



MFA Housing New Mexico
 MFA Board of Directors June Meeting
 June 15, 2022
 9:30 am-12:30 pm Mountain Time

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 5/18/22 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items (Action Required?)

Consent Agenda

- 1 401K Restatement Plan (Dolores Wood)

Contracted Services/Credit Committee

- 2 Eastern Regional Housing Authority – Woodleaf Property Sale – Offer Approval (Theresa Laredo-Garcia)
- 3 Northern Regional Housing Authority – Contract Approval > \$100K (Theresa Laredo-Garcia)
- 4 Request for New Mexico Housing Trust Fund (NMHTF) – Wildfire Response (Julie Halbig)
- 5 Housing Innovation NOFA and Addendum 1 (Robyn Powell, Sonja Unrau)
- 6 Foreclosure Prevention Housing Counseling and Legal Services RFP Award Recommendation (Robyn Powell)
- 7 Request for Proposals (RFP) for Governmental Services (Rebecca Velarde)
- 8 Broadway McKnight Tax Credit Assistance Program (TCAP) Grant Request (Tim Martinez)
- 9 Belen Vista HOME Loan Increase Modification Request (Jacobo Martinez)
- 10 Mariposa Apartments HOME Loan Increase Modification Request (Sharlynn Rosales)

Finance Committee

- 11 2024-2028 State of New Mexico Infrastructure Capital Improvement Plan (ICIP) (Sonja Unrau)
- 12 Proposed changes to the FirstDown Payment Assistance Program (René Acuña)
- 13 Revised Delegations of Authority (Julie Halbig)

Other

- 14 Election of Officers (Chair Angel Reyes)
- 15 New Mexico Housing Trust Fund Recurring Funding – Planning Framework (Robyn Powell, Sonja Unrau)
- 16 Single Family Programs Report (René Acuña)

Other Board Items

Information Only

17 (Staff is available for questions)

- Staff Action Requiring Notice to Board
- COVID Staff Actions

18 Monthly Reports

No Action Required

(Staff is available for questions)

- ☐ 4/30/21 Financial Statements

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings

- July 12, 2022 – Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- July 19-20, 2022 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting-Las Cruces)
- August 9, 2022 – Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- August 17, 2022 - Wednesday- 9:30 a.m. (MFA Board of Directors Meeting)
- August 17-18, 2022 - Wednesday- 9:30 a.m. (MFA Board of Directors Retreat)
- 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)



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Board Meeting
344 4th St. SW, Albuquerque, NM
Wednesday, June 15, 2022, at 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Approval of Agenda – Board Action
- Approval of 5/18/22 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Consent Agenda

- | | |
|--|-----|
| 1 401K Restatement Plan (Dolores Wood and Dorothy Sannman, Bank of Oklahoma) – Finance Committee | YES |
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Contracted Services/Credit Committee & NM Housing Trust Fund Committee

- | | |
|--|-----|
| 2 Eastern Regional Housing Authority – Woodleaf Property Sale – Offer Approval (Theresa Laredo-Garcia) | YES |
| 3 Northern Regional Housing Authority – Contract Approval > \$100K (Theresa Laredo-Garcia) | YES |
| 4 Request for NMHTF – Wildfire Response (Julie Halbig) | YES |
| 5 Housing Innovation NOFA and Addendum 1 (Robyn Powell, Sonja Unrau) | YES |
| 6 Foreclosure Prevention Housing Counseling and Legal Services RFP Award Recommendation (Robyn Powell) | YES |
| 7 Request for Proposals (RFP) for Governmental Services (Rebecca Velarde) | YES |
| 8 Broadway McKnight Tax Credit Assistance Program (TCAP) Grant Request (Tim Martinez) | YES |
| 9 Belen Vista HOME Loan Increase Modification Request (Jacobo Martinez) | YES |
| 10 Mariposa Apartments HOME Loan Increase Modification Request (Sharlynn Rosales) | YES |

Finance Committee

- | | |
|---|-----|
| 11 2024-2028 State of New Mexico Infrastructure Capital Improvement Plan (ICIP) (Sonja Unrau) | YES |
| 12 Proposed changes to the FirstDown Payment Assistance Program (René Acuña) | YES |
| 13 Revised Delegations of Authority (Julie Halbig) | YES |

Other

- | | |
|---|-----|
| 14 Election of Officers (Chair Angel Reyes) | YES |
| 15 New Mexico Housing Trust Fund Recurring Funding – Planning Framework (Robyn Powell, Sonja Unrau) | NO |
| 16 Single Family Programs Report (René Acuña) | NO |

Other Board Items

Information Only

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

Monthly Reports

No Action Required

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Board Action Items

Action Required?

Consent Agenda

- 1 **401K Restatement Plan** (Dolores Wood and Dorothy Sannman, Bank of Oklahoma) – Finance Committee. Staff recommends that the MFA Board approve the attached amendment to the 401(k) Plan which includes withdrawals for a qualified birth or adoption, the changes is law related to the SECURE Act, the CARES Act, and the Consolidated Appropriations Act, 2021. YES

Contracted Services/Credit Committee & NM Housing Trust Fund Committee

- 2 **Eastern Regional Housing Authority** – Woodleaf Property Sale – Offer Approval (Theresa Laredo-Garcia) - As required by Senate Bill 20, staff is seeking MFA board approval for the sale of the Woodleaf Apartments located in Hobbs, NM to Todd G. Seidenschwarz for \$4,400,000. Woodleaf Apartments is owned by RHA Housing Development Corporation, A New Mexico non-profit corporation and wholly owned subsidiary of Eastern Regional Housing Authority. YES
- 3 **Northern Regional Housing Authority** – Contract Approval > \$100K (Theresa Laredo-Garcia) - MFA staff recommends Board approval for Northern Regional Housing Authority (NRHA) to enter into and sign two service contracts; 1) Architect & Engineering and 2) construction, each with a value greater than \$100,000. YES
- 4 **Request for NMHTF – Wildfire Response** (Julie Halbig) - Staff recommends approval of the request to release \$3M in NMHTF for emergency housing needs according to the Emergency Housing Need Pilot Program policies and procedures for New Mexicans impacted by the wildfires. YES
- 5 **Housing Innovation NOFA and Addendum 1** (Robyn Powell, Sonja Unrau) - Staff recommends approval of the Housing Innovation Program Notice of Funding Availability and Addendum 1 for publication. YES
- 6 **Foreclosure Prevention Housing Counseling and Legal Services RFP Award Recommendation** (Robyn Powell) - Staff recommends and requests approval to award a contract to United South Broadway Corporation (USBC) to provide Foreclosure Prevention Housing Counseling and/or Legal Services as part of the New Mexico Homeowner Assistance Fund Program. Staff recommends awarding the contract for a one-year term with the option to award two (2) two-year extensions up to the end of the HAF award period of September 30, 2025. YES
- 7 **Request for Proposals (RFP) for Governmental Services** (Rebecca Velarde) - MFA staff recommend approval of a request for proposals (RFP) for a consultant to furnish governmental services. YES
- 8 **Broadway McKnight Tax Credit Assistance Program (TCAP) Grant Request** (Tim Martinez) - A Tax Credit Assistance Program (TCAP) grant request in the amount of \$600,000 for Broadway McKnight, located in Albuquerque, New Mexico. Broadway McKnight is a New Construction project that will create 54 income-restricted units consisting of one-, two-, three-, four-, and five-bedroom units. The units will be income restricted to households earning 30% of the Area Median Income (AMI), 50% of the AMI, and 60% of the AMI. Thirty units will receive HUD Section 8 project-based vouchers and 13 units will receive HUD Rental Assistance Demonstration (RAD) project-based vouchers. Fourteen units will serve Households with Children. YES
- 9 **Belen Vista HOME Loan Increase Modification Request** (Jacobo Martinez) – A HOME CHDO loan increase request in the amount of \$600,000 for a total HOME CHDO loan of \$1,000,000 for the Belen Vista Apartments, located in Belen, New Mexico. Belen Vista Apartments is an Acquisition/Rehabilitation project that will create 57 one and two bedroom units for households with children. Four of the units are income restricted to households earning 30% or less of Area Median Income (AMI). Twenty-eight of the units are income-restricted to households earning 50% or less of AMI. Twenty-four units are income restricted to households earning 60% or less of AMI. One unit is a non-income-producing manager's unit. YES

- 10 Mariposa Apartments HOME Loan Increase Modification Request** (Sharlynn Rosales) – A HOME CHDO loan increase request in the amount of \$600,000 for a total HOME CHDO loan of \$1,000,000 for the Mariposa Apartments, located in Taos, New Mexico. Mariposa Apartments is an Acquisition/Rehabilitation project that will create 58 one, two, and three bedroom units for households with children. Mariposa will restrict 22 units for households earning at or below 60% area median income (AMI), 30 units for households earning at or below 50% AMI, and 5 units for households earning at or below 30% AMI. One unit is a non-revenue producing managers' unit. YES

Finance Committee

- 11 2024-2028 State of New Mexico Infrastructure Capital Improvement Plan (ICIP)** (Sonja Unrau) - Staff recommend Board of Directors approval of MFA's 2024-2028 Infrastructure and Capital Improvement Plan (ICIP), which includes \$10,000,000 for the New Mexico Housing Trust Fund (HTF) for state fiscal year (FY) 2024. YES
- 12 Proposed changes to the FirstDown Payment Assistance Program** (René Acuña) - Staff recommends approval of policy changes for the FirstDown single family down payment assistance (DPA) program including: 1) FirstDown DPA second mortgage loan amount not to exceed 6 percent (6%) of the purchase price, 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. Finally, the requirement for borrowers to utilize at least \$500 of their own funds toward down payment or closing costs would be eliminated for all single family programs. YES
- 13 Revised Delegations of Authority** (Julie Halbig) - Staff recommends discussion and approval regarding revisions to the Delegations of Authority. Should you approve these changes to the Delegations of Authority, staff would also ask for your approval to align the relevant sections of MFA's Policy and Procedures Manual at the same time. YES

Other

- 14 Election of Officers** (Chair Angel Reyes) - –as recommended by the Nominating Committee: Chair Reyes, Lieutenant Governor Morales and Attorney General Balderas. YES
- 15 New Mexico Housing Trust Fund Recurring Funding – Planning Framework** (Robyn Powell, Sonja Unrau) – Staff will provide an information update on the New Mexico Housing Trust Fund (NMHTF) recurring funding planning process and timeline. NO
- 16 Single Family Programs Report** (René Acuña) - Staff will provide an update of the Single Family program production for the first two quarters of the current fiscal year. NO

Other Board Items

Information Only

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NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting Minutes

344 4th St. SW, Albuquerque, NM

Wednesday, May 18, 2022 at 9:30 a.m.

Chair Reyes convened the meeting on May 18, 2022 at 9:32 a.m. Secretary Hernandez called the roll. Members available: Chair Angel Reyes – in person, Sally Malavé (designee for Attorney General Hector Balderas) - virtual, Lieutenant Governor Howie Morales (arrived in person during Executive Director updates), Martina C'de Baca (designee for Lieutenant Governor Howie Morales) in person, State Treasurer Tim Eichenberg – in person, Patricia Sullivan – virtual. Absent: Derek Valdo and Rebecca Wurzbarger. 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. Motion to approve the May 18, 2022 Board agenda as presented: Eichenberg. Second Malavé: Roll call vote: Chair Reyes-yes, Eichenberg-yes, C'de Baca-yes, Malavé-yes, Sullivan-yes. Vote: 5-0.

Approval of 4/20/22 Board Meeting Minutes – Board Action– Board Action– Board Action. Motion to approve the April 20, 2022 Board Meeting Minutes as presented: Malavé. Second Sullivan: Roll call vote: Chair Reyes-yes, Eichenberg-yes, C'de Baca-yes, Malavé-yes, Sullivan-yes. Vote: 5-0.

Hernandez provided his Executive Director updates: **Program Updates:** Subserviced portfolio: continues to grow \$1.854 billion (as of Apr. '22), Delinquency rate at 11.6%, stable this month from previous month. Homeownership production, averaging \$1mm/week less from 2021, if continued we will be \$50-52mm less at year end. Interest rates for First Home at 5.25 have increased by approximately 75bp. **Significant meetings/presentations:** 5/05: Participated in Fires meeting in Ruidoso – Donna attended the meeting to discuss the people affected by the fires and is in direct contact with some of these individuals. 5/12: Hiland Plaza – Virtual Groundbreaking - First housing project for deaf, hard-of-hearing impaired. **News:** referred to interest rates and fires with regards to the news articles shared via email with the Board. He stated that we are grateful for the Board's approval of the emergency pilot program last month which will enable us to address some of the needs in the state due to the fires. Looking at assisting approximately 17 families in Ruidoso who are presently homeless. He then went over homeownership information graphs.

Presentation

1 Annual Investment Report and Market Update (Luke Schneider, Director and Ellen Clark, Senior Managing Consultant (PFM Asset Management LLC)). Ratnaraj gave a brief overview of what today's presentation would include; further informing the Board that today's recommendations would come to the Board for approval at a future board meeting. She then introduced Luke Schneider and Matt Smith of PFM Asset Management LLC. Schneider began by thanking the Board for the opportunity for he and Matt Smith to present an update on MFA's General Fund investment portfolio. They discussed current market conditions as well as what might be expected in the markets going forward. The presentation also included a review of and discussion on MFA General Fund allocations, cash flows and allocation recommendations. Non-Action Item.

Lieutenant Governor Morales arrived at 10:05 a.m.

Consent Agenda

2 2022 Series D Bond Resolution (Cooper Hall) – Finance Committee. To authorize future bonding activity and to ensure MFA can be responsive to market conditions, Staff is requesting approval of the 2022 Series D Single Family Bond Resolution in the aggregate amount of not to exceed \$125 million. MFA anticipates providing funds for \$125 million of new loans. The timing of issuance has not been determined and will depend on actual reservation activity and bond market conditions.

- 3 2022 DOE State Plan (Troy Cucchiara, Dimitri Florez, and David Gutierrez) – Contracted Services/Credit Committee.** - The NM EnergySmart program helps low-income New Mexicans save money on utility bills. Homeowners and renters who qualify for the program receive an average of \$8,070 in weatherization measures. The Department of Energy (DOE) is the primary funding source and they set the rules and regulations for the program. Additionally, DOE is the only funding source that provide for vehicles, equipment, and a training and technical assistance budget. In order to receive the funding from DOE, a State Plan must be submitted no later than May 1, 2022. Funding for the 2022/2023 State Plan totals \$2,601,117.43. With the DOE funding, we are projecting that ICAST will weatherize approximately 35 multifamily statewide units, Central New Mexico Housing will weatherize approximately 101 single family units, and Southwestern Regional Housing and Community Development Corporation will weatherize approximately 40 single family units for a total of 176 units

Chair Reyes confirmed that all board members agree to approve the consent agenda items 2-3, seeing and hearing no objections he asked for a motion. Eichenberg made the motion to approve the consent agenda in its entirety: Second: Malavé. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Morales-yes, Malavé-yes, Sullivan-yes. Vote:5-0.

Finance Committee

- 4 3/31/22 Quarterly Financial Statement (Lizzy Ratnaraj).** Ratnaraj informed the Board that this report will be for the six-month period ending 3/31/22 of MFA's fiscal year. She began by providing a very detailed and thorough review of the comparative year-to-date summary of highlights discussing the year-to-date metrics and variances which included the following: Production, Statement of Net Position, Statement of Revenues, Expenses and Net Position, Moody's Benchmarks and Servicing. Ratnaraj then reviewed the monthly and quarterly graphs, the Housing Opportunity Fund report and the Loan and Credit Line Activity report. Motion to approve the 3/31/22 Quarterly Financial Statement Review as presented: Morales. Second: Eichenberg. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Morales-yes, Malavé-yes, Sullivan-yes. Vote:5-0.
- 5 3/31/22 Quarterly Investment Review (Cooper Hall).** Hall presented the Quarterly Investment Review packet behind tab five which will be included in the official board packet. He began by informing the Board that this report is as of 3/31/22. He reviewed the General Fund Investment Compliance Report, the Portfolio Summary-Short & Intermediate Term Investments, the Portfolio Summary-Long Term Investments including the State Investment Council Investments, the Portfolio Summary-Housing Trust Fund and the General Fund Investment Portfolio Metrics highlighting the asset class balances and yields/rates of returns. Motion to approve the 3/31/22 Quarterly Investment Review as presented. Second: Roll call vote: Chair Reyes-yes, Eichenberg-yes, Morales-yes, Malavé-yes, Sullivan-yes. Vote:5-0.

Allocation Review Committee 2

- 6 Proposed 2022 Low Income Housing Tax Credit (LIHTC) Awards (Jeanne Redondo).** Redondo informed the Board that she would begin by going over high level changes on the 2022 QAP, tax credit ceiling and how we arrived at the recommended awards. She introduced the following developers of the recommended awards who provided a brief presentation on each of their projects and stood for questions by the Board. Francisco Carr, Laguna Housing Management Enterprise and Trent Rogers, Travois Inc – Laguna #3 (new construction), Laguna, NM. Michelle Den Bleyker - YES Housing, Inc. – Calle Cuarta (new construction), Albuquerque, NM. Dan Foster, Albuquerque Housing Authority 120 La Plata, (acquisition/rehabilitation) Albuquerque, NM and 9000 Veranda (acquisition/rehabilitation) Albuquerque, NM. Tim Baker - Chelsea Investment Corporation & Adam Saber - CC Housing – Felician Villa Apartments (new construction), Rio Rancho, NM and The Three Sisters (new construction), Las Cruces, NM. Redondo informed the Board that ten applications were received by the deadline; eight projects were determined to be "Eligible" for tax credit awards; two applications were rejected due to financial infeasibility; one did not score high enough to be eligible for an award. The sole appeal was rescinded. Redondo reviewed the changes to the 2022 QAP. After covering the highlights of the request, she stated that staff, by and through MFA's Allocation Review Committee, requests approval of six LIHTC awards in the amount of \$6,093,865; Table 7A, Approval of the 2022 LIHTC waitlist, and approval of a forward allocation of 2023 tax credits in the amount of \$2,829,965. The total amount will cover four new construction and two acquisition rehabs for a total of 284 units. These items are located behind tab six and will become a part of the official board packet. Redondo further informed the Board that staff will go over the parameters of each of the loans being recommended by staff for Gap financing under the next tab of the agenda.

Member Patricia Sullivan (Chair of the ARC committee) began by thanking Kathryn, Jeanne and staff for their dedication to ensuring maximum benefit of this program, especially to ensure that the projects reflect the communities in which they will be built. The presentations today clearly reflect that these are outstanding projects and meet the community needs in various ways. She also thanked the committee for their time and thoroughness in reviewing the projects not only in compliance with the QAP but also in their ability to process the impact housing has for New Mexico residents. She moved adoption of the staffs' recommendation as presented today and as resolved by the Allocation Review committee and the resolution that will be included in the board materials. Motion to approve staff's recommendation as presented: Sullivan. Second: Morales. Lt. Governor Morales commented on the wonderful work done by staff in order to bring these applications forward. He wondered if the number of applications received from rural communities did not arrive, were not done or just did not meet the criteria. There is continually a lack of representation from rural New Mexico and wondered what could be done to make awareness, more education, more applications to come in to make sure there is a balance to ensure we are meeting the needs in those parts of the state. Roll call vote: Chair Reyes-yes, Eichenberg-yes, Morales-yes, Malavé-yes, Sullivan-yes. Vote: 5-0.

Contracted Services/Credit Committee & NM Housing Trust Fund Committee

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

YES

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

- a. **Felician Villa Apartments HOME and National Housing Trust Fund (NHTF) Loan Requests (Jacobo Martinez and George Maestas).** A HOME CHDO loan request in the amount of \$1,000,000 and a National Housing Trust Fund (NHTF) loan request in the amount of \$400,000 for the Felician Villa Apartments, located in Rio Rancho, New Mexico. Felician Villa Apartments is a New Construction project that will create 66 one- and two-bedroom units. Sixty-Five of the units will be income restricted and one unit is a non-income producing manager's unit. The income-restricted units will be for households earning 30% of the Area Median Income (AMI), 50% of the AMI, and 60% of the AMI. The project will target households with seniors (55+). Treasurer Tim Eichenberg left the meeting 11:12 a.m.
- a. **The Three Sisters Apartments HOME and National Housing Trust Fund (NHTF) Loan Requests (Tim Martinez and George Maestas)** - A HOME CHDO loan request in the amount of \$1,000,000 and a National Housing Trust Fund (NHTF) loan request in the amount of \$400,000 for The Three Sisters Apartments, located in Las Cruces, New Mexico. The Three Sisters Apartments is a New Construction project that will create 70 one-, two-, and three-bedroom units. Sixty-nine units will be income restricted and one unit will be a non-rent-generating manager's unit. The income restricted units will be reserved for households earning 30% of the Area Median Income (AMI), 50% of the AMI, and 60% of the AMI. The project will also target Households with Children.
- b. **Calle Cuarta – HOME, National Housing Trust Fund (NHTF), and New Mexico Housing Trust Fund (NMHTF) Loan Requests (Sharlynn Rosales and George Maestas)** - A HOME CHDO loan request in the amount of \$915,000, a National Housing Trust Fund (NHTF) loan request in the amount of \$400,000, and a New Mexico Housing Trust Fund loan request in the amount of \$1,000,000 for the Calle Cuarta Apartments, located in Albuquerque, New Mexico. Calle Cuarta Apartments is a New Construction project that will create 61 studios, one-, two-, and three-bedroom units for households with children. All units will be income-restricted. The income-restricted units will be for households earning 30% of the Area Median Income (AMI), 50% of the AMI, 60% of the AMI, and 80% of the AMI.

Lieutenant Governor Morales made the motion to approve the three projects for Gap Financing Loan Requests as one vote but asked that the record show they were acted on individually: Felician Villa Apartments HOME and National Housing Trust Fund (NHTF) Loan Requests; The Three Sisters Apartments HOME and National Housing Trust Fund (NHTF) Loan Requests; Calle Cuarta – HOME, National Housing Trust Fund (NHTF), and New Mexico Housing Trust Fund Loan Requests as recommended: Second: Sullivan. Roll call vote: Chair Reyes-yes, Morales-yes, Malavé-yes, Sullivan-yes. Vote: 4-0.

8 Homeless and At Risk of Homelessness Rental Housing Program RFP (Kathryn Turner). Turner began her presentation with a request for approval of the Homeless and At-Risk of Homelessness Rental Housing Program Request for Proposals (RFP) which would identify and fund eligible and impactful projects that would serve New Mexicans who

are homeless and/or those at-risk of homelessness. She provided background information as listed in the memo located behind tab eight and will become a part of the official board packet. The Homeless and At-Risk of Homelessness Rental Housing Program RFP has been drafted to utilize the HOME-ARP and potentially other federal or state funding as needed. The restrictions in the RFP mirror the requirements for the HOME-ARP program, however the RFP allows for other funding sources to be utilized to fund projects submitting proposals. She reviewed the RFP provided behind the memo, stating; due to the tight timeframe for spending this RFP targets those project's readiness to proceed. Motion to approve the Homeless and At Risk of Homelessness Rental Housing Program RFP as presented: Malavé. Second: Sullivan. Roll call vote: Chair Reyes-yes, Morales-yes, Malavé-yes, Sullivan-yes. Vote: 4-0.

- 9 2022 Legislative Session Capital Outlay and FRF II Short Term Funds Program Uses (Robyn Powell).** Powell began her presentation with a request for approval for the proposed uses for 1) 2022 Legislative Session American Rescue Plan Act Fiscal Recovery Funds II (FRFII) in the amount of \$10,000,000, and 2) 2022 Legislative Session Capital Outlay funds in the amount of \$9,000,000. Staff also recommends the Board provide flexibility to move funding between these proposed uses based on need and to ensure compliance with contractual deadlines. Powell reminded the Board that MFA received \$15 million of ARPA FRF funds during the 2021 Special Legislative Session. Those funds were allocated at the March 2022 Board meeting. The March 16, 2022 "Proposed Uses of \$15 million Awarded During the Special Legislative Session" Board memo provides an analysis of the Final for ARPA FRF issued by Treasury. This second APRA FRF allocation will be administered under the same guidelines for Eligible Enumerated Uses for Impacted Households and Disproportionally Impacted Households. Capital outlay funds will be administered pursuant to the New Mexico Affordable Housing Act and New Mexico Housing Trust Fund guidelines. She further informed the Board that the regular session funds must be expended by June 30, 2025 and proceeded to review the Proposed Program Allocations as listed in the memo located behind tab nine which will become a part of the official board packet. Motion to approve the 2022 Legislative Session Capital Outlay and FRF II Short Term Funds Program Uses as presented: Malavé. Second: Sullivan. Roll call vote: Chair Reyes-yes, Morales-yes, Malavé-yes, Sullivan-yes. Vote: 4-0.

Lieutenant Governor Morales left the meeting and Proxy C'de Baca filled in 12:11 p.m.

- 10 Emergency Solution Grant Rapid Rehousing and Homeless Prevention Award Approvals (ESG -RR- HP) (Lucas Wylie, Shannon Tilseth).** Wylie began his presentation with a recommendation for Board approval of the 2022/2023 Emergency Solutions Grant Rapid Rehousing and Homeless Prevention Program (ESG RR-HP) awards for eight subrecipients in the amount of \$898,412.44. On February 16, 2022, MFA's board of Directors approved the RFP for ESG RR-HP program which will be valid for five program years beginning July 1, 2022, through June 30, 2027. The RFP was released on February 24, 2022. He further explained that there were 14 Offerors who applied for the funding. Scoring was based on past performance, experience and capacity, and financial audit results, by the program manager, team lead and the review committee that was approved by MFA. Proposals that scored below 60% of the total possible points were not considered for funding according to the rules of the RFP. Of the 14 proposals submitted, eight are being recommended for funding and six Offerors were not selected for the various reasons noted in the memo, located behind tab 10 which will become a part of the official board packet. Wylie reviewed the Offerors and Award Recommendations. He also informed the board of the protest period which began May 4th stating that there were no protest received. Motion to approve the Emergency Solution Grant Rapid Rehousing and Homeless Prevention Award Approvals as presented: C'de Baca. Second: Sullivan. Roll call vote: Chair Reyes-yes, C'de Baca-yes, , Malavé-yes, Sullivan-yes. Vote: 4-0.

Chair Reyes informed the Board that we would be making a slight change to the agenda moving tab 12 up on the agenda.

Other

- 11 (12 in the board packet) - Updates to FY2021-2025 Strategic Plan (Rebecca Velarde).** Velarde began her presentation by stating that staff recommends board approval of the attached changes in strike-through, underline format to MFA's FY 2021-2025 Strategic Plan, which include new/changed strategic initiatives and benchmarks for Year 2 (FY 2022). The second year (FY 2022) began on October 1, 2021. Year 2 strategic plan changes include new/changed strategic initiatives and benchmarks as indicated in the power point presentation located behind tab 12 which will become a part of the official board packet. Velarde reviewed all the changes within the Strategic Plan document for year 2. Motion to approve the update to FY2021-2025 Strategic plan as presented: Sullivan. Second: C'de Baca. Roll call vote: Chair Reyes-yes, C'de Baca-yes, Malavé-yes, Sullivan-yes. Vote: 4-0.

Member Patricia Sullivan left the meeting 12:21 p.m.

Contracted Services/Credit Committee

12 (11 in the board packet) - Eastern Regional Housing Authority – Woodleaf Property Sale Update (Theresa Laredo-Garcia). Laredo-Garcia introduced Chris Herbert executive director and Cesar Morenco with Eastern Regional Housing Authority and Ben Kalter real estate broker Marcus & Millichap who were available to answer questions from the Board. She then provided an update on Eastern Regional Housing Authorities (ERHA) activities surrounding the sale of the Woodleaf Apartments to prepare for the presentation of sales offers in June. Non Action Item.

Other Board Items - Information Only

13 There were no questions asked of staff.

- Staff Actions Requiring Notice to Board
- COVID -19 Staff Actions
- Q2 Strategic Plan Dashboard
- Quarterly Multifamily Construction Pipeline Report

Quarterly Reports - No Action Required

14 There were no questions asked of staff.

- Quarterly Board Report

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

There being no further business the meeting was adjourned at 12:27 p.m.

Approved: June 15, 2022

Chair, Angel Reyes

Secretary, Isidoro Hernandez

Tab 1



MEMORANDUM

TO: MFA Board of Directors

Through: Finance Committee – June 7, 2022

Through: Policy Committee – May 31, 2022

FROM: Dolores Wood, Human Resources Director, Dorothy Sanmann, Bank of Oklahoma

DATE: May 31, 2022

SUBJECT: 401(k) Plan Amendment

Recommendation

Staff recommends approval of 401(k) Plan restatement adoption agreement. The restatement includes a recommended change to allow distributions related to a Qualified Birth or Adoption as well as other changes required by the SECURE Act, the CARES Act, and the Consolidated Appropriations Act, 2021.

Background

The Internal Revenue Service and Department of Labor enact changes to retirement plan law almost every year. Retirement Plans are required to be amended to comply with the laws as the changes become effective. Every six years the Internal Revenue Service requires all plans be restated to incorporate these amendments into the plan document. In addition, in September of 2021, the Retirement Committee approved a change in the MFA 401(k) Plan to allow participants to take a withdrawal from the plan for a qualified birth or adoption as allowed by the SECURE Act. In addition, there were changes in retirement plan law related to the SECURE Act, the CARES Act, and the Consolidated Appropriations Act, 2021. Amendments to the MFA 401(k) Plan required by these Acts have been incorporated in the attached plan adoption agreement.

Karen Kahn with Modrell Law and Dorothy Sanmann with Bank of Oklahoma have reviewed MFA's 401k plan to ensure compliance with all applicable laws.

Discussion

The SECURES/CARES/CAA language can be found on pages 26 thru 29 of the Adoption Agreement. The language as it relates to a Qualified Birth or Adoption Distribution states: *"a Participant may receive a distribution up to \$5,000 during the 1-year period beginning on the date on which the Participant's child is born or on which the legal adoption by the Participant of an eligible adoptee is finalized. An eligible adoptee is any individual (other than a child of the Participant's spouse) who has not attained age 18 or*

is physically or mentally incapable of self-support. The \$5,000 maximum is an aggregate amount of such distributions from all plans maintained by the Employer.”

