



MFA Housing New Mexico
 MFA August Board of Directors Meeting
 August 17, 2022
 9:30 am-12:00 pm Mountain Time

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 7/20/21 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items (Action Required?)

Consent Agenda

- 1 A'diidi ni'kuwaa Design Change (Jeanne Redondo)- Finance Committee YES
- 2 Northern Regional Housing Authority, Contract Approval > 100K (Theresa Laredo-Garcia) - Contracted Services YES
- 3 Award Recommendation for Governmental Services Request for Proposals (RFP) (Rebecca Velarde) – Contracted Services YES

Finance Committee

- 4 6/30/21 Quarterly Financial Statement (Lizzy Ratnaraj) YES
- 5 6/30/21 Quarterly Investment Review (Cooper Hall) YES
- 6 Fiscal Year 2022/2023 Single Family Resolution (Cooper Hall) YES
- 7 Request for Proposals for To Be Announced Administrative Services (Cooper Hall) YES
- 8 Section 811 Program Internal Audit ((Jessica Bundy, Principal and Shantelle, CPA, CIA, CFE Internal Audit Manager, REDW) YES
- 9 Mortgage Operations – Secondary Market Internal Audit (Jessica Bundy, Principal and Shantelle, CPA, CIA, CFE Internal Audit Manager, REDW) YES

Contracted Services/Credit Committee

- 10 Internal Audit RFP (Julie Halbig) YES
- 11 Request for Proposals (RFP) for sale of MFA Real Property (Izzy Hernandez & Jeff Payne) YES

Other

- 12 Multifamily Project Completion Pipeline Report (George Maestas) NO

- 13 MFA Portfolio Delinquency Update (Teresa Lloyd and Stephanie Gonzales
NO

Other Board Items

Information Only

- 14 **(Staff is available for questions)**

- Staff Action Requiring Notice to Board
- COVID Staff Actions
- EMLI Wells of Artesia Pricing Summary 2022
- Q3 Strategic Plan Benchmarks

Quarterly Reports

No Action Required

- 15 **(Staff is available for questions)**

- Quarterly Board Report

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings

- September 6, 2022 – Tuesday, Contracted Services 10:00 a.m.
Finance Committee 1:30 p.m.
- September 14, 2022 – Wednesday – 9:30 a.m.(MFA Housing
Summit Hotel Albuquerque)
- October 11, 2022 – Tuesday, Contracted Services 10:00 a.m.
Finance Committee 1:30 p.m.
- October 19, 2022 - Wednesday- 9:30 a.m. (MFA Board of
Directors Meeting-MFA)
- October 19, 2022 - Wednesday- 11:30 a.m. (Training - Statewide
Housing Strategy)
- November 8, 2022 – Tuesday, Contracted Services 10:00 a.m.
Finance Committee 1:30 p.m.
- November 16, 2022 - Wednesday- 9:30 a.m. (MFA Board of
Directors Meeting, Location TBD)



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

Sandia Resort & Casino – Eagle Room

30 Rainbow Rd, Albuquerque, NM

Wednesday, August 17, 2022, at 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

Roll Call (Izzy Hernandez)

- Approval of Agenda – Board Action
- Approval of 7/20/22 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Consent Agenda

- | | | |
|---|--|-----|
| 1 | A'diidi ni'kuwaa Design Change (Jeanne Redondo)- Finance Committee | YES |
| 2 | Northern Regional Housing Authority, Contract Approval > 100K (Theresa Laredo-Garcia) - Contracted Services | YES |
| 3 | Award Recommendation for Governmental Services Request for Proposals (RFP) (Rebecca Velarde) – Contracted Services | YES |

Finance Committee

- | | | |
|---|--|-----|
| 4 | 6/30/21 Quarterly Financial Statement (Lizzy Ratnaraj) | YES |
| 5 | 6/30/21 Quarterly Investment Review (Cooper Hall) | YES |
| 6 | Fiscal Year 2022/2023 Single Family Bond Resolution (Cooper Hall) | YES |
| 7 | Request for Proposals for To Be Announced Administrative Services (Cooper Hall) | YES |
| 8 | Section 811 Program Internal Audit ((Jessica Bundy, Principal and Shantelle, CPA, CIA, CFE Internal Audit Manager, REDW) | YES |
| 9 | Mortgage Operations – Secondary Market Internal Audit (Jessica Bundy, Principal and Shantelle, CPA, CIA, CFE Internal Audit Manager, REDW) | YES |

Contracted Services/Credit Committee & NM Housing Trust Fund Committee

- | | | |
|----|---|-----|
| 10 | Internal Audit RFP (Julie Halbig) | YES |
| 11 | Request for Proposals (RFP) for sale of MFA Real Property (Izzy Hernandez & Jeff Payne) | YES |

Other

- | | | |
|----|--|----|
| 12 | Multifamily Project Completion Pipeline Report (George Maestas) | NO |
| 13 | MFA Portfolio Delinquency Update (Teresa Lloyd and Stephanie Gonzales) | NO |

Other Board Items

Information Only

- 14 (Staff is available for questions)
- Staff Action Requiring Notice to Board
 - COVID Staff Actions
 - EMLI Wells of Artesia Pricing Summary
 - Q3 Strategic Plan Benchmarks

Quarterly Reports

No Action Required

- 15 (Staff is available for questions)
- Quarterly Board Report

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings

- September 6, 2022 – Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- September 14, 2022 – Wednesday – 9:30 a.m.(MFA Housing Summit Hotel Albuquerque)
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- October 19, 2022 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting-MFA)
- October 19, 2022 - Wednesday- 11:30 a.m. (Training – National Innovations in Land Use/Planning Policies to Support Affordable Housing)
- November 8, 2022 – Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- November 16, 2022 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting, Location TBC)



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

344 4th St. SW, Albuquerque, NM

Wednesday, August 17, 2022, at 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

Roll Call (Izzy Hernandez)

- Approval of Agenda – Board Action
- Approval of 7/20/22 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Consent Agenda

- 1 A'diidi ni'kuwaa Design Change (Jeanne Redondo) - Finance Committee. MFA staff recommends approval of the proposed design change to the A'diidi ni'kuwaa site as shown in the attached new proposed site plan, renderings and floor plan stipulated upon meeting MFA's Design Requirements. This will allow the project to be financially feasible and move forward to provide much needed housing for people with special needs on the Mescalero Apache reservation. YES
- 2 Northern Regional Housing Authority, Contract Approval > 100K (Theresa Laredo-Garcia) - Contracted Services. MFA staff recommends Board approval for Northern Regional Housing Authority (NRHA) to enter into and sign a service contract with Northeastern Construction Company as the contractor to perform the remodel project in Las Vegas, New Mexico. YES
- 3 Award Recommendation for Governmental Services Request for Proposals (RFP) (Rebecca Velarde) – Contracted Services. MFA staff recommends and requests approval to award a contract to Mr. John Anderson to provide governmental services for MFA. Staff recommends awarding the contract for a two-year term with the option to award one two-year extension. YES

Finance Committee

- 4 6/30/21 Quarterly Financial Statement (Lizzy Ratnaraj) - ongoing YES
- 5 6/30/21 Quarterly Investment Review (Cooper Hall) - ongoing YES
- 6 Fiscal Year 2022/2023 Single Family Bond Resolution (Cooper Hall) - To authorize future bonding activity and to ensure MFA can be responsive to market conditions, Staff is requesting approval of the Fiscal Year 2022/2023 Single Family Bond Resolution in the aggregate amount of not to exceed \$500 million. MFA anticipates providing funds for up to \$500 million of new loans or refinanced prior issuances. The timing and sizing of each issuance has not been determined and will depend on actual reservation activity and bond market conditions. YES
- 7 Request for Proposals for To Be Announced Administrative Services (Cooper Hall) - Staff recommends issuing an RFP for To Be Announced ("TBA") Single Family Program Administrative Services. Responses to the RFP will be due September 15, 2022, and recommendations for award will be presented at the November Board meeting. The term of the contract begins the date the Board approves the award and ends November 30, 2025, with two subsequent one-year extensions at the option of the Policy Committee. Staff recommends approval of the Request for Proposals to Provide Underwriting Services for Single Family Housing Programs. YES
- 8 Section 811 Program Internal Audit (Jessica Bundy, Principal and Shantelle, CPA, CIA, CFE Internal Audit Manager, REDW) - Staff recommends approval of Section 811 Program Internal Audit Report. REDW identified one Low Risk observation related to one Local Lead Agency not submitting a timely response to a monitoring report and MFA did not perform timely follow-up. Management's Response: Management agrees with recommendation to create calendar reminders before responses are due from Local Lead Agencies. YES
- 9 Mortgage Operations – Secondary Market Internal Audit (Jessica Bundy, Principal and Shantelle, CPA, CIA, CFE Internal Audit Manager, REDW) - Staff recommends approval of the Mortgage Operations – Secondary Market Internal Audit Report. REDW did not identify any reportable observations. YES

Contracted Services/Credit Committee & NM Housing Trust Fund Committee

- 10 Internal Audit RFP (Julie Halbig) - Staff recommends approval of the Request for Proposal for Internal Audit Services. The current contract which was awarded to REDW is set to expire November 30, 2022. The term for the

RFP is for one year with two one-year extensions. Upon approval the Request for Proposal for Internal Audit Services will be published with responses due to MFA by September 19, 2022. Recommendations for award will be presented at the October Board meeting. YES

- 11** Request for Proposals (RFP) for sale of MFA Real Property (Izzy Hernandez & Jeff Payne) - Staff recommends approval of the New Mexico Mortgage Finance Authority Request for Proposals to Provide Professional Services for the Sale of Commercial Real Estate. YES

Other

- 12** Multifamily Project Completion Pipeline Report (George Maestas) - For informational purposes, staff will provide an overview of the report on the construction progress for multifamily projects and present information on any upcoming loan closings and ribbon cuttings. NO
- 13** MFA Portfolio Delinquency Update (Teresa Lloyd and Stephanie Gonzales) - Provide the Board an update on delinquency trends for MFA's loan portfolio as of June 30, 2022. Housing Assistance Funds (HAF) have been distributed to 1,171 New Mexico Households since February 28, 2022, to assist borrowers effected by COVID-19. MFA's subserviced portfolio delinquency in down to 10.61% from a high of 18.39% in December of 2020 at the peak of the COVID-19 Pandemic. MFA's in-house serviced portfolio has seen steady improvement from 10.30% as of December 2020 to the current 8.15% combined average. NO

Other Board Items

Information Only

14 (Staff is available for questions)

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Minutes

NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting Minutes

**344 4th St. SW, Albuquerque, NM
Wednesday, July 20, 2022 at 9:30 a.m.**

Chair Reyes convened the meeting on July 20, 2022 at 9:32 a.m. Secretary Hernandez called the roll. Members available: in person - Chair Angel Reyes, State Treasurer Tim Eichenberg, virtual - Sally Malavé (designee for Attorney General Hector Balderas), Martina C'de Baca (designee for Lieutenant Governor Howie Morales), Rebecca Wurzbarger, and Patricia Sullivan (joined during tab 1 due to technical difficulties 9:48 a.m.). Absent: Derek Valdo. Hernandez informed the Board that everyone had been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

Chair Reyes welcomed Board members and staff. He began by introducing everyone he reminded the members participating remotely of 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 amended the agenda to move Tab 11 Casa de Encantada NMHTF Loan Increase Modification first on the agenda. Motion to approve the July 20, 2022 revised Board agenda as recommended: Malavé. Second Wurzbarger: Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C'de Baca-yes, Wurzbarger-yes. Vote: 5-0.

Approval of 6/15/22 Board Meeting Minutes – Board Action– Board Action– Board Action. Motion to approve the June 15, 2022 Board Meeting Minutes as presented: Wurzbarger. Second Eichenberg: Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C'de Baca-yes, Wurzbarger-yes. Vote: 5-0.

Executive Director updates (Jeff Payne, Chief Lending Officer). Payne began his presentation by reviewing the homeownership information graphs provided; Housing cost indexes have increased almost 20% over the last year and increases are forecast to be 5% next year. Freddie Mac 30 year fixed rate mortgage average in the United States were shown to have decreased by .5% in recent months after a sharp increase earlier this year. **Program Updates:** HAF Launched Feb 2022: 2,397 July 14 from 1620 in process or closed as of July 14th. Delinquencies.: March '20: 15.67% - June '22: 11.61%. Mortgage Operation Weekly Average '21 - \$11.022m/ '22 - \$9.702m. **Significant meetings/presentations:** 7/13: Developer Forum for Housing Development. 7/14: Lender Forum for Home Ownership 7/29: LOC Meeting **News:** Single family loan modifications: Idaho Housing completed 67 compared to 29 for the full previous year. In the month of June, there were 4 foreclosure sales. COVID Forbearances are now down to 299 which equals 2.48% of the subserviced portfolio. Loss mitigation partial claims completed are 1,136 and 102 are in process.

Member Sullivan joined the meeting at 9:48a.m.

Contracted Services and Housing Trust Fund Advisory Committee

1 (Tab 11 moved to item one during the approval of the agenda) Casa de Encantada NMHTF Loan Increase Modification (Jacobo Martinez/George Maestas). Martinez introduced Carol Sugarman, Contractor as well as Eric Grodahl, Developer, DBG Properties LLC. of Casa de Encantada who were present at the Board meeting. He further informed the Board that the Casa de Encantada project is the recipient of a 2021 4% LIHTC award, and also was awarded a \$2m New Mexico Housing Trust Fund (NMHTF) construction/permanent loan. Casa de Encantada Apartments is a proposed new construction senior project located south of US Highway 550 at 7780 Paseo 550 Drive NE in Rio Rancho New Mexico. The Casa de Encantada project is requesting a \$1.5m increase to their existing \$2m NMHTF loan award to \$3.5m during the permanent term. The requested increase will require an exception to MFA's NMHTF policy of a \$1m loan during the permanent term. Motion to approve the Casa de Encantada NMHTF Loan Increase Modification as described: Wurzbarger. Second: Sullivan. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C'de Baca-yes, Wurzbarger-yes, Sullivan-yes. Vote: 6-0.

Presentations

2 Statewide Housing Strategy Update (Heidi Aggeler, Root Policy Research). Heidi Aggeler with Root Policy Research shared an update on data analysis and resident survey findings that will be incorporated into the Statewide Housing

Strategy. Aggeler also provided a preview of strategies and discussed next steps for Board engagement with the Statewide Housing Strategy . Non-Action Item.

3 Housing Counseling, Foreclosure Defense and Prevention Program

a. United South Broadway Corp. (USBC) presentation (Diana Dorn-Jones Executive Director, United South Broadway Corp.) USBC provided an overview of their foreclosure work and the organizations extensive experience in successfully administering state-wide foreclosure housing counseling and legal defense to low- income homeowners of New Mexico.

b. Staff Response to United South Broadway Corporation Presentation (Donna Maestas-De Vries, Robyn Powell). Maestas-DeVries provided information with regards to the USBC response regarding the RFP. Non-Action Item.

Consent Agenda

4 Recovery Housing Program (RHP) Amended Action Plan Approval (Theresa Laredo-Garcia, Matthew Meyer and Robyn Powell) – Contracted Services. MFA is amending the RHP Action Plan to expand the activities of the current plan to include additional eligible activities as listed in the plan located behind tab three of the official board packet. The amendment will also change the method of distribution from a Request for Proposal (RFP) process to a Notice of Funding Availability (NOFA) process to provide more time for recovery housing agencies to develop and submit a qualified project. Staff recommends approval of the FY2022 Recovery Housing Program (RHP) Action Plan Amendment to publish and begin the 30-day public comment period.

5 Recovery Housing Program (RHP) Notice of Fund Availability (NOFA) Approval (Theresa Laredo-Garcia, Matthew Meyer and Robyn Powell) – Contracted Services. The pilot Recovery Housing Program was authorized in 2018 under Section 8071 of the SUPPORT for Patients and Communities Act (SUPPORT Act). The intent of the RHP is to help individuals in recovery from a substance use disorder (SUD) on a path to self-sufficiency by providing stable, temporary recovery housing and services. Staff recommends approval to publish the Recovery Housing Program (RHP) Notice of Funding Availability (NOFA) for a 90-day period beginning on or about September 13, 2022, and upon approval of the Amended Action Plan by HUD.

6 National Housing Trust Fund Reallocation of Funds (Yvonne Segovia) – In order to fulfill HUD’s commitment requirement; staff recommends allocating an additional \$225,000 of 2020 National Housing Trust Funds from Program to the Administration activity.

Chair Reyes confirmed that all board members agree to approve the consent agenda items (tab numbers changed due to the approval of the revised agenda) 4 Recovery Housing Program (RHP) Amended Action Plan Approval, 5 Recovery Housing Program (RHP) Notice of Fund Availability (NOFA) Approval, and 6 National Housing Trust Fund Reallocation of Funds, seeing and hearing no objections he asked for a motion. Eichenberg made the motion to approve the consent agenda in its entirety: Second: Wurzburger. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C’de Baca-yes, Wurzburger-yes, Sullivan-yes. Vote: 6-0.

Finance Committee

7 FY2022 Budget Amendment (Yvonne Segovia). Segovia began her presentation by explaining that on 9/15/2021 the Board approved the fiscal year 2022 General Fund budget. Staff anticipates that MFA will not have sufficient expense and capital outlay budget to carry the organization through the end of the fiscal year. Therefore, staff is proposing an amendment increasing the expense budget by \$1,036,354 and the capital budget by \$1,176,138; and decreasing the revenue budget by (\$923,534) for a net total of (\$3,136,026). Motion to approve the FY2022 Budget Amendment as recommended: Sullivan. Second: Malavé. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C’de Baca-yes, Wurzburger-yes, Sullivan-yes. Vote: 6-0.

8 Resolution to Purchase Real Estate (Izzy Hernandez and Jeff Payne). Hernandez explained that this is a request for approval of the attached Board Resolution authorizing the sale of MFA’s existing office building located at 344 Fourth Street SW, Albuquerque, NM, and approval to purchase an office building at a yet to be determined location. Hernandez provided background information with regards to the lack of space for the growing staff, functionality of the building and accessibility for partners, constituents and all staff. An additional request for approval to increase the budget by the purchase price amount and Board approval at a future time to approve a purchase agreement for the acquisition of an office building and to procure the professional services to sell the MFA building. Within the Resolution is a clause to authorize a task force committee, which shall be appointed by the Chair of the Authority in accordance with Article VI,

Section 6.3 of the Bylaws and which shall include the Chair, Treasurer, State Treasurer and Executive Director/Chief Executive Officer. Discussion ensued from the Board with regards to concerns and clarification; some of those items included; financing mechanisms, capital outlay, optics, disruptions to services, timing, additional staffing/services, board apprised of request, allow staff to move forward, input of the Board. Contract/deposit/earnest monies/funds to initiate a contract. Werenko/General Counsel wanted to clarify and wanted it made part of the record; the question with regards to using NM State Capital Outlay monies – MFA Act 58-18-5.5 (G) states; shall not receive direct appropriations of state funds from the legislature, and, if a program for which the authority is granted the power and has the duty to administer involves the appropriation or expenditure of state funds, the authority is granted specific power to enter into a joint powers agreement with the department of finance and administration pursuant to the Joint Powers Agreements Act [11-1-1 to 11-1-7 NMSA 1978]. Motion to approve the Resolution to Purchase Real Estate as presented: Wurzbarger. Second: Sullivan. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C’de Baca-yes, Wurzbarger-yes, Sullivan-yes. Vote: 6-0.

Contracted Services

Inadvertently skipped 9 Proposed Changes to the HomeNow DPA Program (Laura Fuller & René Acuña) and heard next two agenda items - Moved to tab 11

9 Amendment Coronavirus State and Local Fiscal Recovery Fund (SLFRF) Emergency Repair Program (Troy Cucchiara). Cucchiara explained that staff is requesting approval to amending the December 2021 Special Session SLFRF allocation language from making homes “weatherization ready” to “emergency repairs and weatherization” which we will refer to as WAP-FRF. MFA staff seek to expand the allocation language of the funding to allow for the emergency repair component to include activities eligible under the NM EnergySmart Program. This expansion of uses would allow MFA and its service providers to address the beneficiaries housing condition issues more efficiently. Service providers would be able to address both the emergency repair needs along with the full weatherization package at once. Separating these two activities would result in costly inefficiencies for contractors and also cause beneficiaries to enroll in two program waitlists. Motion to approve staff’s request for NMHTF – Wildfire Response as presented: Wurzbarger. Second: Sullivan. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C’de Baca-yes, Wurzbarger-yes, Sullivan-yes. Vote: 6-0.

10 Service Provider and funding allocation approval for Weatherization Assistance Program Coronavirus State and Local Fiscal Recovery Fund – (WAP FRF) (Troy Cucchiara). Cucchiara began his request with a request for approval to award \$3.75M of Service Provider and Funding Allocation for Coronavirus State and Local Fiscal Recovery Funds (WAP-FRF) Emergency Repair and Weatherization Program funding to four service providers statewide. Three of the four service providers are existing with an RFP being released in the fall of 2022 to solicit one more in the Navajo Nation territory. He reviewed the chart within the memo which shows the amounts that will be awarded to each service provider. Further informing the Board that; if the service providers are not demonstrating within a reasonable time frame that the funds are being used in their territory, MFA will re-allocate the funds to service providers that are showing timely production. Motion to approve the Service Provider and funding allocation approval for Weatherization Assistance Program Coronavirus State and Local Fiscal Recovery Fund – (WAP FRF) as presented: Wurzbarger. Second: Eichenberg. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C’de Baca-yes, Wurzbarger-yes, Sullivan-yes. Vote: 6-0.

11 Proposed Changes to the HomeNow DPA Program (Laura Fuller & René Acuña). Acuña began his presentation by introducing Laura Fuller, lending specialist in the homeownership department. He explained that homeownership is evaluating all of the down payment assistance programs to further improve them in order to offer better options for all new Mexicans. Fuller informed the Board that we are requesting approval of the policy changes for the HomeNow program including: 1. Provide a flat \$7,000 down payment assistance loan to eligible borrowers. 2. When combined with additional funds managed by MFA (such as HomeNow, etc.), DPA funding not to exceed \$35,000 per loan. a. This limit would allow for additional assistance above \$35,000 per transaction if funding is obtained outside of MFA such as local municipalities or housing authorities 3. This change would require MFA to inject no more than \$7,000 into the program from General Fund. a. While these funds would initially come from General Fund, we expect that they would be reimbursed from program income derived from repayments received from CMF (Capital Magnet Fund). Motion to approve the Proposed Changes to the HomeNow DPA Program as presented: Wurzbarger. Second: Eichenberg. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C’de Baca-yes, Wurzbarger-yes, Sullivan-yes. Vote: 6-0.

Other

12 Compensation Committee Appointments (Chair Angel Reyes). Chair Reyes began his presentation by informing the Board that the Compensation and Benefit Committee (“Committee”) is a standing committee of the New Mexico Mortgage Finance Authority (“MFA”). The purpose of the Committee is to ensure the appropriate oversight and transparency over MFA’s compensation and benefits. The Committee will review compensation and benefits between June and August of each calendar year. The Committee will report the results of its assessment back to the full Board in conjunction with the annual General Fund budget approval. He recommended that he would share this committee with the following members; Rebecca Wurzbarger and Patricia Sullivan with a change to the year of the slate provided from 2021 to 2022. Motion to approve as amended: Malavé. Second. Sullivan. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Malavé-yes, C’de Baca-yes, Wurzbarger-yes, Sullivan-yes. Vote: 6-0.

13 Presentation on the State Tax Credit Program (Justin Carmona) - Presentation on the State Tax Credit Program (Justin Carmona). Carmona provided an informative overview of the State Tax Credit Program. He informed the Board that the NM Affordable Housing Tax Credit is a State tax credit to incentivize development of affordable housing in New Mexico. It allowed MFA to create the New Mexico Affordable Housing Charitable Trust Fund (Charitable Trust). Topics covered in the presentation include introductory information on the program, available funds (Jan 2022 \$5,115,454), how developers receive approval to use a State Tax Credit allocation to incentivize donations to finance affordable housing developments, and how individuals or businesses acquire State Tax Credits. He then reviewed some of the program accomplishments – to date MFA has financed \$14.5mm/\$7.3mm credits issued, 57 total projects, 365 single-family homes and 380 multifamily units. Non-Action Item

Sullivan signed off 12:07 p.m.

Other Board Items - Information Only

14 Staff provided information on the Pricing Summary.

- Staff Actions Requiring Notice to Board
- COVID -19 Staff Actions
- 2022 Series C Pricing Summary
- Vista Mesa Villa Apartment Projects Pricing Summary

Monthly Reports - No Action Required

15 There were no questions asked of staff.

- 5/31/22 Financial Statements

Announcements and Adjournment - Confirmation of Upcoming Board Meetings. Chair Reyes reminded the board that next month’s board meeting will include a retreat at the Sandia Resort & Casino August 17-18, 2022. Hernandez provided a few details on the Board meeting and retreat. He reminded them that the Housing Summit is in September 14-16, 2022 and that the meeting moved up by a week; 2nd Wednesday vs the 3rd Wednesday of the month. September 14, 2022.

There being no further business the meeting was adjourned at 12:10 p.m.

Approved: August 17, 2022

Chair, Angel Reyes

Secretary, Isidoro Hernandez

Tab 1



MEMO

TO: MFA Board of Directors

Through: Policy Committee (August 2, 2022)

Through: Finance Committee (August 9, 2022)

FROM: Jeanne Redondo and Miguel Rivera

DATE: August 17, 2022

SUBJECT: A'diidi ni'kuwaa Design Change

Recommendation:

MFA Staff recommends approval of the attached New Proposed Design of the A'diidi ni'kuwaa Project.

Background:

The MFA Board of Directors approved the A'diidi ni'kuwaa on June 17, 2020 pursuant to which it received a reservation of Low Income Housing Tax Credits. MAT has contacted MFA to request a change in design that they believed would overcome dramatic cost increases they are experiencing.

MFA asked to see the new design plan and some scope information to see if the change could be approved under MFA's Design Requirements. After going back and forth with several alternatives and visiting the site, MFA staff felt that it could support the proposed site plan and design attached hereto, and that the plan could be approved subject to compliance with MFA's Design Requirements.

Discussion:

This original design is a traditional multifamily apartment complex that was originally submitted and approved during the application process.

The MFA Design Standards state:

Housing rental Projects must provide a continuing market appeal. Amenities, space and aesthetics must be competitive with other properties serving the same market segment. The Project must be visually pleasing, well suited to the needs of the residents, and of good design reflecting the architectural standards of the neighborhood and of the community in which it is situated. Site, building and dwelling unit designs must be practical and use space effectively.

The design presented today incorporates duplex manufactured housing comprised of one-bedroom units distributed between two levels of the site and retains the center courtyard of the original design.

The proposed design is also vital to the financial feasibility of the project.

	June	Original	Proposed
Sources	2020	Design	Design
MATHD/Tribal - NAHASDA & Grants	889,113	4,803,000	4,803,000
MFA/HOME	292,500	292,500	292,500
MFA/NHTF	400,000	400,000	400,000
Deferred Fee	2,158	2,003	2,003
FHLB Dallas/AHP		600,000	600,000
LIHTC Equity	5,515,042	5,192,287	5,192,287
Additional Funds Needed	-	7,091,238	587,980
Total	7,098,813	18,381,028	11,877,770
Development Costs			
Acquisition			
Construction	4,664,560	14,519,080	9,459,369
Other construction	820,962	2,248,907	611,658
Professional Services	285,000	265,000	562,842
Hazard Insurance	30,000	30,000	30,000
Soft Costs	251,500	251,500	101,500
Syndication	130,000	150,000	195,768
Reserves	76,541	76,541	76,633
Developer Fee	840,000	840,000	840,000
Total Development Cost	7,098,563	18,381,028	11,877,770

The proposed design brings the cost overruns down from \$7,091,238 to \$587,980. When MFA inquired whether an application would be submitted for additional funding from MFA, we were informed MFA that the tribe will cover the additional cost. In addition, to avoid cost increases, the invoice for the manufactured housing units includes inflation insurance that guarantees the price against cost fluctuations.

While documentation is still pending, MFA has received verbal assurances that the project will meet MFA's Design Requirements. The manufactured housing units will meet HUD requirements and be permanently affixed to a slab foundation.

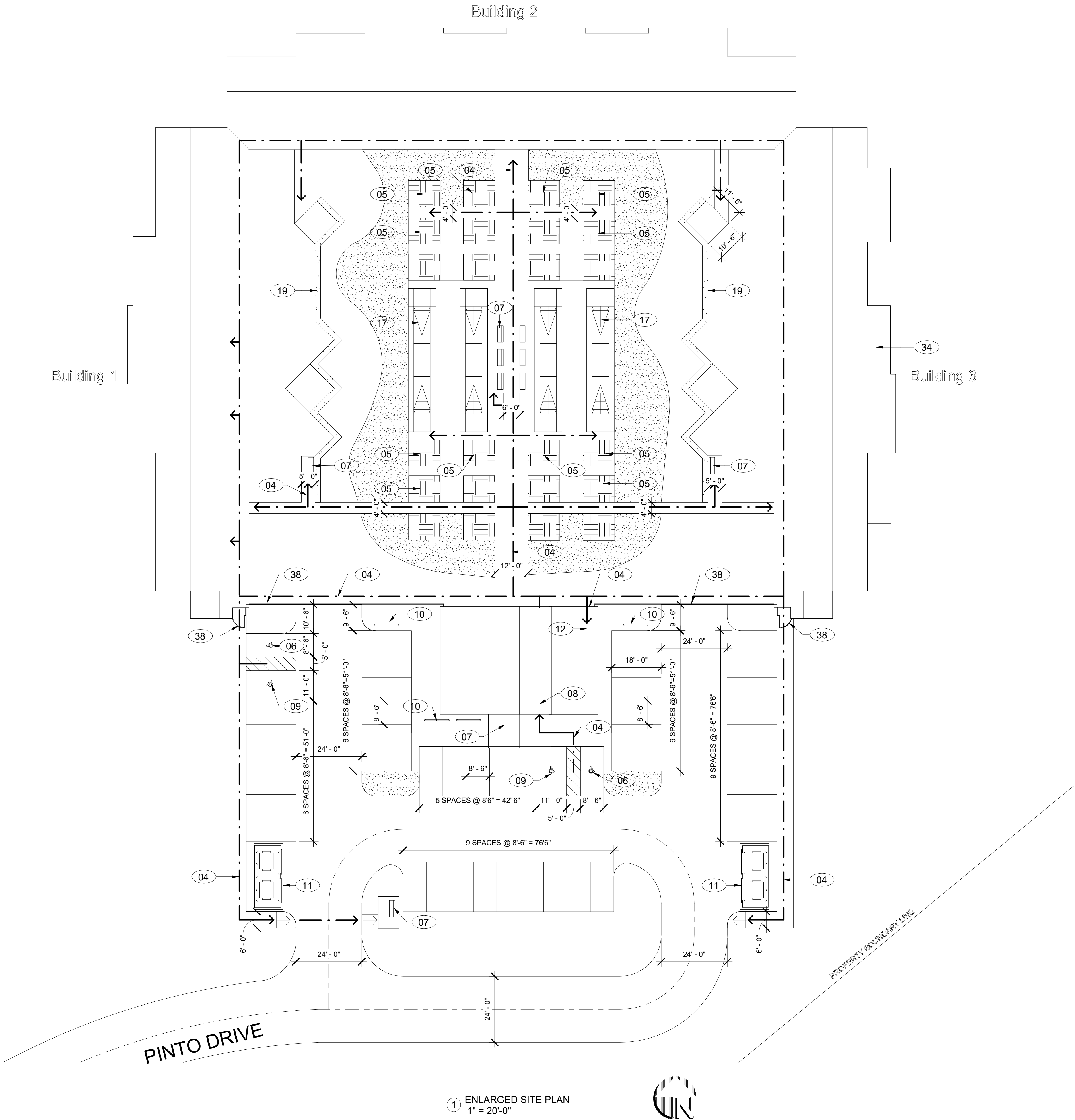
Summary:

MFA staff recommends approval of the proposed design change to the A'diidi ni'kuwaa site as shown in the attached new proposed site plan, renderings and floor plan stipulated upon meeting MFA's Design Requirements. This will allow the project to be financially feasible and move forward to provide much needed housing for people with special needs on the Mescalero Apache Reservation.

Originally Proposed and Approved Design



A'diidi ni'kuwaa
Mescalero Permanent Supportive Housing
MAT Housing Department



PARKING REQUIREMENTS

1. Minimum size: 8.5 feet x 18 feet in length.
2. One parking space per unit. Total of 40 Units = 40 parking spaces required.
3. Per IBC Table 1106.1, total of two (2) accessible parking spaces are required. One (1) shall be van accessible.
4. Parking requirement for Community Building is 1/1000 nsf. Total area: 1,781 nsf/1,000 nsf = two (2) parking spaces.
5. One (1) parking space for Community Building shall be accessible.
6. Bicycle parking requirement: 0.5 spaces per Unit. 40 Units x 0.5 spaces = 20 bicycle spaces.

PARKING PROVIDED

1. Total of 45 parking spaces provided.
2. Four (4) accessible parking spaces provided. Two (2) are van accessible.
3. Total of 32 bicycle parking spaces provided. Four bike racks accommodate 8 bicycle spaces each (4 x 8 = 32 spaces).

ACCESSIBILITY REQUIREMENTS

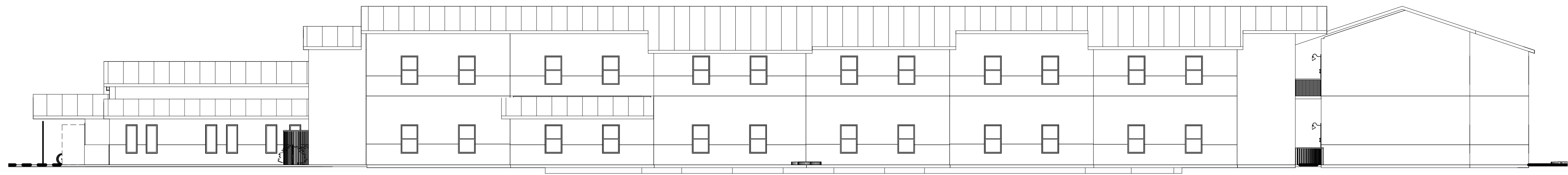
1. 5% of the units shall meet the provisions of Type A accessible unit per ANSI A117.1 standard. Total of 40 Units x 5% = 2 Units.
2. 2% of the units shall meet the provisions of "hearing impaired unit." Total of 40 Units x 2% = 1 Unit.
3. Site elements, accessible routes, buildings, and units shall be constructed in accordance with the ANSI A117.1 standard.
4. An accessible route shall be provided to all accessible units, to all public use spaces, to all common use spaces, and to site amenities (such as mail centers and dumpsters).
5. All common areas, including playgrounds and exercise rooms, shall be made accessible in accordance with FHA and ADA requirements.
6. Not less than one of the Type A units provided shall be fitted with a roll-in shower which shall be constructed in conformance with the ANSI A117.1 standard.
7. A van accessible parking space shall be provided for each designated Type A accessible unit and for the Community Building at the ratios required by ADA.
8. All units located on an accessible path shall meet the provisions of either Type A or Type B accessible unit as described in the ANSI A117.1 standard.

ACCESSIBILITY PROVIDED

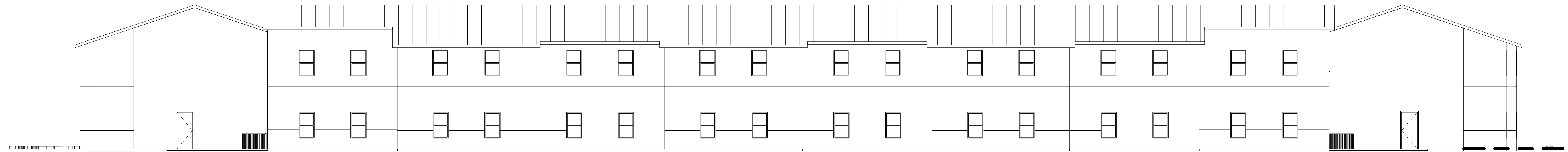
1. Total of three (3) Type A accessible units provided. One Type A accessible unit for each unit type equipped with roll-in showers.
2. Total of one (1) hearing impaired unit is provided.
3. An accessible route is provided to all accessible units, all public use spaces, all common use spaces and to site amenities.
4. All recreation and common areas are accessible.
5. One van accessible parking space is provided for Type A units and one van accessible parking space is provide for the Community Building.
6. All ground floor units are Type A or Type B units and are located on an accessible path.

KEYED NOTES

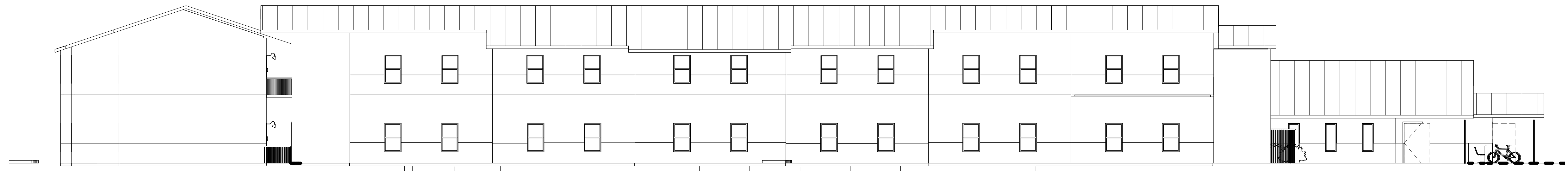
- 04 ACCESSIBLE ROUTE PER ADA REQUIREMENTS.
- 05 ACCESSIBLE RAISED GARDEN BEDS.
- 06 ACCESSIBLE PARKING SPACE PER ANSI A117.1 STANDARDS.
- 07 ACCESSIBLE, WEATHER RESISTANT, PERMANENTLY MOUNTED BENCH. (At play area)
- 08 ACCESSIBLE COMMUNITY ROOM.
- 09 VAN ACCESSIBLE PARKING SPACE PER ANSI A117.1 STANDARDS.
- 10 BICYCLE PARKING (8 SPACES PER RACK)
- 11 SCREENED REFUSE AND RECYCLING AREA.
- 12 ACCESSIBLE LAUNDRY FACILITY, SECURE AND WELL-LIT FROM DUSK UNTIL DAWN.
- 17 ACCESSIBLE SHUFFLE BOARD COURTS.
- 19 CONCRETE BENCH, LOW SITE WALL.
- 34 LOW MAINTENANCE METAL ROOF.
- 38 5-FOOT HIGH METAL SITE FENCING AND EGRESS GATES.



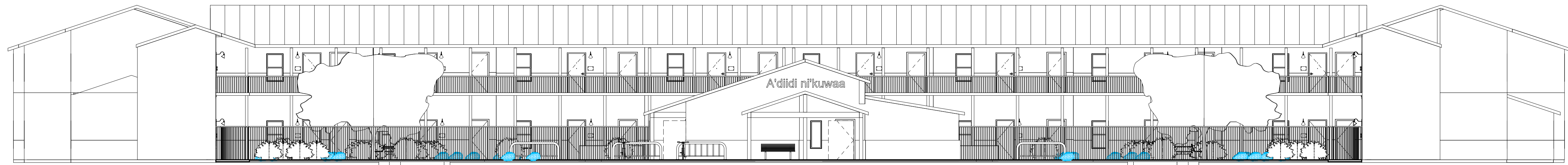
④ East
3/32" = 1'-0"



③ North
3/32" = 1'-0"



② West
3/32" = 1'-0"



① South
3/32" = 1'-0"

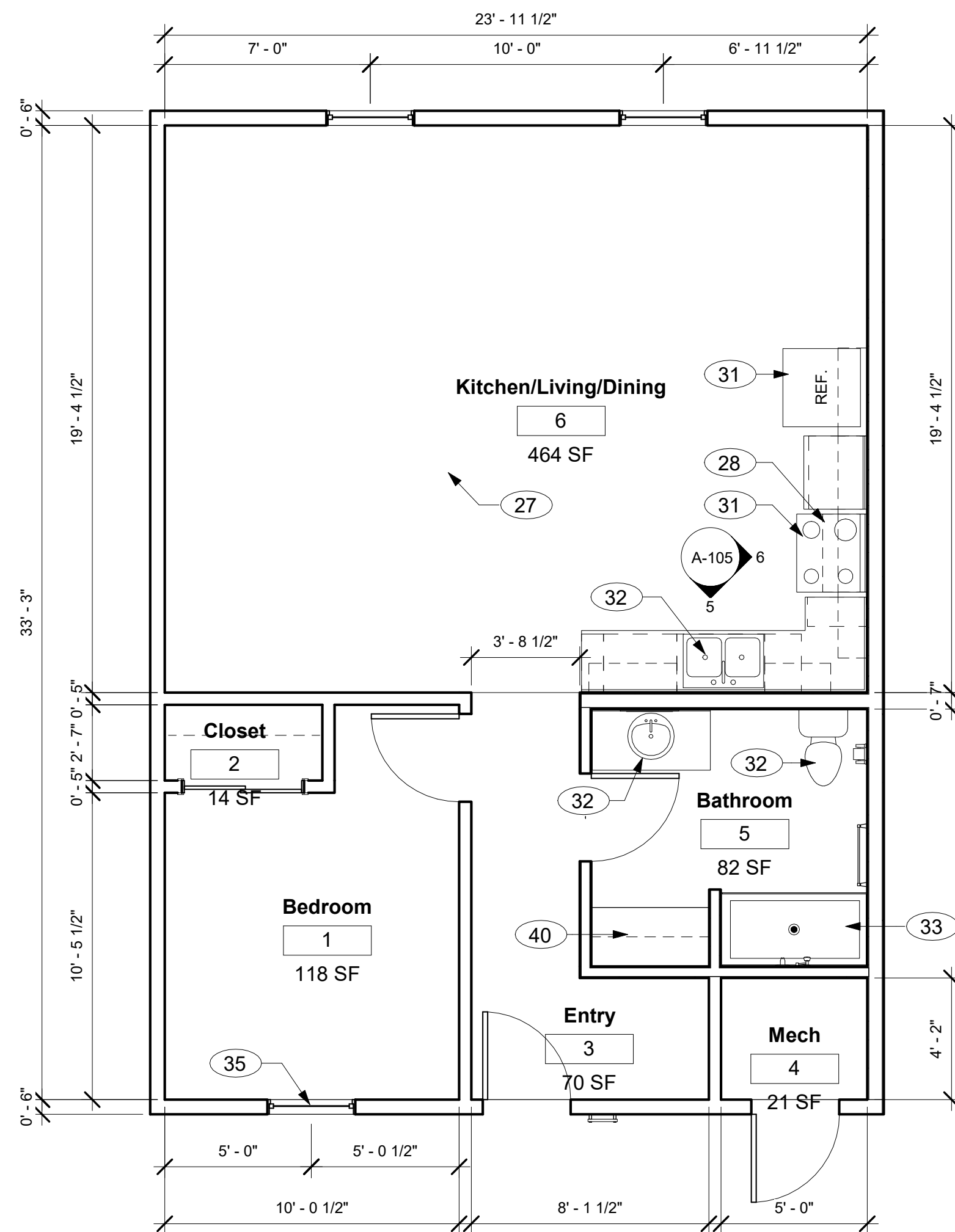


A'didi ni'kuwaa
Mescalero Permanent Supportive Housing
MAT Housing Department

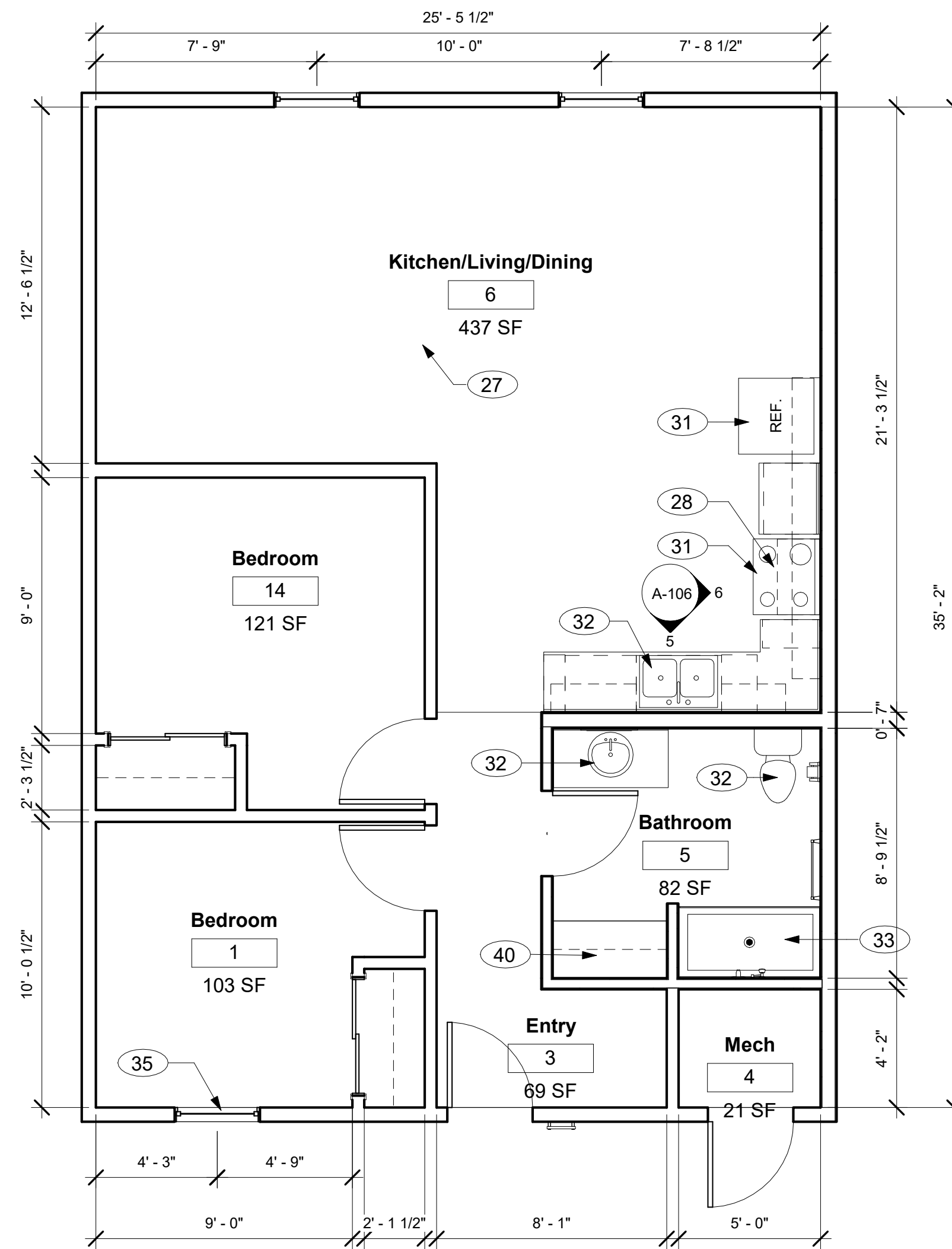
0 2' 4' 8' 12'
DISCLAIMER : SHEET SET UP FOR 24"x36"

