



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

344 4th St. SW, Albuquerque, NM

Wednesday, April 15, 2020 at 9:30 a.m.

Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of March 18, 2020 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Presentation

- | | |
|---|----|
| 1 Annual Investment Report and Market Update (Luke Schneider, Director/Ellen Clark, Senior Managing Consultant PFM Asset Management, LLC) | NO |
|---|----|

Finance Committee

- | | |
|--|-----|
| 2 Employee Handbook Revisions (Dolores Wood) | YES |
| 3 COVID-19 Resolution (Izzy Hernandez) | YES |

Contracted Services/Credit Committee

- | | |
|--|-----|
| 4 Compliance Activities Report (Robyn Powell) | NO |
| 5 Checklist Approval for RHA (Regional Housing Authorities) Properties Valued over \$100,000 (Gina Bell) | YES |
| 6 State Tax Credit Award – Hope Village (Hopeworks & YES Housing, Inc.) (Patty Balderrama) | YES |
| 7 Valle De Atrisco – NHTF (National Housing Trust Fund) and NMHTF (New Mexico Housing Trust Fund) (George Maestas/Shawn Colbert) | YES |

Other

- | | |
|--|----|
| 8 Appointment of the Nominating Committee to Elect Officers (Chair, Angel Reyes) | NO |
| 9 2020 Legislative Session Update (John Anderson and Rebecca Velarde) | NO |

Other Board Items

Information Only

- | | |
|--|--|
| 10 (Staff is available for questions) | |
| ▪ Staff Action Requiring Notice to Board | |
| ▪ 2020 Series A Single-Family Bond Pricing Summary | |

Monthly Reports

No Action Required

- | | |
|---------------------------------------|--|
| 11 (Staff is available for questions) | |
| ▪ 2/29/20 Financial Statements | |
| ▪ Communications Department Reports | |

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings

- April 15, 2020 - Wednesday - Board Study Session - LIHTC/QAP - Cost Studies (immediately following the board meeting)
- May 20, 2020 - Wednesday - 9:30 a.m. (MFA)
- May 20, 2020 - Wednesday – Board Study Session - Strategic Planning (immediately following the board mtg.)
- June 17, 2020 - Wednesday - 9:30 a.m. (MFA)
- July 15, 2020 - Wednesday - 9:30 a.m. (MFA)



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- 1 **Annual Investment Report and Market Update (Luke Schneider, Director/Ellen Clark, Senior Managing Consultant PFM Asset Management, LLC)** - Staff from PFM Asset Management LLC, MFA's contracted Investment Advisor, will be presenting a market and investment update. NO

Finance Committee

- 2 **Employee Handbook Revisions (Dolores Wood)** - Annually, the MFA Employee Manual is reviewed and updated. The Employee Manual is revised as needed for changes as it relates to compliance, audit findings, clarifications and changes in general practices. YES
- 3 **COVID-19 Resolution (Izzy Hernandez)** - In response to address COVID-19 impacts MFA anticipates additional funding and changing regulations and requirements. MFA leadership is requesting temporary delegated authorities that will enable it to make expedited decisions when time is of the essence. YES

Contracted Services/Credit Committee

- 4 **Compliance Activities Report (Robyn Powell)** - The activities described in this report are intended to provide the Board of Directors with assurance that MFA is effectively managing compliance with Federal and State consumer financial laws applicable to the products and services being provided by MFA and mitigating related risk. There were no significant compliance concerns identified during this reporting period. NO
- 5 **Checklist Approval for RHA (Regional Housing Authorities) Properties Valued over \$100,000 (Gina Bell)** - Per MFA oversight responsibility of the Regional Housing Authorities, a checklist of required documents has been created in order to obtain MFA's Board approval for a transfer, sale or liquidation of real or personal property with a value of greater than \$100,000. This checklist is being submitted for approval to be used on future requests. YES
- 6 **State Tax Credit Award – Hope Village (Hopeworks & YES Housing, Inc.) (Patty Balderrama)** - Staff recommends approval of a 2020 State Tax Credit Award for Hope Village for \$500,000. This multi-family project is new construction of 42 rental units composed of 21 units for households earning 30% or less of Area Median Income (AMI), and 21 units for households earning 50% or less of Area Median Income (AMI). The project is located in Albuquerque, NM and will provide permanent supportive housing for homeless individuals with severe mental health and substance abuse disorders. The project has received a 2017 HOME CHDO award in the amount of \$630,000, a New Mexico Housing Trust Fund (NMHTF) award of \$850,000, and a National Housing Trust Fund (NHTF) award of \$4,250,000. The applicant is seeking \$500,000 in tax credit proceeds based on \$1,000,000 of anticipated cash, property, and in-kind donations. The \$1,000,000 in donations generated through the state tax credits will be used for construction of the development. YES
- 7 **Valle De Atrisco – NHTF (National Housing Trust Fund) and NMHTF (New Mexico Housing Trust Fund) (George Maestas/Shawn Colbert)** - A National Housing Trust Fund (NHTF) loan request in the amount of \$1,830,000 and a New Mexico Housing Trust Fund (NMHTF) loan request in the amount of \$500,000 for the Valle de Atrisco Family Apartments, located in SW Albuquerque. Valle de Atrisco is new construction of a 240-unit multifamily project with 60 units (25%) serving households with children. Thirteen units are income-restricted to households earning 30% or less of Area Median Income (AMI) and 227 units income restricted to households earning 60% or less of AMI. YES

Other

- 8 Appointment of the Nominating Committee to Elect Officers (Chair, Angel Reyes) - Nominating Committee**
appointed to Elect Officers. NO
- 9 2020 Legislative Session Update (John Anderson and Rebecca Velarde) - 2020 Legislative Outcomes** NO

Other Board Items

Information Only

10 (Staff is available for questions)

- Staff Action Requiring Notice to Board
- 2020 Series A Single-Family Bond Pricing Summary

Monthly Reports

No Action Required

11 (Staff is available for questions)

- 2/29/20 Financial Statements
- Communications Department Reports

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Minutes

NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting Minutes

344 4th St. SW, Albuquerque, NM

Wednesday, March 18, 2020 at 9:30 a.m.

Due to the COVID-19 Virus today's Board meeting was held via WebEx/Teleconference

Chair Reyes convened the meeting on March 18, 2020 at 9:29a.m. Secretary Hernandez called the roll. Members available by phone: Chair Angel Reyes, Vice Chair Derek Valdo, Sally Malavé (designee for Attorney General Hector Balderas), Martina C'de Baca (designee for Lieutenant Governor Howie Morales), State Treasurer Tim Eichenberg, Rebecca Wurzbarger, and Rosalyn Nguyen Chafey. 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 and staff. He began by stating that today's meeting is being webcast. He introduced everyone on the phone and went over the protocol for today's telephonic meeting. All members must identify themselves before they speak; this includes asking questions or making a motion. If at any time anyone loses their connection, please text Izzy and we will stop the meeting to wait for you to reconnect. There will be a roll call vote for all approvals.

Approval of Agenda - Board Action. Chair Reyes informed the Board that he would review changes to the agenda he would like the Board to consider for today's meeting. Items to be removed are: Employee Introductions – to be done in person at a later date, Switch Tab1 (now 2) HUD Allocations 2020 – HOME and NHTF & Tab 2 (now 1) Authorized Signature Resolution, Defer Tabs 3 Employee Handbook Revisions, Tab 5 Checklist Approval for RHA Properties Valued over \$100k, Tabs 7 & 8 (Non action items) - 7 IT Update and 8 - 2020 Legislative Session Update. Motion to approve changes to the March 18, 2020 Board agenda as recommended: Malavé. Second: Wurzbarger. Roll call vote: Roll call vote: Chair Reyes-yes, Vice Chair-yes Valdo-yes, Cde'Baca- yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes.6-0. Updated as requested by Chair Reyes following the approval of the Board Study Session Minutes to include member Eichenberg's vote. Vote:7-0.

Approval of February 19, 2020 Board Meeting Minutes – Board Action. Motion to approve the February 19, 2020 Board Meeting Minutes as presented: Wurzbarger. Second: Nguyen-Chafey. Roll call vote: Chair Reyes, Vice Roll call vote: Chair Reyes-yes, Vice Chair-yes Valdo-yes, Cde'Baca- yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes.6-0. Updated as requested by Chair Reyes following the approval of the Board Study Session Minutes to include member Eichenberg's vote. Vote:7-0.

Approval of February 19, 2020 Board Study Session Meeting Minutes - Single Family Program Funding and Servicing Model – Board Action. Motion to approve the February 19, 2020 Board Meeting Minutes as presented: Malavé. Second: Wurzbarger. Treasurer Eichenberg informed Chair Reyes that his name had not been called during the roll call vote for the two past approval items. Hernandez apologized and called a roll call vote: Roll call vote: Chair Reyes-yes, Vice Chair-yes Valdo-yes, Eichenberg-yes, Cde'Baca- yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes.7-0. Chair Reyes asked Eichenberg for his vote on the amended agenda. Eichenberg – yes. Chair Reyes asked Treasurer Eichenberg for his vote on the February 19, 2020 Board meeting minutes. Eichenberg – yes. Chair Reyes asked that the minutes reflect member Eichenberg's vote on those approval items.

Executive Director Updates: Hernandez provided the Board with the following information for his monthly update; NCSHA Legislative Conference – He began by thanking Lt. Governor Morales for attending and meeting with the five New Mexico Delegates. Generations at West Mesa Ribbon Cutting was held on 27 February; very nice 54 Units - targeted to grandparents raising grandchildren. Legislative Update- thanked legislators and Governor for allocating \$1.2m to HTF and \$1m to EnergySmart. There are additional funds that were allocated where MFA maybe the fiscal/pass-through agency. A full update will be provided at next month's Board meeting. Strategic Plan - Internal Interviews. Board Members (5 of 7 interviewed, others scheduled). Regional Meetings on Hold due to COVID-19. He further informed the Board that he and Chair Reyes met with the Governor's Chief of Staff – John Bingaman to provide an overview of MFA and highlight our successes and needs. We are also trying to schedule a meeting with the Governor's Chief Operating Officer – Teresa Casados. He further informed the Board that the Regional Housing Authorities (RHA) annual reporting would be delayed due to an audit not being completed timely for Northern RHA.

We plan on bringing to the Board in April/May timeframe. NM Coalition to End Homelessness (NMCEH) HUD announced awards to Continuum of Care (CoC) Awards - \$11m. Market Volatility; SF Programs - Working with financial advisors to keep our programs funded. Looking for best executions – TBA., setting Finance Committee meeting to discuss Investment Advisors Recommendations. MFA doesn't anticipate deviation from the Board Policy and will keep Board informed if material changes are made. COVID – 19 Actions – Hernandez went over the MFA Measures being taken. Non-Action Item.

New Employee Introductions – Deferred.

Finance Committee

- 1 Formerly Tab 2 Authorized Signature Resolution (Yvonne Segovia).** Segovia informed the Board that the Authorized Signatures Resolution is updated periodically as needed. She referenced the Signature Resolution to reflect the changes being requested today to capture the signature of the newly appointed Deputy Director of Programs and add the Senior Director of Mortgage Operations as an authorized signature on bank accounts and documents that legally bind MFA. She further discussed the need for additional signers as requested which is detailed in the memo located behind tab two. She further informed the Board that there is a more detailed Corporate Resolution located behind the memo which is used for banking purposes and does require names and titles be included in order to change the signers on MFA bank accounts. This has been updated to reflect names and allow for signatures of the new Deputy Director of Programs and the Senior Director of Mortgage Operations, as well as Isidoro Hernandez's title change. Motion to approve the Authorized Signature Resolution as presented: Valdo. Second: Eichenberg. Roll call vote: Chair Reyes-yes, Vice Chair-yes Valdo-yes, Eichenberg-yes, Cde'Baca- yes, Malavé-yes, Wurzbürger-yes, Nguyen-Chafey-yes. Vote: 7-0.
- 2 Formerly Tab 1 HUD Allocations 2020 - HOME and NHTF (National Housing Trust Fund) (Izzy Hernandez).** Hernandez began by stating that staff recommends the allocation of \$3m of National Housing Trust Fund (N-HTF) and \$12,020,677 of HUD HOME funds to the activities as identified in the N-HTF Table reviewed in the memo and the attached 2020 HOME Allocation sheet located behind tab one, which will be made a part of the official board packet. He highlighted the background information in the memo and informed the Board that based on our N-HTF expenses and staff time allocated over the last 12 months, we project using \$75k in administrative fees this program year and seek approval to allocate \$75k to MFA Admin and \$2,925,000 to programs. Should the N-HTF allocation deviate from the \$3m, staff would like the authority to allocate \$75k to MFA Admin and the remainder to programs. He reviewed the sources of total funds available and the proposed allocation per activity provided in the memo for a combined total available of \$12,020,677. He further explained that demand for funds is monitored on a regular basis and should demand not materialize in an activity(s), we have flexibility within the Action Plan to reallocate funds with Board Approval or notice. Malavé had a question regarding expenditures vs. allocation which is not addressed in the handouts. Hernandez stated that a report with requested information would be provided to the Board. Hernandez addressed questions from Chairman Reyes regarding source of carryover funds, lead based paint allocation increase and Admin decrease. Motion to approve the HUD Allocations 2020 - HOME and NHTF (National Housing Trust Fund) as presented: Valdo. Second: Eichenberg. Roll call vote: Chair Reyes-yes, Vice Chair-yes Valdo-yes, Eichenberg-yes, Cde'Baca- yes, Malavé-yes, Wurzbürger-yes, Nguyen-Chafey-yes. Vote: 7-0.

3 Employee Handbook Revisions (Dolores Wood) – Deferred

Contracted Services/Credit Committee

- 4 2020 HOPWA (Housing Opportunities for Persons with AIDS) RFP (Natalie Michelback).** Bell began by stating that staff recommends approval of the Housing Opportunities for Persons with AIDS (HOPWA) Request for Proposal (RFP) for Program Years 2020-2021, with the option for extension for PY 2021-2022 through PY 2022-2023. She provided background information informing the Board that MFA is the designated state recipient for the Housing Opportunity for Persons with AIDS (HOPWA) Program, a HUD formula entitlement program which covers the entire State. The program's purpose is to address the high incidence of HIV/AIDS cases that may cause low-income persons in New Mexico to become homeless by providing housing assistance and related supportive services for these persons and their families. It is estimated that there will be approximately \$912,328 of available HOPWA funding for the 2020-2021 program year. Of that amount, 10% be used for administrative

fees (3% to be awarded to MFA and 7% to be awarded to the Service Providers). Bell then reviewed the breakdown between the estimated funding by regions, Criteria, Maximum Score and timeline as provided in the memo and RFP located behind tab four which will become a part of the official board packet. Bell also reminded the Board that an email was sent to them regarding a change of language to be added to the HOPWA RFP in response to COVID-19; Part II, Section 9 after the timeline chart, she read the proposed change; In response to COVID-19, MFA may, in its sole discretion, elect to extend the RFP due date, upon the request of any Offeror for good cause, which good cause shall be demonstrated to MFA and determined in MFA's sole discretion. Any request to extend the RFP due date shall be directed to MFA and must be received by MFA no later than 4/8/20. If MFA determines it will extend the deadline, it will post notice on its website no later than 4/10/20. Under no circumstance will the RFP due date be extended beyond 5/20/20 which would still allow MFA to put contracts in place by 7/1/20. Motion to approve the 2020 HOPWA (Housing Opportunities for Persons with AIDS) RFP as provided: Wurzbarger. Second: Eichenberg. Roll call vote: Chair Reyes-yes, Vice Chair-yes, Valdo-yes, Eichenberg-yes, Cde'Baca- yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes. Vote: 7-0.

5 Checklist Approval for RHA (Regional Housing Authorities) Properties Valued over \$100,000 (Gina Bell) – Deferred

- 6 2020-2024 NM Consolidated Plan and 2020 Action Plan (Sabrina Su and Rebecca Velarde).** Su informed the Board that Velarde was participating by phone and would be available to answer any technical questions. Su began her presentation by providing background information on the Consolidated Plan. Since 1994 the U.S. Department of Housing and Urban Development (HUD) has required all participating and entitlement jurisdictions, including the New Mexico Mortgage Finance Authority (MFA) and the state of New Mexico, to produce five-year Consolidated Plans, one-year Annual Action Plans and annual Consolidated Annual Performance and Evaluation Reports (CAPER) as requisites to receiving formula grants. These grants include Community Development Block Grant (CDBG) funds, HOME Investment Partnerships (HOME) funds, Emergency Solutions Grant (ESG) funds, Housing Opportunities for Persons with AIDS (HOPWA) funds, and Housing Trust Funds (HTF). MFA administers HOME, ESG, HOPWA and HTF, while the New Mexico Department of Finance and Administration, Local Government Division (DFA) administers CDBG. The Consolidated Plan analyzes the housing and community development needs of the citizens of New Mexico and sets out strategies to address those needs. The Annual Action Plan prescribes goals and strategies for addressing the Consolidated Plan needs and estimates funding amounts for the coming year. The CAPER reports on the progress towards those goals and strategies, along with the amounts of funding actually spent. She went over the timeline, public comment period and actual allocations. She further informed the Board that through an extensive citizen participation and data analysis process required by HUD for the Consolidated Plan, MFA was able to determine priority needs, establish resources available and develop goals and outcome measures, which she then summarized for the Board. Su further informed the Board that New Mexico will be receiving a new formula grant for the Recovery Housing Program, which will be used to provide transitional housing for individuals in recovery from substance-use disorders; however, HUD had not yet provided guidance on how these funds may be used. When HUD does so, MFA will amend the Consolidated Plan and Action Plan in order to incorporate the Recovery Housing Program. In addition, Su informed the Board that the HTF allocation had not yet been announced but that once it was, MFA would amend the Consolidated Plan and Action Plan accordingly. Motion to approve the 2020-2024 Consolidated Plan and 2020 Annual Action Plan as presented: Malavé. Second: Wurzbarger. Roll call vote: Chair Reyes-yes, Vice Chair-yes, Valdo-yes, Eichenberg-yes, Cde'Baca- yes, Malavé-yes, Wurzbarger-yes, Nguyen-Chafey-yes. Vote: 7-0.

Other

7 IT Update (Joseph Navarrete) - Deferred

8 2020 Legislative Session Update (John Anderson and Rebecca Velarde) – Deferred

Other Board Items - Information Only

9 There were no questions asked of staff.

- Staff Action Requiring Notice to Board

Monthly Reports - No Action Required

10 There were no questions asked of staff.

- 1/31/20 Financial Statements
- Communications Department Reports

Announcements and Adjournment - Confirmation of Upcoming Board Meetings. Chair Reyes informed the Board that today's Study Session - Homeless and Permanent Supportive Housing Programs is cancelled and will be rescheduled at another time. He further informed the Board that the next Board of Directors meeting will be held on April 15, 2020 and at this time is anticipated to also be held via WebEx dependent on the COVID-19 status. Further stating that staff would keep the Board apprised of the LIHTC/QAP - Cost Studies Study Session following the April Board meeting. He thanked the Board for their flexibility and asked general counsel if there was anything else that needed to happen. Eleanor Werenko responded there was not.

There being no further business the meeting was adjourned at 10:54 a.m.

Approved: April 15, 2020

Chair, Angel Reyes

Secretary, Isidoro Hernandez

Tab 1



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting

Friday, March 20, 2020 at 1:30 p.m.

To dial in to the conference call dial: *All participants Dial-in number:*

1-844-992-4726 access code: 10733708

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 General Fund State Investment Council Portfolio Recommendations-Asset Allocation (Gina Hickman)	3-0	NO

Committee Members present:

Derek Valdo, Chair

☐ present

☐ absent

☒ conference call

State Treasurer Tim Eichenberg

☐ present

☐ absent

☒ conference call

Lt. Governor Howie Morales or
Proxy Martina C'de Baca

☐ present

☐ absent

☒ conference call

A handwritten signature in blue ink, appearing to read "Howie Morales".



New Mexico Mortgage Finance Authority Board Meeting

April 15, 2020

Luke Schneider, CFA, Director

Ellen Clark, Multi-Asset Class Portfolio Strategist

PFM Asset
Management LLC

1820 E. Ray Road
Chandler, AZ 85225

855-885-9621
pfm.com



Today's Presentation

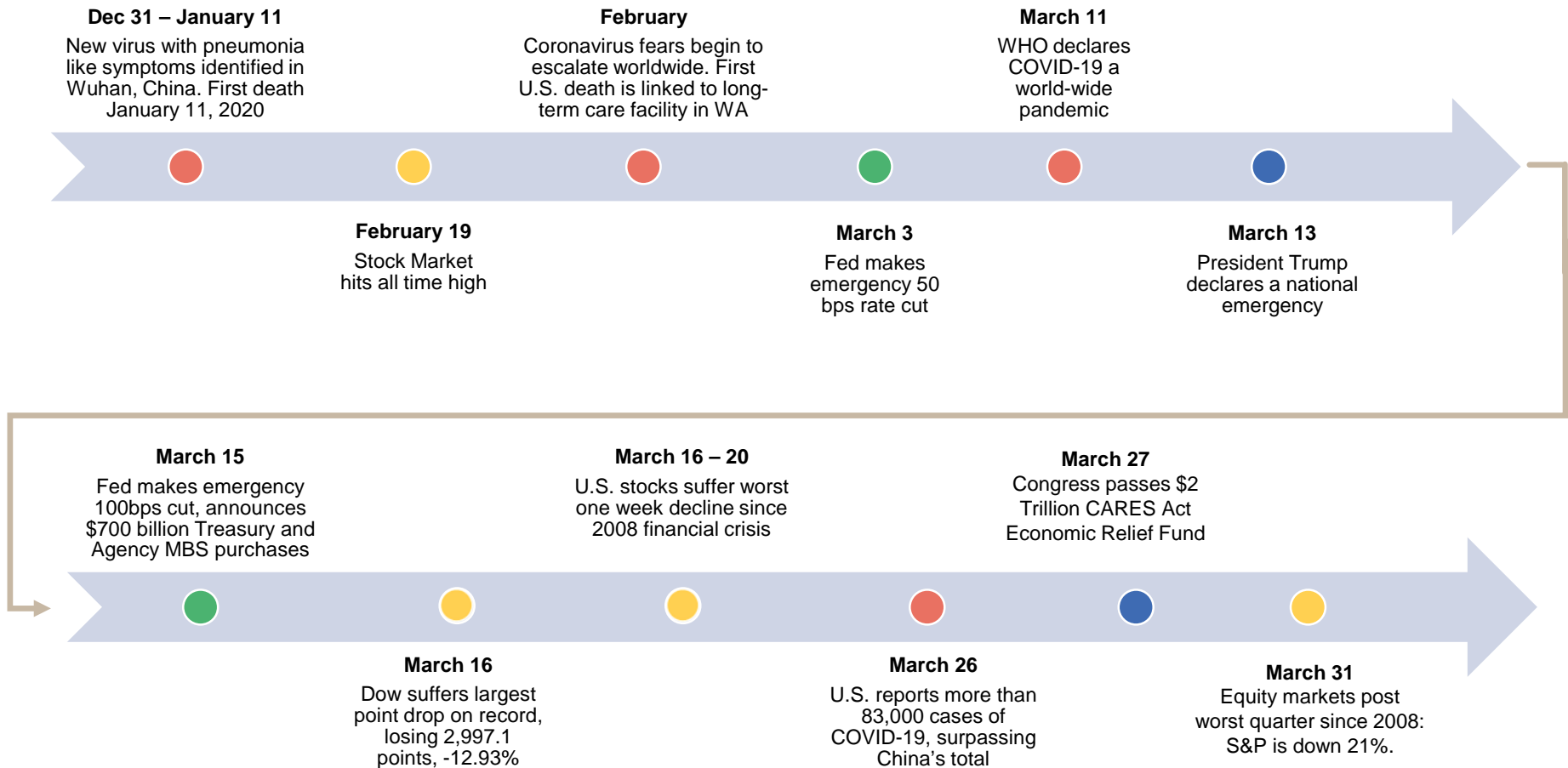
- ◆ 1st Quarter 2020 – It's been a wild ride!
- ◆ Current allocation of General Fund
- ◆ Review of NMMFA cash flows
- ◆ Performance of State Investment Council Funds



Market Update



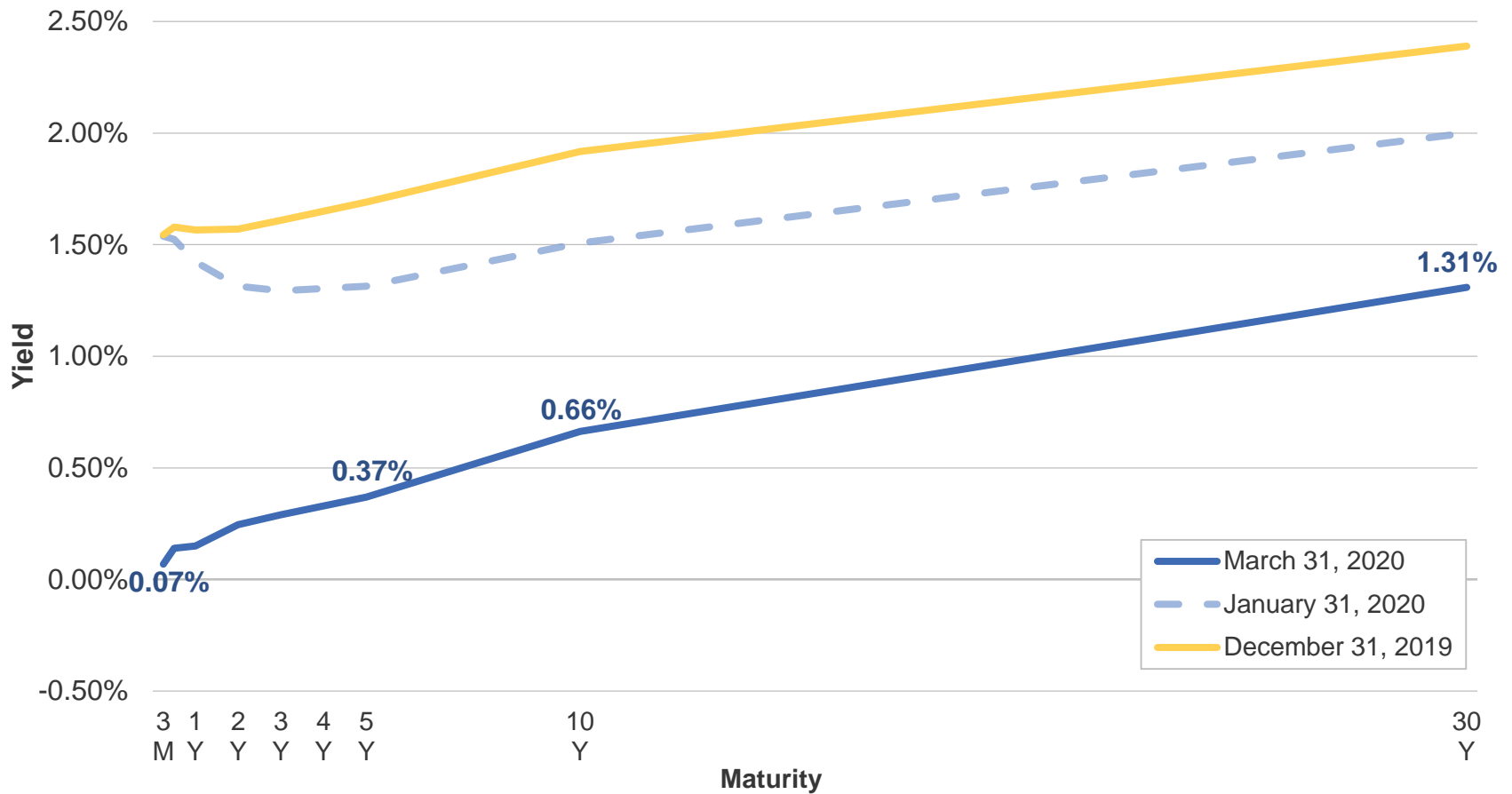
First Quarter 2020 Timeline





Yield Curve Falls Dramatically, Especially Short-Term Securities

U.S. Treasury Yield Curve



Source: Bloomberg, as of 3/31/2020.



Federal Reserve Pulls Out All the Stops to Support the Financial Markets

- ❖ The Federal Reserve's mission is to support the continued operation of the financial markets.
- ❖ Since cutting the federal funds target rate by 1.50% during the first half of March, the Federal Reserve has enacted multiple programs to support the operation and liquidity in the financial markets to include:
 - ***Commercial Paper Funding Facility*** (3/17)
 - ***Primary Dealer Credit Facility*** (3/17)
 - ***Primary and Secondary Market Corporate Credit Facility*** (3/23)
 - ***Term Asset-Backed Securities Loan Facility*** (3/23)

Source: Federal Reserve, as of March 31, 2020.



Fiscal Measures to Combat the Coronavirus

❖ Multiple bills have recently been passed in an effort to support the U.S. economy, which include:

- ***Coronavirus Preparedness and Response Supplemental Appropriations Act*** (3/6)

Estimated cost – \$8.3 billion

- ***Families First Coronavirus Response Act*** (3/18)

Estimated cost – \$105 billion

- ***Coronavirus Aid, Relief, and Economic Security Act (CARES)*** (3/27)

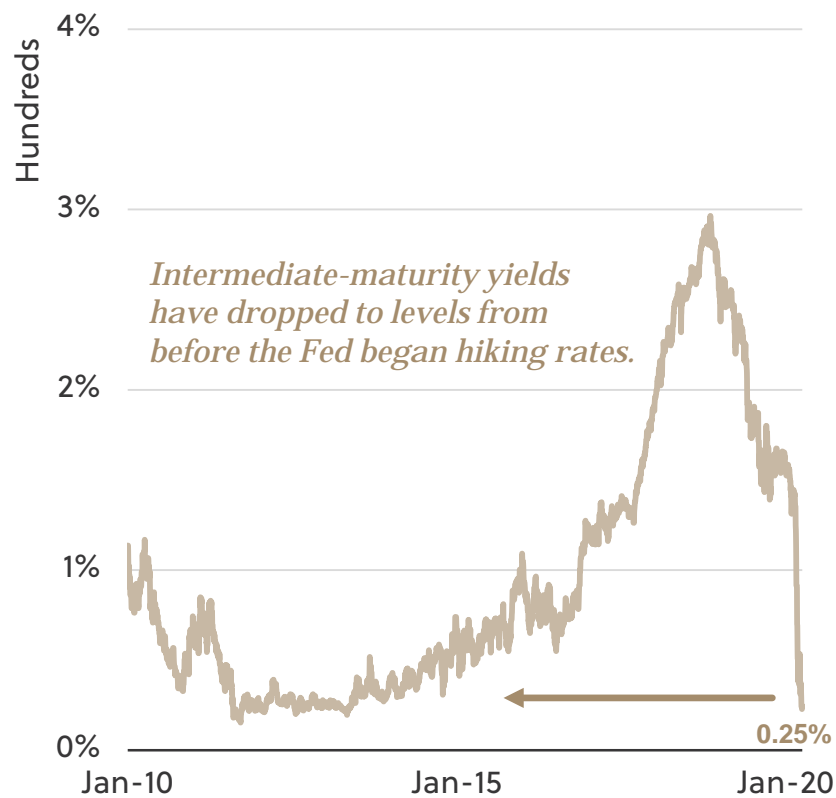
Estimated cost – \$2 trillion

Sources: Wall Street Journal, Reuters and the Kaiser Family Foundation



Rates Plummet Due to Coronavirus Outbreak

2-Year Treasury Yield



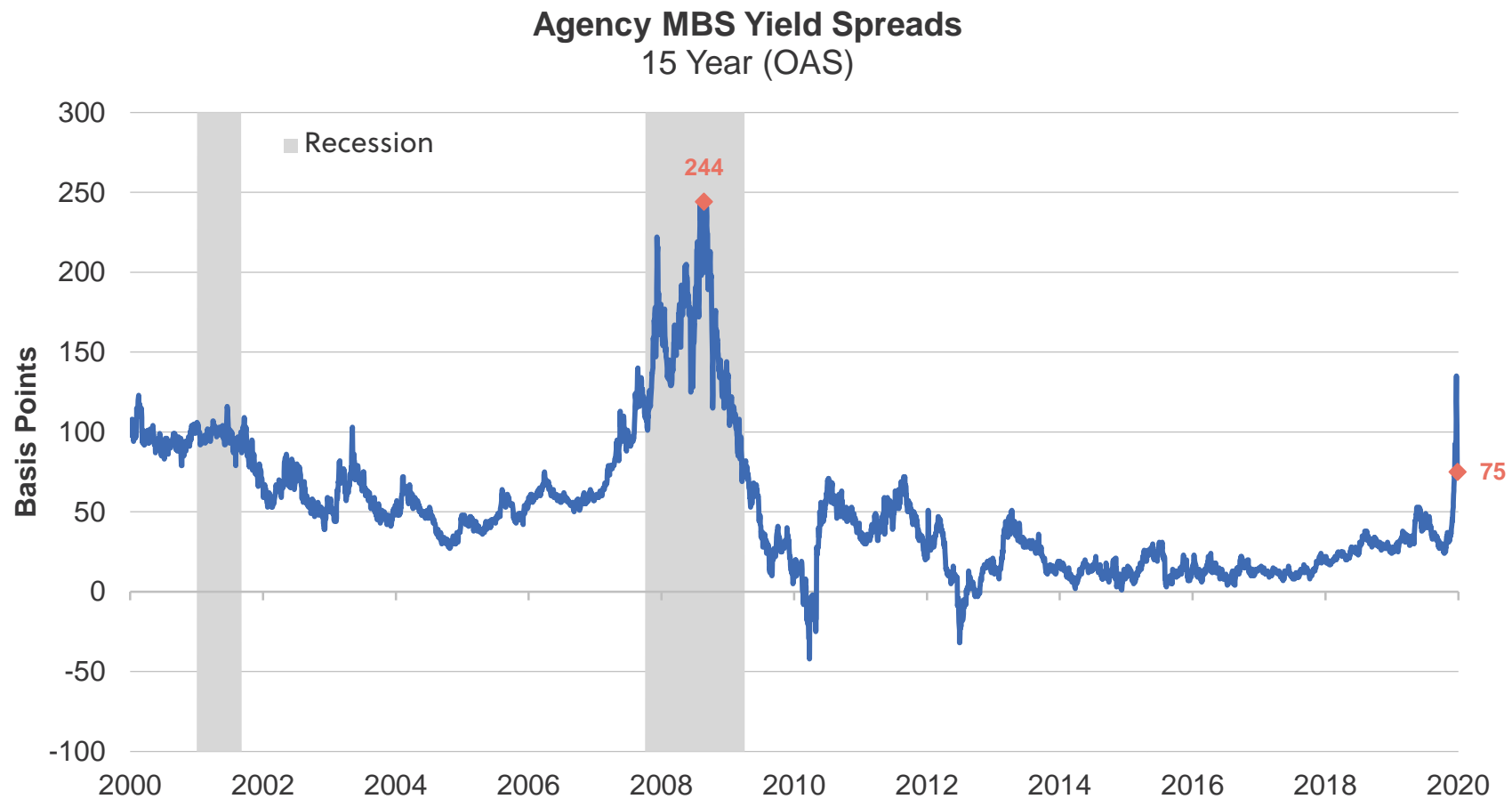
10-Year Treasury Yield



Source: Bloomberg, as of 3/31/2020.



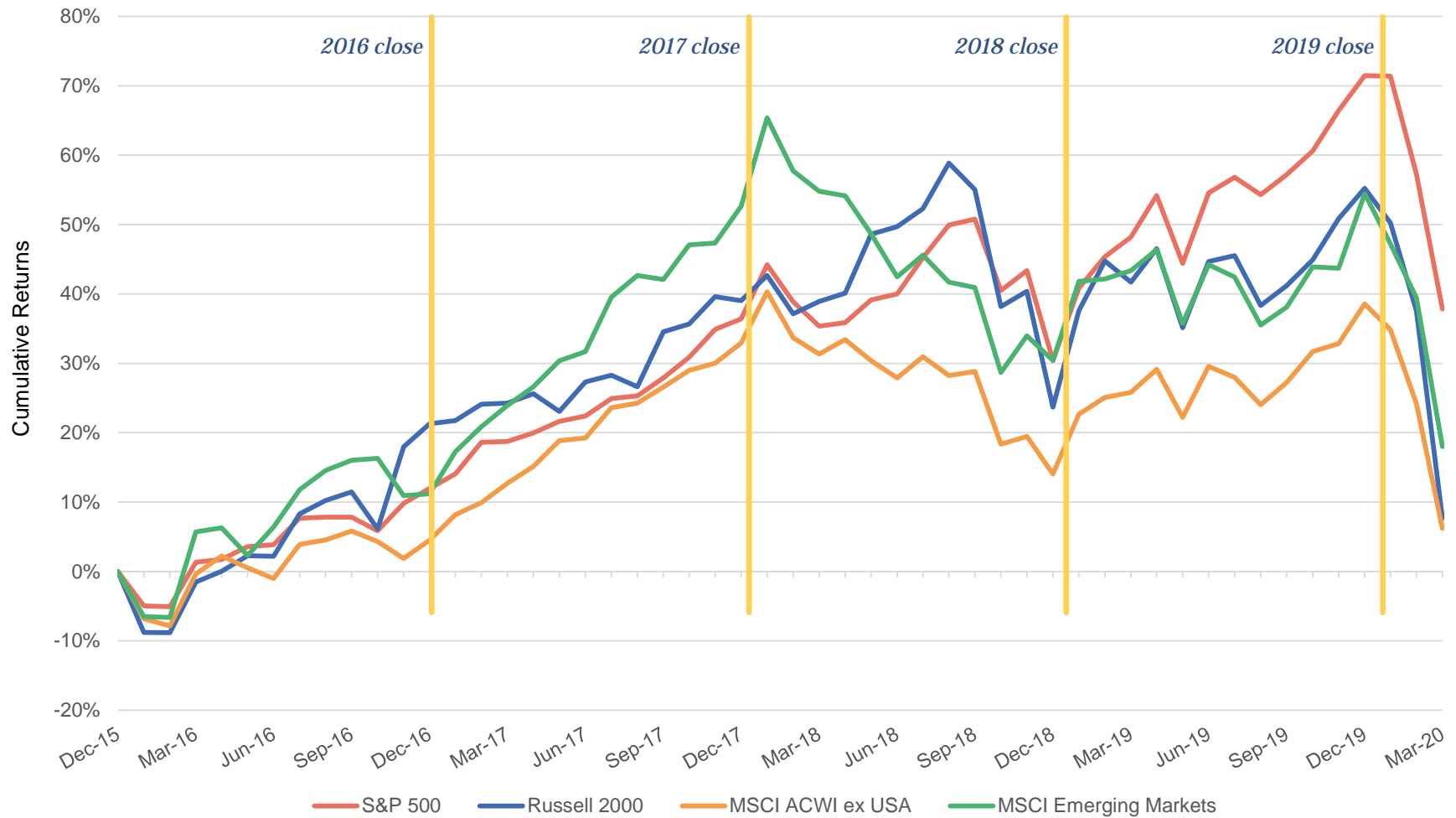
MBS Spreads Spike to Recession Levels



Source: Bloomberg, as of 3/30/20. Recession period derive from the National Bureau of Economic Research (NBER) based recession indicators.



A Wild Ride – Have Stocks Hit Bottom?



Source: Bloomberg, as of 3/31/2020 (monthly periodicity).



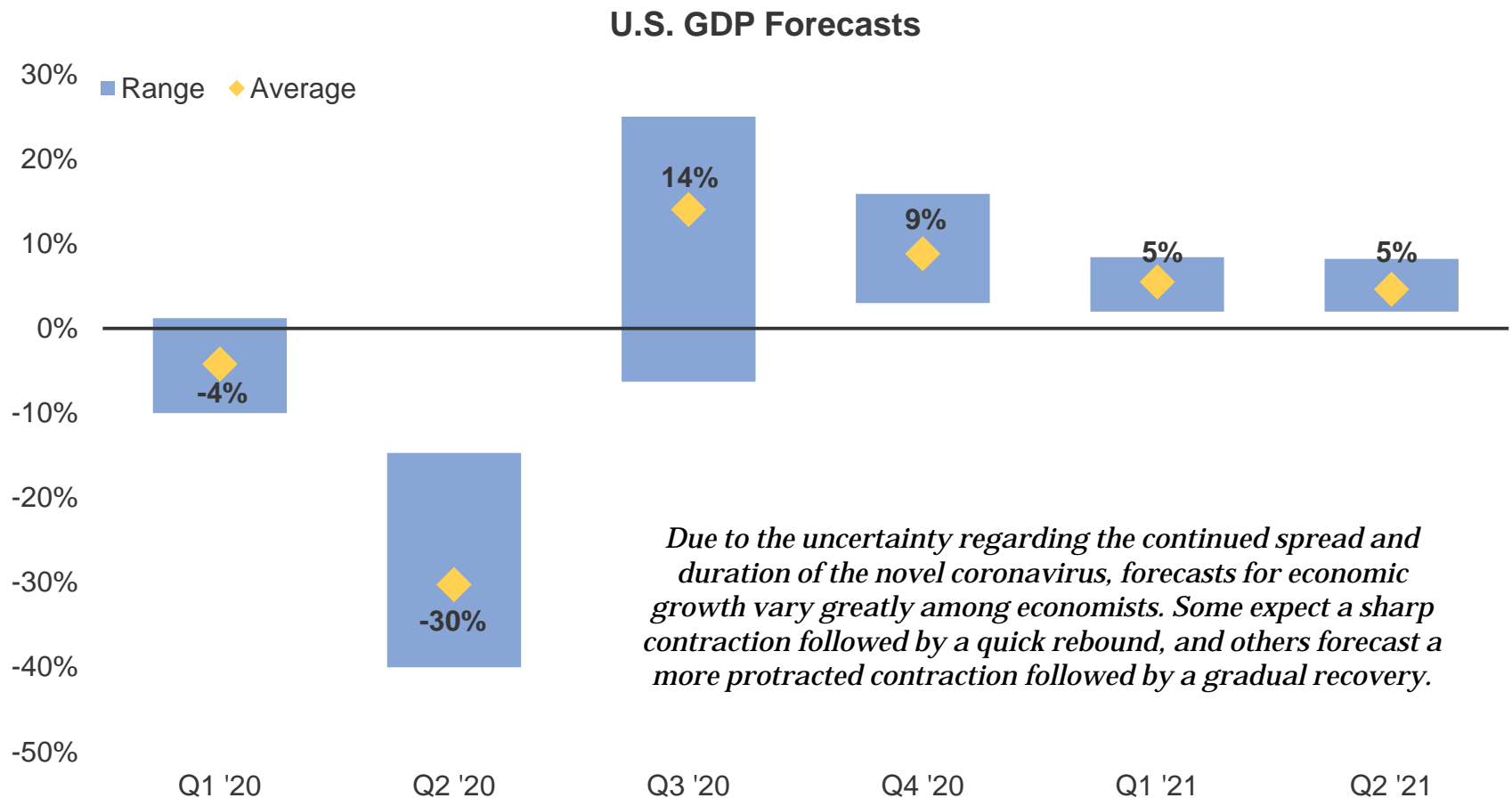
Market Performance

Index Performance as of 3/31/20				
Domestic Equity	YTD	1 Year	3 Years	5 Years
S&P 500	-19.6%	-7.0%	5.1%	6.7%
Russell 3000 Index	-20.9%	-9.1%	4.0%	5.8%
Russell 2000	-30.6%	-24.0%	-4.7%	-0.3%
Russell 1000	-20.2%	-8.0%	4.6%	6.2%
International Equity	YTD	1 Year	3 Years	5 Years
MSCI ACWI ex US (Net)	-23.4%	-15.6%	-2.0%	-0.6%
MSCI EAFE Index (Net)	-22.8%	-14.4%	-1.8%	-0.6%
MSCI Emerging Markets Index	-23.6%	-17.7%	-1.6%	-0.4%
Fixed Income	YTD	1 Year	3 Years	5 Years
Bloomberg Barclays U.S. Aggregate	3.1%	8.9%	4.8%	3.4%
Bloomberg Barclays Global Aggregate	-0.3%	4.2%	3.5%	2.6%
Bloomberg Barclays U.S. Corp: High Yield	-12.7%	-6.9%	0.8%	2.8%
Bloomberg Barclays 1-3 Year U.S. Govt/Credit	1.7%	4.5%	2.6%	1.9%
Bloomberg Barclays 1-5 Year U.S. Govt/Credit	2.2%	5.6%	3.1%	2.3%

Source: Bloomberg, as of 3/31/2020.



Economists Expect a Significant, Immediate Downturn in the U.S. Economy



Source: Bloomberg. Forecasts made from 3/25/2020 through 4/3/2020 by ING Group, Morgan Stanley, Deutsche Bank, Goldman Sachs Group, Barclays, JPMorgan Chase, UBS, TD Bank, and Wells Fargo.



Our Views Will Inform Future Decisions

◆ Current Environment

- The healthcare and global economic situation is a fast-moving, evolving situation that requires a nimble and flexible response
- Markets have settled a bit . . .
 - Fed funds rate remains at 0.00% - 0.25%, PFM expects low rates through 2022
 - U.S. stock market rebounded somewhat, volatility continues

◆ What needs to change to return to “normal”?