Summary

Staff recommends that the MFA Board approve the attached amendment to the 401(k) Plan which includes withdrawals for a qualified birth or adoption, the changes is law related to the SECURE Act, the CARES Act, and the Consolidated Appropriations Act, 2021.



**NEW MEXICO MORTGAGE
FINANCE AUTHORITY**

401(k) PLAN

Adoption Agreement

January 1, 2022



MODRALL SPERLING

L A W Y E R S

Prepared by:
Modrall Sperling
500 Fourth Street
Suite 1000
Albuquerque, NM 87102

NEW MEXICO MORTGAGE FINANCE AUTHORITY
401(k) PLAN
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ADOPTION AGREEMENT #001 GOVERNMENTAL PROFIT SHARING NON-STANDARDIZED PLAN

The undersigned adopting employer hereby adopts this Plan. The Plan is intended to qualify as a tax-exempt plan under Code section 401(a). The Plan is further intended to qualify as a governmental plan under Code section 414(d). The Plan shall consist of this Adoption Agreement, its related Basic Plan Document #02, and any Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

NOTE: Code section 401(k)(4)(B)(ii) prohibits governmental employers from establishing new 401(k) plans. This provision does not apply to governmental 401(k) plans adopted before May 6, 1986.

EMPLOYER INFORMATION

NOTE: An amendment is not required to change the responses in items 1-10 below.

NOTE: The Plan Sponsor must be an entity that is eligible to adopt a governmental plan as defined in Code section 414(d).

1. Name of adopting employer (Plan Sponsor): New Mexico Mortgage Finance Authority
2. Address: 344 Fourth Street S.W.
3. City: Albuquerque
4. State: New Mexico
5. Zip: 87102
6. Phone number: 505-843-6880
7. Fax number: _____
8. Plan Sponsor EIN: 85-0252748
9. Plan Sponsor fiscal year end: 09/30
10. State of organization of Plan Sponsor: New Mexico

PLAN INFORMATION

SECTION A. GENERAL INFORMATION

Plan Name/Effective Date

1. Plan Number: 001
2. Plan name:
 - a. New Mexico Mortgage Finance Authority
 - b. 401(k) Plan

NOTE: A.1 is optional.

3. Effective Date

- a. Original effective date of Plan: 06/01/1978
- b. ☒ This is a restatement of a previously-adopted plan. Effective date of Plan restatement: 01/01/2022

NOTE: The dates specified above in A.3a or A.3b may not be earlier than the first day of the Plan Year during which the Plan is adopted or amended and restated by the Plan Sponsor.

4. Merger Information

- a. Other Plan name: _____
- b. Merger effective date: _____
- c. Additional merger information: _____

5. Plan Year

- a. Plan Year means each consecutive 12-month period ending on 12/31 (e.g. December 31)

SECTION A. GENERAL INFORMATION

- b. ☐ The Plan has a Short Plan Year. The Short Plan Year begins _____ and ends _____
- i. In the event of a Short Plan Year, service conditions will be pro-rated based on months for the following purposes:
- ☐ None
- ☐ All purposes (i.e., eligibility, allocation conditions, and vesting)
- ☐ Other: _____

NOTE: The provisions of A.5b apply only in the event of an initial Plan Year. A Short Plan Year for reasons other than the initial Plan Year requires a Plan amendment.

6. Limitation Year means:

- a. ☒ Plan Year
- b. ☐ calendar year
- c. ☐ Other: _____

NOTE: If "Other" is selected, the Limitation Year must be a consecutive 12-month period.

7. Frozen Plan

- a. ☐ The Plan is frozen as to eligibility effective: _____
- b. ☐ The Plan is frozen as to benefit accruals effective: _____

Plan Features

8. Employee Contributions (Section 4.01)

- a. Mandatory Employee Contributions (pick-up contributions) are permitted under the Plan:
- i. ☐ Yes, _____% of Plan Compensation
- ii. ☐ Yes, salary schedule according to the chart below:
- | Salary Range | Mandatory Employee Contributions |
|--------------|----------------------------------|
| | |
- iii. ☐ Yes, other fixed method: _____
- iv. ☒ No
- b. Voluntary (After-Tax) Contributions are permitted under the Plan:
- i. ☐ Yes
- ii. ☒ No
- iii. ☐ Formerly Allowed
- c. Mandatory After-Tax Employee Contributions are permitted under the Plan:
- i. ☐ Yes, _____% of Plan Compensation
- ii. ☐ Yes, salary schedule according to the chart below:
- | Salary Range | Mandatory After-Tax Employee Contributions |
|--------------|--|
| | |
- iii. ☐ Yes, other fixed method: _____
- iv. ☒ No
- d. ☒ Grandfathered 401(k) Contributions adopted by the governmental entity before May 6, 1986 are permitted under the Plan
- e. ☐ Grandfathered Roth 401(k) Contributions are permitted under the Plan

NOTE: If A.8a is "No", questions regarding Mandatory Employee Contributions are disregarded.

NOTE: If other method (A.8a.iii or A.8c.iii) is selected, the method must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: The governmental entity adopting the 401(k) feature must be the same Employer as the Plan Sponsor within the meaning of Treas. Reg. section 1.410(b)-9. Code section 401(k)(4)(B)(ii) prohibits governmental employers from establishing new 401(k) plans. This provision does not apply to any 401(k) plan adopted before May 6, 1986.

NOTE: A.8e only applies if A.8d is selected.

9. Matching Contributions

Matching Contributions are permitted (Section 4.02):

☒ Yes ☐ No

NOTE: If A.9 is "No", questions regarding Matching Contributions are disregarded.

10. Non-Elective Contributions

Non-Elective Contributions are permitted (Section 4.03):

☒ Yes ☐ No

NOTE: If "No", questions regarding Non-Elective Contributions are disregarded.

SECTION A. GENERAL INFORMATION**11. Plan Features Effective Dates**

- a. ☐ There is a special effective date for one or more features specified in A.8 through A.10. The special effective date(s) which occur after the Effective Date specified in A.3 is/are: _____
- b. ☐ A previous plan amendment eliminated one or more of the features specified in A.8 through A.10. Specify any provisions that apply to the eliminated Plan features: _____

NOTE: Mandatory Employee Contributions cannot be effective earlier than the date the arrangement was adopted.

Compensation**12. Statutory Compensation**

- a. Definition of Statutory Compensation (as defined in Article 2 of the Basic Plan Document):
- i. ☐ Section 415 Compensation
 - ii. ☒ W-2 Compensation
 - iii. ☐ Withholding Compensation
 - iv. ☐ Section 415 Safe Harbor Option
- b. ☐ Include deemed Code section 125 compensation in definition of Statutory Compensation.
- c. ☒ Include Post Severance Compensation in definition of Statutory Compensation.
- d. ☐ Include Post Year End Compensation in definition of Statutory Compensation.

13. Plan Compensation

- a. Definition of Plan Compensation (as defined in Article 2 of the Basic Plan Document) for purposes of allocations will be Statutory Compensation with the following exclusions:

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
i. No Exclusions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Pay earned before participation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	n/a
iii. Amounts which are contributed by the Employer pursuant to a salary reduction agreement and not includible in the gross income of the Participant under Code sections 125, 402(e)(3), 402(h), 403(b), 132(f) or 457	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. All of the following benefits (even if includable in gross income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits (Treas. Reg. section 1.414(s)-1(c)(3))	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
v. Differential military pay as defined in Code section 3401(h)(2)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
vi. Final Paycheck Pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii. Post Severance Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

SECTION A. GENERAL INFORMATION

- | | | | | |
|--|--------------------------|-------------------------------------|-------------------------------------|--------------------------|
| viii. Post Year End Compensation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ix. Other adjustments (e.g., commissions, bonuses, etc.): <u>fringe benefits and reimbursements</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

NOTE: If any exclusions are selected which do not meet the safe harbor exclusions as described under Section 414(s) Compensation, the definition of Plan Compensation will cause the Plan to fail to qualify for any contribution safe harbors, such as the permitted disparity allocation or safe harbor contributions.

NOTE: If "Other adjustments" is selected, the description must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: See Section 4.01(c) for rules regarding elections for bonuses or other special pay.

b. Plan Compensation is determined over the period specified below ending with or within the Plan Year:

- i. ☒ Plan Year
- ii. ☐ calendar year
- iii. ☐ Plan Sponsor Fiscal Year
- iv. ☐ Limitation Year
- v. ☐ Other 12-month period beginning on: _____ (enter month and day)

Definitions**14. Disability**

Definition of Disability

- a. ☐ The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.
- b. ☒ Under the Social Security Act. The determination by the Social Security Administration that the Participant is eligible to receive disability benefits under the Social Security Act.
- c. ☐ Inability to engage in comparable occupation. The Participant suffers from a physical or mental impairment that results in his inability to engage in any occupation comparable to that in which the Participant was engaged at the time of his disability. The permanence and degree of such impairment shall be supported by medical evidence.
- d. ☐ Pursuant to other Employer Disability Plan. The Participant is eligible to receive benefits under an Employer-sponsored disability plan.
- e. ☐ Under uniform rules established by the Plan Administrator. The Participant is mentally or physically disabled under a written policy.
- f. ☐ Other: _____

NOTE: If "Other" is selected, the definition provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

15. Choice of Law/State Law

- a. Name of state or commonwealth for choice of law (Section 12.05): New Mexico
- b. Enter any state law provisions that apply to the Plan: Any applicable state laws, including prohibitions on indemnification.

NOTE: Only state law and regulations may be entered in A.15b. The Plan may not violate applicable state law.

SECTION B. ELIGIBILITY**Exclusions****1. The term "Eligible Employee" shall not include (Check items as appropriate):**

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
a. No Exclusions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Union Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Leased Employees	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
d. Non-Resident Alien	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Other Employees (Section 3.06(a)): <u>1) Interns and 2)</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Term Employees if that Term Employee is excluded from benefits in his or her offer letter

***NOTE:** If "Other Employees" is selected, the definition provided must be objectively determinable and may not name a specific individual or be specified in a manner that is subject to Employer discretion.*

2. Opt-Out

☐ An Employee may irrevocably elect not to participate in the Plan.

***NOTE:** If the Plan provides for Mandatory Employee Contributions (A.8a.iv is not selected), B.2 shall not apply to Mandatory Employee Contributions.*

Eligibility Service Rules**3. Other Employer Service**

☐ Count service with employers other than the Employer for eligibility purposes. List other employers and indicate for what purposes (e.g. Mandatory Employee Contributions, Matching, etc.) the service applies along with any limitations: _____

4. Special Participation Date

a. ☐ Allow immediate participation for all Eligible Employees employed on a specific date. All Eligible Employees employed on _____ shall become eligible to participate in the Plan as of _____

b. ☐ The Plan provides conditions or limitations on immediate participation: _____

***NOTE:** Describe the conditions or limitations and indicate for what purposes (e.g. Mandatory Employee Contributions, Matching, etc.) the conditions or limitations apply. The conditions/limitations must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.*

Eligibility for All Contribution Types**5. Age Requirement for Plan Participation**

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
a. Age Requirement	n/a	19	19	19

SECTION B. ELIGIBILITY**6. Service Requirement for Plan Participation**

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
a. No Minimum Service	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
b. Completion of _____ Year(s) of Eligibility Service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Completion of _____ Hours of Service (not to exceed 1,000) in a _____ month period (not to exceed 12; hours of service failsafe applies)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Completion of _____ Hours of Service (not to exceed 1,000) within a 12-month period. The service requirement shall be deemed met at the time the specified number of Hours of Service are completed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Completion of _____ month(s) of service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Completion of _____ day(s) of service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Additional Requirements: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: If "Other" is selected, the service requirements provided must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: Any "Additional Requirements" provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

7. Entry Dates

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
a. Immediate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. First day of each payroll period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. First day of the calendar month	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
d. First day of each Plan quarter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. First day of the first month and seventh month of the Plan Year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. First day of the Plan Year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: If B.7g is selected, the other entry date must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

8. Entry Timing for Plan Participation

An Eligible Employee shall become a Participant on the entry date that is:

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
a. Coincident with or next	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SECTION B. ELIGIBILITY

- | | | | | | |
|----|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | following the date the eligibility requirements are met | | | | |
| b. | Next following the date the eligibility requirements are met | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. | Coincident with or immediately preceding the date the eligibility requirements are met | n/a | <input type="checkbox"/> | <input type="checkbox"/> | n/a |
| d. | Immediately preceding the date the eligibility requirements are met | n/a | <input type="checkbox"/> | <input type="checkbox"/> | n/a |
| e. | Nearest to the date the eligibility requirements are met | n/a | <input type="checkbox"/> | <input type="checkbox"/> | n/a |

NOTE: If B.7a is selected, an Eligible Employee shall become a Participant eligible to make Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee Contributions/Grandfathered 401(k) Contributions immediately upon meeting the eligibility requirements.

Transfers/Rehires**9. Transfers/Rehires**

- a. If an Employee either (1) upon rehire again qualifies as an Eligible Employee (2) or if not previously an Eligible Employee who due to a change in status becomes an Eligible Employee, he shall become a Participant with respect to the contributions for which the eligibility requirements have been satisfied (Section 3.05):
 - i. ☐ as of the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3
 - ii. ☒ on the entry date as of the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3
- b. An individual who has satisfied the applicable eligibility requirements set forth in Article 3 before his rehire date, and who is subsequently reemployed by the Employer as an Eligible Employee shall resume or become a Participant (Section 3.05):
 - i. ☒ immediately upon his rehire date with respect to the contributions for which the eligibility requirements of this Article 3 have been satisfied
 - ii. ☐ on the entry date coincident with or next following his rehire date with respect to the contributions for which the eligibility requirements of this Article 3 have been satisfied

SECTION C. CONTRIBUTIONS**Voluntary Contributions/Grandfathered 401(k) Contributions**

NOTE: If A.8b is "Yes" or A.8d is selected (Voluntary Contributions or Grandfathered 401(k) Contributions are permitted), an Eligible Employee who has met the requirements of B.5 through B.7 shall be eligible to make Voluntary Contributions/Grandfathered 401(k) Contributions to the Plan as follows (Section 4.01):

1. Minimum and Maximum Employee Contributions**a. Voluntary Contributions**

- i. Minimum Voluntary Contribution: _____
- ii. Maximum Voluntary Contribution: _____
- iii. Other limits on Voluntary Contributions apply: _____

b. Grandfathered 401(k) Contributions

- i. ☒ Minimum Grandfathered 401(k) Contribution: 1% of Plan Compensation
- ii. ☐ Minimum Grandfathered 401(k) Contribution: \$ _____ for the following period: _____
- iii. ☒ Maximum Grandfathered 401(k) Contribution: 100% of Plan Compensation
- iv. ☐ Other limitations on Grandfathered 401(k) Contributions (specify): _____

c. ☒ Allow Participants to make Catch-up Contributions in addition to Grandfathered 401(k) Contributions

NOTE: C.1a.i, C.1b.i, C.1a.ii and C.1b.iii may not be more than 100% of Plan Compensation.

SECTION C. CONTRIBUTIONS

NOTE: If C.1a.iii or C.1b.iv is selected the requirements provided must be objectively determinable and may not be specified in a manner that is subject to discretion.

NOTE: C.1b and C.1c shall not apply if A.8d is not selected (Grandfathered 401(k) Contributions are not permitted).

2. Modifications of Voluntary Contributions/Grandfathered 401(k) Contributions

- a. Participants modify/start/stop Grandfathered 401(k) Contributions/Voluntary Contribution elections:
 - i. ☒ Each pay period
 - ii. ☐ Monthly
 - iii. ☐ Quarterly
 - iv. ☐ Semiannual
 - v. ☐ Annual
 - vi. ☐ Pursuant to Plan Administrator procedures (at least once each calendar year)
- b. ☒ Participants may stop an election to contribute at any time.

Automatic Enrollment

3. Grandfathered 401(k) - Automatic Enrollment

- a. The Plan provides automatic enrollment (Section 4.01(g)) in the following manner:
 - i. ☐ None
 - ii. ☒ Specified amount. The initial amount of the automatic enrollment (as a percentage of pay): zero
 - iii. ☐ Administrative policy. Automatic enrollment amounts shall be determined according to a written administrative policy which is timely communicated to Participants so they have an effective opportunity to elect to receive cash or complete an affirmative election deferring a different amount or no amount.
- b. ☒ The amount specified in C.3a shall increase in the following manner (e.g., 1% per year to a maximum of 7% with increases occurring on the first day of each Plan Year): 1% each January 1st on the "Change Date" until the percentage reaches 8%.
- c. ☐ Delayed automatic enrollment. The traditional automatic enrollment will be deemed elected _____ after the initial satisfaction of the eligibility requirements of Article 3 with respect to Grandfathered 401(k) Contributions (and after effective date of the addition of an automatic enrollment feature for current Participants).
- d. Indicate who will be eligible to receive automatic contributions:
 - i. ☐ Eligible Employees who have not made a Grandfathered 401(k) Contribution election
 - ii. ☐ All Eligible Employees to the extent that no election was made or their Grandfathered 401(k) Contribution elections are less than the automatic enrollment amount
 - iii. ☒ Other: The Participant's first Deferral Percentage Increase will be on the first available Change Date that is at least 6 months following the date the Participant first defers Compensation, unless the Participant makes a Contrary Election.
- e. If the Plan provides for automatic enrollment and Grandfathered Roth 401(k) Contributions are allowed to the Plan, select whether automatic contributions will be pre- or post-tax:
 - i. ☐ Pre-tax. All Grandfathered 401(k) Contributions made under Section 4.01(g) shall be designated as Pre-tax Grandfathered 401(k) Contributions.
 - ii. ☐ Post-tax. All Grandfathered 401(k) Contributions made under Section 4.01(g) shall be designated as Grandfathered Roth 401(k) Contributions.

NOTE: For example, if the automatic enrollment amount is 3% for the first year and increases by 1% per year for five years, insert "3%" in the first blank (C.3a.i) and "increase by 1% in the second through sixth year to a maximum of 8%" in the second blank (C.3b).

NOTE: The Plan must provide that the initial default contribution is a uniform percentage of Plan Compensation; although the percentage may vary based on years of service.

NOTE: If the Plan is an EACA (C.4a is selected), the uniform percentage of Plan Compensation is determined after the aggregation/disaggregation rules in Treas. Reg. section 1.414(w)-1(b)(2)(iii), although the percentage may vary as permitted in Treas. Reg. section 1.414(w)-1(b)(2)(ii).

NOTE: C.3b is only applicable if C.3a.ii is selected.

NOTE: C.3c is only applicable if C.3a is selected. C.3c may contain a period of days (90 days, for example) or a specified date (first of the next calendar month, for example).

NOTE: C.3e only applies if A.8e is selected (Roth contributions are allowed to the Plan) and C.3a (automatic enrollment) is selected.

SECTION C. CONTRIBUTIONS

NOTE: If C.3d.iii is selected, the description must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

4. EACA

- a. ☐ The Plan intends to be an eligible automatic contribution arrangement (EACA) (Section 4.01(g)(4)(B))
- b. "Covered Employee" means:
 - i. ☐ All Employees who make an affirmative election shall remain covered Employees within the meaning of Treas. Reg. section 1.414(w)-1(e)(3)
 - ii. ☐ Only Eligible Employees who have not made a Grandfathered Roth 401(k) Contribution election
- c. ☐ Permissible withdrawals will be allowed, provided they are requested within _____ days after the date of the first contribution under an EACA (no fewer than 30 or more than 90)

NOTE: C.4 only applies if C.3 (automatic enrollment) is selected.

NOTE: C.4b only applies if C.3 (automatic enrollment) is selected and C.4a is selected.

NOTE: Covered Employees must receive the notice described in Section 4.01(g)(1).

Matching - Allocation Service

NOTE: If A.9 is "Yes" (Matching Contributions are permitted), an Eligible Employee who has met the requirements of B.5 through B.7 and who has satisfied the following requirements shall be eligible to receive an allocation of Matching Contributions during the applicable Plan Year):

5. Allocation Service Requirements for Matching Contributions

- a. ☒ None
- b. ☐ In order to share in the allocation of Matching Contributions, a Participant is required to complete at least the following number of Hours of Service in the applicable Plan Year _____
- c. ☐ In order to share in the allocation of Matching Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year
- d. ☐ In order to share in the allocation of Matching Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year or complete at least _____ Hours of Service in the applicable Plan Year

NOTE: C.5b and C.5c are inapplicable if C.5a or C.5d is selected.

6. Exceptions to Allocation Service Requirements for Matching Contributions

- a. ☐ A Participant whose employment terminates on the last day of the Plan Year is treated as being employed by the Employer on the last day of the Plan Year.
- b. Modify Hour of Service requirement or last day requirement for a Participant who Terminates employment with the Employer during the Plan Year due to:
 - i. ☐ death
 - ii. ☐ Disability
 - iii. ☐ attainment of Normal Retirement Age
 - iv. ☐ attainment of Early Retirement Age
- c. Any Hour of Service requirement and last day requirement shall be modified as follows:
 - i. ☐ Waive both the Hour of Service requirement and last day requirement
 - ii. ☐ Waive the Hour of Service requirement only
 - iii. ☐ Waive last day requirement only
- d. ☐ The following other modifications shall be made to the requirements specified in C.5-7c: _____

NOTE: Other modifications must be specified in a manner that is objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Matching Contribution- Formula**7. Matched Employee Contribution Inclusions**

The following contributions are Matched Employee Contributions:

- a. ☒ Grandfathered 401(k) Contributions shall be included in the definition of Matched Employee Contributions
- b. ☒ Include a Participant's Catch-up Contributions in the definition of Matched Employee Contributions
- c. ☐ Voluntary Contributions shall be included in the definition of Matched Employee Contributions
- d. ☐ Mandatory Employee Contributions shall be included in the definition of Matched Employee Contributions

SECTION C. CONTRIBUTIONS

- e. ☐ Mandatory After-tax Employee Contributions shall be included in the definition of Matched Employee Contributions
- f. ☐ Contributions made under the following 403(b) or 457(b) plan(s) of the Employer shall be included in the definition of Matched Employee Contributions: _____

NOTE: If A.8b.i is not selected (Voluntary Contributions are not permitted), C.7c is not applicable; if A.8a.iv is selected (no Mandatory Employee Contributions), C.7d is not applicable; if A.8c.iv is selected (no Mandatory After-tax Employee Contributions), C.7e is not applicable, and if A.8d (Grandfathered 401(k) Contributions are not permitted) C.7a and C.7b are not applicable.

8. Matching Contribution Formula

- a. ☒ A discretionary amount. The amount will be allocated:
 - i. ☒ as a uniform percentage of Matched Employee Contributions.
 - ii. ☐ as a flat dollar amount for each Participant.
 - iii. ☐ based on written instructions provided by the Employer to the Plan Administrator (or Trustee, if applicable) describing (1) how the discretionary Employer Matching Contribution formula will be allocated to Participants (e.g., a uniform percentage of Matched Employee Contributions or a flat dollar amount), (2) the computation period(s) to which the discretionary Employer Matching Contribution formula applies, and (3) if applicable, a description of each business location or business classification subject to separate discretionary Employer Matching Contribution allocation formulas. Such instructions must be provided no later than the date on which the discretionary Employer Matching Contribution is made to the Plan. A summary of these instructions must be communicated to Participants who receive discretionary Employer Matching Contributions. The summary must be communicated to Participants no later than 60 days following the date on which the last discretionary Employer Matching Contribution is made to the Plan for a Plan Year.
- b. ☐ Fixed rate. The Employer will contribute as a Matching Contribution an amount equal to i. _____% of the Participant's Matched Employee Contributions that are not in excess of ii. _____% of the Participant's Plan Compensation
- c. ☐ Years of service. See C.9 below
- d. ☐ Special schedule. Matching Contributions shall be made according to the following schedule: _____

NOTE: If B.8d is selected, the other schedule must describe a formula from the options already available or a combination thereof (e.g., discretionary rate formula applies to Group A; fixed rate formula applies to Group B), be objectively determinable and may not be specified in a manner that is subject to discretion.

9. Years of Service

- a. The Matching contribution will be made according to the schedule below:
 - i. _____ Years of service _____% of Matched Employee Contributions
 - ii. _____ Years of service _____% of Matched Employee Contributions
 - iii. _____ Years of service _____% of Matched Employee Contributions
 - iv. _____ Years of service _____% of Matched Employee Contributions
- b. ☐ Only Matched Employee Contributions that are not in excess of _____% of the Participant's Plan Compensation shall be matched.
- c. In determining years of service in this C.9, the following service shall be used:
 - i. ☐ Years of Eligibility Service
 - ii. ☐ Years of Vesting Service
- d. Enter the number of Hours of Service necessary to earn a year of service described in C.9a: _____

10. Maximum Allocations for Matching Contributions

- a. Plan limits Matching Contributions to the following in each Plan Year:
 - i. ☐ Maximum percentage of Plan Compensation: _____%
 - ii. ☐ Maximum dollar amount: \$ _____
 - iii. ☒ Other: As set by the Board as part of the Matching Contribution formula
 - iv. ☐ No Maximum
- b. Apply the dollar limit in C.10:
 - i. ☐ On a Plan Year basis only
 - ii. ☐ Pro rata as of each period specified in C.11a

NOTE: If "Other" is selected the requirements provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: C.10b shall only apply if a maximum dollar amount (C.10a.ii or C.10a.iii) is selected and End of Plan Year (C.11a.i) is not selected.

SECTION C. CONTRIBUTIONS**11. Allocation Times for Matching Contributions**

a. Fixed Matching Contributions are allocated to Participant Accounts at the following time(s):

- i. ☐ End of Plan Year
- ii. ☐ Semi-annually
- iii. ☐ Quarterly
- iv. ☐ Each calendar month
- v. ☒ Each pay period
- vi. ☐ At such times as may be determined by the Employer

NOTE: Any service requirements specified in C.5 through C.6 shall be applied pro rata to the period selected in this C.11. Any last day rule specified in C.5 through C.6 shall be applied as of the end of each period selected in this C.11.

Non-Elective Contributions - Service

NOTE: If A.10 is "Yes" (Non-Elective Contributions are permitted), an Eligible Employee who has met the requirements of B.5 through B.7 and who has satisfied the following requirements shall be eligible to receive an allocation of Non-Elective Contributions during the applicable Plan Year.

12. Allocation Service Requirements for Non-Elective Contributions

- a. ☒ None
- b. ☐ In order to share in the allocation of Non-Elective Contributions, a Participant is required to complete at least the following number of Hours of Service in the applicable Plan Year _____
- c. ☐ In order to share in the allocation of Non-Elective Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year
- d. ☐ In order to share in the allocation of Non-Elective Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year or complete at least _____ Hours of Service in the applicable Plan Year

13. Exceptions to Allocation Service Requirements for Non-Elective Contributions

- a. ☐ A Participant whose employment terminates on the last day of the Plan Year is treated as being employed by the Employer on the last day of the Plan Year.
- b. Modify Hour of Service requirement or last day requirement for a Participant who Terminates employment with the Employer during the Plan Year due to:
 - i. ☐ death
 - ii. ☐ Disability
 - iii. ☐ attainment of Normal Retirement Date
 - iv. ☐ attainment of Early Retirement date
- c. Any Hour of Service requirement and last day requirement shall be modified as follows:
 - i. ☐ Waive both the Hour of Service requirement and last day requirement
 - ii. ☐ Waive the Hour of Service requirement only
 - iii. ☐ Waive last day requirement only
- d. ☐ The following other modifications shall be made to the requirements specified in C.12-13b: _____

NOTE: Other modifications must be specified in a manner that is objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Non-Elective Contributions - Formula**14. Amount of Non-Elective Contributions**

- a. ☒ Discretionary in an amount as determined by the Employer
- b. ☐ _____% of total Participant Plan Compensation for the Plan Year
- c. ☐ \$_____ for the Plan Year
- d. ☐ Other: _____

15. Non-Elective allocation formula. The Non-Elective Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.12 through C.13 (Section 4.03):

- a. ☒ Pro rata. In the ratio that each Participant's Plan Compensation bears to the Plan Compensation of all eligible Participants.
- b. ☐ Points. See C.16.

SECTION C. CONTRIBUTIONS

- c. ☐ Fixed Amount. In an amount equal to the total Non-Elective Contribution divided by the number of Participants eligible to share in such contribution.
- d. ☐ Defined Groups. See C.17
- e. ☐ One Group per Participant. In an amount designated by the Employer to be allocated to each group. For purposes of this C.15e, there shall be one group created for each Participant eligible to receive allocations of Non-Elective Contributions. The contribution shall be allocated to each group in a manner determined by the Employer. The amount allocated to one group need not bear any relationship to amounts allocated to any other group. The Employer shall notify the Plan Administrator in writing of the amount of contributions allocated to each group.

f. ☐ Other fixed formula: _____

NOTE: If B.15f is selected, the other fixed formula must describe a formula from the options already available or a combination thereof (e.g., pro rata formula applies to Group A; fixed amount applies to Group B), be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

16. Non-Elective Contribution - Points

If C.15b is selected, the Non-Elective Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.12 through C.13 in the ratio that such Participant's points bears to the points of all eligible Participants.

Each Participant shall receive to the extent provided in C.16a: (a) the points described in C.16d for each year of age he has attained (as of his birthday during such Plan Year), (b) the points described in C.16c for each Plan Year, including the current Plan Year, during which he was eligible to participate in the Plan after meeting the requirements of Article 3 (regardless of any service or last day requirement in Article 4) applicable to Non-Elective Contributions, and (c) the points described in C.16b for each \$_____ of Plan Compensation he has earned for such Plan Year.