SUINA DESIGN
+ ARCHITECTURE
100% NATIVE AMERICAN WOMEN OWNED

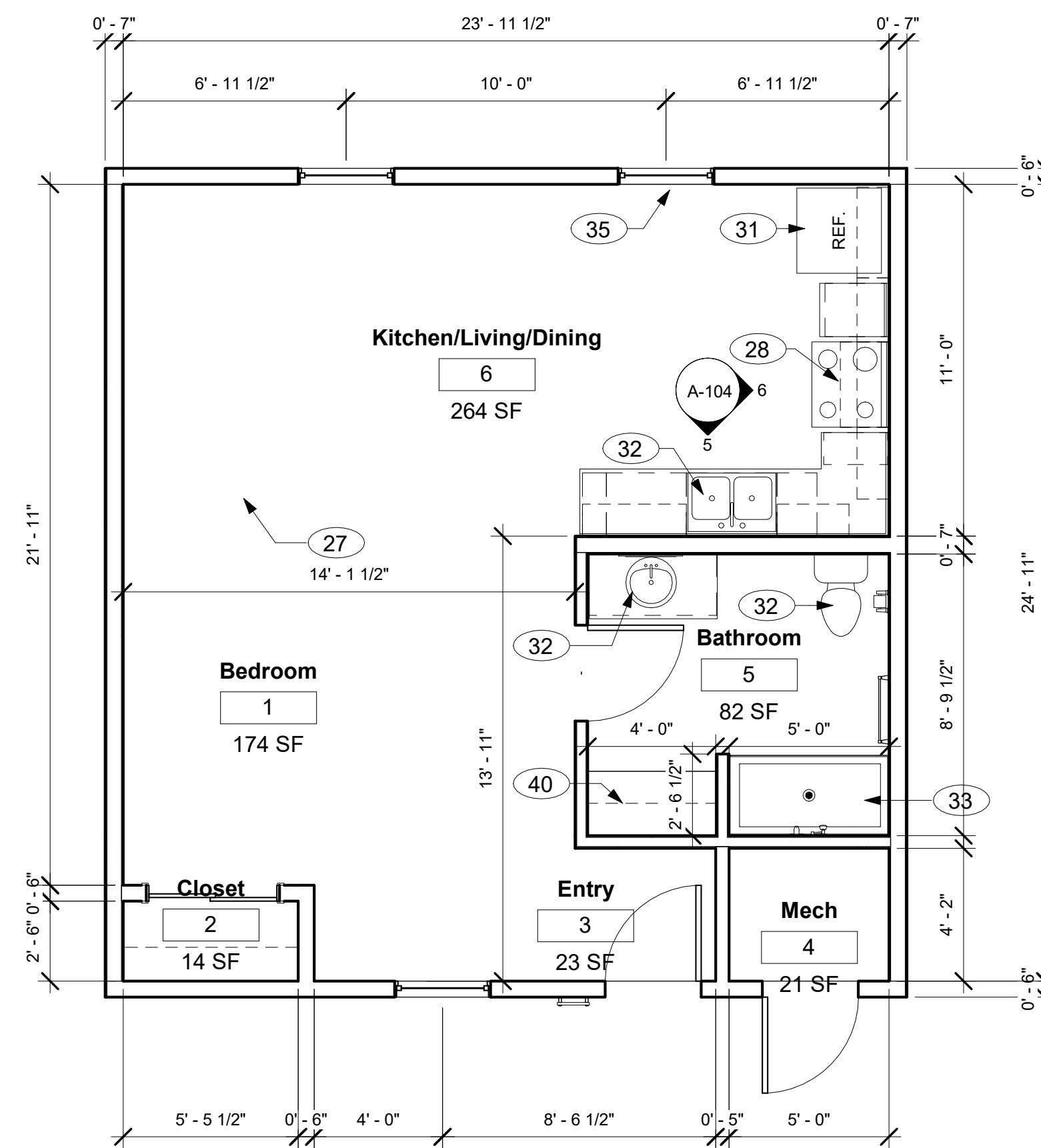
EXTERIOR BUILDING ELEVATIONS	01/05/20
DRAWN BY: Author	A-102
ARCHITECT: Designer	



② 1-BEDROOM FLOOR PLAN
1/4" = 1'-0"



② 2-BEDROOM FLOOR PLAN
1/4" = 1'-0"



② EFFICIENCY FLOOR PLAN
1/4" = 1'-0"



A'diidi ni'kuwaa Mescalero Permanent Supportive Housing MAT Housing Department



New Proposed Design - Manufactured Units

DATE PLOTTED: 3/14/2022 2:07:06 PM

1

2

ORIGINAL DRAWING IS 36 X 24

3

4

5

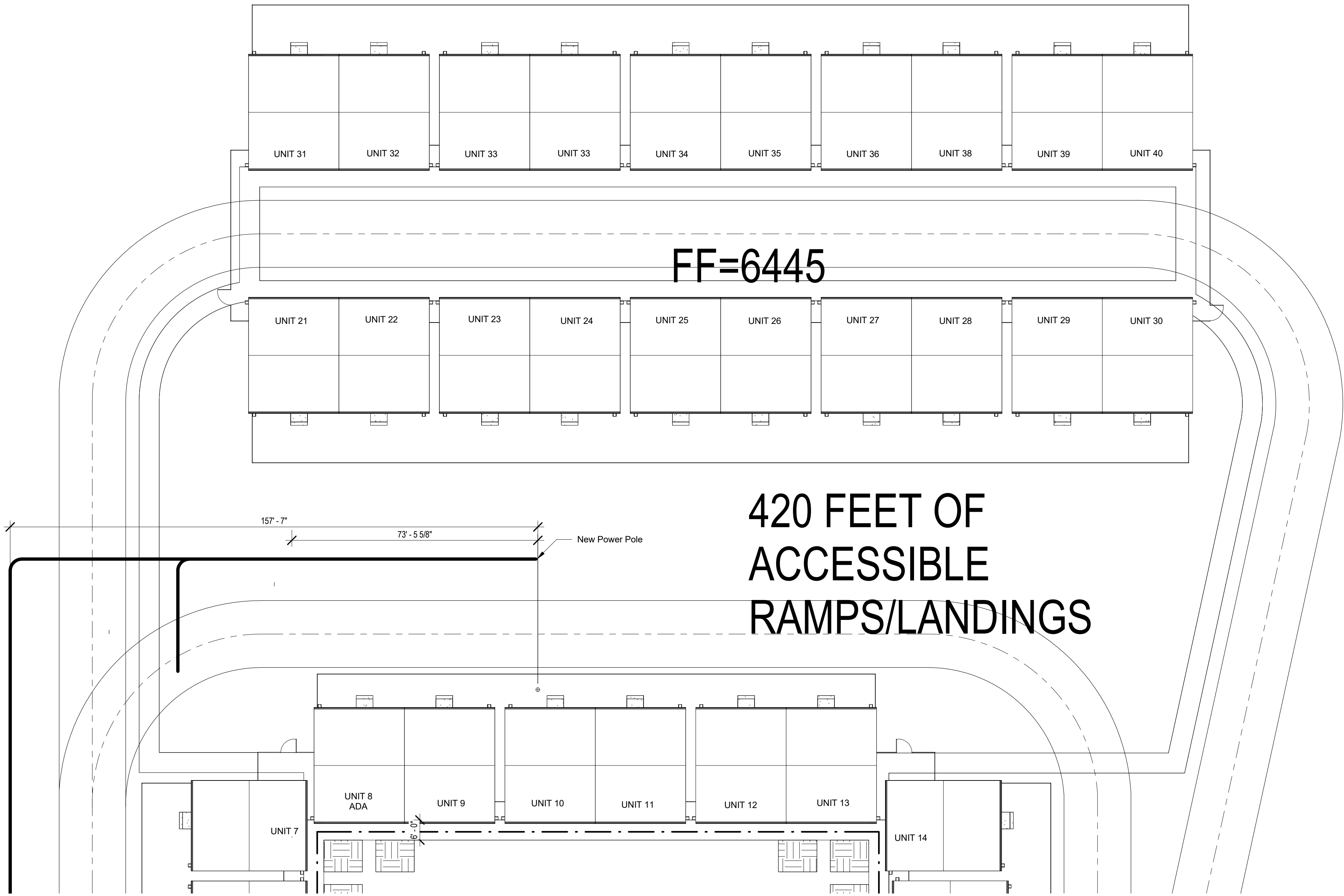
D

C

B

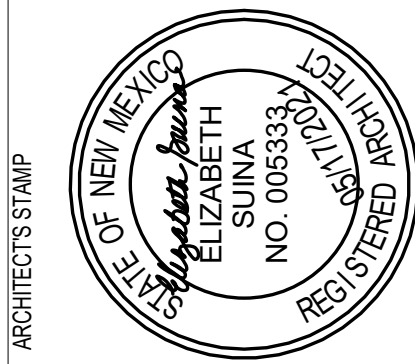
A

1 ENLARGED SITE PLAN NORTH
1" = 20'-0"



SUINA DESIGN
+ ARCHITECTURE
100% NATIVE AMERICAN WOMEN OWNED

4411 McLEOD ROAD NE, SUITE A-1
ALBUQUERQUE, NEW MEXICO 87109
WWW.SUINADESIGN.COM
T: 505-766-6968



SHEET TITLE:
ENLARGED SITE PLAN - OPTION 1 NORTH

PROJECT NAME:
A'diidi ni'kuwaa
Mescalero Permanent Supportive Housing

Revisions		
Mark	Date	Description

PROJECT NUMBER: Mescalero

FILE: Mescalero LIHTC.rvt

DRWN. BY: Author

CHKD BY: Checker

DATE: 1/8/2021

SHEET OF

AS-101a

1

2

3

4

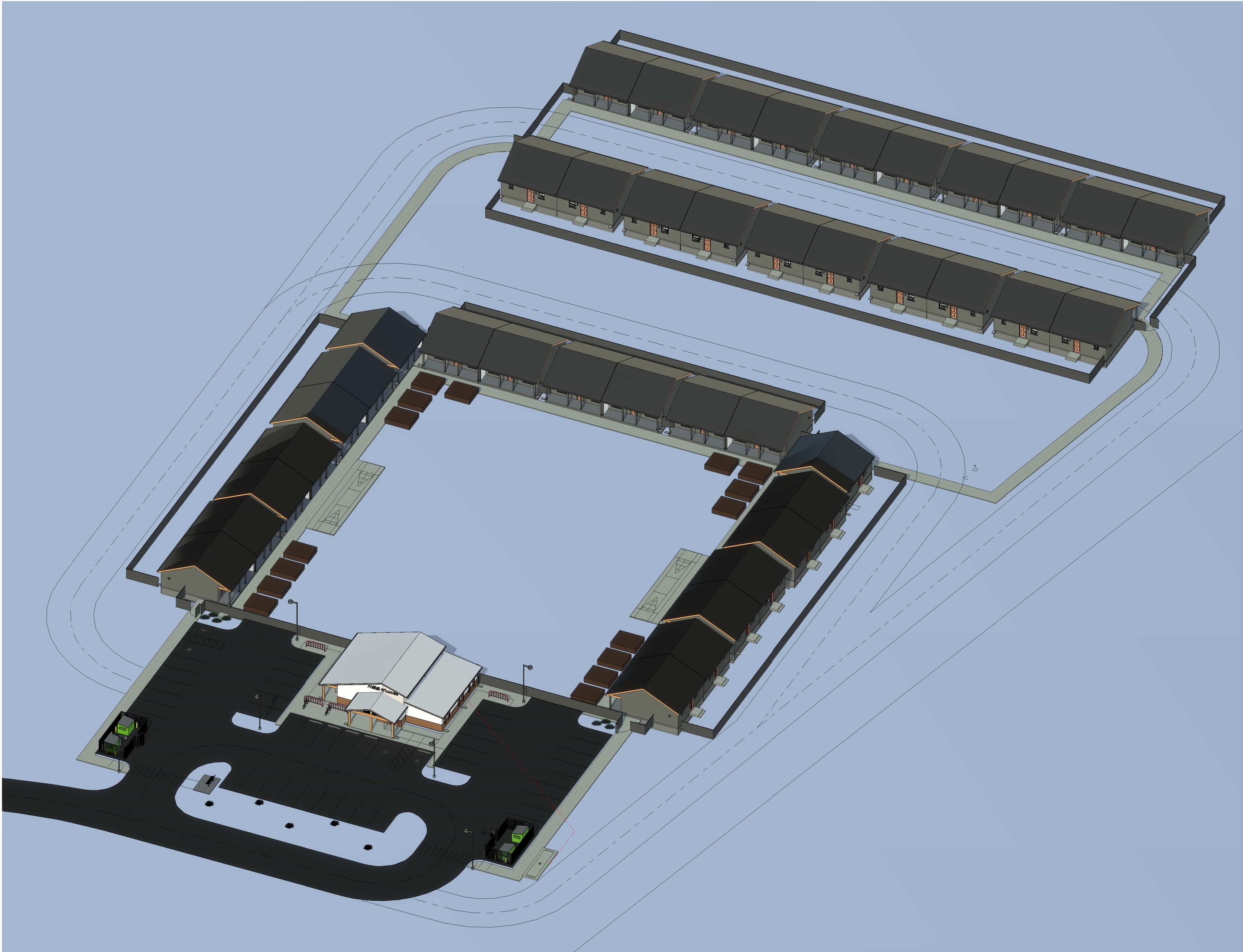
5

D

C

B

A



1 3D View 1

1

2

3

4

5



2 3D View 3



3 3D View 5



SHEET TITLE:
SITE PLAN VIEWS - OPTION 1

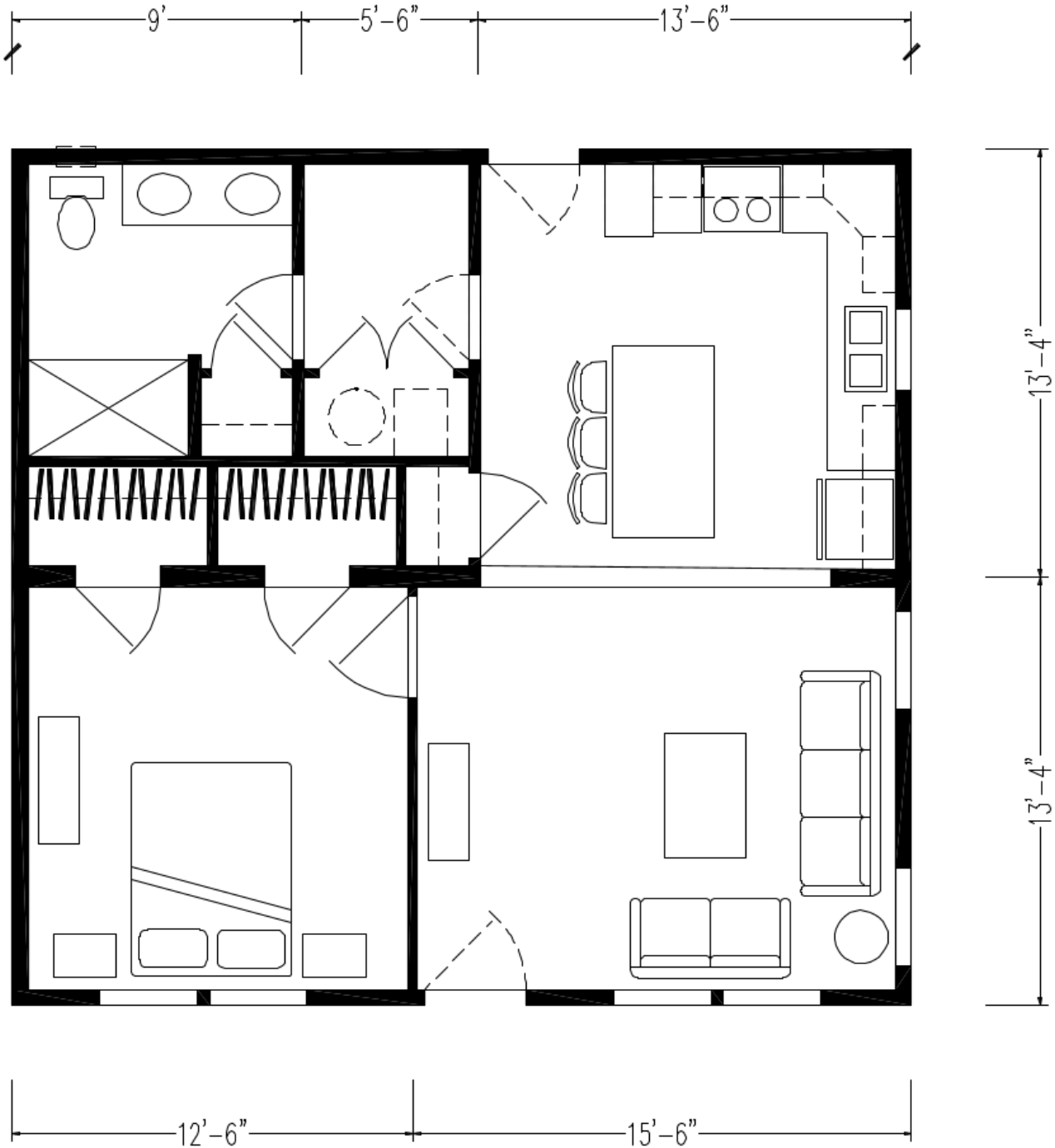
PROJECT NAME:
A'diidi ni'kuwaa
Mescalero Permanent Supportive Housing

Revisions		
Mark	Date	Description

PROJECT NUMBER: Mescalero
FILE: Mescalero LIHTC.rvt
DRWN. BY: Author
CHKD BY: Checker
DATE: 1/8/2021

SHEET OF

AS-103





Tab 2



MEMO

TO: MFA Board of Directors

Through: Contracted Services Committee – August 9, 2022

Through: Policy Committee – August 2, 2022

FROM: Theresa Laredo-Garcia, Program Development Manager

DATE: August 17, 2022

SUBJECT: Northern Regional Housing Authority (NRHA)
Contract Approval greater than 100K

Recommendation

MFA staff recommends Board approval for Northern Regional Housing Authority (NRHA) to enter into and sign a service contract with Northeastern Construction Company as the contractor to perform the remodel project in Las Vegas, New Mexico.

Background

During the 2009 Legislative Session for the state of New Mexico, Senate Bill 20 (Laws of New Mexico 2009, Chapter 28) was enacted amending the Regional Housing Law 11-3A-29 NMSA 1978, to re-define the activities of the Regional Housing Authorities and to mandate that MFA provide oversight of certain activities. This oversight includes approval of a Regional Housing Authority's need to enter into, or sign any contract, memorandum of understanding or other agreement with a value greater than \$100,000.

Discussion

NRHA is working on a remodel project for ten (10) scattered site units located in Las Vegas, NM. The units are in need of extensive rehabilitation and have been uninhabitable since 2001. These units were previously managed by the Las Vegas Housing Authority (LVHA). LVHA consolidated with NRHA in January 2021. Since the consolidation, NRHA has been diligently working on this project with the objective to add ten affordable housing units to their regional inventory. They will be utilizing 100% U.S. Department of Housing and Urban Development (HUD) funding for multiple grant years to complete the project. NRHA will comply with all applicable HUD guidelines. Upon MFA's Board approval, NRHA will move forward with the completion of this project to meet upcoming HUD expenditure deadlines.

- On June 15, 2022, MFA's Board approved NRHA's contract with Duke City Builders, LLC., procured through a sealed bid process that complies with state and federal procurement guidelines.
- Duke City Builders, LLC., the lowest bidder, failed to execute the Contract, Performance Bond and Labor and Materials Payment Bond within ten (10) days of the Notice of Award, as required by the Bid Proposal. A Contract Termination was issued

on July 21, 2022. Duke City Builders submitted bid was \$1,125,000 or \$112,500 per unit.

Northeastern Construction Company, the next lowest bidder, has been selected as the contractor to perform the work on these projects. Northeastern has been contacted and after careful evaluation of the current market and increased costs in labor and materials, will utilize the Deductive Alternate #1 and #2 stated in the bid, therefore, decreasing the number of units to eight (8), versus the ten (10) included in the Base Bid. The amount of this contract is approximately \$1,485,400 or \$185,675 per unit.

Northeastern has an active contractor's license and has been confirmed on SAMs. They have proved to be a responsible company with a good reputation to perform the construction services.

Summary

MFA staff recommends Board approval for Northern Regional Housing Authority (NRHA) to enter into and sign a service contract with Northeastern Construction Company as the contractor to perform the remodel project in Las Vegas, New Mexico.

Bid Opening for 10 Unit Remodel in Las Vegas

4/20/2022

Base Bid: Entire Scope of Work

Deductive Alternate #1: 2421 Sandoval

Deductive Alternate #2: 2408 Yucca

Unit Bid Price #1: Remove and Replace Damaged Roof Decking per Square Foot

Unit Bid Price #2: Remove and Replace Damaged Facia per Linear Foot

Northeastern Construction

Base Bid	\$	1,975,000.00
Deductive Alternate #1	\$	239,800.00
Deductive Alternate #2	\$	239,800.00
Unit Bid Price #1	\$	5.00
Unit Bid Price #2	\$	6.00

Stoven Construction

Base Bid	\$	2,190,000.00
Deductive Alternate #1	\$	290,000.00
Deductive Alternate #2	\$	290,000.00
Unit Bid Price #1	\$	10.00
Unit Bid Price #2	\$	5.00

Duke City Builders

Base Bid	\$	1,125,000.00
Deductive Alternate #1	\$	93,000.00
Deductive Alternate #2	\$	93,500.00
Unit Bid Price #1	\$	2.50
Unit Bid Price #2	\$	7.00

LOWRY CONSULTANTS, INC.

PO Box 31
Sandia Park, NM 87047

Phone (505) 259-5915
jeff.lowry@zoho.com

July 21, 2022
By Email Only

Julia Hammon
Duke City Builders, LLC
PO Box 20611
Albuquerque, NM 87154

Subject: Contract Termination
10 Unit Remodel Project
Northern Regional Housing Authority

Dear Ms. Hammon:

The purpose of this letter is to inform you that the Northern Regional Housing Authority is terminating contract negotiations for the subject project. According to the Project Manual, Bid Proposal Form, paragraph 12, "The undersigned hereby agrees to execute the final Contract, Performance Bond, and Labor and Materials Payment Bond within ten (10) days after receipt of the Notice of Award." Duke City Builders, LLC has failed to execute the final Contract and provide the required bond documents in a timely manner.

In addition, according to the Project Manual, Bid Proposal Form, paragraph 13, that states, "It is hereby mutually understood and agreed that in case the undersigned does not execute the Contract and Bonds within ten (10) days after receipt of the Notice of Award, the undersigned forfeits the accompanying Check or Bid Bond as liquidated damages for delay and additional expense to the Owner caused thereby, and Owner may proceed to award the Contract to others."

The Northern Regional Housing Authority intends on pursuing Duke City Builders, LLC Bid Bond for liquidated damages to remedy damages incurred by delay and the additional expenses caused thereby.

If you have questions, please contact me. Thank you.

Sincerely,



Jeff M. Lowry, PE

Copy: NRHA
File

LOWRY CONSULTANTS, INC.

PO Box 31
Sandia Park, NM 87047

Phone (505) 259-5915
jeff.lowry@zoho.com

July 21, 2022

Terry Baca, Executive Director
Northern Regional Housing Authority
PO Box 297
Raton, NM 87740

Subject: 10 Unit Remodel Project
Determination of Responsible Bidder

Dear Mr. Baca:

The purpose of this letter is to recommend the second lowest responsive bidder, Northeastern Construction Company as the contractor to perform the subject project. This recommendation is based on the following:

1. Duke City Builders, LLC, the lowest bidder, failed to execute the Contract, Performance Bond, and Labor and Materials Payment Bond within ten (10) days of the Notice of Award, as required by the Bid Proposal Form paragraph 12. Therefore, the Northern Regional Housing Authority may proceed to award the Contractor to others.
2. Northeastern Construction Company provided the next lowest responsive bid.
3. New Mexico Construction Industries Division was contacted. Northeastern Construction Company has an active contractor's license, please see enclosure.

Contact: <http://public.psiexams.com/search.jsp>

4. The Federal Government, System of Award Management, was contacted to confirm if Northeastern Construction Company was debarred from performing federal work. Northeastern Construction Company **is not** on the List of Parties Excluded from Federal Procurement or Non-procurement Programs, please see enclosure.

Contact: <https://www.sam.gov/SAM/>

Based on the information gathered concerning Northeastern Construction Company, we consider the contractor to be responsible and of good reputation. Therefore, we recommend the lowest responsive and responsible bidder, Northeastern Construction Company, for this project.

If you have questions, please call me. Thank you.

Sincerely,



Jeff M. Lowry, PE
Enclosure

Copy: File



New Mexico E-Services for Contractor Licensing

[Home Page](#)

Company Details

Company Name	NORTHEASTERN CONSTRUCTION	License Number	361022
Phone Number	5054267585	License Status	Active
Issue Date	04/08/2009	Expiry Date	04/30/2024
Volume	\$1000000.00 +		

Principal Place of Business Address

925 MILLS AVE

City LAS VEGAS

State NM

Zip Code 87701

QP Details

Name	Certificate No	Classification	Attach Date	Status
<u>SEAN LANCE MEDRANO</u>	361020	GB98	04/08/2009	Attached
<u>ROLANDO JR MEDRANO</u>	372338	MS03	11/17/2011	Attached

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☐ Any Words 

☒ All Words 

☐ Exact Phrase 

e.g. 123456789, Smith Corp

"Northeastern Construction Company" 

Classification

Excluded Individual

▼

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✓

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7

✓

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Tab 3



MEMO

TO: MFA Board of Directors
 Through: Contracted Services Committee – August 9, 2022
 Through: Policy Committee – August 2, 2022

FROM: Rebecca Velarde, Senior Director of Policy and Planning

DATE: August 17, 2022

RE: Recommendation to Award Governmental Services Contract

Recommendation:

MFA staff recommends and requests approval to award a contract to Mr. John Anderson to provide governmental services for MFA. Staff recommends awarding the contract for a two-year term with the option to award one two-year extension.

Background:

MFA's current agreement for a consultant for governmental services ends on November 30, 2022, and there are no more extensions. Upon approval by the Board on June 15, 2022, staff released a Request for Proposals (RFP) to seek a consultant to assist in supporting MFA's interests as well as legislative and advocacy priorities at the state level. Staff published the RFP on MFA's website and sent information about the RFP to every lobbyist registered with the State of New Mexico Secretary of State's Office. The deadline for the RFP was July 18, 2022.

Discussion:

MFA staff received two proposals in response to the RFP. However, one of the proposals was withdrawn. The remaining proposal was reviewed and scored by the Internal Review Committee, and the results of the scoring are provided in the table below.

Criteria	Max Points	John Anderson
1. Legislative and Regulatory Experience and Capability.	35	35
2. Responsiveness to MFA.	20	18
3. Knowledge of MFA as well as Affordable Housing Issues and Funding Sources.	10	10
4. References.	5	5
5. Interview.	10	10
6. Fee Structure.	20	20
TOTAL	100	98

Summary:

MFA staff recommends and requests approval to award a contract to Mr. John Anderson to provide governmental services for MFA. Staff recommends awarding the contract for a two-year term with the option to award one two-year extension.

Resume

John W. Anderson

John Anderson, PC
John Anderson, President
316 Osuna Rd., NE
Suite 502
Albuquerque, NM 87107
janderson@nmbankers.com

Profile:

John W. Anderson, P.C., is an Albuquerque, New Mexico law firm. The Firm has one lawyer, John Anderson, who has practiced law in New Mexico since 1972. Mr. Anderson is listed in the Martindale-Hubbell Law Directory with an AV rating, the highest rating for an attorney. Mr. Anderson has been selected by his peers to be included in The Best Lawyers in America publication for the past twenty-seven years. He has also been ranked in 2010-2022 editions of the U.S. News-Best Lawyers and Law Firms.

Mr. Anderson has been a registered lobbyist with the State of New Mexico for over 35 years. He currently serves as the Executive Vice President, Legal Counsel and Lobbyist for the New Mexico Bankers Association. Mr. Anderson served as a staff attorney to the Legislative Council Service (LCS). The Council Service provides legal advice, legislative drafting and interim committee services to the New Mexico Legislature. While employed by the LCS, Mr. Anderson served as a staff attorney for several interim committees, including the Tort Claims Act Committee, the Probate Reform Committee, the Public Funds Committee, the Criminal Justice Study Committee, the Children's Code Study Committee, the Equal Rights Committee, and the Eminent Domain Interim Committee. Mr. Anderson served as chair of the State Risk Management Advisory Board, which advises the state risk manager regarding insurance matters affecting state and local governmental entities. He was also appointed to serve on the Special Issues Insurance Committee established by the State Department of Insurance. In addition, he served on the New Mexico Department of Finance Public Funds Advisory Committee, which was responsible for advising the Department on a proposed Public Obligations Act and proposed Public Investment and Depository Act. Mr. Anderson also served on the Workers' Compensation Task Force, which was responsible for the drafting of New Mexico's current model workers' compensation law.

Anderson was employed by the Texas House of Representatives while attending the University of Texas Law School. He reported to the Chair of the House Rules Committee.

Mr. Anderson served in the Peace Corps in Panama where he was involved in organizing cooperatives in Coclé Province, Panama.

Technical Expertise:

- Federal, state and local government
- Nonprofit entities
- Banking
- Health care
- Finance
- Real estate
- Labor law

Education and Professional Involvement:

- Juris Doctoral, University of Texas Law School
- B.A. Economics, University of Idaho
- State Bar of New Mexico
- Past President's Club Emeritas, New Mexico Medical Society
- New Mexico Amigos



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting

Tuesday August 9, 2022 at 1:30 p.m.

Webex - call-in information is 1-844-992-4726 (access code): 2483 035 4429
or you can join the call from the calendar item

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
<u>Recommended for Consent Agenda</u>		YES
1 A'diidi ni'kuwaa Design Change (Jeanne Redondo)- Finance Committee	3-Ø	
<u>Agenda</u>		YES
2 6/30/21 Quarterly Financial Statement (Lizzy Ratnaraj)	3-Ø	
3 6/30/21 Quarterly Investment Review (Cooper Hall)	3-Ø	YES
4 Fiscal Year 2022/2023 Resolution (Cooper Hall)	3-Ø	YES
5 Request for Proposals for To Be Announced Administrative Services (Cooper Hall)	3-Ø	YES
6 Section 811 Program Internal Audit (Julie Halbig)	3-Ø	YES
7 Mortgage Operations – Secondary Market Internal Audit (Julie Halbig)	3-Ø	YES
<u>Discussion</u>		NO
8 FY2023 Budget Discussion and Timeline (Yvonne Segovia)	✓	
9 Draft 2023 Qualified Allocation Plan (Jeanne Redondo)	✓	NO
<u>Information items</u>		NO
10 June 2022 Wire Transfers	✓	
11 June 2022 Check Register	✓	NO
12 Internal Audit Status Update Q3 2022	✓	NO

Committee Members present:

Angel Reyes, Chair

State Treasurer Tim Eichenberg

Lt. Governor Howie Morales or

Proxy Martina C'de Baca

☐ present

☐ present

☐ present

☐ absent

☐ absent

☐ absent

☒ conference call

☒ conference call

☒ conference call

Tab 4

New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

June 30, 2022

NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the nine-month period ended June 30, 2022

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

		9 months <u>6/30/2022</u>	9 months <u>6/30/2021</u>	% Change <u>Year / Year</u>	Forecast <u>6/30/2022</u>	Actual to <u>Forecast</u>	Forecast/Target <u>9/30/22</u>
PRODUCTION							
1	Single family issues (new money):	\$289.9	\$133.0	118.0%	\$289.9	0.0%	\$376.0
2	Single family loans sold (TBA):	\$78.8	\$294.3	-73.2%	\$78.8	0.0%	\$94.0
3	Total Single Family Production	\$368.7	\$427.3	-13.7%	\$368.7	0.0%	\$470.0
4	Multifamily issues (new money):	\$24.0	\$0.0	0.0%	\$24.0	0.0%	\$57.0
5	Single Family Bond MBS Payoffs:	\$120.5	\$122.4	-1.5%	\$123.9	-2.8%	\$165.2
STATEMENT OF NET POSITION							
6	Avg. earning assets:	\$1,547.0	\$1,445.8	7.0%	\$1,611.1	-4.0%	\$1,611.1
7	General Fund Cash and Securities:	\$92.0	\$85.8	7.2%	\$95.4	-3.6%	\$95.4
8	General Fund SIC FMV Adj.:	(\$3.0)	\$3.5	-186.7%	\$0.0	N/A	\$0.0
9	Total bonds outstanding:	\$1,341.4	\$1,129.1	18.8%	\$1,429.1	-6.1%	\$1,429.1
STATEMENT OF REVENUES, EXPENSES AND NET POSITION							
10	General Fund expenses (excluding capitalized assets):	\$17.9	\$16.7	7.2%	\$18.8	-4.8%	\$25.8
11	General Fund revenues:	\$19.3	\$35.0	-44.9%	\$22.2	-13.1%	\$29.0
12	Combined net revenues (all funds):	(\$2.2)	\$20.1	-110.8%	(\$0.8)	-162.6%	(\$1.1)
13	Combined net revenues excluding SIC FMV Adj. (all funds):	\$2.6	\$16.8	-84.6%	(\$0.8)	-413.1%	(\$1.1)
14	Combined net position:	\$283.7	\$283.4	0.1%	\$284.8	-0.4%	\$284.8
15	Combined return on avg. earning assets:	-0.19%	1.86%	-110.0%	-0.07%	-166.8%	-0.07%
16	Combined return on avg. earning assets exluding SIC FMV Adj. (all funds):	0.22%	1.55%	-85.6%	-0.07%	418.1%	-0.07%
17	Net TBA profitability:	0.46%	2.15%	-78.6%	0.17%	170.6%	0.17%
18	Combined interest margin:	0.51%	0.61%	-17.1%	0.44%	14.3%	0.44%
MOODY'S BENCHMARKS							
19	Net Asset to debt ratio (5-yr avg):	27.01%	28.99%	-6.8%	26.03%	3.8%	26.03%
20	Net rev as a % of total rev (5-yr avg):	10.06%	12.55%	-19.9%	10.69%	-5.9%	10.69%
SERVICING							
21	Subserviced portfolio	\$1,861.2	\$1,650.1	12.8%	\$1,518.9	22.5%	\$2,025.2
22	Servicing Yield (subserviced portfolio)	0.41%	0.41%	0.7%	0.41%	0.8%	0.41%
23	Combined average delinquency rate (MFA serviced)	8.15%	8.20%	-0.6%	9.00%	-9.4%	9.00%
24	DPA loan delinquency rate (all)	7.71%	7.28%	5.9%	N/A	N/A	N/A
25	Default rate (MFA serviced-annualized)	0.72%	0.60%	20.0%	1.30%	-44.6%	1.30%
26	Subserviced portfolio delinquency rate (first mortgages)	11.61%	14.87%	-21.9%	N/A	N/A	N/A
27	Purchased Servicing Rights Valuation Change (as of 6/30/22)	\$10.4	\$3.5	197.1%	N/A	N/A	N/A

Legend:

Positive Trend Caution Negative Trend Known Trend/Immaterial

NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the nine-month period ended June 30, 2022

SUMMARY OF BOND ISSUES:

Single Family Issues:

\$99.99 mm Series 2021D (November)
\$100.00 mm Series 2022A (February)
\$90.00 mm Series 2022C (May)

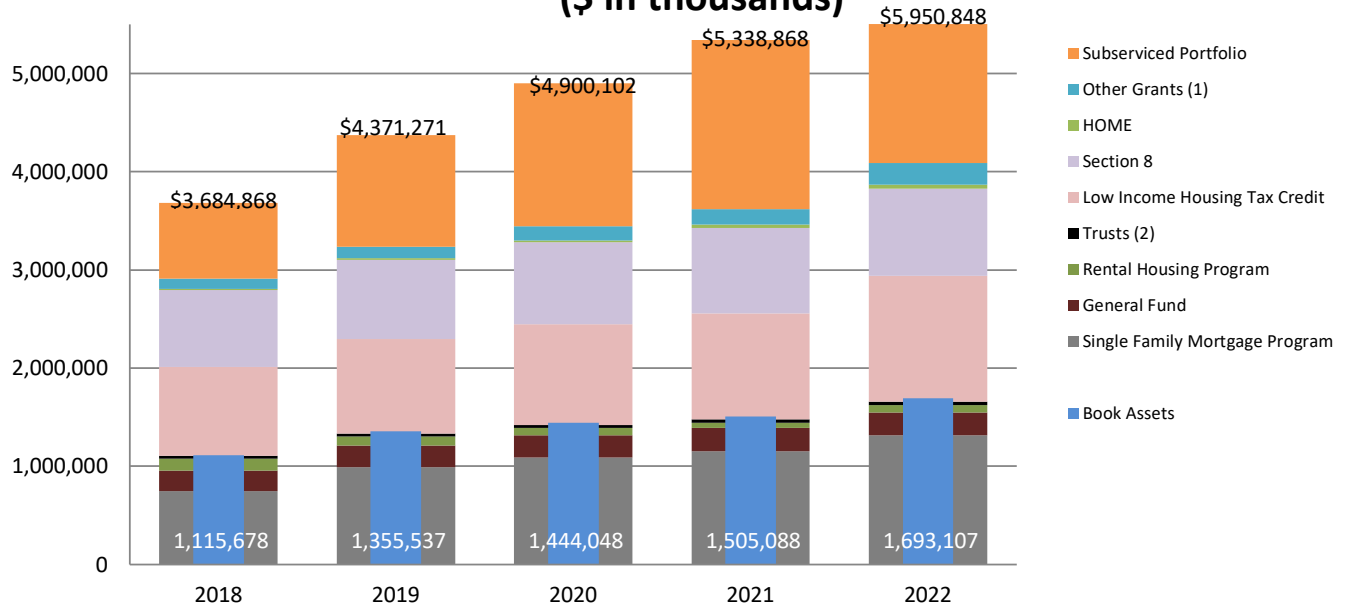
Multi-family Issues:

\$11.0 mm Series 2021 JLG Central (October)
\$13.0 mm Series 2022 Vista Mesa Villa Apartments Project (June)

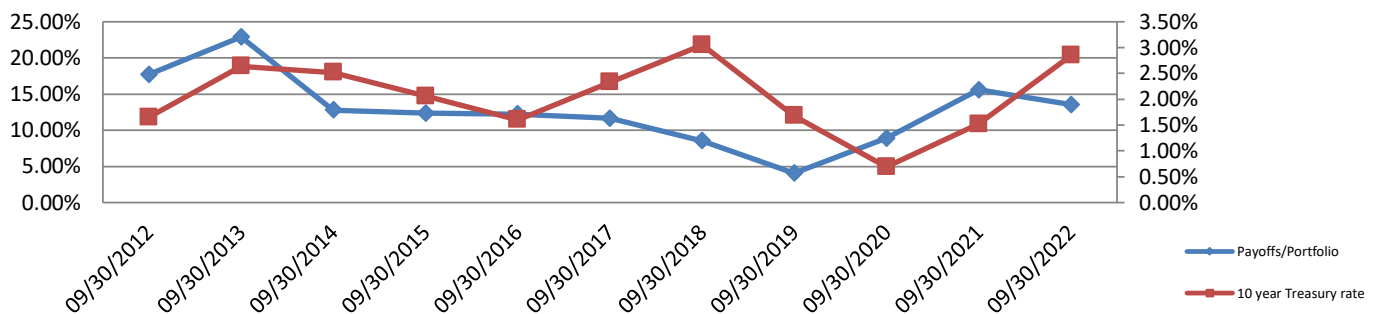
CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

- The single-family production has decreased by 13.7% from June last year. TBA loans sold to date were 73.2% lower than last year since the execution of the bonds was more favorable than at the beginning of FY21. MFA issued the 2021D Series for \$99.9 million in November, the 2022 A Series for \$100.00 mm in February 2022, and the 2022 C Series bond for \$90 mm closed on May 24th. We successfully priced the 2022 D Series bond for \$99.9 mm and planned to close in August. MFA also issued Series B refunding for \$33.5 million in February. Payoffs slowed by 1.5% due to rising mortgage rates that eliminated the refinancing boom. MFA monitors market situations closely in consultation with its financial advisors, and favorable conditions continue to persist for the issuance of bonds than TBA.
- The multifamily JLG Central bond issue closed in October for \$11 million. The bond issue for the Vista Mesa Villa Apartments project for \$13m was closed on June 29th, and we are working on the EMLI at Wells of Artesia project for \$33m to close in July.
- In nine months of activities, the Return on Average earnings assets was negative 0.19%, lower than last year, because of an award made to Homeowner Assistance Fund (HAF) program from the NM Housing Trust Fund on consolidated revenues (\$1.1m). This, along with the Cost of Issuance of 2021D and 2022 A, B & C Series bonds (\$2.8 m) and YTD SIC Investments losses (\$4.8m) and lower TBA loan production curtailing immediate recognition of revenue, has also affected general fund revenues and Moody's net revenue benchmark.
- The General Fund expenses increased by 7.2% due to increased compensation, technology system and services contract for the HAF program, and increased purchase of Mortgage Servicing Rights (MSR), while the General Fund revenue decreased by 44.9% due to administrative fee income from TBA activities significantly lower compared to last year. The State Investment Council (SIC) General Fund portfolio valuation decreased by \$3.0m. While the investment losses are non-operational, they impact General Fund revenues, combined net revenues, and Return on Average Earning Assets.
- Interest margins are lower compared to last year at this same time, and there has been significant volatility in the market given four more anticipated increases in interest rates at the federal level for the year. The combined interest margin of 0.51% is a decrease from the FY21 year-end mark of 0.68% due to lower income from interest on loans and investments. The interest income is lower as some of the MBS portfolios acquired earlier in the year have lower interest rates and faster prepayments as borrowers refinanced when the mortgage rates were lower. Also, we recently had some of the large multifamily loans paid off.
- Based on Moody's issuer credit rating scorecard, MFA's 27.01% net asset to debt ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining HFA's creditworthiness under stressful circumstances (> 20 %). The net revenue as a percent of total revenue measures performance and profitability; we take caution as MFA's 10.06% ratio (5-year average) is barely within the lower end of the range (10-15%) because of varied reasons, including the NMHTF award to HAF program, cost of issuance of 2021 D, 2022 A, B & C series bonds, decreased FMV of SIC investments, lower TBA profitability resulting from market changes and increased expense in the purchase of MSR.
- Moody's Investor Services completed an updated credit opinion on MFA's Issuer Rating in June 2020. They reaffirmed the Aa3/stable rating. Comments included high asset-to-debt ratio, good profitability, and low-risk profile due to mortgage-backed security structure, multifamily Risk Sharing Program, and no exposure to variable-rate debt. Additionally, Moody's reaffirmed the Aaa/stable rating on the single-family indenture in April 2021, noting a growing asset to debt ratio and stabilizing profitability.
- The Servicing Department monitors delinquencies and defaults to identify reduction strategies and refer borrowers to available loss mitigation programs. Sub-serviced Portfolio delinquency rate is 11.61%. The sub-serviced portfolio is approximately 85% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of March 3a, 2022, indicates that the delinquency rate for FHA loans nationally is 9.58%, and for New Mexico is 7.15%. FHA Single Family Loan Performance Trends for June 2022 showed 12.29% delinquency (for purchase loan: only), marginally down from 12.60% in March 2022.
- The fair market value for purchased servicing rights as of June 2022 is \$29 million, an increase of about \$10.4 million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. A steady increase over the last two quarters in FMV related to decreased prepayment speed projections and increased earnings rates impacted portfolio value positively. The current recorded cost of the asset is \$18.6 million. Valuations are obtained every quarter.

