

#### MFA Housing New Mexico MFA December Board of Directors Meeting December 18, 2024 9:30 am-12:30 pm Mountain Time

#### **Chair Convenes Meeting**

- ➤ Roll Call (Izzy Hernandez)
- > Approval of Agenda Board Action
- ➤ Approval of 11/20/24 Board Meeting Minutes Board Action
- Executive Director Updates

#### Presentation

JH Homes, Inc./Biltwise Structures (Chance Mitchells, President and Jessica Board, Head of External Relations)

**Board Action Items** 

(Action Required)

#### **Finance Committee**

- 1 FY 2025 & 2026 Internal Audit Plan (Claire Hilleary, Moss Adams (YES)
- 2 MFA Internal Audit Budget to Actual Summary 2024 (Claire Hilleary, Moss Adams) (YES)
- 3 Follow up on open Internal Audit Observations (Claire Hilleary, Moss Adams) (YES)
- 4 2025 Request for Renewal of Bond Inducement Resolution (Jacobo Martinez & Christi Wheelock) (YES)

#### **Contracted Services/Credit Committee**

- 5 Housing Innovation Award Recommendation for Saranam (Daniela Freamon & Sonja Unrau) (YES)
- 6 CPF Affordable Housing in Fire Affected Counties Award Recommendation for Village of Angel Fire (Stephanie Gonzales & Robyn Powell) (YES)
- 7 Approval of S. Flores as new Executive Director of Western Regional Housing Authority (John Garcia) (YES)
- 8 Approval of N. Martinez as new Executive Director of Northern Regional Housing Authority (John Garcia) (YES)
- 9 Recovery Housing Program Award Recommendation (Jackie Homet) (YES)

#### **Closed Session**

(Motion and affirmative vote are required to close the meeting for these limited purposes)

10 Executive Session- NM Energy\$mart Program YES
Executive Session to be held pursuant to Section 10-15-1 (H)7
Threatened or Pending Litigation
of the Open Meeting Act: Discuss Matters Related to NM Energy\$mart
Program (Izzy Hernandez, Troy Cucchiara & Eleanor Werenko)

#### **Open Session**

#### (Motion and affirmative vote are required to open the meeting)

11 Statement Regarding Matters Discussed in Closed Session- Section 10-15-1(H)7 YES

Threatened or Pending Litigation of the Open Meeting Act: Discuss Matters Related to NM Energy\$mart Program (Izzy Hernandez, Troy Cucchiara & Eleanor Werenko)

- 12 Approval of DOE 2024-2025 State Plan Modification, Re-allocation of funds (Troy Cucchiara, Kellie Tillerson & Donna Maestas De-Vries) (YES)
  Other
- 13 Proposed Changes to MFA Rules and Regulations (Robyn Powell) (YES)
- 14 Quarterly Investment Report (Ulrich Investment Consultants) (NO)
- 15 Housing New Mexico Portfolio Delinquency Update (Theresa Laredo-Garcia) (NO)
- 16 Housing New Mexico Single Family Programs Report (Rene Acuna) (NO)

**Other Board Items** 

**Information Only** 

- 17 (Staff is available for questions)
  - Staff Action Requiring Notice to Board

#### **Monthly Reports**

No Action Required

- 18 (Staff is available for questions)
  - Marketing & Communications Monthly Update
  - 10/31/24 Financial Statements
  - New Mexico Housing Trust Fund Update

#### **Announcements and Adjournment**

**Discussion Only** 

Confirmation of Upcoming Board Meetings

- ➤ January 7, 2025 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ January 15, 2025 Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- ➤ February 11, 2025 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ February 19, 2025 Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- ➤ March 11, 2024 Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- ➤ March 19, 2024 Wednesday 9:30 a.m. (MFA Board of Directors Meeting)



#### HOUSING NEW MEXICO MORTGAGE FINANCE AUTHORITY

### **Board Meeting**

# 7425 Jefferson St. NE Albuquerque, NM 87109 Wednesday, December 18, 2024- 9:30 a.m.

#### **Proposed Agenda**

#### **Chair Convenes Meeting**

- ➤ Roll Call (Izzy Hernandez)
- ➤ Approval of Agenda Board Action
- ➤ Approval of 11/20/24 Board Meeting Minutes Board Action
- ➤ Executive Director Updates

#### **Presentation**

JH Homes, Inc./Biltwise Structures (Chance Mitchell, President and Jessica Boad, Head of External Relations)

Board Action Items Action Required

#### **Finance Committee**

1	FY2025 & 2026 Internal Audit Plan (Claire Hilleary, Moss Adams)	YES
2	MFA Internal Audit Budget to Actual Summary 2024 (Claire Hilleary, Moss Adams)	YES
3	Follow up on open Internal Audit Observations (Claire Hilleary, Moss Adams)	YES
4	2025 Request for Renewal of Bond Inducement Resolution (Jacobo Martinez & Christi Wheelock)	YES

#### Contracted Services/Credit Committee

	ontracted Services/Credit Committee	
5	Housing Innovation Award Recommendation for Saranam (Daniela Freamon & Sonja Unrau)	YES
6	CPF Affordable Housing in Fire Affected Counties Award Recommendation for Village of Angel Fire (Stepl	nanie
	Gonzales & Robyn Powell)	YES
7	Approval of S. Flores as new Executive Director of Western Regional Housing Authority (John Garcia)	YES
8	Approval of N. Martinez as new Executive Director of Northern Regional Housing Authority (John Garcia)	YES
9	Recovery Housing Program Award Recommendation (Jackie Homet)	YES

#### **Closed Session**

(Motion and affirmative vote are required to close the meeting for these limited purposes)

10 Executive Session- NM Energy\$mart Program

YES

Executive Session to be held pursuant to Section 10-15-1 (H)7 Threatened or Pending Litigation
of the Open Meeting Act: Discuss Matters Related to NM Energy\$mart Program (Izzy Hernandez,
Troy Cucchiara & Eleanor Werenko)

#### **Open Session**

(Motion and affirmative vote are required to open the meeting)

- 11 Statement Regarding Matters Discussed in Closed Session- Section 10-15-1(H)7 YES Threatened or Pending Litigation of the Open Meeting Act: Discuss Matters Related to NM Energy\$mart Program (Izzy Hernandez, Troy Cucchiara & Eleanor Werenko)
- 12 Approval of DOE 2024-2025 State Plan Modification, Re-allocation of funds (Troy Cucchiara, Kellie Tillerson & Donna Maestas De-Vries)

  YES

#### Other

13 Proposed Changes to MFA Rules and Regulations (Robyn Powell)

YES

14 Quarterly Investment Report (Ulrich Investment Consultants)

15 Housing New Mexico Portfolio Delinquency Update (Theresa Laredo-Garcia)

16 Housing New Mexico Single Family Programs Report (Rene Acuna)

NO

NO

Other Board Items Information Only

17 (Staff is available for questions)

Staff Actions Requiring Notice to Board

Monthly Reports
18 (Staff is available for questions)

Non-Action Required

- (Stair is available for questions)
  - Marketing & Communications Monthly Update
  - 10/31/24 Financial Statements
  - New Mexico Housing Trust Fund Update

#### **Announcements and Adjournment**

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### HOUSING NEW MEXICO | MORTGAGE FINANCE AUTHORITY

## **Board Meeting**

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#### **Chair Convenes Meeting**

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- > Executive Director Updates

#### **Presentation**

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Board Action Items Action Required

#### Finance Committee

1 FY 2025 & 2026 Internal Audit Plan (Claire Hilleary, Moss Adams) - Internal Audit projects anticipated in FY 2025 & 2026 and their budgeted hours. The projects selected were based on a combination of factors including management input, the results of the Enterprise Risk Management report and known or upcoming external reviews.

YES

- 2 MFA Internal Audit Budget to Actual Summary 2024 (Claire Hilleary, Moss Adams) Board acceptance is requested for the fiscal year-end report on the Actual state of the Internal Audit contract.

  YES
- **Follow up on open Internal Audit Observations (Claire Hilleary, Moss Adams)** Staff seeks discussion and approval for the FY 2024/2025 Internal Audit Plan.
- 4 2025 Request for Renewal of Bond Inducement Resolution (Jacobo Martinez & Christi Wheelock) Housing NM Staff recommends that the Housing NM Board approve this delegation of authority for declaring official intent to reimburse qualified expenditures, reinforcing the streamlined process established in 2023. The following Housing NM officers would be authorized to execute these declarations, facilitating efficient and timely responses to requests for volume cap: Isidoro Hernandez, Executive Director/CEO; Arundhati Bose, Chief Financial Officer; Jeff Payne, Chief Lending Officer; Donna Maestas-Devries, Chief Housing Office.

#### **Contracted Services/Credit Committee**

- 5 Housing Innovation Award Recommendation for Saranam (Daniela Freamon & Sonja Unrau) Housing New Mexico staff recommend awarding grant funding in the amount of \$732,939 to Saranam under the Housing Innovation NOFA to provide housing to families experiencing homelessness.
- 6 CPF Affordable Housing in Fire Affected Counties Award Recommendation for Village of Angel Fire (Stephanie Gonzales & Robyn Powell) Staff recommends Board of Directors approval of a \$2,420,700 award to the Village of Angel Fire for rental housing development under the Affordable Housing in Fire Affected Counties Notice of Funding Availability.

  YES
- 7 Approval of S. Flores as new Executive Director of Western Regional Housing Authority (John Garcia) Staff recommend approval of Sonia Flores as the new executive director of the Western Regional Housing Authority. YES
- 8 Approval of N. Martinez as new Executive Director of Northern Regional Housing Authority (John Garcia) Staff recommends approval of Natasha Martinez as the new executive director of the Northern Regional Housing Authority.

  YES
- **9 Recovery Housing Program Award Recommendation (Jackie Homet)** Staff is requesting approval to award Recovery Housing Program funding to TenderLove Community Center in the amount of \$1,200,000, (\$949,584 immediately; and \$250,416 upon HUD approval of FY2024 funds), and Endorphin Power Company in the amount of

\$693,200, (\$400,000 immediately and \$293,200 upon HUD approval of FY2024 funds). Once approved by the Board, contracts will be sent for execution of current available NOFA funds.

YES

#### **Closed Session**

(Motion and affirmative vote are required to close the meeting for these limited purpose)

10 Executive Session- NM Energy\$mart Program

YES

Executive Session to be held pursuant to Section 10-15-1 (H)7 Threatened or Pending Litigation of the Open Meeting Act: Discuss Matters Related to NM Energy\$mart Program (Izzy Hernandez, Troy Cucchiara & Eleanor Werenko)

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**12** Approval of DOE 2024-2025 State Plan Modification, Re-allocation of funds (Troy Cucchiara, Kellie Tillerson & Donna Maestas De-Vries) - Housing NM | MFA is terminating contracts with ICAST, our multifamily service provider because of failure to meet contractual obligations. Upon Board approval, staff will submit the updated State Plan to DOE and revise the current contracts with the three single family service providers to include the unspent balances for each of the five funding sources listed above.

YES

#### Other

- 13 Proposed Changes to MFA Rules and Regulations (Robyn Powell) MFA may modify the Mortgage Finance Authority Rules and Regulations from time to time with approval of the Legislative Oversight Committee. Approval is contingent on approval from the MFA Board of Directors, which will consider the recommendation at its November board meeting. Staff is recommending approval by the Legislative Oversight Committee to modify the definition of Moderate-Income persons or families.

  YES
- 14 Quarterly Investment Report (Ulrich Investment Consultants) Ongoing

NO

- 15 Housing New Mexico Portfolio Delinquency Update (Theresa Laredo-Garcia) Delinquency trends for Housing New Mexico loan portfolio to include the in-house direct servicing portfolio and subserviced portfolio delinquency. The presentation will also discuss actions taken to reduce delinquency and the impacts the economy and other factors have on both portfolios.
- 16 Housing New Mexico Single Family Programs Report (Rene Acuna) Semiannual single family program update for fiscal year 2024.
  NO

Other Board Items Information Only

17 (Staff is available for questions)

Staff Actions Requiring Notice to Board

Monthly Reports Non-Action Required

18 (Staff is available for questions)

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- New Mexico Housing Trust Fund Update

#### Announcements and Adjournment

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### NEW MEXICO MORTGAGE FINANCE AUTHORITY Board Meeting Minutes 7425 Jefferson St. NE Albuquerque, NM 87109 Wednesday, November 20, 2024 at 9:30 a.m.

Chair Angel Reyes convened the meeting on November 20, 2024, at 9:38 a.m. Secretary Hernandez called the roll. Members attending in person: Chair Angel Reyes, State Treasurer Laura M. Montoya, Julie Ann Meade (designee for Attorney General Raúl Torrez), Martina C'de Baca (designee for Lieutenant Governor Howie Morales), Rebecca Wurzburger. Virtual attendance: Derek Valdo and Randy Traynor. Absent: none. 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, making reference to microphone sensitivity. He then provided voting protocol for those members participating virtually.

Approval of Agenda – Board Action. Motion to approve the November 20, 2024, Board agenda as presented: Wurzburger. Seconded by State Treasurer Laura M. Montoya. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger-yes, Randy Traynor- yes. Vote: 7-0.

Approval of 10/16/2024 Board Meeting Minutes – Board Action. Motion to approve the October 16, 2024, Board Meeting Minutes as presented: C'de Baca. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdoyes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 7-0.

Hernandez provided his Executive Director updates: **Program Updates**: Mortgage Ops: 25'-14.1M Avg (11/12/24), FYTD \$85M/353 reserve. MFA (GOV) Int. 5.75% / Mkt: 6.75% (11/13/24) – 4.50% (4/22). **Significant meetings/presentations**: 10/24: LFC Presentation. 10/30: Weatherization Day. 11/13: Santa Fe Listening Session. 11/14: Legislative Oversight Committee #5- Draft Leg., Rules and Regs. 11/14: Albuquerque Listening Session. 11/19: SBOF Meeting- Bond Cap Request. **Upcoming Meetings**: 11/21: Opportunity Enterprise Fund Mtg. 12/11: CAVCO and Housing NM Mtg. Hernandez then thanked Board Members who participated in the Listening Session throughout the state. He stated the four key takeaways for the listening session: 1- Need for more housing. 2- Rehab and Preservation. 3- Homeless issues. 4- Housing NM|MFA Program awareness. He also congratulated Joseph Navarreté who was elected as the Sons of the American Legion National Commander. He then recognized Gina Bell on her upcoming retirement and thanked her for her many years of service with Housing New Mexico|MFA. Lastly, he provided an update of the New Mexico Housing Trust Fund.

#### **Consent Agenda**

- 1 MFA Weatherization Program Internal Audit Executive Summary (Robyn Powell & Jackie Nutima)- The Weatherization Program Internal Audit was completed in the last quarter of FY2024. There were no findings or recommendations as a result of the audit. Staff are commended on the programmatic and accounting procedures in place.
- 2 Bi-Annual Compliance Activities Report (Robyn Powell & Jackie Nutima) The activities described in this report are intended to provide the Board of Directors with assurance that Housing NM is effectively managing compliance with Federal and State consumer financial laws applicable to the products and services being provided by Housing NM and mitigating risk related to the single-family mortgage lending and servicing functions, including contracted activities. There was no significant compliance concerns identified during the reporting period.
- **Freddie Mac Certificate of Incumbency 2024 (Jeff Payne)** Freddie Mac Certificate of Incumbency was updated with the authorized signatories. This is a standard form that gets updated on a regular cadence.

Motion to approve the consent agenda items as listed: MFA Weatherization Program Internal Audit Executive Summary, Bi-Annual Compliance Activities Report, and Feddie Mac Certificate of Incumbency 2024: Wurzburger. Seconded by:

Meade. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina

C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 7-0.

#### **Contracted Services/Credit Committee**

- 4 2024 Annual Action Plan Substantial Amendment (Sonja Unrau & Robyn Powell) Unrau began her presentation recommending the Board of Directors' approval of the Substantial Amendment to the 2024 Annual Action Plan. The 2024 Annual Action Plan was approved by Housing New Mexico's Board of Directors and the Department of Finance and Administration's Community Development Council in April 2024. An Annual Action Plan is a HUD requirement and provides a summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and goals identified by the Consolidated Plan. Substantial amendments are modifications to an Annual Action Plan that involve either the addition of a covered project, a change in program benefit or eligibility criteria, the addition or deletion of an activity, or the allocation or reallocation of more than 10% of grant funds. This substantial amendment involves a change in program benefits, addition of activities, and the allocation of additional funding. This Substantial Amendment proposes changes to HOME allocations, HOME rental development and homeowner rehabilitation award limits, and incorporates revised National Housing Trust Fund design standards. The specific changes are found in Tab 4 of the Board packet. Motion to approve the 2024 Annual Action Plan Substantial Amendment as presented: C'de Baca. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 7-0.
- 5 Government Relations Request for Proposal Outcome (Robyn Powell) Powell began her presentation stating proposals were not received under the Government Relations Request for Proposals and staff are unable to recommend any awards. After Board approval of the RFP on September 18, 2024, staff posted notice on our main website, housingnm.org, under Funding Opportunities. The full RFP and the RFP timeline were posted. Additionally, notice of the RFP was published in the Santa Fe New Mexican and the Albuquerque Journal on October 4, 2024. Staff received and responded to one inquiry on the RFP, however, no proposals were received within the posted deadline. Non-Action Item.
- 6 Tierra Linda Apartments New Mexico Housing Trust Fund Loan Request (Justin Carmona & Tim Martinez) Carmona began his presentation requesting a \$3,000,000 NMHTF loan request for Tierra Linda Apartments, located in Albuquerque, New Mexico. Tierra Linda Apartments is a proposed New Construction multifamily project that will create 240 one-, two-, three-, and four-bedroom units for households with children. All 240 units will be income restricted to households earning 60% or less of AMI. Tierra Linda Apartments will have a large community building and a clubhouse containing a kitchenette, a large exercise room with fitness equipment, and an outdoor veranda. There will also be a laundry room adjacent to the community building. In-unit washers and dryers will be available to rent from the property owner. Site amenities include landscaped courtyards between buildings with picnic areas and walking paths. 120 carport parking spaces will also be available to rent. The proposed project presents a favorable risk profile and is recommended for approval. Motion to approve the Tierra Linda Apartments- New Mexico Housing Trust Fund Loan Request as presented: State Treasurer Laura M. Montoya. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya-yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- yes. Vote: 7-0.
- 7 HOME Rehab NOFA Revisions (Leann McDonald & John Garcia) McDonald began her presentation requesting approval of all summarized changes to the HOME Rehab NOFA. By lifting territory restrictions, more New Mexicans can be assisted, and current wait times of several years in some areas, can be decreased. By removing the cap per project, more projects will be approved, and more housing throughout the state will have long-term sustainability. By increasing the internal hard cost cap, per home, to \$165,000, Housing NM will be able to meet the rising cost for materials and labor. This will also assist in the backlog of HOME funding that needs to be spent. Housing NM believe that these changes will create a streamlined process, and by implementing these changes, Housing NM will avoid items that have previously caused delay and denial of projects. Lengthy discussion ensued

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regarding the proposed changes. It was suggested the changes be taken to a review committee prior to Board recommendation. Motion to Table the Home Rehab NOFA Revisions: State Treasurer Laura M. Montoya. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- absent. Vote: 6-0

#### **Finance Committee**

- 8 Financial Statements Review Unaudited 9/30/24 (Arundhati Bose) Bose began her presentation providing an overview of the unaudited financial statements. Housing NM has priced and closed four bond issues. The Housing NM earning asset have grown by 18% and total value of bonds outstanding has increased by 28%. She then discussed the Moody's rating and subserviced portfolio. She concluded by providing an overview of the graphs that can be found in the Board packet in Tab 8. Motion to approve the Financial Statements Review Unaudited- 9/30/24 as presented: State Treasurer Laura M. Montoya. Seconded by Meade. Roll Call Vote: Angel Reyes- yes, Derek Valdoyes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- absent, Randy Traynor- absent. Vote: 5-0
- 9 HOME funds status update (Donna Maestas-DeVries & George Maestas) Maestas-DeVries began her presentation providing a statue update of the HOME funds. Due to the COVID 19 pandemic production in both Housing NM's HOME programs, Rehab, and lowed for a couple of years. This created a high balance of unspent funds. At the same time, Housing NM continued to receive the annual allocations from HUD and program income from past projects, which further increased the balance. Staff will implement the program changes to increase per home rehab limits and the rental development loan limits to expediate the project commitments and spending. Staff are considering new program ideas that are being researched. Housing NM believes that most of the funds will be committed in this program year, Housing NM plan to monitor progress while continuing to evaluate new programs for implementation in the event the existing programs experience any delays. Non-Action Item.

#### **Other**

- 10 Strategic Plan 2024 Benchmarks Closeout (Jeff Payne, Donna Maestas-DeVries & Arundhati Bose) Payne, Maestas-DeVries and Bose provided a review of the 30 of 31 Strategic Plan benchmarks that were met or exceeded. Staff recommend the approval of the Strategic Plan Benchmarks Closeout for fiscal year 2024. Motion to approve the Strategic Plan 2024 Benchmarks Closeout as presented: State Treasurer Laura M. Montoya. Seconded by Wurzburger. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- absent. Vote: 6-0
- 11 Quarterly Marketing Summary Report (Kristie Garcia) Garcia presented the quarterly marketing and communications presentation consists of the strategic marketing overview of MFA's recent activities related to press releases, advertising, media coverage, social media posts and outreach efforts. Non-Action Item.
- 12 2025 Legislative Agenda (Robyn Powell) Powell presented the 2025 Legislative Agenda (bills 229115.3 and 229114.1) which was endorsed by Housing NM|MFA's legislative oversight committee on November 14, 2024. Staff is also seeking Board approval of same. Motion to approve the 2025 Legislative Agenda as presented. Wurzburger. Seconded by C'de Baca. Roll Call Vote: Angel Reyes- yes, Derek Valdo- yes, State Treasurer Laura M. Montoya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynorabsent. Vote: 6-0

#### **Closed Session**

Chair Reyes stated that next on our agenda is a discussion of the Executive Director Performance and Compensation Review, for which the Board will move to a closed session. Chair Reyes entertained a motion to close the meeting

Housing New Mexico/MFA Regular Board Meeting Minutes November 20, 2024

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pursuant to Section 10-15-1(H) (2) of the Open Meetings Act for the purpose of discussing limited personnel matters related to the performance and compensation of the Executive Director. Motion to close the meeting as presented: Wurzburger. Seconded by Meade. He then asked if there is any discussion regarding the motion to close the meeting for this sole purpose. Hearing none, roll call vote was called: Angel Reyes- yes, Derek Valdo- yes, Proxy Christine Anayayes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- absent. Vote: 6-0.

Chair Reyes stated for Board Member participating remotely, to please log out of the webcast and login into the closed session webcast. For Board Members present in the room today the closed session will convene in another room. Attendees are welcome to stay in the Board room and on the webcast. When the discussion regarding limited personal matters is concluded, the Board Members and General Counsel will return to the Board room and to the webcast.

#### 13 Executive Session-Limited Personnel Matters

• Executive Session to be held pursuant to Section 10-15-1 H (2) of the Open Meeting Act: Discuss Executive Director Performance and Compensation Review (Chair Reyes)

#### **Open Session**

At 1:12 p.m. Chair Reyes confirmed that the Board is now convened in open session, that the webcast is running again and make the statement: The Board met in closed session and discussed only those limited personnel matters that were identified in the agenda. No other issues were discussed, and no action was taken.

14 Executive Director Performance and Compensation Review (Chair Reyes)

Chair Reyes entertained a motion to make the statement a part of the minutes of the meeting. He provided an overview: Executive Director evaluation conducted, Board Member feedback included in evaluation, evaluation conducted by Board Chair and recommended the Board approve a change in compensation. He then entertained a motion to accept the Executive Director's Performance Evaluation and to increase the Executive Director's annual salary to \$195,858.66 and automobile allowance to \$1,000.00: Wurzburger. Seconded by Meade. Roll call vote: Angel Reyes- yes, Derek Valdo- yes, Proxy Christine Anaya- yes, Proxy Martina C'de Baca- yes, Julie Ann Meade- yes, Rebecca Wurzburger- yes, Randy Traynor- absent. Vote: 6-0.