- a. Points will be computed on basis of:
 - i. ☐ Age, Service and Plan Compensation
 - ii. ☐ Age and Service
 - iii. ☐ Age and Plan Compensation
 - iv. ☐ Service and Plan Compensation
 - v. ☐ Age Only
 - vi. ☐ Service Only
- b. Points awarded for \$_____ of Plan Compensation: _____
- c. Points awarded for each year of participation: _____
- d. Points awarded for each year of age: _____

NOTE: C.16b, C.16c and C.16d apply to the extent that C.16a provides points for Plan Compensation, Years of Service or age; respectively.

17. Non-Elective Contribution - Defined Groups

If C.15d is selected, the Non-Elective Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.12 through C.13 in an amount designated by the Employer to be allocated to each group described in C.17. The contribution for a group shall then be further allocated to the members of such group who are eligible to receive allocations of Non-Elective Contributions in the method as specified in C.17 for such group. The amount allocated to one group need not bear any relationship to amounts allocated to any other group. The Employer shall notify the Plan Administrator in writing of the amount of contributions allocated to each group.

The groups and allocations shall be determined as follows:

- a. Group One: _____ An amount equal to:
 - i. ☐ A percentage of Plan Compensation _____
 - ii. ☐ A fixed dollar amount _____
 - iii. ☐ the greater of i. or ii.

NOTE: Groups must be defined in a manner that is objectively determined with no Employer discretion. Groups may not be designed so that the permanency requirement of Treas. Reg. section 1.401-1(b)(2) is violated.

NOTE: See Section 3.06 for rules regarding eligibility requirements.

18. Determination Period for Non-Elective Contributions

- a. Non-Elective Contributions are determined at the following time(s):
 - i. ☐ End of Plan Year
 - ii. ☐ Semi-annually
 - iii. ☐ Quarterly
 - iv. ☐ Each calendar month
 - v. ☒ Each pay period

SECTION C. CONTRIBUTIONS**b. Minimum and Maximum Non-Elective Contributions**

- i. ☐ Allocations of Non-Elective Contributions for a Participant shall be subject to a minimum amount: ____
- ii. ☐ Allocations of Non-Elective Contributions for a Participant shall be subject to a maximum amount: ____

NOTE: Any service requirements specified in C.12 through C.13 shall be applied pro rata to the period selected in this C.18a. Any last day rule specified in C.12 through C.13 shall be applied as of the end of each period selected in this C.18a.

19. Paid Time Off

- a. ☐ The Employer will contribute a Participant's unused paid time off (vacation or sick leave) as a Non-Elective Contribution to the Plan. Unused paid time off shall be contributed to the Plan:
 - i. ☐ Each Plan Year
 - ii. ☐ Upon Termination

b. ☐ The following limitations/conditions shall apply: ____

NOTE: Any unused paid time off where the Participant has the right to request cash payment is not eligible for contribution to the Plan under this C.19.

NOTE: The unused paid time off contributions must be contributed by multiplication of the Participant's current daily rate of pay against the amount of accrued unpaid leave.

NOTE: Paid time off contributions must conform with Revenue Rulings 2009-31 and 2009-32.

20. Non-Elective Contributions - Disability

☐ Allocate Non-Elective Contributions to Disabled Participants who do not meet the allocation service requirements (Section 4.03(d)). Allocations to Disabled Participants end as of the earliest of: (i) the last day of the Plan Year in which occurs the ____ anniversary of the start of the Participant's Disability or (ii) such other time specified in Section 4.03(d).

21. Collective Bargaining Agreement

- a. ☐ In addition to the formula selected in C.15, an amount necessary to meet the Employer's requirements under an applicable collective bargaining agreement shall be allocated as follows: ____
- b. The collective bargaining allocations will offset other Employer contribution allocations that would otherwise be made to a Participant:
 - i. ☐ Yes - Non-Elective Contributions only
 - ii. ☐ No
 - iii. ☐ Other: ____

NOTE: C.14-18 (amount, timing, maximum and minimum Non-Elective Contributions) will not apply to collectively bargained contributions. Collectively bargained contribution allocation timing, maximums and minimums will be determined under the collective bargaining agreement unless otherwise specified in C.21b.

Other Contributions**22. Prevailing Wage**

- a. ☐ The Employer will make a prevailing wage contribution for each Participant who performs an hour or more of service under a public contract subject to the Davis-Bacon Act. The formula for allocating prevailing wage contributions shall be specified in the Prevailing Wage Addendum to the Adoption Agreement. The contribution allocated will be dependent on the Participant's job classification and the hourly rate established:
 - i. ☐ by the applicable federal, state, or municipal prevailing wage laws.
 - ii. ☐ in the Prevailing Wage Addendum to the Adoption Agreement.
- b. Offset of other contributions:
 - i. ☐ Any other employer contribution allocations that would otherwise be made to a Participant
 - ii. ☐ Other: ____

NOTE: If C.22a.ii is selected, the Prevailing Wage Addendum entry should include job classifications and applicable hourly rates. To the extent the hourly rates established in the Prevailing Wage Addendum result in a smaller contribution than is required under the applicable federal, state, or municipal prevailing wage laws, the Plan Administrator retains the discretion to make the larger contribution as the prevailing wage contribution.

23. Rollovers

Rollover Contributions are permitted (Section 4.04):

- a. ☐ No
- b. ☒ Yes - All Eligible Employees may make a Rollover Contribution even if not yet a Participant in the Plan

SECTION C. CONTRIBUTIONS

c. ☐ Yes - Only active Participants may make a Rollover Contribution

d. ☐ Yes - _____ Participants may make a Rollover Contribution

NOTE: The Plan Administrator must use its discretion in a consistent and nondiscriminatory manner.

24. Deemed IRAs

☐ The Plan may accept voluntary contributions to deemed IRAs (Section 4.08)

25. Death or Disability During Qualified Military Service

☐ For benefit accrual purposes, a Participant that dies or becomes Disabled while performing qualified military service will be treated as if he had been employed by the Employer on the day preceding death or Disability and terminated employment on the day of death or Disability pursuant to Code section 414(u)(9) (Section 6.02).

26. 415 Additional Language

☐ Additional language necessary to satisfy Code section 415 because of the required aggregation of multiple plans:

SECTION D. VESTING**Vesting Schedules****1. Matching Contribution Account**

Vesting Schedule for Matching Contributions:

a. ☐ 100%

b. ☐ _____ year cliff

c. ☒ Other:

i. Other Match Schedule -

less than 1 year: 0%

ii. Other Match Schedule -

1 years but less than 2 years: 0%

iii. Other Match Schedule -

2 years but less than 3 years: 25%

iv. Other Match Schedule -

3 years but less than 4 years: 50%

v. Other Match Schedule -

4 years but less than 5 years: 75%

vi. Other Match Schedule -

5 years but less than 6 years: 100%

vii. Other Match Schedule -

6 years but less than 7 years: 100%

viii. Other Match Schedule -

7 years but less than 8 years: 100%

ix. Other Match Schedule -

8 years but less than 9 years: 100%

x. Other Match Schedule -

9 years but less than 10 years: 100%

xi. Other Match Schedule -

10 years but less than 11 years: 100%

xii. Other Match Schedule -

11 years but less than 12 years: 100%

xiii. Other Match Schedule -

12 years but less than 13 years: 100%

xiv. Other Match Schedule -

13 years but less than 14 years: 100%

xv. Other Match Schedule -

14 years but less than 15 years: 100%

xvi. Other Match Schedule -

15 years but less than 16 years: 100%

xvii. Other Match Schedule -

16 years but less than 17 years: 100%

xviii. Other Match Schedule -

17 years but less than 18 years: 100%

xix. Other Match Schedule -

18 years but less than 19 years: 100%

xx. Other Match Schedule -

19 years but less than 20 years: 100%

xxi. Other Match Schedule -

20 years: 100%

NOTE: D.1 does not apply if the Plan does not provide for Matching Contributions (A.9 is "No").

NOTE: A cliff vesting schedule means no vesting is provided until the participant meets the number of Years of Vesting Service provided in D.1b.

NOTE: D.1b and D.1c may not be completed with a cliff vesting schedule of more than 15. However, if substantially all Participants are qualified public safety employees within the meaning of Code section 72(t)(10(B) the limit is increased to 20.

NOTE: D.1c may provide for a graded vesting schedule of up to 5 to 20 years.

2. Non-Elective

a. ☐ 100%

b. ☐ _____ year cliff

c. ☒ Other:

- i. Other Non-Elective Schedule - less than 1 year: 0%
- ii. Other Non-Elective Schedule - 1 years but less than 2 years: 0%
- iii. Other Non-Elective Schedule - 2 years but less than 3 years: 25%
- iv. Other Non-Elective Schedule - 3 years but less than 4 years: 50%
- v. Other Non-Elective Schedule - 4 years but less than 5 years: 75%
- vi. Other Non-Elective Schedule - 5 years but less than 6 years: 100%
- vii. Other Non-Elective Schedule - 6 years but less than 7 years: 100%
- viii. Other Non-Elective Schedule - 7 years but less than 8 years: 100%
- ix. Other Non-Elective Schedule - 8 years but less than 9 years: 100%
- x. Other Non-Elective Schedule - 9 years but less than 10 years: 100%
- xi. Other Non-Elective Schedule - 10 years but less than 11 years: 100%
- xii. Other Non-Elective Schedule - 11 years but less than 12 years: 100%
- xiii. Other Non-Elective Schedule - 12 years but less than 13 years: 100%
- xiv. Other Non-Elective Schedule - 13 years but less than 14 years: 100%
- xv. Other Non-Elective Schedule - 14 years but less than 15 years: 100%
- xvi. Other Non-Elective Schedule - 15 years but less than 16 years: 100%
- xvii. Other Non-Elective Schedule - 16 years but less than 17 years: 100%
- xviii. Other Non-Elective Schedule - 17 years but less than 18 years: 100%
- xix. Other Non-Elective Schedule - 18 years but less than 19 years: 100%
- xx. Other Non-Elective Schedule - 19 years but less than 20 years: 100%
- xxi. Other Non-Elective Schedule - 20 years: 100%

NOTE: D.2 does not apply if the Plan does not provide for Non-Elective Contributions (A.10 is "No").

NOTE: A cliff vesting schedule means no vesting is provided until the participant meets the number of Years of Vesting Service provided in D.2b.

NOTE: D.2b and D.2c may not be completed with a cliff vesting schedule of more than 15. However, if substantially all Participants are qualified public safety employees within the meaning of Code section 72(t)(10)(B) the limit is increased to 20.

NOTE: D.2c may provide for a graded vesting schedule of up to 5 to 20 years.

3. Other Vesting Schedule

☒ The Plan has another vesting schedule: For Participants that terminated employment prior to January 1, 2019, the vesting schedule is 20% after 2 years, but less than 3 years for matching and for non-elective contributions.

NOTE: The vesting schedule in D.3 is in addition to the vesting schedules in D.1. through D.2

NOTE: The other vesting schedule must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

Vesting Service Rules

NOTE: If D.1a and D.2a are selected (or D.1 or D.2 do not apply) and D.3 is not selected, the remaining options in section D.4-8 are inapplicable.

4. Vesting Computation Period

- a. ☒ Calendar year
- b. ☐ Plan Year
- c. ☐ The consecutive 12-month period commencing on the date the Employee first performs an Hour of Service; each subsequent consecutive 12-month period shall commence on the anniversary of such date
- d. ☐ Other: _____

NOTE: D.4d must be based on creditable years of service.

5. Other Employer Service

☐ Count service with employers other than the Employer for vesting purposes. List other employers for which the service applies along with any limitations: _____

6. Vesting Exceptions (Section 6.02)

- a. ☒ Death. Provide for full vesting for a Participant who Terminates employment with the Employer due to death while an Employee.

- b. ☒ Disability. Provide for full vesting for a Participant who Terminates employment with the Employer due to Disability while an Employee.
- c. ☐ Early Retirement. Provide for 100% vesting upon the attainment of Early Retirement Age while an Employee.

7. Vesting Exclusions

- a. ☐ Exclude Years of Vesting Service earned before age 18.
- b. ☐ Exclude Years of Vesting Service earned before the Employer maintained this Plan or a predecessor plan.

8. Vesting Forfeitures

- a. Upon termination, nonvested account balances shall be forfeited
 - i. ☐ as soon as administratively feasible
 - ii. ☒ other timeframe: Non-vested portion of Account balances will be forfeited after a five year break-in-service. For accounts that are zero vested, there will be a deemed distribution upon termination
- b. Upon receiving a distribution, the nonvested portion of the account shall be forfeited
 - i. ☒ as soon as administratively feasible
 - ii. ☐ other timeframe: _____

NOTE: The other timeframes must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

9. Forfeitures and Re-employment

- a. ☒ forfeited account balances shall be restored and continue to vest (select any of the following if applicable)
 - i. ☒ only if the period of severance was less than or equal to the following period 5 Years
 - ii. ☐ only to the extent the vested account balance was not distributed
 - iii. ☐ only to the extent the vested distributed account balance is restored to the Plan
- b. ☐ forfeited account balances shall not be restored

10. Use of Forfeitures

Forfeitures will be used in the following manner (Articles 5 and 6):

- a. ☒ Any permissible method described in Section 6.03(d)
- b. ☐ Other: _____

NOTE: If D.10a is selected, forfeitures may be allocated in any manner at the discretion of the Plan Administrator.

NOTE: D.10b is limited to one or a combination of the options described in D.10a, may be used to further restrict the uses of forfeitures, and must be applied in a consistent and nondiscriminatory manner.

11. Special Vesting Provisions

☐ Provide for special vesting provisions (e.g., 100% vesting as of a certain date, or to set a different vesting schedule for employees based on division): _____

NOTE: The special vesting provisions must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

SECTION E. DISTRIBUTIONS

1. Normal Retirement

Normal Retirement Age means:

- a. ☒ Attainment of age (not to exceed 65): 65
- b. ☐ Later of attainment of age _____ or the _____ anniversary of Plan participation.
- c. ☐ Other: _____

NOTE: Effective Plan Years beginning on or after the later of (1) January 1, 2015 or (2) the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after the date that is 3 months after the final regulations are published in the Federal Register, the definition of Normal Retirement Age must satisfy Treas. Reg. section 1.401(a)-1(b) pursuant to IRS Notice 2012-29.

2. Early Retirement

Early Retirement Age means:

- a. ☒ None. The Plan does not have an early retirement feature.
- b. ☐ Attainment of age _____
- c. ☐ Later of attainment of age _____ or _____ service.
- d. ☐ Other: _____

SECTION E. DISTRIBUTIONS**3. Time of Payment (Other than Death)**

Distributions after Termination of Employment for reasons other than death shall commence (Section 7.02):

- a. ☒ Immediate. As soon as administratively feasible with a final payment made consisting of any allocations occurring after such Termination of Employment.
- b. ☐ End of Plan Year. As soon as administratively feasible after all contributions have been allocated relating to the Plan Year in which the Participant's Account balance becomes distributable.
- c. ☐ Normal Retirement Age. When the Participant attains Normal Retirement Age.
- d. ☐ Other: _____

NOTE: Any entry in "Other" must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of Article 7.

4. Form of Payment (Other than Death)

Medium of distribution from the Plan:

- a. ☒ Cash only
- b. ☐ Cash or in-kind
- c. ☐ Other: _____

5. Default Form of Payment (Other than Death)

a. Unless otherwise elected by the Participant, distributions shall be made in the form of:

- i. ☒ Lump sum only
- ii. ☐ Other: _____
- b. In addition to the form described in E.5a, distributions from the Plan after Termination for reasons other than death may be made in the following forms (select all that apply):
 - i. ☒ Lump sum only
 - ii. ☐ Lump sum payment or substantially equal annual, or more frequent installments over a period not to exceed the joint life expectancy of the Participant and his Beneficiary
 - iii. ☐ Partial withdrawals - a Participant may withdraw such amounts at such times as he shall elect
 - iv. ☐ Other: _____

NOTE: Any entry in E.5a.ii or E.5b.iv must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of Article 7.

6. Permit Distributions as an Annuity

☐ Permit distributions in the form of an annuity

NOTE: If E.6 is selected, a Participant/Beneficiary may elect to have the Plan Administrator apply his entire vested Account toward the purchase of an annuity contract, which shall be distributed to the Participant/Beneficiary. The terms of such annuity contract shall comply with the provisions of this Plan and any annuity contract shall be nontransferable.

7. Payment upon Participant's Death

Distributions on account of the death of the Participant shall be made in accordance with the following:

- a. ☒ Pay entire Account balance by end of fifth year for all Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) only
- b. ☐ Pay entire Account balance no later than the 60th day following the end of Plan Year in which the Participant dies
- c. ☐ Allow extended payments for all Beneficiaries in accordance with Sections 7.02(b)(1)(A), (B) and (C) and 7.02(b)(2)(A) and (B)
- d. ☐ Pay entire Account balance by end of fifth year for Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) and allow extended payments in accordance with Sections 7.02(b)(1)(B) and (C) and 7.02(b)(2)(B) only if the Participant's spouse is the Participant's sole primary Beneficiary
- e. ☐ Other: _____

NOTE: Any entry in "Other" must comply with Code section 401(a)(9), Section 7.02(b) and other requirements of Article 7.

8. Beneficiaries

a. Death benefits when there is no designated beneficiary:

- i. ☒ In accordance with Section 7.04(b)
- ii. ☐ Other: _____

b. ☐ A beneficiary designation to a spouse shall be automatically revoked upon the legal divorce of the Participant and the spouse.

SECTION E. DISTRIBUTIONS

NOTE: If "Other" is selected, must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

9. Force-Out Provisions

- a. ☒ Maximum force-out amount for purposes of Section 7.03 (not to exceed \$5,000): \$5000
 - i. ☒ Exclude amounts attributable to Rollover Contributions in determining the value of the Participant's nonforfeitable account balance
 - ii. Force-outs will be subject to the automatic rollover provisions of 7.06(c) if over: \$1000
- b. Force-out of a terminated Participant's Account balance is deferred under Section 7.03(b) until:
 - i. ☒ Later of age 62 or Normal Retirement Age - payment made in a lump sum only
 - ii. ☐ Required Beginning Date - Participant may elect payment in a lump sum or installments
 - iii. ☐ Required Beginning Date - payment made in a lump sum only

NOTE: If E.9a is less than \$1,000, E.9a.i may not be selected.

10. Required Beginning Date

Required Beginning Date for a Participant:

- a. ☒ Retirement. April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70-1/2 or retires
- b. ☐ Age 70-1/2. April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2
- c. ☐ Election. The option provided in E.10a; provided that a Participant may elect to commence distributions pursuant to either E.10a or E.10b

SECTION F. IN-SERVICE WITHDRAWALS

NOTE: See Section 8.05 for limits on in-service distributions.

Retirement/Hardship/Age**1. Normal/Early Retirement**

- a. ☒ Allow in-service distributions after attainment of Normal Retirement Age (Section 7.01(b)) from the following Accounts: All Accounts
- b. ☐ Allow in-service distributions after attainment of Early Retirement Age (Section 7.01(a)) from the following Accounts: _____

NOTE: If the Normal Retirement Age or Early Retirement Age is less than age 59-1/2 and in-service is selected, Grandfathered 401(k) Contributions shall not be eligible for withdrawal until the Participant attains age 59-1/2.

2. Hardship

Hardship withdrawals are allowed as follows (Section 8.01):

- a. ☐ None
- b. ☐ All Accounts.
- c. ☒ Selected Accounts
 - i. ☐ Mandatory Employee Contribution Account
 - ii. ☐ Mandatory After-tax Employee Contribution Account
 - iii. ☐ Matching Account
 - iv. ☐ Non-Elective Contribution Account
 - v. ☒ Grandfathered 401(k) Contribution Account
 - vi. ☐ Voluntary Contribution Account
 - vii. ☐ Rollover Contribution Account
 - viii. ☐ Transfer Account
 - ix. ☐ Other: _____
- d. The criteria used in determining whether a Participant is entitled to receive a Hardship withdrawal:
 - i. ☒ Safe Harbor criteria set forth in Section 8.01(b)
 - ii. ☐ Non Safe Harbor criteria set forth in Section 8.01(c)
- e. ☐ More flexible Hardship criteria applies to permitted Account(s)
 - i. ☐ Use criteria specified in Section 8.01(c)
 - ii. ☐ Use criteria specified in Section 8.01(c) with the following additional criteria or modifications: _____
- f. ☒ Expand the Hardship criteria to include the Beneficiary of the Participant

SECTION F. IN-SERVICE WITHDRAWALS

- g. If a Participant may receive a Hardship withdrawal from his Grandfathered 401(k) Contribution Account, permit Hardship withdrawals from the Participant's Grandfathered Roth 401(k) Contribution Account subject to the same terms and conditions as apply to the Participant's Grandfathered 401(k) Contribution Account:
- i. ☐ Yes
 - ii. ☐ Yes - only if the withdrawal from the Grandfathered Roth 401(k) Contribution Account qualifies as a "qualified distribution" within the meaning of Code section 402A(d)(2)
 - iii. ☐ No

h. ☐ Other limitations on Hardship withdrawals: _____

NOTE: If F.2a is selected, F.2b through F.2h do not apply.

NOTE: F.2e only applies if Hardship withdrawals are permitted from Accounts not subject to Treas. Reg. 1.401(k)-1(d) (Accounts specified in F.2cii-vi to the extent applicable and selected above). If F.2e is selected, the requirements of Section 8.01(b)(2) shall not apply, the amount of the hardship distribution may not exceed the Participant's vested interest under the applicable Account and the requirements of Revenue Ruling 71-224 and any superseding guidance shall apply.

NOTE: F.2f only applies if the Plan provides for in-service withdrawals on account of Hardship and uses the safe harbor criteria for Hardship determinations. If F.2f is selected, Hardship distributions may be made for a primary Beneficiary for expenses described in Treas. Reg. sections 1.401(k)-1(d)(3)(iii)(B)(1), (3), or (5) (relating to medical, tuition, and funeral expenses, respectively). A "primary Beneficiary" is an individual who is named as a Beneficiary under the Plan and has an unconditional right to all or a portion of the Participant's Account Balance upon the death of the Participant.

NOTE: F.2g only applies if A.8d or A.8e is selected, (Grandfathered Roth 401(k) Contributions are permitted).

NOTE: Any limitations in F.2h (such as limits on the number of withdrawals per year or minimum amount of distributions) must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

3. Specified Age and Service

- a. In-service withdrawals are allowed on attainment of age _____ and _____ service (Section 8.02):
- i. ☒ None
 - ii. ☐ All Accounts
 - iii. ☐ Selected Accounts
- b. If Selected Accounts is selected, specified age and service withdrawals may be made from the following Accounts:
- i. ☐ Mandatory Employee Contribution Account
 - ii. ☐ Mandatory After-tax Employee Contribution Account
 - iii. ☐ Matching Account
 - iv. ☐ Non-Elective Contribution Account
 - v. ☐ Grandfathered 401(k) Contribution Account
 - vi. ☐ Voluntary Contribution Account
 - vii. ☐ Rollover Contribution Account
 - viii. ☐ Transfer Account
 - ix. ☐ Other: _____
- c. If a Participant may receive a withdrawal upon the attainment of a specified age and service from his Grandfathered 401(k) Contribution Account, permit such withdrawals from the Participant's Grandfathered Roth 401(k) Contribution Account subject to the same terms and conditions as apply to the Participant's Grandfathered 401(k) Contribution Account:
- i. ☐ Yes
 - ii. ☐ Yes - only if the withdrawal from the Grandfathered Roth 401(k) Contribution Account qualifies as a "qualified distribution" within the meaning of Code section 402A(d)(2)
 - iii. ☐ No

NOTE: F.3b only applies if F.3a.iii is selected.

NOTE: If F.3a is less than age 59-1/2, Grandfathered 401(k) Contributions shall not be eligible for withdrawal until the Participant attains age 59-1/2.

NOTE: F.3c only applies if A.8e is selected (Grandfathered Roth 401(k) Contributions are permitted) and F.3a.ii or F.3a.iii and F.3b.v is selected.

4. Specified Age

- a. In-service withdrawals are allowed on attainment of age 65(Section 8.02):
- i. ☐ None
 - ii. ☒ All Accounts
 - iii. ☐ Selected Accounts

SECTION F. IN-SERVICE WITHDRAWALS

- b. If Selected Accounts is selected, specified age withdrawals may be made from the following Accounts:
- i. ☐ Mandatory Employee Contribution Account
 - ii. ☐ Mandatory After-tax Employee Contribution Account
 - iii. ☐ Matching Account
 - iv. ☐ Non-Elective Contribution Account
 - v. ☐ Grandfathered 401(k) Contribution Account
 - vi. ☐ Voluntary Contribution Account
 - vii. ☐ Rollover Contribution Account
 - viii. ☐ Transfer Account
 - ix. ☐ Other: _____
- c. If a Participant may receive a withdrawal upon the attainment of a specified age from his Grandfathered 401(k) Contribution Account, permit such withdrawals from the Participant's Grandfathered Roth 401(k) Contribution Account subject to the same terms and conditions as apply to the Participant's Grandfathered 401(k) Contribution Account:
- i. ☐ Yes
 - ii. ☐ Yes - only if the withdrawal from the Grandfathered Roth 401(k) Contribution Account qualifies as a "qualified distribution" within the meaning of Code section 402A(d)(2)
 - iii. ☐ No

NOTE: F.4b only applies if F.4a.iii is selected.

NOTE: If F.4a is less than age 59-1/2, Grandfathered 401(k) Contributions shall not be eligible for withdrawal until the Participant attains age 59-1/2.

NOTE: F.4c only applies if A.8e is selected (Grandfathered Roth 401(k) Contributions are permitted) and F.4a.ii or F.4a.iii and F.4b.v is selected.

Other Withdrawals**5. Withdrawals After Period of Participation**

- a. ☐ Matching Contributions (Section 8.03(a)). In-service withdrawals are allowed from a Participant's Matching Contribution Account after _____ years of Participation
- b. ☐ Non-Elective Contributions (Section 8.03(a)). In-service withdrawals are allowed from a Participant's Non-Elective Contribution Account after _____ years of Participation

NOTE: F.5a-b may not be less than five.

6. Withdrawals After Period of Accumulation

- a. ☐ Matching Contributions (Section 8.03(a)). In-service withdrawals are allowed from a Participant's Matching Contribution Account on funds held for _____ years.
- b. ☐ Non-Elective Contributions (Section 8.03(a)). In-service withdrawals are allowed from a Participant's Non-Elective Contribution Account on funds held for _____ years.

NOTE: F.6a-b may not be less than two.

7. At Any Time (Section 8.03(b))

In-service withdrawals are allowed from the following Accounts at any time:

- a. ☐ Voluntary Contribution Account
- b. ☒ Rollover Contribution Account

8. Military Distributions

- ☐ Qualified Reservist Distributions are permitted (Section 8.03(c))
- ☐ Deemed Severance Distributions are permitted (Section 8.03(d))

NOTE: F.8 only applies to Grandfathered 401(k) Contributions.

9. Disability

- ☐ Allow distributions upon Disability.

NOTE: If distributions upon Disability is selected, the Grandfathered 401(k) Contribution Accounts may not be distributed unless a severe disability equivalent to A.14a. has occurred. A severe disability equivalent to A.14a is as follows: the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.

SECTION F. IN-SERVICE WITHDRAWALS**10. Other (Section 8.03(e))**

☐ Other in-service distributions are permitted as follows: _____

NOTE: The other in-service distributions described must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

11. Vesting Status for In-service Withdrawals

☒ In-service withdrawals otherwise permitted under Section F are allowed only if the distributing Account is fully vested.

12. Other Conditions/Limitations

☐ The following limitations, conditions or special rules apply to in-service withdrawals: _____

NOTE: Unless otherwise specified, the limitations will apply to all in-service withdrawals (F.1 through F.10).

Grandfathered Roth 401(k) Rollovers and Transfers**13. In-Plan Roth Rollovers**

a. If the Plan allows for Grandfathered Roth 401(k) Contributions, In-Plan Roth Rollovers are permitted (Section 4.04(b)):

i. ☐ No

ii. ☐ Yes - no limitations

iii. ☐ Yes - only if the Plan otherwise allows for the distribution/in-service withdrawal

iv. ☐ Yes - all distributions/in-service withdrawals permitted under the Code even if not otherwise provided under the Plan and upon the attainment of age: _____

v. ☐ Yes - limitations or conditions apply: _____

b. ☐ In-Plan Roth Rollovers are permitted from partially vested accounts

c. Indicate method of preserving Code section 411(d)(6) protected benefits:

i. ☐ Distributions from the In-Plan Roth Rollover Account are permitted at any time

ii. ☐ Preserve existing distributions/in-service withdrawals rights for each Account

iii. ☐ Other: _____

NOTE: To prevent terminated Employees from taking an In-Plan Roth Rollover or to limit In-Plan Roth Rollovers to a nondiscriminatory class, choose "limitations or conditions apply" and describe the circumstances under which Participants can take an In-Plan Roth Rollover.

NOTE: In-Plan Roth Rollovers may only be permitted for eligible distributions that are also eligible rollover distributions (as defined in Code section 402(c)(4)).

NOTE: Grandfathered 401(k) Contributions shall not be eligible for withdrawal until the Participant attains age 59-1/2 irrespective of F.13a.iii, an age entered under F.13a.iv, or other limitation under F.13a.v.

14. In-Plan Roth Transfers

If the Plan allows for Roth contributions, In-Plan Roth Transfers are permitted (Section 4.04(c)):

a. ☐ No

b. ☐ Yes

c. ☐ Yes - limitations or conditions apply: _____

NOTE: Assets included in an In-Plan Roth Transfer will retain the restrictions on distribution the assets had before such transfer.

