



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Board Meeting
344 4th St. SW, Albuquerque, NM
Wednesday, August 18, 2021 at 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 7/21/21 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Finance Committee

- | | |
|--|-----|
| 1 Mortgage Operations Internal Audit Executive Summary (Amanda Wyatt, Senior Audit Associate & Claire Hilleary, Audit and Consulting Senior Manager, REDW) | YES |
| 2 6/30/21 Quarterly Financial Statement (Stephanie Yara) | YES |
| 3 6/30/21 Quarterly Investment Review (Cooper Hall) | YES |
| 4 Single Family Investment Banking/Underwriting Services RFP (Stephanie Yara & Cooper Hall) | YES |
| 5 2021 New Mexico Housing Trust Fund NOFA Revisions (Tim Martinez & George Maestas) | YES |

Contracted Services/Credit Committee

- | | |
|---|-----|
| 6 Request for Proposals for Housing Development Legal Services (Jeff Payne) | YES |
|---|-----|

Other

- | | |
|--|----|
| 7 Multifamily Project Completion Pipeline Report (George Maestas) | NO |
| 8 Statewide Housing Strategy Consultant (Sonja Unrau) | NO |
| 9 MFA Portfolio Delinquency Update (Teresa Lloyd & Stephanie Gonzales) | NO |

Other Board Items

Information Only

- 10 (Staff is available for questions)**
- Staff Action Requiring Notice to Board
 - COVID Staff Actions
 - Debarment of Nick Tinnin, Tinnin Enterprises, LLC
 - Strategic Plan Dashboard

Monthly Reports

No Action Required

11 (Staff is available for questions)

- Northern Regional Housing (NRHA) Monthly Update Reports

Quarterly Reports

No Action Required

12 (Staff is available for questions)

- Quarterly Board Report

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings – until further notice all Board Meetings & Committees will be held Virtually

- September 7, 2021 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- September 15, 2021 – Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- September 15-16, 2021 – Immediately following the Board meeting – MFA Board of Directors Retreat
- October 12, 2021 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- October 20, 2021 – Wednesday – 9:30 a.m. (MFA Board of Directors Meeting)
- November 9, 2021 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- November 17, 2021 – Wednesday – 9:30 a.m. (MFA Board of Directors Meeting)



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Finance Committee

- 1 Mortgage Operations Internal Audit Executive Summary (Amanda Wyatt, Senior Audit Associate & Claire Hilleary, Audit and Consulting Senior Manager, REDW)** - REDW, Amanda Wyatt, will present the Mortgage Operations Internal Audit Executive Summary for Board approval. YES
- 2 6/30/21 Quarterly Financial Statement (Stephanie Yara)** - ongoing YES
- 3 6/30/21 Quarterly Investment Review (Cooper Hall)** - ongoing YES
- 4 Single Family Investment Banking/Underwriting Services RFP (Stephanie Yara & Cooper Hall)** - Staff recommends returning to the Underwriter contract structure used prior to 2016; issuing an RFP only for the Single Family Housing Bond Underwriter Services. Responses to the RFP will be due September 24, 2021 and recommendations for award will be presented at the November Board meeting. The term of the contract begins the date the Board approves the award and ends November 30, 2024 with two subsequent one-year extensions at the option of the Policy Committee. Staff recommends approval of the Request for Proposals to Provide Underwriting Services for Single Family Housing Programs. YES
- 5 2021 New Mexico Housing Trust Fund NOFA Revisions (Tim Martinez & George Maestas)** - MFA staff revisions to the NMHTF NOFA represent several years of needed program and language updates. The proposed changes are intended to better clarify the application submission process, update the competitive funding round schedule to reflect the current MFA loan approval process, and better align the application scoring criteria with MFA's most recent Strategic Plan. As such, staff recommends the approval of all proposed changes to the NMHTF NOFA. YES

Contracted Services/Credit Committee

- 6 Request for Proposals for Housing Development Legal Services (Jeff Payne)** - Staff requests approval of the RFP for Housing Development Legal Services to provide legal assistance, advice, and counsel to MFA's Housing Development department. Staff also requests approval for a 120-day extension to the existing agreement to provide continuing legal support during the RFP process. YES

Other

- 7 Multifamily Project Completion Pipeline Report (George Maestas)** - For informational purposes, staff will provide an overview of the quarterly report on the construction progress of multifamily projects and present information on any upcoming loan closings and ribbon cuttings. NO
- 8 Statewide Housing Strategy Consultant (Sonja Unrau)** – For informational purposes, staff will share the decision to award Root Policy Research the contract for Statewide Housing Strategy consulting services. NO
- 9 MFA Portfolio Delinquency Update (Teresa Lloyd & Stephanie Gonzales)** - Provide the Board an update on delinquency trends for MFA's loan portfolio as of June 30, 2021. Housing Assistance Funds (HAF) have been distributed to 515 New Mexico borrowers. Of the 515 loans 251 were paid to loans serviced by Idaho Housing and Finance Association in the amount of approximately \$1.278M. This assistance has moved these borrowers from being seriously delinquent to current. MFA's subserviced portfolio delinquency was 9.36% in March 2020 and 18.39% in December 2020 and has continued to decline to 14.64% reflecting the impacts of the outreach Idaho Housing and Finance Association has completed during the health crisis. MFA's in-house serviced portfolio has seen steady improvement from a high delinquency of 13.89% in March 2017 to 7.26% as of June 2021. NO

Other Board Items

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Minutes

NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting Minutes

344 4th St. SW, Albuquerque, NM
Wednesday, July 21, 2021 at 9:30 a.m.

Chair Reyes convened the meeting on July 21, 2021 at 9:30 a.m. Secretary Hernandez called the roll. Members available by phone: Chair Angel Reyes, Vice Chair Derek Valdo, Lieutenant Governor Howie Morales and C'de Baca (Designee for Lieutenant Governor Howie Morales), Sally Malavé (Designee for Attorney General Hector Balderas), State Treasurer Tim Eichenberg (in person), Rebecca Wurzbarger. Absent: Rosalyn Nguyen Chafey. 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 introducing 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 Joseph as Izzy is participating from out of state (while attending the NCSHA Executive Directors conference) and we will stop the meeting to wait for you to reconnect. There will be a roll call vote for all approvals.

Due to Chair Reyes' technical difficulties Vice Chair Valdo conducted the meeting.

Approval of Agenda - Board Action. Motion to approve the July 21, 2021 Board agenda as presented: Wurzbarger. Second Malavé: Roll call vote: Roll call vote: Chair Reyes-yes (thumbs up), Vice Chair Valdo-yes, Morales-yes, Eichenberg-yes, Malavé-yes, Wurzbarger-yes. Vote: 6-0.

Approval of June 16, 2021 Board Meeting Minutes – Board Action– Board Action– Board Action. Motion to approve the June 16, 2021 Board Meeting Minutes as presented: Malavé. Second: Wurzbarger. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, Morales-yes, Eichenberg-yes, Malavé-yes, Wurzbarger-yes. Vote: 6-0.

Chair Reyes resumed responsibility of the meeting.

Hernandez began his presentation by providing the Board with an update on the following topics: **Significant meetings/presentations:** Statewide Housing Strategic Plan – 5 proposals received and will come to the Board as an informational item, 6/28: 7/12: Congresswoman Stansbury. 7/13: External Audit Entrance Conference with CLA, 7/14: Taos County Commissioners, 7/16: LOC (Housing Needs Assessment, Fed. Housing Policy and Budget, Legislative Agenda), 7/19: Rural Economic Opportunity Task Force – Mora (28 Legislators) and 7/20: SBOF – JLG Central - \$2M approved. **Activities and Actions:** Homeownership Assistance Fund (HAF) - \$3.5M Pilot Launched Applications: (Submitted: 1110, In Process: 1078), Funded/Pending Funding: \$989k/\$3.4M. 7/8: Bond Issue – 2021 Series C 4.5X over subscribed - Rates allow us to keep 3% for first time homebuyers on the government loans. Delinquencies: Good news/trends on the delinquencies: 30% Forbearance Decrease since January Peak; 20% Delinquency Decrease to 15% from 18.70%. **Mortgage Operations** – Slightly ahead of last year's production (Weekly Average) '20 - \$10.5m / '21 - \$10.9m (as of 6/11). **Market Update:** Homeownership Housing Prices continue to increase, U.S. Housing Prices Jump the Most in More Than Three Decades (Bloomberg Headlines on 29 June). Nationally, property values climbed 14.6% from a year earlier, the biggest gain in data going back to 1988. In Albuquerque, Median Sales price hit \$305k in June, 25.8% increase from June '20, mean/average stood at \$341k, 22% rise since last June. 101.5 Sales vs. List Price.

Other

1 Construction Update for New Mexico (Jim Tofel managing member, Tofel Dent Construction). Mr. Tofel began his presentation by providing background information on Tofel Dent Construction and their experience in construction of Low Income Housing Tax Credit apartments. His presentation included information from the construction industry regarding rising construction costs and the impact of those costs on the New Mexico affordable housing industry. He also presented ideas to assist with the cost burden; some of which included, additional gap financing, use of additional forward allocated credits as well as quick turn around on tax credits if returned. He also spoke of sales tax and how it's used in other states. Non Action Item.

Consent Agenda

2 2021 Series D Bond Resolution (Cooper Hall) – Reviewed in finance committee. Staff requests approval of the 2021 Series D Bond Resolution to authorize future bonding activity and to ensure MFA can be responsive to market conditions. Staff is requesting approval of the 2021 Series D Single Family Bond Resolution in the aggregate amount not to exceed \$150 million. MFA anticipates providing funds for \$150 million of new loans. The timing of issuance has

not been determined and will depend on actual reservation activity and bond market conditions.

- 3 JLG NM Central Apartments - Bond Resolution (Kathryn Turner)** – Reviewed in finance committee. Staff requests approval of the Bond Resolution, Loan Agreement, Tax Regulatory Agreement, and Trust Indenture for JLG NM Central Apartment Projects to pursue issuance of up to \$11 million in tax exempt bonds that are expected to close in August 2021. Bond proceeds will fund the completion of the acquisition and rehabilitation of 218 units, including 213 rent restricted units, located on separate sites in the cities of Las Vegas, Artesia, Portales, Belen and Ruidoso Downs. Approval of the Bond Resolution will result in these properties remaining affordable for the next 30 years.

Motion to approve the consent agenda as listed - Approval of 2021 Series D Bond Resolution and the JLG NM Central Apartments - Bond Resolution: Wurzbarger. Second Valdo: Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzbarger-yes. Vote: 6-0.

Finance Committee

Chair Reyes stated that member Wurzbarger would like to address the Board. Member Wurzbarger began by thanking Chair Reyes, stating that prior to staff's presentations of the next three related agenda items she would like to disclose for the record that she made a donation to Santa Fe Habitat for Humanity in 2020 for which she received a State Tax Credit. While she does not believe that any prior receipt of a state tax credit presents a conflict of interest or will in any way interfere with her ability to consider and vote upon this matter, she did want to make this disclosure for the purpose of complete transparency. She stood for questions.

- 4 NM Affordable Housing Charitable Trust Policy Modifications (Patty Balderrama and George Maestas).** Balderrama began her presentation with a request of the Board to approve the recommended modifications to the New Mexico Housing Charitable Trust Policy to align definitions, define handling of earmarked donations, and add another method for recommending distribution of funds. Balderrama reminded the Board that MFA serves as Trustee and establishes the purpose and uses of the Trust. She then provided background information provided in the memo behind tab four which will be made a part of the official board packet. Balderrama provided highlights of the modifications to the policy which is also located behind tab four behind the memo. Motion to approve the NM Affordable Housing Charitable Trust Policy Modifications as presented: Malavé. Second: Valdo. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Wurzbarger-yes. Vote: 6-0.

Lieutenant Howie Morales left the meeting 10:17 a.m.

- 5 State Tax Credit Rules & Regulations Modifications (Patty Balderrama and George Maestas).** Balderrama began her presentation with a request of the Board for approval of the proposed revisions to the NM Affordable Housing Tax Credit Program Rules (Rules) to align with modifications of the same date made to the NM Affordable Housing Tax Credit Notice of Funding Availability (NOFA- next on the agenda) to better account for multifamily awards, align with new Strategic Plan initiatives, and general program information and process updates. She then provided background information provided in the memo behind tab five which will be made a part of the official board packet. Balderrama provided highlights of the changes to program rules located behind the memo. Discussion ensued as to whether the State tax Credit donation could be applied to down payment assistance. The donation can be made to the Charitable Trust then used in that program. Member Wurzbarger recommended ideas as to which markets to target i.e., Investment advisors, tax advisors, attorneys, wealthy individuals looking to reduce their taxes, seniors/AARP. Balderrama informed the Board that MFA had made a presentation to the CPA society and thanked member Wurzbarger for her suggestions. Motion to approve the State Tax Credit Rules & Regulations Modifications as presented: Valdo. Second: Eichenburg. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzbarger-yes. Vote: 6-0.

Contracted Services/Credit Committee

- 6 State Tax Credit NOFA Modifications (Patty Balderrama and George Maestas).** Balderrama begin her presentation with a request from the Board for approval of the proposed revisions to the NM Affordable Housing Tax Credit NOFA to better account for multifamily awards, align with new Strategic Plan initiatives, update scoring criteria, and general program information and application process updates. She provided a brief summary of background information as noted in the memo located behind tab six which will become a part of the official board packet. She further informed the Board that the NOFA is intended to provide funding and application guidelines and solicit applications from qualified applicants for projects that will provide affordable housing in accordance with the State Tax Credit Program. Any changes to the NOFA require board approval. Balderrama reviewed the notable language revisions and substantial

amendments to the NOFA located behind the memo. Motion to approve the State Tax Credit NOFA Modifications as presented: Malavé. Second: C'de Baca. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzbürger-yes. Vote: 6-0.

- 7 **Casa de Encantada Apartments NMHTF Loan Request (Jacobo Martinez and George Maestas).** Martinez began his presentation with a NMHTF (NM Housing Trust Fund) loan request in the amount of \$2mm, 1% interest rate for Casa de Encantada Apartments, located in Rio Rancho, NM. Martinez then introduced Eric Grodahl, principal - DBG Properties LLC, who provided an overview of the Casa de Encantada Apartments and responded to questions provided by the Board. Martinez continued his presentation at the conclusion of Grodahl's presentation stating that Casa de Encantada Apartments is a proposed new construction senior oriented project located south of US Highway 550 at Safelite Blvd. NE in Rio Rancho New Mexico. It is proposed to be financed with 4% low-income housing tax credits (LIHTC) and Multifamily Private Activity Bonds to be issued by Sandoval County. The project will serve persons 55 years of age or older (in compliance with the Housing for Older Persons Act (HOPA) 24 CFR Part 100 Final Rule) at or below 60% AMI. Payments are Interest only monthly during the construction period not to exceed 24 months; 360 equal principal & interest payments during the permanent loan period. Motion to approve Casa de Encantada Apartments NMHTF Loan Request as presented: Wurzbürger. Second: Eichenburg. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzbürger-yes. Vote: 6-0.

Other

- 8 **Youth Homelessness Demonstration Project Limited Source Procurement and Award Recommendations (Kelly Patterson and John Garcia).** Patterson began her presentation by providing background information as provided on the memo located behind tab eight and will be made a part of the official board packet. She explained that the YHDP Program was established in 2018 to drastically reduce the number of youths experiencing homelessness by providing services such as housing and case management to affected youth. She further noted that during the 2021 state legislative session, \$413,000 was awarded to MFA as recurring funds that are designated as a match for the HUD YHDP recipients. Because these funds are designated as a match for the HUD YHDP recipients, this award qualifies the services providers under a limited source procurement. Staff is recommending approval to award \$413,000 of State of New Mexico funding to be used as match funding for the Youth Homeless Demonstration Project (YHDP). The funds will be distributed to the five HUD approved service providers as listed in funding allocation table provided in the memo. Patterson reviewed the list provided and further advised the Board that 10% (\$41,300) of the \$413,000, is allowable for administrative costs. The admin will be split equally between MFA and the service providers. The remaining \$392,350 will be awarded to the five service providers listed in the memo. Non Action.
- 9 **Single Family Mortgage Refinance Program Analysis (Jeff Payne and David Jones from CSG).** Payne began his presentation by introducing David Jones who is a principal for CSG Advisors. They were tasked with determining if MFA would benefit from implementation of a single family mortgage refinance program. Payne stated that payoffs due to refinances have an adverse financial impact, further stating that as they intensify, they cause a decline in our MFA's servicing portfolio. He reviewed the pros and cons of a refinance program. Considerations presented included whether MFA, under the MFA Act, could do this, what benefit would it provide to our borrowers, how would it impact our participating lenders, MFA's reputation with TBA investors, and future borrowers. Payne explained that the loans MFA would be able to offer for refinance would be no different and have no advantages over the loans offered by other lenders. Payne then turned the presentation over to David Jones who provided a comprehensive and detailed presentation of financial considerations. Jones projected an initial increase in revenue from acquiring new loans with decreasing profitability over the longer term. He would expect investors to lower the prices paid for MFA loans. Conclusion and Recommendation – Short term increase in revenue but negative long term financial impact projected over 5 years. Based on the analysis and investigation they recommend that MFA not begin a refinance program. Discussions ensued regarding delinquencies, forbearance agreements, borrower qualifications for refinance in the post COVID-19 environment, whether MFA could offer a lower rate than other lenders. Werenko commented that under the MFA Act there are some statutory constraints MFA would have to consider, and some possible legislative work. Non Action.

Other Board Items - Information Only

10 Staff commented on Conflict of Interest

- Staff Actions Requiring Notice to Board
- COVID -19 Staff Actions

- **Conflict of Interest - Maggie Sisco (Izzy Hernandez)** - Hernandez informed the Board that MFA had contracted with Maggie Sisco in order to create a comprehensive marketing strategy. MFA contracted with Haven Collective to provide strategic communication planning services that included: Discovery, Research/Planning and Execution. The contract period is from April 5, 2021 to October 5, 2021. Sisco is the sole member of Haven Collective a limited liability company. Maggie started employment with MFA on July 12, 2021 as the incoming Director of Communications and Marketing. To maximize the transition time between Maggie and Leann while still accomplishing the scope of work under the contract, MFA amended the contract (scope and compensation) to allow Haven Collective to engage an employee to perform approximately twenty-five percent of the scope of work while Maggie will complete approximately seventy-five percent as an MFA employee. The amended contract will allow maximum transition time between incoming/outgoing Director of Communications and Marketing while ensuring that the contract scope of work is completed in a timely manner.

Hernandez informed the Board that Leann Kemp (not in attendance) had retired after 13 years of service and wanted to express his gratitude for her accomplishments. He shared some highlights in which she was instrumental and offered a great tribute to her accomplishments. He expressed his thanks for her contributions and wished her well. He further asked that if the Board has an opportunity to reach out to her, he'd encourage them to do that. Chair Reyes thanked Izzy for his comments and asked that he express the Boards gratitude and appreciation to Leann for all her hard work and efforts with a lot of great respect and admiration she has done an incredible job. Please thank her on behalf of the Board.

Monthly Reports - No Action Required

11 There were no questions asked of staff.

- 4/30/21 Financial Statements
- Northern Regional Housing Monthly Update Reports

Announcements and Adjournment - Confirmation of Upcoming Board Meetings. Chair Reyes informed the Board that the August 18th Board meeting will be held in person/hybrid. We will look to connect with everyone to understand your specific availability, participation, concerns, and look to hold a productive and safe meeting. We will do our best to work out the logistics prior to the next meeting. dates for future meeting are listed at the bottom of the agenda and that he looked forward to seeing everyone in person in August.

There being no further business the meeting was adjourned at 12:28 p.m.

Approved: July 21, 2021

Chair, Angel Reyes

Secretary, Isidoro Hernandez

Tab 1



New Mexico Mortgage Finance Authority

Mortgage Operations Internal Audit

Executive Summary

June 2021

New Mexico Mortgage Finance Authority Mortgage Operations Internal Audit

Executive Summary

New Mexico Mortgage Finance Authority
Board of Directors

We performed the internal audit services described below solely to assist New Mexico Mortgage Finance Authority (MFA) in evaluating compliance with policies and procedures over mortgage operations.

PURPOSE AND OBJECTIVES

Our internal audit focused on evaluating MFA's mortgage operations to determine if the controls related to secondary market mortgage purchasing, modified loan re-pooling, and lender certification and recertification procedures were operating effectively and procedures were carried out in accordance with policies and procedures.

SUMMARY OF PROCEDURES

REDW interviewed MFA and Idaho Housing Finance Association employees, and reviewed the policies and procedures to gain an understanding of the mortgage purchasing process. We tested a sample of lenders to determine if MFA followed the required processes around original certification and recertification were followed, the initial risk rating appeared reasonable, and the lender financial analyses performed by MFA were complete and accurate and included all important points of consideration. Additionally, we tested a sample of loans to determine whether the loan modification and re-pooling processes were timely, and evaluated whether MFA performed follow-up with borrowers to mitigate any default in payments during the re-pooling process.

SUMMARY OF RESULTS

Based on the testwork performed over the course of the audit, processes and related controls for mortgage operations appeared to be functioning properly. All certifications and recertifications tested included required documents from the lenders and MFA's controls over the secondary market purchasing process appeared well designed.

REDW identified two moderate risk observations:

1) Financial Analysis Worksheet

The Financial Analysis Worksheet used by MFA to evaluate lenders' financial position did not include consideration of qualitative factors such as findings or audit opinions. In addition, significant financial changes were identified by MFA in a year-over-year analyses of financial information; however, there was no documentation indicating how MFA gained a sufficient level of comfort that the financial changes identified were an acceptable level of risk.

2) Loan Modification and Re-Pooling Timeline

Loan modifications and re-pooling on a timely basis are critical to ensure the loan portfolio is properly managed and risks related to default is minimized. For loans tested, both the modification and re-pooling took longer than MFA deemed reasonable to complete.

* * * * *

Further detail of our purpose, objectives, and procedures is included in the full internal audit report.

REDW LLC

Albuquerque, New Mexico
August 4, 2021

Tab 2

New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

June 30, 2021

NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the nine-months period ended June 30, 2021

COMPARATIVE YEAR-TO-DATE FIGURES (Dollars in millions):

	9 months 6/30/2021	9 months 6/30/2020	% Change Year / Year	Forecast 6/30/2021	Actual to Forecast	Forecast/Target 9/30/21
PRODUCTION						
1 Single family issues (new money):	\$133.0	\$190.0	-30.0%	\$133.0	0.0%	\$235.0
2 Single family loans sold (TBA):	\$294.3	\$110.5	166.3%	\$176.3	67.0%	\$235.0
3 Total Single Family Production	\$427.3	\$300.5	42.2%	\$309.3	38.2%	\$470.0
4 Multifamily issues (new money):	\$0.0	\$0.0	0.0%	\$0.0	0.0%	\$20.0
5 Single Family Bond MBS Payoffs:	\$122.4	\$56.5	116.6%	\$117.7	4.0%	\$156.9
STATEMENT OF NET POSITION						
6 Avg. earning assets:	\$1,445.8	\$1,389.2	4.1%	\$1,414.5	2.2%	\$1,464.6
7 General Fund Cash and Securities:	\$85.8	\$73.7	16.4%	\$74.7	14.9%	\$70.0
8 General Fund SIC FMV Adj.:	\$3.5	(\$0.4)	975.0%	\$0.0	N/A	\$0.0
9 Total bonds outstanding:	\$1,129.1	\$1,161.4	-2.8%	\$1,129.6	0.0%	\$1,195.4
STATEMENT OF REVENUES, EXPENSES AND NET POSITION						
10 General Fund expenses (excluding capitalized assets):	\$16.7	\$13.6	22.8%	\$16.9	-1.2%	\$22.5
11 General Fund revenues:	\$35.0	\$19.3	81.3%	\$22.8	53.5%	\$30.7
12 Combined net revenues (all funds):	\$20.1	\$9.7	107.2%	\$6.3	219.0%	\$8.4
13 Combined net revenues excluding SIC FMV Adj. (all funds):	\$16.8	\$10.1	66.1%	\$6.3	166.3%	\$8.4
14 Combined net position:	\$283.4	\$255.2	11.1%	\$269.6	5.1%	\$271.7
15 Combined return on avg. earning assets:	1.86%	0.94%	98.3%	0.57%	225.5%	0.57%
16 Combined return on avg. earning assets excluding SIC FMV Adj. (all funds):	1.55%	0.96%	61.2%	0.57%	171.5%	0.57%
17 Net TBA profitability:	2.15%	1.44%	49.3%	1.75%	22.9%	1.75%
18 Combined interest margin:	0.61%	0.90%	-32.1%	0.43%	42.0%	0.43%
MOODY'S BENCHMARKS						
19 Net Asset to debt ratio (5-yr avg):	28.99%	29.39%	-1.4%	28.42%	2.0%	28.42%
20 Net rev as a % of total rev (5-yr avg):	12.55%	11.43%	9.8%	10.70%	17.3%	10.70%
SERVICING						
21 Subserviced portfolio	\$1,650.1	\$1,373.9	20.1%	\$1,613.1	2.3%	\$1,797.9
22 Servicing Yield (subserviced portfolio)	0.41%	0.39%	5.2%	0.40%	2.6%	0.40%
23 Combined average delinquency rate (MFA serviced)	8.20%	9.13%	-10.2%	10.00%	-18.0%	10.00%
24 DPA loan delinquency rate (all)	7.28%	8.26%	-11.9%	N/A	N/A	N/A
25 Default rate (MFA serviced-annualized)	0.60%	1.20%	-50.0%	1.30%	-53.8%	1.30%
26 Subserviced portfolio delinquency rate (first mortgages)	14.87%	13.78%	7.9%	N/A	N/A	N/A
27 Purchased Servicing Rights Valuation Change (as of 6/30)	\$3.5	(\$0.7)	600.0%	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 nine-months period ended June 30, 2021

SUMMARY OF BOND ISSUES:

Single Family Issues:

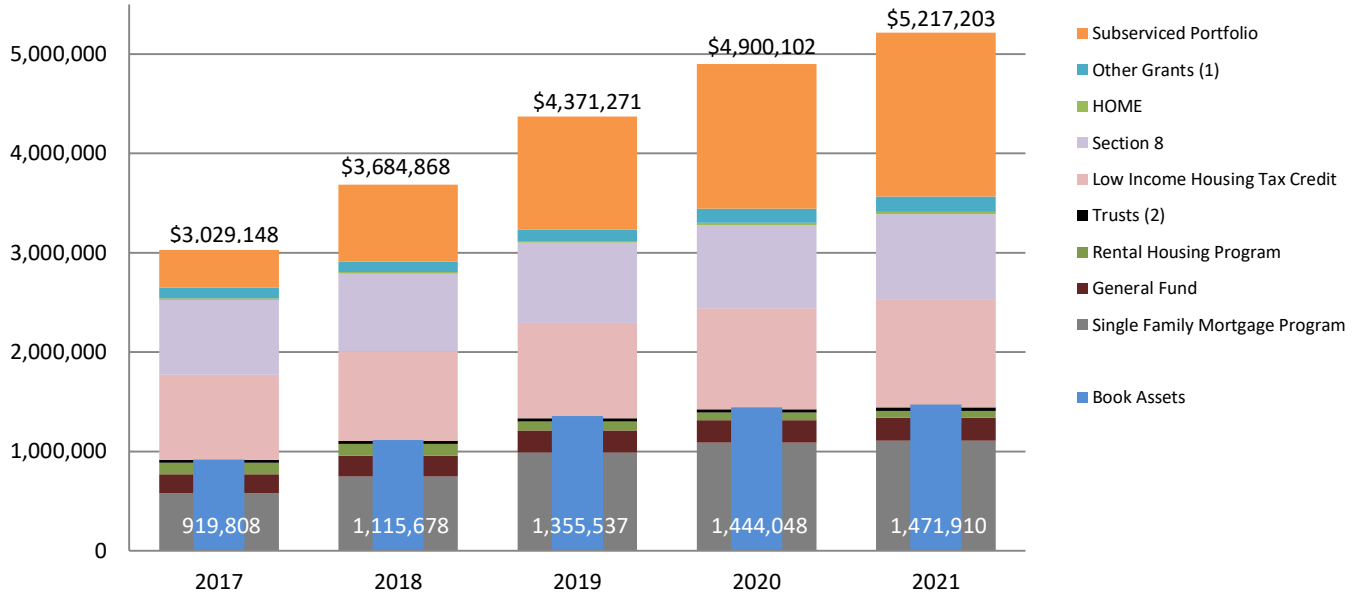
\$55.0 mm 2020 Series B Bonds-New Money (October)
\$78.0 mm 2021 Series A Bonds- New Money (May)

Multi-family Issues:

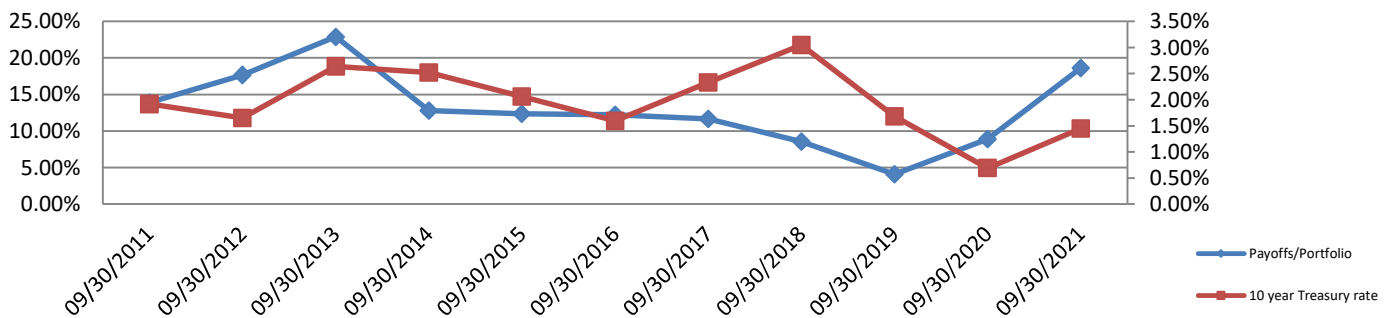
CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

- Due to decreases in mortgage rates, prepayments are trending much higher than last year as borrowers take advantage of refinancing opportunities. New loan production has also increased by 42.2% due to favorable rates. Current year bond fundings to-date are less than in the prior year; MFA continues to target a 50% Bonds/50% TBA funding strategy, and makes funding decisions on a case-by-case basis given current market conditions.
- MFA is currently in the final stages of reserving loans for the Series 2021C Bonds that will close in August, issue is estimated at \$100 million. Once 2021C is issued, MFA will continue to reserve loans for an anticipated Series 2021D Bonds targeted for issue in December, which has been approved for up to \$150 million. Combined cost of issuance for the 2020B and 2021A Series (new money), and 2021B Series (refunding), was approximately \$1.3 million and was funded by bond proceeds.
- Due to an increase in loan production, the success of the 2021 funding strategy to date (Bonds + TBAs), and additional Administrative Fee revenue from increased Federal and other one-time funds (mostly pandemic relief); the Return on Average earnings assets has increased from prior year, from 0.94% to 1.86%.
- The Federal interest rate policy as a result of the health crisis has driven investment interest margins down in comparison to last year at this same time; but volatility in market conditions continues to subside during 2021. The State Investment Council (SIC) General Fund portfolio valuation increased \$249K in May. While these movements are non-operating, they do impact General Fund revenues, combined net revenues and Return on Average Earning Assets. Please note that the SIC reporting is one month in arrears due to their reporting time frames.
- MFA's Director of Servicing continues to provide full-time monitoring of the sub-serviced loan portfolio activity through comprehensive reporting and analysis. Throughout the recent pandemic, staff has been actively engaged with the subservicer to identify additional delinquency reduction strategies. Delinquencies not only pose a risk for MFA due to the financial impacts of defaults on first mortgages, but they also affect the credit risk associated with the Down Payment Assistance program. Of the 14.87% Sub-serviced Portfolio delinquency rate, 10.1% represents loans in forbearance. As of June 30, 13.6% of MFA loans on forbearance plans are current. The subserviced portfolio is approximately 85% FHA insured loans. FHA Single Family Loan Performance Trends for May 2021 show 16.29% delinquency (for purchase loans only) down from 18.59% in May 2020; reflecting a slowing of the impact of pandemic related forbearance agreements, which were set to end in June 2021. (MBA and FHA delinquency data for June 2021 was not yet available).
- The fair market value for purchased servicing rights as of March 31 is \$20.1 million, an increase of about \$3.5 million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. Decreases in FMV related to the pandemic have been recovered. Current recorded cost of the asset is \$16.6 million. Valuations are obtained on a quarterly basis.
- Based on Moody's issuer credit rating scorecard, MFA's 28.99% net asset to debt ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining HFA's creditworthiness under stressful circumstances (> 20 percent). The net revenue as a percent of total revenue measures performance and profitability; MFA's 12.55% ratio (5-year average) points to high profitability with favorable trends (10-15 percent range).
- Moody's Investor Services completed an updated credit opinion on MFA's Issuer Rating in June 2020. They reaffirmed the Aa3/stable rating. Comments included high 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/stable rating on the single family indenture in April 2021, noting a growing asset to debt ratio and stabilizing profitability.

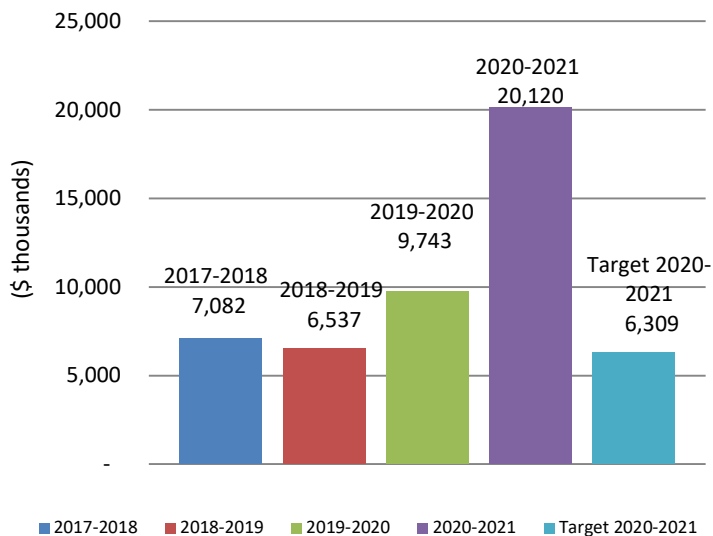
Assets Under Management as of 9/30/2021 (\$ in thousands)



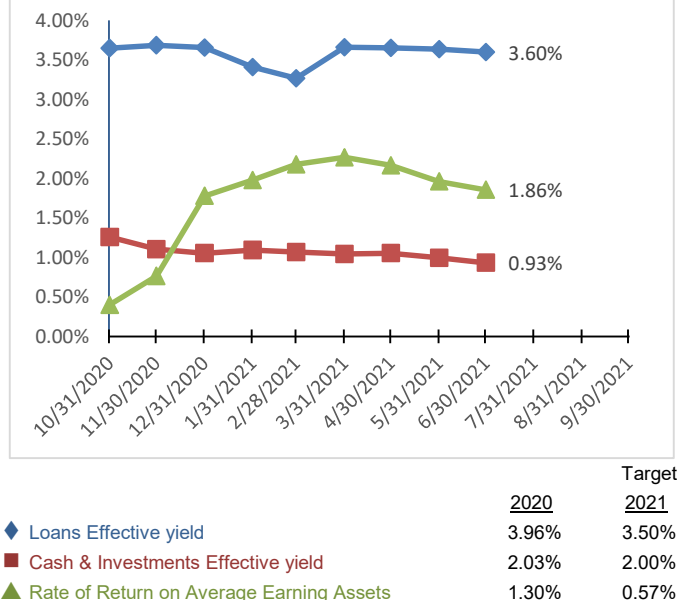
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2021



YTD Excess Revenues over Expenses as of 6/30/2021

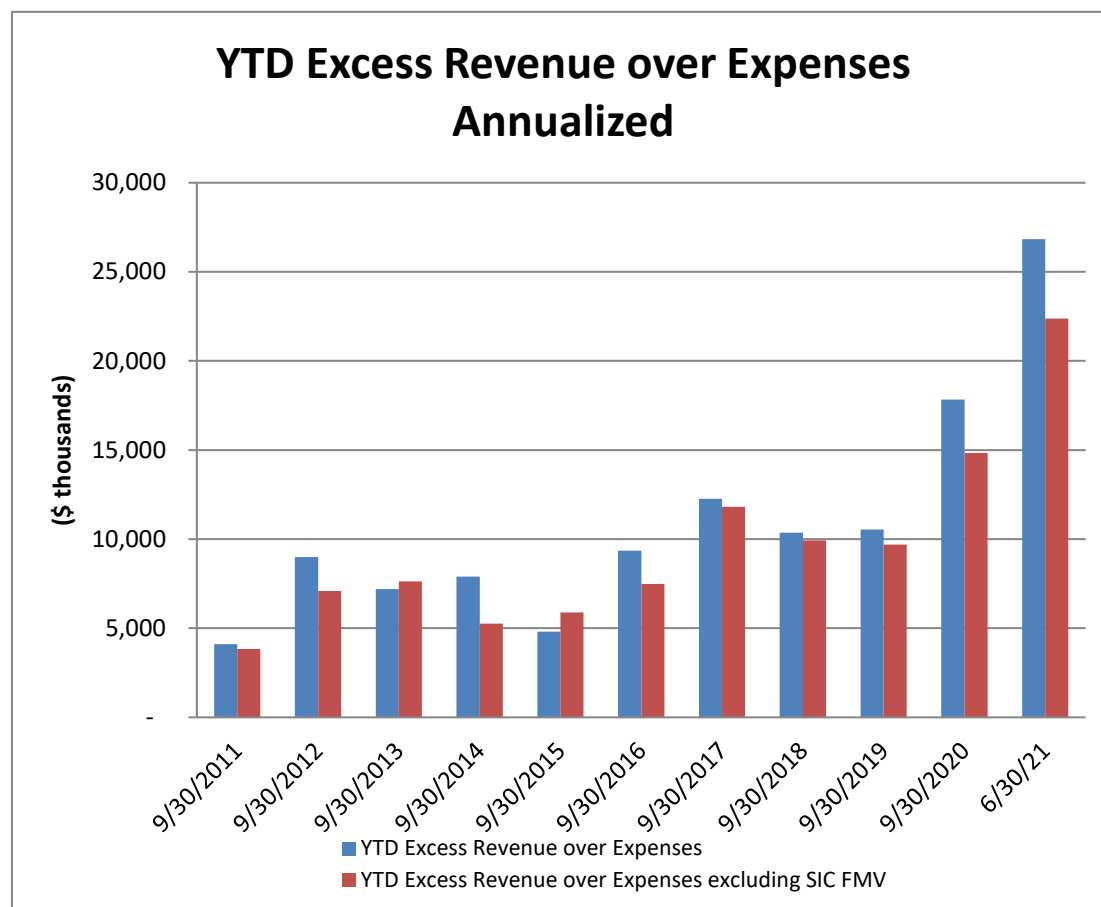
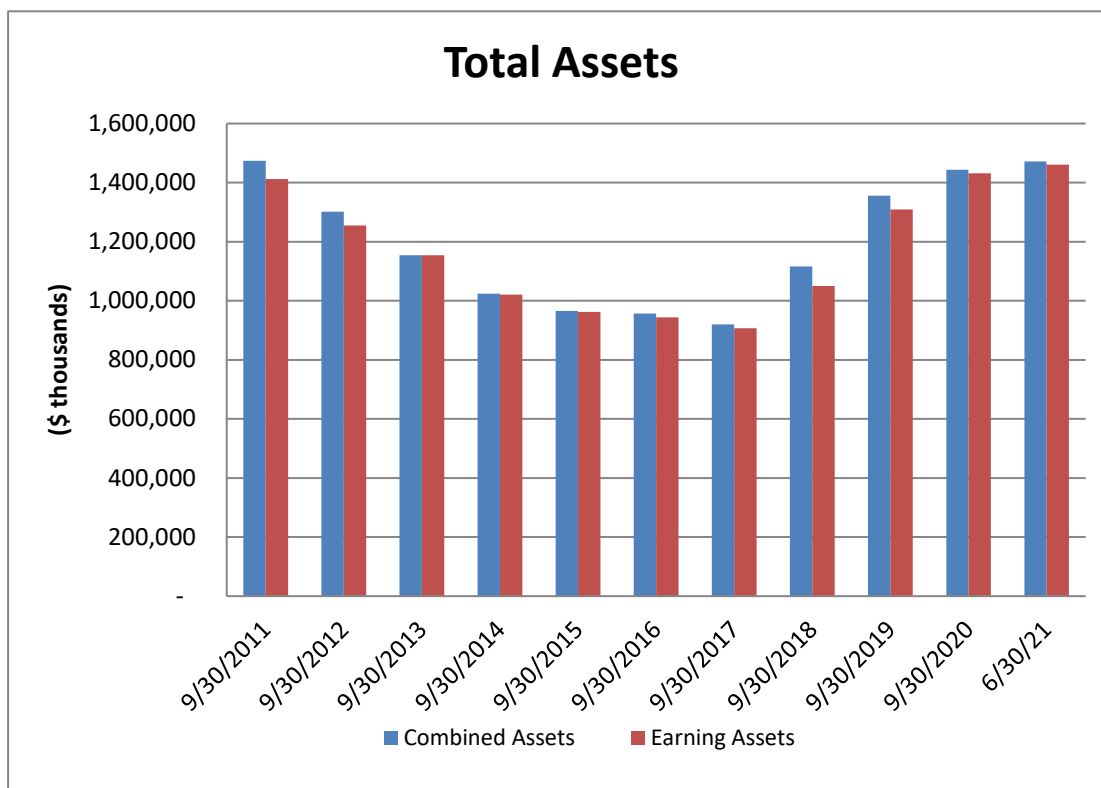


Yield Targets 9/30/2021

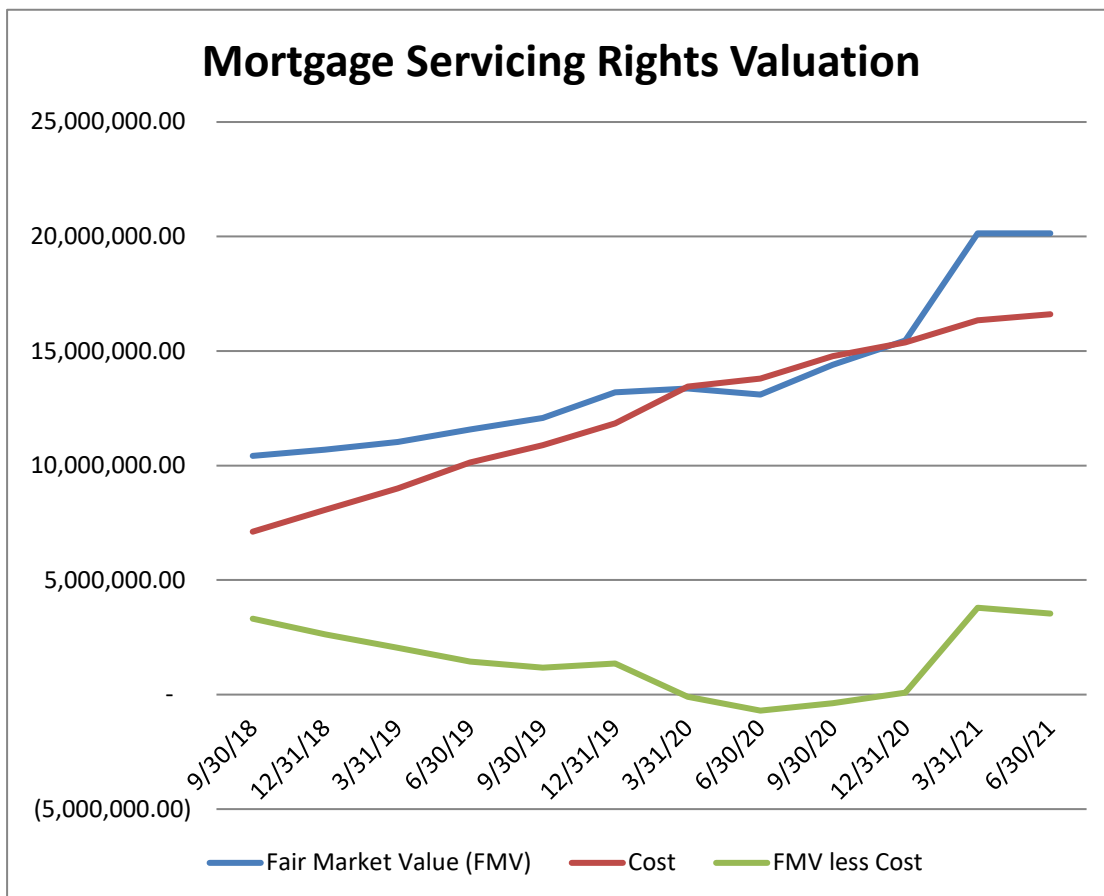
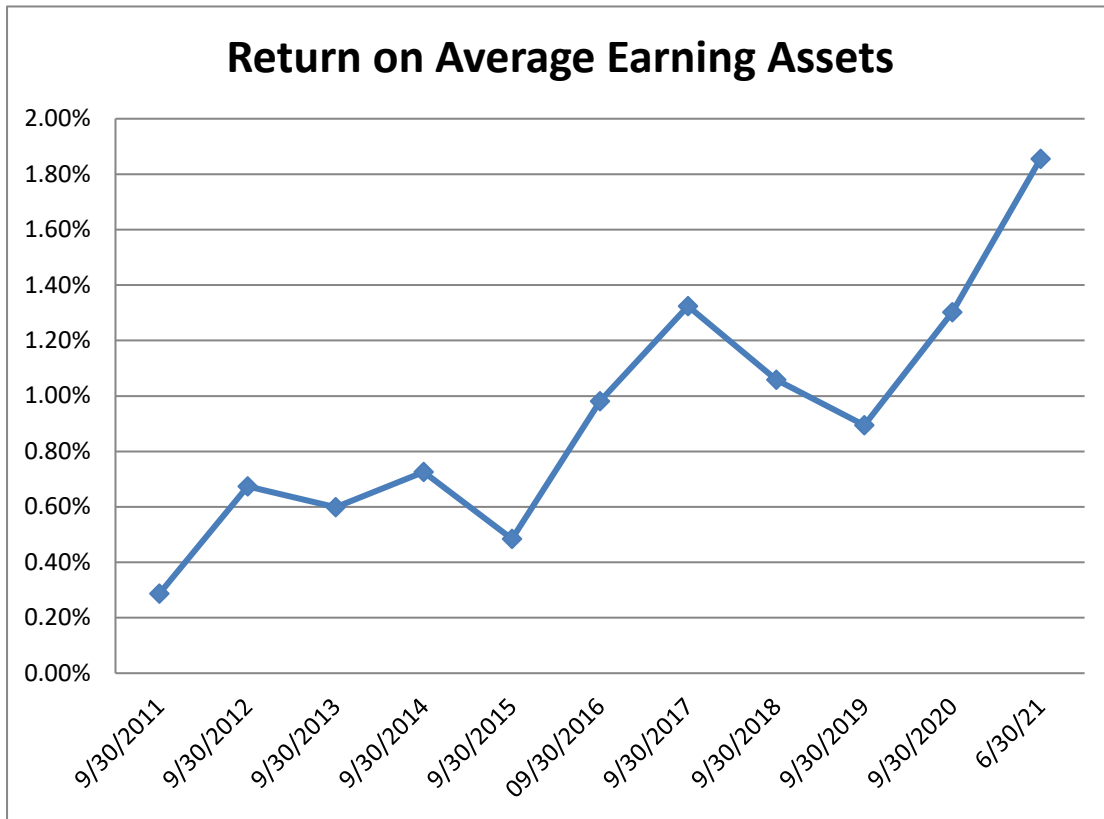