Other Board Items Information Only

15 There were no questions asked of staff.

- Staff Action Required Notice to Board
- Quarterly Multifamily Construction Pipeline Report

Monthly Reports Non-Action Required

16 There were no questions asked of staff.

New Mexico Housing Trust Fund Update

Quarterly Reports Non-Action Required

#### 17 There were no questions asked of staff.

Quarterly Board Report

Housing New Mexico/MFA Regular Board Meeting Minutes
November 20, 2024

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Announcements and Adjournment- Confirmation of upcoming Board Meetings.					
There being no further business the meeting was adjourned at 1:15 p.m.					
Approved:					
Chair, Angel Reyes	Secretary, Isidoro Hernandez				



# HOUSING NEW MEXICO | MORTGAGE FINANCE AUTHORITY

# Finance/Operations Committee Meeting Tuesday, December 10, 2024 at 1:30 p.m.

Webex - call-in information is 1-408-418-9388 (access code): 2494 245 9027 or you can join the call from the calendar item

	Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1	Quarterly Investment Report- Ulrich		NO
2	Delegation of Authority for Multifamily Bond Inducement Resolution Renewal – Christi Wheelock and Jacobo Martinez	3-0	YES
3	FY2025 & 2026 Internal Audit Plan - Jackie Nutima & Robyn Powell	3-2	YES
4	MFA Internal Audit Budget to Actual Summary 2024- Jackie Nutima & Robyn Powell	3-0	YES
5	Follow up on open Internal Audit Observations- Jackie Nutima & Robyn Powell	3-8	YES
Inf	Formation items		
6	October 2024 Wire Transfers		NO
7	October 2024 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
	The manufacture and manufactur	Maria	



December 3, 2024

To: Housing New Mexico (New Mexico Mortgage Finance Authority (MFA))

From: Moss Adams LLP

Subject: FY 2025 and 2026 Internal Audit Plan

This memorandum outlines the Internal Audit projects anticipated in fiscal years 2025 and 2026 and their budgeted hours. The projects selected were based on a combination of factors including, management input, the results of the Enterprise Risk Management report and known or upcoming external reviews.

Budget	\$ 159,950.00
Less Sales tax @ 7.625%	\$ (11,332.11)
Funds available for hours	\$ 148,617.89
Hourly rate	185
Hours available to bill	803

#### FY2025

Internal Audits:	
AP/Cash Disbursements and ACH transactions (includes accounting and	
servicing)	120
SOC Reporitng Audit - Vendor Management Process	120
New Mexico Housing Trust Fund (NMHTF – Selected Programs):	150
-Housing Innovation	
-Restoring Our Communities	
Adminstration:	
ERM and Risk Management	80
990 Form Prep	30
Follow-up, Annual Reporting and Administration	50
Training- ACH Fraud- between 65-81 hours	81
Servicing QC	168
Total Hours Planned	<u>799</u>



#### FY 2026

Internal Audits:	
Rapid Rehousing/Homeless Prevention	120
New Mexico Housing Trust Fund (NMHTF – Selected Programs):	100
HOME Rehab	120
Recovery Housing Program (RHP)	150
Adminstration:	
ERM and Risk Management	120
990 Form Prep	30
Follow-up, Annual Reporting and Administration	50
Post-Purchase Quality Control Review and Quality Control Plan (Fannie Mae)	160
Servicing QC	168
Total Hours Planned	<u>850</u>

New Mexico Mortgage Finance Authority Internal Audit Budget to Actual Summary Fiscal Year 2024

Area	2024 Budgeted Hours	2024 Actual Hours	Variance (Over)/Under	Comments
				No High Risk Areas
ERM and Risk Management	80	77	3	Three High to Medium Risk Areas
Internal Audits				
Information Technology	140	110	30	2 Low Risk Findings
Mortgage Operations	120	116	4	2 Low Risk Findings
Weatherization Assistance Program	100	104	(4)	No Findings
Follow-up, Annual Reporting and Administration	50	27	23	Hours as of (10/31/2024)



#### FINAL REPORT

# Housing New Mexico | New Mexico Mortgage Finance Authority

FOLLOW-UP ON OPEN INTERNAL AUDIT OBSERVATIONS

December 4, 2024

Moss Adams LLP 6565 Americas Parkway NE, Suite 600 Albuquerque, NM 87110 (505) 878-7200



# **Table of Contents**

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#### I. INTRODUCTION

Moss Adams LLP (Moss Adams) was contracted by Housing New Mexico | New Mexico Mortgage Finance Authority (HNM) to perform its outsourced internal audit functions. As part of the internal audit process and the commitment to continuous improvement, accountability, and transparency, this report presents the findings from our follow-up on the open internal audit observations recorded throughout the year as well as any unresolved internal audit observations from previous years. It provides a concise overview of the actions taken, status, and progress made toward addressing each observation.

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 report was developed based on information gathered from our interviews and analysis of sample documentation, if applicable. The procedures performed do not constitute an examination in accordance with generally accepted auditing standards or attestation standards.

### II. PURPOSE AND OBJECTIVES

Moss Adams performed follow-up procedures in response to HNM's interest in determining the resolution status of previous internal audit observations. The follow-up procedures were not intended to be a complete re-audit of the programs or departments, but rather a high-level assessment to determine whether progress had been made to resolve previous observations. Specifically, our procedures were limited the following:

- We obtained a listing of all open internal audit observations and their current status, as reported by HNM. The listing contained all internal audits finalized and presented to the Board of Directors, through September 30, 2024, that had low, moderate, or high-risk observations.
- We reviewed the indicated status provided by HNM, and for those observations listed as
  resolved, we obtained documentation to support the updates or corrective actions taken by HNM.
  This included items such as policies and procedures, contracts and/or contract amendments, and
  other documentation to support the corrective action. We assessed the documentation provided
  to determine whether the related observations appeared to be resolved.

For purposes of this report, we have classified the resolution status into three categories: resolved, partially resolved, or open. For those observations reported by HNM to be partially resolved or open, we did not perform follow-up procedures to assess progress. While our focus was primarily on understanding the progress made on previous observations, it is crucial to mention that our follow-up procedures did not delve into the evaluation of best practice recommendations. This distinction allowed us to concentrate our efforts on previous observations characterized as low, moderate, or high risk, and the related prior recommendations and prior management responses.

This report is intended solely for the information and use of HNM. If additional procedures had been performed, other matters might have come to our attention that would have been reported to you.

# III. SUMMARY OF RESULTS

# A. INFORMATION TECHNOLOGY (IT) – JULY 2023 AND JUNE 2024

OBSERVATION AREA	RISK RANKING	OBSERVATION	RECOMMENDATION	MANAGEMENT RESPONSE/ DETERMINATION	COMPLETION DATE	STATUS
Mapping of Organizational Data Flows	Low	HNM had a network diagram that was reviewed after changes were made to the network, but was not reviewed on a periodic basis.  HNM did not create data flow diagrams for all critical business processes.	HNM should continue developing data flow diagrams that accurately depict datasets shared between systems and applications. Data flow diagrams should outline critical business processes. As each step of a business process is defined, HNM should consider identifying the following:  The various ways of entering data into the system or application  The personnel and vendors who enter, manage, or maintain systems, applications, or data  Systems or vendors that store, transmit, or process data.  Within the Data Security Policy, HNM should also define the frequency for performing reviews and updates to network and data flow diagrams.	Management agrees with these recommendations and IT has incorporated these recommendations into their 2024 Goals.	30-Sep-24	Resolved: IT has developed and incorporated these flow diagrams for Powerlender, Federal Home Loan Bank and Mitas dataflows and updated the Data Security Policy.
Access Permissions	Low	HNM was in the process of enforcing the least privileged methodology in their environment through implementing the use of PolicyPak and providing individual accounts for vendors. Additionally, there was no segregation of duties language in	We recommend HNM continue implementing PolicyPak, which will serve as a least privileged tool. Once implemented, HNM should create a granular access control policy and a segregation of duties matrix that will detail access control requirements for specific employee roles and provide access to critical applications and systems. The policy and matrix should include the type of access control implemented and the level of privilege required for the types of roles within	Management agrees with these recommendations to implement the least privileged tool and creation of a granular access control policy and segregation of duties matrix. IT has incorporated these recommendations into their 2024 Goals.	30-Sep-24	Partially Resolved: HNM's IT Department is committed in implementing a "Zero Trust" environment and is currently testing "Least Privileged Access" software that when implemented will remove administrative access from all IT staff. This needs to be fully piloted and tested before full implementation to

OBSERVATION AREA	RISK RANKING	OBSERVATION	RECOMMENDATION	MANAGEMENT RESPONSE/ DETERMINATION	COMPLETION DATE	STATUS
		HNM's data security policy that was enforced for	the company. This should address the special local administrative access and act as a governing			ensure Its ability to manage systems without interruption.
		internal HNM users.	process to ensure that least privilege and segregation of duties are enforced.			Testing is planned to be completed by fiscal year end 2025.
Establishment of Baseline Configuration	Low	While PDQ was effectively used to manage assets, HNM did not have a configuration baseline for servers.	We recommend HNM define configuration baselines for servers that, at a minimum, reduce the number of open ports and services that are not needed.	Management agrees with the recommendation to define configuration baselines in order to reduce the number of open ports and services. IT has incorporated this recommendation into their 2024 Goals.	30-Sep-24	Resolved: Baseline configurations for all end-user computers were established as well as a creation of a checklist to be completed before a computer is issued. A master image has been created using the "Clonezilla" software. Additionally, IT has used baseline scripting to disable vulnerable security protocols and utilizes a security vendor to assist with monitoring baseline ports.
Implementation of System Development Life Cycle (SLDC)	Low	HNM developers used the same accounts for both environments.	We recommend HNM's developers use different local accounts for development and production. This will improve security and governance and provide broader access to the HNM developer team, based on the access each account needs. Additionally, see PR.DS-7 for recommendation.	Management agrees with the recommendation to use different local accounts for development and production. IT has incorporated this recommendation into their 2024 Goals.	30-Sep-24	Resolved: The IT department has implemented both a test and development environment that is separate from the live production space thus the phases of the SDLC consisting of Planning, Requirement Analysis, Design, Development, Testing, Deployment, and Maintenance concept is In full implementation and ongoing.
Proper Segregation of Development/ Testing to Production Environments	Low	HNM developers used the same accounts for both environments,	We recommend HNM create and configure access controls to ensure developers do not use the same accounts for both live and test environments to ensure effective user credential security is achieved.	Management agrees with the recommendation to configure access controls so developers are using different accounts for live vs test environments. IT has incorporated this	30-Sep-24	Partially Resolved: The IT department has implemented both a test and development environment that is separate from the live production space thus bringing the IT department closer to addressing the issues of the separation of duties. The process of moving application into production

OBSERVATION AREA	RISK RANKING	OBSERVATION	RECOMMENDATION	MANAGEMENT RESPONSE/ DETERMINATION	COMPLETION DATE	STATUS
				recommendation into their 2024 Goals.		provides a challenge as the application development staff of HNM is small however we are committed to the issue and continue to discuss possible solutions. Implementation of Least Privileged Access and separate accounts will not be required. Full implementation will occur in fiscal year 2025.
Test of Response and Recovery Plans	Low	HNM had not tested their Business Continuity and Disaster Recovery plans since before the COVID outbreak. Those tests were reported to have helped them handle the COVID transition.	We recommend HNM conduct tests of their Business Continuity and Disaster Recovery plans on an annual basis to assist them with achieving their highest level of preparation in the event of a disaster.	Periodic testing of HNM's Business Continuity and Disaster Recovery plans are outlined in HNM's Continuity and Disaster Recovery policy. Testing of the plan occurred on June 30, 2022, documentation can be provided, and a new simulation tabletop exercise is currently being created and will be implemented with a target timeframe on the second quarter of 2024.	31-Mar-24	Resolved: HNM completes an annual test; and this process was formalized in the Emergency Management Plan dated September 9, 2024.
Cybersecurity Awareness	Low	Voluntary information sharing should occur with external stakeholders to achieve broader cybersecurity situational awareness. HNM maintained a formal incident response plan (IRP) and emergency management plan (EMP), each of which defined information sharing by	We recommend adding other stakeholders, which could potentially include partners, United State Department of Housing and Urban Development, Freddie Mac, and Fannie Mae.	Management agrees with Moss Adams recommendation to add additional partners such as United State Department of Housing and Urban Development, Freddie Mac, and Fannie Mae to the formal Incident Response Plan (IRP) and the Emergency Management Plan (EMP) when it comes to cybersecurity processes.	30-Sep-24	Resolved: HNM has a breach policy that follows specific communication and notification guidelines. This policy is managed by the Compliance team and the following additional partners have been added: Federal Housing Administration and Fannie Mae.

OBSERVATION AREA	RISK RANKING	OBSERVATION	RECOMMENDATION	MANAGEMENT RESPONSE/ DETERMINATION	COMPLETION DATE	STATUS
		their external vendors such as Arctic Wolf, ANM Network Cybersecurity, and Darktrace to achieve broader cybersecurity awareness. This was also part of the vendor agreement contracts but did not involve any other stakeholders.				
Recovery Strategies Updated	Moderate	HNM had not reviewed and revised the EMP since 2022 and the and business continuity plan (BCP) since 2021. Updating plans in response to changes in the environment is essential for maintaining organizational agility, compliance, and efficiency in the event of recovery and business continuity actions.	We recommend that HNM complete a review of their EMP and BCP to ensure all procedures within the plans are up-to-date and reflect current operations within the organization. The plans should be reviewed on a periodic basis with a formal sign-off and approval by upper management that is documented in a change history or revision table within each department.	Management agrees with that the Emergency Management Plan (EMP) and Business Continuity Plan (BCP) should be reviewed on an annual basis. Since the scope of the internal audit was on cybersecurity processes, relevant parts of the EMP will be updated by September 30, 2024. The remainder of the EMP will be reviewed and updated after the move to the new building. The BCP will also be updated by September 30, 2024.	30-Sep-24	Resolved: HNM reviewed and updated the EMP and BCP plans and made necessary updates before the move to the new building. A version control tracker was added to both documents to help evidence the change history and review processes taking place.

#### B. MORTGAGE OPERATIONS - MAY 2024

OBSERVATION AREA	RISK RANKING	OBSERVATION	RECOMMENDATION	MANAGEMENT RESPONSE/ DETERMINATION	COMPLETION DATE	STATUS
Income Calculation	Low	Underwriters did not consistently follow income calculation methodologies outlined in the Housing and Urban Development (HUD) Occupancy Handbook, resulting in inaccurate income calculations for four of 20 applicants tested. Despite these deviations, eligibility determinations were not impacted.	HNM should provide additional training to both HNM and MetaSource underwriters to ensure consistent understanding and application of guidelines. HNM should implement additional internal spot checks to assess accuracy and consistency of income calculations.	Management agrees with this recommendation. Department staff in conjunction with HNM's current bond counsel will work on income calculation manual revisions. Management will emphasize the importance for staff to document their thought process when it is deviating from a typical income calculation scenario. Annual bond counsel training will be revised to include loan income scenarios. HNM already performs internal spot checks in the following instances: 1) exceptions to income or program eligibility requirements or 2) in cases where a reviewer wants a second opinion. These internal spot checks will now be documented within the VirPack system per the recommendation. This will allow HNM to maintain exceptional customer service that meets the demands of our lenders, realtors and borrowers.	30-Sep-24	Resolved: Updates to the Income Calculation Guide have been developed reviewed by bond counsel. Training to both HNM and MetaSource is held monthly and internal spot checks are taking place and being documenteMd in VirPack.

OBSERVATION AREA	RISK RANKING	OBSERVATION	RECOMMENDATION	MANAGEMENT RESPONSE/ DETERMINATION	COMPLETION DATE	STATUS
nconsistencies	Low	MetaSource underwriters did not maintain an audit trail like HNM's Income Calculation Sheet in all ten MetaSource applications tested. Additionally, in one of the ten applicants tested, MetaSource used the year-to-date gross wages methodology instead of the average income approach and no documentation was retained to justify the reason for the calculation deviation.	HNM should update its manuals to provide explicit guidance on maintaining detailed income calculations and documenting deviations from standard practices. HNM should establish regular internal reviews to identify inconsistencies and provide feedback of MetaSource's work/methods.	HNM's Director of Homeownership will meet with MetaSource and internal staff to align both HNM and MetaSource staff in income documentation. Additional training and guidance will occur quarterly in staff meetings including best practices on documenting these calculations especially if there are deviations from standard practice. Staff are already actively reviewing the income calculation worksheet within PowerLender. We also would like to acknowledge that income calculations at times may need to be performed outside of the system in various ways, especially in situations where the borrower income is complex, Any supporting documentation will be maintained in PowerLender and/or VirPack.	30-Sep-24	Resolved: During monthly team huddles HNM reviews unique income scenarios identified by both MetaSource and HNM employees for consideration to be included in additional revisions to the Income Calculation Gudie. These meetings serve as a connection point and method of communicating norms and expectations as they relate to the calculations and documentation standards in VirPack.







**TO:** Housing New Mexico Board of Directors

**Through:** Finance Committee (December 10, 2024) **Through:** PC Committee (November 12, 2024)

FROM: Christi Wheelock and Jacobo Martinez

DATE: December 18, 2024

SUBJECT: Delegation of Authority for Multifamily Bond Inducement

**Resolution Renewal Approval** 

#### Recommendation:

Staff requests and recommends approval from the Housing NM Board of Directors (the "Board") to extend the delegation of authority for another year to specific officers to issue an Inducement Resolution (official intent declarations). The Inducement Resolution declares an intent to reimburse project costs incurred for qualified expenditures through the issuance of multifamily housing private activity bonds but makes no commitment unless a Bond Resolution is approved by the Board at a later date. The following individuals, or their successors, would be authorized to execute these official intent declarations:

- Isidoro Hernandez, Executive Director/CEO
- Arundhati Bose, Chief Financial Officer
- Jeff Payne, Chief Lending Officer
- Donna Maestas-DeVries, Chief Housing Officer

#### **Background**

In March of 2023, Housing NM Board of Directors approved a streamlined process, allowing specific Housing NM Executive Officers to issue official Inducement Resolutions for multifamily bond transactions during the upcoming year. This initiative has proven effective in enabling faster processing of approvals while ensuring compliance with federal and internal regulations.

This resolution builds on the 2023 streamlining by extending the delegation of authority to declare the official intent necessary for reimbursing certain qualified project expenditures with proceeds from potential bond issues. This step is critical for the timely acquisition, construction, and rehabilitation of multifamily housing **developments** without obligating Housing NM to issue bonds unless all conditions are subsequently satisfied.

- 1. The official intent declaration provides preliminary approval to reimburse expenditures aligned with federal tax-exempt bond requirements.
- Following this intent declaration and upon meeting all conditions, including review by relevant Housing NM committees, final Bond Issuance approval would still require formal action by the Housing NM Board.
- This authority would remain effective until January 15, 2026, ensuring responsiveness to time-sensitive requests within the established streamlined framework.

#### Discussion

With this recommendation, Housing NM officers will be further empowered to approve official intent declarations for individual projects efficiently. Building on the 2023 streamlined process, this delegation ensures Housing NM can continue to respond promptly to requests, while final bond issuance approval will remain subject to Housing NM Board and committee review.

This approach will assist developers in meeting eligibility for tax-exempt financing and allow them to count certain project costs retroactively, provided those costs were incurred within the preceding 60 days of the declaration.

#### **Summary**

Housing NM Staff recommends that the Housing NM Board approve this delegation of authority for declaring official intent to reimburse qualified expenditures, reinforcing the streamlined process established in 2023. The following Housing NM officers would be authorized to execute these declarations, facilitating efficient and timely responses to requests for volume cap:

- Isidoro Hernandez, Executive Director/CEO
- Arundhati Bose, Chief Financial Officer
- Jeff Payne, Chief Lending Officer
- Donna Maestas-DeVries, Chief Housing Officer

#### Reimbursement Intent Delegation Resolution New Mexico Mortgage Finance Authority Multifamily Housing Revenue Bond Program

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY AUTHORIZING CERTAIN OFFICERS TO GRANT PRELIMINARY FEDERAL TAX LAW APPROVAL REGARDING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS OR NOTES TO FINANCE MULTIFAMILY HOUSING DEVELOPMENTS

WHEREAS, pursuant to the Mortgage Finance Authority Act, Sections 58-18-1 through 58-18-27, inclusive, NMSA 1978, and Section 2-12-5, NMSA 1978, as amended (collectively, the "Act"), the New Mexico Mortgage Finance Authority (the "Authority") is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality servicing a public purpose and acting for the public benefit by improving the health, safety, welfare and prosperity of the State and the general public; and

WHEREAS, the Authority is authorized under the Act (a) to issue revenue bonds to achieve its corporate purposes, including, but not limited to, the making of project mortgage loans to finance the acquisition, construction or rehabilitation of multiple-family dwelling projects (each, a "Project"), (b) to issue refunding bonds to refund outstanding bonds of the Authority, (c) 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, and (d) to secure the payment of such revenue bonds; and

WHEREAS, from time to time, to comply with the Internal Revenue Code of 1986, as amended (the "Code"), and Section 1.150-2 of the Treasury Regulations, hereinafter referred to as the "Regulations"), individual developers/borrowers or affiliates thereof (each, the "Borrower") have requested that the Authority take official action evidencing an intent to reimburse certain qualified expenditures with proceeds of one or more issues of tax-exempt multifamily housing revenue bonds or notes ("Bonds"), such expenditures to be paid with funds of the Borrower to finance in part the acquisition, construction and/or rehabilitation of a Project; and

WHEREAS, the Code and the Regulations permit the Authority to delegate to specified senior employees the authority to declare the "official intent" of the Authority to consider issuing bonds for the purpose of reimbursing the Borrower for Project costs; and

WHEREAS, because (a) many Borrower requests are often time sensitive and (b) official intent actions do not legally obligate the Authority to issue any Bonds, the Authority has determined to delegate to each of its Executive Director/Chief Executive Officer, its Chief Financial Officer, its Chief Lending Officer and its Chief Housing Officer (each, an "Authorized Officer") the authority to declare the official intent of the Authority to reimburse certain capital expenditures of the Borrower from the proceeds of future Bonds for the benefit of the Borrower.

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

- Section 1. Delegation to Authorized Officers of Authority to Declare Official Intent. Each Authorized Officer is authorized to take such action to declare the official intent of the Authority to (a) issue its Bonds for the purpose of loaning the proceeds thereof to finance the costs of a Project and (b) reimburse the Borrower for such Project costs expended by the Borrower prior to the issuance of the Bonds, all in accordance with and pursuant to the Regulations. Such action shall be memorialized in writing and shall be reported to the Board at its next succeeding meeting. Such delegation and authorization shall expire on January 15, 2026.
- **Section 2.** Conditions. Any such official intent and preliminary approval does not obligate the Authority to approve the issuance of any Bonds. Final approval of the issuance of the Bonds can only be authorized by subsequent Authority action, which may contain such conditions thereto as the Authority may deem appropriate. The Authority in its absolute discretion may refuse to authorize the issuance of Bonds and shall not be liable to the Borrower or any other person for its refusal to do so.
- **Section 3. Prior Resolutions**. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.
  - **Section 4. Effectiveness**. This Resolution shall be effective immediately.

ADOP	PTED:							
	Aye:							
	Nay:							
	Abstain:							
	Absent:							
AUTH	PASSED AND IORITY THIS	APPROVED _ DAY OF	BY	THE	NEW , 2024.	MEXICO	MORTGAGE	FINANCE
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#### Reimbursement Intent Delegation Resolution New Mexico Mortgage Finance Authority Multifamily Housing Revenue Bond Program

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY AUTHORIZING CERTAIN OFFICERS TO GRANT PRELIMINARY FEDERAL TAX LAW APPROVAL REGARDING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS OR NOTES TO FINANCE MULTIFAMILY HOUSING DEVELOPMENTS

WHEREAS, pursuant to the Mortgage Finance Authority Act, Sections 58-18-1 through 58-18-27, inclusive, NMSA 1978, and Section 2-12-5, NMSA 1978, as amended (collectively, the "Act"), the New Mexico Mortgage Finance Authority (the "Authority") is a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality servicing a public purpose and acting for the public benefit by improving the health, safety, welfare and prosperity of the State and the general public; and

WHEREAS, the Authority is authorized under the Act (a) to issue revenue bonds to achieve its corporate purposes, including, but not limited to, the making of project mortgage loans to finance the acquisition, construction or rehabilitation of multiple-family dwelling projects (each, a "Project"), (b) to issue refunding bonds to refund outstanding bonds of the Authority, (c) 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, and (d) to secure the payment of such revenue bonds; and

WHEREAS, from time to time, to comply with the Internal Revenue Code of 1986, as amended (the "Code"), and Section 1.150-2 of the Treasury Regulations, hereinafter referred to as the "Regulations"), individual developers/borrowers or affiliates thereof (each, the "Borrower") have requested that the Authority take official action evidencing an intent to reimburse certain qualified expenditures with proceeds of one or more issues of tax-exempt multifamily housing revenue bonds or notes ("Bonds"), such expenditures to be paid with funds of the Borrower to finance in part the acquisition, construction and/or rehabilitation of a Project; and

WHEREAS, the Code and the Regulations permit the Authority to delegate to specified senior employees the authority to declare the "official intent" of the Authority to consider issuing bonds for the purpose of reimbursing the Borrower for Project costs; and

WHEREAS, because (a) many Borrower requests are often time sensitive and (b) official intent actions do not legally obligate the Authority to issue any Bonds, the Authority has determined to delegate to <u>each of</u> its Executive Director/Chief Executive Officer, its Chief Financial Officer, its Chief Lending Officer and its Chief Housing Officer (each, an "Authorized Officer") the authority to declare the official intent of the Authority to reimburse certain capital expenditures of the Borrower from the proceeds of future Bonds for the benefit of the Borrower.