NOTE: Any limitations or conditions in F.14c must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

SECTION G. PLAN OPERATIONS**1. Permitted Investments**

a. ☐ Plan may invest in life insurance (Section 9.06)

b. ☐ Participants may invest in a Qualifying Longevity Annuity Contract (Section 9.07)

2. Participant Self-Direction

a. Specify the extent to which the Plan permits Participant self-direction (Section 9.02):

i. ☒ All Accounts

ii. ☐ Some Accounts

- iii. ☐ None
- b. If "Some Accounts" is selected, a Participant may self-direct the following Accounts:
 - i. ☐ Mandatory Employee Contribution Account
 - ii. ☐ Mandatory After-tax Employee Contribution Account
 - iii. ☐ Matching Account
 - iv. ☐ Non-Elective Contribution Account
 - v. ☐ Grandfathered 401(k) Contribution Account
 - vi. ☐ Voluntary Contribution Account
 - vii. ☐ Rollover Contribution Account
 - viii. ☐ Transfer Account
 - ix. ☐ Other: _____
- c. ☐ Participants may also establish individual brokerage accounts.
- d. ☐ Participants may exercise voting rights with respect to investments (Section 9.05)

3. Valuation Date

Enter Valuation Date:

- a. ☐ Last day of Plan Year
- b. ☐ Last day of each Plan quarter
- c. ☐ Last day of each month
- d. ☒ Each business day
- e. ☐ Other: _____ (Must be at least annually).

4. Plan Administration

- a. Designation of Plan Administrator (Section 10.01):
 - i. ☒ Plan Sponsor
 - ii. ☐ Committee appointed by Plan Sponsor
 - iii. ☐ Other: _____
- b. Establishment of procedures for the Plan Administrator and the Investment Fiduciary (Sections 10.01(c) and 10.02(c)):
 - i. ☒ Plan Administrator and Investment Fiduciary adopt own procedures
 - ii. ☐ Governing body of the Plan Sponsor sets procedures for Plan Administrator and Investment Fiduciary
- c. The Trustee is also the Investment Fiduciary (Section 10.02):
 - i. ☐ Yes
 - ii. ☒ No. The Investment Fiduciary is: Plan Sponsor
- d. Type of indemnification for the Plan Administrator and Investment Fiduciary:
 - i. ☒ None - the Employer will not indemnify the Plan Administrator or the Investment Fiduciary
 - ii. ☐ Standard according to Section 10.06
 - iii. ☐ Provided pursuant to an outside agreement
- e. ☐ The following modifications shall be made to the duties of the applicable parties: _____

SECTION H. MISCELLANEOUS

Failure to properly fill out the Adoption Agreement may result in disqualification of the Plan.

The Plan shall consist of this Adoption Agreement #001, its related Basic Plan Document #02, and any Addendum to the Adoption Agreement.

The adopting Employer may rely on an opinion letter issued by the Internal Revenue Service as evidence that the Plan is qualified under Code section 401 only to the extent provided in Revenue Procedure 2017-41 and any superseding guidance. The Employer may not rely on the opinion letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the opinion letter issued with respect to the Plan and in Revenue Procedure 2017-41 and any superseding guidance. In order to have reliance in such circumstances or with respect to such qualification requirements, application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service. The Pre-Approved Plan Provider will inform the adopting Employer of any amendments made to the Plan or of the discontinuance or abandonment of the Plan. The Pre-Approved Plan Provider, CCH Incorporated, DBA ftwilliam.com may be contacted at 1245 E. Washington Ave., Ste. 101 Madison, WI 53703; 414-226-2442.

SECTION I. EXECUTION PAGE

The undersigned agree to be bound by the terms of this Adoption Agreement and Basic Plan Document and acknowledge receipt of same. The parties have caused this Plan to be executed this _____ day of _____, 2022.

NEW MEXICO MORTGAGE FINANCE AUTHORITY:

Signature: _____

Print Name: _____

Title/Position: _____

HARDSHIP DISTRIBUTION ADDENDUM

This Addendum is intended as a good faith effort to comply with the requirements of the hardship distribution final regulations and is to be construed in accordance with same. Both the Addendum and the provisions of the hardship distribution final regulations will supersede any inconsistent Plan provisions.

For each item below, if the check boxes are empty, the *italicized* provision will apply.

1. Safe Harbor Contributions/QNECs/QMACs

Effective on the first day of the first plan year after 12/31/2018, if available under the Plan, Qualified Non-Elective Contributions (QNECs), Qualified Matching Contributions (QMACs) or contributions used to satisfy the safe harbor requirements of Code sections 401(k)(12) or 401(k)(13), or 401(m)(11) or 401(m)(12), will be available for hardship distributions.

- ☐ Effective _____, hardship distributions are permitted from Qualified Non-Elective Contributions, Qualified Matching Contributions or contributions used to satisfy the safe harbor requirements of Code sections 401(k)(12) or 401(k)(13), or 401(m)(11) or 401(m)(12), if available under the Plan.
- ☐ Hardship distributions continue to be prohibited from Qualified Non-Elective Contributions, Qualified Matching Contributions or contributions used to satisfy the safe harbor requirements of Code sections 401(k)(12) or 401(k)(13), or 401(m)(11) or 401(m)(12).

2. Amount Necessary to Satisfy Need Requirement

Effective on the first day of the first plan year after 12/31/2018, a hardship distribution will be considered necessary to satisfy an immediate and heavy financial need of the Participant only if:

- *The distribution is not in excess of the amount required to satisfy the financial need (including any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution);*
- *The Participant has obtained all other currently available distributions, other than hardship distributions, under any deferred compensation plan, whether qualified or nonqualified, maintained by the Employer; and*
- *Effective for distributions made on or after 01/01/2020, the Participant has represented (in writing or by an electronic medium) that he has insufficient cash or other liquid assets to satisfy the financial need.*

☐ Effective _____, a distribution will be determined to satisfy an immediate and heavy financial need only if the three criteria listed above are met.

☐ The following provisions will be used for complying with the amount necessary to satisfy need requirement:

3. Loan Requirement

If the Safe Harbor criteria are used for hardship distributions, effective on the first day of the first plan year after 12/31/2018, Participants are not required to take all nontaxable loans under all plans maintained by the Employer prior to applying for a hardship distribution.

- ☐ Effective _____, Participants are not required to take all available nontaxable loans before applying for a hardship distribution.
- ☐ Participants must continue to take all nontaxable loans under all plans maintained by the Employer before applying for a hardship distribution.

4. Safe Harbor Financial Needs

If the Safe Harbor criteria are used for hardship distributions, the following immediate and heavy financial needs are considered as safe harbor criteria for hardship distributions made on or after 01/01/2018:

- *Expenses for the repair of damage to the Employee's principal residence that would qualify for the casualty*

HARDSHIP DISTRIBUTION ADDENDUM

deduction under Code section 165 (determined without regard to section 165(h)(5) and whether the loss exceeds 10% of adjusted gross income).

- *Expenses and losses (including loss of income) incurred by the Employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that the Employee's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.*

☐ Effective _____, the immediate and heavy financial needs listed above are considered as safe harbor criteria for hardship distributions.

☐ The immediate and heavy financial needs listed above are not considered as safe harbor criteria for hardship distributions.

SECURE/CARES/CAA ADDENDUM

This Addendum is intended as a good faith effort to comply with the requirements of the Further Consolidated Appropriations Act, 2020, including the SECURE Act provisions, the Coronavirus, Aid, Relief and Economic Security (CARES) Act, and the Consolidated Appropriations Act, 2021 (CAA), and corresponding guidance (the "Applicable Law"). This Addendum is to be construed in accordance with the Applicable Law and both the Addendum and the Applicable Law will supersede any inconsistent Plan provisions.

OPTIONAL PROVISIONS:

For each item below, if the check boxes are empty, the *italicized* provision will apply.

1. Qualified Birth or Adoption Distributions (see Section A. below)

The Plan does not permit qualified birth or adoption distributions as a separate distribution event.

☒ Effective 01/01/2022 (no earlier than 01/01/2020), the Plan permits qualified birth or adoption distributions as a separate distribution event.

☐ The following limitations and conditions apply: _____.

2. Treatment of 2020 RMDs (see Section B. below)

*Effective 01/01/2020, unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.*

Effective _____ (no earlier than 01/01/2020):

☐ Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will **not** receive this distribution.

☐ Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will receive this distribution.

3. 2020 RMDs as Direct Rollovers (see Section B. below)

A direct rollover is not offered for 2020 RMDs or Extended 2020 RMDs.

For purposes of the direct rollover provisions of the Plan, the following will be treated as eligible rollover distributions in 2020:

☐ 2020 RMDs.

☐ 2020 RMDs and Extended 2020 RMDs.

☐ 2020 RMDs, but only if paid with an additional amount that is an eligible rollover distribution without regard to Code section 401(a)(9)(I).

4. Portability of Lifetime Income Options (see Section F. below)

The Plan does not permit "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options.

☐ The Plan permits "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options when such investment options are no longer authorized to be held as an investment option under the Plan effective: _____ (no earlier than the plan year beginning after 12/31/2019).

[] The following limitations and conditions apply: _____.

STANDARD PROVISIONS:

A. Qualified Birth or Adoption Distributions

To the extent provided above, a Participant may receive a distribution up to \$5,000 during the 1-year period beginning on the date on which the Participant's child is born or on which the legal adoption by the Participant of an eligible adoptee is finalized. An eligible adoptee is any individual (other than a child of the Participant's spouse) who has not attained age 18 or is physically or mentally incapable of self-support. The \$5,000 maximum is an aggregate amount of such distributions from all plans maintained by the Employer.

B. Required Minimum Distributions

In defining Required Beginning Date or determining required minimum distributions, any references to age 70-1/2 are replaced with: age 70-1/2 (for Participants born before 07/01/1949) or age 72 (for Participants born after 06/30/1949).

Notwithstanding other provisions of the Plan to the contrary and if selected above, a Participant or beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of 04/01/2021) but for the enactment of section 401(a)(9)(I) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are either: (1) equal to the 2020 RMDs, or (2) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), may receive those distributions.

C. Distribution on Account of Death for Certain Eligible Retirement Plans

Whether before or after distribution has begun, a Participant's entire interest will be distributed to the designated beneficiary by 12/31 of the calendar year containing the tenth anniversary of the Participant's death unless the designated beneficiary meets the requirements of an "eligible designated beneficiary". An "eligible designated beneficiary" may receive distributions over the life of such designated beneficiary. If there is no designated beneficiary as of 09/30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by 12/31 of the calendar year containing the fifth anniversary of the Participant's death.

An "eligible designated beneficiary" is defined as any designated beneficiary who is: (i) the surviving spouse of the Participant; (ii) a minor child of the Participant; (iii) disabled; (iv) a chronically ill individual; or (v) an individual who is not more than 10 years younger than the Participant. The determination of whether a designated beneficiary is an "eligible designated beneficiary" is made as of the date of death of the Participant. If an "eligible designated beneficiary" dies before the portion of the Participant's interest is entirely distributed, the remainder of such portion must be distributed within 10 years after the death of such "eligible designated beneficiary".

D. Qualified Automatic Contribution Arrangement (QACA)

If a Qualified Automatic Contribution Arrangement (QACA) feature is elected, the Plan Administrator has the discretion to increase automatic elections subsequent to the initial period up to a maximum limitation of 15% of Plan Compensation.

E. Safe Harbor Notice

If the non-elective contribution method is elected for safe harbor plan exemption (including under a Qualified Automatic Contribution Arrangement), effective for Plan years beginning on or after 01/01/2020, the safe harbor notice is not required for satisfying the conditions of Code sections 401(k)(12) or 401(k)(13).

F. Portability of Lifetime Income Investments

To the extent provided above, any amounts invested in a "lifetime income investment" may be distributed through either "qualified distributions" or "qualified plan distribution annuity contracts" no earlier than 90 days prior to the date that such "lifetime income investment" may no longer be held as an investment option under the Plan.

The following terms are used in this section:

"Qualified distribution" means a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to an eligible retirement plan (as defined in Code section 402(c)(8)(B)).

"Qualified plan distribution annuity contract" means an annuity contract purchased for a Participant and distributed to the Participant by a plan or contract described in subparagraph (B) of Code section 402(c)(8) (without regard to clauses (i) and (ii) thereof).

"Lifetime income investment" means an investment option which is designed to provide an employee with election rights which: (a) are not uniformly available with respect to other investment options under the plan, and (b) are to a "lifetime income feature" available through a contract or other arrangement offered under the plan (or under another eligible retirement plan (as so defined), if paid by means of a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to such other eligible retirement plan).

"Lifetime income feature" means: (a) a feature which guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the employee or the joint lives of the employee and the employee's designated beneficiary, or (b) an annuity payable on behalf of the employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the employee or the joint lives of the employee and the employee's designated beneficiary.

G. Disaster or Coronavirus-Related Relief

Notwithstanding any provision of the Plan to the contrary, the Plan may grant temporary disaster or coronavirus-related relief in compliance with Code sections 1400M and 1400Q, section 15345 of the Food, Conservation, and Energy Act of 2008, section 702 of the Heartland Disaster Tax Relief Act of 2008, section 502 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017, section 11028 of the Tax Cuts and Jobs Act of 2017, section 20102 of the Bipartisan Budget Act of 2018, subtitle II of Division Q of the Further Consolidated Appropriations Act, 2020, section 2202 of the Coronavirus, Aid, Relief and Economic Security Act, and Title III of Division EE of the Consolidated Appropriations Act, 2021 ("Applicable Law"). This Section only applies to the extent the Plan has provided some or all of the relief listed below in compliance with Applicable Law.

A. Qualified Distributions

- I. "Qualified Distribution" means a distribution to a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law which may not exceed \$100,000 in aggregate from all plans maintained by the Employer.
- II. If the Plan permits rollover contributions, at any time during the 3-year period beginning on the day after the Qualified Distribution was received, an individual may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the Qualified Distribution.
- III. If the Plan permits rollover contributions, an individual who received a withdrawal for the purchase of a home, but could not use the withdrawal amount due to the disaster, may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the withdrawal amount within the applicable time periods as defined in the relevant sections of Applicable Law.

B. Expanded Loan Provisions

- I. The maximum loan limit under Code section 72(p)(2)(A) may be applied by substituting "\$100,000" for "\$50,000" and substituting "the present value" for "one-half the present value" under the Loan Procedures for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- II. The loan repayment may be delayed for 1 year for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- III. Subsequent repayments will be adjusted to reflect the 1-year delay and any interest accrued during such delay.
- IV. The 1-year delay will be disregarded in determining the 5-year maximum term of loans under Code section 72(p)(2)(B) and (C).

H. Difficulty of Care Payments Included in Statutory Compensation

In determining the contribution limitation, Statutory Compensation will be increased by qualified foster care payments. Qualified foster care payments are difficulty of care payments excluded from gross income under Code section 131. Any contribution by the Participant which is allowable due to such increase is treated as an after-tax contribution.

I. Long-Term, Part-Time Employees

Notwithstanding any provision of the Plan to the contrary, effective for Plan years beginning after 12/31/2020, any Employee working at least 500 hours of service during each of three consecutive 12-month periods ("LTPT Employee") becomes a Participant eligible to make Elective Deferrals on the date specified in the Plan provided that he or she is an Eligible Employee and has attained the applicable age requirement, if any, on such date. No 12-month period beginning before 01/01/2021 is taken into account. Each 12-month period for which an LTPT Employee has at least 500 hours of service is treated as a year of service for vesting purposes.

**NEW MEXICO MORTGAGE FINANCE AUTHORITY
FORMAL RECORD OF ACTION**

The following is a formal record of action taken by the governing body of New Mexico Mortgage Finance Authority (the "Company").

With respect to the amendment and restatement of the New Mexico Mortgage Finance Authority 401(k) Plan (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the adoption of the amended and restated Plan in the form attached hereto, is hereby ratified; and

RESOLVED FURTHER: That the Plan is amended for compliance with SECURE Act, the CARES Act, and the Consolidated Appropriations Act of 2021, in the form attached hereto; and

RESOLVED FURTHER: That Bank of Oklahoma is retained as Trustee of the Plan; and

RESOLVED FURTHER: That an authorized representative of the Corporation should deliver an executed copy of the Restatement to the Trustee named therein; and

RESOLVED FURTHER: That the appropriate officers of the Company be, and they hereby are, authorized and directed to execute the Plan on behalf of the Company; and

RESOLVED FURTHER: That the officers of the Company be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports documents or other information as may be required under applicable law.

Dated this _____ day of _____, 2022.

Tab 2



NEW MEXICO MORTGAGE FIntherNANCE AUTHORITY
Contracted Services/Credit Committee Meeting
Tuesday, June 7, 2022 @ 10:00 am
MFA – Albuquerque

WebEx join the meeting from the calendar or call 1-844-992-4726 (access code): 2494 143 2777

AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
Agenda	10:35-10:40		YES
1 Eastern Regional Housing Authority – Woodleaf Property Sale – Offer Approval (Theresa Laredo-Garcia)		2-Ø	
2 Northern Regional Housing Authority – Contract Approval > 100K (Theresa Laredo-Garcia)	10:00 – 10:05	With Questions 2-Ø	YES
3 Request for NMHTF – Wildfire Response (Julie Halbig)	10:05 – 10:10	2-Ø	YES
4 Housing Innovation NOFA and Addendum 1 (Robyn Powell, Sonja Unrau)	10:10 – 10:15	2-Ø	YES
5 New Mexico Housing Trust Fund Recurring Funding – Planning Framework (Robyn Powell, Sonja Unrau)	10:15 – 10:20	Skipped	NO
6 Foreclosure Prevention Housing Counseling and Legal Services RFP Award Recommendation (Robyn Powell)	10:20 – 10:25	2-Ø	YES
7 Request for Proposals (RFP) for Governmental Services (Rebecca Velarde)	10:25 – 10:30	2-Ø	YES
8 Broadway McKnight Tax Credit Assistance Program (TCAP) Grant Request (Tim Martinez)	10:40-10:45	2-Ø	YES
9 Villa Mirasol Apartments Fiscal Recovery Funds Grant Request (Jacobo Martinez)	10:45 – 10:50	2-Ø	YES
10 Belen Vista HOME Loan Increase Modification Request (Jacobo Martinez)	11:10-11:20	2-Ø	YES
11 Mariposa Apartments HOME Loan Increase Modification Request (Sharlynn Rosales)	11:20-11:25	2-Ø	YES
12 Questions/comments from Committee	11:25-11:30	✓	NO

Committee Members present:

Rebecca Wurzbarger, Chair

☐ present

☒ absent

☐ conference call

Attorney General Hector Balderas or
Sally Malavé

☐ present

☐ absent

☒ conference call

Patricia Sullivan

☐ present

☐ absent

☒ conference call



MEMO

TO: MFA Board of Directors

Through: Contracted Services Committee – June 7, 2022

Through: Policy Committee – May 31, 2022

FROM: Theresa Laredo-Garcia, Program Development Manager

DATE: June 15, 2022

SUBJECT: Eastern Regional Housing Authority (ERHA)
Request for Approval to sell Woodleaf Apartments in Hobbs, NM

Recommendation

MFA staff recommends MFA's Board approve the sale of the Woodleaf Apartments located at 3320 North Dal Paso Street in Hobbs, NM owned by RHA Housing Development Corporation, A New Mexico non-profit corporation and wholly owned subsidiary of Eastern Regional Housing Authority.

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 MFA's Board approval of a Regional Housing Authority's transfer, sale, or liquidation of any real or personal property with a value greater than \$100,000. The sale of ERHA's Woodleaf property falls under this oversight.

Discussion

The ERHA development team considered several options for the rehabilitation of Woodleaf Apartments, a 152-unit market rate multifamily property site on 7.52 acres, originally constructed in 1983. The condition of the property is poor and needs extensive immediate repairs in order to lease several of the units. A third-party contractor estimated the property needs \$1.7 million of repairs to cure the deferred maintenance.

To reduce risk and liability to ERHA posed by a declining property, ERHA's management and Board determined that selling the property would be the best option. MFA was notified of their intention to sell the property. The net proceeds of the sale will be transferred to ERHA's development account for the purpose of expanding development and preserving affordable housing in ERHA's region. ERHA has owned the property since 1989. In addition, there is no Land Use Restriction Agreement (LURA) attached to the property and therefore, no affordability requirements.

ERHA has diligently performed the required activities as outlined in the attached “*Sale of Property Checklist*” to ensure the sale of the property is compliant with MFA’s compliance oversight process. ERHA has reported all completed activities to MFA and has provided documentation to support each activity.

ERHA’s Board of Commissioners approved and adopted Resolution #21-08-03 for the sale of the Woodleaf Apartments. An appraisal of the property has been obtained by an MFA approved appraisal company which reports the Market Value as of February 15, 2022, to be \$3,100,000.

ERHA procured a broker through the required RFP process and selected Marcus & Millichap Multifamily Group as the broker for the property. Marcus & Millichap is a very reputable multifamily broker with extensive experience in the sale of multifamily properties.

ERHA received fifteen (15) offers on the property. Their evaluation team reviewed all offers and concentrated on the seven (7) Best and Final offers that met the minimum requirements. (Attached is a matrix of the offers received). After careful review and consideration, ERHA focused on the top three (3) offers.

1. The offer from the Haley Real Estate Group was the highest amount but was not accepted due to added language in the offer to include the property adjacent to Woodleaf Apartments, which was not included in the RFP, and is not for sale.
2. The offer by Todd G. Seidenschwarz, is the most advantageous to ERHA because there are no contingencies, the transaction could be completed in 45-days, and the Earnest Money is secured.
3. The offer from Equity Consultants Real Estate was reviewed and it was agreed by ERHA staff and Commissioners that the offer had too many contingencies and could take an extended amount of time to complete the sale.

ERHA has chosen to move forward with the sale of the property to Todd G. Seidenschwarz. ERHA and Todd Seidenschwarz executed the purchase and sale agreement on May 27, 2022, as a good faith commitment to close the deal upon MFA’s Board of Director’s approval.

Todd Seidenschwarz offered \$4,400,000 for the Woodleaf Apartments and will be required to acquire the property within 45 days of the effective date of the purchase and sale agreement in “As Is” condition.

Summary

As required by Senate Bill 20, MFA staff and ERHA are seeking MFA board approval for the sale of the Woodleaf Apartments located in Hobbs, NM to Todd G. Seidenschwarz for \$4,400,000. Woodleaf Apartments is owned by RHA Housing Development Corporation, A New Mexico non-profit corporation and wholly owned subsidiary of Eastern Regional Housing Authority.

Tab 3



MEMO

TO: MFA Board of Directors

Through: Contracted Services Committee – June 7, 2022

Through: Policy Committee – May 31, 2022

FROM: Theresa Laredo-Garcia, Program Development Manager

DATE: June 15, 2022

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

Recommendation

MFA staff recommends Board approval for Northern Regional Housing Authority (NRHA) to enter into, and sign two (2) service contracts, each with a value greater than \$100,000.

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.

NRHA has evaluated the project for service needs for rehabilitation, has created a scope of work and has procured two qualified service providers through a sealed bid process that complies with state and federal procurement guidelines.

The following service providers have been selected:

Lowry Consultants, Inc – This service provider offers professional services to research and develop bid documents, perform contract administration, construction observation and Architect/Engineer Services for the 10-unit project in Las Vegas. The amount of the contract is approximately \$125,000.

Duke City Builders, LLC – has been selected as the contractor to perform the work on this project. Duke City Builders proved to be a responsible company with a good reputation to perform the construction services while providing the best pricing to complete the 10-unit project in Las Vegas. The amount of the contract is approximately \$1,125,000 or \$112,500 per unit.

Summary

MFA staff recommends Board approval for Northern Regional Housing Authority (NRHA) to enter into, and sign two (2) service contracts, each with a value greater than \$100,000.

Tab 4



MEMO

TO: Board of Directors
Through: Contracted Services – June 7, 2022
Through: Policy Committee – May 31, 2022
FROM: Julie Halbig, Director of Compliance and Initiatives
DATE: June 15, 2022
SUBJECT: Request for NMHTF Funds – Wildfire Response

Recommendation

Staff recommends approval of the request to release \$3M in NMHTF funds for emergency housing needs according to the Emergency Housing Need Pilot Program policies and procedures for New Mexicans impacted by the wildfires.

Background

Back in April 2022, MFA's Board of Directors approved a new program entitled Emergency Housing Need Pilot Program with \$500,000 of seed money from the Housing Opportunity Fund. This was in response to inquiries that MFA has had in the past from organizations asking for emergency assistance when no other federal or state programs or funds are available to assist.

Staff received a positive recommendation from the New Mexico Housing Trust Fund (NMHTF) Advisory Committee for this proposal on June 6th.

Discussion

MFA has been contacted by the Village of Ruidoso and the North Central New Mexico Economic Development District (NCNMEDD) regarding emergency housing assistance for individuals impacted by the recent wildfires. Per the Emergency Housing Needs Pilot Program, MFA indicated a preference to work through a local unit of government and/or a nonprofit community organization. MFA may contribute upwards of \$400,000 or more to the Village of Ruidoso to help secure manufactured housing for those persons displaced by the McBride fires. Ruidoso has identified 17 households that have no other options for emergency or transitional housing. The Village intends to donate the land, install the concrete foundation and provide utility connections for these manufactured homes. While the manufactured homes are initially intended to be available for rent to these 17 households, the Village of Ruidoso may in the long-term make these homes available for sale if the 17 households are in a position to purchase and/or maintain these homes as workforce housing. With respect to the NCNMEDD, MFA has pledged \$30,000 to NCNMEDD's nonprofit arm for emergency rental assistance. Priority will be given to elderly or disabled persons in the counties of the NCNMEDD region. Due to the widespread need throughout the State of New Mexico, MFA anticipates that other local units of government or non-profit community organizations will reach out inquiring about assistance.

New Mexicans that have been impacted by the fires have all been encouraged to apply for FEMA assistance. Unfortunately, there is no way of knowing when FEMA assistance will arrive. This creates an interim period where individuals, many without homeowners or renters' insurance, are in desperate need for temporary shelter. MFA has been contacted to help serve as a bridge for emergency housing assistance for individuals who have nowhere else to live temporarily while they wait on FEMA assistance. Under FEMA, there is a cap of \$39,400 for home repairs and \$39,400 for other costs. In addition, local units of government and some non-profit community organizations may be eligible for reimbursement by FEMA for infrastructure costs. While it does not appear that "transitional or emergency housing" is considered a reimbursable infrastructure expense under FEMA rules, MFA plans on executing an agreement with each local unit of government and/or nonprofit community organization stipulating that any federal funds (not just FEMA funds) received by the entity may be recouped by MFA for reimbursement. In addition, any agreement language will indicate that individual recipients are not allowed to stack multiple avenues of assistance (FEMA, private insurance, MFA contribution, etc.) to make themselves whole.

Per the Emergency Housing Needs Pilot Program policies and procedures, MFA may make funds available when no other viable funding or programmatic options exist. MFA is seeking \$3M dollars from the NMHTF to supplement the initial seed monies approved by the Board for the Emergency Housing Needs Pilot. These additional funds would be governed by the parameters put in place Emergency Housing Needs Pilot Program policies and procedures.

Summary

Staff recommends approval of the request to release \$3M in NMHTF for emergency housing needs according to the Emergency Housing Need Pilot Program policies and procedures for New Mexicans impacted by the wildfires.

Emergency Housing Needs Pilot Program

Summary of Policies and Procedures

Purpose: The purpose of an Emergency Housing Needs Pilot Program is to provide a flexible mechanism through which eligible applicants can receive funding to cover emergency costs for displacement prevention or to resolve housing issues that pose a significant risk to health and safety.

Eligible Applicants:

The Emergency Housing Needs Pilot is designed to serve low and moderate income New Mexicans. Applicants must be low and moderate income at the time the award is granted and be determined by MFA staff and Policy Committee as lacking sufficient income or resources to maintain or preserve adequate decent, safe and sanitary residential housing in their locality or in an area reasonably accessible to their locality.

- This program is reserved as a “last resort” resource and generally, awarded for a one-time cost.
- Eligible costs may include the repair or replacement of housing.
- Rental or mortgage assistance for individuals or families experiencing homelessness or at-risk of homelessness will generally not be considered for funding under this program. These persons will be referred to existing rental and mortgage assistance and homelessness prevention programs.
- In limited circumstances, Policy Committee has the discretion to evaluate and approve assistance on a case-by-case basis for individuals or households impacted by a federal or state declared disaster.

Application will require the following information (this list is not intended to be exhaustive):

- Name of individual(s) applying for the Emergency Housing Needs Assistance including name of referring organization
- Contact information of applicant
- Social Security Number
- Please list sources of income and monthly amount(s) of income for any individuals residing in the home (incomes includes but is not limited to: wages, salary or commission, unemployment or workers compensation, state-means tested assistance (TANF, SSP), disability, pension, annuity or Social Security and alimony)
- Insurance policy information
- Brief description regarding the nature of the emergency and address of impacted or damaged dwelling unit where repair is needed to make housing structure habitable for applicant(s)
- Notice or documentation of other assistance that has been applied for to address the emergency housing need
- Copy of title or deed to the land or housing structure under which repair or replacement is sought.
- Any other information as requested by MFA staff or Policy Committee including, but not limited to, pictures of the needed repair or replacement of the

impacted/damaged dwelling structure, estimates for repair work before work is started, etc.

Sources of Fundings for Emergency Housing Needs Pilot Program:

- Housing Opportunity Fund: Initial \$500,000 approved by the Board of Directors.
- MFA may consider the use of other funds as appropriate, including but not limited to, the NMHTF, the LTTF and T-CAP. These funding sources would allow the program to provide one-time aid in cases where low- and moderate-income families need support to resolve emergency housing issues.

Tab 5



MEMO

TO: Board of Directors

Through: Policy Committee on May 31, 2022
New Mexico Housing Trust Fund Advisory Committee on June 6, 2022
Contracted Services Committee on June 7, 2022

FROM: Sonja Unrau, Research and Development Manager
Robyn Powell, Research and Development Manager

DATE: June 15, 2022

SUBJECT: Housing Innovation Program Notice of Funding Availability and Addendum 1

Recommendation

Staff recommends approval of the Housing Innovation Program Notice of Funding Availability and Addendum 1 for publication.

Background

The Housing Innovation Program offers a resource for eligible applicants to fund housing projects for which there is an unmet need or lack of other funding sources. The intention of this program is to spur innovative housing projects and to test novel housing solutions. MFA hopes that this program is a chance for applicants to tailor responses to housing needs in their community. Further, MFA is looking to applicants to propose projects that may be scalable and have the potential to reach residents statewide.