- Global containment, evidenced by slower growth in cases and reduced quarantines
- Factory output and supply chain back to normal levels
- Development of drugs to treat COVID-19 patients and ultimately a vaccine (12-18 months)

◆ Strategy Considerations

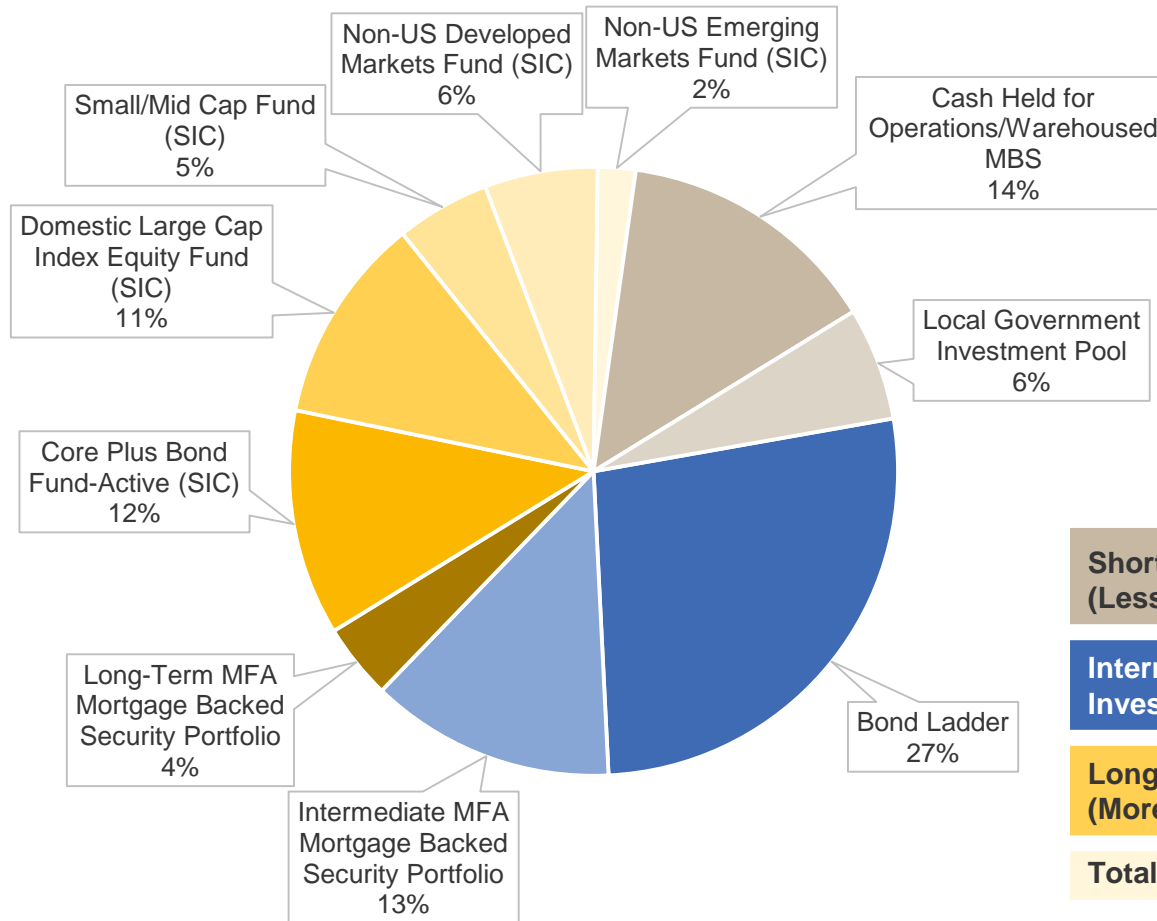
- Government fixed income securities are earning very low yields while MBS spreads have widened substantially over the last two months
- LGIP rates likely to move toward 0% in the second quarter 2020
- Review underlying collateral of MBS holdings in the context of the current economic environment
- Monitor equity markets and confirm strategic policy for long-term allocation



General Fund



General Fund Investment Allocation as of December 31, 2019

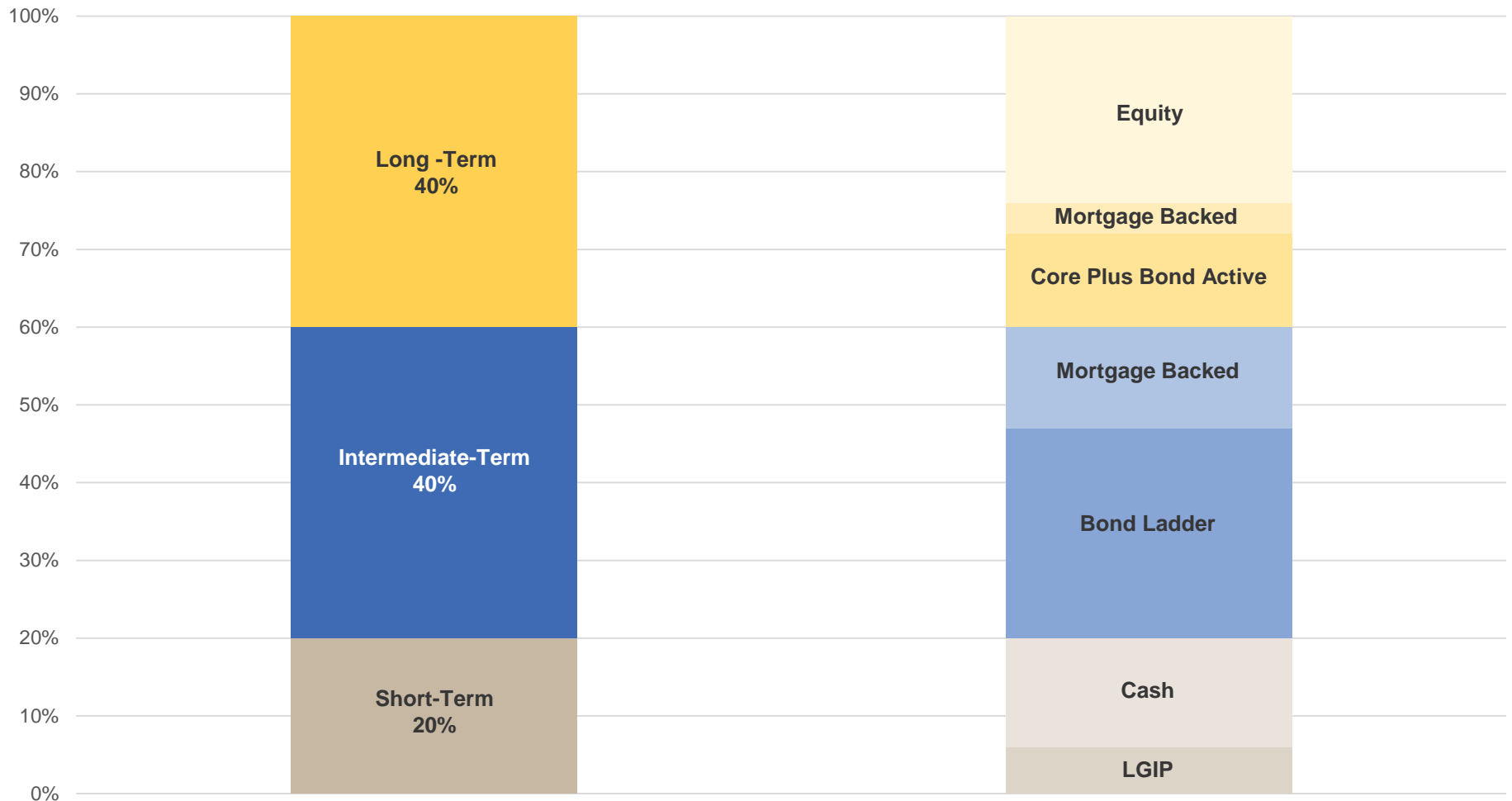


Short-Term Investments (Less than 1 year)	\$11,987,554
Intermediate Term Investments (1 to 10 years)	\$28,179,039
Long-Term Investments (More than 10 years)	\$29,913,530
Total Investments	\$70,080,123

Source: NMMFA General Fund Investment Compliance Report for December 31, 2019.



MFA Current Asset Allocation Targets



Source: Approved revision to MFA Investment Policy as of October 2017.



Cash Flow Analysis Review



Seasonality of Balances

- Historically, the Authority's balances have peaked in July and October and hit its low points in January and December.

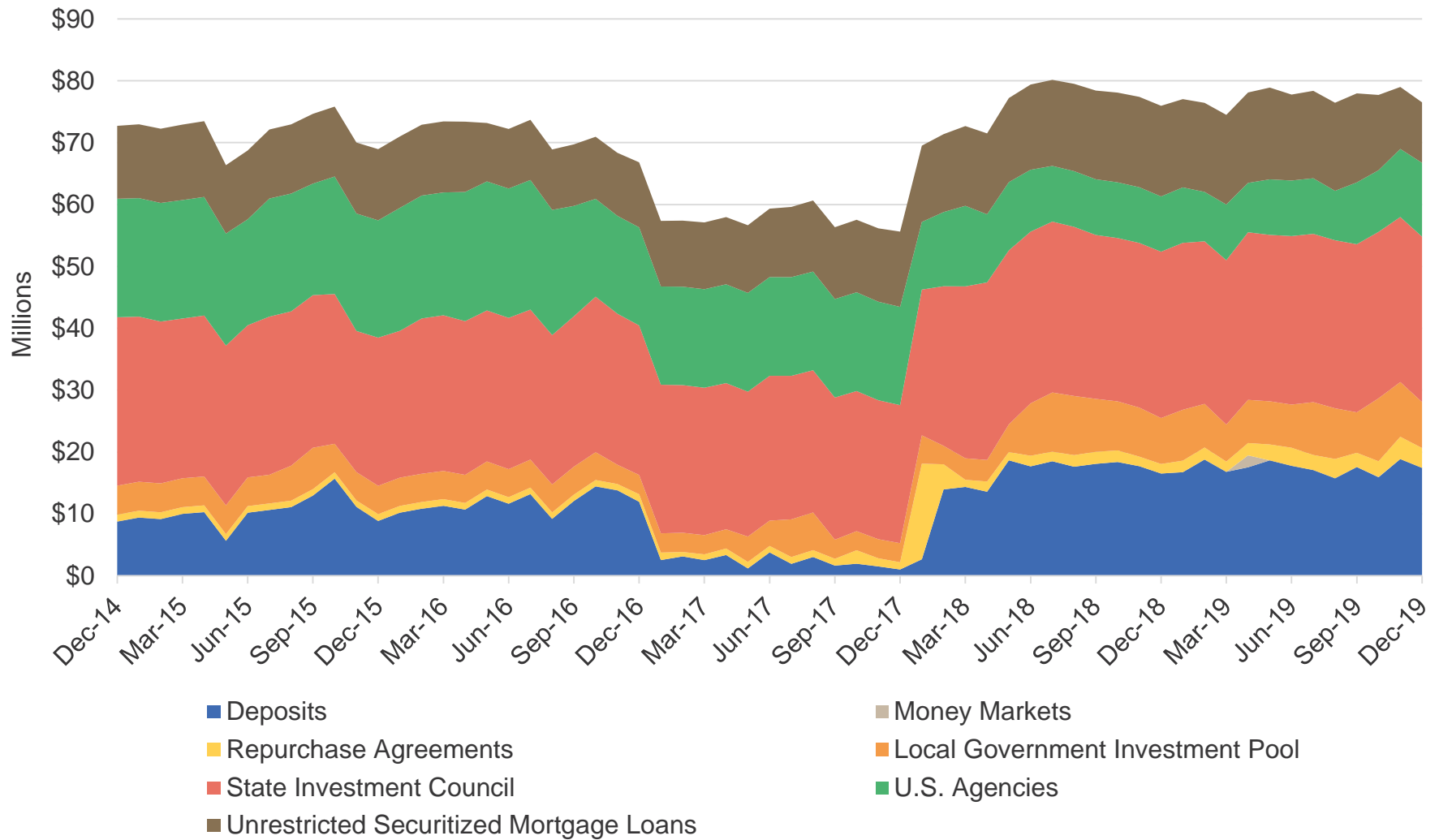
Month	Average Monthly Balance	Historical Factor
January	\$69,577,582	98%
February	\$70,073,772	99%
March	\$70,128,327	99%
April	\$70,889,486	100%
May	\$70,463,089	99%
June	\$71,491,714	101%
July	\$72,794,078	103%
August	\$71,695,322	101%
September	\$71,422,108	101%
October	\$72,026,061	102%
November	\$70,187,883	99%
December	\$69,432,344	98%
Avg. Mon. Bal.	\$70,848,480	100%



Historical Max
Drawdown = 5%



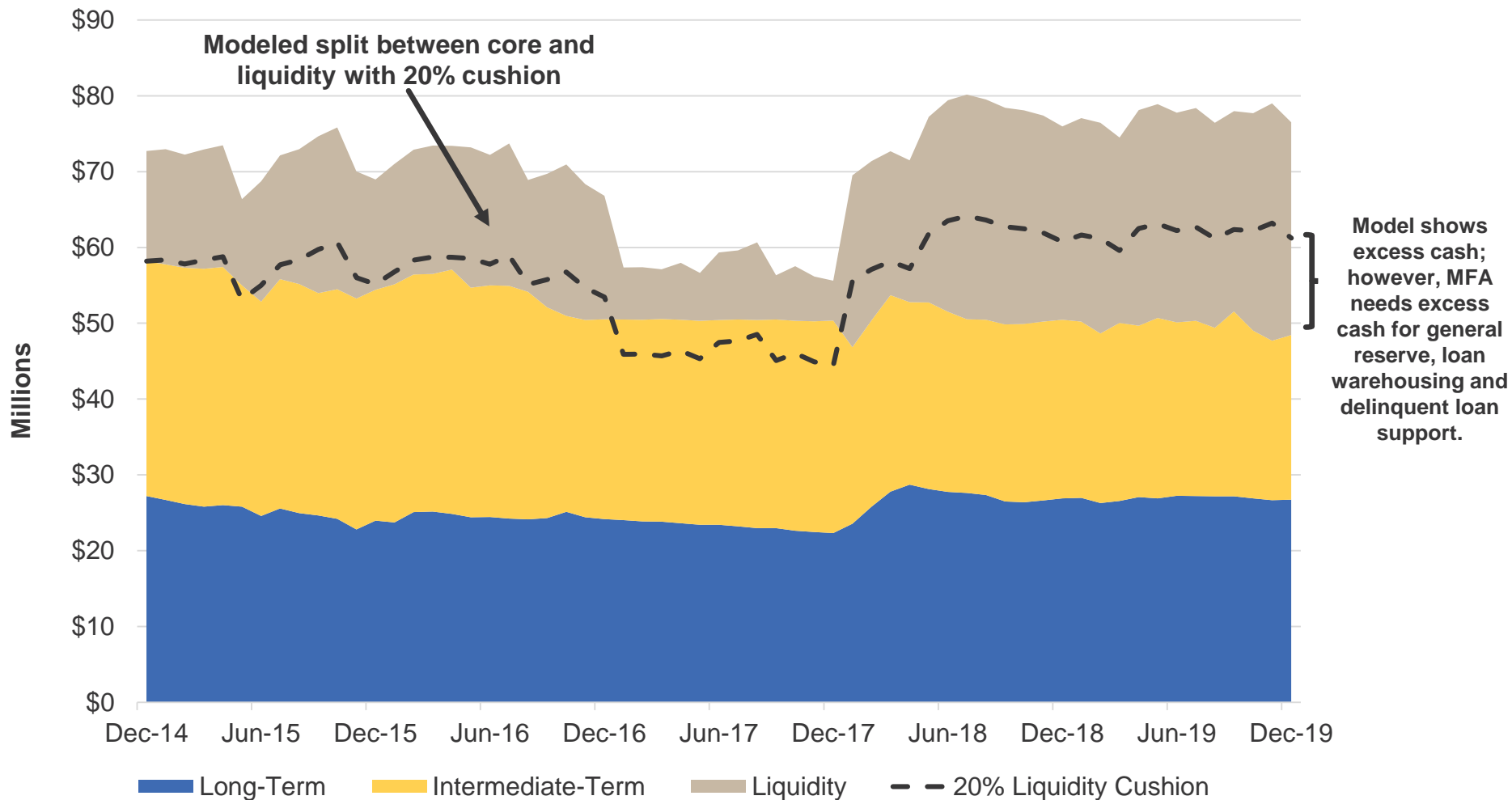
Historical Fund Balances



Source: NMMFA Cash Flow Data, as of December 31, 2019.
Chart represents 5 years of prior balance analysis, from December 2014 to December 2019.



Historical Cash Flow Analysis





Summary of Cash Flow Analysis

- ◆ Cash flow needs appear to be declining.
- ◆ PFM recommends matching investments in intermediate portfolios to expected outflows over the next two years and increasing the liquidity cushion from 15% to 20% amid COVID-19 due to loan warehousing requirements and anticipated cash demands related to delinquent loan support (forbearance).
- ◆ Maturities in Intermediate Portfolio should be targeted to low balance months where possible.
- ◆ Review current maturity structure of bond ladder and mortgage backed securities.



SIC Fund Performance

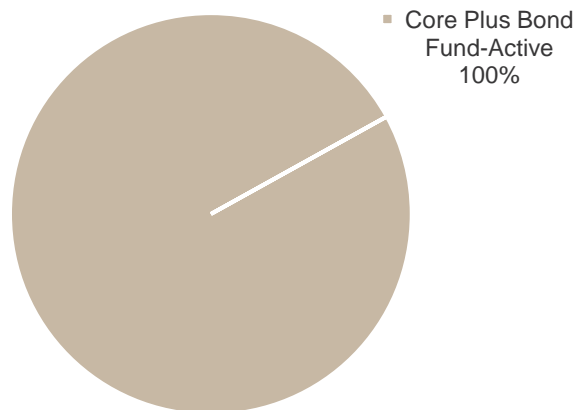


Overview of SIC Funds

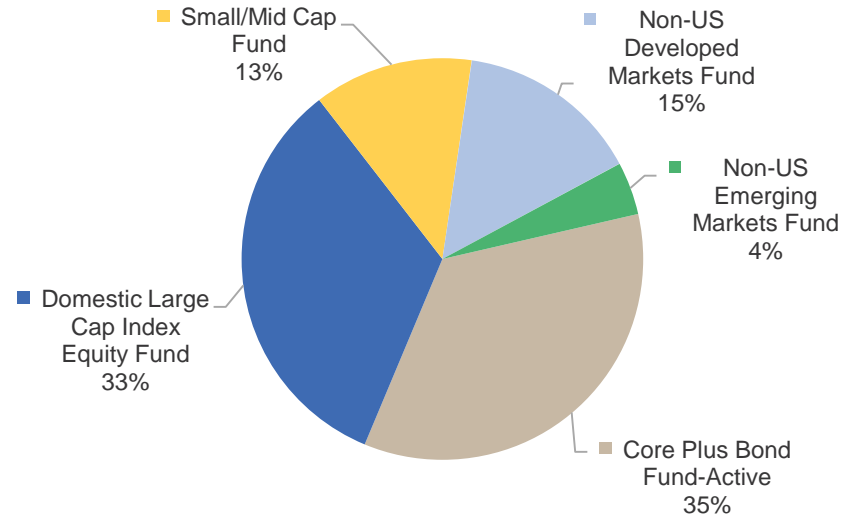
State Investment Council (SIC) funds allocations:

- General Fund: \$26,280,399
- Housing Trust Fund: \$13,625,817

Housing Trust Fund



General Fund



Source: State Investment Council, as of February 28, 2020.



Portfolio Performance

Total Return as of February 28, 2020						
	Market Value	Year To Date	1 Year	3 Years	5 Years	Since Inception
General Fund¹	\$26,280,399	-5.61%	6.75%	4.74%	4.36%	4.58%
<i>Blended Benchmark²</i>		-5.01%	6.07%	4.37%	3.75%	4.06%
Domestic Large Cap Equity Index Fund¹	\$8,720,795	-8.17%	7.62%	9.56%	8.92%	9.41%
<i>Russell 1000 Index¹</i>		-8.07%	7.82%	9.73%	9.00%	9.48%
Small/Mid Cap Fund³	\$3,375,354	-12.66%	2.39%	N/A	N/A	1.27%
<i>Russell 2500 Index³</i>		-10.25%	-1.80%	5.10%	5.81%	1.47%
Non-US Developed Markets Fund³	\$3,891,765	-10.85%	-0.31%	N/A	N/A	-0.74%
<i>MSCI AC World ex USA (Net)³</i>		-10.38%	-0.69%	4.15%	2.18%	-3.08%
Non-US Emerging Markets Fund³	\$1,113,825	-10.07%	-1.78%	N/A	N/A	-1.66%
<i>MSCI Emerging Markets Index³</i>		-9.68%	-1.51%	5.28%	3.11%	-3.73%
Core Plus Bond Funds-Active¹	\$9,178,661	3.39%	12.20%	6.27%	5.04%	4.96%
<i>Bloomberg Barclays U.S. Aggregate¹</i>		3.76%	11.68%	5.01%	3.58%	3.71%

¹Since Inception as of 7/01/2014.

²Blended benchmark: July 2014 20% Russell 3000, 80% Bloomberg Barclays U.S. Aggregate Bond Index; Jan 2018 31% Russell 1000 Index, 14% Russell 2500 Index, 17% MSCI AC World ex USA (net) Index, 5% MSCI Emerging Markets Index, 33% Bloomberg Barclays U.S. Aggregate Bond Index.

³Since Inception 1/01/2018

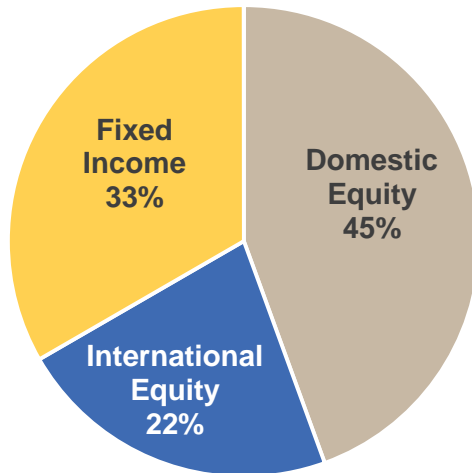
Notes:

Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Retained Earnings returns are net of mutual fund fees.

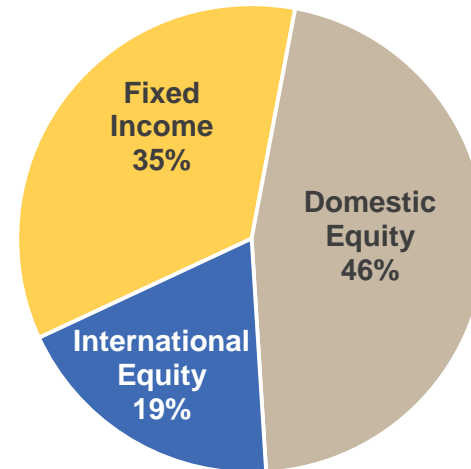


Asset Allocation & Compliance as of February 28, 2020

**SIC General Fund
Target Allocation**



**SIC General Fund
Current Allocation**



	Market Value	Target Allocation	Current Allocation
Domestic Equities	\$12,096,148	45%	46%
International Equities	\$5,005,589	22%	19%
Fixed Income	\$9,178,661	33%	35%
General Fund	\$26,280,399	100%	100%

Source: State Investment Council, as of February 28, 2020 and NMMFA Investment Policy Statement.



Portfolio Performance

Total Return as of February 28, 2020						
Housing Trust Fund	Market Value	Year To Date	1 Year	3 Years	5 Years	Since Inception ²
Core Plus Bond Funds-Active	\$13,625,817	3.25%	13.10%	6.39%	4.95%	4.90%
<i>Bloomberg Barclays U.S. Aggregate¹</i>		3.76%	11.68%	5.01%	3.58%	3.71%

¹Benchmark: 100% Bloomberg Barclays U.S. Aggregate Index.

²Since Inception as of 07/01/2014

Notes:

Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).



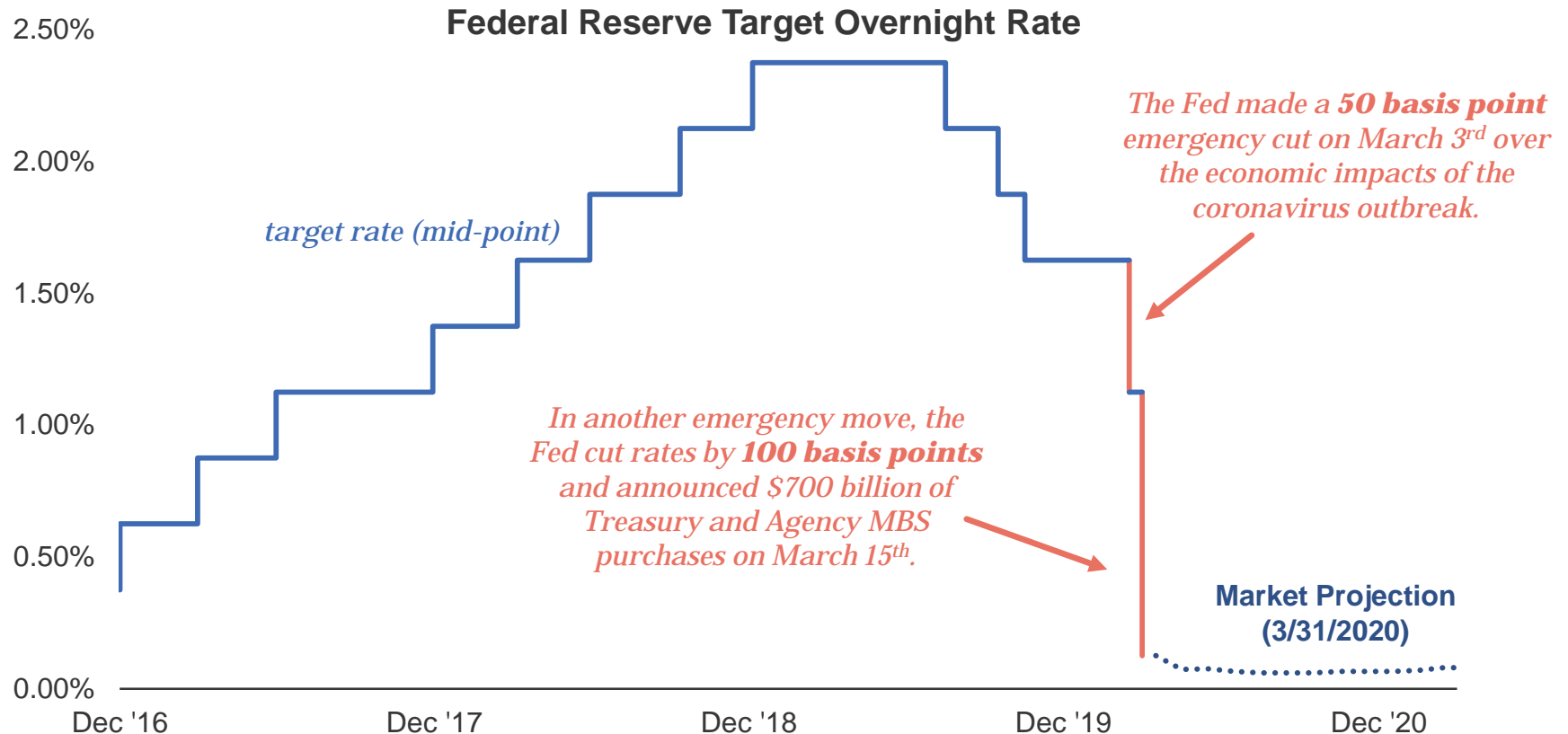
Appendix



Fed Delivers Two Emergency Rate Cuts in Early March

"A rate cut will not reduce the rate of infection. It won't fix a broken supply chain... But we do believe that our action will provide a meaningful boost to the economy."

– Fed Chair Jerome Powell; March 3, 2020



Source: Bloomberg.



Federal Reserve Pulls Out All the Stops with New Liquidity Programs

Date	Program Acronym	Program Name	Purpose	Description
3/17/2020	CPFF	Commercial Paper Funding Facility	Backstop Commercial Paper market	<ul style="list-style-type: none"> • SPV purchases A-1/P-1/F-1 rated paper* • Pricing based on 3-month OIS + 110 bps** • Program runs through 3/17/2021
3/17/2020	PDCF	Primary Dealer Credit Facility	Enhance market liquidity by allowing Primary Dealers to post collateral with Fed for loans	<ul style="list-style-type: none"> • Eligible collateral: Investment grade corporate debt, international agencies, CP, munis, MBS, AAA-rated ABS, equities • Rate: equal to primary credit rate offered to depository institutions via the Discount Window • Program runs for 6-months or longer
3/18/2020	MMLF	Money Market Mutual Fund Liquidity Facility	Provide liquidity to prime money funds by allowing prime funds to post collateral with Fed and receive advances	<ul style="list-style-type: none"> • Eligible collateral: Treasuries, agencies, CP, negotiable CDs, munis <12m, VRDN*** <12m, Non-TSY/AGY repo • Rate: primary credit rate + 0-100 bps based on collateral • Program runs through 9/30/2020
3/19/2020	FX Swap Lines	Central Bank Liquidity Swap Lines	Reduce strains in dollar funding markets	<ul style="list-style-type: none"> • Fed provides U.S. dollars to a foreign central bank who provides the same amount of funds in its currency to the Fed, based on market exchange rate • The central banks agreed to swap back these funds at a later date using the same exchange rate as in the first transaction • The foreign central bank determines the terms on which it will lend the dollars to institutions in its jurisdiction

Source: Federal Reserve. *A-2/P-2/F-2 rated paper that was rated A-1/P-1/F-1 on March 17, 2020 also eligible. **A-2/P-2/F-2 rated paper priced at 3-month OIS + 200 bps. ***VRDN – variable rate demand note



Federal Reserve Pulls Out All the Stops with New Liquidity Programs (Ctd.)

Date	Program Acronym	Program Name	Purpose	Description
3/23/2020	PMCCF	Primary Market Corporate Credit Facility	Funding backstop for investment grade corporate debt	<ul style="list-style-type: none"> • SPV purchases IG corporate bonds directly from eligible issuers • Eligible assets: new issue investment grade corporate debt with remaining maturity of four years or less • Rate informed by market conditions • Program runs through 9/30/2020
3/23/2020	SMCCF	Secondary Market Corporate Credit Facility	Enhance market liquidity for outstanding investment grade corporate bonds	<ul style="list-style-type: none"> • SPV will purchase individual IG corporate bonds and IG corporate bond ETFs in the secondary market • Eligible individual corporate bonds: IG corporate debt with remaining maturity of five years or less • Pricing: fair market value in the secondary market • Program runs through 9/30/2020
3/23/2020	TALF	Term Asset-Backed Securities Loan Facility	Funding backstop to facilitate the issuance of eligible ABS	<ul style="list-style-type: none"> • SPV will initially make \$100 billion in 3 year, non-recourse loans available to holders of eligible ABS • Eligible collateral: AAA-rated ABS backed by newly and recently originated consumer and small business loans • Pricing: 2 or 3 year LIBOR swap rate + 100 bps* • Program runs through 9/30/2020
3/31/2020	FIMA Repo Facility	Foreign and International Monetary Authorities Repo Facility	Reduce strains in dollar funding markets	<ul style="list-style-type: none"> • FIMA account holders temporarily exchange Treasury securities held with the Federal Reserve for U.S. dollars • Rate: IOER + 25 bps; term: overnight, rolled over as needed • Program runs through 10/6/2020

Source: Federal Reserve. *2 year LIBOR swap rate if underlying credit exposure with no government guarantee and WAL of 2 years or less; 3 year LIBOR swap rate if underlying credit exposure with no government guarantee and WAL of 2 years or greater.



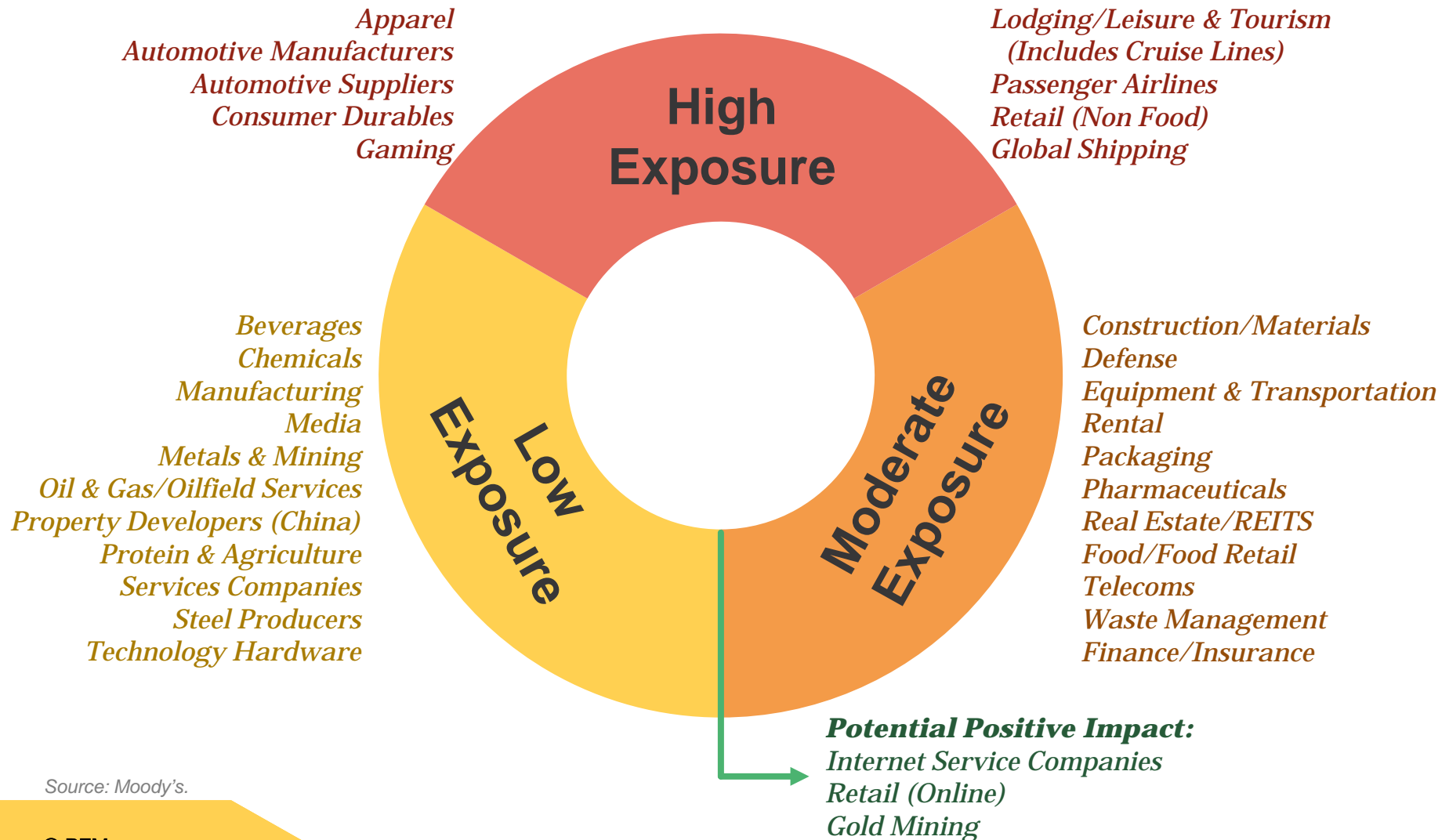
Fiscal Measures to Combat the Coronavirus

Date	Legislation Title	Estimated Cost	Description
3/6/2020	Coronavirus Preparedness and Response Supplemental Appropriations Act	\$8.3 billion	<ul style="list-style-type: none">• More than \$2 billion for research and development of coronavirus vaccines, test kits and therapeutics• \$1.9 billion for the Centers for Disease Control and Prevention (CDC), which includes \$950 million for state and local response efforts• \$20 million for the Small Business Administration (SBA)• Permits Medicare providers to offer telehealth services to beneficiaries, at an estimated cost of \$500 million• \$1.6 billion designated for the international response
3/18/2020	Families First Coronavirus Response Act	\$105 billion	<ul style="list-style-type: none">• Provides two weeks of paid sick and family leave for those affected by the virus, businesses get a tax credit to help cover the expense• Workers can take up to three months of unpaid leave if they are quarantined or need to take care of sick family members• Expands safety-net programs that help people weather economic downturns• Bolsters unemployment aid and the “food stamps” program• Increases federal support for Medicaid
3/27/2020	Coronavirus Aid, Relief, and Economic Security Act	\$2 trillion	<ul style="list-style-type: none">• One-time checks worth \$1,200 capped above certain income levels• Extends the duration of jobless benefits, increases current unemployment assistance and expands benefits to gig workers and freelancers• \$349 billion in loans available to small businesses• \$500 billion in aid to businesses, states and municipalities, much of which go to backstop losses in lending facilities established/expanded by the Fed• \$117 billion for hospitals and veterans’ care• \$150 billion in direct aid to states, distributed according to population size

Sources: Wall Street Journal, Reuters and The Kaiser Family Foundation.



Global Covid-19 Impact Heatmap



Source: Moody's.



2020 Capital Market Assumptions

	Intermediate: Next 5 Years		Long Term Projections	
	Expected Return	Expected Risk	Expected Return	Expected Risk
US Equity	5.7%	16%	7.4%	16%
International Developed Equity	6.0%	17%	7.3%	17%
Emerging Markets Equity	5.8%	20%	7.4%	20%
Core Bonds	1.5%	5%	4.9%	5%
Intermediate Investment Grade	1.7%	7%	5.8%	7%
Emerging Markets Debt	3.5%	10%	6.5%	10%
High Yield	3.8%	9%	6.4%	9%
Bank Loans	4.2%	6%	5.3%	6%
REITs	5.5%	12%	6.3%	12%
Private Equity Real Estate	6.2%	15%	7.5%	15%
Commodities	4.0%	16%	5.3%	16%
Hedge Funds	5.1%	15%	7.1%	15%
Private Equity	7.9%	25%	10.1%	25%
Cash	2.0%	1%	3.3%	1%

For the intermediate term (up to 5 years), our capital market assumptions derive from our assessment of current economic conditions, including corporate profits, balance sheets, etc., and current valuations for various asset classes. Our long-term assumptions are derived using an economic building block approach that projects economic and corporate profit growth and takes into consideration the fundamental factors driving long-term real economic growth, our expectation for inflation, productivity and labor force growth.



2020 Capital Market Assumptions, Cont.

Correlations														
	US Equity	International Developed Equity	Emerging Markets Equity	Core Bonds	Intermediate Investment Grade Corp	Emerging Markets Debt	High Yield	Bank Loans	REITs	Private Equity Real Estate	Commodities	Hedge Funds	Private Equity	Cash
US Equity	1													
International Developed Equity	0.8	1												
Emerging Markets Equity	0.7	0.7	1											
Core Bonds	0.3	0.2	0.2	1										
Intermediate Investment Grade Corp	0.3	0.2	0.2	0.9	1									
Emerging Markets Debt	0.5	0.5	0.5	0.4	0.4	1								
High Yield	0.7	0.5	0.5	0.4	0.4	0.4	1							
Bank Loans	0.4	0.3	0.3	0.3	0.3	0.7	0.7	1						
REITs	0.5	0.4	0.4	0.3	0.3	0.3	0.4	0.4	1					
Private Equity Real Estate	0.4	0.3	0.3	0.3	0.3	0.2	0.4	0.2	0.8	1				
Commodities	0.1	0.1	0.2	0.2	0.2	0.3	0.2	0.2	0.1	0.1	1			
Hedge Funds	0.6	0.5	0.5	0.4	0.4	0.3	0.4	0.4	0.4	0.3	0.2	1		
Private Equity	0.7	0.6	0.6	0.3	0.3	0.3	0.5	0.2	0.4	0.4	0.1	0.5	1	
Cash	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	1

Please refer to PFM Asset Management's 2020 Capital Market Assumptions for a complete description of the methodology used to develop these assumptions and important disclosures.



Disclosures

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

Tab 2



Handwritten: 3/10/20

NEW MEXICO MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting

Tuesday, March 10, 2020 at 1:30 p.m.

To dial in to the conference call dial: *All participants Dial-in number:*
1-844-992-4726 access code: 10733708

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 HUD Allocations 2020 (HOME and NHTF (National Housing Trust Fund) (Izzy Hernandez)	3-0	YES
2 Authorized Signature Resolution (Yvonne Segovia) w/ Revisions	3-0	YES
3 Employee Handbook Revisions (Dolores Wood) Pending review of language re: employing relatives.	3-0	YES

Committee Members present:

Derek Valdo, Chair

☐ present

☐ absent

☒ conference call

State Treasurer Tim Eichenberg

☒ present

☐ absent

☐ conference call

Lt. Governor Howie Morales or
 Proxy Martina C'de Baca

☒ present

☐ absent

☐ conference call



MEMORANDUM

TO: MFA Board of Directors

Through: Finance Committee – March 10, 2020

Through: Policy Committee – March 3, 2020

FROM: Dolores Wood

DATE: April 15, 2020

SUBJECT: Employee Manual Revisions

Recommendation: Staff recommends approval of proposed revisions to the Employee Manual.

Background: Annually, the MFA Employee Manual is reviewed and updated. The Employee Manual is revised as needed for changes related to compliance, audit findings, clarifications, legal requirements and changes in general practices.

MFA's Attorney reviews the manual annually and last evaluation was performed by Quentin Smith at Stelzner Law Firm in February 2020. Mr. Smith's recommended changes have been incorporated into the manual.

After approval from the Board level, each individual staff member is given a revised Employee Manual with outlined revisions and the manual will be posted on MFA's Intranet.

Discussion: The Voluntary Separation Incentive and the Parental Leave Program approved by the board in February 2020 have been incorporated into the manual. Many of the other changes being proposed in this revision are minor in nature. The following is a summary of necessary changes incorporated for consideration:

Page #	Policy	Change
Page 4/5	Employment of Relatives	Current policy addressing the hiring of relatives violates the NM Human Rights Act (Act). The General Counsel proposed language complies with the Act and allows the hiring of relatives so long as there is no direct supervision. Language added to address conflict of interest.
Page 8	New Employee Orientation	Minor responsibilities changed.

Page 12/13	Work Schedules	Incorporated Telecommuting Policy. The policy allows non-supervisory staff to work from home two days a week and supervisory staff to work from home one day a week.
Page 13	Attendance	Abandonment of job after one day as the policy was written would be difficult to argue to the unemployment board. Abandonment defined now as three days
Page 17	Removable Media	Language updated to reflect the ability to use removable media encryption of sensitive data.
Page 19	Internet	Removed language as it relates to instant messaging as MFA now has the ability to use this feature.
Page 22	Social Media	MFA has updated its social media policy to protect MFA's brand. Further, it outlines the roles and responsibilities of MFA's Communications and Marketing Department and that of its employees. Employees are expected to represent MFA's brand in a professional manner and to follow MFA's confidentially policy. Training on Social Media will be conducted annually.
Page 24	Remote Access	Removed the policy as it relates to portable equipment due to the adoption of a telecommuting policy.
Page 26	Overtime	Added discipline language to address overtime without authorization.
Page 26/27	Compensable Travel	Clarifying language added for ease of understanding
Page 29	Benefits General Statement	Statement added to ensure the benefit basic plan document controls.
Page 29	Health Benefits	Updated description of health coverage. Outlined newly added health savings account information
Page 30	Short- and Long-Term Disability	Added language that allows employees to use sick and vacation time to supplement the short- and long-term benefit
Page 37	Annual Incentive Award	Updated language to outline current process for awarding incentives. Removed the requirement to include spot awards in the annual incentive cap due to the increased incentive budget. In an employee's first year of employment incentive is pro-rated as outlined in our guidelines.
Page 39	Paid Personal Day	Outlined the definition of a paid personal day as eight hours. Those on a compressed work week schedule must use an hour of vacation to make up their 9-hour workday.
Page 41	Transfer of Sick Leave	Added language to restrict the solicitation of sick donations by requiring approval from the HR Director.

Page 41	Paid Holiday	MFA pays for 8-hours holiday. Those on a compressed work week schedule must use an hour of vacation to make up their 9-hour work day.
Page 42	Bereavement Leave	Included stepchildren, domestic partners, and stepparents.
Page 44	Inclement Weather/office Closures	Language added to address those that telecommute. Telecommuters are not subject to inclement weather of office closures on days they are working from home. Also giving the option to staff to adhere to office closures due to weather.
Page 44	Leave of Absences	Leave of absence policy summarized.
Page 61/62	Reasonable Suspicion Testing	Notification to MFA of an arrest versus conviction and added employment language to address handling the arrest.
Page 73	Resignations	Removed language that prohibits staff from using sick time after submitting a resignation notice.

Other minor revisions are redlined throughout the document. The redlined document is included for your review.

Summary: Annually, the MFA Employee Manual is reviewed and updated. The Employee Manual is revised as needed for changes as it relates to compliance, audit findings, clarifications and changes in general practices.

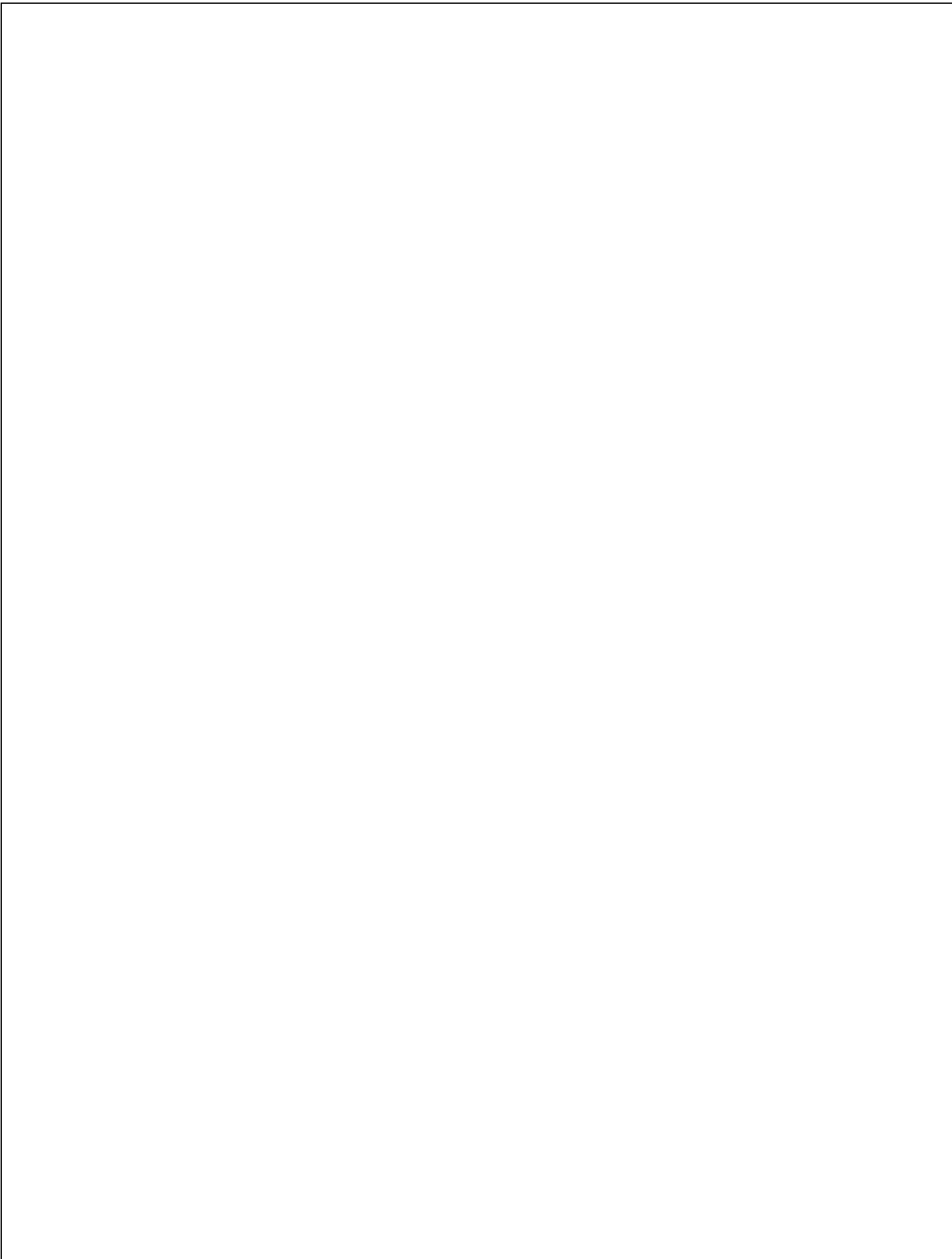


EMPLOYEE MANUAL
&
POLICIES AND PROCEDURES MANUAL

~~JANUARY 23, 2019~~ MARCH 18, 2020



Employee Manual



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INTRODUCTORY STATEMENT

The statements and policies contained in this Employee Manual (Manual) constitute guidelines for the New Mexico Mortgage Finance Authority (MFA) and its employees. MFA reserves the right and retains sole, absolute discretion to make unilateral exceptions to these guidelines in instances it deems appropriate to do so. Any statements contained in this Manual may be altered, amended, or dispensed with entirely, or new policies added, at any time and without advance notice by MFA. Changes or additions, if any, to the Manual shall be made only in writing and approved by MFA's Board of Directors (Board).

This Manual is not a contract of employment, nor is any provision in it meant to be part of any contract of employment either expressed or implied. Employment with MFA is at all times employment "at will." This means that either the employee or MFA may terminate the employment relationship at any time, for any or no reason, and with or without advance notice. No employee or supervisor of MFA, other than the Executive Director or his/her designee in writing, has the authority to enter into any agreement for employment for any specified period, or to make any agreement contrary to the provisions set forth in this Manual.

