competition’s 4% rate. However, if the HFA in the example has zeroes generated by a prior bond issue with excess spreads (2013A in the exhibit below) that can be used to subsidize the new bond-financed mortgages, the bond financing would be practical. That is because after the new bond sale, the HFA will have two pots of bond proceeds available for mortgage financing – one with a 5% interest rate (non-zeroes) from 2014A and the other with a 0% interest rate (zeroes) from 2013A. Therefore, the HFA in this example can blend the non-zeroes and zeroes pools to offer a 4% mortgage (see Exhibit 2).

EXHIBIT 2

Blending 0% proceeds and 5% proceeds to fund a 4% mortgage

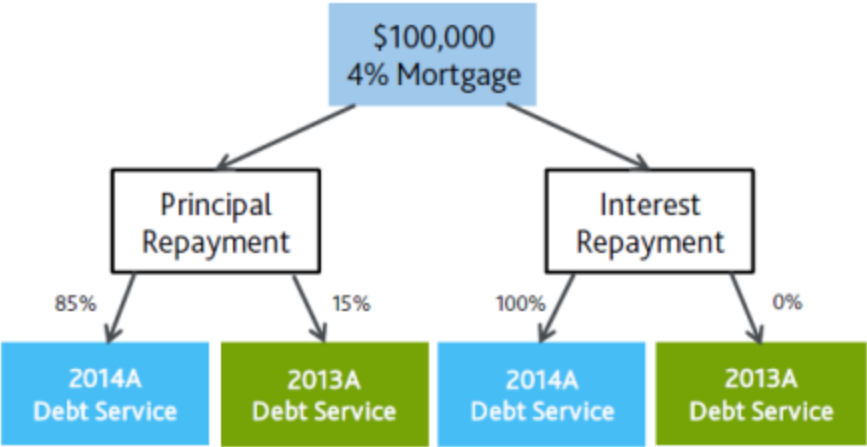


Source: Moody's Investors Service

To achieve full-spread as prescribed by the federal tax law, the HFA in this example will fund (or “participate”) 85% of this mortgage with moneys from the non-zero pool and the remaining 15% from the zeroes pool. Going forward, 100% of the interest repayment from the mortgage will be used to pay debt service on 2014A bonds (whose proceeds funded the non-zeroes pool), with the principal repayment and prepayment split 85/15 between the 2014A and 2013A bonds (see Exhibit 3).

EXHIBIT 3

EXHIBIT 3
100% of Interest repayment and 85% of principal repayment from the mortgage are used to pay 2014A debt service



Source: Moody's Investors Service

**Staff Actions Requiring Notice to Board
During the Period of July 2026**

Department and Program	Project	Action Taken	Comments / Date Approved
Community Development Department- Emergency Housing Needs Program	Zachary Nimbach appeal	Denial of the appeal for Mr. Zachary Nimbath's Emergency Needs Program Application. Application. He failed to provide adequate documentation to demonstrate any emergency need at his home in Tucumcari, NM.	Approved by Policy Committee on July 28, 2026
Housing Development Department- Preservation	Refinance Subordination Agreement Policy	Approval of Refinance Subordination Agreement Policy to formalize guidelines by which Housing New Mexico considers signing subordination agreements for projects that undergo a refinance.	Approved by Policy Committee on July 28, 2026
Policy and Planning Department	State Fiscal Year 2027 State General Fund Special Appropriation	Approval of \$3.5 million re-designated from "reserve" to \$3 million to rental housing for extremely low-income households and \$500,000 to Restoring Our Communities Program.	Approved by Policy Committee on July 28, 2026

Tab 12

MFA Strategic Plan Benchmarks FY 2026

Goal 1 - Create affordable housing opportunities that support and strengthen New Mexico's communities



Benchmark: 1

Benchmark: Provide mortgage financing for 2,000 homebuyers.

Q1 On Target | Housing New Mexico | MFA financed 488 homebuyers in Q1 of FY 2026 and 488 homebuyers YTD.

Q2 On Target | Housing New Mexico | MFA financed 557 homebuyers in Q2 of FY 2026 and 1,045 homebuyers YTD.

Q3 On Target | Housing New Mexico | MFA Financed 655 homebuyers in Q3 of FY 2026 and 1700 homebuyers YTD

Benchmark: 2



Benchmark: Finance the development and/or preservation of 1,200 rental units through multi-family housing development programs.

On Target |

Q1 In Q1 of 2026, Housing Development financed the development of 605 multifamily units. The YTD total of units developed and/or preserved is 605.

On Target |

Q2 In Q2 of 2026, Housing Development financed the development of 185 multifamily units. The YTD total of units developed and/or preserved is 790.

On Target |

Q3 In Q3 of 2026, Housing Development financed the development of 204 multifamily units. The YTD total of units developed and/or preserved is 994.

Benchmark: 3



Benchmark: Provide the financing and/or development of 500 new ownership units through Housing Development and Homeownership Departments.

New |

Q1 Q1: Homeownership financed 30 New Construction Units and Housing Development financed the development of 9 Homeownership units for a YTD total of 39 single-family construction units.

Caution |

Q2 Q2: Homeownership financed 37 new construction units and 1 Partners unit, Housing Development financed 48 units, and ROC financed 2 units, for a total of 88 units in Q2. YTD total of 127 new single-family construction units.

Caution |

Q3 Q3: Homeownership financed 36 new construction units and 1 Partners unit, Housing Development financed 83 units, and ROC financed 3 units, for a total of 123 units in Q3. PP financed DPA for 7 new construction units YTD total of 257 new single-family construction units.

Benchmark: 4



Benchmark: Finance the preservation of 1,000 rental and homeownership units through weatherization, rehabilitation and housing innovation programs.

On Target |

Q1 CDD completed 112 units; P+P assisted 53 units through the Housing Innovation Program. Assisted 2 units through Rehab-2-Rental Program. YTD: 167

Q2 Caution | CDD completed 141 units. PP 98 Housing Innovations, 8 R2R YTD: 414

Caution |

Q3 CDD completed 120 units. PP assisted 23 rental units through Rehab to Rental, 103 units through Housing Innovation (126) YTD 660

Benchmark: 5



Benchmark: Support and assist Housing New Mexico borrowers on all direct-serviced loans through focused call campaign to achieve a 10% increase in right party contact and 10% increase in the use of automated email

reminders and communications.

On Target |

Housing New Mexico's Servicing Department is on track to achieve a 10% increase in Right Party Contact (RPC) through a focused campaign to assist borrowers on all direct serviced loans.

Q1 Housing New Mexico's Servicing Department achieved a 10% increase in Right Party Contact (RPC) through a focused campaign to assist borrowers on all direct serviced loans. As of Q1 RPC cumulative is 18.01%.-

Housing New Mexico's Servicing Department achieved a 10% increase in the use of automated email reminders and communications. As of Q1 E-Notifications cumulative is 38.48%

Met |

Housing New Mexico's Servicing Department achieved a 10% increase in Right Party Contact (RPC) through a focused campaign to assist borrowers on all direct serviced loans. As of Q2 RPC cumulative is 21.37%

Q2

Housing New Mexico's Servicing Department achieved a 10% increase in the use of automated email reminders and communications. As of Q2 E-Notifications is cumulative 41.23%

Met |

Housing New Mexico's Servicing Department achieved a 10% increase in Right Party Contact (RPC) through a focused campaign to assist borrowers on all direct serviced loans. As of Q3 RPC cumulative is 21.83%.-

Q3

Housing New Mexico's Servicing Department achieved a 10% increase in the use of automated email reminders and communications. As of Q3 E-Notifications is cumulative 34.54%.



Benchmark: 6

Benchmark: Increase the number of directly serviced loans by 1,900 loans.

Q1 On Target | In Q1, Servicing boarded 785 new direct serviced loans.

Q2 On Target | In Q2, Servicing boarded 908 new direct serviced loans. YTD 1693

Q3 On Target | In Q3, Servicing boarded 982 new direct serviced loans. YTD 2675

Benchmark: 7



Benchmark: Evaluate, implement and or enhance at least 6 new products, business models, financial tools or significant program or product improvements.

On Target |

WAP started conversations with utility funders how to implement programs to utilize heat pumps and thermostats that will switch fuel

Q1 sources based on real time to the least expensive fuel. Compliance-Create regulation tracking Access file for the Quality Control. Asset management started discussions with HDS to utilize their NSPIRE software, Allita. The software will help with performing and following up with the physical inspections of our multi-family portfolio. YTD: 3

On Target |

(CDD: 2) HOME Rehab is working on a program reorganization that classifies subrecipients as administrative contractors to ensure that we can cover more areas of the state while staying compliant with regulations. Staff coordinated a meeting on 2/27/26 with Lauren Sandoval from Cornerstone Home Lending. During this meeting, the Su Casa loan program was presented. Cornerstone expressed strong interest in

Q2 partnering with Housing New Mexico. Follow-up discussions are planned to determine next steps. Finance and Accounting, in concert with Housing Development (2), created a framework to consider subordinate bond structures within the context of multifamily development, as well as created parameters and a modified application to consider 501(c)3 bonds for multifamily developments. AM: signed a contract with HDS to implement the IBPS modules in their Fusion software. Modules will help staff improve the MORs, rent adjustments, contract renewals and special claims processes. YTD: 8

Q3 Met |

HD (3)- Jeanne, Jacobo, and George participated in discussions with Sugar Creek Capital and Advantage Capital regarding a potential new State Tax Credit program. Clarissa presented and received approval from PC to update the NMHTF loan limits and lien positions for 4% LIHTC Projects in May. Jacobo and George, along with IT, have been working on drafting an RFI for 3rd Party Software to support the Housing Development department. CDD (3) - HOME Rehab implemented a project-by-project model for our program to ensure that funding is not being tied up with providers who are not spending money. HOME Rehab also implemented new ways for provider to interact with the program in the form of the HIP Hybrid Model. ROC started its direct services program in Sierra County. YTD 14

Goal 2 - Build a network of advocates and partners that work to create and promote affordable housing in the state



Benchmark: 8

Benchmark: Achieve 20,000 social media engagements annually.

Q1 On Target | Achieved 3,297 social media engagements.

Q2 Caution | Achieved 4,345 social media engagements. YTD 7,642

Q3 Caution | Achieved 5,476 social media engagements. YTD 13,118



Benchmark: 9

Benchmark: Achieve an average of 7 rural media mentions per month.

Q1 On Target | Achieved 19 rural media mentions.

Q2 On Target | Achieved 29 rural media mentions. YTD 48 (Average of 8 per month)

Q3 On Target | Achieved 42 rural media mentions. YTD 90 (average of 10 per month)



Benchmark: 10

Benchmark: Expand services of at least 10 programs to an underserved area of the state.

Q1 New | ROC is now being offered in Gallup/McKinley County through Clear Water Construction Partners, Inc. YTD: 1

On Target |

Q2 ROC Direct Services is in the process of buying a house in T or C to rehab and resell. RHP expanded into Silver City/ Lordsburg, Tesuque, and Espanola. YTD: 5

On Target |

Q3 ROC purchased its first home in Sierra County/TorC and it is under full rehab construction. Rehab 2 Rental completed projects in Toas, Chavez and Lea counties. YTD 9

Benchmark: 11



Benchmark: Conduct or participate in an average of 5 outreach events monthly to promote Housing New Mexico and inform local governments, tribal governments, existing partners, potential new program partners and/or elected officials of Housing New Mexico programs.

On Target |

(Marketing Tracking - 9): Laguna Housing Development & Management Enterprise Housing Fair Sponsorship (Pueblo of Laguna); PNM Community Assistance Fair (Albuquerque); Raton Regional Economic Development Summit (Raton); Weatherization Day (Fruitland-Presentation and Upper Fruitland-Home); New Mexico Infrastructure Finance Conference and Awards Ceremony (Albuquerque); Pueblo of Acoma Housing Authority Housing Fair (Pueblo of Acoma); NAIOP Commercial Real Estate Development Association Sponsored Luncheon/Video Presentation (Albuquerque); Hayes Middle School Spelling Bee (Albuquerque); New Mexico State Treasurer's Office Financial Empowerment Summit (Albuquerque); (CDD - 3): Weatherization and Rehab funding discussions with Honorable Amber Crotty from the Navajo Nation; Meeting with Lion Construction about becoming a ROC service provider; RHP Virtual Public Hearing on 10/14. (P&P - 5) Met with gubernatorial candidate Sam Bregman regarding programs and services; Met with gubernatorial candidate Deb Haaland regarding programs and services; Met with Speaker of House and HAFC Chair and Vice Chair regarding programs and services, legislative ask; Provided program and funding overview to House of Representatives Housing Subcommittee; Presented on programs and services to interim Economic & Rural Development & Policy Committee. Q1: 17; YTD: 17

Q2 On Target |

(Marketing Tracking - 19) Anchorum Homegrown Housing Program (Santa Fe); New Mexico Home Builders Association Board & Committee Meeting (Albuquerque); Population Health Learning Collaborative Quarterly Meeting (Albuquerque); Turquoise Trail Groundbreaking Ceremony (Santa Fe); New Mexico Association of Counties Legislative Conference (Santa Fe); Santa Fe Chamber of Commerce Legislative Reception (Santa Fe); Bureau of Indian Affairs Building Bridges Meeting (Española); Route 66 Flats Ribbon-Cutting Ceremony (Albuquerque); TenderLove Community Center Gala (Albuquerque); Bell Bank Affordable Series (Albuquerque); New Mexico State University Career Fair (Las Cruces); Bell Bank Affordable Series (Clovis); University of New Mexico Career Fair (Albuquerque); Santa Fe Association of REALTORS Housing for All Fair (Santa Fe); New Mexico Activities Association State High School Basketball Championships (Albuquerque); Goodwill Industries Community Resource Fair (Albuquerque); Farolito Community Grand Opening & Ribbon Cutting (Albuquerque); Camino del Casitas Groundbreaking (Albuquerque); Village of Angel Fire Affordable Workforce Housing Ribbon Cutting (Angel Fire);

[CDD - 8] RHP overview/ NOFA presentation to an interested Service Provider from Gallup; National Alliance of Recovery Residences to create a NM NARR affiliate + NM Recovery Networking Group (1/22, 3/31); Tres Rios Habitat for Humanity 3/11/26; Presented at NASCSP Winter Training Conference 3/3/26, for Implementing WAP Technical Field Monitoring for DOE grantees and subgrantees; Collaborated with Massachusetts and Maine for Quality Control Inspector succession planning and shortages with state and agency levels on 3/5/26; Presented Navigating the Infrastructure and Investment Jobs Act (IIJA) Final State Plan Modification – Strategies for Success. This webinar was recorded and will be used for training purposes across the nation; On 3/25/26 WAP staff met with Priscilla Lucero, Executive Director of the Southwest New Mexico Council of Governments, to discuss potential state grant opportunities to support service providers. As a result of this conversation, SRHCDC has begun engaging with Priscilla to explore partnership opportunities with HNM and potential funding sources.

