



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Board Meeting
344 4th St. SW, Albuquerque, NM
Wednesday, June 16, 2021 at 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 5/19/21 Board Meeting Minutes – Board Action
- Executive Director Updates
- New Employee Introductions:
Stephanie Yara chief financial officer (Izzy Hernandez)

<u>Board Action Items</u>	<u>Action Required?</u>
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Other

- | | |
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| 1 Election of Officers (Chair Angel Reyes) | YES |
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Consent Agenda

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|---|-----|
| 2 Approval of MFA Broker/Dealers, Custodian and Depositories (Yvonne Segovia) | YES |
| 3 Authorized Signatures Resolution for Subservicer Accounts (Yvonne Segovia) | YES |

Finance Committee

- | | |
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| 4 IT Operations Internal Audit Executive Summary (Claire Hillary, Audit and Consulting Senior Manager, REDW) | YES |
| 5 2023-2027 State of New Mexico Infrastructure Capital Improvement Plan (Sherry Stephens) | YES |
| 6 Single Family Whole Loan Delivery Execution (Olivia Martinez & Jeff Payne) | YES |

Other

- | | |
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| 7 NSP (Neighborhood Stabilization Program) Update (Theresa Laredo-Garcia and Donna Maestas-De Vries) | NO |
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<u>Other Board Items</u>	<u>Information Only</u>
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| 8 (Staff is available for questions) <ul style="list-style-type: none">▪ Staff Action Requiring Notice to Board▪ COVID Staff Actions▪ Single Family Mortgage Program 2021 Series A and Series B Pricing Summaries | |
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<u>Monthly Reports</u>	<u>No Action Required</u>
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| 9 (Staff is available for questions) <ul style="list-style-type: none">▪ 4/30/21 Financial Statements▪ Northern Regional Housing (NRHA) Monthly Update Reports | |
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<u>Announcements and Adjournment</u>	<u>Discussion Only</u>
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Confirmation of Upcoming Board Meetings – until further notice all Board Meetings & Committees will be held Virtually

- June 8, 2021- Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- June 16, 2021 – Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- July 13, 2021- Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- July 21, 2021 – Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- August 10, 2021- Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- August 18, 2021 – Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- August 18-19, 2021 – Wed. – Thursday tentative (MFA Board of Directors Retreat)
- 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)



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Stephanie Yara chief financial officer (Izzy Hernandez)

Board Action Items

Action Required?

Other

- 1 Election of Officers (Chair Angel Reyes) –as recommended by the Nominating Committee: Chair Reyes, Lieutenant Governor Morales and Attorney General Balderas. YES

Consent Agenda

- 2 Approval of MFA Broker/Dealers, Custodian and Depositories (Yvonne Segovia) At least annually and as needed, MFA staff reviews and updates the Broker, Dealer, Custodian and Depository list. Staff recommends a revision to the Broker, Dealer, Custodian and Depository List to add KeyBank as an authorized depository. All organizations on the list meet established qualifications as stated in the MFA Investment Policy. YES
- 3 Authorized Signatures Resolution for Subservicer Accounts (Yvonne Segovia) - The Authorized Signatures Resolution is updated periodically as needed. Staff recommends approval of the Authorized Signature Resolution to add IHFA sub-servicing staff to transact on MFA owned accounts used for subservicing the mortgage loan portfolio. YES

Finance Committee

- 4 IT Operations Internal Audit Executive Summary (Claire Hillary, Audit and Consulting Senior Manager, REDW) - REDW will present the IT Operations Internal Audit Executive Summary. The audit was an evaluation conducted on the IT policies and procedures and IT Governance documentation based on best practices identified by the National Institute of Standards and Technology (NIST). YES
- 5 2023-2027 State of New Mexico Infrastructure Capital Improvement Plan (Sherry Stephens) - Each year, DFA requests that state agencies, local governments, tribal governments, special districts and senior citizen facilities submit an ICIP request for priority capital projects for which they will seek state funding in the next five years. MFA has submitted ICIP requests through this process for the last five years. MFA is once again recommending that the reoccurring annual ICIP be submitted for 2023-2027, for the following priority: New Mexico Housing Trust Fund \$12 million each year for 2023-2027. YES
- 6 Single Family Whole Loan Delivery Execution (Olivia Martinez & Jeff Payne) - Staff recommends adoption of the whole loan sales execution as another option for best execution to quickly deliver loans, reduce risks associated with delays in delivering loans, and maximize revenue. YES

Other

- 7 NSP (Neighborhood Stabilization Program) Update (Theresa Laredo-Garcia and Donna Maestas-De Vries) - MFA staff will provide the Board with an update of the Neighborhood Stabilization Program (NSP) Activities. NO

Other Board Items

Information Only

- 8 (Staff is available for questions)
- Staff Action Requiring Notice to Board
 - COVID Staff Actions
 - Single Family Mortgage Program 2021 Series A and Series B Pricing Summaries

Monthly Reports

No Action Required

9 (Staff is available for questions)

- 4/30/21 Financial Statements
- Northern Regional Housing (NRHA) Monthly Update Reports
- ESG Cares Act Shelter Expenditure Report

Announcements and Adjournment

Discussion Only

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Minutes

NEW MEXICO MORTGAGE FINANCE AUTHORITY

DRAFT Board Meeting Minutes

344 4th St. SW, Albuquerque, NM

Wednesday, May 19, 2021 at 9:30 a.m.

Chair Reyes convened the meeting on May 19, 2021 at 9:32 a.m. Secretary Hernandez called the roll. Members available by phone: Chair Angel Reyes, Vice Chair Derek Valdo, Sally Malavé (designee for Attorney General Hector Balderas), Martina C'de Baca (designee for Lieutenant Governor Howie Morales), State Treasurer Tim Eichenberg, Rebecca Wurzburger. Absent: Rosalyn Nguyen Chafey (left the meeting early 11:02). 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 Izzy and we will stop the meeting to wait for you to reconnect. There will be a roll call vote for all approvals.

Approval of Agenda - Board Action. Chair Reyes began with a request to amend the May 19, 2021 Board agenda; move tabs 7 Proposed 2021 LIHTC Awards to Tab 1 on the agenda followed by Tab 8 LIHTC Gap Financing Loan Requests Tab 2 and everything would follow after that. Motion to approve the amended May 19, 2021 Board agenda as presented: Wurzburger. Second Nguyen-Chafey: Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzburger-yes, Nguyen Chafey-yes. Vote:7-0

Approval of 4/21/21 Board Meeting Minutes – Board Action– Board Action– Board Action. Motion to approve the April 21, 2021 Board Meeting Minutes as presented: Malavé. Second: Valdo. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzburger-yes, Nguyen – Chafey-yes. Vote:7-0.

Hernandez began by thanking Board for their words of support, prayers and encouragement during this difficult time and thanked the Treasurer as well as staff for their attendance for the services. He provided the Board with an update on the following topics: **Significant meetings/presentations:** 4/27: El Paso Electric potential funding. 4/30: Matt Garcia, COS for Governor – continued meetings as time allows. **Activities and Actions:** Homeownership Assistance Fund – Executed Contract (Pilot Program) \$2.5M - Pilot Launched 5/18 (Housing Asst) & 5/19 (Roof Repair). Statewide Housing Strategy RFP – Released 5/17, Responses due 6/18 (Link provided). **Upcoming Actions/Activities;** He reviewed Delinquencies: (11,125 total portfolio as of 4/21) Total Delinquencies May '21: 1670/15.02%. He informed the Board that Rene will be providing an update later on the agenda on Mortgage operation and production data. CDBG - 9074 Applications and 3035 Funded/Funding with \$7.5m. Market Update: Building Materials – Increased Costs, Lumber rose by 57% since January, 325% since last year, 12% Housing cost increase in February alone.

New Employee introductions: The following new employees were introduced by the following individuals: Rebecca Velarde director of policy and planning introduced Sherry Stephens, program manager. Yvonne Segovia comptroller introduced Angela Gabaldon accounting team lead. Gina Bell director of community development introduced Matthew Meyer intern. Chair Reyes welcomed the new employees.

Allocation Review Committee

1 Proposed 2021 Low Income Housing Tax Credit (LIHTC) Awards (Kathryn Turner). Turner informed the Board that she would begin by going over high level changes on the 2021 QAP, tax credit ceiling and how we arrived at the recommended awards. She informed the Board that nine applications were received by the deadline; six projects were determined to be "Eligible" for tax credit awards; two applications were rejected due to financial infeasibility; one did not score high enough to be eligible for an award. There was one appeal filed – ARC convened a hearing and upheld staff's decision. Turner reviewed the changes to the 2021 QAP. After covering the highlights of the request, she stated that staff, by and through MFA's Allocation Review Committee, requests approval of six LIHTC awards in the amount of \$3,083,728; Table 7A, and approval of a forward allocation of 2022 tax credits in the amount of \$2,258,201. The total amount will cover four new construction and two acquisition rehabs for a total of 362 units. These items are located behind tab seven (moved to tab 1 during the approval of the 5/19/21 agenda) and will become a part of the official board packet. Turner introduced the developers of the projects and informed the Board that they would each provide a brief overview of their proposed development projects via WebEx and answer any inquiries the Board might have. Staff will go over the parameters of each of the loans being recommended by staff for Gap financing under the next tab of the agenda. The developers present; Maryann Chavez Lopez El Camino Real Housing Authority and Jeff Curry, JL Gray -

Vista de Socorro Apartments, Socorro NM. Felipe Rael Albuquerque Greater Housing Partnership - Hiland Plaza Apartments, Albuquerque NM. Tim Baker - Chelsea Investment Corporation & CC Housing Inc. – Mariposa Apartments, Taos NM. Stephen Crozier - Tierra Realty Trust LLC & Golden Spread Realty - Alameda Flats Apartments, Roswell, NM. Michelle Den Bleyker - YES Housing, Inc. - West Berry Senior Apartments, Hobbs NM. Tim Baker - Chelsea Investment Corporation & CC Housing - Belen Vista Apartments, Belen, NM.

Nguyen Chafey (Chair of the ARC committee) provided comments stating that Kathryn Turner and staff did a fantastic job and thanked them for such a thorough, meticulous well done presentation, further stating it was helpful in the decision making of the ARC committee. The Developments will be wonderful to the residents but also a huge contribution to the communities. She spoke to the process stating the reasoning for the forward allocations and the ARC committee's responsibilities. It is her pleasure to say that the committee has fulfilled these duties and recommends that the Board adopt staff's recommendations as presented. Motion to approve staff's recommendation as presented: Wurzburger. Second: Malavé. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzburger-yes, Nguyen – Chafey-yes. Vote:7-0

Contracted Services/Credit Committee & NM Housing Trust Fund Committee

2 Low Income Housing Tax Credit (LIHTC) Gap Financing Loan Requests (George Maestas/Tim Martinez/Sharlynn Rosales and Jacobo Martinez). YES

(Note: at the request of any Board Member, any of the four projects listed below may be removed from this combined agenda item and discussed and voted upon separately)

- a. Vista de Socorro - HOME, New Mexico Housing Trust Fund (NMHTF), and National Housing Trust Fund (NHTF) Awards (Tim Martinez & George Maestas). Martinez began his presentation with loan requests for Vista de Socorro Apartments; HOME loan in the amount of \$240k, 0% interest rate, NMHTF \$1.5m, 3% fixed and NHTF \$400k, 0% interest rate located in Socorro. Martinez stated that the loan requests are for a low-rise multifamily building comprised of 32 rental units with 20% of units (7 units) to be set-aside for Permanent Supportive Housing for individuals and/or households who are disabled, experiencing homelessness or at-risk of homelessness). Twenty-one units will be income-restricted to households earning at or below 60% of area median income (AMI), 7 units at or below 50% AMI, and 4 units at or below 30% AMI. All 32 units will receive rental assistance from Section 8 Project-Based Vouchers.
- b. Mariposa Apartments - HOME and National Housing Trust Fund (NHTF) Awards (Sharlynn Rosales and George Maestas). Rosales began her presentation with loan requests for Mariposa Apartments located in the Town of Taos; HOME loan in the amount of \$400k, 0% interest rate, NHTF, \$400k 0% interest rate. Rosales stated that the loan requests are for a 58-unit project - one unit is a non-revenue-producing management unit. Mariposa currently has 44 units receiving USDA-Rural Development Rental Assistance. The project will restrict 42 units for households earning at or below 60% area median income (AMI), 10 units for households earning at or below 50% AMI, and 5 units for households earning at or below 30% AMI. Mariposa is currently 100% occupied with a two-year waitlist. Housing priority and design requirements will meet MFA's LIHTC project selection criteria for households with children.
- c. Belen Vista Apartments - HOME and National Housing Trust Fund (NHTF) Loan Requests (Jacobo Martinez and George Maestas). Martinez began his presentation with loan requests for acquisition & rehabilitation for Belen Vista Apartments located in Belen; HOME CHDO \$400k, 0% interest rate, NHTF \$400k, 0% interest rate. Martinez stated the loans are for an existing 57-unit USDA Rural Development Project with 25% of units for households with children. The project will have 4 units set aside on a priority basis for the disabled, 26 one-bedrooms set aside with priority for the elderly (62+) and 26 two-bedroom remaining units are reserved for individuals and families. Four of the units are income-restricted to households earning 30% or less of Area Median Income (AMI). Twenty-eight of the units are income-restricted to households earning 50% or less of AMI, 24 units are income-restricted to households earning 60% or less of AMI. One unit is a non-income-producing manager's unit.
- d. West Berry Apartments- HOME and New Mexico Housing Trust Fund (NMHTF) Loan Requests (Jacobo Martinez and George Maestas). Martinez began his presentation with loan requests for new construction for West Berry Apartments located in Hobbs; HOME CHDO \$840k, 0% interest rate, NMHTF \$1m, 3% fixed interest rate. Martinez stated the loans are for a 56-unit multifamily project, comprised of both one- and two-bedroom units, all serving seniors (age 55+). Fourteen of the units are income-restricted to households earning 50% or less of Area Median Income (AMI) and 42 of the units are income-restricted to households earning 60% or less of AMI. Motion to approve the Low Income Housing Tax Credit (LIHTC) Gap Financing Loan Requests as presented: Wurzburger: Second: Nguyen Chafey-yes. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzburger-yes, Nguyen Chafey-yes. Vote: 7-0.

Consent Agenda

- 3 Authorized Signatures Resolution (Yvonne Segovia)** - The Authorized Signatures Resolution is updated periodically as needed. Staff recommends the update of the Authorized Signature Resolution to capture the signature of the newly appointed Chief Financial Officer.
- 4 Vendor Direct Bill Account Resolution (Yvonne Segovia)** - Staff recommends the approval of a Corporate Resolution to authorize staff to establish and execute all documents related to direct bill accounts with vendors.