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

- Section 1. Delegation to Authorized Officers of Authority to Declare Official Intent. Any Each Authorized Officer is authorized to take such action to declare the official intent of the Authority to (a) issue its Bonds for the purpose of loaning the proceeds thereof to finance the costs of a Project and (b) reimburse the Borrower for such Project costs expended by the Borrower prior to the issuance of the Bonds, all in accordance with and pursuant to the Regulations. Such action shall be memorialized in writing and shall be reported to the Board at its next succeeding meeting. Such delegation and authorization shall expire on January 15, 2025 2026.
- **Section 2.** Conditions. Any such official intent and preliminary approval does not obligate the Authority to approve the issuance of any Bonds. Final approval of the issuance of the Bonds can only be authorized by subsequent Authority action, which may contain such conditions thereto as the Authority may deem appropriate. The Authority in its absolute discretion may refuse to authorize the issuance of Bonds and shall not be liable to the Borrower or any other person for its refusal to do so.
- **Section 3. Prior Resolutions**. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.
  - **Section 4. Effectiveness**. This Resolution shall be effective immediately.

ADOP	PTED:							
	Aye:							
	Nay:							
	Abstain:							
	Absent:							
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#### Summary report: Litera Compare for Word 11.7.0.54 Document comparison done on 10/28/2024 8:50:16 PM

Style name: Default Style

Intelligent Table Comparison: Active

Original DMS: nd://4896-0365-0458/2/New Mexico NMMFA Multifamily

2024 ANNUAL INTENT REIMBURSEMENT DELEGATION

RESOLUTION.doc

**Modified DMS:** nd://4863-8707-9667/1/New Mexico NMMFA Multifamily 2025 ANNUAL INTENT REIMBURSEMENT DELEGATION

RESOLUTION.doc

Changes:
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Add	5
Delete	4
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	9



# HOUSING NEW MEXICO | MORTGAGE FINANCE AUTHORITY

# Contracted Services/Credit Committee Meeting Tuesday, December 10, 2024 @ 10:00 am

Webex- call in information is 1-408-418-9388 (access code): 2485 316 1174

Or you can join the call from the calendar item

	AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1	Approval of new Executive Director for Western Regional Housing Authority- John Garcia	10:00-10:05	2-0	YES
2	Approval of new Executive Director for Northern Regional Housing Authority-John Garcia	10:05-10:10	2-0	YES
3	HOME Rehab NOFA Revisions-Leann McDonald & John Garcia	10:10-10:15	2-0	YES
4	Approval of DOE 2024-2025 State Plan Modification, Re-allocation of funds- Troy Cucchiara, Kellie Tillerson & Donna Maestas De-Vries	10:15-10:20	2-0	YES
5	Recommendation to Award to Village of Angel Fire Application under the Affordable Housing in Fire Affected Counties Notice of Funding Availability – Stephanie Gonzales & Robyn Powell	10:20-10:25	2-8	YES
6	Housing Innovation Award Recommendation – Daniela Freamon, Sonja Unrau & Robyn Powell	10:25-10:30	2-8	YES
7	Recovery Housing Program Award Recommendations- Jackie Homet	10:30-10:35	2-8 2-0	YES
<u>Inf</u> 8	Cormational Items Questions/comments from Committee	10:35-10:40		NO

Committee Members present:			
Rebecca Wurzburger, Chair	□ present	☐ absent	conference call
Attorney General Raul Torrez/Designee Julie Ann Meade	□ present	□ absent	☑ conference call
Randy Traynor	☐ present	absent	☐ conference call

Hurandes





**TO:** Housing New Mexico Board of Directors

**Through:** Contracted Services Committee on December 10, 2024 **Through:** New Mexico Housing Trust Fund Advisory Committee on

December 9, 2024

Through: Policy Committee on November 26, 2024

**FROM:** Daniela Freamon, Program Manager

Sonja Unrau, Assistant Director of Policy and Planning

DATE: December 18, 2024

SUBJECT: Recommendation to Award \$732,939 to the Saranam for

**Transitional Housing Development Application Under the Housing** 

**Innovation Notice of Funding Availability** 

#### Recommendation:

Staff recommends approval of a \$732,939 grant funding award to Saranam under the Housing Innovation Program Notice of Funding Availability (NOFA) to develop transitional housing for families. The funding source of the Housing Innovation Program is the New Mexico Housing Trust Fund, therefore staff recommends approval by Housing New Mexico, as Trustee of the New Mexico Housing Trust Fund.

#### **Background:**

The Housing Innovation Program NOFA was approved by the Housing New Mexico Board of Directors in September 2023 as a resource to address housing needs that are currently not being served through other Housing New Mexico programs and as an opportunity for eligible applicants to fund community tailored housing solutions. Per the Scoring Committee review of its application for funding to support transitional housing development, the Saranam met all threshold requirements and scored sufficient points to merit an award.

#### Discussion:

Saranam has been providing unhoused families experiencing poverty with safe, stable transitional housing for over 20 years. Saranam broke ground on their new

Albuquerque west-side campus in February 2022 and completed Phase I of an expansion at the end of October 2024, creating 10 units to serve unhoused New Mexican families. The recommended \$732,939 Housing Innovation award would support adding an additional 13 units, family community center, playground, and community gardens to this site. The new campus is on track to be completed in spring of 2025.

To construct the housing units Saranam is using re-purposed excess portable classrooms for a low cost, mostly from Albuquerque Public Schools, then retrofit these former classrooms into homes.

The application cites a study conducted by the University of New Mexico's School of Public Administration which found that the estimated cost to the City of Albuquerque per individual experiencing homelessness is \$42,629, and the annual cost per family is \$110,834. At Saranam, the annual cost for housing and education is \$17,100 per person and \$47,000 for a family. The resulting annual savings from Saranam's intervention is \$25,529 per person, and \$63,834 per family.

The total project cost for the 23-unit site is estimated at \$12.3 million. Saranam has been able to secure 91% (\$11.6 million) of this goal with this recommendation filling the remaining need.

Recommended Award	# of Units
\$732,939	13

## **Summary:**

Housing New Mexico staff recommend awarding grant funding in the amount of \$732,939 to Saranam under the Housing Innovation NOFA to provide housing to families experiencing homelessness.





**TO:** Housing New Mexico Board of Directors

Through: Contracted Services Committee December 10, 2024

**Through:** Policy Committee November 26, 2024

FROM: Stephanie Gonzales, Research and Development Manager

Robyn Powell, Senior Director of Policy and Planning

DATE: December 18, 2024

SUBJECT: Recommendation to Award \$2,420,700 award to the Village of

Angel Fire under the Affordable Housing in Fire Affected Counties

**Notice of Funding Availability** 

#### Recommendation:

Staff recommends Board of Directors approval of a \$2,420,700 award to the Village of Angel Fire for rental housing development under the Affordable Housing in Fire Affected Counties Notice of Funding Availability (NOFA).

#### **Background:**

The United States Congress, under the 2023 Consolidated Appropriations Act (Public Law 117-328), made \$2,982,285,641 available for "grants for Congressionally Directed Spending Community Project Funding" through the Economic Development Initiative. MFA received \$3,000,000 from this program through Senator Martin Heinrich's office for affordable housing in counties affected by fires in 2022.

The Affordable Housing in Fire Affected Counties NOFA was approved by the Board of Directors in October 2023 to address housing recovery needs of low- and moderate-income households in New Mexico's fire affected counties, including Colfax, Lincoln, Mora, Sandoval, San Miguel, and Valencia County.

#### **Discussion:**

The Affordable Housing in Fire Affected Counties NOFA scoring committee was approved by Policy Committee in September 2023. Per the scoring committee review in October 2024, the Village of Angel Fire's application for funding to support rental housing development met all threshold requirements and scored sufficient points to merit an award.

The Village of Angel Fire is proposing to install 20 modular units for low- and moderate-income households to address the affordable workforce housing needs in the Village of Angel Fire and the north-central New Mexico region worsened by the 2022 Hermit's Peak and Calf Canyon fires. The Village of Angel Fire is currently meeting with architects and engineers to determine the total number of units possible on site and conducting a market survey to assess unit type (i.e., size and number of bedrooms). Based on the estimated costs within the application, the estimated infrastructure is \$701,000 and the average cost of an environmental consultant is approximately \$54,000. After the infrastructure and the environmental assessment, the remainder of the amount may be used for the purchase and installation of units. The Village of Angel Fire will utilize its cash reserves and are seeking additional funding from a financial entity, Sustainability Partners, to make up the difference of the total project costs of \$6,301,000.

The Village of Angel fire will be the sole project developer. The Village of Angel Fire will retain ownership of the units and will rent to Village employees and persons employed within the boundaries of the Village of Angel Fire, with income levels at or below 150% area median income.

Recommended	Scope of Work	# of Units
Award		
\$2,420,700	The award will be used for environmental review requirements, site infrastructure of the 4-acre lot that will be developed into affordable rental housing and may be utilized for the purchase and installation of units.	20 units

## **Summary:**

Staff recommends Board of Directors approval of a \$2,420,700 award to the Village of Angel Fire for rental housing development under the Affordable Housing in Fire Affected Counties Notice of Funding Availability.





**TO:** Housing New Mexico Board of Directors

Through: Contracted Services on December 10, 2024

Through: PC on November 12, 2024

**FROM:** John Garcia, Assistant Director of Community Development

DATE: December 18, 2024

**SUBJECT:** Approval of Sonia Flores as new Executive Director of Western

Regional Housing Authority

**Recommendation:** Staff recommends approval of Sonia Flores as the new Executive Director for the Western Regional Housing Authority (WRHA).

**Background:** The Regional Housing Law 11-3A-29 NMSA 1978, mandates that MFA provide oversight of certain RHA activities, to include MFA's Board of Directors to approve Executive Directors for the Regional Housing Authorities.

**Discussion:** On November 1, 2024, Cathy De Marco, the current Executive Director of WRHA announced her retirement effective on December 31, 2024. Ms. De Marco served as Executive Director of WRHA for the past 34 years and has recommended her deputy, Sonia Flores, to take her place as the new Executive Director of WRHA. Ms. Flores has been with WRHA for 22 years and has served as deputy director for the past 17 years. Ms. Flores has worked closely with Ms. De Marco and has proven herself to be capable of performing the duties of the Executive Director and she was unanimously approved by the WRHA Board of Commissioners on October 29, 2024.

**Summary:** Staff recommends approval of Sonia Flores as the new executive director of the Western Regional Housing Authority.

November 1, 2024

Mr. John Garcia NM Mortgage Finance Authority 7425 Jefferson St. NE Albuquerque, NM 87109

Dear Mr. Garcia

Please accept this letter as formal notification that I will be retiring from my position as Executive Director of Western Regional Housing Authority (WRHA) effective 12/31/24. I have been with WRHA going on 34 years and feel it is time for me to move on to the next chapter of my life. I am looking forward to traveling with my husband and spending time with my family.

I am recommending Sonia Flores as my replacement. Ms. Flores has been with WRHA for 22 years and has worked closely with me as my Deputy Director for the past 17 years. Ms. Flores has proven herself to be an asset to our agency and I feel this will provide a smooth transition for everyone involved. Our Board of Commissioners voted unanimously to promote Ms. Flores to Executive Director effective 1/1/25 at our October 29<sup>th</sup> meeting.

I am grateful for the opportunities my career at WRHA has provided me with and am confident WRHA will have continued success under Ms. Flores's direction.

Sincerely,

Cathy De Marco Executive Director November 1, 2024

Mr. John Garcia NM Mortgage Finance Authority 7425 Jefferson St. NE Albuquerque, NM 87109

Dear Mr. Garcia:

I am submitting my letter of interest in serving as the Executive Director for Western Regional Housing Authority. As my resume reflects, I meet the threshold requirements to be the next Executive Director. My work, interests and accomplishments speak for themselves as to my suitability for this position.

I appreciate your consideration in this matter.

Sincerely,

Sonia Flores Deputy Director

Western Regional Housing Authority

# **SONIA FLORES**

#### CONTACT

Silver City, NM 88061



(D) (575) 313-9284



flores\_son@hotmail.com

#### SKILLS

- Human Resources Management
- Reliability
- Public Speaking
- Organizational Skills
- Program Oversight
- Housing operations background
- · Business Administration

#### CERTIFICATIONS

Chief Procurement Officer-NM Purchasing

## LANGUAGES

Spanish

Professional Working

Housing professional with extensive supervisory and operational management in housing programs. Proven ability to lead teams effectively, ensuring smooth operations and high tenant satisfaction. Known for strong collaborative skills and adaptability to changing circumstances, excelling in coordination and problem-solving.

#### **WORK HISTORY**

May 2007 - Current

Deputy Director Western Regional Housing Authority, Silver City, NM

- Promoted from Accountant/Housing Coordinator to Deputy Director.
- Currently serve as Deputy Director to Executive Director
- Preparation of budgets and financials
- Supervision of WRHA staff
- Public relations
- Continue prior duties as Accountant/Housing Coordinator
- Duties designated by Executive Director

September 2006 - April 2007

Housing Coordinator/Accountant Western Regional Housing Authority, Silver City, NM

- Promoted to position of Accountant/ Housing Coordinator.
- · Preparation of and reporting of financial statements
- Issuance of rental/utility checks under various housing programs
- · Preparation of employee wages and payroll reports
- Accounts payable and receivable
- · Landlord for 54 Low-Rent Public Housing units

October 2002 - September 2006

Inspector Counselor Region V Housing Authority, Silver City, NM

- Accepted position as Inspector Counselor
- Evaluated tenant income sources to determine rent
- Conduct unit inspections
- Annual certifications to ensure continued eligibility for HCV Program
- Maintained compliance with federal regulations of the Housing Choice Voucher program
- Monitor compliance with program guidelines/fraud detection

#### **EDUCATION**

May 2015

**BBA** Accounting

Western New Mexico University, Silver City, NM

May 1990

High School Diploma

Silver High School, Silver City, NM





**TO:** Housing New Mexico Board of Directors

Through: Contracted Services on December 10, 2024

Through: PC on December 3, 2024

**FROM:** John Garcia, Assistant Director of Community Development

DATE: December 18, 2024

**SUBJECT:** Approval of Natasha Martinez as new Executive Director of

Northern Regional Housing Authority

**Recommendation:** Staff recommends approval of Natasha Martinez as the new executive director for the Northern Regional Housing Authority (NRHA).

**Background:** The Regional Housing Law 11-3A-29 NMSA 1978, mandates that MFA provide oversight of certain RHA activities, to include MFA's Board of Directors to approve executive directors for the Regional Housing Authorities.

**Discussion:** The NRHA Executive Director position was advertised in three publications: The Albuquerque Journal, The Public Housing Authorities Directors Association (PHADA) and the National Association of Redevelopment and Housing Officials (NAHRO). There were seven external candidates representing six states and one internal candidate. The search committee, which consisted of NRHA Board members, reviewed the applicants and narrowed the list to three finalists and Ms. Martinez was ultimately nominated. A special NRHA Board meeting was held on November 22, 2024, and Ms. Martinez's nomination was approved. Ms. Martinez has over eleven years of housing experience and served as the deputy director for the Northern Regional Housing Authority for the past four and a half years. She stepped in to perform the executive director duties from March 2024, when the prior executive director resigned, until July 2024, when an interim director was selected. Before the Las Vegas Housing Authority merged with NRHA, Ms. Martinez served as a financial specialist/project manager for seven years. Ms. Martinez's resume **is** attached.

Summary: Staff recommends approval of Natasha Martinez as the new executive director
of the Northern Regional Housing Authority.

Cell Phone: (505)429-4023

Email: nmartinez@northernregional.org

## PROFESSIONAL EXPERIENCE

## Northern Regional Housing Authority July 2020 - Present

## **Deputy Director**

Responsible for all Housing Authority functions. Managed and Supervised 36 employees as well as contracted with agencies to assist in functions that NRHA could not find qualified employees to oversee. Instrumental in transferring and consolidating 3 Housing Authorities into one. Created and updated policies to adhere to federal regulations and state statutes. Created and presented all Annual and 5-year plans for Board review and approval. Served as the Hearing Officer for all grievance hearings and application denial hearings. Mediated staff and tenant relationships Housing Authority wide. Interviewed and hired employees HA wide. Created detailed job descriptions for employees. Monitored all Occupancy, Inspections, Re-examinations, and work orders to ensure that the tenants were receiving services in a timely fashion. Oversaw all financial doings of the HA and brought the Housing Authority to a position where the reserves were adequate. Evaluated all employees on an annual basis. Wrote and presented all resolutions to change policy update practices or spend funds.

- Presented an organizational update to the NRHA Board on a monthly basis.
- Composed and presented resolutions and orders to the NRHA Board.
- Followed all requirements of the United States Department of Housing and Urban Development (HUD), as well as the Regional Housing Authority Act while procuring and preparing agreements.
- Organized all managerial, administrative and maintenance staff to carry out programs.
- Reported to Housing and Urban Development on bi-weekly basis and met with them at their request.
- Served as the liaison and oversight for all Fair Housing Accommodations and compliance.
- Authorized expenditures, signed checks, maintained and created the budget and internal controls
- Reviewed and updated financial and status reports for all reporting entities.
- Oversaw the Bid process from creating the IFB, RFQ, and RFP to supervising the advertising and evaluation of proposals received, and made recommendations to the Board of Commissioners concerning the awarding of contracts, as well as following the process in the Regional Housing Authority Act to the oversight agencies as required by state law.
- During the extended absence of an Executive Director stayed in communication with the NRHA Board keeping them abreast of all current agency situations.

- During the extended absence of an Executive Director stayed in communication with the NRHA Board in all policy changes.
- During the extended absence of an Executive Director stayed in communication with the NRHA Board arranged all meetings, created meeting agendas, and provided a transparent view of the Agency status.
- Kept updated with all HUD Calendar of due dates to ensure compliance with regulations.
- Served on the Governor's committee to review the Regional Housing Authority Act, served as a subcommittee chair for the Definitions committee where we defined and attempted to make changes for the defined roles within the New Mexico State statute.
- Attended and participated in meetings with all local public bodies as well as the New Mexico
  Mortgage finance committee to ensure services to the low income population of Northern New
  Mexico.
- Worked diligently to fulfill the 5 crucial areas of the agencies Recovery Agreement. Attained completion on occupancy, physical, and capital fund.
- Worked with NRHA Legal Counsel to ensure that NRHA is staying true to the mission and goals as well as the federal and state laws in regards to tenant rights as well as to also protecting the Agency.
- Participates in state and local organizations to develop healthy relationships and partnerships with NRHA.

## <u>City of Las Vegas Housing Authority, Las Vegas, NM</u> October 2013 – July 2020

## Financial Specialist and Office / Project Manager

Responsible for all accounting and financial reporting for a troubled housing authority which includes frequent detailed reporting about revenue and expenditures to the U.S. Department of Housing and Urban Development (HUD). Manage all activities involving procurement (creating purchase orders, soliciting bid proposals and drafting contractual agreements with architects, suppliers and contractors). Report activities to HUD involving Line of Credit Control System (eLOCCS) draws. Prepare and upload Annual Report submissions (annual funding requests using HUD Excel tools), Audited and Unaudited Financial Assessment submissions (using the REAC reporting system), and Energy and Performance Information Center (using the EPIC system) to HUD. Managed all accounts receivable and accounts payable between tenants and the LVHA. Reconciled all accounts to ensure proper recording to the federal government as well as the governing board. Created a Resident Advisory Board to promote community involvement within the LVHA. Assisted and problem solved with tenants as the Fair Housing and Reasonable Accommodations Specialist, and ensured that we did not violate any Federal Regulations and State Statutes. Helped bring the LVHA obligate and expend money in a timely Manner. Between 2014 and 2017 brought the LVHA from Troubled Housing Status to Standard Performer, raising the score of the Housing Authority's availability for additional funding.

- Managed Capital Fund Projects, from start to finish.
- Streamlined procurement processes to more efficiently use staff time and limited HUD funding.

- Streamlined interactions between program and maintenance staff that reduced maintenance costs and tenant negligence losses.
- Created impactful financial presentations about the Authority for the Las Vegas City Manager and City Council.

## City of Las Vegas

February 2008 - October 2013

#### **General Accountant**

Responsible for all accounting aspects of local government. Analyzed Gross Receipts Tax and completed trend analysis to assist the finance director with budgeting. Reconciled bank accounts including federal program accounts. Tracked accounts receivable and accounts payable, assisted the Utilities department with different analytical developments to streamline productivity.

- Created internal controls
- Assisted in implementing new accounting software City wide
- Played a key role in investigating fraud against the tax payers.

## **EDUCATION and CERTIFICATIONS**

Fair Housing and Reasonable Accommodations Specialist Certification - 2016 Nan McKay and Associates Inc.

## **Property Management Essentials Certification - 2017**

National Association of Housing and Redevelopment Officials

## Public Housing Occupancy Specialist Certification - 2018

Nan McKay and Associates Inc

## Certified Purchasing Officer 2015 – recertified 2017 / 2019

NM State University Edge Program

## Bachelor of Business Administration with a concentration in Accounting - 2006

New Mexico Highlands University

## High School - 2002

Robertson High School

## **Professional References**

## **Mandy Griego**

Previous Portfolio Manager Specialist, Housing and Urban Development (505) 271-8487

## **David Romero**

Mayor, City of Las Vegas (Previous Las Vegas Housing Authority Commissioner) (505) 718-9815

## **Esther Mondragon**

Wagon Mound Housing Authority (505) 617-5085





**TO:** Housing New Mexico/MFA Board of Directors

Through: Contract Services - December 10, 2024

Through: Policy Committee - December 3, 2024

FROM: Jackie Homet, Recovery Housing Program, Program Manager

DATE: December 18, 2024

**SUBJECT:** Recovery Housing Program Award Recommendations

#### Recommendation

Staff is requesting approval to award Recovery Housing Program funding to TenderLove Community Center in the amount of \$1,200,000, (\$949,584 immediately; and \$250,416 upon HUD approval of FY2024 funds), and Endorphin Power Company in the amount of \$693,200, (\$400,000 immediately and \$293,200 upon HUD approval of FY2024 funds). Once approved by the Board, contracts will be sent for execution of the current available NOFA funds.

## **Background**

Section 8071 of the SUPPORT for Patients and Communities Act ("SUPPORT Act"), defines the purpose of the Recovery Housing Program to be, "...to Help Individuals in Recovery From a Substance Use Disorder Become Stably Housed." Through this program, the U.S. Department of Housing and Urban Development ("HUD") authorizes limited assistance, per individual, for a period of not more than two years or until the individual secures permanent housing, whichever is earlier.

There is an open NOFA to solicit organizations that have the capacity to operate a Recovery Housing Program. Housing New Mexico/MFA currently funds two organizations (Hozho Center for Personal Enhancement and New Mexico Reentry Center) that are expanding their existing programs to allow them to assist more people. Two additional applications were recently received and are now being recommended for funding. They are TenderLove Community Center and Endorphin Power Company, both in Albuquerque. The total amount of funding requested by these organizations is \$1,893,200.

## Discussion

The current funds available through the NOFA are \$1,349,584. In addition, Housing New Mexico/MFA received a signed agreement from the New Mexico Department of Finance and Administration-Local Government Division (DFA-LGD), authorizing Housing NM/MFA to administer the FY2024 RHP funds in the amount of \$1,450,399. Once the Action Plan and current NOFA are updated and approved by HUD, the remainder of the funds requested by TenderLove Community Center and Endorphin Power Company will be awarded. The allocations will be as follows:

RHP Applicant	Recommended Award	Remainder of Award	Total Award
	from current NOFA	from FY2024 Funds	
TenderLove	\$949,584	\$250,416	\$1,200,000
Community Center			
Endorphin Power	\$400,000	\$293,200	\$693,200
Company			
Total:	\$1,349,584	\$543,616	\$1,893,200

With this RHP funding, the number of additional people estimated to be assisted is as follows:

TLCC – anticipates serving up to 70 additional individuals

EPC — estimates ten more individuals in one-bedroom units who may be able to build a rental history through the 2-year program; also anticipates a few additional people being placed in two-bedroom units for family reunification

## **Summary**

Staff is requesting approval to award Recovery Housing Program funding to TenderLove Community Center in the amount of \$1,200,000, (\$949,584 immediately; and \$250,416 upon HUD approval of FY2024 funds), and Endorphin Power Company in the amount of \$693,200, (\$400,000 immediately and \$293,200 upon HUD approval of FY2024 funds). Once approved by the Board, contracts will be sent for execution of current available NOFA funds.