[P&P 9] Presentation to Senate Finance Committee regarding programs and funding; Presentation to House Appropriations and Finance Committee regarding programs and funding; Presentation to House Commerce & Economic Development Committee regarding programs and funding; Presentation to House Taxation and Revenue Committee regarding programs and funding; Valencia County Commission meeting to present AHA implementation and compliance; Housing New Mexico Programs Overview for Raton Community Development Collaborative; Meeting with Chenoa Stilwell Jensen regarding tribal opportunities; Sierra County Commission meeting to present AHA implementation and compliance; SW Tribal Justice Collaborative/UNM Health to discuss programs. Q2: 36; YTD: 54 (average of 9 per month)

On Target |

Marketing & Communications Tracking: (19 Total for Q3) April (5)

April 9: Ruidoso Regional Housing Forum, Ruidoso Convention Center

April 15: Gordon Bernell Charter School Spring into Action Resource Fair (Albuquerque)

April 24: New Mexico Bankers Forum at the Greater Albuquerque Association of REALTORS

April 26: Earth Day Festival at Balloon Fiesta Park (Albuquerque)

April 28-29: Colonias Infrastructure Board Meeting & Presentation (Ruidoso)

May (6)

May 7: Saranam Grand Opening (Albuquerque)

May 11: Population Health Learning Collaborative Town Hall (Albuquerque)

May 12—13: New Mexico Symposium on Health (Albuquerque)

May 15: New Mexico Builders Association Builders Summit (Albuquerque)

May 21: Los Lunas Plaza Luna Lofts Groundbreaking (Los Lunas)

May 21: Peachtree Canyon Apartments Ribbon Cutting (Las Cruces)

Q3

June (8)

June 12: Pueblo of Acoma Housing Authority (PAHA) Housing Fair (Acoma Pueblo)

June 15: New Mexico Association of Regional Councils board meeting presentations (MFA)

June 15-18: New Mexico Association of Counties Annual Conference (Gallup)

June 16: Eight Northern Indian Pueblos Council Presentations (Ohkay Owingeh)

June 18-19: New Mexico Bankers Association Annual Conference (Santa Fe)

June 25: Greater Albuquerque Assn of REALTORS ABCD Committee Presentations (Albuquerque)

June 28-30: New Mexico Manufactured Housing Association Annual Conference (Albuquerque)

June 29: New Mexico City Managers Association Meeting Presentation (Ruidoso); (CDD: 3) Connected Golden Forward, Inc. with the Housing Innovations Program (4/13) after the NM Symposium on Health; Spoke with Devon Fite from Lea County SAGE about ROC; Email exchange and Zoom meeting 6/9/26 with Tom Furman, Sacramento Mountains Foundation in Alamogordo about ROC. (P&P: 1)

Hosted the New Mexico Housing Strategy Webinars Q3: 23, YTD: 77 (average 8.5 per month)

Benchmark: 12

 Benchmark: Provide at least 100 formal group training or technical assistance opportunities for existing property owners, developers, service providers and/or lenders.

Q1 On Target |

Homeownership: 13 training sessions to 187 persons. Housing Development provided a LIHTC Fundamentals training and the 2026 QAP Workshop. CDD: 4 Peer Exchanges; 1 info session with City of ABQ and Bernalillo County officials about the Landlord Engagement Program; 5 T&TA sessions with Cloudburst Group for service providers; 1 National HOPWA Networking Group. P&P staff met with Four Corners Economic Alliance and consultants for San Juan County on AHA technical assistance; P&P staff provided technical assistance to Valencia County on AHA compliance; Provided technical assistance to San Juan County Partnership and El Camino Real Housing Authority to begin projects under Rehab-2-Rental Program. (4) YTD: 29

On Target |

Q2 Homeownership: 12 sessions to 344 persons. (CDD- 19): 4 WAP Technical Calls; 2 Regional Weatherization calls; 7 Peer Exchanges; WAP PAC & Public Hearing; Prevailing Wage training with DWS; Monitoring Preparation with TenderLove Community; NSPIRE Implementation guidance for HOPWA; HOME-ARP new provider onboarding training; Contract Renewal Training for over 60 provider agencies. Asset Management: Provided Section 811 training to our LLAs. PP Presented at Southwest Tribal Housing Alliance tri-annual meeting from January 12- 14, 2026. YTD: 62

Met |

Q3 Homeownership: 18 sessions to 254 persons. 2026. (CDD: 21) 5 WAP Technical calls; 3 NASCSP Region 3 calls; IJJA Implementation Working Group; 3 Energy for All calls; 4 RHP Onboarding sessions for 6 new providers; 3 RHP pre-monitoring training sessions; NARR and Hozho meeting for certification; OIS technical assistance to YHDP providers; YTD: 101



Benchmark: 13

Benchmark: Plan housing summit, open house, or networking event.

On Target |

Q1 November 2025: 2025 Housing Summit Wrap Report finalized and presented to CEO and CHO; Executive Summary prepared for board. November 19: 2027 Strategic Planning Meeting with CEO and CHO, Marketing Director, and Sr Director of Policy Planning November 2025: 2026 Open House Committee formed enterprise wide with members from Marketing, CDD, and Policy & Planning December 2025: Date for Ruidoso Regional Housing Forum tentative set for April 9, 2026; planning for housing symposiums begins. December 3, 11 am: First 2026 Open House Committee meeting, planning phase December 2025: Contract Negotiations with Hotel Albuquerque commence; Draft Contract review. December 15, 2025: Contract signed for Ruidoso Convention Center for April 9 Regional Housing Forum.

On Target |

Q2 2027 NEW MEXICO HOUSING SUMMIT: Strategic Timeline & Master Plan Drafted; Speaker Research and portfolio distributed for review; Introductory meeting with three vendors Registration Software Platform (Cvent, Swoogo, Whova) for consideration; held Registration Software Evaluation meetings with vendors Cvent, Whova, and Swoogo; held Housing New Mexico & Cvent Registration Software planning meeting.; held Planning Meeting to discuss keynote portfolio; Finalized hotel contract and Cvent contract. APRIL 9, 2026 REGIONAL HOUSING FORUM (RUIDOSO): Held Strategic Planning Meeting with CEO, CHO, Marketing Director, and Sr Director of Policy & Planning held; Finalized Ruidoso Convention Center contract; held several Planning Meetings. 2026 OPEN HOUSE: Held Committee Meeting in February; held meeting and walk-through with Special Touch Catering

On Target |

2027 NEW MEXICO HOUSING SUMMIT:

April 7: Paid Hotel Albuquerque deposit check for the 2027 New Mexico Housing Summit.

May: Paid Cvent for Housing Summit Registration Website & App Development

May 14: Attended Cvent Onboarding Call and Reviewed Terms & Conditions of Use

June 30: Confirmed booking of first Summit keynote speaker, Shannon Shallcross.

APRIL 9, 2026 RUIDOSO REGIONAL HOUSING FORUM

April 9: Ruidoso Regional Housing Forum took place with 100+ attendees.

Q3 April 23: Ruidoso After Action Review

May 6: Ruidoso Recap Marketing & Communications team

DECEMBER 9, 2026 OPEN HOUSE:

April 1: Open House Committee Planning meeting; catering menu drafted and meal and decoration plan started, musician and theme decided

April 28: Added new Open House committee member, by request, Brittany Coats.

May 28: Reviewed decoration ideas, including luminarias, fairy lights, and etched jars

June 3: Open House Committee Planning Meeting;

June 17: Created luminarias as a team for the Open House

Goal 3 - Maintain judicious financial stewardship and principled, efficient business practices

Benchmark: 14

-  Benchmark: Obtain unqualified opinion on financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits.

Q2 Met | Audit issued with an unmodified opinion and no material weaknesses. Audit was approved by Board on 1/21/2026.

Benchmark: 15

-  Benchmark: Achieve operating performance and profitability equal to net revenues over total revenues of at least 10%.

On Target |

Q1 Operating performance and profitability as of 12/31/25 is 25.45%. The five-year average for operating performance and profitability is 13.78%.

On Target |

Q2 Operating performance and profitability as of 3/31/26 is 22.18%. The five-year average for operating performance and profitability is 13.96%.

On Target |

Q3 Operating performance and profitability as of 6/30/26 is 21.03%. The five-year average for operating performance and profitability is 13.24%.

Benchmark: 16

-  Benchmark: Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 20%.

Q1 On Target | Balance sheet strength as of 12/31/25 is 19.98%. The five-year average for balance sheet strength is 22.49%.

Q2 On Target | Balance sheet strength as of 3/31/26 is 20.53%. The five-year average for balance sheet strength is 22.29%.

Q3 On Target | Balance sheet strength as of 6/30/26 is 20.04%. The five-year average for balance sheet strength is 21.47%.

Benchmark: 17

-  Benchmark: Realize a weighted average administrative fee of at least 18 basis points across bond issues.

On Target |

Q1 In Q1, Housing New Mexico issued no new money bond issues, only a convertible option bond (COB) issuance. As such, it did not earn any administrative fees.

On Target |

Q2 In Q2, Housing New Mexico issued the 2026 Series A/B Bond issue, which was a new money bond issuance. The administrative fee for this issuance was 20 basis points (bps).

On Target |

Q3 In Q3, Housing New Mexico issued the 2026 Series C/D Bond issue, which was a new money bond issuance. The administrative fee for this issuance was 20 basis points (bps).

Benchmark: 18

-  Benchmark: Achieve non recoverable the cost of bond issuance not to exceed 1% of the bond volume and maintain negative arbitrage amounts to be deposited across bond issues at less than 3% of total bonds issued .

On Target |

Q1 Fiscal year to-date, nonrecoverable costs of bond issuance were 0.26% of bonds issued and negative arbitrage deposits were 0.31% of bonds issued.

On Target |

Q2 Fiscal year to-date, nonrecoverable costs of bond issuance were 0.50% of bonds issued and negative arbitrage deposits were 0.19% of bonds issued.

On Target |

Q3 Fiscal year to-date, nonrecoverable costs of bond issuance were 0.14% of bonds issued and negative arbitrage deposits were 0.13% of bonds issued.

Benchmark: 19



Benchmark: Maintain a weighted average total profit of 1% across TBA (to be announced) executions.

Q1 On Target | Fiscal year to-date, weighted average total profit across TBA executions was 1.78%.

On Target |

Q2 For Q2, the weighted average total profit across TBA executions was 1.89%. Fiscal year to-date, the weighted average total profit across TBA executions was 1.84%.

On Target |

Q3 For Q3, the weighted average total profit across TBA executions was 1.73%. Fiscal year to-date, the weighted average total profit across TBA executions was 1.80%.



Benchmark: 20

Benchmark: Earn 100% base fees for PBCA contract.

Q1 On Target | All tasks for this quarter were completed and 100% of the fees were collected.

Q2 On Target | All tasks for this quarter were completed and 100% of the PBCA fees were collected.

Q3 On Target | All tasks for quarter 3 were completed and 100% of the PBCA fees were collected.



Benchmark: 21

Benchmark: Yield a collection rate of 98% or greater for compliance monitoring fees.

Q1 On Target | Invoices for compliance fees were processed and sent out to owner/agents this quarter.

Q2 Met | As of 3/31/2026, 98% of the fees have been collected.

Q3 Met | As of 6/30/2026, 100% of the fees have been collected.



Benchmark: 22

Benchmark: Meet commitment and expenditure requirement of 95% of recurring grant funding.

On Target |

Q1 As of 12-31-25, we believe that we are on target to meet goal. We will have better idea at the end of 3rd quarter as we approach state fiscal year end of 6-30-26.

On Target |

Q2 As of 3-31-26, we are still on target to meet goal. Once we receive billings from Sub-Recipients for April 2025 we will be able to further assess if there any recurring grant funds at risk of not being spent.

Q3 On Target | As of 6-30-26, we are still on target. Commitment and expenditures rates exceed 95% as of quarter end.

Benchmark: 23



Benchmark: Commit 85% of STB recurring funding annually in resources for affordable housing of New Mexico Housing Trust Funds by June 30.

Q1 On Target | STB 26 is 100% committed, 57% awarded and 8% expended.

On Target |

Q2 STB 24 is 100% awarded and 76% expended. STB 25 is 100% awarded and 85% expended. STB 26 is 63% awarded and 19% expended.

On Target |

Q3 Q3: STB 24 is 100% awarded, 82% expended. STB 25 is 100% awarded, 87% expended. STB 26 is 83% awarded, 27% expended.



Benchmark: 24

Benchmark: Increase funding by at least 3 new sources.

Q1 Caution | NA

Met |

Q2 January 12, 2026, received confirmation Housing New Mexico was awarded 2nd round of CEED funding from EMNRD for Energy\$mart program, \$2,000,000; February 20, 2026 Housing New Mexico was awarded \$250,000 of CPF funding from Congresswoman Melanie Stansbury's office. 2026 legislative session \$50 million state funding special appropriation; \$5.1 million state funding capital outlay, YTD 4



Benchmark: 25

Benchmark: Improve at least 15 processes or resources.