MFA administers more than 30 programs funded through state and federal sources which are subject to strict regulations and programmatic requirements. These programs, while essential, often limit the ability to provide comprehensive and innovative solutions to complex housing needs. The Housing Innovation Program is an opportunity for eligible applicants to pursue housing solutions that could not otherwise be funded through MFA's existing programs.

The Housing Innovation Program NOFA makes available \$500,000 in American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (SLFRF)¹ money that was made available to MFA during the December 2021 Special Session² through the New Mexico Housing Trust Fund (NMHTF). The

¹ On March 11, 2021, President Joseph R. Biden, Jr signed the American Rescue Plan Act (ARPA) into law, which included the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). This fund provides relief for eligible state, local, territorial and tribal governments to respond to the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses.

² During the December 2021 special session, the New Mexico legislature allocated \$15 million of the state's ARPA SLFRF funding through House Bill 2 to New Mexico Housing Trust Fund. Of this allocation MFA's Board of Directors and the New Housing Trust Fund Advisory Committee approved making available \$500,000 for the Housing Innovation Program. House Bill 2 requires that SLFRF funding to be spent on "energy-efficient affordable housing".

addendum stipulates the specific requirements of SLFRF, NMHTF, and the legislative appropriation language.

The Housing Innovation Program Notice of Funding Availability (NOFA) and Addendum 1 are included with this memo.

Discussion

This NOFA is written to comply with the MFA Act and details program parameters. Specific funding sources regulations are stipulated in the addendum. The purpose of this structure is to accommodate a variety of funding sources without necessitating iterative revisions of the NOFA. As different funding becomes available for the Housing Innovation Program, funding source regulations will be announced in additional addenda. To the extent allowable by any funding source, the program aims to permit the greatest flexibility possible. By doing so, MFA hopes to encourage the development of creative housing solutions.

Timeline

The NOFA will be published on MFA's website and announced to potential applicants following MFA Board of Directors approval. Applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting. Applications which were submitted for a prior funding round, but which are still pending, will be given priority over new applications.

Summary

Staff recommends approval to publish the Housing Innovation Program Notice of Funding Availability and Addendum 1.

HOUSING INNOVATION PROGRAM

Notice of Funding Availability
NEW MEXICO MORTGAGE FINANCE AUTHORITY

Approved June 2022

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Program Background

The Housing Innovation Program offers a resource for eligible applicants to fund housing projects for which there is a lack of other funding sources and an unmet need. The intention of this program is to spur innovative housing projects and create an opportunity to test novel housing solutions. MFA hopes that this program is a chance for applicants to tailor responses to housing needs in their community. Further, MFA is looking to applicants to propose projects that may be scalable and have the potential to reach residents statewide.

Funding Sources and the Use of Addenda

The Housing Innovation Program may fund projects from a variety of funding sources, including but not limited to MFA's Housing Opportunity Fund, the New Mexico Housing Trust Fund, and state and federal allocations. Thus, program parameters will be subject to the funding source regulations which are detailed in an addendum published on MFA's website here: <<Housing Innovation Program webpage under development>>

MFA Point of Contact

Applicants are encouraged to direct questions regarding the Housing Innovation Program NOFA and Application Guidelines to:

<<Policy & Planning Staff Person Name>>

New Mexico Mortgage Finance Authority
344 Fourth Street SW
Albuquerque, NM 87102

Phone: (505) 767-_____ or toll-free statewide (800) 444-6880

E-mail: @housingnm.org

TTY/Voice: 711, or if no answer

1-800-659-8331 (English) OR 1-800-327-1857 (Spanish)

Use of Electronic Versions of this NOFA

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

Application Submission

Applications must be received no later than 60 days prior to a regularly scheduled meeting of the MFA Board of Directors in order to be considered at that meeting. Meetings of the MFA Board of Directors are generally held every third Wednesday of the month. All applications submitted by the deadline for a particular meeting of the MFA Board of Directors will be treated as one funding round and evaluated concurrently.

Applications which were submitted for a prior funding round, but which are still pending, will be given priority over new applications. If sufficient funds are not available to fund all projects in a funding round that meet the requirements outlined in this NOFA, the project receiving the highest score will be

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recommended to the Board of Directors for approval, followed by the next highest scoring project, etc. until the remaining funds are no longer sufficient to fulfill the next highest scoring project's requested amount. The required application forms will be provided electronically and may be downloaded from MFA's website at: <<Housing Innovation Program webpage under development>>

Applications must be submitted via email to housinginnovationprogram@housingnm.org and include "Housing Innovation Program Application Submission" in the subject line.

Eligible Applicants

Eligible applicants include, but are not limited to, non-profit organizations, for-profit organizations, governmental housing agencies or authorities, regional housing authorities, governmental entities, governmental instrumentalities, tribal governments, tribal housing agencies, developer, builders, corporations, limited liability companies, partnerships, joint ventures, syndicates, associations, or other entities that can assume contractual liability and legal responsibility by executing one or more written agreements entered into with MFA. Individual applicants are not eligible for the Housing Innovation Program.

As part of the application, eligible applicants must evidence the following:

- Organization under state, local, or tribal laws and provide proof of such organization and that the applicant is in good standing, as applicable
- A functioning accounting system that is operated in accordance with generally accepted accounting principles or has designated an entity that will maintain such an accounting system consistent with generally accepted accounting principles
- No significant financial audit findings, and no significant outstanding or unresolved monitoring findings from any governmental entity, or from MFA, or otherwise; or if it has any such findings, it has a certified letter from the governmental entity, MFA, or otherwise, stating that the findings are in the process of being resolved
- Not having been suspended, debarred or otherwise restricted by any department or agency of the Federal Government or any State government from doing business with such department or agency because of misconduct or alleged misconduct
- Not having been defaulted on any obligation covered by a surety or performance bond.

Non-profit applicants must also provide proof of the following:

- 501(c)(3) tax status;
- Compliance with the Charitable Solicitations Act NMSA 1978, §57-22-1, et seq. and with the filing requirements by the New Mexico Attorney General's Office under that Act; and
- Having no part of its net earnings inuring to the benefit of any member, founder, contributor or individual.

Refer to active addendum for additional funding source requirements related to eligible applicants.

Eligible Activities

The Housing Innovation Program funding may be used to assist in financing a wide range of activities, capital and non-capital projects, to provide affordable housing for which other funding is not available.

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MFA encourages contact and inquiries from potential applicants prior to and during application preparation to help assure that proposed activities are eligible.

Eligible activities for which an applicant may apply include, but are not limited to, costs of infrastructure and infrastructure purposes, financing in whole or in part through loans or grants, the costs necessary to support, operate or own affordable housing projects, the acquisition, construction, rehabilitation, renovation, reconstruction, alteration or repair of residential housing, multi-family housing, congregate housing facilities, transitional housing facilities, or buildings for use as or that will provide affordable housing.

Examples of non-capital projects include, but are not limited to, housing counseling activities, such as support for housing choice voucher holders or support for homeownership sustainability, planning activities to evaluate local zoning and land use policies that are barriers to housing development, housing stability services.

Refer to active addendum for additional funding source requirements related to eligible activities.

Eligible Expenses

Housing Innovation Program funds may be used only for reasonable and customary costs that are directly attributable and traceable to the awarded project. For capital projects these costs may include the development, acquisition, construction, rehabilitation, and/or preservation of affordable housing. For non-capital projects, the service delivery cost may be an eligible expense.

Refer to active addendum for additional funding source requirements related to eligible expenses.

Eligible Beneficiaries

Per the MFA Act and Rules, only low- or moderate-income household or individuals may be the beneficiaries of any Housing Innovation Program projects.

Refer to active addendum for additional funding source requirements related to eligible beneficiaries.

Funding Terms and Conditions

All awards will be subject to the availability of funds, applicable law, and funding source regulation. MFA will allocate only the minimum amount of funds that it determines to be necessary for the financial feasibility of a project and its viability.

Awards will be made in the form of loans or grants, which may be for interim and/or permanent financing. The terms and conditions for each award will be based on the financing needs of each project or activity. Loan terms and conditions may range from no interest, deferred payment loans to revolving line of credit loans to loans with near-market interest rates and terms.

All loans will be secured by mortgages and/or other appropriate liens/security interests. The recording of Land Use Restriction Agreements (LURAs) will be required for all loans, and in some cases, grants. LURAs will remain in place throughout any required affordability period regardless of the status of the loan or changes in ownership, unless equal or more restrictive restrictions are in place from other

Approved June 2022

funding sources or imposed through permanent affordability mechanisms such as deed restrictions or land trusts.

Refer to active addendum for additional funding source requirements related to funding terms and conditions.

Funding Limits and Restrictions

Housing Innovation Program awards are contingent on sufficient appropriations and are further subject to applicable law and funding source regulation. If these are not available any award or other agreement between MFA and any successful, eligible applicant will terminate upon written notice being given by MFA to the applicant. MFA's decision as to whether sufficient appropriations are available or whether Housing Innovation Program awards may be subject to applicable law will be accepted by any applicant and will be final.

MFA, in its discretion, may set limits on the amount of Housing Innovation Program funding to be awarded per application, per NOFA, per NOFA Addendum, per quarter, per year, or otherwise. See MFA's website at: <<Housing Innovation Program webpage under development>>.

Refer to active addendum for additional funding source requirements related to funding limits and restrictions.

Cancellation of Notice of Funding Availability or Rejection of Applications

MFA may cancel this NOFA at any time for any reason and may reject all applications (or any application) which are/is not responsive.

Evaluation of Applications and Documentation

MFA staff will evaluate applications using the Threshold Requirements and Ranking Criteria as described in the following sections. MFA will follow its own policies and procedures to obtain the necessary award approvals. MFA reserves the right to make final award decisions at its discretion.

Staff may contact applicants for clarification of information provided. In the event of a tie score, staff will recommend approval based on need as determined by staff. MFA will enter into loan or grant agreements and related agreements with the applicants whose applications are deemed to be most advantageous to achieving the goals of the Housing Innovation Program. All loans, grants and related agreements will include provisions for adequate security against the loss of Housing Innovation Program funds in the event that a successful applicant abandons or otherwise fails to complete a project and further will include remedies and default provisions in the event of the unsatisfactory performance by the successful applicant.

Threshold Requirements

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

Approved June 2022

- The applicant's proposed project is not an activity that MFA could fund through its other programs, where traditional housing development financing is available, or through funding available from other entities.
- The application is complete and legible, including all required documents, and is submitted by the application deadline.
- The application complies with all applicable requirements established in this NOFA, and any applicable addendum.
- The applicant provides sufficient evidence of its ability to undertake and complete the proposal in the areas of financing, acquiring, rehabilitating, developing, and/or administering an affordable housing project.
- The application provides sufficient evidence that the proposed project is financially and technically feasible and includes a proposed budget and performance schedule for the proposed project.

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

Ranking Criteria

Applicants will be scored on the following ranking criteria below. Applicants must score a minimum of 70% of the total points possible to be considered.

Criterion	Points Possible
1. Project addresses health, safety, or housing stability concerns The project is evaluated on the extent to which it addresses health, safety, or housing stability concerns. For example, a project may improve physical housing conditions that pose health and safety risks or address issues such as overcrowding. Projects that mitigate an urgent or severe health, safety, or housing stability concern will receive full points.	13
2. Project addresses housing needs of vulnerable or underserved populations The project is evaluated on the extent to which it will address the housing needs of vulnerable or underserved populations, which may include, but is not limited to, residents of tribal land, residents of rural New Mexico, or populations who are homeless or at risk of homelessness. Projects that address housing needs of vulnerable or underserved populations will receive full points.	13
3. Project addresses an identified, unmet housing need The project is evaluated on the extent to which it addresses an identified, unmet housing need in a community. Projects that address an identified, unmet housing need will receive full points.	13
4. Project proposes an innovated and scalable housing solution	14

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The project is evaluated on the extent to which it proposes an innovative and scalable housing solution. MFA seeks to award funding to projects that address housing concerns in a novel way, including through new partnerships. Further, MFA seeks to award funding to projects that could be scaled up to either reach more beneficiaries or be implemented across a wide geographical area. Projects that propose an innovative and scalable housing solution will receive full points.	
5. Readiness to proceed The project is evaluated on its readiness to proceed. Projects that demonstrate the ability and readiness to be implemented immediately upon award will receive full points.	14
6. Financial feasibility and sustainability The project is evaluated on its financial feasibility and sustainability. Match or leverage funding will be considered under this criterion. Projects that demonstrate a viable plan for covering the cost of the project will receive full points.	14
7. Project Design and Implementation Plan The project is evaluated on the project design and implementation plan presented in the application form, including method for determining eligible beneficiaries, service delivery or implementation plan, and the incorporation of any additional funding restrictions. Projects that present a viable design and implementation plan and address any additional funding restrictions that will result in a completed project will receive full points.	14
8. Resident Business The applicant is a New Mexico Resident Business which for the purpose of this NOFA is defined as one in which the majority of the applicant's employees who would perform services related to the project reside in New Mexico. Applicants who can a) evidence that the applicant is licensed to do business in New Mexico; and, b) represent that the majority of the applicant's employees who would perform the services related to the project reside in New Mexico will receive full points.	5

Application Format and Instructions to Applicants

All applicants must complete the Housing Innovation Application Form and provide all required documents included on the Application Required Documents Checklist. The Application Form and the Application Required Document Checklist are located on MFA's website at: <<Housing Innovation Program webpage under development>>.

Incurred Expenses

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

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Award Notice

MFA will provide written notice of the award to all applicants within 15 days of the date of the award. The award will be contingent upon signing final loan/grant documents.

Application Confidentiality

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

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

Irregularities in Applications

MFA may waive technical irregularities in the form of proposal of any applicant selected for award which do not alter the price, quality or quantity of the services offered.

Responsibility of Applicants

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

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

Protest

Any applicant who is aggrieved in connection with this NOFA or the award of a loan or grant pursuant to the Housing Innovation Program application process may protest to MFA. The protest must be written and addressed to the Contact Person. The protest must be delivered to MFA within 5 business days after the notice of award or decline. Upon the timely filing of a protest, the Contact Person will give notice of the protest to all applicants who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The applicants receiving notice may file responses to the protest within 5 business days of notice of protest. A committee appointed by MFA's Board Chair will review the protest and responses to the protest and, if necessary, as dictated by MFA policies and procedures, will make a recommendation to MFA's Board of Directors regarding the disposition of the protest.

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

Third-Party Code of Conduct

Applicant will conduct themselves in a manner consistent with MFA's Third-Party Code of Conduct which is located on MFA's website at: <<Housing Innovation Program webpage under development>>.

Applicant will promptly disclose information MFA may reasonably request relating to conflicts or potential conflicts of interest.

Addendum 1

State and Local Fiscal Recovery Fund & New Mexico Housing Trust Fund

Funding Sources Background & Compliance

During the 2005 legislative session the New Mexico Housing Trust Fund (NMHTF) Act was passed with unanimous support by the State's Senate and House of Representatives. In November 2006, Constitutional Amendment 4 passed and its enabling legislation, the Affordable Housing Act, was amended, allowing state funds to be used to finance land and building acquisition in addition to providing or paying for the costs of infrastructure. In April 2021, the NMHTF Act was amended to expand the purpose of the program to include both the production and preservation of affordable housing.

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

On March 11, 2021, President Joseph R. Biden, Jr signed the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Fund (SLFRF) into law. This legislation provides relief for eligible state, local, territorial and tribal governments to respond to the continued impact of COVID-19 on the economy, public health, state and local governments, individuals and businesses.

During the 2021 special session, the New Mexico legislature allocated \$15 million of the state's ARPA SLFRF funding through House Bill 2 to the New Mexico Housing Trust Fund. Of this allocation, MFA's Board of Directors and the New Mexico Housing Trust Fund Advisory Committee approved making available \$500,000 for the Housing Innovation Program. House Bill 2 requires that SLFRF funding to be spent on "energy-efficient affordable housing". **Thus, Addendum 1 applies to this \$500,000 allocation.**

All proposed projects must comply with the Mortgage Finance Authority Act, the Affordable Housing Act, NM HTF Act and their associated Rules, as well as ARPA and its SLFRF Final Rule and all other applicable state and federal laws and regulations.

Affordability Period Compliance

All funding awarded will be subject to an affordability period as shall be established by MFA, provided, however, that where an affordability period is not practical, the conveyance shall not be subject to an affordability period, but nevertheless, any such conveyance may be subject to recapture on a pro-rated basis as determined by MFA in its discretion.

Eligible Households

The SLFRF Final Rule defines households and communities that are presumed to be "impacted" versus "disproportionately impacted" by the pandemic and states certain enumerated uses for each population. Impacted classes experienced the general, broad-based impacts of the pandemic, while

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disproportionately impacted classes faced meaningfully more severe impacts, often due to preexisting disparities.

Impacted Households

The households or communities presumed to be impacted include:

- Low- or moderate-income households or communities (defined as: 1) income at or below 300% of the Federal Poverty Guidelines for the household size; or 2) income at or below 65% of area median income)
- Households that experienced unemployment
- Households that experienced increased food or housing insecurity
- Households that qualify for the Children's Health Insurance Program, Childcare Subsidies through the Child Care Development Fund Program, or Medicaid
- When providing affordable housing programs: households that qualify for the National Housing Trust Fund and Home Investment Partnerships Program

Disproportionately impacted Households

The households or communities presumed to be disproportionately impacted include:

- Low-income households or communities (defined as: 1) income at or below 185% of the Federal Poverty Guidelines for the household size; or 2) income at or below 40% of area median income)
- Households residing in Qualified Census Tracts (QCTs)
- Households that qualify for certain federal benefits
- Households receiving services provided by Tribal governments
- Households residing in the U.S. territories or receiving services from these governments

Eligible Activities for Impacted Households

The Housing Innovation Program awards made under this addendum may be used for a range of affordable housing activities for impacted households that experienced a public health or negative economic impact from the pandemic. Below is a complete list of eligible activities:

Emergency Housing Assistance

- Rent, mortgage, or utility assistance
- Housing stability services that enable households to maintain or obtain housing, e.g., legal aid to prevent eviction or homelessness, fair housing counseling, case management related to housing stability for at risk populations
- Housing counseling and legal aid, e.g., attorney's fees related to eviction proceedings and maintaining housing stability, court-based eviction prevention or diversion programs, legal services that help households maintain or obtain housing
- Transitional shelters (e.g., temporary residences for people experiencing homelessness)

Emergency assistance for pressing needs: burials, home repair, weatherization, or other needs

- Emergency home repair of existing owner-occupied housing
- Emergency assistance for pressing and unavoidable household needs, e.g., private septic tank and well repair

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- Home weatherization activities

Promoting long-term housing security and homelessness

- Programs or services to improve access to stable, affordable housing among individuals who are homeless, and the development of affordable housing to increase supply of affordable and high-quality living units (e.g., land acquisition, construction, pre-construction costs, operating costs, etc.)
- Development of affordable housing (including operating [Section 108](#) subsidies) and wraparound services such as behavioral health services, employment services, and other supportive services
- Other affordable housing developments targeted to specialized populations are also eligible, for example recovery housing for individuals in recovery from substance use or youths aging out of foster care
- New construction or acquisition, rehabilitation, and resale of single-family homes including manufactured housing
- Home rehabilitation and maintenance, or repair of existing owner-occupied housing
- Down payment assistance, such as through contributions to a homeowner's equity at origination or that establish a post-closing, mortgage reserve account on behalf of the borrower that may be utilized to make a missed or partial mortgage payment at any point during the life of the loan (e.g., if the borrower faces financial stress)
- New construction or acquisition/rehabilitation of permanent rental housing.
- New construction or acquisition/rehabilitation of housing for special needs populations including, but not limited to, transitional, group or congregate housing, and temporary housing for the homeless

Uses for Disproportionately Impacted Households

The Housing Innovation Program awards made under this addendum may be used for a range of affordable housing activities for disproportionally impacted households that experienced a public health or negative economic impact from the pandemic. Below is a complete list of eligible activities:

Building strong, healthy communities through investments in neighborhoods: Vacant or abandoned properties

- Rehabilitation, renovation, maintenance, or costs to secure vacant or abandoned properties to reduce their negative impact
- Costs associated with acquiring and securing legal title of vacant or abandoned properties and other costs to position the property for current or future productive use
- Removal and remediation of environmental contaminants or hazards from vacant or abandoned properties, when conducted in compliance with applicable environmental laws or regulations
- Demolition or deconstruction of vacant or abandoned buildings (including residential, commercial, or industrial buildings) paired with greening or other lot improvement as part of a strategy for neighborhood revitalization

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Forms of Assistance and Term

All funding will be awarded as a grant. All awarded grant funds must be expended by December 2025.

Funding Limits and Restrictions

All awarded projects must incorporate an energy-efficiency component.

Tab 6



MEMO

TO: MFA Board of Directors

Through: Contracted Services Committee – June 7, 2022

Through: Policy Committee – May 31, 2022

FROM: Robyn Powell, Research and Development Manager

DATE: June 15, 2022

SUBJECT: Recommendation to Award Foreclosure Prevention Housing Counseling and/or Legal Services as Part of the New Mexico Homeowner Assistance Fund Program

Recommendation:

Staff recommends and requests approval to award a contract to United South Broadway Corporation (“USBC”) to provide Foreclosure Prevention Housing Counseling and/or Legal Services as part of the New Mexico Homeowner Assistance Fund (“HAF”) Program. Staff recommends awarding the contract for a one-year term with the option to award two (2) two-year extensions up to the end of the HAF award period of September 30, 2025.

Background:

MFA is administering the Homeowner Assistance Funds allocated by the U.S. Department of the Treasury under the American Rescue Plan Act of 2021 (“ARPA”) passed by Congress on March 10, 2021 and signed into law on March 11, 2021. The Homeowner Assistance Fund (HAF) was established to mitigate financial hardships associated with the coronavirus pandemic by providing funds for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services and displacement of homeowners experiencing financial hardship after January 21, 2020.

HAF guidance provides the eligible uses of funds including the use of funds to provide “counseling or educational efforts by housing counseling agencies approved by HUD or a tribal government, or legal services, targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement, in an aggregate amount up to 5% of the funding from the HAF received by the HAF participant”.

Under the HAF program, MFA seeks to provide homeowners who are facing a financial hardship with free of charge access to housing counselors and legal service providers who will work with homeowners to resolve delinquency and achieve sustainable housing costs. The New Mexico Homeowner Assistance Fund program will be in effect until all funding is expended or until the end of the award period on December 31, 2025.

New Mexico was allocated \$55,772,684 in HAF funding, resulting in a 5% allocation of \$2,788,634 for the Foreclosure Prevention Housing Counseling services sought through the RFP approved by the Board in January under the same title.

The Foreclosure Prevention and Defense Program (FPDP) will be administered under the most recent U.S. Department of Treasury Guidance on Participant Compliance and Reporting Responsibilities¹. The recommended awardee will be categorized as subrecipient as defined in the Uniform Guidance 2 CFR § 200.1. Subrecipients under the HAF program are entities that receive a subaward from a HAF participant to carry out the purposes of the HAF award on behalf of the HAF participant. HAF participants are accountable to Treasury for oversight of their subrecipients, including ensuring the subrecipients comply with the HAF statute, HAF Financial Assistance Agreement, HAF Guidance, applicable, federal statutes, regulations, and reporting requirements.

Discussion:

Upon approval by the Board on January 19, 2022, staff released the RFP and solicited responses from New Mexico HUD approved housing counseling providers and not-for-profit legal services providers. The deadline to submit a proposal was February 18, 2022. One proposal was received and met the minimum qualifications of the RFP. The approximate annual award amount for the first three years of the contract is \$785,000. Staff recommends the contract be awarded for one year and include the option to award two (2) two-year extensions and/or through the end of the award period on September 30, 2025.

The RFP was reviewed and scored by the Internal Review Committee and the results of scoring are provided in the table below.

	Experience and Capability	Point Range	Points Awarded
1	Experience and Capability: Offeror's skill, knowledge and experience with	0-35	34.5
1a	providing housing counseling services and/or providing legal assistance and representation to New Mexico homeowners		
1b	providing support in similar government programs		
1c	adhering to federal program guidelines		
	Program Design and Management	Point Range	Points Awarded
2	Program Design and Management: Offeror's ability to deliver responsive services and Offeror's availability as evidenced by:	0-35	31.5
2a	demonstrated outcomes of HUD-certified housing counseling and/or legal services		

¹ [Homeowner Assistance Fund Guidance on Participant Compliance and Reporting Responsibilities](#) (revised May 11, 2022)

2b	designation of knowledgeable staff to coordinate all aspects of foreclosure prevention and loss mitigation		
2c	innovative strategy to target and assist underserved populations and at-risk low-income families facing foreclosure		
2d	align with MFA's mission on affordable housing and the stated goals of the HAF programs		
	Fees	Point Range	Points Awarded
3	Fees	0-15	13.3
3a	Offerors proposed fees and fee structure to provide the Services to be Performed described in this RFP. Fees are limited to 5% of the total grant amount allocated to the State of New Mexico under the American Rescue Plan Act Homeowner Assistance Fund/ (\$55,772,684.00) Proposals should include a description of the proposed billing method such as: <i>Hourly basis—hourly rates and other fees and costs</i> <i>Fixed fee</i> <i>Per file fee (include tiered billing structure and description)</i> <i>Other</i>		
	Geographic Coverage	Point Range	Points Awarded
4	Geographic coverage	0-10	6.5
4a	ability to provide statewide housing counseling/legal services and/or provide services in areas of the state that are typically underserved (i.e. rural and tribal areas, counties of persistent poverty)		
	References	Point Range	Points Awarded
5	References	0-5	0
5a	Offeror shall provide at least one reference for Offeror's work for financial institutions, governmental entities, and/or mortgage servicers.		
5b	Offeror shall provide at least two references for whom Offeror has provided Foreclosure Prevention Housing Counseling and/or Legal Services.		
5c	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.		
		0-100	85.8

Summary:

Staff recommends and requests approval to award a contract to United South Broadway Corporation (USBC) to provide Foreclosure Prevention Housing Counseling and/or Legal Services as part of the New Mexico Homeowner Assistance Fund Program. Staff

.....

recommends awarding the contract for a one-year term with the option to award two (2) two-year extensions up to the end of the HAF award period of September 30, 2025.

Tab 7



MEMO

TO: Board of Directors

Through: Policy Committee on May 31, 2022

Contracted Services Committee on June 7, 2022

FROM: Rebecca Velarde, Senior Director of Policy and Planning

DATE: June 15, 2022

RE: Request for Approval of Governmental Services RFP

Recommendation:

MFA staff recommend approval of a request for proposals (RFP) for a consultant to furnish governmental services.

Background:

MFA's current agreement for a consultant for governmental services ends on November 30, 2022, and there are no more extensions. MFA requires this consultant to assist in supporting MFA's interests as well as legislative and advocacy priorities at the state level.

Discussion:

MFA seeks a consultant to provide the following governmental services:

1. Provide advice and counsel in formulating and assisting in drafting MFA's legislative priorities prior to the beginning of each legislative session and during the interim.
2. Assist MFA staff in scheduling advocacy and education meetings and events with key legislators throughout the year.
3. Represent MFA and advocate its legislative goals at the New Mexico state legislature and with the executive branch during regular legislative sessions, special sessions, at interim legislative committee meetings and hearings as necessary, and throughout the year as requested by MFA staff.
4. Provide to designated MFA staff member(s), including designated MFA Governmental Services contract administrator, timely analyses of proposed legislation that may impact or otherwise affect MFA, its business operations or housing programs, and monitor such legislation and represent MFA's interests as appropriate.
5. Monitor and attend relevant legislative sessions and committee meetings (including interim committee meetings) and provide timely reports to MFA on bill status and other legislative matters impacting MFA activities.
6. Arrange meetings for MFA staff with individual legislators as requested by MFA.

7. Attend MFA Legislative Oversight Committee meetings and meet with MFA members, officers, staff and General Counsel as requested by MFA.
8. Monitor regulatory agencies' activities affecting MFA interests and provide timely reports to MFA staff, as requested by MFA.
9. Arrange meetings for MFA staff with regulatory agency commissioners or other key staff, as requested by MFA.

MFA staff intend to adhere to the following procurement schedule:

<i>Activity</i>	<i>Date</i>
PC RFP review	Tuesday, May 31
Contracted Services Committee RFP review	Tuesday, June 7
Board RFP review	Wednesday, June 15
Publish RFP	Thursday, June 16
RFP submission deadline	Monday, July 18
Preliminary award recommendations to PC	Tuesday, August 2
Preliminary award/denial letters to offerors	Wednesday, August 3
Final award recommendation to Contracted Services Committee	Tuesday, August 9
Final award recommendation to MFA Board	Wednesday, August 17

Summary:

MFA staff recommend approval of a request for proposals (RFP) for a consultant to furnish governmental services.

**New Mexico Mortgage Finance Authority
Request for Proposals for
Consultant for Governmental 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.

The MFA has a full-time staff which administers its numerous programs, including the following state-funded programs:

- Regional Housing Authorities Act oversight;
- Affordable Housing Act oversight;
- New Mexico Housing Trust Fund oversight;
- Weatherization Assistance Program; and
- Homeless programs.

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 offerors who, by reason of their skill, knowledge, and experience can provide MFA with governmental services, advice and representation on a continual basis throughout the year (“Offerors”).

MFA expects to enter into one or more contract(s) with the successful Offeror(s), which contract(s) may be for one or two years and shall allow MFA the option to renew for one or two years. Successful Offerors may not obligate funds, incur expenses, or otherwise implement services prior to the execution of a contract with MFA.

Questions and Answers

Questions pertaining to this RFP and application must be submitted via email to rvelarde@housingnm.org. The email subject should read “Consultant for Governmental Services RFP”. Questions can be submitted from June 16, 2022 through July 13, 2022. MFA will make every attempt to answer questions within two (2) business days.

Proposal Submission

Proposal submissions must be received no later than July 18, 2022 at 5:00 p.m., Mountain Time. Proposals which are not received by this time will not be accepted.