TO: Housing NM | MFA Board of Directors

**Through:** Contract Services Committee – December 10, 2024

**Through:** Policy Committee – December 3, 2024

**FROM:** Troy Cucchiara, Kellie Tillerson, Donna Maestas De-Vries

DATE: December 18, 2024

**SUBJECT:** Approval of 2024-2025 State Plan Modification, Re-allocation of funds.

DOA #21 – State Plan Approval and allocation of DOE Funds

#### Recommendation:

Staff recommends modification of the Department of Energy (DOE) 2024-2025 State Plan to allow for re-allocation of funds from our multifamily provider to the three single family providers.

#### **Background:**

International Center for Appropriate and Sustainable Technology (ICAST), the multifamily service provider for the Weatherization Energy\$mart program, has been unable to meet several contractual obligations. As a result, Housing NM | MFA and ICAST have mutually agreed to terminate the existing contracts.

#### **Discussion:**

This service provider has a total of five active funding source contracts with Housing NM | MFA. These funds will need to be redistributed to our three single family partners to meet expenditure deadlines and program goals. We are only discussing the DOE and DOE Sustainable Energy Resources for Consumers (SERC) funding sources today so the State Plan modification can be approved, and funding sources can be re-allocated.

These changes will not affect the amount of administrative funds that Housing NM | MFA receives. These re-allocated funds need to be fully expended by June 30, 2025. We have been in communication with the three single-family service providers about these additional funds and they have expressed the ability to meet the deadlines.

#### **DOE Funding Allocation Method**

This re-allocation has been determined by using the same formula that is used for the annual funding. County demographics and climate are among the factors considered when determining how many units can be completed in each area with the corresponding funding. The counties are assigned to each service provider based on territories specified in the Energy\$mart RFP. Full details of the method will be provided upon request.

#### SERC Funding Allocation Method

The SERC funds were designated to ICAST as a grant that was written specifically for implementing solar and heat pump technologies for multi-family properties. ICAST had the obligation to find projects that would meet the criteria, and there are now projects identified by our network that will fulfill these obligations. The amounts determined are based on project estimates located in each of the two territories for Central and Southwest.

## Funds under existing contract with ICAST to be re-allocated

Funding Source	Balance	Central	Southwest Regional	Red Feather Development
DOE SERC	\$1,702,473.64	\$493,000.00	\$1,209,473.64	\$0
DOE	\$297,717.40	\$196,779.93	\$82,582.82	\$18,354.65
Total	\$2,000,191.04	689,779.93	\$1,292,056.46	\$18,354.66

### Units under existing contract with ICAST to be re-allocated

Funding Source	Balance	Central	Southwest Regional	Red Feather Development
DOE SERC	200	58	142	0
DOE	18	12	5	1

## **Annual State Plan Approval**

Each spring, staff bring the full State Plan to the Board for approval. This approval contains details of how Housing NM | MFA intends to comply with DOE regulations, funding distributions, updates from previous year applications, and service provider changes. The most recent approval took place on April 17, 2024.

**Summary:** Housing NM | MFA is terminating contracts with ICAST, our multifamily service provider because of failure to meet contractual obligations. Upon Board approval, staff will submit the updated State Plan to DOE and revise the current contracts with the three single family service providers to include the unspent balances for each of the five funding sources listed above.





**TO:** Housing New Mexico Board of Directors

Through: MFA Legislative Oversight Committee November 14, 2024

**Through:** PC Committee November 12, 2024

FROM: Robyn Powell

DATE: December 18, 2024

SUBJECT: Proposed Changes to MFA Rules and Regulations

#### Recommendation:

MFA staff recommends discussion and adoption of amended language outlined herein to the MFA Rules and Regulations.

#### **Background:**

Pursuant to Section 58-18-8 NMSA 1978, Rules and Regulations of the authority:

A. The authority shall adopt and may from time to time modify or repeal, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations...

Pursuant to New Mexico Statutes Section 58 Financial Institutions and Regulations, Article 18, the rules and regulations governing MFA must be approved by an oversight committee from the New Mexico legislature.

As required by Section 10 of the MFA Rules and Regulations, MFA will provide an opportunity for public comment by posting the Notice of Request for Public Comment and Proposed Amendments to MFA Rules and Regulations on MFA's website.

Staff are proposing adoption of the amendment to MFA's Rules and Regulations by the Legislative Oversight Committee. Changes are subject to MFA's Board review and approved.

#### **Discussion:**

Page and Section	Current	Proposed Change
Section 3 General	Moderate Income persons	Moderate Income
Definitions, BB,	or families are those with	persons or families are
Persons of Very Low,	income above 80% and up	those with income
Low or Moderate	to and including 150% of	above 80% and up to
Income		and including 200% of

the AMI adjusted for family size.	the AMI adjusted for family size.
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## **Summary:**

MFA may modify the Mortgage Finance Authority Rules and Regulations from time to time with approval of the Legislative Oversight Committee. Approval is contingent on approval from the MFA Board of Directors, which will consider the recommendation at its November board meeting. Staff is recommending approval by the Legislative Oversight Committee to modify the definition of Moderate Income persons or families.

## NEW MEXICO MORTGAGE FINANCE AUTHORITY RULES AND REGULATIONS

**SECTION 1.** <u>AUTHORITY.</u> These Rules and Regulations are issued under and pursuant to the Mortgage Finance Authority Act, enacted as Chapter 303 of the Laws of 1975 of the state of New Mexico, as amended; Chapter 86 of the Laws of 1982 of the state of New Mexico, as amended (being Section 58-18-1 through 58-18-27, N.M.S.A. (1978); and Section 2-12-5, N.M.S.A. (1978), as amended (collectively, the "Act"). These Rules and Regulations supersede and replace all prior rules and regulations of the New Mexico Mortgage Finance Authority ("MFA") and will become effective upon approval by the MFA Oversight Committee.

**SECTION 2.** <u>PURPOSE AND OBJECTIVES.</u> These Rules and Regulations are established to effectuate, and shall be applied so as to accomplish, the general purposes of the Act and the following specific objectives: (i) expanding the supply of funds in New Mexico available for new residential mortgages for Persons and Families of Very Low, Low or Moderate Income; (ii) alleviating the shortage of adequate housing, including Multiple-Family, Transitional and Congregate Dwellings, in New Mexico for Persons and Families of Very Low, Low or Moderate Income; (iii) encouraging and providing the financing for the

acquisition, construction, rehabilitation and improvement of Residential Housing, including Multi Family, Transitional and Congregate Dwellings, in New Mexico for Persons and Families of Very Low, Low or Moderate Income; (iv) down payment assistance for persons and families of low or moderate income; (v) assisting in providing Mortgage Loans at below market interest rates for private individuals, organizations and entities willing to undertake the acquisition, development and/or operation of Multiple- Family, Transitional and Congregate dwellings for persons and families of low or moderate income; and (vi) obtaining the effective participation by lending institutions and others in the mortgage purchase program authorized by the Act, while restricting the financial return and benefit to such lending institutions to that necessary and reasonable to induce such participation. In carrying out its objectives and purposes, MFA, pursuant to the Act has the power to raise funds from private and public investors to make funds available for such purposes; to create and implement programs from time to time as may be necessary or appropriate to accomplish its purposes; and to assist, administer, finance or service housing programs and to contract for such services for or through private and nonprofit organizations and local, state, federal and tribal agencies or their instrumentalities.

- **SECTION 3. GENERAL DEFINITIONS.** The following words and terms shall have the following meanings. A statutory change in the Act of any of the following definitions shall result in a corresponding change in the meaning of the same word or term within Section 3. of these Rules and Regulations.
- A. "Act" shall mean the Mortgage Finance Authority Act, enacted as Chapter 303 of the Laws of 1975 of the state of New Mexico, as amended; Chapter 86 of the Laws of 1982 of the state of New Mexico, as amended (being Section 58-18-1 through 58-18-27, N.M.S.A.(1978); and Section 2-12-5, N.M.S.A. (1978), as amended.
- B. "Affiliate" shall mean any entity controlling, controlled by or under the common control of another entity, person, or common parent company; provided that an entity which is a Mortgage Lender, must meet MFA's requirements set forth in the Policies and Procedures established by MFA for the particular program. For the purposes of this definition, "control" when used with respect to any specified entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract, statute or otherwise. For purposes of this definition the terms

"person" and entity" include non-profit corporation, other public entities, governmental agencies and instrumentalities, Mortgage Lenders, Sponsors, Builders, and Applicants.

- C. "<u>Affordable</u>" shall mean consistent with minimum rent and/or income limitations set forth in the Act, and in guidelines established for specific programs administered by MFA.
- D. "<u>Applicant</u>" shall mean a lending institution, non-profit corporation, public or tribal entity, governmental agency or instrumentality, Mortgage Lender, Builder, Sponsor, or Affiliate of any of the foregoing, or any other person or entity meeting the appropriate criteria of MFA.
- E. "<u>Application</u>" shall mean an application for MFA approval to participate in one or more programs of MFA submitted by an Applicant to MFA.
- F. "Bonds" or "Notes" shall mean the bonds or bond anticipation notes, respectively issued by MFA pursuant to the Act.
- G. "Builder" shall mean a person or entity licensed as a general contractor to construct Residential Housing in the state which has been approved by MFA to participate in an MFA program.
  - H. "Code" shall mean the Internal Revenue Code of 1986, as amended.
- I. "Existing Mortgage Loan" shall mean a loan secured by a Mortgage or deed of trust made by an Applicant to: (i) a Person of Low or Moderate Income to finance the purchase of an owner-occupied single family residence in the state; or (ii) to a person or entity to finance Multiple-Family, Transitional and Congregate dwelling Projects for persons and families of low or moderate income, which loan was made prior to the date of submission by the Applicant of its Application.
- J. "Federal Government" shall mean the United States of America and any agency or instrumentality, corporate or otherwise, of the United States of America.
  - K. "FHA" shall mean the Federal Housing Administration or its successors.
- L. "<u>FHLMC</u>" or "<u>Freddie Mac</u>" shall mean the Federal Home Loan Mortgage Corporation or its successors.
- M. "FNMA" or "Fannie Mae" shall mean the Federal National Mortgage Association or its successors.
- N. "GNMA" or "Ginnie Mae" shall mean the Government National Mortgage Association or its successors.
- O. "Home Improvement Loan" shall mean a Mortgage Loan to finance such alterations, repairs, and improvements on or in connection with an existing residence as MFA may determine will substantially protect or improve the basic livability or energy efficiency of the residence, including without limitation the acquisition and installation of energy conservation building materials and solar energy equipment.

- P. "HUD" shall mean the United States Department of Housing and Urban Development.
- Q. "MFA" shall mean the New Mexico Mortgage Finance Authority.
- R. "Manufactured Home" shall mean a dwelling of at least 400 square feet and at least 12 feet wide and constructed to "HUD Code" which for manufactured housing means that it is built on a permanent chassis, installed on a permanent foundation system and titled as real estate.
- S. "Mobile Home" shall mean a movable or portable housing structure, constructed to be towed on its own chassis and designed to be installed with or without a permanent foundation for human occupancy as a residence; it-may include one or more components that can be retracted for towing purposes and subsequently expanded for additional capacity, or two or more units separately towable but designed to be joined into one integral unit, except that the definition does not include recreational vehicles, or modular or premanufactured homes, built to Uniform Building Code standards and ,-designed to be permanently affixed to real property.
- T. "Modular Home" shall mean a site-built home built on a non-removeable steel chassis and built in accordance with the Uniform Building Codes that are adopted and administered by the state in which the home is installed. The home must also conform to local building codes in the area in which it will be located but does not meet "HUD Code".
- U. "Mortgage" shall mean a mortgage, mortgage deed, deed of trust or other instrument creating a lien, subject only to title exceptions as may be acceptable to MFA with on a fee interest in real property located within the state, or on a leasehold interest that has a remaining term at the time of computation that exceeds or is renewable at the option of the lessee until after the maturity date, of the Mortgage Loan or the instrument creating a lien on a Mobile Home.
- V. "Mortgage Credit Certificate" shall mean certificates issued by MFA to Persons of Very Low, Low or Moderate Income enabling them to claim a credit against federal income tax for a portion of interest paid by such persons on a Mortgage Loan.
- W. "Mortgage Lender" shall mean any bank, bank or trust company, trust company, mortgage company, mortgage banker, national banking association, savings bank, savings and loan association, credit union, building and loan association and any other lending institution; provided that the mortgage lender maintains an office in New Mexico, is authorized to make Mortgage Loans in the state and is approved by MFA and either the FHA, VA, RHS, HUD's Office of Native American Programs, FNMA ("Fannie Mae"), or FHLMC ("Freddie Mac").
- X. "Mortgage Loan" shall mean a financial obligation secured by a Mortgage or a security based on and backed by a pool of Mortgage Loans. Mortgage Loan refers to a New Mortgage Loan and not an existing Mortgage Loan.
  - Y. "Municipality" shall mean any county, city, town or village of the state.

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<sup>&</sup>lt;sup>1</sup> Definition of "Mortgage Lender" was amended (as italicized) per 1999 legislative action and was subsequently approved by the MFA Board of Directors and MFA Legislative Oversight Committee.

- Z. "New Mortgage Loan" shall mean a Mortgage Loan, including a Home Improvement Loan, made by a Mortgage Lender to a Person of Low or Moderate Income to finance Project Costs, and containing such terms and conditions as MFA may require.
- AA. "Oversight Committee" shall mean MFA's Oversight Committee created by, and appointed in accordance with, the Act.
- BB. "Persons of Very Low, Low or Moderate Income" shall mean the categories of income levels attributed to persons and families for the determination of eligibility for MFA's programs. Very Low, Low or Moderate Income persons and families within the state are those who are determined by MFA to lack sufficient income to pay enough to cause private enterprise to build an adequate supply of decent, safe and sanitary Residential Housing in their locality or in an area reasonably accessible to their locality and whose incomes are below the income levels established by MFA to be in need of the assistance made available by the Act, taking into consideration, without limitation, such factors as defined under the Act. For purposes of this definition, the word "families" shall mean a group of persons consisting of, but not limited to, the head of a household; his or her spouse, if any; and children, if any, who are allowable as personal exemptions for Federal income tax purposes. Very Low Income persons or families are those with income at or below 50% of the Area Median Income ("AMI") adjusted for family size. For Loans to persons and families on Indian Reservations or other Indian area, MFA will use the income basis determined under HUD's Native American Housing and Self Determination Act ("NAHASDA"). Low Income persons or families are those with income above 50% and up to and including 80% of the AMI adjusted for family size. Moderate Income persons or families are those with income above 80% and up to and including 150200% of the AMI adjusted for family size. Moderate income limits may be adjusted for high-cost areas to accommodate qualification of purchase of a median priced home in a county of the subject property or rent at the fair market rate. These definitions of income apply to all non-federal, unrestricted programs administered by MFA. All federal follow the income requirements outlined in statute, regulations, guidance or contractual documents. This definition is in line with the needs throughout the state and is in accordance with the requirements of the Act. AMI is defined as the point at which half the households in an area have lower incomes and half have higher incomes.
- CC. "<u>Policies and Procedures</u>" shall mean Policies and Procedures of MFA, including but not limited to, Mortgage Loan purchasing, selling, servicing and reservation procedures, which MFA may update and revise from time to time as MFA deems appropriate.
- DD. "<u>Recertification</u>" shall mean the recertification of Applicants participating in MFA programs as determined necessary from time to time by MFA.
- EE. "<u>Rehabilitation</u>" shall mean the substantial renovation or reconstruction of an existing Residential Housing as may be further defined by Policies and Procedures established by MFA for particular programs.
- FF. "Reservation and Compliance Procedures" shall mean MFA's procedures for allocating funds to purchase Mortgage Loans, and allocating Mortgage Credit Certificates, if applicable. Such procedures may be updated and revised by MFA as MFA deems appropriate.
- GG. "Residential Housing" shall mean the acquisition, construction or rehabilitation of real property, buildings, and improvements undertaken primarily to provide one or more dwelling

accommodations for Persons of Very Low, Low or Moderate Income, including, without limitation, Mobile Homes, single-family, Multiple-Family, Transitional and Congregate dwellings.

- HH. "Residential Use" shall mean that the structure is designed primarily for use as the principal residence of the occupant or occupants and shall exclude vacation of recreational homes.
- II. "<u>RHS/USDA</u>" shall mean Rural Housing Service of the United States Department of Agriculture and Rural Housing Community Development Service (RHCDS) and its successors.
  - JJ. "State" shall mean the state of New Mexico.
- KK. "State, Local, Federal or Tribal Agency" means any board, authority, agency, department, commission, public corporation, body politic or instrumentality of the state or of a local, federal or tribal government; and
  - LL. "VA" shall mean the Department of Veterans Affairs.

## **SECTION 4.** GENERAL REQUIREMENTS. The following requirements shall apply to all programs established by MFA.

- 4.1 Fees and Charges of MFA. MFA may establish and collect fees from Applicants who file Applications: (i) requesting allocations of funds for Mortgage Loans; or (ii) selling or offering to sell Mortgage Loans to MFA in such amounts as MFA may deem appropriate. Such fees may be used for, among other purposes: (i) reimbursing MFA for all or part of its reasonably expected costs of issuing its Bonds or other obligations and of administering its programs; and (ii) providing inducements to make or deliver Mortgage Loans or other financing for public purposes which MFA determines require additional inducements to accomplish. MFA may establish such other charges, premiums, and penalties as it shall deem to be necessary in connection with the administration of its programs.
- 4.2 <u>Servicing of Mortgage Loans</u>. MFA shall cause each Mortgage Loan financed by MFA to be serviced pursuant to the Policies and Procedures established by-MFA for the particular program.
- 4.3 <u>Examination of Books and Records</u>. MFA shall cause to be made such examinations of the books and records of each Applicant as MFA deems necessary or appropriate to determine compliance with the terms of the Act, these Rules and Regulations and any agreement between the Applicant and MFA. MFA may require each Applicant to pay the costs of any such examination.
- 4.4 <u>Consent to Jurisdiction</u>. Each Applicant shall consent to the jurisdiction of the courts of the state, or the appropriate tribal court, over any proceeding to enforce compliance with the terms of the Act, these Rules and Regulations and any agreement between the Applicant and MFA.
- 4.5 <u>Purchase of MFA's Bonds</u>. No Mortgage Lender (including any "related person," as defined in Section 103 of the Code, and the regulations related thereto) shall, pursuant to any arrangement, formal or informal, or direct or indirect, purchase Bonds or other obligations of MFA in an amount related to the aggregate principal amount of the Mortgage Loans to be sold to MFA by such Mortgage Lender (or related person).

- 4.6 <u>Policies and Procedures</u>. MFA shall adopt written Policies <u>and Procedures</u> for each of its programs and for the general conduct of its business. MFA's Policies and Procedures Manual shall become effective upon approval by the Board of Directors of MFA; and shall be established in accordance with the Act, the Code, these Rules and Regulations, and if applicable, the requirements of the guarantor, insurer, or purchaser with respect to the particular program. All Policies and Procedures and these Rules and Regulations shall be maintained at the offices of MFA and be available for review by all Applicants and the general public during normal business hours.
- 4.7 <u>Recertification</u>. MFA may establish procedures for recertifying Applicants from time to time. Applicants which fail to satisfy MFA's requirements for Recertification shall cease to be eligible and shall be denied further participation in MFA programs until the requirements of MFA are satisfied.

**SECTION 5. SINGLE FAMILY HOMEOWNERSHIP PROGRAMS.** In addition to the programs defined in this Section 5, MFA shall have the power to create variations or extensions of such programs, or additional programs which comply with the Act and these Rules and Regulations.

- 5.1 <u>Additional Definitions</u>. The following words and terms shall have the following meanings only within this Section 5.
- A. "Single Family Homeownership Programs" shall mean MFA's single family mortgage programs established from time to time in which funds are available to finance Mortgage Loans through the sale of Bonds or other obligations, or from the proceeds of a Secondary Market Facility, or from MFA's general fund, or through the issuance of Mortgage Credit Certificates allocated to Applicants on an aggregate or loan-by- loan basis pursuant to the Act and these Rules and Regulations set forth in this Section 5, and shall include: (i) MFA's program pursuant to which MFA shall issue Mortgage Credit Certificates to Persons of Very Low, Low or Moderate Income; (ii) the financing of Mortgage Loans, Home Improvement Loans and Rehabilitation Loans; and (iii) the purchase and sale of Mortgage Loans.
- B. "<u>Rehabilitation</u>" shall mean the substantial renovation or reconstruction of an existing single-family residence, not including an increase in living area, which complies with requirements established by MFA. Rehabilitation shall not include routine or ordinary repairs, improvements, or maintenance, such as interior decorating, remodeling, or exterior painting, except in conjunction with other substantial renovation or reconstruction.
- C. "<u>Rehabilitation Loan</u>" shall mean a qualified rehabilitation loan within the meaning of Section 143(k)(5) of the Internal Revenue Code of 1986, as that section may be amended or renumbered.
  - D. <u>FOR PURPOSES OF THE MAKING OF LOANS TO MORTGAGE LENDERS,</u> THE PURCHASE OR FINANCING OF MORTGAGE LOANS, REHABILITATION LOANS AND

HOME IMPROVEMENT LOANS, "Residential Housing" shall mean an owner-occupied, single family residence located in the state, which the mortgagor(s) intend(s) to occupy as his or her (their) principal residence within sixty (60) days after: (1) the date of the closing of the purchase of the residence, or (2) in the case of a Rehabilitation Loan where the Rehabilitation is to be accomplished by the mortgagor, the date of completion of the Rehabilitation, or, with respect to Home Improvement Loans, is occupied by the mortgagor(s). For purposes of this definition, with regard to those properties and Projects funded by tax exempt Bonds, Residential Housing shall otherwise comply with the requirements of the Code and shall meet other requirements as MFA may from time to time determine to be necessary or appropriate to properly administer the Single Family Homeownership Program.

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## 5.2 Allocation of Funds for Financing.

- A. <u>Allocation of Funds by MFA</u>. Funds may be allocated by MFA either on an aggregate or on a loan-by-loan basis in accordance with MFA's Reservation and Compliance Procedures. Allocations of funds for Mortgage Loans, Rehabilitation Loans and/or Home Improvement Loans financed by MFA shall be conclusive. In making such allocations, MFA may consider, among other things, as appropriate:
  - i. In the case of programs, the funds of which are allocated on a loan-by- loan basis, the order of receipt of a request for reservation of funds, so as to generally allocate funds on a firstcome, first-served basis;
  - ii. The ability of the Applicant to deliver individual Mortgage Loans, Rehabilitation Loans or Home Improvement Loans or otherwise utilize the funds for the purpose of the program within the time limits of the program; and/or
  - iii. In the case of programs for the purchase of Existing Mortgage Loans, the terms and conditions of the Mortgage Loans offered for sale by the Applicant.
- B. <u>Allocation of Mortgage Credit Certificates</u>. Mortgage Credit Certificates shall be allocated on a loan-by-loan basis in accordance with the Policies and Procedures established by MFA.

## 5.3 Applications.

- A. Process for Applying. MFA shall maintain an Application policy for Applicants wishing to apply for MFA approval to participate in the Single Family Homeownership Program. Applications will be provided with all documents required to be executed and submitted in connection therewith upon request. An Application to sell Mortgage Loans, Rehabilitation Loans or Home Improvement Loans to MFA shall contain, among other things, the unconditional agreement of the Applicant, upon acceptance of the Application by MFA, to sell Mortgage Loans, Rehabilitation Loans or Home Improvement Loans to MFA or its designee which comply with the terms of an agreement to be signed by the Applicant and MFA.
- B. Review by MFA. On receipt of an Application, MFA shall review and analyze the Applicant's ability to sell Mortgage Loans, Rehabilitation Loans or Home Improvement Loans to MFA or its designee and to service such Mortgage Loans, Rehabilitation Loans or Home Improvement Loans, or cause them to be serviced.
- C. <u>Notification of Acceptance</u>. MFA, by written notice shall notify each Applicant which has submitted an Application of the approval or disapproval of its Application. Upon approval of its Application, a Mortgage Lender or other Applicant shall be considered approved by MFA to participate in the Single Family Homeownership Program. MFA's approval or disapproval of any Application shall be conclusive.
- 5.4 <u>Acceptance.</u> MFA shall establish Policies and Procedures for the financing of Mortgage Loans, Rehabilitation Loans and Home Improvement Loans as set forth in paragraph 4.6 of these Rules and Regulations. Each allocation of funds shall be conditioned upon the receipt by MFA from the Applicant of

a commitment fee, if any, and the documents required by MFA within the time specified in the acceptance. In all cases MFA may deny requests and may reallocate funds in accordance with MFA's Reservation and Compliance Procedures. The allocation and reallocation of funds by MFA for the financing of Mortgage Loans, Rehabilitation Loans and Home Improvement Loans shall be conclusive.