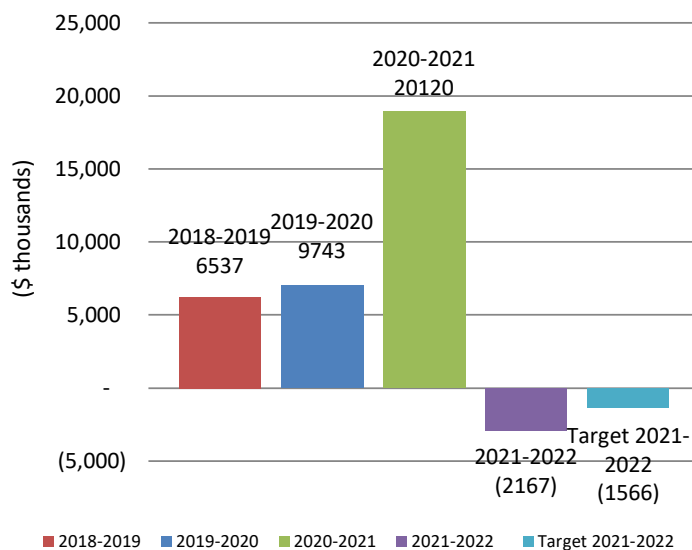
Assets Under Management as of 9/30/2022 (\$ in thousands)



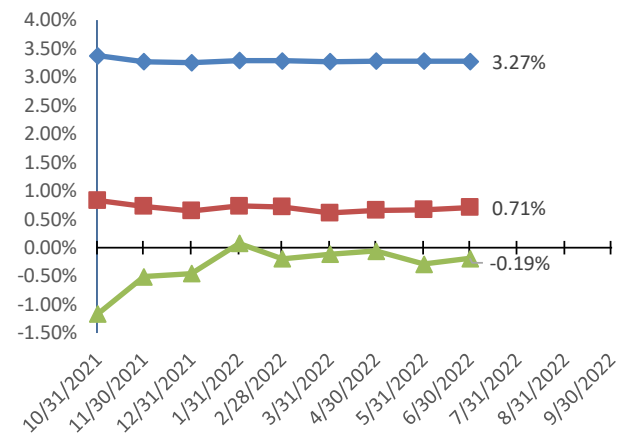
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2022



YTD Excess Revenues over Expenses as of 6/30/2022



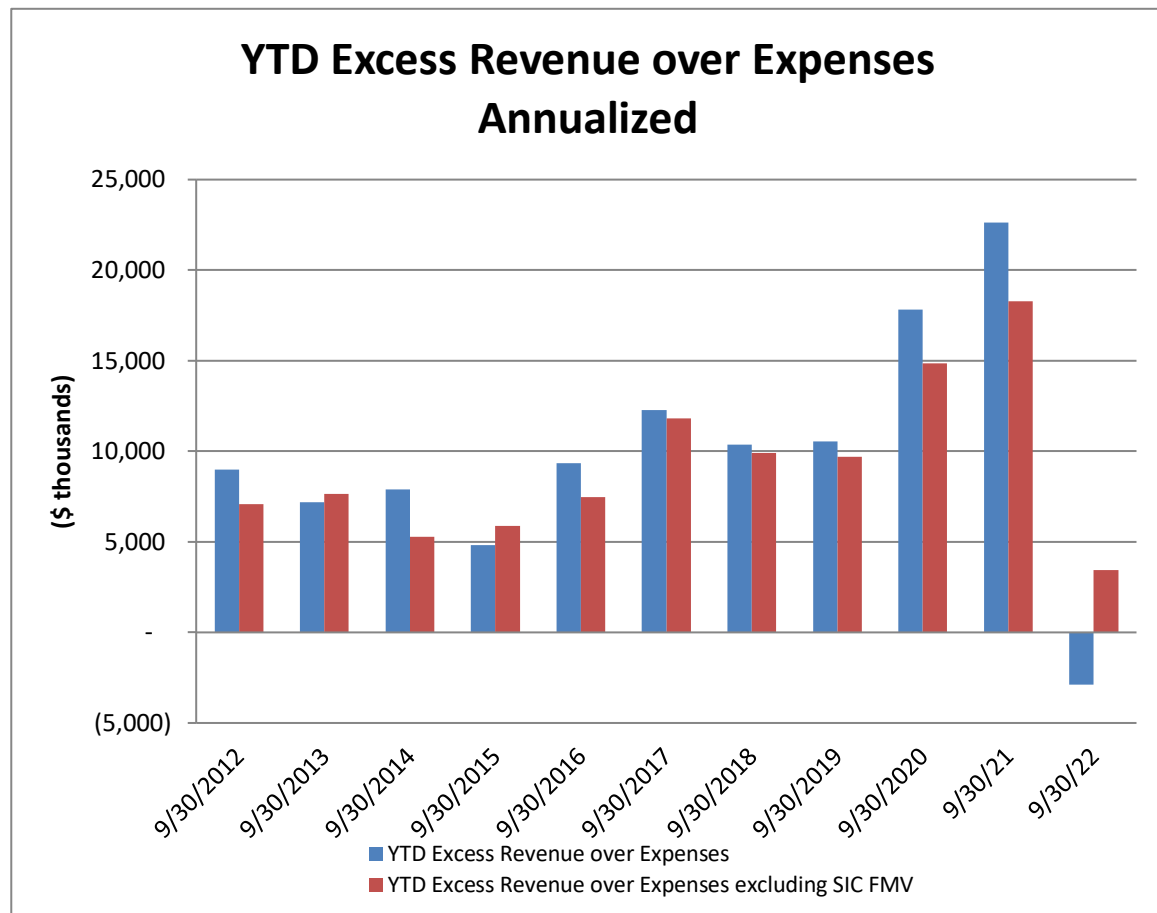
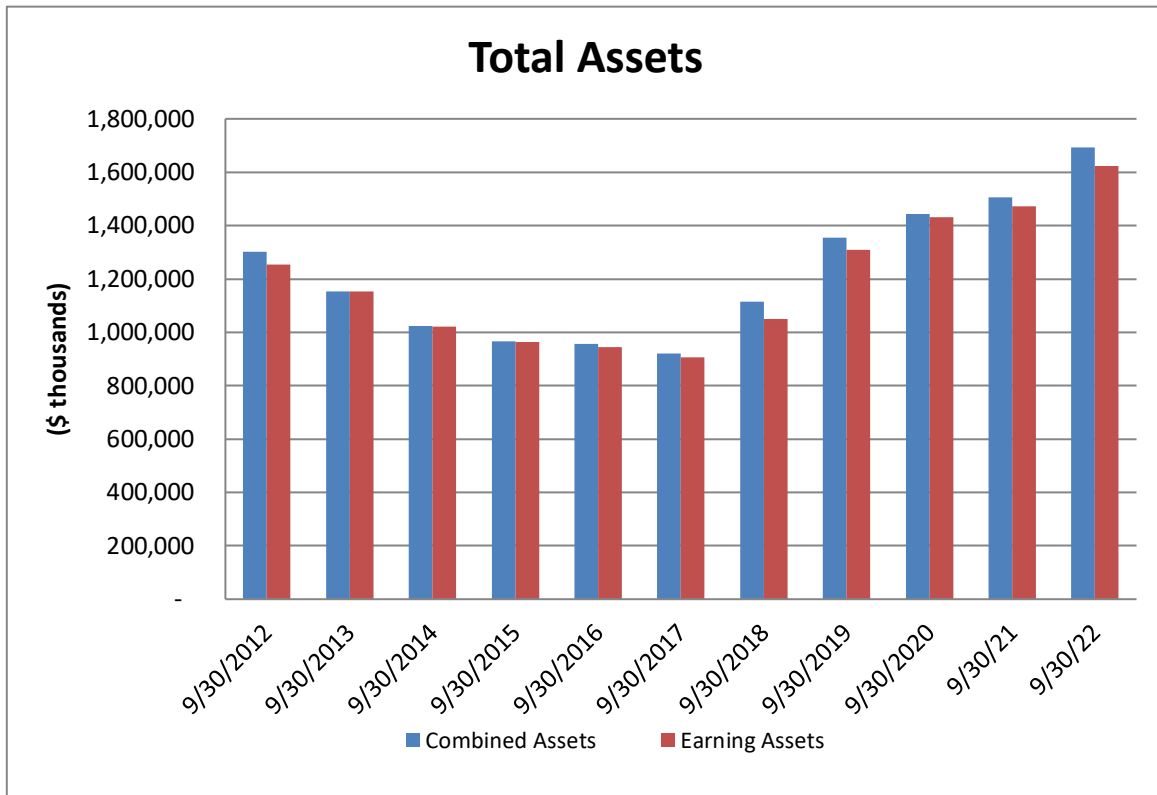
Yield Targets 9/30/2022



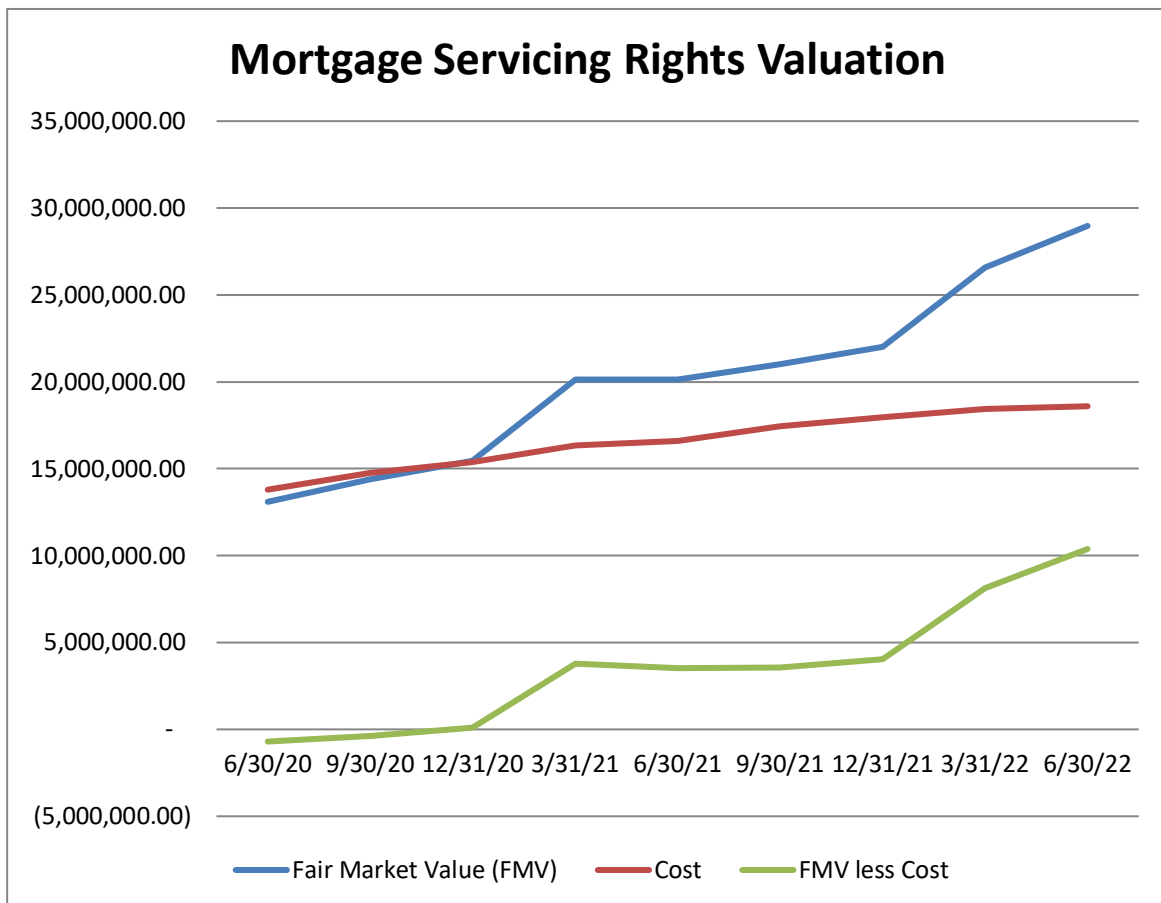
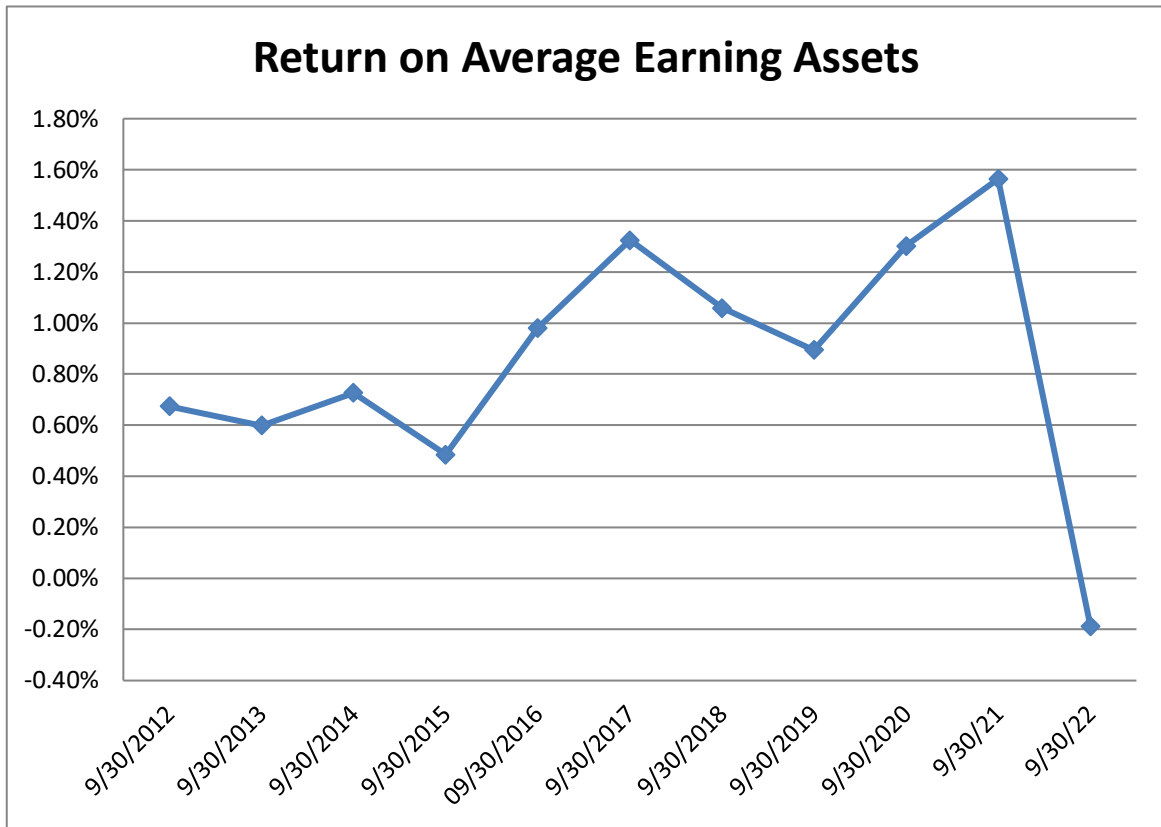
	2021	2022	Target
Loans Effective yield	3.58%	3.50%	
Cash & Investments Effective yield	0.88%	1.20%	
Rate of Return on Average Earning Assets	1.56%	0.17%	

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

QUARTERLY FINANCIAL GRAPHS



QUARTERLY FINANCIAL GRAPHS



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NEW MEXICO MORTGAGE FINANCE AUTHORITY
COMBINED STATEMENT OF NET POSITION
JUNE 2022
(THOUSANDS OF DOLLARS)

	<u>YTD 6/30/22</u>	<u>YTD 06/30/21</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$42,927	\$37,561
RESTRICTED CASH HELD IN ESCROW	9,533	9,285
SHORT-TERM INVESTMENTS	(100)	(25)
ACCRUED INTEREST RECEIVABLE	4,292	4,010
OTHER CURRENT ASSETS	6,167	5,061
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	-
INTER-FUND RECEIVABLE (PAYABLE)	-	-
TOTAL CURRENT ASSETS	<u>62,819</u>	<u>55,892</u>
 CASH - RESTRICTED	 146,465	 121,887
LONG-TERM & RESTRICTED INVESTMENTS	65,040	66,684
INVESTMENTS IN RESERVE FUNDS	11,001	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,173,451	988,055
MORTGAGE LOANS RECEIVABLE	221,754	227,701
ALLOWANCE FOR LOAN LOSSES	(9,916)	(7,765)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,773	1,941
OTHER REAL ESTATE OWNED, NET	1,788	640
OTHER NON-CURRENT ASSETS	14	-
INTANGIBLE ASSETS	<u>18,723</u>	<u>16,658</u>
TOTAL ASSETS	<u>1,692,912</u>	<u>1,471,692</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	195	218
 TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	 <u><u>1,693,107</u></u>	 <u><u>1,471,910</u></u>
 <u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$15,581	\$14,099
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	25,346	13,601
ESCROW DEPOSITS & RESERVES	<u>9,401</u>	<u>9,089</u>
TOTAL CURRENT LIABILITIES	50,328	36,789
 BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	 1,341,371	 1,129,136
MORTGAGE & NOTES PAYABLE	17,159	22,441
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	228	137
 TOTAL LIABILITIES	 <u>1,409,086</u>	 <u>1,188,503</u>
DEFERRED INFLOWS	288	-
TOTAL LIAB/DEFERRED INFLOWS	<u>1,409,374</u>	<u>1,188,503</u>
 <u>NET POSITION:</u>		
NET INVESTED IN CAPITAL ASSETS	1,773	1,941
UNAPPROPRIATED NET POSITION (NOTE 1)	61,094	68,384
APPROPRIATED NET POSITION (NOTE 1)	<u>220,867</u>	<u>213,083</u>
TOTAL NET POSITION	<u>283,734</u>	<u>283,407</u>
 TOTAL LIABILITIES & NET POSITION	 <u><u>1,693,107</u></u>	 <u><u>1,471,910</u></u>

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NEW MEXICO MORTGAGE FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE NINE MONTHS ENDED JUNE 2022
(THOUSANDS OF DOLLARS)

	<u>YTD 6/30/22</u>	<u>YTD 06/30/21</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$32,529	\$33,381
INTEREST ON INVESTMENTS & SECURITIES	1,254	1,295
LOAN & COMMITMENT FEES	2,701	1,111
ADMINISTRATIVE FEE INCOME (EXP)	5,161	14,763
RTC, RISK SHARING & GUARANTY INCOME	357	88
HOUSING PROGRAM INCOME	1,452	1,212
LOAN SERVICING INCOME	6,162	5,903
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>49,616</u>	<u>57,753</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	(4,521)	4,079
OTHER NON-OPERATING INCOME	115	11
GRANT AWARD INCOME	45,871	71,131
SUBTOTAL NON-OPERATING REVENUES	<u>41,465</u>	<u>75,220</u>
TOTAL REVENUES	<u>91,081</u>	<u>132,973</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	15,319	14,442
INTEREST EXPENSE	27,915	28,054
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(2,384)	(2,283)
PROVISION FOR LOAN LOSSES	176	(133)
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	115	102
AMORT. OF SERV. RIGHTS & DEPRECIATION	2,259	2,045
BOND COST OF ISSUANCE	2,907	1,334
SUBTOTAL OPERATING EXPENSES	<u>46,307</u>	<u>43,561</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	140	396
GRANT AWARD EXPENSE	46,801	68,654
OTHER NON-OPERATING EXPENSE	-	243
SUBTOTAL NON-OPERATING EXPENSES	<u>46,941</u>	<u>69,293</u>
TOTAL EXPENSES	<u>93,248</u>	<u>112,854</u>
NET REVENUES	(2,167)	20,120
OTHER FINANCING SOURCES (USES)	-	(0)
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>(2,167)</u>	<u>20,120</u>
NET POSITION AT BEGINNING OF YEAR	<u>285,900</u>	<u>263,288</u>
NET POSITION AT 6/30/22	<u>283,734</u>	<u>283,407</u>

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

(Note 1) MFA Net Position as of June 30, 2022:

UNAPPROPRIATED NET POSITION:

\$ 26,951	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 33,262	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 881	is held for New Mexico Affordable Housing Charitable Trust.
<u>\$ 61,094</u>	Total Unappropriated Net Position

APPROPRIATED NET POSITION: GENERAL FUND

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

\$ 117,129	for use in the Housing Opportunity Fund (\$106,098 in loans plus \$11,031 unfunded, of which \$4,168 is committed).
\$ 56,787	for future use in Single Family & Multi-Family housing programs.
\$ 1,129	for loss exposure on Risk Sharing loans.
\$ 1,788	invested in capital assets, net of related debt.
\$ 18,594	invested in mortgage servicing rights.
\$ 8,200	for the future General Fund Budget year ending 09/30/22 (\$29,325 total budget less \$21,125 expended budget through 06/30/22.)
<u>\$ 203,627</u>	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

\$ 19,013	for use in the federal and state housing programs administered by MFA.
<u>\$ 19,013</u>	Subtotal - Housing Program
<u>\$ 222,640</u>	Total Appropriated Net Position
<u>\$ 283,734</u>	Total Combined Net Position at June 30, 2022

Total combined Net Position, or reserves, at June 30, 2022 was \$283.7 million, of which \$61.1 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$222.6 million of available reserves, with \$92.0 million primarily liquid in the General Fund and in the federal and state Housing programs and \$130.6 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 2021-2022 Budget
For the nine months ended 6/30/2022

	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	573,752	5,147,035	5,583,192	7,444,257	436,158	2,297,222	69.14%
Interest on Investments & Securities	128,013	909,756	888,461	1,184,614	(21,295)	274,858	76.80%
Loan & Commitment Fees	19,357	131,919	136,903	182,537	4,983	50,618	72.27%
Administrative Fee Income (Exp)	714,997	7,993,361	8,670,407	11,560,542	677,046	3,567,181	69.14%
Risk Sharing/Guaranty/RTC fees	206,157	350,691	62,405	83,207	(288,287)	(267,485)	421.47%
Housing Program Income	502,716	1,451,823	710,005	1,332,863	(741,818)	(118,960)	108.93%
Loan Servicing Income	678,188	6,161,960	6,129,742	8,172,989	(32,218)	2,011,030	75.39%
Other Operating Income			-	-	-	-	
Operating Revenues	2,823,180	22,146,545	22,181,115	29,961,009	34,570	7,814,464	73.92%
Gain (Loss) Asset Sale/Debt Ex	(25,125)	(2,810,738)	-	-	2,810,738	2,810,738	
Other Non-operating Income	20	30	75	100	45	70	30.00%
Non-Operating Revenues	(25,105)	(2,810,708)	75	100	2,810,783	2,810,808	-2810708.40%
Revenue	2,798,074	19,335,837	22,181,190	29,961,109	2,845,353	10,625,272	64.54%
Salaries	538,625	4,843,093	5,434,190	7,090,697	591,096	2,247,603	68.30%
Overtime	1,737	10,127	23,097	30,181	12,970	20,055	33.55%
Incentives	140,232	449,983	456,625	595,931	6,642	145,948	75.51%
Payroll taxes, Employee Benefits	234,764	2,189,302	2,669,244	3,529,179	479,942	1,339,877	62.03%
Compensation	915,358	7,492,505	8,583,155	11,245,988	1,090,650	3,753,483	66.62%
Business Meals Expense	371	1,779	3,652	4,870	1,874	3,091	36.52%
Public Information	4,195	82,848	275,156	366,875	192,308	284,027	22.58%
In-State Travel	2,625	38,508	98,559	131,412	60,051	92,904	29.30%
Out-of-State Travel	5,369	36,757	141,625	188,834	104,868	152,077	19.47%
Travel & Public Information	12,560	159,892	518,993	691,991	359,101	532,099	23.11%
Utilities/Property Taxes	7,685	58,607	57,233	76,311	(1,374)	17,704	76.80%
Insurance, Property & Liability	16,865	151,786	153,145	204,194	1,359	52,407	74.33%
Repairs, Maintenance & Leases	93,567	1,143,121	927,994	1,237,325	(215,127)	94,204	92.39%
Supplies	2,805	21,106	28,650	38,200	7,544	17,094	55.25%
Postage/Express mail	10,052	40,094	41,250	55,000	1,156	14,906	72.90%
Telephone	260	4,610	17,026	22,701	12,416	18,091	20.31%
Janitorial	2,966	28,582	27,375	36,500	(1,207)	7,918	78.31%
Office Expenses	133,419	1,442,033	1,250,364	1,667,152	(191,668)	225,120	86.50%
Dues & Periodicals	8,659	40,221	43,515	58,020	3,294	17,799	69.32%
Education & Training	4,686	48,033	112,394	149,859	64,361	101,826	32.05%
Contractual Services	71,240	841,194	1,191,003	1,588,004	349,809	746,810	52.97%
Professional Services-Program	5,286	58,098	51,300	68,400	(6,798)	10,302	84.94%
Direct Servicing Expenses	747,801	4,953,734	3,781,415	5,041,886	(1,172,320)	88,152	98.25%
Program Expense-Other	4,198	35,854	47,264	63,019	11,411	27,165	56.89%
Rebate Analysis Fees			-	-	-	-	
Other Operating Expense	841,870	5,977,135	5,226,891	6,969,188	(750,243)	992,054	85.77%

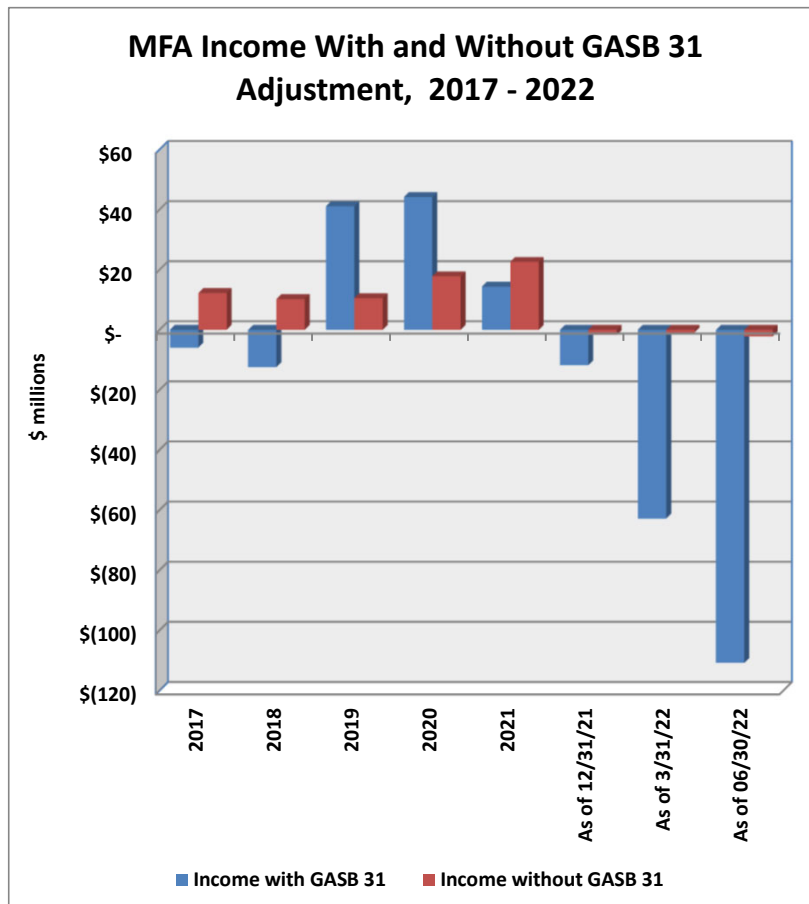
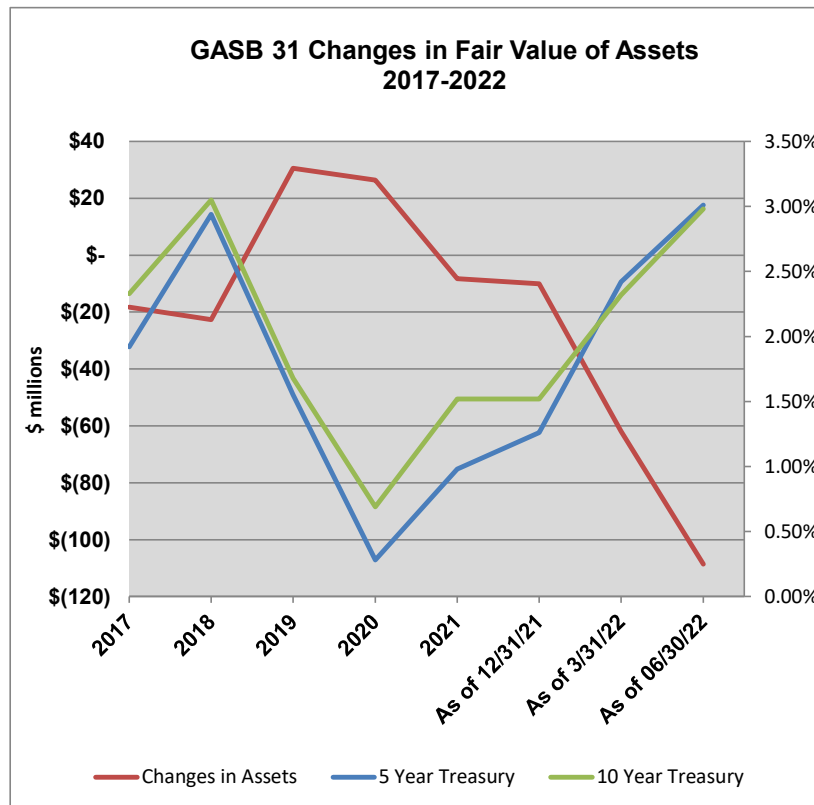
GENERAL FUND
Fiscal Year 2021-2022 Budget
For the nine months ended 6/30/2022

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Interest Expense	24,629	83,506	313,368	417,824	229,862	334,318	19.99%
Non-Cash Expenses	156,984	2,432,929	2,536,691	3,382,254	103,762	949,325	71.93%
Expensed Assets	2,431	169,395	89,888	119,850	(79,508)	(49,545)	141.34%
Operating Expenses	2,087,251	17,757,395	18,519,350	24,494,247	761,954	6,736,852	72.50%
Program Training & Tech Asst	51,980	62,168	123,675	164,900	61,507	102,732	37.70%
Program Development	30,363	77,677	153,377	204,502	75,699	126,825	37.98%
Capacity Building Costs	82,343	139,845	277,052	369,402	137,206	229,557	37.86%
Non-Operating Expenses	82,343	139,845	277,052	369,402	137,206	229,557	37.86%
Expenses	2,169,594	17,897,240	18,796,401	24,863,649	899,161	6,966,409	71.98%
Excess Revenue over Expenses	628,480	1,438,596	3,384,788	5,097,459	1,946,192	3,658,863	28.22%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2021-2022 Budget
For the nine months ended 6/30/2022

	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	82,980	3,219,307	3,144,938	4,193,250	(74,370)	973,943	76.77%
2950 COMPUTER HARDWARE	-	9,752	138,243	184,324	128,491	174,572	5.29%
2960 SOFTWARE LICENSES	-	-	-	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	-	-	62,925	83,900	62,925	83,900	0.00%
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	-	-	-	-	-	-	
Capital Budget	82,980	3,229,059	3,346,106	4,461,474	117,046	1,232,415	72.38%

New Mexico Mortgage Finance Authority
Effect of GASB31 on Financials



New Mexico Mortgage Finance Authority
Loan and Credit Line Activity
As of 6/30/2022

Lender	Purpose	Collateral	Date of Incurrence (after 2/27/2019)	Board Authorization Date	Authority Limit	Outstanding 3/31/22	Advances	Repayments	Outstanding 6/30/22	Maturity	Interest Rate as of 6/30/22	Interest Payments this quarter
Community Banks	Fund DPA program and assist financial institutions meet CRA requirements	DPA portfolio		March 2018	5,000,000	-	-	-	-	n/a	n/a	
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program	Mortgage loan pipeline		October 2017	60,000,000	10,500,000	44,000,000	39,500,000	15,000,000	3/10/2022	1.767%	27,095
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program & operations	Securities		October 2017	25,000,000	-	-	-	-	n/a	n/a	-
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans		September 2015	2,125,000	-	-	-	-	n/a	n/a	
SBIC	Capitalize Primero Loan Fund	None		April 2014, March 2019	2,500,000	1,000,000	-	1,000,000	-	11/30/2023	2.00%	5,000
FHLB	Mortgage Revenue Bond (MRB) Warehousing	MRB Mortgage backed securities		June 2013	30,000,000	-	-	-	-	n/a	n/a	
Wells Fargo	Capitalize Primero Loan Fund	None		October 2011	850,000	743,750	-	106,250	637,500	11/15/2023	2.00%	3,978
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans		May 2011	2,000,000	1,521,355	-	-	1,521,355	1/20/2042	1.00%	-
TOTAL					122,475,000	13,765,105	44,000,000	40,606,250	17,158,855			36,074

Tab 5

**June 30, 2022 Quarterly Investment Review
Agenda for Discussion at Board Meeting
Meeting Date: August 9, 2022**

For reference:

Minutes of the May 10, 2022 investment discussion during the Finance Committee meeting.

For discussion:

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

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

**New Mexico Mortgage Finance Authority
Minutes of Quarterly Investment Review
(Taking place during the Finance Committee May 10, 2022)**

Present: Chair Angel Reyes, Member Tim Eichenberg, and Proxy Member Martina C'de Baca

MFA Staff Present: Jeff Payne, Donna Maestas-De Vries, Cooper Hall, Lizzy Ratnaraj, Izzy Hernandez, Yvonne Segovia

- Report being presented is as of March 31, 2022.
- Compliance Report (Diversification and Asset Allocation): Hall reviewed the General Fund Investment Compliance Report. He informed the committee that all asset classes and asset class time horizons were compliant with policy.
- Portfolio Summary- Short & Intermediate Term Investments: Hall reviewed asset classes and yield/returns.
- Portfolio Summary- Long Term Investments Including State Investment Council Investments: Hall reviewed market values, rates of returns and realized gain/loss data for the mortgage-backed securities and the State Investment Council (SIC) funds.
- Portfolio Summary- Housing Trust Fund: Hall reminded the committee that the Housing Trust Fund is 100% invested in the SIC Core Plus Bond Fund. He also informed the committee of the Funds market value, rate of return and realized gain/loss data.
- Hall reviewed interest income detail, benchmarks and noted changes in economic indicators.
- Changes in the interest rate environment and related impacts were discussed during the presentation.

General Fund:

Asset Class	3/31/22 Balance	Yield/Rate of Return	Benchmark Rate of Return
Cash Held for Operations/Warehoused MBS	\$7,940,828	Various	n/a
Local Government Investment Pool	5,623,326	0.13%	n/a
Bond Ladder	15021,036	0.33%	0.43%
MFA's Mortgage Backed Securities-Intermediate Term	11,790,881	5.22%	n/a
MFA's Mortgage Backed Securities-Long Term	3,315,319	3.09%	n/a
Core Plus Bond Fund-Active (SIC)	7,175,382	-6.17%	-5.92%
Large Cap Index Equity Fund (SIC)	7,050,686	4.06%	4.13%
Small/Mid Cap Fund (SIC)	3,220,757	-5.45%	-1.13%
Non-US Developed Markets Fund (SIC)	3,832,379	-2.32%	-2.74%
Non-US Emerging Markets Fund (SIC)	1,053,932	-8.57%	-8.92%

Housing Trust Fund:

Asset Class	3/31/22 Balance	Yield/Rate of Return	Benchmark Rate of Return
Core Plus Bond Fund-Active (SIC)	\$12,444,879	-5.37%	-5.92

**INVESTMENT REPORT – EXECUTIVE SUMMARY
FOR THE THIRD QUARTER OF FISCAL YEAR 2022**

1. MFA made no liquidations from the State Investment Council (SIC) portfolio in the third quarter of FY 2022. Currently all asset allocations are compliant with the investment policy by asset class and time horizon. Staff is evaluating needs to rebalance each month to maintain compliance with Policy ranges.
2. During the third quarter of FY 2022, staff made two bond purchases. One purchase was the re-investment of a bond that matured in January. The second purchase was a re-investment of an April maturity.
3. In June of 2022 the Federal Open Market Committee raised the targeted range of the federal funds rate to 1.50%-1.75%. Yields in our fixed income portfolios have begun to increase. The bond ladder has performed in line with its benchmark.
4. The State Investment Council portfolio has performed relatively in line with its benchmarks in the first three quarters of FY 2022. It is currently yielding -16.12% (-21.50% annualized) as of June 30, 2022. Fair market value losses for the first three quarters were -\$3,759,081. These losses in the portfolio were spread out across the Core Plus Bond Fund, the Domestic Large Cap Fund, the Non-US Developed Fund, the Small/Mid-cap Fund, and the Non-US Emerging Market fund.
5. The Housing Trust Fund State Investment Council portfolio, which is 100% invested in a core bond fund has experienced a rate of return of -11.12% and has performed in line with its benchmark which has a rate of return of -10.34% FYTD.
6. As of the third quarter of FY2022 interest income is 81% of the total annual budgeted interest income.
7. Historically the State Investment Council portfolio has performed well when compared to established benchmarks. In the third quarter of FY 2022, all SIC funds slightly underperformed their benchmarks.
8. As of June 30, 2022, MFA's General Fund and Housing Trust Fund balances are as follows:

General Fund:

Asset Class	6/30/22 Balance	Yield/Rate of Return	Benchmark Rate of Return
Cash Held for Operations/Warehoused MBS	\$9,605,896	Various	n/a
Local Government Investment Pool	5,631,647	0.59%	n/a
Bond Ladder	15,997,530	0.62%	0.79%
MFA's Mortgage-Backed Securities-Intermediate Term	11,256,139	5.21%	n/a
MFA's Mortgage-Backed Securities-Long Term	3,291,940	3.10%	n/a
Core Plus Bond Fund-Active (SIC)	6,245,713	-13.37%	-10.34%
Large Cap Index Equity Fund (SIC)	6,193,952	-13.43%	-13.23%
Small/Mid Cap Fund (SIC)	2,784,346	-24.27%	-17.38%
Non-US Developed Markets Fund (SIC)	3,268,743	-18.27%	-17.16%
Non-US Emerging Markets Fund (SIC)	941,598	-20.14%	-18.71%

Housing Trust Fund:

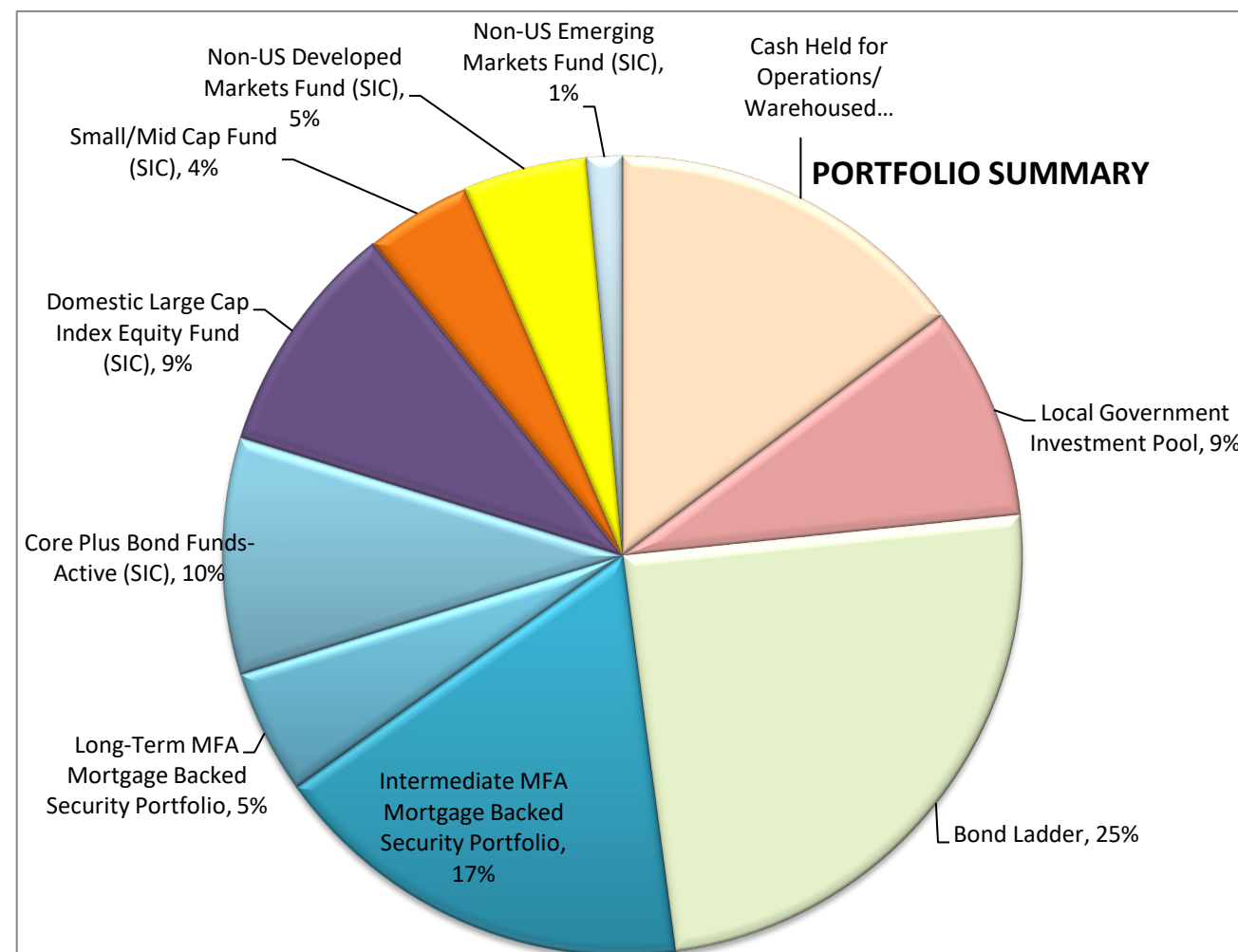
Asset Class	6/30/22 Balance	Yield/Rate of Return	Benchmark Rate of Return
Core Plus Bond Fund-Active (SIC)	\$13,310,242	-11.12%	-10.34%



GENERAL FUND INVESTMENT COMPLIANCE REPORT FOR QUARTER 3 (AS OF June 30, 2022)

ASSET CLASS	Policy Requirement Target	Policy Requirement Range	Current Portfolio Carrying Value	Portfolio Weighting by Investment Horizon	Portfolio Weighting by Asset Class	Within \$ Limit Range	Action Plan
Short-Term Investments (Less than 1 year)	20%	15%-25%	\$ 15,237,543	23%		Yes	
Cash Held for Operations/Warehoused MBS*	14%	9%-19%	\$ 9,605,896		15%	Yes	
Local Government Investment Pool	6%	1%-11%	\$ 5,631,647		9%	Yes	No withdrawals from the SIC were made in the third quarter of FY 2022. Two bond purchases were made to re-invest maturities.
Intermediate-Term Investments (1 to 10 years)	40%	35%-45%	\$ 27,253,669	42%		Yes	
Bond Ladder	27%	22%-32%	\$ 15,997,530		25%	Yes	
Intermediate MFA Mortgage Backed Security Portfolio	13%	8%-18%	\$ 11,256,139		17%	Yes	
Long-Term Investments (More than 10 years)	40%	35%-45%	\$ 22,726,292	35%		Yes	
Long-Term MFA Mortgage Backed Security Portfolio	4%	0%-9%	\$ 3,291,940		5%	Yes	
Core Plus Bond Funds-Active (SIC)	12%	7%-17%	\$ 6,245,713		10%	Yes	
Domestic Large Cap Index Equity Fund (SIC)	11%	6%-16%	\$ 6,193,952		9%	Yes	
Small/Mid Cap Fund (SIC)	5%	0%-10%	\$ 2,784,346		4%	Yes	
Non-US Developed Markets Fund (SIC)	6%	1%-11%	\$ 3,268,743		5%	Yes	
Non-US Emerging Markets Fund (SIC)	2%	0%-7%	\$ 941,598		1%	Yes	
			<u>\$ 65,217,504</u>		<u>100.00%</u>		

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



SIC FUND ALLOCATION

	Policy	Actual
SIC Core Plus Bond-Active	33%	32%
SIC Large Cap Index Equity	31%	32%
Small/Mid Cap Index	14%	14%
Non-US Developed Markets	17%	17%
Non-US Emerging Markets	5%	5%

BOARD ACTIONS

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



PORTFOLIO SUMMARY - Short & Intermediate Investments

General Fund	Book Value YTD/Quarter 3 as of 6/30/2022	Book Value YTD/Quarter 3 as of 6/30/2021	Unrealized Gain/Loss YTD/Quarter 3 as of 6/30/2022	Yield to Maturity YTD/Quarter 3 as of 6/30/2022	Yield to Maturity YTD/Quarter 3 as of 6/30/2021
Short-Term					
Cash Held for Operations/Warehoused MBS*	\$ 9,605,896	\$ 6,619,866	N/A	Various	Various
Local Government Investment Pool	\$ 5,631,647	\$ 4,618,957	N/A	0.59%	0.11%
Intermediate-Term					
Bond Ladder	\$ 15,997,530	\$ 13,017,233	\$ (491,640)	0.62%	0.72%
MFA Mortgage Backed Security Portfolio	\$ 11,256,139	\$ 7,250,219	\$ 315,981	5.21%	5.21%
Yield to Maturity for Intermediate-Term Investments				2.52%	2.83%
Total Short & Intermediate-Term	\$ 42,491,212	\$ 31,506,276	\$ (175,659)		

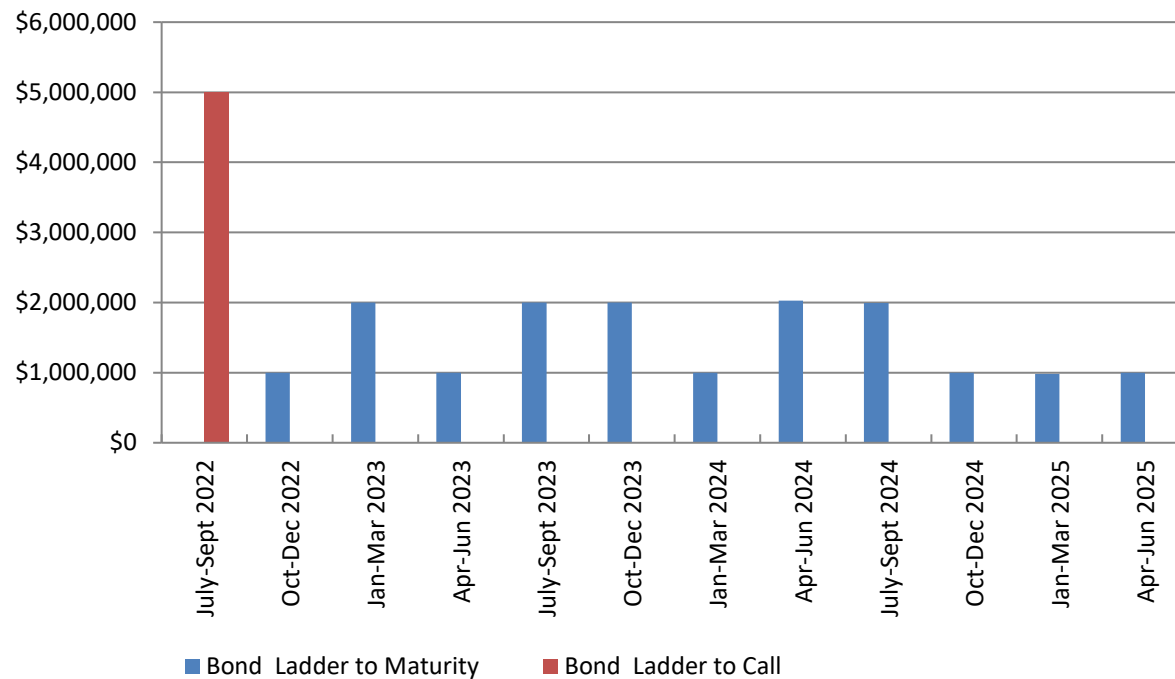
*Does not include capital borrowed for loan operations or restricted funds.