Proposals may only be submitted via email and must be emailed to rvelarde@housingnm.org with a subject line of “Proposal to Provide Governmental 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 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 rvelarde@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. The evaluation will include interviews of Offerors that meet the Minimum Qualifications and Requirements as described in Part II. MFA's Policy Committee shall review and approve the recommendation of the Internal Review Committee. Final selection of Offeror(s) shall be made by the MFA 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 V 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).

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 its 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 submitted via email to:

Rebecca Velarde, Senior Director of Policy and Planning
rvelarde@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 MFA's Contracted Services Committee, and that committee shall make a recommendation to the 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 Internal Review Committee, 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

After award, and 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 and copying pursuant to MFA's Request to Inspect Documents Policy. Offerors must redact confidential and personal identifier information from documents if the information is not specifically required by MFA. Offeror agrees to indemnify MFA from any claims arising from or related to MFA's disclosure or nondisclosure of materials submitted to MFA related to the proposal.

Part II: Minimum Qualifications and Requirements

Selected Offerors must 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 related to its performance of professional services during the past five years and involving Offeror's firm or employees, or individuals or organizations involved with Offeror through any third-party 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, U.S. Department of the Treasury, the State of New Mexico or any agency thereof.
3. A Written certification that Offeror has read and shall at all times conduct itself in a manner consistent with MFA's Third Party Code of Conduct (https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf).
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. All Offerors must be in compliance with the provisions of the New Mexico Lobbyist Regulation Act, §2-11-1 NMSA 1978 et seq.

Part III: Services to be Performed

As requested by MFA, Governmental Services REQUIRED to be provided and which shall be incorporated into the contract to be awarded pursuant to this RFP include, but are not limited to, the following:

1. Provide advice and counsel in formulating and assisting in drafting MFA's legislative priorities prior to the beginning of each legislative session and during the interim.
2. Assist MFA staff in scheduling advocacy and education meetings and events with key legislators throughout the year.
3. Represent MFA and advocate its legislative goals at the New Mexico state legislature and with the executive branch during regular legislative sessions, special sessions, at interim legislative committee meetings and hearings as necessary, and throughout the year as requested by MFA staff.
4. Provide to designated MFA staff member(s), including designated MFA Governmental Services contract administrator, timely analyses of proposed legislation that may impact or otherwise affect MFA, its business operations or housing programs, and monitor such legislation and represent MFA's interests as appropriate.
5. Monitor and attend relevant legislative sessions and committee meetings (including interim committee meetings) and provide timely reports to MFA on bill status and other legislative matters impacting MFA activities.
6. Arrange meetings for MFA staff with individual legislators as requested by MFA.
7. Attend MFA Legislative Oversight Committee meetings and meet with MFA members, officers, staff and General Counsel as requested by MFA.
8. Monitor regulatory agencies' activities affecting MFA interests and provide timely reports to MFA staff, as requested by MFA.
9. Arrange meetings for MFA staff with regulatory agency commissioners or other key staff, as requested by MFA.

Part IV: Compensation

Fee basis should be an all-inclusive, fixed-fee based on completion of service. Offeror must also state in their submission how long the Offeror can hold the all-inclusive fixed-fee for service with the minimum amount of time being two (2) years from the date of proposal and should address how increases will be negotiated. If selected, contracts with Offerors must reflect the all-inclusive, fixed-fee for service. Billing on the project should occur on a frequency to be negotiated with successful Offeror(s) and will be based on proposed fixed-fee for service.

Part V: Evaluation Criteria

MFA shall award the contract for Governmental 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
1. <u>Legislative and Regulatory Experience and Capability</u> . Offeror's experience as a legislative and regulatory advocate in the State of New Mexico, including Offeror's demonstrated familiarity with the New Mexico legislative and regulatory processes, ability to work with elected officials and ability to generate legislative and regulatory results, as well as other broad based support for legislation. Additionally, Offeror's experience as a legislative	0-35	35

advocate in New Mexico for non-profit social purpose agencies.		
2. <u>Responsiveness to MFA</u> . Offeror's ability to deliver timely, quality lobbying services during legislative sessions and throughout the year, and Offeror's availability for consultation and discussion at MFA's discretion.	0-20	20
3. <u>Knowledge of MFA as well as Affordable Housing Issues and Funding Sources</u> . Offeror's experience with or understanding of the housing and/or mortgage lending industry in New Mexico and the issues surrounding affordability, including programs and funding sources available. Additionally, Offeror's knowledge of MFA and the MFA Act, § 58-18-1 NMSA 1978 et seq.	0-10	10
4. <u>References</u> .	0-5	5
5. <u>Interview</u> .	0-10	10
6. <u>Fee Structure</u> . Offeror's proposed all-inclusive, fixed-fee and rate schedule of standard expenses	0-20	20
Maximum Points		100

Part VI: Proposal Format and Instructions to Offeror

Proposals are limited to **10 single-sided pages**. 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. The location of Offeror's main office and the locations of any of Offeror's branch offices.
 - C. 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 proposed cost with the minimum being two (2) years from initial agreement execution.
 - 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 related to Offeror's performance of professional services during the past five years and involving Offeror's firm or employees, or individuals or organizations involved with Offeror through any third-party 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, U.S. Department of the Treasury, 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 Third Party Code of Conduct (https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf).
- 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.
- F. A statement certifying that:
 - i. All expenditure statements ("Statements") required to be filed with the Secretary of State pursuant to the term of the Lobbyist Regulation Act for the last three years have been filed;
 - ii. Copies of all accounts, bills, receipts, books, papers and documents ("Records") necessary to substantiate the financial statements required to be made under the Lobbyist Regulations Act are being maintained as required; and
 - iii. Offeror, upon request by MFA, will make available to MFA and permit MFA to examine and make copies of such Statements and Records in the course of considering Offeror's proposal pursuant to this RFP and during the course of Offeror's contract with MFA if Offeror is the successful Bidder.
- G. If Offeror is a non-profit organization, Offeror will provide MFA with proof that Offeror has registered with the New Mexico Attorney General's Registry of Charitable Organizations. If Offeror is a Successful Offeror, Offeror shall keep such registry current for so long as the term of any contract entered into between Offeror and MFA as a result of this RFP.

3. Legislative and Regulatory Experience and Capability

- A. **Lobbying Experience.** A detailed description of Offeror's qualifications and experience as a lobbyist in the State of New Mexico, including the number of years Offeror has been involved in New Mexico legislative activities.

- B. Legislative or Regulatory Initiatives. A list of legislative or regulatory initiatives in which Offeror played a significant role in bringing to fruition (i.e., legislation passed, appropriations approved), describing Offeror's role with regard to each initiative.
- C. Support Services. A description of Offeror's technical capabilities and administrative support.
- D. Public Entity Clients. A list of state or local housing agencies, other governmental entities or non-profit social purpose agencies for which Offeror has registered and worked as a lobbyist.
- E. A list of other clients for whom Offeror has registered and worked as a lobbyist in New Mexico within the last ten (10) years.
- F. The 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 Offeror's services for MFA must show, at a minimum, the person's name, education, position, and total years and types of experience relevant to the performance of the services.

4. Responsiveness to MFA

- A. Offeror's proposal for delivering services, including organization of responsibilities, work plan, approach, and the availability of personnel for consultation and discussion, as necessary to serve the needs of MFA.
- B. 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.).
- C. Future Clients. A list of any clients for whom Offeror expects to lobby in the 2023 New Mexico legislative session or for whom Offeror has filed a registration statement pursuant to the Lobbyist Regulation Act, and a statement of the time expected to be committed to each client.

5. Knowledge of MFA as well as Affordable Housing Issues and Funding Sources

- A. Affordable Housing. A statement describing Offeror's knowledge of affordable housing issues in New Mexico and funding sources available to address those issues.
- B. A statement describing Offeror's knowledge of MFA's enabling legislation, business operations and loan programs.
- C. A description of the Offeror's involvement in the housing and/or mortgage lending industry, including any organizations with which the Offeror may be affiliated with.

6. References

- A. Offeror shall provide at least three references for Offeror's work. Please provide the name of the individual providing reference, company, address, telephone number and email.
- B. MFA shall provide the form attached hereto as **Exhibit A** to all references. Each reference shall send the form directly to MFA rather than through the Offeror.

7. Fee Structure

- A. Provision of all-inclusive, fixed-fee based on completion of service
- B. Proposed billing frequency
- C. Information regarding Offeror's ability to provide detailed monthly billings summarized by subject matter and a sample itemized bill
- D. A list of all of Offeror's employees, including support staff, who are to work on the MFA account
- E. Whether Offeror's proposed fees are the best offered by Offeror to any client for a comparable scope of consultation
- F. A rate schedule for standard expenses such as per page copying charges, fax transmissions, overnight mail expenses and word processing
- G. Whether and how Offeror bills for entertainment and travel expenses

*All Offerors are responsible for determining fees or costs associated with doing business in New Mexico and those costs must be included as part of the proposal.

- 8. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to provide Governmental Services to MFA.

Part VII: Principal Contract Terms and Conditions

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

Contract Term. The term of the Governmental Services Contract shall begin the date the MFA Board of Directors approves the award and end on the first or second anniversary date thereafter, at MFA's discretion. At MFA's option, the contract may be extended for two one year periods (or one two year period) 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 five 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 by MFA and is due to MFA each year at a time to be determined by MFA in its sole discretion.

Third-Party Code of Conduct. At all times during the term of this Agreement, while in the performance of the Services, and at all other times when in contact with MFA staff, Contractor and its personnel, shall behave in a manner consistent with

the MFA Third-Party Code of Conduct. A copy of the MFA's Third- Party Code of Conduct is posted on the MFA web site for review at https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf.

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.

Assignment. Offeror shall not assign or transfer any obligation or interest in this Agreement, or assign any claims for money due or to become due under this Agreement, without prior written approval of MFA. No assignment shall relieve Offeror of any of its obligations hereunder. Any attempted assignment, transfer, or other conveyance in violation of the foregoing shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

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.

Attorneys' Fees and Costs. In the event either party brings an action or proceeding for the declaration of the rights of the parties under this Agreement, for injunctive relief, for an alleged breach or default hereof, or any other legal action arising out of this Agreement, or the transactions contemplated hereby, or in the event any party is in default of its obligations pursuant hereto, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

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 – Associate Dean, New Mexico State University College of Engineering

Management

Isidoro Hernandez, Executive Director

Lizzy Ratnaraj, Chief Financial Officer

Donna Maestas-De Vries, Chief Housing Officer

Jeff Payne, Chief Lending Officer

EXHIBIT A**ORGANIZATIONAL REFERENCE QUESTIONNAIRE**

The New Mexico Mortgage Finance Authority, as part of the RFP process, requires Offerors to submit at least three references for Offeror's work for clients providing advice and counsel with respect to legislative and regulatory matters. 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.

Governmental 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: Rebecca Velarde
 Address: 344 4th St. SW
 Albuquerque, NM 87102
 Telephone: 505-767-2273
 Fax: (505) 243-3289
 E-mail: rvelarde@housingnm.org

No later than **July 27, 2022 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:

Tab 8

2022 RENTAL AWARD SUMMARY

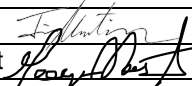
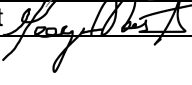
Project Name & Address	Broadway McKnight 300 McKnight Ave NE, Albuquerque, NM 87102			
Proposed Award	\$600,000	Tax Credit Assistance Program (TCAP)	Rate	N/A - Grant
Borrower	Broadway McKnight, LLLP , owned 0.01% by AHA Broadway McKnight GP, LLC (with Albuquerque Housing Authority as its Sole Member), as its General Partner; and 99.99% by a subsidiary of the The Richman Group, as its Limited Partner.			
Management	<p>Albuquerque Housing Authority (AHA), a component unit of the city of Albuquerque, is a public entity that was formed in 1967 to provide federally subsidized housing and housing assistance to low-income families within the city of Albuquerque. AHA currently owns and manages 27 multifamily and senior housing developments, totaling approximately 1,020 units throughout the municipal limits of the city of Albuquerque. AHA's public housing staff directly manages all of AHA's public housing stock. Twenty-one of these properties (760 units) operate as public housing and offer rental assistance to the families that reside in them.</p> <p>AHA's Section 8 division administers approximately 4,000 section 8 housing choice vouchers as well as Veterans Affairs Supporting Housing (VASH) housing choice vouchers. All homes rented by housing choice voucher clients, as well as AHA's public housing, are inspected by AHA's housing inspection staff to ensure that the homes meet the quality housing standards of the US Department of Housing and Urban Development (HUD).</p>			
Developer	<p>Albuquerque Housing Authority (AHA), a component unit of the city of Albuquerque, is a public entity that was formed in 1967 to provide federally subsidized housing and housing assistance to low-income families within the city of Albuquerque. AHA currently provides direct and indirect support to over ten thousand individuals in the city of Albuquerque by providing access to quality housing, neighborhood engagement, and by building vibrant communities. AHA is headed by an executive director and governed by a five-person board of commissioners. Sixty-four staff members support AHA's six main divisions: administration, finance, public housing inspections, Section 8 and maintenance. AHA is the state's largest housing authority.</p> <p>AHA's CPA-audited financial statements for FYE 6/30/21 show Unrestricted Cash of \$14.3M, Total Assets of \$49.4M and a Net Worth of \$27.1M, resulting in a Debt-to Worth Ratio of 0.82 : 1.00. Net Income for the period was positive and Traditional Cash Flow (i.e. net earnings plus depreciation, amortization, and interest) was also positive. Audited financial statements for FYE 6/30/20 show Unrestricted Cash of \$15.2M, Total Assets of \$36.9M and a Net Worth of \$24.6M, resulting in a Debt-to Worth Ratio of 0.57 : 1.00. Net Income for the period was positive and Traditional Cash Flow was also positive. Consolidated internally-prepared financial statements ending on 03/31/22 show Unrestricted Cash of \$15.2M, Total Assets of \$58.8M and a Net Worth of \$30.7M, resulting in a Debt-to-Worth Ratio of 0.67 : 1.00. AHA is an experienced developer that has a proven history of obtaining LIHTC investors at good prices and large bank financing at favorable rates.</p>			
Project Type & Size	New Construction of a 54-unit multifamily project with 14 units (25%) serving Households with Children. The project will provide HUD Section 8 project-based vouchers to 30 units and HUD Rental Assistance Demonstration (RAD) program project-based vouchers to 13 units. Four of the units are income restricted to households earning 30% or less of Area Median Income (AMI), eighteen of the units are income-restricted to households earning 50% or less of AMI and thirty-two units are income restricted to households earning 60% or less of AMI.			
Project Description	The Broadway McKnight project includes the demolition of an existing 30-unit public housing project and the construction of 54 townhome-style units in the Martineztown neighborhood of Albuquerque, NM. The property is currently owned and managed by the Albuquerque Housing Authority. The project will convert from a public housing project to a LIHTC property, with HUD Rental Assistance Demonstration (RAD) project-based vouchers covering 30 units and HUD Section 8 project-based vouchers covering another 13 units. The project is located on 3.43 acres and consists of 26 two-story residential buildings, each containing one to five units. The project will also include the construction of a new community building, for a total project gross square-footage of 58,917 square feet. There are 12 one-bedroom units, 22 two-bedroom units, 11 three-bedroom units, 8 four-bedroom units and			

Broadway McKnight – 54 units, Albuquerque, Bernalillo County, NM

	<p>one five-bedroom unit. The project's one-bedroom units average 624 net square feet, the two-bedroom units average 864 net square feet, the three-bedroom units average 1,136 net square feet, four-bedroom units average 1,330 net square feet and the five-bedroom unit is 1,669 net square feet.</p> <p>Broadway McKnight was first placed in service in 1972. However, the existing units were poorly designed with shoddy construction. Interior unit layouts offered inadequate circulation, poor bathroom placement, confined kitchens and no ability to adapt the units for households with mobility impairments. The site plan and unit configurations made poor use of the property's space. The property now suffers from both functional and age-related obsolescence.</p> <p>Unit's amenities include hard surface flooring and patio space/ yard space. Heating and cooling of the units will be managed by split system heat pumps controlled by programmable thermostats. All lighting systems will have Energy Star rated LED lamps and all domestic water heaters will be Energy Star rated.</p> <p>A new community building with a leasing office and space for service delivery will be constructed. A laundry facility will also be installed within the community building. The site will include playgrounds for children, a community garden plot, and drought tolerant landscaping. The project will also include an on-site service coordinator to provide residents with free services, specifically designed for households with children.</p> <p>The project will continue to target Households with Children and the Resident Selection Criteria will also contain a preference for active duty or retired U.S. military veterans.</p> <p>The MFA-ordered, Vogt Strategic Insights (VSI) market study, dated 5/19/2020, concludes that a market exists for the subject property following its development as currently proposed. The site is in proximity to opportunities for shopping, employment, recreation, entertainment and education. Health and safety services are located within 2.2 miles of the property. The subject also has convenient access to major highways and public transportation. Overall, VSI considers the site's location and proximity to community services to have a positive effect on its continued marketability.</p> <p>MFA Board awarded Broadway McKnight 9% LIHTCs in the amount of \$954,720 and a National Housing Trust Fund loan in the amount of \$400,000 in June 2020. The project has since closed on all financing and is currently under construction. AHA is requesting TCAP funding in the amount of \$600,000 to help offset additional financial contributions required due to construction cost increases. Construction costs for the project have increased by over \$2.7 million since initial application resulting in approximately \$2.05 million in additional financial contributions from AHA.</p>
Project Financials, Projections and Assumptions	<p>The Borrower has provided a detailed 15-year cash flow projection. Projections utilize a 7% vacancy. MFA typically uses a standard vacancy of 7%, however, for projects with at least 90% of all apartments covered by a federal rental assistance contract, MFA may use the market study vacancy factor but not less than 5%. The subject property provides HUD Section 8 Project Based Vouchers to 30 units and HUD Rental Assistance Demonstration (RAD) program project-based vouchers to 13 units (80% covered by rental assistance). Operating expenses for the Subject are projected at \$4,342 per unit, per annum (PUPA), after reducing Replacement Reserves (\$300 PUPA) and Social Services. These expenses are within the MFA standards of \$4,300 to \$5,800. VSI concludes that the developer's estimated operating expenses are appropriate, especially when considering 30 of the units are expected to house former tenants of the currently existing fully subsidized project. Thus, the developer and management have a historic basis to evaluate the appropriateness of their projections. It is worth noting that the Owner pays all utility expenses for the property, which elevates total operating expenses.</p> <p>The Debt Service Coverage Ratio (DSCR) on all hard debt is projected to be 1.26 to 1.00 in the first year, increasing to 1.47 to 1.00 by year 15. This ratio meets MFA's underwriting standards of a range between 1.20 - 1.40 : 1.00 for the first 10 years of operation and is slightly above MFA's underwriting standards from year 11 to 15. The interest rate for the first mortgage loan is 5.14%.</p> <p>Eight percent (i.e. \$95,202 of the \$1,134,000) of the developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any</p>

	possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Lender projections indicate that the Subject would fully pay the deferred developer fee by the end of the 2nd year. Tax Credits will be sold to investors at 92.5 cents on the dollar (i.e. the high end of the 2022 MFA 88 to 95 cents guideline).
Affordability Requirements	Restricted to households whose annual incomes do not exceed 80 percent of AMI, equaling all 54 units in the project. Projects awarded TCAP funds must meet the unit Set-Asides and Extended Use Period committed to in the LIHTC application, which will be enforced with a Land Use Restriction Agreement to be filed in Bernalillo County. The Borrower must also execute a TCAP Program Income grant agreement.
Special Conditions	<ol style="list-style-type: none"> 1. All loans and grants are subject to MFA's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing; 2. Any changes or additions to the following development team members listed in the loan application must be approved by MFA: developer, contractor, management company, consultant or architect; 3. Financing commitments acceptable to MFA prior to funding on all funding sources; 4. Approval of plans/construction monitoring/draws by MFA's Architectural Services Representative or a third party acceptable to MFA (i.e. hired by MFA, investor or primary construction lender) and shared with MFA. Cost to be paid by applicant; 5. Other conditions as may be determined by staff; and 6. Subject to availability of funds.

MFA Commitments to Other Projects	<p><u>Albuquerque Housing Authority</u></p> <p>2016 9% LIHTC – Rio Vista – \$984,020 2020 9% LIHTC – 6100 Harper – \$912,789 2020 NHTF – 6100 Harper – \$400,000 2020 9% LIHTC – Broadway McKnight – \$954,720 2020 NHTF – Broadway McKnight – \$400,000 2022 9% LIHTC – 120 La Plata – \$749,825 2022 9% LIHTC – 9000 Veranda Apartments – 765,840</p>
MFA Exposure	Total MFA Exposure: \$800,000 (excludes LIHTC, grants and loans pending approval).
<u>Risk Factors</u>	<ol style="list-style-type: none"> 1. Market – Low (Strong demand for proposed property in PMA) 2. Construction – Medium (construction material pricing remains volatile, however, the developer is experienced plus the investor and main construction lender will provide additional oversight and controls) 3. Developer – Low 4. Guarantor – Low 5. General Partner/Managing Member – Low (i.e. the developer) 6. Community Opposition – Low (existing project) 7. Financing – Low

Summary & Recommendation	The proposed project presents a favorable risk profile and is recommended for approval.		
Prepared by	Tim Martinez, Development Loan Manager 	Date	5/31/2022
Reviewed by	George Maestas, Director of Housing Development 	Date	5/31/2022

PROJECT INFORMATION SUMMARY						
Project Name		City	NC, AR, or NC/AR	Total # Units	Sizes	Target AMIs
Broadway McKnight		Albuquerque, NM				
Total Development Cost	\$ 17,998,959		NC	54	2-Bed, 3-Bed, 4-Bed, & 5-Bed	30%, 50%, & 60%
Borrower	Broadway McKnight, LLLP					
Management	Albuquerque Housing Authority (AHA)		YEAR BUILT (AR)		LIHTC ALLOC	4% or 9%
Developer	Albuquerque Housing Authority (AHA)		1972		\$ 954,720	9%
			NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments			
TCAP GRANT INFORMATION			NUMBER OF TCAP UNITS:			54
Funds Available as of:	04/30/22	\$1,100,00 (2020 LIHTC project set-aside)				
	MFA Guidelines	Grant Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	No Maximum	\$600,000				
Rates	0%	0%	Grant			
Loan Fees	N/A	N/A	Grant			
Maximum Loan Term	15 years	15 years	Grant (no repayment over 15 year term)			
Loan Amortization	N/A	N/A	Grant			
Lien Position	N/A	N/A	Grant			
Affordability Requirements	Min 15 years, Max 80% AMI	15 years, 54 units at 80% AMI	Must adhere to unit set-asides and extended use period stated in LIHTC application			
DSCR	1.2 to 1.4 to 1.0 on all must pay debt	Within guidelines from year 1-10, slightly above guidelines from year 11-15.	1.26 in year 1 to 1.47 in year 15			
Scoring Criteria	N/A	N/A				

TOTAL DEVELOPMENT COST INFORMATION SUMMARY				
Project:	Broadway McKnight	Total	% TDC	Cost/GSF*
Acquisition Costs (land, building acquisition, & other acquisition costs)		\$ 900,000	5%	\$ 15.28
Construction Hard Costs		\$ 10,595,980	59%	\$ 179.85
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)		\$ 3,100,611	17%	\$ 52.63
Professional Services/Fees (architect, engineer, real estate legal, etc)		\$ 700,759	4%	\$ 11.89
Construction Financing Costs (interest, insurance, inspections, fees, etc)		\$ 906,068	5%	\$ 15.38
Permanent Financing Costs (fees, title/recording, etc)		\$ 141,250	1%	\$ 2.40
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)		\$ 230,291	1%	\$ 3.91
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)		\$ 40,000	0%	\$ 0.68
Reserves (rent-up, operating, replacement, escrows, etc)		\$ 250,000	1%	\$ 4.24
Developer Fees (inc consultant fees)		\$ 1,134,000	6%	\$ 19.25
Total Development Costs (TDC)		\$ 17,998,959	100%	\$ 305.50
TDC w/o Land, Reserves & Commercial		\$ 16,848,959	94%	\$ 285.98

*Gross square footage: 58,917

CONSTRUCTION SOURCES				
Project:	Broadway McKnight	Total	% of Total	Per Unit
Construct. Lender - 1st Lien	US Bank	\$ 11,084,393	61.6%	\$ 205,267
2nd Lien holder	GP Cash Flow Loan	\$ 3,500,000	19.4%	\$ 64,815
3rd Lien holder	National Housing Trust Fund (NHTF)	\$ 247,438	1.4%	\$ 4,582
4th Lien holder	AHA Seller Note	\$ 900,000	5.0%	\$ 16,667
Deferred Developer Fee	AHA	\$ 1,134,000	6.3%	\$ 21,000
LIHTC Equity	The Richman Group - paid in during constr. period	\$ 883,028	4.9%	\$ 16,352
Other source	Deferred Reserves	\$ 250,000	1.4%	\$ 4,630
Other source	GP Equity	\$ 100	0.0%	\$ 2
Total Construction Sources		\$ 17,998,959	100.0%	\$ 333,314

Check TDC in Development Cost Budget

PERMANENT SOURCES				
Project:	Broadway McKnight	Total	% of Total	Per Unit
Perm Lender - 1st Lien	RMCRC	\$ 3,673,380	20.4%	\$ 68,026
2nd Lien holder	GP Cash Flow Loan	\$ 3,500,000	19.4%	\$ 64,815
3rd Lien holder	National Housing Trust Fund (NHTF)	\$ 400,000	2.2%	\$ 7,407
4th Lien holder	AHA Seller Note	\$ 900,000	5.0%	\$ 16,667
LIHTC Equity	The Richman Group	\$ 8,830,277	49.1%	\$ 163,524
Other source	GP Equity	\$ 100	0.0%	\$ 2
Deferred Developer Fee	AHA	\$ 95,202	0.5%	\$ 1,763
Other source	TCAP Grant	\$ 600,000	3.3%	\$ 11,111
Total Permanent Sources		\$ 17,998,959	100.0%	\$ 333,314

Appendix A: Development Cost Budget		
Broadway McKnight	Gross Sq. Footage:	58,917
Albuquerque, NM	TOTAL COST	COST/GSF
ACQUISITION COSTS		
Land Acquisition	\$ 900,000	\$ 15.28
Building Acquisition		\$ -
Other		\$ -
SUBTOTAL	\$ 900,000	\$ 15.28
CONSTRUCTION HARD COSTS		
Demolition	\$ 376,258	\$ 6.39
Accessory Structures	\$ -	\$ -
Site Construction	\$ 1,197,039	\$ 20.32
Buildings and Structures	\$ 8,916,515	\$ 151.34
Off-Site Improvements	\$ -	\$ -
Other Costs:	\$ 106,168	\$ 1.80
SUBTOTAL	\$ 10,595,980	\$ 179.85
OTHER CONSTRUCTION COSTS		
Contractor Overhead	\$ 211,920	\$ 3.60
Contractor Profit	\$ 423,839	\$ 7.19
General Requirements	\$ 635,759	\$ 10.79
Construction Contingency	\$ 802,064	\$ 13.61
Gross Receipts Tax (GRT)	\$ 952,029	\$ 16.16
Landscaping		\$ -
Furniture, Fixtures, & Equipment	\$ 75,000	\$ 1.27
Other: Permit Fees		\$ -
SUBTOTAL	\$ 3,100,611	\$ 52.63
PROFESSIONAL SERVICES/FEEs		
Architect (Design)	\$ 673,759	\$ 11.44
Architect (Supervision)		\$ -
Attorney (Real Estate)		\$ -
Engineer/Survey	\$ 27,000	\$ 0.46
Other: HERS Rater		\$ -
SUBTOTAL	\$ 700,759	\$ 11.89
CONSTRUCTION FINANCING		
Hazard Insurance	\$ 80,906	\$ 1.37
Liability Insurance	\$ 95,364	\$ 1.62
Performance Bond	\$ 126,398	\$ 2.15
Interest	\$ 340,000	\$ 5.77
Origination\Discount Points	\$ 111,000	\$ 1.88
Credit Enhancement		\$ -
Inspection Fees	\$ 22,400	\$ 0.38
Title and Recording	\$ 30,000	\$ 0.51
Legal	\$ 50,000	\$ 0.85
Taxes		\$ -
Other: Builder's Risk Insurance	\$ 50,000	\$ 0.85
SUBTOTAL	\$ 906,068	\$ 15.38

Project: Broadway McKnight		
PERMANENT FINANCING COSTS		
Bond Premium	\$ -	\$ -
Credit Report	\$ -	\$ -
Origination\Discount Points	\$ 36,250	\$ 0.62
Credit Enhancement		\$ -
Title and Recording	\$ 30,000	\$ 0.51
Legal	\$ 75,000	\$ 1.27
Pre-Paid MIP		\$ -
Reserves and Escrows		\$ -
Other: Misc. permanent loan costs		\$ -
SUBTOTAL	\$ 141,250	\$ 2.40
SOFT COSTS		
Market Study	\$ 5,800	\$ 0.10
Environmental	\$ 50,000	\$ 0.85
Tax Credit Fees	\$ 75,491	\$ 1.28
Appraisal	\$ 6,000	\$ 0.10
Hard Relocation Costs	\$ 60,000	\$ 1.02
Accounting/Cost Certification	\$ 8,000	\$ 0.14
Other: Soft Cost Contingency	\$ 25,000	\$ 0.42
SUBTOTAL	\$ 230,291	\$ 3.91
SYNDICATION		
Organization	\$ 25,000	\$ 0.42
Bridge Loan		\$ -
Tax Opinion	\$ 15,000	\$ 0.25
Other:	\$ -	\$ -
SUBTOTAL	\$ 40,000	\$ 0.68
TDC before Dev. Fees & Reserves	\$ 16,614,959	\$ 282.01
RESERVES		
Rent Up	\$ -	\$ -
Operating	\$ 250,000	\$ 4.24
Replacement (inc. only if capitalized)		\$ -
Escrows/Working Capital	\$ -	\$ -
Other: Reserve for Social Services	\$ -	\$ -
SUBTOTAL	\$ 250,000	\$ 4.24
DEVELOPER FEES		
Developer Fee	\$ 1,134,000	\$ 19.25
Consultant Fee	\$ -	\$ -
Relocation Consultant	\$ -	\$ -
SUBTOTAL	\$ 1,134,000	\$ 19.25
Total Development Cost (TDC)	\$ 17,998,959	\$ 305.50
TDC w/o Land, Reserves & Commercial	\$ 16,848,959	\$ 285.98

Tab 9

**FIRST MODIFICATION
2021 HOME Loan Request
Belen Vista**

HOME Loan	As approved	This Request
Borrower	To-be-formed Limited Liability Partnership (LLLP)	Unchanged
Loan Amount	HOME CHDO: \$400,000	HOME CHDO: \$1,000,000
Term	24-month Const. term/40-year Permanent term	Unchanged
Amortization	80-year amortization, annual payment of \$5,000	80-year amortization, annual payment of \$12,500
Fee	None	Unchanged
Affordability Period	<p>Two 1-bedroom apartment and One 2-bedroom apartments for households at or below 60% AMI and restricted to High HOME rents,</p> <p>The affordability period is 40 years: 15 years as required by HOME rehabilitation standards and 25 years for MFA's extended affordability period (i.e. in concurrence with the loan term). The affordability period starts on the date of acceptance by HUD of a final HOME project completion report and ends 40 years later.</p>	<p>Five HOME units consisting of: Two 1-bedroom apartments, and Two 2-bedroom apartment for households at or below 60% AMI and restricted to High HOME rents and one 1-bedroom for households earning at or below 50% and restricted to Low HOME rents for which a Land Use Restriction Agreement (LURA) will be filed in Sandoval County. The affordability period is 40 years: 15 years as required by HOME rules standards and 25 years for MFA's extended affordability period (i.e., in concurrence with the loan term). The affordability period starts on the date of acceptance by HUD of a final HOME project completion report and ends 40 years later.</p>
Interest Rate	0%	Unchanged

FIRST MODIFICATION
2021 HOME Loan Request
Belen Vista

Repayment & Disbursement	<p><u>Payments:</u> No payments during the construction period, which is not to exceed 24 months; 479 equal principal and interest payments, based upon an 80-year amortization, during the permanent loan period. Outstanding Principal due at the earlier of maturity, refinance or sale of the project.</p> <p><u>Disbursement:</u> Allow three draws, one at construction closing, one during the construction period, and final disbursement upon submission of a HUD project completion report.</p>	Unchanged
Acquisition Construction Professional Financing Costs Syndication Soft Costs Reserves Developer Fee Total Development Costs:	\$3,306,120 \$4,311,011 \$343,285 \$1,154,546 \$0 \$774,175 \$252,257 \$1,081,926 \$ 10,912,535	\$3,306,120 \$7,709,547 \$343,285 \$862,101 \$0 \$707,018 \$293,826 \$1,081,926 \$14,303,823
Key Bank RMRC USDA Loan MFA HOME MFA NHTF Transferred Reserves Differed Costs Deferred Developer Fee LIHTC Equity Total Construction Sources:	\$6,045,019 N/A \$1,346,433 360,000 \$360,000 \$677,320 \$252,257 \$831,926 \$1,039,580 \$10,912,535	\$8,725,799 N/A \$1,346,433 \$900,000 \$360,000 \$677,320 \$463,818 \$480,705 \$1,349,748 \$14,303,823
Key Bank RMRC USDA Loan MFA HOME MFA NHTF	N/A \$793,000 \$1,346,433 \$400,000 \$400,000	N/A \$1,462,000 \$1,346,433 \$1,000,000 \$400,000

FIRST MODIFICATION
2021 HOME Loan Request
Belen Vista

Transferred Reserves	\$677,320	\$677,320
Differed Costs	N/A	N/A
Deferred Developer Fee	\$365,252	\$419,747
<u>LIHTC Equity</u>	<u>\$6,930,530</u>	<u>\$8,998,323</u>
Total Permanent Sources:	\$10,912,535	\$14,303,823
Collateral	3rd position mortgage on the subject 57-unit apartment complex located in Belen, Valencia County, NM	Unchanged

Background

2021 LIHTC AWARD

The project is a recipient of A 2021 9% LIHTC award, and, along with the LIHTC, MFA's Board of Directors also awarded the project a \$400,000 National Housing Trust Fund (NHTF) loan and a \$400,000 MFA HOME CHDO loan on May 19, 2021.