The statements and policies contained in this Manual and as implemented or revised from time to time shall become effective as approved by the Board of MFA and as disseminated to employees. This Manual supersedes and replaces all previously distributed editions of MFA's Employee Manual.

MFA MANDATE, VISION, MISSION, CORE VALUES AND EMPLOYER STATEMENT

MFA Mandate

In 1975 the New Mexico state legislature created the New Mexico Mortgage Finance Authority, a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality, with the power to raise funds from private investors in order to make such private funds available to finance the acquisition, construction, rehabilitation and improvement of residential housing for persons and families of low or moderate income within the state.

Vision Statement

All New Mexicans will have quality affordable housing opportunities.

Mission Statement

MFA is New Mexico's leader in affordable housing. We provide innovative products, education and services to strengthen families and communities.

Core Values

Responsive

To meet New Mexico's needs, MFA optimizes resources, cultivates partnerships and makes our programs accessible.

Professional

MFA upholds high personal and professional standards. We comply with regulations and ensure prudent financial stewardship.

Dynamic

MFA is a dynamic place to work. Our employees are our strength. We embrace diversity and provide opportunities for personal and professional growth.

Employer Statement

Our employees are key to our success. Each day presents new challenges as we are called upon to develop solutions that satisfy multiple cultural values and meet the rapidly changing environment.

MFA strives to provide safe working conditions; to pay competitive wages for employees' services; to deal fairly and honestly with all employees; and to promote a harmonious and friendly working environment.

Our goal is to provide the highest level of service, friendliness, and courtesy to all those we do business with; to promote and advocate sound financial decisions; and to create a rewarding working environment for our employees where there is mutual respect, trust, and opportunity for personal and professional growth and development.

Equal Employment Opportunity Statement

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at MFA will be based on qualifications, abilities, and merit. It is the policy of MFA to recruit, employ, and provide compensation, benefits, promotion, training and other conditions of employment, without regard to an applicant's or an employee's race, color, religion, sex, national origin, ancestry, age, disability, serious medical condition, sexual orientation, gender identity, marital status, genetic information, status as a veteran, or any other factors identified and protected by federal, state, and local discrimination laws. This Equal Employment Opportunity statement is consistent with the requirements of the Cranston-Gonzales National Affordable Housing Act.

The Americans with Disabilities Act (ADA) & ADA Amendments Act (ADAAA)

The ADA of 1990, as amended by the ADAAA, protects qualified employees and applicants with disabilities from discrimination by employers based on their disabilities.

MFA does not discriminate against people with disabilities or serious medical conditions and will provide reasonable accommodation to otherwise qualified individuals with disabilities, including pregnant employees who are temporarily disabled or who have an impairment resulting from pregnancy, in accordance with the ADAAA.

A reasonable accommodation may be provided when it enables the employee to perform the essential functions of the job, unless it can be demonstrated that such an accommodation will impose an undue hardship on the conduct of the business at MFA. In determining the extent of accommodations to be made, MFA may consider the business necessity of having employees with certain qualifications in certain jobs, and the financial and administrative costs of making requested accommodations.

The Human Resources Director is designated as the ADA Coordinator. Employees have a responsibility to notify the ADA Coordinator if they feel in need of a reasonable accommodation, or if they believe MFA is in violation of the ADAAA.

HIRING POLICIES & PROCEDURES

Hiring Procedures

The following rules and procedures will be followed in the hiring process:

- It is the responsibility of managers to recommend filling or creating a position.
- All prospective applicants must complete an employment application. The hiring process, including all interviews, will be conducted in a non-discriminatory manner.
- If employment fees are involved, such as those charged by a placement agency, the payment or non-payment will be determined by Management on an individual basis prior to a job offer being extended. As used in this Manual, the term “Management” is defined as the Executive Director, Deputy Directors, and the Human Resources Director.
- MFA shall check references of applicants prior to a job offer being extended.
- MFA ~~shall~~ will only conduct pre-employment background checks of applicants consistent with guidelines issued by the Equal Employment Opportunity Commission (EEOC) and consistent with applicable state and federal law. If employment already has commenced, continued employment will may be contingent upon results of the background check.
- MFA relies on the accuracy of data provided by an applicant including that in the employment application. Any misrepresentations, falsifications or material omissions in any of the data provided by an applicant, including in an employment application, may result in an applicant being excluded from further consideration for employment or, if an individual has already been hired, termination of employment.
- MFA may administer tests applicable to the position; provided, however, that all applicants for a position will be given the same test or tests.
- The Human Resources Director will recommend the appropriate salary to be offered and other terms and conditions of employment for final approval from ~~the~~ Executive Director.

Background Checks

MFA is committed to having well-qualified and professional staff capable of performing the essential functions of the positions for which they were hired. MFA also is committed to the protection of all those who do business with MFA including clients, members of the community, staff, visitors and others as well as to the protection of its resources, finances and business reputation. All employees may be subject to background checks at the discretion of MFA. Checks may include, but not necessarily be limited to, checking driving records, educational records, criminal records and credit histories. Background checks will be done in compliance with guidelines issued by the EEOC and applicable state and federal law including the federal Fair Credit Reporting Act.

Employment of Relatives

~~MFA will not employ any relatives of current employees. The term “relative” for purposes of this policy means spouse, children (including stepchildren), mother, father, brother, sister, grandparent, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, uncle, first cousin or anyone residing in the employee’s household.~~

~~In the event that two employees marry while employed at MFA, it is within Management’s discretion to determine which employee will remain employed by MFA. This determination will~~

consider, but will not be limited to, the needs of MFA, each employee's position and his/her length of employment.

MFA is committed to a policy of employment and advancement based on qualifications and merit and does not discriminate in favor of or in opposition to the employment of relatives. MFA also wants to ensure that its employment practices do not create situations such as conflict of interest or favoritism based on employment of relatives. Therefore, relatives, partners, those in a dating relationship, or members of the same household are not permitted to be in positions that have reporting responsibility to each other **nor are they permitted to have any influence (direct or indirect) on the hiring, promotion, pay discipline, or any other material terms and conditions of employment of each other.**

;

The term "relative" for purposes of this policy means spouse, domestic partner, children (including stepchildren), mother, father, brother, sister, grandparent, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, uncle, or first cousin.

Individuals will not be hired or promoted into a position that would create a violation of this policy. If employees begin a dating relationship or become relatives, partners, **those in a dating relationship,** or members of the same household, and one party is in a supervisory position, the person in the supervisory position is required to immediately inform the Executive Director and/or the Human Resources Director of the relationship. MFA will then strive to resolve the situation within thirty (30) days. The resolution may include transfer or, if necessary, termination of one of the employees.

If there is a situation where an action of MFA, such as a reorganization or a reduction in force, results in an involuntary circumstance in which relatives, partners, or members of the same household may be reporting to each other, MFA will strive to reassign one of the employees within thirty (30) days. During those thirty (30) days, the supervisory employee cannot provide direct input in any employment decisions involving the other employee.

MFA reserves the right to apply this policy to situations where there is a conflict or the potential for conflict because of the relationship between the parties, even if no reporting relationship or authority is involved. In these situations, MFA will strive to reassign one of the employees within thirty (30) days.

Any exceptions to this policy must be approved by the Executive Director and Human Resources Director. Written justification for the exception must be submitted to the Human Resources Director prior to any employment decisions. **Moreover, the hiring and/or promotion of any relative, partner, or member of the same household of the Executive Director must be approved by the MFA Board.**

Any employee who violates this policy, including by hiring, promoting, or influencing any employment decision involving a relative, partner, or member of the same household, will be subject to discipline, up to and including termination.

HUD-FHA Programs

Any individual, who is debarred, suspended or subject to a Limited Denial of Participation or otherwise restricted from participation in HUD-FHA programs will not be hired into HUD origination, underwriting or servicing type positions with MFA. All employees will be checked against the Debarred List and the Limited Denial of Participation List at date of hire and semi-annually thereafter. Continued employment will be contingent upon results obtained.

TYPES OF EMPLOYMENT

MFA classifies employees into the following categories for purposes of determining their eligibility to receive benefits and whether they must be paid overtime compensation in accordance with the Fair Labor Standards Act (FLSA):

Full-Time Employee

An employee who is hired for an indefinite period, and who is scheduled to work forty (40) hours per workweek and eighty (80) hours per pay period, and two thousand and eighty (2080) hours annually on a regular basis. Full-time employees are eligible for employee benefits.

Part-Time Employee with Benefits

An employee who is hired to work twenty (20) hours or more per week but less than forty hours (40) hours per workweek on a regular basis. Part-time employees with benefits are eligible for certain employee benefits as described in this Manual.

Part-Time Employee without Benefits

An employee who is scheduled to work less than twenty (20) hours per workweek on a regular basis is not eligible for any employee benefits.

Temporary Employee

An employee who is assigned to MFA by a temporary staffing agency. Temporary employees are not eligible for any employee benefits.

Term Employee

An employee who is hired by MFA for a specific amount of time. Term employees may be eligible for employee benefits. The hiring of a term employee and the conditions of the employment must be approved and authorized by the Executive Director.

Exempt Employee

An employee whose position meets specific tests established for exemption from overtime pay requirements under the FLSA. Exempt employees are not eligible for compensatory time or overtime. Exempt employees are expected to work whatever hours are necessary to perform the duties of their positions. From time-to-time and in certain situations exempt employees may ~~have the need be permitted~~ to work from home. ~~All requests to work from home must be approved in advance by the Executive Director.~~

Nonexempt Employee

An employee whose position does not meet FLSA exemption tests and who must be paid, at the rate of time and a half, of his/her regular rate of pay for all hours worked in excess of forty (40) in one workweek, as required by federal and state law.

Outside Employment

Any employee wishing to engage in outside employment (including self-employment) while employed by MFA must obtain the approval of the Executive Director prior to accepting outside employment and must be approved by the Executive Director on an annual basis. Anyone already engaged in outside employment must disclose this upon hire. The MFA Board must approve any outside employment by the Executive Director prior to his/her accepting such employment.

In addition to the above categories of employees, MFA may, from time to time, use **Independent Contractors** to provide specific products or services. All Independent Contractors will work under a detailed Independent Contractor Agreement which will meet the requirements for an independent contractor relationship as set out by the Internal Revenue Service (IRS). Independent Contractors are not employees of MFA and, therefore, are not eligible for employee benefits.

NEW EMPLOYEE ORIENTATION

Responsibilities for orientation of new employees are as follows:

~~Within the first two (2) weeks of employment~~ Human Resources will provide the new employee a comprehensive Organizational Orientation with all of management.

Human Resources ~~Coordinator~~Assistant's Responsibilities

- Completing all pertinent paperwork
- Entering all required payroll data
- Providing job descriptions
- Providing Employee Manual
- Explaining the employee benefits plans
- ~~Setting a first day agenda~~
- Photographing new employee and sending to respective supervisor
- Notifying the Facilities Technician for access to building
- Notifying the ~~Chief Information Officer, via e-mail~~Information System's department, via work ticket, for computer and phone access

Supervisor's Responsibilities

- ~~Sending an e-mail~~A-announcement to all MFA employees informing them of the new hire and starting date, via intranet.
- Giving employees a tour of the office and introducing employees to all other employees
- Signing of Job Description
- Setting Goals
- Reviewing Employee and Policies and Procedures Manual

Facilities Technician's Responsibilities

- Review security system
- Review Emergency Management Plan
- Assigning of keys and FOB
- Review procedures for ordering supplies
- Review fire exits

Information System's Responsibilities

- Phone training to include initial voice message recording
- ~~Computer set-up and training~~
- Review of Data Security Policy

Receptionist Responsibilities

- Explaining copier and fax machine use

GENERAL OFFICE POLICIES

Conduct in General

Employees' actions should reflect a professional image while representing MFA. MFA expects its employees to conduct themselves in a manner that would reflect favorably on MFA and in accordance with MFA's Code of Conduct (which is set out in Section 1.2 of MFA's Policies and Procedure Manual). MFA expects each employee to conduct himself/herself in such a manner as to be a credit to MFA. Employees are expected to treat one another, associates, customers, and visitors respectfully. Employees are further expected to be supportive of their colleagues and respect the privacy and human dignity of all persons with whom they come into contact.

Internal Conduct

MFA expects its employees to be considerate and respectful of co-workers. In determining appropriate cubicle and office etiquette, employees are to consider the appropriateness of conversation, behavior, use of cell phones and any other noise factors that may be distracting to co-workers.

Reporting Suspected Fraud, Waste & Abuse and/or Unethical or Illegal Practices

All MFA board mMembers, mManagement, employees, contractors, sub-contractors, grantees, sub-recipients and business associates must maintain the highest ethical standards in conducting company business. It is MFA's intent that all board mMembers, Mmanagement, employees, contractors, sub-contractors, grantees, sub-recipients and business associates will conduct business with honesty and integrity and comply with all applicable laws and regulations in a manner that excludes considerations of personal advantage or personal gain, and will not seek or accept for themselves any gifts, favors, entertainment, or payments, without a legitimate business purpose.

All MFA board Mmembers, Mmanagement, employees, contractors, sub-contractors, grantees, sub-recipients and business associates should avoid any situation that involves or may involve a conflict between their personal interests and the interests of MFA.

Whistleblower Protection

It is the responsibility of all employees, regardless of classification, to report suspected fraud, waste and abuse, and/or unethical or illegal activities engaged in by any MFA board mMember, mManagement or eEmployee, which violates federal or state laws or regulations, a state administrative rule, a law of any political subdivision of the state, or MFA's Code of Conduct. All reports are anonymous unless the individual making the report chooses otherwise. To ensure anonymity and encourage compliance with best practices, MFA has contracted with a third-party service provider to receive reports of fraud, waste and abuse and/or unethical or illegal activities. Individuals may report such activities anonymously by:

Calling toll free (877)778-5463, 24 hours a day, 7 days a week

Username: nmmfa

Password: housing

E-mailing

www.reportit.net

Username: nmmfa

Password: housing

All reported activities received through the *Report-It* hotline/website, by written or verbal communication, or via telephone will be treated the same and will be promptly investigated by MFA, which may include engagement of a third-party investigative services provider if deemed necessary. Upon completion of the investigation, MFA will take appropriate action should the reported activities be substantiated and determined to be fraudulent, unethical, illegal and/or in violation of MFA's Code of Conduct.

If the individual making the report chooses not to remain anonymous, he/she will be made aware of the outcome of the investigation. All individuals who make substantiated reports will be protected from discharge, demotion, discrimination, or any other type of retaliation. Allegations of retaliation may be reported to (877)778-5463 or at www.reportit.net. All reports of retaliation also will be promptly investigated by MFA, which may include engagement of a third-party investigative services provider if deemed necessary. Upon completion of the investigation, MFA will take appropriate action if the reported retaliation is substantiated.

Complete information on how to report fraud, waste and abuse, and unethical or illegal activities can be found on Report-It flyers posted within MFA's premises and on MFA's website at www.housingnm.org.

Protection of Confidential, Sensitive or Proprietary Information

During employment, employees may acquire knowledge of materials, procedures, and information of a confidential, sensitive or proprietary nature. Much of the personal information that is contained in MFA files, and/or that enters MFA either electronically or physically in the course of business, is considered "sensitive" or proprietary information owned by MFA that must be kept confidential and protected from exposure to persons, including MFA employees, contractors and agents not authorized to access the information in order to conduct MFA business.

Confidential, sensitive or proprietary information that might be present in MFA files or enter MFA during the normal course of business consists of, but is not limited to:

- Social Security numbers
- Credit card/debit card numbers, security codes, access codes, passwords
- Bank account information
- Personal data, birthdates, family members' names and ages, home addresses, phone or fax numbers, home e-mail addresses
- Driver's license number, photocopy of driver's license, vehicle identification number, any number that can be used to identify an individual
- Criminal records
- Employment and educational records
- Medical history
- Finger and voice prints
- Photographs
- Registration, membership or admission of participation in an organization or activity

To safeguard confidential, sensitive or proprietary information employees shall take particular care with the following:

- Fax machines
- Copiers
- Desktops
- Computers and all other electronic devices
- Paper and electronic files/storage
- Shredding bins
- Recycling bins
- Keys to file drawers, office doors, and storage areas

Business Hours

MFA's regular **business hours** are 8 a.m. to 5 p.m. Monday through Friday.

Attendance

~~MFA expects its employees to be considerate and respectful to coworkers by adhering to established working hours. Employees are expected to report to work on time.~~

Standard Workweek

For payroll purposes (e.g. calculation of overtime) MFA's **standard workweek**, for non-flexible schedules, runs from 12:00 a.m. on Saturday through 11:59 p.m. on the following Friday. The compressed workweek begins at noon on Fridays. However, depending on workloads, supervisors may deem it necessary to adjust hourly employees' working hours.

Work Hours and Flexible Work Schedules

Work Hours – Schedule Options

MFA strives to maintain a work schedule that balances the business needs of the MFA and the personal and family needs of its staff members. To this end, options have been developed to accommodate most staff needs while maintaining or enhancing MFA business performance.

The standard and official hours of business of the MFA are 8 a.m. to 5 p.m. Monday through Friday. These hours may be extended or changed for the benefit of MFA as directed by the Executive Director. During these hours, all business groups are expected to have sufficient employee coverage to ensure that the group is fully functional. The hours of 9 a.m. to 3:30 p.m. are designated as core hours. Unless otherwise approved, all full-time employees must include these core hours within their set schedules. The basic workweek for full time employees is forty (40) hours.

All employees, both exempt and non-exempt, are expected to work the standard schedule unless an alternate schedule is approved by their supervisor and Deputy Director. Alternative schedule options are outlined below. Alternative schedules cannot be guaranteed and may be discontinued temporarily or permanently by MFA at any time to meet the business needs of the MFA or for performance related issues.

Option One – The **Flexible Hours Schedule** – Under this option the employee will work eight (8) hours daily, regularly scheduled, Monday through Friday. This regular schedule may begin as early as 7 a.m. and end as late as 6 p.m. A minimum of a one-half hour unpaid lunch break must be included in the schedule. This daily schedule must include the core hours of 9 a.m. to 3:30 p.m.

Option Two – ~~The 9/80 – Alternating Fridays Off Schedule~~ **Compressed Work Week** – Under this option, a schedule will consist of four (4) nine (9)-hour days, Monday through Thursday and an eight (8) hour day on Friday of week one and four (4) nine (9)-hour days, Monday through Thursday with Friday off in the following week. The hours will be regularly scheduled and may begin as early as 7 a.m. and end as late as 6 p.m. A minimum of a one-half hour unpaid lunch break must be included in the daily schedule. This daily schedule also must include the core hours of 9 a.m. until 3:30 p.m. On the Friday worked, non-exempt staff must work four (4) hours before 12:00 Noon and four (4) hours must be worked after 12:00 Noon. For pay purposes, the work week is seven (7) consecutive days beginning at 12:00 Noon on Friday. This option will require that staff be assigned to one of two groups. Group one will start the two-week rotation in week one, the second group will start the two-week rotation in week two. Supervisors will manage Group assignments to ensure full coverage and continuity of operations. Employees may enter into a compressed schedule at the first pay period of the month. Not all departments may be able to grant flexible schedules to all non-exempt employees. This decision is left to the discretion of the supervisor.

When establishing flexible work hours for non-exempt employees, supervisors must notify the Human Resources Director to ensure compliance with the FLSA. The Human Resources Director must be informed of all flex schedules upon approval. Exempt employees are expected to work whatever hours necessary to get the job done.

To review the Compressed Work Week ~~Policy~~ Guidelines, employees should refer to MFA's Intranet.

Option Three-Telecommuting-Telecommuting allows employees to work at home or in a satellite location for part of their regular work week. Telecommuting is a voluntary work alternative that may be appropriate for some employees and some jobs and must be designed and authorized based on business needs. Telecommuting is not an entitlement, and it in no way changes the terms and conditions of employment with MFA. Telecommuting can be intermittent or recurring.

a) Intermittent – Telecommuting may be appropriate on an intermittent, basis for employees who, for example, are working on special projects requiring limited distractions and increased focus, have a short-term medical need to work from home, have weather-related safety concerns, or are experiencing a family care emergency, etc. Intermittent telecommuting may must be approved in advance and in writing by the respective Deputy Director.

b) Recurring – Telecommuting can be planned and structured or can be a floating/flexible schedule. Before entering into any recurring telecommuting arrangement, employees and their supervisor, with the assistance of Human Resources, will evaluate the suitability of such an

arrangement. Each recurring telecommuting request will be assessed on a case-by-case basis and must be approved in advance and in writing by the employee's immediate supervisor and Deputy Director.

An employee must have satisfactorily completed one year of continuous regular employment and be meeting or exceeding performance expectations. Staff who transfer/promoted to another position must have satisfactorily completed a three-month period in their new role and be meeting or exceeding performance expectations.

Telecommuting arrangements may be discontinued at any time at the request of either the telecommuter or by MFA.

The maximum telecommuting schedule is one day for supervisors and two days for non-supervisory staff per week. Specific days shall be determined by the employee's supervisor in consultation with the employee and any other divisions impacted by the employee's work. Those on a compressed schedule may telecommute two days a week during the week in which they are scheduled for five days and only one day during the week in which they are scheduled for four days a week.

Exceptions to maximum number of allowed telecommuting days is at the discretion of the deputy directors.

To review the Telecommuting Policy and Agreement in its entirety, employees should refer to MFA's Intranet.

Absence Attendance

Timely and regular attendance is an expectation and requirement of performance for all MFA employees. To ensure adequate staffing, positive employee morale, and to meet expected productivity standards throughout the organization, employees will be held accountable for consistently adhering to their workplace schedule.

Absences must be arranged with the employee's supervisor as far in advance as possible. If an employee must leave early or take time off during the day, the employee must request prior approval from his/her supervisor. Such absences may be made-up during the workweek unless accrued vacation or sick leave can be appropriately applied. Unexpected absences should be reported to the employee's supervisor no later than thirty (30) minutes before the employee's scheduled start time. If an employee has not reported for work and has not called in to report the absence for that day, this may be considered ~~abandonment of the employee's position depending on the circumstances of the absence~~ absent without leave -and may be subjected to discipline, up to termination. If an employee has been absent without leave for three (3) consecutive workdays, the employee will be deemed to have abandoned his/her job.

Supervisors will monitor their employee's attendance on a regular basis and address unsatisfactory attendance in a timely and consistent manner. Employees who have exhibited unsatisfactory attendance will be disciplined accordingly.

Breaks

Employees may take a paid fifteen (15) minute break for every block of four (4) hours worked. Breaks are not to be taken in conjunction with the beginning of a workday, lunch break, or end of a workday.

Lunch

Lunch schedules need to be responsive to meeting the needs of those MFA serves. Supervisors must ensure their departments are covered appropriately so that everyone does not routinely go to lunch at the same time. Non-exempt employees working six (6) hours or more are required to take at least a thirty (30) minute, uninterrupted lunch break for which they are not compensated; provided, non-exempt employees must be completely relieved of all duties during such lunch breaks. Lunches and breaks are not to be taken in conjunction with the beginning of a workday or end of a workday.

Scent Sensitivity

Recognizing that employees may have sensitivities or allergies to fragrant products, including but not limited to perfumes, colognes, fragrant body lotions, hair products, or other scented products including candles, room sprays and air fresheners, MFA asks, out of concern for others in the workplace that employees use these scented products in moderation; subject to restrictions.

Attire

All employees are expected to dress in a manner suitable to a professional office. Human Resources will provide dress guidelines and acknowledgement at the time of hire. Unless otherwise stated by the Executive Director or his or her designee, each Friday will be a casual day, during which jeans and tennis shoes may be worn.

Supervisors are responsible for ensuring the proper appearance of their staff. Each supervisor has the discretion to send an inappropriately dressed employee home to change his/her clothing. The employee will be required to make up this time.

From time to time the Executive Director or the Human Resources Director may alter the dress guidelines for special occasions.

Smoking

As provided by local ordinance and state law, the use of tobacco, including cigarettes, chewing tobacco and e-cigarettes, in any indoor workplace of MFA is prohibited. Smoking cigarettes and e-cigarettes also is prohibited near any entrance, window or ventilation system of any MFA workplace. [Smoking is only allowed in specifically designated locations.](#)

Children in the Workplace

MFA supports a family environment and welcomes brief visits from family members, children and grandchildren. MFA also realizes that from time to time situations may arise which require an employee to bring his/her child(ren) to work to accommodate a last-minute need; however, children are not to be brought to the workplace on a regular basis in lieu of childcare. The purpose of this policy is to provide guidelines for an employee bringing his/her child(ren) to work.

An employee may bring his/her child(ren) to work in the event of an emergency (a last-minute need). Under these circumstances, MFA asks that child(ren) be on MFA property for brief periods of time not to exceed two (2) hours and that an employee attempt to ensure that such instances are infrequent. It is important that an employee maintain supervision of his/her child(ren) as appropriate at all times while the child(ren) are on MFA property. An employee will be responsible for any damage caused by his/her child(ren) while on MFA property. Further, no ill child(ren) may be brought by any MFA employee onto MFA property.

MFA also encourages and supports time off and allows flexibility in an employee's work schedule to accommodate unanticipated childcare needs. An employee should work with his/her supervisor to come up with an agreed upon alternate schedule if appropriate.

It is important that MFA provide these guidelines to balance the requirements of its business as it relates to safety, and productivity, with the needs of MFA employees by providing some flexibility. An employee must immediately notify his/her supervisor should the employee have a need to bring his/her child(ren) to work. The supervisor will notify the appropriate Deputy Director and Human Resources.

Nursing Mothers

MFA complies with state and federal law and provides flexible break time and a clean private space (not a restroom) for a nursing mother to use a breast pump at work. If an employee does not use a regular paid break for the purpose of expressing milk, she will not be paid for this time and no employee will be entitled to overtime for time spent using a breast pump. MFA will not be responsible for the storage or refrigeration of breast milk.

Solicitation

No solicitations of any kind, ticket or merchandise sales, or distribution of literature are permitted at any time by non-employees within MFA building or on MFA premises. MFA employees are prohibited from solicitation or participation in any solicitation activities while the employees are on working time or, at any time, in a working area of MFA.

Upon approval by the Executive Director or Human Resources Director, limited charitable exceptions to this policy may be made for promoting fund raising events for school related or extracurricular activities on MFA premises. Upon approval, solicitations may be posted on MFA's Intranet.

Religion in the Workplace

MFA will reasonably accommodate an employee's sincerely held religious, ethical or moral beliefs or practices unless doing so would impose an undue hardship on MFA. Employees seeking some type of religious accommodation should contact the Human Resources Director. MFA also prohibits all forms of harassment in the workplace including harassment based on religious beliefs or the lack of such beliefs. Such harassment occurs when an employee is required or coerced to abandon, alter, or adopt a religious practice as a condition of employment. While MFA does not prohibit religious-related events during non-working time, such as during breaks or over the lunch hour, participation in such events must be strictly voluntary and no supervisor or manager can require an employee or he/she supervises to attend such events.

Interjecting religious activities, such as prayers, into business events during working hours is not permitted.

Participation in MFA's Housing Programs and Disclosure

Employees of MFA can participate in housing programs. Employees participating in such programs should recognize that certain co-workers may have financial information required to apply for and participate in such programs. Personal information, financial information, personal household information, information about performance under such programs, and more are contained in program files. If an employee does not want such information revealed to co-workers whose job it is to administer these programs, the employee may not want to participate in the programs MFA offers. An employee should notify the respective Program Director in advance of participating.

ACCEPTABLE USE AND DATA SECURITY

Software License Compliance

MFA is legally responsible for all software used by employees on MFA computers. Therefore, the installation of all software purchased, or downloaded from the Internet for evaluation or purchase, must be performed and approved in advance by the Information Systems Department.

Most software licensing agreements do not allow for copying. Therefore, it is prohibited as well as illegal to copy MFA-purchased software. The Information Systems Department will advise staff of software that can be copied.

Data Loss/Breach

All users have a responsibility to promptly report the theft, loss or unauthorized disclosure of MFA proprietary information. In the event of a verified breach of MFA customer data, the Data Breach Notification Procedures will be implemented.

Removable Media

MFA staff may only use MFA removable media in their work computers if it has been approved by IT and is encrypted. MFA removable media may be connected to or used in computers that are not owned or leased by the MFA if required for business purposes. Sensitive information should be stored on removable media only when required in the performance of your assigned duties or when providing information required by other state or federal agencies. When sensitive information is stored on removable media, it should be encrypted. Due to the risk of introducing a computer virus into MFA's computer and telephone systems, MFA has implemented the automatic scanning of all removable media used. The downloading and/or installation of unauthorized programs on removable media, or unauthorized file types from removable media, CD or the Internet, is strictly prohibited. Unauthorized file types include, but are not limited to, software, executable scripts, music files and movie files.

Security

The Information Systems Department will provide security levels based upon the processing requirements of the user. The employee's supervisor and the Information Systems Department must approve subsequent requests for security level changes. Workstations will automatically be locked after ten minutes of being idle.

Passwords

All users are required to change their passwords for MFA's internal systems every three (3) months. The Administrator/IT Department's password is subject to guidelines detailed in the Information Systems Policies Manual.

Passwords must be a minimum of twelve (12) characters in length; may not be the same as the user ID; and require a combination of any two of the following: alpha, numeric, and special characters. Previously used passwords can be reused after seven (7) password changes have occurred. It is strongly suggested to avoid using common passwords or dictionary words as they are easily guessed. Passwords are case sensitive. A very secure password can be created using

these guidelines (example, @TmB1w2yPR9! “This may be one way to remember”- do not use this password example).

Users should change passwords on systems external to MFA every three (3) months, or as required, following the guidelines for such external sites. Users should not use the “Remember Password” feature of applications such as web browsers.

Anyone suspecting his/her password may have been compromised must report the incident to Information Services and change all passwords.

Backups

MFA network systems are backed up completely each business day. Provisions have been made for off-site storage daily. A log is maintained by the Information Systems Department, documenting the schedule and completion of all backups. Backups are not performed on individual PC’s internal hard drive.

Requests to archive seldom-used large files or images to CD should be directed to the Information Systems Department.

Training

Trained personnel can more effectively contribute to the overall success of MFA. An integral part of employee self-improvement is training. It is incumbent upon the employee to become involved in self-study methods to learn PC fundamentals and become skilled in the software applications he/she uses.

To assist in managing risk related to the potential compromise of network systems and data security, MFA will maintain a security awareness training and education program. The security awareness and education program will help MFA document, communicate, and train employees on security best practices and concepts.

On an annual basis (when preparing budget) the Chief Information Officer, with the input of department directors, will determine third-party training requirements needed for software applications. Efforts will then be made by supervisors to schedule staff for training at times convenient to MFA and during normal work hours, if possible.

E-Mail

All information that is transmitted through MFA’s e-mail system is considered MFA property and is subject to Management’s review. The communication of confidential information including but not limited to Personal Identifiable Information (PPI), which may be detrimental to the professional or economic operation of MFA should always be protected and encrypted when being transferred. All MFA data contained within an email should not contain unauthorized attachments, like software, shareware, executable scripts, music files, music and the like. MFA reserves the right to monitor e-mail usage and to access any e-mails sent or received through MFA’s e-mail system at any time, in Management’s sole discretion, in order to ensure proper usage and identify any misuse of the system. Therefore, employees shall not have any reasonable expectation of privacy in connection with their use of MFA’s e-mail system, regardless of whether an e-mail communication sent or received is personal or business related.

Copies of MFA e-mails may be requested by employee with Management approval. E-mail messages received from an unknown source and/or that contain suspicious content should not be opened and should be deleted immediately. E-mails that are not of a business nature and that are directed to “all employees” must be approved by the Human Resources Director prior to being sent.

Any misuse of MFA’s e-mail system is considered misconduct and may result in disciplinary action, up to and including termination of employment, in Management’s sole discretion.

Misuse of e-mail includes, but is not limited to, the following examples:

- Sending or forwarding e-mails containing discriminatory, harassing, ~~or~~ defamatory, or unprofessional statements about MFA employees, associates or customers
- Communication of confidential information that may be detrimental to the professional or economic operation of MFA
- Sending or forwarding e-mails that are threatening, intimidating or coercive in nature
- Sending or forwarding non-business-related e-mails that are disruptive to the workplace
- Sending or forwarding e-mails that are not acceptable in a professional workplace
- Sending or forwarding e-mails that advocate specific religious or political beliefs
- Sending non-business-related e-mails using an official MFA position title for personal gain or influence
- Solicitation of any kind, collection for any purpose, ticket or merchandise sales, or distribution of literature, while the employees are on working time, unless approved by the Executive Director or Human Resources Director.
- Sending unauthorized file attachments or saving received unauthorized file attachments. Unauthorized file attachments include, but are not limited to, software, shareware, executable scripts, music files and movies.
- Accessing non-MFA e-mail systems from MFA computers for personal use. Examples include, but are not limited to: Yahoo, MSN, and Gmail.
- ~~Participation in any instant messaging programs~~
- Participation in any non-business on-line chat programs

Clean Desk

The purpose of this policy is to establish the minimum requirements for maintaining a “clean desk” to ensure sensitive/confidential information about MFA employees, intellectual property, customers and vendors is properly secured.

- Authorized users are required to ensure that all sensitive/confidential information in hardcopy or electronic form is secure in their work area at the end of the day and when they are expected to be gone for an extended period.
- Computer workstations must be locked when workspace is unoccupied.
- Any restricted or sensitive information must be removed from the desk and locked in a drawer when the desk is unoccupied and at the end of the ~~work day~~ workday.
- File cabinets containing restricted or sensitive information must be kept closed and locked when not in use or when not attended.

- Keys used for access to restricted or sensitive information must not be left at an unattended desk.
- Passwords may not be left on sticky notes posted on or under a computer, nor may they be left written down in an accessible location.
- Printouts containing restricted or sensitive information should be immediately removed from the printer.
- Upon disposal restricted and/or sensitive documents should be shredded in the official shredder bins or placed in the locked confidential disposal bins.
- Whiteboards containing restricted and/or sensitive information should be erased.
- Any portable computing devices such as laptops and tablets should be locked away.
- Mass storage devices such as CDROM, DVD or USB drives should be treated as sensitive and secured in a locked drawer.
- All printers and fax machines should be cleared of papers as soon as they are printed; this helps ensure that sensitive documents are not left in printer trays for the wrong person to pick up.

Intranet

Subject to the provisions of MFA's Solicitation Policy, any employee may post comments on MFA's Intranet Bulletin page. The Bulletin page is not intended to be used as a social networking site similar to Facebook, Twitter, etc. The following are examples of the kind of topics about which comments might be posted on the Intranet Bulletin page:

- Birth or adoption announcements
- Items for sale or donation
- Wanted items
- Lost items
- Interested carpoolers
- School-related fund raisers
- Upcoming events
- Limited charitable causes
- Garage/yard sales

Employees should remember that all comments posted on the Bulletin page may be read by any employees. Therefore, discretion must be exercised when posting comments so as not to offend fellow co-workers and to protect the privacy of others. Posts must be set with an expiration date or removed manually from the bulletin page at its conclusion.

Internal Controls

A system of written controls for the Information Systems function will be maintained by the Chief Information Officer and reviewed periodically by an independent expert.

The controls shall include, but not be limited to, procedures pertaining to backup, logical and physical security controls, and Help Desk maintenance. The controls are made part of the Information Systems Policy.

Internet

As a general rule, use of MFA's Internet access by employees is permitted only where such use supports the goals and objectives of MFA. Employees are expected to use the Internet responsibly and productively. Internet usage should be limited to job-related functions, including research and educational activities that assist in performance of job responsibilities. Engaging in Internet activities that waste MFA resources and staff time constitutes a violation of this policy.

All Internet data that is composed, transmitted and/or received through MFA's computer systems is considered MFA property. MFA reserves the right to monitor Internet traffic and to access and review any information that is composed, sent or received through MFA's online connections at any time. Therefore, employees shall not have any expectation of privacy in connection with their use of MFA's Internet access. Any misuse of MFA's Internet access is considered major misconduct and may result in disciplinary action up to and including termination of employment at Management's sole discretion.

Misuse of MFA's Internet access includes, but is not limited to:

- Visiting sites that contain obscene, hateful, pornographic, violent or otherwise illegal material
- Visiting gambling sites or web-based email sites
- Sending or posting discriminatory, harassing, or threatening messages or images
- Sending or posting information that is defamatory to MFA, its products/services, employees, associates and/or customers
- Sharing— confidential information that may be detrimental to MFA customers, associates, employees or to the professional or economic operation of MFA
- Sending or posting chain letters
- Solicitation of any kind, collection for any purpose, ticket or merchandise sales, or distribution of non-MFA related literature, while the employees are on working time, unless approved by the Executive Director or Human Resources Director
- Downloading, copying or pirating software and electronic files that are copyrighted or without authorization, including but not limited to shareware, executable scripts, music files, and movie files
- Using the Internet to access and play games
- ~~Participating in any instant messaging programs~~
- Participating in any non-MFA related chat programs

If an employee is unsure about what constitutes acceptable Internet usage, then the employee should ask his/her supervisor for further guidance and clarification.

MFA's Internet Usage Policy applies where Internet access is provided by MFA for non-MFA owned devices.

Social Media

MFA recognizes the importance of the company's website, intranet and its social media accounts in shaping external and internal opinions about MFA and its current and potential services and products, employees, partners and customers. MFA also recognizes the importance of employees' involvement in social media and the intranet. MFA is committed to supporting employees who participate in these activities while protecting the MFA brand and reputation. To that end, the following policies apply to MFA's social media accounts, the personal social media accounts of MFA employees and employee intranet and MFA website activities.

Brand Guidelines

MFA has invested time and money in its brand and reputation. In order to protect that brand, images and names associated with MFA must always be represented in a professional manner.

Confidentiality

Employees are prohibited from revealing any MFA confidential or proprietary information, trade secrets or any other material covered by MFA's confidential information policy when engaged in social media or when on external websites. Employees are expected to follow MFA's ~~confidentially~~confidentiality policy.

Roles and Responsibilities of MFA's Communications and Marketing Department

MFA's Communications and Marketing Department is solely responsible for the management, engagement, publishing and removal of content on all MFA social media accounts. Suggestions for posts to MFA accounts are welcome; employees should contact the Communications and Marketing Department.

Removal of Posts and Edits from MFA's Online Platforms

MFA does not discriminate against viewpoints nor does it agree with or endorse comments that are posted on its accounts. Employees are fully responsible for the content of the posts and edits they make on MFA platforms. However, MFA reserves the right to delete posts or edits that are determined to be inappropriate.

Training

To assist in managing risk related to accessing and contributing to social media sites, MFA will train employees annually regarding the policies that apply to MFA's social media accounts, the personal social media accounts of MFA employees as well as employee intranet and MFA website activities.

~~MFA recognizes the importance of the Internet in shaping public thinking about MFA and its current and potential services, employees, associates, and customers. MFA also recognizes the importance of its employees joining in and helping shape industry conversation and direction through interaction in social media. MFA is committed to supporting employees' rights to interact knowledgeably and socially on the Internet through interaction in social media. For the purposes of this policy, social media is defined as any media for online publication and commentary, including but not limited to blogs, wiki's, and social networking sites such as~~

~~Facebook, LinkedIn, Twitter, Flickr, and You Tube. This Social Media Policy is not intended to alter in any way MFA's Internet and E-mail Policies which remain in effect in MFA's workplace.~~

Guidelines for Interaction about MFA on the Internet

- If an employee is developing a website or using social media that will mention MFA and/or current and potential services, employees, associates, or customers, he/she must identify that he/she is an employee of MFA and that the views expressed on social media or website are the employee's alone and do not represent the views of MFA. No employee is authorized to speak on behalf of MFA, or to represent that he/she does. MFA's logo may not be used without explicit permission in writing from MFA, in order to prevent the appearance that an employee speaks for or officially represents MFA.
- If an employee is developing a site or using social media that will mention MFA and/or current and potential services, employees, associates, or customers, he/she must inform his/her manager. The manager may choose to visit the site or social media from time to time to understand the employee's point of view.

Confidential Information

No employee may share confidential, sensitive and/or proprietary information about MFA with anyone outside MFA. This includes information about upcoming programs and services, finances, number of employees, organization strategy, and any other information that has not been publicly released by MFA. Transferring data containing confidential information using non-secure services such as Dropbox is prohibited.

Respect and Privacy Rights

- Employees must communicate respectfully about MFA and its current and potential employees, customers, and partners. Employees must not engage in name calling or behavior that will reflect negatively on MFA's reputation.
- Any unauthorized use of copyrighted materials, unfounded or derogatory statements, or misrepresentations by an employee will be viewed unfavorably by MFA and may result in disciplinary action up to and including termination of employment.
- Employees must honor the privacy rights of current employees by seeking their permission before writing about or displaying information about internal MFA happenings that might be considered to be a breach of their privacy and confidentiality.

Potential ~~Liability~~ Discipline of Employees

~~Employees can be sued and may be held legally liable for anything they write or present online.~~

Employees can be disciplined by MFA, up to and including termination, for any commentary, content or images they send, post or forward using MFA's computer and communication systems that are defamatory, pornographic, proprietary, or harassing in nature, or that otherwise create a hostile work environment.

Media Contact

Media contacts about MFA and its current and potential services, employees, associates, customers, and competitors should be referred for coordination and guidance to MFA's Communications Director.

Remote Access

Remote access to MFA's computer and communication systems is provided via the Internet. Remote access is limited to designated MFA personnel identified and approved by the employee's supervisor. All security controls and restrictions defined elsewhere in the systems apply.

Portable Computers and Equipment

~~MFA may assign portable computer and communications devices to employees whose job clearly requires and benefits from their use. All such devices are owned and maintained by MFA and their use is limited to business related activities.~~

~~The following devices may be provided to MFA employees who meet the following job requirement criteria:~~

<u>Device</u>	<u>Job Requirement Criteria</u>
• Laptops, Tablet PC's	Travels 1-2 days per week Electronic data collection and input E-mail access
• Cell Phones	Travels 5-10 days per month
• Smart Phones (PDA/Cell Phone)	Travels 5-10 days per month Real-time e-mail and calendaring access
• Digital Cameras	2-3 property inspections/week (photos req)
• LCD Projectors	Business-related meeting/outreach

~~Portable computer equipment including Laptops, Tablet PC's, Portable storage devices (including, but not limited to, USB Flash Drives, CompactFlash, Memory Stick, Secure Digital and xD cards), and Smart Phones are not considered secure computing devices. The following guidelines must be followed when using such devices:~~

- ~~• Only non-confidential information should be stored on the devices.~~
- ~~• Installation of all software applications and transfer of data must be approved and performed by MFA's Information Systems Department.~~
- ~~• PIN numbers or passwords should never be stored on the devices.~~
- ~~• All connections to MFA's network must be encrypted (not applicable to Portable storage devices).~~
- ~~• All Smart Phones that connect to MFA email, MUST have a passcode to unlock the device
Due to FLSA overtime rules, non-exempt staff are not permitted to access MFA email on mobile devices during non-working hours.~~

~~In the event of theft or loss of any portable equipment or devices, MFA's Information Systems Department must be notified immediately.~~

To review the Acceptable Use & Data Security Policy in its entirety, employees should refer to MFA's Intranet.

PAY POLICIES AND PROCEDURES

Pay Process

MFA pay periods are two (2) weeks in duration providing employees with twenty-six (26) pay periods annually. Hours are recognized in fifteen (15) minute increments. With employee consent, payroll checks are directly deposited into individual employee bank accounts and payroll advice slips are distributed on the Friday following a pay period. Payment arrangements, other than direct deposit, may be made through the Human Resources Director.

There will be no release of an employee's paycheck or payroll advice slip to someone other than the employee without the employee's written authorization.

Documentation of Time

- **Non-exempt employees.** The FLSA and corresponding federal regulations require that each non-exempt employee complete accurate time records for each pay period showing hours worked each day, total hours worked each workweek and the pay period.
Non-exempt employees must approve the hours worked and the employee's supervisor must verify and approve the hours worked in ADP, MFA's electronic time keeping system. Failure to submit time records in a timely manner may result in delay of pay.
- **Exempt employees** are required to report exceptions, i.e., vacation, administrative or sick leave taken during the applicable pay period

Overtime Procedures

Only non-exempt employees are eligible for overtime. Overtime is paid, at the rate of time and a half, for time worked in excess of forty (40) hours in a workweek.

Non-exempt employees must obtain verbal approval from their supervisors prior to working overtime. [A non-exempt employee who works overtime without obtaining approval from his/her supervisor may be subject to discipline.](#)

All overtime hours are logged on the employee's time record with notation that verbal approval was obtained and the reason for the overtime. Supervisors are responsible for approval or denial of overtime, and managing overtime within approved budget.

Compensable Travel Time [for Non-Exempt Employees](#)

~~Non-exempt employees. As a general rule, time spent by a non-exempt employee traveling during regular working hours as part of MFA's principal business activities is compensable and must be counted as hours worked for purposes of calculating the employee's regular wages due, and for purposes of calculating overtime pay if the employee works in excess of forty (40) hours in the workweek during which the travel occurs.~~

~~If a non-exempt employee is required to travel on a non-working day (e.g., Saturday or Sunday) as part of MFA's principal business activities, then the travel time generally is compensable and must be counted as hours worked if it occurs during what would be normal business hours on a regular work day.~~

~~Travel by a non-exempt employee as part of MFA's principal business activities that keeps the employee away from home overnight is compensable to the extent it cuts across the employee's normal working hours (or corresponding hours on nonworking days). Time spent in travel away from home outside of regular working hours as a passenger on an airplane, train, bus or automobile is not normally considered compensable work time. Travel scheduled during work hours that is delayed by the carrier is compensable as though travel occurred as previously scheduled. Time spent in travel on a commercial carrier is considered compensable time worked but is limited to one hour prior to departure (for airline travel) and ends upon arrival at the final destination.~~

Non-exempt employees may be eligible for compensation for the time spent when travelling on MFA business. The compensation that a non-exempt employee receives depends on the kind of travel and whether the travel takes place within the employee's normal work hours. For the purpose of this policy, "normal work hours" are defined as the employee's regularly-scheduled work hours, e.g., 8:00 a.m. – 5:00 p.m. This definition applies to normal workdays (Monday through Friday) and to weekends (Saturday and Sunday).

- Travel for One-Day Assignment in Another City – An employee who regularly works at a fixed location and is given a special one-day assignment in another city and returns home the same day will be paid for the time spent traveling to and from the other city.
- Travel During Workday - Time spent by an employee traveling as part of his or her regular job duties, such as travel from the office to an offsite meeting, is work time and will be paid as such.
- Travel Away from Home – Travel that keeps an employee away from home overnight is travel away from home. Travel time that takes place within the employee's normal work hours, regardless of the day of week, is treated as work hours. When an employee travels between time zones, the time zone associated with the point of departure will be used to determine whether the travel falls within the employee's normal work hours. Time spent travelling from home to the airport terminal or train station terminal is considered commute time and is not treated as hours worked. Time spent waiting at the terminal until arrival at the destination is compensable when it falls during normal work hours. Employees should strive to time their arrival at an airport terminal so that their wait time before departure is limited to approximately two hours ~~e-hour~~.
- Travel Time as Driver/Passenger of Automobile – All authorized travel time spent driving an automobile is treated as work hours, regardless of whether the travel takes place within the employee's normal work hours or outside of the employee's normal work hours. Time spent as a passenger in an automobile is not automatically treated as work hours. Travel as a passenger in an automobile is treated the same as all other forms of travel.

In order to manage overtime within approved budget, supervisors have the discretion to adjust a non-exempt employee's work schedule during the workweek in which compensable travel time

occurs so that the employee's total work hours during that workweek will not exceed forty (40) hours.