- 5.5 Financing of Mortgage Loans, Rehabilitation Loans and Home Improvement Loans. The financing of Mortgage Loans, Rehabilitation Loans and Home Improvement Loans by MFA shall be in accordance with the Policies and Procedures established by MFA for the particular program. Each Mortgage Loan, Rehabilitation Loan and Home Improvement Loan financed must: (i) be the subject of an allocation of funds; (ii) be the subject of a written agreement executed by MFA and the Applicant; (iii) comply with the terms and conditions of such agreement; (iv) be serviced in compliance with the servicing requirements of such agreement; and (v) otherwise comply with MFA's requirements for the financing and servicing of Mortgage Loans, Rehabilitation Loans and Home Improvement Loans under the Single Family Homeownership Program.
- 5.6 <u>Yield on Mortgage Loans</u>, Rehabilitation Loans and Home Improvement Loans. Mortgage Loans, Rehabilitation Loans and Home Improvement Loans under the Single Family Homeownership Program shall bear interest at such a rate or rates as in the aggregate shall produce a yield to MFA on such Mortgage Loans and Home Improvement Loans sufficient to (i) pay interest on any related issue of MFA's Bonds or other obligations; (ii) provide adequate reserves, if any, for the holder of any of MFA's Bonds or other obligations; and (iii) cover the operating costs of MFA-
  - 5.7 <u>Conditions of Mortgage Loans, Rehabilitation Loans and Home Improvement Loans.</u>
- A. Mortgage Loans, Rehabilitation Loans and Home Improvement Loans financed by MFA under the Single Family Homeownership Program shall: (i) comply with the applicable terms and conditions prescribed by MFA in a written agreement between MFA and the Applicant for such Mortgage Loan, Rehabilitation Loan or Home Improvement Loan; and (ii) comply with the Policies and Procedures of MFA.
- B. Each loan commitment to make a Mortgage Loan, Rehabilitation Loan or Home Improvement Loan must be made to a Person of Low or Moderate Income unless other Board approved program limits are in place. Mortgage Loans, Rehabilitation Loans and Home Improvement Loans shall be financed by MFA within such time periods as are specified by MFA.
- 5.8 Restrictions on Return Realized by Mortgage Lenders. MFA shall establish and set forth the maximum rate or rates of return which may be realized by Mortgage Lenders from Mortgage Loans. Rehabilitation Loans or Home Improvement Loans, including any commitment fees, premiums, bonuses, points, or other fees charged by the Mortgage Lender in connection with the making of such Mortgage Loans. Rehabilitation Loans or Home Improvement Loans. Such maximum rates of return shall be set in such amounts as MFA finds to be reasonably necessary to induce participation in the Single Family Homeownership Program by Applicants in order to accomplish the purposes of the Act.
- 5.9 <u>Manufactured Homes, Mobile Homes and Modular Homes</u>. The eligibility of Manufactured Homes, Mobile Homes and Modular Homes for use as security for Mortgage Loans shall be determined in accordance with standards established by MFA.

## SECTION 6 MULTIPLE FAMILY DWELLING, TRANSITIONAL, AND CONGREGATE

**PROJECT MORTGAGE LOANS.** In addition to the Multifamily Housing Programs as defined in this Section 6, MFA shall have the power to create variations or extensions of the programs, or additional programs which comply with the Act and these Rules and Regulations.

- 6.1 <u>Additional Definitions</u>. The following words and terms shall have the following meanings only within this Section 6.
- A. "Congregate Housing Facility" shall mean Residential Housing designed for occupancy by more than four Persons of Very Low, Low or Moderate Income living independently of each other. The facility may contain group dining, recreational, health care or other communal facilities and each unit in a congregate housing facility shall contain at least its own living, sleeping, and bathing facilities.
- B. "<u>Lender Loan</u>" shall mean a loan made by MFA to a Mortgage Lender, pursuant to the Act and these Rules and Regulations, the proceeds of which are used directly or indirectly to make Project Mortgage Loans.
- C. "Multiple-family Dwelling Project" shall mean the Residential Housing that is designed for occupancy by more than four persons or families living independently of each other or living in a Congregate Housing Facility, at least sixty percent of whom are Persons of Very Low, Low or Moderate Income, including without limitation Persons of Very Low, Low or Moderate Income who are elderly and who have a disability as determined by MFA, provided that the percentage of low-income persons and families shall be at least the minimum, if any, required by federal tax law and any other federal or state funding regulations.
- D. "<u>Multifamily Housing Program</u>" shall mean a program involving a Congregate Housing Facility, a Multi-family Dwelling Project or a Transitional Housing Facility.
- E. "<u>Project</u>" shall mean any work or undertaking, whether new construction, acquisition of existing Residential Housing, remodeling, improvement, or rehabilitation approved by MFA for the primary purpose of providing sanitary, decent, safe, and Affordable Residential Housing within the State for one or more Persons of Very Low, Low or Moderate Income.
- F. "<u>Project Mortgage Loan</u>" shall mean a Mortgage Loan made to a Sponsor to finance Project Costs, as such term is defined in the Act, of a Multifamily Housing Project
- G. "Sponsor" shall mean an individual, association, corporation, public or tribal entity, joint venture, partnership, limited partnership, trust or any combination thereof which has been approved by MFA as qualified to own and maintain a Multiple-Family Dwelling, Transitional or Congregate Housing Project, maintains its principal office or a branch office in New Mexico and has agreed to subject itself to the regulatory power of MFA and the jurisdiction of the courts of the state, including Tribal courts having jurisdiction of Projects located on Native American Trust Lands located in New Mexico.
- H. "<u>Transitional Housing Facility</u>" shall mean Residential Housing that is designed for temporary or transitional occupancy by Persons of Very Low, Low or Moderate Income or special needs.
  - 6.2 <u>Application Procedures</u>.

- A. Offers to Sell Project Mortgage Loans. Application procedures for offers to sell Project Mortgage Loans shall be set forth in the Policies and Procedures established by MFA for the particular program and in accordance with paragraph 4.6 of these Rules and Regulations. The Application shall contain such information as required by the Act and MFA for determining whether MFA shall finance the Mortgage Loans.
- B. <u>Loans to Lenders Program</u>. A Sponsor requesting a Lender Loan from MFA must first submit an Application to MFA, in the form prescribed by MFA. Formal Application procedures for loans to lenders shall be set forth, in writing, in the Policies and Procedures established by MFA for the particular program and in accordance with paragraph 4.6 of these Rules and Regulations.
- C. <u>Other Programs Established by MFA</u>. MFA shall, from time to time, establish Application procedures for programs. The Application procedures shall be published in Policies and Procedures established by MFA for the particular program and in accordance with paragraph 4.6 of these Rules and Regulations for various programs. The Application procedures shall take into consideration:
  - 1. timely completion and submission to MFA of a program Application;
  - 2. timely submission of all other information and documentation related to the program required by MFA, as set forth in MFA's Policies and Procedures for the particular program;
  - 3. timely payment of any fees required to be paid to MFA at the time of submission of the Application; and
  - 4. compliance with program eligibility requirements as set forth in MFA's Policies and Procedures established for the particular program.
  - 6.3 <u>Standards for Approving Qualification of Applicants.</u>
- A. <u>Sponsors</u>. MFA shall, from time to time, establish standards for approving qualifications of Sponsors, which standards shall be published in Policies and Procedures established for the particular program. These standards shall take into consideration the following factors:
- 1. MFA shall require each Sponsor, at the time of such Sponsor's request for MFA approval, to submit a verified certificate stating that, among other things:
- (a) for every Multifamily Housing Program, including every assisted or insured project of HUD, RHS/USDA, FHA and any other state or local government housing finance agency in which such Sponsor has been or is a principal;
  - (b) except as shown on such certificate:
- (i) no mortgage on a Project listed on such certificate has ever been in default, assigned to the United States government or foreclosed, nor has any mortgage relief by the mortgagee been given;

- (ii) there has not been a suspension or termination of payments under any HUD assistance contract in which the Sponsor has had a legal or beneficial interest;
- (iii) such Sponsor has not 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; and
- (iv) the Sponsor has not defaulted on an obligation covered by a surety or performance bond

If such Sponsor cannot certify to each of the above, such Sponsor shall submit a signed statement to explain the facts and circumstances which such Sponsor believes will explain the lack of certification. MFA may then, in its sole and absolute discretion, determine if such Sponsor is or is not qualified.

- 2. The experience of the Sponsor in developing, financing, and managing Multifamily Residential Housing.
- 3. Whether the Sponsor has been found by the United States Equal Employment Opportunity Commission or the New Mexico Human Rights Commission to be in noncompliance with any applicable civil rights laws.
- B. <u>Mortgage Lenders</u>. In approving Mortgage Lenders, MFA shall consider, among other things:
  - 1. The financial condition of the Mortgage Lender;
  - 2. The terms and conditions of the Lender Loans to be made;
  - 3. The aggregate principal balances of Lender Loans to be made to each Mortgage Lender compared with the aggregate principal balances of the Lender Loans to be made to all other Mortgage Lenders;
  - 4. MFA's assessment of the ability of the Mortgage Lender or its designated servicer to act as originator and servicer of Mortgage Loans for the Multifamily Housing Programs to be financed; and
  - 5. Previous participation by the Mortgage Lender in MFA's programs and HUD, FHA, or RHS/USDA programs.
- C. <u>Other Applicants</u>. MFA shall, from time to time, establish standards for approving the qualifications of other Applicants seeking MFA assistance, which standards shall be published in Policies and Procedures established for the particular program.
- 6.4 <u>Notice of Acceptance</u>. MFA shall, in writing, notify each Applicant, which has submitted an Application as to the aggregate principal balance of the loan, if any, MFA shall agree to make, subject to the conditions set forth in the Application. The aggregate principal balance of loans, which MFA agrees to make to any Applicant, may be in an amount less than that requested.

- 6.5 <u>Standards for Determining Minimum Equity Requirements, Acceptable Debt-to- Equity Ratios, and Acceptable Loan-to-Value Ratios.</u>
- A. <u>Generally</u>. MFA shall, from time to time, establish standards for (i) minimum equity requirements and acceptable debt-to-equity ratios; and (ii) acceptable loan-to- value ratios for each Project under a particular program, which standards shall be in accordance with generally accepted standards in the lending industry and shall be published in Policies and Procedures established for the particular program.
- B. Sponsors. With respect to establishing such standards for Sponsors, MFA shall require that the maximum mortgage amount not exceed the estimate of the replacement cost of the Multifamily Housing Project when the proposed improvements are completed and required reserves are funded. The replacement cost may include land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction and other miscellaneous charges incident to construction and approved by MFA, including an allowance for Builder's and Sponsor's profit and risk.
- 6.6 <u>Uniform Accounting System</u>. The accounting system used by Sponsors shall be based upon generally accepted accounting standards for the industry. Additional requirements may be dictated by the state or federal funding source, which in such cases will be included in the Sponsor's contract or loan documents.

## 6.7 Costs of the Project.

- A. <u>Submission of Cost Certificate</u>. Upon completion of any Multifamily Housing Project, MFA shall require the Sponsor to submit a cost certificate detailing the specific items of the Project if required by the regulations of the funding source. MFA will require the Sponsor to document all costs funded by MFA.
- B. <u>Cost Approvals</u>. MFA shall, from time to time, develop standards for approving Project Costs for Projects to be financed through an MFA program. These standards shall be set forth in Policies and Procedures established for the particular program and shall include such factors as:
  - 1. the cost of the land upon which the Project is to be built;
  - 2. the architect's and other professionals' fees;
  - 3. organizational and legal expenses;
  - 4. the number of square feet to be built together with the cost per square foot to build;
  - 5. the amount of Builder's and Sponsor's overhead to be allocated to the Project;
  - 6. the amount of Builder's and Sponsor's profit;

- 7. taxes and insurance, including title insurance and recording fees; and
- 8. the Sponsor's relationship, if any, with the Builder or general contractor for the Project, including any collateral agreements.

MFA shall take into account the guarantor's, insurer's, or purchaser's approved cost limits in effect at the time in evaluating the reasonableness of and approving the Project Costs for each Project. These standards shall also take into consideration the requirements of the Act, the Code, and the requirements of any applicable federal government program.

- 6.8 <u>Geographic Allocation and Other Site Considerations</u>. MFA shall make all reasonable efforts to provide loan assistance under various Multifamily Housing Programs on a statewide basis. In providing for reasonable geographic allocation for all MFA Multifamily Housing Programs, MFA may consider with respect to a Project, among other things:
  - A. the nature of the proposed neighborhood;
- B. whether there is a need in the area for decent, safe and sanitary housing for Persons of Low and Moderate Income;
- C. the number of similar multifamily housing projects, if any, located in the particular area and the type, location, number of units and size of such projects;
  - D. the occupancy history of similar multifamily housing projects in the area;
  - E. the need for new housing in the area to attract a new industry or plant;
- F. the availability of adequate utilities (water, sewer, gas and electricity) and streets to service the Project;
- G. the availability of, and accessibility to, social, recreational, educational, commercial and health facilities and services, which should at least be equivalent to those found in neighborhoods consisting largely of unassisted, standard housing of similar market rents; and
- H. whether the Project site is free from adverse environmental conditions, natural or man-made, such as instability, flooding, sewage hazards, harmful air pollution, smoke or dust, excessive vehicular traffic, and fire hazards.

In addition, MFA shall give great weight in making its determination with respect to geographic allocation to whether the Project will promote a greater choice of housing opportunities in the area and will avoid an undue concentration of assisted persons in areas containing a high proportion of Persons of Low and Moderate Income. MFA may rely on such guarantor's, insurer's or purchaser's approval as evidence that the above criteria have been met.

6.9 <u>Discrimination Prohibited</u>. The development, construction, occupancy, and operation of a Multifamily Housing Program financed or assisted by MFA shall be undertaken in a manner consistent with principles of non-discrimination and equal opportunity, and MFA shall require compliance with all

applicable federal and state laws and regulations relating to affirmative action, non-discrimination, and equal opportunity.

- **SECTION 7.** HOUSING OPPORTUNITY FUND ("HOF"). In addition to the following programs defined in this Section 7, MFA shall have the power to create certain variations or extensions of the programs, or additional programs which comply with the Act and these Rules and Regulations.
- 7.1 <u>Additional Definitions</u>. The following words and terms shall have the following meanings only within this Section 7.
- A. "<u>Down Payment Assistance Programs</u>" shall mean MFA's programs that provide down payment and closing cost assistance in the form of a second mortgage lien to Persons of Low and Moderate Income who are using MFA's Single Family Homeownership Program (as defined in Section 5, above) to acquire single family homes.
- B. "<u>Partners Program</u>" shall mean MFA's program designed to serve as a secondary market for below-market-rate single family mortgages which have been originated by nonprofit organizations to provide financing for families earning no more than 60% of county or median income as published by the US Department of Housing and Urban Development at the time of initial family qualification by participants and MFA.
- C. "<u>Primero Investment Fund</u>" shall mean MFA's program designed to provide flexible financing to nonprofit organizations, Tribal and public agencies, as well as for- profit entities undertaking the development of Affordable owner-occupied, rental, or special needs housing Projects.
- D. "ACCESS Loan Program" shall mean MFA's program designed to provide guaranteed or insured construction and permanent financing for Affordable rental developments.
- E. "<u>Emergency Housing Needs Pilot Program</u>" shall mean MFA's program designed to provide one-time assistance when an individual or household faces an emergency situation is defined as a sudden or unexpected circumstance that has displaced a person or household, poses a significant risk of displacement to a person or household, or threatens the health and safety of an individual or household.

## 7.2 Funding.

- A. <u>Initial Funding</u>. The HOF shall be initially funded with net residual assets of MFA's issue of Home Improvement Loan Revenue Bonds, 1985 Series A and financing adjustment factor (FAF) savings derived from MFA's Multifamily Housing Refunding Revenue Bonds 1990 Series A.
- B. <u>Additional Sources</u>. Additional sources of funding may include, but are not limited to:
- 1. gifts, loans and grants received from the federal government, private foundations, corporate and private individuals and other sources;
- 2. money and other assets specifically allocated by MFA to the HOF from time to time; and
  - 3. earnings of the HOF.

- 7.3 <u>Use of Funds</u>. Monies and other assets of the HOF shall be disbursed to Applicants in accordance with the purposes of the HOF and Policies and Procedures developed and established by MFA for the HOF as follows:
- A. to provide down payment assistance for the financing of housing by Persons of Low and Moderate Income;
- B. to provide closing cost assistance for the financing of housing by Persons of Low and Moderate Income;
  - C. to pay fees for services utilized in connection with HOF programs;
  - D. to pay costs of acquisition, rehabilitation and/or construction of Affordable housing Projects, as well as costs associated with single family mortgages; and
    - E. in such other manner as MFA may determine from time to time.
- 7.4 <u>Administration</u>. MFA shall administer the affairs of the HOF in accordance with provisions of the Act, these Rules and Regulations, any applicable state and federal laws and regulations, each of which may be amended or supplemented from time to time. MFA, in establishing, funding and administering the affairs of the HOF and by making, executing, delivering and performing any award, contract, grant or any other activity or transaction contemplated by the HOF, shall not violate any provision of law, rule or regulation or any decree, writ, order, injunction, judgment, determination or award and will not contravene the provisions of or otherwise cause a default under any of its agreements, indentures, or other instruments to which it may be bound.
- 7.5 <u>Program Guidelines</u>. MFA shall, from time to time, develop and adopt Policies and Procedures for each program of the HOF, which shall set forth the specific Application and approval procedures.
- **SECTION 8. SECONDARY MARKET FACILITY.** In addition to the following programs defined in this Section 8, MFA shall have the power to create certain variations or extensions of the programs, or additional programs which comply with the Act and these Rules and Regulations.
- 8.1 <u>Additional Definitions</u>. The following words and terms shall have the following meanings only within this Section 8.
  - A. "<u>Pass-Through Securities</u>" shall mean securities representing undivided ownership interests in a pool of Mortgage Loans; and \_
  - B. "Secondary Market Facility" shall mean a corporation, trust, or other form of legal entity established by MFA for the purpose of the purchase, with private or public funds legally available therefor, of Mortgage Loans, mortgage-based obligations, PassThrough Securities or interests therein.
  - 8.2 <u>Establishment of Secondary Market Facility</u>. MFA may establish and implement a Secondary Market Facility for Mortgage Loans and to otherwise act as a conduit for public and private funds to

provide an increased degree of liquidity for mortgage investments. In establishing a Secondary Market Facility, MFA may issue Pass-Through Securities and may purchase and contract to purchase Mortgage Loans, Pass-Through Securities, obligations secured by Mortgage Loans or revenues therefrom or interests therein. MFA shall establish Policies and Procedures, in accordance with paragraph 4.6 of these Rules and Regulations, which Policies and Procedures shall provide for the governing of the operations of the Secondary Market Facility, the issuance of Pass-Through Securities and for the purchase or issuance by, or the sale of, such obligations to the Secondary Market Facility.

The Policies and Procedures shall include, among other things: (i) the submission by Mortgage Lenders of offers to sell Mortgage Loans; Pass-Through Securities; and obligations secured by Mortgage Loans or pledges of Mortgage Loan revenues; (ii) standards for allocating available funds or guarantees among Mortgage Lenders through the Secondary Market Facility; (iii) qualifications or conditions relating to the reinvestment by Mortgage Lenders of the funds made available to Mortgage Lenders by the Secondary Market Facility; and (iv) characteristics of Pass-Through Securities to be issued by the Secondary Market Facility.

**SECTION 9.** <u>MISCELLANEOUS</u>. Capitalized terms not otherwise defined in these Rules and Regulations have the same meaning as defined in the Act.

## SECTION 10. AMENDMENT TO RULES AND REGULATIONS. These Rules and

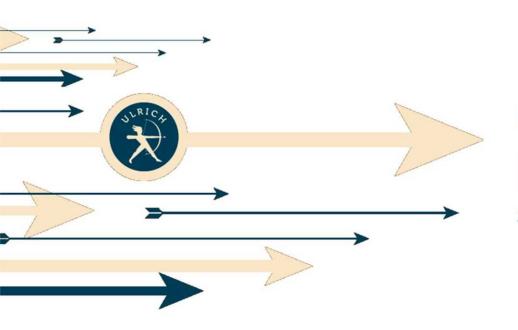
Regulations may be amended or supplemented by MFA, with the approval of the Oversight Committee, at any time. Proposed amendments to these Rules and Regulations will be posted on MFA's website for a minimum of thirty (30) days prior to approval by the Oversight Committee, to enable public comment on the proposed changes.



Prepared for: Housing New Mexico / MFA

September 30, 2024

# **Board Report**



# **Capital Market Review & Outlook**

September 30, 2024

### **Economic And Asset Class Summary: Q3 2024**

### **Economy**

- Inflation and the job market are both showing signs of weakening and consumer debt is on the rise.
- Although energy prices have come down due to higher-than-expected production from OPEC and weakened demand from China, risks remain to the upside as the conflict in the Middle East becomes more tenuous.
- The Federal deficit continues to be a concern at 100% of GDP and with interest expenses outpacing defense spending.

#### **Fixed Income Markets**

- The Fed cut interest rates by 50 basis points and signaled further cuts by year-end; however, the number and magnitude of the cuts remain uncertain as monthly data is giving mixed signals of a soft landing vs. a potential recession.
- Future fixed income returns remain attractive, even as the Fed starts to cut interest rates. Yields are substantially higher than
  a few years ago; when rates go down, the value of bonds go up due to their inverse relationship.
- The yield curve finally un-inverted with 10-Year Treasuries yielding more than 2-Year Treasuries.

#### **Equity Markets**

- Equity markets hit all time highs in the 3<sup>rd</sup> quarter; however, there was a rotation to Value and overall broader market participation.
- Smaller cap companies rallied on the rate cut as many are more exposed to floating rate debt.
- Al continues to be a driver of Capex spending as well as energy consumption.
- A weakening dollar could make international equity markets more attractive on top of their lower valuations.

#### **Alternatives**

- Real Estate should begin to see a recovery in prices, as Fed cuts should be a catalyst for lower cap rates.
- Real Estate credit continues to look attractive.
- Secondary private equity markets continue to be attractive as reduced M&A activity has forced many overcommitted institutional investors to divest their holdings at discounted prices.



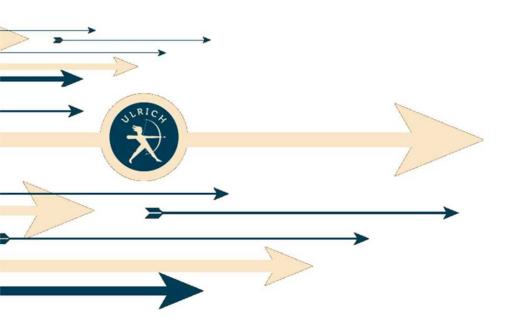
### Major Market Indices (As of 9/30/2024)

	20	24		Annualized		P/E Ratio
Domestic Equity	Q3	YTD	1 Year	5 Year	10 Year	NTM
S&P 500	5.9%	22.1%	36.3%	15.9%	13.4%	21.8
Russell 3000	6.2%	20.6%	35.2%	15.2%	12.8%	21.9
Russell 1000 Value	9.4%	16.7%	27.7%	10.7%	9.2%	17.3
Russell 1000 Growth	3.2%	24.5%	42.2%	19.7%	16.5%	28.1
Russell 1000	6.1%	21.2%	35.7%	15.6%	13.1%	21.7
Russell 2000	9.3%	11.2%	26.7%	9.3%	8.8%	26.9
Russell 2500	8.7%	11.3%	26.1%	10.4%	9.5%	20.5
	20	2024		Annualized		P/E Ratio
International Equity	Q3	YTD	1 Year	5 Year	10 Year	NTM
MSCI ACWI Ex US	8.2%	14.7%	26.0%	8.1%	5.8%	13.9
MSCI EAFE	7.4%	13.6%	25.4%	8.8%	6.3%	14.5
MSCI EM	8.8%	17.1%	26.4%	6.1%	4.4%	12.5
	20	24		Annualized		
Fixed Income	Q3	YTD	1 Year	5 Year	10 Year	Yield to Worst
Bloomberg US Aggregate	5.2%	4.4%	11.6%	0.3%	1.8%	4.2%
Bloomberg US Universal	5.2%	4.9%	12.1%	0.7%	2.1%	4.5%
	20	24		Annualized		
Other	Q3	YTD	1 Year	5 Year	10 Year	Value
S&P/LSTA Leveraged Loan	2.1%	6.6%	9.6%	5.7%	4.9%	
FTSE Nareit Equity REITs	16.1%	15.9%	34.7%	5.5%	7.9%	
US Dollar	-4.8%	-0.5%	-5.1%	0.3%	1.6%	\$100.78
WTI	-16.4%	-4.9%	-24.9%	4.7%	-2.9%	\$68.17
Gold	13.2%	27.7%	42.5%	12.3%	8.1%	\$2,635

- Small- and Mid-cap stocks rallied into the 3<sup>rd</sup> quarter, prompted by declining rates.
- Value outperformed Growth for the quarter as market participation began to rotate away from big tech.
- International also rallied in the wake of a weakening dollar.
- Oil slumped on weaker demand and increased production from OPEC.
- Gold continued to reach all time highs on global central bank purchases.