Motion to approve the consent agenda as listed - Authorized Signatures Resolution and Vendor Direct Bill Account: Malavé. Eichenburg. Second: Roll call vote: Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzbarger-yes, Nguyen Chafey-yes. Vote: 7-0.

- 5 Northern Regional Housing Authority (NRHA) update (Terry Baca executive director NRHA and Gina Bell).** Bell reminded the Board that the Board had requested NRHA provide quarterly updates as well as minutes from their monthly meetings, which are provided behind monthly reports. We were anticipating that through legislation MFA's oversight of the Regionals would be removed, however this did not happen which is why a 1st quarter report did not take place. In addition, by this time we provide the annual report for the regionals; NRHA audit has not been completed at this time which is why this overall annual report of the RHA's has not been presented. Mr. Terry Baca, Executive Director of Northern Regional Housing Authority provided the Board with an update on how Northern Regional is progressing after the merger of Northern, Raton and Las Vegas Housing Authority. He further stated that he had been in contact with the auditor stating that they had been backburned. They had a final audit meeting last week and will go over the final findings later this afternoon. He discussed the findings that were cleared as well as new findings. Non-Action Item.

Member Nguyen Chafey left the meeting 11:02 a.m.

Finance Committee

- 6 3/31/21 Quarterly Financial Statement (Yvonne Segovia).** Segovia informed the Board that this report will be for the six-month period ending 3/31/21 of MFA's fiscal year. She began by reviewing the comparative year-to-date summary of highlights discussing the year-to-date metrics and variances which included the following: Production, Statement of Net Position, Statement of Revenues, Expenses and Net Position, Moody's Benchmarks and Servicing. Segovia then reviewed the monthly and quarterly graphs, the Housing Opportunity Fund report and the Loan and Credit Line Activity report. Motion to approve the 3/31/21 Quarterly Financial Statement Review as presented: Valdo. Second: Wurzbarger. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzbarger-yes. Vote: 6-0
- 7 3/31/21 Quarterly Investment Review (Cooper Hall).** Hall presented the Quarterly Investment Review packet behind tab seven which will be included in the official board packet. He began by informing the Board that this report is as of 3/31/21. He reviewed the General Fund Investment Compliance Report, the Portfolio Summary-Short & Intermediate Term Investments, the Portfolio Summary-Long Term Investments including the State Investment Council Investments, the Portfolio Summary-Housing Trust Fund and the General Fund Investment Portfolio Metrics highlighting the asset class balances and yields/rates of returns. Motion to approve the 3/31/21 Quarterly Investment Review 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, Wurzbarger-yes. Vote: 6-0.
- 8 Proposed New Mexico Housing Trust Fund Rules Changes (Rebecca Velarde).** Velarde began with staff's recommendation of approval to the changes to the New Mexico Housing Trust Fund (NMHTF) Rules to increase flexibility and expand eligible programmatic activities in conjunction with the passage of S.B. 27 by the New Mexico State Legislature and Governor's signature. She then provided background information regarding the inception of the NMHTF as well as how much money has been appropriated to date. She further explained that the MFA Act Oversight Committee endorsed a bill that included statutory changes to the New Mexico Housing Trust Fund Act. This bill was introduced during the 2021 Legislative Session as S.B. 27, was passed by both houses of the State Legislature and signed into law on April 5, 2021. She further explained the bill focused on utilizing funds for constructing or rehabilitating affordable housing units. Due to recent events, including the coronavirus pandemic, which has caused extensive housing and income instability, it has become clear that state funding is desperately needed for other types of housing activities to ensure New Mexicans continually have decent, safe and affordable housing. Velarde then reviewed

the changes to the rules located behind tab six, which will become a part of the official Board packet. Motion to approve the Proposed New Mexico Housing Trust Fund Rules Changes as presented: Wurzburger. Second: Malavé. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzburger-yes. Vote: 6-0.

9 2021-2022 Linkages Limited Source Procurement Annual Allocations (Jennifer Tyler and Shannon Tilseth).

Tyler began her presentation by reminding the Board that the Linkages Program is funded by the state of New Mexico, Behavioral Health Services Division, Human Services Department. Funding provides permanent supportive housing vouchers to extremely low-income households with a serious mental illness diagnosis who are homeless, precariously housed, or at-risk of becoming homeless. Annually, MFA receives \$2,999,184.00 in recurring funding for the Linkages Program Housing Administrators (HA's). Allocations for the upcoming 2021/2022 program year are based on available funding and the amount needed by each HA to maintain housing for all current participants on an on-going basis. Staff is recommending approval of the awards to the eight HA's under a Limited Source Procurement for the Linkages Program in the amount of \$2,759,249.28, and \$239,934.72 for MFA administrative fees. Staff also requests approval to adjust the award to Bernalillo County Housing Department if funding is increased by the Behavioral Health Services Division due to a Support Service Administrator who exceeded their allotted voucher count. Finally, staff is requesting approval to award the annual funding on a renewal basis for program years 2022/2023 and 2023/2024. Staff requests approval to award Linkages Program funding to the Housing Administrators according to the recommendations. Motion to approve 2021-2022 Linkages Limited Source Procurement Annual Allocations of all three items as presented: Wurzburger. Second: Eichenberg. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzburger-yes. Vote: 6-0.

10 Approval of 2021/2022 DOE Annual and Master State Plan (Troy Cucchiara and Dimitri Florez).

Florez began his presentation with a request for approval of the NM EnergySmart 2021/2022 Department of Energy (DOE) Weatherization Assistance Program Annual and Master State Plans. He explained that the NM EnergySmart program helps low-income New Mexicans save money on utility bills. Homeowners and renters who qualify for the program receive an average of \$6,500 in weatherization measures. He provided background information stating that the State Plan is the annual application package that is submitted by MFA to the DOE prior to receiving funding for the Weatherization Assistance Program. Every year, DOE requires each state to submit an application by May 1, that is referred to as the State Plan. The State Plan consists of two sections; the Annual Plan, and the Master Plan and included as part of the packet. The Annual Plan includes a detailed breakdown of how the funds will be allocated. The Master Plan describes how the program will be managed overall by the NM EnergySmart Program. The Department of Energy (DOE) is the primary funding source and they set the rules and regulations for the program. Additionally, they are the only funding source that provides for vehicles, equipment and a training and technical assistance budget. Funding for the 2021/2022 State Plan is \$4,035,319.38 (DOE funding), MFA is projecting that ICAST will weatherize approximately 68 multifamily statewide units, Central New Mexico Housing will weatherize approximately 197 single family units, and Southwestern Regional Housing and Community Development Corporation will weatherize approximately 77 single family units for a total of 342 units. Cucchiara reviewed the list of service providers in which the funds will be allocated for 2021/2022 as listed in the memo, which will become a part of the official board packet. He also included a description of each of the categories. He commented on the public meetings held to include the public hearing, stating there were no comments received during the public hearing. Motion to approve the NM EnergySmart 2021/2022 Department of Energy (DOE) Weatherization Assistance Program Annual and Master State Plans as presented: Malavé. Second: Valdo. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzburger-yes. Vote: 6-0.

Other

11 Proposed Changes to FY 2021-2025 Strategic Plan (Rebecca Velarde).

Velarde began her presentation by providing background information stating that MFA's current strategic plan is for FY 2021-2025. It is a living document so that adjustments can be made given the environment. MFA will complete the first year (FY 2021) of the plan on September 30, 2021. The Strategic Management Committee is recommending adjustment of benchmark 1 of goal 2, objective 1 as follows: "Achieve an average of 1,750 social media engagements each quarter across all platforms." The original benchmark was 750 social media engagements. This change is being recommended due to our recent success. Motion to approve the Proposed Changes to FY 2021-2025 Strategic Plan as recommended: Wurzburger. Second: Malavé. Roll call vote: Chair Reyes-yes, Vice Chair Valdo-yes, C'de Baca-yes, Eichenberg-yes, Malavé-yes, Wurzburger-yes. Vote: 6-0.

12 Multifamily Project Completion Pipeline Report (Shawn Colbert). Colbert provided the multifamily project completion pipeline report for informational purposes. She informed the Board that there was an error in the calculations of the MFA total loan amount and would be reading the corrected version. An updated copy will be sent to the Board following the meeting. She further informed the Board that as requested the economic impact and jobs created have been added to the report by policy and planning. She provided an overview of the multifamily project pipeline completion report which includes funding source and are listed by the project's loan application or tax credit allocation year. Overall, there are 55 active projects comprised of 4,059 units in 28 different municipalities across the state. They represent over \$48 mm in annual tax credits, \$39.5mm in Private Activity Bond and \$32.7 mm in other MFA financing. Since the last report two projects have closed on their financing and seven more are expected to close by the September timeframe. Colbert reviewed the figures provided for economic impact as well as jobs. She then shared some photos of one of the projects that is currently under construction; Sunray/Lobo Canyon Apartments and hopes to have photos of the completed project by the end of next quarter. Chair Reyes thanked her for including this information, stating that this is great information to show the huge impact these developments and the decisions the Board made today have on the state. Non-Action Item.

13 Single Family Programs Report (René Acuña). Acuña reviewed the single-family program production report located behind tab 13 and will be made a part of the official board packet. He discussed the following charts and data during his presentation: historical rate trend by program, loan reservation vs loan purchases (total units), financing execution trends, reservations by program, comparison of down payment assistance (DPA) sources, comparison of loan types, borrower demographics, market utilization comparison by quarter, statewide median sales price of homes and statewide home sales. Non-Action Item.

Other Board Items - Information Only

14 There were no questions asked of staff.

- Staff Actions Requiring Notice to Board
- COVID -19 Staff Actions
- Strategic Plan Dashboard

Monthly Reports - No Action Required

15 There were no questions asked of staff.

- Northern Regional Housing Monthly Update Reports
- ESG Cares Act Shelter Expenditure Report

Quarterly Reports - No Action Required

16 There were no questions asked of staff.

- 3/31/21 Quarterly Board Report

Announcements and Adjournment - Confirmation of Upcoming Board Meetings. Chair Reyes informed the Board that next MFA Board of Directors meetings will be June 16, 2021 at 9:30 a.m.

There being no further business the meeting was adjourned at 12:11 p.m.

Approved: June 16, 2021

Chair, Angel Reyes

Secretary, Isidoro Hernandez

Tab 1



PROPOSED MFA OFFICERS JUNE 16, 2021

Nominating Committee

Chair, Angel Reyes
Lieutenant Governor Howie Morales
Attorney General Hector Balderas

Nominating Committee recommends the following members to fill the
MFA Officer Positions:

Vice Chair: Derek Valdo

Secretary: Isidoro Hernandez

Assistant Secretary: Stephanie Yara

Treasurer: Rebecca Wurzbarger

Assistant Treasurer: Yvonne Segovia

Tab 2



MEMO

TO: MFA Board of Directors
Through: Finance Committee – June 8, 2021
Through: Policy Committee – June 1, 2021
FROM: Yvonne Segovia, Interim Chief Financial Officer
DATE: June 16, 2021
SUBJECT: Approval of MFA Broker/Dealers, Custodian and Depositories

Recommendation:

Staff recommends approval of the MFA Broker/Dealer, Custodian and Depository List.

Background:

At least annually and as needed, MFA staff reviews and updates the list of brokers, dealers, custodians and depositories. The Broker/Dealer, Custodian and Depository List includes firms that are part of our Underwriting Team, other underwriters who have expressed interest in working with MFA by responding to our most recent underwriting request for proposal (RFP) and who meet the required criteria in the Investment Policy. Depository and custodial relationships are established as part of either an RFP process or are institutions utilized by the State of New Mexico. The exceptions are 1) the Federal Home Loan Bank of Dallas, a government-sponsored enterprise, which provides financial services to member institutions including Housing Finance Agencies and 2) KeyBank, who provides services to MFA's mortgage loan portfolio sub-servicer.

Discussion:

The Government National Mortgage Association recently conducted a review of the mortgage loan portfolio serviced by both MFA and our sub-servicer Idaho Housing and Finance Association (IHFA). MFA was issued several recurring findings because GNMA guidelines require the accounts maintained by the sub-servicer must be in the name of MFA, using MFA's Taxpayer Identification Number (TIN) and legally owned by MFA. Findings were received because the Principal & Interest Custodial account, Tax & Insurance custodial account and 203(k) Special Escrow Custodial Accounts are maintained in IHFA's name using IHFA's TIN.

The Broker, Dealer, Custodian and Depository list is being updated to add KeyBank, the financial institution used by IHFA that is integrated with their servicing system. GNMA guidelines require that mortgage payments received must be processed within 24 hours of receipt. In order to comply with the requirement, IHFA must deposit the funds with the financial institution that is integrated with their servicing system. Use of another financial institution will require manual movement of funds, which will delay the payment posting by an additional day.

Summary:

At least annually and as needed, MFA staff reviews and updates the Broker, Dealer, Custodian and Depository list. Staff recommends a revision to the Broker, Dealer, Custodian and Depository List to add KeyBank as an authorized depository. All organizations on the list meet established qualifications as stated in the MFA Investment Policy.

**NEW MEXICO MORTGAGE FINANCE AUTHORITY
APPROVED BROKER/DEALERS, CUSTODIANS AND DEPOSITORIES
2020-2021**

Recommended Broker/Dealers:

Underwriting Team and underwriters with local offices who have expressed interest in working with MFA (by responding to our most recent RFPs and who meet the required criteria):

Raymond James & Associates
RBC Capital Markets, LLC
J.P. Morgan Securities, LLC
Merrill Lynch, Pierce, Fenner & Smith Inc.
Fidelity Capital Markets
Jefferies, LLC
Stifel, Nicolaus & Company, Inc.

Bidding Agent:

CSG Advisors

TBA Administrator:

Hilltop Securities Inc.

Investment Departments of Banks and Other Registered Broker/Dealers Approved for Broker/Dealer Relationship:

Wells Fargo Securities, LLC
Federal Home Loan Bank of Dallas
BOK Financial Securities, Inc.
Moreton Capital Markets, LLC
Zions Bank Capital Markets/Zions Direct

Recommended Custodians:

Wells Fargo Bank New Mexico/Wells Fargo Securities, LLC
Federal Home Loan Bank of Dallas
Zions Bank

Recommended Depositories:

Wells Fargo Bank New Mexico
Bank of Albuquerque/BOKF, NA
Bank of America
US Bank
Bank of the West
Federal Home Loan Bank of Dallas
KeyBank

Note: Additionally, for certificate of deposit investments, MFA has the authority to utilize approved depositories as per the Collateral Review Report prepared by the State Treasurer's Office as part of their risk assessment program.