On Target |

(CDD - 5) HIP updated forms to be in compliance with HOTMA regulations; HIP consolidated the File Worksheet and Income Certification form into one document, further streamlining processes; HIP updated the Site Inspection form to include date scope items are completed, thus making it easier for providers to track and include in invoicing; Staff improved the process used by COC subgrantees when reporting the number of clients assisted each month by providing a template for them to use and included step-by-step instructions that have resulted in a significant decrease in errors by the subgrantees; Staff received T&TA from International Coaching Federation to develop RHP specific monitoring tools, RHP client file checklist, and RHP monitoring plan. Implemented electronic sign in for visitors. YTD 6

Q1

On Target |

(CDD - 7) Began revising Rehab Standards for HOME program; Eliminated the OPS Report/SF10 for EHAP and CoC invoicing to minimize errors in data reporting; using only APR or CAPER for verifiable dNata; RHP Program Manual received a full revision from the International Coaching Federation (ICF); RHP Monitoring Tools were developed through T&TA with ICF; HOPWA Program Manual received a full revision through T&TA with the Cloudburst Group; HOPWA NSPIRE inspection forms were created to meet the newly implemented standards; WAP collaborated with IT to have the online Energy\$mart System energy savings report to mirror the calculated MMBtu's, kWh, and baseload measure savings with the WAWeb Energy Audit Report -ultimately making data entries flow easier for the service providers and decrease the opportunity for monthly invoicing errors. YTD: 13

Q2

Met |

(CDD - 3) Updated the RHP Service Provider Reporting Template to track # of new job placements for clients, # of clients returning to some form of schooling, and # of clients receiving rental assistance. WAP began working on restructuring the electronic filing system to make it easier to find items in multi-year funder contracts. SLIP created DFA reporting tool spreadsheet to provide clear, concise program information each month. YTD 16

Q3

Goal 4 - Provide robust technological solutions



Benchmark: 26

Benchmark: Maintain a RS3 score greater than or equal to 780, averaged over four quarters.

On Target |

MFA's internal and external penetration testing will be completed in Q4. MFA received a Ivanti Security Score (RS3) of 811 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).

Q1

Q2 Met | The current RS3 score is a 823 Very Low Risk

Q3 Met | The current security risk score is 823 and is considered very low risk.

Benchmark: 27



Benchmark: Achieve a Recovery Point Objective (RPO) for infrastructure servers at or below ten minutes and a Recovery Time Objective (RTO) at or below six hours.

On Target |

The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just over one hour, which is below the goal of six.

Q1

Q2 Met | The current RPO is currently meeting the SLA as we recovered a server on March 9, 2026 in a time of 1hr and 19 minutes.

Met |

The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was less then 10 minutes when restored the Lando server.

Q3



Benchmark: 28

Benchmark: Implement at least 2 new software solutions.

On Target |

Completed the implementation of CEED funding to NM EnergySmart, Least Privilege Access Managment to all employees and added Vendor Privilege Access Management for all our external vendors.

Q1

Q2 On Target |

Q2

Completed the implementation of Clearwater Analytics, intended to monitor and report on Housing New Mexico's single family bond program.

Q3 On Target | Implementing a new help desk ticketing system that will be rolled out end of August.



Benchmark: 29

Benchmark: Complete implementation of the internal funds management system.

On Target |

Q1 Completed first round of User Acceptance Testing and setup PowerLender data for integration (this will allow the tracking of DPA), test and live environments have been setup and migrations will start in Q2.

Q2 On Target | Currently performing second round of user acceptance testing.

On Target |

Q3 We have five meetings that include Policy and Planning and Accounting that have been productive, it has led to requirements creation and we are currently mocking up a new user interface based on input we have had from meetings.

Benchmark: 30



Benchmark: Utilize enhanced loan system technology and initiate a strategic campaign(s) to enroll at least 25% of borrowers to a paperless environment.

On Target |

Q1 Housing New Mexico's Servicing is in the process of finalizing the MITAS e-notification enhancements and will begin the campaign in Q2. Working with Marketing to produce a "go paperless" flyer to send to borrowers.

On Target |

Q2 The MITAS Loan System has been updated for e-notification enhancements and Servicing is testing updates. As soon as testing is successful, we will launch the "go paperless" campaign.

Caution |

Q3 The MITAS Loan System required additional updates to meet the regulatory requirements to support paperless delivery. New updates have been programmed and delivered. Initiative was delayed, and is on caution to meet goal.

Benchmark: 31



Benchmark: Promote automated payment systems to reduce delinquencies and manual payment processing by at least 25%.

On Target |

Q1 Housing New Mexico's Servicing department is in the final stage of implementing a the new MITAS ACH enhancements which expands options for automated payments. Campaign will begin in Q2.

On Target |

Q2 Housing New Mexico's Servicing department is in the process of sending communications to borrowers currently using "manual" payment methods to promote automated payment methods which provide more timely payments and contributes to the reduction of delinquencies.

Caution |

Q3 Housing New Mexico's Servicing department has completed written communication initiative to borrowers utilizing manual payment methods to process monthly payments. Staff continues to promote automated payment methods which provide more timely payments and contributes to the reduction of delinquencies.



Benchmark: 32

Benchmark: Develop, finalize and implement an enterprise wide Artificial Intelligence (AI) Use policy.

Q1 On Target | AI Policy has been developed and finalized, will be presented to Board of Directors in Q2.

Q2 Met | Board approved AI Policy on January 21, 2026. The policy has been implemented and the AI Committee is meeting regularly.

Goal 5 - Foster a healthy, dynamic and team-oriented work environment

Benchmark: 33



Benchmark: Participate in annual employee engagement survey and determine and implement actionable steps to address opportunities for improvement.

Q1 On Target | Draft questions created and presented to Policy Committee. We will continue to edit for potential roll out in the April timeframe.

Q2 On Target | Survey Questions finalized. Survey will go out to all employees in Mid-May.

Q3 On Target | Survey complete. Is currently under review with policy committee, HRD.



Benchmark: 34

Benchmark: Provide training and professional development opportunities.

New |

Housing Development- One staff member attended and passed Grow America's HD 435 course. CDD - 2 staff attended the ReFrame Conference in Kansas City, MO; 1 staff completed Become a Home Inspector certification training in Boulder, CO; T&TA from Fletcher Group and International Coaching Federation for RHP regulations; T&TA from Cloudburst Group for HOPWA; staff completed a total of 7 ADP courses.

Q1

Total of eight staff promotions

On Target |

(Housing Development): two staff members attended the NCSHA Institute in January, one staff member attended the GrowAmerica HD420 training session, five staff members attended the Evaluating, Underwriting, and Monitoring Construction Loans virtual training in March, and one staff member attended the "Workhorse of Affordable Housing Training" in February. Total of nine trainings for HD in Q2.

(CDD): two staff attended NAEH Leadership Summit on Ending Homelessness in San Diego 3/1-3/3/26; one staff member received 32 hours of T&TA through the International Coaching Federation (ICF) for RHP. Have been approved for an additional 32 hours and 32 hours of T&TA through the Cloudburst Group. Have been approved for an additional 32 hours; one staff member completed DRGR for RHP training; one staff member attended The Fletcher Group's monthly RHP Training Webinars; one staff member completed the HOPWA Financial Management course via HUD Exchange; one staff member completed HMIS training via NMCEH; one staff member completed DOE Quality Control Inspector (QCI) Re-certification;

Q2

one staff member attended the NASCSP Weatherization Winter Training Conference 3/3/26; one staff member completed Asbestos inspector training; one staff member attended the National Summit on Youth Homelessness in Washington DC 3/11-3/14/26; one staff member completed Tools of the Trade: Measuring and Exposing Air Leaks; one staff member completed Sessions 1 & 2 of Grants Management in Review; one staff member completed NASCSP Tips and Tricks; one staff member completed NCAP Energy: Advanced Weatherization Strategies for Lowering Household Energy Cost. CDD promoted 2 staff members during Q2. (Finance & Accounting) One staff member completed NCSHA webinar training on multifamily bonds; one staff member attended the Smith's Affordable Housing Finance Conference; one staff member attended the NCSHA HFA Institute; several staff members have been registered for their CPA. Karla Alvarez attended prep classes for Fundamental Payroll certification classes and passed her certification exam. Mike Dines attended Facility Management Certification Course and will be testing in the third quarter. There were 7 staff promotions in Q2.

On Target |

(Housing Development: 26): One staff member attended NH&RA Developers Conference in early May as a speaker and participant. Four Staff members attended NCSHA Credit Connect in June. All HD Staff attended a "Lunch & Learn" session provided by Fidelity National Title insurance. One staff member attended NCSHA's "Implementing BABA" webinar. One staff member took six ADP online courses and also attended the Neighborworks AH101 "Fundamentals of Affordable Housing Development" training. (CDD: 23) - 2 staff attended the Manufactured Housing Conference 6/29; Cloudburst HOPWA Monthly training (4/13, 5/11,6/8); National HOPWA Networking Group (4/13);

Q3

staff received HOPWA T&TA from Cloudburst (4/19, 6/10, 6/17, 6/22, 6/25); ICF RHP T&TA (6/3); HUD RHP Webinar (6/23); Fletcher Group RHP Webinar (6/25); one staff completed ADP training on AI Best Practices for Employees; Anti-Harassment Training; several staff attended the webinar for Proposed Changes to the Uniform Guidance 06/30/2026; Fair Housing Training on 4/29; one staff completed: Weatherization Fiscal Management Session 1, Building Science Principles, Weatherization Fiscal Management Session 2 and Weatherization Fiscal Management Session 3;

Fire Extinguisher and Emergency Plan; one staff attended Energy Out West Board Planning Conference in Portland, OR. HR Mike passed his testing and is now a Certified Facilities Manager, Karla and Andres attended the Annual SHRM Conference. Karla past her test to be a Certified Payroll Administrator. There were 8 staff promotions in Q3.

Benchmark: 35



Benchmark: Consistently provide team building opportunities for Housing NM staff that promote a healthy, dynamic work environment.

Q1

On Target |

P&P Hosted inaugural Fiesta de Frito Pie; has P&P team building (resin neckless and pizza).
P&P hosted a Secret Santa ornament exchange with Marketing/Communication and Admin staff. (3)
Fall Festival with trick o treat for kids for the organization
Team building Wreath decoration and raffle for the entire organization
Hosted Balloon Fiesta breakfast
Random fun day - Hot Chocolate treat
Some staff volunteered at Ronald McDonald House-Guest Chef.
Annual Recognition event

On Target |

- Q2 Hosted "Little Dragon" baby sprinkle for PP team member.
Spontaneous Fun Day-Hot Coco for organization; Quarterly Recognition Event-announcements/team building Activity/Lunch. Finance and Accounting had a teambuilding event involving candle making at a local small business.

On Target |

- Q3 CDD: 2 staff attended the BHSD Retreat in Taos from 6/10-6/12/26; CDD held its annual team building event at Cici's Pizza and Art Attack on 6/24/26; Organization wide team building activity at the Isotopes Park, pass the sombrero activity, held both mothers day and fathers day raffle, continued updates in the Health and Wellness portal, volunteer efforts at Ronald McDonald House and Habitat for Humanity.

- Q4 On Target | Hope the Mission: Breaking the Cycle documentary on 7/8/26

 Benchmark: 36
Benchmark: Complete full compensation study in even years and complete compensation review in odd years.

- Q1 On Target | Scheduled to commence in the May timeframe

- Q2 On Target | Review is underway

QUARTERLY INVESTMENT REPORT 6/30/2026 – EXECUTIVE SUMMARY

1. Housing New Mexico made no liquidations from the State Investment Council (SIC) portfolio in the third quarter of FY 2026.
2. The third quarter of the fiscal year continued to see volatility in the markets. The Federal Open Markets Committee's (FOMC) held rates throughout the second quarter of FY 2026, but ongoing conflicts abroad and an uncertain economic outlook, particularly regarding how the changing Fed leadership will navigate pressures from inflation and the White House, have prevented a clear direction from coming into view.
3. The bond ladder finished the fiscal year effectively in line with its benchmark. During the second quarter of FY 2026, Housing New Mexico had no maturities or purchases with the bond ladder.
4. The SIC portfolio has historically performed well relative to returns for comparable market indices and this trend has continued during FY 2026. As of June 30, 2026, it yielded a weighted average of 10.16% year-to-date (or, annualized, 13.54%), and the leading fund was US Small/Mid Cap Fund, returning 25.17% year-to-date (33.56% annualized).
5. The New Mexico Housing Trust Fund, which is partially invested through short-duration fixed income (the Local Government Investment Pool, or LGIP) and partially invested in the State Investment Council's Credit Plus Pool (comprised predominantly of domestic bond funds), experienced a weighted average rate of return of 3.19%.
6. As of the third quarter of FY 2026, interest income was 64% of the budgeted interest income, within a reasonable margin this early into the fiscal year, though lower than hoped for. The primary cause originated in deficiencies in our budgeting process; staff have remedied for next year's (FY 2027) budget.
7. As of June 30, 2026, Housing New Mexico's General Fund and New Mexico Housing Trust Fund balances are as follows:

General Fund:

Asset Class	6/30/26 Balance**	YTD Yield/ Rate of Return	Comparable Market Return
Cash Held for Operations/Warehoused MBS	\$13,761,583	Various	n/a
Local Government Investment Pool	\$20,836,902	2.81%	n/a
Bond Ladder	\$11,996,289	3.92%	1.45%
MFA's Mortgage-Backed Securities-Intermediate Term	\$8,223,127	5.14%	n/a
MFA's Mortgage-Backed Securities-Long Term	\$11,113,367	3.21%	n/a
Credit Plus Pool-Active (SIC)	\$11,339,304	3.09%	1.75%
Large Cap Index Equity Fund (SIC)*	\$8,203,931	11.88%	10.98%
Small/Mid Cap Fund (SIC)*	\$2,682,969	25.17%	21.29%
Non-US Large Cap Active Fund (SIC)*	\$5,430,453	14.90%	13.49%
General Fund Total	\$93,587,923		

**Balances and yields represent the performance of the total SIC fund; however, of note, Housing New Mexico is tracking portions of these funds as intermediate-term investments and other portions as long-term investments.*

***Total may differ slightly due to rounding differences of funds to the nearest dollar.*

New Mexico Housing Trust Fund:

Asset Class	6/30/26 Balance	Yield/ Rate of Return	Comparable Market Return
Local Government Investment Pool	\$28,855,762	1.86%	n/a
Credit Plus Pool-Active (SIC)	\$12,612,038	3.09%	1.75%
New Mexico Housing Trust Fund Total	\$41,467,799		