Source: Bloomberg





## **Portfolio Review**

Fiscal Year and Third Quarter 2024 Update

September 30, 2024

### Portfolio Review as of 9.30.2024 - Total Portfolio

### **Activity Summary**

	Quarter To Date	Year To Date	Fiscal YTD	Last 12 Months
Beginning Value	83,864,991.24	88,054,115.39	88,404,371.80	88,404,371.80
Net Additions	-2,571,441.30	-8,876,396.49	-11,803,177.69	-11,803,177.69
Net Gain	1,946,824.80	4,062,655.84	6,639,180.63	6,639,180.63
Market Change	1,638,460.56	3,018,286.41	5,279,338.66	5,279,338.66
Income	308,364.24	1,044,369.43	1,359,841.97	1,359,841.97
Fees	0.00	0.00	0.00	0.00
Ending Value	83,240,374.74	83,240,374.74	83,240,374.74	83,240,374.74

### **Return Summary SIC Assets**

	Quarter To Date	Year To Date	Fiscal YTD	Last 12 Months	Last 3 Years
Return	5.2%	9.0%	17.3%	17.3%	2.0%1
Super Class Blended Benchmark Return	5.7%	8.5%	17.0%	17.0%	2.3%
Segment Blended Benchmark Return	5.7%	8.7%	17.2%	17.2%	2.4%

<sup>&</sup>lt;sup>1</sup> Annualized return

### **Return Summary Total Assets**

	Quarter To Date	Year To Date	Fiscal YTD	Last 12 Months
Return	2.3%	4.9%	8.1%	8.1%
Super Class Blended Benchmark Return	4.5%	5.8%	12.2%	12.2%
Segment Blended Benchmark Return	2.6%	4.4%	7.8%	7.8%

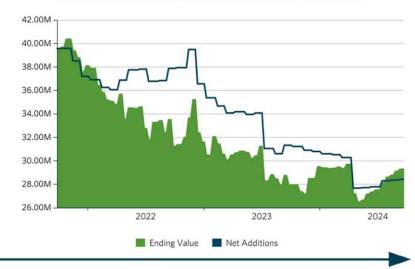
#### **Return Summary Non-SIC Assets**

	Quarter To Date	Year To Date	Fiscal YTD	Last 12 Months
Return	0.9%	2.7%	3.6%	3.6%
Segment Blended Benchmark Return	1.1%	2.3%	3.4%	3.4%
ML US TREAS TR 1-3 YRS Return	2.9%	4.2%	6.7%	6.7%

#### Account Value

	Ending Value
New Mexico Mortgage Finance Authority Total Portfolio	83,240,374.74
MFA Housing Trust Fund	6,781,593.84
Core Plus Bond Funds-Active (SIC)	6,781,593.84
MFA Intermediate-Term Investments	21,417,638.61
Bond Ladder	10,981,173.95
Intermediate MFA Mortgage Backed Security Portfolio	10,436,464.66
MFA Long-Term Investments	35,155,636.31
Core Plus Bond Funds-Active (SIC)	14,208,147.55
Domestic Large Cap Index Equity Fund (SIC)	5,998,187.91
Long-Term MFA Mortgage Backed Security Portfolio	12,318,237.97
Non-US Developed Markets Fund (SIC)	800,135.79
Non-US Emerging Markets Fund (SIC)	1,165,885.37
Small/Mid Cap Fund (SIC)	665,041.72
MFA Short-Term Investments	19,885,505.98
Cash Held for Operations/Warehoused MBS	7,467,563.17
Local Government Investment Pool	12,417,942.81

#### Cumulative Market Value & Net Additions SIC Assets





• Non SIC Assets: Benchmarks have been applied when possible. The Intermediate and Long-Term MBS Portfolios do not have applicable benchmarks.

NM MFA has provided Ulrich with historical data from 6/1/2021 ("since inception")

Prior to 10/1/2022, performance available on SIC investments only



### Portfolio Review as of 9.30.24 - General Fund

### **Activity Summary**

	Quarter To Date	Year To Date	Fiscal YTD	Last 12 Months
Beginning Value	78,019,382.03	79,279,076.77	79,623,411.80	79,623,411.80
Net Additions	-3,213,111.95	-6,513,095.48	-8,906,832.99	-8,906,832.99
Net Gain	1,652,510.82	3,692,799.61	5,742,202.09	5,742,202.09
Market Change	1,344,146.58	2,648,430.18	4,382,360.12	4,382,360.12
Income	308,364.24	1,044,369.43	1,359,841.97	1,359,841.97
Fees	0.00	0.00	0.00	0.00
Ending Value	76,458,780.90	76,458,780.90	76,458,780.90	76,458,780.90

### **Return Summary SIC Assets**

	Quarter To Date	Year To Date	Fiscal YTD	Last 12 Months	Last 3 Years
Return	5.4%	10.3%	19.3%	19.3%	3.3%1
Super Class Blended Benchmark Return	5.8%	9.8%	18.8%	18.8%	3.7%
Segment Blended Benchmark Return	5.8%	10.0%	19.1%	19.1%	3.9%

<sup>&</sup>lt;sup>1</sup> Annualized return

### **Return Summary Total Assets**

	Quarter To Date	Year To Date	Fiscal YTD	Last 12 Months
Return	2.2%	4.8%	7.7%	7.7%
Super Class Blended Benchmark Return	4.4%	5.9%	12.2%	12.2%
Segment Blended Benchmark Return	2.4%	4.4%	7.4%	7.4%

### **Return Summary Non-SIC Assets**

	Quarter To Date	Year To Date	Fiscal YTD	Last 12 Months
Return	0.9%	2.7%	3.6%	3.6%
Segment Blended Benchmark Return	1.1%	2.3%	3.4%	3.4%
ML US TREAS TR 1-3 YRS Return	2.9%	4.2%	6.7%	6.7%

#### Account Value

	Ending Value
New Mexico Mortgage Finance Authority General Fund	76,458,780.90
MFA Intermediate-Term Investments	21,417,638.61
Bond Ladder	10,981,173.95
Intermediate MFA Mortgage Backed Security Portfolio	10,436,464.66
MFA Long-Term Investments	35,155,636.31
Core Plus Bond Funds-Active (SIC)	14,208,147.55
Domestic Large Cap Index Equity Fund (SIC)	5,998,187.91
Long-Term MFA Mortgage Backed Security Portfolio	12,318,237.97
Non-US Developed Markets Fund (SIC)	800,135.79
Non-US Emerging Markets Fund (SIC)	1,165,885.37
Small/Mid Cap Fund (SIC)	665,041.72
MFA Short-Term Investments	19,885,505.98
Cash Held for Operations/Warehoused MBS	7,467,563.17
Local Government Investment Pool	12,417,942.81

### Cumulative Market Value & Net Additions SIC Assets





- Fiscal Year beginning 10/01/2023.
- NM MFA has provided Ulrich with historical data from 6/1/2021 ("since inception")
- Prior to 10/1/2022, performance available on SIC investments only
- · Non SIC Assets: Benchmarks have been applied when possible. The Intermediate and Long-Term MBS Portfolios do not have applicable benchmarks.

### Allocation Review 9.30.24 (Current IPS)

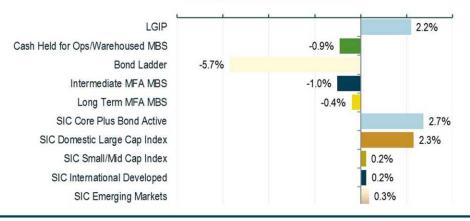
• Recommendations based on the strategic targets outlined in the updated Investment Policy Statement (pending Board approval) have been made, including transferring matured bonds currently in cash reserves (LGIP), to Long Term investments.

NM MFA General Fund - Mar	rket Values as of 09/30/2024			
Asset Class	Pool	Current Holdings	Current Allocation	Over/Under Target
	SHORT TERM INVESTMENTS (Less than 1 Yr)	\$20,120,870	26%	3.3%
Ultra Short Fixed Income	Local Government Investment Pool	\$12,417,943	16%	10%
Cash	Cash Held for Operations/Warehoused MBS	\$7,467,563	10%	-4%
Cash	Cash Potentially Available to Invest	\$235,364	0%	
	INTERMEDIATE TERM INVESTMENTS (1 to 10 Yrs)	\$21,417,639	28%	-12.1%
Short Duration Fixed Income	Bond Ladder	\$10,981,174	14%	-13%
Core Fixed Income	Intermediate MFA Mortgage Backed Sec Portfolio	\$10,436,465	14%	1%
	LONG TERM INVESTMENTS (More than 10 Yrs)	\$35,155,636	46%	8.8%
Core Fixed Income	Long-Term MFA MBS	\$12,318,238	16%	12%
Core Fixed Income	Credit Plus Pool (SIC)	\$14,208,148	19%	7%
Large Cap U.S. Equity	Domestic Large Cap Index (SIC)	\$5,998,188	8%	-3%
Small/Mid Cap U.S. Equity	Small/Mid Cap Active (SIC)	\$665,042	1%	-4%
Developed ex-U.S. Equity	International Developed (SIC)	\$800,136	1%	-5%
Emerging Market Equity	Emerging Markets (SIC)	\$1,165,885	2%	0%
	TOTAL	\$76,694,145	100.0%	0.0%

IPS Lower	IPS Strategic Target	IPS Upper Limit		
15%	20%	25%		
1%	6%	11%		
9%	14%	19%		
35%	40%	45%		
22%	27%	32%		
8%	13%	18%		
34%	40%	45%		
0%	4%	9%		
7%	12%	17%		
6%	11%	16%		
0%	5%	10%		
1%	6%	11%		
0%	2%	7%		
100%				

**Current NM MFA IPS** 

### Change from Prior Fiscal Year





### Allocation Review & Recommendations 9.30.24 (New IPS)

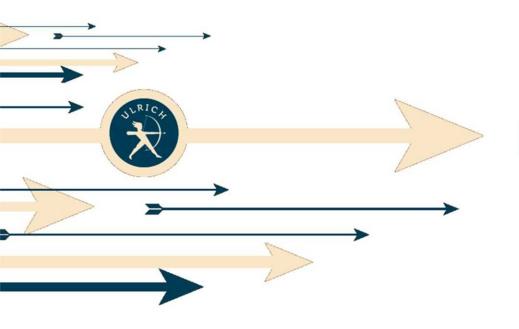
#### Recommendations - General Fund

• Transfer maturities from bond ladder and cash reserves to Long Term investments to continue to bring portfolio in line with new policy targets. Maintain current allocation to Lg Cap equity. Reallocate excess cash among Small/Mid Cap and Int'l Equity to more closely align with intended strategic targets and establish a position to SIC Int'l Active Pool. Reduce Emerging Markets allocation to align with pro rata target.

#### NM MFA General

NM MFA General							New IPS		Cook Possers	Ending Polones
		Current	Current	Ending	Recommended	Ending	Strategic	Over/Under	Policy	Ending Balance Over/Under
Asset Class	Pool	Holdings	Allocation	Allocation	Buy/(Sell)	Balance	Target	Target	Requirement	Target
SHORT TERM INVESTME	NTS (Less than 1 Yr)				52/65V	Sh	nort Term Tar	get	April \$1M bond ma	aturity was moved to
Ultra Short Dur Fixed Incom	e Local Government Investment Pool	\$12,417,943	62%	58%	(\$2,000,000)	\$10,417,943	70%	-12%	June \$1M bond maturity	, transferred to Oper
	Cash Held for Operations/Warehoused MBS	\$7,467,563	37%	42%	\$0	\$7,467,563		12%	Sept. maturities \$1M	to bond ladder, \$1M
Cash	Cash Potentially Available to Invest	\$235,364	\$235,364 1%	0%	(\$235,364) \$0	30%	1270	Total used for po	olicy requirement,	
Cash	Cash Reserves (less Restricted Cash Held in Escrow)	\$27,773,163							includes Cash Reserves	
		\$20,120,870	100%	100%	(\$2,235,364)	\$17,885,506	100%		26,101,311	19,557,357
NTERMEDIATE TERM IN	IVESTMENTS (1 to 10 Yrs)					Co	nservative Ta	rget		
. F	Bond Ladder	\$10,981,174	51%	51%	\$0	\$10,981,174	740/	200/		
Core Fixed Income	Intermediate MFA MBS Portfolio	\$10,436,465	49%	49%	\$0	\$10,436,465	74% 26	26%		
Large Cap U.S. Equity	Domestic Large Cap Index (SIC)	\$0	0%	0%	\$0	\$0	12%	-12%		
Small/Mid Cap U.S. Equity	Small/Mid Cap Index (SIC)	\$0	0%	0%	\$0	\$0	4%	-4%		
Developed ex-U.S. Equity	International Developed (SIC)	\$0	0%	0%	\$0	\$0	6%	-6%		
Emerging Market Equity	Emerging Markets (SIC)	\$0	0%	0%	\$0	\$0	3%	-3%		
Cash	Cash	\$0	0%	0%	\$0	\$0	2%	-2%		
		\$21,417,639	100%	100%	\$0	\$21,417,639	100%		15,917,531	5,500,108
LONG TERM INVESTMEN	ITS (More than 10 Yrs)					В	Salanced Targ	jet		
O Fired Income	Long-Term MFA MBS Portfolio	\$12,318,238	35%	33%	\$0	\$12,318,238	400/	000/		
Core Fixed Income	Credit Plus Pool (SIC)	\$14,208,148	40%	38%	\$0	\$14,208,148	49%	22%		
arge Cap U.S. Equity	Domestic Large Cap Index (SIC)	\$5,998,188	17%	16%	\$0	\$5,998,188	24%	-8%		
Small/Mid Cap U.S. Equity	Small/Mid Cap Active (SIC)	\$665,042	2%	4%	\$877,972	\$1,543,013	8%	-4%		
Davidanad av II S. Ecuitu	International Developed Index (SIC)	\$800,136	2%	4%	\$529,230	\$1,329,365	120/	-5%		
Developed ex-U.S. Equity	International Developed Active (SIC)	\$0	0%	4%	\$1,329,365	\$1,329,365	12%	-5%		
merging Market Equity	Emerging Markets (SIC)	\$1,165,885	3%	2%	(\$501,203)	\$664,683	5%	-3%		
Cash	Cash	\$0	0%	0%	\$0	\$0	2%	-2%		
	TOTAL	\$35,155,636	100%	100%	\$2,235,364	\$37,391,000	100%		20,042,236	17,348,764
	TOTAL	\$76,694,145		76.694.145	\$0	\$76,694,145		1		





# **Disclosures**

### **Disclosures**

Ulrich Investment Consultants is registered as an investment adviser under the United States Investment Advisor Act of 1940, as amended, with the Securities and Exchange Commission.

The views expressed represent the opinion of Ulrich Investment Consultants. The views are subject to change and are not intended as a forecast or guarantee of future results. This material contains information about general market conditions and is for informational purposes only. It does not constitute investment advice and is not intended as an endorsement of any specific investment. Stated information is derived from sources that have not been independently verified for accuracy or completeness. While Ulrich Investment Consultants believes the information to be accurate and reliable, we do not claim or have responsibility for its completeness, accuracy, or reliability. Statements of future expectations, estimates, projections, and other forward-looking statements are based on available information and Ulrich Investment Consultants' view as of the time of these statements. Accordingly, such statements are inherently speculative as they are based on assumptions that may involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such statements

Please note, UIC has converted to a new performance reporting system (Black Diamond) therefore some accruals, returns, indices, or benchmarks may vary slightly from prior reports. Black Diamond's dynamically blended benchmarks are calculated daily using the value of the clients' assets to determine the allocation weight of each benchmark in the overall blend. When viewing a Super Class Blended Benchmark, Black Diamond takes the weight of the assets in each superclass to determine the relative weight of the corresponding benchmark. Class and segment level blends apply the benchmarks UIC has assigned to each of their respective classifications. Asset Classifications and Benchmark information are available upon request. Some clients may use a custom benchmark upon request. In some circumstances, performance of John Ulrich's clients was achieved by the advisor while at a previous firm and not achieved by UIC. Therefore, the performance information from the different firm should not be interpreted as being indicative of how UIC will perform in future periods and under different market conditions. In April 2019, a new financial advisor onboarded families, in some circumstances, reflect performance data from January 2018 to April 2019 that was achieved by this advisor while at a different firm should not be interpreted as being indicative of how UIC will perform in future periods and under different market conditions. In April 2022, UIC acquired a firm and onboarded their clients, any data prior to April 1, 2022 for these client's was achieved by UIC. Therefore, the performance information from the different firm should not be interpreted as being indicative of how UIC will perform in future periods and under different market conditions. Therefore, the performance information from the different firm should not be interpreted as being indicative of how UIC will perform in future periods and under different market conditions.

Alternative Investments (AI) are typically illiquid investments for which no secondary market exists. Due to the illiquid nature of AI, there can be no assurance that you would be able to receive an amount equal to the investment's estimated net asset value (NAV) if you were to attempt to sell your investment. In portfolios containing Proteus, neither the assets nor the alternative account are net of Proteus fees. Proteus fees are pulled from clients' respective brokerage accounts rather than their alternative accounts; therefore, the overall portfolio performance is net of fees. Current NAV may be more or less than the purchase price of the investment. Certain AIs are not custodied and may not be priced by custodians. UIC maintains records of purchases, sales and other transactions in its Black Diamond systems and updates it as information becomes available, including the backdating of certain transactions. UIC collects and maintains transactions and other information from fund sponsors or administrators. Some private alternative investments provide valuations and statements of accounts several months in arrears and some private investments may be held at cost until a sale or other transaction takes place, providing a new valuation. Values are subsequently updated upon receipt of sponsor's statement and previously issued reports are not restated. In some cases, values from the sponsor or recordkeeper are not readily available; therefore, UIC may utilize a different source such as fund statements, loan amortization schedules, financial statements, tax documents, or other documentation. UIC does not value AI and therefore disclaims any liability arising from any valuation discrepancies. Due to the varied methods of data reporting, the values shown in this report for AI may be reflected as the Original Investment Value (OIV) provided by the management, administrator, sponsor of each program, or a third-party vendor, without independent verification by UIC. Therefore, the estimated OIV shown herein may not necessa

UIC relies on Black Diamond for index data, which is updated daily from sources deemed to be reliable. The data contained herein is not guaranteed as to its accuracy or completeness and no warranties are made with respect to results obtained from its use. While every effort is made to provide reports free from errors, they are derived from data received from one or more third parties and, as a result, complete accuracy cannot be guaranteed. On occasion, UIC may produce reports that utilize index data that is later updated. In such an instance, any revision will be captured in future reports, but past reports are not updated unless UIC deems the revision to be material. Index performance is presented as a benchmark for reference only and does not imply any portfolio will achieve similar returns, volatility or any characteristics similar to any actual index. The composition of a benchmark index may not reflect the manner in which any is constructed in relation to expected or achieved returns, investment holdings, sectors, correlations, concentrations or tracking error targets, all of which are subject to change over time.

Please note, the firm uses dynamic benchmarks associated with the Asset Classifications for portfolio holdings. The firm selects individual indices that correspond to the Asset Classifications that are reported. The Allocation Weighted Benchmarks reflect a blend of the indices based on the daily weights for the Asset Categories as invested during the period.





### **Disclosures**

#### Fee Disclosures

All returns are Time Weighted Rates of Return. Prior to 10/1/2010, net of fee performance is net of UIC Consulting Fee, mutual fund and investment manager expenses. Beginning 10/1/2018, net of fee performance is net of UIC Consulting fees, custody fees, mutual fund and investment manager expenses. Fees not paid directly from the account are not included. Returns for greater than 1 year are annualized. Beginning 8/25/2021, net of fee performance is net of UIC Consulting fees, custody fees, mutual fund and investment manager expenses. Fees not paid directly from the account are not included. Returns for greater than 1 year are annualized.

Please contact Ulrich Investment Consultants if there are any changes in your financial situation or investment objectives or if you wish to add or to modify any reasonable restrictions to the management of your account. Our current disclosure statement, as set forth on Part 2A of Form ADV, is available for review upon your request by writing to compliance@ulrichcg.com. For more information about Ulrich Investment Consultants please contact us for a copy of our disclosure brochure. Please do not send money for investing until you have read it. For more information pertaining to the registration status of Ulrich Investment Consultants, please visit www.adviserinfo.sec.gov.

#### Ulrich Investment Consultants may be notified by mail:

Ulrich Investment Consultants 1805 Rio Grande Blvd, N.W. Suite 1 Albuquerque, NM 87104 Compliance@ulrichcg.com or beckyc@ulrichcg.com



### **Housing New Mexico MFA**

Housing New Mexico
Portfolio Delinquency Update

Theresa Laredo-Garcia
Director of Servicing
Servicing Department



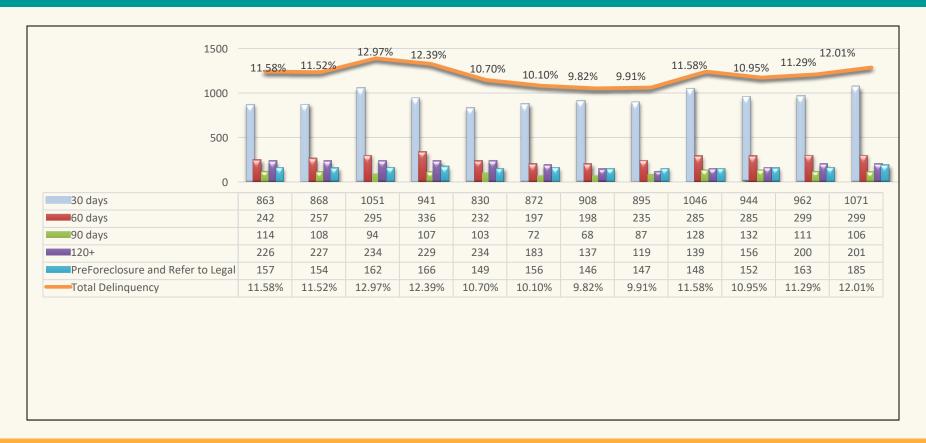


### **Delinquency Factors**

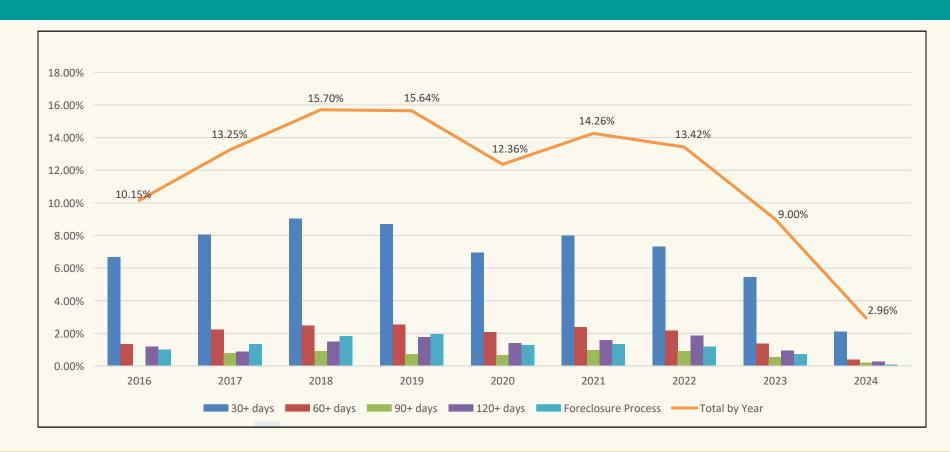




### 2024 Subserviced Portfolio Delinquency Trends



### HOUSTING Subserviced Delinquency by Origination Year





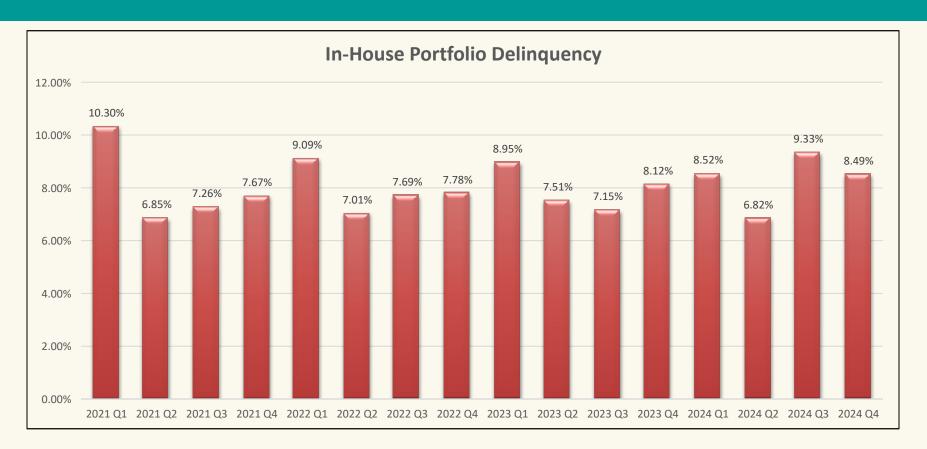
### 2024 Subserviced Portfolio Benchmarks

### Delinquency Performance Comparison September 30, 2024



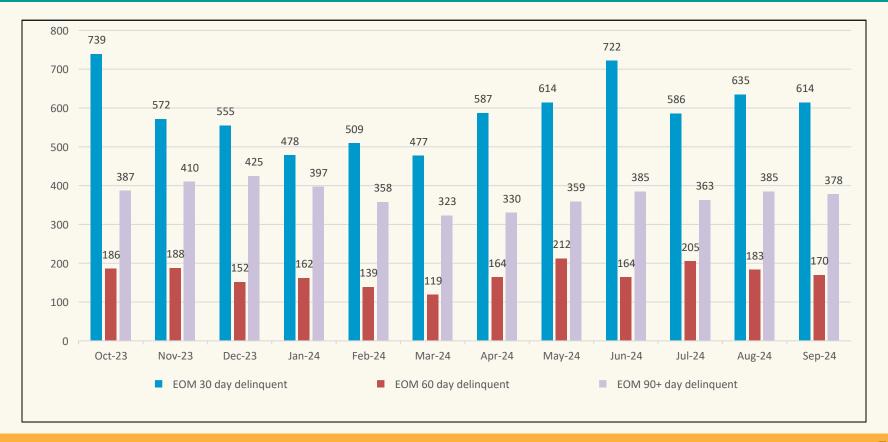


### Housing New Mexico Serviced Portfolio Delinquency Trends





### 2024 Housing New Mexico Serviced Delinquency Trends





### Addressing Delinquency and Processes

- Increasing right party contact rates.
- Identify borrower's reason for default.
- Discuss options for reinstatement with borrowers (depending on investor. options vary)
  - FHA primary options, Repay Plans, Partial Claims, Modification
  - Conventional, Repay Plans, Payment Deferral, Modification
  - IHFA has increased staff to improve borrower contact
- Agreed Delinquency Target set for IHFA to bring and keep delinquency the FHA Purchase Loan Delinquency rates for NM through out 2024.
- Monitoring foreclosure actions and timeline to reduce risk of increased loss.
- Housing New Mexico's collection team holds monthly and quarterly strategy meeting to address any new trends in delinquencies and to improve conversations with borrower to bring them current.
- Housing New Mexico's ACH Gift Card drawing is successful, and more borrowers are still signing up for Auto Drafts for their payments.