Tab 3



MEMO

TO: MFA Board of Directors
Through: Finance Committee – June 8, 2021
Through: Policy Committee – June 1, 2021
FROM: Yvonne Segovia, Controller
DATE: June 16, 2021
SUBJECT: Authorized Signatures Resolution

Recommendation:

Staff recommends approval of the Authorized Signature Resolution to add IHFA sub-servicing staff to transact on MFA owned accounts used for subservicing the mortgage loan portfolio.

Background:

The Government National Mortgage Association (GNMA) recently conducted a review of the mortgage loan portfolio serviced by both MFA and our sub-servicer Idaho Housing and Finance Association (IHFA). MFA was issued several recurring findings because GNMA guidelines require the accounts maintained by the sub-servicer must be in the name of MFA, using MFA's Taxpayer Identification Number (TIN) and legally owned by MFA. Findings were received because the Principal & Interest Custodial account, Tax & Insurance custodial account and 203(k) Special Escrow Custodial Accounts are maintained in IHFA's name using IHFA's TIN.

Discussion:

An Authorized Signature Resolution is being created to establish a relationship with KeyBank, the financial institution used by IHFA that is integrated with their servicing system. GNMA guidelines require that mortgage payments received must be processed within 24 hours of receipt. In order to comply with the requirement, IHFA must deposit the funds with the financial institution that is integrated with their servicing system. Use of another financial institution will require manual movement of funds, which will delay the payment posting by an additional day.

Summary:

The Authorized Signatures Resolution is updated periodically as needed. Staff recommends approval of the Authorized Signature Resolution to add IHFA sub-servicing staff to transact on MFA owned accounts used for subservicing the mortgage loan portfolio.

**NEW MEXICO MORTGAGE FINANCE AUTHORITY
CORPORATE RESOLUTION**

RESOLVED, the individuals listed below are fully authorized and empowered to establish accounts in any bank or financial or depository institution (bank) in the name and on behalf of New Mexico Mortgage Finance Authority (MFA); to make deposits in, change, transfer funds to, or withdraw funds from such accounts by checks, drafts, wire transfers, or other instruments or orders customarily used for the payment of accounts or the transfer of funds, including the proceeds of mortgages; and to make, execute, and deliver, under the seal of New Mexico Mortgage Finance Authority, any and all written instruments necessary or proper to effectuate the authority hereby conferred; and that any such actions heretofore taken by any of the following persons on behalf of New Mexico Mortgage Finance Authority are hereby ratified, approved and confirmed.

Isidoro R. Hernandez	Executive Director/CEO	_____
Stephanie M. Yara	Chief Financial Officer	_____
Yvonne Segovia	Controller	_____

IT IS FURTHER RESOLVED, the individuals employed by MFA's mortgage loan portfolio sub-servicer, Idaho Housing and Finance Association, listed below are fully authorized and empowered to make deposits in, change, transfer funds to, or withdraw funds from such accounts by checks, drafts, wire transfers, or other instruments or orders customarily used for the payment of accounts or the transfer of funds, including the proceeds of mortgages.

John Chung	Chief Financial Officer	_____
Wayne Millward	Controller	_____
Mila Bilbao	Assistant Controller	_____
Curtis Ford	Financial Accountant	_____
Dorena Youlton	Investor Reporting Accountant	_____
John Snow	Investor Reporting Accountant	_____
Maria Oliva	Loan Servicing Accountant	_____

IT IS FURTHER RESOLVED, that the authority conferred hereinabove shall continue in full force and effect until written notice of modification or revocation shall be received by the bank and that bank shall be protected in action upon any form of such written notice of modification or revocation which it in good faith believes to be genuine.

CORPORATE CERTIFICATION

I HEREBY CERTIFY, that I am the Secretary of New Mexico Mortgage Finance Authority; that the above and foregoing is a full, true and correct copy of a resolution duly and regularly adopted by the vote of a majority or more of the directors of the New Mexico Mortgage Finance Authority in accordance with the MFA by-laws on June 16, 2021; that there is no provision in the articles of the MFA conflicting with said resolution; and that said resolution has not been modified or revoked and still remains in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the New Mexico Mortgage Finance Authority this _____ day of June, 2021.

Isidoro R. Hernandez, Secretary

(CORPORATE SEAL)

Tab 4



New Mexico Mortgage Finance Authority
Information Technology Operations Internal Audit
Executive Summary
March 2021

New Mexico Mortgage Finance Authority Information Technology 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 processes and controls related to the Information Technology (IT) department's operations.

PURPOSE AND OBJECTIVES

Our internal audit focused on the IT's department structure with its roles, responsibilities, training and succession planning, IT risk management, inventory tracking as well as IT governance and strategy.

SUMMARY OF PROCEDURES

REDW evaluated IT policies and procedures and IT Governance documentation based on best practices identified by the National Institute of Standards and Technology (NIST) SP800-53-R4. We evaluated if IT personnel performance goals had been created, annual performance reviews were conducted, and determined if succession plans were in place for IT staff. We examined help desk statistics to determine if response and remediation times were within established help desk service level metrics. We tested IT's process for tracking hardware and software inventory as well as the hardware life-cycle management process. We tested procedures for daily, weekly, monthly and annual critical tasks performed by IT personnel. We evaluated how IT performance metrics were assessed and communicated to the Board of Directors. We evaluated the controls for monitoring staff with privileged access. Finally, we sampled employee logs for both two-factor authentication (Duo) and VPN remote access to determine if the logs were accurately capturing remote network access.

SUMMARY OF RESULTS

We identified many areas during the course of the audit where controls were functioning properly and established procedures were followed including IT Governance, IT policies and procedures, IT department structure, roles and responsibilities, personnel development, controls over the hardware and software inventory and tracking of performance metrics.

We identified one low risk observation for consideration:

1) Work From Home / Remote Access

MFA has implemented a VPN platform for employees to securely connect to the MFA network when working remotely from the office. Once an employee connects remotely utilizing VPN, logs are generated recording the time of connection and the time the employee logs off. From our testing of the VPN access logs we identified four out of nine employees sampled had logs recorded for the time the employee connected to the network but did not record the time the employee had terminated the remote access connection. Additionally, two-factor authentication with Duo has also been implemented to mitigate the risk of compromised credentials. From our testing of the two-factor authentication alert process we identified three out of nine employees selected were not recorded as having logged into Duo on the selected testing dates even though the VPN remote access records indicated these employees had connected to the network remotely. Both of these issues identified were determined to be caused by a server configuration error; however, other network monitoring procedures were in place reducing the risk of inappropriate access.

We recommend IT work with the vendor to correct the configuration issue and going forward regularly test the VPN and Duo logs to ensure remote access connection and termination times are accurately captured.

* * * * *

Further detail of our purpose, objectives, and procedures is included in the full internal audit report. In that report, management describes the corrective action being taken for the above observation.

REDW LLC

Albuquerque, New Mexico
June 1, 2021

Tab 5



MEMO

TO: MFA Board of Directors

Through: Finance Committee – June 8, 2021

Through: Policy Committee – June 1, 2021

FROM: Rebecca Velarde, Director of Policy and Planning

DATE: June 16, 2021

SUBJECT: 2023-2027 State of New Mexico Infrastructure Capital Improvement Plan

Recommendation:

Staff recommends approval of the following project for the FY 2023-2027 Infrastructure Capital Improvement Plan (ICIP), which must be submitted to the Capital Outlay Bureau of New Mexico Department of Finance and Administration (DFA) by July 1, 2021:

Priority 1: New Mexico Housing Trust Fund \$12 million each year for 2023-2027

Background and Discussion:

Each year, the Capital Outlay Bureau of DFA requests that state agencies, local governments, tribal governments, special districts and senior citizen facilities submit ICIPs for priority capital projects for which they will seek state funding in the next five years. Prior to 2015, MFA was not aware that it was eligible to request capital outlay funding through the state ICIP process. MFA was informed if prioritized through the ICIP process, its projects would be rolled into the severance tax bond capital outlay bill for consideration by the legislature. Severance tax bonds can be used for projects such as MFA's, which are privately owned once constructed.

As the annual ICIP request has been legislatively approved and a successful strategy for MFA, the same capital outlay request will be submitted and includes a request of \$12 million for both the New Mexico Housing Trust Fund and Weatherization.

- 2019: Both requests were included in the capital outlay bill. The New Mexico Housing Trust Fund received \$2,000,000, and Weatherization received \$1,000,000.
- 2020: Both requests were included in the capital outlay bill. The New Mexico Housing Trust Fund received \$1,200,000, and Weatherization received \$1,000,000.
- 2021: Both requests were included in the capital outlay bill. The New Mexico Housing Trust Fund and Weatherization received \$3,000,000.

Summary:

Each year, DFA requests that state agencies, local governments, tribal governments, special districts and senior citizen facilities submit an ICIP request for priority capital projects for which they will seek state funding in the next five years. MFA has submitted ICIP requests through this process for the last five years. MFA is once again recommending that the reoccurring annual ICIP be submitted for 2023-2027, for the following priority:

Priority 1:	New Mexico Housing Trust Fund	\$12 million each year for 2023-2027
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Infrastructure Capital Improvement Plan FY 2023-2027

ICIP for Mortgage Finance Authority

Contact: Sherry Stephens
344 4th Street SW
Albuquerque, 87102

Telephone No.: 505-767-2250

Email Address: sstephens@housingnm.org

County: Bernalillo

Entity Type: AG

Procurement Officer Name:

Telephone No.:

Email Address:

Financial Officer Name: Yvonne Segovia

Telephone No.: 505-767-2253

Email Address: ysegovia@housingnm.org

Executive Order 2013-006 Compliance

Is your entity compliant with Executive Order 2013-006? Yes

Does your entity have an asset management plan and/or inventory listing of capital assets? No

Entity Planning: Process, Nature/Effect/Options/Recommendations of Trends

Process

Each year, the New Mexico Mortgage Finance Authority (MFA), a quasi-governmental entity, develops a list of state legislative priorities for appropriations and capital outlay. Priorities are based on public comment and needs identified for the various programs administered by MFA (see Factors/Trends, below). During the Interim session, the Mortgage Finance Authority Act Oversight Committee and MFA's board of directors review and approve MFA's legislative priorities for the upcoming year.

Goals

MFA's capital improvement goal of providing additional resources for affordable housing development, rehabilitation, and/or weatherization is consistent with its current Strategic Plan, which includes an objective of developing new resources for affordable housing. The capital outlay goal also falls within two of MFA's primary program areas: Housing Development (financing to develop and rehabilitate single family and multifamily homes) and Community Development (grant programs for home rehabilitation, weatherization/energy-efficiency, homeless services and prevention). MFA's capital improvement goal is critical to MFA fulfilling its mission: All New Mexicans will have quality affordable housing opportunities.

Factors/Trends Considered

MFA conducts, oversees and considers the following studies and data to determine affordable housing needs in NM: NM Consolidated Plan, NM Annual Action Plan and Analysis of Impediments to Fair Housing Choice (HUD mandated studies that require citizen participation); developers forum and public comment period for the Qualified Allocation Plan which governs the allocation of federal Low-Income Housing Tax Credits by MFA; affordable housing plans developed by local governments and overseen by MFA pursuant to the Affordable Housing Act; real estate sales data; market studies for rental housing (MFA contracts with BBER for one such study on an annual basis); Federal Home Loan Bank studies and reports; U.S. Census data; and federal affordable housing studies. Statewide needs identified in relation to capital improvement goals are: additional affordable housing development and additional resources for home rehabilitation and weatherization.

Infrastructure Capital Improvement Plan FY2023-2027

ICIP Capital Project Description

Year/Rank 2023 001 **Priority:** High **ID:**30500

Project Title: New Mexico Housing Trust Fund **Class:** New **Type/Subtype:** Facilities - Housing-Related Cap Infrastructure

Contact Name: Rebecca Velarde **Contact Phone:** 505-767-2273 **Contact E-mail:** rvelarde@housingnm.org

Total project cost: 87,580,848 **Proposed project start date:** July 2022

Project Location: Statewide To be amended based on budget NM TBD **Latitude:** To be determined **Longitude:** To be determined

Legislative Language: \$12 million in capital outlay funds for NM Mortgage Finance Authority (MFA) to build, rehabilitate and weatherize affordable housing and provide energy-efficient improvements for low-income households statewide, pursuant to the New Mexico Housing Trust Fund Act and the Affordable Housing Act.

Scope of Work: NM Housing Trust Fund (HTF) awards are made to developers to finance construction and/or rehabilitation of affordable homes and to service providers to make weatherization and energy-efficiency improvements for low-income households. 12 million in capital outlay funding is expected to build, rehabilitate, weatherize and provide energy-efficiency improvements for approximately 1,300 low-income households (when combined with matching funds). Matching funds consist of federal tax credits, federal grants and MFA's own resources that MFA receives or budgets for annually (FY of Oct-Sep) for this purpose. Pursuant to the New Mexico Housing Trust Fund Act (NMSA 1978 Section 58-18C-1), MFA oversees the Housing Trust Fund and the NM Housing Trust Fund advisory committee makes award recommendations to the MFA board of directors. Awards for specific projects are made after funding is received; therefore, project-specific costs, details and locations are not provided in this request. To date, the NM Housing Trust Fund has been used to finance over 4,292 homes. The state's investment of \$22.05 million in HTF has been leveraged 29 to 1 with other funding sources.

Secured and Potential Funding Budget:						
State Grant Funding should only be requested when all other funding sources have been exhausted if entity is providing matching funds, i.e. Federal, Local Taxes, Fees, NM Finance Authority Loans (NMFA), Tribal Infrastructure Fund (TIF), Water Trust Board (WTB), Public School Facility Authority (PSFA), Colonia's Infrastructure Board (CIB), etc.						
Please complete table below with all secured and potential funding sources.						
Funding Source(s)	Funding Amount	Applied For? Yes or No	Amount Secured	Amt Expended to Date	Date(s) Received	Comment
OTHER	5,900,000	No	5,900,000	0	FY 2021	LIHTC
FGRANT	5,279,570	No	5,279,570	0	FY 2021	HOME
FGRANT	3,186,129	No	3,186,129	0	FY 2021	NHTF
FGRANT	2,380,135	No	2,380,135	0	FY 2021	Department of Energy (DOE)
CAP	5,000,000	No	5,000,000	0	FY 2021	NMHTF
FGRANT	2,835,013	No	2,835,013	0	FY 2021	LIHEAP
FGRANT	1,425,000	No	1,425,000	0	FY 2021	Unspent Admin-Carryover DOE
OTHER	1,574,998	No	1,574,998	0	FY 2021	NMGC, PNM, CVE and CCLI Funds
TOTALS	27,580,846		27,580,846	0		

Infrastructure Capital Improvement Plan FY2023-2027

Project Budget - Complete the Budget below. Only include unfunded or unsecured funds under each project year. Note: Funded to Date column must equal the amounts listed above here.								
	Completed	Funded to Date	Estimated Costs Not Yet Funded					Total Project Cost
			2023	2024	2025	2026	2027	
Water Rights	No	0	0	0	0	0	0	0
Easements and Rights of Way	No	0	0	0	0	0	0	0
Acquisition	No	0	0	0	0	0	0	0
Archaeological Studies	No	0	0	0	0	0	0	0
Environmental Studies	No	0	0	0	0	0	0	0
Planning	No	0	0	0	0	0	0	0
Design (Engr./Arch.)	No	0	0	0	0	0	0	0
Construction	Yes	27,580,846	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	87,580,848
Furnish/Equip/Vehicles	No	0	0	0	0	0	0	0
TOTALS		27,580,846	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	87,580,848
Amount Not Yet Funded		60,000,000						

PHASING BUDGET

Can this project be phased? No

Phasing: Stand Alone: Yes Multi-Phased: No

A project single phase approach is used for projects that can be completed with one process because it is manageable, affordable, and will not require any foreseeable additional resources or activities to be fully operational when complete.