**Weighted average maturity.

BOND LADDER SECTOR ALLOCATION

	Book Value	% of Total Dollars
Fannie Mae	\$ 1,000,975	6%
Federal Farm Credit Bank	\$ 5,976,289	37%
Federal Home Loan Bank	\$ 4,000,008	25%
Freddie Mac	\$ 1,026,616	6%
US Treasury	\$ 3,993,642	25%
Total	\$ 15,997,530	100%

BOND LADDER TO CALL AND MATURITY AS OF June 30, 2022



INVESTMENTS PURCHASED IN THE THIRD QUARTER OF FY 2022

Date Purchased	Security	Interest Rate	YTM/YTC	Dollar Amount
4/13/2022	FFCB	1.750%	2.525%	\$ 1,000,000
5/12/2022	FFCB	2.750%	2.801%	\$ 1,000,000

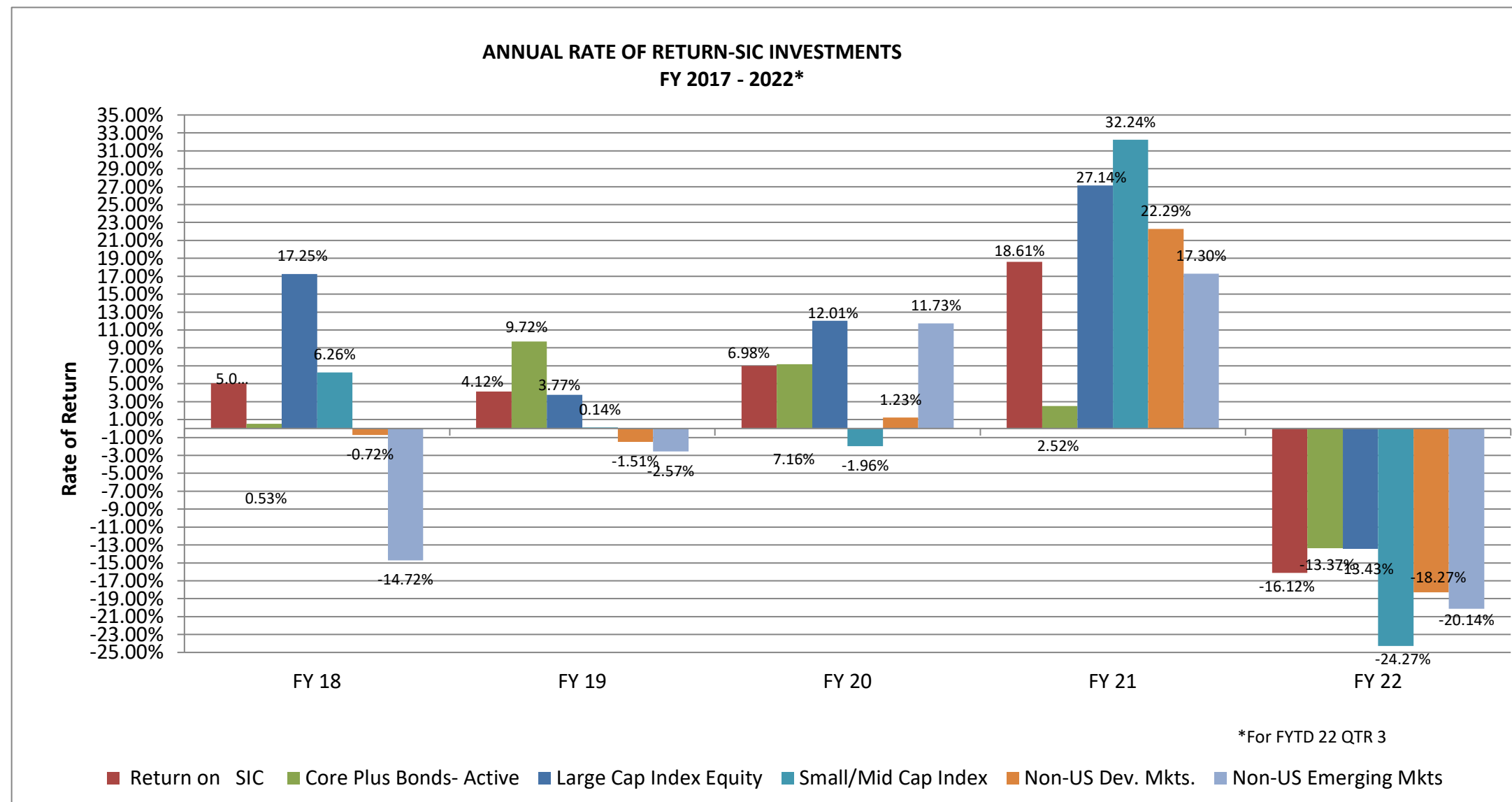


PORTFOLIO SUMMARY - Long Term Investments Including State Investment Council Investments

General Fund Long Term	Book/Market Value YTD/Quarter 3 as of 6/30/2022	Book/Market Value YTD/Quarter 3 as of 6/30/2021	Unrealized/Realized** Gain/Loss YTD/Quarter 3 as of 6/30/2022	Rate of Return YTD/Quarter 3 as of 6/30/2022 *	Rate of Return YTD/Quarter 3 as of 6/30/2021 *
MFA's Mortgage Backed Securities Portfolio	\$ 3,291,940	\$ 6,427,935	\$ (257,415)	3.10%	3.78%
State Investment Council (SIC):					
Core Plus Bond Fund-Active	\$ 6,245,713	\$ 8,485,923	\$ (1,038,938)	-13.37%	1.89%
Domestic Large Cap Index Equity Fund	\$ 6,193,952	\$ 7,288,853	\$ (985,576)	-13.43%	26.18%
Small/Mid Cap Fund	\$ 2,784,346	\$ 3,272,394	\$ (765,152)	-24.27%	36.23%
Non-US Developed Markets Fund	\$ 3,268,743	\$ 4,141,843	\$ (729,484)	-18.27%	22.58%
Non-US Emerging Markets Fund	\$ 941,598	\$ 1,266,471	\$ (239,931)	-20.14%	22.83%
Total State Investment Counsel	\$ 19,434,352	\$ 24,455,485	\$ (3,759,081)	-16.12%	18.46%
Total Long-Term Investments	\$ 22,726,292	\$ 30,883,420	\$ (4,016,496)		

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

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



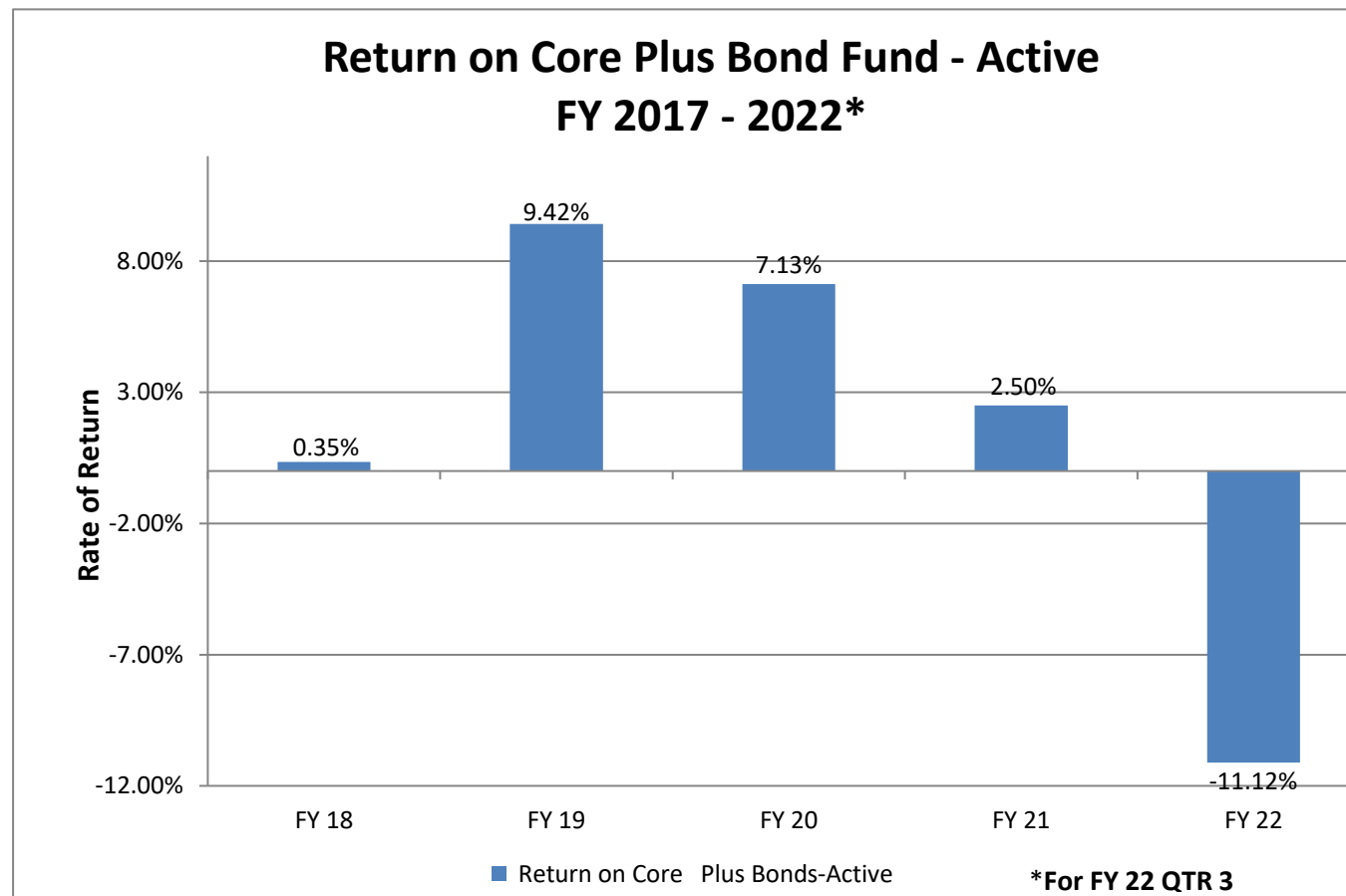


PORTFOLIO SUMMARY - New Mexico Housing Trust Fund

Housing Trust Fund	Market Value YTD/Quarter 3 as of 6/30/2022	Market Value YTD/Quarter 3 as of 6/30/2021	Realized Gain/Loss YTD/Quarter 3 as of 6/30/2022	Rate of Return YTD/Quarter 3 as of 6/30/2022	Rate of Return YTD/Quarter 3 as of 6/30/2021
State Investment Council (SIC): Core Plus Bond Fund-Active	\$ 13,310,242	\$ 15,973,641	\$ (1,946,573)	-11.12%	2.26%
Total State Investment Council	\$ 13,310,242	\$ 15,973,641	\$ (1,946,573)	-11.12%	2.26%

SIC FUND ALLOCATION

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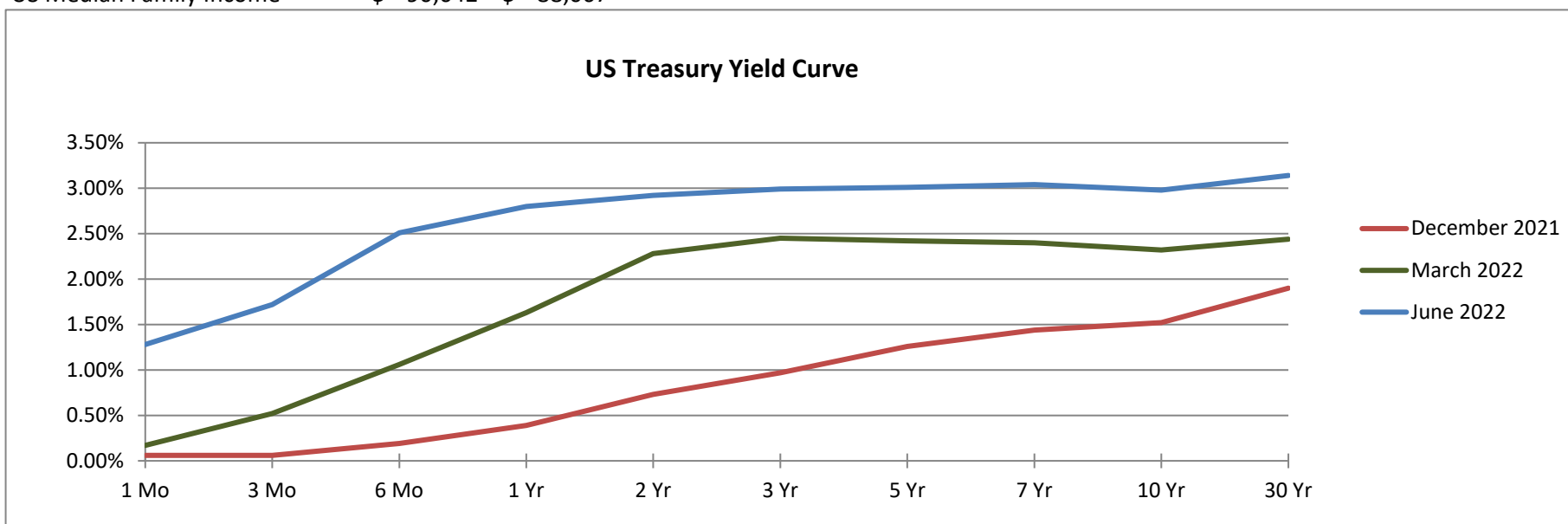
GENERAL FUND INVESTMENT PORTFOLIO - METRICS

Asset Class	S&P Rating	Moody's Rating	Annual Interest Income (Budget) FY2022	Actual Annual Interest Income YTD/Quarter 3 6/30/2022	Interest Income Earned of Total Budget YTD/Quarter 3 6/30/2022
Cash Held for Operations/Warehoused MBS	N/R	N/R	\$ 1,567	\$ 39,670	2531%
Local Government Investment Pool	AAAm	N/R	\$ 5,295	\$ 13,023	246%
Bond Ladder			\$ 89,100	\$ 28,826	32%
Fannie Mae	N/R	Aaa/Stable			
Federal Farm Credit Bank	N/R	Aaa/Stable			
Federal Home Loan Bank	N/R	Aaa/Stable			
Freddie Mac	N/R	Aaa/Stable			
MFA Mortgage Backed Security Portfolio	N/R	Aa3/Stable	\$ 372,793	\$ 385,281	103%
Intermediate Term	AA+	Aa3/Stable			
Long-Term	AA+	Aa3/Stable			
State Investment Council			\$ 548,226	\$ 351,883	64%
Core Plus Bond Fund-Active	N/R	N/R			
Large Cap Index Equity Fund	N/R	N/R			
Small/Mid Cap Fund	N/R	N/R			
Non-US Developed Markets Fund	N/R	N/R			
Non-US Emerging Markets Fund	N/R	N/R			
			\$ 1,016,981	\$ 818,683	81%

Asset Class Benchmarks	Yield to Maturity/ Rate of Return YTD/Quarter 3 6/30/2022	Benchmark Yield/Rate of Return	
State Investment Council			
Core Plus Bond Fund-Active	-13.37%	-10.34%	Barclays US Agg Total Return Value
Large Cap Index Equity Fund	-13.43%	-13.23%	Russell 1000 Index-US Large Cap Equity
Small/Mid Cap Fund	-24.27%	-17.38%	Average ⁽¹⁾
Non-US Developed Markets Fund	-18.27%	-17.16%	Average ⁽²⁾
Non-US Emerging Markets Fund	-20.14%	-18.71%	MSCI Emerging Markets Index (Net)
Cash Held for Operations/Warehoused MBS	Various	N/A	
Local Government Investment Pool	0.59%	N/A	
Bond Ladder	0.62%	0.79%	(1) Average of the following benchmarks: Russell Mid Cap Index Russell 2000 Value Index Russell 2000 Index
MFA Mortgage Backed Security Portfolio			
Intermediate Term	5.21%		
Long-Term	3.10%		(2) Average of the following benchmarks: MSCI EAFE Net Total Return US Index MSCI AC World Index EX USA Value Net Total Re MSCI ACW EX US Small Cap Index MSCI World Ex US IMI Index (net)
1% or more under benchmark			
In line with Benchmark			
1% or more above benchmark			

Economic Indicators

	<u>6/30/2022</u>	<u>6/30/2021</u>		<u>6/30/2022</u>	<u>6/30/2021</u>	
Average US Gas Price	\$ 5.03	\$ 3.16	Federal Funds Rate	1.58%	0.08%	*Cumulative return for the period 10/1 through 6/30 which is three quarters of each respective fiscal year.
Average NM Gas Price	\$ 4.78	\$ 2.97	Consumer Price Index (yoy)	9.10%	5.40%	
WTI Spot Price	\$ 105.76	\$ 73.47	Unemployment Rate	3.60%	5.90%	
	<u>5/31/2022</u>	<u>5/31/2021</u>	Real GDP (yoy)	1.60%	12.20%	
US Median Home Price	\$ 414,200	\$ 356,800	DJIA*	-7.71%	25.99%	
NM Median Home Price	\$ 318,000	\$ 270,000				
US Median Family Income	\$ 90,642	\$ 88,067				



	<u>1 Mo</u>	<u>3 Mo</u>	<u>6 Mo</u>	<u>1 Yr</u>	<u>2 Yr</u>	<u>3 Yr</u>	<u>5 Yr</u>	<u>7 Yr</u>	<u>10 Yr</u>	<u>30 Yr</u>
December 2021	0.06%	0.06%	0.19%	0.39%	0.73%	0.97%	1.26%	1.44%	1.52%	1.90%
March 2022	0.17%	0.52%	1.06%	1.63%	2.28%	2.45%	2.42%	2.40%	2.32%	2.44%
June 2022	1.28%	1.72%	2.51%	2.80%	2.92%	2.99%	3.01%	3.04%	2.98%	3.14%

Source: U.S. Department of the Treasury

Tab 6



MEMO

TO: MFA Board of Directors

Through: Policy Committee- August 2, 2022

Through: Finance Committee- August 9, 2022

FROM: Cooper Hall, Finance Manager

DATE: August 17, 2022

SUBJECT: Fiscal Year 2022/2023 Bond Resolution

Recommendation:

Staff is recommending the approval of the Fiscal Year 2022/2023 Single Family Bond Resolution in the amount of not to exceed \$500 million. This resolution would cover the time period of October 1, 2022, through October 31, 2023. The resolution is anticipated to provide funds for \$500 million of new single family first-time homebuyer mortgage loans.

Background:

Historically MFA has had the option of funding the single-family program via the To Be Announced ("TBA") Market or the Bond Market. A thorough analysis is done periodically throughout the year to determine which funding mechanism will provide the most economic benefit to MFA and best rates to MFA's borrowers. There have been years where the TBA program is the dominant execution and other years the bond market is more favorable, and MFA will fund most of its single-family production using Tax-Exempt bond issuance. Most years MFA utilizes both programs to some extent to fund its single-family program.

The COVID-19 pandemic shifted markets making TBA funding more favorable than bonds. As a result, in fiscal year 2020, MFA issued only two bond issues which were used to originate new loans totaling approximately \$190 million. As the bond market has recovered MFA has issued more bonds to fund its single-family program. In fiscal year 2021 MFA issued 2020 Series B, 2021 Series A, 2021 Series B and 2021 Series C which were used to originate approximately \$233 million of new single-family loans as well as refund \$16.3 million of outstanding bonds. So far in FY 2022 MFA has issued 2021 Series D, 2022 Series A, 2022 Series B, and 2022 Series C which combined funded approximately \$290mm in new mortgages and refunded \$33.5 million in prior bonds outstanding. Staff continues to evaluate best execution options and is funding the program accordingly.

MFA will be closing the 2022 Series D issuance on August 18th, which will fund approximately \$100 million in new single-family mortgages. It is MFA's practice to keep a Board approved single family program bond resolution in place to allow staff to respond to market conditions as needed in order to provide beneficial funding executions for both

MFA and first-time homebuyers. With the Fiscal Year 2022/2023 Resolution MFA will be improving upon this practice.

Discussion:

The Fiscal year 2022/2023 Resolution provides MFA staff with the ability to fund one strong year's worth of mortgage production. Rather than requesting authority from the board multiple times throughout the year to issue bonds for the Single-Family program, this resolution provides authority to issue bonds throughout the year to fund the Single-Family program. Staff will provide notice of the intention to issue bonds as an informational item and will continue to provide post-issuance reporting with each issuance. The bond issues in Fiscal Year 2022/2023 will not exceed the amount of \$500 million will be used to fund new loans or refinance previous bond issues. The timing and sizing of each issuance has not been determined and will depend on actual reservation activity and bond market conditions.

Summary:

To authorize future bonding activity and to ensure MFA can be responsive to market conditions, Staff is requesting approval of the Fiscal Year 2022/2023 Single Family Bond Resolution in the aggregate amount of not to exceed \$500 million. MFA anticipates providing funds for up to \$500 million of new loans or refinanced prior issuances. The timing and sizing of each issuance has not been determined and will depend on actual reservation activity and bond market conditions.

Fiscal Year 2022/2023

CERTIFICATE REGARDING THE RESOLUTION
OF THE AUTHORITY

I, the undersigned, Isidoro Hernandez, Secretary of the New Mexico Mortgage Finance Authority (the “Authority”), DO HEREBY CERTIFY that: (i) the annexed Resolution was duly adopted by the members of the New Mexico Mortgage Finance Authority at a meeting thereof duly called and held on August 17, 2022, at which meeting a quorum was present and acting throughout; (ii) the annexed Resolution has been compared by me with the original thereof recorded in the minute book of the Authority and is a correct transcript therefrom and of the whole of said original; (iii) the annexed Resolution has not been altered, amended or repealed; and (iv) the annexed Resolution is in full force and effect on the date of this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 17th day of August, 2022.

Isidoro Hernandez, Secretary
New Mexico Mortgage Finance Authority

(SEAL)

Bond Resolution
Single Family Mortgage Program Bonds
Fiscal Year 2022/2023

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY (THE “AUTHORITY”) AUTHORIZING AND PROVIDING FOR: THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS SINGLE FAMILY MORTGAGE PROGRAM BONDS FROM TIME TO TIME IN ONE OR MORE ISSUES AND AS ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$500,000,000 AND WITH SUCH TERMS AND CONDITIONS AS AN AUTHORIZED OFFICER DETERMINES ARE IN THE BEST INTERESTS OF THE AUTHORITY, SUBJECT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION, TO MAKE FUNDS AVAILABLE TO FINANCE MORTGAGE LOANS, EITHER DIRECTLY, OR INDIRECTLY BY REFUNDING CERTAIN OUTSTANDING BONDS AND OBLIGATIONS OF THE AUTHORITY; THE EXECUTION AND DELIVERY BY THE AUTHORITY OF ONE OR MORE SERIES INDENTURES, BOND PURCHASE CONTRACTS, OFFICIAL STATEMENTS, INVESTMENT AGREEMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; DECLARING THE AUTHORITY’S OFFICIAL INTENT TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES; AND RELATED MATTERS.

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

WHEREAS, the Authority is authorized under the Act to implement a single-family mortgage purchase program, to provide down payment assistance in connection therewith, and to issue its bonds and other obligations to provide funds to (a) alleviate the shortage of decent, safe and sanitary housing which is within the financial means of low- and moderate-income persons and families within the State of New Mexico (the “State”), (b) refund such bonds and other obligations; and

WHEREAS, the Authority has determined that it will serve and fulfill the purposes for which it was created by the establishment of a program (the “Single Family Mortgage Program”) to finance the purchase of mortgage loans made by eligible mortgage lenders to eligible borrowers for the financing of residential housing within the State and securities backed by such mortgage loans; and

WHEREAS, to finance a portion of the Single Family Mortgage Program, the Authority has deemed it necessary and advisable to proceed with the issuance, sale and delivery of its Single Family Mortgage Program Bonds in an original aggregate principal amount not to exceed \$500,000,000, in one or more issues and as one or more series, at the times and with such terms and conditions as the Chair, the Vice Chair, the Executive Director/Chief Executive Officer, the Secretary, the Chief Financial Officer and the Assistant Secretary of the Authority (each an “Authorized Officer”) determines are in the best interests of the Authority, subject to the Act, this Resolution and the hereinafter-described General Indenture (herein collectively referred to as the “Series 2022-23 Bonds”)

WHEREAS, the Series 2022-23 Bonds shall be issued on or before October 31, 2023 in one or more issues and as one or more series pursuant to and secured by either the General Indenture of Trust dated as of November 1, 2005 between the Authority and Zions Bancorporation, National Association, as trustee, or the Indenture of Trust dated as of December 1, 2009 between the Authority and Zions Bancorporation, National Association, as trustee (each, the “General Indenture”), and prescribe and establish conditions and other appropriate matters with respect to the issuance of the Series 2022-23 Bonds; and

WHEREAS, the Series 2022-23 Bonds shall be special obligations of the Authority payable solely from and secured by a lien on the proceeds, moneys, revenues, rights, interest and collections pledged therefor under the General Indenture; and

WHEREAS, the proceeds made available upon issuance of the Series 2022-23 Bonds will enable the Authority, as directed by the Executive Director/Chief Executive Officer, to (i) redeem or refund all or a portion of the Authority’s outstanding bonds and other obligations, thereby reducing related interest costs to the Authority and/or providing funds for the purchase or financing of mortgage loans made by eligible mortgage lenders to eligible borrowers for the financing of residential housing within the State and securities backed by such mortgage loans, (ii) finance the purchase of mortgage loans made by eligible mortgage lenders to eligible borrowers for the financing of residential housing within the State and securities backed by such mortgage loans, and/or (iii) fund down payment assistance and closing costs in connection with certain mortgage loans financed under the Single Family Mortgage Program and (iv) fund reserves or pay costs of issuance of the Series 2022-23 Bonds; and

WHEREAS, there has been presented to the Authority at this meeting proposed forms of (a) a Bond Purchase Contract relating to the Series 2022-23 Bonds (the “Purchase Contract”) to be entered into among the Authority, and any of RBC Capital Markets LLC, Raymond James & Associates, Inc. (including any of their successors) or any other purchasers to be named therein (collectively, the “Underwriters”), (b) a Series Indenture (the “Series Indenture” and collectively with the General Indenture under which the Series 2022-23 Bonds are to be issued, the “Indenture”) to be entered into between the Authority and the applicable trustee, (c) a Preliminary Official Statement to be used by the Underwriters in marketing the Series 2022-23 Bonds (the “Preliminary Official Statement”) and (d) a form of a Continuing Disclosure Agreement with respect to the Series 2022-23 Bonds (the “Continuing Disclosure Agreement” and together with the Purchase

Contract, the Series Indenture and the Preliminary Official Statement (the “Bond Documents”); and

WHEREAS, in order to provide continuous financing for borrowers under the Single Family Mortgage Program, the Authority may purchase mortgage loans and securities backed by such mortgage loans from its general fund or a warehouse financing, and at such times as proceeds of Series 2022-23 Bonds become available, intends to direct the trustee to use Series 2022-23 Bond proceeds to reimburse such purchases, and the federal tax laws, particularly Internal Revenue Code Regulation Section 1.150-2, require that any governmental issuer, which intends to use bond proceeds to reimburse itself for expenditures paid from non-bond sources, declare its intention to so reimburse itself prior to making any such expenditure; and

WHEREAS, it appears that each of the instruments above referred to, which are now before each of the members of the Authority, is in appropriate form and is an appropriate instrument for the purposes intended.

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

Section 1. The Authority hereby determines that the supply of funds available in the private banking system in the State for residential mortgages is inadequate to meet the demand of persons and families of low or moderate income for residential mortgage financing, and that financing the making of loans by the Authority will alleviate such inadequate supply of residential mortgage money in the State’s banking system.

Section 2. All other action heretofore taken (not inconsistent with the provisions of this Resolution) by the Authority and its officers directed toward the issuance of the Series 2022-23 Bonds are hereby ratified, approved and confirmed.

Section 3. For the purpose of providing funds to finance the purchase of housing by persons and families of low or moderate income within the State, either directly, or indirectly by refunding certain outstanding bonds of the Authority, the purchase of mortgage loans and securities backed by such mortgage loans, the funding of down payment assistance and closing costs, and the funding of any reserves and costs of issuance, all as authorized under the Indenture, the Authority hereby authorizes the issuance of its Series 2022-23 Bonds in the aggregate principal amount of not to exceed \$500,000,000 during the period commencing on the date hereof and ending on October 31, 2023. No Series 2022-23 Bonds may be issued pursuant to this Resolution after October 31, 2023, absent any amendment hereto. The Series 2022-23 Bonds shall be issued from time to time as one or more issues and in one or more series, which shall be designated New Mexico Mortgage Finance Authority “Single Family Mortgage Program Class __ Bonds, 20__ Series __” (or such other or additional Class/Series/title designation as appropriate), shall be of the Class or Classes, shall be dated, shall mature on the dates and in the principal amounts, shall bear interest (which may be included in or exempt from federal income taxation) at rates and be payable all as determined by any Authorized Officer, within the

parameters set forth in Exhibit A hereto. The Series 2022-23 Bonds shall be issued only in fully registered form.

Section 4. The form, terms and provisions of the Series 2022-23 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be determined by an Authorized Officer, subject to the parameters set forth herein. Any Authorized Officer is hereby authorized to execute, attest and seal by facsimile the Series 2022-23 Bonds and to deliver the Series 2022-23 Bonds to the bond registrar for authentication. The appropriate officials of the Authority, including, without limitation, any Authorized Officer, are hereby authorized to execute and deliver to the bond registrar the written order of the Authority for authentication and delivery of the Series 2022-23 Bonds in accordance with the provisions of the Indenture.

Section 5. The Series 2022-23 Bonds shall be sold to the Underwriters pursuant to one or more Purchase Contracts. Any Authorized Officer is authorized to execute and deliver a Purchase Contract in substantially the form and with substantially the same content as presented at this meeting for and on behalf of the Authority with such alterations, changes or additions as may be authorized by Section 13 hereof. Such Authorized Officer shall specify and agree as to the purchase prices, the principal amounts, the interest rates, the maturities, and underwriting fees (not to exceed 1.0% of the principal amount of each series) with respect to each issuance of Series 2022-23 Bonds for and on behalf of the Authority by the execution of the Purchase Contract, provided such terms are within the parameters set by this Resolution.

Section 6. The Bond Documents for each issuance of Series 2022-23 Bonds in substantially the form and content presented at this meeting are in all respects authorized, approved and confirmed. The Authorized Officers are each hereby individually authorized to finalize, execute, attest, seal and deliver each of the Bond Documents in the form and with substantially the same content as presented to this meeting for and on behalf of the Authority with such alterations, changes or additions as may be authorized by Section 13 hereof.

Section 7. The Bond Documents for each issuance of Series 2022-23 Bonds in substantially the form and content presented at this meeting are in all respects authorized, approved and confirmed. The Authorized Officers are each hereby individually authorized to finalize, execute, attest, seal and deliver each of the Bond Documents in the form and with substantially the same content as presented to this meeting for and on behalf of the Authority with such alterations, changes or additions as may be authorized by Section 14 hereof.

Section 8. Employees of the Authority designated by an Authorized Officer are hereby authorized to give notice of the availability of funds from any issue of Series 2022-23 Bonds (if applicable) and to enter into, execute and deliver Single Family Mortgage Program documents for and on behalf of the Authority.

Section 9. Any Authorized Officer is hereby authorized to approve the distribution of a Preliminary Official Statement (in substantially the form presented to the Authority at

this meeting) and an Official Statement in substantially the form of the Preliminary Official Statement, with modifications determined at the time of the sale of the New Series 2022-23 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of the Series 2022-23 Bonds. The Authority hereby authorizes the use of such Preliminary Official Statement by the Underwriters in connection with the offering and sale of each issue of Series 2022-23 Bonds and the use of any supplement or amendment thereto so that such Preliminary Official Statement does not include any untrue statement of material fact and does not omit to state a material fact necessary to make the statements therein not misleading.

Section 10. Any Authorized Officer is hereby authorized to enter into investment agreements (“Investment Agreements”), in form and substance satisfactory to the Authority. Any and all proceeds of, and investment income attributable to, the Series 2022-23 Bonds may be loaned to or deposited from time to time pursuant to the Investment Agreements for the periods, and at the interest rates, specified therein.

Section 11. The appropriate officers of the Authority, including, without limitation, any Authorized Officer, are authorized to take all action necessary or reasonably required by the Series 2022-23 Bonds, the Indenture, the Mortgage Loan Sub-servicing Agreement, the Master Servicing Agreement, the Preliminary Official Statement, the Continuing Disclosure Agreement, any Investment Agreement and the Purchase Contract to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 12. Upon their issuance, the Series 2022-23 Bonds will constitute special obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2022-23 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2022-23 Bonds or the Purchase Contract shall be construed as creating a general obligation of the Authority or as incurring or creating a charge upon the general credit of the Authority. No provision of this Resolution or of the Purchase Contract, the Indenture or the Series 2022-23 Bonds shall be construed as creating a general or special obligation of the State or any political subdivision thereof.

Section 13. The appropriate officials of the Authority, including, without limitation, the Authorized Officers, are authorized to make any alterations, changes or additions in the Indenture, the Series 2022-23 Bonds, the Purchase Contract, the Preliminary Official Statement, the Official Statement, the Investment Agreements, the Continuing Disclosure Agreement, the Mortgage Loan Sub-servicing Agreement, the Master Servicing Agreement or any other document herein authorized and approved to be delivered in connection with each issuance of the Series 2022-23 Bonds which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to permit the inclusion under the Indenture of any other loans approved by the governing board of the Authority, and maintain the expected rating on the Series 2022-23 Bonds, to conform the same to other provisions of said instruments, to the final terms established for each issuance of Series 2022-23 Bonds (within the parameters established herein), and the final agreement with the Underwriters, to the provisions of this Resolution or any resolution

adopted by the Authority, or the provisions of the laws of the State of New Mexico or the United States.

Section 14. The issuance of the Series 2022-23 Bonds and approval and authorization of the Authority of the documents relating thereto and the provisions thereof are conditioned on the holding of a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, and the approval by the Governor of the State, the designated and elected official as described in said Section 147(f).

Section 15. Any Authorized Officer is authorized to cause any portion of an allocation of current-year volume cap from the State Board of Finance or any prior-year volume cap carried forward by the Authority for the purposes of the Single Family Mortgage Program, to be allocated to the issuance of any Series 2022-23 Bonds issued as bonds the interest on which is exempt from federal income taxation.

Section 16. The Authority hereby declares its intention to reimburse itself from all or a portion of proceeds of the Series 2022-23 Bonds for expenditures relating to purchasing mortgage loans, purchasing securities backed by such mortgage loans and funding down payment assistance and closing costs. During its 2022-23 fiscal year, the Authority reasonably expects and intends to issue the Series 2022-23 Bonds in a maximum principal amount not to exceed \$500,000,000 pursuant to the Indentures, the proceeds of which may be used to reimburse the Authority for funds expended by the Authority prior to the issuance of the Series 2022-23 Bonds for the purposes described herein.

Section 17. The Authority authorizes the use of such portion, if any, of the proceeds made available upon issuance of the Series 2022-23 Bonds as directed by and Authorized Officer to be used to refund, retire, redeem (including pursuant to an optional redemption), defease or pay all or a portion of the Authority's outstanding bonds and other obligations in such amounts as directed by such Authorized Officer. Such Authorized Officer is authorized and directed to take such actions and execute such documents and agreements as required to cause the refunding, retirement, redemption, defeasance or payment of such bonds and obligations, including, but not limited to, executing any necessary amendments or supplemental indentures in order to cause the refunding, retirement, redemption, defeasance or payment thereof.

Section 18. The Executive Director/Chief Executive Officer is hereby authorized and directed to deposit with the Trustee, in connection with the issuance of each series of Series 2022-23 Bonds, up to \$9,800,000 in the aggregate from the general unencumbered funds of the Authority or the Surplus Fund under the Indenture (the "Authorized Amount") to be used to facilitate the issuance of such series of Series 2022-23 Bonds and, to the extent necessary, for credit into the funds and accounts under the Indenture to further secure principal and interest on the bonds, to obtain a rating on the Series 2022-23 Bonds and to maintain the current rating on bonds currently outstanding under the Indenture (such exact amount of the deposit to be determined by the Executive Director/Chief Executive Officer upon consultation with the Underwriters). The Executive Director/Chief Executive Officer is further authorized to allocate and apply all or a portion of the Authorized Amount, all in the manner determined by the Executive Director/Chief

Executive Officer to be in the best interests of the Authority, for the purpose of making funds available to finance a borrower down payment assistance program, to pay borrower closing costs, or to pay other Single Family Mortgage Program costs, as determined by the Executive Director/Chief Executive Officer to be in the best interests of the Authority. In addition to the Authorized Amount, the Executive Director/Chief Executive Officer may allocate mortgage-backed securities held by the Authority (in the Surplus Fund of the Indenture or otherwise) to provide additional collateral for any issuance of the Series 2022-23 Bonds.

Section 19. If any provisions of this Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this Resolution.

Section 20. The appropriate officials of the Authority, including, without limitation, any Authorized Officer, are hereby authorized and directed to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 21. After any of the Series 2022-23 Bonds are delivered by the trustee to the Underwriters and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2022-23 Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture. After any of the Series 2022-23 Bonds are issued, this Resolution shall constitute an irrevocable contract between the Authority and the owner or owners of the Series 2022-23 Bond, and this Resolution, if any Series 2022-23 Bonds are in fact issued, shall remain irrevocable until the Series 2022-23 Bonds shall be fully paid, canceled and discharged.

Section 22. No member or employee of the Authority has any interest, direct or indirect, in the transactions contemplated by the Authority and authorized by this Resolution.

Section 23. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 24. This Resolution shall become effective immediately upon its adoption.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE
AUTHORITY THIS 17TH DAY OF AUGUST, 2022.

Chair

(SEAL)

ATTEST:

Secretary

[Signature page to Authority Bond Resolution]

EXHIBIT A

Single Family Mortgage Program Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	Weighted Average Interest Rate for <u>each issuance of</u>	Authority Funds <u>Contribution:</u>
Not to extend beyond March 1, 2056	Not to exceed \$500,000,000	Not to exceed 7.50%	Not to exceed \$9,800,000

~~2022 Series D~~ Fiscal Year 2022/2023

CERTIFICATE REGARDING THE RESOLUTION
OF THE AUTHORITY

I, the undersigned, Isidoro Hernandez, Secretary of the New Mexico Mortgage Finance Authority (the “Authority”), DO HEREBY CERTIFY that: (i) the annexed Resolution was duly adopted by the members of the New Mexico Mortgage Finance Authority at a meeting thereof duly called and held on ~~May~~August ~~18~~17, 2022, at which meeting a quorum was present and acting throughout; (ii) the annexed Resolution has been compared by me with the original thereof recorded in the minute book of the Authority and is a correct transcript therefrom and of the whole of said original; (iii) the annexed Resolution has not been altered, amended or repealed; and (iv) the annexed Resolution is in full force and effect on the date of this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this ~~18~~17th day of ~~May~~August, 2022.

Isidoro Hernandez, Secretary
New Mexico Mortgage Finance Authority

(SEAL)

Bond Resolution
Single Family Mortgage Program ~~Class I Bonds, 2022 Series D~~
Fiscal Year 2022/2023

A RESOLUTION OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY (THE "AUTHORITY") AUTHORIZING AND PROVIDING FOR: THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS SINGLE FAMILY MORTGAGE PROGRAM ~~CLASS I BONDS, 2022~~ FROM TIME TO TIME IN ONE OR MORE ISSUES AND AS ONE OR MORE ~~SERIES D~~ IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$~~125,000,000; AUTHORIZING~~ 500,000,000 AND WITH SUCH TERMS AND CONDITIONS AS AN AUTHORIZED OFFICER DETERMINES ARE IN THE BEST INTERESTS OF THE AUTHORITY, SUBJECT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION, TO MAKE FUNDS AVAILABE TO FINANCE MORTGAGE LOANS, EITHER DIRECTLY, OR INDIRECTLY BY REFUNDING CERTAIN OUTSTANDING BONDS AND OBLIGATIONS OF THE AUTHORITY; THE EXECUTION AND DELIVERY BY THE AUTHORITY OF ~~A ONE OR MORE SERIES INDENTURE~~ INDENTURES, ~~A BOND PURCHASE~~ CONTRACT ~~CONTRACTS,~~ AN ~~OFFICIAL STATEMENT~~ STATEMENTS, INVESTMENT AGREEMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND ~~AUTHORIZING~~ THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; DECLARING THE AUTHORITY'S OFFICIAL INTENT TO REIMBURSE ITSELF FOR CERTAIN EXPENDITURES; AND RELATED MATTERS.

WHEREAS, ~~the Legislature of the State of New Mexico (the "State"), at its 1975 regular session, adopted Chapter 303, Laws of New Mexico, 1975, known and cited as pursuant to~~ the Mortgage Finance Authority Act, ~~being~~ Sections 58-18-1 through 58-18-27, inclusive, NMSA 1978, and Section 2-12-5, NMSA 1978, as amended (collectively, the "Act"); ~~and~~

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

WHEREAS, ~~the purposes of~~ the Authority ~~are~~ is authorized under the Act to implement a single-family mortgage purchase program, to provide down payment assistance in connection therewith, and to issue its bonds and other obligations to provide funds to (a) alleviate the shortage of decent, safe and sanitary ~~residential~~ housing ~~to persons~~ which is within the financial means of low- ~~or~~ and moderate- ~~income;~~ persons and families within the State of New Mexico (the "State"), (b) refund such bonds and other obligations; and

WHEREAS, the Authority has determined that it will serve and fulfill the purposes for which it was created by the establishment of a program (the “Single Family Mortgage Program”) to finance the purchase of mortgage loans made by eligible mortgage lenders to eligible borrowers for the financing of residential housing; ~~and~~

~~WHEREAS, within the Authority is authorized by the Act to purchase and contract to purchase, mortgage loans, or~~ State and securities backed by such mortgage loans; ~~originated by mortgage lenders to finance residential housing for persons of low or moderate income under rules adopted by the Authority;~~ and

WHEREAS, ~~in furtherance to finance a portion of its~~ the Single Family Mortgage Program ~~and to finance, the purchase of housing by persons of low or moderate income within the State, it~~ Authority has ~~been~~ deemed ~~appropriate and~~ it necessary ~~that the Authority authorize and advisable to proceed with~~ the issuance, sale and delivery of its Single Family Mortgage Program ~~Class I Bonds, 2022 Series D (or such other in an original aggregate principal amount not to exceed \$500,000,000, in one or more issues and as one or additional more series/title designation(s) as,~~ at the times and with such terms and conditions as the Chair, the Vice Chair, the Executive Director/Chief Executive Officer, the Secretary, the Chief Financial Officer and the Assistant Secretary of the Authority (each an “Authorized Officer”) determines are in the best interests of the Authority, subject to the Act, this Resolution and the hereinafter-described General Indenture (herein collectively referred to as the “Series 2022-23 Bonds”)

WHEREAS, the Series 2022-23 Bonds shall be issued on or before October 31, 2023 in one or more issues and as one or more series pursuant to and secured by either the General Indenture of Trust dated as of November 1, 2005 between the Authority ~~may determine and including~~ Zions Bancorporation, National Association, as trustee, or the ~~issuance~~ Indenture of MBS pass-through program bonds) Trust dated as of December 1, 2009 between the Authority and Zions Bancorporation, National Association, as trustee (each, the “Bonds General Indenture”), and prescribe and establish conditions and other appropriate matters with respect to the issuance of the Series 2022-23 Bonds; and

WHEREAS, the Series 2022-23 Bonds shall be special obligations of the Authority payable solely from and secured by a lien on the proceeds, moneys, revenues, rights, interest and collections pledged therefor under ~~a General Indenture of Trust dated as of November 1, 2005, as heretofore supplemented and amended (the “General Indenture”)~~ between the General Indenture; and

WHEREAS, the proceeds made available upon issuance of the Series 2022-23 Bonds will enable the Authority, as directed by the Executive Director/Chief Executive Officer, to (i) redeem or refund all or a portion of the Authority’s outstanding bonds and ~~Zions Bancorporation, National Association, as trustee~~ other obligations, thereby reducing related interest costs to the Authority and/or providing funds for the purchase or financing of mortgage loans made by eligible mortgage lenders to eligible borrowers for the financing of residential housing within the State and securities backed by such mortgage loans, (ii) finance the “Trustee” purchase of mortgage loans made by eligible mortgage lenders to eligible borrowers for the financing of residential housing within the State and securities

backed by such mortgage loans, and/or (iii) fund down payment assistance and closing costs in connection with certain mortgage loans financed under the Single Family Mortgage Program and (iv) fund reserves or pay costs of issuance of the Series 2022-23 Bonds; and

WHEREAS, there has been presented to the Authority at this meeting ~~a~~ proposed ~~form~~forms of (a) a Bond Purchase Contract relating to the Series 2022-23 Bonds (the “Purchase Contract”) to be entered into among the Authority, and any of RBC Capital Markets LLC, Raymond James & Associates, Inc. (including any of their successors) or any other purchasers to be named therein (collectively, the “Underwriters”), ~~(b) a form of 2022-Series-D~~ Indenture (the “~~2022-Series-D~~ Indenture” and collectively with the General Indenture under which the Series 2022-23 Bonds are to be issued, the “Indenture”) to be entered into between the Authority and the ~~Trustee, and a form of~~ applicable trustee, ~~(c) a Preliminary Official Statement to be used by the Underwriters in marketing the Bonds~~ Series 2022-23 Bonds (the “Preliminary Official Statement”) and (d) a form of a Continuing Disclosure Agreement with respect to the Series 2022-23 Bonds (the “Continuing Disclosure Agreement” and together with the Purchase Contract, the Series Indenture and the Preliminary Official Statement (the “Bond Documents”); and

WHEREAS, in order to provide continuous financing for borrowers under the Single Family Mortgage Program, the Authority may purchase mortgage loans and securities backed by such mortgage loans from its general fund or a warehouse financing, and at such times as proceeds of Series 2022-23 Bonds become available, intends to direct the trustee to use Series 2022-23 Bond proceeds to reimburse such purchases, and the federal tax laws, particularly Internal Revenue Code Regulation Section 1.150-2, require that any governmental issuer, which intends to use bond proceeds to reimburse itself for expenditures paid from non-bond sources, declare its intention to so reimburse itself prior to making any such expenditure; and

WHEREAS, it appears that each of the instruments above referred to, which are now before each of the members of the Authority, is in appropriate form and is an appropriate instrument for the purposes intended.

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

Section 1. The Authority ~~has determined and~~ hereby determines that the supply of funds available in the private banking system in the State for residential mortgages is inadequate to meet the demand of persons and families of low or moderate income for residential mortgage financing, and that financing the making of loans by the Authority will alleviate such inadequate supply of residential mortgage money in the State’s banking system.

Section 2. All other action heretofore taken (not inconsistent with the provisions of this ~~resolution~~Resolution) by the Authority and ~~by the~~its officers ~~of the Authority~~ directed toward the issuance of the Series 2022-23 Bonds are hereby ratified, approved and confirmed.

~~Section 3.—The 2022 Series D Indenture in substantially the form presented to this meeting is in all respects authorized, approved and confirmed. The Chair, Vice Chair, Chief Executive Officer, Secretary, Chief Financial Officer and the Assistant Secretary of the Authority are hereby authorized to execute, attest, seal and deliver the 2022 Series D Indenture in the form and with substantially the same content as presented to this meeting for and on behalf of the Authority with such alterations, changes or additions as may be authorized by Section 16 hereof.~~

~~Section 4.—The mortgage loans shall be pooled and serviced pursuant to the Mortgage Loan Sub-servicing Agreements or Master Servicing Agreements each previously entered into or to be entered into by the Authority. The Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer or Secretary are hereby authorized to execute and deliver the Mortgage Loan Sub-servicing Agreements or Master Servicing Agreements (to the extent not previously executed and delivered) and any necessary supplement thereto to reflect the terms of the mortgage loans attributable to the Bonds, and the inclusion of any other loans approved by the governing board of the Authority thereunder.~~

~~Section 5.—Employees of the Authority designated by the Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer or Secretary are hereby authorized to give notice of the availability of funds from this issue (if applicable) and to enter into, execute and deliver program documents for and on behalf of the Authority.~~

Section 3. ~~Section 6.~~ For the purpose of providing funds to finance the purchase of housing by persons and families of low or moderate income within the State, either directly, or indirectly by refunding certain outstanding bonds of the Authority, the purchase of mortgage loans and securities backed by such mortgage loans, the funding of down payment assistance and closing costs, and the funding of any reserves and costs of issuance, all as authorized under the Indenture, the Authority ~~is authorized to issue the Bonds~~ hereby authorizes the issuance of its Series 2022-23 Bonds in the aggregate principal amount of not to exceed \$500,000,000 during the period commencing on the date hereof and ending on October 31, 2023. No Series 2022-23 Bonds may be issued pursuant to this Resolution after October 31, 2023, absent any amendment hereto. The Series 2022-23 Bonds shall be issued from time to time as one or more issues and in one or more series, which shall be designated New Mexico Mortgage Finance Authority “Single Family Mortgage Program Class I Bonds, 202220 Series D” (or such other or additional Class/Series/title designation as ~~the Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer or Secretary shall determine~~). ~~The Bonds shall be issued only in fully registered form.~~

~~Section 7.—The Authority hereby declares its intention to reimburse itself from all or a portion of proceeds of the Bonds for expenditures for costs of making the mortgage loans. The Authority intends that the Bonds are to be issued and the reimbursements made, by the later of 18 months after the payment of the costs or after the project financed by each respective mortgage loan is placed in service, but in any event, no later than three years after the date the mortgage loan was made.~~

~~Section 8.—The Authority hereby authorizes the issuance of the Bonds in the aggregate principal amount of not to exceed \$125,000,000. The Bonds~~ appropriate), shall

be of the Class or Classes, shall be dated, shall mature on the dates and in the principal amounts ~~and,~~ shall bear interest (which may be included in or exempt from federal income taxation) at rates and be payable all as ~~provided in the Indenture~~ determined by any Authorized Officer, within the parameters set forth in Exhibit A hereto. The Series 2022-23 Bonds shall be issued only in fully registered form.

Section 4. ~~Section 9.~~ The form, terms and provisions of the Series 2022-23 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be ~~as set forth in the Indenture.~~ ~~The Chair, Vice Chair, Secretary and Assistant Secretary of the Authority are~~ determined by an Authorized Officer, subject to the parameters set forth herein. Any Authorized Officer is hereby authorized to execute, attest and seal by facsimile the Series 2022-23 Bonds and to deliver the Series 2022-23 Bonds to the bond registrar for authentication. ~~All terms and provisions of the Indenture are hereby incorporated in this resolution.~~ ~~Section 10.~~ The appropriate officials of the Authority, including, without limitation, any Authorized Officer, are hereby authorized to execute and deliver to the bond registrar the written order of the Authority for authentication and delivery of the Series 2022-23 Bonds in accordance with the provisions of the Indenture.