(1) Weatherization Assistance Programs; Emergency Shelter Grant; State Homeless; Housing Opportunities for People With Aids; NM State Tax Credit; Governor's Innovations; EnergySaver; Tax Credit Assistance Program; Tax Credit Exchange; Neighborhood Stabilization Program; Section 811 PRA; Homeownership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

QUARTERLY FINANCIAL GRAPHS



QUARTERLY FINANCIAL GRAPHS



NEW MEXICO MORTGAGE FINANCE AUTHORITY
COMBINED STATEMENT OF NET POSITION
JUNE 2021
(THOUSANDS OF DOLLARS)

	<u>YTD 06/30/21</u>	<u>YTD 6/30/20</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$37,561	\$24,854
RESTRICTED CASH HELD IN ESCROW	9,285	10,093
SHORT-TERM INVESTMENTS	(25)	2,678
ACCRUED INTEREST RECEIVABLE	4,010	4,539
OTHER CURRENT ASSETS	5,061	2,342
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	-
INTER-FUND RECEIVABLE (PAYABLE)	-	-
TOTAL CURRENT ASSETS	<u>55,892</u>	<u>44,506</u>
 CASH - RESTRICTED	 121,887	 58,188
	66,684	67,204
INVESTMENTS IN RESERVE FUNDS	-	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	988,055	1,077,449
MORTGAGE LOANS RECEIVABLE	227,701	223,517
ALLOWANCE FOR LOAN LOSSES	(7,765)	(5,349)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,941	1,139
OTHER REAL ESTATE OWNED, NET	640	2,615
OTHER NON-CURRENT ASSETS	-	-
INTANGIBLE ASSETS	16,658	13,765
TOTAL ASSETS	<u>1,471,692</u>	<u>1,483,034</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	218	302
 TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	 <u>1,471,910</u>	 <u>1,483,336</u>
 <u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$14,099	\$15,292
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	13,601	8,853
ESCROW DEPOSITS & RESERVES	9,089	9,934
TOTAL CURRENT LIABILITIES	<u>36,789</u>	<u>34,078</u>
 BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	 1,129,136	 1,161,396
MORTGAGE & NOTES PAYABLE	22,441	32,509
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	137	155
TOTAL LIABILITIES	<u>1,188,503</u>	<u>1,228,139</u>
 <u>NET POSITION:</u>		
NET INVESTED IN CAPITAL ASSETS	1,941	1,139
UNAPPROPRIATED NET POSITION (NOTE 1)	68,384	67,132
APPROPRIATED NET POSITION (NOTE 1)	213,083	186,926
TOTAL NET POSITION	<u>283,407</u>	<u>255,197</u>
 TOTAL LIABILITIES & NET POSITION	 <u>1,471,910</u>	 <u>1,483,336</u>

NEW MEXICO MORTGAGE FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE NINE MONTHS ENDED JUNE 2021
(THOUSANDS OF DOLLARS)

	<u>YTD 06/30/21</u>	<u>YTD 6/30/20</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$33,381	\$37,022
INTEREST ON INVESTMENTS & SECURITIES	1,295	2,676
LOAN & COMMITMENT FEES	1,111	2,291
ADMINISTRATIVE FEE INCOME (EXP)	14,763	5,546
RTC, RISK SHARING & GUARANTY INCOME	88	52
HOUSING PROGRAM INCOME	1,212	637
LOAN SERVICING INCOME	5,903	4,243
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>57,753</u>	<u>52,466</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	4,079	(453)
OTHER NON-OPERATING INCOME	11	28
GRANT AWARD INCOME	71,131	36,910
SUBTOTAL NON-OPERATING REVENUES	<u>75,220</u>	<u>36,485</u>
TOTAL REVENUES	<u>132,973</u>	<u>88,951</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	14,442	11,217
INTEREST EXPENSE	28,054	30,368
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(2,283)	(2,018)
PROVISION FOR LOAN LOSSES	(133)	331
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	102	108
AMORT. OF SERV. RIGHTS & DEPRECIATION	2,045	1,121
BOND COST OF ISSUANCE	1,334	1,625
SUBTOTAL OPERATING EXPENSES	<u>43,561</u>	<u>42,752</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	396	504
GRANT AWARD EXPENSE	68,654	35,781
OTHER NON-OPERATING EXPENSE	243	171
SUBTOTAL NON-OPERATING EXPENSES	<u>69,293</u>	<u>36,456</u>
TOTAL EXPENSES	<u>112,854</u>	<u>79,208</u>
NET REVENUES	20,120	9,743
OTHER FINANCING SOURCES (USES)	(0)	0
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>20,120</u>	<u>9,743</u>
NET POSITION AT BEGINNING OF YEAR	<u>263,288</u>	<u>245,454</u>
NET POSITION AT 06/30/21	<u>283,407</u>	<u>255,197</u>

NOTES TO FINANCIAL STATEMENTS

(For Informational Purposes Only)
(Thousands of Dollars)

(Note 1) MFA Net Position as of June 30, 2021:

UNAPPROPRIATED NET POSITION:

\$ 32,364	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 35,122	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 898	is held for New Mexico Affordable Housing Charitable Trust.
\$ 68,384	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:

\$ 116,629	for use in the Housing Opportunity Fund (\$106,895 in loans plus \$9,734 unfunded, of which \$5,079 is committed).
\$ 54,377	for future use in Single Family & Multi-Family housing programs.
\$ 1,197	for loss exposure on Risk Sharing loans.
\$ 1,941	invested in capital assets, net of related debt.
\$ 16,633	invested in mortgage servicing rights.
<u>\$ 6,050</u>	for the future General Fund Budget year ending 9/30/21 (\$27,232 total budget less \$21,182 expended budget through 06/30/21.)
 <u>\$ 196,827</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:

\$ 18,196	for use in the federal and state housing programs administered by MFA.
<u>\$ 18,196</u>	Subtotal - Housing Program
\$ 215,023	Total appropriated Net Position
\$ 283,407	Total combined Net Position at June 30, 2021

Total combined Net Position, or reserves, at June 30, 2021 was \$283.4 million, of which \$68.4 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$215.0 million of available reserves, with \$85.8 million primarily liquid in the General Fund and in the federal and state Housing programs and 129.2 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 2020-2021 Budget
For the nine months ended 6/30/2021

	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	562,937	5,066,533	5,692,626	7,590,168	626,093	2,523,635	66.75%
Interest on Investments & Securities	104,504	951,321	1,110,089	1,480,118	158,768	528,797	64.27%
Loan & Commitment Fees	14,740	136,431	7,500	10,000	(128,931)	(126,431)	1364.31%
Administrative Fee Income (Exp)	1,013,843	17,392,515	10,370,591	13,805,002	(7,021,924)	(3,587,513)	125.99%
Risk Sharing/Guaranty/RTC fees	3,283	86,936	63,869	85,158	(23,067)	(1,778)	102.09%
Housing Program Income	425,920	1,211,855	633,323	1,104,920	(578,532)	(106,935)	109.68%
Loan Servicing Income	604,324	5,903,273	5,283,719	7,044,959	(619,554)	1,141,686	83.79%
Other Operating Income		-	250	500	250	500	0.00%
Operating Revenues	2,729,549	30,748,864	23,161,967	31,120,826	(7,586,897)	371,962	98.80%
Gain (Loss) Asset Sale/Debt Ex	256,292	4,265,854	(345,375)	(460,500)	(4,611,229)	(4,726,354)	-926.35%
Other Non-operating Income	-	40	120	160	80	120	25.00%
Non-Operating Revenues	256,292	4,265,894	(345,255)	(460,340)	(4,611,149)	(4,726,234)	-926.68%
Revenue	2,985,841	35,014,758	22,816,712	30,660,486	(12,198,046)	(4,354,271)	114.20%
Salaries	487,494	4,376,752	4,862,309	6,436,024	485,556	2,059,272	68.00%
Overtime	1,057	27,443	30,171	39,048	2,729	11,605	70.28%
Incentives	174,308	421,229	410,759	543,798	(10,470)	122,570	77.46%
Payroll taxes, Employee Benefits	258,748	1,980,166	2,369,336	3,182,619	389,170	1,202,453	62.22%
Compensation	921,607	6,805,589	7,672,575	10,201,489	866,986	3,395,900	66.71%
Business Meals Expense	215	238	4,020	5,360	3,782	5,122	4.43%
Public Information	20,360	250,567	295,182	362,906	44,615	112,339	69.04%
In-State Travel	227	1,020	92,166	122,888	91,146	121,868	0.83%
Out-of-State Travel	1,047	1,047	147,523	196,698	146,477	195,651	0.53%
Travel & Public Information	21,849	252,871	538,892	687,852	286,021	434,981	36.76%
Utilities/Property Taxes	7,935	56,287	55,634	74,178	(654)	17,891	75.88%
Leasehold Expense		-			-	-	
Insurance, Property & Liability	(11,998)	122,550	131,032	174,709	8,481	52,159	70.15%
Repairs, Maintenance & Leases	109,032	851,276	774,389	1,013,348	(76,887)	162,072	84.01%
Supplies	3,940	15,246	25,194	33,592	9,948	18,346	45.39%
Postage/Express mail	5,733	43,726	27,617	36,823	(16,108)	(6,903)	118.75%
Telephone	640	4,610	15,526	20,701	10,916	16,091	22.27%
Janitorial	4,309	34,125	30,218	40,291	(3,907)	6,166	84.70%
Office Expenses	119,590	1,127,821	1,059,611	1,393,643	(68,210)	265,822	80.93%
Dues & Periodicals	4,320	32,399	44,195	58,926	11,795	26,527	54.98%
Education & Training	1,594	40,700	98,535	131,380	57,835	90,680	30.98%
Contractual Services	50,782	724,436	1,185,821	1,575,332	461,385	850,896	45.99%
Professional Services-Program	5,953	64,148	85,758	114,344	21,610	50,196	56.10%
Direct Servicing Expenses	419,154	4,837,275	3,678,679	4,904,905	(1,158,596)	67,630	98.62%
Program Expense-Other	-	23,426	17,516	23,355	(5,910)	(71)	100.30%
Rebate Analysis Fees			-	-	-	-	

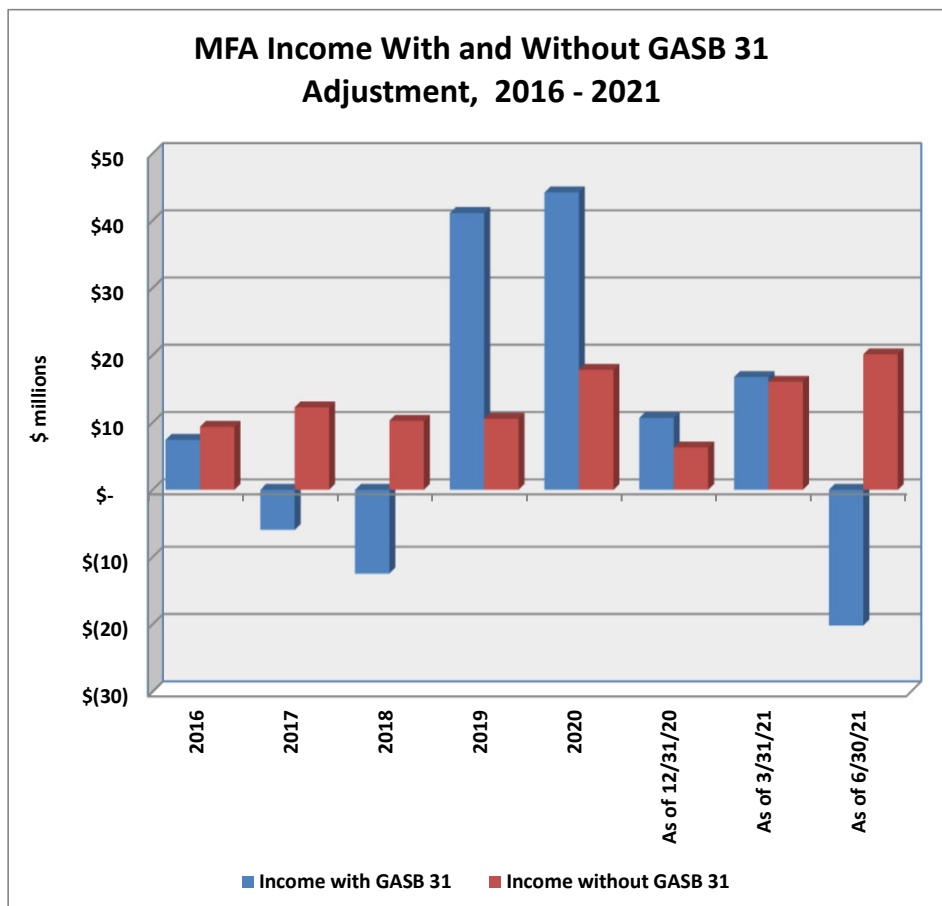
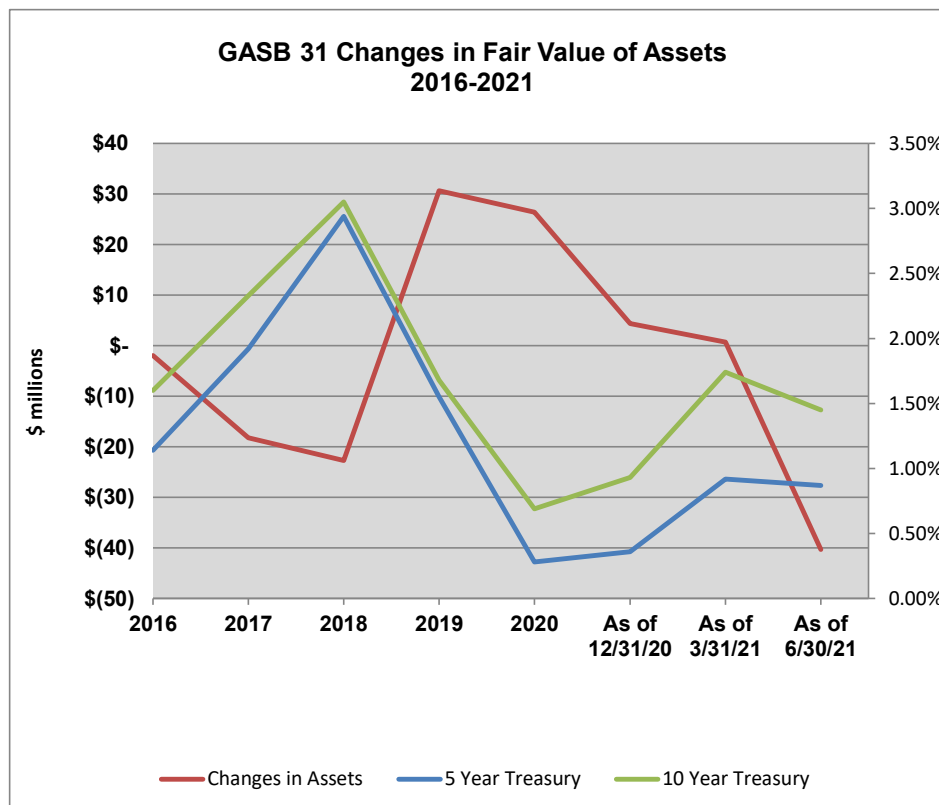
GENERAL FUND
Fiscal Year 2020-2021 Budget
For the nine months ended 6/30/2021

	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 %
Other Operating Expense	481,804	5,722,384	5,110,503	6,808,242	(611,881)	1,085,858	84.05%
Interest Expense	5,671	229,091	265,357	353,809	36,265	124,718	64.75%
Non-Cash Expenses	213,545	1,909,395	1,595,727	2,127,636	(313,668)	218,241	89.74%
Expensed Assets	72,665	248,972	214,440	262,187	(34,532)	13,215	94.96%
Operating Expenses	1,836,730	16,296,125	16,457,105	21,834,859	160,980	5,538,734	74.63%
Program Training & Tech Asst	-	6,497	112,425	149,900	105,928	143,403	4.33%
Program Development	314,403	389,593	353,537	471,383	(36,056)	81,790	82.65%
Capacity Building Costs	314,403	396,090	465,962	621,283	69,872	225,193	63.75%
Non-Operating Expenses	314,403	396,090	465,962	621,283	69,872	225,193	63.75%
Expenses	2,151,133	16,692,215	16,923,067	22,456,142	230,852	5,763,927	74.33%
Excess Revenue over Expenses	834,707	18,322,543	5,893,645	8,204,345	(12,428,898)	(10,118,198)	223.33%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2020-2021 Budget
For the nine months ended 6/30/2021

	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	368,560	3,674,302	2,883,562	3,844,750	(790,739)	170,448	95.57%
2950 COMPUTER HARDWARE	-	24,565	90,750	121,000	66,185	96,435	20.30%
2960 SOFTWARE LICENSES	-	-	-	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	-	-	161,714	161,714	161,714	161,714	0.00%
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	-	790,773	648,077	648,077	(142,696)	(142,696)	122.02%
Capital Budget	368,560	4,489,640	3,784,103	4,775,541	(705,537)	285,901	94.01%

New Mexico Mortgage Finance Authority
Effect of GASB31 on Financials



New Mexico Mortgage Finance Authority
Loan and Credit Line Activity
As of 6/30/2021

Lender	Purpose	Collateral	Date of Incurrence (after 2/27/2019)	Board Authorization Date	Authority Limit	Outstanding 3/31/21	Advances	Repayments	Outstanding 6/30/21	Maturity	Interest Rate as of 6/30/21	Interest Payments this quarter
Community Banks	Fund DPA program and assist financial institutions meet CRA requirements	DPA portfolio		March 2018	5,000,000	-	-	-	-	n/a	n/a	
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program	Mortgage loan pipeline		October 2017	60,000,000	16,000,000	19,000,000	16,000,000	19,000,000	9/23/2021	0.13%	3,236
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program & operations	Securities		October 2017	25,000,000	-	-	-	-	n/a	n/a	-
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans		September 2015	2,125,000	-	-	-	-	n/a	n/a	
SBIC	Capitalize Primero Loan Fund	None		April 2014, March 2019	2,500,000	1,000,000	-	-	1,000,000	11/30/2023	2.00%	5,000
FHLB	Mortgage Revenue Bond (MRB) Warehousing	MRB Mortgage backed securities		June 2013	30,000,000	-	-	-	-	n/a	n/a	
Wells Fargo	Capitalize Primero Loan Fund	None		October 2011	850,000	850,000	-	-	850,000	11/15/2023	2.00%	4,250
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans		May 2011	2,000,000	1,590,819	-	-	1,590,819	1/20/2042	1.00%	-
	TOTAL				122,475,000	19,440,819	19,000,000	16,000,000	22,440,819			12,485

Tab 3

**June 30, 2021 Quarterly Investment Review
Agenda for Discussion at Board Meeting
Meeting Date: August 18, 2021**

For reference:

Minutes of the August 10, 2021 investment discussion during the Finance Committee meeting.

For discussion:

Quarterly Investment Review of MFA General Fund and Housing Trust Fund investments:

- Executive Summary
- Portfolio Reports:
 1. General Fund Investment Policy Compliance Report
 2. General Fund Short and Intermediate-term Portfolio Summary
 3. General Fund Long-term Portfolio Summary
 4. Housing Trust Fund Portfolio Summary
 5. Portfolio Metrics and Economic Indicators

**New Mexico Mortgage Finance Authority
Minutes of Quarterly Investment Review
(Taking place during the Finance Committee August 10, 2021)**

Present: Chair Derek Valdo Member- Member Tim Eichenberg, and Proxy Martina C'de Baca

MFA Staff Present: Jeff Payne, Yvonne Segovia, Donna Maestas-De Vries, , Cooper Hall, Stephanie Yara, Izzy Hernandez, Kathryn Turner, George Maestas, Robyn Powell, Tim Martinez

- Report being presented is as of June 30, 2021.
- Compliance Report (Diversification and Asset Allocation): Hall reviewed the General Fund Investment Compliance Report. He informed the committee that two asset allocations as well as the long term and intermediate term asset class time horizons were in non-compliance with policy. MFA liquidated \$2.0 million from the SIC on April 1st to rebalance asset class time horizons and support short term cash.
-
- Portfolio Summary- Short & Intermediate Term Investments: Hall reviewed asset classes and yield/returns. He also mentioned MFA purchased one new bond security during the quarter due to a maturity. Hall informed the committee three bonds matured in June that were not reinvested until July.
- Portfolio Summary- Long Term Investments Including State Investment Council Investments: Hall reviewed market values, rates of returns and realized gain/loss data for the mortgage-backed securities and the State Investment Council (SIC) funds.
- Portfolio Summary- Housing Trust Fund: Hall reminded the committee that the Housing Trust Fund is 100% invested in the SIC Core Plus Bond Fund. He also informed the committee of the Funds market value, rate of return and realized gain/loss data.
- Hall reviewed interest income detail, benchmarks and noted changes in economic indicators.
- Changes in the interest rate environment and related impacts were discussed during the presentation.

General Fund:

Asset Class	6/30/21 Balance	Yield/Rate of Return	Benchmark Rate of Return
Cash Held for Operations/Warehoused MBS	\$6,619,866	Various	n/a
Local Government Investment Pool	4,618,957	0.11%	n/a
Bond Ladder	13,017,233	0.72%	0.55%
MFA's Mortgage Backed Securities-Intermediate Term	7,250,219	5.21%	n/a
MFA's Mortgage Backed Securities-Long Term	6,427,935	3.78%	n/a
Core Plus Bond Fund-Active (SIC)	8,485,923	1.89%	-.095%
Large Cap Index Equity Fund (SIC)	8,485,923	26.18%	30.68%
Small/Mid Cap Fund (SIC)	3,272,394	36.23%	54.23%
Non-US Developed Markets Fund (SIC)	4,141,843	22.58%	30.57%
Non-US Emerging Markets Fund (SIC)	1,266,471	22.83%	28.61%

Housing Trust Fund:

Asset Class	6/30/21 Balance	Yield/Rate of Return	Benchmark Rate of Return
Core Plus Bond Fund-Active (SIC)	\$15,973,641	2.26%	-0.95%

INVESTMENT REPORT – EXECUTIVE SUMMARY FOR THE THIRD QUARTER OF FISCAL YEAR 2021

1. On April 1st MFA liquidated \$2.0 million from the State Investment Council (SIC) portfolio to rebalance asset allocations and to support short-term cash. Currently two of the asset allocations by asset class time horizon are in non-compliance with the investment policy ranges. Two individual asset classes are temporarily in non-compliance with policy. MFA continues to experience fluctuations in fair value of the SIC portfolio which makes it difficult to maintain asset class policy levels. Due to market volatility in June, no liquidation from the SIC was initiated. Staff is evaluating needs to rebalance each month, and plans to initiate a liquidation in August To return asset class time horizons to Policy ranges.
2. During the third quarter of FY 2021, staff purchased one bond. This purchase in April was made to re-invest a maturity that occurred in late March. In the third quarter staff also purchased \$2.9 million of MFA's MBS with a weighted average coupon of 3.91% into the Long-Term portfolio. Three bonds matured at the end of June that were not re-invested until July.
3. Due to federal fiscal policy and the Federal Open Market Committee lowering the targeted range of the federal funds rate to 0%-.25% in March of 2020, we are continuing to experience low yields in our fixed income portfolios, however the bond ladder has performed above the benchmark.
4. The State Investment Council portfolio has continued to perform strongly in FY 2021. It is currently outperforming the target yield of 5%, with a yield of 18.46% as of June 30, 2021. Realized fair market value gains for the first three quarters of the fiscal year were \$4,493,412. This strong performance in the portfolio was largely driven by MFA's allocations in equities. Domestic Large Cap Equities has returned 26.18% FYTD. The Small- Mid Cap Fund has returned 36.23% FYTD.
5. The Housing Trust Fund State Investment Council portfolio, which is 100% invested in a core bond fund has experienced a rate of return of 2.26%, and has outperformed its benchmark which is down 0.95% FYTD.
6. As of the third quarter of FY2021 interest income is 64.3% of total budgeted interest income. Changes in the interest rate environment experienced in the second quarter of FY2020 have impacted yields, but they have been stabilizing in more recent months. While interest income budgets were estimated to include the impacts of current federal fiscal policy, all asset classes except mortgage-backed securities have experienced negative budget variances. A budget amendment was approved by the Board in April, 2021 to reduce the budget to current economic yields.

7. Historically the State Investment Council portfolio has performed well when compared to established benchmarks. In the first three quarters of FY 2021, equity funds underperformed benchmarks. The Core Plus Bond fund outperformed its benchmark.
8. As of June 30, 2021, MFA's General Fund and Housing Trust Fund balances are as follows:

General Fund:

Asset Class	6/30/21 Balance	Yield/Rate of Return	Benchmark Rate of Return
Cash Held for Operations/Warehoused MBS	\$6,619,866	Various	n/a
Local Government Investment Pool	4,618,957	0.11%	n/a
Bond Ladder	13,017,233	0.72%	0.55%
MFA's Mortgage-Backed Securities-Intermediate Term	7,250,219	5.21%	n/a
MFA's Mortgage-Backed Securities-Long Term	6,427,935	3.78%	n/a
Core Plus Bond Fund-Active (SIC)	8,485,923	1.89%	-.095%
Large Cap Index Equity Fund (SIC)	8,485,923	26.18%	30.68%
Small/Mid Cap Fund (SIC)	3,272,394	36.23%	54.23%
Non-US Developed Markets Fund (SIC)	4,141,843	22.58%	30.57%
Non-US Emerging Markets Fund (SIC)	1,266,471	22.83%	28.61%

Housing Trust Fund:

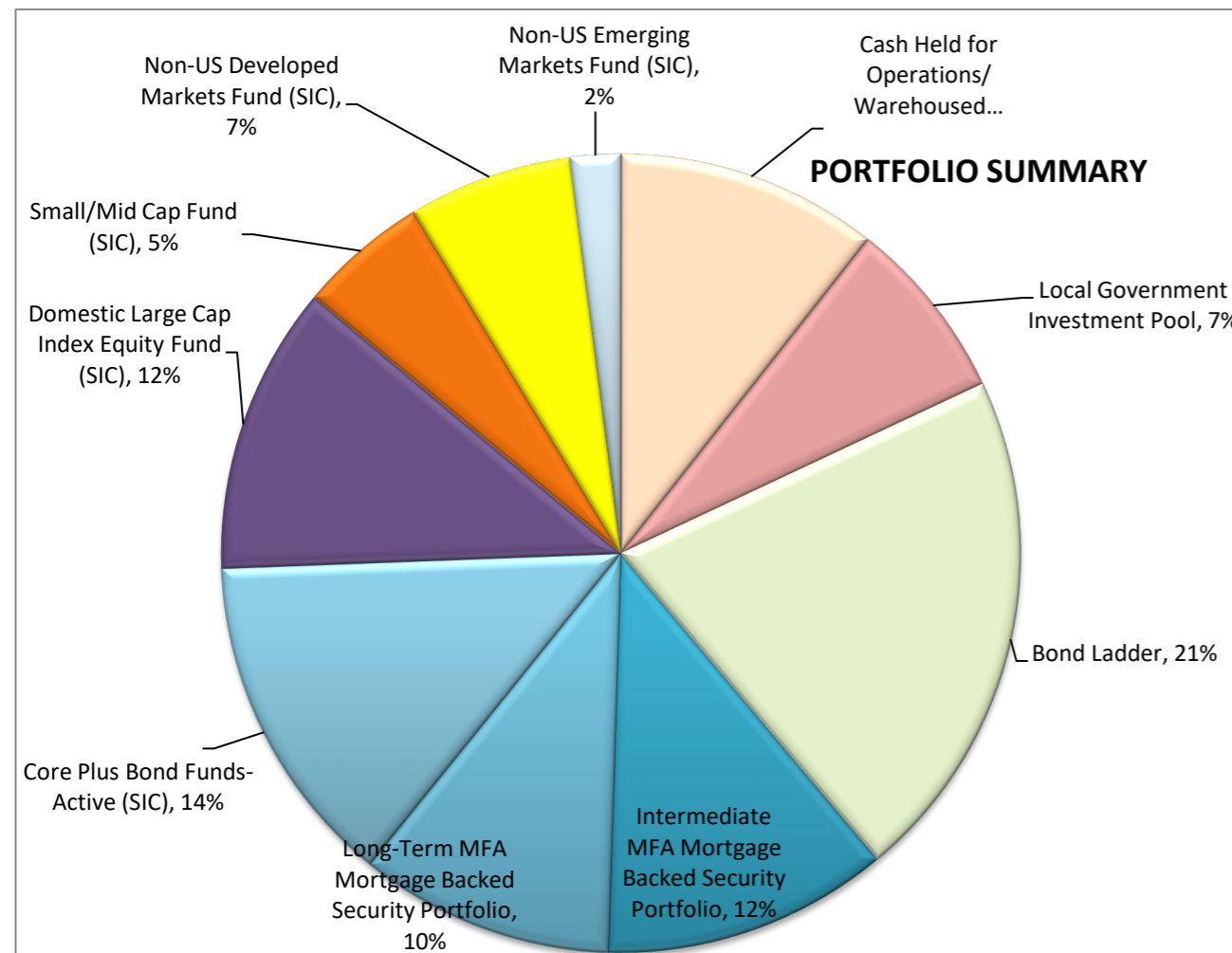
Asset Class	6/30/21 Balance	Yield/Rate of Return	Benchmark Rate of Return
Core Plus Bond Fund-Active (SIC)	\$15,973,641	2.26%	-0.95%



GENERAL FUND INVESTMENT COMPLIANCE REPORT FOR QUARTER 3 (AS OF June 30, 2021)

ASSET CLASS	Policy Requirement Target	Policy Requirement Range	Current Portfolio Carrying Value	Portfolio Weighting by Investment Horizon	Portfolio Weighting by Asset Class	Within \$ Limit Range	Action Plan
Short-Term Investments (Less than 1 year)	20%	15%-25%	\$ 11,238,823	18%		Yes	
Cash Held for Operations/Warehoused MBS*	14%	9%-19%	\$ 6,619,866		11%	Yes	
Local Government Investment Pool	6%	1%-11%	\$ 4,618,957		7%	Yes	
Intermediate-Term Investments (1 to 10 years)	40%	35%-45%	\$ 20,267,453	32%		No	
Bond Ladder	27%	22%-32%	\$ 13,017,233		21%	No	
Intermediate MFA Mortgage Backed Security Portfolio	13%	8%-18%	\$ 7,250,219		12%	Yes	
Long-Term Investments (More than 10 years)	40%	35%-45%	\$ 30,883,420	50%		No	
Long-Term MFA Mortgage Backed Security Portfolio	4%	0%-9%	\$ 6,427,935		10%	No	
Core Plus Bond Funds-Active (SIC)	12%	7%-17%	\$ 8,485,923		14%	Yes	
Domestic Large Cap Index Equity Fund (SIC)	11%	6%-16%	\$ 7,288,853		12%	Yes	
Small/Mid Cap Fund (SIC)	5%	0%-10%	\$ 3,272,394		5%	Yes	
Non-US Developed Markets Fund (SIC)	6%	1%-11%	\$ 4,141,843		7%	Yes	
Non-US Emerging Markets Fund (SIC)	2%	0%-7%	\$ 1,266,471		2%	Yes	
			\$ 62,389,696		100.00%		

*Does not include capital borrowed for loan operations or restricted funds.



SIC FUND ALLOCATION

	Policy	Actual
SIC Core Plus Bond-Active	33%	35%
SIC Large Cap Index Equity	31%	30%
Small/Mid Cap Index	14%	13%
Non-US Developed Markets	17%	17%
Non-US Emerging Markets	5%	5%

BOARD ACTIONS

August 2005 - approved General Fund Investment
February 2008 - approved new Large Cap Index ETF Pool
January 2009 - approved Revision to Investment Policy
October 2010 - Approved Revision to Investment Policy
May 2011 - Approved revision to Investment Policy
April 2012 - Approved revision to Investment Policy
April 2013 - Approved revision to Investment Policy
April 2016 - Approved revision to Investment Policy
October 2017 - Approved revision to Investment Policy
December 2020-Board affirmed current Investment Policy



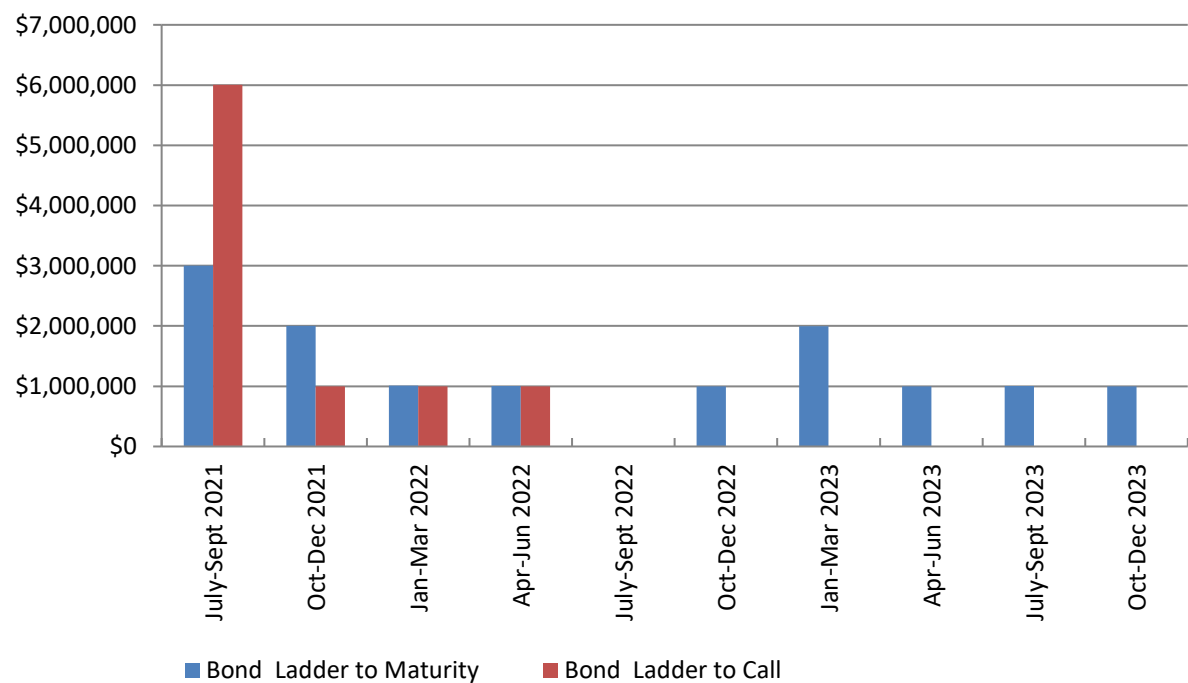
PORTFOLIO SUMMARY - Short & Intermediate Investments

General Fund	Book Value YTD/Quarter 3 as of 6/30/2021	Book Value YTD/Quarter 3 as of 6/30/2020	Unrealized Gain/Loss YTD/Quarter 3 as of 6/30/2021	Yield to Maturity YTD/Quarter 3 as of 6/30/2021	Yield to Maturity YTD/Quarter 3 as of 6/30/2020
Short-Term					
Cash Held for Operations/Warehoused MBS*	\$ 6,619,866	\$ 6,403,732	N/A	Various	Various
Local Government Investment Pool	\$ 4,618,957	\$ 2,414,653	N/A	0.11%	0.34%
Intermediate-Term					
Bond Ladder	\$ 13,017,233	\$ 15,096,550	\$ 11,277	0.72%	1.70%
MFA Mortgage Backed Security Portfolio	\$ 7,250,219	\$ 8,074,530	\$ 595,366	5.21%	5.17%
Yield to Maturity for Intermediate-Term Investments				2.83%	3.10%
Total Short & Intermediate-Term	\$ 31,506,276	\$ 31,989,465	\$ 606,643		

*Does not include capital borrowed for loan operations or restricted funds.

**Weighted average maturity.

BOND LADDER TO CALL AND MATURITY AS OF June 30, 2021



BOND LADDER SECTOR ALLOCATION

	Book Value	% of Total Dollars
Fannie Mae	\$ 3,014,282	23%
Federal Farm Credit Bank	\$ 2,999,956	23%
Federal Home Loan Bank	\$ 3,001,896	23%
Freddie Mac	\$ 4,001,100	31%
Total	\$ 13,017,233	100%

INVESTMENTS PURCHASED IN THE FOURTH QUARTER OF FY 2020

Date Purchased	Security	Interest Rate	YTM/YTC	Dollar Amount
4/12/2021	FFCB	0.250%	0.262%	\$ 999,726

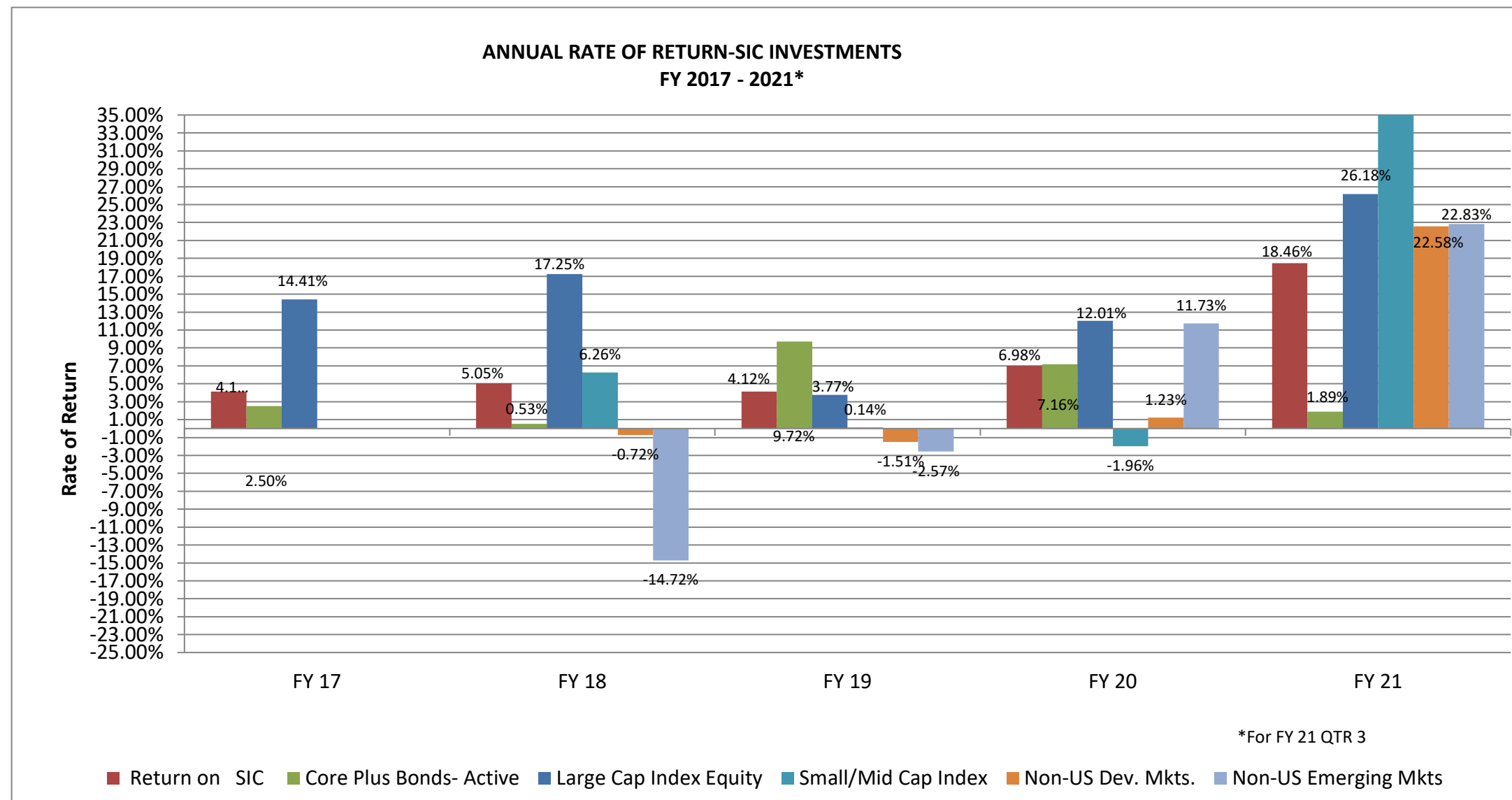


PORTFOLIO SUMMARY - Long Term Investments Including State Investment Council Investments

General Fund Long Term	Book/Market Value YTD/Quarter 3 as of 6/30/2021	Book/Market Value YTD/Quarter 3 as of 6/30/2020	Unrealized/Realized** Gain/Loss YTD/Quarter 3 as of 6/30/2021	Rate of Return YTD/Quarter 3 as of 6/30/2021 *	Rate of Return YTD/Quarter 3 as of 6/30/2020 *
MFA's Mortgage Backed Securities Portfolio	\$ 6,427,935	\$ 5,076,731	\$ 372,906	3.78%	3.71%
State Investment Council (SIC):					
Core Plus Bond Fund-Active	\$ 8,485,923	\$ 9,282,670	\$ (6,945)	1.89%	5.11%
Domestic Large Cap Index Equity Fund	\$ 7,288,853	\$ 8,991,874	\$ 2,178,590	26.18%	3.18%
Small/Mid Cap Fund	\$ 3,272,394	\$ 3,227,041	\$ 1,197,746	36.23%	-8.04%
Non-US Developed Markets Fund	\$ 4,141,843	\$ 3,863,556	\$ 854,497	22.58%	-4.27%
Non-US Emerging Markets Fund	\$ 1,266,471	\$ 1,118,401	\$ 269,524	22.83%	1.95%
Total State Investment Counsel	\$ 24,455,485	\$ 26,483,542	\$ 4,493,412	18.46%	1.24%
Total Long-Term Investments	\$ 30,883,420	\$ 31,560,273	\$ 4,866,318		

*SIC rate of returns are year to date, not annualized.

** Fair Market Value adjustments on the mortgage backed security portfolio are unrealized, however, they are realized on the SIC portfolio.