Irrespective of the foregoing rules regarding compensation for travel time, Non-exempt employees will not experience a loss of wages nor will any employee be required to use benefit time when traveling on behalf of MFA.

Non-Compensable Travel Time and Expenses

Not all time spent traveling by non-exempt employees and not all expenses incurred in connection with such travel are compensable. For example:

- A non-exempt employee who travels from home before the regular workday to work and then returns to his/her home at the end of the workday is engaged in ordinary home-to-work travel, which is not considered compensable travel time under the FLSA and corresponding federal regulations.
- Mileage from home to the airport or train or bus station is not compensable.

General Rules Applying to All Travel

If a non-exempt employee is offered the most economical public transportation, but asks for and receives permission to drive instead, MFA may only compensate the employee for the time to travel on the public transportation offered. Consistent with the above rules, all travel must conform to MFA's travel policies, as set forth in MFA Policies & Procedures Manual, and an effort must be made to travel by the most economical means possible considering overtime, cost of transportation, and available options.

SUMMARY OF EMPLOYEE BENEFITS

General Statement

The benefits discussed in this Employee Manual are provided at MFA's discretion and may be altered or discontinued at any time. If there is a conflict between the terms of any of the benefits described below and the terms of the benefits described in a particular benefit plan, the particular benefit plan controls. Any questions about a particular benefit should be directed to the Human Resources Director.

Health, Vision and Dental Insurance

All full-time employees and part-time employees, working 20 hours or more are eligible for individual and dependent coverage under ~~MFA's group an HMO or PPO~~ health insurance plan, dental plan and vision plan on the first day of employment. All employees that are enrolled under MFA medical plan are also eligible to participate in the Wellness Plan provided by Presbyterian.

Domestic Partners

MFA extends health, vision and dental insurance benefits to the domestic partners of eligible employees who meet qualifying criteria established by MFA, to the same extent that these benefits are available to spouses of eligible employees. Information regarding the qualifying criteria for domestic partner benefits is available from the Human Resources Director. For purposes of such benefits, "domestic partners" mean two individuals who live together in a long-term relationship of indefinite duration. There must be an exclusive mutual commitment similar to that of marriage in which the partners agree to be financially responsible for each other's welfare and share financial obligations.

Flexible Spending Accounts

All full-time and part-time employees, working 20 hours or more -are eligible to participate in MFA's Flexible Spending Account program on the first day of employment. MFA allows eligible employees to set aside money in a flexible spending account for healthcare and related costs and/or for dependent care, on a pre-tax basis. Eligible employees may set aside an amount up to the allowable maximum for healthcare and related costs, and up to the allowable maximum amount for dependent costs.

Health Savings Account

All full time and part time employees, working 20 hours or more who are on a high deductible medical plan are eligible to participate in MFA's Health Savings Account. A Health Savings Account (HSA) is a tax-deferred personal savings account that allows you to pay for current health expenses and save for future qualified medical and retiree health expenses on a tax-free basis. With an HSA your funds carry over from year to year. Eligible employees may set aside an amount up to the allowable maximum for healthcare and related costs.

Short- and Long-Term Disability Insurance

All full-time and part-time employees working 30-hours or more become eligible for Short and Long-Term Disability Insurance on the first day of employment. Short- and Long-Term Disability Insurance is a benefit provided to eligible employees and paid for by MFA.

Short term benefits begin on the 15th day of disability and employees receive 70% of the employees predisability earnings. Employees may choose to supplement the additional 30% with sick or vacation accruals.

Long term benefits begin after 90 days of disability and receive 60% of the employees predisability earnings. Employees may choose to supplement the additional 40% with sick or vacation accruals.

Group Term Life Insurance and AD&D Insurance

All full-time and part-time employees working 30_-hours or more become eligible for Group Term Life Insurance and AD&D Insurance on the first day of employment. Group Term Life Insurance and Accidental Death & Dismemberment (AD&D) Insurance is provided to eligible employees by MFA. Coverage is one (1) times the employee's annual salary plus \$10,000, with a minimum benefit of \$10,000, and a maximum benefit of \$100,000.

Supplemental Life and AD&D Insurance

All full-time and part-time employees working 30_-hours or more become eligible for Supplemental Life and AD&D Insurance on the first day of employment. Supplemental Life and AD&D Insurance is available to eligible employees at their expense. Employees may purchase coverage in increments of \$10,000 to a maximum of \$300,000.

Spouse/Domestic Partner Supplemental Life and AD&D Insurance

Spouse/Domestic Partner Supplemental Life and AD&D Insurance are available to eligible employees at their expense only if the employee has elected employee coverage. Elections may be made in increments of \$10,000 to a maximum of \$100,000 not to exceed 100% of the employee's approved election.

- All full-time employees with spouses become eligible for Spousal Supplemental Life and AD&D Insurance on the first day of employment if they have elected employee coverage.
- All full-time employees with domestic partners become eligible for Domestic Partner Supplemental Life and AD&D Insurance on the first day of employment if they have elected employee coverage and have met qualifying criteria for domestic partner benefits established by MFA.

Employee Assistance Plan

All full-time and part-time employees with benefits are eligible for services under the Employee Assistance Plan on the first day of employment. MFA has two options for an Employee Assistance Plan to provide confidential assistance to eligible employees. Employees may access the services at:

Ability Assist
Sponsored by The Hartford
www.guidanceresources.com
1-800-964-3577
Company Code: HLF902

The Solutions Group
Sponsored by Presbyterian Health Insurance
1-866-254-3555 or 505-254-3555

Flyers for both plans can be found in MFA's break room.

To utilize the Employee Assistance Plan, an employee must identify him/herself as an "MFA" employee. The identity of the employee utilizing the services is not made known to MFA.

401(k) Retirement Plan

MFA has adopted a 401(k) Plan to provide eligible employees the opportunity to save for retirement on a tax-advantaged basis. Detailed information concerning the terms and conditions of the 401(k) Plan is contained in the Plan Highlights, which is available from the Human Resources Director or Bank of Oklahoma.

Upon meeting the requirements described in the Plan Document, all full-time and part-time employees with benefits who are over age 19 are eligible to participate in MFA's 401(k) Plan, starting with the first day of ~~each~~the month after date of hire. A term employee is eligible if his or her offer letter states the individual is eligible for 401(k) benefits.

Employee Contributions

Under the 401(k) Plan, eligible employees may elect to reduce their compensation by a specific percentage or dollar amount and have that amount contributed to their retirement account on a pre-tax basis through payroll deductions. Employee contributions are not subject to federal and state income taxes when made and may grow, tax deferred, until paid out, when the contributions will be taxable as ordinary income. All employee contributions are one hundred percent (100%) vested when made. The minimum amount an employee may contribute is one percent (1%) of their compensation, up to an annual dollar limit which is set by law.

Automatic Deferral Increases

Salary deferrals will be automatically increased by 1% every year in January, up to a salary deferral percentage of 8% of compensation. The Participant may opt out of automatic deferral increases by signing on to www.startright.bokf.com and revising the contribution election in their personal 401(k) account.

Employer Matching Contributions

MFA will make a matching contribution for salary deferral contributions. MFA will match one dollar for every dollar the participant puts into the plan for the first 1% or 2% of participant's eligible compensation. If the participant defers 3% or more, MFA will match 5% of participant's eligible compensation each pay period (up to allowable tax limits to the 401(k) plan under IRC Section 402(g)).

MFA will true-up for those who deferred the maximum deferral under IRC 402(g), but did not receive Matching Contributions because of the timing of deferrals. As chosen by the Employer this true-up can be made on a per pay period basis or at year end. MFA will not give a true-up to a Participant who starts and stops his or her deferrals throughout the year, if they did not make the 3% deferral minimum each pay period.

Employer Non-Elective Contributions

MFA will make a "non-elective" contribution to the 401(k) Plan equal to eleven percent (11%) of the eligible compensation of all Plan participants eligible to share in allocations. MFA's non-elective contribution is contributed on a biweekly basis.

Loans

The Plan Documents of the New Mexico Mortgage Finance Authority 401(k) Plan offer the option of an employee taking up to two (2) loans from his/her retirement account. Any employee thinking about borrowing from his/her 401(k) plan should consider all options carefully.

Participants are allowed to borrow money from the Plan based on the following limitations (see the Plan Loan Procedures for additional information):

- Minimum amount - \$1,000.00.
- Maximum amount - 50% of vested account balance not to exceed \$50,000 (minus the difference between the highest outstanding balance of loans in the past 12 months and the outstanding balance of loans from the Plan on the date the loan is made).

- The duration of the loan will be limited to five years unless it is for purchase of primary residence.
- The interest rate will be based on National Prime plus 2%.
- Only two outstanding loans will be permitted at any time.
- Loan origination fee - \$100.00.

For additional information, an employee should contact the Human Resources Director.

Vesting

An employee's "vested percentage" of the matching and non-elective contributions made to the 401(k) Plan by MFA is based on "Years of Service." To earn a "Year of Service," an employee must be credited with at least one thousand (1,000) hours of service during a Plan Year. An employee's vested percentage is determined according to the following schedule:

Vesting Schedule

Less than Two Years	0%
Two Years but less than three	25%
Three Years but less than four	50%
Four Years but less than five	75%
Five Years or more years	100%

457(b) Deferred Compensation Plan

MFA also has adopted a 457(b) Plan, which allows eligible employees to set aside money for retirement on a pretax basis by entering into a salary reduction agreement with MFA. Detailed information concerning the terms and conditions of the 457(b) Plan is available from the Human Resources Director or Bank of Oklahoma.

An eligible employee for purposes of the 457(b) Plan means an employee who has made in any prior year, salary reduction contributions to MFA 401(k) Plan equal to the IRC 402(g) limit.

- Under the 457(b) Plan: Employees may elect salary reduction amounts up to the IRC 402(g) limit.
- Only employee contributions are allowed unless otherwise stated through Board action.
- All employee contributions in the 457(b) Plan are one hundred percent (100%) vested.

In case of conflict between this Employee Manual or any summary of the 401(k), 457(b) Plans or any other benefit plans, the Plan Documents will govern.

Employee Educational Assistance

MFA encourages continuing education for eligible employees for specific job-related course work or employee education considered by Deputy Directors to be in the best interest of MFA.

Full-time employees with satisfactory work and attendance standards who have completed one (1) year of employment with MFA are eligible to participate provided that they are not receiving assistance or a scholarship from any other source. Those employees wishing to be reimbursed by MFA for attending and completing job-related college or trade school level courses must first

obtain their manager's and respective Deputy Director's approval and then forward those approvals to the Human Resources Director for final approval. All approvals must be obtained in advance and should be submitted during the budget process.

Tuition reimbursement for college or trade school level courses will not exceed standard semester credit hour rates charged by a state university in New Mexico. Tuition reimbursement for approved courses is limited to the following number of credit hours per fiscal year:

- Following one year of employment, nine (9) credit hours per fiscal year;
- Following three years of employment, twelve (12) credit hours per fiscal year; and
- Following five years employment, fifteen (15) credit hours per fiscal year.

Employees will be reimbursed for a percentage of the registration fee, technology fee, facility fee, tuition, textbooks, and related courses work fees, after submitting receipts and evidence of successful completion of the approved course or class as follows:

- With a grade of "A or B": one hundred percent (100%) reimbursement.
- With a grade of "C": Ninety percent (90%) reimbursement.
- Employees receiving a grade of "C-" or below will not be eligible for reimbursement of registration fees, tuition or textbooks.

Textbook expenses will be reimbursed up to one hundred dollars (\$100) per book. The cost of other course materials will not be reimbursed.

An employee who has given notice to separate employment will not be eligible for tuition reimbursement.

Part-time employees will be reimbursed on a prorated ~~bases~~basis determined by average hours worked in a calendar quarter.

MFA will pay for successful completion of job—related training and/or professional development. Prior approval from direct supervisor and Deputy Director is required.

Mass Transit

MFA fully subsidizes the cost of bus passes and Rail Runner passes for use solely by MFA employees. All employees are eligible to receive mass transit passes or subsidies. Bus passes may be obtained from the Human Resources Director upon request. Rail Runner passes must be purchased by employees for reimbursement at a later date.

Costco/Sam's Club Reimbursements

All full-time employees are eligible for reimbursement for the annual cost of basic membership to either Costco or Sam's Club.

Seminars and Conferences

All employees are eligible to attend business-related seminars and conferences upon recommendation by their supervisor and approval by the respective Deputy Director. Employees reporting to the Executive Director must obtain Executive Director approval. MFA will

reimburse eligible employees for expenses incurred in connection with attendance at recommended and approved business-related seminars and conferences. Registration fees, travel and lodging expenses will be paid by MFA with prior supervisor approval.

Compensable Time at Seminars and Conferences (non-exempt employees)

On occasion, luncheons and social hours are conducted in conjunction with a conference or seminar. As a general rule, regular meals times are **not** compensable and attendance at a luncheon or social hour by a non-exempt employee is considered voluntary. Therefore, when a non-exempt employee attends a conference or seminar (or a monthly association luncheon or similar activity), his/her time during the lunch or social hour is not compensable.

Exception: If a non-exempt employee's attendance at a luncheon or social hour or similar activity is required by MFA, then the employee's time is compensable.

INCENTIVE COMPENSATION PLAN

Performance Evaluations

The goal setting and performance evaluation process is intended as a means for discussing, planning and reviewing the performance of each employee. Quarterly coaching and annual performance evaluations are designed to:

- Clearly define responsibilities, provide criteria by which performance will be evaluated, and suggest ways in which performance can be improved.
- Identify employees with potential for advancement.
- Help managers distribute and achieve department and company goals.
- Provide a fair basis for possible Merit Increases and Annual Awards.

Performance evaluations will be conducted on an annual cycle corresponding to the fiscal year end. Employees will receive a performance evaluation and new goals in November of each year. No performance evaluation will change the employment status of any employee which, at all times, shall remain at-will and no evaluation will guarantee that an employee will advance with MFA.

Merit Increases

Merit Increases are *not* guaranteed. They are a compensation tool based on company performance, available budget, and individual performance. Merit Increases, if awarded, will be reflected ~~in the~~ no later than first payroll cycle of December following the award.

All employees are eligible to be considered for Merit Increases; provided that they also satisfy the following criteria:

- Employees must have been hired on or before March 31st of the year in which the Merit Increase is awarded.
- Employees must be employed on the date the Merit Increase is awarded.

During the first-year transition period and/or the first year of employment Merit Increases will be pro-rated over the evaluation period through the first payroll cycle in which merit is awarded ~~December~~ of any given year.

Spot Incentive Awards

MFA's Spot Incentive Program is designed to provide one-time awards for exemplary performance to eligible employees. All employees are eligible to be considered for a Spot Award, with the following limitations: Employees must be employed on the date the Spot Award is paid out. The Spot Award period runs from October 1st of any given year through September 30th of the following year. Spot Awards will be paid out during the payroll cycle in which approvals are obtained.

- Spot Awards reward outstanding individual performance on a case-by-case basis.
- Spot Awards provide recognition for exemplary employee actions on a case-by-case basis.
- Spot Awards recognize contributions to the organization.

- Spot Awards may be granted at any time throughout any given fiscal year.

Spot Awards are not guaranteed but are recommended by the supervisor and must be approved by the Department Director, Deputy Director, Human Resources Director and the Executive Director.

Annual Incentive Awards

Annual Incentive Awards are based on the Strategic Plan and budget as approved by MFA's Board of Directors. MFA's Annual Incentive Program is designed to provide incentive compensation for eligible employees by rewarding and motivating staff as staff performance leads to achievement of company-wide goals. All full-time employees and part-time employees with benefits are eligible to be considered for an Annual Incentive Award.

Each member of senior management will be allotted a percentage of the Annual Incentive pool based on total eligible salaries within his/her department. ~~After annual performance evaluations have been reviewed and approved by a committee made up of the Executive Director, the Deputy Director and the Human Resources Director, and/or a senior manager, t~~The supervisor will ~~determine—recommend~~the payout percentage for each eligible employee within his/her department. Final incentive awards are approved by the deputy director and executive director. Twenty-five percent (25%) of total incentive compensation earned after taxes will be allocated to each eligible employee on a pro rata basis relative to the total company's gross payroll for the fiscal year. Seventy-five percent (75%) of total incentive compensation earned after taxes will be allocated to department directors on a pro rata basis relative to their employees' share of the total company's gross payroll for the fiscal year to serve as a discretionary incentive compensation pool. An employee's total annual incentive compensation equals the sum of both the twenty-five and seventy-five percent components. Total annual incentives ~~plus any spot awards~~ will not exceed ten percent (10%) per employee per year.

An additional two percent (2%) incentive pool will be allocated for distribution to the deputy directors and the Executive Director.

All employees are eligible for Annual Incentive Awards; provided that they also satisfy the following criteria:

- All full-time and part-time Employees must have been hired on or before June 30th of any given year.
- Employees must be employed on the date the Annual Incentive Award is paid out.
- Annual Incentive Awards are granted at the manager's discretion and must be consistent with overall individual performance evaluation and time worked during the evaluation period.

The Annual Incentive Award period runs from October 1st of any given year through September 30th of the following year. Annual Incentive Awards will be paid out no later than the first payroll cycle in December in any given year.

- Annual Incentive Awards are not guaranteed but are awarded based on contributions to the achievement of company-wide goals, available budget, and individual performance.
- Annual evaluations are the basis for proposed Annual Incentive Awards.

During the first—year transition period and/or the first year of employment Annual Incentive Awards will be **pro-rated** for the evaluation period through the end of the fiscal year. After the transition period and/or first year of employment all employees will be on the same Annual Incentive Awards schedule.

A full copy of the Incentive Compensation Plan can be found on MFA's Intranet.

Changes, modifications or exceptions to the Incentive Compensation Policy must be approved by MFA's Board of Directors.

LEAVE WITH PAY

Vacation Leave

Full-Time Employees

Vacation leave accrues on a biweekly basis. Full time employees accrue vacation leave based on years of service as follows:

- The first two (2) years of employment
 - Twelve (12) days per year (accruing at 3.69 hours per pay period)
- After the completion of two (2) years and through seven (7) years of employment
 - Sixteen (16) days per year (accruing at 4.92 hours per pay period)
- After the completion of seven (7) years and through fifteen (15) years of employment
 - Twenty-one (21) days per year (accruing at 6.46 hours per pay period)
- More than fifteen (15) years of employment
 - Twenty-five (25) days per year (accruing at 7.69 hours per pay period)

The Executive Director has authorization to allow director level and above positions to accrue vacation leave up to the maximum available under the vacation leave policy.

Part-Time Employee with Benefits

All part-time employees with benefits are eligible for vacation time. Employees will accrue vacation at a pro-rated amount that is determined based on the number of hours regularly scheduled to work.

Accrued Vacation Days

A maximum of thirty-five (35) accrued vacation days (two hundred and eighty (280) hours) may be carried forward from one fiscal year to the next. Any accrued vacation leave in excess of 280 hours that is not used before the fiscal year end (September 30th) will be forfeited. Upon resignation or termination of employment, employees will receive pay for any accrued unused vacation leave (up to 280 hours).

Use of Vacation Leave

Employees begin to accrue vacation leave with the first pay period after date of hire and may use vacation leave after one (1) day is accrued. Accrual amounts are noted on pay stubs each pay period. Vacation can be taken only with the supervisor's consent and may be taken in quarter hour increments. Requests will be considered in light of work demands and staffing needs, and consent may be withheld based on those and other factors that affect the conduct of MFA's business.

Employees are encouraged to request vacation leave that exceeds two (2) days as far in advance as possible. If an employee wishes to take vacation time that exceeds the employee's accrued vacation leave, approval must be obtained in advance from the respective Deputy Director, or the Executive Director if appropriate. If approved, the excess vacation time will be taken without pay. Accrued sick leave may not be used in lieu of vacation leave.

Paid Personal Day

Full-time employees are eligible employees that may take one (1) paid 8 (eight) hour personal day each fiscal year after completing ninety (90) days of employment. If personal days are not used during the fiscal year, they will be forfeited. Personal days are not accrued and therefore are not paid out at time of resignation or termination. ~~For tracking purposes, personal days must be identified as such on timesheets/exception sheets.~~ Personal days can be taken only with the supervisor's consent. Requests will be considered based on work demands and staffing needs, and consent may be withheld based on those and other factors. Employees on a compressed work week will need to request an additional hour of vacation to complete a 9 (nine) hour workday.

Part-Time Employee with Benefits

All part-time employees with benefits are eligible for a paid personal day. Part-time employees will earn a personal day at a pro-rated amount that is determined based on the number of hours regularly scheduled to work.

Paid Sick Leave

Full-Time Employees

Sick leave is accrued on a biweekly basis beginning with the first pay period after date of hire. Full-time employees accrue thirteen (13) days of sick leave per year, at the rate of four (4.00) hours per pay period. Accrued sick leave may be carried over from one fiscal year to the next.

Part-Time Employees with Benefits

Sick leave is accrued on a biweekly basis beginning with the first pay period after date of hire. All part-time employees with benefits are eligible for sick time. Eligible employees will accrue sick time at a pro-rated amount that is determined based on the number of hours regularly scheduled to work.

Use of Sick Leave

Employees may begin to use sick leave after one (1) day is accrued. If an employee is going to be absent because of sickness, the employee must contact MFA by no later than thirty (30) minutes before the employee's scheduled start time and should make every effort to speak

directly to his/her immediate supervisor. If the supervisor is not available, the employee should make every effort to speak directly to the manager next in the chain of command. Leaving messages with co-workers may result in unexcused absences and leave without pay.

Sick leave is to be used in cases of employee illness or illness in the employee's immediate family (spouse, children, stepchildren, mother, father, mother-in-law, father-in-law, grandparents, and grandchildren) or anyone residing in the employee's household.

Sick leave may be used for any medical purpose, e.g., doctor and dentist appointments. A doctor's statement may be required for approval of sick leave for absences of three (3) or more consecutive days, or more than five (5) absences in a rolling twelve (12) month period. Employees requesting time off due to the illness of a child may be asked to provide a notice from the child's school for absences of three (3) or more consecutive days, or more than five (5) absences in a rolling twelve--month period.

Sick time that exceeds accrued sick leave will be taken without pay unless an alternative arrangement (e.g., the transfer of sick leave by a fellow employee to assist the sick employee) is approved at the discretion of the Executive Director or his/her designee. Accrued vacation leave also may be used to cover sick time in lieu of leave without pay.

Employees are encouraged to use sick leave for medical purposes, however employees who do not need to use sick leave will accrue four (4) additional hours of vacation leave time during the fiscal year for every six (6) months worked, if during that six (6) month period, sick leave is not used.

Employees may choose to be paid in cash for accrued unused sick leave in excess of four hundred (400) hours up to a maximum of one hundred twenty (120) hours in the first full pay period in January and/or July. The hours will be paid at a rate equal to fifty percent (50%) of the employee's hourly wage. Immediately prior to retirement from employment, employees will be paid for accrued sick leave in excess of four hundred (400) hours (two hundred (200) hours maximum) at an hourly rate equal to fifty percent (50%) of their hourly wage. Employees will be solely responsible for any tax consequences of such a sellback of accrued sick leave.

Accrued unused sick leave will not be paid to an employee upon termination ~~or resignation~~ from MFA.

Transfer of Sick Leave

MFA allows an employee to transfer a portion of his/her accrued sick leave to assist a fellow employee who has a serious medical condition. Transfer of sick leave is subject to the following conditions and limitations:

- The ill employee must have exhausted all of his/her own accrued sick and vacation leave prior to obtaining a transfer of sick leave from another employee.
- An employee may not transfer more than forty (40) hours of sick leave in any fiscal year.
- Sick leave may not be transferred from a subordinate to an immediate supervisor.

- The transferring employee must have a minimum of forty (40) hours of sick leave remaining after the transfer.
- Transfer of sick leave will only be available for use during the waiting period of Short-Term Disability.
- Transfer of sick leave can be transferred to an employee that is experiencing a qualifying event that does not involve the employee. (i.e., taking care of child or parent).
- The donor and the recipient must complete a Sick Leave Donation/Recipient Request form.
- Any unused sick time that was donated will be transferred back to the donor.
- Donated hours will be transferred to the recipient as needed on a per pay period basis.
- The Human Resources Director must approve the transfer request.
- The Human Resources Director will post the request for donations on MFA's intranet. Employees should not solicit donations on their own.

Transferred sick leave will run concurrently with the amount of Family and Medical Leave (FMLA) of Absence available to an employee under the FMLA policy below, arising out of the same illness or medical catastrophe.

Forty (40) Consecutive Hour Leave

Certain employees are required to take forty (40) consecutive business hours of leave during each full fiscal year following their first twelve (12) months of employment. Any forty (40) consecutive business hours of leave taken will be recorded regardless of how many total leave hours are taken within a fiscal year. All types of leave identified in this Manual, including training conducted away from MFA, may be used to meet the forty (40) consecutive business hour leave requirement except holidays. Waivers to this policy may be granted as necessary and must be approved sixty (60) days in advance by the Executive Director.

A full copy of the Consecutive Hour Leave [Policy](#) can be found on MFA's Intranet.

Paid Holidays

Eligible employees are entitled to pay for holidays observed by MFA. Full-time employees are eligible for eight (8) hours of pay on day of holiday. Part-time employees with benefits are eligible for holiday pay at a pro-rated amount that is determined based on the average amount of hours regularly scheduled to work per normal workweek. Employees on unpaid leave will not be eligible to receive holiday pay. Employees on a compressed work week will need to request an additional hour of vacation to complete a 9 (nine) hour workday.

Holidays Observed

At the beginning of each calendar year, a list is published detailing paid holidays observed by MFA and their exact dates for that year.

The Holidays that are observed by MFA are:

- New Year's Day
- Martin Luther King Day
- President's Day

- Memorial Day
- Independence Day
- Labor Day
- Columbus Day Indigenous Peoples Day
- Thanksgiving Day
- The day after Thanksgiving is taken in lieu of Veteran's Day
- Christmas Day
- Personal Day (please see Paid Personal Day policy above)

Working on an MFA Paid Holiday

Working on an MFA paid holiday is discouraged and prohibited unless prior approval is obtained from the respective Deputy Director and/or Executive Director, if applicable.

Exempt Employees: If it is necessary and in the best interests of MFA to work on a paid holiday, then the employee will be granted floating time off equivalent to the actual number of hours worked on the holiday, which should be taken within the calendar year that the holiday is worked.

Non-Exempt Employees: Working on a paid holiday generally is prohibited if it will result in the employee working more than forty (40) hours in a workweek; however, if the respective Deputy Director and/or Executive Director determines that it is in the best interests of MFA for a non-exempt employee to work on a paid holiday, then the employee will be granted floating time off equivalent to the actual number of hours worked on the holiday. In addition, if the hours worked by the non-exempt employee on the holiday result in the employee working more than forty (40) hours in a workweek, the employee will receive overtime compensation, at the rate of one and one-half times their regular rate of pay, for each hour of overtime worked in that workweek.

Paid Administrative Leave

The Executive Director or his/her designee may authorize administrative leave with pay, for a reasonable amount of time, due to office closures, under unusual circumstances, or when it is in the best interests of MFA to do so.

Bereavement Leave

Full-time employees are eligible for bereavement leave. Bereavement leave is leave with pay for absences due to the death of the employee's spouse, domestic partner, child, stepchild, child-in-law, mother, father, stepmother, stepfather, mother-in-law, father-in-law, grandparents, grandchildren, brother, sister, or anyone residing in the employee's household, or as approved by the Executive Director on a case-by-case basis.

Part-Time Employee with Benefits

All part-time employees with benefits are eligible for bereavement leave. Part-time employees will be paid bereavement leave at a pro-rated amount that is determined based on the number of hours regularly scheduled to work.

Bereavement Leave Duration

Approval from the employee's supervisor must be obtained for the requested duration of the leave. Up to four (4) days or thirty-two (32) hours can be granted to an employee per bereavement occurrence. Up to three (3) additional days or twenty-four (24) hours can be granted if out-of-state travel is necessary. Accrued vacation may be used for any additional time an employee takes in connection with a bereavement occurrence.

Voting Time

MFA encourages all employees to vote at each scheduled election. Employees whose workdays begin within two (2) hours of the polls opening and end less than three (3) hours before polls close are entitled up to two (2) paid hours of leave to vote. All employees who are registered voters are entitled to paid time to vote. Scheduling of voting time should be arranged with the employee's immediate supervisor.

Jury Duty/Subpoenas

MFA recognizes that employees who are called to serve on jury duty or subpoenaed as a witness have a legal obligation to do so. MFA provides paid leave to eligible employees for the time necessary to comply with those legal obligations. Full-time employees are eligible for paid administrative leave for jury duty and to appear as a witness in response to a subpoena.

The employee must notify his/her supervisor immediately upon receipt of notice of impending jury duty or required appearance in response to a subpoena before a federal or state grand jury or court or a federal or state agency.

A copy of the notice of jury duty or subpoena must be submitted to the Human Resources Director for the employee's personnel file. When a full-time employee is called for jury duty or to appear as a witness in response to a subpoena before a federal or state grand jury or Court or a Federal or State Agency, the employee will be compensated for his/her regular work schedule. The employee must turn in a timecard receipt to Human Resources showing attendance in order to be compensated. An employee who is subpoenaed in his/her capacity as an employee of MFA will be compensated for his/her regular work schedule, to include overtime pay if applicable.

Employees who are dismissed early from jury duty should return to work if four (4) or more hours remain in the regularly scheduled workday or use accrued vacation time.

For an employee who is a plaintiff or a defendant in a lawsuit unrelated to his/her employment by MFA, accrued vacation leave may be used for time off from work required for the litigation, and/or the employee may request leave without pay which must be authorized by the Executive Director or his/her designee.

Attendance fees received for jury duty or witness fees received in connection with a subpoena must be remitted to MFA's Human Resources Director. Travel reimbursement received for jury duty must be remitted to MFA if the court destination is in the Albuquerque downtown area.

Parents with School Aged Children

MFA will allow up to four (4) hours of [paid](#) leave for the fall semester and up to four (4) hours of leave in the spring semester to allow parents, aunt, uncle, step-parents, grandparents, brother,

sister, or anyone residing in the employees' household, or as approved by the Executive Director on a case by case basis, that have school aged children to attend parent-teacher conferences and/or meetings.

Employees will be required to complete a Parent Teacher Conference form and approval of leave needs to be approved by the Supervisor, Human Resources Director and Executive Director and must be turned into payroll for processing.

Inclement Weather

If MFA decides to close the offices due to inclement weather, all employees will be contacted via text, email and/or a phone call from MFA's alerting system. Time for that day will be charged to paid administrative leave. If the weather conditions are too dangerous, such that an employee cannot travel to work, the employee may stay home after notifying his/her supervisor as required by the attendance policy and call-in procedures. Vacation time or personal days must be used to cover the absence, otherwise the time off will be unpaid. Delays and office closings occurring on a day that an employee is telecommuting will not apply to that employee's work schedule because the employee will not have to commute.

It is at the employee's discretion to adhere to weather related office closures.

Office Closure

If MFA decides to close the office due to an unforeseen event, all employees will be contacted via text, email and/or a phone call from MFA's alerting system. This time will be charged to paid administrative leave. Lunches and breaks are not to be taken in conjunction with the beginning of a workday or end of a work-day. Office closings occurring on a day that an employee is telecommuting will not apply to that employee's work schedule because the employee will be working from home.

LEAVES OF ABSENCE

Family and Medical Leave Act (FMLA) Policy

Eligible employees may be entitled to a leave of absence in accordance with the Family and Medical Leave Act (FMLA). Employees who are ineligible for leave under the FMLA may nonetheless be granted unpaid medical leave of a definite duration, if necessary, as a reasonable accommodation under the Americans with Disabilities Act (ADA). This policy is intended as a guideline and it is not intended to provide employees with greater rights than they are afforded under the FMLA or the ADA. All terms used in this policy are defined the same as they are defined in the FMLA and ADA and their implementing regulations.

Employees may be entitled to a leave of absence under the FMLA. This policy provides employees information concerning FMLA entitlements and obligations employees may have during such leaves. If employees have any questions concerning FMLA leave, they should contact the Human Resources Director. Any issues not covered in this policy will be determined based on the federal FMLA regulations.

Eligibility for FMLA Leave

FMLA leave is available to eligible employees. An eligible employee must:

- Have been employed by MFA for at least twelve (12) months (which service need not be consecutive);
- Have been employed by MFA for at least twelve hundred and fifty (1,250) hours of service during the twelve (12) month period immediately preceding the commencement of the leave; and
- Be employed at a worksite where fifty (50) or more employees are located within seventy-five (75) miles of the worksite.

Entitlements

~~The FMLA provides eligible employees with a right to leave, health insurance benefits and, with some limited exceptions, job restoration. The FMLA also entitles employees to certain written notices concerning their potential eligibility for and designation of FMLA leave. Eligible employees in lawfully recognized same-sex marriages will be able to take FMLA leave to care for their spouse or family member.~~

Basic FMLA Leave Entitlement

~~The FMLA provides eligible employees up to twelve (12) workweeks of leave for certain family and medical reasons during a twelve (12) month period. The twelve (12) month period is determined based on a rolling twelve (12) month period measured backward from the date an employee uses his/her FMLA leave. Leave may be taken for any one, or for a combination, of the following reasons:~~

- ~~• To care for the employee's child after birth, or placement for adoption or foster care;~~
- ~~• To care for the employee's spouse, son, daughter or parent (but not in-law) who has a serious health condition;~~
- ~~• For the employee's own serious health condition (including any period of incapacity due to pregnancy, prenatal medical care or childbirth) that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or~~
- ~~• Because of any qualifying exigency arising out of the fact that an employee's spouse, son, daughter or parent is a covered military member on active duty or has been notified of an impending call or order to active duty status in the National Guard or Reserves in support of contingency operation.~~

~~A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a healthcare provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a healthcare provider or one (1) visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.~~

~~Qualifying exigencies may include attending certain military events, arranging for alternative child care, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.~~

Eligible employees are entitled to take up to 12 weeks of unpaid FMLA leave in a 12-month period for the following circumstances:

- During the 12 months following the birth of a natural child in order to care for that child;
- During the 12 months following the placement of a child with an employee for adoption or foster care; or
- For the serious health condition of the employee or to care for the employee's spouse, domestic partner, child (biological, adopted or foster children, stepchild, legal ward, or a child of a person standing *in loco parentis*), or parent (biological or who stands or stood *in loco parentis*) who has a serious health condition.

~~Additional Military Family~~Servicemember Leave Entitlement~~(Injured Service Member Leave)~~

~~An eligible employee who is the spouse, son, daughter, parent or next of kin of a covered service member is entitled to take up twenty-six (26) weeks of leave during a single twelve (12) month period to care for the service member with a serious injury or illness. Leave to care for a service member shall only be available during a single twelve (12) month period and, when combined with other FMLA qualifying leave, may not exceed twenty-six (26) weeks during the single twelve (12) month period. The single twelve (12) month period begins on the first day an eligible employee takes leave to care for the injured service member.~~

~~A covered service member means a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is on the temporary retired list, for a serious injury or illness. A member of the Armed Forces would have a serious injury or illness if he/she has incurred an injury or illness in the line of duty while on active duty in the Armed Forces provided that the injury or illness may render the service member medically unfit to perform duties of the member's office, grade, rank or rating.~~

Eligible employees with a spouse, domestic partner, son, daughter, or parent on active duty or call to active duty in the Armed Forces, National Guard, or Reserves who are deployed to a foreign country may use their 12 weeks of FMLA leave entitlement to address certain qualifying exigencies. Qualifying exigencies include: (1) short-notice deployment (*i.e.*, seven days or less of notice); (2) military event and related activities; (3) arranging for alternative childcare; (4) financial and legal arrangements; (5) counseling; (6) rest and recuperation; (7) post-deployment activities; and (8) any other event that the employee and MFA agree is a qualifying exigency.

An eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered servicemember is also entitled to take up to 26 work weeks of FMLA leave during a 12-month period to care for the servicemember who incurred a serious injury or illness in the line of active duty in the Armed Forces. The combined total leave in any single applicable 12-month period for

servicemember family leave and any other qualify FMLA leave is 26 workweeks, although servicemember family leave does not limit the availability of FMLA leave.

Intermittent Leave and Reduced Leave Schedules

FMLA leave usually will be taken for a period of consecutive days, weeks or months. However, employees also are entitled to take FMLA leave intermittently or on a reduced leave schedule when medically necessary due to a serious health condition of the employee or covered family member or the serious injury or illness of a covered service member.

An employee with a serious health condition or with a spouse, parent, or child with a serious health condition, or an employee on servicemember family leave to care for a servicemember may be entitled to take FMLA leave on an intermittent or reduced leave schedule. MFA may require an employee who chooses this option to transfer temporarily to an alternative position which better accommodates MFA's workflow. The employee will receive equivalent pay and benefits during the temporary transfer.

FMLA Leave Counting

FMLA leave will be counted on a "rolling" 12-month period measured backward from the date an employee uses such leave. In other words, each time an employee takes FMLA leave, the remaining FMLA leave entitlement would be the balance of the 12 weeks (or 26 weeks, if applicable) that has not been used during the immediately preceding 12 months.

No Work While on Leave

Accepting another job while on FMLA leave or any other authorized family or medical leave of absence is grounds for immediate termination, to the extent permitted by law.

Protection of Group Health Insurance Use of Paid Leave and Continuation of Benefits

During FMLA leave, eligible employees are entitled to receive group health plan coverage on the same terms and conditions as if they had continued to work.

Employees may be required to use accrued sick leave for any part of an unpaid FMLA leave. If an employee has exhausted all of his/her accrued sick leave while on FMLA leave, the employee may elect to use accrued vacation for the remainder of the unpaid FMLA leave. The use of accrued sick leave and/or accrued vacation leave while on FMLA leave does not extend the duration of the FMLA leave allowed.

Health and life insurance coverage will be continued for employees on leave on the same terms that such coverage would have been provided if the employee had continued employment. If the employee fails to return to work from FMLA leave, MFA may recover premiums paid for maintaining the employee's health coverage.

Restoration of Employment and Benefits

At the end of FMLA leave, subject to some exceptions including situations where job restoration of key employees will cause MFA substantial and grievous economic injury, employees generally have a right to return to the same or equivalent positions with equivalent pay, benefits and other employment terms. MFA will notify employees if they are considered key employees, if MFA intends to deny reinstatement, and of their rights in such instances.

Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee's FMLA leave.

If the employee returns to work within 12 weeks following FMLA leave (or 26 weeks, if applicable), the employee will be reinstated to his or her former position or to an equivalent position in terms of pay, benefits, status, and seniority. The employee's restoration rights are the same as they would have been had the employee not been on leave. If the position would have been eliminated or the employee would have been terminated but for the leave, the employee does not have the right to reinstatement upon return from leave. If the employee fails to return to work by the previously agreed-upon date, in the absence of further communication, the employee will be considered to have abandoned his or her job.

If the employee is unable to return to work upon the exhaustion of the employee's FMLA leave for his or her own serious health condition, MFA will engage in the interactive process to determine whether the employee is a qualified individual with a disability and whether additional leave or some other reasonable accommodation can be provided. If no reasonable accommodation can be made or reasonable accommodation would result in an undue hardship for MFA, then the employee who fails to return to work from FMLA leave will may be medically separated.

Notice of Eligibility for, and Designation of, FMLA Leave and Certification Requirements

For foreseeable FMLA leaves such as births or adoptions and planned medical treatments, employees are required to give 30 days of advance notice. For unforeseeable FMLA leaves such the onset of a serious medical condition of the employee or a family member, employees are required to provide as much advance notice as possible under the circumstances. The failure to give advance notice when required may result in the denial of the requested FMLA leave.

Within 5 days after the employee requests leave or after MFA learns that leave already taken may be for an FMLA-qualifying reason, MFA will provide written notice stating whether the employee is eligible for FMLA leave and, if not eligible, provide at least one reason why not. MFA will also provide a written notice stating whether FMLA leave is available, how much leave has been designated as FMLA leave, and how much leave remains. For a leave of unspecified duration, MFA will update the notification every 30 days as to how much leave has been designated as FMLA leave and how much available FMLA leave remains.

For requested FMLA leave for a serious health condition of the employee or a family member (including a covered servicemember's serious injury or illness), the employee will be required to have a qualified health care provider complete the Certification of Health Care Provider Form for Family and Medical Leave. The purpose of the Certification is for the health care provider to certify the employee's own serious health condition, the family member's serious health condition, or the covered servicemember's serious injury or illness. The Certification for the serious health condition of a family member or covered servicemember should further indicate the need for the employee's attendant care for the family member or for the covered servicemember. MFA may require a second or third opinion, periodic reports on status and intent to return to work, and/or a fitness-for-duty report to return to work. Failure to timely provide requested documentation may result in the denial or delayed approval of requested FMLA leave.

Documentation relating to the employee's or family member's medical condition will be held in strict confidence and maintained in the employee's medical records file.

~~Employees requesting FMLA leave are entitled to receive written notice from MFA telling them whether they are eligible for FMLA leave and, if not eligible, the reasons why they are not eligible. When eligible for FMLA leave, employees are entitled to receive written notice of:~~

- ~~• Their rights and responsibilities in connection with such leave;~~
- ~~• MFA's designation of leave as FMLA qualifying or non-qualifying, and if not FMLA the reasons why; and~~
- ~~• The amount of leave, if known, that will be counted against the employee's leave entitlement.~~
- ~~• MFA may retroactively designate leave as FMLA leave with appropriate written notice to employees provided MFA's failure to designate leave as FMLA qualifying at an earlier date did not cause harm or injury to the employee. In all cases where leaves qualify for FMLA protection, MFA and employee can mutually agree that leave be retroactively designated as FMLA leave.~~

~~Employee Leave Guidelines Provide Notice of the Need for Leave~~

~~Employees who take FMLA leave must timely notify MFA of their need for FMLA leave. The following describes the content and timing of such employee notices.~~

~~Content of Employee Notice~~

~~To trigger FMLA leave protections, employees must inform the Human Resources Director of the need for FMLA qualifying leave and the anticipated timing and duration of the leave, if known. Employees may do this by either requesting FMLA leave specifically, or explaining the reasons for leave so as to allow MFA to determine that the leave is FMLA qualifying. For example, employees might explain that:~~

- ~~• a medical condition renders them unable to perform the functions of their job;~~
- ~~• they are pregnant or have been hospitalized overnight;~~
- ~~• they or a covered family member are under the continuing care of a healthcare provider;~~
- ~~• the leave is due to a qualifying exigency caused by a covered military member being on active duty or called to active duty status; or~~
- ~~• if leave is for a family member, that the condition renders the family member unable to perform daily activities or that the family member is a covered service member with a serious injury or illness.~~

~~Calling in "sick," without providing the reasons to Human Resources for the needed leave, will not be considered sufficient notice for FMLA leave under this policy. Employees must respond to questions from the Human Resources Director to determine if absences are potentially FMLA qualifying and must submit an appropriate FMLA certification form which has been completed by their health care provider.~~

~~If employees fail to submit the completed FMLA certification to HR, the leave may be denied. When employees seek leave due to FMLA qualifying reasons for which MFA has previously provided FMLA protected leave, they must submit a current, completed FMLA certification. All medically-related documents, including completed FMLA certifications, will be kept in a separate, confidential file for each employee and access to any employee's separate, confidential file will be on a strict need-to-know basis.~~

~~Timing of Employee Notice~~

~~Employees must provide thirty (30) days' advance notice of the need to take FMLA leave when the need is foreseeable. When thirty (30) days' notice is not possible, or the approximate timing of the need for leave is not foreseeable, employees must provide MFA notice of the need for leave as soon as practicable under the facts and circumstances. Employees who fail to give thirty (30) days' notice for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA notice obligations, may have FMLA leave delayed or denied.~~

~~Cooperation in the Scheduling of Planned Medical Treatment Including Accepting Transfers to Alternative Positions and Intermittent Leave or Reduced Leave Schedules~~

~~When planning medical treatment, employees must consult with MFA and make a reasonable effort to schedule treatment so as not to unduly disrupt MFA's operations, subject to the approval of an employee's healthcare provider. Employees must consult with MFA prior to the scheduling of treatment to work out a treatment schedule that best suits the needs of both MFA and the employee, subject to the approval of an employee's healthcare provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, MFA may require employees to attempt to make such arrangements, subject to the approval of the employee's healthcare provider.~~

~~When employees take intermittent or reduced work schedule leave for foreseeable planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered service member, MFA may temporarily transfer employees, during the period that the intermittent or reduced leave schedules are required, to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.~~

~~When employees seek intermittent leave or a reduced leave schedule for reasons unrelated to the planning of medical treatment, upon request, employees must advise MFA of the reason why such leave is medically necessary. In such instances, MFA and employee shall attempt to work out a leave schedule that meets the employee's needs without unduly disrupting MFA's operations, subject to the approval of the employee's healthcare provider.~~

~~Submission of Medical Certifications Supporting Need for FMLA Leave (Unrelated to Requests for Military Family Leave)~~

~~Depending on the nature of FMLA leave sought, employees may be required to submit medical certifications supporting their need for FMLA qualifying leave. As described below, there generally are three types of FMLA medical certifications:~~

- ~~• an initial certification~~

- a recertification
- a return to work/fitness for duty certification

It is the employee's responsibility to provide MFA with timely, complete and sufficient medical certifications. Whenever MFA requests employees to provide FMLA medical certifications, employees must provide the requested certifications within fifteen (15) calendar days after MFA request, unless it is not practicable to do so despite an employee's diligent, good faith efforts. MFA shall inform employees if submitted medical certifications are incomplete or insufficient and provide employees at least seven (7) calendar days to cure deficiencies. MFA will deny FMLA leave to employees who fail to timely cure deficiencies or otherwise fail to timely submit requested medical certifications. Employee may be subject to disciplinary action for not complying with the certification requirement. Can we decline to pay sick or vacation?

With the employee's permission, MFA (through individuals other than an employee's direct supervisor) may contact the employee's healthcare provider to authenticate or clarify completed and sufficient medical certifications. If employees choose not to provide MFA with authorization allowing it to clarify or authenticate certifications with healthcare providers, MFA may deny FMLA leave if certifications are unclear.

Whenever MFA deems it appropriate to do so, it may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

Initial Medical Certifications

Employees requesting leave because of their own, or a covered relation's, serious health condition, or to care for a covered service member, must supply medical certification supporting the need for such leave from their healthcare provider or, if applicable, the healthcare provider of their covered family or service member. If employees provide at least thirty (30) days' notice of medical leave, they should submit the medical certification before leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

If MFA has reason to doubt initial medical certifications, it may require employees to obtain a second opinion at MFA's expense. If the opinions of the initial and second healthcare providers differ, MFA may, at its expense, require employees to obtain a third, final and binding certification from a healthcare provider designated or approved jointly by MFA and the employee.

Medical Re-certifications

Depending on the circumstances and duration of FMLA leave, MFA may require employees to provide re-certification of medical conditions giving rise to the need for leave. MFA will notify employees if re-certification is required and will give employees at least fifteen (15) calendar days to provide medical re-certification.