Section 5. ~~Section 11.~~ The Series 2022-23 Bonds shall be sold to the Underwriters ~~at a purchase price of not less than 100% of the principal amount thereof plus accrued interest in accordance with the provisions of the Purchase Contract.~~ Pursuant pursuant to ~~the one or more~~ Purchase Contract the Authority may agree to pay an underwriting fee to the Underwriters in an amount ~~not to exceed 1.0% of the principal amount of the Bonds.~~ ~~The Chair, the Vice Chair, the Chief Executive Officer, the Chief Financial Officer or the Secretary, of the Authority are hereby~~ Contracts. Any Authorized Officer is authorized to execute and deliver ~~the~~ a Purchase Contract in substantially the form and with substantially the same content as presented at this meeting for and on behalf of the Authority with such alterations, changes or additions as may be authorized by ~~Section 16~~ 13 hereof. ~~The Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer and Secretary are hereby authorized to~~ Such Authorized Officer shall specify and agree as to the purchase prices, the principal amounts, the interest rates, the maturities, purchase price and underwriting ~~fee fees (not to exceed 1.0% of the principal amount of each series)~~ with respect to ~~the each~~ issuance of Series 2022-23 Bonds for and on behalf of the Authority by the execution of the Purchase Contract ~~and the Indenture,~~ provided such terms are within the parameters set by this ~~resolution~~ Resolution.

Section 6. The Bond Documents for each issuance of Series 2022-23 Bonds in substantially the form and content presented at this meeting are in all respects authorized, approved and confirmed. The Authorized Officers are each hereby individually authorized to finalize, execute, attest, seal and deliver each of the Bond Documents in the form and with substantially the same content as presented to this meeting for and on behalf of the Authority with such alterations, changes or additions as may be authorized by Section 13 hereof.

Section 7. The Bond Documents for each issuance of Series 2022-23 Bonds in substantially the form and content presented at this meeting are in all respects authorized,

approved and confirmed. The Authorized Officers are each hereby individually authorized to finalize, execute, attest, seal and deliver each of the Bond Documents in the form and with substantially the same content as presented to this meeting for and on behalf of the Authority with such alterations, changes or additions as may be authorized by Section 14 hereof.

Section 8. Employees of the Authority designated by an Authorized Officer are hereby authorized to give notice of the availability of funds from any issue of Series 2022-23 Bonds (if applicable) and to enter into, execute and deliver Single Family Mortgage Program documents for and on behalf of the Authority.

~~Section 9. Section 12. The Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer and Secretary are~~Any Authorized Officer is hereby authorized to approve the distribution of a Preliminary Official Statement (in substantially the form presented to the Authority at this meeting) and an Official Statement in substantially the form of the Preliminary Official Statement, with modifications determined at the time of the sale of the New Series 2022-23 Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of the Series 2022-23 Bonds.~~Section 13. The Trustee and the Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer or Secretary are~~Authority hereby authorizes the use of such Preliminary Official Statement by the Underwriters in connection with the offering and sale of each issue of Series 2022-23 Bonds and the use of any supplement or amendment thereto so that such Preliminary Official Statement does not include any untrue statement of material fact and does not omit to state a material fact necessary to make the statements therein not misleading.

Section 10. Any Authorized Officer is hereby authorized to enter into investment agreements ("Investment Agreements"), in form and substance satisfactory to the Authority. Any and all proceeds of, and investment income attributable to, the Series 2022-23 Bonds may be loaned to or deposited from time to time pursuant to the Investment Agreements for the periods, and at the interest rates, specified therein.

Section 11. Section 14. The appropriate officers of the Authority, including, without limitation ~~the Chair, Vice Chair, the Secretary, the Assistant Secretary, the Chief Executive, any Authorized Officer and Chief Financial Officer,~~ are authorized to take all action necessary or reasonably required by the Series 2022-23 Bonds, the Indenture, the Mortgage Loan Sub-servicing Agreement, the Master Servicing Agreement, the Preliminary Official Statement, the Continuing Disclosure Agreement, any Investment Agreement and the Purchase Contract to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 12. Section 15. Upon their issuance, the Series 2022-23 Bonds will constitute special obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2022-23 Bonds and the Indenture. No provision of this ~~resolution~~Resolution, the Indenture, the Series 2022-23 Bonds or the Purchase Contract shall be construed as creating a general obligation of the Authority or as incurring or creating a charge upon the general credit of the Authority. No provision of this

~~resolution~~Resolution or of the Purchase Contract, the Indenture or the Series 2022-23 Bonds shall be construed as creating a general or special obligation of the State ~~of New Mexico~~ or any political subdivision thereof.

Section 13. ~~Section 16.~~The appropriate officials of the Authority, including, without limitation ~~the Chair, the Vice Chair, the Secretary, the Assistant Secretary, the Chief Executive Officer and the Chief Financial Officer~~Authorized Officers, are authorized to make any alterations, changes or additions in the Indenture, the Series 2022-23 Bonds, the Purchase Contract, the Preliminary Official Statement, the Official Statement, the Investment Agreements, the Continuing Disclosure Agreement, the Mortgage Loan Subservicing Agreement, the Master Servicing Agreement or any other document herein authorized and approved to be delivered in connection with each issuance of the Series 2022-23 Bonds which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to permit the inclusion under the Indenture of any other loans approved by the governing board of the Authority, and maintain the expected rating on the Series 2022-23 Bonds, to conform the same to other provisions of said instruments, to the final terms established for ~~the~~each issuance of Series 2022-23 Bonds (within the parameters established herein), and the final agreement with the Underwriters, to the provisions of this ~~resolution~~Resolution or any resolution adopted by the Authority, or the provisions of the laws of the State of New Mexico or the United States.

Section 14. The ~~operating budget of the Authority is hereby amended to provide funds to pay costs relating to the issuance of the Bonds, any negative carry costs, or other related expenses in amounts not to exceed amounts specified in Exhibit A. Such amounts may also be taken from the Surplus Fund under the Indenture. The Authority may also allocate mortgage backed securities and/or cash held by the Authority (in the Surplus Fund or otherwise) to provide additional collateral for the Bonds.~~issuance of the Series 2022-23 Bonds and approval and authorization of the Authority of the documents relating thereto and the provisions thereof are conditioned on the holding of a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, and the approval by the Governor of the State, the designated and elected official as described in said Section 147(f).

Section 15. Any Authorized Officer is authorized to cause any portion of an allocation of current-year volume cap from the State Board of Finance or any prior-year volume cap carried forward by the Authority for the purposes of the Single Family Mortgage Program, to be allocated to the issuance of any Series 2022-23 Bonds issued as bonds the interest on which is exempt from federal income taxation.

Section 16. The Authority hereby declares its intention to reimburse itself from all or a portion of proceeds of the Series 2022-23 Bonds for expenditures relating to purchasing mortgage loans, purchasing securities backed by such mortgage loans and funding down payment assistance and closing costs. During its 2022-23 fiscal year, the Authority reasonably expects and intends to issue the Series 2022-23 Bonds in a maximum principal amount not to exceed \$500,000,000 pursuant to the Indentures, the proceeds of which may be used to reimburse the Authority for funds expended by the Authority prior to the issuance of the Series 2022-23 Bonds for the purposes described herein.

Section 17. ~~The Authority authorizes the use of such portion, if any, of the proceeds made available upon issuance of the Series 2022-23 Bonds as directed by and Authorized Officer to be used to refund, retire, redeem (including pursuant to an optional redemption), defease or pay all or a portion of the Authority's outstanding bonds and other obligations in such amounts as directed by such Authorized Officer. Such Authorized Officer is authorized and directed to take such actions and execute such documents and agreements as required to cause the refunding, retirement, redemption, defeasance or payment of such bonds and obligations, including, but not limited to, executing any necessary amendments or supplemental indentures in order to cause the refunding, retirement, redemption, defeasance or payment thereof.~~

Section 18. ~~The Executive Director/Chief Executive Officer is hereby authorized and directed to deposit with the Trustee, in connection with the issuance of each series of Series 2022-23 Bonds, up to \$9,800,000 in the aggregate from the general unencumbered funds of the Authority or the Surplus Fund under the Indenture (the "Authorized Amount") to be used to facilitate the issuance of such series of Series 2022-23 Bonds and, to the extent necessary, for credit into the funds and accounts under the Indenture to further secure principal and interest on the bonds, to obtain a rating on the Series 2022-23 Bonds and to maintain the current rating on bonds currently outstanding under the Indenture (such exact amount of the deposit to be determined by the Executive Director/Chief Executive Officer upon consultation with the Underwriters). The Executive Director/Chief Executive Officer is further authorized to allocate and apply all or a portion of the Authorized Amount, all in the manner determined by the Executive Director/Chief Executive Officer to be in the best interests of the Authority, for the purpose of making funds available to finance a borrower down payment assistance program, to pay borrower closing costs, or to pay other Single Family Mortgage Program costs, as determined by the Executive Director/Chief Executive Officer to be in the best interests of the Authority. In addition to the Authorized Amount, the Executive Director/Chief Executive Officer may allocate mortgage-backed securities held by the Authority (in the Surplus Fund of the Indenture or otherwise) to provide additional collateral for any issuance of the Series 2022-23 Bonds.~~

Section 19. ~~Section 18.~~ If any provisions of this ~~resolution~~ Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this ~~resolution~~ Resolution.

Section 20. ~~Section 19.~~ The appropriate officials of the Authority, including, without limitation ~~the Chair, the Vice Chair, the Secretary, the Assistant Secretary, the Chief Executive, any Authorized~~ Officer ~~and the Chief Financial Officer,~~ are hereby authorized and directed to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this ~~resolution~~ Resolution and the documents authorized and approved herein.

Section 21. ~~Section 20.~~ After any of the Series 2022-23 Bonds are delivered by the ~~Trustee~~ trustee to the Underwriters and upon receipt of payment therefor, this ~~resolution~~ Resolution shall be and remain irrevocable until the principal of, premium, if

any, and interest on the [Series 2022-23](#) Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture. [After any of the Series 2022-23 Bonds are issued, this Resolution shall constitute an irrevocable contract between the Authority and the owner or owners of the Series 2022-23 Bond, and this Resolution, if any Series 2022-23 Bonds are in fact issued, shall remain irrevocable until the Series 2022-23 Bonds shall be fully paid, canceled and discharged.](#)

[Section 22.](#) ~~Section 21.~~ No member or employee of the Authority has any interest, direct or indirect, in the transactions contemplated by the Authority and authorized by this ~~resolution~~[Resolution](#).

[Section 23.](#) ~~Section 22.~~ All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

[Section 24.](#) ~~Section 23.~~ This ~~resolution~~[Resolution](#) shall become effective immediately upon its adoption.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE
AUTHORITY THIS ~~18~~17TH DAY OF ~~MAY~~AUGUST, 2022.

Chair

(SEAL)

ATTEST:

Secretary

[Signature page to Authority Bond Resolution]

~~4876-4655-3373.2~~
4857-3934-0843.4

EXHIBIT ASingle Family Mortgage Program ~~Class I Bonds, 2022 Series D~~

<u>Maturity Date</u>	<u>Principal Amount</u>	Weighted Average Interest Rate <u>for</u> <u>each issuance of</u>	Authority Funds <u>Contribution:</u>
Not to extend beyond September <u>March</u> 1, 2054 <u>2056</u>	Not to exceed \$125,000,000 <u>500,000,000</u>	Not to exceed 6.00 <u>7.50</u> %	Not to exceed \$2,800,000 <u>9,800,000</u>

Document comparison by Workshare Compare on Friday, July 29, 2022 12:40:18 PM

Input:	
Document 1 ID	netdocuments://4876-4655-3373/2
Description	NMMFA 2022 Series D - BOND RESOLUTION
Document 2 ID	netdocuments://4857-3934-0843/4
Description	NMMFA Fiscal Year 2022-2023 -ANNUAL BOND RESOLUTION
Rendering set	Kutak Option 1

Legend:	
<u>Insertion</u>	
Deletion	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	196
Deletions	157
Moved from	13
Moved to	13
Style changes	0
Format changes	0
Total changes	379

Tab 7



MEMO

TO: MFA Board of Directors

Through: Finance Committee – August 9, 2022

Through: Policy Committee – August 2, 2022

FROM: Cooper Hall, Finance Manager

DATE: August 17, 2022

SUBJECT: Request for Proposals to Provide To Be Announced Single Family Program Administrative Services

Recommendation: Staff recommends the approval of the Request for Proposal (RFP) to Provide To Be Announced (“TBA”) Single Family Program Administrative Services. Responses will be due to MFA by September 15th, 2022 and recommendations for award will be presented at the November Board meeting.

Background:

August 2017- MFA issued a Request for Proposal to Provide To Be Announced (“TBA”) Single Family Program Administrative Services. MFA received three responses, all of which met the minimum qualifications.

November 2017- MFA’s board awarded the TBA Services contract to Hilltop for a term of three years with the option to extend the contract for two, one-year periods under the same terms and conditions.

September 2021- MFA executed the second and final extension for the TBA Administrator contract.

Discussion: Staff is recommending issuance of an RFP for TBA Single Family Program Administrative Services. Responses to the RFP will be due to MFA by September 15th, 2022. An award recommendation will be presented to the Board at the November 2022 Board meeting. The term of the contract will begin the date the Board approves the award and will terminate on November 30th, 2025. At the option of MFA, the contract may be extended for two, one-year periods under the same terms and conditions.

Following is a summary of the major changes from the RFP issued in 2017.

Page #	Section	Proposed Change
	Entire Document	Used new request for proposals template developed by General Counsel.
8	Part IV: Evaluation Criteria	References have been added to the evaluation

		criteria. 5 points have been taken from the responsiveness to MFA criteria and assigned to references.
8	Part IV: Evaluation Criteria	Interviews have been added as an option scoring criteria. 5 additional points are available if interviews are held.

Summary:

Staff recommends issuing an RFP for To Be Announced (“TBA”) Single Family Program Administrative Services. Responses to the RFP will be due September 15, 2022, and recommendations for award will be presented at the November Board meeting. The term of the contract begins the date the Board approves the award and ends November 30, 2025, with two subsequent one-year extensions at the option of the Policy Committee. Staff recommends approval of the Request for Proposals to Provide Underwriting Services for Single Family Housing Programs.

**New Mexico Mortgage Finance Authority
Request for Proposals
To Provide To Be Announced Single Family Program Administrative Services**

Part I: Background & General Information

Introduction

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

Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals, in accordance with the New Mexico Mortgage Finance Authority Procurement Policy, from qualified firms by reason of their skill, knowledge, and experience are able to furnish To Be Announced (“TBA”) single -family program administrative services to MFA (“Offerors”). Services include pipeline management, hedging and delivery of Government and Conventional Mortgage-Backed Securities (“MBS”). The TBA program is intended to be used as a compliment to MFA’s Mortgage Revenue Bond single-family program (“MRB single-family program”). MFA uses a TBA program to finance its FIRST HOME and NEXT HOME programs (see Part II: Program Structure and Program Policy). However, MFA may continue/ resume issuing Mortgage Revenue Bonds and or/ initiate a tax-exempt mortgage-backed securities program (“TEMS”) at any time, and will then use TBA as a complement to MFA’s MRB Single Family Program.

Questions and Answers

Questions pertaining to this RFP and application must be submitted via the MFA website at <https://housingnm.org/rfps/rfps-rfqs>. Then under “RFP’s, RFQs & NOFAs” select “To Be Announced Administrative Services RFP.” On the To Be Announced Administrative Services RFP page, select the “To Be Announce Administrative Services FAQs” link. Questions will be checked on a daily basis. The FAQ will open the day after the RFP issues (August 18th, 2022) and will close on September 15th, 2022. To submit your questions, scroll down to the “Ask a question” section, enter your name, email address, and type your question in the “Question” box, type in the two (2) words in the CAPTCHA box and click on “Send my question”. MFA will make every attempt to answer questions within two (2) business days.

Proposal Submission

Proposal submissions must be received no later than September 15th, 2022, at 4:00 p.m., Mountain Time. Proposals which are not received by this time will not be accepted.

Utilize one of the following methods for proposal submission:

Via E-mail: Send to chall@housingnm.org with a subject line of “Proposal to Furnish To Be Announced Administrative Services.” This is the preferred method and hard copies are not required.

Proposal Tenure

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

RFP Revisions and Supplements

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

Incurred Expenses

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

Cancellation of Requests for Proposals or Rejection of Proposals

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

Offeror's Rights to Withdraw Proposal

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

Evaluation of Proposals, Selection and Negotiation

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

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

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

Interview

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

Award Notice

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

Proposal Confidentiality

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

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

Irregularities in Proposals

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

Responsibility of Offerors

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

Protest

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

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

Or:

chall@housingnm.org

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

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

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

Confidential Data

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

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

Part II: Program Structure and Program Policy

MFA's single family mortgage program ("Program") consists of a program designed for first-time homebuyers ("FIRST HOME") that requires qualifications consistent with Mortgage Revenue Bond ("MRB") financing, as well as a program for non-first-time homebuyers ("NEXT HOME"). The FIRST HOME program can be used in conjunction with MFA's down payment assistance second mortgage loan program. The NEXT HOME program is a combination of a first mortgage loan and down payment assistance grant. Both MFA single family programs have income qualification guidelines based on household income and acquisition cost limits, depending on location within the state of New Mexico.

MFA offers its programs through a network of MFA approved Participating Lenders (“Lenders”). Lenders reserve program funds on behalf of a borrower via MFA’s online reservation system. In addition, MFA reviews each loan file prior to closing to determine if the borrower qualifies for the Program (“Compliance Review”). The Lender is responsible for underwriting/closing and funding MFA’s first mortgage loan. Lenders are responsible for directly funding down payment assistance at closing and MFA reimburses lenders for the down payment assistance loan at time of loan purchase.

MFA accepts loan reservations for the Program from 9:00 a.m. until 5:00 p.m. MDT, Monday through Friday. MFA does not accept loan reservations on nights, weekends or on days where MFA offices are closed for business.

MFA’s mortgage interest rates are offered via MFA’s website and are reviewed by MFA on a daily basis. Lenders have 60 days from the date of reservation until the loan must be closed by the lender and purchased by the Subservicer on behalf of MFA. Lenders have the option of extending the loan reservation, either 15 days or 30 days, for a fee. Mortgage loans not purchased by the Subservicer within 75 days (15-day extension) or 90 days (30-day extension) of the extended loan reservation/lock are subject to mark-to-market pricing, which will be determined by MFA at the time of loan purchase. Loan reservations can be cancelled by the Lender without penalty. Although, a new loan reservation for the same borrower cannot be made until 60 days have passed since the loan cancellation.

MFA may opt to daily price mortgage interest rates based on a best-efforts hedge provided by a third party, or it may choose to conduct “bulk” pipeline sales consisting of loans not previously hedged through a third party.

For a bulk sale transaction, MFA reviews the loans in its pipeline on a daily basis and then decides to sell or not sell loans to the Administrator that day. If loans are to be sold, an excel spreadsheet is sent to the Administrator for pricing. MFA expects the Administrator to honor, at a minimum, its daily rate sheet pricing. However, MFA expects to share in any positive market movements between the time the rate sheet is published, and the bulk pipeline is priced. The Administrator then sends the pipeline pricing to MFA for approval. The following day, the Administrator sends a spreadsheet confirming the sale of loans from the TBA pipeline and MFA again confirms the loans and the TBA pricing.

MFA may also elect to pair-off loans in connection with the issuance of MRBs and/or TEMS.

Part III: Minimum Qualifications and Requirements

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

1. All Offerors must have a background in administering TBA/forward commitment programs or structures for Housing Finance Agencies.
2. All Offerors must demonstrate their ability to hedge, price and structure a TBA/forward commitment, best efforts mortgage loan pipeline.
3. All Offerors must demonstrate financial stability sufficient to fulfill TBA/forward commitment contracts, including pipeline fallout and any financial risks and costs associated in administering this type of program.
4. All Offerors must maintain Professional Liability insurance and Errors and Omissions Insurance of at least \$2,000,000.
5. All Offerors must not have any minimum volume or production thresholds requirements related to administering a TBA/forward commitment program for MFA.

6. All Offerors must comply fully with all government regulations regarding nondiscriminatory employment practices.
7. All Offerors must comply with the Tier 1 Capital ratio, if applicable.

Selected Offerors must also meet the following requirements:

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

Part IV: Services to be Performed

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

1. The TBA Single Family Program Administrator (the "Administrator") will assist MFA in establishing the necessary procedures and guidelines to facilitate the efficient operation of the program.
2. The Administrator will assist in informational meetings and training sessions for Lenders.
3. The Administrator will be responsible for hedging MFA's mortgage loan pipeline of Government and Conventional loans. The Government pipeline will include FHA, VA, and USDA/GRH loans and the Conventional pipeline will be eligible for sale to Fannie Mae through their HFA Preferred and/or HFA Preferred Risk programs and Freddie Mac.

4. The Administrator will be responsible for providing MFA daily pricing/interest rate sheets, which will include all TBA administrator fees (if applicable), TBA pass-through pricing, servicing fee income, MBS coupon, guarantee fee, MBS purchase price, late fees, extension fees as well as adjustments for MFA lender compensation, down payment assistance MFA cash profit, MFA MSR valuations and total MFA profit.
5. The Administrator will provide MFA with pricing for “bulk” loan sales, based on the daily pricing/interest rate sheet, at MFA’s direction. The Administrator will commit to executing the bulk sale at MFA’s direction, on a best efforts basis, in the same manner as a daily interest rate hedging commitment.
6. The Administrator will develop, in coordination with MFA, a transparent process for validating that the daily pricing model is consistent with contract terms, and will provide proof and validate that the daily pricing of the interest rates that MFA offers for reservation do not include compensation or fees beyond those specified in the RFP response.
7. The Administrator will provide specific MBS pooling instructions to the Subservicer on behalf of MFA, coordinate the pooling and settlement of the MBS on a date mutually agreed upon with the Subservicer and MFA.
8. The Administrator will provide MFA with specific MBS settlement reports, as required by MFA.
9. The Administrator will be responsible for updating program reservations and cancellations from MFA’s online reservation system as frequently as needed to perform the duties and activities required under the contract.
10. The Administrator will be responsible for confirming to MFA all committed loan reservations, bulk sales and loan cancellation information within 24 hours of reservation, sale or cancellation.
11. The Administrator will be responsible for providing MFA with various accounting and pipeline reconciliation reports, as well as other reports deemed necessary for MFA to effectively manage the program. The specific reporting requirements will be determined during the implementation process and will include, at a minimum, weekly reports detailing the current status of the pipeline, lock volume by lender, the amount of mortgage loans expected for delivery as MBS, expected MBS settlements, settlement history and pipeline/borrower demographics.
12. The Administrator will compensate MFA for early delivery of loans into purchased MBS pools and provide an accounting of such early delivery loans.
13. The Administrator will provide MFA detailed quarterly status reports regarding program performance and production history. Specific report format and timeframes will be determined during the implementation process.

14. The Administrator will assist in presentations to rating agencies, MFA's Board of Directors, Legislative Oversight Committee and other public presentations as requested by MFA.

Part V: Evaluation Criteria

MFA shall award the contract for TBA Single Family Program Administrative services to the Offeror whose proposal is most advantageous to MFA. Proposals that meet the Minimum Qualifications and Requirements shall be evaluated primarily on experience and fees. Proposals shall be scored on a scale of 1 to 100 (if interviews are held the point scale will increase to 105) based on the criteria listed below. Please note that a serious deficiency in any one criterion may be grounds for rejection regardless of overall score.

Criteria	Point Range	Maximum Points
1. General Information, Experience and Capability:	0-25	25
2. Financial Strength of TBA Administrator	0-25	25
2. Responsiveness to MFA, Work Plan, Approach and Technical Capabilities:	0-30	30
3. Fees:	0-10	10
4. References	0-5	5
5. New Mexico Resident Business: Offeror is licensed to do business in New Mexico and the majority of Offeror's employees who would perform the services to be performed in New Mexico reside in New Mexico	0-5	5
6. Interviews, if held	0-5	5
Maximum Points	0-100 (0-105 if interviews are held)	100 (105 if interviews are held)

Part VI: Proposal Format and Instructions to Offeror

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

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

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

2. Disclosure and Certifications – Offeror shall provide:

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

3. General Information, Experience and Capability

- A. Identify the parent company if you are a subsidiary. Specify the branch office or other subordinate entity that will perform or assist in performing the work to be performed.
- B. Describe in detail how your firm is structured to successfully comply with Part IV: Services to be Performed. What services listed in Part IV: Services to be Performed, if any, will be subcontracted? If any required services are to be subcontracted, describe in detail the Offeror's oversight of the subcontractor and provide detailed information on the ability of that entity to perform the services that will be subcontracted.
- C. If applicable, is the Offeror in compliance with Tier 1 capital requirements?
- D. Provide evidence of qualifications and experience in administering TBA/forward commitment Government and Conventional MBS programs through a correspondent channel or single-family mortgage loan programs operated by housing finance agencies.
- E. Explain your processes for handling long-term rate locks that would extend up to 120 days that could be utilized for new construction loans.
- F. Provide a list of all housing finance agencies including local housing authorities that have executed a contract with your firm to act as their Administrator.
- G. Contact Person and Staffing: Names and brief resumes of all key personnel who will be assigned to MFA's program including their office location, experience operating a TBA/forward commitment program and the primary responsibilities assigned to each person. Indicate the number of and identify the positions of personnel that will be available to answer questions during the term of the contract. Provide the name, address and telephone number for the contact person in your firm authorized to negotiate agreement terms and render binding decisions on contract matters.
- H. A detailed description of Offeror's technical capabilities to provide responsive and professional services to MFA if the contract were awarded to Offeror (e.g., ability to prepare and respond to documents in a timely manner, expertise of administrative support staff, etc.).

4. Financial Strength

- A. Submit the audited financial statements for the most recent fiscal year of the firm which is proposing to act as Administrator, and if the proposing company is a subsidiary, the most recent audited financial statements of its parent company as well. Also include the most recent Statement on Standards for Attestation Engagements, ("SSAE") No. 16: Reporting on Controls at a Service Organization, specifically Service Organization Report #2 (SOC 2), Type 2 preferred. Information may be submitted as an appendix.
- B. Describe the assets, liabilities and net asset position of the firm and the nature of any capital arrangements available to the firm. Because MFA is relying on the Administrator to acquire all respective mortgage loans reserved pursuant to the Administrator's Rate Sheet and delivered by Lenders and pooled into MBS securities for timely delivery by the Subservicer, describe the source of financial assurance to the Authority that the proposer can honor its obligations to MFA.
- C. Specify the amount of the firm's capital, the amount of hedge obligation for its loan pipeline for similar programs, the amount of capital pledged to counterparties for those hedges and the total amount of loans reserved or otherwise obligated within its loan pipeline, all as of **June 30, 2022**. Describe the amount of

capital available at any one time to hedge the firm's entire loan pipeline for all its clients. Assuming market prices move down three points on the hedges for the firm's entire loan pipeline at one time, what is the maximum size of the pipeline your firm can hedge with the available capital as described above? What is the largest pipeline your firm has managed to date?

- D. Describe your firm's willingness to put its capital at risk in difficult market conditions for TBA transactions. Please provide specific examples since January 2010.

5. Responsiveness to MFA, Work Plan, Approach and Technical Capabilities

- A. General Responsibilities: Outline the responsibilities of each entity under this proposed transaction: MFA, Subservicer and the Administrator.
- B. Services to be Performed: List all services which will be performed by the Administrator.
- C. Implementation:
- 1) List all loan products which are eligible for inclusion in the TBA program.
 - 2) Identify the typical time frame from contract execution to MFA offering the TBA mortgage rates to their Participating Lenders.
 - 3) To the extent that MFA agreed to sell a portion of its loan pipeline to the Administrator, describe whether your TBA program would allow for MFA to subsequently decide to both buy and hold such MBS pools at settlement, or deliver such MBS pools to a bond issue, TEMS, or an investor. Describe how your program would allow for MFA to "pair off" such sale.
- D. Daily Operations:
- 1) Outline the daily timeframes mortgage rates that will be available to MFA and the threshold for intraday re-pricing?
 - 2) Indicate what time a daily rate sheet will be available to MFA. Due to market conditions, the Administrator may issue an additional rate sheet(s) due to intraday re-pricing. Will the subsequent intraday rate sheet totally replace the prior rate sheet? What length of time does MFA have from the Administrator's e-mail delivery of the rate sheet to accept the rate sheet?
 - 3) Identify the loan data fields, which will be required to be transmitted at the time of loan reservation.
- E. Pooling: Give examples of how the Administrator will work with the Subservicer and MFA during the pooling process.
- 1) What will be MFA's involvement in the pooling process?
 - 2) Outline the steps from the creation of the MBS to the delivery of the MBS to the Administrator.
- F. Describe strategies that the Administrator will use to maximize the value of MFA's TBA pipeline.

- G. Describe the safeguards the organization has in place to prevent unauthorized disclosure, misuse, alteration, destruction or other compromise of information. Include a description of the following processes:
- 1) Data security management and related employee training;
 - 2) Information systems, including network and software design, as well as information processing storage, transmission and disposal; and
 - 3) Detecting, preventing and responding to attacks, intrusions, or other system failures.
- H. Reports: Provide examples of accounting and reconciliation reports, which will be provided to MFA on a monthly basis, as they relate to the purchase of loans and securities. Provide examples of daily loan reservation reports that confirm the guaranteed best effort purchase price. Provide examples of production and pipeline reports such as:
- 1) Pipeline status by program-loan statistics including loans reserved, canceled, average days to cancelation for each lender and product type;
 - 2) Borrower and collateral statistics reports by average FICO score, age, household income, ethnicity, household size, gender, marital status, CLTV by program;
 - 3) Rate-lock expiration report;
 - 4) Production by lender and loan officer including fallout rates;
 - 5) Daily rate lock, cancelation and program change reports;
 - 6) Production by county including fallout for each program;
 - 7) Fallout rates by month for interest rate moves by FICO range and property type for each program;
 - 8) Forward settlement projections

Examples of reports may be included as a separate appendix to the proposal.

6. Fees

- A. Provide a proposed itemized fee schedule for the services described in this RFP. Be sure to identify the full cost of services and any upfront costs MFA will incur in order to implement this program. Under the fee proposal, will the Administrator receive, potentially receive or have the opportunity to receive or otherwise obtain any other revenues, profits or assets through its services to MFA. Describe in detail.
- To the extent the Administrator may realize additional revenues from early delivery of Mortgage Loans, loans sold directly to a Community Reinvestment Act ("CRA") purchaser, buy ups or securitization into custom pools or other structures with above market value, what portion of those additional revenues will the firm share with MFA?
- B. Provide a fee proposal and sample MBS purchase quote for the proposed TBA Single Family Program, using the format example in Exhibit A. Pricing should be based on the market conditions as of 10:00 a.m., MDT, on **Thursday, September 8, 2022**. Provide a copy of the computer screen or other pricing source confirming the prices upon which the mortgage rate chart for **September 8, 2022** is based.

Indicate how you will determine and MFA will evaluate pricing on future dates to assure the premium is as attractive to MFA as possible, given market changes from the illustrative date.

- 1) What date each month does the pricing for the daily mortgage rate chart shift one month further into the future?
- 2) Does this pricing hold true for bulk sales also? If not, provide a fee proposal for a bulk sale.
- 3) Describe any additional fees involved for pairing off of sales as described in "Work Plan and Approach" Part VI 5C.3).

Note that this is a fee for service contract.

- C. Provide extension fee amounts as indicated on Exhibit A for a 15-day and a 30-day extension. Provide extension fee amounts for long-term rate locks that would extend up to 120 days that would be utilized for new construction. What is the Offeror's methodology for calculating the extension fees? How does the amount of the Offeror's fees compare to the market?
- D. All fee amounts designated in this proposal are inclusive of all gross receipts taxes, and all other taxes, mandatory costs or charges inherent to or associated with the performance of these services in the state of New Mexico. Lodging and other travel related expenses shall be reimbursed by MFA in accordance with MFA expense reimbursement policies set forth in its Policies and Procedures Manual.
- E. Offeror must absorb the cost of familiarizing itself with MFA programs, policies and procedures, rules, regulations and past bond issues. Program documents and any other relevant information shall be made available for Offeror's review at MFA's office in Albuquerque. MFA will not pay for such work. Indicate how much time Offeror expects to devote to familiarizing itself with MFA programs, policies and procedures, rules, regulations and provide a timetable for doing so.
- F. Offeror must give MFA at least a three (3) year commitment on the rate schedule offered. The contract may be extended for two, one (1) year periods at the option of MFA.

6. References

- A. Offeror shall provide at least three references from current or past clients for Offeror's work and performance as Administrator for TBA/Forward commitment programs or similar single family mortgage loan programs. Please provide name, address, telephone number and contact person including email address.
- B. Offeror shall provide the form attached hereto as **Exhibit A** to all references.

7. New Mexico Resident Business

- A. Evidence that the Offeror is licensed to do business in New Mexico.

- B. Representation that the majority of Offeror's employees who would perform the services to be performed reside in New Mexico.

8. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to provide TBA Administrative services to MFA.

Part VI: Principal Contract Terms and Conditions

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

Contract Term. The term of the To Be Announced Single Family Program Administrative Services Contract shall begin the date MFA's Board of Directors approves the award and end November 30, 2025. At the option of MFA, the contract may be extended for two, one-year periods under the same terms and conditions. There will be a transition period for matters in process at the beginning and the end of the contract term.

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

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

Records. Maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Offeror in providing the Services in such form as MFA shall approve. During the Term and for a period of two years thereafter, upon MFA's written request, Offeror shall allow MFA or MFA's representative to inspect and make copies of such records and interview Offeror personnel in connection with the provision of the Services. MFA shall have the right to audit bills submitted to MFA under this Agreement both before and

after payment. Payment under this Agreement shall not foreclose the right of MFA to recover excessive and/or illegal payments.

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

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

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

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

Termination for Cause. MFA, by written notice to the Contractor, shall have the right to suspend or terminate this Agreement if, at any time, in the judgment of MFA, the Contractor materially fails to comply with any term of this Agreement.

Termination for convenience of MFA. On thirty (30) calendar day's written notice to Offeror, MFA may terminate this Agreement in whole or in part for its own convenience. In the event of a termination for convenience, MFA shall terminate this Agreement by delivering to Offeror notice of termination without cause specifying the extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective. Within ten (10) calendar days of the effective date of termination, Offeror shall deliver to MFA all materials developed under this Agreement. Upon delivery of such notice, Offeror shall have the right to receive payment for services satisfactorily performed to termination date, including reimbursement then due.

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

Independent Offeror. The nature of the Offeror's and its staff's relationship to MFA will be that of an independent contractor, and the Offeror will not be deemed an agent, employee or servant of MFA. The compensation agreed upon

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

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

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

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

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

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

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

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

New Mexico Mortgage Finance Authority

Board Members

Chair Angel Reyes – President, Centinel Bank in Taos
 Vice Chair – Derek Valdo – Chief Executive Officer, AMERIND Risk
 Treasurer Rebecca Wurzbarger – Strategic Planning Consultant
 Member Howie Morales – Lieutenant Governor, State of New Mexico
 Member Hector Balderas – Attorney General, State of New Mexico
 Member Tim Eichenberg – Treasurer, State of New Mexico
 Member Patricia A. Sullivan PhD – Associate Dean, New Mexico
 State University College of Engineering

Management

Isidoro Hernandez, Executive Director/
 Chief Executive Officer
 Lizzy Ratnaraj, Chief Financial Officer
 Jeff Payne, Chief Lending Officer
 Donna Maestas-De Vries, Chief Housing Officer

EXHIBIT A**ORGANIZATIONAL REFERENCE QUESTIONNAIRE**

The New Mexico Mortgage Finance Authority, as part of the RFP process, requires Offerors to submit at least three references from current or past clients for whom TBA administration services have been provided as required within this document. The purpose of these references is to document Offeror's experience relevant to the scope of work in an effort to establish Offeror's responsibility. The Offeror will send the following reference form to each business reference listed in Offeror's proposal.

TBA ADMINSTRATIVE SERVICES RFP

ORGANIZATIONAL REFERENCE QUESTIONNAIRE FOR:

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

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

No later than September 15th, 2022 at **4:00 p.m. Mountain Time**, and must **NOT** be returned to the company requesting the reference.

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

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

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

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

COMMENTS:

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

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

COMMENTS:

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

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

COMMENTS:

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

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

COMMENTS:

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

COMMENTS:

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

COMMENTS:

7. Would you recommend this Offeror's services?

COMMENTS:

EXHIBIT B**GNMA Servicing Released Price Ratesheet****Fannie Mae (HFA Preferred) Servicing Released Price Ratesheet****30YR FIXED RATE GOVERNMENT MORTGAGE****ASSUMPTIONS****60 Day Rate Lock**

Initial Rate Lock Date
 Rate Lock Expiration Date
 Latest Lender Loan Sale to Master Servicer Date
 Latest GNMA Security (MBS) Settlement Date
 Servicing release premium included in rate lock price?
 Gain built into rate lock price for NMMFA
 Lender fees built into rate lock price

30YR FIXED RATE GOVERNMENT MORTGAGE

Gross Rate (%)	Servicing Fee (%)	Guarantee Fee (%)	MBS Coupon (%)	GNMA Type	Offeror Spread	60 Day Rate Lock TBA Price	60 Day Rate Lock Price	Rate Lock Extension	Extension Fees
4.625	0.565	0.060	4.000					30 days	
4.750	0.690	0.060	4.000					60 days	
4.875	0.315	0.060	4.500						
5.000	0.440	0.060	4.500						
5.125	0.565	0.060	4.500						
5.250	0.690	0.060	4.500						
5.375	0.315	0.060	5.000						
5.500	0.440	0.060	5.000						
5.625	0.565	0.060	5.000						
5.750	0.690	0.060	5.000						
5.875	0.315	0.060	5.500						
6.000	0.440	0.060	5.500						
6.125	0.565	0.060	5.500						
6.250	0.690	0.060	5.500						
6.375	0.315	0.060	6.000						
6.500	0.440	0.060	6.000						
6.625	0.565	0.060	6.000						
6.750	0.690	0.060	6.000						

30YR FIXED RATE CONVENTIONAL MORTGAGE -- FANNIE MAE HFA PREFERRED	
ASSUMPTIONS	60 Day Rate Lock
Initial Rate Lock Date	
Rate Lock Expiration Date	
Latest Lender Loan Sale to Master Servicer Date	
Latest Fannie Mae Security (MBS) Settlement Date	
Servicing release premium included in rate lock price?	
Fannie Mae Adverse Market Delivery Charge built into rate lock price	
Fannie Mae Loan Level Pricing Adjustment built into rate lock price	
Gain built into rate lock price for NMMFA	
Lender fees built into rate lock price	

30YR FIXED RATE CONVENTIONAL MORTGAGE -- FANNIE MAE HFA PREFERRED									
Gross Rate (%)	Servicing Fee (%)	Guarantee Fee (%)	MBS Coupon (%)	Buyup/Buy down Fee (%)	Offeror Spread	60 Day Rate Lock TBA Price	60 Day Rate Lock Price		
4.625	0.250	0.450	4.000						
4.750	0.250	0.450	4.000						
4.875	0.250	0.450	4.000						
5.000	0.300	0.450	4.000						
5.125	0.250	0.450	4.500						
5.250	0.250	0.450	4.500						
5.375	0.250	0.450	4.500						
5.500	0.300	0.450	4.500						
5.625	0.250	0.450	5.000						
5.750	0.250	0.450	5.000						
5.875	0.250	0.450	5.000						
6.000	0.300	0.450	5.000						
6.125	0.425	0.450	5.000						
6.250	0.250	0.450	5.500						
6.375	0.250	0.450	5.500						
6.500	0.300	0.450	5.500						
6.625	0.250	0.450	6.000						
6.750	0.250	0.450	6.000						

Rate Lock Extension	Extension Fees
30 days	
60 days	

30YR FIXED RATE CONVENTIONAL MORTGAGE -- FANNIE MAE HFA PREFERRED

Assumptions	60 Day Rate Lock
Initial Rate Lock Date	
Rate Lock Expiration Date	
Latest Lender Loan Sale to Master Servicer Date	
Latest Fannie Mae Security (MBS) Settlement Date	
Servicing release premium included in rate lock price?	
Fannie Mae Adverse Market Delivery Charge built into rate lock price	
Fannie Mae Loan Level Pricing Adjustment built into rate lock price	
Gain built into rate lock price for NMMFA	
Lender fees built into rate lock price	

30YR FIXED RATE CONVENTIONAL MORTGAGE -- FANNIE MAE HFA PREFERRED

Gross Rate (%)	Servicing Fee (%)	Guarantee Fee (%)	MBS Coupon (%)	Buyup/Buy down Fee (%)	Offeror Spread	60 Day Rate Lock TBA Price	60 Day Rate Lock Price		Rate Lock Extension	Extension Fees
4.625	0.250	0.825	3.500						30 days	
4.750	0.250	0.825	4.000						60 days	
4.875	0.250	0.825	4.000							
5.000	0.250	0.825	4.000							
5.125	0.250	0.825	4.000							
5.250	0.250	0.825	4.500							
5.375	0.250	0.825	4.500							
5.500	0.250	0.825	4.500							
5.625	0.250	0.825	4.500							
5.750	0.250	0.825	5.000							
5.875	0.250	0.825	5.000							
6.000	0.250	0.825	5.000							
6.125	0.250	0.825	5.000							
6.250	0.250	0.825	5.500							
6.375	0.250	0.825	5.500							
6.500	0.250	0.825	5.500							
6.625	0.250	0.825	5.500							
6.750	0.250	0.825	6.000							

Tab 8



New Mexico Mortgage Finance Authority
Section 811 Program Internal Audit

March 2022

**New Mexico Mortgage Finance Authority
Section 811 Program
Internal Audit**

Table of Contents

	<u>Page</u>
Introduction	1
Purpose and Objectives	1
Observations, Recommendations, and Management Responses	2
Scope and Procedures Performed	2

New Mexico Mortgage Finance Authority Section 811 Program Internal Audit Report

New Mexico Mortgage Finance Authority
Board of Directors

INTRODUCTION

REDW performed the internal audit services described below to assist New Mexico Mortgage Finance Authority (MFA) in evaluating compliance with the Section 811 Project Rental Assistance Program policies and program requirements.

Our services were performed in accordance with the Consulting Standards issued by the American Institute of Certified Public Accountants, Generally Accepted Government Auditing Standards, and the terms of our contractual agreement for internal audit services. Since our procedures were applied to a sample of processes, it is possible that significant issues related to the areas tested may not have been identified. Although we have included management's responses in our report, we do not take responsibility for the sufficiency of these responses or the effective implementation of any corrective action.

PURPOSE AND OBJECTIVES

REDW performed internal audit procedures over MFA's processes for complying with the policies and procedures and program requirements of the Section 811 Project Rental Assistance Program funded through the United States Department of Housing and Urban Development (HUD). Our internal audit focused on adherence to program guidelines, including tenant eligibility, property monitoring and eligibility, Local Lead Agencies (LLA) monitoring, and payment processing. We evaluated the monitoring procedures, including timeliness of reviews, adequacy of supporting documentation and approvals, and timely follow up. Additionally, REDW assessed whether the procedures for annual rent increases followed the criteria as outlined in the program policies.

OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT RESPONSES

We identified many areas during the course of the audit where controls were functioning properly and established procedures were followed. All monitoring visits, inspections and annual reviews tested appeared to meet the Program requirements and were supported with complete and accurate documentation, all tenants tested appeared to meet eligibility requirements, and all vouchers tested were properly reviewed and processed in accordance with the Program guidelines.

As a result of our testing, we identified the following observation:

1) Local Lead Agencies Monitoring

According to the Program Guide, Local Lead Agencies (LLAs) are required to submit complete responses to deficiencies within 30 days from the date of receipt of their monitoring report. If timely response is not received, MFA sends follow up letters to the LLA prompting a response. We identified that although one of the two LLAs did not submit a timely response to their monitoring report dated January 5, 2022, there had been no follow up performed as of March 23, 2022.

Potential Risk: Low – MFA noted deficiencies at the LLA related to not maintaining the waiting list as required, not marketing the program as required, and not performing consistent and timely property check-ins. Without proper follow up, deficiencies noted during LLA monitoring visits may continue, making it difficult for MFA to perform effective oversight. This is assessed as a low risk as the areas identified in the monitoring were not significant, and the missed follow up was due to a temporary staffing shortage and all other follow ups were conducted timely.

Recommendation: MFA should consider creating calendar reminders for the LLA/owner response deadlines and should also consider sending reminders to the LLAs/owners as their response deadlines approach to facilitate more timely responses.

Management's Response: Management agrees with this recommendation and will create calendar reminders before the deadline that LLAs/owners responses are due and has already created calendar reminders for the LLAs/owners response deadlines.

SCOPE AND PROCEDURES PERFORMED

In order to gain an understanding of the processes and operations, we interviewed the following personnel:

- Izzy Hernandez – Executive Director
- Donna Maestas-De Vries – Chief Housing Officer
- Jeff Payne, Chief Lending Officer
- Stephanie Yara, Chief Financial Officer
- Yvonne Segovia – Controller

- Patrick Ortiz– Director of Asset Management
- Amanda Mottershead-Aragon – Assistant Director of Asset Management
- Carmela Arellano, Program Coordinator

In order to gain an understanding of policies and procedures, we read relevant portions of MFA's:

- Section 811 PRA Tenant Selection Plan dated August 2019
- Section 811 PRA Program Guide dated August 2019
- Section 811 PRA Monitoring Policy dated August 2020
- Section 811 Revised MOU dated August 2017
- Section 811 PRA Program Cooperative Agreement (FY-2013) dated October 2015

We performed the following procedures:

Analysis of Tenant Eligibility – We obtained the listing of all Section 811 properties as of January 31, 2022. From the population of 3 properties, 1 was randomly selected for testing. We examined the Tenant File Review Worksheets, Onsite Review Evaluation Form, and Summary Report for the monitoring visit that was conducted on July 14-15th 2021 and tested to determine if:

- All tenant eligibility requirements were met, and all required documentation was maintained;
- All verifications and recertifications were performed properly and timely; and
- Any discrepancies noted were corrected within 30 days.

Additionally, we selected a sample of 5 tenants and tested to determine if:

- Tenant incomes were calculated correctly and were below income limits; and
- The total tenant payments were calculated correctly.

Analysis of Property Eligibility and Monitoring – We obtained the listing of all Section 811 properties as of January 31, 2022. From the population of 3 properties, 1 was randomly selected for testing. For the property selected, we reviewed documentation from the annual monitoring and inspection visit and tested to determine if:

- The monitoring visit and inspection was performed in accordance with program guidelines; and
- Any deficiencies noted were corrected within 30 days.

Analysis of Voucher Payments – From the 13 available months between January 1, 2021 through January 31, 2022, we randomly selected a sample of 5. For the months of May, July, October, and December 2021 and January 2022, we obtained the HUD Request Form and TRACS payment data and tested to determine if:

- The payment request was properly approved;
- The amount requested was calculated correctly and agreed to the amount paid; and

- The payment was entered into TRACS accurately and paid timely.

Additionally, we randomly selected a property for each of the months and obtained the owner request for payment (TRACS Voucher) to determine if:

- The request for payment was submitted timely by the owner (by the 10th day of the month preceding the month for which the owner is requesting payment); and
- The payment request was complete and accurate and included the required tenant data.