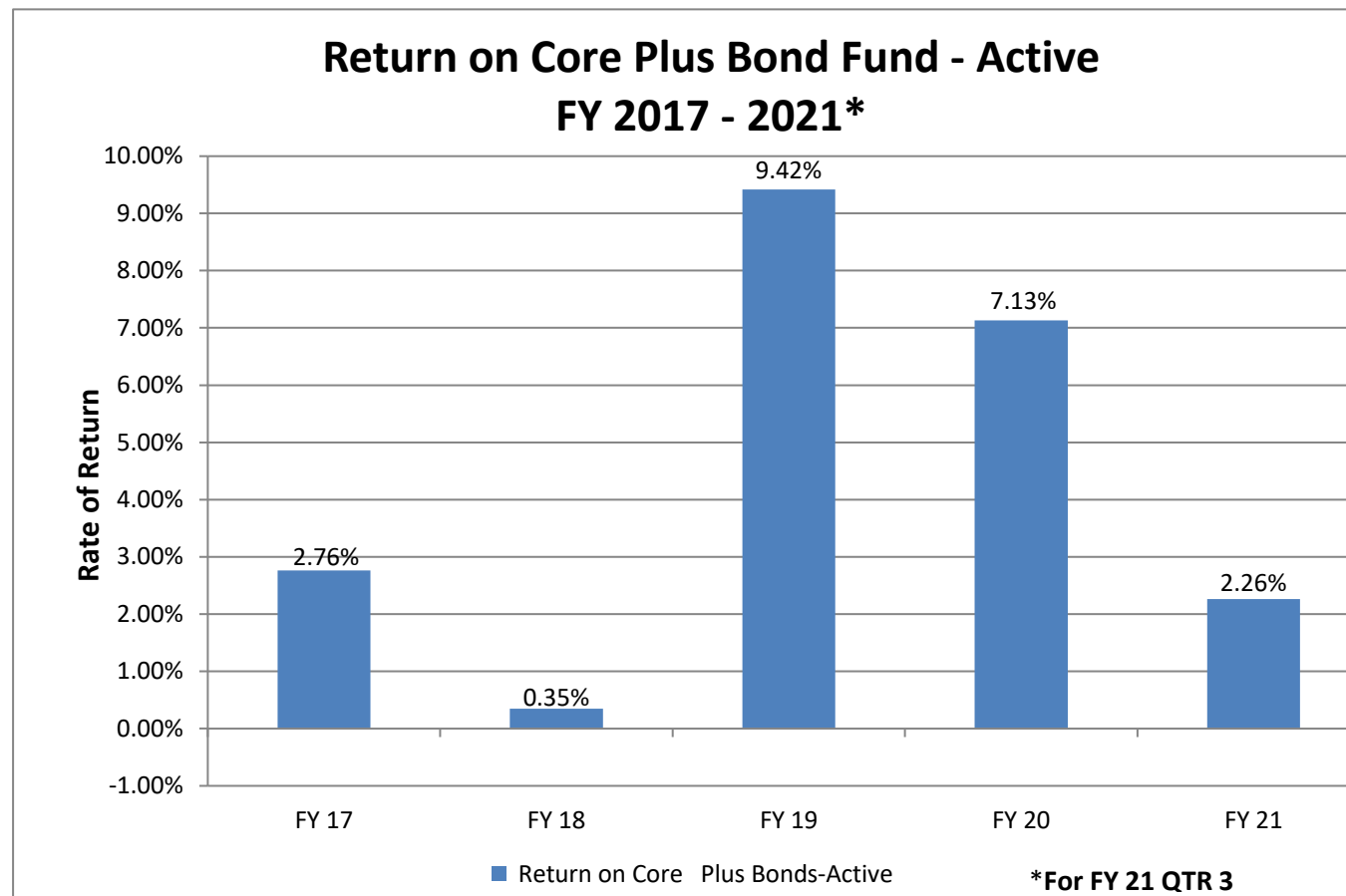


PORTFOLIO SUMMARY - Housing Trust Fund

Housing Trust Fund	Market Value YTD/Quarter 3 as of 6/30/2021	Market Value YTD/Quarter 3 as of 6/30/2020	Realized Gain/Loss YTD/Quarter 3 as of 6/30/2021	Rate of Return YTD/Quarter 3 as of 6/30/2021	Rate of Return YTD/Quarter 3 as of 6/30/2020
State Investment Council (SIC): Core Plus Bond Fund-Active	\$ 15,973,641	\$ 13,245,139	\$ 27,816	2.26%	5.30%
Total State Investment Council	\$ 15,973,641	\$ 13,245,139	\$ 27,816	2.26%	5.30%

SIC FUND ALLOCATION

SIC Core Plus Bond-Active	100%	100%
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GENERAL FUND INVESTMENT PORTFOLIO - METRICS

Asset Class	S&P Rating	Moody's Rating	Annual Interest Income (Budget) FY2021	Actual Annual Interest Income YTD/Quarter 3 6/30/2021	Interest Income Earned of Total Budget YTD/Quarter 3 6/30/2021
Cash Held for Operations/Warehoused MBS	N/R	N/R	\$ 75,760	\$ 1,683	2%
Local Government Investment Pool	AAAm	N/R	\$ 7,967	\$ 6,006	75%
Bond Ladder			\$ 190,620	\$ 89,312	47%
Fannie Mae	N/R	Aaa/Stable			
Federal Farm Credit Bank	N/R	Aaa/Stable			
Federal Home Loan Bank	N/R	Aaa/Stable			
Freddie Mac	N/R	Aaa/Stable			
MFA Mortgage Backed Security Portfolio	N/R	Aa3/Stable	\$ 443,273	\$ 329,536	74%
Intermediate Term	AA+	Aa3/Stable			
Long-Term	AA+	Aa3/Stable			
State Investment Council			\$ 750,000	\$ 399,522	53%
Core Plus Bond Fund-Active	N/R	N/R			
Large Cap Index Equity Fund	N/R	N/R			
Small/Mid Cap Fund	N/R	N/R			
Non-US Developed Markets Fund	N/R	N/R			
Non-US Emerging Markets Fund	N/R	N/R			
			\$ 1,467,620	\$ 826,059	56%

Asset Class Benchmarks	Yield to Maturity/ Rate of Return YTD/Quarter 3 6/30/2021	Benchmark Yield/Rate of Return	
State Investment Council			
Core Plus Bond Fund-Active	1.89%	-0.95%	Barclays US Agg Total Return Value
Large Cap Index Equity Fund	26.18%	30.68%	Russell 1000 Index-US Large Cap Equity
Small/Mid Cap Fund	36.23%	54.23%	Average ⁽¹⁾
Non-US Developed Markets Fund	22.58%	30.57%	Average ⁽²⁾
Non-US Emerging Markets Fund	22.83%	28.61%	MSCI Emerging Markets Index (Net)
Cash Held for Operations/Warehoused MBS	Various	N/A	
Local Government Investment Pool	0.11%	N/A	
Bond Ladder	0.72%	0.55%	
MFA Mortgage Backed Security Portfolio			
Intermediate Term	5.21%		
Long-Term	3.78%		

(1) Average of the following benchmarks:

Russell Mid Cap Index
Russell 2000 Value Index
Russell 2000 Index

(2) Average of the following benchmarks:

MSCI EAFE Net Total Return US Index
MSCI AC World Index EX USA Value Net Total Return
MSCI ACW EX US Small Cap Index
MSCI World Ex US IMI Index (net)

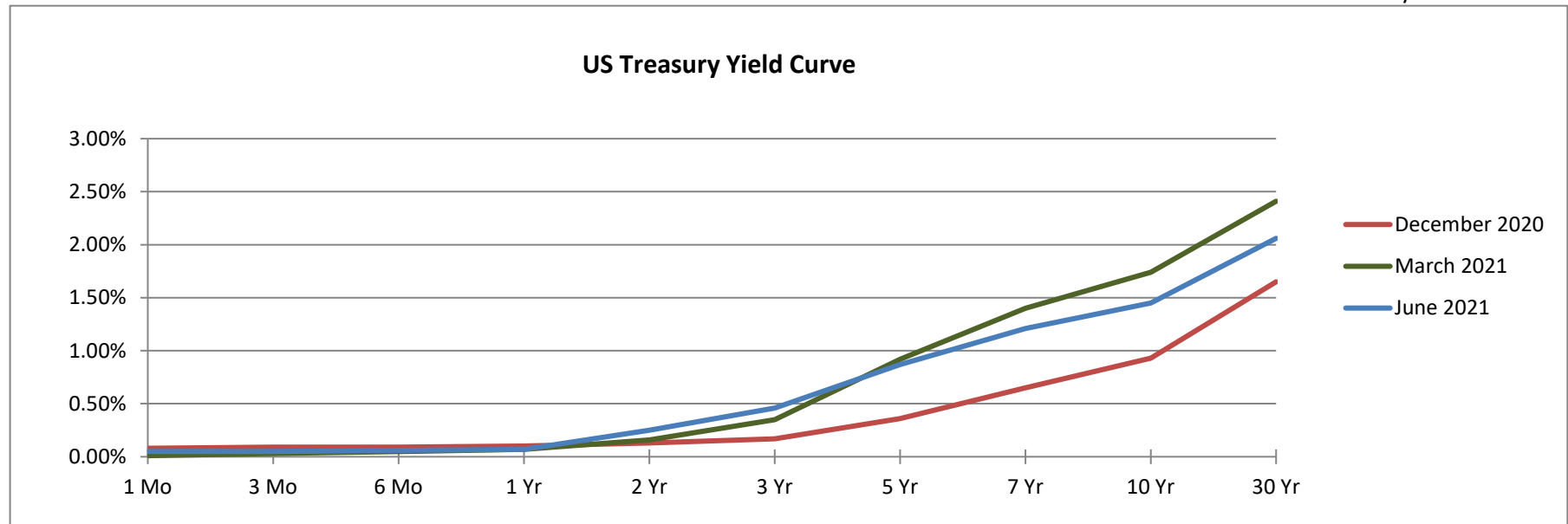


Economic Indicators

6/30/2021 6/30/2020

Federal Funds Rate	0.08%	0.08%
Consumer Price Index (yoy)	5.40%	0.60%
Unemployment Rate	5.90%	11.10%
Real GDP (yoy)	12.20%	-9.00%
DJIA*	25.99%	-2.32%

*Cumulative return for the period 10/1 through 6/30 which is three quarters of each respective fiscal year.



	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	30 Yr
December 2020	0.08%	0.09%	0.09%	0.10%	0.13%	0.17%	0.36%	0.65%	0.93%	1.65%
March 2021	0.01%	0.03%	0.05%	0.07%	0.16%	0.35%	0.92%	1.40%	1.74%	2.41%
June 2021	0.05%	0.05%	0.06%	0.07%	0.25%	0.46%	0.87%	1.21%	1.45%	2.06%

Source: U.S. Department of the Treasury

Tab 4



MEMO

TO: MFA Board of Directors

Through: Finance Committee – August 10, 2021

Through: Policy Committee – August 3, 2021

FROM: Cooper Hall, Finance Manager

DATE: August 18, 2021

SUBJECT: Request for Proposals for Underwriter Services for Single Family Housing Programs

Recommendation: Staff recommends the approval of the Request for Proposal (RFP) to Provide Underwriter Services for Single Family Housing Programs for the proposed issuance of single family mortgage revenues bonds and other special financing product(s). Responses will be due to MFA by September 24, 2021 and recommendations for award will be presented at the November Board meeting.

Background:

MFA issued a Request for Proposal to Provide Single Family and Multifamily Housing Bonds Underwriting Services and Special Product Underwriting Services in August 2016. The Single Family and Multifamily Housing Bonds contract was awarded to RBC Capital Markets as Senior Manager with Raymond James & Associates serving as Co-Manager. The Special Products contracts were awarded to Stifel, Nicolaus & Company for “TEMS” Underwriting Services and Jefferies LLC for Multifamily Housing Passthrough Structures Underwriters. These contracts were awarded for a period of three years with the possibility of two, one-year extensions under the same terms and conditions. MFA’s Policy Committee exercised the second and final extension in November of 2020.

Since the 2016 Underwriter Services contracts were awarded, MFA has only utilized the Single Family Housing Bond Contract. Staff is recommending returning to the Underwriter contract structure used prior to 2016; issuing an RFP only for the Single Family Housing Bond Underwriter Services.

November 2012- MFA issued an RFP for Single Family Housing Bond Underwriting Services.

August 2016- MFA issued an RFP for Single Family and Multi-Family Housing, Multi-Family Pass through and Special Product Underwriting Services.

November 2016- MFA awarded contracts for Underwriter Services as Follows:

- (1) RBC Capital Markets (“RBC”), Senior Manager and Raymond James & Associates, Inc. (“RJ”), Co-Manager for Senior and Co-Manager Underwriter Services for Single Family and Multifamily Housing Programs
- (2) RBC, Senior Manager for Single Family Housing Programs Pass Through Bond Structures
- (3) Stifel, Nicolaus & Company, Incorporated (“Stifel”), Purchaser Services for Single Family and Multifamily Housing Program Exempt Mortgage-Backed Securities (“TEMS”)
- (4) Jefferies LLC (“Jefferies”), Senior Underwriter Services for Multifamily Housing Programs Pass Through Bond Structures

Discussion: Staff is recommending issuance of an RFP for Single Family Housing Bond Underwriting Services. Prior to 2016 MFA only issued an RFP for Single Family Housing Bond Underwriting Services. In 2016 MFA expanded the RFP to include contracts for “Special Products” such as the Multifamily Pass-Through Bond Structures contract and the “TEMS” contract. In the five years these contracts were in place MFA did not utilize these special products, and staff does not expect to in the foreseeable future. Staff is recommending returning to only issuing an RFP for Single Family Housing Bonds.

Following is a summary of the major changes from the RFP issued in 2016.

Page #	Section	Proposed Change
	Entire Document	Used new request for proposals template developed by General Counsel.
	Entire Document	Removed language regarding contracts other than Single Family Housing Bond Underwriter Services.
7	Part V: Evaluation Criteria	References have been added to the evaluation criteria. 5 points have been taken from the offeror fee criteria and assigned to references.
7	Part V: Evaluation Criteria	Interviews have been added as an option scoring criteria. 5 additional points are available if interviews are held.

Summary:

Staff recommends returning to the Underwriter contract structure used prior to 2016; issuing an RFP only for the Single Family Housing Bond Underwriter Services. Responses to the RFP will be due September 24, 2021 and recommendations for award will be presented at the November Board meeting. The term of the contract begins the date the

Board approves the award and ends November 30, 2024 with two subsequent one-year extensions at the option of the Policy Committee. Staff recommends approval of the Request for Proposals to Provide Underwriting Services for Single Family Housing Programs.

**New Mexico Mortgage Finance Authority
Request for Proposals
To Provide Underwriter Services for Single Family Housing Programs**

Part I: Background & General Information

Introduction

The New Mexico Mortgage Finance Authority (“MFA”) is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, NMSA Sections 58-18-1 to 27 for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals, in accordance with the New Mexico Mortgage Finance Authority Procurement Policy, from qualified investment banking and broker/dealer firms by reason of their skill, knowledge, and experience are able to furnish Single Family Housing Underwriter services to MFA (“Offerors”). The intent of this Underwriter selection process is to select two underwriting firms, one as Senior Underwriter and the other as Co-Manager to serve the MFA for up to three years, with an option of two, one-year renewals, exercised at the discretion of MFA’s Policy Committee.

The Offerors selected as Senior Underwriter and Co-Manager will participate in MFA bond issues pursuant to a Professional Services Agreement (herein referred to as the “Contract”) to be negotiated by MFA with the Senior Underwriter and Co-Manager. From time to time there may be bond offerings and/or fees for services that will include only one underwriting firm. The MFA reserves the right to choose which underwriting firm may be appropriate to provide such services in each instance based on the best interests of the MFA.

Questions and Answers

Questions pertaining to this RFP and application must be submitted via the MFA website at <https://housingnm.org/rfps/rfps-rfqs>. Then under “RFP’s & RFQs,” select “Single Family Housing Bond Underwriter Services RFP.” On the Single Family Housing Bond Underwriter Services RFP page, select the “Single Family Housing Bond Underwriter Services FAQs” link. Questions will be checked on a daily basis. The FAQ will open the day after the RFP issues (August 19th, 2021) and will close on September 24th, 2021. To submit your questions, scroll down to the “Ask a question” section, enter your name, email address, and type your question in the “Question” box, type in the two (2) words in the CAPTCHA box and click on “Send my question”. MFA will make every attempt to answer questions within two (2) business days.

Proposal Submission

Proposal submissions must be received no later than September 24th, 2021 at 4:00 p.m., Mountain Time. Proposals which are not received by this time will not be accepted.

Method for proposal submission:

Via E-mail: Send to chall@housingnm.org with a subject line of "Proposal to Furnish Single Family Housing Underwriter Services."

Proposal Tenure

All proposals shall include a statement that the proposal shall be valid until contract award, but no more than ninety (90) calendar days from the proposal due date.

RFP Revisions and Supplements

If it becomes necessary to revise any part of this RFP or if additional information is necessary to clarify any provision of this RFP, the revision or additional information will be posted on the MFA web site.

Incurred Expenses

MFA shall not be responsible for any expenses incurred by an Offeror in responding to this RFP. All costs incurred by Offerors in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Offerors.

Cancellation of Requests for Proposals or Rejection of Proposals

MFA may cancel this RFP at any time for any reason MFA and may reject all proposals (or any proposal) which are/is not responsive.

Offeror's Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals by submitting a written withdrawal request via email to chall@housingnm.org.

Evaluation of Proposals, Selection and Negotiation

Proposals will be evaluated by an Internal Review Committee made up of MFA staff using the criteria listed in Part II Minimum Qualifications and Requirements, Part III Services to be Performed, and Part IV Compensation, below, pursuant to the Evaluation Criteria and scoring shown in Part V, Evaluation Criteria. Final selection shall be made by the full Board of Directors.

MFA may provide Offerors whose proposals are reasonably likely, in MFA's discretion, to be selected, an opportunity to discuss and revise their proposals prior to award, for the purpose of obtaining final and best offers. Proposals shall be evaluated on the criteria listed in Part IV Evaluation Criteria, below.

The MFA Board of Directors shall select the Offeror(s) whose proposal(s) is/are deemed to be most advantageous to MFA to enter into contract negotiations with MFA. If a final contract cannot be negotiated, then MFA will enter into negotiations with the other Offeror(s). The agreed-upon draft final contract will then be referred to the Contracted Services Committee of the MFA Board of Directors for its review and recommendation, with final approval to be made by the full Board of Directors.

Interview

If selected as a finalist, Offerors agree to provide MFA the opportunity to interview proposed staff members identified by the Internal Review Committee. The Internal Review Committee may request a finalist to provide an oral presentation of the proposal as an opportunity for the Internal Review Committee to ask questions and seek clarifications. All requests for interviews and oral presentations shall be made in MFA's sole discretion.

Award Notice

MFA shall provide written notice of the award to all Offerors within ten (10) days of the date of the award. The award shall be contingent upon successful negotiations of a final contract between MFA and the Offeror(s) whose proposal(s) is/are accepted by MFA.

Proposal Confidentiality

Offerors or their representatives shall not communicate with MFA's Board of Directors or staff members regarding any proposal under consideration or that will be submitted for consideration, except in response to an inquiry initiated by the Internal Review Committee, or a request from the Board of Directors, or its Contracted Services Committee / Finance Committee for a presentation and interview. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of the Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, including any period immediately following release of the RFP.

MFA will not disclose, discuss or otherwise make available the contents of any proposal to competing or potential Offerors prior to the expiration of the protest period, which in the event a protest is presented, shall not occur until after final determination by the Board of Directors.

Irregularities in Proposals

MFA may waive technical irregularities in the form of proposal of any Offeror selected for award which do not alter the price, quality or quantity of the services offered. Note especially that the date and time of proposal submission as indicated herein under "Part I Background and General Information, Proposal Submission" cannot be waived under any circumstances.

Responsibility of Offerors

If an Offeror who otherwise would have been awarded a contract is found not to be a Responsible Offeror, a determination that the Offeror is not a Responsible Offeror, setting forth the basis of the finding, shall be prepared and the Offeror shall be disqualified from receiving the award. A Responsible Offeror means an Offeror who submits a proposal that conforms in all material respects to the requirements of this RFP and who has furnished, when required, information and data to prove that his financial resources, facilities, personnel, reputation and experience are adequate to make satisfactory delivery of the services described in this RFP. The unreasonable failure of an Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

Protest

Any Offeror who is aggrieved in connection with this RFP or the award of a Contract pursuant to this RFP may protest to the MFA. The protest must be written and addressed to:

Cooper Hall, Finance Manager
New Mexico Mortgage Finance Authority
344 Fourth Street S.W.
Albuquerque, New Mexico 87102

Or:

chall@housingnm.org

The protest must be submitted to MFA within five (5) business days after the notice of award. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offerors receiving notice may file responses to the protest within five (5) business days of notice of protest. The protest process shall be:

- ◆ The protest will be reviewed by the Contracted Services Committee of MFA's Board of Directors, and that committee shall make a recommendation to the full Board of Directors regarding the disposition of the protest.
- ◆ The Board of Directors shall make a final determination regarding the disposition of the protest, which determination shall not be subject to appeal.

Offerors or their representatives shall not communicate with MFA Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of the Board of Directors, until the protest period has expired, which if there is a protest shall not expire until final determination by the Board of Directors. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, which remains in effect until the expiration of the protest period, or does not follow the prescribed proposal and protest process.

Confidential Data

Offerors may request, in writing, nondisclosure of confidential information which Offeror includes in its proposal. Such confidential information shall accompany the proposal but shall be readily separable from the proposal so as to facilitate public inspection of the non-confidential portions of the proposal. After the expiration of the protest period, which shall include final determination of any protest by MFA's Board of Directors, all proposals will be open to the public for inspection pursuant to MFA's Request to Inspect Documents Policy. Confidential information shall only include such information as is excepted under Section 14-2-1 NMSA 1978.

If MFA receives a request for inspection of its records which would require the disclosure of information identified by Offeror as confidential information, it will examine Offeror's request for confidentiality and make a written determination that specifies which portions of the proposal, including any information identified by Offeror as confidential information, shall be disclosed. MFA will provide the Offeror with a written notice of determination which details which information MFA intends to disclose and the date it shall disclose such information.

Part II: Minimum Qualifications and Requirements

Only those Offerors who meet the following minimum criteria are eligible to submit a proposal pursuant to this RFP:

1. All Offerors must have at least ten years' experience in public finance in the housing industry with single family bond transactions. The Offeror for Senior Underwriter must also have substantial book running senior manager experience in housing bond financing since January 2016.
2. All Offerors must have at least three years' documented experience with at least one state housing agency that utilizes a master (open) indenture and one that utilizes a stand-alone indenture for single family transactions.
3. All Offerors must have significant financial strength and a willingness to put its capital at risk in difficult market conditions.
4. All Offerors must have demonstrated housing bond marketing capabilities.
5. All Offerors must be in compliance with all MSRB rules and meet all of the qualifications listed in The Bond Buyer's Municipal Marketplace.

Selected Offerors must also meet the following requirements:

4. Offeror shall provide a written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
5. Offeror shall provide a written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
6. A Written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy. A copy of MFA's Code of Conduct and MFA's Anti-Harassment Policy is posted on the MFA website for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.
7. Offeror shall provide a written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
8. Offeror shall provide a written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov; and has not been debarred by MFA.

Part III: Services to be Performed

As requested by MFA, professional Underwriter services required to be provided and to be incorporated into the contract to be awarded pursuant to this RFP include, but are not limited to, the following:

Senior Underwriter: The Senior Underwriter will be primarily responsible for the following scope of services relating to the issuance of bonds.

1. Develop models for the analysis of financing alternatives in conjunction with MFA's Financing Team including the sizing and timing of each long term bond issue.
2. Provide recommendations regarding the structure of each issue of bonds to best achieve MFA's objectives for that transaction. This will include ideas regarding the marketing of taxable bonds, ideas for economic refunding issues, planned amortization class bonds, super-sinker maturities, pass-through structures and other concepts that will enable MFA to maximize the funds available for loans to homebuyers at the lowest reasonable mortgage rates.
3. Assist in development of documents including MFA's Preliminary and Final Official Statements, the Indenture and all program documents in conjunction with Bond Counsel and Underwriter's Counsel; and
4. Assist MFA and its Financing Team in the preparation of information regarding financing plans and issuance of bonds for rating agencies and/or investors; and
5. Provide analysis of market conditions relating to the issuance of the bonds. This information should include insights on investor demand, actual quotations for spread components and prevailing rates; and
6. Work with MFA and its Financial Advisor to develop a marketing plan, which shall include identifying appropriate institutional and retail investors, developing a sales memoranda to raise investor awareness, conducting informational meetings for investors and organizing a syndicate of investment banking firms as needed to provide efficient distribution of the bonds; and
7. Develop and maintain a New Mexico retail selling group; and
8. Be responsible for initiating the Agreement among Underwriters in conformance with the Contract; and
9. Work with MFA's Financing Team to establish bond pricing to achieve the lowest cost possible while ensuring market acceptance for future financing. Provide MFA with a consensus scale, preliminary and final pricing wires and offering scales to be reviewed and approved prior to publication; and
10. Provide a comprehensive and detailed Analysis of Distribution to document the level of participation and performance of each member of the underwriting team in selling and distribution MFA's bonds; and
11. Be responsible for the purchase of the Bonds as identified in the Contract. Provide information on orders and allotments to MFA's Financing Team as directed by the MFA; and
12. As requested, assist MFA and its Financial Advisor in the development and implementation of the bond proceeds reinvestment strategy; and
13. Assist in the closing of any securities issuance; and
14. Assist in presentations to rating agencies and potential credit or liquidity providers, MFA's Board of Directors, Legislative Oversight Committee and other public presentations as requested by MFA; and

15. Provide other underwriting services as requested by MFA.

Co-Manager: The Co-Manager will be primarily responsible for the following scope of services relating to the issuance of bonds:

1. Assist the Senior Underwriter to market the financing, which shall include identifying appropriate institutional and retail investors, developing sales memoranda to raise investor awareness and conducting informational meetings for investors; and
2. Assist the Senior Underwriter to price the bonds to achieve the lowest cost financing possible, while ensuring market acceptance for future financings; and
3. Be responsible for purchase of the Bonds as identified in the Contract.

Part IV: Compensation

Compensation of all firms, including Senior Manager and Co-Manager will be determined by the fee arrangements negotiated with the Senior Manager. Please indicate your willingness to agree to this arrangement.

Part V: Evaluation Criteria

MFA shall award the contract for Underwriter services for Single Family Housing Programs to the Offeror whose proposal is most advantageous to MFA. Proposals that meet the Minimum Qualifications and Requirements shall be evaluated primarily on experience and fees. Proposals shall be scored on a scale of 1 to 100 based on the criteria listed below. Please note that a serious deficiency in any one criterion may be grounds for rejection regardless of overall score.

Criteria	Point Range	Maximum Points
1. Experience and Capability: Offeror's skill, knowledge and experience as outlined in Part VI, Section 3 of this RFP.		
a. The Offeror	0-5	5
b. Qualifications of Personnel	0-20	20
c. Financial Strength and Willingness to Put Capital at Risk	0-20	20
d. Offeror's Underwriting Experience	0-20	20

2. Responsiveness to MFA and Technical Capabilities: Offeror's ability to deliver Underwriting services and Offeror's availability As outlined in part VI, section 4 of this RFP.	0-20	20
3. Proposed Fees:	0-10	10
4. References	0-5	5
6. Interviews (if held)	0-5	5
Maximum Points	0-105	105

Part VI: Proposal Format and Instructions to Offeror

Proposals submitted to MFA must, at a minimum, contain the following information and shall be organized as follows:

1. Letter of Transmittal – to include at least the following:

- A. Name, address and telephone number of Offeror and name of contact person.
- B. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror.
- C. Date of proposal.
- D. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP.
- E. A statement that the information submitted in and with the proposal is true and accurate;
- F. A statement describing how long the Offeror can hold the proposed fees.
- G. A statement that the Offeror's proposal is valid for ninety (90) days after the deadline for submission of proposals.

2. Disclosure and Certifications – Offeror shall provide:

- A. A written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.

- B. A written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
- C. A Written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy.
- D. A written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
- E. A written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov; and has not been debarred by MFA.

3. Experience and Capability

A. **The Offeror:**

- i. Number of years firm has been involved in public finance for housing bonds;
- ii. Number of professionals assigned full-time to single family tax-exempt housing finance. Describe the Offeror's public finance and trading departments, including the information requested in the following table.

	2021	2020
Number of professionals in Public Finance Department		
Number of professionals assigned full time to single family tax-exempt housing		
Number of institutional sales personnel assigned exclusively to marketing tax-exempt bonds		
Number of retail brokers who place housing bonds		

- iii. A description of your firm's involvement in the housing industry, including any organizations with which your firm may be affiliated.
- iv. Describe any pending changes to your firm's ownership or capital structure.
- v. Describe any situations that arose in which the Offeror was not able to fulfill the requirements of its Contract with a housing bond issuer.

B. Qualifications of Personnel:

- i. Provide the names, resumes and locations of the senior contact and other key personnel, including the Senior Underwriter (Head of the Syndicate Desk), to be assigned to the account for both single family bond issues. Resumes describing the qualifications of personnel to be utilized in the performance of this Contract must show, at a minimum, the person's name, location, education, position, proposed responsibilities, other housing clients to which person is assigned and in what capacity and total years of experience working with housing clients. Any changes made to the proposed team must be approved by the MFA in advance.
- ii. Describe any changes, including additions and departures in your housing group staff including the Offeror's trading department in the last two years and the impact on serving clients. In addition, please describe plans for any upcoming anticipated changes, such as retirements in your housing group staff and/or trading department.
- iii. Provide information about the availability of staff, including a description of how your firm will execute Part III: Services to be Performed. Also include your plan to fulfill Part III: Services to be Performed if the Senior Underwriter is not available at the time MFA needs to issue bonds.

C. Financial Strength and Willingness to Put Capital at Risk:

- i. Please include a copy of your firm's most recent audited financial statements. Audited financial statements may be included as an Exhibit. Please complete the following summary table:

	2021	2020	2019
Firm's net capital			
Firm's excess net capital			
Net capital allocated to Public Finance			
Excess net capital allocated to Public Finance			

- ii. Describe your firm's willingness to put its capital at risk in difficult market conditions for single family housing finance transactions. Please provide specific examples since January 2010 (including MFA transactions if you have been an underwriter for MFA). Offeror must demonstrate financial stability and financial ability to undertake MFA's underwriting services.

D. Offeror's Underwriting Experience:

- i. Provide the following summary data with respect to single family housing revenue bonds, respectively, (both tax exempt and taxable) for which your firm served as Senior Manager or Co-Manager, for each of the periods indicated in the table, below. Include a detailed

list of bond issues as an Exhibit. Indicate next to each issue the par amount, and your role either as senior manager or co-manager. Include a summary chart here as follows:

	Senior Manager		Co-Manager	
Year	# Issues	\$ Amount	# Issues	\$ Amount
2016				
2017				
2018				
2019				
2020				
2021				

- ii. Include your experience underwriting housing bonds in New Mexico, and placing housing bonds with New Mexico retail investors, since January 2015 to present. Attach detail of individual transactions.

4. Responsiveness to MFA and Technical Capabilities:

- A. Offeror's proposal for delivering services, including organization of responsibilities, work plan, approach, and the availability of personnel for consultation, discussion and coordination with staff, and for travel both within and outside New Mexico, as necessary, to serve the needs of MFA.
- B. In addition, firms seeking consideration as Senior Manager should provide:
 - i. Strategies for Funding Single Family Mortgage Loan Programs with bond financing and other financing (such as MBS Sales, Special Products). Based on prevailing interest rates and market conditions, recommend strategies (i.e. bond finance sizing, structure, marketing or pricing, forward delivery or MBS sales, special products) designed to enable MFA to (a) offer a mix of regular low interest rate loans and higher rate down payment assistance loans with the most affordable interest rate and terms, (b) minimize total transaction costs (including negative arbitrage costs and cost of issuance for bond and/or special product financing), (c) maximize the total amount of lendable proceeds for first time homebuyers and (d) maximize the Net Present Value economic benefit to MFA of each transaction. Identify any element of your recommended strategy which you firm views as being "proprietary" or other effectively available to MFA primarily from your firm.
- C. Marketing:
 - i. Tax-Exempt Bonds - Describe, with specific examples, your firm's particular strengths within the industry in selling tax-exempt single family housing bonds, including serials, terms, super-sinkers, pass through bond structures and other classes of bonds. Describe

with specific examples, your firm’s particular strengths in selling housing bonds to New Mexico investors. Describe your firm’s distribution system.

- ii. Taxable Bonds - Describe your firm’s particular capabilities for marketing taxable single family bonds. Describe the approaches you have taken and, with examples, illustrate what distinguishes your firm from others in selling such bonds.
- iii. Given the challenges of the financial markets, discuss how your firm will provide the lowest cost of capital to MFA, including procedures for establishing bond sale yields and takedowns for MFA debt relative to other housing issues.
- iv. Describe procedures that would be established to ensure good communication during the pricing of a transaction to all members of the underwriting team, including the selling group, to ensure efficient and equitable access to all bonds.

5. Fees: MFA understands the Takedown and risk components of underwriter discount are “market-driven” costs and may fluctuate depending upon market conditions. Based upon market conditions as of August 11, 2021, provide the following information:

A. Single Family Bond Issue: Please complete the following table, assuming a 30-year, \$40 million fixed-rate tax-exempt traditional structure with par serial bond maturities out to 12 years, par term bonds maturities of 15, 20, 26 and 32 years and premium PAC bonds maturing in approximately 32 years with an average life of five to six years issued under MFA’s 2005 Master Indenture (assuming a “Aaa” bond rating). For each of the par term bonds, indicate the extent to which the Takedowns could be reduced by offering those bonds only to institutional investors (it is assumed the premium PAC bonds would be offered only to institutional investors). In addition provide an estimate of the Takedown (in dollars per thousand) your firm would recommend for a pass through \$40 million single family bond issue. Compensation is paid only upon the successful closing of an issuance.

Underwriter Compensation (in dollars per thousand):

Takedown	\$_____
Expenses:	_____
Underwriter Counsel*	_____
MSRB, DTC, CUSIP, etc.	_____
Federal Funds/Syndicate Wires	_____
Other (explain)*	_____
Total per Bond	_____

*Indicate the law firm that you would use as Underwriter’s Counsel

**Other (Explain):_____

Note that the final fee schedule shall be subject to negotiation. MFA expects Underwriter’s expenses and costs of issuance to be kept at an absolute minimum.

Please provide a statement indicating that the Offeror, if selected, would comply with MFA's Business Travel and Meal Expense Policies and Procedures, which can be reviewed at <http://www.housingnm.org/rfp>. MFA also reserves the right to request supporting documentation from the Offeror prior to paying any expenses.

6. References:

- A. Offeror shall provide names of at least three references from state housing finance agencies who have worked with the same primary personnel proposed, and for which the Offeror underwrites as Senior Underwriter and provide three references for which the Offeror underwrites as Co-Manager for single family transactions.
- B. The Offeror shall provide the form attached hereto as **Exhibit A** to all references.

7. Additional Information:

- C. Compensation of all firms, including Senior Manager and Co-Manager will be determined by the fee arrangements negotiated with the Senior Manager. Please indicate your willingness to agree to this arrangement.
- D. Describe the safeguards the organization has in place to prevent unauthorized disclosure, misuse, alteration, destruction or other compromise of information. Include a description of the following processes:
 - i. Data security management and related employee training;
 - ii. Information systems, including network and software design, as well as information processing, storage, transmission and disposal; and
 - iii. Detecting, preventing and responding to attacks, intrusions, or other systems failures.
- E. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to provide underwriter services to MFA.

Part VII: Principal Contract Terms and Conditions

In addition to the terms respecting the services to be performed and compensation described above, the contract between MFA and the successful Offeror (herein "Contractor") shall include, but may not be limited to, terms substantially similar to the following:

Contract Term

The term of the Underwriting Services Contract shall begin the date the MFA Board of Directors approves the award and end November 30, 2024. At the option of the Policy Committee, the contract may be extended for two, one-year periods under the same terms and conditions. There will be a transition period for matters in process at the beginning and the end of the contract term.

Hold Harmless and Indemnification. Offeror shall indemnify, defend, and hold harmless MFA and the State of New Mexico, its officers, directors, agents, employees, successors and permitted assigns (each, a "MFA Indemnitee") from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including attorneys' fees, that are incurred by a MFA Indemnitee (collectively,

“Losses”) arising out of or related to any third party claim alleging (i) breach or non-fulfillment of any provision of this Agreement by Offeror or Offeror’s personnel; (ii) any negligent or more culpable act or omission of Offeror or Offeror personnel, including any reckless or willful misconduct, in connection with the performance of Offeror’s obligations under this Agreement; (iii) any bodily injury, death of any person, or damage to real or tangible, personal property resulting from willful, fraudulent, or negligent acts or omissions of Offeror or Offeror personnel, or (iv) any failure by Offeror or its personnel to comply with any applicable federal, state or local laws, regulations, or codes in the performance of its obligations under this Agreement. Offeror shall further defend, indemnify, and hold harmless the MFA Indemnitees from and against any and all claims that any of the Services or deliverables or MFA’s receipt or use thereof infringes any intellectual property right of a third party.

Permitted Subcontractors. Offeror shall obtain MFA’s written approval, which approval shall be given in MFA’s sole discretion, prior to entering into any agreements with or otherwise engaging any person, including all subcontractors, other than Offeror’s employees, to provide any Services to MFA (each such approved subcontractor or other third party, a “Permitted Subcontractor”). MFA’s approval shall not relieve Offeror of its obligations under the Agreement, for any reason, including but not limited to Permitted Subcontractor’s bankruptcy, insolvency, or other inability to perform the services required under any subcontract, an Offeror shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this Agreement as if they were Offeror’s own employees. Nothing contained in this Agreement shall create any contractual relationship between MFA and any Permitted Subcontractor or supplier. Offeror shall require each such Permitted Subcontractor to be bound in writing by the confidentiality and intellectual property assignment provisions of this Agreement.

Records. Maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Offeror in providing the Services in such form as MFA shall approve. During the Term and for a period of two years thereafter, upon MFA’s written request, Offeror shall allow MFA or MFA’s representative to inspect and make copies of such records and interview Offeror personnel in connection with the provision of the Services. MFA shall have the right to audit bills submitted to MFA under this Agreement both before and after payment. Payment under this Agreement shall not foreclose the right of MFA to recover excessive and/or illegal payments.

Payment. Payment shall be made to Offeror at the times, and in the amounts, that shall be set forth in a Service Agreement between MFA and Offeror.

Insurance. Offeror shall procure and maintain at its expense until final payment by MFA for Services covered by this Agreement, insurance in the kinds and amounts hereinafter provided with insurance companies authorized to do business in the state of New Mexico, covering all operations under this Agreement, whether performed by the Offeror or its agents. Before commencing the Services, and on the renewal of all coverages, the Offeror shall furnish to MFA a certificate or certificates, providing for not less than thirty (30) days’ notice to MFA of non-renewal or cancellation, in form satisfactory to MFA showing that it has complied with this Sub-Section. Various types of required insurance may be written in one or more policies. With respect to all coverages required other than workers’ compensation, MFA shall be named an additional insured. Kinds and amounts of insurance required are as follows:

- i. Commercial General Liability insuring the activities of Offeror under this Agreement with limits no less than \$750,000 per occurrence and \$750,000 in the aggregate, and with a claim/aggregate deductible in an amount reasonable for a firm of Offeror’s size and financial condition, in a form acceptable to MFA.
- ii. Professional Liability covering all liabilities and risks inherent in Offeror’s performance of the services required under this Agreement, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate and with a

claim/aggregate deductible in an amount reasonable for a firm of Offeror's size and financial condition, in a form acceptable to MFA.

Equal Opportunity Data. The Offeror will maintain data relative to "Equal Opportunity" as related to Minority Business Enterprises ("MBE") and Women Business Enterprises ("WBE"). At a minimum, such data shall include the number and dollar value of MBE/WBE contracts and subcontracts awarded. This data is required to be reported to MFA annually in the format prescribed MFA and is due to MFA each year at a time to be determined by MFA in its sole discretion.

Termination. If, in the judgment of MFA, the Offeror, for any cause, fails or omits to carry out the Work in an acceptable manner MFA may give notice in writing of such failure or omission and of a reasonable time within which to cure the deficiency. The Successful Offeror shall take corrective measures within such time. The Successful Offeror's failure to comply with such notice and to cure the deficiency as provided in the notice shall subject this Agreement to immediate termination by MFA. In the event of a for-cause termination, MFA shall terminate this Agreement by delivering to Architect a written notice of termination. The effective date of termination shall be the date stated in the notice or, if no date is stated, then the date of delivery of the notice. Upon such termination, Successful Offeror shall deliver to MFA all design plans, construction estimates, drawings, documents, survey books, and all other materials developed under this Agreement. MFA shall then have the right to retain the services of other design professionals to complete Successful Offeror's Work under this Agreement, and shall have no obligation to seek bids for that replacement design professional(s). The cost of completing Successful Offeror's Work under this Agreement shall be paid for by applying the balance of the contract amount remaining on this Agreement at the time of termination. If the cost to complete the Work under this Agreement is less than the remaining contract amount, the remaining contract amount shall be paid to Successful Offeror. If the cost of completing the Work under this Agreement exceeds the contract amount, then Successful Offeror shall pay MFA for the difference between the contract amount and the cost to complete Successful Offeror's Work.

Termination for convenience of MFA. On fifteen (15) business day's written notice to Successful Offeror, MFA may terminate this Agreement in whole or in part for its own convenience in the absence of termination for cause or any default of Successful Offeror. In the event of a termination for convenience, MFA shall terminate this Agreement by delivering to Successful Offeror notice of termination without cause specifying the extent to which performance of Work under this Agreement is terminated and the date upon which such termination becomes effective. Within ten (10) calendar days of the effective date of termination, Successful Offeror shall deliver to MFA all design plans, construction estimates, drawings, documents, survey books and any or all other materials developed under this Agreement. Upon delivery of such notice, Successful Offeror shall have the right to receive payment for services satisfactorily performed to termination date, including reimbursement then due.

All Offerors must be in good standing with MFA and all other state and federal affordable housing agencies. For example, debarment from HUD, MFA or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed Projects on the part of any Offeror may result in termination of this Agreement.

Independent Offeror. The nature of the Offeror's and its staff's relationship to MFA will be that of an independent contractor, and the Offeror will not be deemed an agent, employee or servant of MFA. The compensation agreed upon by MFA and the Offeror will not be subject to withholding from taxes, F.I.C.A., or otherwise, and nothing in this Agreement burdens MFA with the duties of an employer concerning the Offeror and its staff under any state worker's compensation laws, state or federal occupational health and safety laws, or any other state or federal laws. The Offeror and its staff will not participate in any of the fringe benefits generally made available by MFA to its officers or employees. MFA will not provide the Offeror office space, clerical help, office supplies or the like except as mutually agreed to by MFA and the Offeror. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or

other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

Awards to Other Offerors. The Offeror shall not assign or transfer any rights, duties, obligations or interest in or to the proceeds of this Agreement without the prior written approval of MFA. If approved, any assignee will be subject to all terms, conditions and provision of this Agreement. No such approval by MFA of any assignment shall obligate MFA for payment of amounts in excess of the Program Funds. In accordance with 2 CFR 200.213, Offeror shall not make any awards or permit any award (subcontract or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible to participate in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension."

Intellectual Property Rights; Ownership. MFA is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the deliverables provided pursuant to the provision of the Services, including all Intellectual Property Rights therein. Offeror agrees, and will cause its Offeror personnel to agree, that with respect to any deliverables that may qualify as "work made for hire" as defined in 17 U.S.C. §101, such deliverables are hereby deemed a "work made for hire" for MFA. To the extent that any of the Deliverables do not constitute a "work made for hire", Offeror hereby irrevocably assigns, and shall cause the Offeror personnel to irrevocably assign to MFA, in each case without additional consideration, all right, title, and interest throughout the world in and to the deliverables, including all Intellectual Property Rights therein. The Offeror shall cause the Offeror personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such Offeror personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the deliverables. Upon the request of MFA, Offeror shall, and shall cause the Offeror personnel to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist MFA to prosecute, register, perfect, or record its rights in or to any deliverables.

Confidential Information. Simultaneous herewith, Offeror shall enter into a Non-Disclosure Agreement with MFA under which Offeror shall agree Offeror will not, during the term of this Agreement, or thereafter, without the written consent of MFA, disclose to anyone, or use for Offeror's own account, any confidential information concerning the businesses or affairs of MFA. Offeror will retain all such knowledge and information respecting such confidential information in trust for the sole benefit of MFA. Upon termination of this Agreement, Offeror will deliver to MFA all writings relating to or containing confidential information or destroyed with destruction certified by the receiving Party.

Remedies. Offeror recognizes that irreparable injury would be caused by any breach of any of the provisions of this Agreement by Offeror. MFA, in addition to all other rights and remedies at law or equity as may exist in its favor, will have the right to enforce the specific performance of the provisions of this Agreement and to apply for injunctive relief against any act that would violate any such provisions. Offeror shall reimburse MFA for all costs and expenses, including reasonable attorney fees incurred by MFA by reason of Offeror's breach of this Agreement. Nothing herein shall be read to limit Offeror's remedies in the event of a breach of this Agreement by the MFA.

Licenses/Compliance with Laws and Regulations. Before the date on which the Services are to start, obtain, and at all times during the Term of this Agreement maintain, all necessary licenses and consents and comply with all relevant laws applicable to the provision of the Services.

Compliance with MFA Rules, Regulations and Policies. Comply with, and ensure that all Offeror personnel comply with, all rules, regulations, and policies of MFA that are communicated to Offeror in writing, including security procedures concerning systems and data and remote access thereto, building security procedures, and general health and safety practices and procedures.

Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of New Mexico. Any legal suit, action, or proceeding arising out of, or related to, this Agreement or the Services provided hereunder shall be instituted exclusively in the federal courts of the United States or the courts of the State of New Mexico in each case located in the city of Albuquerque and County of Bernalillo, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

New Mexico Mortgage Finance Authority

Board Members

Chair Angel Reyes – President, Centinel Bank in Taos
Vice Chair – Derel Valdo – Chief Executive Officer, AMERIND Risk
Treasurer Rebecca Wurzbarger – Strategic Planning Consultant
Member Howie Morales – Lieutenant Governor, State of New Mexico
Member Hector Balderas – Attorney General, State of New Mexico
Member Tim Eichenberg – Treasurer, State of New Mexico
Member Rosalyn Nguyen Chafey – Attorney

Management

Isidoro Hernandez, Executive Director/
Chief Executive Officer and Secretary
Stephanie Yara, Chief Financial Officer
Donna Maestas-De Vries, Chief Housing Officer
Jeff Payne, Chief Lending Officer

EXHIBIT A

ORGANIZATIONAL REFERENCE QUESTIONNAIRE

The New Mexico Mortgage Finance Authority, as part of the RFP process, requires Offerors to submit at least three references from financial institutions, governmental entities, and/or mortgage servicers and at least one reference for whom Single Family Housing Underwriter has been provided as required within this document. The purpose of these references is to document Offeror's experience relevant to the scope of work in an effort to establish Offeror's responsibility. The Offeror will send the following reference form to each business reference listed in Offeror's proposal.

SINGLE FAMILY HOUSING UNDERWRITER SERVICES RFP

ORGANIZATIONAL REFERENCE QUESTIONNAIRE FOR:

This form is being submitted to your company for completion as a business reference for the company named above. This form is to be returned to the New Mexico Mortgage Finance Authority via facsimile or e-mail at:

Name: Cooper Hall
Address: 344 4th St. SW
Albuquerque, NM 87102
Telephone: (505) 767-2284
Fax: (505) 243-3289
E-mail: chall@housingnm.org

No later than September 24th **4:00 p.m. Mountain Time**, and must **NOT** be returned to the company requesting the reference.

For questions or concerns regarding this form, please contact the individual first named above.