A project multi-phased approach is used for breaking down very large projects into manageable standalone parts that are independently functional and easier to fund.

If the multi-phase approach is being used it is required to provide accurate dates, costs, and funding sources for prior phases, and be able to provide reasonable projections of dates, costs, and funding sources for future phases. In addition, each multi-phase has three main levels: Planning, Design, and Construction. Each level can be funded individually, however strong emphasis is put on completing all three levels.

Phase	Amount	Plan	Design	Construct	Furnish/Equip/Vehicles	Other (Wtr Rights, Easements, Acq)	# Mos to Complete
1	0	No	No	No	No	No	0
2	0	No	No	No	No	No	0

Infrastructure Capital Improvement Plan FY2023-2027

3	0	No	No	No	No	No	0
4	0	No	No	No	No	No	0
5	0	No	No	No	No	No	0
TOTAL	0						

Has your local government/agency budgeted for operating expenses for the project when it is completed?							No
If no, please explain why: Property owner/borrower will own and operate							
ANNUAL OPERATING BUDGET	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL	
Annual Operating Expenses plus Debt Service	0	0	0	0	0	0	
Annual Operating Revenues	0	0	0	0	0	0	

Does the project lower operating costs?

Yes

If yes, please explain and provide estimates of operating savings

If HTF funds are used for rehab/weatherization, operating costs will decrease due to energy-efficiency upgrades.

Weatherization homes see \$300-\$500 of utility savings per year.

Entities who will assume the following responsibilities for this project:

	Fiscal Agent:	Own:	Operate:	Own Land:	Own Asset:	Maintain:
	Project owner/borrower	Project owner/borrower	Owner or professional management company	Project owner/borrower	Project owner/borrower	Project owner/borrower
Lease/operating agreement in place?	No	No		No	No	No

More detailed information on project.

(a) How many years is the requested project expected to be in use before needing Renovate/Repair or Replacement? 16 years or more

(b) Has the project had public input and buy-in? Yes

(c) Is the project necessary to address population or client growth and if so, will it provide services to that population or clientele? Yes

(d) Regionalism - Does the project directly benefit an entity other than itself? Yes

If yes, please list the other entity. Each project benefits the city and county jurisdictions or tribe where it is located as well as the property owner.

Infrastructure Capital Improvement Plan FY2023-2027

- (e) Are there oversight mechanisms built in that would ensure timely construction and completion of the project on budget? Yes
Please explain. MFA monitors and verifies all project milestones and completed units before dispersing funds for reimbursement.
- (f) Other than the temporary construction jobs associated with the project, does the project maintain or advance the region's economy? Yes
If yes, please explain. Affordable housing revitalizes neighborhoods, stabilizes families and improves health and education outcomes for low-income persons.
- (g) Does the project benefit all citizens within a recognized region, district or political subdivision? No
If yes, please explain and provide the number of people that will benefit from the project. The project benefits low-income persons as defined by other program funds.
- (h) Does the project eliminate a risk or hazard to public health and/or safety that immediately endangers occupants of the premises such that corrective action is urgent and unavoidable? No
Emergencies must be documented by a Subject Matter Expert.
If yes, please explain. (If mandatory, provide Summary Page of the Federal, State or Judiciary Agency who issued the mandate.)

Tab 6



MEMO

TO: MFA Board of Directors

Through: Policy Committee – May 25, 2021

Through: Finance Committee – June 8, 2021

FROM: Olivia Martinez, Director of Secondary Market
Jeff Payne, Chief Lending Officer

DATE: June 16, 2021

SUBJECT: Single Family Whole Loan Delivery Execution

Recommendation: MFA staff recommends adoption of another sales execution of conventional loans delivered to GSEs called whole loan delivery. Although it is anticipated that this execution would not replace MFA's primary focus on delivery of Mortgage Backed Securities, staff sees a strong need to be able to adjust quickly to circumstances should they change.

Background: MFA delivers loans to Ginnie Mae and the Government Sponsored Entities (GSEs), Fannie Mae and Freddie Mac, through Mortgage-Backed Securities (MBS). MBS is an investment security with groups of individual loans pooled as the security for the investment. The monthly loan payments from borrowers are received by the servicer and the coupon interest is passed on to the investors.

Whole loans are individual loans made to a borrower that are not pooled or placed into a security. The GSEs purchase these loans and pool them into their own MBS. Like the loans included in MBS pools, MFA can receive most of the principal back for the individual loans upon sale to Fannie Mae instead of holding the loan for 30 or 15 years.

MFA may deliver whole loans as servicing retained and remain the master servicer for these loans. Idaho Housing and Finance Association (IHFA) may service these loans as MFA's subservicer, or MFA may decide to service these loans in-house.

Discussion: The characteristics of the loans MFA purchases are desirable to Fannie Mae and investors. These loans are often given favorable pricing. When MFA sells loans with characteristics such as smaller loan amounts or loans to low- and moderate-income borrowers in pools, the pricing is determined based on the average characteristics of the loans in the pool. This means that some loans are sold at a lower price. Favorable pricing would also be gained on an individual loan basis if the loan was delivered as a whole loan to the GSE. Staff has identified three main reasons for whole loan sales.

Whole loan sales are a valuable execution as MFA experiences fluctuations in production levels of conventional loans. From time-to-time staff is faced with delaying

conventional loan pool settlements for an additional month because there are not enough loans to fill a minimum sized MBS pool. If borrowers have trouble making their new payments while MFA waits to pool the loan, the loan may no longer be eligible for delivery. The ability to deliver individual whole loans in this circumstance avoids delays and lessens this risk.

MFA's portfolio of conventional loans serviced in-house, has been reduced to only one loan. Whole loan sales provide an opportunity to replenish MFA's in-house, single family servicing portfolio. This helps MFA maintain our servicer approval with the GSEs.

Strategic use of whole loan sales may also help maximize the revenue from pay-ups on loans with desirable characteristics, thus increasing revenue and funding further assistance to MFA borrowers. This flexibility might be useful in the creation of specific programs in the future but is not anticipated to be material in the near term.

Summary: Staff recommends adoption of the whole loan sales execution as another option for best execution to quickly deliver loans, reduce risks associated with delays in delivering loans, and maximize revenue.

Tab 7



MFA

Neighborhood Stabilization Program

Donna Maestas-De Vries, Chief Housing Officer
Theresa Laredo-Garcia, Program Development Manager

MFA Board Meeting
June 16, 2021

Neighborhood Stabilization Program (NSP)

Overview

- NSP was established as a result of the 2008 mortgage crisis to:
 - Provide emergency assistance to stabilize communities with high rates of abandoned and foreclosed homes in order to preserve and improve communities and;
 - Provide affordable housing opportunities by assisting households whose annual incomes are up to 120 percent of the area median income (AMI).
- MFA successfully completed 78 single family home projects and one multifamily rental development using NSP funds under the original grant allocations from 2008-2014.

MFA's New State NSP

- In October 2019, MFA entered into a contract with New Mexico Department of Finance and Administration – Local Government Division (DFA) to receive and expend the state's remaining NSP Grant funds.
- MFA staff developed a new State NSP which was limited to Acquisition, Rehab and Sale or Rent of NSP funded properties.
- MFA received the following NSP grant allocations from DFA under this contract:
 - NSP 1 - \$1,526,506
 - NSP 3 - \$2,000,000

MFA's New State NSP

- MFA procured partnerships with Homewise Inc. and Tierra del Sol Housing as contracted service providers to expend these NSP funds using NSP Acquisition/Rehab/Sale or Rental Activities.
- MFA's staff is pleased to provide the board with an update on these activities.

NSP Activities

As of May 31, 2021

- MFA has acquired 10 NSP properties.
- There are 2 additional properties pending acquisition - 1 in Sandoval County and 1 in Rio Arriba County.
- 9 of the properties are complete:
 - 7 properties have been sold to eligible homebuyers.
 - 2 properties are currently listed for sale.
- 1 property is under rehabilitation.

NSP Acquired Properties					
Program	Project Address	City	Original Appraisal	Acquisition Amount	Project Set Up
NSP 3	716 Arizona St SE	Albuquerque	\$115,000.00	\$109,000.00	\$256,657.04
NSP 3	3536 Ute Dr NW	Albuquerque	\$117,000.00	\$117,000.00	\$280,000.00
NSP 3	815 Sunbird Rd SW	Albuquerque	\$127,500.00	\$125,000.00	\$235,500.00
NSP 3	1905 Arno St SE	Albuquerque	\$72,000.00	\$66,230.00	\$169,330.00
NSP 3	1902 Palomas Dr NE	Albuquerque	\$129,500.00	\$128,000.00	\$272,600.00
NSP 3	305 Phoenix Ave NW	Albuquerque	\$117,500.00	\$115,000.00	\$218,400.00
NSP 3	1427 Dona Arcelia St SW	Albuquerque	\$124,000.00	\$119,900.00	\$252,000.00
NSP 1	3605 Loma Pedregosa NW	Albuquerque	\$189,000.00	\$186,000.00	\$266,500.00
NSP 1	2301 Pomelo Pl NW	Albuquerque	\$190,000.00	\$183,000.00	\$279,500.00
NSP 1	1331 Magoffin Pl	Las Cruces	\$205,500.00	\$202,734.85	\$281,062.34

716 Arizona St. SE

Before



After



3536 Ute Dr NW

Before



After



815 Sunbird Rd SW

Before



After



1905 Arno St SE

Before



After



1902 Palomas Dr. NE

Before



After



305 Phoenix Ave NW

Before



After



1427 Dona Arcelia St SW



Before



After



3605 Loma Pedregosa NW



Before



After



2301 Pomelo Pl NW

Before



After



1331 Magoffin Pl



Newly
Acquired
Rehab
in Process



NSP Property Sales Activity						
Project Address	Original Appraisal	Purchase Appraisal	Sales Closing Date	Sales Price	First Mortgage	Second Mortgage
1905 Arno St SE	\$ 72,000.00	\$ 135,000.00	1/29/2021	\$ 133,000.00	\$ 110,000.00	\$ 20,000.00
815 Sunbird Rd SW	\$ 127,500.00	\$ 191,000.00	1/31/2021	\$ 190,000.00	\$ 129,000.00	\$ 50,000.00
1902 Palomas NE	\$ 129,500.00	\$ 225,000.00	2/1/2021	\$ 220,000.00	\$ 182,900.00	\$ 35,000.00
716 Arizona St SE	\$ 115,000.00	\$ 211,000.00	3/3/2021	\$ 209,000.00	\$ 167,200.00	\$ 41,270.00
3605 Loma Pedregosa	\$ 189,000.00	\$ 247,000.00	3/31/2021	\$ 247,000.00	\$ 226,434.00	\$ 27,410.00
2301 Pomelo Pl NW	\$ 190,000.00	\$ 262,000.00	4/29/2021	\$ 260,000.00	\$ 208,000.00	\$ 27,800.00
1427 Dona Arcelia	\$ 124,000.00	\$ 235,000.00	5/13/2021	\$ 234,000.00	\$ 187,200.00	\$ 27,020.00



Questions or Comments?

MFA Board Meeting
June 16, 2021

Tab 8

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

Department and Program	Project	Action Taken	Comments / Date Approved
Policy and Planning	RFP for Statewide Housing Strategy Consultant	RFP published on May 17, 2021	Approved by Policy Committee on April 6, 2020
Community Development - Emergency Homeless Assistance Program/EHAP	2021-2022 Emergency Homeless Assistance Program Award	Approval granted for preliminary awards to 18 sub-recipients in the amount of \$941,768.00 for the Emergency Homeless Assistance Program.	Approved by Policy Committee on May 10, 2021
Community Development - Emergency Homeless Assistance Program/EHAP	New Mexico Coalition to End Homelessness Limited Source Procurement Award Approval	Approval granted to award \$88,000 to the New Mexico Coalition to End Homelessness for 2021-2022 for the primary purpose of managing the Homeless Management Information System "HMIS".	Approved by Policy Committee on May 18, 2021
Community Development - Rental Assistance Program/RAP	2021-2022 Emergency Solutions Grant Rental Assistance Program Award	Approval granted for the 2021-2022 Emergency Solutions Grant - Rental Assistance Program awards for 9 sub-recipients in the amount of \$859,532.87.	Approved by Policy Committee on May 18, 2021
Housing Development HOME Loan	Villa Las Vegas HOME Loan (HM019) Modification, Placed in Service 10/05/2005	HOME Loan modification to modify the terms of the Villa Las Vegas HOME loan (HM019) to forgive all unpaid accrued, deferred interest upon the full repayment of the original principal balance (\$575,000).	Approved by Jeff Payne on May 28, 2021

COVID-19
Staff Actions Requiring Notice to Board
During the Period of May 12, 2021 - present

Department and Program	Project	Action Taken	Comments / Date Approved



MEMO

TO: MFA Board of Directors
Through: N/A
Through: N/A
FROM: Cooper Hall
DATE: June 16, 2021
SUBJECT: Single Family Mortgage Bonds 2021 Series A and 2021 Series B – Pricing Summaries

2021 Series A

The 2021 Series A transaction is a new money bond issue which closed on May 16, 2021. The following is a summary of the bond sale:

Structure: The bond issue is a \$78.0 million tax-exempt traditional bond issue which provides for non-AMT serial bonds, term bonds and a premium planned amortization class (“PAC”) bond.

Marketing: In order to enhance the marketing of bonds to retail investors, our selling group members participated in the underwriting syndicate, namely, D.A. Davidson & Co., Fidelity Capital Markets, Drexel Hamilton, Inc. and UBS Financial Services Inc. New Mexico retail investors had first priority followed by national retail investors. The underwriting syndicate submitted \$3.68 million in orders and was allotted \$3.02 million of bonds. There was significant demand from retail investors in general; a total of \$12.0 million in retail orders were received of which \$3.3 million was New Mexico retail. This is a slight reduction in retail orders compared the 2020 Series B issuance which priced in late 2020.