Analysis of LLA Monitoring – We obtained the listing of all Section 811 LLAs as of January 31, 2022. From the population of 2 LLA's, we selected both for testing. We obtained the Annual Monitoring Review documentation for each of the LLA's and tested to determine if:

- Annual monitoring reviews were being performed timely and at required intervals;
- The LLA met program requirements for home visits, population screening and referral training, waitlist and report submission, and affirmative housing marketing; and
- The LLA responded timely to deficiencies noted during monitoring review.

Analysis of Annual Rent Adjustments – We obtained the listing of all Section 811 properties as of January 31, 2022. From the population of 3 properties, 1 was randomly selected for testing. We then obtained the Funding Expiration Letter, the Rent Adjustment Owner Certification (including all applicable supporting documentation), and the HUD-92458 Rent Schedule Low Rent Form and tested to determine if:

- The adjustment request was calculated correctly, submitted with adequate support and was submitted within 10 days of receipt of MFA Funding Expiration Reminder; and
- The adjustment request was properly approved.

* * * * *

This report is intended solely for the information and use of MFA management, the finance committee, members of the Board and others within the organization. If additional procedures had been performed, other matters might have come to our attention that would have been reported to you.

We would be pleased to meet with you to discuss our observations and answer any questions. We discussed and resolved other minor observations with management. We sincerely appreciate the courtesy extended to our personnel.

REDW LLC

Albuquerque, New Mexico
June 3, 2022

Tab 9



New Mexico Mortgage Finance Authority
Mortgage Operations Internal Audit

May 2022

New Mexico Mortgage Finance Authority Mortgage Operations

Table of Contents

	<u>Page</u>
Introduction	1
Purpose and Objectives	1
Observations, Recommendations, and Management Responses	1
Scope and Procedures Performed	2

New Mexico Mortgage Finance Authority

Mortgage Operations

Internal Audit

Report

New Mexico Mortgage Finance Authority
Board of Directors

Introduction

REDW performed the internal audit services described below to assist New Mexico Mortgage Finance Authority (MFA) in evaluating compliance with Mortgage Operations policies and procedures.

Our services were performed in accordance with the Consulting Standards issued by the American Institute of Certified Public Accountants, Generally Accepted Government Auditing Standards, and the terms of our contractual agreement for internal audit services. Since our procedures were applied to a sample of processes, it is possible that significant issues related to the areas tested may not have been identified. Although we have included management's responses in our report, we do not take responsibility for the sufficiency of these responses or the effective implementation of any corrective action.

Purpose and Objectives

REDW performed internal audit procedures over MFA's processes for complying with the policies and procedures over Mortgage Operations. Our internal audit focused on MFA's processes of pooling, securitizing, and processing of Bond and TBA settlements.

Observations, Recommendations, and Management Responses

REDW observed many areas during the course of the audit where controls were functioning properly and established procedures were followed. Our testing determined that all settlements tested were processed timely and properly approved, data was successfully validated and adequate supporting documentation was maintained.

As a result of our testing, REDW did not identify any reportable observations.

Scope and Procedures Performed

In order to gain an understanding of the processes and operations, we interviewed the following personnel:

- Olivia Martinez – Secondary Market Director
- Rene Acuna – Director of Homeownership
- Anita Rehm – Assistant Director of Homeownership

In order to gain an understanding of policies and procedures, we read relevant portions of MFA's:

- Ginnie Mae MBS Guide last updated May 17, 2022
- Fannie Mae Servicing Guide last updated June 8, 2022
- MFA Secondary Market Pooling and Securitizing Procedures last updated April 1, 2022
- MFA Secondary Market Legacy Bond Settlement Procedures last updated April 1, 2022
- MFA Secondary Market Legacy TBA Settlement Procedures last updated April 1, 2022

REDW performed the following procedures:

Pooling – We selected the months of December 2021, January 2022 and March 2022 and tested to determine if:

- Pooling documents were reviewed and approved by the Secondary Market Director; and
- Loans were pooled in a timely manner. The current expectation is 75-90 days.

Securitizing – We selected the months of December 2021, January 2022 and March 2022 and tested to determine if:

- Pool allocation amount agreed to the security amount;
- Pool was successfully submitted before requesting certification from Wells Fargo;
- Certification was received from Wells Fargo prior to ordering CUSIP;
- Timeline was followed for ordering CUSIPs; and
- Trade documentation was reviewed and approved by the Secondary Market Director.

Bond Settlements – We selected the months of December 2021, January 2022 and March 2022 and tested to determine if:

- Only loans from the FirstHome program were included;
- Loans settled agreed to the listing of loans to be pooled provided by the subservicer;
- Proper supporting documentation was included;
- Supporting documents were delivered to the market advisor at least 5-7 business days before the settlement;
- The Pool Face Amount, Coupon Rate, CUSIP number and Pool Number/Security agree on the NOD's and Exhibit A and the Delivery Schedules;
- The Internal Account ID and Method of Payment match;
- The Settlement occurred timely (on the scheduled date);

- The Settlement was uploaded to MITAS the day after settlement;
- Data validation for all systems was completed timely; and
- The loan settlement was reviewed and approved by the director of Secondary Market Department.

TBA Settlements – We selected the months of December 2021, January 2022 and March 2022 and tested to determine if:

- Loans settled agreed to the listing of loans to be settled provided by the third party;
- The Rate Lock Price agreed to the rate sheet for that date (based on the initial lock date);
- Proper supporting documentation was included;
- Supporting documents were delivered to the market advisor at least 5-7 business days before the settlement;
- The Pool Face Amount, Coupon Rate, CUSIP number and Pool Number/Security agree on the NOD's and Exhibit A and the Delivery Schedules;
- The Internal Account ID and Method of Payment match;
- The Settlement occurred timely (on the scheduled date);
- The Settlement was uploaded to MITAS the day after settlement;
- Data validation for all systems was completed timely; and
- The loan settlement was reviewed and approved by the Secondary Market Director.

Policies and Procedures – We obtained policies and procedures over the secondary market processes and tested to determine if they:

- Existed for key processes;
- Clearly defined roles, requirements, responsibilities and procedures; and
- Were periodically reviewed and updated.

* * * * *

This report is intended solely for the information and use of MFA management, the finance committee, members of the Board and others within the organization. If additional procedures had been performed, other matters might have come to our attention that would have been reported to you.

We would be pleased to meet with you to discuss our observations and answer any questions. We discussed and resolved other minor observations with management. We sincerely appreciate the courtesy extended to our personnel.

REDW_{LLC}

Albuquerque, New Mexico
July 13, 2022



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Contracted Services/Credit Committee Meeting
Tuesday, August 9, 2022 @ 10:00 am
MFA – Albuquerque

WebEx join the meeting from the calendar or call 1-844-992-4726 (access code): 2496 234 4466

AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
<u>Consent Agenda Recommendation</u>			
1 Northern Regional Housing Authority, Contract Approval > 100K (Theresa Laredo-Garcia)	10:00 – 10:15	2-Ø	YES
2 Award Recommendation for Governmental Services Request for Proposals (RFP) (Rebecca Velarde)	10:15 – 10:30	2-Ø	YES
<u>Agenda</u>			
3 Internal Audit RFP (Julie Halbig)	10:30-10:45	2-Ø	YES
4 Request for Proposals (RFP) for sale of MFA Real Property (Izzy Hernandez & Jeff Payne)	10:45 – 11:00	3-Ø	YES
5 Questions/comments from Committee	11:00-11:15	✓	NO

Committee Members present:

Rebecca Wurzburger, Chair

☐ present

☐ absent

☒ conference call

Attorney General Hector Balderas or Sally Malavé

☐ present

☐ absent

☒ conference call

Patricia Sullivan

☐ present

☐ absent

☒ conference call

Wined on item #4

Hernandez

Tab 10



MEMO

TO: Board of Directors

Through: Contracted Services, August 9, 2022

Through: Policy Committee – August 2, 2022

FROM: Julie Halbig, Director of Compliance and Initiatives

DATE: August 17, 2022

SUBJECT: Internal Audit Services Request for Proposal

Recommendation

Staff recommends approval of the Request for Proposal for Internal Audit Services. Responses will be due to MFA by September 19, 2022 and recommendations for award will be presented at the October Board meeting.

Background

The function of the Internal Audit is to provide an independent appraisal of activity within the organization as a service to Management and the Board of Directors through the Finance Committee. The internal Audit assists Management in managing risks effectively in order to sustain operations and achieve business objectives by evaluating, monitoring and reporting on:

1. The adequacy of accounting, financial and operating controls;
2. The efficiency and effectiveness of uses of the organization's resources;
3. The reliability of information provided by Management;
4. Compliance with established bylaws, policies, procedures, governmental regulation, and program requirements;
5. The presence of or possibility of potential matters of business risk, fraud, theft, mismanagement and other similar irregularities; and
6. Management's action with respect to correcting previously reported deficiencies.

MFA issued a Request for Proposal for Internal Audit Services in 2015 and again in 2019. There are no extensions remaining on the contract.

Discussion

Staff is recommending MFA issue a Request for Proposal for Internal Audit and Related Services. The term is for one year with two one-year extensions at the Board's option to coincide with External Audit Services. Due to American Institute of Certified Public Accountants (AICPA) and the State Audit Act requirements surrounding independence issues, the Internal Audit and

Related Services contract cannot be awarded to the firm providing External Audit Services.

The only significant changes from previous RFP executed in 2019 is language stating that it is MFA's intent of this selection process is to choose one firm to provide internal audit services but MFA reserves the right to separate services requested depending on the expertise of RFP responses submitted.

Internal Audit Services

1. Support MFA's enterprise risk assessment process and develop a detailed report of risks with ranking, and internal audit program to mitigate the risks, and update annually.
2. Perform financial and compliance audits of MFA's programs, procedures, and controls and make recommendations for improvement as determined by the risk assessment.
3. Perform audits of MFA's housing programs, federal and state programs, and bond programs as determined by the risk assessment.
4. Perform special audit projects as may be assigned by MFA Management or the Finance Committee (who serves as MFA's Audit Committee of the Board of Directors);
5. Prepare detailed internal audit reports to the Finance Committee and Board of Directors including findings and recommendations;
6. Perform Internal Audit services in compliance with MFA's Auditing Policies and Procedures (Exhibit A).

Quality Control Reviews

7. Develop an audit program to provide quality control services for the Federal Housing Administration (FHA) single-family mortgage loan portfolio and the U.S. Department of Housing and Urban Development (HUD) Section 8 Performance Based Contract Administration (PBCA) functions;
8. Perform monthly and quarterly quality control review services for the single-family FHA mortgage loan portfolio in accordance with HUD requirements and MFA's Quality Control Plan (Exhibit C);
9. Perform quality control review services for the PBCA Annual Contributions Contract (ACC) in accordance with HUD requirements and MFA's Quality Control Plan (Plan). The Plan is updated on an annual basis and a copy of the Plan effective December 1, 2021, is attached (Exhibit C). The quality control functions assigned to auditors will be substantially the same; assignments are rotated so that all functions are performed in a two-year time period.
10. Prepare Quality Control Review reports detailing findings to Management.

Other

11. Review subrecipient Cost Allocation Plans, Indirect Cost Rate Proposals, financial statements, and audits and provide recommendations to Management.

In addition, the following services may be provided under and incorporated into the contract to be awarded pursuant to this RFP:

12. Prepare the annual 990 income tax return for the New Mexico Affordable Housing Charitable Trust, a subsidiary of MFA, if other than a 990-N is required.

13. Conduct fraud, waste and/or abuse investigations in response to inquiries surrounding funds administered under federal programs.
14. Audit and cost verification of the projects completed under the Low-Income Housing Tax Credit (LIHTC) program.
15. MFA may request consulting services to be performed in various areas as needed.

MFA staff intend to adhere to the following procurement schedule:

Activity	Date
PC RFP review	Tuesday, August 2
Contracted Services Committee RFP review	Tuesday, August 9
Board RFP review	Wednesday, August 17
Public RFP	Thursday, August 18
RFP submission deadline	Monday, September 19
Preliminary award recommendation to PC	Tuesday, October 4
Preliminary award/denial letters to offerors	Wednesday, October 5
Final award recommendation to Contracted Services Committee	Tuesday, October 11
Final award recommendation to MFA Board	Wednesday, October 19

Summary

Staff recommends approval of the Request for Proposal for Internal Audit Services. The current contract which was awarded to REDW is set to expire November 30, 2022. The term for the RFP is for one year with two one-year extensions. Upon approval the Request for Proposal for Internal Audit Services will be published with responses due to MFA by September 19, 2022. Recommendations for award will be presented at the October Board meeting.

Table of Contents

Part 1. Background & General Information	2
Introduction	2
Purpose	2
Questions & Answers.....	2
Proposed Submission	2
Proposal Tenure	3
RFP Revisions and Supplements	3
Incurred Expenses	3
Cancellation of Requests for Proposals or Rejection of Proposals	3
Offeror's Rights to Withdraw Proposal	3
Evaluation of Proposals, Award Notice and Negotiation	3
Interview	4
Award Notice	4
Proposal of Confidentiality	4
Irregularities in Proposals	4
Responsibility of Offerors	4
Protest	5
Confidential Data	5
Timeline for Offeror Selection	5
Part I: Minimum Qualifications and Requirements	6
Part II: Services to be Performed	7
Part III: Compensation	8
Part IV: Evaluation Criteria	8
Part V: Proposal Format and Instructions to Offeror	9
Part VI: Principal Contract Terms and Conditions	11
Exhibit A	16
Exhibit B	21
Exhibit C	24
Exhibit D	34

**New Mexico Mortgage Finance Authority
Request for Proposals
To Provide Internal Audit Services**

Part I: Background & General Information

Introduction

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

Purpose

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

The intent of this selection process is to choose one firm to provide internal audit services. However, depending on the expertise of RFP responses submitted, MFA reserves the right to separate services requested.

Questions and Answers

Questions pertaining to this RFP and application must be submitted via the MFA website at <http://www.housingnm.org/rfp.rfqs>. Then under “Current RFP’s,” select “Internal Audit Services RFP.” On the Internal Audit Services RFP page, select the “Internal Audit Services FAQs” link. Questions will be checked on a daily basis. The FAQ will open the day after the RFP issues (August 18, 2022) and will close on September 19, 2022. To submit your questions, scroll down to the “Ask a question” section, enter your name, email address, and type your question in the “Question” box, type in the two (2) words in the CAPTCHA box and click on “Send my question”. MFA will make every attempt to answer questions within two (2) business days.

Proposal Submission

Proposal submissions must be received no later than September 19, 2022, at 5:00 p.m., Mountain Time. Proposals which are not received by this time will not be accepted.

Utilize one of the following methods for proposal submission:

Via E-mail: Send to Julie Halbig at jhalbig@housingnm.org with a subject line of “Proposal to Furnish Internal Audit Services.” This is the preferred method and hard copies are not required.

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

Proposal Tenure

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

RFP Revisions and Supplements

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

Incurred Expenses

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

Cancellation of Requests for Proposals or Rejection of Proposals

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

Offeror's Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals by submitting a written withdrawal request addressed to

Julie Halbig, Director of Compliance and Initiatives
New Mexico Mortgage Finance Authority
jhalbig@housingnm.org

Evaluation of Proposals, Selection and Negotiation

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

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

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

Interview

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

Award Notice

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

Proposal Confidentiality

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

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

Irregularities in Proposals

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

Responsibility of Offerors

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

Protest

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

Julie Halbig, Director of Compliance and Initiatives
New Mexico Mortgage Finance Authority
344 Fourth Street S.W.
Albuquerque, New Mexico 87102

Or:

jhalbig@housingnm.org

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

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

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

Confidential Data

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

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

Part I: Minimum Qualifications and Requirements

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

1. All Offerors must be an auditing firm in good standing as 1) a member of the Institute of Internal Auditors or 2) a certified public accounting firm.
2. All Offerors must be licensed to do business in the State of New Mexico and include a copy of relevant documentation evidencing authorization.
3. All Offerors must maintain professional liability insurance of at least \$1,000,000.
4. All professional rendering services to MFA must be Certified Public Accountants or Certified Internal Auditors or supervised by Certified Public Accountants or Certified Internal Auditors.

Selected Offerors must also meet the following requirements:

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

Part II: Services to be Performed

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

Internal Audit Services

1. Support MFA's enterprise risk assessment process and develop a detailed report of risks with ranking, and internal audit program to mitigate the risks, and update annually.
2. Perform financial and compliance audits of MFA's programs, procedures, and controls and make recommendations for improvement as determined by the risk assessment.
3. Perform audits of MFA's housing programs, federal and state programs, and bond programs as determined by the risk assessment.
4. Perform special audit projects as may be assigned by MFA Management or the Finance Committee (who serves as MFA's Audit Committee of the Board of Directors);
5. Prepare detailed internal audit reports to the Finance Committee and Board of Directors including findings and recommendations;
6. Perform Internal Audit services in compliance with MFA's Auditing Policies and Procedures (Exhibit A).

Quality Control Reviews

7. Develop an audit program to provide quality control services for the Federal Housing Administration (FHA) single-family mortgage loan portfolio and the U.S. Department of Housing and Urban Development (HUD) Section 8 Performance Based Contract Administration (PBCA) functions;
8. Perform monthly and quarterly quality control review services for the single-family FHA mortgage loan portfolio in accordance with HUD requirements and MFA's Quality Control Plan (Exhibit C);
9. Perform quality control review services for the PBCA Annual Contributions Contract (ACC) in accordance with HUD requirements and MFA's Quality Control Plan (Plan). The Plan is updated on an annual basis and a copy of the Plan effective December 1, 2021, is attached (Exhibit C). The quality control functions assigned to auditors will be substantially the same; assignments are rotated so that all functions are performed in a two-year time period.
10. Prepare Quality Control Review reports detailing findings to Management.

Other

11. Review subrecipient Cost Allocation Plans, Indirect Cost Rate Proposals, financial statements, and audits and provide recommendations to Management.

In addition, the following services may be provided under and incorporated into the contract to be awarded pursuant to this RFP:

12. Prepare the annual 990 income tax return for the New Mexico Affordable Housing Charitable Trust, a subsidiary of MFA, if other than a 990-N is required.
13. Conduct fraud, waste and/or abuse investigations in response to inquiries surrounding funds administered under federal programs.
14. Audit and cost verification of the projects completed under the Low-Income Housing Tax Credit (LIHTC) program.
15. MFA may request consulting services to be performed in various areas as needed.

Part III: Compensation

Fee basis should be an all-inclusive, hourly fee, which should include staff time and “out-of-pocket expenses.” Offeror must provide an hourly fee breakdown for each staff position it would propose to use and/or make available to MFA for use as needed. Offeror must also state in their submission how long the Offeror can hold the all-inclusive hourly fee rates with the minimum amount of time being three (3) years from the date of proposal and should address how increases will be negotiated. Please indicate whether Offeror’s proposed rates are the best offered by the firm to any client.

Also, please provide the cost of services on a per-hour basis and an estimate of the number of hours required to provide IRS 990 Income Tax Return. Alternatively, provide a fixed rate for preparation of the IRS 990 Income Tax Return. Provide the cost of services on a per-hour basis for fraud, waste, and/or abuse investigations of funds under federal programs.

If selected, contracts with Offerors must reflect the all-inclusive, hourly fee rates proposed. Billing on the project shall occur on a frequency to be negotiated with successful Offeror(s) and will be based on hours spent on the project and associated costs.

Part IV: Evaluation Criteria

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

Criteria	Point Range	Maximum Points
<p>1. Experience: Offeror’s skill, knowledge and experience with--</p> <ul style="list-style-type: none"> a. Experience with internal audits of MFA or similar financial institutions, government entities, or mortgage servicers; experience with quality control reviews of FHA mortgage origination and servicing and HUD PBCA and ACC; b. Experience in auditing information systems departments; c. Extensive knowledge of accounting and auditing procedures and experience in providing risk assessments, internal audit and quality control services; d. Relevant staff experience, expertise and credentials; e. Familiarity with MFA and its purpose 	0-40	40
<p>2. Responsiveness to MFA and Technical Capabilities:</p> <ul style="list-style-type: none"> f. Ability to prepare detailed audit reports to the Board or Management; g. Knowledge of FHA mortgage origination and servicing and HUD PBCA and ACC; h. Availability of staff and ability to provide the hours required to perform internal audit services, quality control reviews, the ability to provide quick response to requests, and the ability to accommodate MFA’s scheduling needs. 	0-10	10
3. Fees/Cost of Services:		30

a) Per-hour rate for all professionals expected to provide internal audit and quality control review services for this RFP; b) Provide the cost of services on a per-hour basis and an estimate of the number of hours required to provide the IRS 990 Income Tax Return. Alternatively, provide a fixed rate for preparation of the IRS 990 Income Tax Return. c) Provide the cost of services on a per-hour basis for fraud, waste, and/or abuse investigations of funds under federal programs.	0-30	
4. References	0-10	10
5. New Mexico Resident Business: Offeror is licensed to do business in New Mexico and the majority of Offeror's employees who would perform the services to be performed in New Mexico reside in New Mexico	0-5	5
6. Interviews, if held	0-5	5
Maximum Points		100

Part V: Proposal Format and Instructions to Offeror

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

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

- A. Name, address and telephone number of Offeror and name of contact person.
- B. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror.
- C. Date of proposal.
- D. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP.
- E. A statement describing how long the Offeror can hold the hourly rates with the minimum being three (3) years from date of proposal.
- F. A statement that the Offeror's proposal is valid for ninety (90) days after the deadline for submission of proposals.
- G. Indicate if the firm is not able to provide or lacks expertise in any area of Part III. Services to be Performed.

2. Disclosure and Certifications – Offeror shall provide:

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

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

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

3. Experience and Capability

- A. An outline of professional experience and capability addressing in order each of the (a-h) evaluation criteria set forth under 1. And 3. Of Part IV Evaluation and Criteria.
- B. Provide a narrative describing the Offeror's approach to risk-based audit, knowledge and experience conducting risk assessments, and the type of information provided in the report on the results of the risk assessment.
- C. Please provide any relevant information which will assist MFA in evaluating Offeror's ability to provide Internal Audit services, including strengths and weaknesses. Names and resumes of the lead contact and other key personnel to be assigned to the account. Resumes describing the qualifications of personnel to be utilized in the performance of this contract must show, at a minimum, the person's name, education, positions, and total year and types of experience relevant to the performance of the contract, information regarding the following certifications: Certified Public Accountant licensure, Certified Internal Auditor, Certified Government Auditing Professional, Certified Financial Services Auditor, Certified Government Auditing Professional, Certified Financial Services Auditor, Certified Information Systems Security Professional, Certified Information Systems Manager, Certified Information Systems Auditor, Global Information Assurance Certification.
- D. Please provide at least three references from either a financial institution, governmental entities, and/or mortgage servicers. Offeror shall provide at least three and no more than five reference contacts on the Reference Contact Form attached hereto as Exhibit A. MFA will communicate with references independently to obtain appropriate feedback.

- E. A description of other clients, state agencies, quasi-governmental entities and non-profits represented by or for which Offeror has performed services in the last five years.
4. Responsiveness to MFA and Technical Capabilities
- A. Offeror's proposal for delivering services, including organization of responsibilities, work plan, approach, and the availability of personnel for consultation, discussion and coordination with staff, and for travel both within and outside New Mexico, as necessary, to serve the needs of MFA.
6. New Mexico Resident Business
- A. Evidence that the Offeror is licensed to do business in Mexico.
 - B. Representation that the majority of Offeror's employees who would perform the services to be performed reside in New Mexico.
8. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to provide Internal Audit services to MFA.

Part VI: Principal Contract Terms and Conditions

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

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

Equal Opportunity Employer. Offeror certifies that it is an Equal Opportunity Employer and complies fully with government regulations regarding nondiscriminatory employment practices.

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

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

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

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

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

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

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

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

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

shall terminate this Agreement by delivering to Architect a written notice of termination. The effective date of termination shall be the date stated in the notice or, if no date is stated, then the date of delivery of the notice. Upon such termination, Successful Offeror shall deliver to MFA all design plans, construction estimates, drawings, documents, survey books, and all other materials developed under this Agreement. MFA shall then have the right to retain the services of other design professionals to complete Successful Offeror's Work under this Agreement, and shall have no obligation to seek bids for that replacement design professional(s). The cost of completing Successful Offeror's Work under this Agreement shall be paid for by applying the balance of the contract amount remaining on this Agreement at the time of termination. If the cost to complete the Work under this Agreement is less than the remaining contract amount, the remaining contract amount shall be paid to Successful Offeror. If the cost of completing the Work under this Agreement exceeds the contract amount, then Successful Offeror shall pay MFA for the difference between the contract amount and the cost to complete Successful Offeror's Work.

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

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

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

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

Intellectual Property Rights; Ownership. MFA is, and shall be, the sole and exclusive owner of all right, title, and interest in and to the deliverables provided pursuant to the provision of the Services, including all Intellectual Property Rights

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

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

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

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

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

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

New Mexico Mortgage Finance Authority

Board Members

Chair Angel Reyes – President, Centinel Bank in Taos

Vice Chair – Derek Valdo – Chief Executive Officer, AMERIND Risk
Treasurer Rebecca Wurzbarger – Strategic Planning Consultant
Member Howie Morales – Lieutenant Governor, State of New Mexico
Member Hector Balderas – Attorney General, State of New Mexico
Member Tim Eichenberg – Treasurer, State of New Mexico
Member Patricia Sullivan, Ph.D. – Associate Dean, New Mexico State University of College of Engineering

Management

Isidoro Hernandez, Executive Director/CEO
Lizzy Ratnaraj, Chief Financial Officer
Donna Maestas-De Vries, Chief Housing Officer
Jeff Payne, Chief Lending Officer

EXHIBIT A

SECTION 5 - AUDITING POLICIES AND PROCEDURES

5.1 External Auditing Policy Statement

An external audit by an independent firm is conducted annually. The external audit will consist of 1) an audit of the financial statements for the fiscal year ended September 30th conducted in accordance with auditing standards generally accepted in the United States of America, Generally Accepted Government Auditing Standards (GAGAS), and 2.2.2 NMAC Audit Rule (available at www.saonm.org) issued by the New Mexico Office of the State Auditor; 2) a Federal Single Audit for the fiscal year ended September 30th conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and Office of Management and Budget (OMB) 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and 3) GNMA Compliance Reports conducted in accordance with US Department of Housing and Urban Development requirements. All reports will be delivered within one hundred twenty (120) days after fiscal year end, except where an extension has been granted by the agency requiring the audit.

In accordance with GAGAS, in all matters relating to the audit work, the auditor must be free from personal, external, and organizational impairments to independence and must avoid the appearance of such impairments of independence. Auditors and audit organizations must maintain independence so that their opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by objective third parties with knowledge of the relevant information. Audit organizations must not provide non-audit services that involve performing management functions or making management decisions and audit organizations must not audit their own work or provide non-audit services in situations in which the non-audit services are significant or material to the subject matter of the audits.

In order to best serve the interests of MFA and its constituents, the following criteria for required auditor rotation will apply: 1) an audit firm is prohibited from conducting the external audit for a period of two years if the firm has provided external audit services for eight consecutive years; 2) a firm that has undergone a merger or acquisition will be determined to be a new firm for the purposes of the rotation requirement if it fulfills the requirements of the State Audit Rule.

MFA Finance Committee serves as the Board's Audit Committee and is tasked with providing regular oversight of the external audit process. The external auditor is required to conduct an Entrance Conference concurrent with the start of fieldwork with the Finance Committee. As per Statement on Auditing Standards (SAS) No. 114, The Auditor's Communication with Those Charged with Governance, the external auditor is required to keep the Finance Committee informed throughout the process of relevant audit issues including audit progress, threats to established timelines, potential audit findings, potential audit adjustments, and significant pending items. At the conclusion of the audit, the external auditor conducts an Exit Conference with staff and the Finance Committee where the draft audit and related reports are discussed. After the Office of the State Auditor releases the audit to the public, the final audit and related reports are presented by the external auditor and staff to the full MFA Board for approval. Management is responsible for addressing and clearing audit findings on a timely basis.

5.2 Internal Auditing Policy Statement

The Internal Audit function's framework shall closely adhere to the Institute of Internal Auditors *Standards for the Professional Practice of Internal Auditing, Consulting Standards* issued by the American Institute of Certified Public Accountants or other relevant professional standards. Audit emphasis shall be placed on areas within MFA perceived to be of significant financial or operational risk to provide the greatest service to MFA. The Internal Audit's function activities shall be conducted in a professional manner with a mission of performing quality audits that provide factual, comprehensive results and promote more effective operations throughout.

5.3 Internal Audit Statement of Purpose, Authority and Responsibility

A. **Purpose.** The function of the Internal Audit is to provide an independent appraisal activity within the organization as a service to Management and the Board of Directors through the Finance Committee. The Internal Auditor assists Management in managing risks effectively in order to sustain operations and achieve business objectives by evaluating, monitoring, and reporting on:

1. The adequacy of accounting, financial and operating controls;
2. The efficiency and effectiveness of uses of the organization's resources;
3. The reliability of information provided to Management;
4. Compliance with established bylaws, policies, procedures, governmental regulation, and program requirements;
5. The presence of or possibility of potential matters of business risk, fraud, theft, mismanagement, and other similar irregularities; and
6. Management's action with respect to correcting previously reported deficiencies.

B. **Authority.** The Internal Auditor has neither the responsibility nor authority for management of operating activities but is expected to maintain a sound working relationship with managers who do have such responsibility and authority. The working relations with departmental and other operating units should be directed toward a full understanding of the benefits of having Internal Auditor evaluations and consultation regarding:

1. Contemplated, as well as executed, business transactions, contracts and operating activities;
2. The adequacy, effectiveness and efficiency of existing controls, systems and procedures;
3. Contemplated changes or revisions to systems and procedures;
4. Organizational and structural changes; and
5. Status of compliance with established policies and procedures.

C. **Responsibility.** The aforementioned Internal Auditor evaluations and consultations are for the

purpose of providing meaningful recommendations and information to Management, thereby maximizing the benefit of the Internal Audit function. In order to maintain its objectivity and independence, the Internal Audit function must not:

1. Take responsibility or authority for the implementation of such recommendations; or
2. Be performed by MFA's current External Auditor.

5.4 Annual Internal Audit Planning Procedures

- A. The purpose of this procedure is to provide guidelines for the preparation of the annual internal audit plan. The planning process shall be performed by Internal Audit with input from Management, the Finance Committee, and the Board of Directors. Proper planning will help to ensure that all major areas of known risk or other areas of concern are evaluated for audit coverage in the annual plan.
- B. It is anticipated that events may occur during the year resulting in special requests by Management or the Board of Directors that the Internal Audit perform specific reviews or other procedures. Such requests may take priority over items on the annual audit plan.
- C. In coordination with MFA's Compliance Officer, Internal Audit will conduct annual enterprise risk management assessments and prepare a Risk Assessment Report that:
 1. Identifies the areas of risk and ranks the risk as low, medium or high;
 2. Identifies the reasons each area is considered to be at risk; and
 3. Identifies a proposed audit focus based on the Risk Assessment Report.
- D. Internal Audit will prepare a proposed audit plan including projected hours to complete each audit area being considered for the year. This proposed audit plan shall be prepared considering the following:
 1. The direction from the Finance Committee after review of the Risk Assessment Report;
 2. New programs and/or functions;
 3. Electronic data processing system changes or additions;
 4. Strategic and emerging risks identified during the annual enterprise risk management assessment;
 5. Prior audits completed and their results; and
 6. Other information obtained during the current audit period.
- E. The proposed audit plan will consider and take into account Management's views regarding risk of the proposed audit areas, timing of the proposed audits, and additional areas that may warrant review in the upcoming year.

- F. The proposed audit plan will be presented to the Finance Committee for its review and input. Once the Finance Committee has approved the proposed annual audit plan, it shall be presented to the Board of Directors along with the Risk Assessment Report for final approval.
- G. Any changes made to the annual audit plan during the year shall be reported to and approved by the Finance Committee and Board of Directors.

5.5 Procedures for Initiation of an Audit

- A. The purpose of the following procedure is to provide general guidelines that will assist Internal Audit in the process of starting an audit project. MFA Management and staff should be informed of the nature and timing of audit activities.
- B. Internal Audit will make every effort to facilitate audit work in a manner that will result in the least amount of disruption to personnel and/or functions audited.
- C. Prior to the start of an audit segment, Internal Audit will contact the Compliance Officer and schedule an opening meeting with Policy Committee, the Controller, and the manager responsible for the area under audit to communicate audit objectives. Internal Audit will also explain the extent to which assistance may be required and the types of information necessary to complete the audit.
- D. If the anticipated start date of the audit conflicts with planned activities or personnel schedules in the area to be audited, every effort should be made to reschedule the start date of the audit or the timing of audit procedures to be performed.

5.6 Issuance of Internal Audit Reports

- A. This procedure provides a general description of the process by which audit reports will be issued. This process ensures that Management is aware of the information in the audit report prior to its presentation to the Finance Committee or the Board of Directors and allows for Management to provide responses to recommendations made in the report.
- B. The results of the audit shall be discussed with Policy Committee, the Controller, and the manager or Employee primarily responsible for the area under audit upon completion of an audit segment. This step allows the manager or Employee to correct any misunderstandings by the internal auditor or erroneous information prior to finalizing the internal audit report.
- C. A summary of findings and recommendations will be provided to Management. This summary communicates all findings whether reportable or not, to Management for their information.
- D. Management will provide responses to findings and recommendations made and will also ensure that any findings are correctly stated. Internal Audit will work closely with Management to arrive at responses that are workable for Management but also address adequately the underlying concern.
- E. A draft of the audit report shall be provided to Management prior to issuance of the final report. This

step allows for Management input or comments on the report prior to presentation to the Finance Committee or the Board of Directors.

- F. The final audit report shall be issued to Management and the Board of Directors through the Finance Committee.
- G. Internal Audit will provide Management with a schedule of open items and their disposition. Internal Audit will update this schedule at least annually.

5.7 Internal Audit - Reporting to the Finance Committee and the Board of Directors

- A. The purpose of this procedure is to define the nature and timing of internal audit reporting to the Finance Committee and the Board of Directors. Internal Audit must keep the Finance Committee and the Board of Directors informed of the results and the status of internal auditing activities.
- B. Internal Audit shall provide a copy of all internal audit reports issued to the Finance Committee members at their monthly meeting as the reports are issued.
- C. Internal Audit shall provide a status report of the internal auditing activities to the Finance Committee from time to time at their monthly meetings. This report will indicate the status of internal audits, which are in process or have been undertaken since the previous status report, and the status of hours incurred vs. budgeted hours.
- D. Internal Audit shall provide an annual summary of internal auditing results and activities completed for each fiscal year, and an analysis of the completion of the Annual Audit Plan for that fiscal year. This report shall be presented to the Finance Committee and the Board of Directors at their monthly meetings immediately following the end of the contract.
- E. Internal Audit shall have the freedom to contact the members of the Finance Committee or the Board of Directors should the need arise at times other than those noted above.

5.8 Internal Auditing Working Papers

- A. Completed working papers shall be kept by the Internal Audit firm. If appropriate, copies may be made available for Management, external auditors, legal counsel, or third parties.

Exhibit B
ORGANIZATIONAL REFERENCE QUESTIONNAIRE

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

INTERNAL AUDIT SERVICES RFP

ORGANIZATIONAL REFERENCE QUESTIONNAIRE FOR:

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

Name: Julie Halbig
 Address: 344 4th St. SW
 Albuquerque, NM 87102
 Telephone: 505-308-4216
 Fax: (505) 243-3289
 E-mail: jhalbig@housingnm.org

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

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

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

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

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

COMMENTS:

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

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

COMMENTS:

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

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

COMMENTS:

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

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

COMMENTS:

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

COMMENTS:

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

COMMENTS:

7. Would you recommend this Offeror's services?

COMMENTS:

Exhibit C

New Mexico Mortgage Finance Authority Loan Servicing and Administration Quality Control Oversight and Compliance Plan for FHA Insured Mortgages

The New Mexico Mortgage Finance Authority (MFA) is an approved Title I and Title II – Federal Housing Administration (FHA) Mortgagee. MFA has developed, implemented and maintained a Quality Control Program to ensure compliance with FHA’s Single Family Housing Policy Handbook (SF Handbook 4000.1) and MFA’s Policy and Procedure Manual for Loan Administration of FHA insured mortgages. This Quality Control Oversight and Compliance Plan sets forth MFA’s procedure for ensuring quality control.

QUALITY CONTROL OVERSIGHT AND COMPLIANCE OVERVIEW

The purpose of this plan is to:

- Ensure compliance with FHA and MFA policy and guidelines related to FHA Loan Administration;
- Protect FHA and MFA from unacceptable risk;
- Guard against errors, omissions, negligence and fraud from those involved in MFA’s Servicing and Loan Administration;
- Determine the root cause of any deficiencies and identify potential internal and external control weaknesses;
- Alert MFA management to patterns of deficiencies with respect to mortgage process and personnel;
- Ensure timely and appropriate corrective action;
- Ensure the existence of required documentation that is the basis of servicing decisions;
- Ensure Mortgages are secured by properties with value sufficient to support the Mortgages; and
- Ensure compliance with fair lending laws, including the Fair Housing Act and the Equal Credit Opportunity Act (ECOA).

STANDARD

MFA has adopted and implemented the Quality Control (“QC”) Program, the Quality Control Oversight and Compliance Plan (“the Plan”) and MFA’s Policy and Procedures Manual to ensure it is fully compliant with all applicable FHA requirements at all times. MFA established the Plan based on the requirements set forth in the FHA Single Family Housing Policy Handbook 4000.1 and MFA’s policies and procedures which are designed to follow these guidelines. The Plan covers the lifecycle of an FHA insured Mortgage to include:

- Origination*
- Underwriting*
- Closing*
- Endorsement* and
- Servicing functions that are considered by MFA and/or MFA’s contracted service provider (Sub-servicer)

*MFA does not originate FHA insured mortgages; therefore, the origination, underwriting, closing and endorsement requirements are not applicable in this Quality Control Plan.

REQUIRED DOCUMENTATION

MFA must document the existence of its QC Program and evidence of its implementation, including written procedures, QC reports and corrective action plans.

- MFA must retain all QC review results, including all selection criteria, review documentation, finding and actions taken to mitigate finding for a period of two (2) years from the initial QC review or from the last action taken to mitigate findings, whichever is later.
- MFA must make all documentation relating to its QC Program available to FHA at any time upon request.

SITE REVIEW

MFA does not originate single-family FHA loans, MFA performs servicing of FHA loans in its home office locations and there are no branch locations. Quality Control audits and reviews will be performed at MFA's office location at 344 Fourth St. S.W., Albuquerque, NM 87102.

AUDIT SCOPE/SAMPLE SIZE

MFA's Quality Control review of servicing activities is an ongoing function. MFA services fewer than 3,500 loans in its active FHA servicing portfolio and is subject to 10 percent of the FHA insured sampling for each area of servicing. Loans are selected on a random basis with all loans having equal change of being selected for testing. Loans processed by the entire servicing staff, including supervisors and managers, are subject to review. Sampling for servicing reviews will be focused on specific aspects of servicing rather than against the entire portfolio. The Quality Control review team must document the total population of FHA loans and how the sample size and selections are determined for each area of servicing reviewed.

Sample Composition Standards – select FHA-insured Mortgages for review via a random basis. Early Payment Defaults (“EPD”) and discretionary sample selection methods that meet FHA standards.

Random

FHA requires MFA select FHA-insured Mortgages through the use of statistical sampling such that each of the Mortgagee's FHA-insured Mortgages has an equal change of being selected. The random sample must be drawn from all of the Mortgagee's FHA-insured Mortgages, regardless of origination source or program type.

Early Payment Defaults

(1) Definition

Early Payment Defaults are all Mortgages that become 60 days delinquent within the first six payments

(2) Standard

MFA must review all EPDs underwritten by the Mortgagee, regardless of which Mortgagee services the Mortgage. Mortgagee may use Neighborhood Watch to assist with identifying EPDs.

Discretionary

MFA must focus discretionary samples on programs, participants, or sources that represent a high level of risk, which may include disproportionate loan volume, default rates, new relationships, or concentration in soft market areas.

Required Documentation

The QC Review Team must document how the sample size and selections were determined.

QUALITY CONTROL REPORTS

Quality Control review findings must be reported to management within thirty (30) days of completion of the initial finding report. The Quality Control reports allow Management to assess risk and address the severity of any deficiencies identified. In the event issues identified during the review period were material violations of FHA or MFA requirements and represent an unacceptable level of risk, MFA's Quality Control review team will advise MFA Management to report these loans in writing within sixty (60 days), to the Quality Assurance Division of the Denver Homeownership Center, and to provide MFA's Quality Control review team with a copy of the correspondence. Management must take prompt action to deal appropriately with any material findings. Quality Control reports are issued monthly or quarterly as required by FHA.

Response to Quality Control Reports

The final Quality Control report will include MFA's Management response. The final report or an addendum must identify the corrective action take, the timetable for completion and any planned follow-up activities.

Audit Scope Expansion

Audit scopes will be increased on a representative sampling of loans when fraud or patterns of deficiencies, which are considered to be significant, affect the servicing of loans identified.

Recordkeeping

The work papers used by MFA's Quality Control review team give a detailed report of all findings noted by the Quality Control review team and these work papers are used for reporting purposes. Copies of these work papers and Quality Control will be retained for a two (2) year period.

QUALITY CONTROL PROGRAM REQUIREMENTS

MFA may use employees or contractors to perform QC functions in accordance with the following requirements.

Employees – MFA must ensure that if employees perform QC Program functions that they are at all times independent of all Loan Administration processes and do not directly perform or participate in any of the Loan Administration processes represented in the QC Plan. In addition, MFA must ensure QC employees are not within any chain of reporting or management that is directly connected to Loan Administration staff.

Contractors – MFA may contract with outside vendors to perform MFA's QC function if:

- MFA assumes full responsibility for the contractor's conduct of QC reviews in compliance with FHA requirements;

- MFA and the contractor have a valid contractual agreement in place that specifies the roles and responsibilities of each party; and
- MFA acknowledges that the existence of such contract for the provision of QC services does not satisfy MFA's obligation to have a written QC Plan that fully complies with FHA requirements.

MFA engages an outside auditor to perform the Quality Control function and has a contract in place that includes the Quality Control function (Quality Control review team). The contract identifies the roles and responsibilities of each party and mandates compliance with HUD requirements. Quality Control engagements are scheduled at the beginning of each engagement year. The contract is available for review by HUD staff.

Operational Compliance

Personnel

- Training
 - Loan Administration and Quality Control Processes – MFA must provide training to all staff involved in FHA Loan Administration and QC processes to ensure that staff knows all current FHA requirements for the FHA Loan Administration practices for which MFA is responsible.
 - MFA must maintain a list of all training provided to staff.
 - MFA must include a summary of the content covered for each staff's training.
 - Access to FHA Guidance – MFA must provide all Loan Administration and QC staff with access to current FHA guidance including Handbooks, Mortgagee Letters (ML), Frequently Asked Questions (FAQs) and other guidance issued by FHA. MFA must confirm that all Loan Administration and QC staff has access to the Internet or to hard copies of current FHA guidance.

Restricted Participation

MFA must confirm it verified through each of the following systems, that the designated employees and/or affiliates listed below were permitted to participate in FHA programs. If any of the designated employees and/or affiliates are found to be ineligible, they are restricted from participating in FHA programs. Checks to verify employee eligibility must be conducted at least semiannually.

- Excluded Parties List – MFA must verify employee eligibility for all officers, partners, directors, principals, managers, supervisors, loan processors, loan underwriters, loan originators, and all other employees and affiliates participating in the U.S. Department of Housing and Urban Development (HUD) programs for or on behalf of MFA using the System for Award Management (SAM) Excluded Parties List.
- Limited Denial of Participation – MFA must verify employee eligibility for all officers, partners, directors, principals, managers, supervisors, loan processors, loan underwriters, loan originators, and all other employees and affiliates participating in the U.S. Department of Housing and Urban Development (HUD) programs for or on behalf of MFA using the Limited Denial of Participation (LDP) list.
- National Mortgage Licensing System and Registry – MFA must verify that all employees and affiliates participating in HUD programs for or on behalf of MFA are registered with the National Mortgage Licensing System and Registry (NMLS), unless excluded from NMLS requirements by law or regulation (not applicable).

MFA employees involved in origination, processing, underwriting or servicing will be checked upon hire and semi-annually in March and September to determine that they are not currently under debarment, suspension or subject to a

limited denial of participation (LDP) or otherwise restricted from HUD programs. MFA must maintain copies of each employee's eligibility verification print outs.

AFFILIATE QUALITY CONTROL REVIEWS

MFA must perform QC reviews of its affiliates in the same manner and under the same conditions as required for MFA's operations. At a minimum, Affiliates monitoring must include a periodic (semiannual at a minimum) re-verification of the Affiliate's compliance with all applicable laws related to licensing, qualification, eligibility or approval to originate or sub-service mortgages.

MFA must document the methodology used to review Affiliates, the results of each review and any corrective actions plans as a result of review findings. The procedures used to review and monitor MFA's Affiliates must be included in MFA's QC Plan.

At the present time, MFA does not act as a Sponsor/Agent for other companies. MFA's FHA Single Family Program Loans are originated, approved, and closed by MFA approved lenders, who are approved by FHA to perform these functions. The loans are tested for compliance with FHA origination and servicing requirements by the lender.

FAIR HOUSING AND LENDING

MFA must verify that its operations comply with applicable state and federal fair lending laws, including the following:

- Fair Housing Act (42 U.S.C. § 3601 et seq.)
- ECOA (15 U.S.C. § 1691 et seq.)
- Federal Truth in Lending Act (15 U.S.C. § 1601 et seq.)

Loans will be reviewed for compliance with fair lending laws, including the Fair Housing Act, the Equal Credit Opportunity Act and Federal Truth in Lending Act.

In the event of possible violations or incidences of discrimination are detected, MFA's Quality Control team will report the violations to MFA Management with a request that the violations and supporting documentation be reported to the Office of Fair Housing and Equal Opportunity (FHEO) immediately.

Disproportionate aggressiveness or forbearance in foreclosure along racial or ethnic lines may evidence illegal discrimination.

Fair Housing Poster and Equal Housing Opportunity Logo – MFA must ensure that a fair housing poster is prominently displayed in MFA's home office and any branch offices that deal with borrowers and the general public.

MFA must ensure that equal housing opportunity logo is prominently displayed on all documents, including both hard copy and electronic documents, distributed by MFA to the public.

MFA must be able to demonstrate that all documents distributed to the public contain the equal housing opportunity logo.

Fair Housing Discrimination Violations – MFA must report potential fair housing violations or instances of discrimination to HUD's Office of Fair Housing and Equal Opportunity (FHEO) immediately.

MFA may report fair housing violations and complaints using the HUD Form 903 Online Complaint, or by contacting HUD's local FHEO Regional Office or by calling the Fair Housing Complaint Hotline at 1-800-669-9777.

REPORTING FRAUD AND ABUSE

Findings of fraud or other serious violations must immediately be referred in writing (along with any available supporting documentation) to the Director of the Quality Assurance Division in the HUD Denver Homeownership Center. If HUD staff is suspected of involvement, refer to the Office of Inspector General at 451 7th Street, SW, Room 8256, Washington, D.C. 20410.

Findings of fraud or other serious violations discovered by MFA employees, during the normal course of business and/or by the Quality Control review team during review of FHA loans must be reported to HUD within 60 days of the initial discovery.

NOTE: At the present time, MFA does not originate or sell servicing of FHA loans. However, in the event that servicing would be sold, purchasers of HUD/FHA insured mortgages would be advised of any loan(s) subject to a HUD audit or investigation.