Company providing reference:	
Contact name and title/position:	
Contact telephone number:	
Contact e-mail address:	
Description of services provided:	
Dates services provided (starting and ending):	

1. How would you rate the timeliness of work conducted and information requested?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

2. How would you rate how the work was planned and executed?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

3. How would you rate the knowledge and technical expertise demonstrated?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

4. How would you rate the value added to your organization through the Offeror's recommendations?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

5. With which aspect(s) of this Offeror's services are you most satisfied?

COMMENTS:

6. With which aspect(s) of this Offeror's services are you least satisfied?

COMMENTS:

7. Would you recommend this Offeror's services?

COMMENTS:

Tab 5



MEMO

TO: MFA Board of Directors

Through: Finance Committee – August 10, 2021
Through: Policy Committee – August 3, 2021

FROM: Tim Martinez - Development Loan Manager

DATE: August 3, 2021

SUBJECT: Proposed 2021 New Mexico Housing Trust Fund Notice of Funding Availability Revisions

Recommendation:

Staff recommends approval of changes to the New Mexico Housing Trust Fund (NMHTF) Notice of Funding Availability (NOFA) to include updated scoring criteria, a newly defined funding round, and general program information and application process updates.

Background:

On May 19, 2021, the MFA Board of Directors approved changes to the New Mexico Housing Trust Fund Rules to increase flexibility and expand eligible programmatic activities in conjunction with similar changes that have become law following the passage of S.B. 27 by the New Mexico State Legislature and Governor's signature. One of the significant changes from S.B. 27 is the addition of preservation language so the purpose of the NMHTF Act is not only to produce significant housing investment in the state but to also preserve that investment.

As the trustee of the New Mexico Housing Trust Fund, MFA administers housing development loan awards as governed by the NMHTF NOFA, which stipulates program uses, guidelines, and the competitive application process for loan awards. Since 2012, when MFA staff created the document, the NMHTF NOFA has remained mostly unchanged, having never undergone a significant MFA staff review. This year, MFA has prioritized a review of the NMHTF NOFA in order to identify potential improvements, assess and expand program uses, and better align the program with recent legislative changes and priorities set out in MFA's Strategic Plan.

Discussion:

As it has been nine years since the NMHTF NOFA was last reviewed, staff has proposed several non-substantive changes related to overall language improvements and clarifications not addressed in this memo. In sequential order, staff is recommending the following notable language revisions and substantial amendments to the NMHTF NOFA:

1. **Introduction and Background – Paragraph 1:** To align with language recently passed in S.B. 27, the NOFA now states that the NMHTF Act was amended to expand the purpose of the program to include both the production and preservation of affordable housing.
2. **Introduction and Background – Paragraph 3:** To align with language recently passed in S.B. 27, the NOFA now states that the NMHTF Act requires that funds be awarded by either a competitive or need basis. This does not change the fact that MFA administers NMHTF loan awards on a competitive basis only, but simply recognizes that the Act now includes “need” as a qualifying factor for the use of funds.
3. **Application Submission and Due Date – Paragraph 1:** Whereas previously the NOFA listed three funding rounds with due dates of January 31, May 31 and September 30, the NOFA now states that applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors. This effectively creates funding rounds for each MFA Board meeting, which more accurately reflects how and when applications are received and processed. In the event there are too few funds available to award all qualifying applications received in a single round, the applications would compete against one another based on application score (as was the case previously).
4. **Application Submission and Due Date – Paragraph 2:** In an effort to provide greater ease for submitting applications while also aligning with current submission guidance for LIHTC applications, the NOFA now allows for submission by delivery of hard copies or electronically via MFA’s file sharing site.
5. **Ranking Criteria:** Due to recommended scoring criteria changes, the NOFA now requires that applications meet a minimum score of 57 out of 112 points to qualify. The minimum qualifying score represents 51% of total possible points (whereas previously 50%, or 50/100 points, was required). Staff has extensively reviewed the new scoring criteria to ensure that the ability of a project to meet a minimum score has not significantly changed.
6. **Exhibit A – Application Ranking Criteria:** The following scoring categories have either been modified or added to the original application scoring criteria:
 - **3 – Need:** The prior version of the NOFA gave no specific guidance as to what types of supporting materials or information demonstrate need. In an effort to allow staff to evaluate applications more tangibly and consistently, this scoring category now includes qualifying documentation, while allowing for some degree of flexibility.
 - **4 – Readiness:** The prior version of the NOFA gave no specific guidance as to what types of supporting materials or information demonstrate readiness. In an effort to allow staff to evaluate applications more tangibly and consistently, this scoring category now includes qualifying documentation.
 - **5 – Sustainability & Energy Efficiency:** Previously titled “Green Building”, this scoring category has been revised to align with MFA’s current design standards for Home Energy Rating System (HERS) for multifamily housing.

- **8 – Underserved Populations:** This is a new scoring category that awards additional points to projects serving priority populations identified in MFA’s Strategic Plan including: permanent supportive housing, special needs housing, and senior housing. Previously, these projects received no additional points.
- **9 – Location:** This is a new scoring category intended to award additional points to projects serving locationally underserved populations including rural and tribal areas.

Summary:

MFA staff revisions to the NMHTF NOFA represent several years of needed program and language updates. The proposed changes herein are intended to better clarify the application submission process, update the competitive funding round schedule to reflect the current MFA loan approval process, and better align the application scoring criteria with MFA’s most recent Strategic Plan. As such, staff recommends the approval of all proposed changes to the NMHTF NOFA.

New Mexico Housing Trust Fund Loan Awards Notice of Funding Availability (NOFA) and Application Guidelines

Introduction and Background

During the 2005 legislative session the New Mexico Housing Trust Fund Act (“the Act”) was passed with unanimous support by the State’s Senate and House of Representatives. \$10 million was appropriated from the State capital outlay fund to provide initial capital for the Housing Trust Fund (“[NMHTF](#)”), with an additional \$~~178~~ million appropriated during the 2006, 2007, 2008-~~and~~, 2012, [2013, 2014, 2019, 2020 and 2021](#) legislative sessions. In November 2006, Constitutional Amendment 4 passed and its enabling legislation, the Affordable Housing Act, was amended, allowing state funds to be used to finance land and building acquisition in addition to providing or paying for the costs of infrastructure. [In April 2021, the NMHTF Act was amended to expand the purpose of the program to include both the production and preservation of affordable housing.](#)

The New Mexico Mortgage Finance Authority (“MFA”) is a governmental instrumentality separate and apart from the state, created by the New Mexico Mortgage Finance Authority Act for the purpose of financing affordable housing for low- and moderate-income New Mexico residents. The New Mexico Housing Trust Fund Act designates MFA as the administrator and trustee of the [HTFNMHTF](#). MFA’s Board [of Directors](#) approved the Housing Trust Fund Act Rules on September 28, 2005, and as amended on September 19, 2007, [and again on May 19, 2021.](#)

The purpose of the [HTFNMHTF](#) is to provide flexible funding for housing initiatives in order to produce [and preserve](#) significant ~~additional~~ housing investment in the state. The Act requires that funds be awarded on a competitive basis [or based on need](#), and that the application process encourage applicants to develop solutions that are responsive to local needs and are consistent with sound housing policy. The [HTFNMHTF](#) may be used to finance in whole or in part projects that will provide affordable housing primarily for persons or households of low- or moderate-income.

Contact Person

Applicants are encouraged to direct questions regarding the New Mexico Housing Trust Fund Notice of Funding Availability (“NOFA”) and Funding Application Guidelines to:

Tim Martinez
New Mexico Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, NM 87102
Phone: (505) 767-2258 or toll-free statewide (800) 444-6880
E-mail: tmartinez@housingnm.org

TTY/Voice: 711, or if no answer
1-800-659-8331 (English) OR 1-800-327-1857 (Spanish)

Application Submission and Due Date

[Applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting. Meetings of the MFA Board of Directors are generally held every third Wednesday of the month. With the exception of applications submitted for consideration with applications for 9% Low Income Housing Tax Credits](#)

(LIHTC), all applications submitted by the deadline for a particular meeting of the MFA Board of Directors will be treated as one funding round and evaluated concurrently. Applications submitted with LIHTC applications will follow the approval process found in the then-current State of New Mexico Housing Tax Credit Qualified Allocation Plan (QAP) and will generally be heard at the MFA Board of Directors meeting with the accompanying 9% LIHTC application. The QAP may be downloaded from MFA's website at <https://www.housingnm.org/developers/low-income-housing-tax-credits-lihtc>. Applications which were submitted for a prior funding round, but which are still pending, will be given priority over new applications. If sufficient funds are not available to fund all projects in a funding round that meet the requirements outlined in this NOFA, the project receiving the highest score will be recommended to the Board for approval, followed by the next highest scoring project, etc. until the remaining funds are no longer sufficient to fulfill the next highest scoring project's requested loan amount. In order to be considered for funding, completed applications must be received and date stamped at MFA's office in Albuquerque no later than 5 PM on January 31st, May 31st and September 30th, unless changed by staff and posted on MFA's website. If the application deadline occurs on a weekend or holiday, the deadline will be extended to the next working day. Rounds will only be held if funds are available. The required forms will be provided electronically and may be downloaded from MFA's website at <https://housingnm.org/developers/nm-housing-trust-fund><http://www.housingnm.org/developers>.

~~Applications will NOT be accepted electronically or via facsimile. Applications, as defined below, must be submitted either electronically through MFA's file sharing site (see below) or as hard copies. Hard copy a~~ Applications shall be submitted in file folders marked "New Mexico Housing Trust Fund Loan Application" as instructed on MFA's website.
~~, as defined below, s~~
~~a and for both types of loans may be delivered by U.S. mail, by courier service or by hand* to the following address:~~

MFA Development Loan Manager
Attn: Tim Martinez, Development Loan Manager
344 Fourth St. SW
Albuquerque, NM 87102

~~*All in person deliveries must call the main line at (505) 843-6880 to schedule a time for the drop off.~~

Electronic applications must be uploaded to MFA's file sharing site:
<https://local.housingnm.org/FileTransferHD/>

Use of Electronic Versions of this NOFA

This NOFA is being made available by electronic means. If accepted by such means, the applicant acknowledges and accepts full responsibility to ensure that no changes are made to the NOFA. In the event of a conflict between a version of the NOFA in the applicant's possession and the version maintained by MFA, the version maintained by MFA shall govern.

Eligible Applicants

Eligible applicants include non-profit organizations, for-profit organizations, governmental housing agencies, regional housing authorities, governmental entities, governmental instrumentalities, tribal governments, tribal housing agencies, builders, corporations, limited liability companies,

partnerships, joint ventures, syndicates, associations, or other entities that can assume contractual liability and legal responsibility by executing one or more written agreements entered into with MFA.

To be eligible to receive Housing Trust Fund assistance, an applicant shall:

- Be organized under state, local, or tribal laws and provide proof of such organization and that the applicant is in good standing, as applicable;
- Have a functioning accounting system that is operated in accordance with generally accepted accounting principles or has designated an entity that will maintain such an accounting system consistent with generally accepted accounting principles;
- Have (a) no significant financial audit findings, and (b) no significant outstanding or unresolved monitoring findings from any governmental entity, or from ~~the~~ MFA as Trustee or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, MFA as Trustee or otherwise, stating that the findings are in the process of being resolved;
- Not have been suspended, debarred or otherwise restricted by any department or agency of the Federal Government or any State government from doing business with such department or agency because of misconduct or alleged misconduct;
- Have among its purposes significant activities related to providing housing or services to persons of low- or moderate-income; and
- Not have defaulted on any obligation covered by a surety or performance bond.

If a non-profit organization, an applicant shall:

- Have a primary mission to provide housing or housing related services to persons of low- or moderate- income;
- Provide proof of its 501(c)(3) tax status;
- Provide proof that it is in compliance with the Charitable Solicitations Act NMSA 1978, §57-22-1, et seq. and with the filing requirements by the New Mexico Attorney General's Office under that Act; and
- Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.

~~Have a primary mission to provide housing or housing related services to persons of low- or moderate- income;~~
~~Provide proof of its 501(c)(3) tax status;~~
~~Provide proof that it is in compliance with the Charitable Solicitations Act NMSA 1978, §57-22-1, et seq. and with the filing requirements by the New Mexico Attorney General's Office under that Act; and~~
~~Have no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.~~

Eligible Activities

Subject to applicable law, the [HTF/NMHTF](#) may be used to assist in financing a wide range of activities to provide affordable housing, including costs of infrastructure necessary to support [and preserve](#) affordable housing. MFA encourages contact and inquiries from potential applicants

prior to and during application preparation to help assure that proposed activities are eligible. Eligible activities may include, but are not limited to:

Homeownership

- New construction or acquisition, rehabilitation, and resale of single-family homes including manufactured housing.
- Home rehabilitation and maintenance, or repair of existing owner-occupied housing.
- Emergency home repair of existing owner-occupied housing.

Rental Housing

- New construction or ~~or~~ acquisition ~~and~~ / rehabilitation of permanent rental housing.

Special Needs Housing

- New construction or ~~or~~ acquisition ~~/~~ ~~and~~ rehabilitation of housing for special needs populations including, but not limited to, transitional, group or congregate housing, and temporary housing for the homeless.

Eligible Expenses

Subject to applicable law, [HTF/NMHTF](#) financing may be used only for reasonable and customary costs that are directly attributable and traceable to the development, acquisition, construction, ~~and/or~~ rehabilitation, and/or preservation of affordable housing projects. Eligible expenses include, but are not limited to, those related to the construction or rehabilitation of modest living quarters/community spaces and basic durable household furnishings (i.e. stoves, refrigerators, & dishwashers) but not electronics, equipment or luxury (i.e. non-essential) goods.

Beneficiary Income Limits and Other Requirements

Beneficiary Income Limits and Other Requirements

Beneficiaries or occupants of housing financed in whole or in part by the [HTF/NMHTF](#) must have incomes at or below the following limits, which the applicant shall be required to verify. The income limits and requirements vary depending on the type of housing provided.

Owner-Occupied Housing - Beneficiary households residing in units financed with [HTF/NMHTF](#) monies must have incomes at or below 80% of area median income (AMI) adjusted for household-family size as determined by HUD. The home must be owned and occupied by the household as a principal residence. Title to the property must be held as fee simple or a 99-year leasehold. Homes located on Tribal Land may have a 50-year lease or alternative acceptable to MFA.

Workforce Housing - Workforce housing is defined as housing, owner-occupied or rental, for which there is a direct and demonstrable link between the availability of such housing and the ability of the locality to attract or retain essential service providers or those workers that are required to maintain and/or develop a viable local economy. Applicants must identify specific salary ranges earned by the beneficiaries to whom the workforce housing is targeted. Beneficiary eligibility of the households residing in units financed with [HTF/NMHTF](#) monies will be based primarily on employment with the participating employer. Although there is no prescribed income eligibility guideline for this activity; applications will be reviewed to ensure consistency with the purposes and intent of the Act. MFA policy sets the maximum household income eligible for assistance at 120% of AMI.

Rental Housing - Beneficiary households residing in units financed with [HTF/NMHTF](#) monies must initially have incomes at or below 60% of AMI adjusted for [household/family](#) size as determined by HUD. Rent rates for households residing in units financed with [HTF/NMHTF](#) monies will be rent-restricted. A unit is deemed "rent-restricted", when the maximum rent for such unit will not exceed ~~thirty (30)~~ percent of the maximum annual income allowable for persons or ~~families-households~~ occupying such unit. If persons or ~~families-households~~ occupying such rent-restricted units pay for their own utilities, the maximum tenant-paid rent will equal the amount, reduced by the amount of the local utility costs approved by Lender. If a unit receives Federal or State project-based rental subsidy and the [household/family](#) pays as a contribution toward rent not more than 30 percent of the ~~family's-household's~~ adjusted income, then the maximum rent (i.e. tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program. Additionally, MFA requires that 60% of all rental units be for [families-households](#) earning no more than 120% of AMI.

Affordability Period

The [HTF/NMHTF](#) is designed to assist housing that will remain affordable on a long-term or permanent basis. MFA shall establish a required affordability period, which, as long as funding for the [HTF/NMHTF](#) is provided by state funds, shall be in accordance with Section 5.7 E of the Affordable Housing Act Rules, a copy of which can be obtained on MFA's website. These rules require minimum affordability periods of up to 20 years, [depending on the total amount of NMHTF funds awarded](#), during which the housing units must only be occupied by low-income ~~or moderate-income families~~ [households](#). ~~Additionally, for multifamily rental projects, MFA may require an extended affordability period to match the duration of the loan term.~~ For single family for-sale homes, ~~this the Act will require~~ deed restrictions ensuring that the unit can only be sold to qualifying individuals during the affordability period (minimum 5 years).

Housing Standards

All housing receiving [HTF/NMHTF](#) financing must meet housing standards prior to occupancy (or after completion for ~~homeowner~~ rehabilitation) and throughout the affordability period. Standards vary depending on the type of housing (owner-occupied, rental, special needs, etc.) and the type of activity.

~~Standards must be met for both the type of housing and the type of activity which includes meeting all state and local code requirements, federal fair housing requirements, ADA, Model Energy codes as applicable and MFA's~~ [then-current](#) design standards.

Owner-Occupied Housing - The maximum purchase prices for newly constructed or acquired units and after rehabilitation value limits may not exceed 95% of HUD median purchase price for the county in which it is located. See the following HUD website: <https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/maxprice.cfm>)

Funding Terms and Conditions

All awards shall be subject to the availability of funds and applicable law. ~~The~~ MFA will allocate only the minimum amount of funds that it determines to be necessary for the financial feasibility of a project and its viability throughout the affordability period. Applications will be underwritten and awards structured to ensure that ~~HTF~~NMHTF funds will be repaid. Principles of sound underwriting and risk management will be applied when reviewing all applications.

All ~~HTF~~NMHTF financing will be in the form of loans, which may be for interim and/or permanent financing. The terms and conditions for each loan will be based on the financing needs of each project or activity. Loan terms and conditions may range from no interest, deferred payment loans to revolving line of credit loans to loans with near-market interest rates and terms. Staff will post current underwriting guidelines on ~~the~~ MFA's website.

All loans will be secured by mortgages and/or other appropriate liens. The recording of Land Use Restriction Agreements (LURAs) will be required for all loans. LURAs shall remain in place throughout the required affordability period regardless of the status of the loan or changes in ownership, unless equal or more restrictive restrictions are in place from other funding sources or imposed through permanent affordability mechanisms such as deed restrictions or land trusts.
~~availability of existing funds, the NMHTF~~

Funding Limits and Restrictions

Awards of ~~HTF~~NMHTF funds are contingent on sufficient appropriations and authorization being made by the ~~State~~ state of New Mexico and are further subject to applicable law. If these are not available any loan or other agreement between ~~the~~ MFA and any successful, eligible applicant shall terminate upon written notice being given by ~~the~~ MFA to the applicant. ~~The~~ MFA's decision as to whether sufficient appropriations are available or whether ~~Housing Trust Fund~~NMHTF Assistance may be awarded subject to applicable law shall be accepted by any applicant and shall be final.

Maximum Funding Amount - There is no cap on funding amounts. However, MFA, in its discretion, may set limits on the amount of NMHTF funding to be awarded per application, per NOFA, per quarter, per year, or otherwise. See MFA's website at <https://housingnm.org/developers/nm-housing-trust-fund> for current limits.

Underwriting Guidelines - Refer to MFA's Universal Multifamily Initial Underwriting Supplement for all applicable NMHTF loan underwriting guidelines.

~~**Developer and Consultant Fees**—Developer and Consultant Fees are limited to the following percentages of acquisition and site improvements, hard construction costs, professional fees, financing costs, and soft costs, unless further restricted by other funding sources.~~

Small project (5 or fewer units): 15%
Standard project (6 or more units) 12%

~~**Builder Fees** — “Builder Fees” generally covers Builder overhead, profit and general requirements and are limited to 14% of site improvements and hard construction costs, unless further restricted by other funding sources.~~

Evaluation of Applications and Documentation

Subject to applicable law, the Housing Trust Fund Act Rules, the Affordable Housing Act Rules, and the MFA Rules and Regulations, applications will be evaluated by MFA staff using the criteria listed below and by the New Mexico Housing Trust Fund Advisory Committee, with final selection to be made by MFA’s Board of Directors.

Staff may contact applicants for clarification of information provided. In the event of a tie score, staff will recommend approval based on the income level of ~~families~~households served (i.e. the lower the average AMI percentage, the higher the weight), financial need, lowest per square foot building cost and other factors as determined by staff. MFA shall enter into loan agreements and related agreements with the applicants whose applications are deemed to be most advantageous to the achieving the goals of the ~~HTFNMHTF~~. The loan and related agreements shall include provisions for adequate security against the loss of ~~HTFNMHTF~~ funds in the event that a successful applicant abandons or otherwise fails to complete a project and further shall include remedies and default provisions in the event of the unsatisfactory performance by the successful applicant.

Threshold Requirements

To be considered for funding, an applicant must first demonstrate that it meets each of the following threshold criteria:

1. The application is complete and legible, including all schedules and attachments, and is submitted by the application deadline.
2. The application complies with all applicable requirements established in these Guidelines and NOFA.
3. The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and/or managing an affordable housing project.
4. The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.

Applications that do not meet all of the threshold requirements will not receive further consideration for funding and will be returned to the applicant.

Ranking Criteria

Applicants ~~_~~will be scored based on the criteria in Exhibit A “Application Ranking Criteria”. Applications must score at least ~~50-57~~ out of ~~1200~~ possible points otherwise the application will be rejected.

Application Format and Instructions to Applicants

All proposals must include the items requested in the application checklist on MFA’s website located at <https://housingnm.org/developers/nm-housing-trust-fund>~~http://www.housingnm.org/developers~~. The checklist includes, but is not limited to, such items as application, schedules, resumes, audits, narrative, certifications, and disclosures.

Incurred Expenses

MFA shall not be responsible for any expenses incurred by an applicant in applying for ~~HTF~~NMHTF funding. All costs incurred by an applicant in the preparation, transmittal or presentation of any application or material submitted in response to this NOFA will be borne solely by the applicant.

Award Notice

MFA shall provide written notice of the award to all applicants within ~~fifteen (15)~~ days of the date of the award. The award shall be contingent upon signing final loan documents.

Application Confidentiality

Prior to the application deadline, MFA encourages inquiries and contacts with its Contact Person from potential applicants regarding the NOFA or sound housing project policies and procedures. ~~The~~ MFA shall not disclose any information regarding a proposed application provided during such inquiries and contacts to any third party, except as may be required under MFA’s Request to Inspect Documents policy. After the application deadline and until awards are made and notice given to all applicants, ~~the~~ MFA will not disclose the contents of any application or discuss the contents of any proposal with an applicant or potential applicant, so as to make the contents of any offer available to competing or potential applicants, except as may be required under MFA’s Request to Inspect Documents policy.

After awards have been made and notice given to all applicants, all applications shall be available and open to the public for review.

Irregularities in Applications

MFA may waive technical irregularities in the form of proposal of any applicant selected for award which do not alter the price, quality or quantity of the services offered. Note especially that the date and time of application submission as indicated herein under “Application Submission and Due Date” cannot be waived under any circumstances.

Responsibility of Applicants

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

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

Protest

Any applicant who is aggrieved in connection with this NOFA or the award of a loan agreement pursuant to the ~~HTF~~NMHTF application process may protest to MFA. The protest must be written and addressed to the Contact Person. The protest must be delivered to MFA within ~~fifteen (15)~~ calendar business days after the notice of award or decline. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to all applicants who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The applicants receiving notice may file responses to the protest within ~~seven (7)~~ calendar business days of notice of protest. A committee appointed by ~~the MFA's~~ Board Chair shall review the protest and responses to the protest and shall make a recommendation to ~~the MFA's~~ Board of Directors regarding the disposition of the protest.

~~The MFA's~~ Board of Directors shall make a final determination regarding the disposition of the protest. Applicants or their representatives shall not communicate with MFA's Board of Directors, the committee or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of ~~the MFA's~~ Board of Directors. A proposal will be deemed ineligible if the applicant or any person or entity acting on behalf of applicant attempts to influence members of ~~the MFA's~~ Board of Directors, the committee or staff members during any portion of the review process, or does not follow the prescribed Application and Protest process.

Third-Party Code of Conduct

Applicant shall conduct themselves in a manner consistent with MFA's Third-Party Code of Conduct which is attached hereto as Exhibit GB. ~~Applicant has no current or proposed business transaction with MFA or any of its Board members or employees, nor is aware of any other potential conflict which may give rise to a claim of conflict of interest. Any violation of this provision, as determined by MFA, will render the contract void, unless it is approved by MFA's the Board of Directors after full disclosure.~~

Applicant shall provide a statement disclosing any political contribution or gift valued in excess of \$2,500 (singularly or in the aggregate) made by Applicant or on Applicant's behalf to any elected official of the State of New Mexico currently serving or who has served on the MFA's Board of Directors in the last three (3) years.

Applicant shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services related to this application. Applicant shall at all times conduct itself in a manner consistent with the MFA Code of Conduct. A copy of the MFA Code of

Conduct is posted on the MFA' website for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Applicant shall promptly disclose information ~~the~~ MFA may reasonably request relating to conflicts or potential conflicts of interest.

Exhibit A — Application Ranking Criteria

	Ranking Criteria	Self Score	MFA Score
1	Leverage - Maximum points: 12 The higher of HTF <u>NMHTF</u> construction or permanent loan as a percentage of total development cost (TDC) per MFA underwriting: Zero to 10% = 12 points Greater than 10% to 20% = 8 points Greater than 20% to 30% = 6 points Greater than 30% to 40% = 4 points Greater than 40% = 2 points		
2	Cost Effectiveness - Maximum points: 12 A. <i>Homeownership</i> : If the proposed average sales price for affordable units (i.e. serving 80% AMI or below) is <u>below HUD's median purchase price for the county in which it is located</u> : <ul style="list-style-type: none"> 85% to 90% of median = 6 points, if it less than 85% <u>of median</u> = 12 points. B. <i>Rental</i> : Points will be awarded based on weighted the average total development cost (minus land, reserves and commercial costs) divided by total units compared to MFA's latest LIHTC round cost data for new construction <u>as of the date the application is received</u> . The applicant will receive 12 points if costs are at or below the above weighted average cost _____ (see http://www.housingnm.org/developers/nm-housing-trust-fund , "Info for Scoring Criterion #2"). Two points will be deducted for each 10% (rounded upwards) that by which the project exceeds the weighted average.		
3	Need - Maximum points: 12 (partial points allowed) Based on the degree to which the applicant has demonstrated the need and market for the proposed affordable housing project per information acceptable to MFA. <u>Points will be allocated for the following documentation that demonstrates demand for the project</u> : <ul style="list-style-type: none"> (e.g. market<u>Market</u> study = 10 points, Waiting lists from market comparables = 2 points, Recent governmental studies = 2 points, etc.). _____ <u>Another form of documentation acceptable to MFA = up to 12 points</u> 		
4	Readiness - Maximum points: 12 (partial points allowed) Based on the degree to which the applicant has demonstrated readiness to proceed. <u>Points will be allocated for the following documentation</u> : <ul style="list-style-type: none"> <u>Site control = 4 points</u> <u>Zoning approval or other proof of permissible zoning = 4 points</u> _____ <u>Preliminary site and building design = 4 points</u> d for items such as environmental review, land control secured, planning design & permitting complete, other resources committed, etc. 		
5	<u>Sustainability & Energy Efficiency - Maximum points: 12</u> A. <u>Homeownership</u> : <ul style="list-style-type: none"> <u>Energy Star certification or LEED certification (of any level) = 12</u> 		

	<p><u>points</u></p> <ul style="list-style-type: none"> • <u>Other sustainability/energy efficiency certifications or ratings acceptable to MFA = up to 12 points</u> <p>B. Rental: Home Energy Rating System (HERS) score exceeds a sufficient HERS rating as stipulated in the then-current MFA Design Standards= 12 pointsGreen Building - Maximum points: 12 (no partial points)</p> <p>C. 12 points for meeting or exceedingexceeding any of the following standards:</p> <p>D. A. LEED Certification, B. Enterprise Certification, C. National Green Building Standard Certification, D. Build Green New Mexico Certification or E. Energy Star for Homes (homeownership projects only):</p> <p>E. —</p> <p>F. —</p> <p>G. I hereby commit to (circle one): A B C D E</p> <p>H. —</p> <p>I. —</p> <p>J. [signature]_____</p> <p>K. Print name:</p> <p>L. Print Title:</p> <p>M. Date:</p> <p>N.B. Borrower must provide evidence that (1) the project has been registered with relevant certifying agency before loan closing, and (2) certification by that agency upon project completion.</p>		
6	<p>Repayment Term - Maximum points: 102</p> <p>Full repayment of HTFNMHTF funds within:</p> <p>15 years or less = 56 points</p> <p>103 years or less = 4082 points.</p> <p><u>3 years or less = 10 points</u></p>		
7	<p>Low Income Targeting - Maximum points: 12</p> <p>Serving the lowest area median income (AMI) families<u>households</u>.</p> <p>A. Homeownership:</p> <ul style="list-style-type: none"> • A<u>at least 25% of total units at or below for 80% AMI</u>or lower = 8 points <u>increasing to</u> • <u>or below 80% AMI</u>or lower<u>or 12 points if with at least an additional 15% or more of all total units are for at or below 60% AMI</u>or lower = 12 points. • A. <p>B. Rental:</p> <ul style="list-style-type: none"> • A<u>at least 50% of total units at or below for 50% AMI</u>or lower = 8 points • <u>or below 50% AMI</u>or lower <u>increasing to 12 with points if at an additional 15% of all total units at or below are for 40% AMI</u>or lower = 12 points. 		
8	<p>Underserved Populations - Maximum points: 12 (no partial points)</p> <p><u>Twelve points total available for Permanent Supportive Housing, Special Needs, or Senior projects, defined as follows:</u></p>		

	<p><u>A. <i>Permanent Supportive Housing</i> – Projects that combine housing with voluntary support services that build independent living and tenancy skills to address chronic needs, including housing individuals experiencing homelessness and/or disabled individuals.</u></p> <p><u>B. <i>Special Needs</i> – Projects that received points under the MFA Qualified Allocation Plan's LIHTC Special Needs category when originally funded.</u></p> <p><u>C. <i>Senior</i> – Projects that qualify for an exemption from familial status discrimination under the Fair Housing Act. To qualify for this exemption, Projects must be: (i) provided under any state or federal program that HUD has determined to be specifically designed and operated to assist elderly persons (as defined in the state or federal program); or (ii) intended for, and solely occupied by persons 62 years of age or older; or (iii) intended and operated for occupancy by persons 55 years of age or older in compliance with the Housing for Older Persons Act (HOPA), 24 CFR Part 100 Final Rule.</u></p>		
<u>9</u>	<p><u>Location - Maximum points: 12 (no partial points)</u> <u>Twelve points total available for Tribal or Rural Housing projects, defined as follows:</u></p> <p><u>A. <i>Tribal</i> – Projects located on tribal lands, or</u></p> <p><u>B. <i>Rural</i> – Projects located outside of the boundaries of Bernalillo County, the City of Rio Rancho, the City of Las Cruces, the City of Santa Fe, the City of Farmington or the City of Roswell.</u></p>		
<u>109</u>	<p><u>New Mexico Non-Profit: Maximum points: -64 (no partial points)</u> Either the borrower or its controlling parent is an eligible New Mexico non-profit organization, <u>tribal</u>, <u>entity</u>, or housing authority.</p>		
	Total Possible Points = 1200 (minimum 50-57 required)		

BRefinance

	<ul style="list-style-type: none"> • _____ • _____ • _____ • _____ • _____ 		
	<ul style="list-style-type: none"> • _____ • _____ • _____ • _____ • _____ 		
	<p>A. _____</p> <p>B. _____</p> <p>C. _____</p>		
	<p>A. _____</p> <p>B. _____</p>		
	<ul style="list-style-type: none"> • _____ • _____ • _____; or • <u>Projects agreeing to extend the required affordability term by a minimum of five years.</u> 		

	<ul style="list-style-type: none"> • • • 		
	<ul style="list-style-type: none"> • • • • 		

Exhibit CB – MFA Third-Party Code of Conduct

A. Preamble. The New Mexico Mortgage Finance Authority (“MFA”), an instrumentality of the state government, exists to serve the citizens of the State of New Mexico. To maintain the respect, trust, and confidence of the public, and consistent with MFA’s commitment to conduct its business in an ethical and legal manner, MFA requires that all Third Parties doing business with MFA comply with this Third-Party Code of Conduct and otherwise uphold the highest standards of ethics and behavior.

B. Purpose. The purpose of this Code of Conduct is to provide general guidelines and a minimum standard of conduct for Third Parties doing business with MFA.

C. Definitions. For the purpose of this Third-Party Code of Conduct, the following words and phrases shall have the following meanings:

“MFA Employee” means any person employed directly by MFA and any person employed through a staffing agency or by contract and for whom MFA has the right to direct and control the work performed.

“MFA Member” means a Member, and with respect to an ex-officio Member, his or her proxy, of the Board of Directors of the MFA.

“MFA Management” means the Executive Director/Chief Executive Officer, Chief Housing Officer, Chief Financial Officer, Chief Lending Officer and Director of Human Resources employed by the MFA.

“Transaction” means any transaction including, but not limited to any sale, purchase, or exchange of tangible or intangible property or services; any loan, loan commitment or loan guarantee; any sale, purchase, or exchange of mortgage loans, notes, or bonds; or any other business arrangement or contract therefor.

D. Conflicts of Interest. Third Parties should avoid engaging in any activity that would conflict, interfere, or even create the appearance of a conflict with their business with MFA. Third Parties must disclose any potential conflicts to MFA in writing as soon as practicable upon discovery or recognition. Examples of potential conflicts include, but are not limited to:

- Engaging in a conflict-of-interest transaction prohibited by Section F of MFA’s Code of Conduct, which can be found at: (website reference to be added)
- Providing gifts and entertainment to any MFA Employee, MFA Management or MFA Member in an attempt to improperly influence MFA business decisions.

MFA shall not enter into any Transaction with a former MFA Member or former MFA Management for a period of one (1) year after such person ceases to be an MFA Member or MFA Management, except with prior approval of a disinterested majority of all current MFA Members.

To the extent applicable, Third-Party shall disclose conflicts of interest required pursuant to state or federal law, including but not limited to 2 CFR 200.112.

E. Anti-Discrimination and Anti-Harassment Policy. MFA is committed to maintaining an employment environment in which all individuals are treated with respect and dignity and expects the same from Third Parties doing business with MFA. MFA expects that Third Parties will maintain a workplace where employment-related decisions are based on performance, ability, or other legitimate, non-discriminatory bases and are never based on race, color, national origin, ancestry, citizenship status, religion, sex, sexual orientation, gender identity, age, physical or mental disability, serious medical condition, marital status, status with regard to public assistance, veteran status, or any other legally-protected status. MFA also maintains and expects Third Parties to maintain a workplace that is free of unlawful harassment. This includes harassment based upon any of the above legally-protected status (such as age, sex, religion, national origin, etc.) and which creates an intimidating, hostile, or offensive working environment. This also includes sexual harassment which is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual; or such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidated, hostile, or offensive working environment. MFA will also not tolerate any form of unlawful discrimination or harassment of an MFA Employee by any Third-Party including by its employees, owners, managers, members, directors, agents, or representatives.

F. Confidential Information and Intellectual Property. Third Parties doing business with MFA must protect any confidential or proprietary information that belongs either to MFA or any other third-party with whom MFA does business, if such other third-party has provided MFA with confidential or proprietary information. Confidential or proprietary information includes, but is not limited to, any non-public financial information, business processes and systems, intellectual property, personally identifiable information of MFA's customers, and personally identifiable or private information about any MFA Employee, MFA Member, MFA Management, third-party, or customer, such as identity, medical, employment, or financial information. To the extent necessary for a Third-Party to share MFA's confidential or proprietary information with a sub-contractor, MFA expects the Third-Party to implement adequate controls at a level no less than those set forth in this Third-Party Code of Conduct with such sub-contractor. Third Parties must not infringe upon the intellectual property rights of other companies or organizations. Third Parties must return all confidential and proprietary information in their possession to MFA when the contractual relationship between MFA and the Third-Party has terminated, unless otherwise specified by contract. The obligation to protect MFA's confidential and proprietary information continues even after any business relationship between MFA and the Third-Party ends.

MFA may require that Third Parties sign a separate confidentiality and non-disclosure agreement.

G. Onsite Visitor Requirements. While on MFA's premises, Third Parties must comply with all MFA rules and procedures, including security measures and requests. These may include but are not limited to:

- Registering with reception.
- Accessing only authorized areas unless accompanied by an MFA Employee.

- Promptly reporting known security violations and property loss or damage.
- Complying with all MFA facility requirements, including maintaining a substance-free and violence-free workplace.
- Any public health and safety policies in effect, including wearing a face mask.

H. Compliance with Laws, Regulations, Policies and Procedures and Contracts. All Third Parties must comply with all applicable state and federal laws, codes, and regulations and MFA's policies and procedures to the extent applicable to the Third-Party and must not violate any terms and conditions established by contract with MFA.

I. Business Integrity. Any and all forms of illegal or inappropriate activity by a Third-Party doing business with MFA, including, but not limited to, corruption, misrepresentation, extortion, embezzlement, or bribery, are strictly prohibited and may result in termination of any or all agreements with MFA.

OFFEROR ACKNOWLEDGMENT

DATE

Tab 6



MEMO

TO: MFA Board of Directors

Through: Contracted Services/Credit Committee August 10, 2021

Through: Policy Committee August 3, 2021

FROM: Jeff Payne, Chief Lending Officer

DATE: August 18, 2021

SUBJECT: Request for Proposals for Housing Development Legal Services for the New Mexico Mortgage Finance Authority

Recommendation:

Staff recommends approval of the Request for Proposals (RFP) for Housing Development Legal Services and a 120-day extension of the existing Housing Development Legal Services Agreement with Stelzner, Winter, Warburton, Flores, Sanchez, Dawes, P.A. (the Stelzner Firm).

Background:

In September 2016 the Board awarded the Housing Development legal services contract to the law firm of Sheehan and Sheehan, P.A (the Sheehan Firm) and MFA entered into an agreement with the Sheehan Firm Housing Development legal services. The agreement between MFA and the Sheehan Firm was for the term of three years with the option to extend the agreement for another two years.

In December of 2019, after receiving notice that the Sheehan Firm was closing, the Board approved the assignment of the Housing Development Legal Services Agreement by the Sheehan Firm to the Stelzner Firm for the remainder of the contract. After exercising the two extensions, the agreement ends on October 3, 2021.

Discussion:

As the term of the current Housing Development legal services agreement is ending in October of this year, a new RFP is required to select a law firm to provide support to the Housing Development department. This agreement provides legal services relevant to MFA's efforts regarding the development of multifamily properties, the Low Income Housing Tax Credit (LIHTC) Program, HOME Investment Partnerships Program, federal laws applicable to acquisition and development financing, construction and permanent financing of multi-family and single family housing projects, evaluating requests for qualified contracts and Land Use Restriction Agreement modification requests, along with preparation and review of loan documents and general legal matters for Housing Development.

To assure the uninterrupted provision of necessary legal services, MFA will need to extend the existing agreement to provide time to issue a Request for Proposals (“RFP”) with sufficient time to allow for the dissemination of the RFP, receipt and review of responses, selection of a recommended candidate, and approval by the Board of the recommended candidate.

Staff requests a, 120-day extension to the existing agreement to allow adequate time to go through the RFP process and anticipates the approval of an offeror at the November Board meeting. Staff has struggled to make preparations for this RFP with enough lead time due to the recent internal departures and promotions of those who previously managed the agreement and RFP process. The delayed request has resulted in the need for the requested extension

Services to be Performed

The services solicited under this RFP are restricted solely to the legal services commonly provided Housing Development. Professional legal services required to be provided under and to be incorporated into the contract to be awarded include, but are not limited to, the following:

1. Provide legal assistance with respect to MFA programs, including federal programs administered by MFA; prepare and review MFA program documents and assist MFA in evaluating and developing options and alternatives for financing MFA programs; cooperate with and assist General Counsel.
2. Prepare or assist with the preparation of legal and other documents, to include single family and multi-family real estate transaction documents that are required to be prepared and adopted by MFA to administer MFA programs, as well as programs designated to MFA by the State.
3. Provide legal services on MFA loans, to include multi-family and HUD HOME program loans, to facilitate recovery of MFA’s interest as it relates to foreclosures and bankruptcies, and provide services for all other legal matters related to MFA loans according to HUD 542 (c) and HOME, LIHTC, Conventional, MFA and all other regulating agency guidelines.
4. Provide legal services for multi-family mortgage foreclosures, leverage financed loans, cross-claims on subordinate mortgages, and bankruptcy processing for Chapter 7 and Chapter 13 cases.
5. Represent MFA in matters affecting MFA’s multi-family loan portfolio, including litigation involving financial institutions, mortgage finance companies, and brokerage houses, as required by MFA

Evaluation Criteria

MFA shall award the contract for General Counsel Legal Services to the Offeror whose proposal is most advantageous to MFA. Proposals shall be scored on a scale of 1 to 100 based on the criteria listed below:

- Experience and Capability - 40
- Responsiveness to MFA and Technical Capabilities - 25
- Fees – 20

- References – 5
- New Mexico Resident Business – 5
- Interview - 5

Contract Term

The term of the Housing Development Legal Services Agreement is expected to begin in January, 2022 and end in January 2025. At the option of the Board, the contract may be extended for two (2) additional one (1) year periods under the same terms and conditions.

Timeline

Date	Activity
August 23, 2021	RFP Published
Aug 23– Sep 17, 2021	Frequently Asked Questions (FAQ) Open
Sep 20, 2021 @ 5:00 PM	Proposal Submission Deadline
November 17, 2021	Board Award

Attached for your review is a clean version of the 2021 Draft RFP for Housing Development Legal Services. The attached version utilizes an updated RFP template approved in 2020. Significant changes from the 2016 Board approved RFP are listed below.

Proposed changes include:

- submission date
- submission methods – electronic or hard copy
- offeror right to withdraw - Offerors will be allowed to withdraw their proposals by submitting a written withdrawal request addressed to MFA
- interview - If selected as a finalist, Offerors agree to provide MFA the opportunity to interview proposed staff members identified by the Internal Review Committee. The Internal Review Committee may request a finalist to provide an oral presentation of the proposal as an opportunity for the Internal Review Committee to ask questions and seek clarifications. All requests for interviews and oral presentations shall be made in MFA's sole discretion.
- proposal confidentiality - MFA will not disclose, discuss or otherwise make available the contents of any proposal to competing or potential Offerors prior to the expiration of the protest period, which in the event a protest is presented, shall not occur until after final determination by the Board of Directors
- confidential data- Offerors may request, in writing, nondisclosure of confidential information which Offeror includes in its proposal. Such confidential information shall accompany the proposal but shall be readily separable from the proposal so as to facilitate public inspection of the non-confidential portions of the proposal. After the expiration of the protest period, which shall include final determination of any protest by MFA's Board of Directors, all proposals will

be open to the public for inspection pursuant to MFA's Request to Inspect Documents Policy. Confidential information shall only include such information as is excepted under Section 14-2-1 NMSA 1978.

- Request for Inspection - If MFA receives a request for inspection of its records which would require the disclosure of information identified by Offeror as confidential information, it will examine Offeror's request for confidentiality and make a written determination that specifies which portions of the proposal, including any information identified by Offeror as confidential information, shall be disclosed. MFA will provide the Offeror with a written notice of determination which details which information MFA intends to disclose and the date it shall disclose such information.
- Minimum qualifications and requirements - The firms of all Offerors must be based or have a substantially staffed office in the State of New Mexico, they must be licensed in New Mexico, and they must be available for travel both within and outside New Mexico.
- All Offerors must provide a firm bio and at least 5 references from current or past clients for whom Offeror has provided legal services
- Disclosure of political contributions over \$250 - Offeror shall provide a written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
- Written disclosure of any pending investigation, litigation, recent settlements or regulatory sanctions - Offeror shall provide a written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
- Signature of MFA Third Party Code of Conduct requirement, a written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy. MFA's NEW MEXICO MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT and MFA's Anti-Harassment Policy is posted on the MFA website for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.

- Written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
- Written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov; and has not been debarred by MFA.
- Compensation - Fee basis should be an all-inclusive, hourly fee, which should include staff time and "out-of-pocket expenses." Offeror must provide an hourly fee breakdown for each staff position it would propose to use and/or make available to MFA for use as needed. Offeror must also state in their submission how long the Offeror can hold the all-inclusive hourly fee rates with the minimum amount of time being three (3) years from the date of proposal and should address how increases will be negotiated. If selected, contracts with Offerors must reflect the all-inclusive, hourly fee rates proposed.
- A description of financial institutions, clients, state agencies, municipalities, local governments, mortgage lenders, real estate enterprises, etc. represented by or for which Offeror has represented currently or in the last ten years.
- A detailed description of Offeror's policy regarding the resolution of conflicts of interest which arise out of Offeror's representation of clients with adverse or potentially adverse interests and Offeror's mechanism to ensure that such conflicts do not arise and that if such conflicts do arise, how the Offeror intends to assist MFA in retaining other counsel to represent MFA. Please include examples of the implementation of this policy and information regarding whether Offeror has a computerized management information system in place to track possible conflicts of interest
- Names and resumes of the lead attorney and other key personnel including other attorneys, legal assistants and support staff to be assigned to the account. Resumes describing the qualifications of personnel to be utilized in the performance of this contract must show, at a minimum, the person's name, education, position, and total years and types of experience relevant to the performance of the contract.
- Provide detailed status of active assignments
- References
 - Offeror shall provide at least five references for Offeror's work for financial institutions, governmental entities, and/or mortgage lenders.
 - (Moved from minimum requirements: Offerors listed in the most recent edition of the Martindale-Hubbell Law Directory with a rating of AV or BV, are to provide the rating.