### Housing New Mexico | MFA

### Comments/Questions





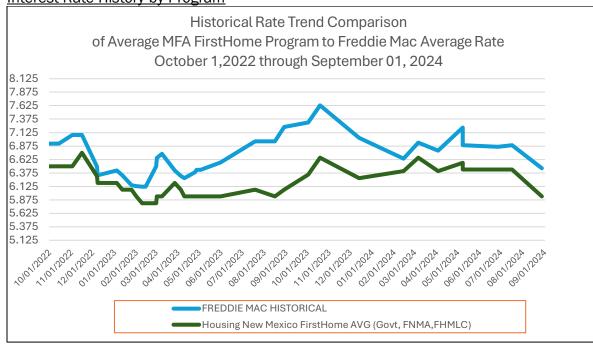
**TO:** Housing New Mexico Board of Directors

FROM: Rene Acuña, Director of Homeownership

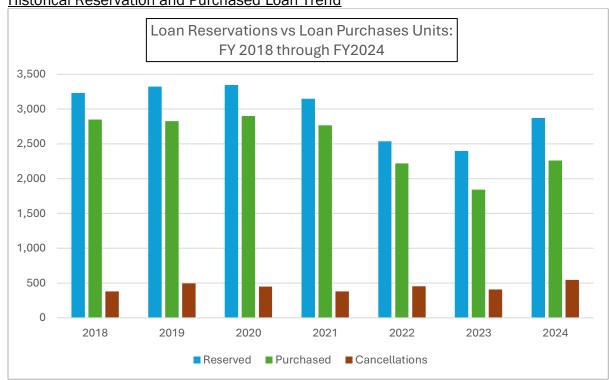
DATE: December 18, 2024

**SUBJECT:** Semiannual Single Family Production Report

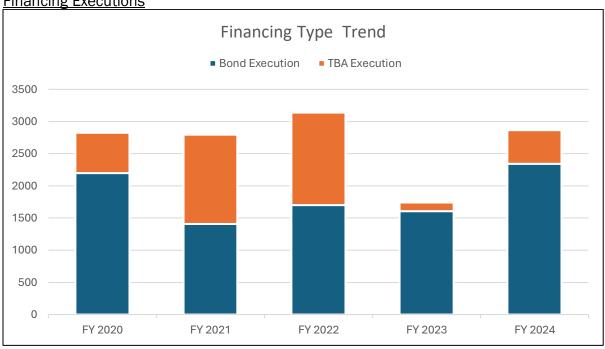
Interest Rate History by Program



### • Historical Reservation and Purchased Loan Trend



### Financing Executions



Reservations by Program

Reservations by Program	Fiscal Year 2024 (10/01/2023 - 9/30/2024)	Fiscal Year 2023 (10/01/2022 - 9/30/2023)
FirstHome Government	58.77%	71.30%
FirstHome Fannie 80% AMI	6.41%	15.02%
FirstHome Fannie Above 80%	2.75%	6.01%
FirstHome Freddie 80% AMI	8.95%	N/A
FirstHome Freddie Above 80%	4.70%	N/A
HomeForward Government	13.37%	6.23%
HomeForward Fannie 80% AMI	0.31%	0.17%
HomeForward Fannie Above 80%	1.60%	1.06%
HomeForward Freddie 80% AMI	0.52%	N/A
HomeForward Freddie Above 80%	2.51%	N/A
Partners	0.10%	0.21%

<sup>\*</sup>MFA added the Freddie Mac loan product on October 1, 2023

 Comparison of Down Payment Assistance (DPA) Sources of Reservations that included DPA.

Down Payment Comparison	Fiscal Year 2024 (10/01/2023 - 9/30/2024)	Fiscal Year 2023 (10/01/2022 - 9/30/2023)
FIRST DOWN (30YR)	69.02%	79.22%
FIRST DOWN (15YR)	6.62%	0.66%
FIRST DOWN (10YR)	5.68%	0.07%
HOME NOW	0.10%	12.93%
HOME FORWARD USDA/VA	0.55%	0.20%
HOME FORWARD (15YR)	16.83%	6.60%
HOME FORWARD (10YR)	1.20%	0.33%

The figures above only include loan Reservations that included a request for down payment assistance. 14.55 % of the total reservations this fiscal year did not include any form of down payment assistance.

### Additional Down Payment Assistance (DPA) Sources Provided to Borrowers.

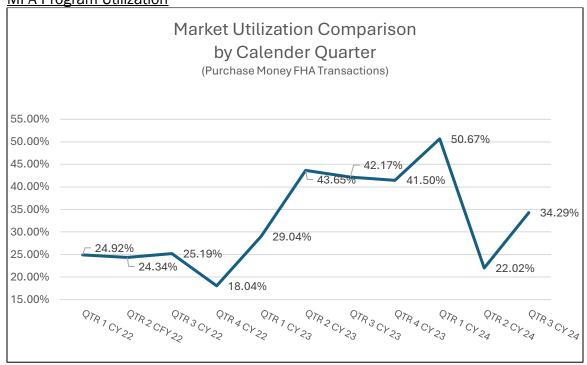
	Additional DPA Number of Additional DPA	
DPADVANTAGE	\$ 50,000.00	2
FIRSTDOWN PLUS	\$ 8,325,000.00	555
FIRSTDOWN PLUS15	\$ 7,730,000.00	773
<b>Grand Total</b>	\$ 16,105,000.00	1330

Figures are based on additional DPA loans purchased and funded from 10/01/2023 through 9/30/2024.

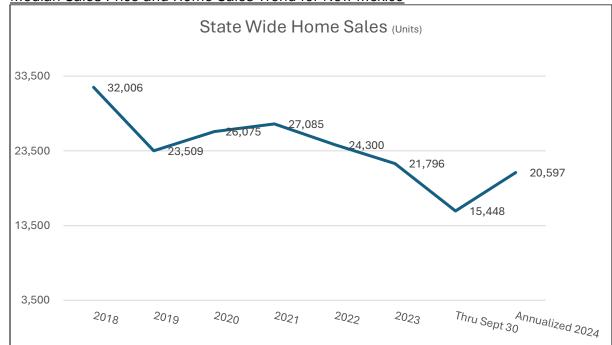
**Borrower Demographics** 

<u> </u>	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	
	(10/01/2023 - 9/30/2024)	(10/01/2022 - 9/30/2023)	(10/01/2021 - 9/30/2022)	
Average Sales				
Price	\$246,926	\$214,837	\$199,557	
Average Loan				
Amount	\$232,431	\$203,906	\$194,064	
Average Down				
Payment				
Assistance				
Amount	\$7,484	\$7,669	\$7,413	
Average				
Household				
Income	\$70,087	\$59,022	\$53,244	
Average Family				
Size	2.36	2.54	2.55	
	62.22 percent	60.36 percent	59.20 percent	
Ethnicity	Minority	Minority	Minority	
Average				
Borrower Age	35	34	35	
Average Number	1 dependent	1 dependent	1 dependent	
of Dependents	1 асрепаент	1 dependent	1 dependent	
	44.39%	45.61%	45.96%	
Primary	female /	female/	female/	
Borrower Gender	54.31% male	53.20% male	53.38% male	
Average FICO				
score	704	695	689	

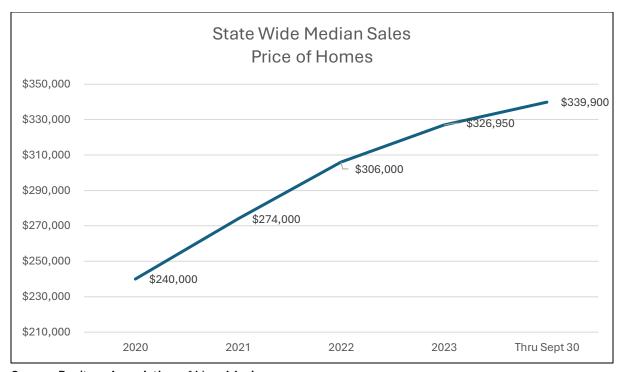
MFA Program Utilization



Median Sales Price and Home Sales Trend for New Mexico



Source: Realtors Association of New Mexico



Source: Realtors Association of New Mexico

### Staff Actions Requiring Notice to Board During the Period of November 2024

Department and Program	Project	Action Taken	Comments / Date Approved
Community Development Department- Emergency Housing Needs Program	Terry Rodriguez – appeal denial	The denial of Ms. Terry Rodriguez's application was upheld and her appeal was denied.	Approved by Policy Committee on November 26, 2024
Servicing Department	Monthly Quality Control Review – February 2024 Monthly Quality Control Review – June 2024 Monthly Quality Control Review – July 2024 Monthly Quality Control Review – August 2024	No findings.	Approved by Policy Committee on November 18, 2024



# Housing New Mexico | MFA Marketing & Communications Monthly Report November 2024

#### Media

Radio interview with Housing New Mexico Homeownership Representative Teri Baca "Mornings with Mike Winters" segment on KEND 106.5 FM Roswell Talk Nov. 26, 2024

https://roswelltalkfm.com/web/



Eliot Rodriguez on the Phone w Teri Baca - LoanDepot / Housing NM MFA

720p

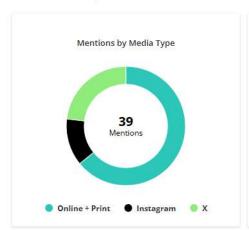
Highlight from Mornings with Mike Winters for November 26, 2024

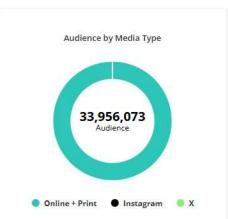
### Media Mentions/News Coverage

### 11.1.24 to 11.30.24 Media Mentions Report



#### **Mention Analytics**







#### **Advertisements**

The Real Estate Book



# Unlock Homeownership in New Mexico with Affordable Loans & Assistance!

Our competitive mortgage loans and down payment assistance programs are designed to help New Mexico homebuyers achieve their dream. Don't wait — reach out to a participating lender today to learn more!

Housing New Mexico | MFA housingnm.org/programs/homebuyers



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### Housing New Mexico | MFA

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### Housing New Mexico

Find Affordable Housing in NM - MFA Is New Mexico's Leader In Affordable Homes. Find Quality Affordable Housing Nearby. New Mexico MFA Can Help You Find Affordable Housing Programs. Let MFA Help You Today. Specialized Housing. Emergency Shelter. Affordable Living. Save Big on Housing.

News Center · Homebuyer Resources · About Us · Inquire Now · Mortgage Calculators



#### Google Ads November Report:

Housing New Mexico's Google Ads resulted in 859 conversions. The "Affordable Housing" campaign led the way with a conversion rate of 18.68%.

Total conversion breakdown was as follows:

- Phone calls directly from the ads: 97
- Phone calls from the website after clicking on an ad: 351
- Contact form submissions: 411

Conversions = The number of leads Housing New Mexico received after a user clicked on an ad



### New Mexico Society of CPAs E-Newsletter



Albuquerque Journal Venue Plus

November 8



Combat property vacancy, improve property value, and boost affordable housing with Housing New Mexico's Restoring Our Communities program.

To learn more, visit: www.housingnm.org

November 22



Need assistance purchasing your first home?

We can help!



To learn more, visit: www.housingnm.org

### 2024 New Mexico Bankers Association Directory



Providing affordable mortgage loans and down payment assistance to homebuyers throughout New Mexico.

344 Fourth St. SW Albuquerque, NM 87102 505.843.6880 | housingnm.org



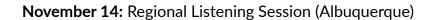
### Outreach

**November 2:** PNM Community Assistance Fair (Albuquerque)



November 13: Regional Listening Session (Santa Fe)







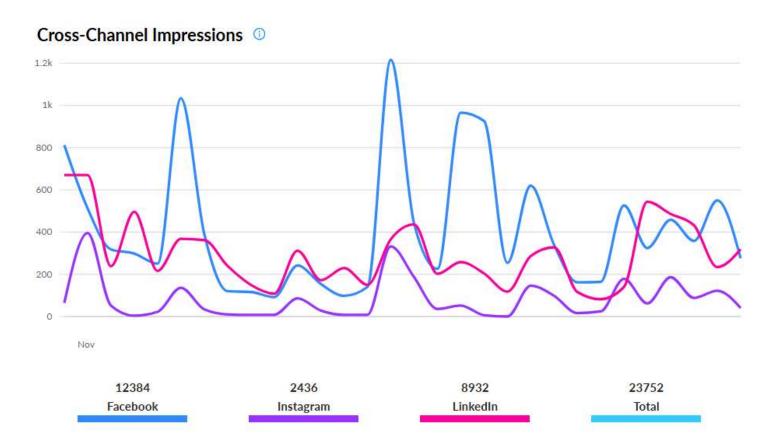
**November 21:** U.S. Department of Housing and Urban Development's Office of Community Planning and Development retreat



### **Social Media Analytics**

LinkedIn: Housing New Mexico Facebook: @HousingNewMexico Instagram: @HousingNewMexico YouTube: @HousingNewMexico X/Twitter: @HousingNM

Of note: In November, social media audience grew by 106, including 58 more followers on LinkedIn and 38 more on Facebook.

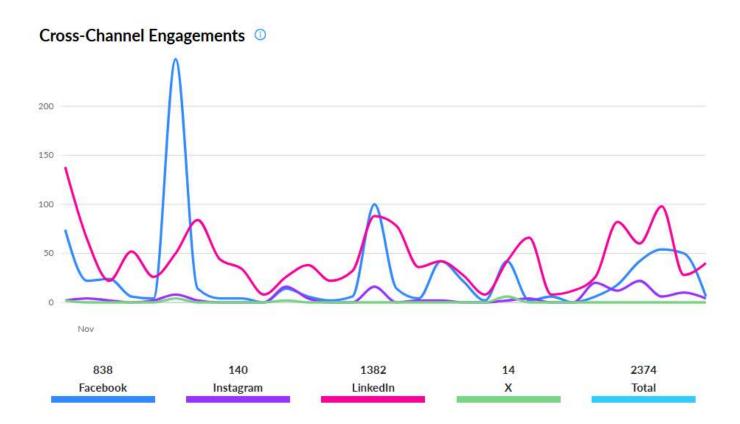


Impressions =

The number of times Housing New Mexico social media page content was displayed.

#### **Social Media Analytics**

LinkedIn: Housing New Mexico Facebook: @HousingNewMexico Instagram: @HousingNewMexico YouTube: @HousingNewMexico X/Twitter: @HousingNM



## Engagements = Depending on platform, engagements include likes, comments, shares, clicking on links, saves, story replies, post clicks.

#### **Top Post Performance**

















#### **Top Post Performance**

#### O Housing New Mexico













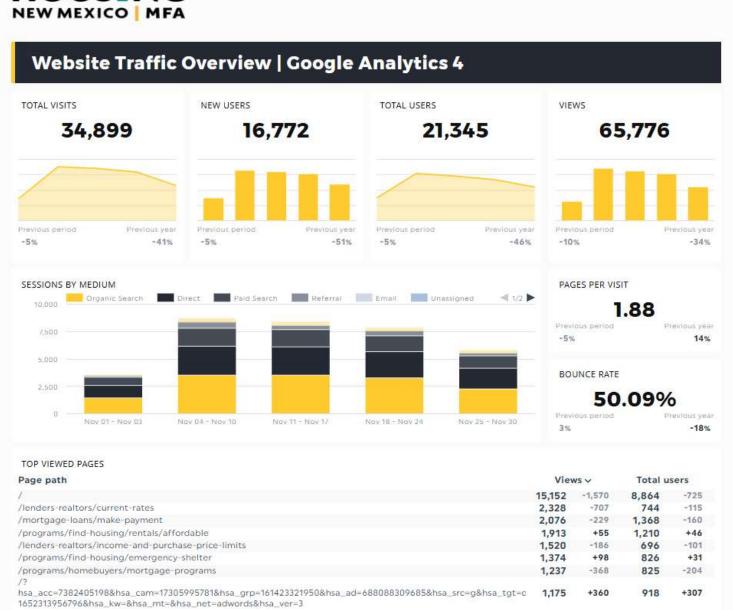


#### **November Website Traffic Overview**

https://housingnm.org/
Top-Viewed Page "/" = Home Page



#### **Housing New Mexico Monthly Dashboard**



New Mexico Mortgage Finance Authority

Combined Financial Statements and Schedules

October 31, 2024

#### Housing New Mexico (MFA) Financial Review

For the one-month period ended October 31, 2024

Co	omparative Fiscal Year-to-date Figures (Dollars in millions):	1 months 10/31/2024	1 months 10/31/2023	% Change Year / Year	Forecast 10/31/2024	Actual to
	PRODUCTION	10/31/2024	10/31/2023	real / real	10/31/2024	<u>Forecast</u>
1	Single family issues (new money):	\$0.0	\$0.0		\$23.3	
2	Single family loans sold (TBA):	\$12.5	\$10.5	19.0%	\$5.8	114.5%
3	Total Single Family Production	\$12.5	\$10.5	19.0%	\$29.2	-57.1%
4	Single Family Bond MBS Payoffs:	\$4.8	\$4.8	0.1%	\$5.5	-12.8%
	STATEMENT OF NET POSITION					
5	Avg. earning assets:	\$2,313.7	\$1,775.5	30.3%	\$2,184.3	5.9%
6	General Fund Cash and Investments:	\$97.6	\$90.8	7.5%	\$114.4	-14.7%
7	SIC FMV Adj. (General Fund):	\$0.3	-\$0.6	148.8%	N/A	N/A
8	Total bonds outstanding:	\$1,970.9	\$1,546.2	27.5%	\$1,898.3	3.8%
	STATEMENT OF REVENUES, EXPENSES, AND NET POSITION					
9	General Fund expenses (excluding capitalized assets):	\$2.1	\$2.3	-11.2%	\$2.8	-25.9%
10	General Fund revenues:	\$5.2	\$2.3	127.5%	\$3.1	70.8%
11	Combined net revenues (all funds):	\$7.4	\$0.8	867.6%	N/A	N/A
12	SIC FMV Adj. (Combined net revenues):	\$0.3	\$0.8	-57.8%	N/A	N/A
13	Combined net position:	\$385.5	\$301.8	27.7%	\$345.7	11.5%
14	Combined return on avg. earning assets:	3.86%	0.52%	642.5%	N/A	N/A
15	SIC FMV Adj. (return on avg. earning assets):	0.18%	0.55%	-67.6%	N/A	N/A
16	TBA cash profit:	1.50%	0.72%	107.3%	0.50%	200.5%
17	Combined interest margin:	0.88%	1.03%	-14.0%	0.39%	124.6%
	MOODY'S BENCHMARKS					
18	Net Asset to debt ratio (5-yr avg):	23.61%	24.16%	-2.3%	23.13%	2.0%
19	Net rev as a % of total rev (5-yr avg):	-2.53%	2.33%	-208.6%	6.18%	-140.9%
	SERVICING					
20	Subserviced portfolio	\$2,593.3	\$2,174.1	19.3%	\$2,564.0	1.1%
21	Servicing Yield (subserviced portfolio)	0.34%	0.35%	-2.4%	0.36%	-4.6%
22	Combined average delinquency rate (MFA serviced loans)	11.04%	9.96%	10.8%	9.50%	16.2%
23	DPA loan delinquency rate	11.15%	10.03%	11.2%	N/A	N/A
24	Default rate (MFA serviced loans)	0.72%	0.60%	20.0%	N/A	N/A
25	Subserviced portfolio delinquency rate (first mortgages)	12.15%	11.58%	4.9%	N/A	N/A
26	Mortgage Servicing Rights valuation cost difference (as of 9/30/24)	\$9.3	\$11.9	-21.6%	N/A	N/A

Legend: Positive Trend Caution Negative Trend Known Trend/Immaterial

### Housing New Mexico (MFA) Financial Review

For the one-month period ended October 31, 2024

#### **SUMMARY OF BOND ISSUES:**

Single Family Issues:

\$70M 2024 Series G (upcoming)

#### **CURRENT YEAR FINANCIAL TRENDS & VARIANCES:**

#### **PRODUCTION**

- Housing New Mexico has not yet issued any bonds starting the new fiscal year, but plans to in December 2024.
- Housing New Mexico has already outpacted it's estimate and last year's figure of loans sold through the TBA market, as the US economy begins approaching a rate-decreasing environment.

#### STATEMENT OF NET POSITION

- Average earning assets have exceeded last year's forecast as Housing New Mexico continually adds valuable assets to its balance sheet from it's many programs, including single-family mortgages.
- General Fund cash and investment securities have grown since this time last year. The discrepancy between the actuals and forecast from 9/30/2023 is attributable primarily to removal of securities from the Bond Ladder and overstatement of forecasted SIC investments.

#### STATEMENT OF REVENUES, EXPENSES AND NET POSITION

- General Fund revenues have already exceeded their budget due to proceeds from sale on MFA's old downtown building.
- Fair-market value adjustments on SIC investments did not return as well as they did in October last year, due to changing macro-economic variables, out of MFA's control. MFA is currently in the process of revising its investment policy, at which MFA will reallocate investments to hopefully more favorable yields.
- Housing New Mexico's TBA-funded singe-family program (HomeForward) has seen a large increase in recognized cash profit due to increased production from a more favorable market for non first-time homebuyers, allowing MFA to offer better mortgage rates than it has last year.
- MFA's combined interest margin has decreased over the past year as the market interest rates begin to mellow out from their high yields during 2023.