Return to Work/Fitness for Duty Medical Certifications

Unless notified that providing such certifications is not necessary, employees returning to work from FMLA leaves that were taken because of their own serious health conditions that made them unable to perform their jobs must provide MFA medical certification confirming they are able to return to work and their ability to perform the essential functions of their position, with or without reasonable

~~accommodation. MFA may delay and/or deny job restoration until employees provide return to work/fitness for duty certifications.~~

~~Submission of Certifications Supporting Need for Military Family Leave~~

~~Upon request, the first-time employees seek leave due to qualifying exigencies arising out of the active duty or call to active duty status of a covered military member, MFA may require employees to provide:~~

- ~~• A copy of the covered military member's active duty orders or other documentation issued by the military indicating the covered military member is on active duty or call to active duty status and the dates of the covered military member's active duty service; and~~
- ~~• A certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or other documentation issued by the military for leaves arising out of qualifying exigencies arising out of a different active duty or call to active duty status of the same or a different covered military member.~~

~~When leave is taken to care for a covered service member with a serious injury or illness, MFA may require employees to obtain certifications completed by an authorized healthcare provider of the covered service member. In addition, and in accordance with the FMLA regulations, MFA may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered service member confirming entitlement to such leave.~~

~~Substitute Paid Leave for Unpaid FMLA Leave~~

~~Employees may elect to use any accrued paid time while taking unpaid FMLA leave.~~

~~The substitution of paid time for unpaid FMLA leave time does not extend the length of FMLA leave and the paid time will run concurrently with an employee's FMLA entitlement.~~

~~Leaves of absence taken in connection with a disability leave or workers' compensation injury/illness shall run concurrently with any FMLA leave entitlement. Employees must exhaust all accrued paid leave prior to being eligible for disability benefits.~~

~~Payment for Employee's Share of Health Insurance Premiums~~

~~During FMLA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. Unless MFA notifies employees of other arrangements, whenever employees are receiving pay from MFA during FMLA leave, MFA will deduct the employee portion of the group health plan premium from the employee's paycheck in the same manner as if the employee was actively working. If FMLA leave is unpaid, employees must pay their portion of the group health premium through a method determined by MFA upon leave.~~

~~MFA's obligation to maintain healthcare coverage ceases if an employee's premium payment is more than thirty (30) days late. If an employee's payment is more than fifteen (15) days late, MFA will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date. If employees do not return to work within thirty (30) calendar days at the end of the leave period (unless employees cannot return to work because of a serious health condition or other circumstances beyond their control), they will be required to reimburse~~

~~MFA for the cost of the premiums MFA paid for maintaining coverage during their unpaid FMLA leave.~~

~~Sick and Vacation Accruals~~

~~Employees who are actively at work or on paid leave, such as vacation leave, sick leave or personal days, will continue to accrue paid leave benefits provided by MFA. Employees on unpaid leave are not entitled to accrue vacation or sick leave benefits; this includes employees who are receiving income replacement benefits such as short-term disability, long-term disability, or workers compensation.~~

~~Coordination of FMLA Leave with Other Leave Policies~~

~~The FMLA does not affect any federal, state or local law prohibiting discrimination, or supersede any state or local law which provides greater family or medical leave rights. For additional information concerning leave entitlements and obligations that might arise when FMLA leave is either not available or exhausted, employees should consult MFA's other leave policies in this Manual or contact Human Resources.~~

~~Questions and/or Complaints about FMLA Leave~~

~~If any employee has questions regarding this FMLA policy, he/she should contact the Human Resources Director. MFA is committed to complying with the FMLA and, whenever necessary, shall interpret and apply this policy in a manner consistent with the FMLA.~~

~~The FMLA makes it unlawful for employers to:~~

- ~~• Interfere with, restrain, or deny the exercise of any right provided under FMLA; or~~
- ~~• Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or involvement in any proceeding under or relating to FMLA. If employees believe their FMLA rights have been violated, they should contact the Human Resources Director immediately. MFA will investigate any FMLA complaints and take prompt and appropriate remedial action to address and/or remedy any FMLA violation. Employees also may file FMLA complaints with the United States Department of Labor or may bring private lawsuits alleging FMLA violations.~~

Military Leave of Absence

MFA is required under the Uniformed Services Employment and Reemployment Rights Act (USERRA) and state law to provide enhanced leave rights and job protections for employees absent for military service.

Eligibility: Every employee who is a member of the uniformed services is eligible for military leave of absence regardless of length of employment or part-time status, with the exception of workers employed for brief, non-recurrent periods.

USERRA applies to employees who are members of the uniformed services of the United States, which include the Army, Navy, Air Force, Marine Corps., Coast Guard, and their reserves; the Army and Air National Guards, including periods of training; the Public Health Service commissioned corps; and other categories that may be designated by the President in times of emergency.

A military leave of absence includes voluntary or involuntary active duty, active duty for training, inactive duty training, and full-time National Guard duty. It also includes any absence needed for an examination to determine whether a person is fit to perform military duty.

Request

Unless the giving of advance notice is impossible, unreasonable, or precluded by military necessity, an employee who requests military leave of absence must submit a copy of the military orders or other official documentation, to the employee's supervisor, for approval by the respective Deputy Director, or the Executive Director if appropriate. Employees must give written or verbal notice of the need for military leave as far in advance as is reasonable under the circumstances, preferably at least thirty (30) days in advance of the start of the military leave.

Nature of Military Leave

An employee's salary will not continue during a military leave, with one exception: if an employee is a member of an organized reserve unit of the armed forces, MFA will give the employee up to fifteen (15) working days of military leave with pay annually (based on a military training year) in addition to other authorized unpaid leave when the employee is ordered to active duty training or for the purpose of attending officially authorized training or instruction.

An employee may request to use any vacation or sick leave they have accrued to cover all or part of their military leave. Health benefits coverage will continue for thirty-one (31) days as long as the employee pays their normal portion of the cost of benefits during that period. For leaves lasting longer than thirty-one (31) days, an employee will be eligible to continue health benefits under COBRA and will be required to pay the total cost of their health benefits if they wish to continue benefits.

Reemployment Rights

To be entitled to reemployment rights, an employee on military leave must report back to work or apply for reemployment at MFA according to the following schedule:

- If the military leave was less than 31 days, the employee must return to work the next regularly-scheduled workday following completion of his/her military service and the expiration of eight (8) hours after a time for safe transportation back to his/her residence.
- If the military leave was ~~more than 30 days but fewer than~~ 180~~+~~ days, the employee must apply for reemployment with MFA no later than 14 days following the completion of his/her military service.
- If the military leave was ~~more than 180~~ 1 or more days, the employee must apply for reemployment with MFA no later than 90 days following the completion of his/her military service,

An employee's failure to reapply for reemployment within these deadlines may result in the employee being denied reemployment at MFA following his or military service.

Upon application for reemployment, the employee will be required to provide MFA with military discharge documentation to establish the timeliness of the application for reemployment, the duration of the military service, and his/her honorable discharge. Upon return from military leave, an employee will be reinstated with the same seniority, pay, status, and benefit rights that they would have had if they had worked continuously. If service was for less than ninety (90) days, the employee must will be restored to the same job. If service was longer than ninety (90) days, the employee must be restored to his/her their same job or a similar another job of like seniority, status, and pay, the duties of which the employee qualified to perform. ~~Employees must report for reemployment within ninety (90) days of discharge from the military. An employee who fails to report to work within the prescribed time after completion of military service will be considered to have voluntarily terminated his/her employment.~~

If an employee was a participant in MFA's 401(k) and/or 457(b) retirement plans at the time they left for military duty, they will be permitted to make additional contributions to the plan(s) as of their reemployment date.

Rights for reemployment and benefits depend upon satisfactory completion of military service. MFA is not required to reemploy a returning employee if the employee fails to apply for reemployment in a timely manner; if MFA's circumstances have so changed as to make reemployment impossible or unreasonable; if reemployment would pose an undue hardship upon MFA; if the employee's employment prior to the military leave was for a brief, non-recurrent period and there was no reasonable expectation that the employment would have continued indefinitely or for a significant period; or ~~where~~ if the employee was separated due to a dishonorable or bad conduct discharge or under less than honorable conditions.

Paid Parental Leave Policy

Purpose

The New Mexico Mortgage Finance Authority (MFA) will provide eligible employees with paid parental leave. The purpose of paid parental leave is to provide parents with time to care for and bond with their new child(ren). Eligible employees as defined in this policy will be provided twelve (12) workweeks of fully paid parental leave following the birth, adoption of a child. This policy will run concurrently with leave taken the Family and Medical Leave Act (FMLA), as applicable.

New Mexico Mortgage Finance Authority will provide up to 12 weeks of paid parental leave to employees following the birth of an employee's child or the placement of a child with an employee in connection with adoption or foster care.

Eligibility

To be eligible for paid parental leave, employees must meet the following criteria:

- Be a full-time, regular employee.
- Have been employed with MFA for at least 12 consecutive months prior to the start of the paid parental leave, excluding any temporary and term employment.
- Have given birth to a child or be a spouse or domestic partner of a woman who has given birth to a child, (an affidavit for domestic partnership must be on file with human resources at the time leave is requested) or

- Have adopted a child (the child must be age 17 or younger).
- Children brought into the household due to marriage or domestic partnership would not be a qualifying event for paid parental leave.

Duration and Timeframe of Paid Parental Leave

- Eligible employees will receive a maximum of 12 weeks of paid parental leave for the birth, adoption of a child or children in the six-month time frame immediately following the birth or placement.
- All paid parental leave must be taken during the first 6 months following the birth, adoption, or foster care placement of the child. Parental leave not utilized within the six-month period or any unused paid parental leave will be forfeited.
- Eligible employees may utilize one term of paid parental leave (up to 12 weeks) per birth or adoption event.
- Employees must take paid parental leave in one continuous period of leave.
- Paid parental leave taken under this policy will run concurrently with leave under the FMLA, any leave taken under this policy will also be counted toward the 12 weeks of available FMLA leave.
- If both parents or domestic partners work for MFA, each parent or domestic partner is eligible to receive paid parental leave under this policy.
- Paid parental leave may not be donated to any other employee.

Pay and Benefits During Parental Leave

- Each week of paid parental leave is compensated at regular, straight-time weekly pay.
- Paid parental leave will be paid on a bi-weekly basis on regularly scheduled pay dates.
- If a holiday occurs while the employee is on paid parental leave, it will be paid as holiday pay; however, it will not extend the total paid parental leave entitlement.
- Employees will continue to accrue vacation and sick time during paid parental leave.
- Upon termination of the employment at MFA, he or she will not be paid for any unused paid parental leave for which he or she was eligible.

Requests for Paid Parental Leave

- The employee will provide his or her supervisor and the human resource department with notice of the request for leave at least 30 days prior to the proposed date of the leave (or if the leave was not foreseeable, as soon as possible).
- The employee must complete the necessary HR forms and provide all documentation as required by the HR department to substantiate the request.

New Mexico Mortgage Finance Authority reserves the right to interpret this policy, or to modify it as business needs dictate with or without notice.

Personal Leave of Absence/Leave without Pay

The Executive Director or his/her designee may authorize a personal leave of absence with or without pay, for a reasonable amount of time, under unusual circumstances when it is in the best interests of MFA to do so. Employees requesting a personal leave of absence without pay for eight (8) hours in a pay period or more must submit a completed Personnel Action Form. The granting of a personal

leave of absence without pay for more than eight (8) hours is solely within the discretion of the Executive Director or his/her designee.

Except as otherwise described in MFA's Vacation and Sick leave "Use" policies, appropriate accrued vacation and/or sick leave must be exhausted before applying for personal leave or leave without pay.

Reinstatement

Reinstatement following an unpaid personal leave of absence is not guaranteed. Management will attempt to reinstate an employee returning from a personal leave of absence into the employee's former position or, if that is not available, a comparable position. If the employee's former position is not available, Management will consider the employee for any available position for which he or she is experienced and qualified.

Educational Leave

Full time employees are eligible to request educational leave with or without pay for training related to their position with MFA. The granting of educational leave of absence is solely within the discretion of the Executive Director or his/her designee.

Domestic Abuse Leave

An employee may take up to fourteen (14) days or 112 hours per calendar year to:

- Pursue an order of protection or other judicial relief from domestic abuse;
- Meet with law enforcement officials, consult with attorneys or district attorneys' victim advocates, or attend court proceedings related to domestic abuse of themselves or a member of their family.
- Domestic abuse leave is unpaid unless an employee chooses to use accrued sick or vacation leave.

Definition

"Domestic Abuse" for purposes of this policy means an incident of stalking or sexual assault whether committed by a household member or not, or any incident by a household member against another household member consisting of or resulting in:

- physical harm;
- severe emotional distress;
- bodily injury or assault;
- a threat causing imminent fear of bodily injury by any household member;
- criminal trespass;
- criminal damage to property;
- repeatedly driving by a residence or work-place;
- telephone harassment;
- harassment; or
- harm or threatened harm to children.

Notice

In an emergency, employees needing domestic abuse leave must notify MFA within twenty-four (24) hours of starting the leave. Otherwise, employees needing domestic abuse leave must provide as much notice as possible in the circumstances. Notification can be given to the employee's supervisor/manager, the Human Resources Director, respective Deputy Director or Executive Director.

Verification

Employees must provide MFA with verification of the leave as soon as verification is obtained. The verification may be a police report indicating that the employee or a member of the employee's family was a victim of domestic abuse; a copy of an order of protection or other court evidence produced in connection with an incident of domestic abuse; or a written statement from the employee's attorney, district attorney's victim advocate, or prosecuting attorney stating that the employee, employee's child, or a child for whom the employee is a guardian appeared or is scheduled to appear in court in connection with an incident of domestic abuse.

Confidentiality

MFA will keep all information regarding domestic abuse leave strictly confidential, including the fact that the employee or employee's family member was involved in a domestic abuse incident; that the employee requested or took domestic abuse leave; and the verification provided by the employee. No information regarding domestic abuse leave will be kept in personnel files. MFA will disclose information related to domestic abuse only when the employee consents, or when a court or administrative MFA orders such disclosure, or when such disclosure is otherwise required by federal or state law.

No Retaliation

MFA will not penalize or retaliate against an employee for requesting or taking domestic abuse leave. MFA will not withhold benefits coverage from an employee during the time they are on domestic abuse leave. Time taken for domestic abuse leave will not be included in calculating eligibility for benefits.

SAFETY, VIOLENCE, SECURITY, AND DRUG AND ALCOHOL- FREE ~~WORK PLACE~~WORKPLACE

Safety

It is the intent of the MFA Board Directors and Management to ensure a safe, productive work environment and to protect all employees and MFA property from harm. Safety is the responsibility of all employees. Every effort should be made to develop safe working conditions.

For the safety of MFA's employees and visitors the following rules apply:

- Restrooms are for use only by MFA employees and visitors who have legitimate business reasons for being on the premises.
- All visitors, including family and friends of employees, and business associates, will be required to remain in the lobby until the appropriate employee is notified and physically greets the visitor.
- All visitors must sign in at the reception desk and must be escorted to the appointed destination.
- At the conclusion of meeting, all visitors must be escorted back to the reception desk to sign out

If anyone becomes aware of a potential hazard, it must be reported to Management or to the employee's supervisor immediately.

Work-Related Injuries and Illnesses

Federal law requires that MFA keep records of all accidents and illnesses that occur during the workday. State law also requires that employees report any injury or illness sustained on the job, no matter how minor it may be. Employees must inform Human Resources immediately and complete an accident report no matter how minor the injury may appear. If an employee fails to report an injury, his or her right to collect workers' compensation payments and health benefits may be jeopardized.

If anyone becomes aware of a potential hazard, it must be reported to Management or to the employee's supervisor immediately.

Restraining Orders

Employees are required to inform their direct supervisor if they have obtained a court-ordered restraining order against any person. A copy of the restraining order must be provided to Human Resources as soon as it is issued by a court.

Use of Personal and MFA-Issued Cell Phones

The use of personal or MFA-issued cell phones while at work may present a hazard or distraction to the user and/or co-employees. This policy is meant to ensure that cell phone use during work hours is safe, does not disrupt business operations, and is consistent with other policies regarding MFA property.

Employees whose job responsibilities include regular or occasional driving and who use a cell phone for business are expected to use caution while driving. Cell phones may **not** be used for MFA

business purposes while driving **unless** they are equipped with a hands-free device or built-in speakers that allow for hands-free use. Text messaging is prohibited while driving during work hours.

Under no circumstances are employees allowed to place themselves at risk when using cell phones to fulfill business needs. Employees who are charged with traffic violations resulting from the use of their phone while driving will be solely responsible for all fines that result from such actions. Employees in possession of company equipment such as cellular phones are expected to protect the equipment from loss, damage or theft.

Employees in violation of this policy will be subject to disciplinary action, including termination.

Building Access

MFA strives to provide exceptional customer service. This includes having walk in customers for the full ranges of programs provided on a regular basis. MFA's customer service policies and MFA's location bring with it some risks. Staff must be vigilant when entering the building to ensure no one, other than MFA staff, enters the building with them unless they have been identified and are escorted to the receptionist desk.

Violence

MFA seeks to provide a safe workplace for all employees. Violence of any kind will not be tolerated at MFA. Violence, causing physical harm to another, or threats of violence and/or the possession of a firearm in the MFA building is prohibited and will result in disciplinary action, up to and including termination of employment. Refusal to permit inspection for the presence of a firearm in MFA workspace, or refusal to participate in an investigation into workplace violence may also result in disciplinary action, up to and including termination of employment.

The procedures outlined below should be followed if employees of or visitors to MFA become violent or threatening:

- Any employee who feels he/she is in imminent danger, should call 911, -otherwise;
- Call the receptionist at extension 2201. He/she will follow the emergency response procedures.
- Remain calm so as not to heighten the situation.
- Do not physically try to calm the situation or restrain the individual.
- Forward harassing or threatening phone calls to the Human Resources Director.

Security

MFA is closed and secured at all times other than business hours.

If the building is entered at times other than business hours, the building security alarm will activate. At this time, the alarm company will attempt to contact MFA office by telephone. If no one answers the telephone and/or the security code is not given, the security company will assume a breach of security and the police will be called.

Every attempt should be made to use care in entering and leaving the building without accidentally setting off the alarm. Employees must immediately notify their supervisor or the Facilities Technician in cases of accidental alarm activation.

Drug and Alcohol-Free ~~Work Place~~Workplace

MFA will not tolerate the use, sale, manufacture, distribution, purchase, and/or possession of illegal controlled substances or alcohol during work hours or in its workplace, inspection sites, office rental vehicles, and personal vehicles when mileage is reimbursed by MFA. Being under the influence of alcohol/drugs while at work or consuming drugs/alcohol while on breaks or lunch is not permitted. Receiving a DUI (Driving under the Influence) citation will not be tolerated and may result in termination of employment. A full disclosure to immediate supervisor who is required to report to respective Deputy Director or Executive Director and Human Resources Director is required within twenty-four (24) hours of receipt of such violation and or citation.

Disclosure is required for prescription medications that may cause impairment. Human Resources will maintain the confidentiality of such information on a strict need-to-know basis.

MFA wants to continue to provide a safe and healthy work environment for employees and clients that is free from drugs and alcohol. The following policy is in furtherance of that goal.

MFA prohibits:

- The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medication without a prescription on MFA premises;
- Being impaired or under the influence of legal or illegal drugs or alcohol away from MFA premises while on a work assignment if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk MFA's reputation;
- Being impaired or under the influence of legal or illegal drugs or alcohol during any MFA-sponsored event, or event in which MFA participates, and regardless of whether the employee is still considered to be working, if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk MFA's reputation;
- Possession, use, solicitation for, or sale of legal or illegal drugs or alcohol away from MFA premises, if such activity or involvement adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk MFA's reputation.
- The presence of any detectable amount of prohibited substances in the employee's system while at work, while on the premises of MFA, or while MFA business. "Prohibited substances" include illegal drugs, alcohol, or prescription drugs not taken in accordance with a prescription given to the employee.

MFA may ask an employee to submit to a drug and/or alcohol test at any time under any of the following circumstances:

Reasonable Suspicion Testing

"Reasonable suspicion" exists when an employee exhibits patterns of behavior that suggest impairment from drug or alcohol use or when job performance or safety is affected. An employee may be requested to take a drug test or alcohol test if management officials or supervisors have reasonable cause to believe that the employee's faculties are impaired while at work due to drug or alcohol use. For purposes of this policy, actions by an employee which will support "reasonable; suspicion" drug or alcohol testing include, but are not limited to, unauthorized leave from work areas;

excessive tardiness when returning from breaks or meal periods; accidents on the job; evidence of drugs or alcohol on or about the employee's person or in the employee's vicinity; and significant swings on normal behavior, morale, or level of productivity. Reasonable suspicion testing will be preceded by the supervisor completing a Reasonable Suspicion Checklist in a form provided by Human Resources.

Drug and alcohol tests will be done by a certified private laboratory selected by the MFA and this laboratory will ensure that split samples are taken so that retesting can be done if requested by the employee. Positive test results may result in the termination of employment. If an employee is tested for drugs or alcohol outside of the employment context and the results indicate a violation of this policy, or if an employee refuses a request to submit to testing under this policy, the employee also may be subject to appropriate disciplinary action, up to and possibly including termination of employment. In such a case, the employee will be given an opportunity to explain the circumstances prior to any final employment action becoming effective.

MFA maintains an Employee Assistance Program (EAP) under which employees may seek assistance. In the event of a positive drug or alcohol test, however, a referral to the EAP may or may not be available under the circumstances.

Any employee violating this policy will be subject to disciplinary action up to and including termination of employment. In lieu of termination, MFA may grant the employee a leave of absence to participate in and successfully complete a drug/alcohol abuse assistance program or rehabilitation program approved by a federal, state or other appropriate agency.

The employee will not be permitted to return to work until certification is presented to the Human Resources Director that the employee is capable of performing their job. Failure to cooperate with an agreed-upon treatment plan may result in disciplinary action to include termination.

Participation in a treatment program does not insulate an employee from disciplinary action for violations of this or other MFA policies. An employee who has been arrested ~~convicted~~ for a violation of a criminal drug statute that occurred during work hours is required to notify MFA no later than five calendar days after such conviction. MFA will make a determination on a case-by-case basis whether to terminate the employee or place the employee on unpaid administrative leave pending the outcome of the criminal charges against the employee. ~~Conviction means a finding of guilt (including a plea of nolo contendere) or the imposition of a sentence, or both, by a judge or jury in any federal or state court.~~

STANDARDS OF CONDUCT & DISCIPLINARY ACTION

Groups of people who work together for any purpose require certain guidelines regarding their conduct and relationships. MFA expects ~~all of its~~ employees to conduct themselves in an honest, polite, respectful and professional manner at all times, which includes being well-mannered and respectful to one another, as well as to visitors, customers, associates and partners of MFA.

Misconduct

As previously stated, employment with MFA is at will and either the employee or MFA may terminate the employment relationship at any time, for any or no reason, and with or without advance

notice. Although Management may attempt to help employees correct their behavior through progressive discipline or other means, immediate termination is always an option. Although there is no way to identify every possible violation of standards of conduct that might rise to the level of misconduct, the following is a partial list of examples that will result in discipline, up to and including termination:

- Fighting or other disorderly conduct.
- Loud and/or disruptive behavior.
- Theft from MFA or a co-worker.
- Dishonesty of any kind.
- Failure to complete or falsification of any document or record, including hiring and timekeeping records including Personnel Activity Reports.
- Unauthorized use or disclosure of MFA's confidential information and/or records, such as salary information, or other confidential information, which may become available to the employee during employment.
- Violation of MFA's Confidentiality Agreement.
- Deliberate conflict of interest.
- Willful destruction or negligent abuse, waste, or theft of MFA property or the property of a co-worker.
- Any use of illegal drugs or abuse of prescription drugs, or being under the influence of alcohol, during working hours or on MFA premises.
- Possession of any weapons or firearms on MFA premises.
- Threatening, intimidating, bullying, defaming, or coercing others by word or action.
- Engaging in discrimination, including sexual or other harassment, of an MFA employee or any visitor, customer or person providing services to MFA.
- Violation of any safety, security, or health rules.
- Engaging in any actions prohibited by the Fair Housing Amendments of 1988.
- Insubordination (including refusal to accept a job assignment or to acknowledge a written counseling).
- Failure to perform job responsibilities.
- Not performing at an acceptable level of competency.
- Repeated absenteeism and/or tardiness.
- Unauthorized use or misuse of MFA property (for example, unauthorized use or misuse of MFA's computers or E-mail).
- Unauthorized soliciting, collecting contributions or distribution of literature for any purpose on MFA premises.

Disciplinary Action

Management in its sole discretion determines what disciplinary steps or action may be appropriate to address employee behavior and/or performance problems. Disciplinary action may take different forms, depending upon the specific facts and circumstances, including, but not limited to, the following:

- Oral counseling, which may or may not be documented in writing.
- Written counseling signed by the employee's supervisor and acknowledged by the employee and placed in the employee's personnel file after consultation with the employee.

Additional disciplinary steps that may be taken, depending upon the seriousness of the behavior or performance problem being addressed, including but are not limited to the following, which may be taken only with the approval of the Executive Director:

- Delay in expected salary adjustments.
- Evaluations other than annual.
- Suspension without pay.
- Performance and/or conduct improvement plan.
- Demotion.
- Termination.

Not all of foregoing steps may be required to correct instances of inappropriate employee behavior, poor performance or misconduct, nor are these steps required to be taken in the order in which they are listed. Because of the at-will nature of employment at MFA, employment may be terminated by MFA or the employee, at any time, for any reason or for no reason, with or without advance notice and with or without disciplinary steps having first been followed.

Disagreements with Supervisors

While MFA strives to maintain pleasant and effective working conditions, it recognizes that misunderstandings and disagreements between employees and their supervisors may arise. In such cases, and in cases where disciplinary action has been taken with which an employee is dissatisfied, the following procedures will generally be followed:

- The employee should first discuss the problem or disciplinary action with his/her supervisor.
- The supervisor will make a decision about the problem or disciplinary action based on discussions with the employee.
- Every effort should be made to resolve problems or conflicts with the immediate supervisor prior to utilizing the chain of command.
- If the employee does not agree with the decision of the supervisor, the employee should consult with the next level of management.
- The next level of management will confer with all parties and make a decision about the problem or corrective action.
- If the employee does not agree with the decision the employee should consult with the Human Resources Director.
- The Human Resources Director will confer with all parties and then make the final decision about the problem or corrective action, unless the disagreement involves the Human Resources Director, in which event the Executive Director or his/her designee will make the final decision.

ANTI-DISCRIMINATION AND HARASSMENT POLICY

Objective

MFA is committed to maintaining an employment environment in which all individuals are treated with respect and dignity. Each individual has the right to work in an atmosphere that promotes equal opportunities and prohibits discriminatory practices and harassment.

Discrimination or harassment on the basis of an individual's race, gender, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy, parenthood, national origin, age, physical or mental disability, serious medical condition, genetic information, status with regard to public assistance, status as a veteran, ancestry, or any other classification protected by applicable federal, state or local law, is strictly prohibited and will not be tolerated by MFA.

This anti-discrimination and harassment policy prohibits any type of discrimination or harassment by any MFA employee against any individual in our workplace, and in other work-related settings such as business trips and social events attended by employees. MFA also will not tolerate any form of discriminatory or harassing behavior against an MFA employee by any non-employees, such as visitors, customers, associates, or persons providing services or products to MFA.

Harassment Defined

Sexual and other harassment are forms of discrimination that are prohibited by Title VII of the Civil Rights Act of 1964 and 1991, and by the New Mexico Human Rights Act.

Harassment refers to unwelcome behavior that is based on a protected characteristic of the person(s) being harassed (e.g., ~~their~~ age, sex, religion, national origin, etc.), and that creates an intimidating, hostile or offensive working environment. Harassment in the workplace is demeaning to the person(s) against whom it is practiced and destroys the fair and harmonious working environment essential to the continued success of MFA.

Prohibited harassment may take many forms, including, but not limited to, the following:

- Harassing or discriminatory remarks or actions against an individual or group on the basis of their race, gender, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy, parenthood, national origin, age, physical or mental disability, serious medical condition, genetic information, status with regard to public assistance, status as a veteran, ancestry or any other characteristic protected by law.
- Crude/vulgar language, sexual advances or other verbal, visual, or physical conduct of a sexual nature, intimidation, baiting, hazing, bullying, banter/teasing, spreading rumors, sending or posting offensive or lewd materials (including pictures, sayings or cartoons), ridicule, hostility and threats or acts of violence.
- Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:
 - A. submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
 - B. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; or
 - C. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

~~C.~~

REPORTING DISCRIMINATION OR HARASSMENT

Employee Responsibilities:

- All employees are equally responsible and accountable for maintaining a workplace that respects the dignity and rights of their fellow employees and the customers they serve.
- Employees are encouraged to be supportive of one another and sensitive to remarks and actions that can be personally harmful and/or disruptive to others in the workplace.
- Employees who believe they are being discriminated against or harassed are encouraged to firmly and promptly inform the offender that his/her behavior is unwelcome, harmful, or offensive. Some offenders may be genuinely oblivious to the effect of their words or conduct on other people and might be willing to change if they knew they were hurting or offending someone. However, MFA recognizes that power and status disparities between an alleged harasser and a target or other circumstances may make such a confrontation difficult or impossible in some instances.
- Any employee who is aware of or who has experienced an incident of discrimination or harassment should report the matter immediately to his/her supervisor or any member of Management ~~so as to~~ minimize the risk of repeat incidents or retaliation by the offender.
- If the supervisor is the offender, report the incident to Management. If Management is the subject of the report, the employee should inform the Human Resources Director.
- Reports of discrimination or harassment, whether oral or written, should include an accurate, detailed description of the objectionable behavior, including date(s), time(s), and place(s) of the alleged discrimination or harassment, and should identify any other individuals who may have witnessed or heard the offensive conduct.

Supervisor, Manager and Management Responsibilities:

- Supervisors, managers and Management must serve as positive role models with respect to proper conduct in the workplace.
- Along with their own conduct, supervisors, managers and Management should always be alert in identifying negative behavior among employees, whether intentional or not, that may affect the work environment.
- Supervisors, managers and Management should also encourage employees to discuss and ask questions to become better informed and to bring concerns and observations to the attention of their supervisors for discussion and follow-up, as appropriate.
- In the event that a supervisor, manager or Management becomes aware of a discrimination or harassment incident or complaint, or potential problem situation, he/she should contact the Human Resources Director immediately for guidance in investigating and addressing the problem.
- Supervisors, managers and Management should cooperate fully with efforts to investigate and resolve any complaints of discrimination or harassment.

Investigation of Reports

Investigation of all reports of discrimination or harassment will be undertaken promptly in as discreet and confidential a manner as possible. Cooperation and discretion by all employees contacted ~~during the course of~~during an investigation is required.

If a complaint of discrimination or harassment is substantiated, appropriate corrective action will be taken, depending upon the circumstances. Employees found to have engaged in discrimination or harassment will be subject to appropriate discipline, up to and including termination.

Retaliation

MFA will not tolerate any retaliation against any employee who makes a report of harassment or discrimination or who participates in an investigation of a report or claim of harassment or discrimination. Any employee found to have retaliated against another employee for reporting harassment or discrimination, or for participating in an investigation of discrimination or harassment, will be subject to disciplinary action, up to and including termination.

Harassment by Non-Employees

All MFA employees are entitled to enjoy a workplace free from discrimination, harassment and abuse of any sort, and have a right to perform their job duties without a requirement to endure discrimination, harassment or abuse from any member of the public or any MFA contractor, sub-recipient, or partner. If, in the course of performing her/his job duties, an MFA employee encounters any member of the public, or any MFA contractor, sub-recipient, or partner who speaks to, writes to, or writes about the employee or any other person in a manner that the employee finds offensive or threatening, that employee may terminate all verbal and/or written communication with the person making or writing the offensive or threatening comments. The employee shall immediately notify – verbally and/or in writing - her/his direct supervisor, or if that person is unavailable, a Deputy Director or the Executive Director, of the incident and all relevant information regarding the incident. The employee will have no further obligation to communicate with and or have any other form of contact with the person who made the offensive or threatening comment.

For the purposes of this policy, an offensive comment shall include, but shall not necessarily be limited to, comments regarding membership in a protected classification (based on race, religion, ethnicity, national origin, gender, sexual orientation, gender identity, or perceived sexual orientation or gender identity); disability or perceived disability; physical appearance; or any other comment that a reasonable person similarly situated to the employee would find offensive. A threatening comment shall be interpreted as any comment indicating a suggestion or expression of intent to actively commit some form of physical, mental, or emotional harm to the employee, to another employee, to anyone related to any employee, or to any other person in a manner that would cause a reasonable person similarly situated to the employee to whom the comment was made to feel threatened.

ANTI-BULLYING POLICY

Objective

MFA's objective is to provide a work environment that promotes respect of our employees. MFA believes all employees should be able to work in an environment free of bullying and will not tolerate bullying under any circumstances.

Bullying Defined

Workplace bullying is verbal or nonverbal abusive behavior that is intended to or has the effect of intimidating, offending, degrading and/or humiliating an employee, whether it occurs in a one-on-one situation or in front of other employees, partners, or customers. Some examples of workplace bullying include:

- Verbal abuse, including shouting, using an inappropriate or mocking tone of voice, or using profanity or crude language.
- Exclusion of an employee by not notifying the employee of meetings, opportunities, results, and outcomes directly affecting his/her employment or ability to perform his/her job effectively.
- Belittling behavior, including public remarks or emails that may cause humiliation.
- Interfering with another employee's workplace, materials, and equipment.
- Excessive and/or intrusive surveillance or monitoring of an employee.
- Nitpicking and fault finding without justification.
- Deliberately withholding information vital for effective work performance.

Workplace counseling, providing constructive criticism, managing performance or any other action in accordance with MFA's policies and procedures does not constitute workplace bullying. Differences of opinion, interpersonal conflicts, and problems in working relations are part of working life and do not constitute bullying.

Reporting Bullying

Employee Responsibilities:

- All employees are equally responsible and accountable for maintaining a workplace that respects the dignity and rights of their fellow employees and the customers they serve.
- All employees of MFA shall act responsibly to establish a pleasant working environment free of bullying.
- Employees are encouraged to be supportive of one another and sensitive to remarks and actions that can be personally harmful and/or disruptive to others in the workplace.
- Employees who believe they are being bullied are encouraged to tell the offender directly that his/her behavior is contrary to MFA's anti-bullying policy. Some offenders may be genuinely oblivious to the effect of their words or conduct on other people and might be willing to change if they knew they were hurting or offending someone. However, MFA recognizes that power and status disparities between an alleged bully and a target or other circumstances may make such a confrontation difficult or impossible in some instances.
- Individuals who are aware of or who have experienced an incident of bullying are encouraged to report the matter promptly, to his/her supervisor or any member of Management to minimize the risk of repeat incidents or retaliation by the offender.

- If an employee's supervisor or manager is the offender, the incident should be reported to Management. If Management is the subject of the report, the incident should be reported to the Human Resources Director.

Supervisor, Manager and Management Responsibilities:

- Supervisors, managers and Management must serve as positive role models with respect to proper conduct in the workplace, and should always be alert in identifying bullying behavior among employees, whether intentional or not, that may affect the work environment.
- Supervisors, managers and Management should also encourage employees to discuss and ask questions to become better informed and to bring concerns and observations to the attention of their supervisors and managers for discussion and follow-up, as appropriate.
- In the event that a supervisor, manager or Management becomes aware of a bullying complaint, or potential bullying problem, he/she should contact the Human Resources Director immediately for guidance in investigating and addressing the problem.
- Supervisors, managers and Management should cooperate fully with efforts to investigate and resolve any reports of bullying.

Investigation of Reports

Investigation of all reports of bullying will be undertaken promptly in as discreet and confidential a manner as possible. Cooperation and discretion by all employees contacted ~~during the course~~ eduring an investigation is required.

If a complaint of bullying is substantiated, appropriate corrective action will be taken, depending upon the circumstances. Employees found to have engaged in bullying in violation of this policy will be subject to appropriate discipline, up to and including termination.

Retaliation

MFA will not tolerate any retaliation against any employee who makes a report of bullying or participates in any investigation of a bullying complaint. Any employee found to have retaliated against another employee for reporting or participating in an investigation of bullying will be subject to disciplinary action, up to and including termination.

PERSONNEL FILES AND PERSONAL INFORMATION

Personnel Files

MFA strives to keep accurate, up-to-date employment records on all employees to ensure compliance with state and federal regulations, to keep benefits information up to date, and to make certain that important mailings reach all employees. All information contained in personnel files is the property of MFA and is considered confidential.

Employees must inform MFA of any necessary updates to their personnel file such as change of address, change of telephone and cell numbers, emergency contact information, marital status, number of dependents or military status.

The following types of information and documents may be kept in employee personnel files:

- Employment application
- Personal data, including name and address changes, emergency notification information, and home telephone and cell numbers
- Performance evaluations
- Disciplinary actions
- Salary history
- Payroll deduction authorization forms
- Personnel Action Forms
- Outside information requests
- Signed receipt for MFA's Employee Manual
- Position descriptions
- Training Certificates
- Interview notes, comments received from references.

All current employees will be permitted to review their personnel files at reasonable times with reasonable notice, in the presence of the Human Resources Director, Human Resources Assistant, or the employee's supervisor.

MFA will only verify dates of employment and job titles to outside agencies inquiring by telephone about current or former employees. No other information will be given out about an employee without written authorization from the employee, except what is required as otherwise required by law.

Personnel files may not be physically taken out of MFA offices by anyone. The Executive Director must determine exceptions.

Access to an employee's personnel file is limited to the Human Resources Department, Management, and the employee's immediate supervisor.

Any employee who reveals information from any personnel file in violation of this policy will be subject to disciplinary action, up to and including termination.

Personal Information

Unless requested or required by law enforcement or a valid subpoena, Anan employee's home telephone number, cell number, or address will not be given externally. It will only be provided internally for business reasons.

The following documents and information will be kept in confidential files, separate and apart from the employee's personnel file: Background Investigations, W-4 Forms, I-9 Forms (Employment Eligibility Verification) and copied identification documents; Worker's Compensation information; employee benefits enrollment forms for health, dental, life insurance, and MFA's retirement plans; any medical information, including disability claim forms; driving records ; and exit interviews.

EMPLOYEE PERFORMANCE EVALUATIONS

Timing of Evaluations and Salary Adjustments

MFA will strive to conduct formal employee performance evaluations on an annual cycle corresponding to the fiscal year end in a format approved by Management. Salary adjustments may occur on an annual basis or more frequently, based on recommendations of the employee's supervisor and with the Executive Director's approval. Any salary adjustments made relative to annual evaluations will generally become effective with the first payroll cycle of December.

All employees (new, transferred, reclassified, promoted, or demoted) may receive quarterly coaching and annual performance evaluations. Annual evaluations will generally take place in the October/November timeframe.

Approval

The employee's direct supervisor is responsible for conducting employee performance evaluations. Managers are responsible for reviewing evaluations with supervisors and recommending salary adjustments. Upon completion of that process, the Deputy Director in the employee's management chain, or the Executive Director if appropriate, reviews all evaluations and recommended salary adjustments.

The Executive Director must approve all salary adjustments. The completed evaluation then becomes part of the employee's personnel file.

Job Descriptions

There are job descriptions for each position in MFA. All new positions must have job descriptions prior to being filled. Maintaining accurate job descriptions is the responsibility of the immediate supervisor. If a major change occurs within a position, the job description should be timely revised to reflect those changes. Job descriptions will be reviewed during the employee performance evaluation period.

Promotions

Movement to a new position with a higher salary range is considered to be a promotion. An employee who is promoted may receive a salary adjustment.

Demotions

Movement to a position in a lower salary range is considered to be a demotion. An employee who is demoted may receive a pay decrease at the time of the demotion. The amount of decrease is dependent upon the pay range of the new position and the current pay of the employee, among other factors.

RESIGNATIONS, TERMINATIONS AND EMPLOYMENT REFERENCES

Resignations

Two (2) weeks' advance notice is requested from a non-exempt employee and thirty (30) days' advance notice, if possible, from an exempt employee wishing to resign from MFA. The resignation should be in writing, specify the last day of work and the reason for resigning, and must be signed and dated by the employee. Although advance notice of resignation is not required, an employee's failure to provide adequate advance notice may result in the employee being deemed ineligible for rehire with MFA.

~~After submitting a letter of resignation an employee may not take any leave time other than accrued vacation leave unless otherwise approved by the Executive Director.~~

Any MFA property in the employee's possession must be returned to MFA by the last day of employment.

VOLUNTARY SEPARATION INCENTIVE PROGRAM

Purpose

The purpose of the Voluntary Separation Incentive Program is to implement a separation incentive, as authorized by the Executive Director, to achieve the following organizational objectives:

1. Recruiting: Allow adequate time to advertise and recruit replacement.
2. Alignment: Allow outgoing incumbent to align work required for the role, to include updated desktop procedures and prioritization of duties.
3. Training: Allow for outgoing incumbent to train his or her replacement.
4. Shadow/Support: Ensure the replacement has grasped the fundamentals of the position and provide any additional support as needed.

Eligibility

To be eligible for a separation incentive payout, the employee must formally submit a minimum of three-month written notice and hold a key position.

Key positions include:

- Deputy Directors
- Directors
- Any employee deemed key at the time of departure and as approved by the Executive Director

Incentive Program Payout

To receive the incentive program payout, the employee must successfully complete each of the following three phases:

1. Alignment Phase
2. Training Phase
3. Shadow and Support Phase

At the end of the third phase, the outgoing incumbent may be offered the ability to stay on part time or in a consulting position. Such an offer will be made at the full discretion of the Executive Director. Upon the successful completion of the three phases, the employee will receive a one-time, lump sum bonus payment equivalent to 5% of employee's annual base salary. The Executive Director retains full discretion to determine whether the employee has successfully completed each of the three phases.

Should additional time be needed for recruiting and on-boarding, an additional incentive may be considered by the Executive Director.

Continuation of Benefits

Unless a resigning employee makes other arrangements permitted under certain conditions, all benefit coverage will cease the last day of the month of the effective date of resignation. All resigning employees will be notified of how to continue health, dental and vision insurance coverage through MFA's COBRA provider.

Accrued Vacation and Sick Leave

Vacation leave accrued to the date of termination will be paid up to the maximum allowed as provided in MFA's Vacation Leave policy. Accrued sick leave is not compensable upon resignation of employment.

Retirement Funds

401(k) vested funds under \$5000.00 will require a distribution or rollover from MFA's plan. The 457(b) funds may be left in MFA's account; however, the employee will be responsible for the quarterly fees associated with managing the 457(b) account.

Exit Interviews

An exit interview will be scheduled during the employee's last week of employment or may be mailed to the former employee. An employee's refusal or failure to give an exit interview may result in the employee being deemed ineligible for rehire with MFA.

MFA Property

Any MFA property in an employee's possession must be returned to MFA by the effective termination date.

Final Pay

Those employees who voluntarily resign from their position will be paid on the next payroll.

Involuntary terminating employees will be paid within five (5) calendar days following the effective date of termination and can either be picked up by the employee or mailed to the employee's home address, as directed by the employee.

Employment References

Following resignation or termination of employment, MFA will verify only employment dates and positions held when contacted for an employment reference by a prospective employer of a former MFA employee, unless the prospective employer provides a consent and release of liability form signed by the former MFA employee.

All requests for employment references, reference letters and employment verifications must be directed to the Human Resources Director.

Tab 3



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting

Tuesday, April 7, 2020 at 1:30 p.m.

To dial in to the conference call dial: *All participants Dial-in number:*

1-844-992-4726 access code: 10733708

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 COVID – Update	✓	NO
2 COVID-19 Resolution (Izzy Hernandez)	3-0	YES

Committee Members present:

Derek Valdo, Chair

☐ present

☐ absent

☒ conference call

State Treasurer Tim Eichenberg or
Proxy Diana Rosales - Ortiz

☐ present

☐ absent

☒ conference call

Lt. Governor Howie Morales or
Proxy Martina C'de Baca

☐ present

☐ absent

☒ conference call

Izzy Hernandez



MEMO

TO: MFA Board of Directors

Through: Finance Committee – April 7, 2020

Through: Policy Committee – April 3, 2020

FROM: Isidoro Hernandez

DATE: April 15, 2020

SUBJECT: COVID-19 Emergency Resolution

Recommendation: Staff recommends approval of proposed COVID-19 Emergency Resolution.

Background:

On January 31, 2020, the United States Department of Public Health and the Human Services Secretary Alex M. Azar II declared a public health emergency for the novel coronavirus which has been named “coronavirus disease 2019” (COVID-19).

On March 11, 2020, the Governor of the State of New Mexico, Michelle Lujan Grisham, issued Executive Order 2020-004 declaring a state of public health emergency, invoking and exercising all powers vested in the office of the Governor under the All Hazard Emergency Management Act and establishing orders and measures to protect public health and safety.

Governor Lujan Grisham has issued subsequent Executive Orders 2020-005 through 2020-017 ordering measures taken to protect public health and safety, and authorizing emergency funds.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, was signed into law on March 27, 2020.

Discussion:

MFA anticipates the following regarding COVID-19:

1. Receiving funds made available through the CARES Act,
2. Regulatory changes impacting programs we administer
3. Need to change policies and procedures to comply with federal mandates
4. Need to mobilize resources in the most expeditious and efficient manner possible to provide assistance.

MFA leadership is requesting the below delegated authority to enable expedited decisions when time is of the essence.

- Make Emergency procurements up to \$500,000 without approval of the Board of Directors (Section 3)

- to enter into, or modify contracts, make awards, incur obligations, and provide emergency assistance on behalf of the Authority as necessary, (Section 4)
- suspend requirements for bidding processes and formalities otherwise required by the Policies and Procedures, and Rules and Regulations (Section 4)
- authorized to make such changes to program policies, procurement documents as may be necessary to meet the demands of the public health emergency that exists. (Section 5)
- are authorized to apply for, and receive, any state or federal assistance needed to meet the demands of the public health emergency that exists, and to utilize such funds for any activity, as may be allowed for under any state or federal law already or which may be enacted (Section 6)
- authorized to allocate existing funds, including but not limited to New Mexico Housing Trust Fund, Land Title Trust Fund, National Housing Trust Fund and HOME program funds in a manner that is consistent with state and federal law, including any current or amended regulatory requirements, (Section 7)
- authorized to amend the Consolidated Plan and Annual Action Plan to reallocate funding as needed to meet the demands of the public health emergency that exists. (Section 8)
- authorized to adopt such emergency rules, and changes to the Authority's Policies and Procedures and Rules as necessary to ensure that the Authority shall serve and fulfill the purposes for which it was created, including but not limited to, rules that allow for the allocation of new funds to existing service providers that have the need and capacity to execute those funds, and rules and changes to the Authority's Policies and Procedures and Rules as necessary to fully implement, comply with and receive any benefit or relief provided by any state or federal law enacted to address the impact of COVID-19 and any other implementing rules and regulations thereof, or any other state or federal legislation directed to addressing COVID-19 that may later be enacted. (Section 9)
- authorized to adopt such emergency rules, and changes to the Authority's 401(k) Plan, Policies and Procedures, and Rules, as necessary, to fully implement, and comply with the CARES Act, (Section 10)

All actions taken under these delegations would be reported to the Board of Directors at the next regular meeting.

The resolution would become effective immediately upon its adoption, and shall remain in effect for the longer of the duration of the of Executive Order 2020-004 as may be amended or extended by Governor Lujan Grisham, or the time that may be required for the Authority to receive and expend any emergency relief funds that may be become available to it to address COVID-19, provided that the resolution may be earlier terminated the Board of Directors.

Summary:

In response to address COVID-19 impacts MFA anticipates additional funding and changing regulations and requirements. MFA leadership is requesting temporary delegated authorities that will enable it to make expedited decisions when time is of the essence.