As a result of strong demand overall from investors, the PAC bonds were oversubscribed 2.3 times and we were able to lower the yield by 2 basis points.

Total orders for the bond issue were \$203.6 million for both retail and institutional investors.

Use of Bond Proceeds: The \$78.0 million is being used to originate new mortgage loans and to roll forward a subsidy generated from prior bond issues which helped maintain competitive mortgage rates. The weighted average mortgage rates are as follows:

<u>Program</u>	<u>Government</u>	<u>Conventional <80% AMI</u>	<u>Conventional >80% AMI</u>
FIRST HOME	3.075%	3.185%	3.574%

Spread: The spread on the transaction is 1.124%. Spread is the difference between the mortgage yield and the bond yield. Maximum spread permitted by federal tax law is 1.125%. The net present value benefit of the transaction is \$2.2 million or approximately 2.8% of the bonds issued.

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

2021 Series B

The 2021 Series B transaction is a Federally taxable refunding bond issue which closed on May 20, 2021. The following is a summary of the bond sale.

Structure: The bond issue is a \$16.287 million Federally taxable pass through refunding bond issue. The pass through structure provides for monthly loan revenues to be passed through to the bond investors in the form of principal and interest payments with bonds being called on a monthly basis. MFA will receive its admin fee on a monthly basis after payment of the bond holders and the Trustee.

Marketing: Bonds were marketed to institutional investors. MFA received orders for the bonds from five institutional investors of which four institutional investors put in orders for all of the bonds resulting in the bonds being over four times oversubscribed. Due to the robust demand by institutional investors, the yield was reduced by three basis points.

Use of Bond Proceeds: Bond proceeds were used to refund the 2011 Series B and 2011 Series C.

Spread: The bonds are Federally taxable which means that MFA can retain all of the savings generated from the refunding. The net present value of the transaction is approximately 0.84 million.

Investment of Bond Proceeds: Funds from the bond issue are invested in State and Local Government Securities through Zions Bank, the General Indenture Trustee. One June 1, 2021 funds were used to call bonds from the 2011 Series B issue. On September 1, 2021 funds will be used to call bonds for the 2011 Series C issue.

The attached Exhibit 1 contains a table summarizing more detailed information about the 2021 Series A and Series B bond issue as well as bond issue characteristics from other recent single family issuances for comparative purposes.

Following Exhibit 1 is a comprehensive in-depth “Post Sale Analysis” for 2021 Series A, prepared by MFA’s Financial Advisor, CSG Advisors.

New Mexico Mortgage Finance Authority
Summary of Recent Bond Issue Characteristics

	For Info Only	For Info Only	For Info Only		
	2019F	2020A	2020B	2021A	2021B
Type of Structure	New Money Tax-Exempt	New Money Tax-Exempt	New Money Tax-Exempt	New Money Tax-Exempt	Refunding Federally Taxable
	Traditional	Traditional	Traditional	Traditional	Pass-Through
1 Tax Exempt Bonds	\$120,000,000	\$70,000,000	\$55,000,000	\$78,000,000	n/a
Taxable Bonds	n/a	n/a	n/a	n/a	n/a
Tax-Exempt Refunding Bonds	n/a	n/a	n/a	n/a	n/a
Taxable Refunding Bonds	n/a	n/a	n/a	n/a	\$16,286,857
Total Amount of Bonds Issued	\$120,000,000	\$70,000,000	\$55,000,000	\$78,000,000	\$16,286,857
2 Bond Issue(s) Refunded	n/a	n/a	n/a	n/a	n/a
3 MFA Subsidy*/Benefit-(New Available)/ Present Value Economic Benefit	\$3.43 million/\$3.28 million	\$2.6 million/\$2.0million	\$1.47 million/\$1.5 million	\$2.3 million/\$2.2 million	\$0.84 million
4 Original Bond Ratings: Standard & Poor's Moody's	None Aaa	None Aaa	None Aaa	None Aaa	None Aaa
5 Pricing Date(s)	10/2/2019	1/22/2020	9/24/2020	4/13/2021	4/13/2021
6 Bond Closing Date	11/5/2019	2/20/2020	10/22/2020	5/20/2021	5/20/2021
7 Serial Bond Maturities					
AMT	None	None	None	None	None
Non-AMT	1/1/21-7/1/32	1/1/21-7/1/32	7/1/2021-7/1/2032	1/1/22-7/1/33	None
Taxable	None	None	None	None	None
8 Term Bond Maturities	7/1/34, 7/1/39, 7/1/44, 7/1/49	7/1/35, 7/1/40 7/1/45, 7/1/50	7/1/35, 7/1/40 7/1/45, 7/1/50	7/1/36, 7/1/41 7/1/46, 7/1/51	5/1/2042
9 Premium PAC Maturity	7/1/50	1/1/51	1/1/51	1/1/52	None
10 Split Between FIRST HOME Government and Conventional Loans					
Government	83%	89%	88%	84%	n/a
Conventional	17%	11%	12%	16%	n/a
11 Weighted Average Loan Rates+					
FIRST HOME - Government	3.833%	3.708%	3.077%	3.075%	n/a
FIRST HOME - Conventional <80%		3.996%	3.362%	3.185%	n/a
FIRST HOME - Conventional >80%	4.316%	4.448%	3.517%	3.574%	n/a
12 10-Year Treasury Rate at Pricing	1.60%	1.77%	0.67%	1.64%	1.64%
13 GIC Rates**					
Acquisition Fund Rate	n/a	n/a	n/a	n/a	n/a
Float Fund Rate	n/a	n/a	n/a	n/a	n/a
14 MFA Contribution at Closing					
Cost of Issuance (COI)	\$1,010,000	\$645,000	\$545,000	\$672,000	\$138,000
COI as a % of Bonds Issued	0.84%	0.92%	0.99%	0.86%	0.85%
Negative Arbitrage Deposit	\$1,400,000	\$1,000,000	\$750,000	\$750,000	\$0
15 Yield Spread	1.123%	1.123%	1.123%	1.124%	n/a
16 Administrative Fee (to MFA)	0.180%	0.180%	0.180%	0.180%	2.279%
17 Bond Allocation System Followed***	Yes	Yes	Yes	Yes	Yes

*Subsidy was generated by a prior bond issue.

+Weighted average rate of loans in the pipeline.

**The Guaranteed Investment Contract is competitively bid.

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

The lead manager keeps track of when the orders are received which is referred to as an order flow tracking system.

The bond allocation system also dictates that Bonds are awarded to managers prior to any selling group members

even though group members may have entered orders first. In-state retail orders receive first priority, followed by

entered orders first. In-state retail orders receive first priority, followed by orders for the benefit of the group which

are allocated by management fee percentage; next are net designated orders placed though the senior manager

senior manager where the buyer designates the sales credit to specific managers, and finally, member orders

receive the lowest priority.

\$78,000,000
New Mexico Mortgage Finance Authority
Single Family Mortgage Program Class I Bonds
2021 Series A (Tax-Exempt) (Non-AMT)

POST-SALE ANALYSIS

KEY RESULTS FOR MFA

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

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

Additionally, this transaction reallocates zero participation loans from prior series (2020 Series B) well within the required time of 18 months for which to reallocate loans.

Approach and Strategy. Over the past three years, MFA has used traditional bond structures to finance new production that did not need a refunding component in order to generate full spread economics. Since the beginning of 2018, MFA has issued (10) all new-money transactions issued by MFA that did not include a refunding component. These series of bonds represent significant milestones in providing MFA with a balance sheet solution for new production without a form of subsidy whether refundings or zero participation loans.

From a strategic point of view, MFA has been:

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

Primary Objectives. MFA therefore has three primary objectives:

1. Finance existing production at the lowest yield possible,
2. Use as few of MFA's approximately \$31.6 million of zero participations (prior to issuing 2021A) as possible to achieve full spread, thus preserving more zero participations for future production, and,
3. Raise bond premium in order to generate proceeds to help fund the purchase of the MBS from the servicer at 101%, to fund cash flow lag, and to fund the costs of issuance of the transaction.

Structure. The 2021A bonds:

- Included bond proceeds sufficient to finance \$78+ million of new pipeline production and provide sufficient proceeds to use and store zero participations,
- Were structured with serials bonds, term bonds and Planned Amortization Class (PAC) bonds,

- Sold the PAC bonds with a total premium of \$3,127,040 which provides additional funds to purchase \$78.88 million of MBS, and fund all costs of issuance. Given the large amount of premium raised, the issue is being overcollateralized by \$0.88 million of new MBS, which strengthens the cash flows of the indenture and will provide MFA with excess assets in the future.
- Were priced 5 weeks prior to closing, enabling MFA to lock in its borrowing cost sooner as well as finance more of its pipeline production prior to closing; thus reducing both interest rate risk and negative arbitrage,
- Allowed for either GNMA, Fannie Mae (FNMA), or Freddie Mac (FHLMC) MBS depending on MFA's loan pipeline,
- Provided MFA with an optional par call in just more than 9 years if it proves profitable to redeem the bonds in the future,
- Deposited \$0.75 million of Authority funds in a negative arbitrage account for securities – including those to be financed by the zero participations – that had not yet been originated by bond closing. We expect most or all of MFA's funds to be transferred back to MFA within 12 to 18 months.

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

1. **Yields.** The bond yield (true interest cost) was 1.845% assuming 100% FHA prepayments.
2. **Use of Zero Participations.** In order to achieve full spread, 2021A used less than \$0.1 million in zeros resulting in \$31.5 million in zeros for future bond issues (assuming participation with a future issue in 3 months).
3. **Net Economic Benefits.** The transaction's projected net present value before zeros was \$2.2 million at 150% PSA prepayment speed, or approximately 2.8% of the bonds issued. Including the impact of zeros created, the net present value was \$2.3 million (including the effect of the timing of zeros in and out as well as the lower loan rate of such zeros).

Bond Results. Following are key highlights:

1. **Timing.** The bonds were priced on Tuesday, April 13th with a retail order period in the morning followed by an institutional order period that afternoon.

Single family issuance was light surrounding the pricing of 2021A. Strong municipal bond fund inflows over the year-to-date and weeks leading up to pricing marked contributed to the strength of the muni market. Nominal housing bond rates and spreads to MMD were very attractive.

- During the week of March 29th, 2 state HFAs (Texas and Wyoming) priced single family mortgage revenue bonds.
- During the week of April 5th, no state HFAs priced single family mortgage revenue bonds.
- During the week of April 12th, only New Mexico priced single family mortgage revenue bonds.

On the pricing date of April 13th, the 10-year Treasury was down 0.05% from the prior day to a 1.64% yield. The municipal market in terms of MMD rates was a bit lower on the day. See "Market Details" below for a full description of the market leading up to the pricing date.

Retail Interest. A separate 2 hour retail order period was established with first priority to orders from New Mexico retail investors and second priority to national retail investors. This resulted in a total of \$12.0 million of retail orders (\$3.3 million of New Mexico retail); a reduction in retail order compared to 2020 Series B which priced in late 2020. \$10.2 million of the 2021A retail orders were for serial bonds, which combined with \$6.6 million in institutional orders resulted in a sufficient amount of orders to fully subscribe all but 3 of the serial bonds totaling only \$1.4 million in unsold balances. None of the serials bonds were repriced. Balances to the 2023 bonds and January 2033 bonds were underwritten by the senior managers.

2. **Institutional Interest.** In all, institutions put in orders totaling \$191.6 million, \$74 million of which were for the PAC bonds. Investor interest for the \$32.0 million in PAC bonds was solid with 2.3x in orders from end investors (including (2) orders for all the bonds). As a result of the strong demand from investors as reflected in the oversubscription, the yield on the PAC bonds was lowered by 2 basis points to a 0.98% yield and a very attractive spread to MMD (+0.53% over the 5-year MMD).

Institutions also placed orders totaling \$111.0 million for the four (4) term bonds. The 2036, 2041, 2046 and 2051 term bonds were subscribed for by 3.7x, 5.0x, 3.2x, and 2.8x, respectively. The levels of oversubscription merited a reduction in yield and thus, the 2036, 2041, and 2046 term bonds were lowered in yield by 0.05%. The 2051 term bond lowered by 0.025%.

3. **Selling Group.** To enhance the order flow particularly with retail investors, four selling group members were included in the underwriting syndicate for 2021A, continuing the same group from the last five transactions as well. Selling group members included D.A. Davidson, Drexel Hamilton, Fidelity Capital Markets, and UBS. See below for orders and allotments from the selling group, of which UBS brought the most orders to the pricing:

RETAIL ORDERS BY SELLING GROUP MEMBER (THOUSANDS):

Selling Group Member	Orders	Allotments
D.A. Davidson & Company	\$ -	\$ -
Drexel Hamilton	-	-
Fidelity Capital Markets	3,175	2,515
UBS	500	500
TOTAL	\$ 3,675	\$ 3,015

The selling group was modestly useful to the issuance in terms of generating additional retail interest, as it brought orders totaling 4.7% of the total amount of bonds sold (8.0% of the total bonds sold excluding the PAC bonds). Fidelity led the selling group in orders, followed by UBS.

4. **Comparable Transactions.** The 2021A PAC bonds priced extremely well and at spreads to MMD comparable or better to other recent HFA issues in the market. The most direct comparable for the 2021A bonds was the \$100 million non-AMT Texas issue that priced two weeks before 2021A. MFA's serials bond spreads to MMD were in line with Texas, and on a nominal basis, lower in rate across all all maturities. MFA's term bonds were sold at coupon that were 0.10% to 0.15% lower in yield, however, very comparable on a spread to MMD basis. As for the PAC bonds, MFA achieved a yield of 0.98% and a spread of +53 to MMD, 0.05% lower in absolute yield, but 0.04% higher on a spread to MMD basis. MFA continues to receive very strong demand for its PAC bonds as evidenced by the pricing of its PAC bond, in part due to investors preference for MBS collateral as opposed to whole loans.

See **Section 3** for detailed pricing comparables of all recent tax-exempt traditional bond issues priced around 2021 Series A.

MARKET DETAILS

Key Dates: Institutional Order Period: Tuesday, April 13, 2021
Closing Date: Thursday, May 20, 2021

Economic Calendar. Almost all economic news over the last year has been driven by the COVID-19 pandemic and its current and expected impact on the economy. More than a year into the pandemic, initial jobless claims remain elevated, but continue to decline. The March 2021 unemployment rate edged down to 6.0% (not counting many workers no longer seeking jobs). Nonetheless, the economy has been growing from shutdown levels, with personal income growing from December to January by 10% (compared to 0.6% in the prior month). The increase in vaccinations and the Biden Administration's \$1.9 economic stimulus act suggested to investors further rebound to come; thus, while inflation has remained well below 2% (and the Fed has indicated its willingness to risk inflation in order to get to a full employment economy again), investors have begun to worry about this. In this same vein, Redbook retail sales came in higher than expected on the date of the sale.