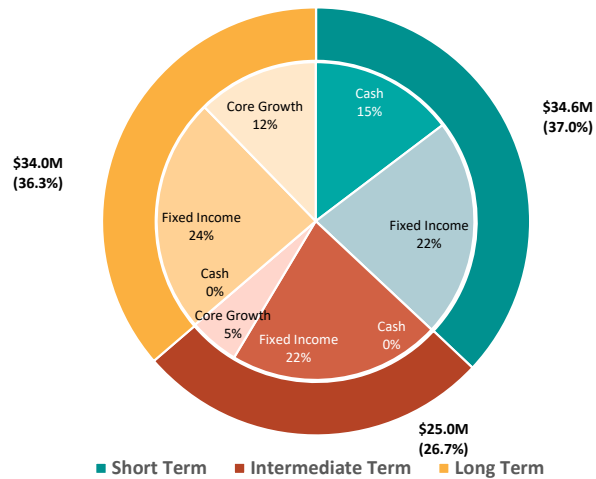
QUARTERLY GENERAL FUND INVESTMENT COMPLIANCE REPORT (AS OF JUNE 30, 2026)

ASSET CLASS	Policy Requirement Target	Policy Requirement Range	Current Portfolio Carrying Value	Portfolio Weighting by Asset Class	Within Range	Fiscal Year Summary
Short-Term Investments (Less than 3 years)			\$ 34,598,485			
Cash (Held for Operations/Warehoused MBS)*	30%	10% - 100%	\$ 13,761,583	40%	Yes	Housing New Mexico's investments yielded returns in-line with or above their benchmarks during the third quarter of FY26. Strong returns from Housing New Mexico's SIC investments, alongside stable returns from some of Housing New Mexico's bond ladder and MBS's have supported the continuation of favorable yields.
Short Duration Fixed Income (LGIP)	70%	0% - 90%	\$ 20,836,902	60%	Yes	
Intermediate-Term Investments (3 to 5 years)			\$ 25,010,822			
Cash	0%	0% - 20%	\$ -	0%	Yes	The macroeconomic climate has remained uncertain throughout the fiscal year, with oscillating tensions between the US and the Middle East, ongoing tariff executions, and burgeoning AI investments. Kevin Warsh took over as Fed chair in May 2026 and has since led two FOMC meetings, choosing to hold rates steady in both. His leadership has brought about a material shift with less forward guidance to investors. Against a backdrop of a resilient but slowing labor market, as well as inflation that remains above target, it remains to be seen how Chair Warsh will navigate the Fed's next steps in the months ahead.
Traditional Fixed Income	75%	65% - 85%	\$ 20,219,415	81%	Yes	
Domestic Fixed Income**	65%	45% - 70%	\$ 20,219,415	81%	No	
High Yield Fixed Income	10%	0% - 15%	\$ -	0%	Yes	
Non-U.S. Fixed Income	0%	0% - 5%	\$ -	0%	Yes	
Core Growth	25%	15% - 35%	\$ 4,791,407	19%	Yes	
Large Cap U.S. Equity	12%	0% - 17%	\$ 2,269,936	9%	Yes	
Small/Mid Cap U.S. Equity	5%	0% - 10%	\$ 1,061,906	4%	Yes	
International Equity	8%	0% - 13%	\$ 1,459,565	6%	Yes	
Long-Term Investments (More than 10 years)			\$ 33,978,616			
Cash	0%	0% - 20%	\$ -	0%	Yes	
Traditional Fixed Income	50%	40% - 60%	\$ 22,452,671	66%	No	
Domestic Fixed Income**	45%	25% - 50%	\$ 22,452,671	66%	No	
High Yield Fixed Income	5%	0% - 10%	\$ -	0%	Yes	
Non-U.S. Fixed Income	0%	0% - 5%	\$ -	0%	Yes	
Core Growth	50%	40% - 60%	\$ 11,525,946	34%	No	
Large Cap U.S. Equity	24%	0% - 29%	\$ 5,933,994	17%	Yes	
Small/Mid Cap U.S. Equity	8%	0% - 13%	\$ 1,621,063	5%	Yes	
International Equity	18%	0% - 23%	\$ 3,970,888	12%	Yes	
			\$ 93,587,923			

*Does not include capital borrowed for loan operations or restricted funds.

**For the purposes of the investment policy, Housing New Mexico has included MBS housing in its portfolio under Domestic Fixed Income.

Portfolio Summary - General Fund



BOARD ACTIONS

August 2005 - approved General Fund Investment
February 2008 - approved new Large Cap Index ETF Pool
January 2009 - approved Revision to Investment Policy
October 2010 - Approved Revision to Investment Policy
May 2011 - Approved revision to Investment Policy
April 2012 - Approved revision to Investment Policy
April 2013 - Approved revision to Investment Policy
April 2016 - Approved revision to Investment Policy
October 2017 - Approved revision to Investment Policy
December 2020-Board affirmed current Investment Policy
January 2023-Approved revision to Investment Policy
February 2025 - Approved revisions to Investment Policy



PORTFOLIO SUMMARY - Short & Intermediate Investments

General Fund	Book Value YTD/Quarter 3 as of 6/30/2026	Book Value YTD/Quarter 3 as of 6/30/2025	Unrealized/Realized Gain/Loss YTD/Quarter 3 as of 6/30/2026	RoR / Yield to Maturity YTD/Quarter 3 as of 6/30/2026	RoR / Yield to Maturity YTD/Quarter 3 as of 6/30/2025
Short-Term					
Cash (Held for Operations/Warehoused MBS*)	\$ 13,761,583	\$ 10,915,271	N/A	Various	Various
Short Duration Fixed Income (LGIP)	\$ 20,836,902	\$ 20,040,522	\$ 378,339	2.81%	4.32%
Intermediate-Term					
Cash	\$ -	\$ -	\$ -	0.00%	0.00%
Traditional Fixed Income	\$ 20,219,415	\$ 20,623,133	\$ (342,553)	4.41%	4.66%
Domestic Fixed Income	\$ 20,219,415	\$ 20,623,133	\$ (342,553)	4.41%	4.66%
Bond Ladder	\$ 11,996,289	\$ 10,978,609	\$ (59,297)	3.92%	4.21%
MFA Mortgage Backed Security Portfolio	\$ 8,223,127	\$ 9,644,524	\$ (283,257)	5.14%	5.16%
High Yield Fixed Income	\$ -	\$ -	\$ -	0.00%	0.00%
Non-U.S. Fixed Income	\$ -	\$ -	\$ -	0.00%	0.00%
Core Growth	\$ 4,791,407	\$ -	\$ 675,964	15.74%	0.00%
Large Cap U.S. Equity	\$ 2,269,936	\$ -	\$ 271,508	11.88%	0.00%
Small/Mid Cap U.S. Equity	\$ 1,061,906	\$ -	\$ 211,734	25.17%	0.00%
International Equity	\$ 1,459,565	\$ -	\$ 192,721	14.90%	0.00%
Total Short Term	\$ 34,598,485	\$ 30,955,793	\$ 378,339	Various	Various
Total Intermediate Term	\$ 25,010,822	\$ 20,623,133	\$ 333,410	6.58%	4.66%
Total Short & Intermediate-Term	\$ 59,609,307	\$ 51,578,926	\$ 711,749	Various	Various

*Does not include capital borrowed for loan operations or restricted funds.

**Weighted average maturity.

BOND LADDER SECTOR ALLOCATION

	Book Value	% of Total Dollars
Fannie Mae	\$ -	0%
FFCB***	\$ -	0%
FHLB***	\$ -	0%
Freddie Mac	\$ -	0%
US Treasury	\$ 11,995,008	100%
Total	\$ 11,995,008	100%

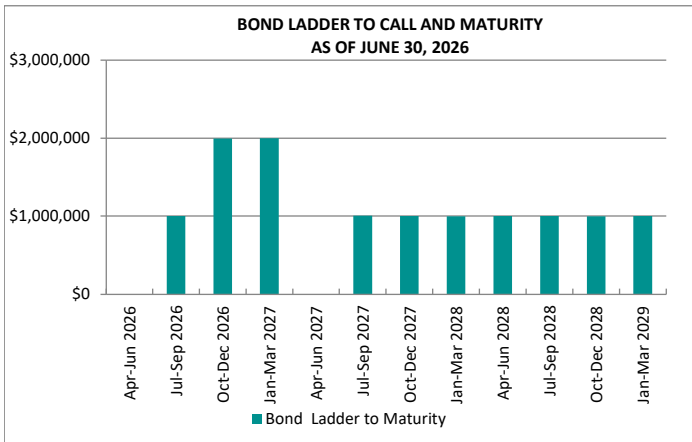
INVESTMENTS PURCHASED IN THE THIRD QUARTER OF FY 2026

Date Purchased	Security	Interest Rate	YTM	Dollar Amount
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***Acronyms standing for the following:

FFCB is Federal Farm Credit Bank

FHLB stands for the Federal Home Loan Bank



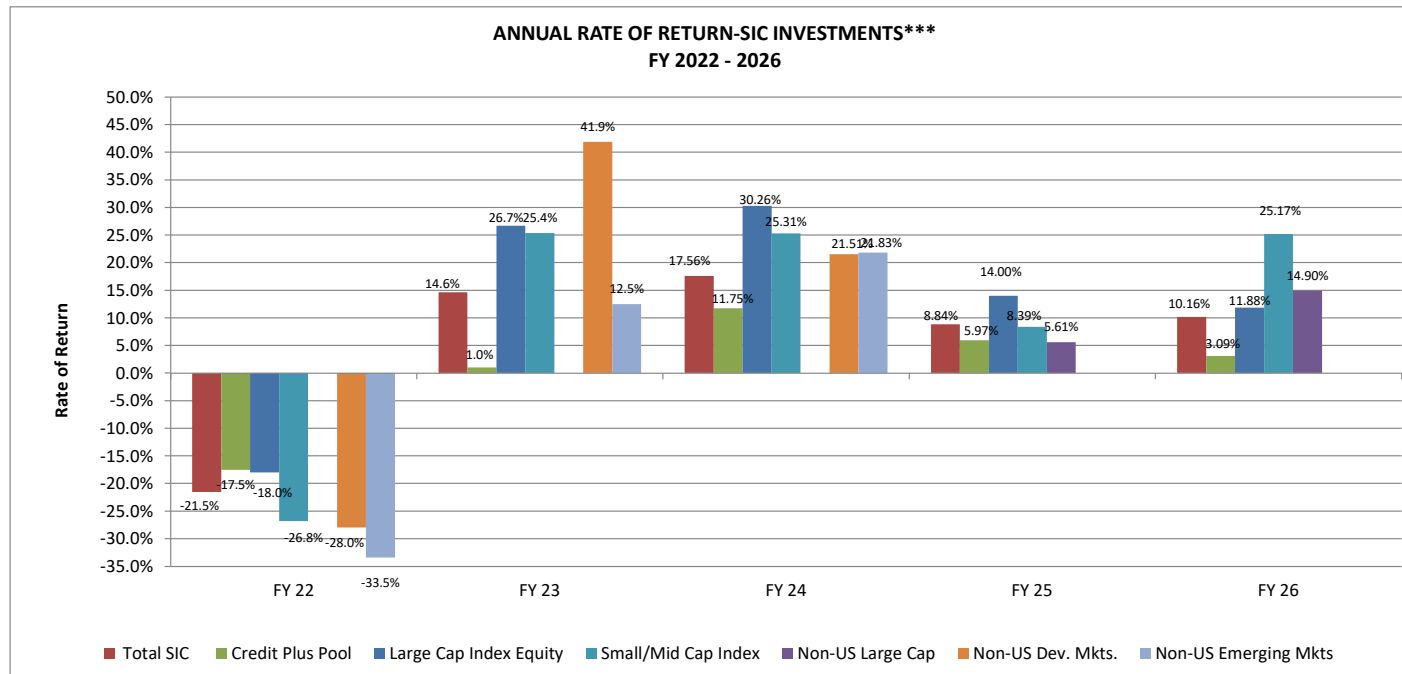


PORTFOLIO SUMMARY - Long Term Investments Including State Investment Council Investments

General Fund	Book/Market Value YTD/Quarter 3 as of 6/30/2026	Book/Market Value YTD/Quarter 3 as of 6/30/2025	Unrealized/Realized** Gain/Loss YTD/Quarter 3 as of 6/30/2026	Unrealized/Realized** Gain/Loss YTD/Quarter 3 as of 6/30/2025	Rate of Return YTD/Quarter 3 as of 6/30/2026	Rate of Return YTD/Quarter 3 as of 6/30/2025	
Long-Term							
Cash	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	
Traditional Fixed Income	\$ 22,452,671	\$ 26,561,521	\$ (1,159,410)	\$ (1,857,469)	3.15%	3.66%	
Domestic Fixed Income	\$ 22,452,671	\$ 26,561,521	\$ (1,159,410)	\$ (1,857,469)	3.15%	3.66%	
MFA's Mortgage Backed Securities Portfolio	\$ 11,113,367	\$ 11,902,398	\$ (1,504,320)	\$ (1,741,775)	3.21%	2.99%	
SIC Credit Plus Pool	\$ 11,339,304	\$ 14,659,123	\$ 344,910	\$ (115,694)	3.09%	4.20%	50%
High Yield Fixed Income	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	
Non-U.S. Fixed Income	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	
Core Growth	\$ 11,525,946	\$ 9,283,777	\$ 1,557,310	\$ 601,627	14.79%	1.84%	
Large Cap U.S. Equity	\$ 5,933,994	\$ 5,845,926	\$ 709,768	\$ 407,633	11.88%	1.01%	
SIC Domestic Large Cap Index Equity Fund	\$ 5,933,994	\$ 5,845,926	\$ 709,768	\$ 407,633	11.88%	1.01%	26%
Small/Mid Cap U.S. Equity	\$ 1,621,063	\$ 654,407	\$ 323,225	\$ (14,170)	25.17%	0.93%	
SIC Small/Mid Cap Fund	\$ 1,621,063	\$ 654,407	\$ 323,225	\$ (14,170)	25.17%	0.93%	7%
International Equity	\$ 3,970,888	\$ 2,783,444	\$ 524,317	\$ 208,164	14.90%	3.79%	
SIC Non-US Large Cap Active Fund	\$ 3,970,888	\$ -	\$ 524,317	\$ -	14.90%	0.00%	17%
SIC Non-US Developed Markets Fund	\$ -	\$ 2,783,444	\$ n/a	\$ 208,164	n/a	3.79%	
SIC Non-US Emerging Markets Fund	\$ -	\$ -	\$ n/a	\$ n/a	n/a	n/a	
Total Long-Term Investments	\$ 33,978,616	\$ 35,845,298	\$ 397,899	\$ (1,255,842)	7.10%	3.19%	

*SIC rates of return are year to date, not annualized.