NEW MEXICO MORTGAGE FINANCE AUTHORITY
COVID-19 EMERGENCY RESOLUTION

April 15, 2020

**Emergency Resolution Authorizing Immediate and Extraordinary Action; Delegating
Authority to the Chair, Vice Chair, Executive Director, Deputy Director of Programs, and
Deputy Director of Finance and Administration**

WHEREAS, the Legislature of the State of New Mexico (the “State”), at its 1975 regular session, adopted Chapter 303, Laws of New Mexico, 1975, known and cited as the Mortgage Finance Authority Act, NMSA 1978 §§ 58-18-1 through 58-18-27 (the “Act”); and

WHEREAS, there was created by the Act, a public body politic and corporate, separate and apart from the State, constituting a governmental instrumentality known and identified as the “New Mexico Mortgage Finance Authority” (the “Authority”), said Authority being created and established to serve a public purpose and to act for the public benefit by improving the health, safety, welfare and prosperity of the State and the general public; and

WHEREAS, the purposes of the Authority are to provide decent, safe and sanitary residential housing to persons of low or moderate income;

WHEREAS, on January 31, 2020, the United States Department of Public Health and the Human Services Secretary, Alex M. Azar II, declared a public health emergency for the novel coronavirus which has been named “coronavirus disease 2019” (abbreviated “COVID-19”); and

WHEREAS, on March 11, 2020, the Governor of the State of New Mexico, Michelle Lujan Grisham, issued Executive Order 2020-004 declaring a state of public health emergency, invoking and exercising all powers vested in the office of the Governor under the All Hazard Emergency Management Act, NMSA 1978, §§ 12-10-1 through 12-10-10, and establishing orders and measures to protect public health and safety;

WHEREAS, on March 11, 2020, the World Health Organization publicly declared COVID-19 as a pandemic; and

WHEREAS, Governor Lujan Grisham has issued subsequent Executive Orders 2020-005 through 2020-017 ordering measures taken to protect public health and safety, and authorizing emergency funds; and

WHEREAS, on March 12, 2020, New Mexico Department of Health Cabinet Secretary, Kathyleen M. Kunkle, issued a Public Health Emergency Order limiting mass gathering to contain the spread of COVID-19;

WHEREAS, on March 23, 2020, Cabinet Secretary Kunkle, issued a Public Health Order ordering the closure of all non-essential businesses and non-profit entities for the duration of Executive Order 2020-004;

WHEREAS, COVID-19 threatens the health and safety of persons and property within New Mexico; and

WHEREAS, it is anticipated that the financial effects of COVID-19, on persons of low or

moderate income in the State, may continue beyond the public health emergency declared pursuant to Executive Order 2020-004, and that federal emergency relief funds may be made available to the Authority to address the financial impacts of COVID-19, or may remain unexpended, beyond the expiration of Executive Order 2020-004;

WHEREAS, in light of the public health emergency, the Authority wishes to establish measures to delegate authority to the Chair, Vice Chair, Executive Director, Deputy Director of Programs, and Deputy Director of Finance and Administration to mobilize resources to serve and fulfill its purpose in the most expeditious and efficient manner possible;

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

Section 1. The Authority has determined that a public health emergency has been declared by Governor Lujan Grisham pursuant to Executive Order 2020-004.

Section 2. In accordance with its purpose, the Authority shall make available emergency financial resources on a continuing basis, as necessary, to address the public health emergency as approved by any three, or more, of the appropriate officers and management of the Authority, including without limitation the Chair, Vice Chair (together, the “Officers”), Executive Director, Deputy Director of Programs, and Deputy and Director of Finance and Administration (collectively, the “Management”)(and together, “Delegates”). For the avoidance of doubt, any action authorized hereunder may be taken by any three, or more, Delegates, provided that each action is authorized by at least one Officer.

Section 3. In order that the Authority may mobilize resources in the most expeditious and efficient manner possible to protect the health, welfare and property of the persons of low to moderate income in the State, and to provide emergency assistance as required, the Authority’s Delegations of Authority are hereby revised for the duration of this resolution to provide that approval of the Board of Directors of the Authority shall only be required for Emergency procurements which exceed \$500,000.

Section 4. The Delegates are authorized to enter into, or modify contracts, make awards, incur obligations, and provide emergency assistance on behalf of the Authority as necessary, to respond to the declared public health emergency, and to protect the health, welfare and property of persons of low to moderate income in the State, and requirements for bidding processes and formalities otherwise required by the Policies and Procedures, and Rules and Regulations (the “Rules”) of the Authority, are hereby suspended in order to respond to the emergency that exists, provided, however, that all action authorized hereunder shall be consistent with any requirements of state or federal law.

Section 5. The Delegates are authorized to make such changes to program policies, procurement documents, and its budget, as may be necessary to meet the demands of the public health emergency that exists.

Section 6. The Delegates are authorized to apply for, and receive, any state or federal assistance needed to meet the demands of the public health emergency that exists, and are further authorized to utilize such funds for any activity, as may be allowed for under any state or federal law already or which may be enacted.

Section 7. The Delegates are authorized to allocate existing funds, including but not limited to New Mexico Housing Trust Fund, Land Title Trust Fund, National Housing Trust Fund and HOME program funds in a manner that is consistent with state and federal law, including any current or amended regulatory requirements, to meet the demands of the public health emergency that exists.

Section 8. The Delegates are authorized to amend the Consolidated Plan and Annual Action Plan to reallocate funding as needed to meet the demands of the public health emergency that exists.

Section 9. The Delegates are authorized to adopt such emergency rules, and changes to the Authority's Policies and Procedures and Rules as necessary to ensure that the Authority shall serve and fulfill the purposes for which it was created, including but not limited to, rules that allow for the allocation of new funds to existing service providers that have the need and capacity to execute those funds, and rules and changes to the Authority's Policies and Procedures and Rules as necessary to fully implement, comply with and receive any benefit or relief provided by any state or federal law enacted to address the impact of COVID-19, including but not limited to, Public Law No. 116-123, the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, Public Law 16-127, the Families first Coronavirus Response Act (the "FFCRA"), Public Law 116-136, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), and any other implementing rules and regulations thereof, or any other state or federal legislation directed to addressing COVID-19 that may later be enacted.

Section 10. The Delegates are authorized to adopt such emergency rules, and changes to the Authority's 401(k) Plan, Policies and Procedures, and Rules, as necessary, to fully implement, and comply with the CARES Act, and any other implementing rules and regulations thereof, or any other state or federal legislation which may be enacted, and which may require changes to the 401(k) Plan.

Section 11. The Delegates are authorized to take all action necessary, or reasonably required, to carry out, give effect to, and consummate the actions hereby contemplated, and are authorized to take all action necessary in conformity with the Act.

Section 12. Nothing herein shall waive or otherwise amend Article XI of the Authority's Bylaws, or Section 1.2 of the Authority's Policies and Procedures, including its conflict of interest policy.

Section 13. All actions taken by Delegates hereunder, which but for this resolution, would have required approval of the Board of Directors, shall be reported to the Board of the Directors at its next regular meeting.

Section 14. If any provisions of this resolution should be held invalid, the invalidity of such a provision shall not affect the validity of any of the other provisions of this resolution.

Section 15. The resolution shall become effective immediately upon its adoption, and shall remain in effect for the longer of the duration of the of Executive Order 2020-004 as may be amended or extended by Governor Lujan Grisham, or the time that may be required for the Authority to receive and expend any emergency relief funds that may be become available to it to address COVID-19, provided that the resolution may be earlier terminated by the vote of a majority of the Members of the Board of Directors.

The resolution shall become effective immediately upon its adoption.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE
AUTHORITY THIS 15th DAY OF APRIL, 2020.

Angel Reyes, Chair

CERTIFICATION

I HEREBY CERTIFY, that I am the Secretary of the New Mexico Mortgage Finance Authority; that the above and foregoing is a full, true and correct copy of a resolution duly and regularly adopted by the vote of the majority or more of the directors of the New Mexico Mortgage Finance Authority in accordance with the MFA bylaws on April 15, 2002; that there is no provision in the articles of the MFA bylaws conflicting with said resolution; and that said resolution has not been modified or revoked and still remains in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the New Mexico Mortgage Finance Authority this ____ day of April, 2020.

Isidoro Hernandez, Secretary

(SEAL)

Tab 4



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Contracted Services/Credit Committee Meeting
Tuesday, April 7, 2020 @ 10:00 am
MFA – Albuquerque

To dial in to the conference call dial: MFA (Abbott Hall) all participants dial:
1-844-992-4726 access code: 10733708

AGENDA ITEM	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 Compliance Activities Report (Robyn Powell)	✓	NO
2 State Tax Credit Award – Hope Village (Hopeworks & YES Housing, Inc.) (Patty Balderrama)	3-0	YES
3 Valle De Atrisco – NHTF (National Housing Trust Fund) and NMHTF (New Mexico Housing Trust Fund) (George Maestas/Kevin Drexel)	3-0	YES
4 COVID-19 Update (Izzy Hernandez)	✓	NO
5 Committee Questions/Comments (Member Rebecca Wurzburger)	✓	NO

Committee Members present:

Rebecca Wurzburger, Chair ☐ present ☐ absent ☒ conference call

Attorney General Hector Balderas or Sally Malavé ☐ present ☐ absent ☒ conference call

Rosalyn Nguyen Chafey ☐ present ☐ absent ☒ conference call

Hernandez



MEMO

TO: MFA Board of Directors

Through: Contracted Services Committee – April 7, 2020

Through: Policy Committee – March 31, 2020

FROM: Robyn Powell, Compliance Officer

DATE: April 15, 2020

SUBJECT: Compliance Activities Report for the period September 2019 – March 2020

Recommendation:

The compliance officer is responsible for communicating with the Board of Directors regarding compliance matters. The compliance activities report is intended to provide information to the Board regarding compliance management activities and the results of related oversight of MFA's single-family mortgage lending and servicing departments, including subservicing oversight. During this reporting period, no significant compliance concerns were identified.

Background:

The compliance officer is responsible for maintaining a comprehensive compliance program to address legal, regulatory and internal requirements for MFA's single family mortgage lending and servicing functions, ensure MFA is meeting regulatory compliance requirements related to mortgage operations, and maintain oversight of MFA's contracted subservicer performance.

Discussion:

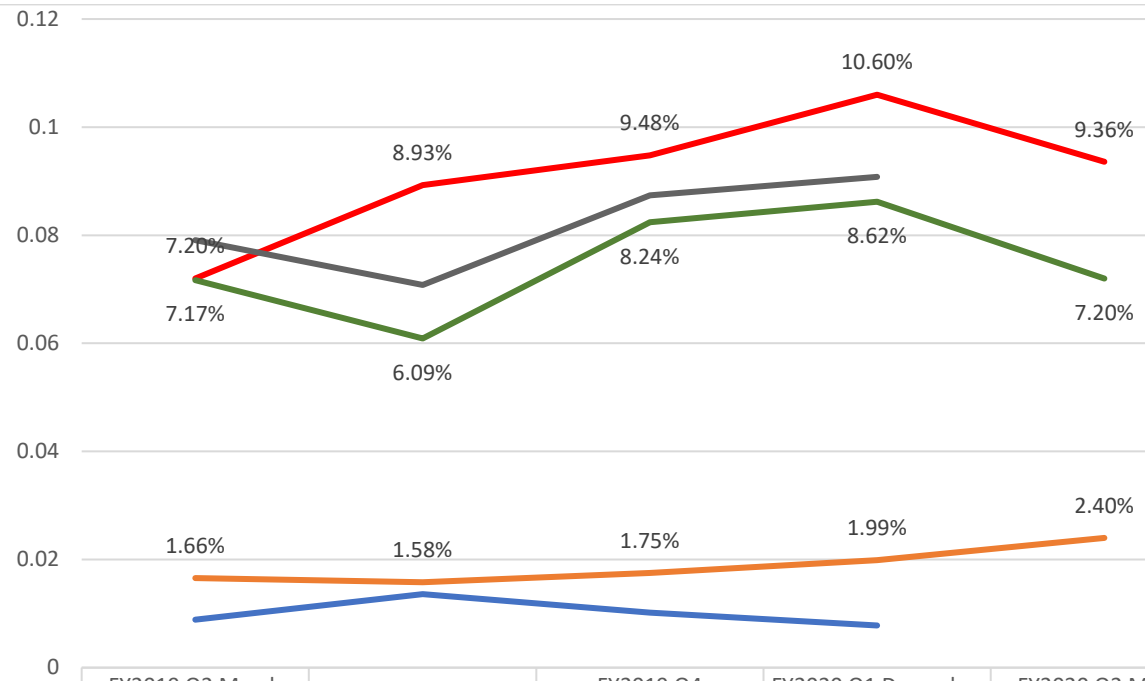
Staff continues to monitor service level performance to ensure our contracted serviced provider, Idaho Housing and Finance Association (IHFA), maintains regulatory compliance, that staffing levels support MFA needs and that controls over data integrity are in place. There are no significant compliance concerns.

IHFA provides several loan portfolio reports monthly, including servicing quality control, advances and reimbursements, loss mitigation and foreclosure activity reports. All reports are reviewed, reconciled, and analyzed for any negative trends or ongoing issues. Staff continues to have monthly calls with IHFA to address exceptions and process improvement opportunities. During the reporting period, staff worked with our contracted service provider to reconcile repurchased loan interest and foreclosed loan claims. Staff also developed internal claims tracking processes and reporting.

Measuring and managing delinquencies continues to be an area of focus for staff. While national delinquency and foreclosure rates remain low, the subserviced portfolio continues to experience higher than average default rates, particularly in the early stage. Staff continues to search for delinquency data from the industry that compares to MFA's portfolio of predominately FHA purchase loans.

The below table represents the delinquency trends for the subserviced portfolio, compared with state and national delinquency rates, including seriously delinquent rates:

Delinquency Trends

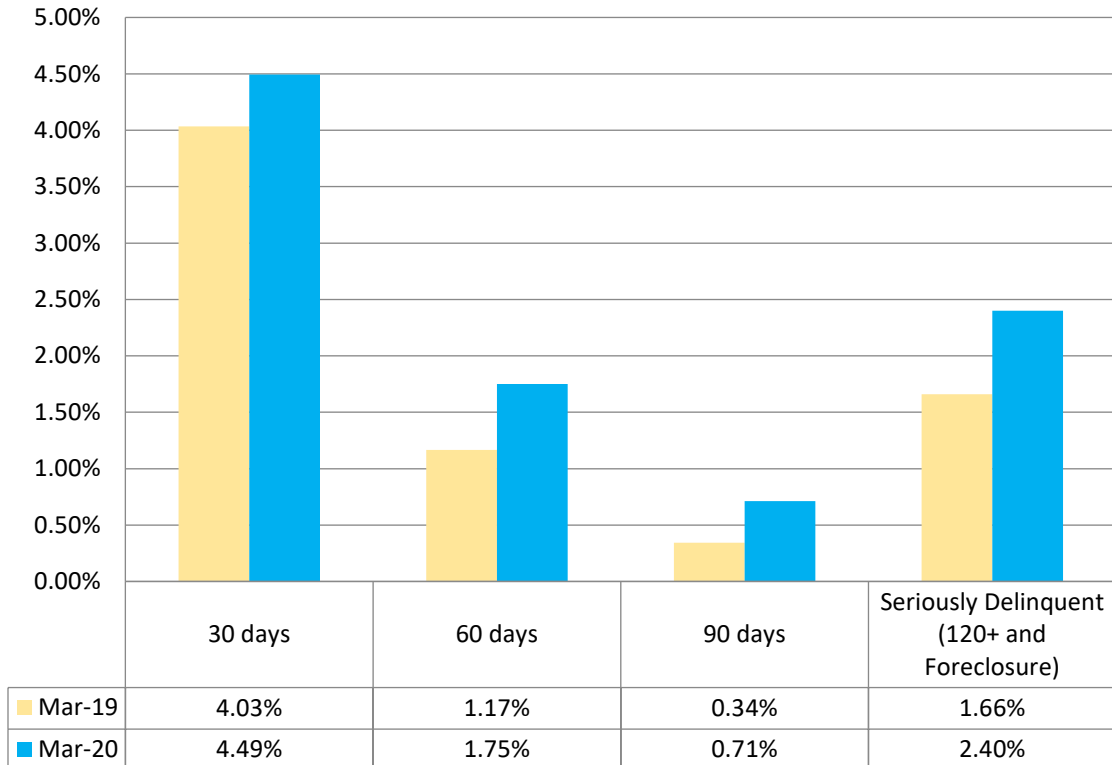


	FY2019 Q2 March 2019	FY2019 Q3 June 2019	FY2019 Q4 September 2019	FY2020 Q1 December 2019	FY2020 Q2 March 2020
Subserviced Portfolio Loans Past Due (All Loans)	7.20%	8.93%	9.48%	10.60%	9.36%
Subserviced Portfolio same time last year (quarter end)	7.17%	6.09%	8.24%	8.62%	7.20%
MBA National Loans Past Due (FHA)	7.91%	7.08%	8.74%	9.08%	
Subserviced Portfolio Seriously Delinquent (All Loans 120+)	1.66%	1.58%	1.75%	1.99%	2.40%
MBA New Mexico Seriously Delinquent Rate FHA Fixed	0.89%	1.36%	1.02%	0.78%	

Breakdown of Subserviced Portfolio as of March 31, 2020:

Subserviced Portfolio	Count	Percentage by status	Total UPB
Current	8390	90.64%	\$1,209,516,010.08
30 days	416	4.49%	\$59,953,592.07
60 days	162	1.75%	\$23,409,519.57
90 days	66	0.71%	\$9,725,454.95
Seriously Delinquent (120+, Loss mitigation and foreclosure)	222	2.40%	\$31,769,040.67
Foreclosed Loans (not included in total)	27		
Total Delinquent Loans	866		
Total First Liens	9256		\$ 1,334,373,617.34
Total Delinquency Percentage		9.36%	

Breakdown of Delinquency as a percentage of the portfolio (year over year):



Definitions:

120+ days	Loans not referred to foreclosure due to loss mitigation plan
Pre-Foreclosure	First legal has been filed
Refer to Legal	No first legal has occurred, but the loan has been referred to attorney
Foreclosed	Failed loan (in foreclosure or claim status)

Seriously delinquent loans have the most financial impact to MFA due to the pass through of principle and interest payments and repurchase of loans out of MBS pools. The most common delinquency reasons reported are curtailment of income (31%) and excessive obligations-same income (13.06%), however, loss mitigation staff report they are unable to contact the borrower 29.71% of the time. IHFA is adding additional reason for default codes for COVID-19 and natural disaster which will enable MFA to capture data related to any increases in defaults.

Loan Quality Control

Loan quality control reports and portfolio management reports received from IHFA alert staff to loan level issues and provide insight regarding trends and performance of specific lenders and loan officers. MFA staff takes a proactive approach in communicating with our partner lenders in order to mitigate the risk of material findings or repurchase.

The below table is the MFA loan origination defect trend data of cases with serious exceptions. These loans are reviewed by MFA's contracted quality control vendor, IHFA. MFA staff then completes a 10% oversight review of the sample. Staff did not identify any issues in loan quality reviews.

MFA DEFECT TREND REPORT							Random QC
CASES WITH SERIOUS EXCEPTION(S) - COMPLIANCE EXCLUDED							
Generated: 3/31/2020 2:04:40 PM							
Copyright 2020 TenA. All rights reserved.							
Year	Month	Target Defect Rate	Cases Audited	Defective Cases (Gross)	Defective Cases (Net)	Gross Defect Rate	Net Defect Rate
2018	Dec	4.0%	7	2	0	28.57%	0.00%
2019	Jan	4.0%	4	1	0	25.00%	0.00%
2019	Feb	4.0%	1	1	0	100.00%	0.00%
2019	Mar	4.0%	6	0	0	0.00%	0.00%
2019	Apr	4.0%	4	2	0	50.00%	0.00%
2019	May	4.0%	5	1	0	20.00%	0.00%
2019	Jun	4.0%	7	2	0	28.57%	0.00%
2019	Jul	4.0%	7	2	0	28.57%	0.00%
2019	Aug	4.0%	8	1	0	12.50%	0.00%
2019	Sep	4.0%	7	1	0	14.29%	0.00%
2019	Oct	4.0%	7	0	0	0.00%	0.00%
2019	Nov	4.0%	3	0	0	0.00%	0.00%
Sub-total			66	13	0	19.70%	0.00%

There are no significant, unresolved loan quality concerns identified by MFA or IHFA.

Regulatory Compliance

Tracking regulatory information related to federal consumer financial law, and implementation of new processes resulting from changing requirements is completed by the compliance officer and mortgage operations staff and management.

In June 2019, Fannie Mae informed all HFA's about planned changes to their HFA Preferred program. The changes eliminate mortgage insurance and pricing benefits allowed on the HFA Preferred product to borrowers whose income is above 80 percent of Area Median Income (AMI). In response, staff presented proposed program changes to the Board of Directors in September 2019 and received approval to expand MFA programs to include the sale of program loans to Freddie Mac.

FHA Mortgagee Letter 2020-04 (March 18, 2020):

Properties secured by FHA-insured single family mortgages are subject to a moratorium on foreclosure for a period of 60 days. The moratorium applies to the initiation of foreclosures and to the completion of foreclosures in process. Similarly, evictions of persons from properties secured by FHA-insured single family mortgages are also suspended for a period of 60 days. In addition, deadlines of the first legal action and reasonable diligence timelines are extended by 60 days.

FHA Mortgagee Letter 2020-05 (03/27/20):

FHA Single Family's modification to the re-verification of employment requirements due to the Presidentially-Declared COVID-19 National Emergency Declaration and FHA Single Family's Exterior-Only or Desktop-Only Appraisal inspection option, which limits face-to-face contact for certain transactions affected by the Presidentially-Declared COVID-19 National Emergency Declaration

Fannie Mae LL-2020-02 Impact of COVID-19 on Servicing (03/18/20 Updated 03/25/20) Fannie Mae issued with temporary policies to enable services to better assist borrowers impacted by COVID-19, including reporting reasons for delinquency, property inspections and preservation, submission of financial statements and reports, forbearance plan eligibility, evaluating the borrower for a payment deferral or mortgage loan modification after a forbearance plan, credit bureau reporting, and suspension of foreclosure sales.

Fannie Mae LL-2020-03 Impact of COVID-19 on Originations (03/23/20; updated 3/31/20) issued to address a number of questions and concerns that industry partners raised. Fannie Mae is working closely with Freddie Mac under the guidance of FHFA to offer temporary measures to help ensure lenders have the clarity and flexibility to continue to lend in a prudent and responsible manner. LL-2020-03 provides guidance on revised policies related to loan origination and lender quality control requirements.

Fannie Mae LL-2020-04 Impact of COVID-19 on Appraisals (3/23/20; updated 3/31/20) Fannie Mae is allowing temporary flexibilities to appraisal requirements and working closely with Freddie Mac under the guidance of FHFA to offer temporary measures.

Fannie Mae LL-2020-05: Payment Deferral (03/25/20) Fannie Mae introduced payment deferral, a new home retention workout option jointly developed with Freddie Mac at the direction of the Federal Housing Finance Agency. This workout option enables servicers to assist eligible borrowers who have resolved a temporary hardship and resumed their monthly contractual payments but cannot afford either a full reinstatement or repayment plan to bring the loan current.

Staff will continue to monitor regulatory directives related to impacts of COVID19 to ensure that our single family policies are in compliance. Staff is also working closing with our lending and servicing partners to implement updated policies.

Training

The Consumer Financial Protection Bureau requires that supervised entities have a training program in place. MFA is currently providing compliance related training to mortgage operations staff on a regular basis.

In this reporting period, staff completed the following mortgage operations training:

- Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)

Consumer complaints

Tracking, investigating and responding to consumer complaints is a function of the Compliance Management System. No consumer complaints were received in the current reporting cycle.

Summary:

The activities described in this report are intended to provide the Board of Directors with assurance that MFA is effectively managing compliance with Federal and State consumer financial laws applicable to the products and services being provided by MFA and mitigating related risk.

Compliance activities will be reported to the Board through the Contracted Services/Credit Committee no less than twice per year, and as needed to fulfill the compliance department's responsibility to inform the Board of any critical compliance issues. There were no significant compliance concerns identified during this reporting period.

Tab 5



MEMORANDUM

TO: MFA Board of Directors

Contract Services – March 10, 2020

Policy Committee – March 3, 2020

FROM: Gina Bell, Director of Community Development

DATE: April 15, 2020

SUBJECT: Approval of Regional Housing Authorities Requirements for a Transfer, Sale or Liquidation of Real or Personal Property with a Value Greater than \$100,000

Recommendation:

Staff recommends approval of the attached checklist detailing the requirements that must be taken for MFA's Board to approve a Regional Housing Authority transfer, sale or liquidation of real or personal property with a value greater than \$100,000.

Background:

In 2009 the New Mexico state Legislature enacted Senate Bill 20 (Laws of New Mexico 2009, Chapter 28) amending the Regional Housing Law 11-3A-20 NMSA 1978, to re-define the activities of the Regional Housing Authorities and to mandate that MFA provide oversight of certain activities.

HUD funds the Regional Housing Authorities and is the agency that approves operational activities such as budgets, procurement and 5-year plans. MFA works closely with HUD in fulfilling its role of oversight of the housing authorities. MFA's oversight responsibilities are listed below:

1. Submission of the Regionals FYE operating budget for review by MFA (MFA Staff and Board)
2. Approval of any new member(s) of the Regionals Board of Commissioners (MFA Board Approval)
3. Approval of new Executive Directors (MFA Board Approval)
4. Report creation/dissolution of nonprofit entities of the Regionals to MFA (MFA Staff and Board)
5. Approve contracts and MOU's with a value greater than \$100,000 (MFA Board Approval)
6. Approve transfer, sale or liquidation of any real or personal property with a value greater than \$100,000 (MFA Board Approval)
7. Review of the external financial audit (MFA Staff and Board)

Discussion:

At MFA's September 2020 Board meeting, staff requested approval of the sale of the Rio Felix Apartment Complex located in Hagerman, New Mexico on behalf of the Eastern Regional Housing Authority (ERHA); the property was valued over \$100,000. The Board had several questions with regards to the transaction and as a result requested that a list of documents and requirements needed to be provided when future requests such as this are presented for approval.

Staff reached out to MFA's general counsel for clarification on many of the questions raised. It was determined that ERHA was within the law regarding the way the Rio Felix property was marketed, however marketing efforts were minimal and could be improved. In addition, there were several questions regarding the appraisal. As a result of the analysis performed by MFA's general counsel, the attached list of requirements has been developed to ensure that future sales of property are appropriately marketed and that the appraisal is prepared by a neutral party.

Summary:

Per MFA oversight responsibility of the Regional Housing Authorities, a checklist of required documents has been created in order to obtain MFA's Board approval for a transfer, sale or liquidation of real or personal property with a value of greater than \$100,000. This checklist is being submitted for approval to be used on future requests.

Regional Housing Authority (RHA) Sale of Property Checklist

As required by NMSA Section 11-3A-30, if a RHA desires to sell or liquidate real property with a value greater than \$100,000 the transaction must be approved by MFA's Board of Directors.

Required documents needed prior to MFA's Board of Director Approval

	RHA Board Resolution Authorizing Sale of Property
	Letter to MFA Requesting Approval to Sale Property
	Narrative Analysis as to why RHA is requesting the sale of the property
	Current Property Operating Report
	RHA Report on all Real Estate Owned
	MFA order Appraisal – paid for by RHA
	Marketing Plan for MFA approval (See Below Details)
	Notice of Request for Sale Proposal
	Proof of Implementation of MFA approved Marketing Plan
	Copy of Request for Proposal
	Final Appraisal (ordered by MFA) dated within 1 year of when presented to MFA's Board for Approval
	Purchase and Sale Agreement
	Commitment Letter from Buyer
	Commitment for Title Insurance
	MFA to Provide a Letter of Approval to Sale Property for Closing (After MFA Board Approval)

MARKETING PLAN

MFA will require marketing efforts that exceed State Procurement requirements. While those efforts may not include listing the property with a broker, MFA will require that in addition to purchasing an ad in a newspaper of general circulation that they submit to MFA for approval, one or more of the following media to market the property.

- Listing with a broker
- MLS Listing
- Social Media
- Direct marketing to developers/non-profits
- Direct marketing to commercial Real Estate brokers

NOTE: This list is not all inclusive and the appropriate method/medium of marketing will be tailored on a case by case basis.

Tab 6

2020 NM AFFORDABLE HOUSING TAX CREDIT AWARD SUMMARY

Project Name & Address	Hope Village – 1215 3rd St. NW, Albuquerque, NM 87102 – Bernalillo County	
Proposed Award	Amount Requested: \$500,000	Amount Recommended: \$500,000
Sponsor/Developer	<p>YES Housing Inc. (YES) is a 501(c)(3) New Mexico nonprofit organization created in 1990. It has a current full time staff of 22 including SVP/CFO Holly Barela & VP of Real Estate Development Michelle Den Bleyker, both experienced developers. YES has been designated by MFA as a Community Housing Development Organization (CHDO) for past projects. It has constructed or rehabilitated over 2,400 units of affordable rental housing in New Mexico, Arizona & Texas. Consolidated (i.e. includes affiliates) audited financial statements for FYE 12/31/17 show substantial assets of \$120 million, unrestricted cash of \$3.3 million, and net worth of \$55.4 million. Operating cash flow was \$4.0 million, but traditional cash flow (i.e. net earnings plus depreciation, amortization, and interest) was positive at \$10.3 million. The debt-to-worth ratio was 1.16 to 1. Unaudited financial statements for the month ending 03/31/19 show substantial assets of \$44.8 million, unrestricted cash of \$3.5 million, and net worth of \$24.6 million. The current debt-to-worth ratio is 0.81 to 1.</p> <p>HopeWorks (formerly known as St. Martin's) is a 501(c)(3) New Mexico nonprofit organization founded in 1985 in response to increases in the number of individuals experiencing homelessness in Albuquerque. It has a current full-time staff of 93 led by Executive Director Greg Morris. Hopeworks has become the largest multi-service provider to individuals experiencing or at risk of homelessness in New Mexico, currently assisting over 400 individuals daily, with services including a day center, employment training, behavioral health services, and housing assistance. HopeWorks receives Rental Assistance Program and Continuum of Care funding from MFA. Consolidated audited financial statements for FYE 6/30/18 show assets of \$3.9 million, unrestricted cash of \$413,696, and net worth of \$3.1 million. Hopeworks experienced an operating loss of \$387,026, however the debt-to-worth ratio was strong at 0.26 to 1.</p>	
Project Type & Size	New construction of 42 one-bedroom units. Composed of 21 units for households earning 30% or less of Area Median Income (AMI), and 21 units for households earning 50% or less of Area Median Income (AMI).	
Project Description	<p>The project is new construction of a single apartment building in Albuquerque with 42 one-bedroom units of approximately 450 sq. ft. each; it will provide permanent supportive housing for homeless individuals with severe mental health and substance abuse disorders. Bernalillo County is providing \$2,000,000 in operating subsidy to assist in operational expenses for the project. Residents will not pay utilities. The building will be 37,872 sq. ft., consisting of 18,900 sq. ft. for rental units, and 18,972 sq. ft. of common space. Units will be ADA-compliant (Americans with Disabilities Act) and have features targeted to the needs of the population served. All units will be furnished. An elevator will accommodate residents with physical disabilities. Common space will include areas for social service provision, community rooms on each residential floor, a management office, and laundry facilities. Outdoor amenities will include a patio, two raised bed gardens, bike racks, and picnic tables. The project will meet LEED certification standards, which is a requirement of the City of Albuquerque funds. The site is adjacent to the current St. Martin's day shelter and counseling space, which will facilitate social service provision, and it is convenient to medical services (Presbyterian Hospital and Health Care for the Homeless), retail, and public transportation.</p> <p>The project will implement a "Housing First" model, in which homeless households are quickly placed in permanent housing without preconditions and barriers to entry, and supportive services are provided to prevent a return to homelessness. Potential residents will be referred by the St. Martin's HopeWorks Outreach team and other local homeless service providers such as Healthcare for the Homeless, Heading Home, The Rock at Noonday, Bernalillo County's MATS Detox Program, and the Veteran's Administration. Services will include case management, emergency financial assistance, screening and intake for behavioral health services, psycho-social rehabilitation, group and individual therapy, nursing/medication monitoring/management, and employment services.</p> <p>The need for permanent supportive housing of this type in Albuquerque is great. Based on the annual Point-in-Time Count led by the New Mexico Coalition to End Homelessness, on January 23, 2017, there were 1,070 homeless households in Albuquerque, of which 592 were in emergency shelters, 182 were in transitional housing, and 296 were unsheltered. (The Point-in-Time Count</p>	

	<p>does not include persons living in motels or staying with family or friends.) Among those counted were 419 adults categorized as having a serious mental illness and 381 adults categorized as having a substance use disorder. Further data documenting the need for these units will be included in a market study/appraisal that will be required prior to closing.</p> <p>This application scored 75 out of 100 for evaluation criteria, with 0 points (out of 20) for “Priority Ranking”, for an overall score of 75.</p>
Program Description	<p>The New Mexico Affordable Housing Tax Credit Program provides tax credits to individuals and businesses that provide donations to an eligible project approved by the New Mexico Mortgage Finance Authority (MFA).</p> <p>The state offers credits on income taxes, gross receipts taxes and compensating taxes (excluding local option gross receipts tax imposed by a municipality or county, or the government gross receipts tax) to any eligible individual or business that donates land, buildings, cash or services for an affordable housing project approved by MFA or for a trust fund administered by the MFA. The credit is equal to up to 50 percent of the value of the donation. The minimum accepted donation is two hundred dollars (\$200); the maximum accepted donation is two million dollars (\$2,000,000).</p> <p>Eligible project applicants include nonprofit or for-profit developers, as well as governmental and tribal instrumentalities that plan to solicit donations for the development of an affordable housing project. Project applicants must be able to legally do business in New Mexico. Nonprofit applicants must also be able to demonstrate compliance with the NM Charitable Solicitations Act.</p> <p>Qualified affordable housing activities are defined as: land acquisition, building acquisition, construction, remodeling, improvement, rehabilitation, conversion or weatherization for a residential housing project that is approved by MFA. Eligible projects include single family housing or multifamily housing. The project must remain affordable for a minimum of five years (single family) or 10 years (multifamily).</p> <p>The applicant uses their reservation letter to solicit donations that would be eligible for tax credits up to the credit amount authorized on the reservation letter. MFA issues investment vouchers to donors for the lesser of: 1) 50 percent of the value of their donations or 2) the amount applied for. The investment voucher will be issued upon securing evidence of the donation and ascertaining applicant has completed all requirements set for the project. Alternately, donors may donate directly to a charitable trust fund administered by MFA.</p> <p>A donor who has received an investment voucher may transfer all or a fraction of the amount of the voucher to an eligible individual or business. Such transactions require notification to MFA and Taxation and Revenue within ten days. The whole tax credit or a fraction thereof may be redeemed the first year or carried forward for up to five years.</p>
Tax Credit Impact	<p>This applicant is seeking \$500,000 in tax credit proceeds based on \$1,000,000 of anticipated cash, property, and in-kind donations. The \$1,000,000 in donations generated through the state tax credits will be used for construction of the development.</p>

Affordability	42 units must be rented to an individual or family that is at 50% or below of AMI, which includes 21 units set aside for those at 30% or below of AMI. The Affordability Period is for thirty (30) years based on the MFA's Affordable Housing Tax Credit Rules.		
Special Conditions	1. Land Use Restriction Agreement (LURA) will be placed on 21 units for households earning 30% or less of Area Median Income (AMI), and 21 units for households earning 50% or less of Area Median Income (AMI), adjusted for household size.		
Other MFA Commitments to This Project	2017 HOME CHDO - Hope Village - \$630,000 2017 NMHTF Loan - Hope Village - \$850,000 2017 NHTF Loan - Hope Village - \$4,250,000		
Other MFA Commitments to Other Projects	YES Housing, Inc.: 1999 LIHTC (9%) - Otero Village - \$243,715 1999 HOME CHDO - Otero Village - \$400,000 2000 Risk Share - Otero Village - \$564,181 2000 LIHTC (4%) - Wildewood Apartments - \$142,560 2001 LIHTC (4%) - Brentwood Gardens - \$229,137 2001 LIHTC (4%) - Montana Meadows - \$170,606 2002 LIHTC (4%) - Apple Ridge - \$205,484 2003 LIHTC (4%) - Vista Grande - \$148,910 2007 HOME CHDO - Bella Vista - \$366,000 2007 LIHTC (9%) - Bella Vista - \$904,052 2007 HOME CHDO - Roswell Summit - \$490,000 2007 LIHTC (9%) - Roswell Summit - \$328,473 2008 Risk Share - Roswell Summit - \$735,363 2009 NSP - La Hacienda - \$2,305,542 2010 NMHTF - Mountain View - \$421,999 2011 HOME CHDO - Mountain View - \$349,974 2011 LIHTC - Mountain View - \$556,678 2012 LIHTC - Mesa del Norte - \$515,026 2012 NMHTF - Mesa del Norte - \$430,347 2012 HOME CHDO - Mesa del Norte - \$463,542 2013 LIHTC (9%) - Sunset Hills - \$966,241 2013 HOME CHDO - Sunset Hills - \$312,292 2013 NMHTF - Sunset Hills - \$507,763 2014 LIHTC (9%) - The Imperial Building - \$1,150,000 2014 NMHTF - The Imperial Building - \$471,452 2014 LIHTC (9%) - New Leaf - \$959,500 2014 HOME CHDO - New Leaf - \$410,437 2014 NMHTF - New Leaf - \$464,897 2016 Risk Share - New Leaf - \$1,403,877 2017 LIHTC (9%) - Solar Villa - \$1,150,000 2017 HOME CHDO - Solar Villa - \$593,333 2017 NMHTF - Solar Villa - \$240,542 2018 HOME CHDO - Nuevo Atrisco - \$540,000 2018 NMHTF - Nuevo Atrisco - \$1,000,000 2018 NHTF - Nuevo Atrisco - \$1,122,500 2019 LIHTC (9%) - Skyview Terrace - \$1,157,325 2019 HOME CHDO - Skyview Terrace - \$335,000 2019 NHTF - Skyview Terrace - \$335,000 Total MFA Exposure: \$23,091,748 <i>(Notes: Risk Share loans carry 10% MFA risk - loan balances as of 02/28/2020)</i> HopeWorks (St. Martin's): None		
Tax Credits Available	Estimated \$4,722,886 in unreserved credit authority as of 03/17/2020 Note: The 2020 State Tax Credit allocation is \$4,782,886 2020 Oshara Village Phase IV State Tax Credit for \$60,000 approved on 3/16/2020		
Recommended by	Patty Balderrama, Program Coordinator	Date	03/20/2020
Concurred by	Shawn Colbert, Director of Housing Development		

PROJECT INFORMATION SUMMARY								
Project Name		City	NC, AR, or NC/AR	Total # Units	Sizes	Target AMIs		
Hope Village		Albuquerque						
Total Development Cost	\$	9,854,921		NC	42	1-BED	50%, 30%	
Borrower	Hope Village LLC							
Management	Supportive Housing Coalition of New Mexico			YEAR BUILT (AR)		LIHTC ALLOC	4% or 9%	
Developer	YES Housing, Inc.			NA		NA	NA	
				NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments				
TOTAL DEVELOPMENT COST INFORMATION SUMMARY								
Project:	Hope Village			Total		% TDC	Cost/GSF*	
Acquisition Costs (land, building acquisition, & other acquisition costs)				\$		491,527	5%	\$ 12.98
Construction Hard Costs				\$		5,480,828	56%	\$ 144.72
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)				\$		1,952,876	20%	\$ 51.57
Professional Services/Fees (architect, engineer, real estate legal, etc)				\$		576,465	6%	\$ 15.22
Construction Financing Costs (interest, insurance, inspections, fees, etc)				\$		290,000	3%	\$ 7.66
Permanent Financing Costs (fees, title/recording, etc)				\$		10,500	0%	\$ 0.28
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)				\$		47,725	0%	\$ 1.26
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)				\$		-	0%	\$ -
Reserves (rent-up, operating, replacement, escrows, etc)				\$		125,000	1%	\$ 3.30
Developer Fees (inc consultant fees)				\$		880,000	9%	\$ 23.24
Total Development Costs (TDC)				\$		9,854,921	100%	\$ 260.22
TDC w/o Land, Reserves & Commercial				\$		9,243,394	94%	\$ 244.07

*Gross square footage: 37,872

CONSTRUCTION SOURCES				
Project:	Hope Village	Total	% of Total	Per Unit
Construct. Lender - 1st Lien	MFA NMHTF	\$ 1,300,000	13.2%	\$ 30,952
2nd Lien holder	MFA HOME	\$ 542,000	5.5%	\$ 12,905
3rd Lien holder	MFA NHTF	\$ 3,825,000	38.8%	\$ 91,071
4th Lien holder			0.0%	\$ -
5th Lien holder			0.0%	\$ -
Deferred Developer Fee	St. Martin's HopeWorks	\$ 326,393	3.3%	\$ 7,771
LIHTC Equity			0.0%	\$ -
Grant	FHLB Dallas - AHP Grant	\$ 420,000	4.3%	\$ 10,000
Grant	City of ABQ	\$ 1,441,528	14.6%	\$ 34,322
Grant	Bernalillo County Behavioral Health	\$ 2,000,000	20.3%	\$ 47,619
Other source	State Tax Credit Donations (potential reduction of other debt)	\$ (1,000,000)	0.0%	\$ -
Total Construction Sources		\$ 9,854,921	100.0%	\$ 234,641

PERMANENT SOURCES				
Project:	Hope Village	Total	% of Total	Per Unit
Perm Lender - 1st Lien	MFA NMHTF	\$ 850,000	8.6%	\$ 20,238
2nd Lien holder	MFA HOME	\$ 630,000	6.4%	\$ 15,000
3rd Lien holder	MFA NHTF	\$ 4,250,000	43.1%	\$ 101,190
4th Lien holder			0.0%	\$ -
5th Lien holder			0.0%	\$ -
Deferred Developer Fee	St. Martin's HopeWorks	\$ 178,393	1.8%	\$ 4,247
LIHTC Equity			0.0%	\$ -
Grant	FHLB Dallas - AHP Grant	\$ 420,000	4.3%	\$ 10,000
Grant	City of ABQ	\$ 1,441,528	14.6%	\$ 34,322
Grant	Bernalillo County Behavioral Health	\$ 2,000,000	20.3%	\$ 47,619
Other source	Green Tax Credit	\$ 85,000	0.9%	\$ 2,024
Other source	State Tax Credit Donations (potential reduction of other debt)	\$ (1,000,000)	0.0%	\$ -
Total Permanent Sources		\$ 9,854,921	100.0%	\$ 234,641

Tab 7

2020 RENTAL AWARD SUMMARY

Project Name & Addresses	Valle De Atrisco Family Apartments 9901 Ceja Vista Road SW, Albuquerque, NM 87121			
Proposed Award	\$1,830,000	National Housing Trust Fund	Rate	0.00% Fixed
	\$500,000	New Mexico Housing Trust Fund	Rate	3.00% Fixed
Borrower	Valle de Atrisco, LLLP , a New Mexico limited liability limited partnership formed in 2017, is owned .01% by DBG Valle De Atrisco Investors LLC, as General Partner, (owned 75% by Walter O. Grodahl, III as its Manager and Member and 25% by Eric Grodahl as Member); and 99.99% by AHP Housing Fund 182 LLC, as Limited Partner.			
Management	GSL Properties, Inc., is an Oregon real estate corporation, founded in 1985, that acquires, develops and manages multifamily residential properties in the Western United States. GSL has built and acquired over 10,000 apartments units in, and around, Portland, OR, Albuquerque, NM, Los Angeles, CA, and Las Vegas, NV, and manages approximately 9,000 apartment units. GSL has 47 affordable apartment communities within its portfolio, totaling approximately 4,700 affordable apartment units. GSL has constructed and developed 29 of these communities, using tax-exempt bonds and Low-Income Housing Tax Credits as its primary financing tools.			
Developer	<p>DBG Properties LLC is a New Mexico limited liability company formed in 2012 to acquire and develop affordable housing communities in the Western United States. DBG also operates a fully owned construction company that, to date, has solely constructed its own projects. The company is licensed in California, New Mexico, Washington and Oregon, with a pending application in Colorado. All of DBG's current and completed projects have been for households at, or below, 60% Area Median Income (AMI). The company has built and fully leased properties in New Mexico and Washington state. The company's first development, Silver Moon Lodge, located in downtown Albuquerque, was completed in December 2014. In 2018, DBG completed and fully leased the Village at Avalon, a 240-unit project in Southwest Albuquerque. Ceja Vista Senior Apartments, a proposed 156-unit multifamily project to be built adjacent to the subject property, was approved for a \$1,500,000 National Housing Trust Fund award, in 2019. The principals of DBG are Walter "Skip" Grodahl and his son, Eric Grodahl. The financial strength of the related entities lies with Walter, personally.</p> <p>DGB's audited financial statements dated FYE 12/31/18 show \$5.9M in assets with \$3.7M in total liabilities, resulting in a net worth of \$2.2M and a debt-to-worth ratio of 1.73 to 1.00. The company had cash-on-hand of \$330K, however, operating cash flow was negative for the period. Audited financial statements for FYE 12/31/17 show \$5.5 million in assets with \$4.1M in total liabilities, resulting in a net worth of \$1.4M and a debt-to-worth ratio of 3.03 to 1.00. The company had cash-on-hand of \$27K and operating cash flow was also negative. DGB's internally prepared financial statements dated 10/30/19 show \$13.1M in assets with \$7M in total liabilities for \$6.1M in net worth and a debt-to-worth ratio of 1.16 to 1.00. Cash levels were up at \$908K but operating cash flow remained negative. It is important to note that DBG also operates as a construction company. Generally, construction companies fluctuate in revenue and operating expenses, depending on the number of contracts they may have each year.</p>			
Project Type & Size	New construction of a 240-unit multifamily project with 60 units (25%) serving Households with Children. Thirteen units will be income restricted to households earning 30% or less of Area Median Income (AMI). Two hundred twenty-seven units will be income-restricted to households earning 60% or less of AMI. The resulting rents range from \$370-\$739 for a one-bedroom unit, \$533-\$888 for a two-bedroom, and \$699-\$1,025 for a three-bedroom.			