Treasuries. As of the market close on the day of pricing, 10-year and 30-year US Treasury yields were 1.64% and 2.30%, respectively. These yields are 0.66% and 0.59% higher than at the time MFA priced its last single family bonds on September 24, 2020, when the 10-year closed at 0.67% and the 30-year was 1.41%. *(See rate graphs in Appendix 2.)*

Key themes driving market activity include the following:

- Broadening vaccination efforts and fewer active coronavirus infections has fueled optimism for a strong revival of the US economy, easing investors' flight to the safety of US Treasuries and lifting yields.
- The recent \$1.9 trillion federal COVID relief bill is viewed by some as likely to stoke US economic activity and has led to speculation about inflation, future taxes, and higher bond yields.
- The Federal Reserve's aggressive monetary and market postures have been key supports in keeping the credit markets functioning and in stimulating economic recovery. Changes in Fed policy will be closely watched. The Fed's targeting of greater than 2% inflation rate, reiterated in recent commentary, has fed inflation fears and sparked a jump in treasury rates, though they have moderated since the last spike in late March.

Municipals. The municipal market continues to provide a favorable environment for bond issuers. So far during 2021, municipal market rates as measured by MMD have drastically outperformed Treasuries. Year-to-date, the 10-year Treasury has increased by 64 basis points, while the 10-year MMD has increased by only 22 basis points. Municipal yields as a percentage of Treasury yields fell to all-time lows earlier this year, and remain very low; a huge advantage for muni bond issuers. Demand for muni bonds remains strong, as evidenced by consistent inflows into municipal bond funds each week. Recent proposals from the Biden administration to increase certain corporate and individual tax rates are also adding some potential greater value to municipal bonds and their tax-exempt status.

TABLE 1: COMPARISON OF RATES IN RECENT TRANSACTIONS

Issue	Date	10 Year Treasury	10 Year MMD	MMD to Treasury Ratio	30 Year Treasury	30 Year MMD	MMD to Treasury Ratio
2018 C	8/6/18	2.96%	2.49%	84.1%	3.11%	3.08%	99.0%
2018 D	11/1/18	3.14%	2.75%	87.6%	3.38%	3.40%	99.4%
2019 A	1/17/19	2.75%	2.20%	80.0%	3.08%	3.04%	98.7%
2019 C	4/10/19	2.48%	1.92%	77.4%	2.90%	2.67%	92.1%
2019 D	7/9/19	2.07%	1.61%	77.7%	2.54%	2.28%	89.8%
2019 F	10/2/19	1.60%	1.38%	86.2%	2.08%	1.92%	92.3%
2020 A	1/22/20	1.77%	1.28%	72.3%	2.22%	1.93%	86.9%
2020 B	9/24/20	0.67%	0.82%	122.4%	1.41%	1.58%	112.1%
2021 A	4/13/21	1.64%	1.01%	61.6%	2.32%	1.62%	69.8%
<i>Change from 2020B to 2021A</i>		+ 97 bps	+ 19 bps	- 60.8%	+ 91 bps	+ 4 bps	- 42.3%

UNDERWRITING

Underwriter. RBC Capital Markets served as senior managing underwriter and Raymond James as co-manager. As described above, we also had a four-firm selling group.

Underwriting Fees. The underwriter discount of \$6.57 per \$1,000 bonds is reasonable compared to other similarly sized issues in the market.

Performance. RBC Capital Markets as book-running senior manager and Raymond James as co-manager worked well together and achieved good order flow as described above. The strong order flow was evidenced by the ability to:

- 1) Generate \$204.3 million in total orders (excluding stock member orders), \$74 million in orders for the PAC bond (2.3x subscribed) which allowed for a yield reduction by 0.02%,
- 2) Produce sufficient orders to allow all 4 of the term bonds to reprice to lower yields, and
- 3) Generate sufficient retail orders (\$12.0 million) that coupled with institutional interest enabled all but (3) of the serial bonds to be fully subscribed. The four-firm selling group modestly enhanced the sale of the bonds. We would recommend a selling group on the next traditional bond issuance as well, though may suggest replacing selling group members who have underperformed or didn't put in orders for bonds.

\$16,286,857
New Mexico Mortgage Finance Authority
Single Family Mortgage Program Class I Bonds
2021 Series B (MBS Pass-Through Program) (Federally Taxable)

POST-SALE ANALYSIS

KEY RESULTS FOR MFA

Purpose. This transaction continued MFA's successful federally taxable single-family monthly pass-through bond issues to refund old bond issues at lower interest rates available in the current market. This issue refunded 2009 Series C, 2011 Series B, and 2009 Series D Bonds which are eligible for optional redemption on June 1, 2021. 2021B also refunded the 2011 Series C Bonds which are eligible for optional redemption on September 1, 2021.

Primary Objectives.

1. Refund 2009 Series C and D and 2011 Series B and C to increase MFA's net interest margin and net worth over time.
2. Refund in such a way that allows MFA to keep the interest rate savings as opposed to simply subsidizing new production with such savings.

Structure. Key structuring characteristics of Series 2021B include:

- Bonds are taxable, allowing MFA to retain all of the savings achieved by the refunding.
- Bonds were structured as monthly pass-through bonds to take advantage of the lower yield of pass-through bonds.
- A projected average life of 3.4 years at 371% PSA (historic PSA prepayments speed over last 12 months) and 5.4 years at 205% PSA (lifetime speed of the portfolio).
- An optional par call in just over 9 years if it proves profitable to redeem the bonds in the future.

Accomplishments. The results were very successful.

1. **Low Yields.** The Bonds were sold at a yield of 1.62%. This provides an ongoing annual net spread to MFA of 228 basis points, well over \$371k in the first year.
2. **Tightness to Treasury Yields.** MFA's 2021B pass-through bonds were priced at significantly lower nominal yield levels than MFA's most recent taxable refunding (MFA 2019E Bonds), and at significantly tighter spreads to Treasury yields.
3. **Net Present Value.** The net present value of the transaction, assuming (conservatively) a 200% prepayment speed is approximately \$0.84 million at a 2.5% discount rate. This net economic benefit is approximately 5.1% of the outstanding bonds. This type of economic benefit is well over the usual standard of 3% savings for whether a refunding is economically desirable.

Bond Results. Following are key highlights:

1. **Investor Interest.** Initial pre-marketing discussion had the bonds at a 32 basis point spread to the 7-year US Treasury, which on the day before pricing yielded 1.33%, so the 2021B bonds were offered during the institutional order period at 1.65%. Given strong demand and MFA's strong reputation given its history issuing pass-through bonds, the 2021B bond coupon was reduced from 1.65% to a

1.62%. 5 investors put in orders including 4 orders for all the bonds, resulting in the bonds being oversubscribed by 4.4 times. As a result, the yield on the bonds was lowered to a 1.62% yield, 0.03% lower than pre-marketing levels. The 7-year US Treasury ended the day at a yield of 1.29%, such that the 2021B bonds priced at a spread of 33 basis points.

Benefits to Investors. The bonds allowed an investor to purchase a housing bond that is very similar to buying taxable securities but with a key additional advantage. To buy GNMA securities with similar underlying loans and net coupons, an investor would normally have to pay an upfront premium in today's market of up to 6% or more. By purchasing 2021 Series B bonds at par, an investor avoids the risk of early prepayments wiping out the value of its premium, making MFA's bonds more attractive.

FEATURES OF THIS ISSUE

Pricing. Because the bonds consisted of a single maturity of monthly pass-through bonds suited to institutional investors, the bonds were not offered to retail investors. Pricing took place after pre-marketing by the underwriter to approach investors who have shown interest and participation in the pass-through product.

Strong Institutional Demand. MFA attracted strong investor support for the Bonds, with orders from 5 institutional investors. This included 4 orders for all the bonds and 1 partial order.

UNDERWRITING

Underwriter. RBC Capital Markets served as the book-running sole senior manager.

Underwriting Fees. As with the prior pass-through issues, takedowns were established at lower levels than industry standards for long-term tax-exempt bond sales. Management fees were appropriate, consistent with industry standards, and in the same range as fees reported for other housing issues of similar size and structure.

Comparison to Other Single-Family Pass-Through Bond Issues.

Given a lack of refunding opportunities, the number of taxable pass-through refundings has decreased over the last year, though Minnesota and Colorado are both active issuers of new money taxable pass-through bonds for volume cap preservation purposes.

Just two weeks prior to MFA's sale, Texas priced \$61.4MM in taxable pass-through refunding bonds at a 1.70% yield, or +30 bps over the 7-year Treasury. On March 10th, Louisiana issued a much smaller \$7.5MM taxable pass-through refunding bonds at a 1.55% yield, or +35 bps over the 7-year Treasury. MFA's 2021B bonds were attractive to investors due to the faster prepayment history the last 12 months than either TX or LA, despite 2021B having lower weighted average mortgage loan rates. On a spread basis, MFA's 2021B bonds priced at a spread of +33 to the 7-year Treasury, right in the middle of the +30 spread achieved by Texas and +35 for Louisiana.

	MFA 2021B	Texas DHCA 2021B	Louisiana 2021A	MFA 2019E	MFA 2019B
Pricing Date	4/13/21	3/31/21	3/10/21	7/9/19	1/17/19
Size	\$ 16.3 MM	\$61.4 MM	\$ 7.5 MM	\$ 22.7 MM	\$ 26.1 MM
Book-Running Senior Mgr.	RBC	Jefferies	Raymond James	RBC	RBC
Purpose	Refunding	Refunding	Refunding	Refunding	Refunding
Rating	Aaa	Aaa/AA+	Aaa	Aaa	Aaa
Structure	Pass-Through	Pass-Through	Pass-Through	Pass-Through	Pass-Through
Maturity		2042	2041	2040	2040
Par Optional redemption	9 years	9 years	9 years	9 years	9 years
Price (Coupon)	Par	Par	Par	Par	Par
Yield	1.62%	1.70%	1.55%	2.90%	3.45%
Tax Status	Taxable	Taxable	Taxable	Taxable	Taxable
PSA Speed (Last 12 Mo.)	371%	250%	318%	129%	200%
Projected Wtd. Avg Life at 200% PSA	5.5 years	5.4 years	4.7 years	5.6 years	5.1 years
7 year Treasury	1.29%	1.40%	1.20%	1.88%	2.58%
Difference	+33 bp	+30 bp	+35 bp	+102 bp	+87 bp
10 year Treasury	1.64%	1.74%	1.53%	2.07%	2.75%
Difference	- 2 bp	- 4 bp	+ 2 bp	+ 83 bp	+ 70 bp
GNMA I yield*	1.76%	1.98%	1.94%	2.66%	3.24%
Difference	- 14 bp	- 28 bp	- 39 bp	+ 24 bp	+ 21 bp

* 3.0% GNMA's for current delivery assuming dealer FRCST prepay speeds, per Bloomberg.

MARKET DETAILS

Key Dates: Institutional Order Period: Tuesday, April 13, 2021
Closing Date: Thursday, May 20, 2021

Economic Calendar. Almost all economic news over the last year has been driven by the COVID-19 pandemic and its current and expected impact on the economy. More than a year into the pandemic, initial jobless claims remain elevated, but continue to decline. The March 2021 unemployment rate edged down to 6.0% (not counting many workers no longer seeking jobs). Nonetheless, the economy has been growing from shutdown levels, with personal income growing from December to January by 10% (compared to 0.6% in the prior month). The increase in vaccinations and the Biden Administration's \$1.9 economic stimulus act suggested to investors further rebound to come; thus, while inflation has remained well below 2% (and the Fed has indicated its willingness to risk inflation in order to get to a full employment economy again), investors have begun to worry about this. In this same vein, Redbook retail sales came in higher than expected on the date of the sale.

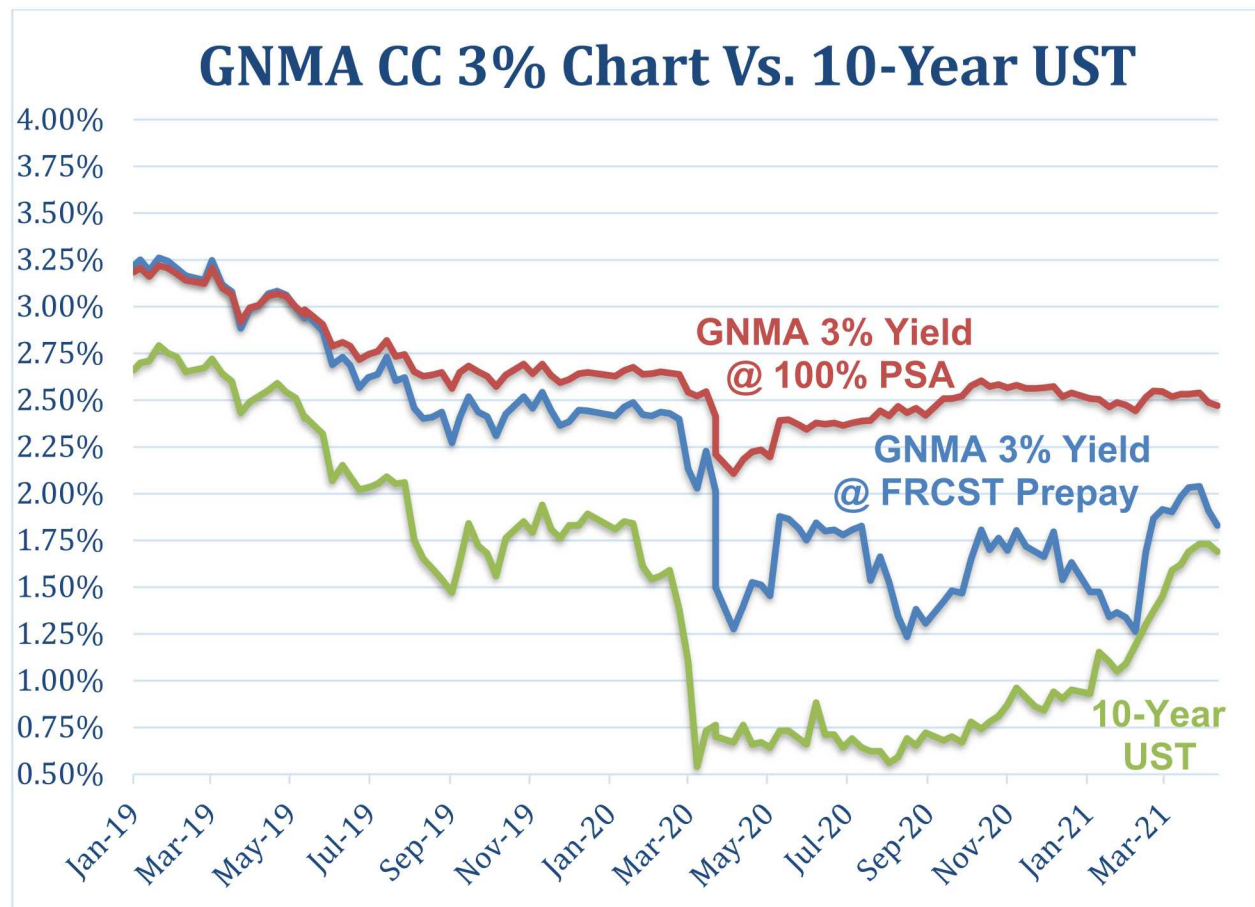
Treasuries. As of the market close on the day of pricing, 10-year and 30-year US Treasury yields were 1.64% and 2.30%, respectively. These yields are 0.66% and 0.59% higher than at the time MFA priced its last single family bonds on September 24, 2020, when the 10-year closed at 0.67% and the 30-year was 1.41%. (See rate graphs in Appendix 2.)