- New Mexico Resident Business, evidence that the Offeror is licensed to do business in Mexico. Representation that the majority of Offeror's employees who would perform the services to be performed reside in New Mexico.
- Offeror shall obtain MFA's written approval, which approval shall be given in MFA's sole discretion, prior to entering into any agreements with or otherwise engaging any person, including all subcontractors, other than Offeror's employees, to provide any Services to MFA (each such approved subcontractor or other third party, a "Permitted Subcontractor"). MFA's approval shall not relieve Offeror of its obligations under the Agreement, for any reason, including but not limited to Permitted Subcontractor's bankruptcy, insolvency, or other inability to perform the services required under any subcontract, an Offeror shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this Agreement as if they were Offeror's own employees. Nothing contained in this Agreement shall create any contractual relationship between MFA and any Permitted Subcontractor or supplier. Offeror shall require each such Permitted Subcontractor to be bound in writing by the confidentiality and intellectual property assignment provisions of this Agreement.
- Records. Maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Offeror in providing the Services in such form as MFA shall approve. During the Term and for a period of two years thereafter, upon MFA's written request, Offeror shall allow MFA or MFA's representative to inspect and make copies of such records and interview Offeror personnel in connection with the provision of the Services. MFA shall have the right to audit bills submitted to MFA under this Agreement both before and after payment. Payment under this Agreement shall not foreclose the right of MFA to recover excessive and/or illegal payments.
- Insurance. Offeror shall procure and maintain at its expense until final payment by MFA for Services covered by this Agreement, insurance in the kinds and amounts hereinafter provided with insurance companies authorized to do business in the state of New Mexico, covering all operations under this Agreement, whether performed by the Offeror or its agents. Before commencing the Services, and on the renewal of all coverages, the Offeror shall furnish to MFA a certificate or certificates, providing for not less than thirty (30) days' notice to MFA of non-renewal or cancellation, in form satisfactory to MFA showing that it has complied with this Sub-Section. Various types of required insurance may be written in one or more policies. With respect to all coverages required other than workers' compensation, MFA shall be named an additional insured. Kinds and amounts of insurance required are as follows:
 - Commercial General Liability insuring the activities of Offeror under this Agreement with limits no less than \$750,000 per occurrence and \$750,000 in the aggregate, and with a claim/aggregate deductible in an amount reasonable for a firm of Offeror's size and financial condition, in a form acceptable to MFA.
 - Professional Liability covering all liabilities and risks inherent in Offeror's performance of the services required under this Agreement, with limits no less than \$1,000,000 per

occurrence and \$2,000,000 in the aggregate and with a claim/aggregate deductible in an amount reasonable for a firm of Offeror's size and financial condition, in a form acceptable to MFA.

- **Equal Opportunity Data.** The Offeror will maintain data relative to "Equal Opportunity" as related to Minority Business Enterprises ("MBE") and Women Business Enterprises ("WBE"). At a minimum, such data shall include the number and dollar value of MBE/WBE contracts and subcontracts awarded. This data is required to be reported to MFA annually in the format prescribed MFA and is due to MFA each year at a time to be determined by MFA in its sole discretion.
- **All Offerors must be in good standing with MFA and all other state and federal affordable housing agencies.** For example, debarment from HUD, MFA or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed Projects on the part of any Offeror may result in termination of this Agreement.
- **Independent Offeror.** The nature of the Offeror's and its staff's relationship to MFA will be that of an independent contractor, and the Offeror will not be deemed an agent, employee or servant of MFA. The compensation agreed upon by MFA and the Offeror will not be subject to withholding from taxes, F.I.C.A., or otherwise, and nothing in this Agreement burdens MFA with the duties of an employer concerning the Offeror and its staff under any state worker's compensation laws, state or federal occupational health and safety laws, or any other state or federal laws. The Offeror and its staff will not participate in any of the fringe benefits generally made available by MFA to its officers or employees. MFA will not provide the Offeror office space, clerical help, office supplies or the like except as mutually agreed to by MFA and the Offeror. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.
- **Awards to Other Offerors.** The Offeror shall not assign or transfer any rights, duties, obligations or interest in or to the proceeds of this Agreement without the prior written approval of MFA. If approved, any assignee will be subject to all terms, conditions and provision of this Agreement. No such approval by MFA of any assignment shall obligate MFA for payment of amounts in excess of the Program Funds. In accordance with 2 CFR 200.213, Offeror shall not make any awards or permit any award (subcontract or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible to participate in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension."

Summary:

Staff requests approval of the RFP for Housing Development Legal Services for MFA to provide legal assistance, advice, and counsel to MFA's Housing Development department. Staff also requests approval for a 90-day extension to the existing agreement to provide continuing legal support during the RFP process.

**New Mexico Mortgage Finance Authority
Request for Proposals
To Provide Housing Development Legal Services**

Part I: Background & General Information

Introduction

The New Mexico Mortgage Finance Authority ("MFA") is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, NMSA Sections 58-18-1 to 27 (1975 as amended) for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals, in accordance with the New Mexico Mortgage Finance Authority Procurement Policy, from qualified law firms by reason of their skill, knowledge, and experience are able to furnish professional legal services to MFA ("Offerors").

Questions and Answers

Questions pertaining to this RFP and application must be submitted via the MFA website at <http://www.housingnm.org/rfp>. Then under "Current RFP's," select "Housing Development Legal Services RFP." On the Housing Development Legal Services RFP page, select the "Housing Development Legal Services FAQs" link. Questions will be checked on a daily basis. The FAQ will open the day after the RFP issues August 23, 2021 and will close on September 17, 2021. To submit your questions, scroll down to the "Ask a question" section, enter your name, email address, and type your question in the "Question" box, type in the two (2) words in the CAPTCHA box and click on "Send my question". MFA will make every attempt to answer questions within two (2) business days.

Proposal Submission

Proposal submissions must be received no later than September 20, 2021 at 5:00 p.m., Mountain Time. Proposals which are not received by this time will not be accepted.

Utilize one of the following methods for proposal submission:

Via E-mail: Send to marmijo@housingnm.org with a subject line of "Proposal to Furnish Housing Development Legal Services." This is the preferred method and hard copies are not required.

Via USPS, FedEx, UPS, or other courier delivery: Deliver the original and six (6) copies of the proposal to MFA's office located at 344 Fourth Street S.W., Albuquerque, New Mexico 87102. Proposals shall be in sealed envelopes marked "Proposal to Furnish Housing Development Legal Services."

Proposal Tenure

All proposals shall include a statement that the proposal shall be valid until contract award, but no more than ninety (90) calendar days from the proposal due date.

RFP Revisions and Supplements

If it becomes necessary to revise any part of this RFP or if additional information is necessary to clarify any provision of this RFP, the revision or additional information will be posted on the MFA web site.

Incurred Expenses

MFA shall not be responsible for any expenses incurred by an Offeror in responding to this RFP. All costs incurred by Offerors in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Offerors.

Cancellation of Requests for Proposals or Rejection of Proposals

MFA may cancel this RFP at any time for any reason MFA and may reject all proposals (or any proposal) which are/is not responsive.

Offeror's Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals by submitting a written withdrawal request addressed to MFA, 344 Fourth Street, SE, Albuquerque, NM 87102 ATTN: Martha Armijo.

Evaluation of Proposals, Selection and Negotiation

Proposals will be evaluated by an Internal Review Committee made up of MFA staff using the criteria listed in Part II Minimum Qualifications and Requirements, Part III Services to be Performed, and Part IV Compensation, below, pursuant to the Evaluation Criteria and scoring shown in Part V, Evaluation Criteria. Final selection shall be made by the full Board of Directors.

MFA may provide Offerors whose proposals are reasonably likely, in MFA's discretion, to be selected, an opportunity to discuss and revise their proposals prior to award, for the purpose of obtaining final and best offers. Proposals shall be evaluated on the criteria listed in Part IV Evaluation Criteria, below.

The MFA Board of Directors shall select the Offeror(s) whose proposal(s) is/are deemed to be most advantageous to MFA to enter into contract negotiations with MFA. If a final contract cannot be negotiated, then MFA will enter into negotiations with the other Offeror(s). The agreed-upon draft final contract will then be referred to the Contracted Services Committee of the MFA Board of Directors for its review and recommendation, with final approval to be made by the full Board of Directors.

Interview

If selected as a finalist, Offerors agree to provide MFA the opportunity to interview proposed staff members identified by the Internal Review Committee. The Internal Review Committee may request a finalist to provide an oral

presentation of the proposal as an opportunity for the Internal Review Committee to ask questions and seek clarifications. All requests for interviews and oral presentations shall be made in MFA's sole discretion.

Award Notice

MFA shall provide written notice of the award to all Offerors within ten (10) days of the date of the award. The award shall be contingent upon successful negotiations of a final contract between MFA and the Offeror(s) whose proposal(s) is/are accepted by MFA.

Proposal Confidentiality

Offerors or their representatives shall not communicate with MFA's Board of Directors or staff members regarding any proposal under consideration or that will be submitted for consideration, except in response to an inquiry initiated by the Internal Review Committee, or a request from the Board of Directors, or its Contracted Services Committee / Finance Committee for a presentation and interview. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of the Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, including any period immediately following release of the RFP.

MFA will not disclose, discuss or otherwise make available the contents of any proposal to competing or potential Offerors prior to the expiration of the protest period, which in the event a protest is presented, shall not occur until after final determination by the Board of Directors.

Irregularities in Proposals

MFA may waive technical irregularities in the form of proposal of any Offeror selected for award which do not alter the price, quality or quantity of the services offered. Note especially that the date and time of proposal submission as indicated herein under "Part I Background and General Information, Proposal Submission" cannot be waived under any circumstances.

Responsibility of Offerors

If an Offeror who otherwise would have been awarded a contract is found not to be a Responsible Offeror, a determination that the Offeror is not a Responsible Offeror, setting forth the basis of the finding, shall be prepared and the Offeror shall be disqualified from receiving the award. A Responsible Offeror means an Offeror who submits a proposal that conforms in all material respects to the requirements of this RFP and who has furnished, when required, information and data to prove that his financial resources, facilities, personnel, reputation and experience are adequate to make satisfactory delivery of the services described in this RFP. The unreasonable failure of an Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

Protest

Any Offeror who is aggrieved in connection with this RFP or the award of a Contract pursuant to this RFP may protest to MFA. The protest must be written and addressed to:

George Maestas, Director of Housing Development
New Mexico Mortgage Finance Authority
344 Fourth Street S.W.
Albuquerque, New Mexico 87102

Or:

gmaestas@housingnm.org

The protest must be submitted to MFA within five (5) business days after the notice of award. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offerors receiving notice may file responses to the protest within five (5) business days of notice of protest. The protest process shall be:

- ◆ The protest will be reviewed by the Contracted Services Committee of MFA's Board of Directors, and that committee shall make a recommendation to the full Board of Directors regarding the disposition of the protest.
- ◆ The Board of Directors shall make a final determination regarding the disposition of the protest, which determination shall not be subject to appeal.

Offerors or their representatives shall not communicate with MFA Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of the Board of Directors, until the protest period has expired, which if there is a protest shall not expire until final determination by the Board of Directors. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, which remains in effect until the expiration of the protest period, or does not follow the prescribed proposal and protest process.

Confidential Data

Offerors may request, in writing, nondisclosure of confidential information which Offeror includes in its proposal. Such confidential information shall accompany the proposal but shall be readily separable from the proposal so as to facilitate public inspection of the non-confidential portions of the proposal. After the expiration of the protest period, which shall include final determination of any protest by MFA's Board of Directors, all proposals will be open to the public for inspection pursuant to MFA's Request to Inspect Documents Policy. Confidential information shall only include such information as is excepted under Section 14-2-1 NMSA 1978.

If MFA receives a request for inspection of its records which would require the disclosure of information identified by Offeror as confidential information, it will examine Offeror's request for confidentiality and make a written determination that specifies which portions of the proposal, including any information identified by Offeror as confidential information, shall be disclosed. MFA will provide the Offeror with a written notice of determination which details which information MFA intends to disclose and the date it shall disclose such information.

Part II: Minimum Qualifications and Requirements

Only those Offerors who meet the following minimum criteria are eligible to submit a proposal pursuant to this RFP:

- ◆ The firms of all Offerors must be based or have a substantially staffed office in the State of New Mexico, they must be licensed in New Mexico, and they must be available for travel both within and outside New Mexico

- ◆ All Offerors must provide a firm bio and at least 5 references from current or past clients for whom Offeror has provided legal services
- ◆ All Offerors must have at least five years' experience in New Mexico real estate law; land use law, and in representing lenders in commercial real estate transactions in New Mexico. Offerors must also have substantial expertise in federal and state tax laws impacting real estate development transactions; and the rules, regulations and guidelines of both governmental and private mortgage insurers and secondary mortgage market conduits affecting the mortgage banking business. Additionally, Offerors must have experience with federal housing development programs, including HUD and USDA Rural Development insured mortgage lending programs; the Low Income Housing Tax Credit (LIHTC) Program; the HOME Investment Partnerships (HOME) Program; and the federal laws, rules and regulations applicable to acquisition and development financing, and construction and permanent financing of multi-family and single family housing projects on Native American trust lands.
- ◆ All Offerors must have substantial expertise in the federal and state laws governing multi-family mortgage foreclosure, bankruptcy and mortgage lending; and experience with foreclosure proceedings on multi-family loans to include, but not limited to, HUD 542(c), LIHTC, and HOME.
- ◆ All Offerors must maintain professional liability insurance as outlined in Part VI of this RFP. Award will not be made to any Offeror who is debarred, suspended or subject to a Limited Denial of Participation, is listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov, or is otherwise restricted from participating in Housing & Urban Development (HUD) programs.

Selected Offerors must also meet the following requirements:

1. Offeror shall provide a written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
2. Offeror shall provide a written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
3. A Written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy. A copy of MFA's NEW MEXICO MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT and MFA's Anti-Harassment Policy is posted on the MFA website for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.
4. Offeror shall provide a written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
5. Offeror shall provide a written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not

listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov; and has not been debarred by MFA.

Part III: Services to be Performed

As requested by MFA, professional Housing Development legal services are required to be provided and to be incorporated into the contract to be awarded pursuant to this RFP include, but are not limited to, the following:

2. Provide legal assistance with respect to MFA programs, including federal programs administered by MFA; prepare and review MFA program documents and assist MFA in evaluating and developing options and alternatives for financing MFA programs; cooperate with and assist General Counsel.
3. Prepare or assist with the preparation of legal and other documents, to include single family and multi-family real estate transaction documents that are required to be prepared and adopted by MFA to administer MFA programs, as well as programs designated to MFA by the State.
4. Provide legal services on MFA loans, to include multi-family and HUD HOME program loans, to facilitate recovery of MFA's interest as it relates to foreclosures and bankruptcies, and provide services for all other legal matters related to MFA loans according to HUD 542 (c) and HOME, LIHTC, HUD (National) Housing Trust Fund , Conventional, MFA and all other regulating agency guidelines.
5. Provide legal services for multi-family mortgage foreclosures, leverage financed loans, cross-claims on subordinate mortgages, and bankruptcy processing for Chapter 7, Chapter 11 and Chapter 13 cases.
6. Represent MFA in matters affecting MFA's multi-family loan portfolio, including litigation involving financial institutions, mortgage finance companies, and brokerage houses, as required by MFA.

Part IV: Compensation

Fee basis should be an all-inclusive, hourly fee, which should include staff time and "out-of-pocket expenses." Offeror must provide an hourly fee breakdown for each staff position it would propose to use and/or make available to MFA for use as needed. Offeror must also state in their submission how long the Offeror can hold the all-inclusive hourly fee rates with the minimum amount of time being three (3) years from the date of proposal and should address how increases will be negotiated. If selected, contracts with Offerors must reflect the all-inclusive, hourly fee rates proposed. Billing on the project shall occur on a frequency to be negotiated with successful Offeror(s) and will be based on hours spent on the project and associated costs.

Part V: Evaluation Criteria

MFA shall award the contract for Housing Development legal services to the Offeror whose proposal is most advantageous to MFA. Proposals that meet the Minimum Qualifications and Requirements shall be evaluated primarily on experience and fees. Proposals shall be scored on a scale of 1 to 100 based on the criteria listed below. Please note that a serious deficiency in any one criterion may be grounds for rejection regardless of overall score.

Criteria	Point Range	Maximum Points	
<p>1. Experience and Capability: Offeror's skill, knowledge and experience with-</p> <p>-</p> <p>a. New Mexico real estate, land use law, representation of lenders in commercial real estate transactions in New Mexico; the mortgage banking industry; federal and state tax laws impacting real estate development transactions; and the rules, regulations and guidelines of both governmental and private mortgage insurers and secondary mortgage market conduits affecting the mortgage banking business.</p> <p>b. Insured mortgage lending programs, the Low Income Housing Tax Credit (LIHTC) Program, and the HUD National Housing Trust Fund, and the HOME Investment Partnerships Program; and federal laws applicable to acquisition and development financing, and construction and permanent financing of multi-family and single family housing projects on Native American trust lands.</p> <p>c. State and Federal laws related to multi-family foreclosure, bankruptcy and mortgage lending; foreclosure proceedings on multi-family loans, including HUD 542(c), LIHTC, HOME.</p>	<p>0-15</p> <p>0-15</p> <p>0-10</p>	40	
<p>2. Responsiveness to MFA and Technical Capabilities: Offeror's ability to deliver Housing Development legal services and Offeror's availability for consultation and discussion, as evidenced by:</p> <p>3. the designation of a lead attorney, preferably at partner level in the firm, assigned to MFA matters on a high priority basis, who will act as the main contact for MFA staff for all communications, including billing, and who will coordinate all aspects of the contractual representation, including direction of the activities of all other attorneys assigned by the firm to represent MFA;</p> <p>4. Offeror's technical support capabilities</p>	<p>0-15</p> <p>0-10</p>	25	

and availability to be reached by telephone and email during business hours, off hours, weekends, and holidays.			
3. Fees: Hourly basis-- hourly rates and other fees and costs	0-20	20	
4. References	0-5	5	
5. New Mexico Resident Business: Offeror is licensed to do business in New Mexico and the majority of Offeror's employees who would perform the services to be performed in New Mexico reside in New Mexico	0-5	5	
6. Interview	0-5	5	
Maximum Points		100	

Part VI: Proposal Format and Instructions to Offeror

Proposals submitted to MFA must, at a minimum, contain the following information and shall be organized as follows:

1. Letter of Transmittal – to include at least the following:

- a. Name, address and telephone number of Offeror and name of contact person.
- a. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror.
- 1. Date of proposal.
- A. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP.
- 2. A statement describing how long the Offeror can hold the hourly rates with the minimum being three (3) years from date of proposal.
- 8. A statement that the Offeror's proposal is valid for ninety (90) days after the deadline for submission of proposals.

A. Disclosure and Certifications – Offeror shall provide:

- A. A written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA

member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.

- B. A written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
- C. Offeror shall sign and abide by the NEW MEXICO MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT (EXHIBIT B).
- D. A written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
- E. A written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov; and has not been debarred by MFA.

3. Experience and Capability

- A. A detailed description of Offeror's technical capabilities to provide responsive and professional services to MFA if the contract were awarded to Offeror (e.g., ability to prepare and respond to documents in a timely manner, expertise of administrative support staff, etc.).
- B. A description of financial institutions, clients, state agencies, municipalities, local governments, mortgage lenders, real estate enterprises, etc. represented by or for which Offeror has represented currently or in the last ten years.
- C. A detailed description of Offeror's policy regarding the resolution of conflicts of interest which arise out of Offeror's representation of clients with adverse or potentially adverse interests and Offeror's mechanism to ensure that such conflicts do not arise and that if such conflicts do arise, how the Offeror intends to assist MFA in retaining other counsel to represent MFA. Please include examples of the implementation of this policy and information regarding whether Offeror has a computerized management information system in place to track possible conflicts of interest
- D. Names and resumes of the lead attorney and other key personnel including other attorneys, legal assistants and support staff to be assigned to the account. Resumes describing the qualifications of personnel to be utilized in the performance of this contract must show, at a minimum, the person's name, education, position, and total years and types of experience relevant to the performance of the contract.

4. Responsiveness to MFA and Technical Capabilities

- A. Offeror's proposal for delivering services, including organization of responsibilities, work plan, approach, and the availability of personnel for consultation, discussion and coordination with staff, and for travel both within and outside New Mexico, as necessary, to serve the needs of MFA.
- B. The location of Offeror's main office and the locations of any of Offeror's branch offices. A description and location of the office of professionals who would handle MFA matters.

5. Fees

- A. Services performed under this RFP for Housing Development legal services will be provided on an hourly basis. A specific fee schedule for Housing Development legal services must be included in this proposal. Please include the following information:
 - (i) A list of all Offeror's employees including attorneys, paralegals and support staff who are to work on MFA matters and their specific hourly rates, and if the rate varies by the type of service, the hourly rate for different types of service; include a breakdown of the allocation of time between the named lead attorney and any associate or staff (so MFA can score fee structure based on actual anticipated costs);
 - (ii) Offeror's minimum billing unit;
 - (iii) Information regarding Offeror's ability to provide detailed monthly billings summarized by subject matter and a sample itemized bill;
 - (iv) Whether Offeror's proposed rates are the best offered by the firm to any client.
 - (v) A narrative description of the steps routinely taken to ensure that legal representation is provided on a cost-effective basis. Discuss such matters as Offeror's policy with respect to billing for such items as intra-office consultation, research, travel, and unsuccessful attempts to reach people by telephone.
 - (vi) Information regarding Offeror's ability to provide detailed status of active assignments, projects, etc. and a sample report.

6. References

- A. Offeror shall provide at least five references for Offeror's work for financial institutions, governmental entities, and/or mortgage lenders.
- B. MFA shall provide the form attached hereto as **Exhibit A** to all references.
- C. Offerors listed in the most recent edition of the Martindale-Hubbell Law Directory with a rating of AV or BV, are to provide the rating.

7. New Mexico Resident Business

- 1. Evidence that the Offeror is licensed to do business in Mexico.
- 2. Representation that the majority of Offeror's employees who would perform the services to be performed reside in New Mexico.

8. In preparing Offeror's proposed fee structure, please take note of the following:
- A. MFA invites the attention of Offeror to MFA's serious concern about the rising cost of legal services. The control and management of legal costs is the mutual concern of the Offeror and MFA. MFA requires quality professional services at a reasonable cost and the performance of only those services necessary. In evaluating bids, MFA will consider the methods used by the Offeror to avoid services which do not materially contribute to the overall success of the engagement.
 - B. Lodging and other travel related expenses shall be reimbursed by MFA in accordance with MFA expense reimbursement policies set forth in its Policies and Procedures Manual.
 - C. Offeror must absorb the cost of familiarizing itself with MFA programs, policies and procedures, rules, regulations and past bond issues. Program documents and any other relevant information shall be made available for Offeror's review at MFA's office in Albuquerque. MFA will not pay for such work. Indicate how much time Offeror expects to devote to familiarizing itself with MFA programs, policies and procedures, rules, regulations and provide a timetable for doing so.
 - D. Offeror must give MFA at least a three (3) year commitment on the rate schedule offered. The contract may be extended for two, one (1) year periods at the option of the MFA Board.
 - E. Offeror is required to submit itemized billing statements on a monthly basis.
9. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to provide Housing Development legal services to MFA.

Part VII: Principal Contract Terms and Conditions

In addition to the terms respecting the services to be performed and compensation described above, the contract between MFA and the successful Offeror (herein "Contractor") shall include, but may not be limited to, terms substantially similar to the following:

Hold Harmless and Indemnification. Offeror shall indemnify, defend, and hold harmless MFA and the State of New Mexico, its officers, directors, agents, employees, successors and permitted assigns (each, a "MFA Indemnitee") from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including attorneys' fees, that are incurred by a MFA Indemnitee (collectively, "Losses") arising out of or related to any third party claim alleging (i) breach or non-fulfillment of any provision of this Agreement by Offeror or Offeror's personnel; (ii) any negligent or more culpable act or omission of Offeror or Offeror personnel, including any reckless or willful misconduct, in connection with the performance of Offeror's obligations under this Agreement; (iii) any bodily injury, death of any person, or damage to real or tangible, personal property resulting from willful, fraudulent, or negligent acts or omissions of Offeror or Offeror personnel, or (iv) any failure by Offeror or its personnel to comply with any applicable federal, state or local laws, regulations, or codes in the performance of its obligations under this Agreement. Offeror shall further defend, indemnify, and hold harmless MFA Indemnitees from and against any and all claims that any of the Services or deliverables or MFA's receipt or use thereof infringes any intellectual property right of a third party.

Permitted Subcontractors. Offeror shall obtain MFA's written approval, which approval shall be given in MFA's sole discretion, prior to entering into any agreements with or otherwise engaging any person, including all subcontractors,

other than Offeror's employees, to provide any Services to MFA (each such approved subcontractor or other third party, a "Permitted Subcontractor"). MFA's approval shall not relieve Offeror of its obligations under the Agreement, for any reason, including but not limited to Permitted Subcontractor's bankruptcy, insolvency, or other inability to perform the services required under any subcontract, an Offeror shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this Agreement as if they were Offeror's own employees. Nothing contained in this Agreement shall create any contractual relationship between MFA and any Permitted Subcontractor or supplier. Offeror shall require each such Permitted Subcontractor to be bound in writing by the confidentiality and intellectual property assignment provisions of this Agreement.

Records. Maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Offeror in providing the Services in such form as MFA shall approve. During the Term and for a period of two years thereafter, upon MFA's written request, Offeror shall allow MFA or MFA's representative to inspect and make copies of such records and interview Offeror personnel in connection with the provision of the Services. MFA shall have the right to audit bills submitted to MFA under this Agreement both before and after payment. Payment under this Agreement shall not foreclose the right of MFA to recover excessive and/or illegal payments.

Payment. Payment shall be made to Offeror at the times, and in the amounts, that shall be set forth in a Service Agreement between MFA and Offeror.

Insurance. Offeror shall procure and maintain at its expense until final payment by MFA for Services covered by this Agreement, insurance in the kinds and amounts hereinafter provided with insurance companies authorized to do business in the state of New Mexico, covering all operations under this Agreement, whether performed by the Offeror or its agents. Before commencing the Services, and on the renewal of all coverages, the Offeror shall furnish to MFA a certificate or certificates, providing for not less than thirty (30) days' notice to MFA of non-renewal or cancellation, in form satisfactory to MFA showing that it has complied with this Sub-Section. Various types of required insurance may be written in one or more policies. With respect to all coverages required other than workers' compensation, MFA shall be named an additional insured. Kinds and amounts of insurance required are as follows:

- i. Commercial General Liability insuring the activities of Offeror under this Agreement with limits no less than \$750,000 per occurrence and \$750,000 in the aggregate, and with a claim/aggregate deductible in an amount reasonable for a firm of Offeror's size and financial condition, in a form acceptable to MFA.
- ii. Professional Liability covering all liabilities and risks inherent in Offeror's performance of the services required under this Agreement, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate and with a claim/aggregate deductible in an amount reasonable for a firm of Offeror's size and financial condition, in a form acceptable to MFA.

Equal Opportunity Data. The Offeror will maintain data relative to "Equal Opportunity" as related to Minority Business Enterprises ("MBE") and Women Business Enterprises ("WBE"). At a minimum, such data shall include the number and dollar value of MBE/WBE contracts and subcontracts awarded. This data is required to be reported to MFA annually in the format prescribed MFA and is due to MFA each year at a time to be determined by MFA in its sole discretion.

Termination. If, in the judgment of MFA, the Offeror, for any cause, fails or omits to carry out the Work in an acceptable manner MFA may give notice in writing of such failure or omission and of a reasonable time within which to cure the deficiency. The Successful Offeror shall take corrective measures within such time. The Successful Offeror's failure to comply with such notice and to cure the deficiency as provided in the

notice shall subject this Agreement to immediate termination by MFA. In the event of a for-cause termination, MFA shall terminate this Agreement by delivering to Offeror a written notice of termination. The effective date of termination shall be the date stated in the notice or, if no date is stated, then the date of delivery of the notice.

Termination for convenience of MFA. On fifteen (15) business day's written notice to Successful Offeror, MFA may terminate this Agreement in whole or in part for its own convenience in the absence of termination for cause or any default of Successful Offeror. In the event of a termination for convenience, MFA shall terminate this Agreement by delivering to Successful Offeror notice of termination without cause specifying the extent to which performance of Work under this Agreement is terminated and the date upon which such termination becomes effective. Within ten (10) calendar days of the effective date of termination, Successful Offeror shall deliver to MFA all design plans, construction estimates, drawings, documents, survey books and any or all other materials developed under this Agreement. Upon delivery of such notice, Successful Offeror shall have the right to receive payment for services satisfactorily performed to termination date, including reimbursement then due.

All Offerors must be in good standing with MFA and all other state and federal affordable housing agencies. For example, debarment from HUD, MFA or other federal housing programs, bankruptcy, criminal indictments or convictions, poor performance on prior MFA or federally-financed Projects on the part of any Offeror may result in termination of this Agreement.

Independent Offeror. The nature of the Offeror's and its staff's relationship to MFA will be that of an independent contractor, and the Offeror will not be deemed an agent, employee or servant of MFA. The compensation agreed upon by MFA and the Offeror will not be subject to withholding from taxes, F.I.C.A., or otherwise, and nothing in this Agreement burdens MFA with the duties of an employer concerning the Offeror and its staff under any state worker's compensation laws, state or federal occupational health and safety laws, or any other state or federal laws. The Offeror and its staff will not participate in any of the fringe benefits generally made available by MFA to its officers or employees. MFA will not provide the Offeror office space, clerical help, office supplies or the like except as mutually agreed to by MFA and the Offeror. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

Awards to Other Offerors. The Offeror shall not assign or transfer any rights, duties, obligations or interest in or to the proceeds of this Agreement without the prior written approval of MFA. If approved, any assignee will be subject to all terms, conditions and provision of this Agreement. No such approval by MFA of any assignment shall obligate MFA for payment of amounts in excess of the Program Funds. In accordance with 2 CFR 200.213, Offeror shall not make any awards or permit any award (subcontract or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible to participate in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension."

Intellectual Property Rights; Ownership. MFA is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the deliverables provided pursuant to the provision of the Services, including all Intellectual Property Rights therein. Offeror agrees, and will cause its Offeror personnel to agree, that with respect to any deliverables that may qualify as "work made for hire" as defined in 17 U.S.C. §101, such deliverables are hereby deemed a "work made for hire" for MFA. To the extent that any of the Deliverables do not constitute a "work made for hire", Offeror hereby irrevocably assigns, and shall cause the Offeror personnel to irrevocably assign to MFA, in each case without additional consideration, all right, title, and interest throughout the world in and to the deliverables, including all Intellectual Property Rights therein. The Offeror shall cause the Offeror personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such Offeror personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the deliverables. Upon the request of MFA, Offeror shall, and shall cause the Offeror personnel

to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist MFA to prosecute, register, perfect, or record its rights in or to any deliverables.

Confidential Information. Simultaneous herewith, Offeror shall enter into a Non-Disclosure Agreement with MFA under which Offeror shall agree Offeror will not, during the term of this Agreement, or thereafter, without the written consent of MFA, disclose to anyone, or use for Offeror's own account, any confidential information concerning the businesses or affairs of MFA. Offeror will retain all such knowledge and information respecting such confidential information in trust for the sole benefit of MFA. Upon termination of this Agreement, Offeror will deliver to MFA all writings relating to or containing confidential information or destroyed with destruction certified by the receiving Party.

Remedies. Offeror recognizes that irreparable injury would be caused by any breach of any of the provisions of this Agreement by Offeror. MFA, in addition to all other rights and remedies at law or equity as may exist in its favor, will have the right to enforce the specific performance of the provisions of this Agreement and to apply for injunctive relief against any act that would violate any such provisions. Offeror shall reimburse MFA for all costs and expenses, including reasonable attorney fees incurred by MFA by reason of Offeror's breach of this Agreement. Nothing herein shall be read to limit Offeror's remedies in the event of a breach of this Agreement by MFA.

Licenses/Compliance with Laws and Regulations. Before the date on which the Services are to start, obtain, and at all times during the Term of this Agreement maintain, all necessary licenses and consents and comply with all relevant laws applicable to the provision of the Services.

Compliance with MFA Rules, Regulations and Policies. Comply with, and ensure that all Offeror personnel comply with, all rules, regulations, and policies of MFA that are communicated to Offeror in writing, including security procedures concerning systems and data and remote access thereto, building security procedures, and general health and safety practices and procedures.

Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any jurisdiction other than those of the State of New Mexico. Any legal suit, action, or proceeding arising out of, or related to, this Agreement or the Services provided hereunder shall be instituted exclusively in the federal courts of the United States or the courts of the State of New Mexico in each case located in the city of Albuquerque and County of Bernalillo, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

New Mexico Mortgage Finance Authority

Board Members

Chair Angel Reyes – President, Centinel Bank in Taos

Vice Chair – Derek Valdo – Chief Executive Officer, AMERIND Risk

Treasurer Rebecca Wurzbarger – Strategic Planning Consultant

Member Howie Morales – Lieutenant Governor, State of New Mexico

Member Hector Balderas – Attorney General, State of New Mexico

Member Tim Eichenberg – Treasurer, State of New Mexico

Member Rosalyn Nguyen Chafey – Attorney

Management

Isidoro Hernandez, Executive Director and Chief Executive Officer
Donna Maestas-De Vries, Chief Housing Officer
Jeff Payne, Chief Lending Officer
Stephanie Yara, Chief Financial Officer
George Maestas, Director of Housing Development
Kathryn Turner, Assistant Director of Housing Development

EXHIBIT A

ORGANIZATIONAL REFERENCE QUESTIONNAIRE

The New Mexico Mortgage Finance Authority, as part of the RFP process, requires Offerors to submit at least five references from financial institutions, governmental entities, and/or mortgage servicers and at least one reference for whom housing development legal services have been provided as required within this document. The purpose of these references is to document Offeror's experience relevant to the scope of work in an effort to establish Offeror's responsibility. MFA will send the following reference form to each business reference listed in Offeror's proposal.

HOUSING DEVELOPMENT LEGAL SERVICES RFP

ORGANIZATIONAL REFERENCE QUESTIONNAIRE FOR:

This form is being submitted to your company for completion as a business reference for the company named above. This form is to be returned to the New Mexico Mortgage Finance Authority via facsimile or e-mail at:

Name: George Maestas
Address: 344 4th St. SW
Albuquerque, NM 87102
Telephone: (505) 767-2243
Fax: (505) 243-3289
E-mail: gmaestas@housingnm.org

No later than **5:00 p.m. Mountain Time, September 20, 2021** and must **NOT** be returned to the company requesting the reference.

For questions or concerns regarding this form, please contact the individual first named above.

Company providing reference:		
Contact name and title/position:		
Contact telephone number:		
Contact e-mail address:		
Description of services provided:		
Dates services provided (starting and ending):		

1. How would you rate the timeliness of work conducted and information requested?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

2. How would you rate how the work was planned and executed?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

3. How would you rate the knowledge and technical expertise demonstrated?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

4. How would you rate the value added to your organization through the Offeror's recommendations?

_____ (3=Excellent 2=Satisfactory 1=Unsatisfactory 0=Unacceptable)

COMMENTS:

5. With which aspect(s) of this Offeror's services are you most satisfied?

COMMENTS:

6. With which aspect(s) of this Offeror's services are you least satisfied?

COMMENTS:

7. Would you recommend this Offeror's services?

COMMENTS:

EXHIBIT B

NEW MEXICO MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT

- A. Preamble.** The New Mexico Mortgage Finance Authority ("MFA"), an instrumentality of the state government, exists to serve the citizens of the State of New Mexico. To maintain the respect, trust, and confidence of the public, and consistent with MFA's commitment to conduct its business in an ethical and legal manner, MFA requires that all Third Parties doing business with MFA comply with this Third-Party Code of Conduct and otherwise uphold the highest standards of ethics and behavior.
- B. Purpose.** The purpose of this Code of Conduct is to provide general guidelines and a minimum standard of conduct for Third Parties doing business with MFA.
- C. Definitions.** For the purpose of this Third-Party Code of Conduct, the following words and phrases shall have the following meanings:

"MFA Employee" means any person employed directly by MFA and any person employed through a staffing agency or by contract and for whom MFA has the right to direct and control the work performed.

"MFA Member" means a Member, and with respect to an ex-officio Member, his or her proxy, of the Board of Directors of MFA.

"MFA Management" means the Executive Director/Chief Executive Officer, Chief Housing Officer, Chief Financial Officer, Chief Lending Officer and Director of Human Resources employed by MFA.

"Transaction" means any transaction including, but not limited to any sale, purchase, or exchange of tangible or intangible property or services; any loan, loan commitment or loan guarantee; any sale, purchase, or exchange of mortgage loans, notes, or bonds; or any other business arrangement or contract therefor.

- D. Conflicts of Interest.** Third Parties should avoid engaging in any activity that would conflict, interfere, or even create the appearance of a conflict with their business with MFA. Third Parties must disclose any potential conflicts to MFA in writing as soon as practicable upon discovery or recognition. Examples of potential conflicts include, but are not limited to:
- Engaging in a conflict-of-interest transaction prohibited by Section F of MFA's Code of Conduct, which can be found at: (website reference to be added)
 - Providing gifts and entertainment to any MFA Employee, MFA Management or MFA Member in an attempt to improperly influence MFA business decisions.

MFA shall not enter into any Transaction with a former MFA Member or former MFA Management for a period of one (1) year after such person ceases to be an MFA Member or MFA Management, except with prior approval of a disinterested majority of all current MFA Members.

To the extent applicable, Third-Party shall disclose conflicts of interest required pursuant to state or federal law, including but not limited to 2 CFR 200.112.

- E. Anti-Discrimination and Anti-Harassment Policy.** MFA is committed to maintaining an employment environment in which all individuals are treated with respect and dignity and expects the same from Third Parties doing business with MFA. MFA expects that Third Parties will maintain a workplace where employment-related decisions are based on performance, ability, or other legitimate, non-discriminatory bases and are never based on race, color, national origin, ancestry, citizenship status, religion, sex, sexual orientation, gender identity, age, physical or mental disability, serious medical condition, marital status, status with regard to public assistance, veteran status, or any other legally-protected status.

MFA also maintains and expects Third Parties to maintain a workplace that is free of unlawful harassment. This includes harassment based upon any of the above legally-protected status (such as age, sex, religion, national origin, etc.) and which creates an intimidating, hostile, or offensive working environment. This also includes sexual harassment which is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual; or such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidated, hostile, or offensive working environment.

MFA will also not tolerate any form of unlawful discrimination or harassment of an MFA Employee by any Third-Party including by its employees, owners, managers, members, directors, agents, or representatives.

- F. Confidential Information and Intellectual Property.** Third Parties doing business with MFA must protect any confidential or proprietary information that belongs either to MFA or any other third-party with whom MFA does business, if such other third-party has provided MFA with confidential or proprietary information. Confidential or proprietary information includes, but is not limited to, any non-public financial information, business processes and systems, intellectual property, personally identifiable information of MFA's customers, and personally identifiable or private information about any MFA Employee, MFA Member, MFA Management, third-party, or customer, such as identity, medical, employment, or financial information.

To the extent necessary for a Third-Party to share MFA's confidential or proprietary information with a sub-contractor, MFA expects the Third-Party to implement adequate controls at a level no less than those set forth in this Third-Party Code of Conduct with such sub-contractor.

Third Parties must not infringe upon the intellectual property rights of other companies or organizations.

Third Parties must return all confidential and proprietary information in their possession to MFA when the contractual relationship between MFA and the Third-Party has terminated, unless otherwise specified by contract. The obligation to protect MFA's confidential and proprietary information continues even after any business relationship between MFA and the Third-Party ends.

MFA may require that Third Parties sign a separate confidentiality and non-disclosure agreement.

- G. Onsite Visitor Requirements.** While on MFA’s premises, Third Parties must comply with all MFA rules and procedures, including security measures and requests. These may include but are not limited to:
- Registering with reception.
 - Accessing only authorized areas unless accompanied by an MFA Employee.
 - Promptly reporting known security violations and property loss or damage.
 - Complying with all MFA facility requirements, including maintaining a substance-free and violence-free workplace.
 - Any public health and safety policies in effect, including wearing a face mask.
- H. Compliance with Laws, Regulations, Policies and Procedures and Contracts.** All Third Parties must comply with all applicable state and federal laws, codes, and regulations and MFA’s policies and procedures to the extent applicable to the Third-Party and must not violate any terms and conditions established by contract with MFA.
- I. Business Integrity.** Any and all forms of illegal or inappropriate activity by a Third-Party doing business with MFA, including, but not limited to, corruption, misrepresentation, extortion, embezzlement, or bribery, are strictly prohibited and may result in termination of any or all agreements with MFA.

OFFEROR ACKNOWLEDGMENT

DATE

Tab 7

Multifamily Project Completion Pipeline Report

Fiscal Year: 2021		Total LIHTC Award:	\$ 52,041,147	Total Projects:	60	Which will result in \$488,650,470 in local income and 6,686 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
Quarter: 3rd		Total MFA-Issued Bond Amount:	\$ 39,450,000	Total # of Apts:	4,341	
Prepared: 7/23/2021		Total MFA Loan Amount:	\$ 35,453,566	# of Projects Under Construction:	40	
		Overall Awards:	\$ 126,944,713	Total # of Apts Under Construction:	3,402	Which will result in \$362,483,000 in local income and 4,960 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
					# of Municipalities	29

Reported at February, May, August and November Board Meetings for the prior quarter																	
Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or Acq/Rehab	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan Amounts	MFA Loan Programs	Any Known Issues or Comments
9%	1	Vista de Socorro	Socorro	2021	(P) 02/15/22	32	NC	(P) 12/1/2021	(P) 4/12/2022	(P) 8/22/2022	(P) 1/1/2023	(P) 2/1/2023	\$ 495,000	N/A	\$240,000 \$400,000 \$1,500,000	HOME NHTF NMHTF	
	2	Belen Vista	Belen	2021	(P) 11/15/21	57	AR	(P) 12/1/2021	(P) 4/1/2022	(P) 7/31/2022	(P) 12/1/2022	(P) 12/15/2022	\$ 787,639	N/A	\$400,000 \$400,000	HOME-CHDO NHTF	
	3	West Berry	Hobbs	2021	(P) 11/15/21	56	NC	(P) 12/1/2021	(P) 4/22/2022	(P) 9/11/2022	(P) 2/1/2023	(P) 2/15/2023	\$ 900,143	N/A	\$840,000 \$1,000,000	HOME-CHDO NMHTF	
	4	Mariposa	Taos	2021	(P) 02/14/22	58	AR/NC	(P) 12/1/2021	(P) 4/1/2022	(P) 7/31/2022	(P) 12/1/2022	(P) 12/15/2022	\$ 801,704	N/A	\$400,000 \$400,000	HOME NHTF	
	5	Hiland Plaza	Albuquerque	2021	(P) 01/03/22	92	NC	(P) 2/1/2022	(P) 4/1/2022	(P) 7/31/2022	(P) 12/1/2022	(P) 12/15/2022	\$ 1,232,333	N/A	N/A	N/A	
	6	Alameda Flats	Roswell	2021	(P) 01/03/22	70	NC	(P) 2/1/2022	(P) 4/1/2022	(P) 7/31/2022	(P) 12/1/2022	(P) 12/15/2022	\$ 1,125,110	N/A	N/A	N/A	
	7	A'diidi ni'kuwaa	Mescalero	2020	(P) 08/31/21	40	NC	(A) 4/30/2021	(P) 10/1/2021	(P) 2/1/2022	(P) 6/15/2022	(P) 7/1/2022	\$ 626,772	N/A	\$292,500 \$400,000	HOME NHTF	
	8	Luminaria Senior	Albuquerque	2020	N/A No MFA loans	92	NC	(A) 1/4/2021	(A) 6/9/2021	(P) 10/6/2021	(P) 3/1/2022	(P) 3/1/2022	\$ 1,142,400	N/A	N/A	N/A	
	9	PAHA Homes #2	Pueblo of Acoma	2020	N/A No MFA loans	30	NC	(A) 12/9/2020	(P) 10/1/2021	(P) 1/15/2022	(P) 5/1/2022	(P) 4/1/2022	\$ 671,000	N/A	N/A	N/A	
	10	Encantada Apartments	Los Lunas	2020	(A) 04/20/21	48	Acq/Rehab	(A) 4/12/2021	(P) 7/30/2021	(P) 10/1/2021	(P) 2/1/2022	(P) 2/1/2022	\$ 633,630	N/A	\$400,000 \$400,000	HOME NHTF	
	11	6100 Harper	Albuquerque	2020	(P) 7/26/2021	59	Acq/Rehab	(A) 2/23/2021	(P) 10/1/2021	(P) 3/1/2022	(P) 9/1/2022	(P) 9/1/2022	\$ 912,789	N/A	\$400,000	NHTF	
	12	Copper Terrace	Albuquerque	2020	(A) 11/17/2020	96	Acq/Rehab	(A) 12/30/2020	(P) 5/15/2021*	(P) 9/15/2021	(P) 2/15/2022	(P) 2/15/2022	\$ 1,232,333	N/A	\$1,000,000 \$1,000,000	HOME-CHDO NMHTF	*Fire in one building on 3/23/21; developers still working with insurance adjuster. Construction reported as 25% Complete on 7/20/2021
	13	Broadway/McKnight	Albuquerque	2020	(P) 7/26/2021	54	NC	(P) 8/15/2021	(P) 10/1/2021	(P) 3/1/2022	(P) 9/1/2022	(P) 9/1/2022	\$ 954,720	N/A	\$400,000	NHTF	
	14	Villa Mirasol	Sunland Park	2020	(P) 09/01/21	48	NC	(P) 6/10/2021*	(P) 7/30/2021	(P) 12/1/2021	(P) 3/1/2022	(P) 3/1/2022	\$ 848,640	N/A	\$360,000	HOME	*Waiting for developers to submit drawings to architect.

Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date <i>Actual (A) or Projected (P)</i>	No of Apts	NC - New Construction or Aca/Rehab	Construction Start Approval Date <i>Actual (A) or Projected (P)</i>	33% Complete Date <i>Actual (A) or Projected (P)</i>	66% Complete Date <i>Actual (A) or Projected (P)</i>	Construction Completion Date <i>Actual (A) or Projected (P)</i>	Certificate of Occupancy/Placed in Service Date <i>Actual (A) or Projected (P)</i>	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan Amounts	MFA Loan Programs	Any Known Issues or Comments
	15	The Bluffs	Los Alamos	2019	N/A No MFA loans	64	NC	(A) 7/29/2021*	(P) 10/1/2021	(P) 3/1/2022	(P) 7/1/2022	(P) 7/1/2022	\$ 1,028,671	N/A	N/A	N/A	*COVID-related extension request granted through 12/31/2022.
	16	Siler Yard: Arts + Creativity Center	Santa Fe	2019	N/A No MFA loans	65	NC	(A) 06/23/20	(A) 4/15/2021	(A) 6/1/2021	(P) 9/30/2021	(P) 11/1/2021	\$ 1,040,000	N/A	N/A	N/A	COVID-related extension request granted through 12/31/2022.

Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or Acq/Rehab	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan Amounts	MFA Loan Programs	Any Known Issues or Comments
	17	Skyview Terrace	Hobbs	2019	(A) 12/12/19	72	NC	(A) 12/10/19	(A) 7/29/2020	(A) 11/20/2020	(A) 03/31/2021*	(P) 03/31/2021*	\$ 1,157,325	N/A	\$600,000 \$1,000,000	HOME-CHDO NMHTF	*Project construction reported as nearly complete and occupied on 7/20/2021; awaiting contractor corrections on a new roadway to close out.
	18	1115 Calle La Resolana	Santa Fe	2019	(A) 10/15/20	45	NC	(A) 02/03/21	(P) 5/15/2021*	(P) 7/31/2021	(P) 11/30/2021	(P) 11/30/2021	\$ 723,285	N/A	\$400,000 \$400,000	HOME NHTF	COVID-related extension request granted through 12/31/2022. *Reported as nearing 33% construction completion on 7/21/2021.
	19	Villa Del Norte	Espanola	2019	(A) 03/05/20	50	Acq/Rehab	(A) 03/10/20	(A) 11/6/2020	(A) 1/14/2021	(A) 5/15/2021*	(P) 5/15/2021*	\$ 572,401	N/A	\$375,000 \$400,000 \$1,500,000 \$1,000,000 \$750,000	HOME NHTF NMHTF Primerio Ventana	*Construction reported as 100% complete on 7/21/2021; working on close out documents.
	20	Desert Hope	Las Cruces	2019	N/A No MFA loans	40	Acq/Rehab	(A) 06/10/20	(A) 12/4/2020	(A) 4/1/2021	(P) 6/1/2021*	(P) 6/1/2021*	\$ 560,000	N/A	N/A	N/A	*Construction reported as nearly 100% complete on 7/21/2021.
	21	Sunray/Lobo Canyon Apartments	Grants	2019	(A) 03/18/20	128	Acq/Rehab	(A) 11/18/19	(A) 10/31/2020	(A) 02/26/21	(P) 7/31/2021	(P) 7/31/2021	\$ 1,232,333	N/A	\$400,000 \$400,000	HOME NHTF	
	22	Canyon Walk	Los Alamos	2018	N/A No MFA loans	70	NC	(A) 11/15/19	(A) 9/1/2020	(A) 2/16/2021	(P) 6/1/2021*	(P) 6/1/2021*	\$ 1,049,930	N/A	N/A	N/A	COVID-related extension request granted through 12/31/2021. *Awaiting architectural report to document further completion of the project.
	23	Ochenta	Taos	2018	N/A No MFA loans	80	NC	(A) 08/12/19	(A) 6/4/2020	(A) 12/17/2020	(A) 5/15/2021*	(P) 5/15/2021*	\$ 1,150,000	N/A	N/A	N/A	*Construction reported as 100% complete and units occupied on 7/21/2021; awaiting 8609 request before completing final inspection.
	24	Villa Consuelo	Santa Fe	2018	N/A No MFA loans	100	Acq/Rehab	(A) 03/07/19	(A) 12/31/2019	(A) 05/29/20	(A) 5/5/2021	(P) TBD- Awaiting 8609	\$ 1,115,168	N/A	N/A	N/A	

Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or Acq/Rehab	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan Amounts	MFA Loan Programs	Any Known Issues or Comments
4%	1	San Roque	Albuquerque	2020	(P) 9/1/2021	136	NC	(P) 5/15/2021*	(P) 09/01/21	(P) 01/20/22	(P) 05/15/22	(P) 11/01/22	\$ 12,584,200	County-issued bonds	\$800,000 \$1,325,000 \$2,622,031	HOME NHTF NMHTF	*On hold, issues need fixing
	2	La Serena	Albuquerque	2020	(P) 7/31/2021	78	NC	(A) 8/9/2021*	(P) 10/01/21	(P) 02/01/22	(P) 06/01/22	(P) 12/01/22	\$ 6,666,680	County-issued bonds	\$1,500,000	NMHTF	*Architect awaiting response from developer to their review report before recommending construction start. 42m is not issued
	3	Four Seasons	Hobbs	2020	N/A No MFA loans	80	Acq/Rehab	(A) 10/26/20	(A) 4/22/2021	(A) 5/15/2021*	(P) 7/30/2021	(P) 7/30/2021	\$ 328,052	County-issued bonds	N/A	N/A	*Construction reported as 66% complete on 7/22/2021. Need to check ADA compliance in kitchen (turning radius).
	4	The Commons at Martineztown	Albuquerque	2020	N/A No MFA loans	96	Acq/Rehab	(A) 02/02/21	(P) 8/1/2021	(P) 1/15/2022	(P) 8/1/2022	(P) 8/1/2022	\$ 688,679	County-issued bonds	N/A	N/A	
	5	Casa de Sierra	Albuquerque	2020	N/A No MFA loans	188	Acq/Rehab	(A) 3/4/2021	(P) 9/30/2021	(P) 12/30/2021	(P) 3/31/2022	(P) 3/31/2022	\$ 894,009	County-issued bonds	N/A	N/A	
	6	550 Paseo	Rio Rancho	2020	(A) 3/23/2021	240	NC	(A) 3/9/2021	(P) 12/31/2021	(P) 5/31/2022	(P) 3/31/2023	(P) 3/31/2023	\$ 1,724,641	County-issued bonds	\$750,000 \$2,000,000	HOME NMHTF	
	7	Ceja Vista	Albuquerque	2019	(A) 12/16/2020	154	NC	(A) 10/06/20	(A) 12/22/2020	(P) 12/10/2021	(P) 9/26/2022	(P) 9/26/2022	\$ 886,136	County-issued bonds	\$1,500,000	NHTF	
	8	Sandia Vista and Plaza David Chavez	Albuquerque	2019	N/A No MFA loans	213	Acq/Rehab	(A) 04/14/20	(A) 1/28/2021	(P) 11/1/2021	(P) 2/1/2022	(P) 2/1/2022	\$ 1,340,250	County-issued bonds	N/A	N/A	
	9	JLG North Number of Projects: 6	Gallup Bloomfield Bernalillo (City)	2019	(A) 08/20/20	211	Acq/Rehab	(A) 08/01/20	(A) Cliffside 06/08/2020	(A) Pinos Blancos 12/11/2020 Sandia Vista 12/02/2020 Cliffside 07/20/2020	(A) 5/31/2021 For all	(P) 5/31/2021*	\$ 665,611	\$ 9,650,000	N/A	N/A	*Construction reported as 100% complete on 7/21/2021; working on close out documents.
	10	JLG South Number of Projects: 8	Columbus Deming Anthony	2019	(A) 08/02/20	215	Acq/Rehab	(A) 08/01/20	(A) Columbia 12/04/2020 Rio Mimbres and Franklin Vista 12/04/2020	(A) Columbas 01/21/2021 Franklin Vista 01/21/2021 Rio Mimbres 01/21/2021	(P) 4/30/2021 For all*	(P) 4/30/2021 For all*	\$ 648,880	\$ 9,000,000	N/A	N/A	Issues with ADA compliance identified 1/21/2021. *Construction reported as nearly complete on 7/21/2021. Contractor working on punch list items
	11	JLG Central Number of Projects: 6	Ruidoso Downs Belen Portales Las Vegas Artesia	2019	N/A No MFA loans	214	Acq/Rehab	(P) 9/1/2021	(P) 12/21/2021	(P) 4/11/2022	(P) 8/1/2022	(P) 8/1/2022	\$ 551,241	\$ 9,000,000	N/A	N/A	
	12	Valle de Atrisco	Albuquerque	2017	(A) 08/12/20	240	NC	(A) 12/13/17	(A) 9/4/2019	(A) 12/18/2020	(P) 5/15/2021*	(P) 5/15/2021*	\$ 1,145,803	County-issued bonds	\$1,830,000 \$500,000	NHTF NMHTF	*Remaining issues at latest inspection. Anticipating photographs to prove completion.
	13	La Vida Nueva	Albuquerque	2016	(A) 07/07/17	314	Acq/Rehab	(A) 07/01/17	(A) 7/15/2019	(A) 5/11/2020	(A) 10/1/2020	(P) 9/30/2021	\$ 1,128,967	County-issued bonds	\$1,000,000 \$1,000,000	NHTF Primero	Fire in one building on 4/13/18. 100% completion stated 9/16/2020, with no inspections occurring ahead of completion. MFA Final inspection pending - Owner has implemented plan to correct ADA compliance issues that were identified during the final inspection.

Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or Acq/Rehab	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan Amounts	MFA Loan Programs	Any Known Issues or Comments
	14	Shiprock	Shiprock	2016	N/A No MFA loans	252	NC + Acq/Rehab	(A) 06/13/17	(A) 3/8/2018	(A) 08/20/18	(A) 12/19/18	(A) 02/06/19	\$ 794,672	\$ 11,800,000	N/A	N/A	Working on final HERS versus 25% reduction in energy savings for rehab units. Didn't add insulation, didn't increase the energy performance to any degree - no furnace or water heater improvement.
LOANS ONLY	1	Mountain View	Tucumcari	2021	(P) 5/15/2022	45	N/A	(P) 10/01/21	(P) 12/05/21	(P) 02/05/22	(P) 04/01/22	(P) 10/01/22	N/A	N/A	\$995,044	PRLF	*USDA RD experiencing delays in processing
	2	Las Rosas I	Tularosa	2019	(P) TBD*	28	Acq/Rehab	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$ 682,555	PRLF	*USDA RD experiencing delays in processing
	3	Las Rosas II	Tularosa	2019	(P) TBD*	29	Acq/Rehab	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$ 925,710	PRLF	*USDA RD experiencing delays in processing
	4	Sacramento Apts	Cloudcroft	2019	(P) TBD*	20	Acq/Rehab	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$ 510,726	PRLF	*USDA RD experiencing delays in processing
	5	Hope Village	Albuquerque	2018	(A) 08/06/20	42	NC	(A) 08/03/20	(A) 3/15/2021	(P) 7/31/2021	(P) 10/1/2021	(P) 10/1/2021	N/A	N/A	\$4,250,000 \$630,000 \$1,300,000	NHTF HOME-CHDO NMHTF	PSH = Permanent Supportive Housing.



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Tab 8



MEMO

TO: MFA Board of Directors

FROM: Rebecca Velarde, Director of Policy and Planning
Sonja Unrau, Research and Development Manager

DATE: August 3, 2021

RE: Statewide Housing Strategy Consulting Service Award

For Informational Purposes Only

On May 17th MFA staff published a Request for Proposals (RFP) for Statewide Housing Strategy consulting services. Five firms submitted proposals: Root Policy Research, LeSar Development Consulting, Sites Southwest, ATRIA Planning, and SHS Consulting. After evaluating all proposals, the Internal Review Committee (IRC) (Rebecca Velarde, Kathryn Turner, Teri Baca and Sonja Unrau) interviewed three finalists: Root Policy Research, LeSar Development Consulting and ATRIA Planning to make a final award recommendation. Based on the scoring criteria included in the RFP, IRC found Root Policy Research to be the most competitive offeror.

The table below shows the scores the IRC gave each offeror:

Criteria	Maximum Points	Root Policy Research	LeSar Development Consulting	Sites Southwest	ATRIA Planning	SHS Consulting
Recent experience as consultant	19	18	19	12	17	10
Work plan and timeline	19	19	19	19	19	6
Primary personnel	19	19	19	12	12	6
Client references	19	19	19	19	19	10
*Cost	19	16	12	19	16	13
New Mexico Resident Business	5	-	-	5	-	-
Total Points	100	91	88	86	83	45
*Blended hourly rate		\$151	\$191	\$97	\$150	\$117

Tab 9

Portfolio Delinquency Update

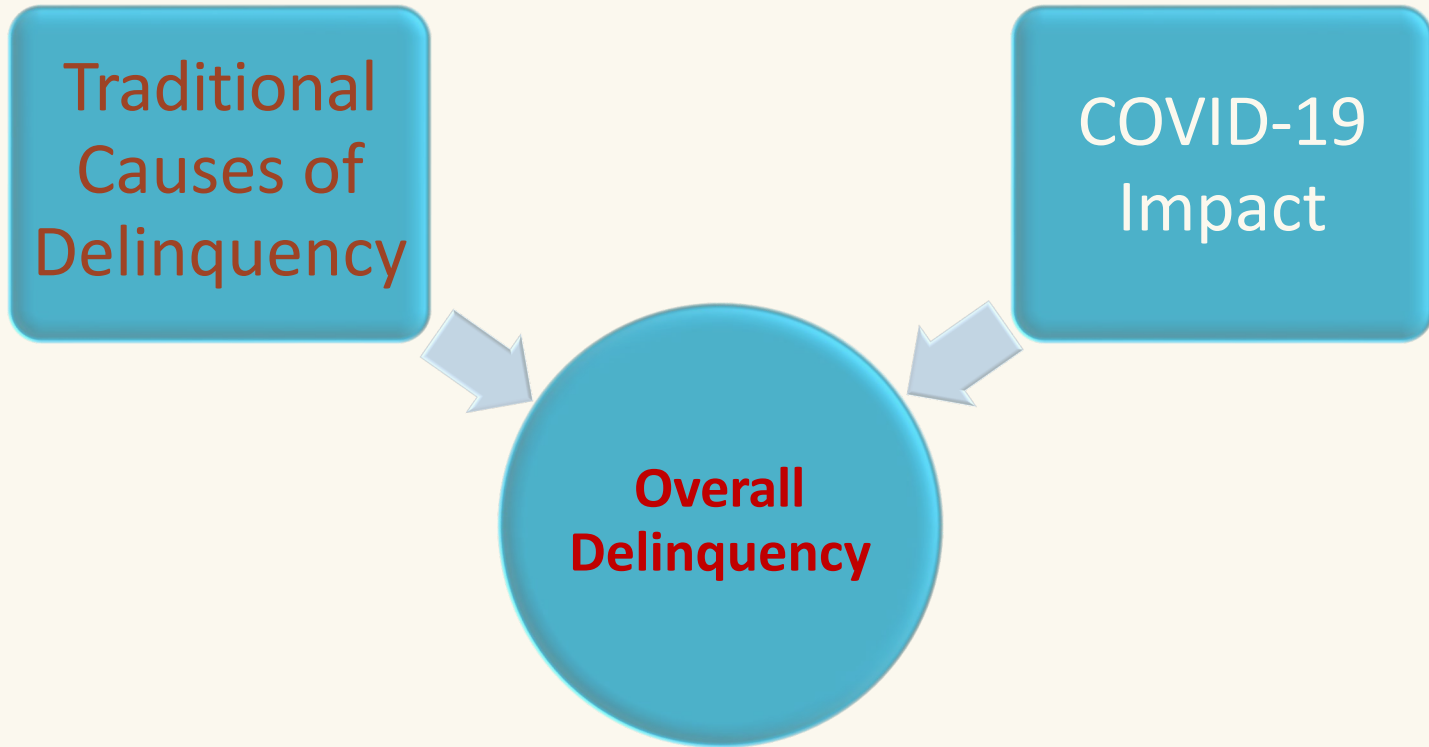


Teresa Lloyd – Director of Servicing

Stephanie Gonzales – Investor Accounting Analyst

August 18, 2021

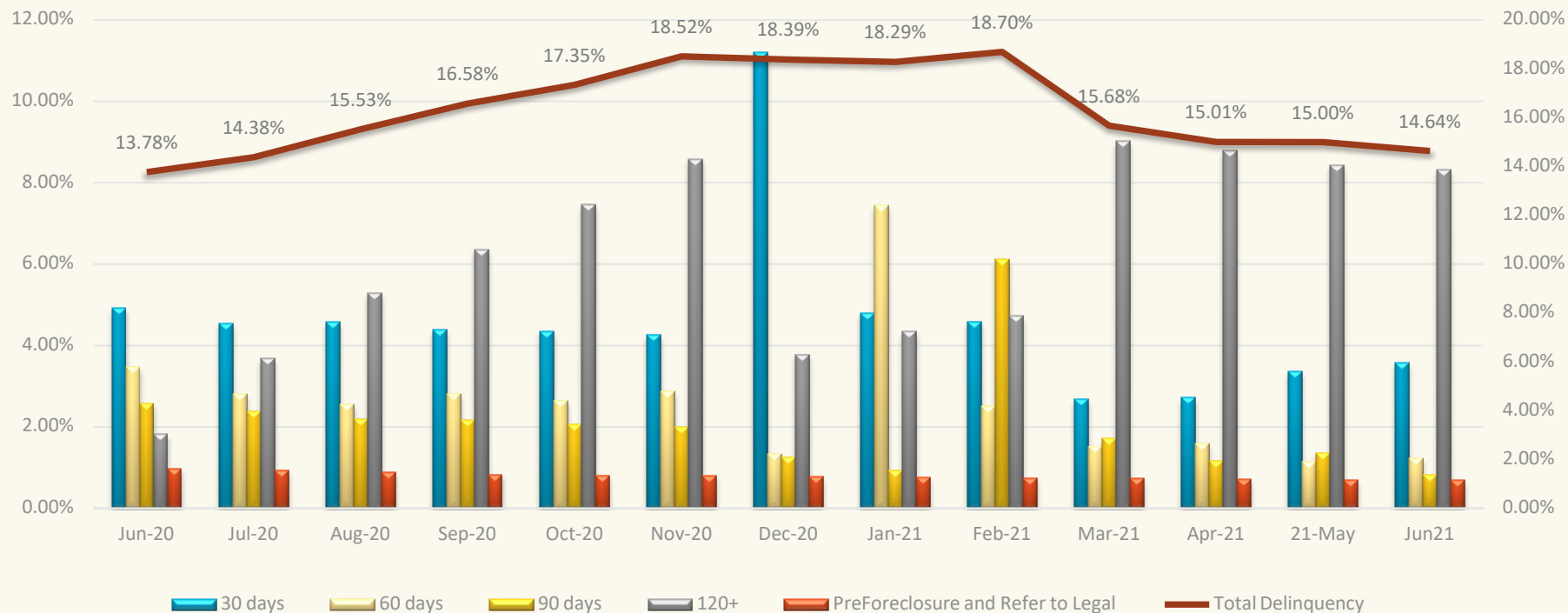
Today's Delinquency Factors



Housing Assistance Fund (HAF)

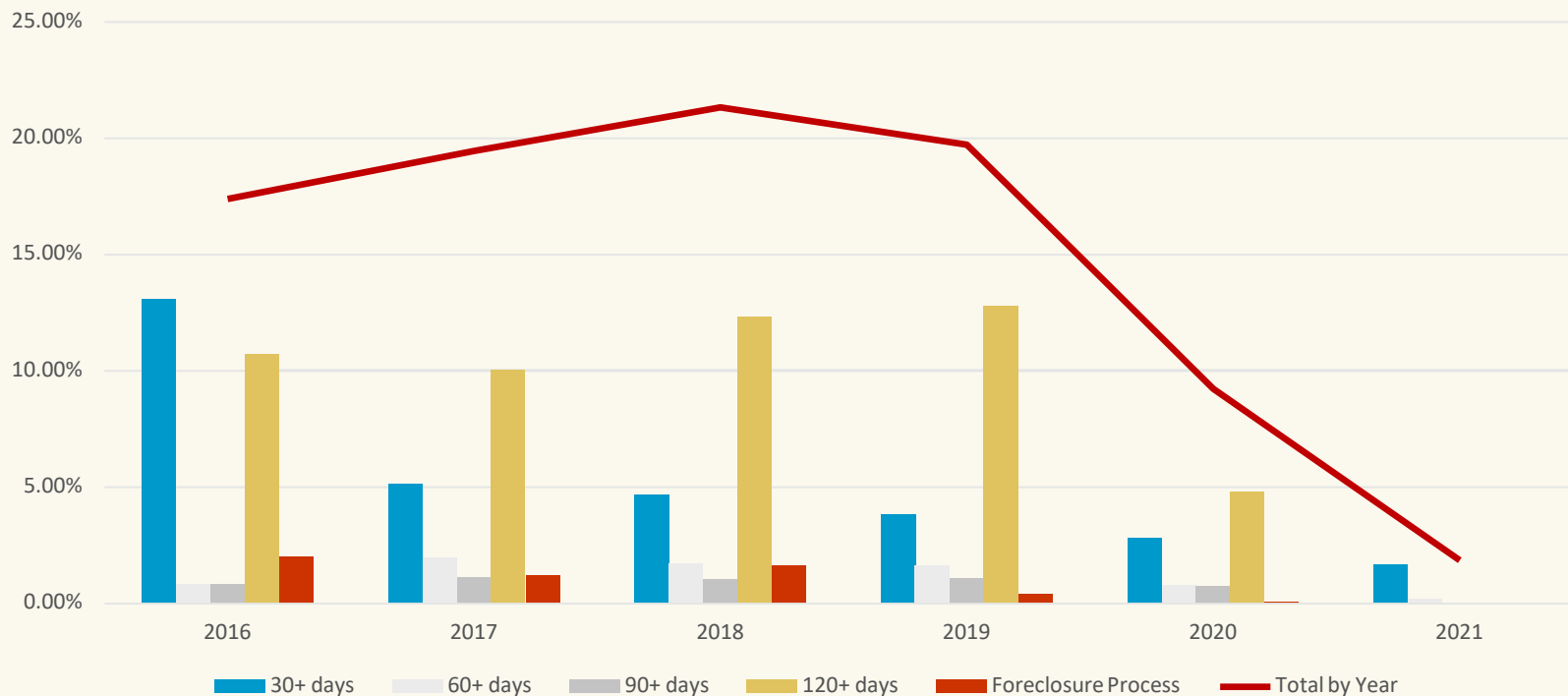
- The HAF program opened on May 18, 2021.
 - HAF grants are to fund mortgage payments on behalf of income-eligible applicants up to \$10,000 per household, to maintain housing and/or to reduce housing costs delinquency associated with COVID-19 health crisis. Some mobile/ manufactured home lot rental payments may also be covered.
 - To date 515 households have received assistance totaling \$2,435,354.
 - Of the 515 we have completed payments to HomeLoanServ (Idaho Housing Finance Association for 251 loans, about \$1.278M.
 - An additional 106 applicants are approved and pending receipt of funds in a combined amount of \$496,424.

2021 Subserviced Portfolio Delinquency Trends



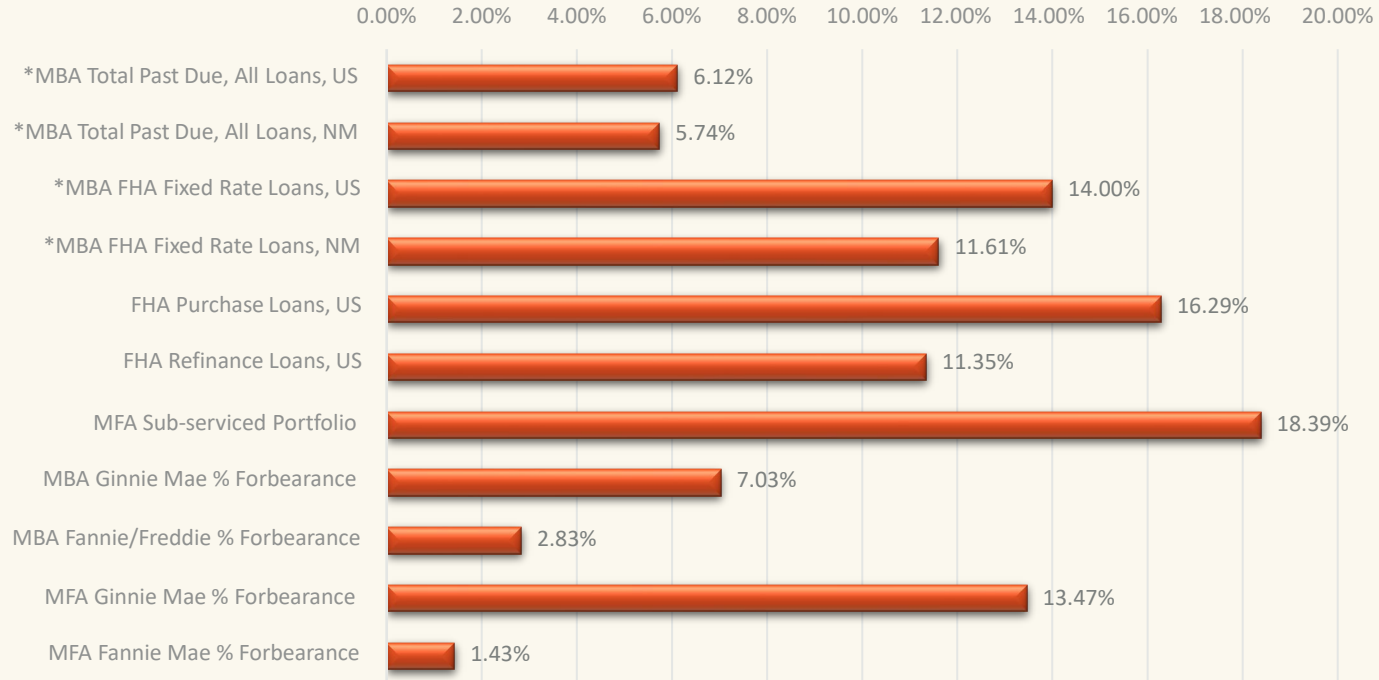
Subserviced Delinquency by Origination Year

Delinquency Percentage by Date of Loan Origination

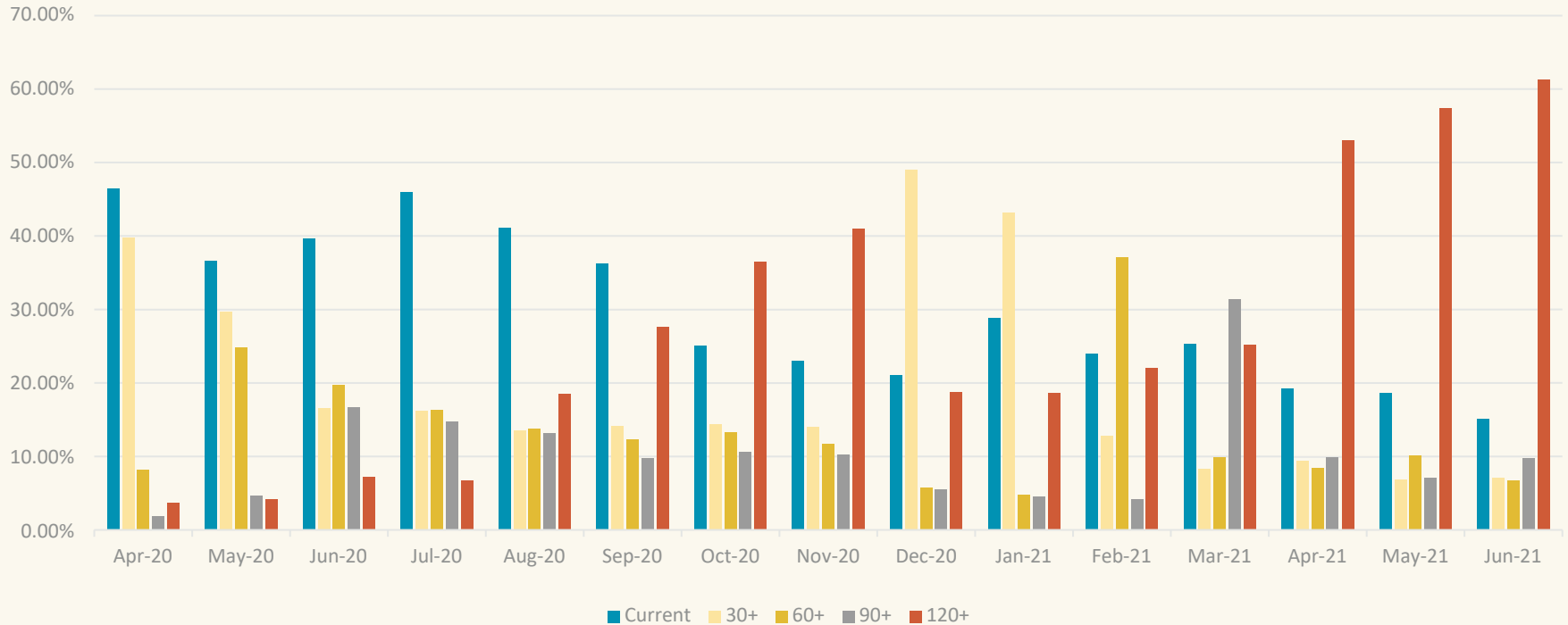


2021 Subserviced Portfolio Benchmarks

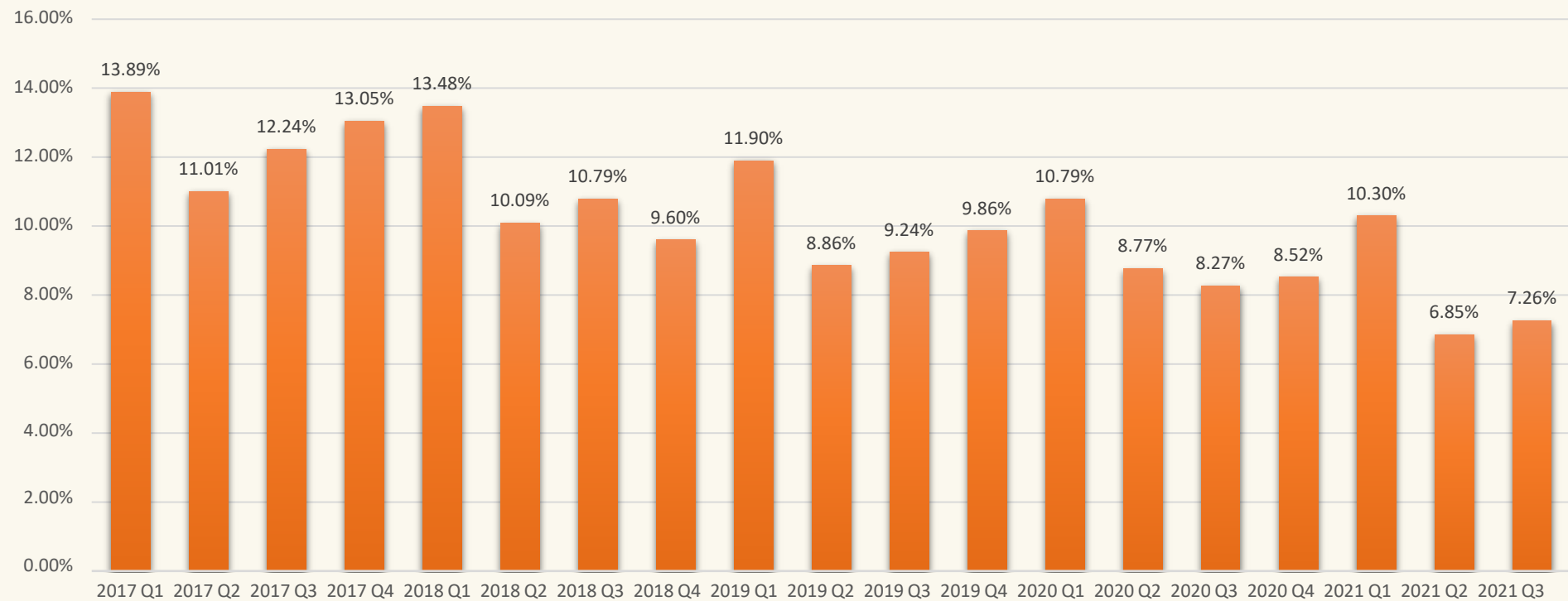
Delinquency Performance Comparison March 31, 2021



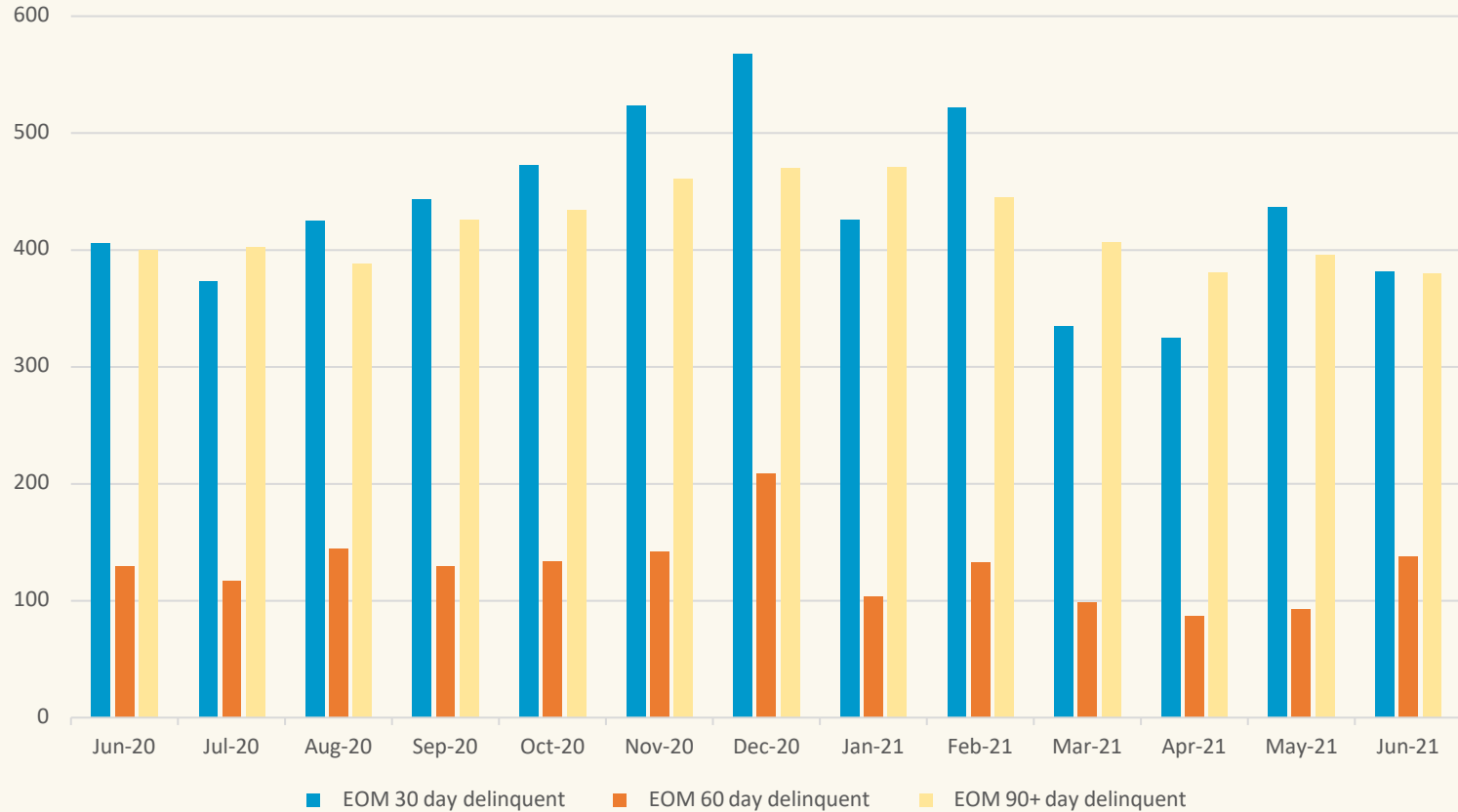
Subserviced COVID-19 Forbearance Delinquency Trends



MFA Serviced Portfolio Delinquency Trends



2021 MFA Serviced Delinquency Trends



Addressing Delinquency

- Identify borrowers who qualify for the streamlined COVID process and assist them as they return to employment
- New added options provided by the GSE's and HUD to make reinstatement options more streamlined
- Oversee Subservicer to assure frequent communication with borrowers
- Subservicer communicating MFA programs to New Mexico borrowers
- Staying up to date on program additions changes and industry timelines and providing that information to borrowers

New Mexico Mortgage Finance Authority

Comments/Questions



Tab 10

**Staff Actions Requiring Notice to Board
During the Period of July 2021**

Department and Program	Project	Action Taken	Comments / Date Approved
Housing Development/State Tax Credit Program	Crosstown Re-Entry House New Wind, Inc. dba Crosstown Ministries	Approval to allocate/award \$20,000 in state tax credits for a single-family home targeted to formerly incarcerated individuals and/or households with incomes at or below 60% AMI.	Approved by Jeff Payne on July 6, 2021

COVID-19
Staff Actions Requiring Notice to Board
During the Period of July 2021 - present

Department and Program	Project	Action Taken	Comments / Date Approved
Policy and Planning/Community Development	Homeowner Assistance Fund (HAF) Emergency Repair Program (ERP)	MFA staff obtained Policy Committee approval to utilize New Mexico Housing Trust Funds for the HAF ERP pilot instead of HAF funds due to new HAF guidance issued by the U.S. Treasury that would make the program difficult to implement. MFA staff are currently scheduling meetings with the New Mexico Housing Trust Fund Advisory Committee and the Delegates before taking any further action.	8/9/2021



MEMO

TO: Policy Committee
FROM: Kathryn Turner, Assistant Director for Housing Development
DATE: June 29, 2021
SUBJECT: Proposal of Debarment of Nick Tinnin (Tinnin Enterprises, LLC)

Recommendation:

Staff recommends debarment of Nick Tinnin and Tinnin Enterprises, LLC from any future MFA-managed funding due to non-compliance evidenced in the construction of South Shiprock Homes, a 2016 4% Low Income Housing Tax Credit (LIHTC) Project.

Background:

In 2014, Nick Tinnin (Tinnin Enterprises, LLC)ⁱ approached MFA looking for Tax Exempt Bond and 4% LIHTC financing. In 2016, a full application for South Shiprock Homes was accepted by MFA, and a 42m letter was issued on May 18, 2017 (Attachment A). A 42m letter is issued by the state's housing finance agency, in this case MFA, to serve as confirmation that the project meets the requirements for a LIHTC allocation under the state's QAP and is financially feasible, which is a requirement for issuance of tax exempt bonds. The project proposed to renovate 246 units and add nine units. It is unclear why but, construction began without the submission of full construction drawings for approval by MFA's contract architect, Dave Hickman, so no construction start approval was given by MFA. In staff's conversations with NDC, the project's limited partner equity investor, NDC stated that Mr. Tinnin told them that MFA approval had been given at the application stage, which, while true, it was not the same as a construction start approval, since at that phase MFA is only looking at preliminary design drawings, not construction drawings.

Once informed that construction had indeed started, MFA's contract architect visited the project on March 8, 2018, to review for compliance with MFA's Design Standards. At this point, there had been no review of construction documents and no review of a scope of work document by MFA or our contract architect. Upon visiting the project, the architect met with the contractor and asked about the scope of work document. MFA's contract architect was informed that Mr. Tinnin gave verbal instructions to the contractor as to what would be done but that there really was never a scope of work document produced. The contract architect was able to see that there was existing drywall in the rehabilitation units, and it did not appear that there was a plan to remove the drywall at any point (Attachments B and C).

As history on the subject of construction start approval, it became apparent that the language in the Qualified Allocation Plan (QAP) was somewhat ambiguous in regards to construction start approval for 4% LIHTC projects and it took a number of QAP revisions to institute policy in the QAP and Design Standards that clarified that 4% LIHTC projects are required to obtain MFA's formal construction start approval. The 2016 QAP was one of the early years of this clarity in communication, so a series of projects prior to that date failed to comply with this requirement. As a result of this lack of construction start approval, MFA was unaware of the final construction documentation and whether or not the MFA Design Standards were met, including the "Green Standards" requirement.

In the case of South Shiprock Homes, this "Green Standard" requirement is the crux of the issue surrounding debarment. For 4% LIHTC projects, MFA has taken a fairly generous approach to the compliance requirements for design. If a project submits an application in one year, but is not approved until the subsequent year, the project is offered the choice to utilize and adhere to either the application or the approval year's QAP and Design Standards. South Shiprock Homes agreed to utilize the 2016 Design Standards (Attachment D, page 7) and QAP for most everything, but at some point there was a negotiation or discussion with former MFA staff around the Green Standards required for the rehabilitation portion of the project. Attachment E shows the documentation of this discussion. In an email sent on April 20, 2017, as written by the Program Manager at the time, "an energy savings of 25% in existing units" was proposed as part of the 2017 Design Standards (Attachment F, page 7). However, this language is not part of the 2017 Design Standards, nor does it appear in any of the Design Standards reviewed.

Additionally, a document from GoGreen New Mexico was provided, dated July 7, 2017, which projected the energy savings of 25% for the rehabilitated units (Attachment G), which seemed to support an agreement to accept that measure in place of the requirement contained in the Design Standards. The projection is based on an understanding of the scope of work as including addition of insulation to the rehabilitation units, with the expectation that there was no existing insulation.

Upon 8609 application, MFA asked for documentation of meeting the Green Standards as required from all projects at the time. Eventually staff asked that they meet one of many options, as shown in Attachment H, including the option of proof that they met the 25% energy savings as proposed and projected. Subsequent emails from the Project Architect, James Miller, shared his explanation and documentation on many of the items listed as areas where the 25% would be obtained (windows, fixtures, etc.) However, there was little documentation of the insulation installation (see Attachment I), but rather statements implying that the insulation was added as part of the rehabilitation.

MFA then requested a definitive answer to the insulation question (Attachment J) and received a phone call from Tom Andrews, a representative of the project, that the insulation was existing from the initial build 30 years prior and had not been installed as

a part of the rehabilitation. This resulted in the request for a new projection of energy savings by GoGreen New Mexico, which showed that with the existing insulation, the project would only be able to meet a 13.25% reduction in energy costs (Attachment K).

This is a clear violation of the requirements of the QAP and any of the Design Standards or offered methods of compliance with the Green Standards. It also confirms that there never was an intention to meet that, or any of our requirements in this area.

Discussion:

Under the section “Basis for Debarment” in the MFA Policies and Procedures Manual, Section 1.3 M.1.b states:

The individual or entity willfully or materially failed to perform in accordance with the terms of one or more contracts entered into with or funded by MFA; or was a partner or associate of, or served as counsel to, an individual or entity that willfully or materially breached a contract with or funded by MFA or any other governmental or quasi-governmental entity, and was directly involved in the actions or omissions leading to the breach of contract;

It is under this basis that MFA staff is recommending permanent debarment of Nick Tinnin (Tinnin Enterprises, LLC).

The MFA Policies and Procedures Manual also requires a “determination by MFA’s Compliance Officer that the conduct upon which the proposed debarment is based falls within the scope of MFA’s Suspension and Debarment Policies.” On June 23, 2021, Kathryn Turner spoke with Robyn Powell, MFA’s Compliance Officer, and she agreed with the assessment that the basis for debarment had been met.

MFA’s Design Standards are in place to ensure quality affordable housing will be developed using our scarce resources. The lack of respect for the requirements set forth by MFA that Mr. Tinnin has shown in this project is inexcusable. Not only would a debarment protect future MFA sources from being used in such a way, but it would send a message to our other development partners that MFA takes their Design Standards seriously and uses those Standards as the method of ensuring quality affordable housing for New Mexicans.

Summary:

Staff recommends debarment of Nick Tinnin and Tinnin Enterprises, LLC from any future MFA-managed funding due to non-compliance evidenced in the construction of South Shiprock Homes, a 2016 4% LIHTC Project to ensure that the MFA Design Standards ensure quality affordable housing development for New Mexicans.

ⁱ Nick Tinnin
Tinnin Enterprises, LLC
205 East, 200 North
Kaysville, Utah 84073

(505) 860-8841

Federal Tax I.D. Number - 85-0294503

General Partner:
Molly Begay
Nonprofit Housing Corp.
205 East, 200 North
Kaysville, Utah 84073

(505) 368-4426

Federal Tax I.D. Number – 46-1414708



MFA Strategic Plan Benchmarks

FY 2021

Goal 1 - Create affordable housing opportunities that support and strengthen New Mexico's communities



Benchmark: 1

Provide mortgage financing for 2,129 homebuyers

Q1

On Target

MFA financed 766 homebuyers in Q1 of FY 2021 and 766 homebuyers YTD

Q2

On Target

MFA financed 745 homebuyers in Q2 of FY 2021 and 1,511 homebuyers YTD

Q3

Met

MFA financed 673 homebuyers in Q3 of FY 2021 and 2184 homebuyers YTD



Benchmark: 2

Maintain average mortgage product utilization of 25% of all FHA loans recorded in New Mexico

Q1

On Target

The MFA quarterly product utilization reported for Q1 is 32.84% for a YTD average of 32.84%

Q2

On Target

The MFA quarterly product utilization reported for Q2 is 31.10% for a YTD average of 31.97%

Q3

On Target

The MFA quarterly product utilization reported for Q3 is 25.48% for a YTD average of 30.09%



Benchmark: 3

Finance the development and/or preservation of 900 rental and homeownership units

Q1

On Target

Financed development of 623 units in Q1.

Q2

Met

Financed development of 428 units and preserved 333 units in Q2, for a YTD total of 1,384 developed and preserved.

Q3

Met

Financed development of 9 single family units and preserved 193 multifamily units in Q3, for a quarter total of 202. Preserved units in Q2 corrected to 330, for a YTD total of 1,583 developed and preserved.