Belen Vista Apartments project involves the acquisition and rehabilitation of an existing 57-unit multifamily project serving households with children. The project will have 4 one-bedroom units set aside on a priority basis for the disabled, 26 one-bedroom units set aside with priority for the elderly (62+) and 27 two-bedroom units are reserved for individuals and families. Four of the units are income restricted to households earning 30% or less of Area Median Income (AMI). Twenty-eight of the units are income-restricted to households earning 50% or less of AMI. Twenty-four units are income restricted to households earning 60% or less of AMI. One unit is a non-income-producing manager's unit.

This Request

The HOME CHDO loan for Belen Vista was approved along with the 9% LIHTC award on May 19th, 2021. The loan that was approved fell below the current loan limits which is \$1,000,000 in HOME CHDO for a 9% LIHTC project. Since the Board approval on May 19, 2021, the borrower received multiple updated construction cost estimates exceeding initial expectations by over \$3,000,000, putting the project in jeopardy of becoming infeasible. After value engineering the design and materials, the total development cost remains \$3.4 million over initial estimates. The Borrower's non-profit partner, CC Housing, Inc., has since applied, and been approved, as a Community Housing Development Organization (CHDO). The CHDO designation allows for a maximum \$1,000,000 HOME loan. Citing the unprecedented disruption to the construction supply chain due to COVID-19, the borrower has submitted a request for:

A HOME loan increase in the amount of \$600,000 to meet the maximum HOME CHDO loan limit for 9% projects. This will increase the initial \$400,000 award to \$1,000,000.

Analysis

The Belen Vista project has experienced construction cost overruns and is now only feasible with additional funding at a 0% interest rate. The Borrower's non-Profit partner, CC Housing, Inc. applied as a Community Housing Development Organization (CHDO). The CHDO application was approved by

FIRST MODIFICATION 2021 HOME Loan Request Belen Vista

MFA on November 19, 2021. With the additional funding request for HOME funds, the amount of HOME units will increase from 3 units to 5 units. The Debt Service Coverage Ratio (DSCR) on all hard debt is projected to begin at 1.21 to 1:00 in year one and improves to 1.29 to 1.00 by year 15. This range falls within MFA's underwriting standards of 1.20-1.40 to 1.00. The first mortgage loan is assumed to be at a 5.94% interest rate, 5.44% from the first mortgage letter of interest (LOI) adjusted upwards by 50 basis points for underwriting.

Currently, 39% (i.e., \$419,747 of the \$1,081,826) of the developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that project cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Lender projections indicate that the Subject would fully repay the deferred developer fee by the end of the 10th year.

Recommendation

Staff believes the borrower has made good faith efforts in value engineering the project by making plans to purchase supplies in bulk when appropriate. Additionally, the dramatic increase in construction costs and the delays in the supply chain has been observed nearly universally for other 2021 9% LIHTC projects. Based on extensive underwriting analysis, staff recommends approval of the HOME CHDO loan modification request for the project to remain feasible. Staff projects that, with the approval of this loan modification, the project will achieve a debt service coverage ratio (DSCR) of 1.21 in year one, and improve to 1.29 in year 15, resulting in a DSCR that falls within MFA's underwriting guidelines. The additional funding improves the financial feasibility of the project, and the additional funding will increase the amount of HOME units from 3 to 5 units.

Recommend: _____
 Jacobo Martinez, Development Loan Manager, Team Lead

Concur: _____
 George Maestas, Director of Housing Development

Approve: _____ Date: 5/26/2022
 Jeff Payne, Chief Lending Officer

Tab 10

**FIRST MODIFICATION
2021 HOME Loan Request
Mariposa Apartments**

HOME Loan	As approved	This Request
Borrower	A to-be-formed New Mexico limited liability limited partnership (LLLLP)	Unchanged
Loan Amount	HOME Rental: \$400,000 permanent	HOME CHDO: \$1,000,000 permanent
Term	24-month Const. term/40-year Permanent term	Unchanged
Amortization	80 years, annual payments of \$5,000	80 years, annual payments of \$12,500
Fee	None	Unchanged
Affordability Requirements	<p>Two 2-bedroom units for households at or below 60% AMI and restricted to High HOME rents, for which a land Use Restriction Agreement (LURA) will be filed in Taos County. The affordability period is 40 years: 15 years as required by HOME rehabilitation standards and 25 years for MFA's extended affordability period (i.e., in concurrence with the loan term). The affordability period starts on the date of acceptance by HUD of a final HOME project completion report and ends 40 years later.</p>	<p>Five HOME units consisting of: One 2-bedroom unit for households at or below 50% AMI and restricted to Low HOME rents, one 1-bedroom, 2 two-bedroom and one 3-bedroom at or below 60% AMI and restricted to High HOME rents, for which a Land Use Restriction Agreement (LURA) will be filed in Taos County. The affordability period is 40 years: 15 years as required by HOME rehabilitation standards and 25 years for MFA's extended affordability period (i.e., in concurrence with the loan term). The affordability period starts on the date of acceptance by HUD of a final HOME project completion report and ends 40 years later.</p>
Interest Rate	0%	Unchanged
Repayment & Disbursement	<p><u>Payments:</u> No payments during the construction period, which is not to exceed 24 months; thereafter 479 equal principal and interest payments, based upon an 80-year amortization, with a final payment of all unpaid principal due at maturity. All outstanding principal due at the earlier of maturity, refinance or sale of the project.</p>	Unchanged

FIRST MODIFICATION
2021 HOME Loan Request
Mariposa Apartments

	<u>Disbursement:</u> Allow three draws, one at construction closing, one during construction period, and final disbursement upon submission of a HUD project completion report.	
Acquisition	\$2,545,426	\$2,657,064
Construction	\$4,396,752	\$7,000,891
Other Construction Costs	\$1,758,742	\$2,806,286
Professional	\$290,160	\$396,553
Construction Financing Costs	\$600,534	\$825,062
Permanent Financing Costs	\$32,500	\$25,500
Soft Costs	\$620,429	\$675,753
Reserves	\$226,645	\$357,607
<u>Developer Fee</u>	<u>\$1,197,000</u>	<u>\$1,197,000</u>
Total Development Costs:	\$11,668,188	\$15,948,716
Rocky Mountain	\$6,737,628	\$10,367,783
USDA Assumed Loan	\$1,451,455	\$1,408,955
MFA HOME	\$360,000	\$900,000
MFA NHTF	\$360,000	\$360,000
Deferred During Construction	\$226,645	384,811
Transfer of Reserves	\$492,826	\$569,954
Deferred Developer Fee	\$957,422	\$911,094
<u>LIHTC Equity</u>	<u>\$1,082,192</u>	<u>\$1,046,119</u>
Total Construction Sources:	\$11,668,188	\$15,948,716
Permanent Lender	(Rocky Mountain CRC) \$1,350,000	(Key Bank) \$4,641,000
USDA Assumed Loan	\$1,451,455	\$1,408,955
MFA HOME	\$400,000	\$1,000,000
MFA NHTF	\$400,000	\$400,000
Deferred During Construction	N/A	\$384,811
Transfer of Reserves	\$492,826	\$569,954
Deferred Dev Fee	\$359,293	\$569,869
<u>LIHTC Equity</u>	<u>\$7,214,614</u>	<u>\$6,974,127</u>
Total Permanent Sources:	\$11,668,188	\$15,948,716
Collateral	3 rd position mortgage on the subject 57-unit apartment complex located in Taos, Taos County, NM	Unchanged

Background

FIRST MODIFICATION 2021 HOME Loan Request Mariposa Apartments

2021 LIHTC AWARD

The project is a recipient of a 2021 9% LIHTC award, and, along with the LIHTC, MFA's Board of Directors also awarded the project a \$400,000 National Housing Trust Fund (NHTF) loan and a \$400,000 HOME Investment Partnerships Program (HOME) loan.

Mariposa Apartments is a 58-unit acquisition and rehabilitation project currently consisting of 52 units situated within four two-story residential buildings. The project also includes the new construction of a fifth residential building for 6 additional three-bedroom units, the construction of a storage/maintenance area, and the demolition and construction of a community building. After construction is complete the apartment community will have a total of 58 residential units. Mariposa will restrict 22 units for households earning at or below 60% area median income (AMI), 30 units for households earning at or below 50% AMI, and 5 units for households earning at or below 30% AMI. One unit is a non-revenue producing management unit. Mariposa is currently 100% occupied with a two-year waitlist. Housing priority and design requirements will meet MFA's LIHTC project selection criteria for households with children.

This Request

The HOME loan for Mariposa Apartments was approved along with the 9% LIHTC award on May 19th, 2021. The loan was approved at the current loan limits for a HOME rental loan which is \$400,000 for a non-CHDO with a 9% LIHTC project. Since the Board approval on May 19, 2021, the borrower received multiple updated construction cost estimates exceeding initial expectations by over \$4,000,000, putting the project in jeopardy of becoming infeasible. After value engineering the design and materials, the total development cost remains \$4.2 million over initial estimates. The Borrower's, non-Profit partner, CC Housing, Inc. has since applied, and has been approved, as a Community Housing Development Organization (CHDO). The CHDO designation allows for a \$1,000,000 dollar request in HOME funds. Citing the unprecedented disruption to the construction supply chain due to COVID-19, the borrower has submitted a request for a HOME loan increase in the amount of \$600,000 to meet the maximum HOME CHDO loan limit for 9% projects. This will increase the initial \$400,000 award to \$1,000,000.

Analysis

The Mariposa project has experienced construction-cost overruns and is now only feasible with additional funding at a 0% interest rate. The Borrower's nonprofit partner, CC Housing, Inc. applied as a Community Housing Development Organization (CHDO). The CHDO application was approved by MFA on November 19, 2021. With the additional request for HOME funds, the amount of HOME units will increase from 3 units to 5 units. The Debt Service Coverage Ratio (DSCR) on all hard debt is projected to begin at 1.20 : 1.00 in year 1 and increases to 1.45 : 1.00 by year 15. This range falls just outside of MFA's underwriting standards of 1.20 to 1.40 : 1.00 for the final three years of the proforma. The first mortgage loan is assumed to be at a 5.94% interest rate (5.44% from the first mortgage lender's letter of interest (LOI), adjusted upwards by 50 basis points for underwriting).


Currently, 48% (i.e., \$569,869 of the \$1,197,000) of the developer fee will be deferred. Generally, a deferral in fee could be used to replace a portion of the first mortgage loan and would mitigate any possible interest rate risk that may occur between commitment and inception of the permanent loan. Deferral of the developer fee is usually allowable by the investor, provided that project cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance period. Lender projections indicate that the Subject would fully repay the deferred developer fee by the end of the 7th year.


Recommendation

**FIRST MODIFICATION
2021 HOME Loan Request
Mariposa Apartments**

Staff believes the borrower has made good faith efforts in value engineering the project by making plans to purchase supplies in bulk when appropriate. Additionally, the dramatic increase in construction costs and the delays in the supply chain has been observed nearly universally for other 2021 9% LIHTC projects. Based on extensive underwriting analysis, staff recommend approval of the HOME CHDO loan modification requests for the project to remain feasible.

Recommend: 
Sharlynn Rosales, Program Specialist

Concur: 
George Maestas, Director of Housing Development

Approve:  Date: May 25, 2022
Jeff Payne, Chief Lending Officer

Tab 11



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting

Tuesday June 7, 2022 at 1:30 p.m.

Webex - call-in information is 1-844-992-4726 (access code): 2488 553 2359
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 401K Restatement Plan (Dolores Wood)	3-Ø	
<u>Agenda</u>		YES
2 2024-2028 State of New Mexico Infrastructure Capital Improvement Plan (ICIP) (Sonja Unrau)	3-Ø	
3 Proposed changes to the FirstDown Payment Assistance Program (René Acuña)	3-Ø	YES
4 Revised Delegations of Authority (Julie Halbig)	3-Ø	YES
<u>Information items</u>		NO
5 April 2022 Wire Transfers	✓	
6 April 2022 Check Register	✓	NO
7 NCSHA Disclosure	✓	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

Z. Hernandez



MEMO

TO: MFA Board of Directors

Through: Financial Services Committee on June 7, 2022

Through: Policy Committee on May 31, 2022

FROM: Sonja Unrau & Rebecca Velarde

DATE: June 15, 2022

SUBJECT: 2024-2028 Infrastructure and Capital Improvement Plan Approval

ATTACHMENTS: 2024-2028 Infrastructure and Capital Improvement Plan

Recommendation

Staff recommend Board of Directors approval of MFA's 2024-2028 Infrastructure and Capital Improvement Plan (ICIP), which includes \$10,000,000 for the New Mexico Housing Trust Fund (HTF) for state fiscal year (FY) 2024.

Background

The ICIP is a planning exercise required by the State of New Mexico for all entities seeking capital outlay appropriations. Each year since 2018 MFA has completed its ICIP based on its anticipated legislative agenda for the coming year.

Discussion

MFA's entry for its 2024-2028 ICIP includes \$10 million for the HTF in FY 2024. MFA intends to use this funding for capital projects such as rental housing development, single family rehab-resale, and weatherization. This resource is necessary to fill financing gaps between FYs 2023 and 2024 (when the HTF reoccurring funding will become accessible) and address the impact of increased construction cost.

Summary

Staff recommend Board of Directors approval of MFA's 2024-2028 ICIP.

Infrastructure Capital Improvement Plan FY2024-2028

ICIP Capital Project Description

Year/Rank 2024 001 **Priority:** High **ID:**30500

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

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

Total project cost: 77,980,320 **Proposed project start date:** July 2023

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

Legislative Language: \$10 million in capital outlay funds for NM Mortgage Finance Authority (MFA) to acquire, build, rehabilitate, weatherize, and furnish affordable housing and provide energy-efficient improvements for low-income households statewide, pursuant to the New Mexico Housing Trust Fund Act and the Affordable Housing Act.

Scope of Work: NM Housing Trust Fund (HTF) awards are made to developers to finance aquisition, construction and/or rehabilitation of affordable homes and to service providers to make weatherization and energy-efficiency improvements for low-income households. 10 million in capital outlay funding is expected to build, rehabilitate, weatherize and provide energy-efficiency improvements for approximately 1,100 low-income households (when combined with matching funds). Matching funds consist of federal tax credits, federal grants and MFA's own resources that MFA receives or budgets for annually (FY of Oct-Sep) for this purpose. Pursuant to the New Mexico Housing Trust Fund Act (NMSA 1978 Section 58-18C-1), MFA oversees the Housing Trust Fund and the NM Housing Trust Fund advisory committee makes award recommendations to the MFA board of directors. Awards for specific projects are made after funding is received; therefore, project-specific costs, details and locations are not provided in this request. To date, the NM Housing Trust Fund has been used to finance over 4,532 homes. As of January 2022 the state's investment of \$22.05 million in HTF has been leveraged 31 to 1 with other funding sources.

Secured and Potential Funding Budget:

State Grant Funding should only be requested when all other funding sources have been exhausted if entity is providing matching funds, i.e. Federal, Local Taxes, Fees, NM Finance Authority Loans (NMFA), Tribal Infrastructure Fund (TIF), Water Trust Board (WTB), Public School Facility Authority (PSFA), Colonia's Infrastructure Board (CIB), etc.

Please complete table below with all secured and potential funding sources.

Funding Source(s)	Funding Amount	Applied For? Yes or No	Amount Secured	Amt Expended to Date	Date(s) Received	Comment
OTHER	5,500,000	No	5,500,000	0	2022	LIHTC
FGRANT	5,975,945	No	5,975,945	0	2022	HOME
FGRANT	3,521,165	No	3,521,165	0	2022	NHTF
FGRANT	9,442,536	No	9,442,536	0	2022	Department of Energy (DOE)
CAP	9,000,000	No	9,000,000	0	2022	NMHTF
OTHER	1,900,000	No	1,900,000	0	2022	NM Gas/PNM
FGRANT	25,000,000	No	25,000,000	0	2022	SLFRF
FGRANT	7,640,668	No	7,640,668	0	2022	HOME-ARP
TOTALS	67,980,320		67,980,320	0		

Infrastructure Capital Improvement Plan FY2024-2028

Project Budget - Complete the Budget below. Only include unfunded or unsecured funds under each project year. Note: Funded to Date column must equal the amounts listed above here.								
	Completed	Funded to Date	Estimated Costs Not Yet Funded					Total Project Cost
			2024	2025	2026	2027	2028	
Water Rights	No	0	0	0	0	0	0	0
Easements and Rights of Way	No	0	0	0	0	0	0	0
Acquisition	No	0	0	0	0	0	0	0
Archaeological Studies	No	0	0	0	0	0	0	0
Environmental Studies	No	0	0	0	0	0	0	0
Planning	No	0	0	0	0	0	0	0
Design (Engr./Arch.)	No	0	0	0	0	0	0	0
Construction	Yes	67,980,320	10,000,000	0	0	0	0	77,980,320
Furnish/Equip/Vehicles	No	0	0	0	0	0	0	0
TOTALS		67,980,320	10,000,000	0	0	0	0	77,980,320
Amount Not Yet Funded		10,000,000						

PHASING BUDGET

Can this project be phased? No

Phasing: Stand Alone: Yes Multi-Phased: No

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

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

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

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

Infrastructure Capital Improvement Plan FY2024-2028

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

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

Does the project lower operating costs?

Yes

If yes, please explain and provide estimates of operating savings

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

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

Entities who will assume the following responsibilities for this project:

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

More detailed information on project.

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

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

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

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

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

Infrastructure Capital Improvement Plan FY2024-2028

(e) Are there oversight mechanisms built in that would ensure timely construction and completion of the project on budget?

Yes

Please explain. MFA monitors and verifies all project milestones and completed units before dispersing funds for reimbursement.

(f) Other than the temporary construction jobs associated with the project, does the project maintain or advance the region's economy?

Yes

If yes, please explain. Affordable housing revitalizes neighborhoods, stabilizes families and improves health and education outcomes for low-income persons.

(g) Does the project benefit all citizens within a recognized region, district or political subdivision?

No

If yes, please explain and provide the number of people that will benefit from the project.

The project benefits low-income persons as defined by other program funds.

(h) Does the project eliminate a risk or hazard to public health and/or safety that immediately endangers occupants of the premises such that corrective action is urgent and unavoidable? Emergencies must be documented by a Subject Matter Expert.

No

If yes, please explain. (If mandatory, provide Summary Page of the Federal, State or Judiciary Agency who issued the mandate.)

Contact Phone

Tab 12



MEMO

TO: MFA Board of Directors

Through: Finance Committee – June 7, 2022

Through: Policy Committee – May 31, 2022

FROM: Rene Acuna, Director of Homeownership

DATE: June 15, 2022

SUBJECT: Updates to First-time Homebuyer Down Payment Assistance Amounts and Borrower Contribution Requirement.

Recommendation

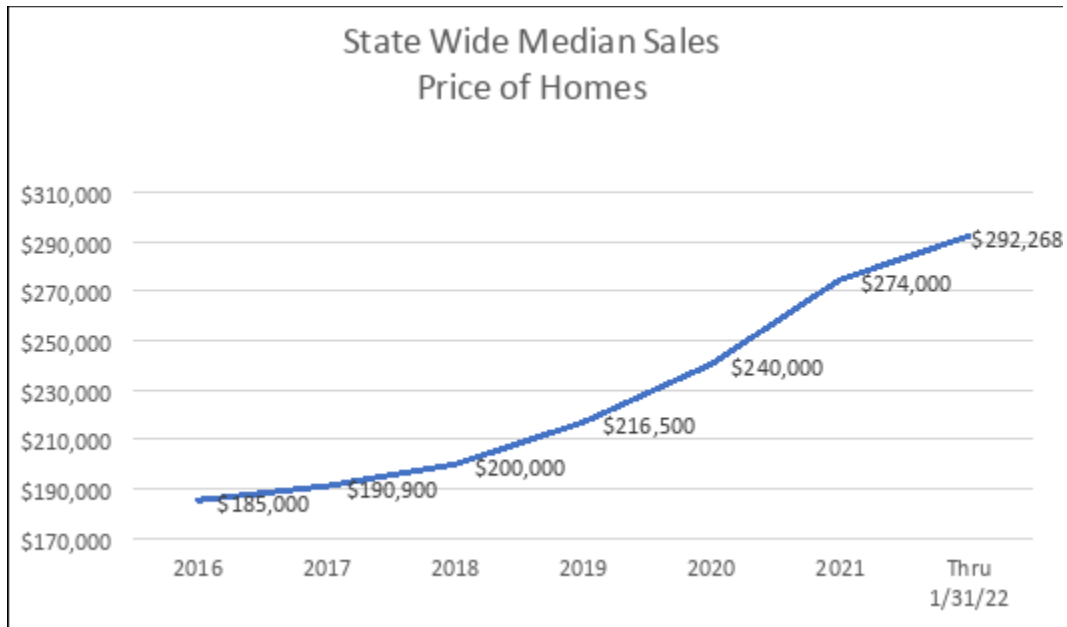
Staff recommends approval of policy changes for the FirstDown single family down payment assistance (DPA) program including:

1. FirstDown DPA second mortgage loan amount not to exceed 6 percent (6%) of the purchase price. All appropriations to DPA will remain subject to board approval.
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. Finally, the requirement for borrowers to utilize at least \$500 of their own funds toward down payment or closing costs would be eliminated for all single-family programs.

Background

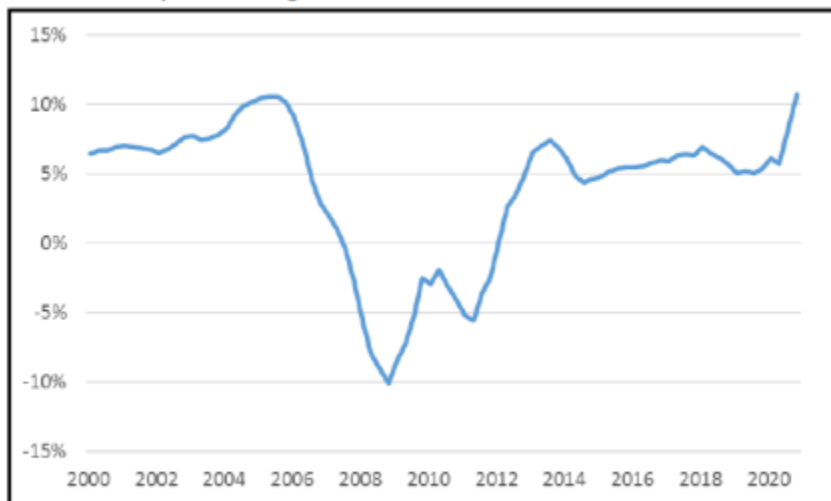
The state continues to observe an increasing trend in the median home sales price. The increasing cost to purchase a home is associated with the continued compression in housing supply coupled with a rising interest rate environment.

The Statewide Median Sales Price trend chart below was compiled from data published by the New Mexico Association of Realtors. The data reflects the steady increase in home prices within the state which also aligns with what occurred on a national level.



On a national level housing prices remained strong despite the uncertainty that erupted during the onset of the COVID-19 global pandemic. As shown below, nominal housing prices have steadily grown across the nation since the 2008 housing crisis and recession.

Nominal Housing Prices Year-over-year change



Source: Federal Housing Finance Agency, House Price Indexes, Seasonally Adjusted Purchase-Only Index.

MFA's current offering of a maximum \$8,000 in down payment and closing cost assistance is no longer enough to cover a 3.5% down payment, 0.5% origination fee and 2.5% in closing costs for the current average home price in New Mexico. The continuing rise in housing costs resulted in borrowers contributing more of their own funds into the purchase transaction. Adding additional stress to homebuyers, the Greater Albuquerque Association of Realtors reported that sellers are receiving offers in excess of listed asking prices.

The proposed \$35,000 DPA maximum would also provide staff the flexibility to combine our DPA assistance with external funding sources and develop programs that fit our diverse state's needs. For example, staff is exploring the option of allowing a borrower to take advantage of both the FirstDown and HomeNow DPA programs. This has the potential to provide borrowers with incomes at or below 80% Area Median Income (AMI) with up to \$35,000 in DPA from MFA using both programs. Some examples:

Purchase Price	FirstHome 6% DPA	HomeNow	ARPA FRF Grant	Total Assistance	
\$ 440,480	\$ 26,429			\$ 26,429	Los Alamos
\$ 271,000		\$ 7,000	\$ 25,000	\$ 32,000	Taos
\$ 295,000	\$ 17,700	\$ 7,000		\$ 24,700	Santa Fe

CSG Advisors' analysis below shows the increasing trend of the borrower's cash contribution required to close. In FY 2021 the minimum borrower cash contribution needed after receiving MFA DPA average was \$3,740 or a \$2,079 (125%) increase from FY 2019. Staff recognized that the maximum amount of DPA provided was becoming inadequate. However, there was a high level of uncertainty about the impacts that COVID -19 would have on the housing market. We did not foresee the rapid increase in housing costs that we observed these past years.

MFA Borrower, Cash to Close



FY 2019		FY 2021 YTD	
Average Home Price (FY19):	\$151,073	Average Home Price (FY21YTD):	\$183,575
Required FHA Down Payment (3.5%):	5,288	Required FHA Down Payment (3.5%):	6,425
Origination Fee (0.5%):	729	Origination Fee (0.5%):	886
Addl Fees and Closing Costs (2.5%):	3,645*	Addl Fees and Closing Costs (2.5%):	4,429
Total Cash Needed:	9,661	Total Cash Needed:	11,740
Max. DPA Provided by MFA:	8,000	Max. DPA Provided by MFA:	8,000
Min. Borrower Cash Required:	\$1,661	Min. Borrower Cash Required:	\$3,740
Average Borrower Income:	\$48,277	Average Borrower Income:	\$58,177
Cash Req. as a % of Avg. Income:	3.44%	Cash Req. as a % of Avg. Income:	6.43%
		\$ Increase in Borrower Cash Required:	\$2,078
		% Increase in Borrower Cash Required:	125.1%
		% Increase in Cash Req as % of Income:	86.8%

* FY 21 YTD additional fees and closing costs % is shown. A homebuyer likely paid lower fees

and closing costs due to a less competitive market in FY19.