#### MOODY'S BENCHMARKS

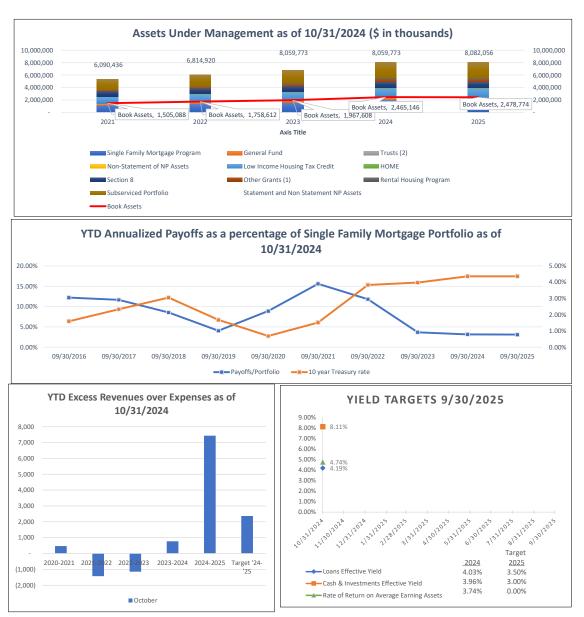
- Based on Moody's issuer credit rating scorecard, Housing New Mexico's 23.61% net asset to debt ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining HFA's creditworthiness under stressful circumstances (>20 %).
- Housing New Mexico's net revenue as a % of total revenue (5-year average) is currently -2.53%, atrributable to losses experienced in 2021 and 2022, though expected to recover through the quarter. Moody's Investor Services completed an updated credit opinion on Housing New Mexico's Issuer Credit Rating in June 2020. They assigned the Aa3 rating. Comments included a high asset-to-debt ratio, good profitability, and a low-risk profile due to a mortgage-backed security structure, and no exposure to variable-rate debt.
- Additionally, Moody's reaffirmed its Aaa rating on MFA's single-family indenture in January 2024.

#### **SERVICING**

- Housing New Mexico continues to monitor delinquencies and defaults on its loan portfolio to identify reduction strategies and refer borrowers to available loss mitigation programs. The subserviced portfolio delinquency rate, currently serviced by Idaho Housing Finance Authority, is 12.15%, up from 11.58% this time last year. The subserviced portfolio is characterized by approximately 80% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of September 30, 2024, indicates that the delinquency rate for FHA loans nationally is 10.46% (seasonally adjusted), and for New Mexico is 8.73%. (These figures can be used for market comparison, but may not alian with trends seen internally)
- In addition, HUD reported FHA Single Family Loan Performance Trends for September 2024 showing a 14.05% delinquency (for purchase loans only), which increased from 13.75% in August. (These figures can be used for market comparison, but may not align with trends seen internally)
- Housing New Mexico's annualized default rate is 0.72%, which is noticably higher than last October. Recent trends in inflation and COVID-assistance moratorium cause macro-level changes in default rates over the past year.
- The fair-market value for mortgage servicing rights as of September 2024 is \$32 million, a decrease of about \$2.8 million over the quarter and \$9.3 million over cost (\$22.7 million). GASB requires Housing New Mexico to record the value of servicing rights at the 'lower of cost or market'. The elevated FMV is related to decreased prepayment speed projections. Additionally, increased earnings rates impacted the portfolio value positively. Valuations are obtained each quarter.

#### **ADDITIONAL NOTES**

- Bond Payoffs, GF expenses, and servicing delinquency & default rates use an inverse scale to measure year-over-year change.
- The originally forecasted numbers for FY 2025 are based off of actual data ending September 2023



(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

#### NEW MEXICO MORTGAGE FINANCE AUTHORITY COMBINED STATEMENT OF NET POSITION OCTOBER 2024 (THOUSANDS OF DOLLARS)

	YTD 10/31/24	YTD 10/31/23
ASSETS:		
CURRENT ASSETS:		
CASH & CASH EQUIVALENTS	\$97,077	\$36,311
RESTRICTED CASH HELD IN ESCROW	10,277	9,708
SHORT-TERM INVESTMENTS ACCRUED INTEREST RECEIVABLE	- 0 242	- 6.096
OTHER CURRENT ASSETS	8,243 7,062	6,086 6,561
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	-
INTER-FUND RECEIVABLE (PAYABLE)	0	(0)
TOTAL CURRENT ASSETS	122,659	58,666
CARL DESTRICTED	450.044	00.550
CASH - RESTRICTED LONG-TERM & RESTRICTED INVESTMENTS	153,241	80,550
INVESTMENTS IN RESERVE FUNDS	63,253	67,514
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,866,261	1,506,762
MORTGAGE LOANS RECEIVABLE	217,138	191,578
ALLOWANCE FOR LOAN LOSSES	(15,936)	(9,481)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	14,548	11,591
OTHER REAL ESTATE OWNED, NET OTHER NON-CURRENT ASSETS	6,336 7	2,497 10
INTANGIBLE ASSETS	23,581	21,003
TOTAL ASSETS	2,451,088	1,930,690
<u>DEFERRED OUTFLOWS OF RESOURCES</u> REFUNDINGS OF DEBT	400	450
KELONDING2 OF DERI	122	150
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	2,451,210	1,930,840
LIABILITIES AND NET POSITION:		
LIABILITIES:		
CURRENT LIABILITIES:		
ACCRUED INTEREST PAYABLE	\$16,348	\$12,435
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	17,152	15,692
ESCROW DEPOSITS & RESERVES	10,162 43.662	9,609
TOTAL CURRENT LIABILITIES	43,002	37,736
BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	1,970,919	1,546,214
MORTGAGE & NOTES PAYABLE	50,400	44,287
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	545	577
TOTAL LIABILITIES	2,065,526	1,628,814
DEFERRED INFLOWS	2,003,320	1,020,014
TOTAL LIAB/DEFERRED INFLOWS	2,065,739	1,629,056
	<del></del>	
NET POSITION:		
NET INVESTED IN CAPITAL ASSETS	14,548	11,591
UNAPPROPRIATED NET POSITION (NOTE 1) APPROPRIATED NET POSITION (NOTE 1)	142,308 228,615	70,832 219,361
TOTAL NET POSITION	385,471	301,784
	<del></del>	
TOTAL LIABILITIES & NET POSITION	2,451,210	1,930,840

#### NEW MEXICO MORTGAGE FINANCE AUTHORITY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE MONTH ENDED OCTOBER 2024 (THOUSANDS OF DOLLARS)

	YTD 10/31/24	YTD 10/31/23
OPERATING REVENUES:		
INTEREST ON LOANS	\$7,276	\$5,406
INTEREST ON INVESTMENTS & SECURITIES	1,154	954
LOAN & COMMITMENT FEES	410	480
ADMINISTRATIVE FEE INCOME (EXP)	633	478
RTC, RISK SHARING & GUARANTY INCOME	4	4
HOUSING PROGRAM INCOME	15	9
LOAN SERVICING INCOME	829	840
OTHER OPERATING INCOME		
SUBTOTAL OPERATING REVENUES	10,321	8,170
NON-OPERATING REVENUES:		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	2,206	(809)
OTHER NON-OPERATING INCOME	0	20
GRANT AWARD INCOME	9,168	6,492
SUBTOTAL NON-OPERATING REVENUES	11,374	5,702
TOTAL REVENUES	21,695	13,872
OPERATING EXPENSES:		
ADMINISTRATIVE EXPENSES	1,662	1,761
INTEREST EXPENSE	6,728	4,842
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(532)	(234)
PROVISION FOR LOAN LOSSES	0	-
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	34	16
AMORT. OF SERV. RIGHTS & DEPRECIATION	219	148
BOND COST OF ISSUANCE	-	-
SUBTOTAL OPERATING EXPENSES	8,111	6,532
NON-OPERATING EXPENSES:		
CAPACITY BUILDING COSTS	1	12
GRANT AWARD EXPENSE	6,147	6,560
OTHER NON-OPERATING EXPENSE		
SUBTOTAL NON-OPERATING EXPENSES	6,149	6,572
TOTAL EXPENSES	14,260	13,104
NET REVENUES	7,435	768
OTHER FINANCING SOURCES (USES)	-	-
NET REVENUES AND OTHER FINANCING SOURCES(USES)	7,435	768
NET POSITION AT BEGINNING OF YEAR	378,035	301,015
NET POSITION AT 10/31/24	385,470	301,784

#### NOTES TO FINANCIAL STATEMENTS

(For Informational Purposes Only) (in Thousands of Dollars)

#### (Note 1) MFA Net Position as of October 31, 2024

#### UNAPPROPRIATED NET POSITION:

\$ 37,765	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 103,976	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 568	is held for New Mexico Affordable Housing Charitable Trust.
\$ 142.308	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:

\$	125,074	for use in the Housing Opportunity Fund (\$109,466 in loans and grants plus \$15,608 unfunded, of which \$9,003 is committed).
\$	22,431	for future use in Single Family & Multi-Family housing programs.
\$	1,025	for loss exposure on Risk Sharing loans.
\$	14,548	invested in capital assets, net of related debt.
\$	20,529	invested in mortgage servicing rights.
\$	36,630	for the future General Fund Budget year ending 09/30/25 (\$39,224 total budget
_		less \$2,854 expended budget through 10/31/24.)
\$	220,237	Subtotal - General Fund

#### APPROPRIATED NET POSITION: HOUSING

\$_	22,925	for use in the federal and state housing programs administered by MFA.
\$	22,925	Subtotal - Housing Program
\$	243,162	Total Appropriated Net Position
\$	385,470	Total Combined Net Position at October 31, 2024

Total combined Net Position, or reserves, at October 31, 2024 was \$385 million, of which \$142 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$243 million of available reserves, with \$97.6 million primarily liquid in the General Fund and in the federal and state Housing programs and \$146 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.

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

## GENERAL FUND Fiscal Year 2024-2025 Budget For the one month ended 10/31/24

	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	841,150	841,150	824,828	9,897,930	(16,322)	9,056,780	8.50%
Interest on Investments & Securities	276,214	276,214	327,158	3,925,900	50,944	3,649,686	7.04%
Loan & Commitment Fees	35,571	35,571	37,450	449,400	1,879	413,829	7.92%
Administrative Fee Income (Exp)	1,064,527	1,064,527	818,022	9,816,267	(246,505)	8,751,740	10.84%
Risk Sharing/Guaranty/RTC fees	3,466	3,466	20,671	248,048	17,204	244,582	1.40%
Housing Program Income	15,240	15,240	201,837	2,422,045	186,597	2,406,805	0.63%
Loan Servicing Income	829,082	829,082	829,731	9,956,770	649	9,127,688	8.33%
Other Operating Income			-	-	-	-	
Operating Revenues	3,065,250	3,065,250	3,059,697	36,716,360	(5,553)	33,651,111	8.35%
Gain (Loss) Asset Sale/Debt Ex	2,159,520	2,159,520	-	-	(2,159,520)	(2,159,520)	
Other Non-operating Income	100	100	8	100	(92)	(0)	100.00%
Non-Operating Revenues	2,159,620	2,159,620	8	100	(2,159,611)	(2,159,520)	2159619.84%
Revenue	5,224,870	5,224,870	3,059,705	36,716,460	(2,165,164)	31,491,591	14.23%
Expenses							
Salaries	366,264	366,264	602,855	7,837,121	236,592	7,470,857	4.67%
Overtime	814	814	1,867	24,269	1,053	23,456	3.35%
Incentives	7,106	7,106	52,372	680,175	45,266	673,069	1.04%
Payroll taxes, Employee Benefits	242,166	242,166	338,870	4,247,507	96,704	4,005,341	5.70%
Compensation	616,349	616,349	995,964	12,789,072	379,614	12,172,723	4.82%
Business Meals Expense	470	470	1,131	13,570	661	13,100	3.46%
Public Information	22,872	22,872	39,949	479,389	17,077	456,517	4.77%
In-State Travel	3,479	3,479	14,444	173,331	10,965	169,852	2.01%
Out-of-State Travel	3,397	3,397	21,044	252,523	17,646	249,126	1.35%
Travel & Public Information	30,218	30,218	76,568	918,813	46,350	888,595	3.29%
Utilities/Property Taxes	10,817	10,817	10,400	124,800	(417)	113,983	8.67%
Insurance, Property & Liability	22,328	22,328	21,725	260,694	(604)	238,366	8.56%
Repairs, Maintenance & Leases	79,984	79,984	117,186	1,406,238	37,203	1,326,254	5.69%
Supplies	1,798	1,798	2,833	33,996	1,035	32,198	5.29%
Postage/Express mail	5,217	5,217	3,176	38,112	(2,041)	32,895	13.69%
Telephone	415	415	2,405	28,864	1,990	28,449	1.44%
Janitorial	(969)	(969)	3,717	44,600	4,685	45,569	-2.17%
Office Expenses	110,505	110,505	154,604	1,855,245	44,098	1,744,740	5.96%
Dues & Periodicals	3,047	3,047	6,713	80,560	3,667	77,513	3.78%
Education & Training	3,415	3,415	13,541	162,492	10,126	159,077	2.10%
Contractual Services	69,002	69,002	130,465	1,565,575	61,462	1,496,573	4.41%
Professional Services-Program	4,289	4,289	8,533	102,400	4,244	98,111	4.19%
Direct Servicing Expenses	764,310	764,310	705,029	8,460,347	(59,282)	7,696,037	9.03%

## GENERAL FUND Fiscal Year 2024-2025 Budget For the one month ended 10/31/24

			Year to Date		YTD Budget	Annual Budget	<b>Expended Annual</b>
	One Month Actual	Year to Date Actuals	ProRata Budget	Annual Budget	Under/(Over)	Under/(Over)	Budget %
Program Expense-Other	1,234	1,234	27,030	324,365	25,796	323,131	0.38%
Rebate Analysis Fees			133	1,590	133	1,590	
Other Operating Expense	845,297	845,297	891,444	10,697,329	46,147	9,852,031	7.90%
Interest Expense	256,915	256,915	332,031	3,984,372	75,116	3,727,457	6.45%
Non-Cash Expenses	219,233	219,233	306,131	3,673,574	86,898	3,454,341	5.97%
Expensed Assets	(9,880)	(9,880)	14,521	174,250	24,401	184,130	-5.67%
Operating Expenses	2,068,639	2,068,639	2,771,262	34,092,656	702,623	32,024,017	6.07%
Program Training & Tech Asst	1,001	1,001	9,785	117,417	8,784	116,416	0.85%
Program Development	151	151	11,363	136,358	11,212	136,207	0.11%
Capacity Building Costs	1,152	1,152	21,148	253,775	19,996	252,623	0.45%
Non-Operating Expenses	1,152	1,152	21,148	253,775	19,996	252,623	0.45%
Expenses	2,069,791	2,069,791	2,792,410	34,346,431	722,619	32,276,640	6.03%
Excess Revenue over Expenses	3,155,078	3,155,078	267,295	2,370,029	(2,887,784)	(785,049)	133.12%

## GENERAL FUND CAPITAL BUDGET Fiscal Year 2024-2025 Budget For the one month ended 10/31/24

	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	343,454	343,454	374,743	4,496,920	31,289	4,153,466	7.64%
2950 COMPUTER HARDWARE	180,830	180,830	25,444	305,324	(155,386)	124,494	59.23%
2960 SOFTWARE LICENSES	-	-	7,083	85,000	7,083	85,000	0.00%
2920 FURNITURE & EQUIPMENT-10 YR	-	-	-	-	-	-	
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	-	-	75,000	75,000	75,000	75,000	0.00%
2840 LAND	-	-			-	-	
2937 AUTOMOBILE	47,989	47,989	4,542	54,500	(43,447)	6,511	88.05%
Capital Budget	524,284	524,284	475,187	4,877,244	(42,014)	4,437,960	10.75%

# New Mexico Housing Trust Fund Monthly Overview

## December 18, 2024

New Mexico Housing Trust Fund Funding Source  Total Allocation		Total Procure	Total Procurement		Total Awarded		Procured but not Awarded	Procured but not Awarded  Total Expended (as of November 30, 2024)  1		Awards Proposed at 12/2024 Board Meeting	Award Amount	Activity	
Severance Tax Bond 2024	\$37,530,000.00	\$37,530,000.00	100%	\$	34,900,000.00	93%	\$2,630,000.00	\$	20,473,670.05	55%			
Severance Tax Bond 2025	\$34,620,000.00	\$34,620,000.00	100%	\$	34,620,000.00	100%	\$0.00	\$	7,033,526.91	20%			
Legislative 2024 \$50 Million Allocation	\$50,000,000.00	\$31,730,000.00	63%	\$	20,050,437.00	57%	\$11,679,563.00	\$	2,823,121.45	6%	Saranam	\$ 732,939.00	Housing Innovation/Homelessness
Total	\$122,150,000.00	\$103,880,000.00	85%	\$	89,570,437.00	73%	\$14,309,563.00	\$	30,330,318.41	25%			

Awards in green are included in the total awarded but are being proposed at the current MFA Board of Directors meeting. All awards and expenditures are as of the final Policy Committee meeting on December 3, 2024.

# New Mexico Housing Trust Fund by Awards

## December 18, 2024

Awardee	Award	Award Amount	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
Homeownership Department	FirstDown Plus	\$ 10,625,000.00	Down Payment Assistance	SFY24 STB	708	Statewide
Homeownership Department	HomeForward DPA	\$ 1,000,000.00	Down Payment Assistance	SFY24 STB	67	Statewide
Southwest Regional Housing and Community Development		\$ 134,655.19	Home Improvement Program	SFY24 STB	3	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Southwest Regional Housing and Community Development		\$ 98,999.86	Home Improvement Program	SFY24 STB	1	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Home Improvement Program		\$ 728,737.21	Home Improvement Program	SFY24 STB	27	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties
San Felipe Pueblo		\$ 37,607.74	Home Improvement Program	SFY24 STB	3	Sandoval County
Central New Mexico Housing Corporation		\$ 475,000.00	Weatherization	SFY24 STB	33	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Southwest Regional Housing and Community Development		\$ 300,000.00	Weatherization	SFY24 STB	21	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Restoring Our Communities Program		\$ 2,000,000.00	Restoring Our Communities	SFY24 STB	12	Bernalillo County
Chelsea Investment Corp.	Three Sisters	\$ 3,500,000.00	Gap Financing	SFY24 STB	70	Dona Ana County
La Serena Apartments, LLC	La Serena Apartments	\$ 1,000,000.00	Gap Financing	SFY24 STB	100	Bernalillo County
Pedrena Apartments LLC	Pedrena Apartments	\$ 1,000,000.00	Gap Financing	SFY24 STB	80	Dona Ana County
NCNO Limited Partnership, LLLP	Encino Senior Gardens	\$ 2,000,000.00	Gap Financing	SFY24 STB	165	Bernalillo County
Peachetree Canyon Limited Partnership (to be formed)	Peachtree Canyon	\$ 3,000,000.00	Gap Financing	SFY24 STB	144	Dona Ana County

Awardee	Award	Award Amount	Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
EC Ruidoso LP	Elk Meadows Apartments	\$ 2,000,000.00	Gap Financing	SFY24 STB	72	Lincoln County
Post Las Brisas, LLC	Las Brisas Apartments	\$ 1,000,000.00	Preservation	SFY24 STB	120	Bernalillo County
Homewise	Sombra del Oeste	\$ 500,000.00	SF Development	SFY24 STB	10	Bernalillo County
Homewise	Miraflores	\$ 500,000.00	SF Development	SFY24 STB	7	Santa Fe County
Town of Silver City		\$ 500,000.00	Housing Innovation	SFY24 STB	8	Grant County
NM Ramp Project		\$ 500,000.00	Housing Innovation	SFY24 STB	100	Bernalillo, Chaves, Cibola, Dona Ana, Eddy, Lea, Los Alamos, Luna, Rio Arriba, Roosevelt, San Juan Sandoval, Santa Fe, Torrance, and Valencia Counties
Sawmill CLT		\$ 262,498.00	Housing Innovation	SFY24 STB	105	Bernalillo County
HagermanForward Inc		\$ 500,000.00	Housing Innovation	SFY24 STB	18	Chaves County
San Felipe Pueblo		\$ 450,000.00	Housing Innovation	SFY24 STB	24	Sandoval County
Ohkay Owingeh		\$ 500,000.00	Housing Innovation	SFY24 STB	10	Rio Arriba County

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Awardee	Award	Award Amou	nt Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
North Central New Mexico Economic Development District		\$ 500,0	00.00 Housing Innovation	SFY24 STB	4	Colfax, Los Alamos, Mora, Rio Arriba, San Miguel, Sandoval, Santa Fe, and Taos
Homeownership Department	FirstDown Plus	\$ 15,500,00	Down Payment Assistance	SFY25 STB	1,033	Statewide
Homeownership Department	HomeForward DPA	\$ 4,500,00	Down Payment Assistance	SFY25 STB	300	Statewide
Somos Apartments Limited Partnership	Somos Apartments	\$ 4,000,0	00.00 Gap Financing	SFY25 STB	70	Bernalillo County
Ocate SF, LLC ( to be formed)	Ocate Apartments	\$ 3,000,0	00.00 Gap Financing	SFY25 STB	60	Santa Fe County
Country Club SF, LLC (to be formed)	Country Club Apartments	\$ 3,000,0	00.00 Gap Financing	SFY25 STB	62	Santa Fe County
Chelsea Investment Group	Mariposa Apartments	\$ 2,000,0	00.00 Gap Financing	SFY25 STB	51	Taos County
Rio Rancho Leased Housing Authority I, LLP	Sandoval Flats	\$ 1,620,0	00.00 Gap Financing	SFY25 STB	216	Sandoval County
Rio Rancho Leased Housing Authority I, LLP	Sandoval Flats	\$ 1,380,0	00.00 Gap Financing	2024 Legislative Allocation	216	Sandoval County
Preservation and Reinvestment Initiative for Community Enhancement Grant		\$ 1,000,0	00.00 Housing Innovation	SFY25 STB	18	Statewide
Artisan's Guild Contracting, LLC	El Toro Community	\$ 3,000,0	00.00 SF Development	2024 Legislative Allocation	29	Chaves County
YSM Development Advisors LLC	Salazar South	\$ 2,500,0	00.00 SF Development	2024 Legislative Allocation	81	Taos County
Home Improvement Program		\$ 500,0	Home 00.00 Improvement Program	2024 Legislative Allocation	19	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties
Central New Mexico Housing Corporation		\$ 125,0	00.00 Weatherization	2024 Legislative Allocation	9	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Southwest Regional Housing and Community Development		\$ 75,00	00.00 Weatherization	2024 Legislative Allocation	5	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Redfeather Development		\$ 50,00	00.00 Weatherization	2024 Legislative Allocation	4	Navajo Nation

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Awardee	Award	Award Amount		Activity	New Mexico Housing Trust Fund Funding Source	Anticipated Impact (Households)	County
Central New Mexico Housing Corporation		\$	75,000.00	Weatherization - Energy\$mart Solar Program	2024 Legislative Allocation	5	Bernalillo, Sandoval, Torrance, Valencia, Taos, Colfax, Union, Mora, Harding, San Miguel, Guadalupe, Quay, Cibola, McKinley, San Juan, Rio Arriba, Santa Fe, Los Alamos
Southwest Regional Housing and Community Development		\$	2,400,000.00	Weatherization - Energy\$mart Solar Program	2024 Legislative Allocation	170	Dona Ana, Eddy, Grant, Hidalgo, Luna, Sierra, Curry, De Baca, Lincoln, Chaves, Roosevelt, Otero, and Lea Counties
Redfeather Development		\$	25,000.00	Weatherization - Energy\$mart Solar Program	2024 Legislative Allocation	2	Navajo Nation
City of Las Cruces		\$	1,500,000.00	Housing Innovation	SFY24 STB		Dona Ana County
Village of Ruidoso		\$	287,502.00	Housing Innovation	SFY24 STB	10	Lincoln County
Village of Ruidoso		\$	712,498.00	Housing Innovation	2024 Legislative Allocation		Lincoln County
Forget Me Not Park		\$	375,000.00	Homeless and Homelessness Prevention (Housing Innovation)	2024 Legislative Allocation	40	Socorro County
Home Improvement Program		\$	100,000.00	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties	2024 Legislative Allocation	7	Guadalupe, Quay, Harding, Union, Rio Arriba, San Juan, McKinley, and Los Alamos Counties
Tierra del Sol Housing Corporation	Vado New Horizons	\$	1,000,000.00	SF Development	2024 Legislative Allocation	56	Dona Ana County
Lincoln Avenue Communities	Cresta Ranch	\$	4,000,000.00	Gap Financing	2024 Legislative Allocation	240	Santa Fe County
DBG Properties	Tierra Linda Apartments	\$	3,000,000.00	Gap Financing	2024 Legislative Allocation	240	Bernalillo County
Saranam		\$	732,939.00	Homeless and Homelessness Prevention (Housing Innovation)	2024 Legislative Allocation	13	Bernalillo County
Total		\$	89,570,437.00				

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