Benchmark: 4

Maintain a 35% exit rate of individuals experiencing homelessness served to permanent housing through EHAP

Q1

On Target

Q1 (Oct-Dec 2020)
Unduplicated Clients = 613
Exits to PH = 312 =
50.89%

Q2

On Target

Q2 (Jan-Mar 2021)
Unduplicated Clients = 613
Exits to PH = 276 = 45% for a FYTD average of 48%

Q3

On Target

Q3 (Apr-Jun 2021)
Unduplicated Clients = 708
Exits to PH = 245 = 34.60%, FYTD Average 43%





MFA Strategic Plan Benchmarks

FY 2021

Benchmark: 5

Achieve annual combined average loan delinquencies of MFA serviced portfolio below 10.0%

Q1	On Target	The Q1 combined average delinquency rate was 9.51%. Combined average delinquency rate YTD is 9.51%.
Q2	On Target	The Q2 combined average delinquency rate was 8.03%. Combined average delinquency rate YTD is 8.77%.
Q3	On Target	The Q3 combined average delinquency rate was 7.26%. Combined average delinquency rate YTD is 8.20%.



Benchmark: 6

Maintain subserviced portfolio delinquency percentage below the Federal Housing Administration Loan Performance Trend delinquency rate (purchase loans only)

Q1	On Target	Subserviced portfolio delinquency is 18.39% Compared to the most recent FHA purchase delinquency rate of 19.10%
Q2	On Target	Subserviced portfolio delinquency is 15.68% Compared to the most recent FHA purchase delinquency rate of 18.12%
Q3	On Target	Subserviced portfolio delinquency is 14.87%. Compared to the June 2021 FHA purchase delinquency rate of 15.86%



Benchmark: 7

Evaluate at least three new specialty products or significant program or product improvements

Q2	Met	In Q1 and Q2, evaluated the efficacy of a housing assistance program and implemented the COVID-19 Housing Cost Assistance Program and evaluated program improvements to NMHTF, New Mexico Affordable Housing Tax Credit and New Mexico Charitable Trust.
Q3	Met	In Q3, MFA evaluated and implemented a landlord mitigation program. MFA has partnered with the New Mexico Children Youth and Families Department (CYFD) to create a program that addresses the barriers that prevent landlords from renting to youth who do not have a credit history, rental history and in some cases a criminal history. The purpose is to increase access to safe, permanent, and supportive housing opportunities for youth (ages 25 and under) who otherwise would be homeless. MFA's primary role is to process claims submitted by landlords to cover costs such as excessive damage to rental units, lost rent, or legal fees beyond the security deposit. Year to date, five programs/products have been evaluated, and two have been implemented.

Goal 2 - Build a network of advocates and partners that work to create and promote affordable housing in the state



Benchmark: 8

Achieve an average of 1750 social media engagements each quarter across all platforms

Q1	New	MFA had 5,621 total social media engagements in quarter one on Facebook, Instagram, Twitter and LinkedIn.
Q2	On Target	MFA had 1,884 total social media engagements in quarter two on Facebook, Instagram, Twitter and LinkedIn.
Q3	On Target	MFA had 2,381 total social media engagements in quarter three on Facebook, Instagram, Twitter and LinkedIn.



Benchmark: 9

Expand services of at least one program to an underserved area of the state



MFA Strategic Plan Benchmarks

FY 2021

Q2	Met	In Q1 and Q2, MFA implemented the COVID-19 Housing Cost Assistance Program to provide housing assistance to households across New Mexico and expanded the Emergency Solution Grant (ESG) Rental Assistance Program (RAP) (Alianza took on Chavez, Eddy and Lea Counties; DreamTree took on Colfax, Harding, Mora, San Miguel, Taos and Union Counties; Heading Home took on Cibola, McKinley and Socorro Counties; Help NM took on Curry, DeBaca, Grant, Guadalupe, Hidalgo, Lincoln, Luna, Quay, Roosevelt and Torrance Counties).
Q3	Met	In Q3, MFA implemented the New Mexico Homeowner Assistance Fund (HAF) program to provide homeownership assistance to households across New Mexico and implemented the HAF roofing program to provide emergency roofing services in the southwest portion of the state. YTD total is four.



Benchmark: 10

Conduct outreach to and/or assist at least 25 local governments, tribal governments, potential new program partners and/or elected officials

Q2	Met	In Q1 and Q2, MFA staff provided assistance to four local governments (Grant County, Colfax County, Dona Ana County and City of Las Cruces), conducted outreach to 10 elected officials (State Rep. Andrea Romero, State Rep. Angelica Rubio, State Senator Gerald Ortiz y Pino, State Senator Nancy Rodriguez, State Rep. Candy Ezzell, Congresswoman Leger Fernandez, Congresswoman Torres Small, Congresswoman Haaland, Congresswoman Herrell and Senator Heinrich) and conducted outreach to twelve tribal governments (Mescalero Apache, Isleta, Santa Ana, Taos, Acoma, Laguna, Santo Domingo, Jemez, Santa Clara, San Felipe, Zuni and Jicarilla Apache).
Q3	Met	In Q3, MFA conducted outreach to two potential partners (United South Broadway and Pattern Holdings), one elected official (Senator Lujan), and two tribal governments (Northern Pueblos Housing Authority and Mescalero Apache Housing Authority). Total unduplicated YTD outreach is 30 entities.



Benchmark: 11

Provide at least 34 formal group training opportunities for property owners, developers, service providers and/or lenders

Q2	On Target	In Q1 and Q2, MFA provided 28 trainings, including an owner/agent training overview of the COVID-19 Housing Cost assistance program, three trainings for HOPWA service providers (10/7, 11/23 and 1/13), a seven-week RAP training series by CSH, the annual QAP training and 23 lender trainings.
Q3	Met	In Q3, MFA provided 14 lender trainings as follows: April 1 – Guild, April 1 - Caliber Home Loans, April 8 – Manufactured Housing Loan Training with Jessica - Wright of Fannie Mae,- April 15 – Mann Mortgage, April 20 – Wallick & Volk, April 22- Primary Residential Mortgage, April 29 - Keller Williams Realty Riverside, May 5 - PrimeLending Mortgage, May 24- Simple Real Estate, May 27 – New American Funding, June 3- ROC Realty, June 7 – Manufactured Home Title Deactivation Training w/ Scott Flores, June 9 – AmCap and June 16- Wallick & Volk. Additionally, Community Development held the following trainings in Q3: 1) HOPWA training on April 1st. 2) Neighborly training for HAF pilot program for Southwest Regional in May 2021. 3) Vet Rehab PEER Exchange training on June 8th. 4) HUD/VHRMP Quarterly Grantee Meeting with Tierra del Sol on June 24th. Community Development also held eight weatherization trainings during Q3, and Policy and Planning held a Section 3 training with developers and contractors in June 2021. YTD total is 55.

Goal 3 - Maintain judicious financial stewardship and principled, efficient business practices





MFA Strategic Plan Benchmarks

FY 2021

Benchmark: 12

Obtain unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits

Q1	On Target	FY2020 Audit was submitted and approved by the State Auditor's Office.
Q2	Met	FY2020 Audit was approved by the Board 1/20/21 with no material weaknesses.



Benchmark: 13

Maintain or improve credit rating

Q1	On Target	No ratings activity during the quarter. MFA maintains a Aa3 Stable rating on its issuer credit rating.
Q2	On Target	Moody's confirmed the AAA rating on the MFA 2005 Single Family Bond Indenture. MFA maintains a Aa3 Stable rating on its issuer credit rating.
Q3	Met	Moody's reaffirmed MFA's Aaa/stable rating on its single family indenture in April 2021.



Benchmark: 14

Achieve operating performance and profitability equal to net revenues over total revenues of at least 10.7%, based on five-year average

Q1	On Target	Operating performance and profitability was 9.7% as of 12/31/20.
Q2	On Target	Operating performance and profitability was 13.7% as of 3/31/21.
Q3	On Target	Operating performance and profitability was 12.5% as of 6/30/21.



Benchmark: 15

Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 28.6%, based on five-year average

Q1	On Target	Balance sheet strength as of 12/31/20 was 28.3%.
Q2	On Target	Balance sheet strength as of 3/31/21 is 29.3%.
Q3	On Target	Balance sheet strength as of 6/30/21 is 29.0%.



Benchmark: 16

Realize administrative fee of at least 18 basis points on all bond issues

Q1	On Target	MFA closed 2020 Series B single family bond issue in Q1 and achieved the 18 basis points target for bond administration fees.
Q2	On Target	There were no single family bonds issued in Q2.
Q3	On Target	MFA closed 2021A single family bond issue in Q3 and achieved the 18 basis points target for bond administration fees.





MFA Strategic Plan Benchmarks

FY 2021

Benchmark: 17

Realize profitability of 1.75% on TBA executions

Q1	On Target	Realized profitability of 2.02% in Q1.
Q2	On Target	Realized profitability of 2.33% in Q2.
Q3	On Target	Realized profitability of 2.15% in Q3.



Benchmark: 18

Maintain servicing fee yield at an average of 0.40% of the purchased servicing portfolio.

Q1	On Target	Servicing fee yield as of 12/31/20 was .45%.
Q2	On Target	Servicing fee yield as of 3/31/21 is .40%.
Q3	On Target	Servicing fee yield as of 6/30/21 is 0.41%.



Benchmark: 19

Earn 100% base fees for PBCA contract

Q1	On Target	All PBCA tasks were completed this quarter as required by the contract and 100% of the base fees were earned. HUD has modified MORS and now allows remote desk reviews; however, we do not have to enter units but still have to inspect common areas, the site and buildings. CA's can choose to perform or postpone if state has travel restrictions or strict COVID requirements.
Q2	On Target	All PBCA tasks were completed this quarter as required by the contract and 100% of the base fees were earned. MORS have been scheduled but due to strict travel and COVID restrictions none have been performed this quarter.
Q3	On Target	All PBCA tasks were completed this quarter as required by the contract and 100% of the base fees were earned. Staff have started to schedule and perform MORS this quarter.



Benchmark: 20

Yield a collection rate of 95% or greater for compliance monitoring fees

Q1	On Target	Invoices for compliance fees were processed and sent out to owner/agents this quarter.
Q2	Caution	As of 3/31/2021 95% of the compliance fees have been collected.
Q3	Met	As of 6/30/2021 99.99% of the compliance fees have been collected.



Benchmark: 21

Meet commitment and expenditure requirement of 95% of recurring grant funding

Q1	On Target	Commitment and expenditure rate at 12/31/20 was 100%.
Q2	Caution	Commitment and expenditure rate at 3/31/21 was 95%.
Q3	Caution	Commitment and expenditure rate at 6/30/21 was 94%.



MFA Strategic Plan Benchmarks

FY 2021



Benchmark: 22

Provide at least \$8,200,000 in resources for affordable housing through expenditure of New Mexico Housing Trust Funds, contributions through the state affordable tax credit program, and allocations of 4% LIHTCs

Q1	On Target	Total of resources provided in Q1 is \$1,999,016.
Q2	On Target	Total of resources provided in Q2 is \$5,227,503 for a YTD total of \$7,226,519.
Q3	On Target	Total of resources provided in Q3 is \$236,250 for a YTD total of \$7,462,769.



Benchmark: 23

Evaluate at least one new business model or financial tool

Q1	Met	In Q1, MFA evaluated the Interest Only Strip Execution for the Single Family Mortgage Program. Its benefits include extremely low borrowing costs, an annuitized income stream, ease of execution, no volume cap required to execute and greatly reduced costs of issuance. While there are also some limitations (market to market valuation adjustments, no optional call and the volatility of future economic return), several Housing Finance Agencies across the country have implemented this funding tool. Staff recommended holding moving to implementation to see how the market for this type of execution unfolds and to allow Secondary to get their pooling/securitization functions in place.
Q2	Met	In Q2, MFA's Servicing Department reviewed and evaluated three IVR systems to help borrowers self-help and reduce the need for direct contact via phones with the servicing staff.
Q3	Met	In Q3, MFA evaluated the Social Bond designation and decided to pursue it later if market conditions cause a reduction or change in bond investors.



Benchmark: 24

Increase funding by at least one new source

Q1	On Target	
Q2	Met	During Q1 and Q2, MFA has been awarded four new funding sources, including a \$2.5 million Capital Magnet Fund award to support MFA down payment assistance, a \$12.3 million CDBG-CV award to support housing assistance, a \$15 million dollar Coronavirus Relief Fund (CRF) award to support housing and homelessness assistance and a ~\$3.6 million Section 811 award.
Q3	Met	During Q3, MFA has been awarded one additional funding source - a contract totaling ~\$2.5 million to lead the Homeowner Assistance Fund (HAF) planning process and implement pilot projects. Total new sources are now at five.

Goal 4 - Provide robust technology solutions



Benchmark: 26

Maintain a RS3 score greater than or equal to 725, averaged over four quarters

Q1	On Target	MFA's internal and external penetration testing was completed on 10/1/2020. MFA received a RiskSense Security Score
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MFA Strategic Plan Benchmarks FY 2021

(RS3) of 815 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).

Q2	On Target	MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 822. The rating range is from 300 (high risk) to 850 (low risk). MFA's Security Awareness Program continues to provide security awareness training on a quarterly basis and monthly phishing testing, with all employees completing 100% of their training in Q2. Average for first two quarters is 818.
Q3	On Target	MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 822. The rating range is from 300 (high risk) to 850 (low risk). MFA's Security Awareness Program continues to provide security awareness training on a quarterly basis and monthly phishing testing, with all employees completing 100% of their training in Q3. Average for first three quarters is 820.

Goal 3 - Maintain judicious financial stewardship and principled, efficient business practices



Benchmark: 25

Improve at least three MFA processes or resources

Q2	Met	In Q1 and Q2, MFA staff updated 16 processes or resources: 1) Servicing created a fillable ACH request form for borrowers that they can submit online; 2) Servicing worked with IT to create a payoff report and unapplied balance report; 3) Servicing improved the process of preparing and reconciling the MBFRF report; 4) Servicing reformatted the payoff cover letter to save time from manual letter folding and stuffing; 5) Accounting implemented the check register payment information upload into Neighborly; 6) Housing Development (HD) finalized a record retention policy; 7) HD revised its deposit fee and payment desktop procedures to incorporate recommended process improvements and cross-checks from an internal audit; 8) HD revised its universal closing index checklist to incorporate recommended improvements and cross-checks from an internal audit; 9) HD created a draft loan folder desktop procedure manual for loan development managers to provide consistency and improvements in electronic file storage; 10) HD redrafted its underwriting guidelines to improve the applicant experience with "one-stop shopping"; 11) HD created and implemented an inter-departmental CHDO operating grant processing procedure to improve the inter-departmental process; 12) HD created and implemented LURA loan modification desktop procedures; and 13) HD created templates for its rental award summary to provide efficiencies and improve the approval process for loans; 14) HD created and implemented a quarterly board report for reporting on project progress to better inform the board; 15) HD created and implemented a quarterly Funds Available Report to better inform PC; and 16) the Community Development Department (CDD) reached a strategic goal by improving our agency monitoring process. CDD developed a procedure to accommodate remote review of documents and organize them in an electronic filing system. Program managers can share documents for agencies they have in common, which also reduces the number of times an agency is required to provide the same information. Our old monitoring process required program managers to review documents at the agency's office making it impossible to QC those documents. The improved process requires agencies to scan and upload to a secure MFA server all documents required for the monitoring. This makes it easy to QC and specific monitoring documents can be searched within minutes. Also, end of year scanning can be eliminated because the documents would have been already scanned by the agency..
Q3	Met	In Q3, Servicing implemented the following process improvements: 1) Streamlined the payoff document process from five to three steps, eliminating multiple scanning and review steps. All documents and releases are now being scanned directly without printing, which saves paper and staff time. 2) Corrected spacing on payoff release letter and now can use stuffing machine, which saves staff time and costs from labels. 3) Created quick form print from MITAS, which applies



MFA Strategic Plan Benchmarks

FY 2021

to >20 forms. It allows for quick access to forms and the ability to print one form per loan. The process saves time when running and merging information to generate a letter. 4) Improved process for re-pooling loans after modification and repurchase out of the GNMA pool. Implemented communication and review process to determine that the loan modification documents are recorded and the payments are current before hedging. This reduces delays in the repooling process and eliminates or reduces extension fees. 5) Improved process for loan modification repurchase. In order to improve portfolio reconciliation between IHFA and MFA systems, improved loan identification by updating allocations in MITAS to properly identify the loan as an MFA whole loan until its re-pooled. 6) Created a Virpack process to eliminate manual approvals and printing documentation for wire transfer requests. YTD total is 22.

Goal 4 - Provide robust technology solutions



Benchmark: 27

Achieve a Recovery Point Objective (RPO) for infrastructure servers at or below ten minutes and a Recovery Time Objective (RTO) at or below six hours

Q1	On Target	The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just over one hour, which is below the goal of six.
Q2	On Target	The current RPO for all critical infrastructure equipment continues to meet the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just under one hour, which continues to be below the goal of six.
Q3	On Target	The current RPO for all critical infrastructure equipment continues to meet the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just under one hour, which continues to be below the goal of six.



Benchmark: 28

Implement new software solutions

Q1	On Target	Completed the implementation of the Duplication of Benefits program along with integrations with Accounting processes. VirPack workflows added and modified for Homeownership and Accounting. Document Request and Chain of Custody for documents created for requesting of all payoff/foreclosures/legal requests. Created automated process for IT weekly, monthly, and annually checklists, this also created online submittal of new employee checklist.
Q2	On Target	Phish alert function and training provided to all employees. PolicyPak implemented to set default browser and push out global policy. Cisco Smartnet Collector implemented to help manage IT service contracts. HOPWA program is being tested in online Invoicing. New Servicing reports creating within our Mitas Reports, also completed the NCSHA report for Accounting (this provided a huge efficiency for accounting, the report took 2-3 people a week or 80 hours, now it takes 2 hours and is completed automatically).
Q3	On Target	HOPWA programing was completed for the online Invoicing, will be released to production in Q4. Single Family quarterly disclosure reporting for NCSHA, new payoff and unapplied loan balance report created for servicing.

Goal 5 - Foster a dynamic work environment



Benchmark: 29



MFA Strategic Plan Benchmarks

FY 2021

Achieve employee engagement survey participation of 90% and score of 82%

Q2	On Target	Survey will open in May with results distributed in July 2021
Q3	On Target	91% participation achieved. Score will not be released until August 19, 2021



Benchmark: 30

Complete compensation survey

Q2	On Target	This is a mini survey which will commence at onset of Q4
Q3	On Target	Mini Compensation Survey underway. Estimated completion mid-September

Tab 11



**NORTHERN REGIONAL HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS**

RESOLUTION NO. 2021-121

RESOLUTION APPROVING FYE 6/30/2020 AUDIT

WHEREAS, The United States Department of Housing and Urban Development and the State of New Mexico requires an Financial Audit of the PHA's Programs, and;

WHEREAS, The Northern Regional Housing Authority Board of Commissioners much approve the fiscal year end financial audit, and;

WHEREAS, With this resolution the Northern Regional Board of Commissioners approve the FYE 6/30/2020 Audit, and;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Northern Regional Housing Authority, to hereby approve the "6/30/2020 Financial Audit" by this Resolution.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF JULY, 2021.


Chairman

ATTEST:


Secretary



**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF COMMISSIONERS OF THE NORTHERN REGIONAL
HOUSING AUTHORITY
HELD: May 21, 2021
11:00 AM**

The Regular Meeting of the Board of Commissioners of the Northern Regional Housing Authority was held on May 21, 2021 via telephone and Zoom due to the COVID-19 stay at home order.

The Meeting was called to order at 11:00am by Chairwoman Rayetta Trujillo.

Members Present were:

Treasurer	Nichole R. Sandoval-Belt
Vice-Chairman	Steven Brugger
Secretary	Donna Vigil
Chairwoman	Rayetta Trujillo
Executive Director	Terry Baca

Absent members were:

Commissioner	Rev. Garland Moore
Commissioner	Lauren Reichelt
Commissioner	Jolene Slowen

Also present in the meeting were:

Deputy Director – Natasha Martinez
Las Vegas Site Manager – Barbara Padilla
Raton Site Manager/Taos Site Manager – Coleen Sanchez-Garcia
HUD Division Director – Julian Barela
HUD Portfolio Management Specialist - Adrian Lopez
Mary Ann Chavez, El Camino Real

The Agenda for today's meeting was given to the Board for review and approval. Treasurer Sandoval-Belt made a motion to approve the Agenda as presented. Secretary Vigil seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Vice-Chairman Brugger	Yes
Secretary Vigil	Yes
Chairwoman Trujillo	Yes
Commissioner Moore	Absent

Commissioner Reichelt	Absent
Commissioner Slowen	Absent

Chairwoman Trujillo advised motion carried.

The Minutes of the Regular Board Meeting held April 30, 2021, were given to the Board for review and approval. Secretary Vigil made a motion to approve the minutes of the Regular Board Meeting held April 30, 2021. Treasure Sandoval-Belt seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Vice-Chairman Brugger	Yes
Secretary Vigil	Yes
Chairwoman Trujillo	Yes
Commissioner Moore	Absent
Commissioner Reichelt	Absent
Commissioner Slowen	Absent

Chairwoman Trujillo advised motion carried.

Report of Executive Director, Terry Baca

- ED Baca reported they did the exit conference on May 11th. He stated they had 3 findings, which were for an issue with milage, a late audit, which they expected, and the third was for some bills that were paid late.
- ED Baca stated the accounts payable system they have now will ensure this doesn't happen any longer.
- They have started advertising for a new auditor. ED Baca sent the information to about 15 auditors in the state who have done Housing Audits before.
- ED Baca stated they are working on the annual and 5-year plan. Deputy Director Natasha Martinez has had the resident advisory meetings and they have a public hearing scheduled for June 4, 2021.
- They got the contract signed with the architect. ED Baca stated they had an issue with MFA because they did them as a percent and any contract over \$100,000 must be approved by MFA. He stated at this time, they do not know what the amounts will be because they are based on 10% of the lowest qualified bidder.
- ED Baca reported they finished up a project in Maxwell of 22 units for cabinet replacement which was a \$200,000 project done by a contractor out of Cimarron.
- ED Baca stated they have been sending staff from Raton and Las Vegas to Taos to try to help alleviate some of the short staffing issues they are having there. They are utilizing them in Taos, Penasco and Questa. Coleen was able to hire an employee in Taos.
- ED Baca stated they hired a person in Raton who he will be sending to Taos to do landscaping.
- On May 19th, ED Baca had a meeting with MFA to give his monthly report. He let them know he was dissatisfied with the fact that House Bill did not pass. He is hoping to get support on this.
- ED Baca stated in today's meeting they will be presenting some updated policies and procedures they need.

- ED Baca said they have a couple of guests on this meeting regarding Gusdorf park that will be speaking.
- ED Baca stated all the offices are open for regular business. They are still requiring masks be worn.

Chairwoman Trujillo wanted to thank Terry and the staff for all they work they have done. They have come so far.

Chairwoman Trujillo asked the Commission if there was any objection to having Mary Ann Chavez' report moved up on the agenda. There were no objections.

Report Section 8 Contractor: Mary Ann Chavez, El Camino Real Housing Authority

- Mary Ann Chavez reported in April they had 3 people porting out and 3 people moving in. In Cibola they had two move-ins.
- 40 vouchers were issued in April. There are 15 to 20 people on the wait list.
- They will be opening the waiting list in Taos beginning June 14th. Applicants can go to the Taos office to pick up and drop off applications, they can also email or fax applications.
- Their delinquency report is at 103 which is wonderful. There were 7 late re-exams in PIC. They are not late in their system, and they are in the process of fixing those.
- On June 3rd the NRHA staff will be giving packets to the landlords to make their inspections easier and have them better prepared for the inspections as well.
- They are having a hard time with families finding rentals. This is true for a lot of the counties.
- Mary Ann Chavez stated she is willing to apply for the Family Self-Sufficiency Grant. This a 5-year contract with families who set long time and short time goals. They set aside money into a separate account for residents, who can move into a homeownership program. She stated it worked well for Socorro and she hopes to do it for NRHA as well.

Report of the Deputy Director, Natasha Martinez

a. NRHA Finance Report

DD Martinez went over the financials for all sites with the Board.

b. NRHA Occupancy Report

- DD Martinez stated she has some amazing Site Managers that are keeping them abreast of everything happening at their sites.
- She shared her screen with the commission so they can see the list of vacant units as well as the dates they will be ready for occupancy after the unit turnaround. The Site Managers and Maintenance Staff work together in planning for future move-ins and move-outs.
- DD Martinez showed the commission all the units they have on Modernization. These are the units that include the 15-unit and the 10-unit rehab projects.
- For the units in Grants listed on the remod report, they plan to have contractors work on the floors, and Maintenance from Las Vegas work on the rest of the units to turn them around.
- DD Martinez stated she and Barbara Padilla went to Grants, and they are working with Paul Davis to have a unit cleaned and decontaminated. They also inspected 4 bathrooms with ventilation issued that contributed to possible mold growth.

- DD Martinez thanked Coleen and Barbara saying they do a very good job working in the trenches and she is very thankful to have both of them.

Report of the Taos/Raton Site Manager, Coleen Sanchez-Garcia

- Site Manager Sanchez-Garcia reported that she took the staff from Taos to Raton to see how they work things there. The staff all got along well and is now communicating amongst each other for help. She stated it worked out very well.
- Reporting for Raton, Coleen stated they had 19 re-exams which are effective in July.
- They completed 17 inspections.
- They had 1 move-in in Maxwell and 8 in Raton.
- Coleen reported the numbers of people on the waiting list in Raton.
- In Raton there is only one person behind on rent.
- Raquel has been working very hard on the bills. She has paid 20 bills for Las Vegas, for a total amount of \$64,817.04. In Raton she has paid 19 bills for a total of \$38,672.25. For Taos she has paid 36 bills for \$48,513.56. Raquel has processed all the utility reimbursements, and everything is up to date.
- Amanda in Taos has done 36 re-exams.
- Irene has done 107 security deposit adjustments. There were some changes and they had to give some of their tenants a credit.
- Irene and Coleen have done two hearings together. Irene has set up 33 inspections for Coleen. Irene has sent out 68 Pest Control letters and she works on lease violations when necessary.
- Mary Grace has done 2 move-ins this month.
- Coleen informed the Commission of the number of families on each waiting list for the Taos site, Penasco site, and Questa site.
- They are doing inspections in Questa. Coleen and another staff member go every Monday. They are catching up on the inspections and doing all repairs as needed.
- The Maintenance staff is working on the grounds in all areas, and they are looking great.
- Coleen stated that she and Barbara are working together in scheduling the maintenance to work in different areas. She stated she really appreciates her, they work well together.

Report of the Las Vegas Site Manager, Barbara Padilla

- Site Manager Padilla stated, Maintenance has been working on work orders, unit turnarounds, and property maintenance.
- Barbara stated, as Natasha mentioned, she and Natasha were in Grants on May 19th for the walk-through with Paul Davis. They will be going again to Grants to follow up on the projects being done by Paul Davis.
- On the waiting list in Las Vegas, they have the following:
 - 0-1bdr – 18 applicants
 - 2 bdr– 7 applicants
 - 3 bdr – 1 applicants
 - 4 bdr – 1 applicant
 - 5 bdr – no applicants
- SM Padilla reported that in Grants, there are 6 families on the waiting list, and there are 6 vacant units, which are all on re-mod status.
- The Housing Managers in Las Vegas completed 26 re-exams in May and have done 33 annual inspections.

- There were 4 move-outs and 4 move-ins in May.
- They continue with the day-to-day operations, dealing with issues as they arrive.

Report of the Executive Committees

None

Reports of Committees

None

Unfinished Business

None

Old Business

None

New Business

a. Beth Enson, Taos Community Foundation, Regarding the Use of Gusdorf Park

Ms. Enson stated she is there with Lisa O'brian, who is the director of the foundation. She thanked the Commission for putting them on the agenda and taking the time to listen to them so they can all find a solution to the issues they are having in Taos where, for several years they have been working on Gusdorf Park to provide an orchard, some shade trees, and a playground for the children.

Ms. Enson stated she understands there are some liability issues as well as concerns about the water expense. She stated luckily, they have had some rains there so the trees are not in distress so they have not had to water the trees, but once it gets hot they will need to be watered. Ms. Enson stated she spoke to Angel Reyes who spoke to Mr. Baca about the possibility of the volunteers signing a waiver to release liability, but Mr. Baca did not think that would be sufficient. They are hoping they can find an organization that would be willing to write them in as a rider on their insurance policy that would satisfy the needs of HUD and NRHA.

Lisa O'brian, the director of Taos Community Foundation gave a little bit of background on Gusdorf Park. She stated about 5 years ago they did a site visit as part of a grant, and they had an individual from the community approach her asking what it would take to get playground equipment on the site. She stated they had a donor at that time pledge \$20,000. She stated they did not move on that at that time because they did not have the right partnership to move forward. Ms. O'brian stated there was an MOU that was signed in 2019 that was under the leadership of a different director of NRHA.

Discussion ensued regarding the project at Gusdorf Park, and an approximate \$100,000 investment in that park. They would like to continue to support the project, which is why they are having this discussion now.

Deputy Director Natasha Martinez thanked Lisa and Beth for speaking to the board today. She explained the liability issues with regards to the water issues. ED Baca inspected the property and found some leaking water lines and some holes that were left on the property that were dug without permission or knowledge of NRHA. Ms. Martinez also discussed the problem with fruit trees being planted on the property which results in rotting fruit on the ground, and issues with rodent

infestation as a result. DD Martinez also discussed some unsafe surfaces where the playground equipment was installed.

Pictures were provided to the Commission of the concerns discussed. DD Martinez explained they are all for community involvement and participation, however, though the intentions may be pure and great, the follow through and what happens to the HA with the threat of liability is their concern.

DD Martinez discussed the water cost issues in detail with the commission, using a spreadsheet. She explained the cost of maintaining the trees, from a Housing standpoint, is not as critical as providing a home for a family, or a rehabilitated unit.

Beth Enson responded to the concerns made by DD Martinez stating that the 5 trees by the playground are not fruit trees, they are shade trees. She stated they were trying to get under the sidewalk with a hose, there was no piping being done. For the fruit trees on the other side of the park, she stated they have a team who maintains those trees and is willing to go in with weed eaters and keep the weeds down. She stated they can also commit to picking all the fruit with the volunteers. Ms. Enson stated she is disappointed in hearing the materials were not up to code under the playground equipment because she stated they went by the proper codes and is willing to provide documentation to them. As for the water usage, she stated the trees are only irrigated once a year from April through October. She feels confident they can find the funding to pay for the water usage.

DD Martinez again stressed the importance of the occupancy issues that are a priority that need to be addressed.

Julian Barela, HUD Division director discussed the important issues specific to the strategies of occupying vacant units and the scoring and funding for troubled status HA's. He stated on the MOU that was discussed, this was an MOU that was executed without proper approval. If it had gone through the HUD office, they would have been able to provide feedback at that point in time. There was also the use of a unit that was not brought up to their attention for approval. Mr. Barela stated he has attempted to meet with the City of Taos with his concerns before and has not been successful in making contact, specifically regarding the roads, potholes, water usage and the looks or appearance around the units.

Beth Enson stated she may be able to arrange a meeting with the City and NRHA if that is something they are still interested in doing.

ED Baca stated his concern is that no correspondence was done with this prior to the volunteers showing up. He stated they were digging on the property, and there is between a \$5,000 and \$25,000 fine for digging without calling the proper channels. ED Baca stated that according to the MOU, that liability is on NRHA, which makes him uncomfortable. He also discussed the REAC inspection issues regarding trip hazards that were discovered on the property. This could be a finding against the HA which could affect funding. ED Baca also had concerns about some perforated pipes that were running water early in the afternoon.

Discussion ensued regarding water usage and loss, as well as NRHA staff not having access to a control panel for the water system.

DD Martinez discussed having to do criminal background checks on any individuals doing volunteer work on the HA's properties due to them being around their facilities and their residents. She stated if they do not have policies and procedures in place in all aspects, they risk getting in trouble with HUD.

Ms. Enson stated the last thing they wanted to do was be more of a headache to NRHA. She stated they are more than happy to work with NRHA to ensure they follow the proper steps needed. As for the MOU, she stated they were unaware of the bureaucratic structure, they were going off the word of the then Executive Director, who was very supportive.

DD Martinez stated their hands are tied by the statutes and regulations. Ms. Enson stated they understand. DD Martinez stated thought the intentions of the former Director may have been pure, they are having to answer for it now.

ED Baca stated he also understands the concerns of Taos Community Foundation and does not want their efforts to be in vain. He also does not want the trees to die. Right now he has his staff watering the trees, but the proper procedures need to be in place. They discussed the importance of having control of the water system to ensure water is not running in the streets, as was happening. Ms. Enson stated she would have the licensed landscaper, who designed the system contact ED Baca. DD Martinez asked if there were ever plans submitted to them. Ms. Enson stated she has no idea. DD Martinez stated they would appreciate having a copy of those plans sent to them. Ms. Enson stated they can easily provide that to them.

Lisa O'brian stated they are all vested in this, and she would hate to see the trees die and all the effort that has been made, go to waste. She requested a meeting to further discuss this situation. NRHA expresses the willingness to meet for further discussion.

b. **Feliz Medina Youth Heartline**, Regarding Use of Gusdorf Park

Sandra Emory, Director of Youth Heartline spoke on behalf of Feliz Medina, who was not able to make it to the meeting today. Ms. Emory stated that she is also a policies and procedures person and she totally respects and understands what NRHA is saying. She stated the previous parties to the MOU are no longer involved, and they would like to start with a clean slate. She stated there was a program that was done there in the Gusdorf Park that was not something they are looking for as an agency right now, however, they do have community programs that are facilitated by individuals who have complete background checks. They offer pop ups and other things to children in neighborhoods and communities in Taos. She stated they would really like to see those things continue.

Ms. Emory stated she would like to strongly advocate for pop up programs for the children in the community. She is more than happy to do what needs to be done to make sure it is done following all policies and procedures.

DD Martinez asked Ms. Emory if they are going to get their thing out of the building they were using. Ms. Emory stated when the issue with mold in that building occurred, they were told they were not allowed to enter the building because it was too dangerous. She stated in December, they were contacted by someone from NRHA asking for their mailing address to send them a letter asking them to remove the items from the unit. Ms. Emory stated she never received the letter, but they are happy to remove the items.

DD Martinez stated for the pop up's they are requesting prior notice, as well as clean up after the event. She said as long as they have the proper notice and liability coverage that is all they ask. ED Baca stated he would like 2 weeks' notice of any events so they can get notice out to their tenants, as well as have staff available if they need to monitor things. Ms. Emory stated if they can all come and work together, they can move forward.

c. **Resolution 2021-111 Discussion, Consideration, and Action** Northern Regional Housing Authority Housekeeping Policy

Barbara Padilla, Site Manager, stated NRHA would like to adopt the Housekeeping Policy. She stated the current policies are similar, but they have now consolidated the policies from all the sites and have come up with one policy for all sites. The Housekeeping Policy is very detailed in the expectations of how NRHA expects tenants to care for their units. The tenants read the policy and sign acknowledging that they are aware of what is expected of them, and the standards the HA upholds. Ms. Padilla stated maintenance does inform the Housing Managers when there are tenants who are failing or not up to par with their housekeeping, which will result in a special inspection being done, and possibly further action, which may include a 7-day notice and may eventually lead up to eviction if the tenant does not comply with the policy.

Vice Chairman Brugger made a motion to approve Resolution 2021-111 Northern Regional Housing Authority Housekeeping Policy. Secretary Vigil seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Vice-Chairman Brugger	Yes
Secretary Vigil	Yes
Chairwoman Trujillo	Yes
Commissioner Moore	Absent
Commissioner Reichelt	Absent
Commissioner Slowen	Absent

Chairwoman Trujillo advised motion carried

d. **Resolution 2021-112 Discussion, Consideration, and Action** Northern Regional Housing Authority Smoke Detector Certification

DD Martinez stated all units are required to have a working smoke detector in each unit. This policy states that the resident is not to tamper with or remove the batteries from the smoke detector, as well as the smoke detector itself. All tenants sign the certification at move-in and annual lease renewal, stating they are aware of this policy.

Secretary Vigil made a motion to approve Resolution 2021-112 Northern Regional Housing Authority Smoke Detector Certification. Vice Chairman Brugger seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Vice-Chairman Brugger	Yes

Secretary Vigil	Yes
Chairwoman Trujillo	Yes
Commissioner Moore	Absent
Commissioner Reichelt	Absent
Commissioner Slowen	Absent

Chairwoman Trujillo advised motion carried

e. **Resolution 2021-113 Discussion, Consideration, and Action** Northern Regional Housing Authority Resident Rules and Regulations

Coleen Sanchez-Garcia explained that this form is used for all residents to reinforce what is expected in the lease and rules and regulations.

Treasure Sandoval-Belt made a motion to approve Resolution 2021-113 Northern Regional Housing Authority Resident Rules and Regulations. Vice Chairman Brugger seconded the motion. Roll call was taken and reflected the following:

Secretary Vigil	Yes
Vice-Chairman Brugger	Yes
Treasurer Sandoval-Belt	Yes
Chairwoman Trujillo	Yes
Commissioner Moore	Absent
Commissioner Reichelt	Absent
Commissioner Slowen	Absent

Chairwoman Trujillo advised motion carried.

f. **Resolution 2021-114 Discussion, Consideration, and Action** Northern Regional Housing Authority Maintenance Policy

ED Baca stated the Northern did not have a Maintenance Policy, and neither did Las Vegas. Raton had this policy for quite a few years. This policy is a guide to maintenance staff as to what is expected of them as well as the tenants. This policy outlines what constitutes an emergency and the procedures for everything regarding maintenance and work orders. The policy has been updated for all sites.

Vice Chairman Brugger made a motion to approve Resolution 2021-114 Northern Regional Housing Authority Maintenance Policy. Secretary Vigil seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Secretary Vigil	Yes
Vice-Chairman Brugger	Yes
Chairwoman Trujillo	Yes
Commissioner Moore	Absent
Commissioner Reichelt	Absent

Commissioner Slowen

Absent

Chairwoman Trujillo advised motion carried.

g. Resolution 2021-115 Discussion, Consideration, and Action Northern Regional Housing Authority Adopt HUD notice 2021-14

ED Baca stated he sent the notice to the Commission for review. DD Martinez stated this is the last notice that is going to be posted for the last extensions from HUD regarding recertifications and inspections. HUD has given until December 2021, to catch up on these. Also, they have extended the CFP grants deadlines and voucher deadlines. DD Martinez stated that although the audit was late, the PHA's submission has been extended.

Secretary Vigil made a motion to approve Resolution 2021-115 Northern Regional Housing Authority Adopt HUD Notice 2021-14. Treasurer Sandoval-Belt seconded the motion. Roll call was taken and reflected the following:

Secretary Vigil	Yes
Treasurer Sandoval-Belt	Yes
Vice-Chairman Brugger	Yes
Chairwoman Trujillo	Yes
Commissioner Moore	Absent
Commissioner Reichelt	Absent
Commissioner Slowen	Absent

Chairwoman Trujillo advised motion carried

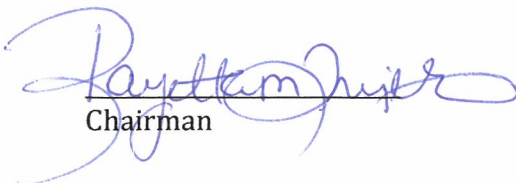
Executive Session

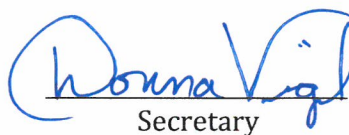
None

Adjournment

Vice-Chairman Brugger made a motion to adjourn the meeting. Treasurer Sandoval-Belt seconded the motion. Chairwoman Trujillo asked for all in favor. All replied "Aye".

Chairwoman Trujillo advised the motion carried. Meeting was adjourned.


Chairman


Secretary



**MINUTES OF THE EMERGENCY MEETING OF THE
BOARD OF COMMISSIONERS OF THE NORTHERN REGIONAL
HOUSING AUTHORITY
HELD: May 27, 2021
2:00 PM**

The Emergency Meeting of the Board of Commissioners of the Northern Regional Housing Authority was held on May 27, 2021 via telephone and Zoom due to the COVID-19 stay at home order.

The Meeting was called to order at 2:11pm by Chairwoman Rayetta Trujillo.

Members Present were:

Treasurer	Nichole R. Sandoval-Belt
Secretary	Donna Vigil
Commissioner	Lauren Reichelt
Vice-Chairman	Steven Brugger
Commissioner	Rev. Garland Moore
Chairwoman	Rayetta Trujillo
Executive Director	Terry Baca

Absent members were:

Commissioner	Jolene Slowen
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Also present in the meeting were:

Deputy Director – Natasha Martinez
Las Vegas Site Manager – Barbara Padilla
Raton Site Manager/Taos Site Manager – Coleen Sanchez-Garcia
HUD Division Director – Julian Barela
HUD Portfolio Management Specialist - Adrian Lopez

The Agenda for today's meeting was given to the Board for review and approval. Treasurer Sandoval-Belt made a motion to approve the Agenda as presented. Secretary Vigil seconded the motion. Chairwoman Trujillo asked for all in favor, all stated "Aye".

Chairwoman Trujillo advised motion carried.

New Business

Discussion, Consideration, and Action Professional Service Agreement Between Northern Regional Housing Authority and Wagon Mound Housing Authority.

Deputy Director Natasha Martinez explained that the Executive Director of the Wagon Mound Housing Authority passed away unexpectedly. She stated the Board Chair reached out to her, ED Baca, Julian Barela and others for help. Being that they wanted to have all their t's crossed and I's dotted, they wanted to get a service agreement in place.

DD Martinez stated they had a meeting with the Wagon Mound Board. They used a similar agreement as they had with Las Vegas. She explained it is \$50 an hour for regular staff, \$75 an hour for our Executive Director. They will be taking over all the finances and all the reporting duties.

Julian Barela stated they have briefly spoke about a transfer, but there is nothing in the works right now. This agreement is to help them out right now to get them through the end of the year. It was an unexpected death, and they would hope if they had the same problem, others would step up to assist them.

Julian Barela stated this was very sudden for the Wagon Mound ED to pass away. They have a couple of other HA's that are within location, but he always goes to NRHA, because they are capable of handling it. He expressed he expects this to be short term. Julian stated, operational wise, the Wagon Mound HA is occupied, other than one unit. There is a good maintenance person there still. Mr. Barela stated that Esther Mondragon, the Board Chair for Wagon Mound, used to work for Pecos Housing Authority, so she has that experience.

Julian Barela stated they want to make sure they provide them some support until they get through this and if they want to look at this long term, they will look further into that.

ED Baca stated they are trying to help Wagon Mound and keep the operation going.

Chairwoman Trujillo said if they feel they can handle this, she appreciates them stepping up and helping out.

Treasurer Sandoval-Belt asked if there is any kind of time frame they are looking at for this agreement. Julian Barela stated at this time, they do not have a specific time frame. They want to access where they are at. He stated there is not a lot of selective Executive Director's in Wagon Mound, so if they work with them at least 3 months, then they can see where they are at and move from there.

Chairwoman Trujillo asked if the ED that passed away in Wagon Mound was the only one in the office. Julian Barela stated it was only her and a part time maintenance man. ED Baca said they will utilize that maintenance person to collect rents and handle a lot of things. He stated any staff they use will be from any office where they are not spread as thin as they are in Raton.

DD Martinez stated, so they don't overwhelm their Raton and Taos Site Manager, they are actually going to have the Las Vegas Site Manager oversee the operations in that area. It is not going to be the Site Manager in Taos and Raton that is going to be utilized, it is actually going to be the Site Manager in Las Vegas and the staff in Las Vegas that will have to go back and forth and help out on that.

Secretary Vigil asked if that would be Barbara that has to go back and forth. DD Martinez said yes, that would be Barbara. Secretary Vigil asked, and she has no objection. DD Martinez stated, I hope not. She stated Barbara only has the one site, so to be fair, that is the fairest spread of resources they have. She stated they are going to bring all the computers from Wagon Mound and will be taking it to Las Vegas. They will be getting the Quick Book stuff and all the payable and everything. DD Martinez stated that is going to be more of her stuff than Barbara's. Barbara's will be more operational, such as work order generation, that kind of thing, like she has already implemented in Grants.

Commissioner Reichelt made a motion to approve Professional Service Agreement Between Northern Regional Housing Authority and Wagon Mound Housing. Treasurer Sandoval-Belt seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Secretary Vigil	Yes
Vice-Chairman Brugger	Yes
Commissioner Reichelt	Yes
Chairwoman Trujillo	Yes
Commissioner Moore	Yes
Commissioner Slowen	Absent

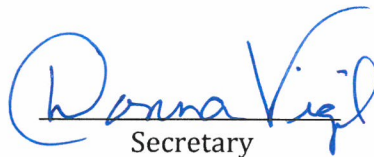
Chairwoman Trujillo advised motion carried.

Adjournment

Treasurer Sandoval-Belt made a motion to adjourn the meeting. Vice Chairman Brugger seconded the motion. Chairwoman Trujillo asked for all in favor. All replied "Aye".

Chairwoman Trujillo advised the motion carried. Meeting was adjourned.


Chairman


Secretary



**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF COMMISSIONERS OF THE NORTHERN REGIONAL
HOUSING AUTHORITY
HELD: April 30, 2021
11:00 AM**

The Regular Meeting of the Board of Commissioners of the Northern Regional Housing Authority was held on April 30, 2021 via telephone and Zoom due to the COVID-19 stay at home order.

The Meeting was called to order at 11:06am by Chairwoman Rayetta Trujillo.