**Fair Market Value adjustments on the mortgage backed security portfolio are unrealized, however, they are realized on the SIC portfolio.



***FY 26 represents those returns from 10/1/2025 - 6/30/2026.



PORTFOLIO SUMMARY - New Mexico Housing Trust Fund

New Mexico Housing Trust Fund

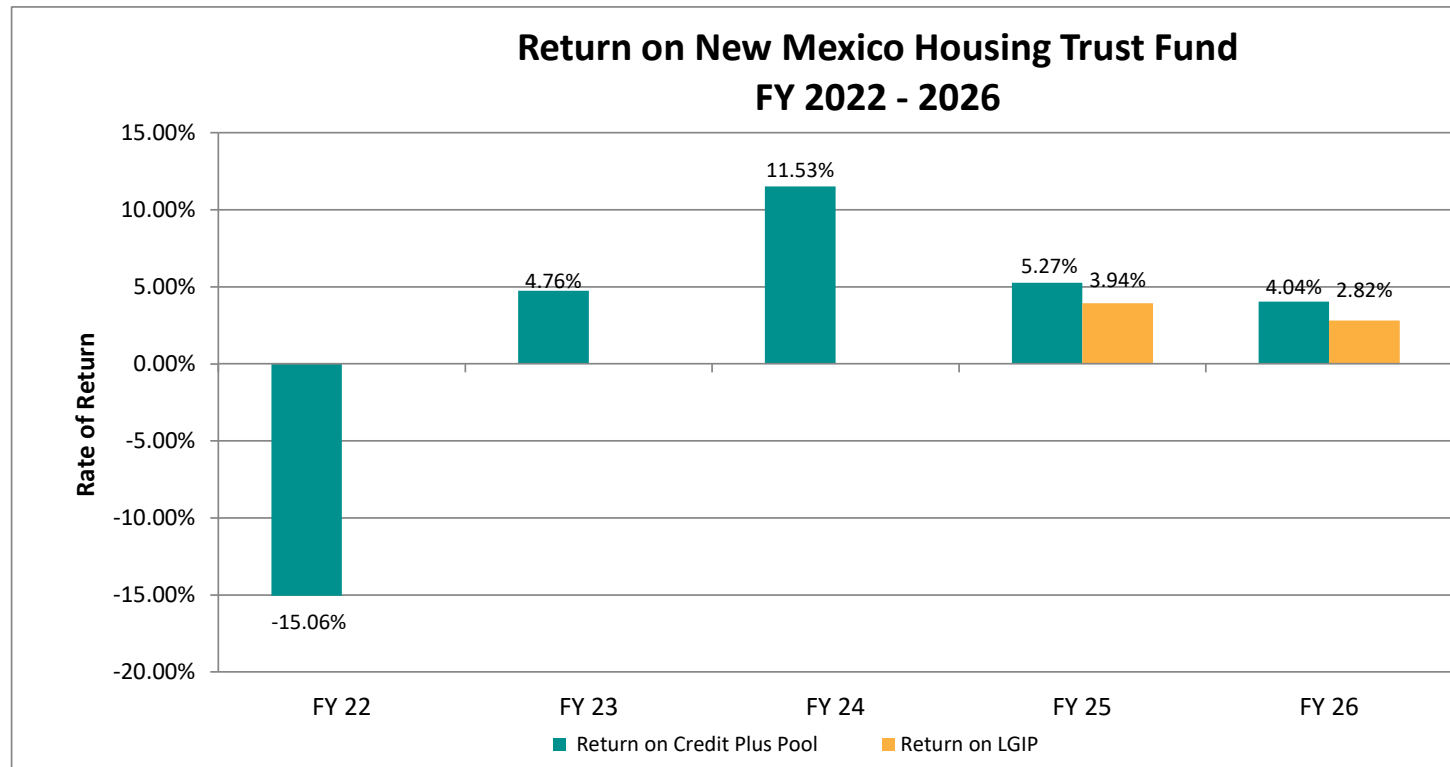
Local Government Investment Pool (LGIP)
SIC Credit Plus Pool

Book/Market Value YTD/Quarter 3 as of 6/30/2026	Book/Market Value YTD/Quarter 3 as of 6/30/2025	Unrealized/Realized Gain/Loss YTD/Quarter 3 as of 6/30/2026	Unrealized/Realized Gain/Loss YTD/Quarter 3 as of 6/30/2025	Rate of Return* YTD/Quarter 3 as of 6/30/2026	Rate of Return* YTD/Quarter 3 as of 6/30/2025
\$ 28,855,762	\$ 40,483,824	\$ 952,176	\$ 1,333,760	2.82%	2.95%
\$ 12,612,038	\$ 6,755,845	\$ 310,799	\$ (62,302)	4.04%	3.14%
\$ 41,467,799	\$ 47,239,669	\$ 1,262,974	\$ 1,271,458	3.19%	2.98%

*SIC rates of return are year to date, not annualized.

SIC FUND ALLOCATION

SIC Credit Plus Pool	100%	100%
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*FY 26 represents those returns from 10/1/2025 - 6/30/2026.



GENERAL FUND INVESTMENT PORTFOLIO - METRICS

Asset Class	S&P	Moody's	Budget	Actual	Interest
	Rating	Rating	Annual Interest Income FY2026	Annual Interest Income as of 6/30/2026	Income Earned of Total Budget as of 6/30/2026
Cash Held for Operations/Warehoused MBS			\$ 467,813	\$ 215,244	46%
Local Government Investment Pool	AAAm		\$ 365,194	\$ 417,771	114%
Bond Ladder			\$ 502,500	\$ 223,590	44%
Fannie Mae		Aaa/Stable			
Federal Farm Credit Bank		Aaa/Stable			
Federal Home Loan Bank		Aaa/Stable			
Freddie Mac		Aaa/Stable			
MFA Mortgage Backed Security Portfolio		Aa3/Stable	\$ 681,008	\$ 454,865	67%
Intermediate Term	AA+	Aa3/Stable			
Long-Term	AA+	Aa3/Stable			
State Investment Council			\$ 960,380	\$ 603,840	63%
Core Plus Bond Fund-Active					
Large Cap Index Equity Fund					
Small/Mid Cap Fund					
Non-US Developed Markets Fund					
Non-US Emerging Markets Fund					
			\$ 2,976,895	\$ 1,915,310	64%

Asset Class Benchmarks	Yield to Maturity/ Rate of Return as of 6/30/2026	Comparable Market Return	
State Investment Council			
Credit Plus Pool	3.09%	1.75%	Bloomberg US Universal Index
Large Cap Index Equity Fund	11.88%	10.98%	Russell 1000 Index
Small/Mid Cap Fund	25.17%	21.29%	Russel 2000 Index
Non-US Large Cap	14.90%	13.49%	MSCI ACWI (net)* (ticker: NDUEACWF)
Cash Held for Operations/Warehoused MBS	Various	N/A	
Local Government Investment Pool	2.81%	N/A	
Bond Ladder	3.92%	1.45%	ICE BofA 1-3 Year US Treasury Index
MFA Mortgage Backed Security Portfolio			
Intermediate Term	5.14%	N/A	
Long-Term	3.21%	N/A	
New Mexico Housing Trust Fund			
Local Government Investment Pool	2.82%	N/A	
Credit Plus Pool	4.04%	1.75%	Bloomberg US Universal Index

1% or more under benchmark

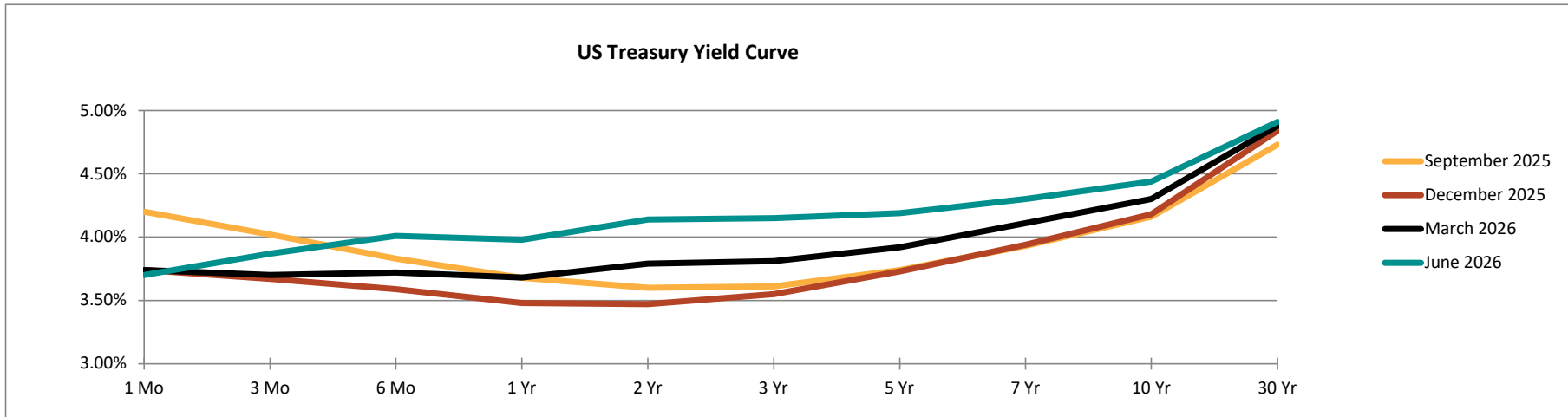
In line with Benchmark

1% or more above benchmark

Economic Indicators

	6/30/2026	6/30/2025	% Diff
NM Median Home Price	\$ 349,900	\$ 350,000	0.0%

	6/30/2026	6/30/2025	% Diff		6/30/2026	6/30/2025	% Diff
Federal Funds Rate	3.63%	4.33%	-16.2%	US Median Home Price	\$ 446,400	\$ 438,600	1.8%
DIJA Value	\$ 52,319	\$ 44,095	18.7%	US Median Family Income	\$ 111,709	\$ 105,934	5.5%
Consumer Price Index (yoy)	3.50%	3.00%	16.7%	Real GDP (yoy) (in \$B)	\$ 32,475	\$ 30,486	6.5%
WTI Oil Spot Price	\$69.50	\$65.11	6.7%	Unemployment Rate	4.20%	4.10%	2.4%
Average US Gas Price	\$4.18	\$3.28	27.7%				



	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	30 Yr
September 2025	4.20%	4.02%	3.83%	3.68%	3.60%	3.61%	3.74%	3.93%	4.16%	4.73%
December 2025	3.74%	3.67%	3.59%	3.48%	3.47%	3.55%	3.73%	3.94%	4.18%	4.84%
March 2026	3.74%	3.70%	3.72%	3.68%	3.79%	3.81%	3.92%	4.11%	4.30%	4.88%
June 2026	3.70%	3.87%	4.01%	3.98%	4.14%	4.15%	4.19%	4.30%	4.44%	4.91%

Source: U.S. Department of the Treasury

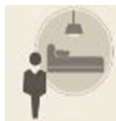
Quarterly Report to the Housing New Mexico | MFA Board of Directors Q3 FY2026

Production Statistics	Current Quarter	Same Quarter Last Year	Fiscal Year to Date
Homeownership			
Number of loans reserved	787	712	2,072
Amount of loans reserved	\$205,214,919	\$177,123,019	\$530,832,304
Number of loans purchased	655	577	1,700
Amount of loans purchased	\$169,584,480	\$142,360,626	\$431,898,394
Number of homebuyers counseled	800	775	2,118
Number of lenders/REALTORS contacted	1,115	1,999	4,793
Housing Development			
Amount of MF loans/grants/bonds	\$3,000,000	\$17,468,922	\$24,600,000
Amount of SF loans/grants	\$3,000,000	\$2,000,000	\$6,163,000
Amount of TC: LIHTC (MF) & State (MF & SF)	\$2,304,963	\$0	\$8,299,774
Number of MF units	204	410	994
Number of SF units	83	47	140
Home Rehab & Weatherization			
Amount of rehab expenditures ¹	\$1,318,528	\$1,034,758	\$4,456,619
Number of homes rehabilitated	6	1	17
Amount of NM EnergySmart expenditures	\$3,029,506	\$2,773,895	\$7,850,019
Number of homes weatherized	113	138	336
Shelter & Supportive Housing Programs			
Amount of shelter supportive service	\$557,927	\$293,972	\$1,813,430
Number of persons serve ²	618	1,175	2,300
Amount of rental assistance ³	\$3,015,039	\$2,455,642	\$9,231,743
Number of persons assisted	918	673	1,509

1 - HOR, Veterans Rehab, HIP, ROC, and Emerg Housing Needs

2 - Coc & EHAP, Espanola Shelter, RHP

3 - HOPWA, Linkages, Home ARP, RR/HP & YHDP



The Need for Assistance Programs:

The New Mexico Coalition to End Homelessness estimates that a minimum of 19,000 to 20,000 New Mexicans experience homelessness each year. The rising costs of housing and steady inflation have increased the number of people experiencing homelessness. While many people resolve their housing crisis on their own or with existing help, over 3,500 each night, and over 6,500 New Mexicans per year do not.

Solutions:

Provide housing assistance to those experiencing homelessness and to those most at risk of homelessness.

Create Permanent Supportive Housing which provides affordable housing assistance with voluntary support services.

Coordinated Entry provides equitable access to housing resources and services for those experiencing homelessness.