Key themes driving market activity include the following:

- Broadening vaccination efforts and fewer active coronavirus infections has fueled optimism for a strong revival of the US economy, easing investors' flight to the safety of US Treasuries and lifting yields.
- The recent \$1.9 trillion federal COVID relief bill is viewed by some as likely to stoke US economic activity and has led to speculation about inflation, future taxes, and higher bond yields.
- The Federal Reserve's aggressive monetary and market postures have been key supports in keeping the credit markets functioning and in stimulating economic recovery. Changes in Fed policy will be closely watched. The Fed's targeting of greater than 2% inflation rate, reiterated in recent commentary, has fed inflation fears and sparked a jump in treasury rates, though they have moderated since the last spike in late March.

Municipals. Muni yields played little role in this all-taxable transaction. As context, however, MMD has outperformed Treasuries so far in 2021, with the 10- year MMD/Treasury ratio dropping to all-time lows. Demand for municipal bonds remains strong as evidenced by inflows into muni bond funds week-over week.

MBS Secondary Markets. Buyers for pass-through bonds look to the pricing of comparable MBS, which have significantly greater global liquidity than pass-through bonds. The yields on MBS have generally followed the same pattern as those on 10- year Treasuries.



Tab 9

New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

April 30, 2021

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

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

	7 months <u>4/30/2021</u>	7 months <u>4/30/2020</u>	% Change <u>Year / Year</u>	Forecast <u>4/30/2021</u>	Actual to <u>Forecast</u>	Forecast/Target <u>9/30/21</u>
PRODUCTION						
1 Single family issues (new money):	\$55.0	\$190.0	-71.1%	\$55.0	0.0%	\$235.0
2 Single family loans sold (TBA):	\$260.3	\$58.9	341.9%	\$137.1	89.9%	\$235.0
3 Total Single Family Production	\$315.3	\$239.1	31.9%	\$192.1	64.1%	\$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:	\$90.9	\$39.6	129.5%	\$91.5	-0.7%	\$156.9
STATEMENT OF NET POSITION						
6 Avg. earning assets:	\$1,408.6	\$1,394.9	1.0%	\$1,404.7	0.3%	\$1,464.6
7 General Fund Cash and Securities:	\$86.8	\$95.8	-9.4%	\$76.5	13.5%	\$70.0
8 General Fund SIC FMV Adj.:	\$2.6	\$2.7	-3.7%	\$0.0	N/A	\$0.0
9 Total bonds outstanding:	\$1,066.5	\$1,186.5	-10.1%	\$1,127.7	-5.4%	\$1,195.4
STATEMENT OF REVENUES, EXPENSES AND NET POSITION						
10 General Fund expenses (excluding capitalized assets):	\$12.8	\$10.2	25.5%	\$12.9	-0.8%	\$22.5
11 General Fund revenues:	\$28.6	\$11.4	150.9%	\$17.8	60.7%	\$30.7
12 Combined net revenues (all funds):	\$17.8	\$3.9	356.4%	\$4.9	263.3%	\$8.4
13 Combined net revenues excluding SIC FMV Adj. (all funds):	\$15.5	\$7.5	106.7%	\$4.9	216.3%	\$8.4
14 Combined net position:	\$281.1	\$249.4	12.7%	\$268.2	4.8%	\$271.7
15 Combined return on avg. earning assets:	2.16%	0.48%	350.0%	0.57%	278.9%	0.57%
16 Combined return on avg. earning assets excluding SIC FMV Adj. (all funds):	1.89%	0.92%	105.4%	0.57%	231.6%	0.57%
17 Net TBA profitability:	2.33%	1.01%	130.7%	1.75%	33.1%	1.75%
18 Combined interest margin:	0.68%	0.89%	-23.6%	0.43%	58.1%	0.43%
MOODY'S BENCHMARKS						
19 Net Asset to debt ratio (5-yr avg):	29.64%	29.77%	-0.4%	28.42%	4.3%	28.42%
20 Net rev as a % of total rev (5-yr avg):	12.39%	10.87%	14.0%	10.70%	15.8%	10.70%
SERVICING						
21 Subserviced portfolio	\$1,625.0	\$1,454.9	11.7%	\$1,578.0	3.0%	\$1,797.9
22 Servicing Yield (subserviced portfolio)	0.41%	0.39%	5.1%	0.40%	2.5%	0.40%
23 Combined average delinquency rate (MFA serviced)	8.44%	9.37%	-9.9%	10.00%	-15.6%	10.00%
24 DPA loan delinquency rate (all)	6.55%	8.36%	-21.7%	N/A	N/A	N/A
25 Default rate (MFA serviced-annualized)	0.74%	1.10%	-32.7%	1.30%	-43.1%	1.30%
26 Subserviced portfolio delinquency rate (first mortgages)	15.01%	10.93%	37.3%	N/A	N/A	N/A
27 Purchased Servicing Rights Valuation Change (as of 3/31)	\$3.2	-\$0.1	3280.0%	N/A	N/A	N/A

Legend:

Positive Trend Caution Negative Trend Known Trend/Immaterial

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

SUMMARY OF BOND ISSUES:

Single Family Issues:

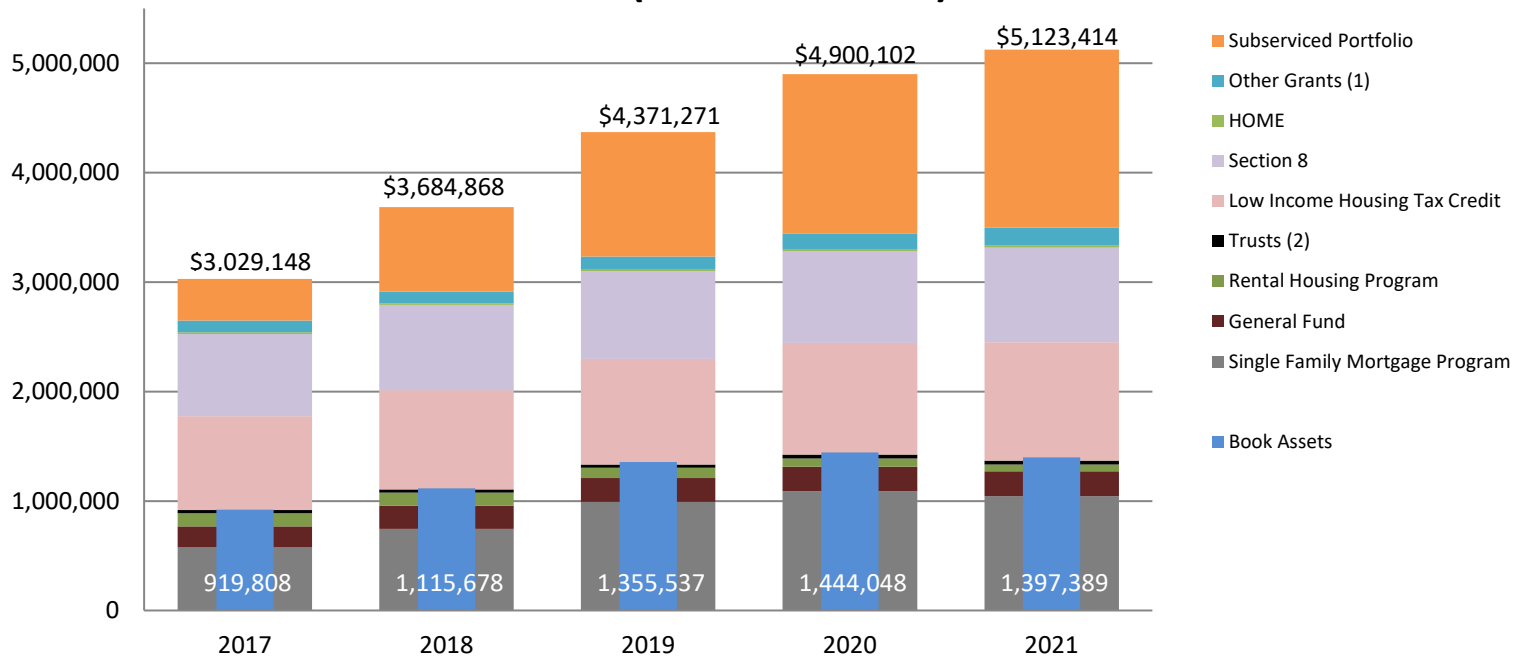
\$55.0 mm 2020 Series B Bonds-New Money (October)

Multi-family Issues:

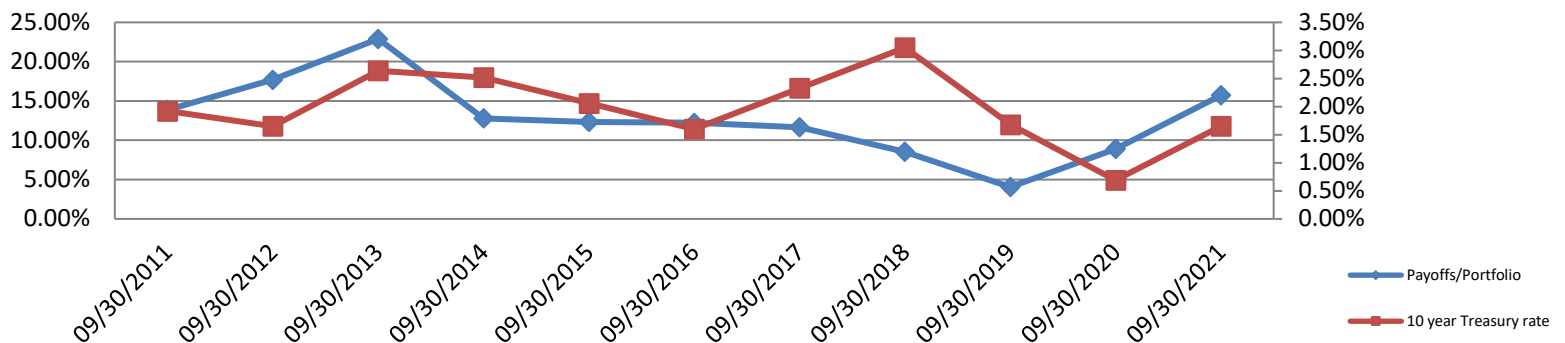
CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

- ▶ Due to decreases in mortgage rates, prepayments are trending higher than last year as borrowers take advantage of refinancing opportunities.
- ▶ Federal interest rate policy as a result of the health crisis is driving yields and margins down in comparison to last year at this same time; overall much lower interest rate environment.
- ▶ Volatility in market conditions related to the health crisis has continued to subside during 2021. The State Investment Council (SIC) General Fund portfolio valuations increased \$283 thousand in April. While these market movements are non-operating in nature, they impact General Fund revenues, combined net revenues and return on average earning assets. Just a reminder that the accounting records are one month in arrears due to SIC reporting timeframes.
- ▶ MFA is currently reserving loans for 2021 Series C which will close in August. The bond market is currently the best execution for funding the first-time homebuyer program providing the best economics for MFA and lowest interest rates for first-time homebuyers. For the bond program, the majority of the revenue is earned over time and with TBA loan sales all revenue is received upfront. Staff has forecasted a 50 percent split this year for the two executions. That strategy will continue to be evaluated ongoing as market conditions change.
- ▶ Incurred approximately \$0.5 million in cost of issuance for Single Family Mortgage program bond issuance (\$55 million); expense was paid for through bond premium.
- ▶ The subservicing oversight position reports to the Director of Servicing and provides full-time monitoring of loss mitigation activities, collections and foreclosure services provided by MFA's servicer. They coordinate with the Compliance Officer on risk management strategies and reporting. Staff actively analyzes default trends, quality control reports and portfolio profile characteristics to understand reasons for higher than expected delinquency rates. These delinquencies have an effect on the credit risk associated with MFA's down payment assistance portfolio as well as the financial impacts associated with defaults on the first mortgages themselves. Staff is actively engaged with the servicer to identify additional delinquency reduction strategies, particularly early intervention strategies to prevent loans from becoming seriously delinquent. As risk has increased significantly since the pandemic the management of this portfolio has become even more of a priority. MFA staff continues to receive weekly forbearance information to analyze trends at the portfolio level. MFA's subservicing oversight team is receiving regular and improved reporting to better monitor and reconcile portfolio activities related to delinquencies. Additionally, MFA's servicer has increased staff and implemented improved technology to support forbearance and delinquency trends as well as loss mitigation activity. The foreclosure moratorium continues to impact delinquencies as we are unable to move seriously delinquent loans through the judicial and claims process. Of the 15.01 percent portfolio delinquency rate, 13.03 percent represents delinquent loans in forbearance. As of April 30th, 19.3 percent of MFA loans on forbearance plans are current. The serviced portfolio is approx. 85 percent FHA insured loans. The Mortgage Bankers Association quarterly survey as of March 31, 2021 indicates that the delinquency rate for FHA loans nationally is 14.67 percent and for New Mexico 11.46 percent. FHA Single Family Loan Performance Trends for April 2021 show 16.16 percent delinquency (for purchase loans only) down from 16.75 percent in April 2020 reflecting a slowing of the impact of COVID-19 forbearance agreements, which will expire soon.
- ▶ Fair market value for purchased servicing rights as of March 31, 2021 is \$19.5 million, an increase of approximately \$3.2 million over cost. GASB requires MFA to utilize "lower of cost or market" accounting for this asset. FMV decreases resulting from the health crisis have been recovered. Current purchased servicing rights are recorded at a cost of \$16.3 million. Valuations are obtained on a quarterly basis.
- ▶ Based on Moody's issuer credit rating scorecard, MFA's 29.64 percent net asset ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining MFA's creditworthiness under stressful circumstances (> 20 percent). The net revenue as a percent of total revenue measures performance and profitability and MFA's 12.39 percent 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 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 the spring of 2019.