Members Present were:

Treasurer	Nichole R. Sandoval-Belt
Commissioner	Jolene Slowen
Vice-Chairman	Steven Brugger
Commissioner	Rev. Garland Moore
Commissioner	Lauren Reichelt
Chairwoman	Rayetta Trujillo
Secretary	Donna Vigil
Executive Director	Terry Baca

Absent members were:

Also present for the meeting were:

Deputy Director – Natasha Martinez
Las Vegas Site Manager – Barbara Padilla
Raton Site Manager/Taos Site Manager – Coleen Sanchez-Garcia
HUD Division Director – Julian Barela
HUD Portfolio Management Specialist - Adrian Lopez

The Agenda for today's meeting was given to the Board for review and approval. Vice-Chairman Brugger made a motion to approve the Agenda as presented. Commissioner Slowen seconded the motion. Chairwoman Trujillo asked for all in favor, all replied "Aye". Chairwoman Trujillo advised motion carried.

The Minutes of the Regular Board Meeting held March 26, 2021 were given to the Board for review and approval. Commissioner Moore made a motion to approve the minutes of the Regular Board Meeting held March 26, 2021. Commissioner Slowen seconded the motion. Chairwoman Trujillo asked for all in favor, all replied "Aye". Chairwoman Trujillo advised motion carried.

Report of Executive Director, Terry Baca

- ED Baca reported he is back to himself after his accident. He is back to working a full schedule.
- Last week ED Baca was in Grants to do a needs assessment on some vacant units.
- ED Baca and Deputy Director, Natasha Martinez, met with the architect, a in Las Vegas, Penasco, Taos and Questa. Inspecting for the 15-unit remodel project in Taos, Penasco and Questa as well as, the 10-unit remodel project in Las Vegas. They were identifying the issues and what changes they want to make. There will be some changes to the plumbing and floor plans in some cases.
- They will be adding some ADA units. He stated they are required to have 5% of their inventory designated as ADA units.
- ED Baca reported that Colfax County is Turquoise, so they have opened the office again. They have also opened the offices in Las Vegas, Taos, and Grants.
- ED Baca stated that House Bill 196 had passed, gone through all the channels, but the Governor did not sign it. This is the Bill that would take MFA out of the mix. He spoke to Chris Herbert and he is going to see if they can arrange to meet with the Governor to explain why this needs to happen.
- The HUD meetings have gone from a weekly meeting to bi-weekly, so they are making some progress there.
- ED Baca stated he spoke to the auditor yesterday and he did complete the Raton audit. He said he was 95% complete with Northern's audit and it should be complete soon. He stated there was a 90-day extension for the audits.
- They are filling a lot of units in Raton and in Las Vegas.

Chairwoman Trujillo wanted to let everyone know that ED Baca is looking good and has bounced back very well. She commended Natasha and Coleen and everyone else for all pitching in while Terry was recovering. ED Baca stated he has a good, strong crew and he wouldn't want to do it without any of them.

Commissioner Reichelt said she is very glad they have such a strong team that can jump in and get the work done when needed.

Report of the Deputy Director, Natasha Martinez

- DD Martinez discussed the projects, saying they are going to be converting 4 of the 4-bedroom units to 3-bedroom UFAS accessible units in Las Vegas. 4 of the 2-bedroom units will be converted to 1-bedroom units. They got confirmation from HUD staff that they can make these changes to the units, as long as it is in their 5-year plan.
- DD Martinez reminded the Commission that they will be having the Public Input meeting at the beginning of June.
- DD Martinez reported that they had participated in a town hall meeting with the town of Penasco. She reported that there was a drug bust a couple of weeks ago at the Penasco site. There are several units that have been vandalized since she did her initial inspection. There is significant damage that has been done. DD Martinez has met with the architect on these units. DD Martinez stated the sheriff from that area has reached out to her since this occurred and they have agreed there is a drug issue in the town of Penasco.

Julian Barela stated there is a security grant that HUD offers where they can get as much as \$250,000 for security issues. In Louisiana, they used the grant to set up some security cameras, which has really helped deter crime. He encouraged them to apply for the grant.

- DD Martinez stated she got another AMP included in their accounting software, so she should be able to get all the financials all together in one system. She currently must go into several software programs to get all her financial reports.
- DD Martinez stated she got ahold of DCE to test the 4 units in Las Vegas, which are on Mod status due to drug use in these units. They will be testing for asbestos and lead, so if there is asbestos and/or lead they will remove the sheetrock, and this will eliminate the possible chemical compound mixture in the walls.

a. NRHA Finance Report

DD Martinez went over the financials for all sites with the Board.

b. NRHA Occupancy Report

- DD Martinez stated the Site Managers will go into detail on the Occupancy Reports.
- DD Martinez informed the Commission that the Las Vegas Little League has submitted a letter requesting the use of property in the Mills area, to have practice for their Little League teams. DD Martinez stated she is consulting with their attorney to see what the liabilities etc., are before, or if they will be allowing the use of the property. DD Martinez is concerned that it is a very busy street and NRHA would be liable if they do not have an agreement in place. Discussion ensued regarding a possible MOU with the Little League Program.

Report of the Taos/Raton Site Manager, Coleen Sanchez-Garcia

- Site Manager Sanchez-Garcia reported that she and ED Baca inspected some units in Questa after they received reports of someone breaking into the units. She reported that when they got there, there were two kids in one of the units smoking marijuana. ED Baca made them leave the unit and the unit was secured.
- Raton has had a lot of residents pass away sadly, leaving several units vacant. She reported that Brenda is working very hard to get the units rehoused. They will need to put out an advertisement to get applicants, as their waiting list has been stagnant.
- In Maxwell there are 3 vacant units, which is an improvement from before.
- In Taos, they have occupied 3 unit, one in Penasco and two in Taos.
- SM Sanchez -Garcia reported that maintenance from Las Vegas is working on some 1-bedroom units in Penasco. The Taos staff is working very hard on unit turnarounds and making the units look much more presentable. She is very proud of the positive changes she is seeing in Taos with maintenance and administrative staff.
- SM Sanchez-Garcia stated she is not working with Grants any longer. Since Grants is much further from her, they felt Barbara should oversee the Grants office.

Report of the Las Vegas Site Manager, Barbara Padilla

- Site Manager Padilla stated, as ED Baca mentioned, they did reopen their office. They continue to practice safe practices and social distancing, limiting the number of customers in the lobby area.

- SM Padilla stated she is reporting for March as well since they did not report last month. In March they got all the kinks worked out with their 50058 submissions in the PIC system. They have been able to correct that and are current with all submissions.
- In March, the NRHA logos were installed on the new vehicles and are looking very nice.
- The furnace replacement project was completed, with 14 furnaces being replaced.
- The Las Vegas site put out a bid for Pest Control Services. They had two responsive bidders, and Diamond Pro Service was the lowest responsive bidder who received the bid.
- Maintenance staff from Las Vegas has been going to assist in Taos and Penasco, as well as keeping up with work orders, maintenance of grounds and unit turnarounds in Las Vegas.
- SM Padilla stated that the Grants office was assigned to her on April 22nd, and she has yet to visit in person to become familiar with the site.
- In Las Vegas there are 251 house able units. In March there were two move-in's and two move-outs. In April, they also had 2 move-in's and 2 move-outs. They currently have 6 vacant units, including the units needing abatement. They have 3 projected move-outs next week.
- The Las Vegas site advertised for applicants; they are also having issues getting people on the waiting list. She stated they only have 34 families on the waiting list, as follows:
 - 0-1 bdr – 20 applicants
 - 2 bdr – 10 applicants
 - 3 bdr – 3 applicants
 - 4 bdr – 1 applicant
 - 5 bdr – 0 applicants
- SM Padilla reported that in March, the Housing Managers completed 19 recertifications and in April they completed 26. They are up to date on their recertifications.
- Annual inspections have resumed this month. 22 inspections were done in April.
- They continue all day-to-day operations.

ED Baca informed the commission they gave Barbara a project to come up with Procurement Procedures, which she is working on. He stated Barbara gave them the procedures and they are going to sit and talk about it next week to fine tune it. He stated they all have different procedures, and they want to get on the same page and do things the same way.

Report Section 8 Contractor: Mary Ann Chavez, El Camino Real Housing Authority

ED Baca stated he spoke to Mary Ann and she provided a report. DD Martinez shared her letter with the Commission to review.

ED Baca stated they are working through problems to get people housed. He seldom has to deal with any issues with tenants or landlords with section 8 because Mary Ann handles that. He stated she is doing a great job there.

They are working on the finances with their fee accountant. Their VMS submissions are done monthly, but ED Baca is not confident that they are accurate. They have asked Urlaub to review this.

Report of the Executive Committees

None

Reports of Committees

None

Unfinished Business

None

Old Business

None

New Business

a. Discussion, Consideration, and Action A & E Services for 15 units in Taos with Lowery Consultants, Inc.

Executive Director, Terry Baca stated he sent the final contracts to the Commissioners. Initially there was a flat fee, which has been changed. They are looking at about 1.5 million for this project, so they are looking at about \$150,000 in fees and another \$100,000 for the Las Vegas project. He stated he hopes the contractors come back with better numbers. The price of lumber is extremely high right now.

Treasure Sandoval-Belt stated that she is having this problem across the board in every state she is working in. The cost of lumber for new construction is so high, so the entire costs are increasing grossly. A ply board that used to cost \$11 is now about \$50. She stated she has not heard anything about the possibility of these costs subsiding.

DD Martinez stated they have to amend the annual plan to include that they are going to be rehabbing units to make them UFAS accessible and changing the bedroom size of some of them.

Commissioner Brugger made a motion to approve A & E Services for 15 units in Taos with Lowery Consultants, Inc. Commissioner Reichelt seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Commissioner Slowen	Yes
Vice-Chairman Brugger	Yes
Secretary Donna Vigil	Yes
Commissioner Reichelt	Yes
Commissioner Moore	Yes
Chairwoman Trujillo	Yes

Chairwoman Trujillo advised motion carried

b. Discussion, Consideration, and Action A & E Services for 10 Units in Las Vegas with Lowery Consultants, Inc.

ED Baca stated it is basically the same as the information he shared regarding the 15 units in Taos.

Commissioner Reichelt made a motion to approve A & E Services for 10 Units in Las Vegas with Lowery Consultants, Inc. Treasurer Sandoval-Belt seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Commissioner Slowen	Yes
Vice-Chairman Brugger	Yes
Secretary Vigil	Yes
Commissioner Reichelt	Yes
Commissioner Moore	Yes
Chairwoman Trujillo	Yes

Chairwoman Trujillo advised motion carried

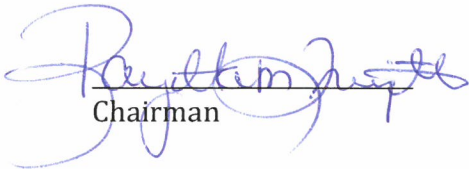
Executive Session

None

Adjournment

Commissioner Moore made a motion to adjourn the meeting. Treasurer Sandoval-Belt seconded the motion. Chairwoman Trujillo asked for all in favor. All replied "Aye".

Chairwoman Trujillo advised the motion carried. Meeting was adjourned.


Chairman


Secretary



**NORTHERN REGIONAL HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS**

RESOLUTION NO. 2021-111

**A RESOLUTION TO ADOPT NORTHERN REGIONAL HOUSING AUTHORITY'S
HOUSEKEEPING POLICY**

WHEREAS, The Northern Regional Housing Authority is required to adhere to all Federal Regulations and Notices Published regarding Public Housing; and

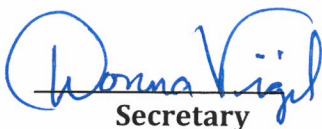
WHEREAS, Normal wear and tear is expected but tenant's are required to keep their units in a safe and sanitary condition ; and

WHEREAS, NRHA has established a House Keeping Policy in an effort to improve the livability and conditions of the Northern Regional Housing Authority dwelling units, uniform standards for resident housekeeping have been developed for all resident families.

WHEREAS, This Policy will be in effect after May 21, 2021 until or unless otherwise amended or replaced; and

NOW THEREFORE, The Board of Commissioners of the Northern Regional Housing Authority, has determined that it would be in the best interest of the housing authority to adopt and approve the new Policy with this Resolution.

APPROVED AND ADOPTED THIS 21st DAY OF MAY 2021.


Secretary


Chairman

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**NORTHERN REGIONAL HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS**

RESOLUTION NO. 2021-112

**A RESOLUTION TO ADOPT NORTHERN REGIONAL HOUSING AUTHORITY'S
SMOKE DETECTOR CERTIFICATION**

WHEREAS, The Northern Regional Housing Authority is required to adhere to all Federal Regulations and Notices Published regarding Public Housing; and

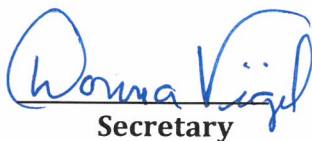
WHEREAS, United States Department of Housing and Urban Development regulations and the State of New Mexico Property Code, each apartment unit in the Northern Regional Housing Authority has been provided smoke detector(s); and

WHEREAS, NRHA has established a Smoke Detector Certification for all resident families.

WHEREAS, This Tenant Certification will be in effect after May 21, 2021 until or unless otherwise amended or replaced; and

NOW THEREFORE, The Board of Commissioners of the Northern Regional Housing Authority, has determined that it would be in the best interest of the housing authority to adopt and approve the new Tenant Certification with this Resolution.

APPROVED AND ADOPTED THIS 21st DAY OF MAY 2021.


Secretary


Chairman



**NORTHERN REGIONAL HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS**

RESOLUTION NO. 2021-113

**A RESOLUTION TO ADOPT NORTHERN REGIONAL HOUSING AUTHORITY'S
RULES AND REGULATION**

WHEREAS, The Northern Regional Housing Authority is required to adhere to all Federal Regulations and Notices Published regarding Public Housing; and

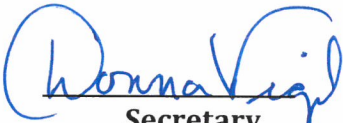
WHEREAS, NRHA has a board approved active lease; and

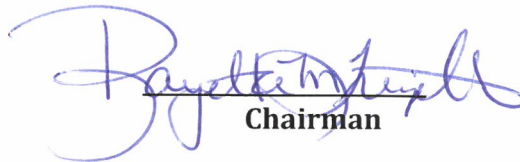
WHEREAS, NRHA has compiled a list of rules and regulations that outline the lease to better explain to Tenants; and

WHEREAS, These Rules and Regulations Tenant Certification will be in effect after May 21, 2021 until or unless otherwise amended or replaced; and

NOW THEREFORE, The Board of Commissioners of the Northern Regional Housing Authority, has determined that it would be in the best interest of the housing authority to adopt and approve the new Tenant Certification with this Resolution.

APPROVED AND ADOPTED THIS 21st DAY OF MAY 2021.


Secretary


Chairman

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**NORTHERN REGIONAL HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS**

RESOLUTION NO. 2021-114

**A RESOLUTION TO ADOPT NORTHERN REGIONAL HOUSING AUTHORITY'S
MAINTENANCE POLICY**

WHEREAS, The Northern Regional Housing Authority is required to adhere to all Federal Regulations and Notices Published regarding Public Housing; and

WHEREAS, NRHA is responsible to maintain each housing unit in a safe and sanitary condition; and

WHEREAS, NRHA wishes to adopt a policy to outline the Maintenance Standards expected at each site; and

WHEREAS, This Policy will be in effect after May 21, 2021 until or unless otherwise amended or replaced; and

NOW THEREFORE, The Board of Commissioners of the Northern Regional Housing Authority, has determined that it would be in the best interest of the housing authority to adopt and approve the new Policy with this Resolution.

APPROVED AND ADOPTED THIS 21st DAY OF MAY 2021.


Secretary


Chairman



**NORTHERN REGIONAL HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS**

RESOLUTION NO. 2021-115

**A RESOLUTION AUTHORIZING THE IMPLEMENTATION OF WAIVERS ISSUED
BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

WHEREAS, the U.S. Department of Housing & Urban Development (HUD) issued PIH Administrative Notice 21-14 on Tuesday May 4, 2021;

WHEREAS, the Notices covered a variety of waivers and administrative exceptions that HUD is willing to grant to all public housing agencies to address the requirements of social distancing for the duration of any federal, state, or local directives or Executive Orders that call for minimization of public contact and public interactions;

WHEREAS, the Notice contains language that applies to administrative activities related to applicants and existing program participants for both the Public Housing (PH) Program and the Housing Choice Voucher (HCV) Program. It covers verification of household eligibility and income data and language that applies to landlords concerning all unit inspections;

WHEREAS, administrative flexibility is required to allow the Executive Director to respond to rapidly changing circumstances and make decisions on a situation-by situation basis.

NOW, THEREFORE, BE IT RESOLVED BY THE NRHA BOARD OF HOUSING COMMISSIONERS, the governing body of NRHA, that:

1. The Executive Director is authorized to implement all applicable waivers identified in HUD Notice PIH 2021-14 that in her discretion are appropriate and necessary for the operations of the NRHA and in the best interests of the clients and residents served by the Northern Regional Housing Authority.
2. The waivers that will be applied by NRHA and the effective immediately and may be modified by the Executive Director as needed, including adding or removing any existing waivers, and consider any new waivers that are issued by HUD.

PASSED and ADOPTED this 21st day of May 2021.


Secretary


Chairman



**NORTHERN REGIONAL HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS**

RESOLUTION NO. 2021-117

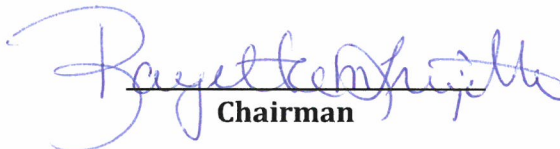
RESOLUTION ADOPTING ANNUAL PLAN

WHEREAS, The United States Department of Housing and Urban Development, requires a Board Resolution to accompany the PHA Plan; and

WHEREAS, Acting on behalf of the Board of Commissioners of the Public Housing Agency, as its Chairman, I approve the submission of Annual Plan for the PHA fiscal years beginning 7/1/2021, and attach the following PHA Certifications of Compliance with the PHA Plans and Related Regulations;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Northern Regional Housing Authority, to hereby adopt the "Annual Plan" by this Resolution.

PASSED, APPROVED, AND ADOPTED THIS 29th DAY OF JUNE, 2021.


Chairman

ATTEST:


Secretary



**NORTHERN REGIONAL HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS**

RESOLUTION NO. 2021-118

RESOLUTION ADOPTING 2021 CAPITAL FUND GRANT PLAN

WHEREAS, The United States Department of Housing and Urban Development, requires a Board Resolution to accompany the PHA Capital Fund Grant Plan; and

WHEREAS, Acting on behalf of the Board of Commissioners of the Public Housing Agency, as its Chairman, I approve Capital Fund Annual Plan for the PHA fiscal years beginning 7/1/2021, and;

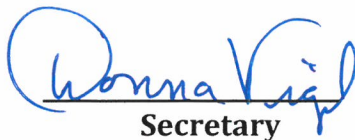
WHEREAS, This is inclusive of the awards for NM007 Las Vegas Housing Authority, NM008 Raton Housing Authority and NM088 Northern Regional Housing Authority, and;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Northern Regional Housing Authority, to hereby adopt the "Capital Fund Grant Plan" by this Resolution.

PASSED, APPROVED, AND ADOPTED THIS 29th DAY OF JUNE, 2021.


Chairman

ATTEST:


Secretary



RESOLUTION NO. 2021-119

ACCOUNTS TO BE WRITTEN OFF FY 7/01/20 – 6/30/21

JUNE 29, 2021

WHEREAS, the Board of Commissioners of the Northern Regional Housing Authority, hereby determines thirty-four (34) move-out accounts uncollectible for the fiscal year of 2012-2021, in the amount of \$18,025.59

BE IT RESOLVED that the Board of Commissioners of the Northern Regional Housing Authority deem it necessary to write-off the following accounts:

NRHA

ACCOUNT NO.

AMOUNT

7	\$228.46
20	\$242.40
205A	\$1,017.52
146	\$171.55
130J	\$295.16
4	\$57.00
217	\$1,252.23
23	\$164.71
6	\$355.84
25	\$1,258.07
10	\$8.23
208A	<u>\$1,531.30</u>
	\$6,582.47

Las Vegas

ACCOUNT NO.

AMOUNT

202036	\$197.36
203451	\$33.00
203597	\$304.84
203473	\$700.67
203546	\$109.00
203612	\$1,014.99
203116	\$2,059.94
200370	\$47.99
203524	\$422.00
202146	\$650.54



201396	\$250.00
203521	\$137.73
203453	\$1,288.01
203539	\$7.91
203153	\$612.96
203625	\$394.00
203520	\$359.49
203501	<u>\$1,067.63</u>
	\$9,658.06

Raton

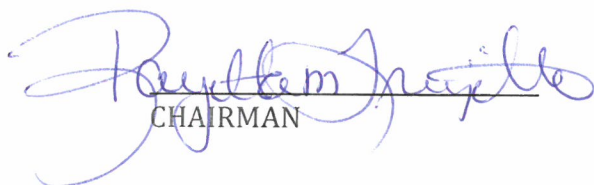
ACCOUNT NO.

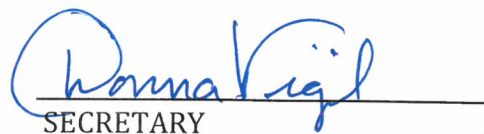
18
46
128
107

AMOUNT

\$4.46
\$711.00
\$186.00
\$613.60
\$1,515.06

PASSED, APPROVED AND ADOPTED THIS 29th DAY OF JUNE, 2021


CHAIRMAN


SECRETARY



**NORTHERN REGIONAL HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS**

RESOLUTION NO. 2021-120

**RESOLUTION ADOPTING NORTHERN REGIONAL AMP
"ASSET MANAGEMENT PROJECT"**

WHEREAS, With the merger of the Northern Regional Housing Authority and the Raton and Las Vegas Housing Authority as of January 1, 2021, and;

WHEREAS, This would be in the best interest of the Northern Regional Housing Authority to restructure the AMPS to best suit the geographic area of Northern Regional Housing Authority, and;

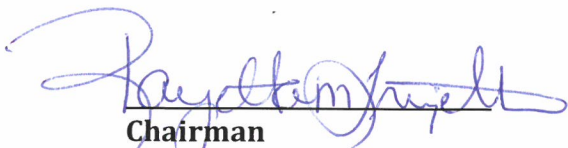
WHEREAS, AMP number One(#1) will include the municipalities of Raton, Maxwell and Cimarron, and;

WHEREAS, AMP number Two(#2) will include the municipalities of Las Vegas and Grants, and;

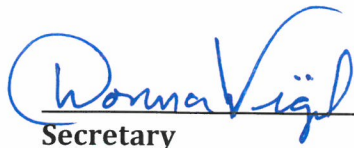
WHEREAS, AMP number Three(#3) will include the municipalities of Taos, Penasco and Questa, and;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Northern Regional Housing Authority, to hereby adopt the Amp restructuring by this Resolution.

PASSED, APPROVED, AND ADOPTED THIS 29th DAY OF JUNE, 2021.


Chairman

ATTEST:


Secretary



MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE NORTHERN REGIONAL HOUSING AUTHORITY HELD: June 29, 2021 10:00 AM

The Regular Meeting of the Board of Commissioners of the Northern Regional Housing Authority was held on June 29, 2021, via telephone and Zoom due to the COVID-19 stay at home order.

The Meeting was called to order at 10:02am by Chairwoman Rayetta Trujillo.

Members Present were:

Commissioner	Jolene Slowen
Secretary	Donna Vigil
Chairwoman	Rayetta Trujillo
Treasurer	Nichole R. Sandoval-Belt
Executive Director	Terry Baca

Absent members were:

Commissioner	Rev. Garland Moore
Commissioner	Lauren Reichelt
Vice-Chairman	Steven Brugger

Also present in the meeting were:

Deputy Director – Natasha Martinez
Las Vegas Site Manager – Barbara Padilla
Raton Site Manager/Taos Site Manager – Coleen Sanchez-Garcia
HUD Portfolio Management Specialist - Adrian Lopez
Mary Ann Chavez, El Camino Real

The Agenda for today's meeting was given to the Board for review and approval. Chairwoman Trujillo wanted to make one change to the Agenda to move the report of Mary Ann Chavez, El Camino Real, up on the agenda. Commissioner Slowen made a motion to approve the Agenda as amended. Treasurer Sandoval-Belt seconded the motion. Chairwoman Trujillo asked for all in favor. All replied "Aye".

Chairwoman Trujillo advised motion carried.

The Minutes of the Regular Board Meeting held May 21, 2021, were given to the Board for review and approval. Treasurer, Sandoval-Belt made a motion to approve the minutes of the Regular Board

Meeting held May 21, 2021. Commissioner Vigil seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Secretary Vigil	Yes
Commissioner Slowen	Yes
Chairwoman Trujillo	Yes
Vice-Chairman Brugger	Absent
Commissioner Moore	Absent
Commissioner Reichelt	Absent

Chairwoman Trujillo advised motion carried.

The Minutes of the Emergency Board Meeting held May 27, 2021, were given to the Board for review and approval. Secretary Vigil made a motion to approve the minutes of the Emergency Board meeting held on May 27, 2021. Treasurer Sandoval-Belt seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Secretary Vigil	Yes
Commissioner Slowen	Yes
Chairwoman Trujillo	Yes
Vice-Chairman Brugger	Absent
Commissioner Moore	Absent
Commissioner Reichelt	Absent

Report Section 8 Contractor: Mary Ann Chavez, El Camino Real Housing Authority

- Mary Ann Chavez reported for the month of May, they had 73 applicants that were issued a voucher.
- They housed about 10 families and continue to house even today.
- For applicants, they are having a hard time finding units.
- At the end of May they had 3 late re-exams. They have since been corrected.
- Their delinquency report is at 102.67 which is great.
- They have input numbers from VMS. They are currently in very good standing with VMS.
- They are still taking applications for the Northern Regional Housing Authority.
- The VMS report was reviewed and discussed. Mary Ann Chavez stated she will be working with Adrian, HUD PMS and will present the 2 year tool at the next Board meeting.
- They had a total of 44 re-exams for the month of May, and 44 monthly inspections.
- They have 7 port outs. Their reporting rate was 102.5%
- There are 25 applicants on the waiting list for Cibola.
- There are 37 applicants on the waiting list for Taos County.
- There are 15 slots of VASH and 7 families housed. There are 8 VASH vouchers available.
- They will be having discussions with Dream Tree about going forward with a project to build units for permanent supportive housing like they have done in Socorro.

Discussion ensued about the need for Housing in Taos and doing a project based program.

Report of Executive Director, Terry Baca

- ED Baca reported he and DD Martinez were on a video meeting last week with Taos County. They discussed the need for affordable housing in Taos.
- ED Baca stated he was in Grants yesterday. They have a mold/abatement project going on there that he went to check on. One family will be put up in a hotel so work can be done in their bathroom.
- ED Baca stated DD Martinez is working with the fee accountant and he is trying to get with the auditor to get the audit submitted in REAC.
- The Wagon Mound employee is employed by Northern Regional Housing Authority now. They lost their workman's comp insurance that the HA there had, and rather than spending time trying to figure it out, they moved him over. They have two pickup trucks in Wagon Mound for maintenance.
- There is a roofing project going on in Raton that they are trying to get completed. There are about 5 units they still need to work on.
- There are several units in Las Vegas that are still needing roof replacement.
- ED Baca discussed an ongoing abatement project in a unit where a tenant passed away in Raton.
- The main issue right now is the REAC audit submission to HUD. They are all in draft status right now and they can't seem to get the auditor to move on it.
- They have the approval of the audit on the agenda but will have to table that item until they get the actual copy of the audit.
- They went out for and did get a new auditor. DD Martinez has worked with this auditor before, so they are confident it will work out well.
- ED Baca stated all the ladies are making great progress everywhere and he could not be more thankful for the staff he has.

Chairwoman Trujillo wanted to thank Terry and the staff for all of the work they have done.

Report of the Deputy Director, Natasha Martinez

a. NRHA Finance Report

DD Martinez went over the financials for all sites with the Board.

b. NRHA Occupancy Report

- DD Martinez stated for the Las Vegas site, they housed all the occupiable units as of June 30th. There are 4 units that were placed on modernization that need to be tested for chemical compound.
- In Questa they have two units vacant. DD Martinez discussed some recent move-ins in the Taos area, as well as vacancies in all areas.
- Raton will have all units, other than those on modernization, occupied by June 30th.
- DD Martinez stated they got the draft project for the 10 units in Las Vegas. The architect is still working on the blueprints for the 15 units in the Taos County area. They are hoping to have the construction companies in there by July or August. They hope to have the units occupied by the end of the calendar year.

- DD Martinez commended the Site Managers for participating in all the Resident Advisory meetings. She also thanked them for always keeping them abreast of everything going on in their sites.

Report of the Taos/Raton Site Manager, Coleen Sanchez-Garcia

- Site Manager Sanchez-Garcia stated all the recerts are up to date in all three offices. Inspections are all up to date as well.
- SM Sanchez-Garcia stated they have 5 maintenance staff in Taos now. She stated they are going to organize the shop so they can keep track of what they have, what they do not have.
- The focus in Taos is to get the shop in order and to focus on yards.

ED Baca stated the shop in Taos is out of order and they have put together a plan to have all the maintenance and staff go to help organize it.

DD Martinez stated that Coleen has revamped how they do their recertifications and processes. She has done an incredible job.

Report of the Las Vegas Site Manager, Barbara Padilla

- Site Manager Padilla stated, as DD Martinez mentioned, they are very proud of the office and maintenance staff for housing all the houseable units before July 1st, which is always their goal. Maintenance worked very hard getting the units ready right after someone moved out to keep the units housed.
- The Housing Managers completed 26 recertifications in the month of June. They did 21 annual inspections in June.
- SM Padilla state that the waiting list in Las Vegas has started to improve. They now have 37 families on the waiting list. They are as follows:

0-1bdr – 24 applicants

2 bdr– 8 applicants

3 bdr – 2 applicants

4 bdr – 2 applicants

5 bdr – 1 applicant

- SM Padilla stated that DD Martinez has spoken about the projects going on in Grants.
- SM Padilla wanted to thank SM Coleen Sanchez-Garcia for always being so helpful and responsive when she needs her assistance.

Report of the Executive Committees

None

Reports of Committees

None

Unfinished Business

None

Old Business

None

New Business

a. Resolution 2021-116 Discussion, Consideration, and Action Northern Regional Housing Authority 2021-2022 Operating Budget.

Deputy Director, Natasha Martinez shared her screen and discussed the 2021-2021 Operating Budget. She explained Northern's administrative fees and the management agreement with El Camino Real.

For dwelling rent and subsidy, they are being modest across the board. They are hoping with the additional 30 units that are going to be put back online, they will have additional dwelling rents.

Secretary Donna Vigil commented that the report was very detailed and very good. ED Baca stated there is a lot of money that flows through this organization and it's a lot bigger than people realize.

Commissioner Slown made a motion to approve Resolution 2021-116 Northern Regional Housing Authority 2021-2022 Operating Budget. Treasurer Sandoval-Belt seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Secretary Vigil	Yes
Commissioner Slown	Yes
Chairwoman Trujillo	Yes
Vice-Chairman Brugger	Absent
Commissioner Moore	Absent
Commissioner Reichelt	Absent

b. Resolution 2021-117 Discussion, Consideration and Action Northern Regional Housing Authority 2021 annual Plan.

Deputy Director Natasha Martinez discussed NRHA's annual plan saying they presented the plans to the Resident Advisory Boards, holding 4 or 5 meetings for residents as well as the public. DD Martinez shared her screen for the Commission to review the annual plan. She stated that although they held the meetings virtually, they made sure to stay within the regulations and requirements of HUD.

DD Martinez discussed the annual plan in further detail. No questions were asked by the commission.

Secretary Vigil made a motion to approve Resolution 2021-117 Northern Regional Housing Authority 2021 annual Plan. Commissioner Slown seconded the motion. Roll Call was taken and reflected the following:

Commissioner Slown	Yes
Treasurer Sandoval-Belt	Yes
Secretary Vigil	Yes
Chairwoman Trujillo	Yes
Vice-Chairman Brugger	Absent
Commissioner Moore	Absent

Commissioner Reichelt

Absent

- c. **Resolution 2021-118 Discussion, Consideration, and Action** Northern Regional Housing Authority 2021 Capital Fund Plan inclusive of awards for NM007, NM008 and NM088.

Deputy Director Natasha Martinez stated HUD allows them to have 1 RAB and one Public Input meeting for both for each AMP. She stated the reason they did it inclusive of NM007, NM008, and NM088 is because they don't know how they are going to be awarded at this point in time.

DD Martinez discussed the annual and 5-year plan, breaking it down by site for the Commission. She provided the comments from the RAB meetings for review. There were no questions from the Commission.

ED Baca welcomed Theresa Garcia from MFA, who had joined the call. He stated Ms. Garcia is replacing Gina Bell as their contact at MFA.

Treasurer Sandoval-Belt made a motion to approve Resolution 2021-118 Northern Regional Housing Authority 2021 Capital Fund Plan inclusive of awards for NM007, NM008 and NM088. Commissioner Slown seconded the motion. Roll call was taken and reflected the following:

Secretary Vigil	Yes
Commissioner Slown	Yes
Treasurer Sandoval-Belt	Yes
Chairwoman Trujillo	Yes
Vice-Chairman Brugger	Absent
Commissioner Moore	Absent
Commissioner Reichelt	Absent

Chairwoman Trujillo advised motion carried

- d. **Resolution 2021-119 Discussion, Consideration, and Action** Northern Regional Housing Authority Resident Bad Debt Write Off.

Executive Director, Terry Baca explained they had bad debts for \$18,025.59. Last year they wrote off \$31,303.03 in Northern alone, so this amount is not very high. For the Taos site they are writing off \$6,582.47, for the Las Vegas site, they are writing off \$9,658.06, and in the Raton site they are writing off \$1,515.06. ED Baca explained that the debt owed goes into a Nationwide data bank. Even if the debt is written off their books, it is still collectable, and if the individuals want to return to Public Housing, they will have to pay the debt in full before they can even apply for Housing.

Secretary Vigil made a motion to approve Resolution 2021-119 Northern Regional Housing Authority Resident Bad Debt Write Off. Commissioner Slown seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Commissioner Slown	Yes
Secretary Vigil	Yes
Chairwoman Trujillo	Yes

Vice-Chairman Brugger	Absent
Commissioner Moore	Absent
Commissioner Reichelt	Absent

Chairwoman Trujillo advised motion carried

- e. **Resolution 2021-120 Discussion, Consideration, and Action** Northern Regional Housing Authority AMP Conversion.

Executive Director, Terry Baca stated that the amps are basically set up how they are geographically. It makes more sense for them to make the AMPs in the areas closest together.

Commissioner Slown asked that they change the resolution to include the meaning of AMP, which is Asset Management Project. ED Baca stated he will make the changes to the Resolution prior to getting signatures on the resolution.

Commissioner Slown made a motion to approve Resolution 2021-120 Northern Regional Housing Authority AMP Conversion with minor changes. Treasurer Sandoval-Belt seconded the motion. Roll call was taken and reflected the following:

Treasurer Sandoval-Belt	Yes
Commissioner Slown	Yes
Secretary Vigil	Yes
Chairwoman Trujillo	Yes
Vice-Chairman Brugger	Absent
Commissioner Moore	Absent
Commissioner Reichelt	Absent

Chairwoman Trujillo advised motion carried.

- f. **Resolution 2021-121 Discussion, Consideration, and Action** Northern Regional Housing Authority 6/30/2020 FYI Audit.

ED Baca stated they will have to table this item since they do not have a copy of the audit for the Commission to review.

Secretary Vigil made a motion to table item f. Resolution 2021-121 Discussion Consideration and Action, Northern Regional Housing Authority 6/30/2020 FYI Audit. Commissioner Slown seconded the motion. Roll call was taken and reflected the following:

Secretary Vigil	Yes
Commissioner Slown	Yes
Treasurer Sandoval-Belt	Yes
Chairwoman Trujillo	Yes
Vice-Chairman Brugger	Absent
Commissioner Moore	Absent
Commissioner Reichelt	Absent

Chairwoman Trujillo advised motion carried.

Executive Session

None

Adjournment

Treasurer Sandoval-Belt made a motion to adjourn the meeting. Secretary Vigil seconded the motion. Chairwoman Trujillo asked for all in favor. All replied "Aye".

Chairwoman Trujillo advised the motion carried. Meeting was adjourned.

Chairman

Secretary



**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF COMMISSIONERS OF THE NORTHERN REGIONAL
HOUSING AUTHORITY
HELD: JULY 14, 2021
10:00 AM**

The Special Meeting of the Board of Commissioners of the Northern Regional Housing Authority was held on July 14, 2021 via telephone and Zoom due to the COVID-19 stay at home order.

The Meeting was called to order at 10:11pm by Chairwoman Rayetta Trujillo.

Members Present were:

Commissioner	Rev. Garland Moore
Secretary	Donna Vigil
Commissioner	Jolene Slowen
Vice-Chairman	Steven Brugger
Commissioner	Lauren Reichelt
Chairwoman	Rayetta Trujillo
Executive Director	Terry Baca

Absent members were:

Treasurer	Nichole R. Sandoval-Belt
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Also present in the meeting were:

Deputy Director – Natasha Martinez
Las Vegas Site Manager – Barbara Padilla
Raton Site Manager/Taos Site Manager – Coleen Sanchez-Garcia
HUD Portfolio Management Specialist - Adrian Lopez

The agenda for today's meeting was given to the Board for review and approval. Commissioner Moore made a motion to approve the agenda as presented. Secretary Vigil seconded the motion. Chairwoman Trujillo asked for all in favor, all stated "Aye".

Chairwoman Trujillo advised motion carried.

New Business

- a. **Resolution 2021-121 Discussion, Consideration, and Action** Northern Regional Housing Authority 6/30/2020 FYE Audit.

Executive Director, Terry Baca discussed the 6/30/2020 FYE Audit. He went over the findings with the Commission. He stated the entire staff has worked very hard in correcting any findings.

ED Baca stated as the Commission knows, they have a proposal for a new auditor. There have been some issues with the auditor and fee accountant. They have a meeting today to get some of the problems resolved. The first finding was a late audit. ED Baca stated, they are still struggling with the REAC submission. They hope to have the audit submitted by the September 30th deadline.

ED Baca stated one of the findings, cash disbursements, took place prior to them being part of NRHA. They have taken care of this and other findings.

ED Baca discussed the audit responses back to the auditor on their findings with the Commission.

Commissioner Slowen stated she has reviewed hundreds of audits in her career, and this is very impressive to have all the findings resolved. She stated the two findings they do have, are not significant as far as the integrity of how they run the operation and the improvements they have made. She stated she is ecstatic that they have this kind of audit. She commended the staff, saying, excellent job from the top down.

ED Baca stated he feels he has a great team, and it is a joint effort. They want to do well, and they work together towards that goal. ED Baca thanked the Commission for their support.

DD Martinez stated the financial position at the end of the year is very good, so it means a lot to have your financial position there. She stated next year it should look even better, now that they have consolidated, and will have the consolidated financial statements.

Commissioner Reichelt made a motion to approve Resolution 2021-121 Northern Regional Housing Authority 6/30/2020 FYE Audit. Commissioner Slowen seconded the motion. Roll call was taken and reflected the following:

Commissioner Slowen	Yes
Vice-Chairman Brugger	Yes
Secretary Vigil	Yes
Commissioner Reichelt	Yes
Commissioner Moore	Yes
Chairwoman Trujillo	Yes
Treasurer Sandoval-Belt	Absent

Chairwoman Trujillo advised motion carried.

b. Resolution 2021-121 Discussion, Consideration, and Action Northern Regional Housing Authority Award 6//30/2021 FYE Audit Contract.

Commissioner Lauren Reichelt had to exit the meeting.

DD Natasha Martinez discussed the audit contract with Axiom CPAs and Business Advisors LLC. She stated Axiom comes from a lot of previous staff auditors who typically do municipal audits. They

have done several municipalities with Housing Authorities on them. DD Martinez stated she has worked with their principal, Jaime Rumbaoa, when he was part of Moss Adams, and now that he is there with Axiom. She stated they are very good at finding issues. He and his staff have always performed their audits in the highest professionalism. DD Martinez stated it is a very reasonable rate for the amount of money they will be auditing. DD Martinez discussed that Mr. Rumbaoa, and his staff will work into the midnight hours just to meet a deadline. She is very confident that Axiom will do well.

Vice-Chairman Brugger made a motion to approve Northern Regional Housing Authority 6/30/2020 FYE Audit Contract. Secretary Vigil seconded the motion. Roll call was taken and reflected the following:

Commissioner Slowen	Yes
Vice-Chairman Brugger	Yes
Secretary Vigil	Yes
Commissioner Moore	Yes
Chairwoman Trujillo	Yes
Commissioner Reichelt	Absent for item
Treasurer Sandoval-Belt	Absent

Chairwoman Trujillo advised motion carried.

Adjournment

Commissioner Slowen made a motion to adjourn the meeting. Commissioner Moore seconded the motion. Chairwoman Trujillo asked for all in favor. All replied "Aye".

Chairwoman Trujillo advised the motion carried. Meeting was adjourned.

Chairman

Secretary

Tab 12



Quarterly Report to the MFA Board of Directors

Q3 FY2021

Production Statistics	Current Quarter	Same Quarter Last Year	Fiscal Year to Date
Homeownership			
Number of loans reserved	806	809	2,356
Amount of loans reserved	\$151,697,662	\$136,263,486	\$429,036,000
Number of loans purchased	674	721	1,886
Amount of loans purchased	\$123,388,312	\$119,110,270	\$340,670,991
Number of homebuyers counseled	451	850	1,644
Number of lenders/REALTORS contacted	1,975	1,111	4,054
Housing Development			
Amount of MF loans/grants/bonds	\$800,000	\$0	\$7,850,000
Amount of SF loans/grants	\$0	\$0	\$0
Amount of TC: LIHTC (MF) & State (MF & SF)	\$236,250	\$1,900,250	\$11,462,853
Number of MF units	0	255	1,051
Number of SF units	9	6	9
Housing Rehab & Weatherization			
Amount of rehab expenditures	\$518,776	\$129,864	\$704,738
Number of units rehabilitated	0	0	5
Amount of NM EnergySmart expenditures	\$1,915,520	\$622,110	\$4,953,071
Number of units weatherized	165	13	491
Shelter & Supportive Housing Programs			
Amount of shelter supportive service	\$762,683	\$284,636	\$2,856,787
Number of persons served ¹	893	987	2,775
Amount of rental assistance ²	\$1,145,644	\$696,046	\$3,537,303
Number of persons assisted	274	502	1,593

1 - EHAP & CoC

2 - Linkages, HHRHI, RAP & HOPWA



The need for MFA mortgage products:

MFA borrowers have an average annual income of \$60,024 and purchase homes with an average price of \$182,272. 25 percent are single-parent households; 63.20 percent are minorities.

MFA targets below market mortgage rates, and all first-time homebuyers receive pre-purchase counseling. MFA provides down payment assistance to 99 percent of its borrowers. Without these programs, many borrowers could not buy a home.



The need for housing development:

Only 4 percent of New Mexico's housing units are located in apartment complexes of 20 units or more. Many of these are old and in poor condition.

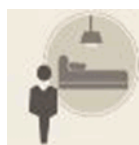
50 percent of renters are cost-burdened, about half pay between 30 percent and 49 percent of their income on rent; the other half pay more than 50 percent.



The need for housing rehabilitation and weatherization:

New Mexico has aging housing stock. 47 percent of its homes were built before 1980; only 18.4 percent were built after 2000. The average age of homes in NM is 35 years.

Many low-income homeowners are at risk because of health and safety hazards in their homes. They pay high utility bills because they cannot afford to make energy-efficiency improvements.



The Need for Assistance Programs:

The New Mexico Coalition to End Homelessness estimates that a total of 15,000 to 20,000 New Mexicans experience homelessness in a year.

The pandemic has increased the number of people experiencing homelessness.

While many people resolve their housing crisis on their own or with existing help, 6,500 people per year do not.

Solutions:

Rapid Rehousing which is rental assistance for up to 2 years.

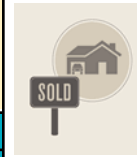
Permanent Supportive Housing for people with disabilities which is housing and support services provided for as long as needed.

Coordinated Entry to keep track of everyone in need of housing and quickly match people to appropriate housing.



Quarterly Report to the MFA Board of Directors Q3 FY2021

Servicing	Current Quarter	Same Quarter Last Year	Target Rate
First Mortgage delinquency rate	5.88	11.22	
Partners Program delinquency rate	12.12	9.93	
DPA loan delinquency rate	7.28	8.26	
Multifamily loan delinquency rate	1.23	3.57	
Combined delinquency rate - Current Month	7.26	8.27	
Combined average delinquency rate-FY	8.20	9.13	10.00
Default rate (writeoffs/foreclosure losses)	0.45	0.90	1.30
Master Servicing MBS delinquency rate	12.95	11.00	
REO Inventory - # of loans	1	0	
REO Inventory - Exposure	\$48,350	\$0	



MFA's Servicing Department:

Provides servicing for over 16,300 loans with a principal balance over \$345 million.

Many of the loans MFA services are for internal programs that target higher risk borrowers. MFA's Mortgage-Backed Securities (MBS) portfolio is serviced by our sub-servicer.

Delinquency rates in this portfolio can be benchmarked to Mortgage Banker Association averages 5.74 percent for all loans in New Mexico and 11.46 percent for FHA in New Mexico as of 03/31/2021.

Monitoring	Current Quarter	Year to Date	Fiscal Year Monitoring Required
Asset Management			
Number of properties monitored	22	25	187
Number of units inspected	0	0	N/A
Number of PBCA activities	300	861	N/A
Community Development			
Number of required monitorings ³	10	31	41

3 - based on program year, 7/1 - 6/30



MFA's Asset Management Department:

Monitors 271 properties and 18,255 units of housing financed by MFA, providing unit inspections and review of records and finances on a regular basis. Asset Management also supports 86 properties and 5,189 units under MFA's HUD Project Based Contract Administrator (PBCA) contract.



MFA's Community Development Department:

Manages ten programs with multiple different funding sources, and approximately 91 partners across the state. Our partners deliver housing to more than 9,300 individuals and receive approximately \$17 million in funding. Monitoring is performed on a regular basis to ensure program compliance.