Project Description	<p>The Valle de Atrisco Family Apartments is a proposed 240-unit, 4% LIHTC, multifamily project, to be located in Southwest Albuquerque, NM. The project is currently under construction, having closed on initial financing in October 2018. The project is located on 9.4 acres and consists of 10 three-story garden-style residential buildings and one community building, with a total gross square footage of 199,325 square feet. There will be 120 one-bedroom apartments, 72 two-bedroom apartments, and 48 three-bedroom apartments. The project's one-bedroom units will have an average size of 535 square feet, the two-bedroom units average 892 square feet, and the three-bedroom units average 1,067 square feet.</p> <p>Valle de Atrisco is a new construction project with an anticipated per-unit construction cost of approximately \$96,116. The project includes a developer fee of \$1.8M. This fee represents 5% of the Total Development Cost, which is less than the 14% fee cap allowed under the QAP. The developer fee calculation includes the acquisition of the property, which is not uncommon in LIHTC projects. While some states exclude acquisition costs from the developer fee calculation, the total cap for those states is generally higher than MFA's (up to 20%). MFA's 14% developer fee cap for 4% LIHTC projects is lower than many other states' caps.</p> <p>A Novogradac market study of Valle de Atrisco Family Apartments, dated 2/11/2020, advises that the subject project is feasible as proposed, as there is a significant level of demand for affordable housing in the area. Additionally, a number of affordable housing developments maintain waiting lists for all unit types. The Subject will have a positive impact on the surrounding neighborhood and will not adversely affect existing affordable housing located within the PMA. The site is located in close proximity to services, employment, public transportation and retail. The Subject is located just 1.75 miles west of Las Estancias, a mixed-use development featuring commercial/retail uses, residential uses and community uses, which opened in 2018 and continues to add new commercial tenants. The off-site amenities are appropriate and sufficient for the market and the intended tenants. The area's total population is projected to increase through market entry through 2024. As the population and number of households continue to grow, the demand for housing units will also continue to increase. In conclusion, construction of the Subject will have a positive impact on the neighborhood and provide much needed affordable housing.</p>
Affordability Requirements	<p>National HTF Requirements: Thirteen apartments, consisting of 6 one-bedroom units, 4 two-bedroom units and 3 three-bedroom units, reserved for households earning 30% AMI or the federal poverty level, whichever is higher, for which a Land Use Restriction Agreement (LURA) will be filed in Bernalillo County. The affordability period is 35 years, starting on the date of acceptance by HUD of a final NHTF project completion report and ends 35 years later.</p> <p>NMHTF Requirements: Two hundred twenty-seven apartments reserved for households earning 60% or less of AMI for which Land Use Restriction Agreements (LURA) will be filed in Bernalillo County. The NMHTF affordability period is 30 years; 20 as required by Affordable Housing Act Rules and 10 for MFA's extended affordability period (i.e. in concurrence with the loan term) and starts on the date that the architect of record issues a certificate of substantial completion AIA Form G704.</p>
Repayment and Disbursement	<p><u>National HTF Loan</u></p> <p><u>Payments:</u> No payments during the construction period, which is not to exceed 24 months; thereafter, annual payments as determined from available cash flow, maturing in 35 years.</p> <p><u>Disbursement:</u> Allow up to three draws: two during the construction period, and the third upon submission of a final NHTF project completion report to HUD.</p> <p><u>NM HTF Loan:</u></p> <p><u>Payments:</u> Interest monthly during the construction period not to exceed 24 months; 180 equal principal and interest payments, based upon a 360 month amortization, during the permanent loan period. Outstanding P&I due at the earlier of maturity, refinance or sale of the project.</p> <p><u>Disbursement:</u> Multiple disbursements upon evidence of costs incurred, not more frequently than monthly.</p>

Special Conditions	<ol style="list-style-type: none"> 1. All loans are subject to MFA's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing; 2. Any changes or additions to the following development team members listed in the loan application must be approved by MFA: developer, contractor, management company, consultant or architect; 3. Financing commitments acceptable to MFA prior to funding on all funding sources; 4. Acceptance of 2018 award of Low-Income Housing Tax Credits (LIHTC); 5. Approval of plans/construction monitoring/draws by a third party acceptable to MFA (i.e. hired by MFA, investor or primary construction lender) and shared with MFA. Cost to be paid by applicant; 6. Other conditions as may be determined by staff; and 7. Subject to availability of funds. <p>Additional Conditions for NHTF:</p> <ol style="list-style-type: none"> 8. Loan to be in third lien position during construction period; and 9. DGB Properties LLC must provide a guarantee during the construction period. 10. Walter Grodahl must provide a personal guarantee during the construction period. <p>Additional Conditions for NMHTF:</p> <ol style="list-style-type: none"> 11. Loan to be in fourth lien position during construction period; 12. DGB Properties LLC must provide a guarantee during the construction period. 13. Walter Grodahl must provide a personal guarantee during the construction period. 		
MFA Commitments to Other Projects	<p><u>DBG Properties LLC</u></p> <p>2013 LIHTC (4%)- Silver Moon – \$474,526 2013 NMHTF - Silver Moon - \$463,952 2017 LIHTC (4%)- Valle de Atrisco –\$1,145,803 2015 LIHTC (4%)- Village at Avalon- \$1,261,508 2019 NHTF- Ceja Vista- \$1,500,000 (approved by Board on 10/16/2020) 2019 LIHTC (4%)- Ceja Vista – \$886,136</p>		
Total MFA Exposure	<i>Total MFA Exposure: \$1,963,952 (excludes loans pending approval) as of 02/29/2020.</i>		
Prepared by	George Maestas, Development Loan Manager	Date	4/01/2020
Reviewed by	Shawn Colbert, Director of Housing Development		

PROJECT INFORMATION SUMMARY						
Project Name		City	NC, AR, or NC/AR	Total # Units	Sizes	Target AMIs
Valle de Atrisco Family Apartments		Albuquerque, NM				
Total Development Cost	\$ 36,316,190		NC	240	1-BED, 2-BED & 3 BED	30% & 60%
Borrower	Valle De Atrisco LLLP					
Management	GSL Properties, Inc.		YEAR BUILT (AR)		LIHTC ALLOC	4% or 9%
Developer	DBG Properties LLC		2019/2020		\$ 11,458,030	4%
			NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments			
NATIONAL HOUSING TRUST FUND (NHTF) LOAN INFORMATION			NUMBER OF NHTF UNITS:			13
Funds Available as of:	01/31/20	\$1,830,000				
	NHTF Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	Limited to funds availability	\$1,830,000	Subject to HUD maximum per-unit subsidy limits			
Rates	0.0%	0.0%				
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, no max on perm	2 yr construct, 35 yr perm				
Loan Amortization	Cash- flow or Forgivable	Cash-flow				
Lien Position	Subordinate allowed	3rd lien position				
Affordability Requirements	Min 30 years, NHTF units restricted to 30% AMI	35 years, NHTF units at 30% AMI				
DSCR	1.2 to 1.4 to 1 on all must-pay debt	within guidelines Yrs 1-12	Slightly above guidelines in years 13 through 15, at 1.41, 1.43 & 1.45, respectively.			
Scoring Criteria	40-100 points	70 points				
NM HOUSING TRUST FUND (NMHTF) LOAN INFORMATION			NUMBER OF NMHTF UNITS:			240
Funds Available as of:	01/31/20	\$10,213,457				
	NMHTF Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$1,500,000	\$500,000				
Rates	3.0%	3.0%				
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, 30 yr perm	2 yr construct, 15 yr perm	15 yr perm based upon a 30 yr amortization			
Loan Amortization	30 year	30 year				
Lien Position	Subordinate allowed	4th lien position				
Affordability Requirements	Min 20 yrs, 60% AMI	30 yrs, 60% AMI				
DSCR	1.2 to 1.4 to 1 on all must-pay debt	within guidelines Yrs 1-12	Slightly above guidelines in years 13 through 15, at 1.41, 1.43 & 1.45, respectively.			
Scoring Criteria	50-100 points	54 points				

TOTAL DEVELOPMENT COST INFORMATION SUMMARY				
Project:	Valle de Atrisco Family Apartments	Total	% TDC	Cost/GSF*
Acquisition Costs (land, building acquisition, & other acquisition costs)		\$ 1,560,000	4%	\$ 7.83
Construction Hard Costs		\$ 23,067,891	64%	\$ 115.73
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)		\$ 3,768,992	10%	\$ 18.91
Professional Services/Fees (architect, engineer, real estate legal, etc)		\$ 757,925	2%	\$ 3.80
Construction Financing Costs (interest, insurance, inspections, fees, etc)		\$ 2,510,390	7%	\$ 12.59
Permanent Financing Costs (fees, title/recording, etc)		\$ 1,353,120	4%	\$ 6.79
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)		\$ 469,092	1%	\$ 2.35
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)		\$ -	0%	\$ -
Reserves (rent-up, operating, replacement, escrows, etc)		\$ 1,028,780	3%	\$ 5.16
Developer Fees (inc consultant fees)		\$ 1,800,000	5%	\$ 9.03
Total Development Costs (TDC)		\$ 36,316,190	100%	\$ 182.20
TDC w/o Land, Reserves & Commercial		\$ 33,727,410	93%	\$ 169.21

*Gross square footage: 199,325

Underwriting Analysis of 2020 Rental Award Summary - Valle De Atrisco Family Apartments

This is an internal MFA document designed to provide more detail for reviewers & committees than is appropriate to include in public MFA Board presentations. This analysis should not repeat information contained in the award summary but rather provide additional detail, discuss strengths & weaknesses and explain why the request is recommended.

- A. **Request:** Applicant requests and staff recommends approval of a \$1,830,000 National Housing Trust Fund loan and a \$500,000 New Mexico Housing Trust Fund loan to Valle de Atrisco, LLLP.

- B. **Market & Site/Environmental:**
 - 1. **Market Study:** The award summary provided information from the 2/11/2020 Novogradac & Company market study of the Valle de Atrisco Family Apartments, which is not repeated here. In summary, Novogradac concludes that the Subject project is feasible as there is a significant level of demand for affordable housing in the area.

 - 2. **Site/Environmental:** A Phase I Environmental Site Assessment was performed on the property by Real Estate Environmental Services Company (REESCO), dated February 26, 2018. The Phase I ESA revealed no evidence of any de minimis conditions or of any RECs, HRECs, and/or CRECs associated with the Property.

 - 3. **Site and Neighborhood Standards:** The project location is within a census tract with an 85% minority concentration according to the FFIEC website. However it should be noted that Bernalillo County is considered a racially mixed area with a 49.5% Hispanic population. The census tract itself is not densely populated. A large portion of the area is single family housing and vacant land. The surrounding areas are undergoing significant revitalization with large private and public investment in housing, education, and commercial. The site is located within the boundaries of the Rio Bravo Sector Development Plan and the Developing Urban area of the Albuquerque Bernalillo County Comprehensive Plan. This master plan will contribute to the Anderson Farm Sector Plan which aims to balance open space preservation and passive recreational uses with residential development. The new residential areas will fulfill a need for housing within the area.

 - 4. **Subsidy Layering Review:**
 - a. MFA's Housing Development Department's underwriting guidelines for HOME and NHTF require a subsidy layering review, which was performed for the National Housing Trust Fund loan request, and shows this 240-unit project is not over-subsidized, per HUD regulations.

C. **Town and County Characteristics:**

Primary Market Area (PMA) for the Valle de Atrisco Apartments generally consists of the southwestern portion of the city of Albuquerque and surrounding areas. The PMA boundaries are generally defined as Interstate 40, Rio Grande and Avenida Cesar Chavez on the north, Interstate 25 on the East, Grant Road and Pajarito Road on the South, and Atrisco Boulevard and Powerline Road on the West. Market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Novogradac anticipates that much of the demand will be generated from this geographic area. Property managers at the majority of the comparables, including the most similar comparables, reported that a large portion of tenants were originating from inside the PMA.

D. **Developer Capacity:**

1. **Management:** As explained in the award summary, DBG Properties, LLC. has been a partner in the development of many successful low-income housing tax credit (LIHTC) projects.
2. **Financial:** DGB's audited financial statements dated FYE 12/31/18 show \$5.9M in assets with \$3.7M in total liabilities, resulting in a net worth of \$2.2M and a debt-to-worth ratio of 1.73 to 1.00. The company had cash-on-hand of \$330K, however, operating cash flow was negative for the period. Audited financial statements for FYE 12/31/17 show \$5.5 million in assets with \$4.1M in total liabilities, resulting in a net worth of \$1.4M and a debt-to-worth ratio of 3.03 to 1.00. The company had cash-on-hand of \$27K and operating cash flow was also negative. DGB's internally prepared financial statements dated 10/30/19 show \$13.1M in assets with \$7M in total liabilities for \$6.1M in net worth and a debt-to-worth ratio of 1.16 to 1.00. Cash levels were up at \$908K but operating cash flow remained negative. It is important to note that DBG also operates as a construction company. Generally, construction companies fluctuate in revenue and operating expenses, depending on the number of contracts they may have each year.

E. **General Partner Capacity:** Same as above (DBG Valle de Atrisco Investors, LLC has the same principals as DBG Properties, LLC)

1. **Management:** Same as above
2. **Financial:** Same as above

F. **Guarantors:** DBG Properties, LLC and
Walter Grodahl, personally

G. **Project Financials & Projections:**

1. **Financial Statements:** None – new construction
2. **Projections & Assumptions –** The Borrower is a to-be-formed LLLP. The company has provided a detailed 15-year cash flow projection. A market study, performed by Novogradac & Company, reviewed the supplied expense projections and compared them

to the actual operating expenses of three LIHTC properties, all of which are located in Albuquerque. Novogradac noted that the operating expense data was adequate to support their conclusions, as they were unable to identify any operating expense comparables within the PMA. All three comparables are operated under the LIHTC program. Overall, Novogradac believes that the developer's estimated operating expenses are reasonable based upon the comparables.

Projections utilize a 6% vacancy rate, which is below MFA's standard underwriting rate of 7%. However, the market study utilizes 5% vacancy and states that most of the comparable projects in the area have a waiting list.

Operating expenses for the Subject are projected at \$3,126 per unit, per annum (PUPA), after reducing for Replacement Reserves (\$300 PUPA) and Social Services. These operating expenses are slightly below the MFA Standards of \$3,300 to \$4,800, however, the market study confirms their reasonableness. It should be noted that the developer has received confirmation that property taxes will be abated. Also, the property will be managed by a related property management company, at a rate of 4% (of net revenue), which reduces overall expenses.

The Debt Service Coverage Ratio (DSCR) on all hard debt (i.e. PNC Bank's \$18,172,000 first mortgage loan & MFA's \$500,000 New Mexico Housing Trust Fund Loan) is projected at 1.20 to 1.00, increasing to 1.45 to 1.00 by year 15. Initially, this ratio meets MFA's underwriting standards of a range between 1.20 - 1.40 : 1.00. However, by year 13, projections show the ratio steadily increasing up to slightly higher ratio.

Currently it appears that 100% of the \$1.8M developer fee will be deferred. This is allowable by the investor, provided that cash flow can repay deferred developer fee by the end of the 15-year LIHTC compliance period. Projections show that this deferred fee could be fully repaid by cash-flow in 7 years. The investor has agreed to purchase the credits at 91 cents on the dollar (i.e. within of the 2019 MFA 88 to 95 cents guideline).

H. **Collateral:** An updated appraisal report of Valle de Atrisco Family Apartments was not obtained. However, MFA does not base its subordinate debt decisions on collateral value but rather on cash flow, because, as New Mexico's Housing Finance Agency (HFA), it is our mission to help provide such loans to cover gaps and make projects feasible.

I. **Risk Factors:** (i.e. Low, Medium or High & explain why)

1. **Market – Low** (Strong demand for proposed property in PMA)
2. **Construction – Low** (developer/principal has the financial capacity to cover significant cost overruns if they occur; MFA's construction representative will monitor construction and review all construction draws; investor will provide additional oversight and controls; scope of work is low-risk)
3. **Developer – Low** (developer is experienced in constructing in New Mexico and has hired experienced consultant, Carol Sugarman).

4. **Guarantor – Medium** (Developer's financials show revenue fluctuations from 2017 and 2018 due to operating expenses which resulted in net income loss, Walter Grodahl shows significant personal financial wherewithal).
5. **General Partner/Managing Member – Medium** (developer is not financially strong, however, very experienced in construction in NM and several other states).
6. **Community Opposition – Low** (majority of surround land is vacant; project will contribute to overall masterplans to provide more housing)
7. **Financing – Medium** (as long as market conditions for interest rates & LIHTC pricing do not fluctuate too much, the project is feasible. However, in the event of adverse market conditions the project would not move forward. MFA's final underwriting is required before loan closing to ensure viability before final commitment)

- J. **Summary & Recommendation:** The proposed project presents a favorable risk profile and is recommended for approval.

Recommend

Concur

George Maestas
Development Loan Manager

Shawn Colbert
Director of Housing Development, MFA

Dated as of March 31, 2020

CONSTRUCTION SOURCES				
Project:	Valle de Atrisco Family Apartments	Total	% of Total	Per Unit
Construct. Lender - 1st Lien	PAB- Bernalillo County	\$ 18,172,000	50.0%	\$ 75,717
2nd Lien holder	Sterling Bank	\$ 4,828,000	13.3%	\$ 20,117
3rd Lien holder	MFA National Housing Trust Fund	\$ 1,830,000	5.0%	\$ 7,625
4rd Lien holder	MFA New Mexico Housing Trust Fund	\$ 500,000	1.4%	\$ 2,083
Grant	Operating Reserve	\$ 960,932	2.6%	\$ 4,004
Deferred Developer Fee	DBG Properties LLC	\$ 1,800,000	5.0%	\$ 7,500
Deferred Contractor Fee	DBG Properties LLC	\$ 783,562	2.2%	\$ 3,265
Other source	GP Contribution	\$ 1,261,113	3.5%	\$ 5,255
LIHTC Equity	Affordable Housing Partners	\$ 6,180,583	17.0%	\$ 25,752
Total Construction Sources		\$ 36,316,190	100.0%	\$ 151,317

PERMANENT SOURCES				
Project:	Valle de Atrisco Family Apartments	Total	% of Total	Per Unit
Permanent Lender - 1st Lien	PAB- Bernalillo County	\$ 18,172,000	50.0%	\$ 75,717
2nd Lien holder	TBD- Possible 2nd Position Perm Lender	\$ -	0.0%	\$ -
3rd Lien holder	MFA National Housing Trust Fund	\$ 1,830,000	5.0%	\$ 7,625
4rd Lien holder	MFA New Mexico Housing Trust Fund	\$ 500,000	1.4%	\$ 2,083
Deferred Developer Fee	DBG Properties LLC	\$ 1,800,000	5.0%	\$ 7,500
Deferred Contractor Fee	DBG Properties LLC	\$ 783,562	2.2%	\$ 3,265
Other source	GP Contribution	\$ 1,081,968	3.0%	\$ 4,508
LIHTC Equity	Affordable Housing Partners	\$ 12,148,660	33.5%	\$ 50,619
Total Permanent Sources		\$ 36,316,190	100.0%	\$ 151,317

Appendix A: Development Cost Budget		
Valle de Atrisco	Gross Sq. Footage:	199,325
Albuquerque, NM	TOTAL COST	COST/GSF
ACQUISITION COSTS		
Land Acquisition	\$ 1,560,000	\$ 7.83
Building Acquisition	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 1,560,000	\$ 7.83
CONSTRUCTION HARD COSTS		
Demolition	\$ -	\$ -
Accessory Structures	\$ -	\$ -
Site Construction	\$ 2,020,467	\$ 10.14
Buildings and Structures	\$ 20,808,658	\$ 104.40
Off-Site Improvements	\$ 238,766	\$ 1.20
Other Costs:	\$ -	\$ -
SUBTOTAL	\$ 23,067,891	\$ 115.73
OTHER CONSTRUCTION COSTS		
Contractor Overhead	\$ -	\$ -
Contractor Profit	\$ 783,562	\$ 3.93
General Requirements	\$ 1,175,342	\$ 5.90
Construction Contingency	\$ 60,813	\$ 0.31
Gross Receipts Tax (GRT)	\$ 1,674,275	\$ 8.40
Landscaping		\$ -
Furniture, Fixtures, & Equipment	\$ 75,000	\$ 0.38
Other:	\$ -	\$ -
SUBTOTAL	\$ 3,768,992	\$ 18.91
PROFESSIONAL SERVICES/FEES		
Architect (Design)	\$ 700,000	\$ 3.51
Architect (Supervision)	\$ 37,925	\$ 0.19
Attorney (Real Estate)	\$ 20,000	\$ 0.10
Engineer/Survey	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 757,925	\$ 3.80
CONSTRUCTION FINANCING		
Hazard Insurance	\$ 50,000	\$ 0.25
Liability Insurance	\$ 50,000	\$ 0.25
Performance Bond	\$ 86,013	\$ 0.43
Interest	\$ 1,574,408	\$ 7.90
Origination\Discount Points	\$ 230,000	\$ 1.15
Credit Enhancement	\$ -	\$ -
Inspection Fees	\$ 40,300	\$ 0.20
Title and Recording	\$ 161,656	\$ 0.81
Legal	\$ 141,179	\$ 0.71
Taxes		\$ -
Other: Impact Fees, Permits	\$ 176,834	\$ 0.89
SUBTOTAL	\$ 2,510,390	\$ 12.59

Project: Valle de Atrisco		
PERMANENT FINANCING COSTS		
Bond Premium	\$ 185,850	\$ 0.93
Credit Report	\$ 78,500	\$ 0.39
Origination\Discount Points	\$ -	\$ -
Credit Enhancement	\$ 42,950	\$ 0.22
Title and Recording	\$ -	\$ -
Legal	\$ 192,467	\$ 0.97
Costs of Bond Issuance	\$ 63,595	\$ 0.32
Pre-Paid MIP		\$ -
Reserves and Escrows		\$ -
Other: Negative ARB & Standby fee, Misc fee	\$ 789,758	\$ 3.96
SUBTOTAL	\$ 1,353,120	\$ 6.79
SOFT COSTS		
Market Study	\$ -	\$ -
Environmental	\$ 15,555	\$ 0.08
Tax Credit Fees	\$ 49,603	\$ 0.25
Appraisal	\$ 24,352	\$ 0.12
Hard Relocation Costs	\$ -	\$ -
Accounting/Cost Certification	\$ -	\$ -
Other: Soft Cost Contingencies	\$ 379,582	\$ 1.90
SUBTOTAL	\$ 469,092	\$ 2.35
SYNDICATION		
Organization		\$ -
Bridge Loan	\$ -	\$ -
Tax Opinion	\$ -	\$ -
Other:		\$ -
SUBTOTAL	\$ -	\$ -
TDC before Dev. Fees & Reserves	\$ 33,487,410.00	\$ 168.00
RESERVES		
Rent Up	\$ 25,000	\$ 0.13
Operating	\$ 960,932	\$ 4.82
Replacement (inc. only if capitalized)	\$ -	\$ -
Escrows/Working Capital	\$ 42,848	\$ 0.21
Other: Reserve for Social Services		\$ -
SUBTOTAL	\$ 1,028,780	\$ 5.16
DEVELOPER FEES		
Developer Fee	\$ 1,800,000	\$ 9.03
Consultant Fee	\$ -	\$ -
Relocation Consultant		\$ -
SUBTOTAL	\$ 1,800,000	\$ 9.03
Total Development Cost (TDC)	\$ 36,316,190	\$ 182.20
TDC w/o Land, Reserves & Commercial	\$ 33,727,410	\$ 169.21

Tab 8



Nominating Committee
April 15, 2020

Angel Reyes (Chair)

Lieutenant Governor, Howie Morales

Attorney General, Hector Balderas

- (a) The Nominating Committee shall be responsible for presenting nominations for officers, other than the Chairman and the Executive Director, including without limitation the Vice Chairman, the Secretary, the Assistant Secretary, the Treasurer and the Assistant Treasurer.
- (b) The Chairman shall appoint a Nominating Committee during or prior to April of each year. The Nominating Committee shall consist of three members of the Authority.
- (c) The nominations shall be presented and elections held no later than the June meeting of the board of directors held in such year. The vote for officers shall be held in such manner as the directors may determine.

Tab 9



MEMO

TO: MFA Board of Directors
FROM: Rebecca Velarde, Director of Policy and Planning
DATE: April 15, 2020
RE: 2020 Legislative Outcomes

The New Mexico State Legislature awarded MFA \$1.2 million for the New Mexico Housing Trust Fund and \$1 million for weatherization during this year's legislative session. This funding was passed as part of House Bill 349 (the Capital Outlay Bill). Capital outlay funding is administered on a reimbursement basis and may not be applied towards administrative cost. While not yet specified, the awards will likely have a four-year term as the initiatives funded will be for construction-related projects.

MFA requested a total of \$19.05 million for eight initiatives. Although receiving "do pass" recommendations during Committee hearings, MFA's six other legislative initiatives were not awarded funding. The table below summarizes the outcomes of all MFA's initiatives:

2020 Legislative Outcomes for MFA Initiatives

Initiative	Final Bill	Committee Outcome	State Agency	Funding Requested	Funding Passed
New Mexico Housing Trust Fund	HB 349	Do Pass	DFA	\$ 10,000,000	\$ 1,200,000
Regional Housing Authority Oversight		Do Pass		\$ 300,000	
Affordable Housing Act Oversight Duties		Do Pass		\$ 250,000	
Low-Income Energy Conservation Program	HB 349	Do Pass	DFA	\$ 2,000,000	\$ 1,000,000
Home Rehab for Certain Veterans		Do Pass		\$ 2,000,000	
Low-Income Homer Emergency Repairs		Do Pass		\$ 2,000,000	
Pre-Purchase Homebuyer Education		Do Pass		\$ 500,000	
Furnace Replacement Program		Do Pass		\$ 2,000,000	
Total				\$ 19,050,000	\$ 2,200,000

In addition to the funding MFA received, \$13.486 million was awarded to 14 other affordable housing related initiatives. These “other initiatives” were funded through the Capital Outlay Bill and House Bill 2 (the Operating Bill). Recipients of Operating Bill appropriations may use those awards for costs associated with operations and administration. The table below summarizes these awards (strike through text indicates veto by the Governor):

2020 Legislative Outcomes for Other Affordable Housing Initiatives

Initiative	Local Government Recipient	Final Bill	State Agency	Appropriation Amount
Land for Construction of Affordable Housing	CABQ/ Bern. Co.	HB 349	DFA	\$ 2,500,000
Improvements to Public Housing Units	CABQ/ Bern. Co.	HB 349	DFA	\$ 1,500,000
Construct Public Housing	CABQ	HB 349	DFA	\$ 90,000
Temporary Housing for Youth	CABQ	HB 349	DFA	\$ 145,000
Housing Authority Site Improvement	Santa Fe County	HB 349	DFA	\$ 10,000
Facility for Homeless and Below Market Renters	Santa Fe/Santa Fe County	HB 349	DFA	\$ 853,000
Construct and Improve Veterans' Housing at NMSU	Las Cruces/ Dona Ana County	HB 349	NMSU	\$ 130,000
Housing Improvements	Santo Domingo	HB 349	DFA	\$ 2,000,000
Homeless Health Care Service Improvement		HB 349	DFA	\$ 65,000
Construct and Improve Veterans' Homes (Turtle Foundation)	ToC/Sierra County	HB 349	DOH	\$ 155,000
Construct community for Housing	Pueblo of Acoma	HB 349	IAD	\$ 1,828,000
Linkages (Contractual Services)		HB 2	HSD	\$ 4,000,000
Transfer of Fed. Funds for Permanente Supportive Housing		HB 2	CYFD	\$ 900,000
Espanola Homeless Shelter Program	Espanola	HB 2	HSD	\$ 225,000

Homeless Shelter and Supportive Housing Program	Santa Fe/Gallup/Valencia County	HB 2	HSD	\$	300,000
Youth Homeless Demonstration Program (NMCEH)		HB 2	HSD	\$	413,000
Housing Program for Re-entry include. Housing Assistance		HB 2	DoC	\$	300,000
Total Before Governor Veto				\$	15,414,000
Total After Governor Veto				\$	13,486,000

Tab 10

**Staff Actions Requiring Notice to Board
During the Period of March 31, 2020**

Department and Program	Project	Action Taken	Comments / Date Approved
Community Development	Relocation of Western Regional RAP Award	Transfer of \$38,272.44 in unspent funds must be expended by 6/30/20, therefore these funds will be moved into the EHAP program to ensure the funds are expended by the deadline.	Approved by Donna Maestas-DeVries on 3/10/2020
Community Development	Transfer State Veterans Rehab matching funds to the NM Affordable Housing Charitable Trust	Transfer \$177,500 in state matching funds for the Veterans Housing Rehabilitation and Modification Program from MFA to New Mexico Affordable Housing Charitable Trust.	Approved at PC on 3/17/2020
Housing Development State Tax Credit Program	Oshara Village Phase IV – Santa Fe HFH	Request Amount: \$60,000 in credits for 6 units at 80% or below of Area Median Income.	Approved by PC 03/17/2020
Servicing	February 2020 Servicing Quality Control Report	Approval of report issued by REDW – no findings	Approved by Policy Committee on March 24, 2020



MEMO

TO: MFA Board of Directors
Through: N/A
Through: N/A
FROM: Gina Hickman
DATE: April 15, 2020
SUBJECT: Single Family Mortgage Bonds 2020 Series A – Pricing Summary

The 2020 Series A transaction is a new money bond issue which closed on February 20, 2020. The following is a summary of the bond sale:

Structure: The bond issue is a \$70.0 million tax-exempt traditional bond issue which provides for non-AMT serial bonds, term bonds and a premium planned amortization class (“PAC”) bond.

Marketing: In order to enhance the marketing of bonds to retail investors, our selling group members participated in the underwriting syndicate, namely, D.A. Davidson & Co., Fidelity Capital Markets, Drexel Hamilton, Inc. and UBS Financial Services Inc. New Mexico retail investors had first priority followed by national retail investors. The underwriting syndicate submitted \$3.4 million in orders and was allotted \$3.0 million of bonds. There was significant demand from retail investors in general; a total of \$27.7 million in retail orders were received of which \$6.0 million was New Mexico retail. Though down compared to 2019 Series F, we continue to see significant interest on recent transactions both from in-state and national retail investors.

As a result of strong demand overall from investors, the PAC bonds were oversubscribed 5.9 times and we were able to lower the yield by 4 basis points.

Total orders for the bond issue were \$269.5 million for both retail and institutional investors.

Use of Bond Proceeds: The \$70.0 million is being used to originate new mortgage loans and to roll forward a subsidy generated from prior bond issues which helped maintain competitive mortgage rates. The weighted average mortgage rates are as follows:

<u>Program</u>	<u>Government</u>	<u>Conventional <80% AMI</u>	<u>Conventional >80% AMI</u>
FIRST HOME	3.708%	3.996%	4.448%

Spread: The spread on the transaction is 1.123%. Spread is the difference between the mortgage yield and the bond yield. Maximum spread permitted by federal tax law is 1.125%.

The net present value benefit of the transaction is \$2.0 million or approximately 2.8% of the bonds issued.

Investment of Bond Proceeds: Funds from the bond issue are invested in Federal Government Obligations Fund Institutional Shares through Zions Bank, the General Indenture Trustee.

The attached Exhibit 1 contains a table summarizing more detailed information about the 2020 Series A bond issue as well as bond issue characteristics from other recent single family issuances for comparative purposes.

Following Exhibit 1 is a comprehensive in-depth “Post Sale Analysis” for 2020 Series A, prepared by MFA’s Financial Advisor, CSG Advisors.

New Mexico Mortgage Finance Authority
Summary of Recent Bond Issue Characteristics

	For Info Only	For Info Only	For Info Only	For Info Only	
	2019C	2019D	2019E	2019F	2020A
Type of Structure	New Money Tax-Exempt	New Money Tax-Exempt	Refunding Federally Taxable	New Money Tax-Exempt	New Money Tax-Exempt
	Traditional	Traditional	Pass-Through	Traditional	Traditional
1 Tax Exempt Bonds	\$80,000,000	\$100,000,000	n/a	\$120,000,000	\$70,000,000
Taxable Bonds	n/a	n/a	n/a	n/a	n/a
Tax-Exempt Refunding Bonds	n/a	n/a	n/a	n/a	n/a
Taxable Refunding Bonds	n/a	n/a	\$22,725,504	n/a	n/a
Total Amount of Bonds Issued	\$80,000,000	\$100,000,000	\$22,725,504	\$120,000,000	\$70,000,000
2 Bond Issue(s) Refunded	n/a	n/a	2009 Series D, 2009 Series E	n/a	n/a
3 MFA Subsidy*/Benefit-(New Available)/ Present Value Economic Benefit	\$3.45 million/\$2.51 million	\$4.49 million/\$3.36 million	\$1.72 million	\$3.43 million/\$3.28 million	\$2.6 million/\$2.0million
4 Original Bond Ratings: Standard & Poor's Moody's	None Aaa	None Aaa	None Aaa	None Aaa	None Aaa
5 Pricing Date(s)	4/10/2019	7/9/2019	7/9/2019	10/2/2019	1/22/2020
6 Bond Closing Date	5/16/2019	8/15/2019	8/15/2019	11/5/2019	2/20/2020
7 Serial Bond Maturities AMT Non-AMT Taxable	None 1/1/20-7/1/31 None	None 7/1/20-7/1/31 None	None None None	None 1/1/21-7/1/32 None	None 1/1/21-7/1/32 None
8 Term Bond Maturities	7/1/34, 7/1/39, 7/1/44, 7/1/49	7/1/34, 7/1/39, 7/1/44, 7/1/49	8/1/40	7/1/34, 7/1/39, 7/1/44, 7/1/49	7/1/35, 7/1/40 7/1/45, 7/1/50
9 Premium PAC Maturity	1/1/50	1/1/50	None	7/1/50	1/1/51
10 Split Between FIRST HOME Government and Conventional Loans Government Conventional	81% 19%	75% 25%	n/a n/a	83% 17%	89% 11%
11 Weighted Average Loan Rates+ FIRST HOME - Government FIRST HOME - Conventional <80% FIRST HOME - Conventional >80%	4.563% 4.631%	4.199% 4.350%	n/a n/a	3.833% 4.316%	3.708% 3.996% 4.448%
12 10-Year Treasury Rate at Pricing	2.48%	2.07%	2.07%	1.60%	1.77%
13 GIC Rates** Acquisition Fund Rate Float Fund Rate	n/a n/a	n/a n/a	n/a n/a	n/a n/a	n/a n/a
14 MFA Contribution at Closing Cost of Issuance (COI) COI as a % of Bonds Issued Negative Arbitrage Deposit	\$715,000 0.89% \$950,000	\$825,000 0.83% \$990,000	\$215,000 0.95% None	\$1,010,000 0.84% \$1,400,000	\$645,000 0.92% \$1,000,000
15 Yield Spread	1.123%	1.122%	n/a	1.123%	1.123%
16 Administrative Fee (to MFA)	0.180%	0.180%	2.088%	0.180%	0.180%
17 Bond Allocation System Followed***	Yes	Yes	Yes	Yes	Yes

*Subsidy was generated by a prior bond issue.

+Weighted average rate of loans in the pipeline.

**The Guaranteed Investment Contract is competitively bid.

***The bond allocation system that is followed is common in the investment banking industry and is as follows:

The lead manager keeps track of when the orders are received which is referred to as an order flow tracking system. The bond allocation system also dictates that Bonds are awarded to managers prior to any selling group members even though group members may have entered orders first. In-state retail orders receive first priority, followed by entered orders first. In-state retail orders receive first priority, followed by orders for the benefit of the group which are allocated by management fee percentage; next are net designated orders placed through the senior manager senior manager where the buyer designates the sales credit to specific managers, and finally, member orders receive the lowest priority.

\$70,000,000
New Mexico Mortgage Finance Authority
Single Family Mortgage Program Class I Bonds
2020 Series A (Tax-Exempt) (Non-AMT)

POST-SALE ANALYSIS

KEY RESULTS FOR MFA

Purpose. This transaction is a traditional single-family bond issue with semi-annual interest and principal, though bonds can be redeemed quarterly from excess revenues. Its purpose, like similar prior new money transactions is to:

1. Finance new loan production at attractive interest rates for homebuyers,
2. Provide beneficial economics to MFA with as close to the maximum yield spread permitted by the IRS as possible,
3. Use as few of MFA's zero participation loans as needed, and
4. Keep negative arbitrage to a minimum.

Additionally, this transaction reallocates zero participation loans from prior series (2019 Series F) well within the required time of 18 months for which to reallocate loans.

Approach and Strategy. Over the past two years, MFA has used traditional bond structures to finance new production that did not need a refunding component in order to generate full spread economics. 2018 Series B, C, D, 2019 Series A, C, D, F and now 2020 Series A are all new-money transactions issued by MFA that did not include a refunding component. Since early 2018, these series of bonds represent significant milestones in providing MFA with a balance sheet solution for new production without a form of subsidy whether refundings or zero participation loans.

From a strategic point of view, MFA has been:

1. Building a loan pipeline by reserving loans, while reviewing expected rates on a traditional bond structure,
2. Issuing bonds so as to begin financing mortgage-backed securities at bond closing and over a 2 to 3-month origination period, and
3. Protecting itself against rates rising before bonds are sold, by using zero participation interest subsidies it has earned from past transactions.

Primary Objectives. MFA therefore has three primary objectives:

1. Finance existing production at the lowest yield possible,
2. Use as few of MFA's approximately \$21.5 million of zero participations (prior to issuing 2020A) as possible to achieve full spread, thus preserving more zero participations for future production, and,
3. Raise bond premium in order to generate proceeds to help fund the purchase of the MBS from the servicer at 101%, to fund cash flow lag, and to fund the costs of issuance of the transaction.

Structure. The 2020A bonds:

- Included bond proceeds sufficient to finance \$70+ million of new pipeline production and provide sufficient proceeds to use and store zero participations,
- Were structured with serials bonds, term bonds and Planned Amortization Class (PAC) bonds,

- Sold the PAC bonds with a total premium of \$2,734,480, which when included with \$24,737.50 of premium from the 2050 term bond provides additional funds to purchase \$70.7 million of MBS, and fund all of the costs of issuance. Given the large amount of premium raised, the issue is being overcollateralized by \$0.7 million of new MBS, which strengthens the cash flows of the indenture and will provide MFA with excess assets in the future.
- Were priced 5 weeks prior to closing, enabling MFA to lock in its borrowing cost sooner as well as finance more of its pipeline production prior to closing; thus reducing both interest rate risk and negative arbitrage,
- Allowed for either GNMA, Fannie Mae (FNMA), or Freddie Mac (FHLMC) MBS depending on MFA's loan pipeline,
- Provided MFA with an optional par call in just more than 9 years if it proves profitable to redeem the bonds in the future,
- Deposited \$1.0 million of Authority funds in a negative arbitrage account for securities – including those to be financed by the zero participations – that had not yet been originated by bond closing. We expect most or all of MFA's funds to be transferred back to MFA within 12 to 18 months.

Results. The bond structure consisted of three major components: non-AMT serial bonds, term bonds and a premium PAC bond.

1. **Yields.** The bond yield (true interest cost) was 2.386% assuming 100% FHA prepayments.
2. **Use of Zero Participations.** In order to achieve full spread, 2020A created approximately \$3.2 million in zeros, leaving \$24.7 million in zeros for future bond issues (assuming participation with a future issue in 4 months).
3. **Net Economic Benefits.** The transaction's projected net present value before zeros was \$2.0 million at 150% PSA prepayment speed, or approximately 2.8% of the bonds issued. Including the impact of zeros created, the net present value was \$2.6 million (including the effect of the timing of zeros in and out as well as the loan rate of such zeros).

Bond Results. Following are key highlights:

1. **Timing.** The bonds were priced on Wednesday, January 22nd with a retail order period in the morning followed by an institutional order period that afternoon.

The housing bond calendar was robust in the weeks leading up to the pricing of 2020A. Given the favorable execution of issuing bonds, housing bond issuance in 2019 totaled \$25.4 billion, an increase of 20% over 2018. The favorable rate environment and demand for municipal bonds has caused housing bond issuance to get off to a strong start during the first few weeks of 2020 as well.

- During the week of January 13th, 4 state HFAs (Ohio, Indiana, South Dakota and Colorado) priced single family mortgage revenue bonds.
- During the week of January 20th, 3 state HFAs (New Mexico, Iowa, and Minnesota) priced single family mortgage revenue bonds, with Iowa (led by Morgan Stanley) pricing the day before MFA, and Minnesota (led by RBC) the day after.

On the pricing date of January 22nd, the 10-year Treasury was unchanged at a 1.77% yield. The municipal market in terms of MMD rates was also unchanged on the day. See "Market Details" below for a full description of the market leading up to the pricing date.

Retail Interest. A separate 2.5-hour retail order period was established with first priority to orders from New Mexico retail investors and second priority to national retail investors. This resulted in a total of \$27.6 million of retail orders (\$6.0 million of New Mexico retail); a reduction in retail order compared to 2019 Series F sold last fall (though on 2020A bonds of \$70 million versus \$120 million in 2019F). \$17 million of the 2020A retail orders were for serial bonds, resulting in a sufficient amount of orders to fully subscribe all serial bonds with the exception of (3) serials totaling \$675k in unsold balances. Both maturities in 2021 were reduced in yield by 0.05%. Though down compared to 2019F, this continues solid retail demand seen on recent transactions both from in-state and national retail investors.

2. **Institutional Interest.** In all, institutions put in orders totaling \$230.4 million, \$166 million of which were for the PAC bonds. Investor interest for the \$28.0 million in PAC bonds was strong with 5.9x orders from end investors (including (4) orders for all the bonds). As a result of the robust demand from investors as reflected in the oversubscription, the yield on the PAC bonds was lowered by 4 basis points to a 1.45% yield and a very attractive spread to MMD (+0.56% over the 5-year MMD). The yield on the PAC bond was the lowest nominal yield achieved on any PAC in years.

Institutions also placed orders totaling \$64 million for the four (4) term bonds. The 2035, 2040, and 2045 term bonds were subscribed for by 2.3x, 2.9x, and 2.0x, respectively. The 2050 term bond was subscribed for by 2.7x. RBC knew that sufficient investors would keep their orders if the yield was lowered and thus, the 2050 term bond was adjusted to a slightly premium (100.25%) for a yield to call of 2.97%, 0.03% lower than the 3.00% yield offered during the order period.

3. **Selling Group.** To enhance the order flow particularly with retail investors, four selling group members were included in the underwriting syndicate for 2020A, continuing the same group from the last four transactions as well. Selling group members included D.A. Davidson, Drexel Hamilton, Fidelity Capital Markets, and UBS; Drexel Hamilton was a new selling group member. See below for orders and allotments from the selling group, of which UBS brought the most orders to the pricing:

RETAIL ORDERS BY SELLING GROUP MEMBER (THOUSANDS):

Selling Group Member	Orders	Allotments
D.A. Davidson & Company	\$ 930	\$ 930
Drexel Hamilton	-	-
Fidelity Capital Markets	2,345	2,010
UBS	75	75
TOTAL	\$ 3,350	\$ 3,015

The selling group was useful to the issuance in terms of generating additional retail interest, as it brought orders totaling 5% of the total amount of bonds sold (8% of the total bonds sold excluding the PAC bonds). Fidelity led the selling group in orders, followed by D.A. Davidson.

4. **Comparable Transactions.** The 2020A PAC bonds priced extremely well and at spreads to MMD comparable or better to other recent HFA issues in the market. The most direct comparable for the 2020A bonds was the \$61 million non-AMT Iowa issue that priced the day before 2020A. MFA's serials bonds 2028 through 2031 priced at the same coupons as Iowa with the 2032 serials 0.05% lower. MFA's term bonds in 2035 and 2040 were sold at the same coupon and spread as Iowa (2.50%, 2.70%). As for the PAC bonds, MFA achieved a yield of 1.45% and a spread of +56 to MMD, 0.06% better than Iowa's PAC bond at a spread of +0.62%, and 0.04% better than Minnesota's PAC bond that priced the day after MFA (spread of 0.60%). Minnesota priced the day after MFA and achieved lower rates on several serials and each of its term bonds largely due to favorable in-state demand for municipal bonds. Despite the greater in-state demand in Minnesota, MFA's PAC bond as mentioned above

outpriced Minnesota's PAC bond.

See **Section 3** for detailed pricing comparables of all recent tax-exempt traditional bond issues priced around 2020 Series A.

MARKET DETAILS

Key Dates: Institutional Order Period: Wednesday, January 22, 2020
Closing Date: Thursday, February 20, 2020

Economic Calendar. The day prior to the sale, ISM manufacturing data was released and reflected the lowest reading since 2009, which drove treasury and municipal rates lower for the day. On the day of sale, ADP's employment report was issued reflecting an estimated 135k in private payroll growth for September, a respectable figure. The week prior to the sale, U.S. economic data was mixed, driven by weakness in consumer spending and consumer confidence. Having a larger impact on the market and bond yields were on-again, off-again trade rumors between the U.S. and China ahead of key diplomatic meetings late in the week.

Treasuries. On January 22nd when 2020A priced, 10-year and 30-year treasury yields ended the day at 1.77% and 2.22%, higher than the 1.60% and 2.08% yields on October 2nd, the date the 2019F bonds were priced.

Interest rates have been driven over the last few months by the continuing economic uncertainties about the trade war between the U.S. and China. The 10-year rose to 1.92% at the end of 2019, however, rates have declined throughout January, with continued global economic worries driving investors to the safety of treasury bonds.

The yield curve has flattened out dramatically compared to prior years. The difference in the yield between the 1-year and 10-year yield is currently only 0.16% compared to 1.06% at the beginning of 2018. The difference between the 1 year and the 30-year Treasury was only 0.51%.

Municipals. During 2019, municipals generally outperformed Treasuries, with the 10-year MMD/Treasury ratio dropping to the mid-70% range for the first time in years. Buyers have turned to municipal bonds to offset the limited deductions for state and local taxes. In fact, demand for municipal bonds throughout 2019 was so strong that inflows into muni funds exceeded \$93 billion surpassing previous annual records, while being the first year to record fund inflows every week throughout the year.

Starting in the summer, however, the most recent global rush to quality drove Treasury yields down more than municipals, and the 10-year MMD/Treasury ratio has returned to more typical levels in the mid-80% range. Long-term buyers became reluctant to buy municipal bonds at such low absolute yields, especially given market volatility at the time. In more recent months, demand for long bonds has increased.

Important market factors include:

- Supply and Demand. Despite lower federal tax rates, with fewer tax-advantaged investment alternatives demand for municipal bonds from both retail and institutional investors has continued to exceed supply, reflected by 2019's record \$93 billion of net positive inflows of investments into municipal mutual funds competing for new issue volume. The appetite for municipal bonds from electronically traded funds, domestic banks, and mutual funds has remained strong.
- Less Upward Pressure on Rates. With the pace of US economic growth easing throughout 2019 as well as softening economies in China, Europe, and emerging market countries, the

Federal Open Markets Committee enacted (3) short term rate cuts totaling 0.75% from July to October 2019. Heightened tariff uncertainty has spurred volatility in the capital markets, undercutting investor comfort in committing to longer maturities and prompting a flight to the safety of treasuries.

TABLE 1: COMPARISON OF RATES IN RECENT TRANSACTIONS

Issue	Date	10 Year Treasury	10 Year MMD	MMD to Treasury Ratio	30 Year Treasury	30 Year MMD	MMD to Treasury Ratio
2018 C	8/6/18	2.96%	2.49%	84.1%	3.11%	3.08%	99.0%
2018 D	11/1/18	3.14%	2.75%	87.6%	3.38%	3.40%	99.4%
2019 A	1/17/19	2.75%	2.20%	80.0%	3.08%	3.04%	98.7%
2019 C	4/10/19	2.48%	1.92%	77.4%	2.90%	2.67%	92.1%
2019 D	7/9/19	2.07%	1.61%	77.7%	2.54%	2.28%	89.8%
2019 F	10/2/19	1.60%	1.38%	86.2%	2.08%	1.92%	92.3%
2020 A	1/22/20	1.77%	1.28%	72.3%	2.22%	1.93%	86.9%
<i>Change from 2019F to 2020A</i>		+ 17 bps	- 10 bps	- 13.9%	+ 14 bps	+ 1 bps	- 5.4%

UNDERWRITING

Underwriter. RBC Capital Markets served as senior managing underwriter and Raymond James as co-manager. As described above, we also had a four-firm selling group.

Underwriting Fees. The underwriter discount of \$6.62 per \$1,000 bonds is reasonable compared to other similarly sized issues in the market.

Performance. RBC Capital Markets as book-running senior manager and Raymond James as co-manager worked well together and achieved good order flow as described above. The strong order flow was evidenced by the ability to:

- 1) Generate \$258 million in total orders, \$166 million in orders for the PAC bond (5.9x subscribed) which allowed for a yield reduction by 0.04%,
- 2) Produce sufficient term bonds orders such that MFA was able to outprice Iowa's PAC bond and meet each of its term bond rates where there were similar maturities, and
- 3) Generate a strong amount of retail orders (\$27.6 million) continuing the strength last seen in the last several transactions. The four-firm selling group enhanced the sale of the bonds. We would recommend a selling group on the next traditional bond issuance as well, though may suggest replacing one or two of the selling group members who have underperformed.