SERVICING LOAN FILE COMPLIANCE REVIEW AND OBJECTIVE

The primary objective of MFA's Quality Control Plan for Loan Servicing is to ensure MFA's Servicing operations related to FHA insured mortgages are in compliance with HUD regulations, Handbook 4000.1 (as revised), Mortgagee Letters and instructions for the submission of claims. This is accomplished through completion of periodic Quality Control review and testing of all aspects of MFA's Servicing operations related to FHA insured mortgages as required by HUD. Additionally, the Quality Control review team must make certain through observation and testing that MFA's Servicing staff is aware of FHA servicing requirements.

The areas listed below must be reviewed to ensure MFA complies with all laws, rules and requirements applicable to mortgage servicing, including full compliance with all applicable requirements under the purview of the Consumer Financial Protection Bureau (CFPB), including the Real Estate Settlement Procedure Act (RESPA) and the Trust in Lending Act (TILA). FHA requirements that are more stringent or restrictive than those provided for in applicable law are set forth in the SF Handbook 4000.1 and MFA must comply with these requirements.

MFA must ensure review of all aspects of its servicing operations, including a review of subserviced mortgages and activities as they relate to FHA-insured Mortgages to guarantee that all FHA servicing and loss mitigation requirements are being met. At a minimum, MFA must include the elements in the QC review to ensure they meet the requirements outlined in the Servicing and Loss Mitigation and Claims and Disposition sections of the SF Handbook 4000.1.

COMPLIANCE TESTING FOR RESPA – Monthly/Review

Compliance with the Real Estate Settlement Procedures Act will be tested during all applicable testing of loan servicing areas that are required to adhere to Regulation X (Escrow, Transfer of Servicing, (Welcome Letters)).

MAINTENANCE OF RECORDS – Quarterly Review

The monthly FHA loan originations and existing FHA loan portfolio will be tested to ascertain that the file contains all of the necessary credit, legal and disclosure documents.

NOTE: Currently, MFA is not boarding new FHA loans.

The FHA loans set-up on the servicing system are tested to ascertain the accuracy of the Mortgage Insurance Certificate.

Ascertain that scanned, microfilm or original documents, that are required to be retained, are legible and are being retained for a minimum of the life of the loan plus seven (7) years after the transfer or sale of the mortgage or termination of the mortgage insurance.

For cases for which a claim is filed, seven (7) years after the final claim or latest supplemental claim settlement date.

ERROR RESOLUTION PROCESS AND REQUEST FOR INFORMATION – Review Quarterly

- Ensure compliance with MFA's Information Request and Error Resolution Process

CUSTOMER SERVICE – Review Quarterly

- Customer Service inquiries:
 - Ensure requests from MFA borrowers concerning their mortgage accounts are responded to promptly.
 - Ensure complaints are properly and effectively handled.
- Random selection will be made quarterly from FHA loan comments and mail received in the Servicing Department. Follow-up is made to determine if the mortgagor's request for information was processed promptly.

ESCALATION – Review Quarterly

- Ensure compliance with MFA's Escalation process

FEES AND CHARGES – Review Quarterly

- Assure that fees and charges imposed on the mortgagor are permitted and do not exceed the amount allowed by HUD/FHA.
- The review includes, but is not limited to, the late charge fee, preservation and protection fee, appraisal costs, modification fees, foreclosure costs and acquiring the property.

NEW LOANS, SERVICING TRANSFERS, ACQUISITIONS – Review Quarterly

- Transfer of servicing requirements
- Set-up Loan Servicing Records

Loans will be tested to determine that they were set-up on the Loan Servicing system in a timely manner and that all records necessary to service the loan have been activated on the system.

- The monthly FHA origination population will be selected and tested on a quarterly basis to ascertain the degree to which the originator provided the borrower with the disclosure required by the Real Estate Settlement Procedures Act (RESPA) and HUD's Regulation X (24 C.F.R. Part 3500.21), advising the borrower that the servicing of their loan has been transferred to MFA.

- The FHA loans purchased by MFA will be selected and tested on a quarterly basis to ascertain the degree to which the Fund complied the Real Estate Settlement Procedures Act (RESPA) and HUD's Regulation X (24 C.F.R. Part 3500.21), advising the borrower that the servicing of their loan has been transferred to MFA.

MORTGAGE RECORD CHANGES – Review Quarterly

- MFA has not sold servicing to other lenders. In the event this policy changes, MFA's Quality Control review team will perform a test to determine that the Mortgage Record Change was completed properly and timely (within 15 days of the effective transfer date).
- Mortgage Record Change and Mortgage Record Termination:
 - Loans will be tested to determine that the mortgage holder and servicer are accurately reflected on HUD's system.
 - Loans will be tested to determine that HUD was notified within 15 days from the pay-off to terminate the mortgage record.

ESCROW FUNDS – Review Quarterly

Ascertain that escrow funds received from borrowers were used only for the purpose for which they were received and are in compliance with all Consumer Financial Protection Bureau (CFPB) escrow requirements.

- The monthly FHA origination population will be tested to ascertain the degree to which the amount of funds received to set-up escrow accounts are accurate and if the escrow lines were set-up correctly on the servicing system.
- The FHA loans reported on the servicing system will be tested to ascertain the degree to which escrow items are being paid accurately and timely, bills are requested and obtained, annual escrow analysis, if surplus funds were returned to the borrower or if shortages are promptly reported to the borrower.
- The FHA loans reported on the servicing system will be tested to ascertain whether or not the mortgagor's escrow accounts are commingled with the MFA's operating accounts.

FORCED PLACED INSURANCE – Review Quarterly

- Ensure compliance with MFA's Force-Placed Insurance policy which complies with 2013 RESPA Final Rule.

PAID-IN-FULL MORTGAGES – Review Quarterly

- Loans will be reviewed to determine that the release was mailed to the customer within the required time frame, surplus escrow funds were returned to mortgagors, unearned UFMIP were returned to mortgagors, and FHA was notified of the pay-off.

PREPAYMENT PENALTIES – Review Quarterly

- At the present time MFA does not service loans that prepayment penalties. Prepayment penalties are prohibited by NM state law.

MORTGAGE INSURANCE PREMIUMS – Review Quarterly

MFA must verify that:

- FHA Mortgage Insurance Premiums (MIP) were remitted to FHA within the required time period or if not, that the remittance included late charges and interest penalties.

MFA must address any pattern of late submissions and promptly take corrective measures. MFA must retain the results of each review and any corrective actions taken as a result of review finding.

SERVICING DELINQUENT ACCOUNTS – Review Monthly

Due to the importance of this aspect of servicing, MFA's Quality Control review team will perform monthly review of delinquent loan servicing, claims and foreclosures.

- Loss Mitigation efforts:
 - Ensure all appropriate Loss Mitigation tools have been considered and documented.
 - Ensure every effort was made by MFA to provide assistance to mortgagor to remedy the delinquency.
 - Ensure accurate and timely submission of required reporting under the Single Family Default Monitoring System (SFDMS).
- Delinquent Loan Servicing:
 - Ensure MFA is performing effective collection activities in a timely fashion.
 - Ensure MFA is accurately documenting the loan record with all collection efforts.
 - Ensure MFA is performing or attempting to perform face-to-face interviews or telephone contact with the mortgagor(s) before three full mortgage installments become delinquent.
 - Ensure MFA's borrower's payment information is reported regularly to the appropriate Credit Bureaus.
 - Review loan records to ensure that property inspections to protect and preserve the property are performed in accordance with HUD requirements.

CLAIMS and CLAIMS WITHOUT CONVEYANCE OF TITLE – Review Monthly

- Ensure MFA has sufficient control to ensure that claims for insurance benefits are accurately prepared, calculated, documented and submitted in a timely manner to HUD. All fees must comply with the reasonable and customary fee specified by the Denver HUD Homeownership Center.

FORECLOSURE PROCESSING – Review monthly

- Ensure MFA has initiated and completed foreclosure proceedings in a timely manner and in compliance with HUD requirements.

DEFICIENCY JUDGMENTS – Not Applicable

- If a foreclosure occurs after the Borrower successfully participated in the Pre-foreclosure Sale process in good faith, neither MFA nor HUD will pursue the Borrower for a deficiency judgment.
- At the present time it is not the policy of MFA to pursue deficiency judgments based on HUD regulations.

ARM ADJUSTMENTS AND DISCLOSURES – Not Applicable

- At the present time MFA does not service adjustable rate loans, however this item would be tested in the event we opted to service adjustable rate loans.

ASSUMPTION PROCESSING – Review Quarterly

- The loans will be reviewed to determine that the loans were properly underwritten and that the Mortgage Record Change (identifying the assumptor's name and social security number) was promptly reported to HUD.
- Determine whether the MFA is ensuring that none of the participants in an assumption (excluding the seller of a principal residence) has been debarred or suspended or is under an LDP for the program or jurisdiction. There also must be procedures to determine if the mortgage assumptor is ineligible due to a delinquent federal debt.

MFA does not process FHA assumptions; however, this item would be tested in the event.

MFA experienced an FHA assumption.

DISASTER MORATORIUM – Review Quarterly

Loans will be tested to determine that disaster moratorium requirements were met.

SECTION 235 RECERTIFICATION – Review Quarterly

At the present time MFA does not service Section 235 loans; however, this item would be tested in the event we service Section 235 loans. Quality Control Reviews of Specialized Mortgage Programs (e.g., 203(k), Home Equity Conversion Mortgages (HECM), Energy Efficient Mortgages (EEM), etc.) must monitor compliance with FHA requirements specific to those programs.

HECM DISBURSEMENT REPORTING – Review Quarterly

- At the present time MFA does not service HECM loans, however this item would be tested in the event we opted to service HECM loans.

Exhibit D

NEW MEXICO MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT

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

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

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

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

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

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

- Engaging in a conflict-of-interest transaction prohibited by Section F of MFA's Code of Conduct, which can be found at:
https://housingnm.org/uploads/documents/Section_F_of_MFA_Code_of_Conduct.pdf
- Providing gifts and entertainment to any MFA Employee, MFA Management or MFA Member in an attempt to improperly influence MFA business decisions.

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

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

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

MFA's confidential or proprietary information with a sub-contractor, MFA expects the Third-Party to implement adequate controls at a level no less than those set forth in this Third-Party Code of Conduct with such sub-contractor. Third Parties must not infringe upon the intellectual property rights of other companies or organizations. Third Parties must return all confidential and proprietary information in their possession to MFA when the contractual relationship between MFA and the Third-Party has terminated, unless otherwise specified by contract. The obligation to protect MFA's confidential and proprietary information continues even after any business relationship between MFA and the Third-Party ends. MFA may require that Third Parties sign a separate confidentiality and non-disclosure agreement.

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

OFFEROR ACKNOWLEDGMENT

By: NAME

Date

Signature

Tab 11



MEMO

TO: MFA Board of Directors

Through: Contracted Services/Credit Committee August 9, 2022
Through: Policy Committee August 2, 2022

FROM: Isidoro Hernandez, Executive Director and CEO
Jeff Payne, Chief Lending Officer

DATE: August 17, 2022

SUBJECT: Request for Proposals to Provide Professional Services for the Sale of the
New Mexico Mortgage Finance Authority Building

Recommendation:

Staff recommends approval of the Request for Proposals to Provide Professional Services for the Sale of Commercial Real Estate.

Background:

In July 2022, the MFA Board of Directors approved a resolution authorizing the purchase of a new office building and the sale of our existing location. Staff now wishes to procure professional services to sell MFA's existing office building when a new building is identified for acquisition by MFA.

Discussion:

To market and negotiate the sale of the building now occupied by MFA, staff desires to hire the services of a commercial real estate broker. A commercial real estate broker is desired that has experience with the downtown Albuquerque market, could advise MFA on how to market the property, maximize the price, and provide guidance through the complex process. The broker is typically compensated by commission upon the sale of the property. MFA procurement policies require MFA Board approval for the RFP to select a broker providing these services.

Services to be Performed

The services solicited under this RFP are for professional services commonly provided by commercial real estate brokers. Professional services required include, but are not limited to, the following:

1. Provide assistance assessing the market value of the building and setting a sales price.
2. Advise MFA on how to best market and present the property for interested parties to evaluate.
3. Provide guidance on duties required or expected of MFA as seller in the current market.
4. Assist MFA in obtaining a favorable sale price and net sales proceeds.

5. Provide other guidance through the process from listing of the property to closing on the sale,

Evaluation Criteria

MFA shall award the contract for professional services to the Offeror whose proposal is most advantageous to MFA. Proposals will be scored on a scale of 1 to 70 based on the criteria listed below:

- Experience and Capability - 15
- Downtown Albuquerque Experience - 10
- Fees – 20
- References – 10
- New Mexico Resident Business – 5
- Interview - 10

Attached for review is the RFP to Provide Professional Services for the Sale of Commercial Real Estate.

Timeline

Date	Activity
August 18, 2022	RFP Published
Aug 18– Aug 31, 2022	Frequently Asked Questions (FAQ) Open
Sep 1, 2022 @ 5:00 PM	Proposal Submission Deadline
Sep 14, 2022	Board Award

Summary:

Staff recommends approval of the New Mexico Mortgage Finance Authority Request for Proposals to Provide Professional Services for the Sale of Commercial Real Estate.

**New Mexico Mortgage Finance Authority
Request for Proposals
To Provide Professional Services for the Sale of Commercial Real Estate**

Part I: Background & General Information

Introduction

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

Purpose

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

Questions and Answers

Questions pertaining to this RFP and application must be submitted via the MFA website at <http://www.housingnm.org/rfp>. Then under "Current RFP's," select "Professional Services for the Sale of Commercial Real Estate RFP." On the MFA RFP page, select the "Professional Services for the Sale of Commercial Real Estate FAQs" link. Questions will be checked on a daily basis. The FAQ will open the day after the RFP issues August 18, 2022 and will close on. September 1 2022 To submit your questions, scroll down to the "Ask a question" section, enter your name, email address, and type your question in the "Question" box, type in the two (2) words in the CAPTCHA box and click on "Send my question". MFA will make every attempt to answer questions within two (2) business days.

Proposal Submission

Proposal submissions must be received no later than August 31, 2022 at 5:00 p.m., Mountain Time. Proposals which are not received by this time will not be accepted.

Utilize one of the following methods for proposal submission:

Via E-mail: Send to smarez@housingnm.org with a subject line of "Proposal to Furnish Professional Services for the Sale of Commercial Real Estate." This is the preferred method and hard copies are not required.

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

Proposal Tenure

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

RFP Revisions and Supplements

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

Incurred Expenses

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

Cancellation of Requests for Proposals or Rejection of Proposals

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

Offeror's Rights to Withdraw Proposal

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

Evaluation of Proposals, Selection and Negotiation

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

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

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

Interview

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

Award Notice

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

Proposal Confidentiality

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

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

Irregularities in Proposals

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

Responsibility of Offerors

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

Protest

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

Sandra Marez
New Mexico Mortgage Finance Authority
344 Fourth Street S.W.
Albuquerque, New Mexico 87102

Or:

smarez@housingnm.org

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

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

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

Confidential Data

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

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

Part II: Minimum Qualifications and Requirements

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

1. All Offerors must provide a firm bio and at least 5 references from current or past clients for whom Offeror has provided legal services
2. All Offerors must have at least five years' experience in New Mexico in commercial real estate transactions in New Mexico, specifically the Albuquerque market. Offerors must also be licensed to sell commercial real estate in New Mexico
3. All Offerors must have substantial expertise in the downtown market.

4. All Offerors must maintain professional liability insurance as outlined in Part VI of this RFP. Award will not be made to any Offeror who is debarred, suspended or subject to a Limited Denial of Participation, is listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov, or is otherwise restricted.

Selected Offerors must also meet the following requirements:

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

Part III: Services to be Performed

As requested by MFA, Professional Services for the Sale of Commercial Real Estate are required to be provided and to be incorporated into the listing agreement to be awarded pursuant to this RFP include, but are not limited to, the following:

1. Provide assistance assessing the market value of the building and setting a sales price.
2. Advise MFA on how to best market and present the property for interested parties to evaluate.
3. Provide guidance on duties required or expected of MFA as seller in the current market.
4. Assist MFA in obtaining a favorable sale price and net sales proceeds.

5. Provide other guidance through the process from listing of the property to closing on the sale.

Part IV: Compensation

Fees and commission should be an all-inclusive and should include all compensation to be paid by MFA to the commercial real estate agent, their firm, and any other staff. Offeror must provide a commission rate with explanation of how commission is to be calculated, a flat fee, or an hourly fee depending on the type of compensation proposed by the Offeror. Offeror must also state in their submission any compensation or costs expected to be paid by MFA prior to closing on the sale of the property.

Part V: Evaluation Criteria

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

Criteria	Point Range	Maximum Points
1. Overall Experience and Capability: Offeror's skill, knowledge and experience with-- a. New Mexico real estate, land use law, representation of lenders in commercial real estate transactions in New Mexico; the mortgage banking industry; federal and state tax laws impacting real estate development transactions; and the rules, regulations and guidelines of both governmental and private mortgage insurers and secondary mortgage market conduits affecting the mortgage banking business.	0-15	15
2. Downtown Albuquerque Experience	0-10	10
3. Fees: Hourly basis-- hourly rates and other fees and costs	0-20	20
4. References	0-10	10
5. New Mexico Resident Business: Offeror is licensed to do business in New Mexico and the majority of Offeror's employees who would perform the services to be performed in New Mexico reside in New Mexico	0-5	5
Interview	10	10
Maximum Points		70

Part VI: Proposal Format and Instructions to Offeror

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

1. Letter of Transmittal – to include at least the following:
 - A. Name, address and telephone number of Offeror and name of contact person.
 - B. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror.
 - C. Date of proposal.
 - D. A statement that the Offeror, if awarded the contract, will comply with the contract terms and conditions set forth in this RFP.
 - E. A statement describing how long the Offeror can hold the rates.
 - F. A statement that the Offeror's proposal is valid for ninety (90) days after the deadline for submission of proposals.
2. Disclosure and Certifications – Offeror shall provide:
 - A. A written statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the State of New Mexico in the last three years, (2) any current or proposed business transaction between Offeror and any MFA member, officer, or employee, and (3) any other conflict or potential conflict which may give rise to a claim of conflict of interest.
 - B. A written statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror's firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror's firm or any of Offeror's members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror's firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
 - C. Offeror shall sign and abide by the NEW MEXICO MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT (EXHIBIT B).
 - A. A written certification that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.
 - B. A written certification that Offeror is eligible to participate in any and all federal- or state funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal or state funded housing program; and is not listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov; and has not been debarred by MFA.

3. Experience and Capability

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

4. Responsiveness to MFA and Technical Capabilities

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

5. Fees

- A. Services performed under this RFP for Housing Development legal services will be provided on fee or commission basis. A specific fee schedule for Professional Services for the Sale of Commercial Real Estate must be included in this proposal. Please include the following information:
 - (ii) Explanation of how commission is to be calculated;
 - (iii) Information regarding Offeror's ability to provide updates regarding marketing efforts and interest shown in the property;
 - (iv) Whether Offeror's proposed rates are the best offered by the firm to any client.
 - (v) A narrative description of the steps routinely taken to ensure that professional services are provided on a cost-effective basis.

6. References

- A. Offeror shall provide references for Offeror's work with or for financial institutions, governmental entities, and/or mortgage lenders.
- B. Offeror shall provide at least three references for whom Offeror has provided services for the sale of commercial real estate in the Albuquerque market with references regarding downtown properties preferred
- C. MFA shall provide the form attached hereto as **Exhibit A** to all references and seek feedback regarding their experience working with Offeror.

7. New Mexico Resident Business

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

Part VII: Principal Contract Terms and Conditions

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

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

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

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

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

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

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

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

Termination. If, in the judgment of MFA, the Offeror, for any cause, fails or omits to carry out the Work in an acceptable manner MFA may give notice in writing of such failure or omission and of a reasonable time within which to cure the deficiency. The Successful Offeror shall take corrective measures within such time. The Successful Offeror's failure to comply with such notice and to cure the deficiency as provided in the notice shall subject this Agreement to immediate termination by MFA. In the event of a for-cause termination, MFA shall terminate this Agreement by delivering to Offeror a written notice of termination. The effective date of termination shall be the date stated in the notice or, if no date is stated, then the date of delivery of the notice. Upon such termination, Successful Offeror shall deliver to MFA all materials developed under this Agreement. MFA shall then have the right to retain the services of other professionals to complete Successful Offeror's Work under this Agreement, and shall have no obligation to seek bids for the services under this RFP.

Termination for convenience of MFA. On fifteen (15) business day's written notice to Successful Offeror, MFA may

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

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

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

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

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

Confidential Information. Simultaneous herewith, Offeror shall enter into a Non-Disclosure Agreement with MFA under which Offeror shall agree Offeror will not, during the term of this Agreement, or thereafter, without the written consent

of MFA, disclose to anyone, or use for Offeror's own account, any confidential information concerning the businesses or affairs of MFA. Offeror will retain all such knowledge and information respecting such confidential information in trust for the sole benefit of MFA. Upon termination of this Agreement, Offeror will deliver to MFA all writings relating to or containing confidential information or destroyed with destruction certified by the receiving Party.

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

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

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

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

New Mexico Mortgage Finance Authority

Board Members

Chair Angel Reyes – President, Centinel Bank in Taos
 Vice Chair – Derek Valdo – Chief Executive Officer, AMERIND Risk
 Treasurer Rebecca Wurzbarger – Strategic Planning Consultant
 Member Howie Morales – Lieutenant Governor, State of New Mexico
 Member Hector Balderas – Attorney General, State of New Mexico
 Member Tim Eichenberg – Treasurer, State of New Mexico
 Member Patricia Sullivan – PhD, Associate Dean, New Mexico State University College of Engineering

Management

Isidoro Hernandez, Executive Director/CEO
 Donna Maestas-De Vries, Chief Housing Officer
 Jeff Payne, Chief Lending Officer
 Lizzy Ratnaraj, Chief Financial Officer

EXHIBIT A**ORGANIZATIONAL REFERENCE QUESTIONNAIRE**

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

HOUSING DEVELOPMENT LEGAL SERVICES RFP

ORGANIZATIONAL REFERENCE QUESTIONNAIRE FOR:

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

Name: Sandra Marez
 Address: 344 4th St. SW
Albuquerque, NM 87102
 Telephone: 505-767-2223
 Fax: (505) 243-3289
 E-mail: smarez@housingnm.org

No later than [Date] **5:00 p.m. Mountain Time**, and must **NOT** be returned to the company requesting the reference.

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

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

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

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

COMMENTS:

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

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

COMMENTS:

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

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

COMMENTS:

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

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

COMMENTS:

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

COMMENTS:

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

COMMENTS:

7. Would you recommend this Offeror's services?

COMMENTS:

EXHIBIT B

NEW MEXICO MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Registering with reception.
- Accessing only authorized areas unless accompanied by an MFA Employee.
- Promptly reporting known security violations and property loss or damage.
- Complying with all MFA facility requirements, including maintaining a substance-free and violence-free workplace.
- Any public health and safety policies in effect, including wearing a face mask.

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

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

OFFEROR ACKNOWLEDGMENT

DATE

Tab 12

Q3 2022 QUARTERLY MULTIFAMILY PIPELINE REPORT SUMMARY

Fifty-six (56) ACTIVE PROJECTS representing:

- ~\$39.6 million in annual tax credits
- ~\$65.3 million in MFA-issued bonds
- ~\$43.6 million in MFA loans
- Totaling \$148,490,975 in combined funding
- Consisting of 4,022 apartment units
- Located in 26 municipalities across the state

One project CLOSING in Q3:

- Vista Mesa Villas- a 100-unit 2022 4% LIHTC acquisition/Rehab project in Grants

Thirty (37) projects are currently UNDER CONSTRUCTION:

- Two projects added, none removed (EMLI @ Wells of Artesia & JLG Central [6 sites])
- Approximately 15 projects are expected to complete by end of calendar year.

COVID-19 DELAYS:

- A total of nine projects received COVID Extensions; one is in the final phase of approval; three are expected to be completed in 2022 and five will be completed in 2023.

Construction COMPLETION:

- Fifteen projects are now complete and either awaiting final inspections or formal notification of completion

Upcoming Ground Breakings/Ribbon-cuttings:

- Hiland Plaza's virtual ground-breaking was scheduled on Thursday, May 12th (ABQ)
- Siler Yard's Community Celebration (grand opening) was held on July 16th (SF)
- MFA is not aware of any other upcoming events

Estimated Economic Impact of the 37 projects (2,965 units) currently under construction:

- Approximately \$346 million in local income
- Approximately 4,744 jobs

Eventual Economic Impact of all 56 projects (4,022) units) once under construction:

- Approximately \$470 million in local income
- Approximately 6,435 jobs

Multifamily Project Completion Pipeline Report

Fiscal Year: 2022	Total LIHTC Award: \$	39,646,313	Total Projects:	56	Which will result in \$470,292,460 in local income and 6,435 jobs from the direct and indirect impact of construction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
Quarter: 3rd	Total MFA-Issued Bond \$	65,276,778	Total # of Apts:	4,022	
	Amount:				
Prepared: 7/15/2022	Total MFA Loan and Grant Amount: \$	43,567,884	# of Projects Under Construction:	37	
Overall Awards: \$		148,490,975	Total # of Apts Under Construction:	2,965	Which will result in \$346,697,450, in local income and 4,744 jobs from the direct and indirect impact of construction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
				# of Municipalities Served:	26

Reported at February, May, August, and November Board Meetings for the prior quarter																	
Main Funding Source	Project Name	Project Location	Application or Allocation Year	Loan Closing Date Actual (A) or Projected (P)	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Construction Start Approval Date Actual (A) or Projected (P)	33% Complete Date Actual (A) or Projected (P)	66% Complete Date Actual (A) or Projected (P)	Construction Completion Date Actual (A) or Projected (P)	Certificate of Occupancy/Placed in Service Date Actual (A) or Projected (P)	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments	
9%	1 Laguna #3	Pueblo of Laguna	2022	N/A No MFA loans	20	NC	(P) 12/1/2022	(P) 6/11/2023	(P) 12/30/2023	(P) 7/1/2024	(P) 7/1/2024	\$ 928,988	N/A	N/A	N/A		
	2 Calle Cuarta	Albuquerque	2022	(P) 12/1/2022	61	NC	(P) 12/1/2022	(P) 5/12/2023	(P) 10/21/2023	(P) 4/1/2024	(P) 4/1/2024	\$ 1,078,540	N/A	\$ 915,000 \$ 400,000 \$ 1,000,000	HOME-CHDO NHTF NMHTF		
	3 120 La Plata	Albuquerque	2022	(P) 12/1/2022	32	AR	(P) 1/1/2023	(P) 5/23/2023	(P) 10/12/2023	(P) 3/1/2024	(P) 3/1/2024	\$ 749,825	N/A	\$ 1,000,000	Ventana		
	4 9000 Veranda	Albuquerque	2022	(P) 12/1/2022	35	AR	(P) 1/1/2023	(P) 5/23/2022	(P) 10/12/2023	(P) 3/1/2024	(P) 3/1/2024	\$ 765,840	N/A	\$ 1,000,000	Ventana		
	5 Felician Villa Apartments	Rio Rancho	2022	(P) 11/1/2022	65	NC	(P) 12/1/2022	(P) 4/2/2023	(P) 8/2/2023	(P) 12/1/2023	(P) 12/1/2023	\$ 1,228,760	N/A	\$ 1,000,000 \$ 400,000	HOME-CHDO NHTF		
	6 The Three Sisters Apartments	Las Cruces	2022	(P) 1/1/2023	69	NC	(P) 1/1/2023	(P) 5/3/2023	(P) 9/2/2023	(P) 1/1/2024	(P) 1/1/2024	\$ 1,341,912	N/A	\$ 1,000,000 \$ 400,000	HOME-CHDO NHTF		
	7 Vista de Socorro	Socorro	2021	(P) 8/30/2022	32	NC	(P) 8/30/2022	(P) 1/18/2022	(P) 3/22/2023	(P) 9/29/2023	(P) 10/30/2023	\$768,507	N/A	\$400,000 \$400,000 \$2,000,000	HOME NHTF NMHTF		
	8 Belen Vista	Belen	2021	(P) 9/10/2022	57	AR	(P) 8/22/2022	(P) 12/16/2022	(P) 4/18/2023	(P) 8/14/2023	(P) 8/15/2023	\$787,639	N/A	\$1,000,000 \$400,000	HOME-CHDO NHTF	3/31/22 - In pre development stage	
	9 West Berry	Hobbs	2021	(P) 8/30/2022	56	NC	(P) 8/29/2022	(P) 10/1/2022	(P) 5/1/2023	(P) 11/1/2023	(P) 11/1/2023	\$1,090,143	N/A	\$840,000 \$1,000,000	HOME-CHDO NMHTF		
	10 Mariposa	Taos	2021	(P) 9/10/2022	58	AR/NC	(P) 8/25/2022	(P) 12/16/2022	(P) 4/18/2023	(P) 8/14/2023	(P) 8/15/2023	\$1,069,704	N/A	\$1,000,000 \$400,000	HOME-CHDO NHTF	3/31/22 - In pre development stage	
	11 Hiland Plaza	Albuquerque	2021	N/A No MFA loans	92	NC	(A) 1/22/2022	(P) 9/30/2022	(P) 1/31/2023	(P) 6/19/2023	(P) 6/19/2023	\$1,652,725	N/A	N/A	N/A		
	12 A'diidi ni'kuwaa	Mescalero	2021*	(P) 8/30/2022	40	NC	(P) 8/31/2022	(P) 3/1/2023	(P) 9/1/2023	(P) 12/31/2023	(P) 12/31/2023	\$626,772	N/A	\$292,500 \$400,000	HOME NHTF	*Credit Swap - 2020 Credits Returned/Reissued as 2021 Credits New Executive Director - Prioritizing project Project is proposing change in project design due to cost	

Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date <i>Actual (A) or Projected (P)</i>	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Construction Start Approval Date <i>Actual (A) or Projected (P)</i>	33% Complete Date <i>Actual (A) or Projected (P)</i>	66% Complete Date <i>Actual (A) or Projected (P)</i>	Construction Completion Date <i>Actual (A) or Projected (P)</i>	Certificate of Occupancy/Placed in Service Date <i>Actual (A) or Projected (P)</i>	LHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments
	13	Luminaria Senior	Albuquerque	2020	N/A No MFA loans	92	NC	(A) 1/4/2021	(A) 6/9/2021	(A) 10/27/2021	(A) 4/26/2022	(P) 11/1/2022	\$1,142,400	N/A	N/A	N/A	Luminaria currently working on final items. Inspection to follow
	14	PAHA Homes #2	Pueblo of Acoma	2020	N/A No MFA loans	30	NC	(A) 12/28/2020	(A) 11/4/2021	(A) 3/22/2022	(P) 8/25/2022	(P) 8/25/2022	\$671,000	N/A	N/A	N/A	
	15	Encantada Apartments	Los Lunas	2020	(A) 4/20/2021	48	AR	(A) 4/12/2021	(A) 10/28/2021	(A) 11/29/2021	(A) 4/25/2022	(A) 4/25/2022	\$599,897	N/A	\$400,000 \$400,000	HOME NHTF	Final report received, minor items need to be addressed
	16	6100 Harper	Albuquerque	2020	(A) 8/12/2021	59	AR	(A) 2/23/2021	(P) 8/31/2022	(P) 1/31/2023	(P) 12/31/2023	(P) 12/31/2023	\$912,789	N/A	\$400,000	NHTF	PIS Extension approved until 12/31/2023
	17	Copper Terrace	Albuquerque	2020	(A) 11/17/2020	96	AR	(A) 12/30/2020	(A) 8/19/2021	(A) 2/28/2022	(P) 12/31/2023	(P) 12/31/2023	\$1,232,333	N/A	\$1,000,000 \$1,000,000	HOME-CHDO NMHTF	PIS Extension approved until 12/31/2023
	18	Broadway/McKnight	Albuquerque	2020	(A) 7/26/2021*	54	NC	(A) 9/13/2021	(A) 5/16/2022	(P) 9/30/2022	(P) 12/31/2023	(P) 12/31/2023	\$954,720	N/A	\$400,000 \$600,000	NHTF TCAP	Full Forward of 2021 Tax Credits - PIS date extended to 2023 *Applying for additional gap funding
	19	Villa Mirasol	Sunland Park	2021	(A) 9/1/2021*	48	NC	(P) 9/15/2022**	(P) 11/14/2022	(P) 3/17/2023	(P) 7/5/2023	(P) 7/15/2023	\$848,640	N/A	\$360,000 \$3,678,010	HOME NMHTF FRF	Credit Swap - 2020 Credits Returned/Reissued as 2021 Credits *Applying for additional gap funding **Design Review Comments sent to Design team 10/8/21 - Awaiting Response
	20	The Bluffs	Los Alamos	2019	N/A No MFA loans	64	NC	(A) 7/29/2021	(A) 7/28/2022	(P) 11/15/2022*	(P) 12/31/2022	(P) 12/31/2022	\$1,028,671	N/A	N/A	N/A	COVID-related extension request granted through 12/31/2022. *Timeline adjusted due to current progress. As of 6/30/2022 project at 51%
	21	Siler Yard: Arts + Creativity Center	Santa Fe	2019	N/A No MFA loans	65	NC	(A) 06/23/20	(A) 4/15/2021	(A) 8/16/2021	(P) 8/30/2022*	(A) 11/15/2022	\$1,040,000	N/A	N/A	N/A	COVID-related extension request granted through 12/31/2022. *Still in process of closing out final items.
	22	Skyview Terrace	Hobbs	2019	(A) 12/12/2019	72	NC	(A) 12/10/19	(A) 7/29/2020	(A) 11/20/2020	(A) 5/21/2021	(A) 5/25/2021	\$1,157,325	N/A	\$600,000 \$1,000,000	HOME-CHDO NMHTF	Waiting for final Architect Review
	23	1115 Calle La Resolana	Santa Fe	2019	(A) 10/15/2020	45	NC	(A) 02/03/21	(A) 7/30/2021	(A) 5/9/2022	(P) 8/27/2022	(P) 8/27/2022	\$723,285	N/A	\$400,000 \$400,000	HOME NHTF	COVID-related extension request granted through 12/31/2022.
	24	Desert Hope	Las Cruces	2019	N/A No MFA loans	40	AR	(A) 06/10/20	(A) 12/4/2020	(A) 4/1/2021	(A) 7/30/2021	(A) 11/11/2021	\$560,000	N/A	\$318,339	NHTF	Placed in Service 11/11/2021 Waiting for final Architect Review. One outstanding item that needs to be confirmed by contractor.
	25	Canyon Walk	Los Alamos	2018	N/A No MFA loans	70	NC	(A) 01/01/20	(A) 1/14/2021	(A) 8/21/2021	(A) 12/31/2021	(A) 12/31/2021	\$1,049,930	N/A	N/A	N/A	COVID-related extension request granted through 12/31/2021. *Placed in service application submitted 12/28/2021 with Temp Cert of Occupancy. Project at 96% completion.
	26	Ochenta	Taos	2018	N/A No MFA loans	80	NC	(A) 08/12/19	(A) 6/4/2020	(A) 12/17/2020	(A) 8/1/2021	(A) 12/15/2021	\$1,150,000	N/A	N/A	N/A	Placed in service 12/15/2021. Received 8609 application/pending final Architect inspection and corrections
4%	1	Trailhead at Chamizal	Los Ranchos de Albuquerque	2022	N/A No MFA loans	204	NC	(P) 08/31/22	(P) 01/31/23	(P) 06/30/23	(P) 11/30/23	(P) 11/30/23	\$2,087,905	County-issued bonds	N/A	N/A	
	2	Vista Mesa Villa	Grants	2022	N/A No MFA loans	100	AR	(P) 08/27/22	(P) 10/31/22	(P) 01/31/23	(P) 06/30/23	(P) 06/30/23	\$773,209	\$12,276,778	N/A	N/A	
	3	EMLI at Wells of Artesia	Artesia	2021	(A) 7/21/2022	192	NC	(A) 06/06/22	(P) 12/1/2022	(P) 06/30/23	(P) 3/31/2024	(P) 03/31/24	\$1,734,183	\$33,000,000	\$800,000 \$500,000 \$500,000	HOME NHTF NMHTF	PAB not to exceed \$33M
	4	Casa de Encantada	Rio Rancho	2021	(A) 10/21/2021	152	NC	(A) 10/13/21	(P) 8/25/2022	(P) 01/31/23	(P) 9/30/2023	(P) 12/31/2023	\$1,511,058	County-issued bonds	\$2,000,000	NMHTF	

Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date <i>Actual (A) or Projected (P)</i>	No of Apts	NC - New Construction or AR - Acquisition/Rehab	Construction Start Approval Date <i>Actual (A) or Projected (P)</i>	33% Complete Date <i>Actual (A) or Projected (P)</i>	66% Complete Date <i>Actual (A) or Projected (P)</i>	Construction Completion Date <i>Actual (A) or Projected (P)</i>	Certificate of Occupancy/Placed in Service Date <i>Actual (A) or Projected (P)</i>	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan and Grant Amounts	MFA Loan or Grant Programs	Any Known Issues or Comments
	5	Four Seasons	Hobbs	2020	N/A No MFA loans	80	AR	(A) 10/26/20	(A) 4/22/2021	(A) 7/30/2021	(P) 8/25/2022*	(P) 8/25/2022*	\$328,052	County-issued bonds	N/A	NHTF	Need to check ADA compliance in kitchen (turning radius). *Per 3rd party inspector, problems between development team. Recommending MFA to step in.
	6	The Commons at Martineztown	Albuquerque	2020	N/A No MFA loans	96	AR	(A) 02/02/21	(A) 10/25/2021	(A) 10/1/2021	(P) 8/26/2022	(P) 8/26/2022	\$688,679	County-issued bonds	N/A	NMHTF	Third super - second site manager.
	7	Casa de Sierra	Albuquerque	2020	N/A No MFA loans	188	AR	(A) 3/4/2021	(A) 11/5/2021	(A) 6/15/2022	(P) 12/31/2022	(P) 12/31/2022	\$625,423	County-issued bonds	N/A	N/A	6/30 - project at 70%
	8	550 Paseo	Rio Rancho	2020	(A) 3/23/2021	240	NC	(A) 3/9/2021	(A) 5/3/2022	(P) 10/31/2022	(P) 6/30/2023	(P) 6/30/2023	\$1,719,114	County-issued bonds	\$750,000 \$2,000,000	HOME NMHTF	As of 6/30, project is at 45%.
	9	Ceja Vista	Albuquerque	2019	(A) 12/16/2020	154	NC	(A) 10/06/20	(A) 8/18/2021	(A) 5/6/2022	(P) 12/31/2022	(P) 12/31/2022	\$996,816	County-issued bonds	\$1,500,000	NHTF	As of 6/30, 70% complete
	10	Sandia Vista and Plaza David Chavez	Albuquerque	2019	N/A No MFA loans	213	AR	(A) 04/14/20	(A) 1/28/2021 (SV)	(A) 5/31/2021 (SV) (A) 9/21/21 (DC)	(A) 2/20/2022 (SV) (P) 10/31/2022 (DC)	(A) 2/20/2022 (SV)* (P) 10/31/2022 (DC)	\$1,340,250	County-issued bonds	N/A	N/A	Sandia Vista Substantially Complete, Few ADA Parking and Landscape Items set to be complete soon Plaza David Chavez ongoing,Tracking for completion on 10/31/2022
	11	JLG South Number of Projects: 8	Columbus Deming Anthony	2019	(A) 8/2/2020	215	AR	(A) 08/01/20	(A) 12/4/2020	(A) 1/21/2021	(A) 12/30/2021	(A) 12/30/2021	\$648,880	\$9,000,000	N/A	N/A	Issues with ADA compliance identified 1/21/2021. Contractor working on punch list items
	12	JLG Central Number of Projects: 6	Ruidoso Downs Belen Portales Las Vegas Artesia	2019	N/A No MFA loans	214	AR	(A) 5/2/2022	(P) 7/31/2022*	(P) 9/30/2022	(P) 12/1/2022	(P) 12/1/2022	\$903,432	\$11,000,000	N/A	N/A	Awaiting design team feedback before construction start approval is granted. *Currently Waiting on updated design drawings
	13	La Vida Nueva	Albuquerque	2016	(A) 7/7/2017	314	AR	(A) 07/01/17	(A) 7/15/2019	(A) 5/11/2020	(A) 10/1/2020	(P) 7/15/2022*	\$1,128,967	County-issued bonds	\$1,000,000 \$1,000,000	NHTF Primerio	*MFA Final inspection pending - Owner has implemented plan to correct ADA compliance issues that were identified during the final inspection. Developer also working through punchlist.
	1	Mountain View	Tucumcari	2021	(P) TBD*	45	N/A	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$995,044	PRLF	*USDA RD experiencing delays in processing
LOANS ONLY	2	Las Rosas I	Tularosa	2019	(P) TBD*	28	AR	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$682,555	PRLF	*USDA RD experiencing delays in processing
	3	Las Rosas II	Tularosa	2019	(P) TBD*	29	AR	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$925,710	PRLF	*USDA RD experiencing delays in processing
	4	Sacramento Apts	Cloudcroft	2019	(P) TBD*	20	AR	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$510,726	PRLF	*USDA RD experiencing delays in processing
Grant Only	1	Lamplighter Inn	Santa Fe	2021	N/A No MFA loans	58	AR	(P) 10/01/22	(P) 11/11/2022	(P) 12/22/2022	(P) 2/1/2023	(P) 2/1/2023	N/A	N/A	\$4,200,000	DFA CDBG-CV	

Tab 13

Portfolio Delinquency Update

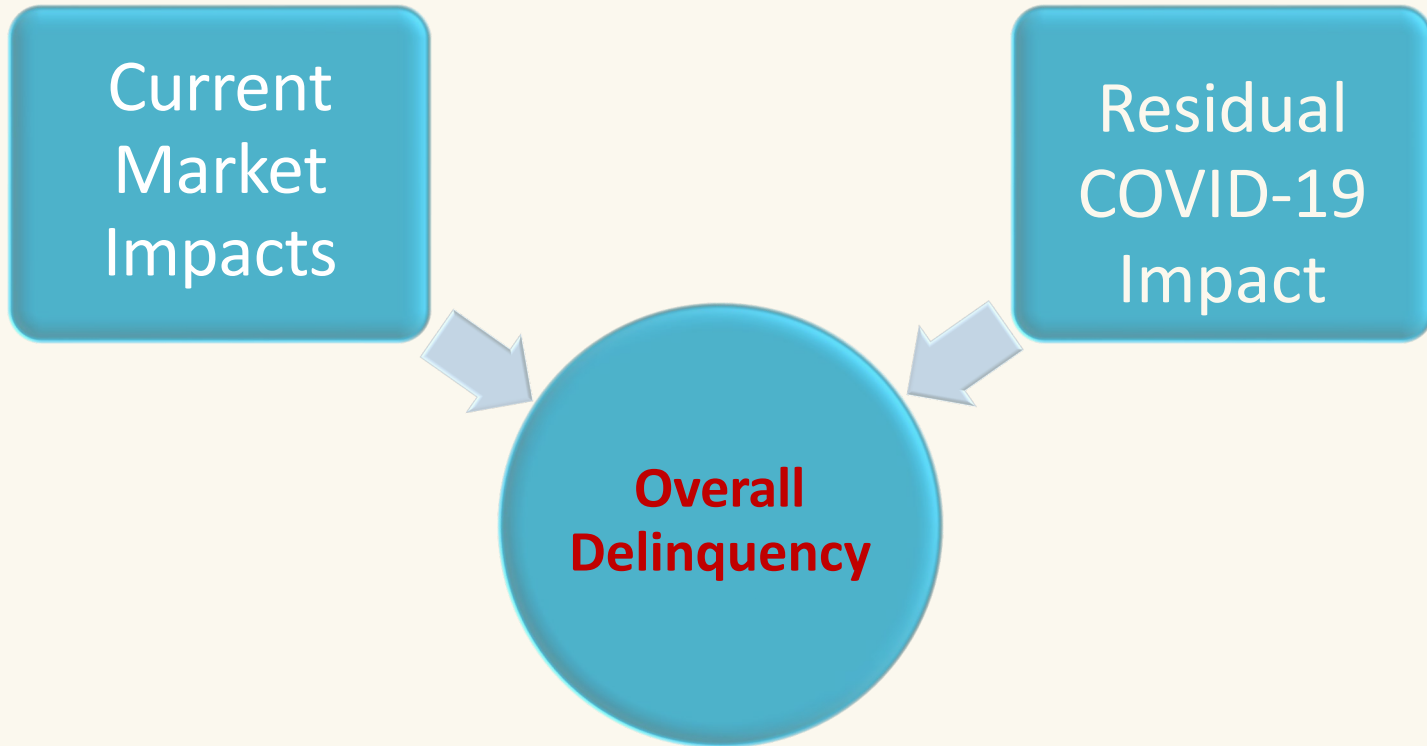


Teresa Lloyd – Director of Servicing

Stephanie Gonzales – Investor Accounting Analyst

August 17, 2022

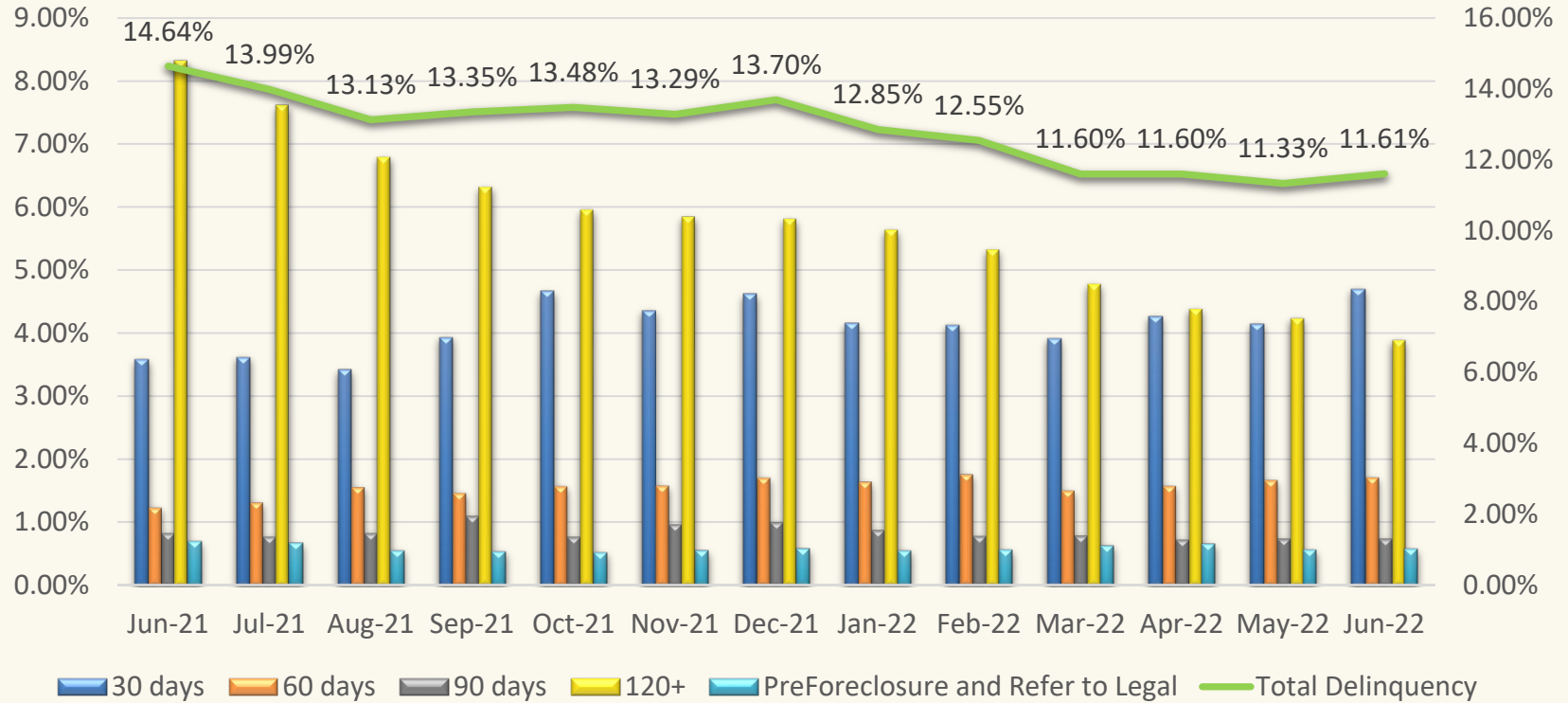
Today's Delinquency Factors



Housing Assistance Fund (HAF)