The need for home rehabilitation and weatherization:

New Mexico has aging housing stock. 58.7 percent of its homes were built between 1960-1990; only 25.5 percent were built after 2000. The average age of homes in NM is 40 years. The median year in which the 937,397 housing units in NM were built is 1983.

12 percent of the state's homeownership rate can be attributed to mobile homes, some of which are substandard and will not appreciate. 31 percent of New Mexico homeowners are low income and may struggle with housing costs even if they inherited their home and/or do not have a mortgage. Concentrated in rural areas, aging housing stock requires rehabilitation, which many low-income homeowners cannot afford.

Many low-income homeowners are at risk because of health and safety hazards in their homes. They pay high utility bills because they cannot afford to make energy-efficiency improvements.

Solutions:

Rehab/ROC:

Preserves and improves the state's existing housing stock to ensure affordable, stable, and sustainable homes for families across New Mexico

Weatherization:

Weatherization lowers utility bills by providing energy efficiency upgrades and reduces the emergency repair expenses household experience.



The need for mortgage products:

MFA borrowers have an average annual income of \$77,365 and purchase homes with an average price of \$275,263. 32.26 percent are single-parent households; 60.15 percent are minorities.

MFA targets below market mortgage rates, and all first-time homebuyers receive pre-purchase counseling. MFA provides down payment assistance to 84.58 percent of its borrowers. Without these programs, many borrowers could not buy a home.



The need for housing development:

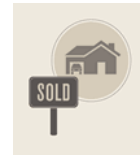
Only 4 percent of New Mexico's housing units are located in apartment complexes of 20 units or more. Many of these are old and in poor condition.

43 percent of renters are cost-burdened, about half pay between 30 percent and 49 percent of their income on rent; the other half pay more than 50 percent.



Quarterly Report to the Housing New Mexico | MFA Board of Directors Q3 FY2026

Servicing	Current Quarter	Same Quarter Last Year
First Mortgage Direct Servicing Delinquency Rate	0.00	4.55
Partners Program delinquency rate	11.84	10.00
DPA loan delinquency rate	10.92	10.54
Multifamily loan delinquency rate	3.42	2.17
Combined delinquency rate - Current Month	10.35	10.40
Combined average delinquency rate-FY	10.22	9.70
Default rate (writeoffs/foreclosure losses)	0.60	0.59
Master Servicing MBS delinquency rate	11.43	10.15
REO Inventory - # of loans	0	0
REO Inventory - Exposure	\$0	\$0



Servicing Department:

Provides direct servicing for over 21,281 loans with a principal balance over \$423 million. Direct Servicing first mortgage delinquency is 0.00 percent. Many of the loans MFA services are for internal programs that target higher risk borrowers.

MFA's Mortgage-Backed Securities (MBS) portfolio is serviced by our sub-servicer with delinquency of 12.71 percent.

Delinquency rates in this portfolio can be benchmarked to Mortgage Banker Association averages 4.07 percent for all loans in New Mexico and 8.68 percent for FHA in New Mexico as of 3/31/2026.

Based on FHA Single Family Loan Performance Trends, the FHA delinquency on new purchases was 14.67 percent as of 3/31/2026.

Monitoring	Current Quarter	Year to Date	Fiscal Year Monitoring Required
Asset Management			
Number of properties monitored	41	131	179
Number of units inspected	320	1079	N/A
Number of files reviewed	387	1201	N/A
Number of PBCA activities	299	873	N/A
Community Development			
Number of required monitorings ³	14	49	49

3 - based on program year, 7/1 - 6/30



Asset Management Department:

Monitors 304 properties and 20,712 units of housing financed by MFA, providing unit inspections and review of records and finances on a regular basis. Asset Management also supports 85 properties and 5,212 units under MFA's HUD Project Based Contract Administrator (PBCA) contract.



Community Development Department:

Manages 30 funding sources with 68 partners across the state. Our partners deliver housing services to more than 8,500 individuals annually and receive approximately \$56 million in funding. Monitoring is performed on a regular basis to ensure program compliance.

Tab 13

New Mexico Housing Trust Fund Severance Tax Bond Earmark Allocations and Special Appropriations

Performance Metrics by Funding Source
Prepared for Housing New Mexico Board of Directors
August-26

Funding Source	Total Allocation	Total Encumbered		Total Awarded		Total Funding Encumbered and Available to Award	Total Expended		Awardee	Award Amount	Activity
NMHTF Severance Tax Bond Earmark SFY 2024	\$ 37,530,000.00	\$ 37,530,000.00	100%	\$ 37,530,000.00	100%	\$ -	\$ 32,120,143.51	86%			
NMHTF Severance Tax Bond Earmark SFY 2025	\$ 34,620,000.00	\$ 34,620,000.00	100%	\$ 34,620,000.00	100%	\$ -	\$ 30,524,115.64	88%			
NMHTF State General Fund Sp. Approp. SFY 2025	\$ 50,000,000.00	\$ 50,000,000.00	100%	\$ 47,322,703.00	95%	\$ 2,677,297.00	\$ 28,233,429.33	56%			
NMHTF Severance Tax Bond Earmark SFY 2026	\$ 44,763,415.00	\$ 44,763,415.00	100%	\$ 40,114,266.00	90%	\$ 4,649,149.00	\$ 12,976,765.51	29%	KT Homes	\$ 3,000,000.00	Single Family Dev
NMHTF Severance Tax Bond Earmark SFY 2027	\$ 51,628,000.00	\$ 51,628,000.00	100%	\$ 22,917,300.00	44%	\$ 28,710,700.00	\$ -	0%	Nueva Acequia	\$ 4,000,000.00	Rental Development
									Uptown Connect	\$ 4,000,000.00	Rental Development
State General Fund Approp. SFY 2027*	\$ 50,000,000.00	\$ 50,000,000.00	100%	\$ 31,500,000.00	63%	\$ 18,500,000.00	\$ -	0%			
Total	\$ 268,541,415.00	\$ 268,541,415.00	100%	\$ 214,004,269.00	80%	\$ 54,537,146.00	\$ 103,854,453.99	39%			

Awards in green are included in the total awarded but are being proposed at the current Housing New Mexico Board of Directors meeting. All awards and expenditures are as of the final Policy Committee meeting on August 10, 2026.

State Fiscal Year (SFY) runs from July - June. Meaning, for example SFY27 is equivalent to July 1, 2026 through June 30, 2027.
Encumbered is defined as Housing New Mexico has a program to deploy the funding and is available to potential applicants (homebuyers, service providers, developers, and other applicants).
Awarded is defined as Housing New Mexico has directed an amount of the funding to an awardee or program.
Expended is defined as Housing New Mexico has released funding through draws or reimbursements.

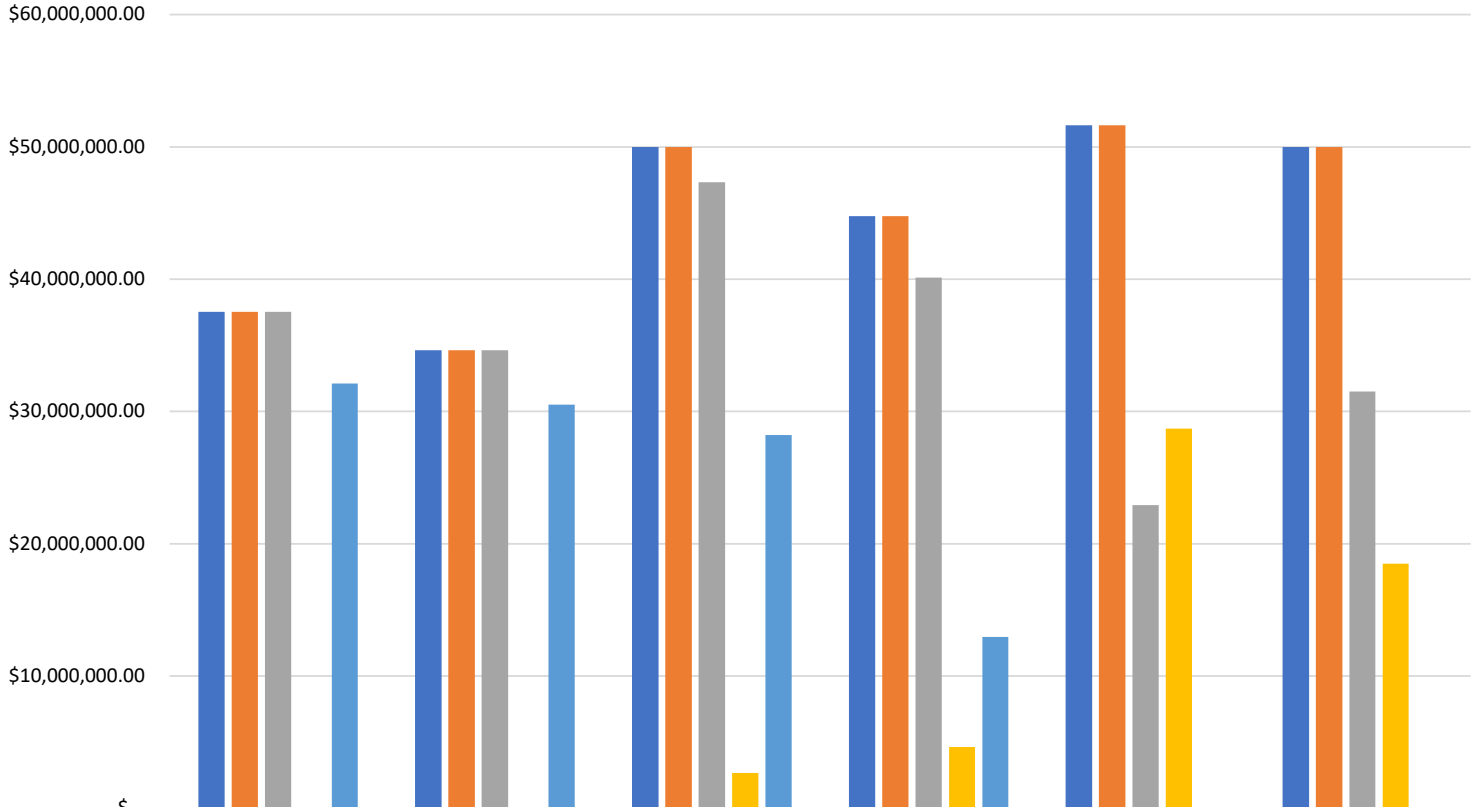
*Appropriated to Housing New Mexico directly, rather than to the NMHTF, funds are being administered consistently with the NMHTF Rules. However, awards recommended from this funding source are not presented to the NMHTF Advisory Committee.

New Mexico Housing Trust Fund Severance Tax Bond Earmark Allocations and Special Appropriations

Performance Metrics by Certified Use
Prepared for Housing New Mexico Board of Directors
August-26