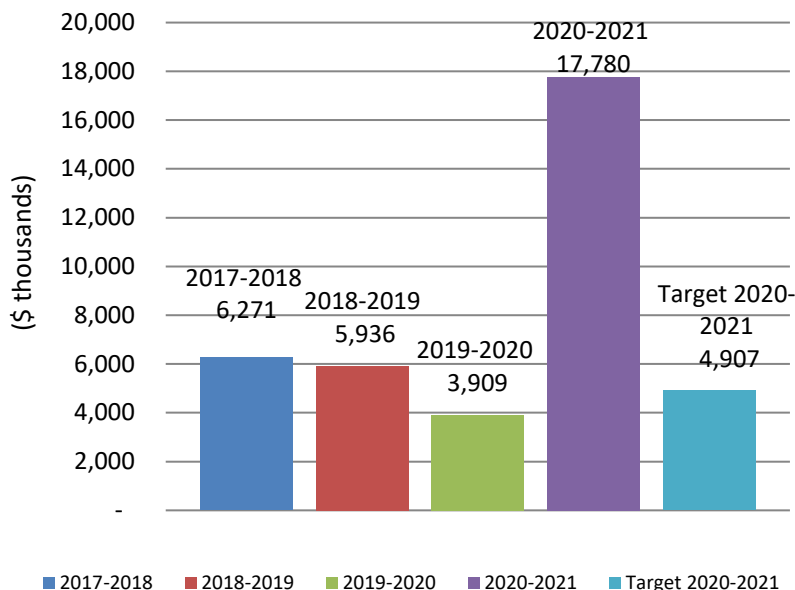
Assets Under Management as of 9/30/2021 (\$ in thousands)



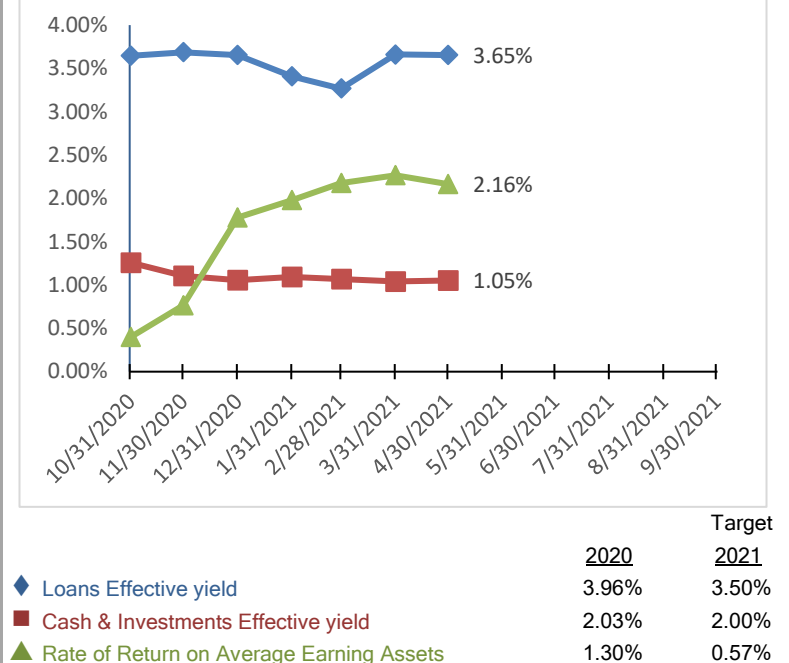
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2021



YTD Excess Revenues over Expenses as of 4/30/2021



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

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

	<u>YTD 04/30/21</u>	<u>YTD 4/30/20</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$38,842	\$41,234
RESTRICTED CASH HELD IN ESCROW	9,261	10,499
SHORT-TERM INVESTMENTS	2,584	-
ACCRUED INTEREST RECEIVABLE	3,985	4,428
OTHER CURRENT ASSETS	5,739	2,688
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	-
INTER-FUND RECEIVABLE (PAYABLE)	0	0
TOTAL CURRENT ASSETS	<u>60,411</u>	<u>58,850</u>
 CASH - RESTRICTED	 56,270	 71,542
LONG-TERM & RESTRICTED INVESTMENTS	65,437	63,155
INVESTMENTS IN RESERVE FUNDS	-	0
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	984,522	1,076,223
MORTGAGE LOANS RECEIVABLE	218,741	235,426
ALLOWANCE FOR LOAN LOSSES	(7,469)	(4,974)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,983	1,139
OTHER REAL ESTATE OWNED, NET	787	-
OTHER NON-CURRENT ASSETS	-	-
INTANGIBLE ASSETS	16,476	13,092
TOTAL ASSETS	<u>1,397,157</u>	<u>1,514,454</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	232	322
 TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	 <u>1,397,389</u>	 <u>1,514,776</u>
 <u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$9,169	\$9,858
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	12,174	7,981
ESCROW DEPOSITS & RESERVES	8,897	10,382
TOTAL CURRENT LIABILITIES	<u>30,240</u>	<u>28,221</u>
 BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	 1,066,499	 1,186,525
MORTGAGE & NOTES PAYABLE	19,441	50,509
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	143	158
TOTAL LIABILITIES	<u>1,116,322</u>	<u>1,265,413</u>
 <u>NET POSITION:</u>		
NET INVESTED IN CAPITAL ASSETS	1,983	1,139
UNAPPROPRIATED NET POSITION (NOTE 1)	68,011	66,897
APPROPRIATED NET POSITION (NOTE 1)	211,073	181,327
TOTAL NET POSITION	<u>281,067</u>	<u>249,363</u>
 TOTAL LIABILITIES & NET POSITION	 <u>1,397,389</u>	 <u>1,514,776</u>

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

	<u>YTD 04/30/21</u>	<u>YTD 4/30/20</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$26,564	\$28,625
INTEREST ON INVESTMENTS & SECURITIES	1,049	2,268
LOAN & COMMITMENT FEES	658	2,034
ADMINISTRATIVE FEE INCOME (EXP)	12,833	3,443
RTC, RISK SHARING & GUARANTY INCOME	84	42
HOUSING PROGRAM INCOME	774	556
LOAN SERVICING INCOME	4,641	3,285
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>46,603</u>	<u>40,253</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	2,988	(3,723)
OTHER NON-OPERATING INCOME	11	18
GRANT AWARD INCOME	59,381	29,281
SUBTOTAL NON-OPERATING REVENUES	<u>62,380</u>	<u>25,576</u>
TOTAL REVENUES	<u>108,983</u>	<u>65,829</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	11,304	8,452
INTEREST EXPENSE	21,994	23,612
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(1,704)	(1,536)
PROVISION FOR LOAN LOSSES	(123)	329
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	79	84
AMORT. OF SERV. RIGHTS & DEPRECIATION	1,562	823
BOND COST OF ISSUANCE	535	1,582
SUBTOTAL OPERATING EXPENSES	<u>33,647</u>	<u>33,346</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	81	250
GRANT AWARD EXPENSE	57,232	28,151
OTHER NON-OPERATING EXPENSE	243	171
SUBTOTAL NON-OPERATING EXPENSES	<u>57,556</u>	<u>28,573</u>
TOTAL EXPENSES	<u>91,203</u>	<u>61,919</u>
NET REVENUES	17,780	3,909
OTHER FINANCING SOURCES (USES)	-	0
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>17,780</u>	<u>3,909</u>
NET POSITION AT BEGINNING OF YEAR	<u>263,288</u>	<u>245,454</u>
NET POSITION AT 04/30/21	<u>281,067</u>	<u>249,363</u>

NOTES TO FINANCIAL STATEMENTS

(For Informational Purposes Only)
(Thousands of Dollars)

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

UNAPPROPRIATED NET POSITION:

\$ 32,621	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 34,806	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 584	held for New Mexico Affordable Housing Charitable Trust .
\$ 68,011	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 (\$106,228 in loans plus \$10,401 unfunded, of which \$4,918 is committed).
\$ 49,475	for future use in Single Family & Multi-Family housing programs.
\$ 1,202	for loss exposure on Risk Sharing loans.
\$ 1,983	invested in capital assets, net of related debt.
\$ 16,461	invested in mortgage servicing rights.
<u>\$ 10,609</u>	for the future General Fund Budget year ending 9/30/21 (\$27,232 total budget less \$16,623 expended budget through 04/30/21.)
<u>\$ 196,359</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:

\$ 16,696	for use in the federal and state housing programs administered by MFA.
<u>\$ 16,696</u>	Subtotal - Housing Program
\$ 213,056	Total appropriated Net Position
<u>\$ 281,067</u>	Total combined Net Position at April 30, 2021

Total combined Net Position, or reserves, at April 30, 2021 was \$281.1 million, of which \$68.0 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$213.1 million of available reserves, with \$86.8 million primarily liquid in the General Fund and in the federal and state Housing programs and 126.3 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 seven months ended 4/30/2021

	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	573,623	3,970,861	4,427,598	7,590,168	326,273	3,395,655	53.90%
Interest on Investments & Securities	109,033	745,051	863,402	1,480,118	321,236	1,082,869	40.76%
Loan & Commitment Fees	28,278	101,957	5,833	10,000	(96,124)	(91,957)	1019.57%
Administrative Fee Income (Exp)	2,291,614	14,910,576	8,080,983	13,805,002	(8,169,066)	(3,353,702)	129.02%
Risk Sharing/Guaranty/RTC fees	1,767	83,003	49,676	85,158	(33,327)	2,156	97.47%
Housing Program Income	19,715	774,236	503,549	1,104,920	(270,687)	330,684	70.07%
Loan Servicing Income	611,660	4,640,704	4,109,560	7,044,959	(633,143)	2,229,401	67.55%
Other Operating Income		-	250	500	250	500	0.00%
Operating Revenues	3,635,691	25,226,387	18,040,851	31,120,826	(8,554,587)	3,595,606	87.52%
Gain (Loss) Asset Sale/Debt Ex	313,171	3,346,939	(268,625)	(460,500)	(3,615,564)	(3,807,439)	-726.81%
Other Non-operating Income	-	40	93	160	53	120	25.00%
Non-Operating Revenues	313,171	3,346,979	(268,532)	(460,340)	(3,615,511)	(3,807,319)	-727.07%
Revenue	3,948,862	28,573,366	17,772,319	30,660,486	(12,170,098)	(211,713)	100.75%
Salaries	709,034	3,414,240	3,550,174	6,436,024	(11,164)	2,480,646	57.92%
Overtime	2,119	24,501	22,763	39,048	(10,149)	376	98.49%
Incentives	1,722	246,628	299,907	543,798	42,118	253,524	49.31%
Payroll taxes, Employee Benefits	252,463	1,523,841	1,756,073	3,182,619	142,369	1,346,428	53.09%
Compensation	965,339	5,209,210	5,628,917	10,201,489	163,174	4,080,973	56.07%
Business Meals Expense	-	22	3,127	5,360	3,104	5,338	0.41%
Public Information	17,528	220,732	250,033	362,906	(62,709)	50,163	81.48%
In-State Travel	710	785	71,685	122,888	70,899	122,103	0.64%
Out-of-State Travel		-	114,740	196,698	114,740	196,698	0.00%
Travel & Public Information	18,238	221,539	439,585	687,852	126,035	374,302	37.18%
Utilities/Property Taxes	5,644	43,182	43,271	74,178	73	30,968	58.24%
Leasehold Expense		-			-	-	
Insurance, Property & Liability	16,819	117,727	101,914	174,709	(15,815)	56,979	67.39%
Repairs, Maintenance & Leases	93,120	666,574	615,084	1,013,348	(114,200)	280,353	70.39%
Supplies	2,497	9,900	19,596	33,592	9,688	23,680	29.48%
Postage/Express mail	6,755	31,791	21,480	36,823	(10,313)	5,028	86.34%
Telephone	640	3,327	12,076	20,701	8,744	17,366	16.08%
Janitorial	(5,214)	25,766	23,503	40,291	(2,271)	14,510	63.97%
Office Expenses	120,261	898,267	836,922	1,393,643	(124,094)	428,886	67.68%
Dues & Periodicals	2,571	25,103	34,374	58,926	9,271	33,823	42.60%
Education & Training	2,686	35,185	76,638	131,380	41,454	96,195	26.78%
Contractual Services	88,016	580,832	926,147	1,575,332	164,122	691,589	45.65%
Professional Services-Program	2,967	56,616	66,701	114,344	(34,216)	(18,216)	147.44%
Direct Servicing Expenses	563,697	3,827,339	2,861,195	4,904,905	(1,411,093)	314,798	92.40%
Program Expense-Other	23,426	23,426	13,624	23,355	(9,802)	(71)	100.30%
Rebate Analysis Fees			-	-	-	-	

GENERAL FUND
Fiscal Year 2020-2021 Budget
For the seven months ended 4/30/2021

	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	683,363	4,548,500	3,978,678	6,808,242	(1,240,264)	1,118,119	80.27%
Interest Expense	5,458	217,829	206,389	353,809	(11,440)	135,980	61.57%
Non-Cash Expenses	282,533	1,436,566	1,241,121	2,127,636	(195,462)	691,041	67.52%
Expensed Assets	3,033	166,696	182,609	262,187	(93,108)	(40,546)	132.14%
Operating Expenses	2,078,225	12,698,606	12,514,221	21,834,859	(1,375,159)	6,788,756	65.16%
Program Training & Tech Asst	1,600	6,497	87,442	149,900	80,944	143,403	4.33%
Program Development	36,258	74,667	274,973	471,383	17,209	82,835	47.41%
Capacity Building Costs	37,858	81,164	362,415	621,283	98,153	226,238	26.40%
Non-Operating Expenses	37,858	81,164	362,415	621,283	98,153	226,238	26.40%
Expenses	2,116,083	12,779,770	12,876,636	22,456,142	(1,277,005)	7,014,993	64.56%
Excess Revenue over Expenses	1,832,780	15,793,596	4,895,683	8,204,345	(10,893,093)	(7,226,706)	184.36%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2020-2021 Budget
For the seven months ended 4/30/2021

	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	384,787	3,037,517	2,242,771	3,844,750	(794,746)	807,233	79.00%
2950 COMPUTER HARDWARE	-	24,565	70,583	121,000	46,018	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	11,913	780,883	648,077	648,077	(780,883)	(132,806)	120.49%
Capital Budget	396,699	3,842,965	3,123,145	4,775,541	(1,367,897)	932,576	80.47%



**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 Slown	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