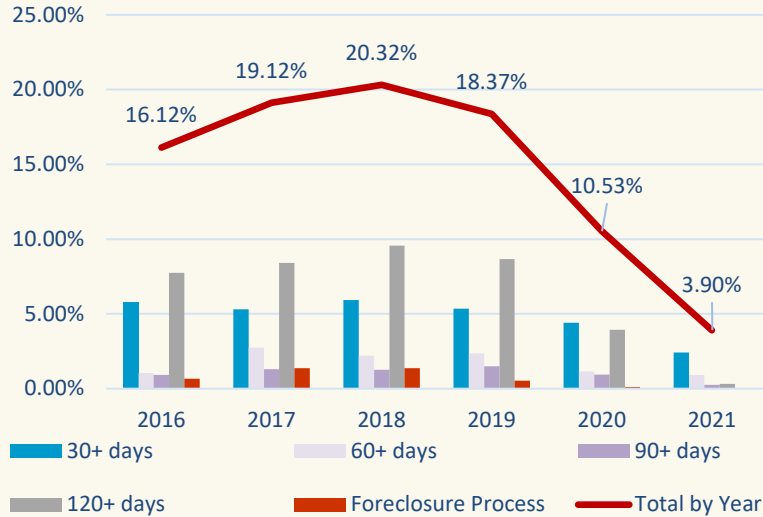
- The HAF pilot program opened on May 18, 2021, through August 16, 2021. After receiving treasury approval, the long-term HAF program reopened on February 28, 2022.
- HAF grants are to fund mortgage payments on behalf of income-eligible applicants up to \$20,000 per household, to maintain housing and/or to reduce housing costs delinquency associated with COVID-19 health crisis. Eligible expenses include mortgage reinstatement, principal reduction, property taxes, property insurance, real estate contract assistance and mobile/manufactured home loan and land loan payments.
- To date 1,171 households have received assistance totaling \$6,171,758.70

FY2022 Subserviced Portfolio Delinquency Trends

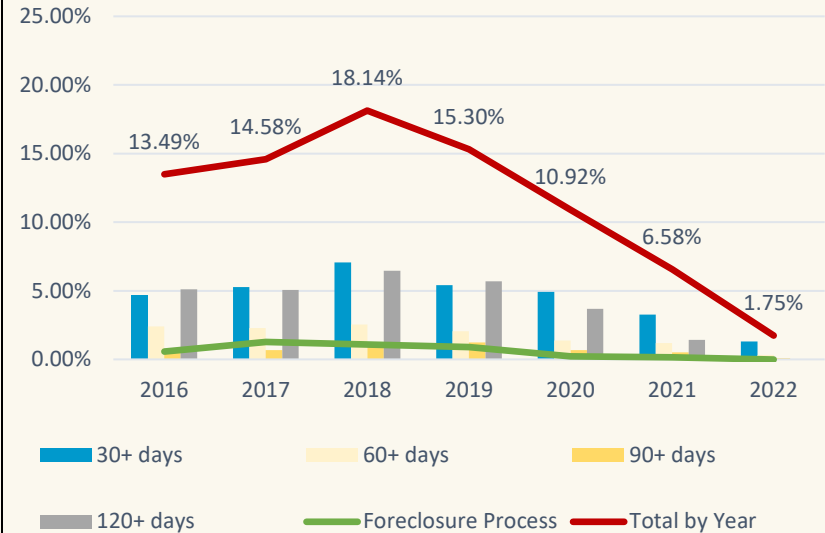


Subserviced Delinquency by Origination Year

Delinquency Percentage by Date of Loan Origination as of 12/31/21

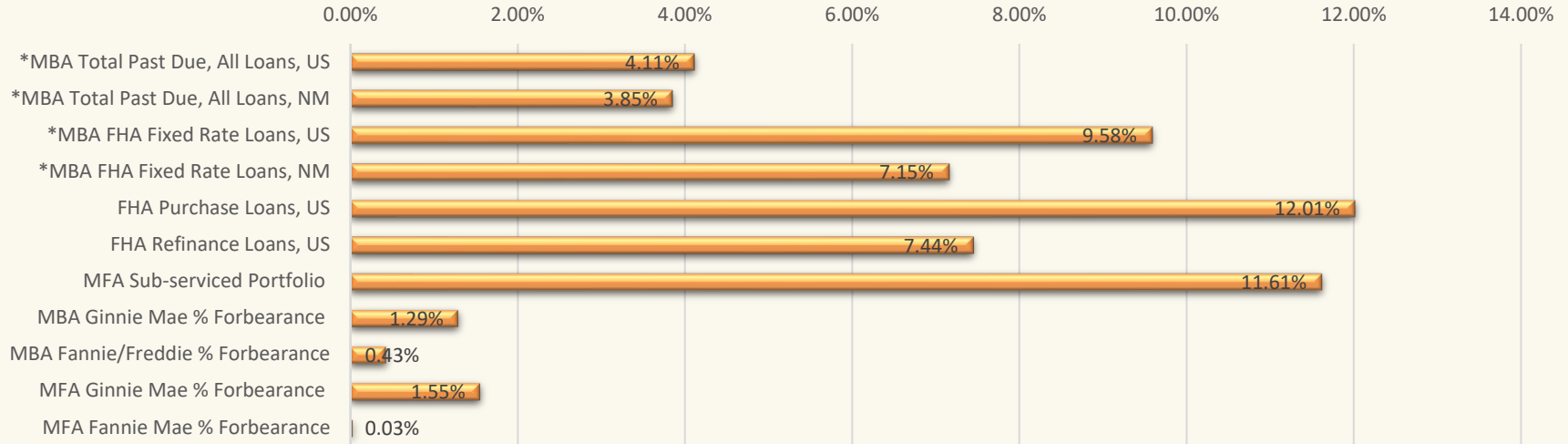


Delinquency Percentage by Date of Loan Origination as of 6/30/22



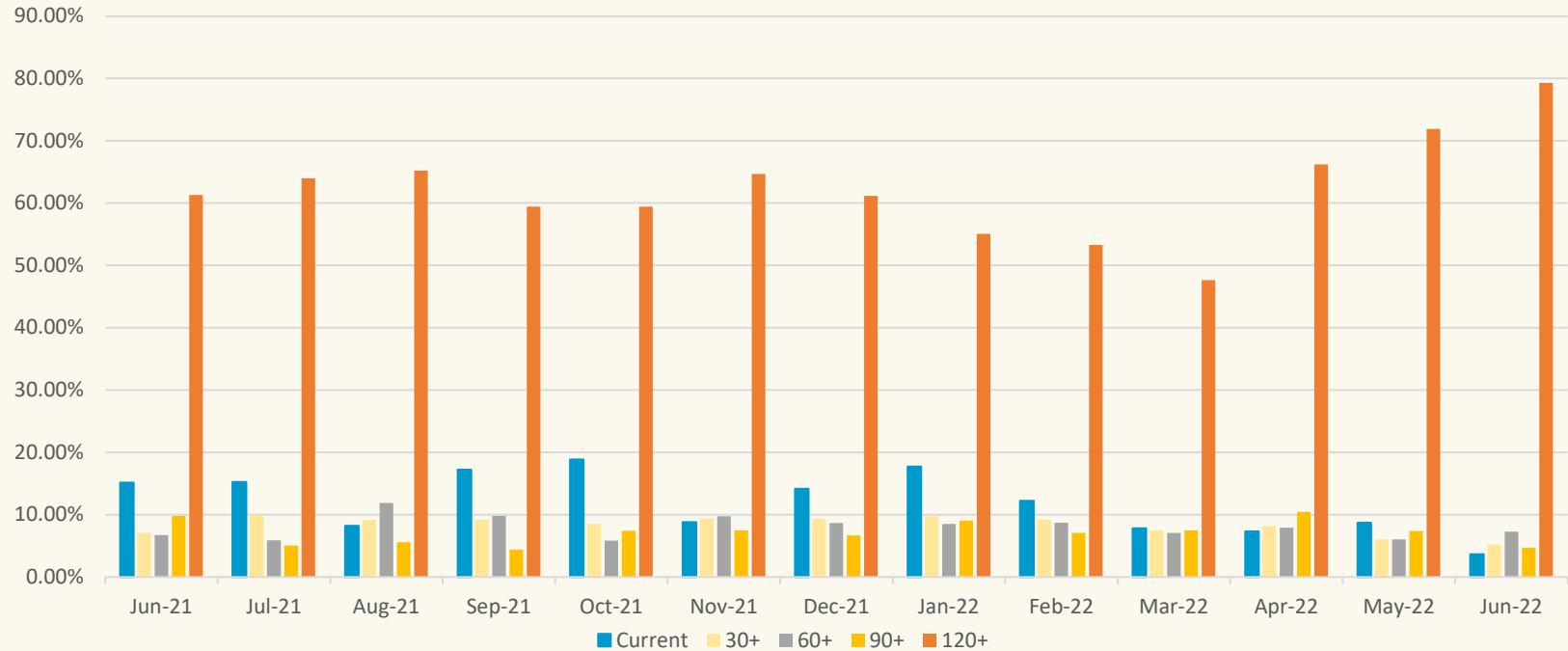
2022 Subserviced Portfolio Benchmarks

Delinquency Performance Comparison June 30, 2022



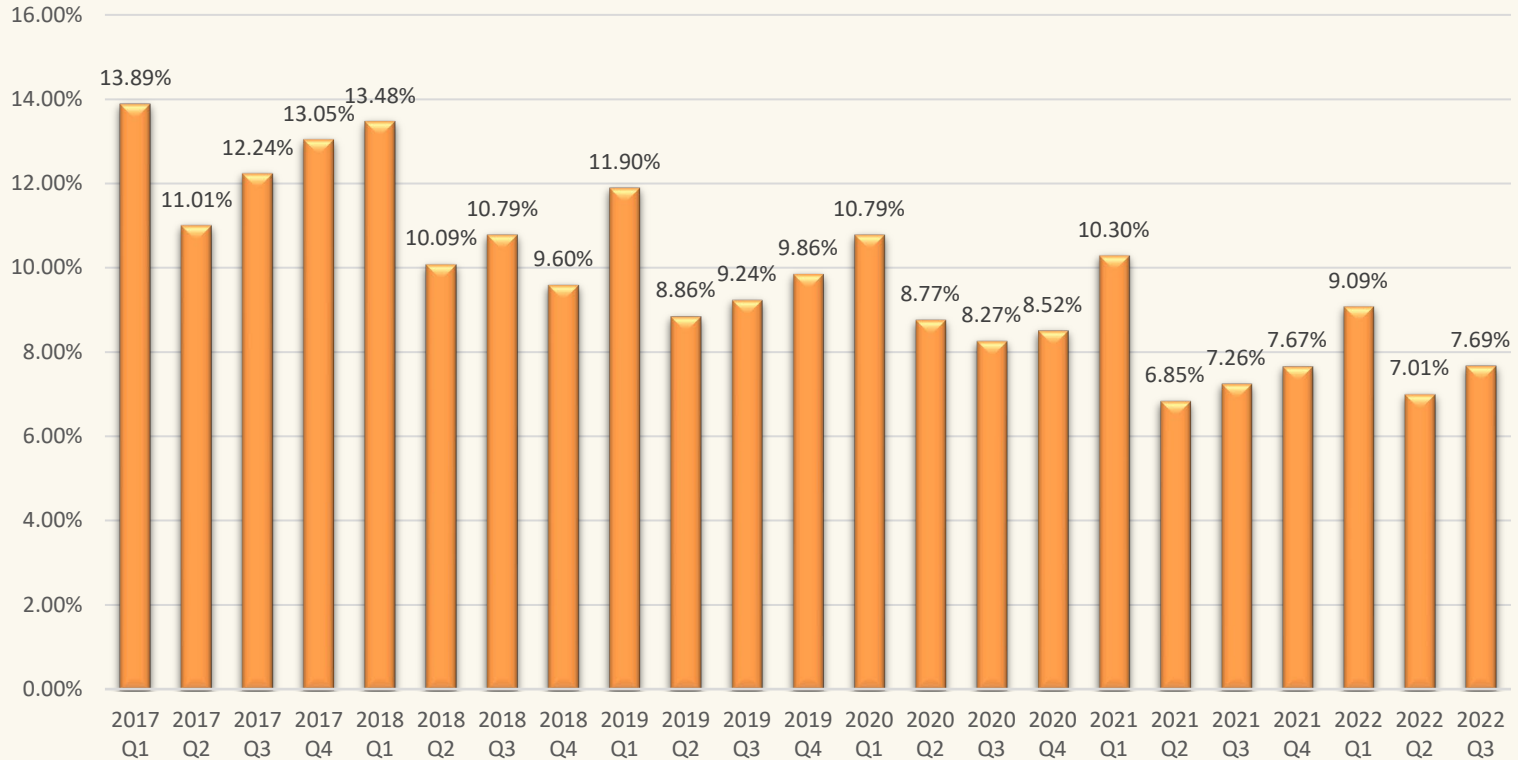
*Please note that the MBA values are as of 3/31/22 and FHA values are as of 5/31/22 because we are using the most readily available data.

Subserviced COVID-19 Forbearance Delinquency Trends

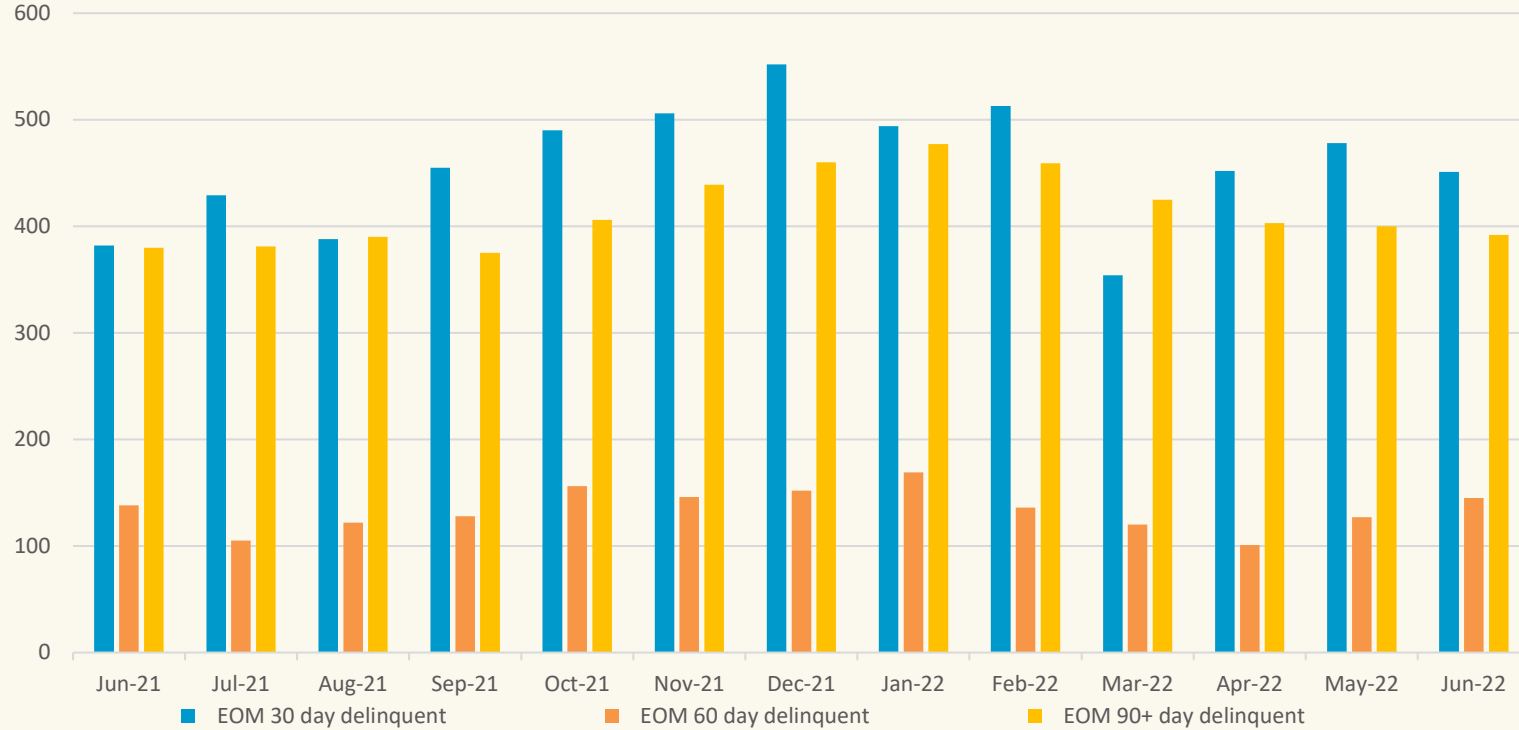


MFA Serviced Portfolio Delinquency Trends

In-House Portfolio Delinquency



2022 MFA Serviced Delinquency Trends



Addressing Delinquency

- MFA increased collections staff
- Staying up to date on program additions, changes, and industry timelines
- MFA and IHFA are collaborating each month to address the following:
 - Impacts of post-COVID pandemic and current economic environment on borrowers ability to pay
 - Borrowers are being counseled regarding all delinquency resolution options including and up to foreclosure
 - Oversee Subservicer to assure frequent communication with borrowers

New Mexico Mortgage Finance Authority

Comments/Questions



Tab 14a

**Staff Actions Requiring Notice to Board
During the Period of July 2022**

Department and Program	Project	Action Taken	Comments / Date Approved
Community Development - WAP	Approval of Emergency Repair and Weatherization Compliance Guide	Approval of the Emergency Repair and Weatherization Compliance Guide for the Coronavirus State and Local Fiscal Recovery Funds (WAP-FRF) Emergency Repair and Weatherization Program.	Approved at Policy Committee on July 5, 2022
Servicing	Monthly Quality Control Loan Servicing for May 2022	Approval of report issued by REDW – no findings	Approved at Policy Committee on July 5, 2022
Community Development	PY 2022/2023 State Funds Request for Advance Reimbursements	Approval to advance subrecipient reimbursements requests until the executed agreements are received by the state of New Mexico for subrecipients to continue administering the programs, including administrative fees, for the time period of July 1, 2022, to December 31, 2022, or until the grant agreements are received, whichever happens first.	Approved at Policy Committee on July 19, 2022
Policy and Planning	Foreclosure Prevention Housing Counseling and Legal Services Request for Proposals	The RFP was revised to include additional language from the Treasury guidance related to 2 CFR 200 billing requirements. The RFP has been posted and staff is soliciting responses from approved agencies. The deadline to respond to the RFP is November 18, 2022.	Approved at Policy Committee on August 2, 2022

Tab 14b

COVID-19
Staff Actions Requiring Notice to Board
During the Period of June 17, 2022 - current

Department and Program	Project	Action Taken	Comments / Date Approved

Tab 14c



MEMO

TO: MFA Board of Directors

FROM: Cooper Hall

DATE: August 18, 2022

SUBJECT: Multifamily Housing Revenue Tax-Exempt Bonds EMLI at Wells of Artesia
Apartment Projects Series 2022– Pricing Summary

EMLI at Wells of Artesia Apartment Projects

The EMLI at Wells of Artesia Apartment Projects transaction closed on July 28, 2022. The proceeds from the bonds will be used for the acquisition, construction and equipping of the following multifamily project:

Name of Apartments	Location	Number of Housing Units
EMLI at Wells of Artesia Apartments	Artesia, NM	198

The following is a summary of the bond sale:

~*Structure:* The bonds were initially issued and delivered as term bonds with a stated principal amount of \$27,800,000. The bonds carry an interest rate of 5.24% and mature on July 1, 2062.

~*Bond Placement:* The bonds were privately placed with the permanent lender which is a qualified institutional buyer under Rule 144A of the Securities Act of 1933.

~*Investment of Funds:* The initial draw down bonds were placed in the Funding Loan Proceeds Account and the Capitalized Interest Account of the Project Fund by US Bank.

The attachment provides more detailed information about the EMLI at Wells of Artesia bond issue along with the Vista Mesa Villa Apartment Projects that were issued in June of 2022, the JLG Central Apartment Projects which were issued in 2021 and the JLG North Apartment Project and JLG South Apartment Project both of which were issued in 2019, refunded in 2020 and are presented for information purposes only.

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New Mexico Mortgage Finance Authority
Summary of 2022 Bond Issue Characteristics

	For Information Only	For Information Only	For Information Only	For Information Only
	JLG North Apartment Projects Refunding Series 2020	JLG South Apartment Projects Refunding Series 2020	JLG Central Apartment Projects Series 2021	Vista Mesa Villa Apartment Projects Series 2022
Type of Structure				
1 Tax Exempt Bonds	\$3,339,807	\$4,229,890	\$11,000,000	\$13,000,000
Taxable Bonds	0	0	0	0
Refunding Bonds	6,310,193	4,770,110	0	0
Total Amount of Bonds Issued	\$9,650,000	\$9,000,000	\$11,000,000	\$13,000,000
2 Type	Conduit	Conduit	Conduit	Conduit
3 Purpose	Acquisition/ Rehabilitation/ Equipping	Acquisition/ Rehabilitation/ Equipping	Acquisition/ Rehabilitation/ Equipping	Acquisition/ Rehabilitation/ Equipping
4 Credit Enhancement	N/A	N/A	N/A	N/A
5 Bond Ratings: Standard & Poor's Moody's	N/A N/A	N/A N/A	N/A N/A	N/A N/A
6 Bond Closing Date	10/30/2020	10/30/2020	10/28/2021	6/29/2022
7 Public Sale/Private Placement	Private Placement	Private Placement	Public Sale	Private Placement
8 Bond Structure Serial Bonds	N/A	N/A	N/A	N/A
Term Bonds	\$9,650,000	\$9,000,000	\$11,000,000	\$13,000,000
9 Fixed Rate/Variable Rate	Fixed	Fixed	Fixed	Fixed
10 Cash Flow Verification	N/A	N/A	N/A	N/A
11 GIC Rates, if applicable* Construction Fund Float Fund Rate	N/A N/A	N/A N/A	N/A N/A	N/A N/A
12 Administrative Fee (to MFA) Service Fee (to MFA)	0.15% N/A	0.15% N/A	0.15% N/A	0.15% N/A

*The Guaranteed Investment Contract ("GIC") is competitively bid.

Tab 14d



MFA Strategic Plan Benchmarks

FY 2022

Goal 5 - Foster a dynamic work environment



Benchmark: 31

Complete compensation survey

Q1	On Target	Process to start third quarter
Q2	On Target	In progress
Q3	Met	Compensation Survey complete. Presenting to PC



Benchmark: 30

Participate in Annual Employee Engagement Survey and determine and implement actionable steps to address opportunities for improvement.

Q1	On Target	Survey will not occur until April timeframe
Q2	On Target	Registered for survey in April. Survey due to commence in May.
Q3	On Target	Engagement survey complete. Recognized as a finalist for Best Places to Work. Survey details released for review.

Goal 4 - Provide robust technology solutions



Benchmark: 29

Implement new software solutions

Q1	On Target	Completed the implementation of the IHFA ULDD data upload to Power Seller, several cyber-security measures including a new firewall installed and updates to Cisco AnyConnect, Duo Multi-factor Authentication, and Cisco Umbrella. SQL server audit and best practices implemented. RFP and selection of vendor for HAF program.
Q2	On Target	Working with Servicing on implementation of Paymentus, will be completed in Q3. Home Database enhancements in works and scheduled for Q3. YHDP reporting requirements gathered.
Q3	On Target	Completed Home Database enhancements, MITAS Check Register imported to Neghborly and OnlineInvoicing currently shutdown for updates that will be completed in Q4.



Benchmark: 28

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

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



MFA Strategic Plan Benchmarks FY 2022

minutes and the tested failover Recovery Time Objective was just under one hour, which continues to be below the goal of six.

Q3	On Target	The Q3 RPO for all critical infrastructure equipment continues to meet the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just under one hour, which continues to be below the goal of six.
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Benchmark: 27

Maintain a RS3 score greater than or equal to 765 averaged over four quarters

Q1	On Target	MFA's internal and external penetration testing was completed on 11/2/2021. MFA received a RiskSense Security Score (RS3) of 803 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).
Q2	On Target	MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 791. The rating range is from 300 (high risk) to 850 (low risk). MFA's Security Awareness Program continues to provide security awareness training on a quarterly basis and monthly phishing testing, with all employees completing 100% of their training in Q2. Average for first two quarters is 797.
Q3	On Target	MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 808. The rating range is from 300 (high risk) to 850 (low risk). MFA's Security Awareness Program continues to provide security awareness training on a quarterly basis and monthly phishing testing, with all employees completing 100% of their training in Q3. Average for first three quarters is 801.

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



Benchmark: 26

Improve at least 15 MFA processes or resources

Q1	On Target	During Q1, the Servicing Department implemented the process of improvement of a combination of lockbox. This process improvement impacts daily and month-end processes and saves time as Servicing only needs to run one file for one-time payments and only reconcile month-end batch totals one time. Additionally, the Communications Department implemented an online ticketing system that improved the efficiency of its processes. YTD processes improved is two.
Q2	On Target	First, Servicing in response to Payment History Requests, created a 'dummy' account in the MFA online portal allowing the customer service rep to navigate the screens of the MFA online portal to walk the borrower through obtaining the information on a self serve basis. Next, Servicing with the help of IT for Document Requests, added Desktop FAX capabilities allowing the customer service representative the ability to FAX documents via their desktop, providing additional work tools to save time and provide additional tools for teleworking. Additionally, for Mitas reporting, a report was created to identify balances below \$100. This allows Servicing to be proactive in reaching out to borrowers with a low balance for pay off. This is a quick report that can be generated instantaneously. Next, IT created a database to convert Idaho Text files to Database files. This removes the step for staff to have to convert text file to excel files. Also, templates were created for cutoff, Trial Balance and arrears reports to import monthly data when needed. This is now a quick process where the months reports can be created using the templates. Further, Servicing and Marketing created borrower friendly links on the MFA Homepage, which gives immediate access to the Servicing page, and quick access to



MFA Strategic Plan Benchmarks

FY 2022

Servicing links from the HOME page. It also allows staff to provide direction to borrower from HOME Page. In addition, MFA transitioned to the Govenda Board Portal for monthly board meetings. Finally, credit card processing was expanded and enhanced through online services. YTD processes improved is ten.

Q3 Met

During Q3, MFA implemented nine process improvements. First, Servicing implemented the Paymentus IVR system allowing borrowers to make payments via this automated system without having to speak directly to a customer service representative. This process improvement also saves the borrower \$9.05 pay by phone fees. Next, Servicing completed the Home POA Project in May 2022. The department notified approximately 1,400 borrowers whose loan has been forgiven and that the release would be mailed to them in the coming weeks. As of June 2022 the team has completed and mailed 337 HOME releases. Additionally, Servicing improved the Home Credit Bureau system. Staff validated all HOME loans are successfully populated with the period of affordability date. A batch report was created to validate and track the POA dates and will be run on a monthly bases to update the system and issue releases timely. Next, The IT department has turned over the capability of running WX reports to the WX team. This has helped obtain data quickly and removed extra unnecessary strain on IT. The information can be tailored to be more specific and work with the data instead of continuing to put in more requests if something is missing or more information is needed. The data is used to meet important program goals. Additionally, IT implemented on-line invoicing systems for YHDP, the Espanola Shelter and \$50,000 received from Falling colors, which went live as of 7/1/22. Further, MFA obtained board approval to streamline the delegations of authority. Finally, MFA enhanced ADP to offer training and other resources through the system for MFA staff. YTD processes improved is 19.



Benchmark: 25

Increase funding by at least six new source

Q1 On Target

During Q1, MFA increased funding by one new source. In December 2021 the New Mexico State Legislature appropriated \$15 million in American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (FRF) to MFA for energy efficient affordable housing.

Q2 On Target

During Q2, MFA increased its funding sources by four new sources. During the 2022 Legislative Session, the state legislature appropriated \$10 million in American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (FRF) for affordable housing through the New Mexico Housing Trust Fund (NMHTF), an additional \$9 million in capital outlay through NMHTF, and approved SB 134, which created recurring funding to the NMHTF through severance tax bonding capacity. Additionally, MFA executed a grant agreement with the State's Department of Finance and Administration (DFA) to administer \$4.66 million in CDBG-CV funding to support the development of two rental communities. YTD total new funding sources added is five.

Q3 On Target

During Q3, MFA did not add any new funding sources. YTD total new funding sources added is five.



Benchmark: 24

Evaluate at least one new business model or financial tool

Q1 Met

In Q1, MFA evaluated changes to bond issuance strategy in anticipation of a rising interest rate environment.

Q2 Met

In Q2, MFA started researching if MFA should become our own service provider. YTD evaluated is two.

Q3 Met

In Q3, MFA evaluated and implemented Govenda software for board meetings. YTD total evaluated is three and implemented is one.





MFA Strategic Plan Benchmarks

FY 2022

Benchmark: 23

Provide at least \$7,700,000 in resources for affordable housing through expenditure of New Mexico Housing Trust Funds, contributions through the state affordable tax credit program, and allocations of 4% LIHTCs.

Q1	On Target	Total of resources provided in Q1 is \$4,228,046.
Q2	On Target	No closings in Q2. Total of resources provided in Q1 was \$4,228,046 for a YTD total of \$4,228,046.
Q3	On Target	Total of resources provided in Q3 was \$719,682 for a YTD total of \$4,947,731.



Benchmark: 22

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

Q1	On Target	The commitment and expenditures rate at 12/31/21 is 100%.
Q2	On Target	The commitment and expenditures rate at 3/31/22 is 96%.
Q3	On Target	The commitment and expenditures rate at 6/30/22 is 96%.



Benchmark: 21

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

Q1	On Target	Invoices for compliance fees were processed and sent out to owner/agents this quarter.
Q2	On Target	As of 3/31/2022, 92% of the compliance fees have been collected.
Q3	Met	As of 6/30/2022, 99% of the compliance fees have been collected.



Benchmark: 20

Earn 100% base fees for PBCA contract

Q1	On Target	All PBCA tasks were completed this quarter as required by the contract, and 100% of the base fees were earned.
Q2	On Target	All PBCA tasks were completed this quarter as required by the contract, and 100% of the base fees were earned.
Q3	On Target	All PBCA tasks were completed this quarter as required by the contract, and 100% of the base fees were earned.



Benchmark: 19

Maintain servicing fee yield at an average of 0.41% of the purchased servicing portfolio

Q1	On Target	The servicing fee yield at 12/31/21 is .42%.
Q2	On Target	The servicing fee yield at 03/31/22 is .42%.
Q3	On Target	The servicing fee yield at 06/30/22 is .41%.



Benchmark: 18



MFA Strategic Plan Benchmarks FY 2022

Realize profitability of .5% on TBA executions

Q1	On Target	MFA completed the first quarter with a FYTD TBA profitability of 1.40%.
Q2	Caution	MFA completed the second quarter with a FYTD TBA profitability of 0.87%.
Q3	Caution	MFA completed the third quarter with a FYTD TBA profitability of 0.46%. The TBA market has experienced volatility to the point where it is no longer functional. MFA is currently not utilizing TBA for either First Home or Next Home.



Benchmark: 17

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

Q1	On Target	MFA closed on the 2021 Series D bond issue and realized an administrative fee of 18 basis points.
Q2	On Target	MFA closed on the 2022 Series A bond issue and realized an administrative fee of 18 basis points. MFA Closed on the 2022 Series B (taxable refunding) and expects to realize an administrative fee of 1.618%.
Q3	On Target	MFA closed on the 2022 Series C bond issue and realized an administrative fee of 18 basis points.



Benchmark: 16

Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 26.8%, based on five-year average.

Q1	On Target	Balance sheet strength as of 12/31/21 is 27.4%.
Q2	On Target	Balance sheet strength as of 3/31/22 is 27.8%.
Q3	On Target	Balance sheet strength as of 6/30/22 is 27.0%.



Benchmark: 15

Achieve operating performance and profitability equal to net revenues over total revenues of at least 11.3%, based on five-year average.

Q1	On Target	Operating performance and profitability as of 12/31/21 is 7.5%.
Q2	On Target	Operating performance and profitability as of 3/31/22 is 11.4%.
Q3	Caution	Operating performance and profitability as of 6/30/22 was 10.1%.



Benchmark: 14

Maintain or improve credit rating

Q1	On Target	No ratings activity during the quarter. MFA maintains a Aa3 Stable rating on its issuer credit rating.
Q2	On Target	There was no ratings activity during the quarter. MFA maintains a Aa3 Stable rating on its issuer credit rating.
Q3	On Target	There was no new rating activity during the quarter. MFA maintains an Aa3 Stable rating on its issuer credit rating.



Benchmark: 13



MFA Strategic Plan Benchmarks FY 2022

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

Q1	New	Audit is delayed pending OMB audit guidance for the HAF Program ARPA funds.
Q2	Met	The Board approved the audit in March, which included an unqualified opinion and no material weaknesses.

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



Benchmark: 12

Implement MFA housing summit or open house.

Q1	On Target	Summit is planned for Sept. 14-16, 2022.
Q2	On Target	Summit planning is continuing for Sept. 14-16, 2022.
Q3	On Target	Summit is in the final stages of planning for Sept. 14-16, 2022.



Benchmark: 11

Provide at least 50 formal group training opportunities for property owners, developers, service providers and/or lenders

Q1	On Target	During Q1, MFA held seven trainings, including four single family mortgage trainings with 107 participants, a QAP training, a CDBG-RHP RFP training as well as a 4 for Housing, LLC training.
Q2	On Target	During Q2, the Community Development Department held a total of 7 Peer Exchanges (COC, EHAP, HOPWA, Linkages, Rap Rehab/Vet & a WAP PAC meeting). Additionally, MFA held 27 homeownership trainings. Total YTD is 41.
Q3	Met	During Q3, Homeownership held 11 trainings. YTD total is 52.



Benchmark: 10

Conduct outreach to and/or assist at least 105 local governments, tribal governments, potential new program partners and/or elected officials

Q1	On Target	MFA met with five potential partners (4 for Housing LLC regarding the Rehab Program, Native Capital Access, Sawmill Community Land Trust, Anchorum and United South Broadway), assisted three local governments (Town of Silver City, Village of Los Lunas and Los Alamos County), assisted one tribal government (Pueblo of Zuni Housing Authority) and conducted outreach to thirteen elected officials and/or their offices (Senators Heinrich and Lujan, Congresswomen Stansbury and Leger Fernandez, Governor Lujan Grisham, State Speaker Egolf, State Senators Rodriguez, Wirth, Stewart and Munoz, State Representatives Dixon and Romero and Albuquerque City Councilor Benton). Total outreach for Q1 is 22.
Q2	On Target	During Q2, MFA met with three local governments (City of Albuquerque, Town of Taos and Town of Silver City), three tribal governments (Mescalero Apache, Tesuque Pueblo and Zuni Pueblo), and 81 elected officials or their staff (Senators Heinrich and Lujan, Congresswomen Stansbury, Leger Fernandez and Herrell, Governor Lujan Grisham, State Representatives Alcon, Anderson, D. Armstrong, G. Armstrong, Brown, Castellano, Chandler, Chasey, Chatfield, Cook, Crowder, Dixon, Dow, Egolf, Ely, Ezzell, Fajardo, Ferrary, M. Garcia, Garratt, Harper, Hernandez, Herndon,



MFA Strategic Plan Benchmarks FY 2022

Hochman-Vigil, Lente, Louis, Lujan, Lundstrom, Maestas, Matthews, McQueen, Montoya, Nibert, Ortez, Powdrell-Culbert, Rehm, Romero, Rubio, Scott, Small, Strickler, Sweetser, Terrazas, Thomson and Townsend, and State Senators Baca, Brandt, Burt, Campos, Cervantes, Diamond, Gallegos, Gonzales, Griggs, Hemphill, Hickey, Ingle, Kernan, Moores, Munoz, Neville, O'Neill, Ortiz y Pino, Padilla, Pirtle, Pope, Rodriguez, Schmedes, Sharer, Stefanics, Steinborn, Stewart, Tallman, Wirth and Woods). YTD unduplicated number is 95.

Q3	On Target	During Q3, MFA met with four local governments (Ruidoso, Los Lunas, Santa Fe Public Schools and Grants), six elected officials or their staff (Senator Heinrich, Representative Stansbury, State Senator Ortiz y Pino, and State Representatives Romero, Dixon and Chandler), six potential new partners (Washington Office of Rural and Farmworkers Housing, Mesa del Sol, State of New Mexico Aging and Long Term Services Department, New Mexico Municipal League, TriState, and Spire Development), and one tribal government (Pueblo of Isleta). YTD unduplicated number is 104.
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Benchmark: 9

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

Q1	New	During Q1, MFA did not expand services of any programs to an underserved area of the state.
Q2	Met	During Q2, MFA assisted the Espanola Pathways Shelter in acquiring a property to provide shelter services to individuals experiencing homelessness in the City of Espanola. Additionally, following a period of the homeownership assistance program being shut down, MFA implemented the Homeowner Assistance Fund (HAF) permanent program, which provides homeownership assistance statewide. YTD total is two.
Q3	Met	During Q3, MFA provided emergency assistance to counties within the North Central New Mexico Economic Development District in response to the Hermits Peak/Calf Canyon Fire. YTD total is three.



Benchmark: 8

Achieve an average of 1,925 social media engagements each quarter across all platforms.

Q1	Caution	In Q1, MFA had 711 total engagements across all social media platforms. This number represents a 43% decrease from the previous quarter, due in part to the turnover in the department that led to a lack of any social media activity in October.
Q2	On Target	In Q2, MFA had 2,795 total engagements across all social media platforms. This number represents a 35% increase from the previous Q2.
Q3	On Target	In Q3, MFA had 3,456 total engagements across all social media platforms. Across all three quarters, the average number of engagements per quarter is currently 2,320.

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



Benchmark: 7

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

Q1	Met	In Q1, MFA staff evaluated three new products or program improvements, including 1) Evaluated eliminating the requirement for single family home borrowers to contribute \$500 to the loan transaction; 2) Evaluated increasing the maximum DPA amount from \$8,000 (unfortunately, the \$8,000 maximum DPA amount is no longer sufficient to cover closing cost and down payment assistance as a result of the continued increase in housing costs); and 3) Evaluated
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MFA Strategic Plan Benchmarks FY 2022

		mechanisms and best practices for utilizing CDBG-RHP funding.
Q2	Met	In Q2, MFA did not evaluate any specialty products or significant program or product improvements.
Q3	Met	In Q3, Housing Development updated the Tax Credit Assistance Program (TCAP) NOFA to include a section on the use of program income. Housing Development also created a set-aside for \$1,100,000 to assist 2020 LIHTC projects that have stalled due to construction cost increases related to COVID-19. Additionally, MFA implemented CDBG-RHP through releasing an RFP and making an award. YTD programs evaluated is five and programs implemented is one.



Benchmark: 6

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

Q1	On Target	Maintained a 13.35% delinquency rate compared to an FHA purchase, US delinquency rate of 15.01%.
Q2	On Target	Reduced delinquency to 11.60% delinquency compared to an FHA purchase, US delinquency rate of 13.67%.
Q3	On Target	Maintained a 11.61% delinquency rate compared to an FHA purchase, US delinquency rate as of May 2022 of 12.01%.



Benchmark: 5

Achieve annual combined average loan delinquencies of MFA serviced portfolio below 9.0%

Q1	On Target	Delinquency for Q1 is 8.62%.
Q2	On Target	Delinquency for Q2 is 8.40%.
Q3	On Target	Delinquency for Q3 is 8.15%.



Benchmark: 4

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

Q1	On Target	The Q1 unduplicated clients were 624, and of these 300 (48%) exited to permanent housing. YTD rate is 48%.
Q2	On Target	The Q2 unduplicated clients were 646, and of these 215 (33%) exited to permanent housing. YTD rate is 40%.
Q3	On Target	The Q3 unduplicated clients were 700, and of these 218 (31%) exited to permanent housing. YTD rate is 37%.



Benchmark: 3

Finance the development and/or preservation of 850 rental and homeownership units

Q1	On Target	Financed development of 801 units and preserved 90 units in Q1, for a YTD total of 891 units developed and preserved.
Q2	On Target	No Closings in Q2. Financed development of 801 units and preserved 90 units in Q1, for a YTD total of 891 units developed and preserved.
Q3	Met	Financed development of 108 units and preserved 772 units in Q3, for a YTD total of 1,771 units developed and preserved YTD.



MFA Strategic Plan Benchmarks

FY 2022



Benchmark: 2

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

Q1	On Target	The MFA quarterly product utilization reported for Q1 is 34.90% for a YTD average of 34.90%.
Q2	On Target	The MFA quarterly product utilization reported for Q2 is 28.79% for a YTD average of 31.84%.
Q3	On Target	The MFA quarterly product utilization reported for Q3 is 25.77% for a YTD average of 29.82%.



Benchmark: 1

Provide mortgage financing for 2,043 homebuyers

Q1	On Target	MFA financed 651 homebuyers in Q1 of FY 2022 and 651 homebuyers YTD.
Q2	On Target	MFA financed 557 homebuyers in Q2 of FY 2022 and 1208 homebuyers YTD.
Q3	On Target	MFA financed 554 homebuyers in Q3 of FY 2022 and 1762 homebuyers YTD.

Tab 15



Quarterly Report to the MFA Board of Directors Q3 FY2022

Production Statistics	Current Quarter	Same Quarter Last Year	Fiscal Year to Date
Homeownership			
Number of loans reserved	659	806	1,982
Amount of loans reserved	\$128,495,689	\$151,697,662	\$386,310,139
Number of loans purchased	554	674	1,762
Amount of loans purchased	\$107,559,647	\$123,388,312	\$340,361,070
Number of homebuyers counseled	433	451	1,289
Number of lenders/REALTORS contacted	1,592	1,975	4,422
Housing Development			
Amount of MF loans/grants/bonds	\$12,595,117	\$800,000	\$25,595,117
Amount of SF loans/grants	\$0	\$0	\$0
Amount of TC: LIHTC (MF) & State (MF & SF)	\$719,682	\$236,250	\$7,278,033
Number of MF units	100	48	1,102
Number of SF units	8	9	8
Housing Rehab & Weatherization			
Amount of rehab expenditures	\$0	\$518,776	\$1,104,255
Number of units rehabilitated	14	0	89
Amount of NM EnergySmart expenditures	\$2,208,984	\$1,915,520	\$5,683,225
Number of units weatherized	224	193	511
Shelter & Supportive Housing Programs			
Amount of shelter supportive service	\$894,164	\$997,347	\$3,508,527
Number of persons served ¹	616	893	2,953
Amount of rental assistance ²	\$1,670,598	\$1,395,864	\$5,212,416
Number of persons assisted	217	632	957

1 - Coc & EHAP

2 - HOPWA, Linkages, , RAP & YHDP



The need for MFA mortgage products:

MFA borrowers have an average annual income of \$52,282 and purchase homes with an average price of \$200,584. 32 percent are single-parent households; 60.83 percent are minorities.

MFA targets below market mortgage rates, and all first-time homebuyers receive pre-purchase counseling. MFA provides down payment assistance to 97 percent of its borrowers. Without these programs, many borrowers could not buy a home.



The need for housing development:

Only 4 percent of New Mexico's housing units are located in apartment complexes of 20 units or more. Many of these are old and in poor condition.

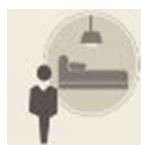
50 percent of renters are cost-burdened, about half pay between 30 percent and 49 percent of their income on rent; the other half pay more than 50 percent.



The need for housing rehabilitation and weatherization:

New Mexico has aging housing stock. 47 percent of its homes were built before 1980; only 18.4 percent were built after 2000. The average age of homes in NM is 35 years.

Many low-income homeowners are at risk because of health and safety hazards in their homes. They pay high utility bills because they cannot afford to make energy-efficiency improvements.



The Need for Assistance Programs:

The New Mexico Coalition to End Homelessness estimates that a total of 15,000 to 20,000 New Mexicans experience homelessness in a year.

The pandemic has increased the number of people experiencing homelessness.

While many people resolve their housing crisis on their own or with existing help, 6,500 people per year do not.

Solutions:

Rapid Rehousing which is rental assistance for up to 2 years.

Permanent Supportive Housing for people with disabilities which is housing and support services provided for as long as needed.

Coordinated Entry to keep track of everyone in need of housing and quickly match people to appropriate housing.



Quarterly Report to the MFA Board of Directors Q3 FY2022

Servicing	Current Quarter	Same Quarter Last Year	Target Rate
First Mortgage delinquency rate	4.44	5.88	
Partners Program delinquency rate	13.04	12.12	
DPA loan delinquency rate	7.71	7.28	
Multifamily loan delinquency rate	1.23	1.23	
Combined delinquency rate - Current Month	7.69	7.26	
Combined average delinquency rate-FY	8.15	8.20	10.00
Default rate (writeoffs/foreclosure losses)	0.54	0.45	1.30
Master Servicing MBS delinquency rate	9.56	12.95	
REO Inventory - # of loans	0	1	
REO Inventory - Exposure	\$0	\$48,350	



MFA's Servicing Department:

Provides servicing for over 16,577 loans with a principal balance over \$346 million.

Many of the loans MFA services are for internal programs that target higher risk borrowers. MFA's Mortgage-Backed Securities (MBS) portfolio is serviced by our sub-servicer.

Delinquency rates in this portfolio can be benchmarked to Mortgage Banker Association averages 4.62 percent for all loans in New Mexico and 9.14 percent for FHA in New Mexico as of 12/31/2021.

Monitoring	Current Quarter	Year to Date	Fiscal Year Monitoring Required
Asset Management			
Number of properties monitored	46	273	207
Number of units inspected	223	1518	N/A
Number of files reviewed	368	1854	N/A
Number of PBCA activities	301	893	N/A
Community Development			
Number of required monitorings ³	16	41	45

³ - based on program year, 7/1 - 6/30



MFA's Asset Management Department:

Monitors 271 properties and 18,255 units of housing financed by MFA, providing unit inspections and review of records and finances on a regular basis. Asset Management also supports 86 properties and 5,189 units under MFA's HUD Project Based Contract Administrator (PBCA) contract.



MFA's Community Development Department:

Manages ten programs with multiple different funding sources, and approximately 91 partners across the state. Our partners deliver housing to more than 9,300 individuals and receive approximately \$17 million in funding. Monitoring is performed on a regular basis to ensure program compliance.