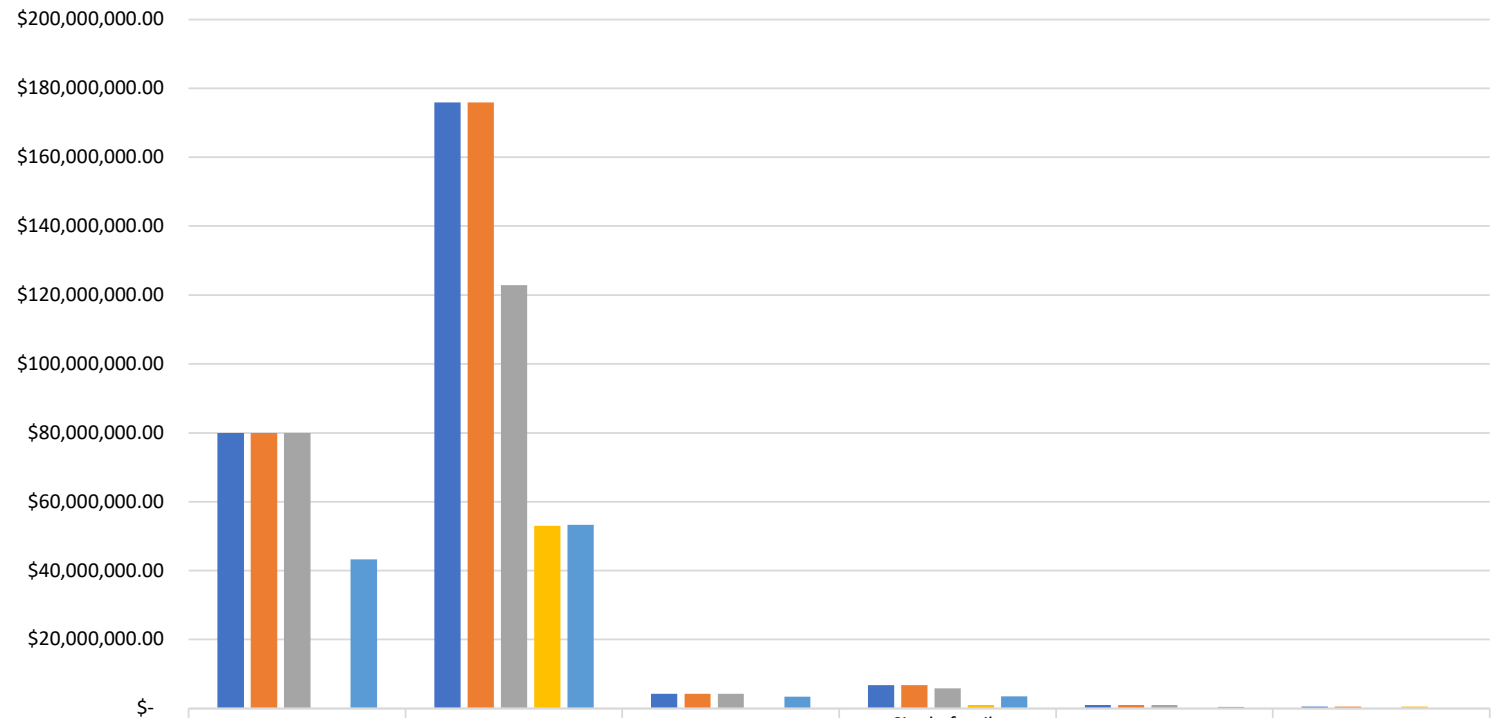
	Funding Allocated & Encumbered	Funding Awarded	Encumbered and Available to Award	Funding Expended
Total	\$ 268,541,415.00	\$ 214,004,269.00	\$ 54,537,146.00	\$ 103,854,453.99
		80%	20%	39%
Down payment assistance	\$ 79,958,415.00	\$ 79,958,415.00	\$ -	\$ 43,257,641.64
		100%	0%	54%
NMHTF SFY24 STB	\$ 11,625,000.00	\$ 11,625,000.00	\$ -	\$ 11,615,252.07
NMHTF SFY25 STB	\$ 20,000,000.00	\$ 20,000,000.00	\$ -	\$ 19,996,006.22
NMHTF SFY25 SGF Sp. Approp.	\$ 9,570,000.00	\$ 9,570,000.00	\$ -	\$ 3,932,554.96
NMHTF SFY26 STB	\$ 7,763,415.00	\$ 7,763,415.00	\$ -	\$ 7,713,828.39
SFY27 SGF SP. Approp.*	\$ 31,000,000.00	\$ 31,000,000.00	\$ -	\$ -
Rental and single family development	\$ 175,930,000.00	\$ 122,892,854.00	\$ 53,037,146.00	\$ 53,240,648.69
		70%	30%	30%
NMHTF SFY24 STB	\$ 22,130,000.00	\$ 22,130,000.00	\$ -	\$ 16,746,153.04
NMHTF SFY25 STB	\$ 14,620,000.00	\$ 14,620,000.00	\$ -	\$ 10,528,109.42
NMHTF SFY25 SGF Approp.	\$ 34,380,000.00	\$ 32,702,703.00	\$ 1,677,297.00	\$ 22,071,639.91
NMHTF SFY26 STB	\$ 35,500,000.00	\$ 30,850,851.00	\$ 4,649,149.00	\$ 3,894,746.32
NMHTF SFY27 STB	\$ 51,300,000.00	\$ 22,589,300.00	\$ 28,710,700.00	\$ -
SFY27 SGF SP. Approp.*	\$ 18,000,000.00	\$ -	\$ 18,000,000.00	\$ -
Single family acquisition and rehabilitation	\$ 4,328,000.00	\$ 4,328,000.00	\$ -	\$ 3,351,929.20
		100%	0%	
NMHTF SFY24 STB	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	\$ 1,983,738.40
NMHTF SFY26 STB	\$ 1,500,000.00	\$ 1,500,000.00	\$ -	\$ 1,368,190.80
NMHTF SFY27 STB	\$ 328,000.00	\$ 328,000.00	\$ -	\$ -
SFY27 SGF SP. Approp.*	\$ 500,000.00	\$ 500,000.00	\$ -	\$ -
Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	\$ 6,825,000.00	\$ 5,825,000.00	\$ 1,000,000.00	\$ 3,544,859.42
		85%		
NMHTF SFY24 STB	\$ 1,775,000.00	\$ 1,775,000.00	\$ -	\$ 1,775,000.00
NMHTF SFY25 SGF Approp.	\$ 5,050,000.00	\$ 4,050,000.00	\$ 1,000,000.00	\$ 1,769,859.42
Homelessness and Homelessness Prevention	\$ 1,000,000.00	\$ 1,000,000.00	\$ -	\$ 459,375.04
		100%	0%	46%
NMHTF SFY25 SGF Sp. Approp.	\$ 1,000,000.00	\$ 1,000,000.00	\$ -	\$ 459,375.04
Affordable Housing Act	\$ 500,000.00	\$ -	\$ 500,000.00	\$ -
		0%	100%	0%
SFY27 SGF SP. Approp.*	\$ 500,000.00	\$ -	\$ 500,000.00	\$ -

New Mexico Housing Trust Fund Severance Tax Bond Earmark Allocations and Special Appropriations - Performance Metrics by Funding Source



Total Allocation	\$37,530,000.00	\$34,620,000.00	\$50,000,000.00	\$44,763,415.00	\$51,628,000.00	\$50,000,000.00
Total Encumbered	\$37,530,000.00	\$34,620,000.00	\$50,000,000.00	\$44,763,415.00	\$51,628,000.00	\$50,000,000.00
Total Awarded	\$37,530,000.00	\$34,620,000.00	\$47,322,703.00	\$40,114,266.00	\$22,917,300.00	\$31,500,000.00
Total Funding Encumbered and Available to Award	\$-	\$-	\$2,677,297.00	\$4,649,149.00	\$28,710,700.00	\$18,500,000.00
Total Expended	\$32,120,143.51	\$30,524,115.64	\$28,233,429.33	\$12,976,765.51	\$-	\$-

New Mexico Housing Trust Fund Severance Tax Bond Earmark Allocations and Special Appropriations - Performance Metrics by Certified Use



Total Allocation	\$79,958,415.00	\$175,930,000.00	\$4,328,000.00	\$6,825,000.00	\$1,000,000.00	\$500,000.00
Total Encumbered	\$79,958,415.00	\$175,930,000.00	\$4,328,000.00	\$6,825,000.00	\$1,000,000.00	\$500,000.00
Total Awarded	\$79,958,415.00	\$122,892,854.00	\$4,328,000.00	\$5,825,000.00	\$1,000,000.00	\$-
Total Funding Encumbered and Available to Award	\$-	\$53,037,146.00	\$-	\$1,000,000.00	\$-	\$500,000.00
Total Expended	\$43,257,641.64	\$53,240,648.69	\$3,351,929.20	\$3,544,859.42	\$459,375.04	\$-

New Mexico Housing Trust Fund Severance Tax Bond Earmark Allocations and Special Appropriaions
Award Detail
Prepaared for Housing New Mexico Board of Directors

Date of Approval	Awardee	Award	Award Amount	Expenditures	Certified Use	Activity	Funding Source	Anticipated Impact	City	County
Jun-23	Chelsea Investment Corp.	Three Sisters	\$ 3,500,000.00	3,500,000.00	Rental and single family development	Rental Development	SFY24 STB Earmark		70 Las Cruces	Dona Ana County
Aug-23	Southwest Regional Housing and Community Development		\$ 134,655.19	134,655.19	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Home Improvement Program	SFY24 STB Earmark		3 Southwestern NM	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Aug-23	Southwest Regional Housing and Community Development		\$ 98,999.86	98,999.86	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Home Improvement Program	SFY24 STB Earmark		1 Southwestern NM	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Sep-23	Homeownership Department	HomeForwardDP A	\$ 999,641.71	999,641.71	Down payment assistance	HomeForwardDPA	SFY24 STB Earmark		67 Statewide	Statewide
Sep-23	La Serena Apartments, LLC	La Serena Apartments	\$ 1,000,000.00	1,000,000.00	Rental and single family development	Rental Development	SFY24 STB Earmark		100 Albuquerque	Bernalillo County
Oct-23	Pedrena Apartments LLC	Pedrena Apartments	\$ 1,000,000.00	1,000,000.00	Rental and single family development	Rental Development	SFY24 STB Earmark		80 Las Cruces	Dona Ana County
Nov-23	Homeownership Department	FirstDown Plus	\$ 10,625,358.29	10,615,610.36	Down payment assistance	FirstDown Plus	SFY24 STB Earmark		708 Statewide	Statewide
Nov-23	NCNO Limited Partnership, LLLP	Encino Senior Gardens	\$ 2,000,000.00	2,000,000.00	Rental and single family development	Rental Development	SFY24 STB Earmark		165 Albuquerque	Bernalillo County
Nov-23	Central New Mexico Housing Corporation		\$ 475,000.00	475,000.00	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Weatherization	SFY24 STB Earmark		34 Central NM	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Nov-23	Southwest Regional Housing and Community Development		\$ 300,000.00	300,000.00	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Weatherization	SFY24 STB Earmark		21 Southwestern NM	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Jan-24	Sawmill CLT		\$ 262,498.00	262,498.00	Rental and single family development	Housing Innovation	SFY24 STB Earmark		105 Albuquerque	Bernalillo County
Jan-24	Restoring Our Communities	Restoring Our Communities	\$ 2,000,000	1,983,738.40	Single family acquisition and rehabilitation	Restoring Our Communities	SFY24 STB Earmark		12 Albuquerque/ North Central NM	Bernalillo, Colfax
Feb-24	Homewise	Sombra del Oeste	\$ 500,000.00		Rental and single family development	Single Family Development	SFY24 STB Earmark		10 Albuquerque	Bernalillo County
Apr-24	HagermanForward Inc.		\$ 500,000.00	23,758.36	Rental and single family development	Housing Innovation	SFY24 STB Earmark		18 Chavez County	Chaves County
Apr-24	San Felipe Pueblo		\$ 450,000.00	450,000.00	Rental and single family development	Housing Innovation	SFY24 STB Earmark		24 San Felipe Pueblo	Sandoval County
Apr-24	Post Las Brisas, LLC	Las Brisas Apartments	\$ 1,000,000.00	880,237.65	Rental and single family development	Preservation	SFY24 STB Earmark		120 Albuquerque	Bernalillo County
Apr-24	EC Ruidoso LP	Elk Meadows Apartments	\$ 2,000,000.00	2,000,000.00	Rental and single family development	Rental Development	SFY24 STB Earmark		72 Ruidoso	Lincoln County
Apr-24	Peachetree Canyon Limited Partnership (to be formed)	Peachtree Canyon	\$ 3,000,000.00	1,419,522.71	Rental and single family development	Rental Development	SFY24 STB Earmark		144 Las Cruces	Dona Ana County
Apr-24	Homewise	Miraflores	\$ 500,000.00	475,000.00	Rental and single family development	Single Family Development	SFY24 STB Earmark		7 Santa Fe	Santa Fe County
May-24	Homeownership Department	FirstDown Plus	\$ 14,496,998.16	14,496,998.16	Down payment assistance	FirstDown Plus	SFY25 STB Earmark		1450 Statewide	Statewide
May-24	Homeownership Department	HomeForwardDP A	\$ 5,503,001.84	5,499,008.06	Down payment assistance	HomeForwardDPA	SFY25 STB Earmark		688 Statewide	Statewide
May-24	North Central New Mexico Economic Development District		\$ 1,000,000.00	697,012.28	Rental and single family development	Housing Innovation	SFY24 STB Earmark		7 North Central NM	Colfax, Los Alamos, Mora, Rio Arriba, San Miguel, Sandoval, Santa Fe, and Taos
May-24	Ohkay Owingeh		\$ 500,000.00		Rental and single family development	Housing Innovation	SFY24 STB Earmark		10 Ohkay Owingeh	Rio Arriba County
Jun-24	Artisan's Guild Contracting, LLC	El Toro Community	\$ 3,000,000.00	3,000,000.00	Rental and single family development	Single Family Development	SFY 2025 SGF Sp. Approp.		29 Roswell	Chaves County
Jul-24	Home Improvement Program		\$ 600,000.00	62,773.19	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Home Improvement Program	SFY 2025 SGF Sp. Approp.		26 Statewide	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties
Jul-24	Chelsea Investment Group	Mariposa Apartments	\$ 2,000,000.00	2,000,000.00	Rental and single family development	Rental Development	SFY25 STB Earmark		51 Taos	Taos County

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Aug-24	Rio Rancho Leased Housing Authority I, LLP	Sandoval Flats	\$ 1,380,000.00	1,380,000.00	Rental and single family development	Rental Development	SFY 2025 SGF Sp. Approp.		216 Rio Rancho	Sandoval County
Jul-24	Central New Mexico Housing Corporation		\$ 250,000.00	249,988.17	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Weatherization	SFY 2025 SGF Sp. Approp.		18 Central NM	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Jul-24	Redfeather Development		\$ 450,000.00	449,998.77	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Weatherization	SFY 2025 SGF Sp. Approp.		32 Navajo Nation	Navajo Nation
Jul-24	Southwest Regional Housing and Community Development		\$ 250,000.00	175,000.00	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Weatherization	SFY 2025 SGF Sp. Approp.		18 Southwestern NM	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Jul-24	Central New Mexico Housing Corporation		\$ 425,000.00	153,347.48	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Weatherization - EnergySmart Solar Program	SFY 2025 SGF Sp. Approp.		30 Central NM	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Jul-24	Redfeather Development		\$ 675,000.00	77,886.42	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Weatherization - EnergySmart Solar Program	SFY 2025 SGF Sp. Approp.		48 Navajo Nation	Navajo Nation
Jul-24	Southwest Regional Housing and Community Development		\$ 1,400,000.00	600,865.39	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Weatherization - EnergySmart Solar Program	SFY 2025 SGF Sp. Approp.		170 Southwestern NM	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Aug-24	Village of Ruidoso		\$ 712,498.00	712,498.00	Rental and single family development	Housing Innovation	SFY 2025 SGF Sp. Approp.		17 Ruidoso	Lincoln County
Aug-24	City of Las Cruces		\$ 1,500,000.00	1,500,000.00	Rental and single family development	Housing Innovation	SFY24 STB Earmark		50 Las Cruces	Dona Ana County
Aug-24	Village of Ruidoso**		\$ 287,502.00	287,502.00	Rental and single family development	Housing Innovation	SFY24 STB Earmark		10 Ruidoso	Lincoln County
Aug-24	Country Club SF, LLC (to be formed)	Country Club Apartments	\$ 3,000,000.00	2,250,000.00	Rental and single family development	Rental Development	SFY25 STB Earmark		62 Santa Fe	Santa Fe County
Aug-24	Ocate SF, LLC (to be formed)	Ocate Apartments	\$ 3,000,000.00		Rental and single family development	Rental Development	SFY25 STB Earmark		60 Santa Fe	Santa Fe County
Aug-24	Rio Rancho Leased Housing Authority I, LLP	Sandoval Flats	\$ 1,620,000.00	1,620,000.00	Rental and single family development	Rental Development	SFY25 STB Earmark		0 Rio Rancho	Sandoval County
Aug-24	Somos Apartments Limited Partnership	Somos Apartments	\$ 4,000,000.00	4,000,000.00	Rental and single family development	Rental Development	SFY25 STB Earmark		70 Albuquerque	Bernalillo County
Sep-24	Forget Me Not Park		\$ 375,000.00	355,269.65	Rental and single family development	Housing Innovation	SFY 2025 SGF Sp. Approp.		Socorro/ Truth or 15 Consequences Area	Socorro County
Sep-24	Lincoln Avenue Communities	Cresta Ranch	\$ 4,000,000.00	4,000,000.00	Rental and single family development	Rental Development	SFY 2025 SGF Sp. Approp.		240 Outside Santa Fe City Limits	Santa Fe County
Nov-24	DBG Properties	Tierra Linda Apartments	\$ 217,913.00	217,913.00	Rental and single family development	Rental Development	SFY 2025 SGF Sp. Approp.		240 Albuquerque	Bernalillo County
Oct-24	Tierra del Sol Housing Corporation	Vado New Horizons	\$ 1,000,000.00	-	Rental and single family development	Single Family Development	SFY 2025 SGF Sp. Approp.		56 Vado	Dona Ana County
Nov-24	NM Ramp Project		\$ 500,000.00	500,000.00	Rental and single family development	Housing Innovation	SFY24 STB Earmark		180 Statewide	Bernalillo, Chaves, Cibola, Dona Ana, Eddy, Lea, Los Alamos, Luna, Rio Arriba, Roosevelt, San Juan Sandoval, Santa Fe, Torrance, and Valencia Counties
Nov-24	Town of Silver City		\$ 500,000.00		Rental and single family development	Housing Innovation	SFY24 STB Earmark		8 Silver City	Grant County