Tab 11

New Mexico Mortgage Finance Authority

Combined Financial Statements
And Schedules

February 29, 2020

NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the five-month period ended February 29, 2020

COMPARATIVE YEAR-TO-DATE FIGURES (Dollars in millions):

	5 months <u>2/29/2020</u>	5 months <u>2/28/2019</u>	% Change <u>Year / Year</u>	Forecast <u>2/29/2020</u>	Actual to <u>Forecast</u>	Forecast/Target <u>9/30/20</u>
PRODUCTION						
1 Single family issues (new money):	\$190.0	\$119.9	58.5%	\$150.0	0.0%	\$280.0
2 Single family loans sold (TBA):	\$44.2	\$53.5	-17.4%	\$29.2	51.5%	\$70.0
3 Total Single Family Production	\$234.2	\$173.4	35.1%	\$179.2	30.7%	\$350.0
4 Multifamily issues:	\$0.0	\$0.0	0.0%	\$0.0	0.0%	\$20.0
5 Single Family Bond MBS Payoffs:	\$25.6	\$17.2	48.8%	\$19.8	29.6%	\$47.4
STATEMENT OF NET POSITION						
6 Avg. earning assets:	\$1,376.4	\$1,129.5	21.9%	\$1,283.0	7.3%	\$1,432.6
7 General Fund Cash and Securities:	\$93.5	\$112.2	-16.7%	\$83.4	12.1%	\$80.0
8 General Fund SIC FMV Adj.:	\$1.6	(\$1.2)	233.3%	\$0.0	N/A	\$0.0
9 Total bonds outstanding:	\$1,208.6	\$952.0	27.0%	\$1,141.1	5.9%	\$1,277.5
STATEMENT OF REVENUES, EXPENSES AND NET POSITION						
10 General Fund expenses (excluding capitalized assets):	\$6.9	\$6.0	15.0%	\$8.1	-14.8%	\$19.3
11 General Fund revenues:	\$12.3	\$8.1	51.9%	\$9.8	25.5%	\$23.5
12 Combined net revenues (all funds):	\$7.5	\$3.2	134.4%	\$2.7	176.9%	\$6.5
13 Combined net revenues excluding SIC FMV Adj. (all funds):	\$5.8	\$4.4	31.8%	\$2.7	114.2%	\$6.5
14 Combined net position:	\$252.9	\$238.1	6.2%	\$248.2	1.9%	\$252.0
15 Combined return on avg. earning assets:	1.31%	0.68%	92.1%	0.46%	184.8%	0.46%
16 Net TBA profitability:	0.88%	0.91%	-3.3%	0.50%	76.0%	0.50%
17 Combined interest margin:	0.91%	1.03%	-11.7%	0.68%	33.8%	0.68%
MOODY'S BENCHMARKS						
18 Net Asset to debt ratio (5-yr avg):	28.78%	29.48%	-2.4%	28.12%	2.3%	28.12%
19 Net rev as a % of total rev (5-yr avg):	11.72%	10.25%	14.3%	10.06%	16.5%	10.06%
SERVICING						
20 Subserviced portfolio	\$1,278.3	\$935.7	36.6%	\$1,283.4	-0.4%	\$1,398.5
21 Servicing Yield (subserviced portfolio)	0.39%	0.39%	0.0%	0.41%	-4.9%	0.41%
22 Combined average delinquency rate (MFA serviced)	9.69%	10.98%	-11.7%	10.50%	-7.7%	10.50%
23 DPA loan delinquency rate (all)	8.84%	10.40%	-15.0%	N/A	N/A	N/A
24 Default rate (MFA serviced-annualized)	1.27%	1.25%	1.6%	1.50%	-15.3%	1.50%
25 Subserviced portfolio delinquency rate (first mortgages)	9.43%	7.73%	22.0%	N/A	N/A	N/A
26 Purchased Servicing Rights Valuation Change (as of 12/31)	\$1.4	\$2.6	-46.2%	N/A	N/A	N/A

Legend:

Positive Trend	Caution	Negative Trend	Known Trend/Immaterial
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NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the five-month period ended February 29, 2020

SUMMARY OF NEW BOND ISSUES:

Single Family Issues:

\$120.0 mm 2019 Series F Bonds-New Money (November)
\$70.0 mm 2020 Series A Bonds-New Money (February)

Multi-family Issues:

None

SIGNIFICANT MONTHLY FINANCIAL VARIANCES:

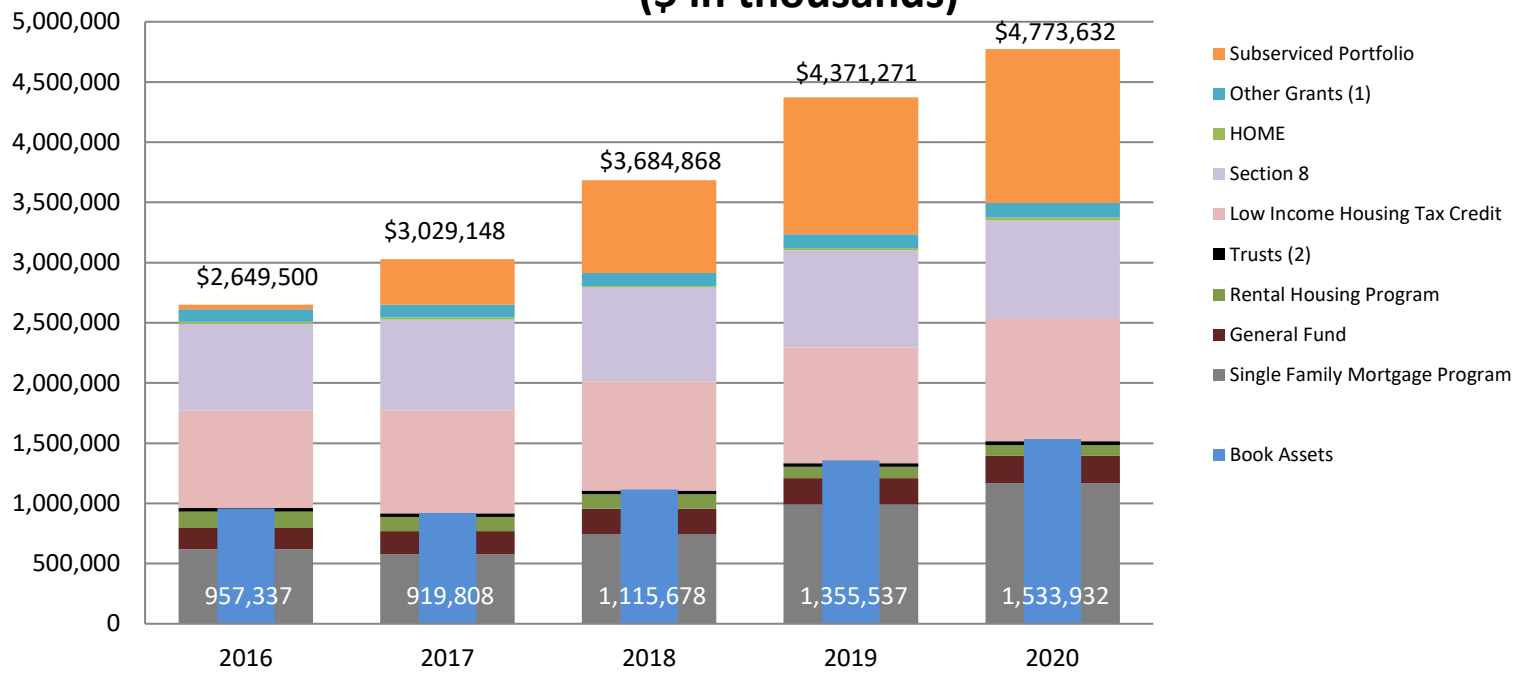
- ▶ Due to decreases in mortgage rates, prepayments are trending higher than last year.
- ▶ Incurred approximately \$1.6 million in cost of issuance for Single Family Mortgage program bond issuance (\$190 million); majority of the expense was paid for through bond premium.
- ▶ Due to market conditions the State Investment Council General Fund portfolio is experiencing significant fair market value gains in comparison to last year at this same time. Valuations have increased approximately \$.4 million month over month in the General Fund portfolio this fiscal year.
- ▶ The return on average earning assets for FY2019 without the FMV adjustments would be .93% compared to 1.00% for FY2020.

CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

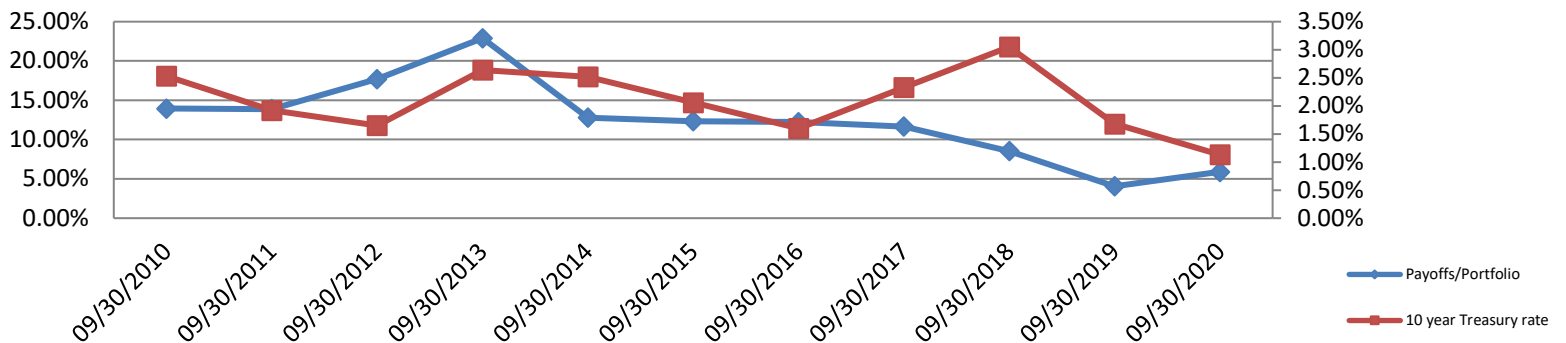
- ▶ Servicing expansion continues to provide additional revenues as the subserviced portfolio and purchased servicing rights asset bases increase.
- ▶ Best execution for the Single Family Mortgage first-time homebuyer loans was moved to TBA in March due to a dysfunctional bond market. In the bond execution the majority of the revenue is earned over time and with TBA sales all revenue is received upfront.
- ▶ The subservicing oversight position reports to the Director of Servicing and provides full-time monitoring of loss mitigation activities, collections and foreclosure services provided by MFA's subservicer. They coordinate with the Compliance Officer on risk management strategies and reporting. Staff actively analyzes default trends, quality control reports and portfolio profile characteristics to understand reasons for higher than expected delinquency rates. These delinquencies have an effect on the credit risk associated with MFA's down payment assistance portfolio as well as the financial impacts associated with defaults on the first mortgages themselves. Staff is actively engaged with the subservicer to identify additional delinquency reduction strategies, particularly early intervention strategies to prevent loans from becoming seriously delinquent. The subserviced portfolio is approx. 80% FHA insured loans. The Mortgage Bankers Association quarterly survey as of 12/31/19 indicates that the delinquency rate for FHA loans nationally is 9.08% and for New Mexico 7.67%. 4.49% of MFA's delinquencies in this portfolio are in the 30 to 59 days past due range. Delinquencies are down slightly from last month.
- ▶ Reserve levels for all MFA loan portfolios are deemed adequate.
- ▶ Fair market value for purchased servicing rights as of December 31, 2019 was \$13.2 million an increase of approximately \$1.4 million over cost. GASB requires MFA to utilize "lower of cost or market" accounting for this asset. Therefore, no valuation adjustments are anticipated. Current purchased servicing rights are recorded at a cost of \$11.8 million as of December 31, 2019. Valuations are obtained on a quarterly basis.
- ▶ Based on Moody's issuer credit rating scorecard, MFA's 28.78 percent net asset 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 percent). The net revenue as a percent of total revenue measures performance and profitability and MFA's 11.72 percent ratio (5-year average) points to high profitability with favorable trends (10-15 percent range). While ratios currently fall within expected thresholds, there are some trends that are effecting these ratios. In future years MFA will see the net asset ratio decline as net revenues will not be increasing at the same rate as bonds outstanding. As previously noted, the bond execution is expected to fund approximately 80% of the single family mortgage production this year.
- ▶ Moody's Investor Services issued an updated credit opinion on MFA in the spring of 2018. They reaffirmed the Aa3 rating. Comments included strong asset to debt ratio, good profitability and low risk profile due to mortgage-backed security structure, multifamily Risk Sharing Program and no exposure to variable rate debt. Additionally, Moody's reaffirmed the Aaa rating on the single family indenture in the spring of 2019. Moody's will begin updating MFA's issuer credit rating in April 2020.

MONTHLY FINANCIAL GRAPHS

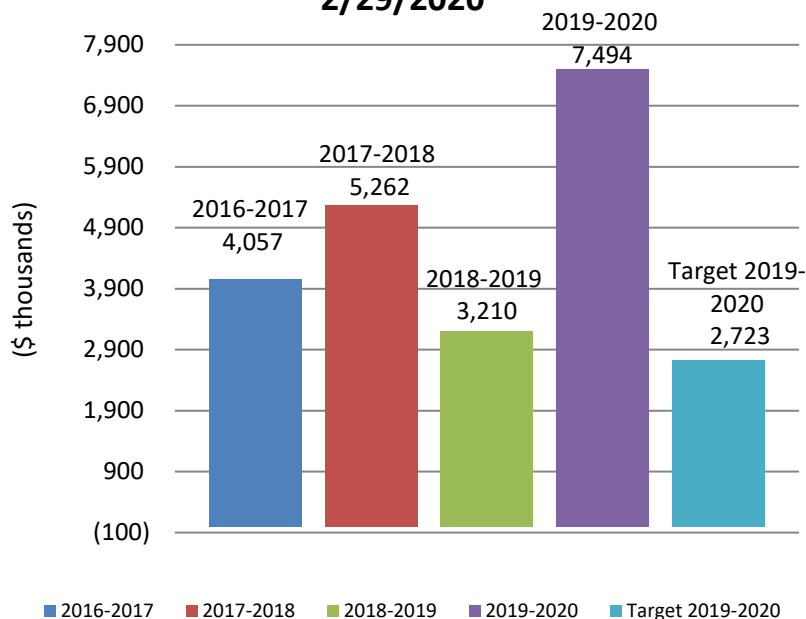
Assets Under Management as of 9/30/2020 (\$ in thousands)



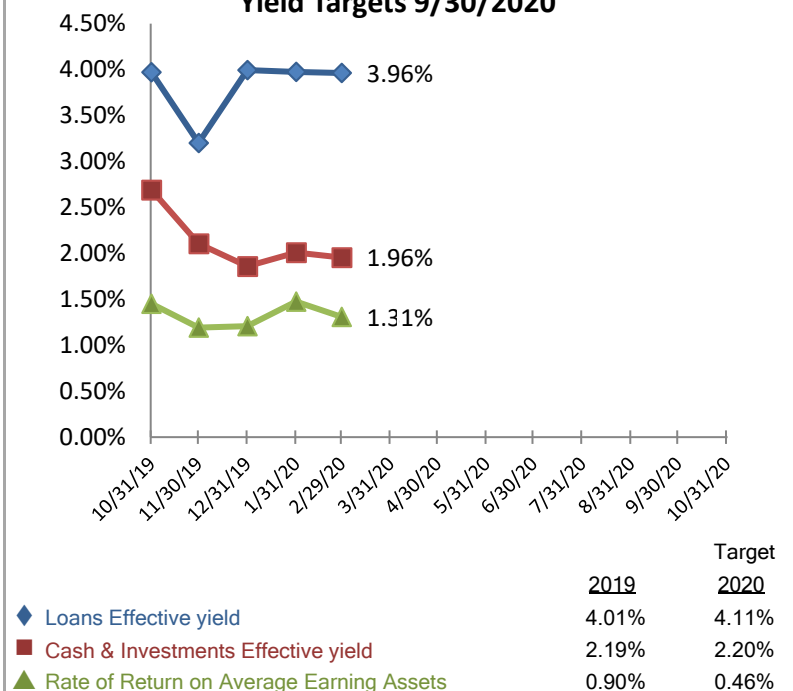
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2020



YTD Excess Revenues over Expenses as of 2/29/2020



Yield Targets 9/30/2020



(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
February 2020
(THOUSANDS OF DOLLARS)

	<u>YTD 2/29/2020</u>	<u>YTD 2/28/19</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$39,808	\$59,211
RESTRICTED CASH HELD IN ESCROW	10,658	10,706
SHORT-TERM INVESTMENTS	-	300
ACCRUED INTEREST RECEIVABLE	4,426	3,581
OTHER CURRENT ASSETS	3,056	1,896
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	(0)
INTER-FUND RECEIVABLE (PAYABLE)	-	-
TOTAL CURRENT ASSETS	<u>57,948</u>	<u>75,694</u>
 CASH - RESTRICTED	 131,071	 119,733
LONG-TERM & RESTRICTED INVESTMENTS	69,124	66,906
INVESTMENTS IN RESERVE FUNDS	0	320
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,038,489	764,727
MORTGAGE LOANS RECEIVABLE	227,562	232,584
ALLOWANCE FOR LOAN LOSSES	(4,321)	(1,257)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,165	1,225
OTHER REAL ESTATE OWNED, NET	-	52
OTHER NON-CURRENT ASSETS	-	-
INTANGIBLE ASSETS	<u>12,557</u>	<u>8,850</u>
TOTAL ASSETS	<u>1,533,596</u>	<u>1,268,834</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	337	443
 TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	 <u>1,533,932</u>	 <u>1,269,277</u>
 <u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$10,089	\$10,207
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	7,163	9,896
ESCROW DEPOSITS & RESERVES	<u>10,496</u>	<u>10,618</u>
TOTAL CURRENT LIABILITIES	27,747	30,720
 BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	 1,208,568	 951,991
MORTGAGE & NOTES PAYABLE	44,509	48,276
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	160	170
TOTAL LIABILITIES	<u>1,280,984</u>	<u>1,031,158</u>
 <u>NET POSITION:</u>		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	1,165	1,225
UNAPPROPRIATED NET POSITION (NOTE 1)	66,613	60,811
APPROPRIATED NET POSITION (NOTE 1)	<u>185,170</u>	<u>176,083</u>
TOTAL NET POSITION	<u>252,948</u>	<u>238,119</u>
 TOTAL LIABILITIES & NET POSITION	 <u>1,533,932</u>	 <u>1,269,277</u>

NEW MEXICO MORTGAGE FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FIFTH MONTHS ENDED FEBRUARY 2020
(THOUSANDS OF DOLLARS)

	<u>YTD 2/29/2020</u>	<u>YTD 2/28/18</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$20,248	\$16,506
INTEREST ON INVESTMENTS & SECURITIES	1,691	1,590
LOAN & COMMITMENT FEES	1,475	1,243
ADMINISTRATIVE FEE INCOME (EXP)	2,593	2,347
RTC, RISK SHARING & GUARANTY INCOME	32	24
HOUSING PROGRAM INCOME	518	537
LOAN SERVICING INCOME	2,339	1,397
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>28,895</u>	<u>23,644</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	1,718	(942)
OTHER NON-OPERATING INCOME	16	5
GRANT AWARD INCOME	20,006	18,371
SUBTOTAL NON-OPERATING REVENUES	<u>21,740</u>	<u>17,434</u>
TOTAL REVENUES	<u>50,635</u>	<u>41,078</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	6,003	5,304
INTEREST EXPENSE	16,723	13,245
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(958)	(682)
PROVISION FOR LOAN LOSSES	8	20
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	59	43
AMORT. OF SERV. RIGHTS & DEPRECIATION	550	251
BOND COST OF ISSUANCE	1,577	1,302
SUBTOTAL OPERATING EXPENSES	<u>23,962</u>	<u>19,484</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	124	65
GRANT AWARD EXPENSE	18,884	18,319
OTHER NON-OPERATING EXPENSE	171	-
SUBTOTAL NON-OPERATING EXPENSES	<u>19,179</u>	<u>18,384</u>
TOTAL EXPENSES	<u>43,141</u>	<u>37,868</u>
NET REVENUES	7,494	3,210
OTHER FINANCING SOURCES (USES)	0	-
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>7,494</u>	<u>3,210</u>
NET POSITION AT BEGINNING OF YEAR	<u>245,454</u>	<u>234,909</u>
NET POSITION AT 2/29/2020	<u>252,948</u>	<u>238,119</u>

NOTES TO FINANCIAL STATEMENTS

(For Informational Purposes Only)
(Thousands of Dollars)

(Note 1) MFA Net Position as of February 29, 2020:

UNAPPROPRIATED NET POSITION:

\$ 34,156	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 32,001	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
<u>\$ 456</u>	held for New Mexico Affordable Housing Charitable Trust .
<u>\$ 66,613</u>	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:

\$ 112,961	for use in the Housing Opportunity Fund (\$100,148 in loans plus \$12,813 unfunded, of which \$3,540 is committed).
\$ 27,732	for future use in Single Family & Multi-Family housing programs.
\$ 2,056	for loss exposure on Risk Sharing loans.
\$ 1,165	invested in capital assets, net of related debt.
\$ 12,535	invested in mortgage servicing rights.
<u>\$ 15,025</u>	for the future General Fund Budget year ending 9/30/20 (\$24,100 total budget less \$9,075 expended budget through 02/29/20.)
<u>\$ 171,474</u>	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

By actions of the Board of Directors on December 7, 1999, Housing assets have been appropriated as follows:

<u>\$ 14,862</u>	for use in the federal and state housing programs administered by MFA.
<u>\$ 14,862</u>	Subtotal - Housing Program
<u>\$ 186,336</u>	Total appropriated Net Position
<u>\$ 252,948</u>	Total combined Net Position at February 29, 2020

Total combined Net Position, or reserves, at February 29, 2020 was \$252.9 million, of which \$66.6 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$186.3 million of available reserves, with \$93.5 million primarily liquid in the General Fund and in the federal and state Housing programs and \$92.8 million illiquid in the programs of the General Fund, have been:

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

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 2019-2020 Budget
For the four months ended 2/29/2020

	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	547,094	2,774,294	2,879,243	6,910,183	104,949	4,135,889	40.15%
Interest on Investments & Securities	139,882	772,351	784,257	1,882,217	11,906	1,109,866	41.03%
Loan & Commitment Fees			4,167	10,000	4,167	10,000	
Administrative Fee Income (Exp)	870,371	4,276,857	3,518,510	8,444,423	(758,347)	4,167,566	50.65%
Risk Sharing/Guaranty/RTC fees	1,727	31,275	28,930	69,431	(2,345)	38,156	45.04%
Housing Program Income	95,400	517,344	473,350	1,084,053	(43,994)	566,709	47.72%
Loan Servicing Income	488,695	2,339,488	2,246,719	5,392,126	(92,769)	3,052,638	43.39%
Other Operating Income			-	1,500	-	1,500	
Operating Revenues	2,143,168	10,711,608	9,935,175	23,793,933	(776,434)	13,082,324	45.02%
Gain (Loss) Asset Sale/Debt Ex	(193,686)	1,596,077	(111,563)	(267,750)	(1,707,640)	(1,863,827)	-596.11%
Other Non-operating Income	-	540	67	160	(473)	(380)	337.50%
Non-Operating Revenues	(193,686)	1,596,617	(111,496)	(267,590)	(1,708,113)	(1,864,207)	-596.67%
Revenue	1,949,482	12,308,226	9,823,679	23,526,343	(2,484,547)	11,218,117	52.32%
Salaries	381,563	1,954,535	2,286,418	5,396,868	331,883	3,442,332	36.22%
Overtime	2,551	6,789	10,474	24,756	3,685	17,967	27.42%
Incentives	200	102,380	198,407	468,417	96,027	366,037	21.86%
Payroll taxes, Employee Benefits	173,732	905,552	1,078,058	2,567,648	172,506	1,662,096	35.27%
Compensation	558,046	2,969,257	3,573,357	8,457,690	604,100	5,488,433	35.11%
Business Meals Expense	312	689	2,108	5,060	1,419	4,371	13.61%
Public Information	32,760	76,091	116,210	278,905	40,119	202,814	27.28%
In-State Travel	4,115	30,297	40,475	97,140	10,178	66,843	31.19%
Out-of-State Travel	15,359	78,279	88,083	211,399	9,804	133,120	37.03%
Travel & Public Information	52,546	185,357	246,877	592,504	61,520	407,147	31.28%
Utilities/Property Taxes	6,316	30,748	30,688	73,652	(59)	42,905	41.75%
Insurance, Property & Liability	10,759	53,794	52,769	126,646	(1,025)	72,852	42.48%
Repairs, Maintenance & Leases	46,482	372,338	391,842	940,422	19,504	568,083	39.59%
Supplies	3,290	15,500	21,736	52,166	6,236	36,666	29.71%
Postage/Express mail	3,295	15,139	15,330	36,792	191	21,653	41.15%
Telephone	462	2,901	8,685	20,843	5,784	17,942	13.92%
Janitorial	2,342	12,538	10,450	25,080	(2,088)	12,542	49.99%
Office Expenses	72,946	502,958	531,500	1,275,601	28,542	772,643	39.43%
Dues & Periodicals	3,527	22,412	21,604	51,850	(808)	29,438	43.22%
Education & Training	3,334	32,233	51,130	122,711	18,897	90,478	26.27%
Contractual Services	59,327	360,473	467,084	1,121,001	106,610	760,528	32.16%
Professional Services-Program	-	5,322	24,265	58,236	18,943	52,914	9.14%
Direct Servicing Expenses	334,585	1,790,040	1,362,387	3,269,728	(427,653)	1,479,689	54.75%
Program Expense-Other	-	1,410	6,042	14,500	4,631	13,090	9.73%
Other Operating Expense	400,772	2,211,890	1,932,511	4,638,026	(279,379)	2,426,136	47.69%

GENERAL FUND
Fiscal Year 2019-2020 Budget
For the four months ended 2/29/2020

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Interest Expense	58,487	330,194	435,685	1,045,643	105,491	715,449	31.58%
Non-Cash Expenses	101,413	557,385	986,522	2,384,900	429,137	1,827,515	23.37%
Expensed Assets	2,350	63,456	74,029	177,670	10,573	114,214	35.72%
Operating Expenses	1,246,560	6,820,497	7,780,481	18,572,034	959,984	11,751,537	36.72%
Program Training & Tech Asst	1,470	55,322	229,881	551,715	174,560	496,393	10.03%
Program Development	27,587	68,331	59,083	141,800	(9,248)	73,469	48.19%
Capacity Building Costs	29,057	123,653	288,965	693,515	165,312	569,862	17.83%
Non-Operating Expenses	29,057	123,653	288,965	693,515	165,312	569,862	17.83%
Expenses	1,275,617	6,944,150	8,069,446	19,265,549	1,125,296	12,321,399	36.04%
Excess Revenue over Expenses	673,865	5,364,076	1,754,233	4,260,794	(3,609,843)	(1,103,282)	125.89%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2019-2020 Budget
For the one month ended 2/29/2020

	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	381,914	2,067,624	1,577,917	3,787,000	(489,708)	1,719,376	54.60%
2950 COMPUTER HARDWARE	-	45,600	76,802	184,324	31,202	138,724	24.74%
2960 SOFTWARE LICENSES	-	17,648			(17,648)	(17,648)	
2920 FURNITURE & EQUIPMENT-10 YR	-	-			-	-	
2930 FURNITURE & EQUIP, 5 YR.	-	-			-	-	
2860 BUILDING	-	-	719,195	863,035	719,195	863,035	0.00%
Capital Budget	381,914	2,130,872	2,373,913	4,834,359	243,041	2,703,487	44.08%



March 10 – April 7

MEDIA COVERAGE

3-16 Albuquerque Journal *Lt. Governor in self-quarantine*

SOCIAL MEDIA POSTS

Each item was posted to Facebook, Instagram, Twitter and LinkedIn

- 3-5 National Employee Appreciation Day
- 3-9 Welcome Donna Maestas-De Vries
- 3-16 MFA programs up and running
- 3-19 Foreclosures suspended through April
- 3-24 NEXTHome program has not been suspended
- 3-25 Stay home New Mexico
- 3-26 Help with mortgage payments
- 3-27 We're here for you
- 3-30 Thank you doctors and healthcare workers
- 4-1 Fair Housing Month
- 4-6 Fair housing



PRESS RELEASES, NEWSLETTERS and LENDER MEMOS

3-13	Lender Memo 2020-07	<i>MFA operating at full capacity; business flow uninterrupted</i>
3-16	E-blast to all MFA contacts	<i>COVID-19 update</i>
3-16	Asset Management partners	<i>MFA to begin remote audits</i>
3-16	Servicing customers	<i>Instructions for remote payments</i>
3-24	Lender and Realtors	<i>NEXTHome program has NOT been Suspended</i>
4-1	Asset Management partners	<i>Annual apartment survey</i>
4-7	Asset Management partners	<i>Fair housing webinar</i>
4-7	Real estate partners	<i>All homeownership programs operating normally</i>

Title: **Lt. Governor in self-quarantine**

Author:

Size: 10.23 column inches

Albuquerque, NM Circulation: 102148



Lt. Governor in self-quarantine

Lt. Gov. Howie Morales is working from home in Silver City and will self-isolate for 14 days after traveling to Washington, D.C., last week.

Morales said he's healthy and has no symptoms. But he is following the recommendations of the state Department of Health, which suggests 14 days of self-isolation for any New Mexican who has traveled out of state.

"We're taking this very seriously," Morales told the Journal on Sunday. Morales said he visited Washington last week as part of his work as a board member of the New Mexico Mortgage Finance Authority.

The Department of Health recommendations say: "Given that our knowledge of high risk areas changes every day, and that airports provide possible exposure to hundreds of people whose travel histories are not known, we are also recommending that individuals who have travelled outside of the state be in self-isolation for a period of 14 calendar days."

Furthermore, the department said, travelers who have a fever or respiratory symptoms should call 855-600-3453 to discuss their next steps.



MFA Housing New Mexico

March 5 · 🌐

...

Tomorrow is National Employee Appreciation Day! Since 2000, MFA's staff has almost doubled. That means more than 80 dedicated professionals are working hard every day to provide quality affordable housing opportunities for all New Mexicans. Thank you, MFA staff, for your passion and commitment!



NATIONAL EMPLOYEE
APPRECIATION DAY

THANKS FOR
EVERYTHING!



236
People Reached

23
Engagements

Boost Post



13

2 Shares



MFA Housing New Mexico

March 9 at 12:44 PM · 🌐



MFA announces new Deputy Director, Donna Maestas-De Vries. She will oversee all aspects of MFA's housing development, asset management and community development departments, which together administer more than 20 affordable housing programs.

<https://bit.ly/2IDIQ7X>

HOUSINGNM.ORG

housingnm.org

144

People Reached

28

Engagements

Boost Post



12

1 Comment 2 Shares



MFA Housing New Mexico

March 16 at 3:20 PM · 🌐

...

Stay well!

ALL MFA PROGRAMS ARE UP AND RUNNING! MANY STAFF MEMBERS ARE WORKING REMOTELY, BUT YOU CAN STILL REACH US ON OUR OFFICE PHONES OR EMAILS. STAY WELL!



389

People Reached

46

Engagements

Boost Post



11

3 Shares



MFA Housing New Mexico

March 19 at 2:26 PM · 🌐

...

Foreclosures suspended through April

If you have a Fannie Mae, Freddie Mac or FHA-insured mortgage and are having trouble making payments, you can breathe a little easier because these mortgage lenders are suspending foreclosures until at least April 30. However, you need to reach out to your service provider as soon as possible to protect yourself and your home over the long-term!

If MFA is your service provider, go here for more information:

<http://www.housingnm.org/home...> See More



HOUSINGNM.ORG

MFA Housing New Mexico

Fannie Mae, Freddie Mac, HUD suspending all foreclosures and e...

84

People Reached

7

Engagements

Boost Post



4



MFA Housing New Mexico

March 24 at 3:01 PM · 🌐

...

Please be advised...

Please be advised that MFA's NEXTHome program has NOT been suspended. Contrary to rumors that are circulating, all of MFA's homeownership programs are operating as usual.

In addition, MFA has been deemed to be an essential business. Therefore, MFA's offices remain open.

The majority of our staff are working remotely, but they are easily reached by email or phone. The work of providing mortgage loans and down payment assistance is progressing without interruption.

Should there be any changes to any of our programs, MFA will give lenders ample advance notice. In the future, if you see or hear anything to the contrary, please contact our homeownership staff for clarification.



1,664

People Reached

118

Engagements

Boost Post



17

25 Shares

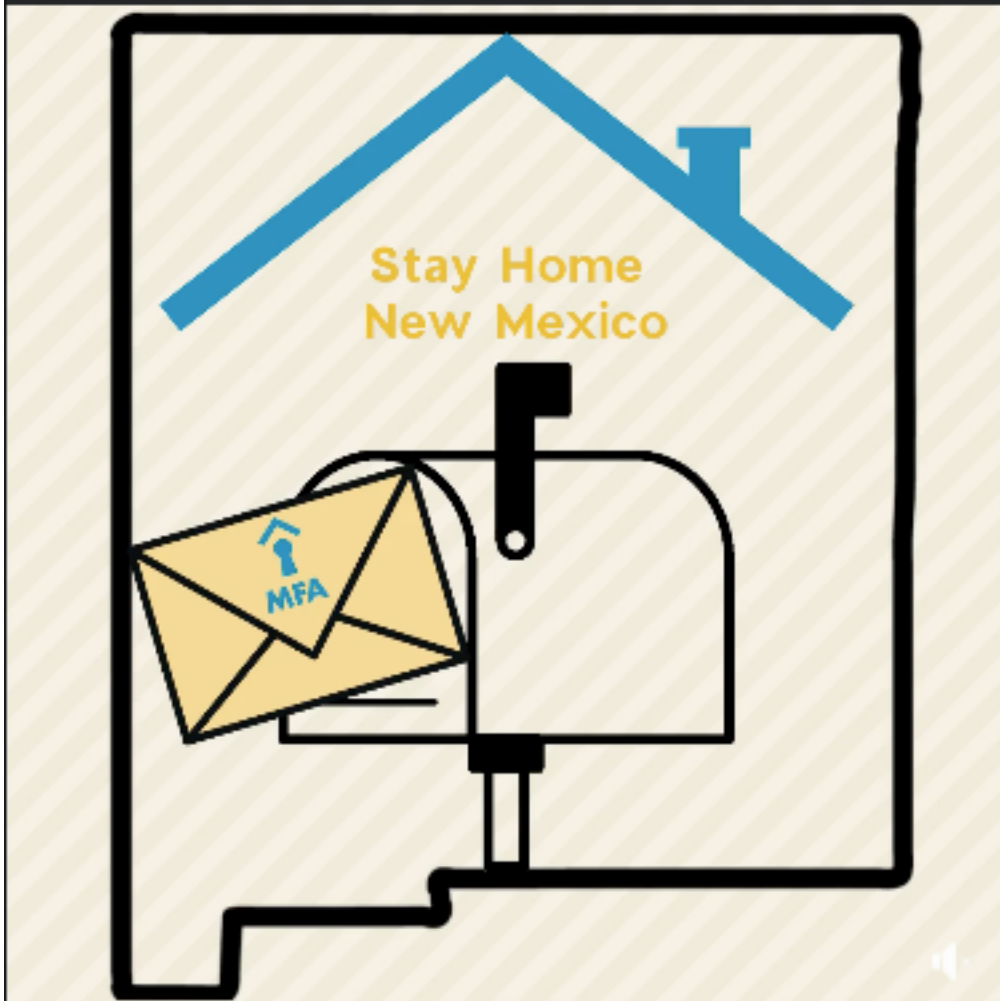


MFA Housing New Mexico

March 25 at 3:12 PM · 🌐



#StayHomeNM



157

People Reached

21

Engagements

Boost Post



7

2 Shares



MFA Housing New Mexico

March 26 at 2:18 PM · 🌐

...

If you anticipate that it will be difficult or impossible for you to make your MFA mortgage payment due to circumstances related to COVID-19, MFA wants to help.

Call or email us today to see what options are available to you.

Phone: 505.843.6882 ... See More



wants to

HELP

If you anticipate that it will be difficult or impossible for you to make your MFA mortgage payment due to circumstances related to COVID-19, MFA wants to help.

Call or email us today to see what options are available to you.

Phone: 505.843.6882 | <http://www.housingnm.org/contact/contact-us>

786

People Reached

43

Engagements

Boost Post



8

13 Shares



MFA Housing New Mexico

March 27 at 4:45 PM · 🌐

...

We're here for you!



WE'RE HERE FOR YOU

All MFA homeownership programs are fully operational and continue to be available to New Mexicans without interruption.



234

People Reached

15

Engagements

Boost Post



4

3 Shares



MFA Housing New Mexico

March 30 at 3:32 PM · 🌐

...

Thank you, doctors and healthcare workers, during the ongoing COVID-19 pandemic. **#NationalDoctorsDay**



Office of the Governor

MICHELLE LUJAN GRISHAM

THANK YOU

Governor Michelle Lujan Grisham ✓

March 30 at 3:11 PM · 🌐

On **#NationalDoctorsDay**, I join every New Mexican in extending my deepest gratitude to physicians all across New Mexico who are responding to the ongoing public ... [See More](#)

92

People Reached

6

Engagements

Boost Unavailable



4

1 Share



MFA Housing New Mexico

April 1 at 2:28 PM · 🌐

...

April is Fair Housing Month. Fair housing is the right of every New Mexican to safe, decent affordable housing.

Find out more at <http://housingnm.org/> in the "resources" section.



302
People Reached

22
Engagements

Boost Post



7

7 Shares



MFA Housing New Mexico

18 hrs · 🌐

...

MFA is committed to ensuring that no one is denied housing because of race, religion or disability and other protected classes.

To learn how to protect yourself against housing discrimination, go to the resources section of <http://housingnm.org/resources/fair-housing>



MFA is committed to ensuring that no one is denied housing because of race, religion or disability and other protected classes.

To learn how to protect yourself against housing discrimination, go to the resources section of housingnm.org



179

People Reached

11

Engagements

Boost Post



6

2 Shares



MEMO

TO: Participating Lenders
FROM: MFA Homeownership Department
DATE: March 13, 2020
RE: Memo No. 2020-07

MFA operating at full capacity; business flow uninterrupted

While we continue to monitor and assess the potential threat posed by COVID-19, please be assured that MFA's homeownership programs and services continue to operate normally and without curtailment. Precautionary measures have been implemented to ensure that we have -- and will continue to have-- sufficient operational capacity to fulfill our mission.

Lenders can and should continue to reserve loans and upload compliance files as needed.

MFA has had a robust telecommuting policy in place for several months, which allows many employees to work from home using secure technology protocols. This program has been working well and is currently being expanded to include more staff members.

Be advised that, due to exceptionally heavy volume, our current compliance review times are between four and five days.

Thank you for participating in MFA's programs. We appreciate your flexibility as we respond to the current situation in a way that ensures the safety of our employees and our customers.

Should you have any questions, please do not hesitate to contact an MFA homeownership representative.



March 16, 2020

Dear MFA partner:

Amid the unusual and unsettling times in which we find ourselves, we want to let you know that MFA is working to minimize the potential impact of COVID-19 to our employees, our partners and our mission while keeping our programs up and running. **All MFA programs are operational, and we are moving forward on all fronts with as little disruption as possible.**

We expect that, for the most part, you will have a “business as usual” experience when working with MFA staff. However, we have taken the following steps to mitigate the risk of the coronavirus, which could have some impact on workflow:

- Increased remote accessibility –MFA has had a successful telecommuting program in place for several months with more than half of our staff working from home up to two days a week. We have expanded that program to five days a week and are working to connect additional staff remotely. Offsite staff can still be reached by calling their office phone.
- Meetings and trainings – As much as is possible, we will conduct meetings and trainings via WebEx or teleconference. This includes the Board of Directors meeting scheduled for Wednesday, March 18, which board members will attend remotely. As always, the board meeting will be open to the public. However, we encourage you to join the meeting via WebEx. The broadcast can be accessed through our website: <http://housingnm.org/resources/webcasts>. All out-of-state travel and off-site conferences for staff have been canceled.
- Property monitoring – Monitoring visits will be limited during this time. They will be rescheduled as soon as it is deemed safe and appropriate to do so.
- Walk-in visitors to MFA – While we will continue to take walk-in customers, we ask that in-person meetings with our staff be conducted by WebEx or teleconference.

MFA will continue to closely monitor developments and follow the recommendations and mandates from our governor, the state health department and the Centers for Disease Control and Prevention. We will evaluate our work environment on a weekly basis and will update you as needed. Please don't hesitate to contact me or any of our staff with questions or concerns.

Very respectfully,

A handwritten signature in black ink, appearing to read 'Isidoro Hernandez'.

Isidoro Hernandez
MFA Executive Director



MEMO

TO: Owners and Agents
FROM: MFA Asset Management Department
DATE: March 16, 2019
RE: COVID-19 Precations

MFA to Begin Remote Audits

To our partners,

In the interest of the residents and staff of our communities as well as the MFA staff, we are temporarily suspending site inspections. For properties scheduled for an inspection this year, we will begin conducting desk reviews of the tenant files and compliance documents received during a review. A physical review of the property and units will be scheduled later to complete the entire review process.

If your property is being audited remotely, you will be contacted by the MFA housing programs analyst scheduling the review. They will let you know what information is required and give you instructions on how to submit through MFA's secure file transfer.

Given the immediate public health risks surrounding COVID-19, MFA is suspending the requirement to provide social service enrichments, which are required in many tax credit LURAs. This includes but is not limited to: health and nutrition education; fitness classes; walking programs; seminar instruction on meals; semi-annual CPR training; quarterly computer training; gardening; youth character building; beyond financial literacy; estate planning and end of life planning. Other suspended requirements include social events designed to provide engaging activities for residents and build community such as holiday potlucks, arts and crafts events, book clubs, creative writing, bingo and other games, field trips to the movies or a museum or other places of interest.

Other required services must continue to be provided including food resource programs and transportation services to grocery stores and pharmacies. Also, owner/agents should take extra precautions for their staff and residents and make every effort to clean all common areas -- especially handrails, doorknobs, and restrooms -- and post and make available recommended precautions from the CDC.

If you have any questions, please contact MFA's Asset Management Department.



Protect Yourself, Save a Trip

MFA remains committed to working on your behalf. However, to mitigate the risks associated with the coronavirus, MFA suggests that you **not visit our office** to make your mortgage payment. Here are some other options:

Mail payments to PO Box 912727, Denver, CO 80291.

Make an online payment at www.housingnm.org/homeowners.

If you need assistance, watch the “How to make your online MFA loan payment” video at the top of the page. You can access other information from the payment portal including:

- Print Billing Statement
- Print Activity Statement
- Print Year End Tax Form
- Print Amortization Schedule
- Print Escrow Disclosure

Setup recurring ACH payments. Forms are available at www.housingnm.org/ach-auto-draft.

Drop off payments in the lockbox at MFA's office, 344 Fourth St. SW, Albuquerque, NM 87102. The drop box is to the right of the main entrance doors, which faces Third Street. Your canceled check is your receipt.

Face-to-face interaction is discouraged. If needed, please call MFA at 505.843.6882 to speak to a customer servicing representative.

If you are experiencing a financial hardship that is making it difficult for you to make your mortgage payment, go to the link below on foreclosure prevention for information on the loss mitigation process:

<http://housingnm.org/homeowners/foreclosure-prevention>

The CDC recommends several steps you can take to help prevent the spread of respiratory diseases. You can find this information at:

<https://www.cdc.gov/coronavirus/2019-ncov/about/prevention-treatment.html>



ALL MFA HOMEOWNERSHIP PROGRAMS ARE OPERATIONAL

The NEXTHome program has NOT been suspended

March 24, 2020

Dear MFA partner:

Please be advised that MFA's NEXTHome program has NOT been suspended. Contrary to rumors that are circulating, all of MFA's homeownership programs are operating as usual. In fact, we are currently experiencing high volume.

In addition, MFA has been deemed to be an essential business. Therefore, MFA's offices remain open. The majority of our staff are working remotely, but they are easily reached by email or phone. **The work of providing mortgage loans and down payment assistance is progressing without interruption.**

Should there be any changes to any of our programs, MFA will give lenders ample advance notice. In the future, if you see or hear anything to the contrary, please contact our homeownership staff for clarification.

Sincerely,
MFA Homeownership Department



MEMO

TO: Owner/Agents
FROM: The Asset Management Department
DATE: April 1, 2020
RE: Annual Apartment Survey

Apartment Survey

The Bureau of Business and Economic Research (BBER) at the University of New Mexico is conducting a survey of apartment vacancies and rents for the New Mexico Mortgage Finance Authority (MFA).

The results from this survey will provide MFA with current information about local markets, improving our knowledge base to better administer and provide funding for various housing programs throughout the state.

This year the survey asks for information for **March 2020** for all those New Mexico properties with **five or more units that are NOT in Albuquerque, Rio Rancho or Santa Fe**.

Please provide the MFA's Asset Management Department a current rent roll. This was due to our office with all other annual compliance reporting documents by March 31st. We have not received the requested documentation for one or more of your properties.

If you have any questions, please contact:
Amanda Aragon - aaragon@housingnm.org
Samantha Vigil - svigil@housingnm.org

[View this email in your browser](#)



Registration is now open!

WHO: Property managers with Risk Share, HOME, National Housing Trust Fund, Tax Credit Exchange Section 8 and NSP funding

WHEN: April 28 and April 29, 9:00 - 10:00 a.m

WHERE: Webex meeting

The New Mexico Mortgage Finance Authority (MFA) is pleased to announce that registration is now open for the Affirmative Fair Housing Marketing Plan webinar. The webinar is designed for property managers who are required by program to be in compliance with an Affirmative Fair Housing Marketing Plan.

The webinar will provide essential compliance information to managers with an approved marketing plan. Topics will include an overview of affirmative fair housing marketing plans, requirements for the property, compliance documentation needed during a monitoring review and additional resources for marketing plans.

Attendees should register for only one session. Registration closes one week prior to the session date.

Webinar Details

Session 1 Date: Tuesday, April 28
Time: 9:00 - 10:00 a.m.

Contact Amanda Aragon to register
aaragon@housingnm.org
505.767.2267

Session 2 Date: Wednesday, April 29
Time: 9:00 - 10:00 a.m.

Contact Kathy Griego to register
kgriego@housingnm.org
505.767.2236



Housing New Mexico





MEMO

TO: New Mexico Real Estate Agents
FROM: MFA Homeownership Department
DATE: April 7, 2020

MFA continues to fulfill mission; All programs fully operational

MFA is pleased to report that we continue to operate normally in all respects -- including the ongoing purchase of loans that meet our program requirements -- despite the challenges caused by the COVID-19 outbreak. Most MFA staff are working remotely, and everyone is fully equipped to conduct business in the usual manner.

All MFA homeownership programs are completely operational and functioning normally. Please be assured that changes to MFA programs would be announced in advance. We always seek to give our participating lenders and the real estate community advanced notice of any program changes.

With the help of our lending partners and the real estate community, MFA assists an exceptionally large number of New Mexicans each and every week. We are grateful for your partnership and for your support MFA's programs and mission. Should you have any questions, please do not hesitate to contact an MFA homeownership representative.

New Mexico Mortgage Finance Authority
344 Fourth St. SW Albuquerque, NM 87102 505.843.6880 800.444.6880 housingnm.org