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Dec-24	Saranam		\$732,939.00	459,375.04	Homelessness and Homelessness Prevention	Homelessness and Homelessness Prevention	SFY 2025 SGF Sp. Approp.		13 Albuquerque	Bernalillo County
Jan-25	San Felipe Pueblo		\$229,425.97	229,425.97	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Home Improvement Program	SFY24 STB Earmark		3 San Felipe Pueblo	Sandoval County
Feb-25	Santa Fe Community Housing Trust	Arroyo Oeste Phase II	\$1,000,000.00	15,676.28	Rental and single family development	Single Family Development	SFY24 STB Earmark		8 Santa Fe	Santa Fe County
Feb-25	Dominium Development and Acquisition LLC	Turquoise Trail Apartments	\$2,000,000.00	2,000,000.00	Rental and single family development	Rental Development	SFY 2025 SGF Sp. Approp.		312 Santa Fe	Santa Fe County
Feb-25	Synergy Community Development Corp	Sunset 1600 Apartments	\$3,000,000.00	1,988,750.00	Rental and single family development	Rental Development	SFY 2025 SGF Sp. Approp.		60 Roswell	Chaves County
Feb-25	Y.M.H. Inc dba Youngs Homes	South 40 Subdivision	\$2,000,000.00	484,569.56	Rental and single family development	Single Family Development	SFY 2025 SGF Sp. Approp.		47 Hobbs	Lea County
Mar-25	Dona Ana County and Human Services Department		\$714,971.66	373,213.23	Rental and single family development	Housing Innovation	SFY25 STB Earmark		8 Las Cruces	Dona Ana County
Apr-25	DreamTree Project		\$500,000.00	500,000.00	Rental and single family development	Housing Innovation	SFY24 STB Earmark		250 Taos	Taos County
Apr-25	Chelsea Investment Corp.	West Mesa Ridge A	\$3,000,000	2,500,000.00	Rental and single family development	Rental Development	SFY 2025 SGF Sp. Approp.		128 Albuquerque	Bernalillo County
May-25	Enriched Communities LLC & NM Housing	Elk Meadows Apartments	\$489,300.00	489,300.00	Rental and single family development	Rental Development	SFY26 STB Earmark		Ruidoso	Lincoln County
May-25	New Mexico Housing	Peachtree Canyon II	\$3,000,000.00		Rental and single family development	Rental Development	SFY26 STB Earmark		144 Las Cruces	Dona Ana County
May-25	Spire Development Inc.	Plaza Luna Lofts	\$3,000,000.00	1,277,205.33	Rental and single family development	Rental Development	SFY26 STB Earmark		57 Los Lunas	Valencia County
May-25	Spire Development Inc.	San Mateo Manor	\$3,000,000.00	1,086,900.40	Rental and single family development	Rental Development	SFY26 STB Earmark		50 Albuquerque	Bernalillo County
May-25	Tierra del Sol Housing Corporation	Villa de Tularosa	\$2,500,000.00		Rental and single family development	Rental Development	SFY26 STB Earmark		22 Tularosa	Otero County
May-25	TWG Development LLC & Santa Fe County	Nueva Acequia (9% LIHTC)	\$2,000,000.00		Rental and single family development	Rental Development	SFY26 STB Earmark		53 Santa Fe	Santa Fe County
May-25	Clearbrook Investments, Inc.	Villa Encantada	\$2,900,000.00	2,629,117.64	Rental and single family development	Single Family Development	SFY 2025 SGF Sp. Approp.		83 Moriarty	Torrance County
Jun-25	Home Improvement Program		\$536,918.98	536,918.98	Single family emergency repairs, accessibility, energy efficiency improvements and rehabilitation	Home Improvement Program	SFY24 STB Earmark		27 Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties
Jul-25	Esperanza Shelter		\$64,938.00		Rental and single family development	Housing Innovation	SFY24 STB Earmark		3 Santa Fe	Santa Fe County
Jul-25	Greater Albuquerque Habitat for Humanity		\$500,000.00	169,883.76	Rental and single family development	Housing Innovation	SFY24 STB Earmark		20 Albuquerque	Bernalillo County
Aug-25	Homeownership Department	FirstDown Plus	\$8,370,000.00	3,932,554.96	Down payment assistance	FirstDown Plus	SFY 2025 SGF Sp. Approp.		837 Statewide	
Aug-25	Homeownership Department	HomeForwardDPA	\$1,200,000.00		Down payment assistance	HomeForwardDPA	SFY 2025 SGF Sp. Approp.		141 Statewide	
Aug-25	ECO HAB		\$384,063.00	290,583.40	Rental and single family development	Housing Innovation	SFY 2025 SGF Sp. Approp.		4 El Prado	Taos County
Aug-25	Homeownership Department	FirstDown Plus	\$6,763,415.00	6,749,276.92	Down payment assistance	FirstDown Plus	SFY26 STB Earmark		676 Statewide	Statewide
Aug-25	Homeownership Department	HomeForwardDPA	\$1,000,000.00	964,551.47	Down payment assistance	HomeForwardDPA	SFY26 STB Earmark		125 Statewide	Statewide
Aug-25	New Creation Albuquerque Church		\$65,062.00	65,062.00	Rental and single family development	Housing Innovation	SFY24 STB Earmark		7 Albuquerque	Bernalillo County

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Aug-25	New Creation Albuquerque Church		\$213,467.00	213,334.84	Rental and single family development	Housing Innovation	SFY25 STB Earmark		8 Albuquerque	Bernalillo County
Aug-25	Restoring Our Communities	Restoring Our Communities	\$1,500,000	1,368,190.80	Single family acquisition and rehabilitation	Restoring Our Communities	SFY26 STB Earmark		5 Statewide	Statewide
Sep-25	Greater Albuquerque Habitat for Humanity		\$178,439.00	176,369.56	Rental and single family development	Housing Innovation	SFY 2025 SGF Sp. Approp.		14 Albuquerque	Bernalillo County
Sep-25	New Mexico Ramp Project		\$500,000.00	262,149.75	Rental and single family development	Housing Innovation	SFY 2025 SGF Sp. Approp.		180 Statewide	Statewide
Sep-25	The Life Link		\$350,000.00		Rental and single family development	Housing Innovation	SFY 2025 SGF Sp. Approp.		15 Santa Fe	Santa Fe County
Sep-25	ECOHAB		\$65,937		Rental and single family development	Housing Innovation	SFY26 STB Earmark		0 El Prado	Taos County
Sep-25	Greater Albuquerque Habitat for Humanity		\$71,561.34	71,561.35	Rental and single family development	Housing Innovation	SFY25 STB Earmark		14 Albuquerque	Bernalillo County
Sep-25	Dominium Development and Acquisition LLC	Desert Willow	\$2,000,000.00		Rental and single family development	Rental Development	SFY26 STB Earmark		244 Albuquerque	Bernalillo County
Oct-25	La Casa Inc.		\$500,000.00	376,659.34	Rental and single family development	Housing Innovation	SFY 2025 SGF Sp. Approp.		4 Santa Fe	Santa Fe County
Jan-26	JH Homes Inc.	Oaks Subdivision 7	\$2,163,000	1,697,760.01	Rental and single family development	Single Family Development	SFY 2025 SGF Sp. Approp.		48 Roswell	Chaves County
Jan-26	Blueline Development	Cornerstone Apartments	\$2,782,087.00		Rental and single family development	Rental Development	SFY 2025 SGF Sp. Approp.		30 Lordsburg	Hidalgo County
Jan-26	City of Las Cruces		\$500,000	9,390.10	Rental and single family development	Housing Innovation	SFY26 STB Earmark		500 Las Cruces	Dona Ana County
Jan-26	Rebuilding Together Sandoval County		\$350,000	11,366.85	Rental and single family development	Housing Innovation	SFY26 STB Earmark		30 Rio Rancho	Sandoval County
Feb-26	DreamTree Project		\$500,000	500,000.00	Rental and single family development	Housing Innovation	SFY26 STB Earmark		250 Taos	Taos County
Feb-26	HopeWorks		\$500,000		Rental and single family development	Housing Innovation	SFY26 STB Earmark		1000 Albuquerque	Bernalillo County
Mar-26	Central New Mexico, LP	Central Apartments	\$1,000,511		Rental and single family development	Preservation	SFY 2025 SGF Sp. Approp.		20 Santa Clara	Grant County
Mar-26	Rosedale Limited Partnership	Valley View Apartments	\$1,259,192		Rental and single family development	Preservation	SFY 2025 SGF Sp. Approp.		32 Silver City	Grant County
Apr-26	Stillbrooke Homes, Inc.	Villa Encantada II	\$3,000,000	520,583.64	Rental and single family development	Single Family Development	SFY26 STB Earmark		83 Moriarty	Torrance County
May-26	FirstDown Plus		\$23,400,000		Down payment assistance	FirstDown Plus	SFY 2027 SGF Sp. Approp.		2,340 Statewide	Statewide
May-26	HomeForwardDPA		\$2,600,000		Down payment assistance	HomeForwardDPA	SFY 2027 SGF Sp. Approp.		325 Statewide	Statewide
May-26	Single Family New Construction Interest Rate BuyDown		\$5,000,000		Down payment assistance	Single Family New Construction Interest Rate BuyDown	SFY 2027 SGF Sp. Approp.		350 Statewide	Statewide
May-26	Crosstown		\$267,061		Homelessness and Homelessness Prevention	Homelessness and Homelessness Prevention	SFY 2025 SGF Sp. Approp.		8 Las Cruces	Dona Ana County
May-26	Crosstown		\$232,939		Rental and single family development	Housing Innovation	SFY26 STB Earmark		20 Las Cruces	Dona Ana County
May-26	Habitat for Humanity		\$500,000		Rental and single family development	Housing Innovation	SFY26 STB Earmark		17 Albuquerque, Rio Rancho	Bernalillo County, Sandoval County
May-26	Elderly Housing Development & Operations Corporation	Edward Romero Terrarce II Apartments	\$3,000,000		Rental and single family development	Rental Development	SFY27 STB Earmark		39 Albuquerque	Bernalillo County

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May-26	JL Gray and HERO	Desert Sun III	\$ 3,000,000		Rental and single family development	Rental Development	SFY27 STB Earmark		52 Deming	Luna County
May-26	Redwood Communities	Montana Meadows/Wildewood	\$ 3,000,000		Rental and single family development	Rental Development	SFY27 STB Earmark	140	Las Cruces, Roswell	Dona Ana County, Chavez County
May-26	Spire Development Inc.	Niko Commons	\$ 410,700		Rental and single family development	Rental Development	SFY26 STB Earmark		37 Bernalillo	Sandoval County
May-26	Spire Development Inc.	Niko Commons	\$ 2,589,300		Rental and single family development	Rental Development	SFY27 STB Earmark		0 Bernalillo	Sandoval County
May-26	W-HOMES, LLC and GHK Properties, LLC	Este Es Otono	\$ 2,000,000		Rental and single family development	Rental Development	SFY26 STB Earmark		35 Taos	Taos County
May-26	Restoring Our Communities	Restoring Our Communities	\$ 328,000		Single family acquisition and rehabilitation	Restoring Our Communities	SFY27 STB Earmark		1 Statewide	Statewide
Jun-26	JH Homes Inc.	Oaks Subdivision 7	\$ 3,000,000		Rental and single family development	Single Family Development	SFY26 STB Earmark		48 Roswell	Chaves County
Jul-26	North Central New Mexico Economic Development District		\$ 500,000		Rental and single family development	Housing Innovation	SFY26 STB Earmark		3 Statewide	Statewide
Jul-26	Heading Home		\$ 301,975		Rental and single family development	Housing Innovation	SFY26 STB Earmark		800 Albuquerque	Bernalillo
Jul-26	Restoring Our Communities	Restoring Our Communities	\$ 500,000		Single family acquisition and rehabilitation	Restoring Our Communities	SFY 2027 SGF Sp. Approp.		2 Statewide	Statewide
Jul-26	Chelsea Investment Corp.	West Mesa Ridge B	\$ 3,000,000		Rental and single family development	Rental Development	SFY27 STB Earmark		144 Albuquerque	Bernalillo
Aug-26	KT Homes	Metro Square	\$ 3,000,000		Rental and single family development	Single Family Development	SFY26 STB Earmark		64 Las Cruces	Dona Ana
Aug-26	TWG Development LLC & Santa Fe County	Nueva Acequia (4% LIHTC)	\$ 4,000,000		Rental and single family development	Rental Development	SFY27 STB Earmark		106 Santa Fe	Santa Fe County
26-Aug	Family Housing Dev Corp & Palindrome Prop.	Uptown Connect	\$ 4,000,000		Rental and single family development	Rental Development	SFY27 STB Earmark		176 Albuquerque	Bernalillo