Down Payment Assistance Review

5

CSG | advisors

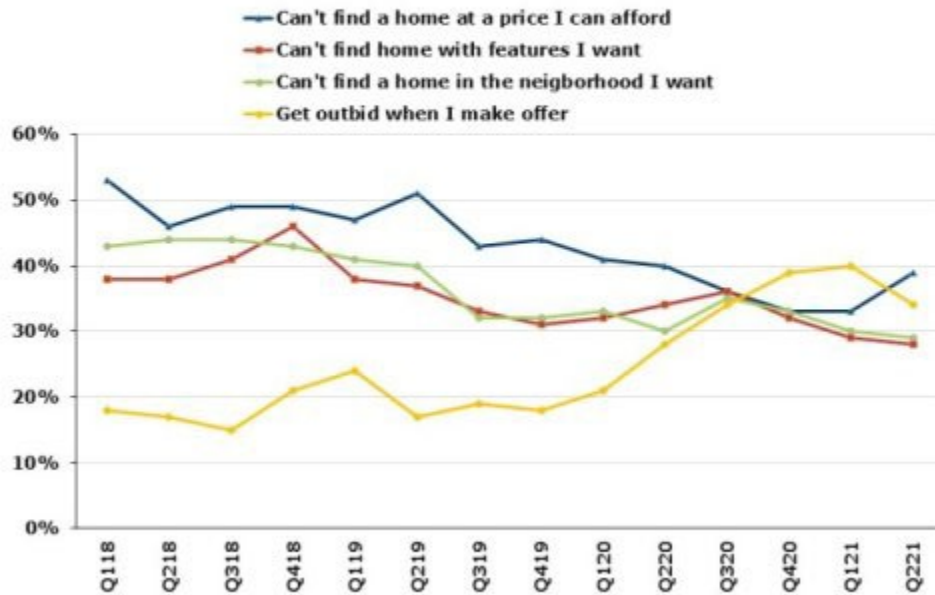
The table below, which is based on MFA's originations, further confirms the steady increase in the average DPA loan amount over the past several years.

	FY 2021	FY 2020	FY 2019	FY 2018
Average Sales Price	\$187,731	\$165,631	\$154,255	\$151,039
Average Loan Amount	\$183,444	\$164,428	\$149,784	\$147,613
Average Down Payment Asst Amount	\$7,281	\$6,675	\$6,534	\$6,102
Average Household Income	\$56,481	\$52,284	\$51,257	\$50,604
Average FICO score	683	673	683	679

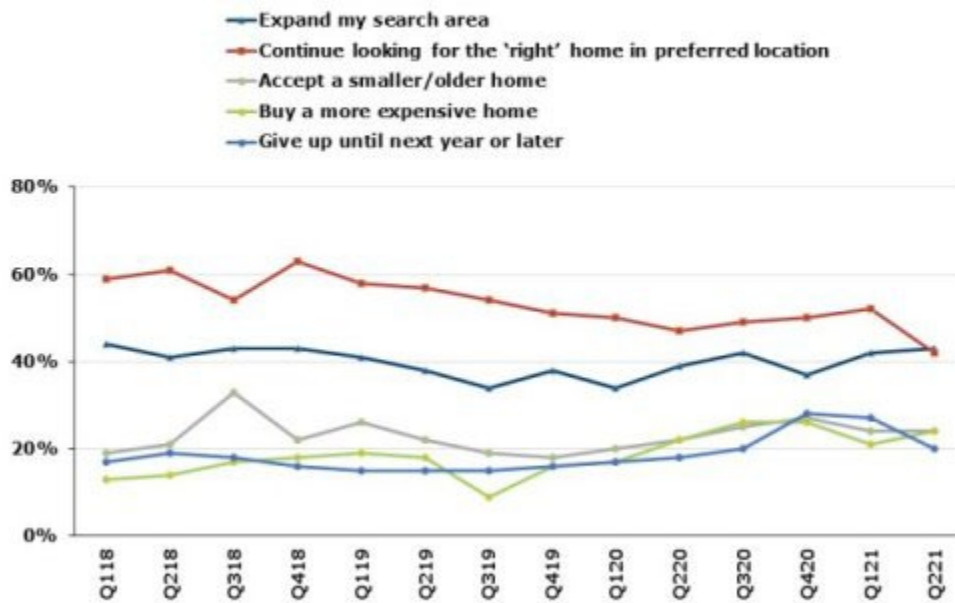
According to an August 2021 article published by the *National Association of Builders*, the primary two obstacles that homebuyers face in the current housing market is 1) being out bid or 2) being unable to locate a home in their price range as shown in the charts below.

The typical next steps for these homebuyers include continuing the search in the desired neighborhood hoping they locate a property in their price range and or expand their search area.

Reasons Active Buyers Have Been Unsuccessful Finding a Home to Buy for 3+ Months
(Percent of Active Home Buyers)



Next Steps if Still Unable to Find Home in Months Ahead
(Percent of Prospective Home Buyers Looking for 3+ Months)



As an organization, MFA is fortunate to have maintained a 30 percent or higher market utilization of FHA purchase money transactions. However, we are not without competition in the arena of DPA. Homewise, Chenoa Fund, as well as mortgage lenders and financial institutions are coming out with first-time homebuyer assistance programs in our state.

Each competitor brings forth various types of challenges and program variations. Presently Bank of America's program is receiving the most attention from our lending partners.

Discussion

The restructuring of FirstDown, first-time home buyer DPA, offered in conjunction with FirstHome loans, would better serve potential homebuyers in an environment of rapidly increasing home purchase prices. Presently FirstDown offers a dollar amount of assistance not to exceed \$8,000. Staff proposes changing this DPA offering to a percentage of the home purchase price, not to exceed 6 percent (6%). Staff also recommends establishing the maximum combined DPA provided by MFA for the FirstDown program not to exceed \$35,000 per home. DPA funds obtained from external sources from MFA such as local municipalities or other local housing authorities would not be included in this limit. These proposed changes are intended to give management flexibility to adjust the percentage of DPA offered to meet current needs within the constraints of funding levels.

It is important to note that the intent of the proposed increase to DPA is simply to change the program and policy. MFA's Finance Department with advice from our Financial Advisor will determine the appropriate percentage of DPA being offered at any given time based on available levels of funding. These proposed changes provide staff the flexibility to adapt and serve the community in volatile environments or as the market dictates. MFA's current expectations as to the expected amount of DPA to provide to borrowers is 4.0%, which increases the amount of down payment assistance provided, but in an amount that MFA can sustain into the future. All appropriations to the DPA programs will be presented to MFA's board of directors for approval. Staff will continue to provide the board with regular program updates.

Additionally, staff recommends eliminating the requirement that borrowers contribute \$500 of their own funds toward down payment or closing costs for all single-family programs. Staff's ability to document compliance with this requirement and reconcile cash movement within the transaction has become increasingly difficult and, in some cases, impossible. This validation slows down the financing process for MFA, the lender, and the seller but more importantly delays the borrowers transition into homeownership. The last housing crises led to substantial reform within the mortgage industry and much more strict underwriting. This includes requirements the lender must follow to assure that the borrowers have the capacity to repay the debt and documentation of the source(s) of down payment and closing cost funds.

Despite this policy change borrowers are still contributing funds into the loan transaction. Below is an example of both in a four and six percent DPA assistance scenario.

Assuming a purchase price of \$190,000 on an FHA loan.

- 3.5 percent down \$6,650
- 0.5 percent origination fee \$950
- 2.5 percent for closing costs \$4,750

Total cash need to close \$12,350

1. 4 percent down payment and closing cost assistance
 - a. $\$190,000 \times 0.04 = \$7,600$ MFA DPA loan. Borrower needs to bring \$4,750 to closing.
2. 6 percent down payment and closing cost assistance
 - a. $\$190,000 \times 0.06 = \$11,400$ MFA DPA loan, Borrower needs to bring \$950 to closing.

In the examples above, the borrowers contributed more than \$500 into the transaction.

Community Needs

The primary objective for recommending the program restructure to MFA's DPA centers on the premise of supporting affordable housing opportunities to New Mexicans of modest means. Presently 1 in 3 FHA purchase money transactions is financed through MFA's FirstHome program. MFA's DPA maximum assistance has not been updated since 2005. Until recently the \$8,000 DPA loan has served the needs of most homebuyers in our state. Considering the recent trend in increasing prices, the maximum amount of assistance needs to be increased in order to track with the housing market.

There are several documented studies highlighting the positive benefits that households gain from homeownership. The lengthy list includes a variety of health benefits, especially in school aged children as well as socioeconomic benefits. In May of this year the Congressional Research Service published a document on *The Housing Market* and its impact to the US economy. The article cited that the largest investment for most families is the purchase of a primary residence which also represents a significant portion of household net worth.

DPA Analysis Summary from CSG Advisors

CSG Advisors, MFA's Financial Advisor, completed a DPA Analysis to determine the feasibility and financial impacts for a 4, 4.5, 5, and 6 percent (4%, 4.5%, 5% and 6%) FirstDown DPA options. Based on their analysis, the shorter-term DPA second mortgage loans appear to be the most feasible with the least amount of financial impact. The financial impact as well as possible funding sources from CSG's DPA Analysis are summarized below.

Financial Impact

Based on its current FirstDown DPA loan limit of \$8,000, it is expected that during FY23–27, MFA could need up to \$19.7MM in funds above and beyond forecasted loan receipts from existing FirstDown DPA loans. Increasing the maximum DPA amount to 4.0 percent (4.0%) of assistance assuming 30-year loan terms could require up to \$30.8MM in funds during FY23-27, a \$11.1MM increase from its current policy. Furthermore, it is estimated that this level of assistance will be fully funded by FY 2033 with an estimated total cash requirement of \$39.8MM, \$19.7MM more than would be needed based on the current DPA limit.

Increasing the maximum DPA amount to 6% on a 30-year term would require \$61.6MM in total annual funding between 2023-2027, double the amount of funding needed at the 4% DPA limit. This level of assistance is estimated to be fully funded in 2034 with a total cash requirement of \$85.MM.

	Proposed Program Change Estimated Funding Required	Existing Program Projected Funding Needs (8K / 30Yr)	Additional Cash Required to Implement Proposed Program Change	Average Annual Cash Contribution
30Yr/4%	(\$30,843,663)	(\$19,707,977)	(\$11,135,686)	(\$2,227,137.20)
30Yr/5%	(\$48,683,621)	(\$19,707,977)	(\$28,975,644)	(\$5,795,128.80)
30Yr/6%	(\$61,651,825)	(\$19,707,977)	(\$41,943,848)	(\$8,388,769.60)

*The figures above assume annual FirstHome loan production of \$441MM in FY 2023, growing by 5% in FY 2024 and 2025, and 3% annually thereafter. Higher or lower production amounts will either increase or decrease the amount of funds needed to fund such related FirstDown DPA loans.

Although MFA has additional General Fund resources to fund some portion of increased down payment assistance, it is not expected to be able to provide all the funding required even at a 4% or 4.5% DPA loan limit. Therefore, it is crucial to apply additional financing sources as described below to fund FirstDown DPA loans.

Financing Sources

There are several sources of funding for MFA's Finance department to consider for the additional cash needed to support the increased FirstDown loan amounts, with the most prominent examples being:

1. Resources either from new state funding to the New Mexico Housing Trust Fund (NMHTF), MFA or resources indirectly made available through that funding
2. Excess General Fund liquidity (though limited as to the total amount that can be deployed)
3. Resources either from new state funding to MFA or resources indirectly made available through that funding
4. General Fund mortgage-backed securities which could be pledged to a taxable bond issue, the proceeds of which could be used to fund new FirstDown DPA loans
5. The creation and syndication of DPA loan participations to smaller financial institutions in need of mortgage loans or CRA credits.
6. Explore federal grant options
7. Create a new product with a fixed monetary allocation for the larger loan amount.

Ideally, the best financing option or combination of options would be those that are in addition to MFA's General Fund, such as the New Mexico Housing Trust Fund.

Summary

Staff recommends approval of policy changes for the FirstDown single family down payment assistance (DPA) program including:

1. FirstDown DPA second mortgage loan amount not to exceed 6 percent (6%) of the purchase price,
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.

Finally, the requirement for borrowers to utilize at least \$500 of their own funds toward down payment or closing costs would be eliminated for all single family programs.

“FIRSTDown” Program Policy

May 16, 2022

Program Description:

The FIRSTDown program (“FIRSTDown”) is a second mortgage loan that provides Down Payment and Closing Cost Assistance (“DPA”) for First-time homebuyers. FIRSTDown may only be combined with a FIRSTHome first mortgage loan. Qualification/eligibility guidelines vary, based on the size and location of the household. See FIRSTHome first mortgage program policy for eligibility and requirements.

Eligible Mortgage Lenders:

Mortgage Lenders must be approved by MFA (“Participating Lender”) to originate FIRSTDown program loans. Only Participating Lenders will be eligible to originate FIRSTDown program loans. A list of eligible Participating Lenders is published on the MFA website. (www.housingnm.org/homebuyers/find-a-participating-lender).

Availability of Funds:

FIRSTDown program funds are made available on a continuous basis and may be reserved in conjunction with a FIRSTHome program loan through an MFA approved participating lender.

FIRSTDown Fund Use:

FIRSTDown is available to homebuyers who obtain first mortgage loan financing through the FIRSTHome program. FIRSTDown may only be used to finance the minimum down payment and eligible closing costs. Eligible closing costs may include, but are not restricted to, “reasonable and customary” lender fees (underwriting, document preparation, processing, etc.), mortgage insurance premiums, pre-paid interest, property taxes, homeowners/flood insurance, title insurance policies/premiums, appraisals and home inspections, if applicable.

Mortgage Loan Terms:

The FIRSTDown, second mortgage loan maturity is 30-year, 15-year or 10-year amortization. FIRSTDown loans do not carry a prepayment penalty.

Interest Rate:

FIRSTDown interest rates are fixed with monthly, fully amortizing payments of principal and interest.

- The FIRSTDown 30-year interest rate shall not exceed two percent (2.00%) of the corresponding FIRSTHome FNMA <80% AMI loan interest rate.

- The *FIRSTDown* 15-year interest rate shall not exceed one point five percent (1.50%) of the corresponding *FIRSTHome* FNMA <80% AMI loan interest rate.
- The *FIRSTDown* 10-year interest rate shall not exceed one percent (1.00%) of the corresponding *FIRSTHome* FNMA <80% AMI loan interest rate.

Maximum Loan Amount:

The maximum *FIRSTDown* loan amount shall not exceed 6 percent (6%) of the purchase price.

When combined with additional funds managed by MFA (such as HomeNow, etc.), DPA funding is not to exceed \$35,000 per loan.

Reservation/Extensions/Late fees:

Loan reservation, loan extension and late fee guidelines can be found on MFA's website. (www.housingnm.org/lenders_realtors/online-reservations).

Maximum Loan to Value ("LTV") and Combined Loan to Value ("CLTV")

- FHA/VA/USDA-RHS: as determined within the underwriting/insurance eligibility criteria for each loan type.
- Fannie Mae HFA Preferred: 97%/105%.
- Freddie Mac HFA Advantage: 97%/105%

Fees:

Participating Lenders may charge the borrower an origination fee of one hundred dollars (\$100.00) in conjunction with a *FIRSTDown* loan.

Other allowable fees that may be charged in conjunction with a *FIRSTDown* loan including the recording fees, mortgagee title insurance policy premiums, settlement/closing fees and daily interest charges.

Borrower and Property Eligibility

FIRSTDown DPA second mortgages may only be obtained if the borrower qualifies for and uses the *FIRSTHome* program. Borrower income, acquisition cost limits and property eligibility requirements for the *FIRSTDown* program are the same as the eligibility requirements for the *FIRSTHome* program. Please refer to Exhibit A for current limits.

Program Guideline Limits:

- This policy establishes minimums and maximum limits for the identified program. From time-to-time staff may impose overlays to operate within the band of the above established minimums and maximums. This allows management the flexibility to comply with regulatory changes as they arise or to mitigate risk.

Exhibit A

2021 FIRSTHome Single Family Programs Household Income Limits Effective May 16, 2022

Non-Targeted Areas	1-2 Person Household	3+ Person Household
Albuquerque MSA (Bernalillo, Sandoval, Tarrant, and Valencia)	\$79,750.00	\$91,713.00
Las Cruces MSA (Dona Ana)	\$73,200.00	\$85,400.00
Farmington MSA (San Juan)	\$76,560.00	\$89,320.00
Santa Fe MSA (Santa Fe)	\$89,411.00	\$102,823.00
Catron	\$73,200.00	\$85,400.00
Chaves	\$73,200.00	\$85,400.00
Cibola	\$73,200.00	\$85,400.00
Colfax	\$73,200.00	\$85,400.00
Curry	\$73,200.00	\$85,400.00
De Baca	\$77,280.00	\$90,160.00
Eddy	\$81,500.00	\$93,725.00
Grant	\$73,920.00	\$86,240.00
Guadalupe	\$73,200.00	\$85,400.00
Harding	\$73,200.00	\$85,400.00
Hidalgo	\$73,200.00	\$85,400.00
Lea	\$81,070.00	\$93,231.00
Lincoln	\$79,560.00	\$92,820.00
Los Alamos	\$142,900.00	\$164,335.00
Luna	\$73,200.00	\$85,400.00
McKinley	\$73,200.00	\$85,400.00
Mora	\$73,200.00	\$85,400.00
Otero	\$73,200.00	\$85,400.00
Quay	\$73,200.00	\$85,400.00
Rio Arriba	\$73,200.00	\$85,400.00
Roosevelt	\$74,280.00	\$86,660.00
San Miguel	\$73,200.00	\$85,400.00
Sierra	\$73,200.00	\$85,400.00
Socorro	\$73,200.00	\$85,400.00
Taos	\$73,200.00	\$85,400.00
Union	\$74,160.00	\$86,520.00

**Source: Kutak Rock*

Exhibit A (cont.)

2022 FIRSTHome Single Family Programs
Acquisition Limits
Effective April 11, 2022

County	Purchase Price Limits
Santa Fe County	\$ 388,884
Los Alamos	\$ 440,480
Catron	\$ 351,620
All Other Areas and Counties within the State	\$ 349,526

**Source:* Ballard Spahr LLP

2022 FIRSTHome Single Family Targeted Area Programs
Household Income Limits
Effective May 16, 2022

Targeted Area	1-2 Person Household	3+ Person Household
Albuquerque MSA (Bernalillo, Sandoval, Torrance, and Valencia Counties)	\$90,600.00	\$105,700.00
Santa Fe MSA census tract	\$96,720.00	\$112,840.00
Los Alamos	\$171,480.00	\$200,060.00
Eddy	\$97,800.00	\$114,100.00
All other census tracts	\$82,440.00	\$96,180.00

**Source:* Kutak Rock

2022 FIRSTHome Single Family Targeted Area Programs
Acquisition Cost Limits
Effective April 11, 2022

County	Purchase Price Limits
Santa Fe County	\$ 475,302
All Other Areas and Counties within the	\$ 427,198

State	
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**Source:* Ballard Spahr LLP

Tab 13



MEMO

TO: Board of Directors
 Through: Finance Committee – June 7, 2022
 Through: Policy Committee – May 4, 2022

FROM: Julie Halbig

DATE: June 15, 2022

SUBJECT: Continuous Improvement Plan Process –
 Streamlining Delegations of Authority (DoA)

Recommendation: Staff recommends discussion and approval regarding revisions to the Delegations of Authority. Should you approve these changes to the Delegations of Authority, staff would also ask for your approval to align the relevant sections of MFA's Policy and Procedures Manual at the same time (please see Discussion section for list of changes).

Background: MFA's Delegations of Authority are adopted annually as part of the Board of Directors review and approval of any changes to MFA's Policy and Procedures Manual (please see Exhibit E in your packet).

Discussion: As part of MFA's Continuous Improvement Process, the members of the Policy Committee held multiple discussions regarding revisions to the Delegations of Authority with the following goals in mind.

Goals:

- Empower Directors to make decisions over programming.
- Eliminate duplication for Chiefs in reviewing decisions and allow them to focus time and effort on other strategic initiatives.
- Reduce confusion
- Simplify processes in many instances; speed up decision-making
- Maintain an appropriate system of review by the Board with timely and relevant information to assist them in their duties.

Test 12 Exhibit E in your packet contains the streamlined version of the Delegations of Authority. Under the Board Approval column, the yellow highlights indicate if there was a change to the Board's approval or action required.

Also, included in your Board packet is a Crosswalk Excel file which provides an explanation of how the current Delegations of Authority were streamlined into the Draft Test 12 Exhibit E version for your consideration.

Summary of Draft Changes for Consideration:

- Added Column for Director's Approval
- Deleted Board Committee Approval Column
- Separated Loans from Grant Awards with respect to initial amounts awarded. Several Current Items have now been combined under Items Lines 2 & 3 under Loans or Grants.
- Streamlined process for when MFA applies for or is awarded funding.
- Procurement:
 - Separated Professional Service Contract RFPs from Programmatic RFPs
 - Increased dollar limits for Small Purchases, RFQ/Informal Bids, Emergency and Limited Source (will also need to change in Policy & Procedures Manual)
- Improved use of Staff Action report for notice to the Board in instances of renewals, programmatic mandates or when modifications are involved.
- Clarified wording in the footnotes to make it easier to understand.

The following table contains the relevant sections of MFA's Policy and Procedures Manual that need to be aligned with the changes to the Delegations of Authority.

MFA's Policy & Procedures Manual:

Section 3. Procurement Policies Small Purchases, RFQ/Informal Bids (Advance and Selection Approvals for all procurement and modifications)	Need to add dollar ranges
Section 3. Procurement Policies Emergency, Limited Source (Per individual contract limit)	Need to add dollar ranges
Section 3. Procurement Policies	Need to insert NEW language regarding Programmatic RFP process.
Section 3 – Procurement Policies Disposition or Sale of Tangible Goods	Need to change language to reflect that Policy Committee will now approve all instances of disposition or sale of tangible goods and Board will be notified by Staff Action.
Section 4 – Program Policies Single Family Second Mortgage Default, Foreclosure, and Deeds in Lieu of Foreclosure (DIL), Short Sales, and Bankruptcies	Need to update language to reflect that Board will now be notified via Staff Action.

Section 4 – Program Policies Single Family Second Mortgage Write-Offs, Single Family DPA Non-Performing Write-Offs, Single Family HOME Program Write-Offs	Need to add standard language: “Write-Off approvals will be handled consistent with Delegations of Authority”.
Throughout the MFA Policy & Procedures Manual	Will change footnote references throughout the document to reflect appropriate line number and item.

Additional Comments:

- Reduced number of Items for Review/Approval from 52 to 26.
- Eliminated or combined 21 footnotes to 13 footnotes.
- Made every effort to set consistent fiscal thresholds.

Summary: Staff recommends discussion and approval regarding revisions to the Delegations of Authority. Should you approve these changes to the Delegations of Authority, staff would also ask for your approval to align the relevant sections of MFA’s Policy and Procedures Manual at the same time.

DRAFT TEST 12 DoA EXHIBIT E, Policies & Procedures Manual
DELEGATIONS OF AUTHORITY: APPROVALS AND REVIEW PROCESS REQUIREMENTS
As approved by Board DRAFT

	ITEM REVIEWED / APPROVED	DIRECTORS APPROVAL REQUIRED	EXECUTIVE DIRECTOR/CEO OR CHIEF OFFICER(S) APPROVAL REQUIRED	POLICY COMMITTEE (2) REVIEW OR APPROVAL REQUIRED	BOARD APPROVAL REQUIRED (Yellow Indicates Change in Board Action)
1	Programmatic-Related Losses (includes Write-offs, Repairs/Improvements to Property)(1)	Yes, if < \$10,000	Yes, if < \$25,000	Yes, if < \$100,000	Yes, if > \$100,000 or Staff Action (Currently, \$50,000 for Loan Write-Offs and \$100,000 for REO Losses)
2	MFA to Awardee: Lending/Loans (Initial amount)(2)(13)	Yes, if < \$100,000	Yes, if < \$250,000	Yes, if < \$500,000	Yes, only if > \$500,000
3	MFA to Awardee: Grant Awards (initial amounts) (4) (9)(13)	Yes, if < 5,000	Yes, if < 10,000	Yes, if < 50,000	Yes, if > 50,000 (Currently, > \$100,000)
4	MFA to Awardee: Modifications to Loans/Grants (increase over initial amount)(2)(3)(13)	Yes, if > 10%	Yes, if > 15%	Yes, if < 25%	Yes, if > 25% (Currently, Board Approval Not Required)
5	MFA to Awardee: Reallocations of Grants (based Need/Capacity/Timing Constraints) (5)(13)	Yes, if < \$50,000	Yes, if > \$50,000	Yes, if > \$100,000	Staff Action (Currently, Board Approval Not Required)
6	HOME, CDBG, ESG & NHTF (Activity Allocation as Percent of Original Line Item Allocation)	No	No	Yes, up to 25%	Yes, over 25%
7	State Appropriations (Legislative or State Agency)(6)	Yes, if < \$50,000	Yes, if > \$50,000	Yes, if > \$100,000	Staff Action (Currently, Board Approval Not Required)
8	MFA applications for funding and receipt of Awards and/or New Funding Source to MFA	No	Yes, if < \$100,000	Yes, if > \$100,000	Staff Action (Currently, Board Approval Required if > \$500,000)
9	Disposition or Sale of Tangible Goods	No	No	Yes, All Instances	Staff Action (Currently, Board Approval Required)
10	All Professional Service Contracts RFP Language Approved and Selection of Vendor (12)	No	No	No	Yes
11	All Professional Service Contract RFP Renewals	Yes	Yes	Staff Action	No
12	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selections Approvals) for all procurement, modifications and renewals (7)	Yes, if < \$50,000	Yes, if between \$50,000 - \$75,000	Yes, if between \$75,001 - \$200,000	Yes, if > \$200,000 or Staff Action (Currently, Board Approval Not Required)
13	Emergency, Limited Source (Per individual contract limit) (7)	Yes if <= \$25,000	Yes if between \$25,000 - \$100,000	Yes, only if > \$100,000 - \$200,000	Yes, only if > \$200,000 or Staff Action (Currently, if > \$250,000)
14	All Programmatic RFP Language Approved and Selection of Vendor (12)	No	No	No	Yes (NEW LINE)
15	All Programmatic RFP Contract Renewals	No	Yes	Staff Action	No (NEW LINE)
16	Program Policies (8)	No	No	No	Yes
17	Consolidated and Action Plans (HOME)	No	No	No	Yes
18	State Plan Approval and allocation of DOE Funds (9)	No	No	No	Yes
19	NMHTF Competitive Awards (11)	No	Yes	Yes	Yes
20	NMHTF Award Modifications (3)	No	Yes	Yes	Staff Action (Currently, Board Approval Not Required)
	Servicing				
21	Foreclosures and Deeds in Lieu of Foreclosure - Multi Family and Single Family Development	No	No	Yes	Staff Action (Currently, Board Approval Required)
22	Individual Loan Modifications	Yes	No	No	No (NEW LINE)
	Housing Development				
23	LIHTC QAP and Awards (10)	No	No	Yes	Yes

24	LTTF Awards (11)	No	Yes	Yes	Yes
25	LTTF Award Modifications (3)	No	Yes	Yes	Staff Action (Currently, No Board Approval Required)
26	All Other HD Loan/Grant Programs (HOME, NHTF)	Yes, if < \$100,000 (Loan) Yes, if < \$5,000 (Grant)	Yes, if < \$250,000 (Loan) Yes, if < \$10,000 (Grant)	Yes, if < \$500,000 (Loan) Yes, if < \$50,000 (Grant)	Yes, only if > \$500,000 (Loan) Yes, if > \$50,000 (Currently, > \$100,000 Grant)

- (1) Notice, including final REO losses, are to be provided to the Board at the following month's meeting through the Staff Action report. A member of management has the authority to negotiate sales terms and final disposition.
- (2) If at the time of the approval, the borrower's outstanding obligations to MFA and commitments by MFA exceed \$5 million (measured in commitments), approvals by Policy Committee, Committee and Board will be required regardless of the current or proposed increased loan approval amount. If at the time the original loan approved by the Board authorizes staff to increase the loan by up to 10%, an increase within this amount would not need to go back to Committee or the Board for approval regardless of whether total outstanding obligations to MFA and MFA commitments exceed \$5 million.
- (3) Modifications to loans/grants over the initial amount only need approval if it exceeds the original loan/grant amount.
- (4) These grants include both programmatic and non-programmatic, general fund.
- (5) For grants, please consult funding guidance for reallocation.
- (6) Presentation to the Board at the discretion of MFA's ED/CEO.
- (7) Excludes RFP for certain professional services including underwriter, counsel, sub-servicer, lobbyist, trustee and auditors, all of which require approval by the Board. Includes contracts for services paid from the MFA General Fund.
- (8) Once the Board has initially approved the Program policies, the implementation of program policy changes mandated by funding agency do not require Board approval.
- (9) DOE Formula accounts for census population, poverty rates, heating/cooling days in allocating of funding.
- (10) Exceptions granting staff authority as stated in QAP, including granting staff authorization to award credits to tax exempt bond projects. Competitive cycle awards are recommended by outside Advisory committee.
- (11) By Statute, HTF and LTTF awards are presented for recommendation by outside Advisory Committees.
- (12) If the RFP's selected vendor has been approved by the Board, then Director may sign contract.
- (13) The term Awardee includes: Subrecipients, individual households and borrowers. Lines 2-5 serve as guidance for loans and grants not referenced elsewhere in the Delegations.
- NOTE: Delegations for Directors and Chiefs are capped at the lower end of the delegated authority or approved budget.
- NOTE: Directors and Chiefs will provide Staff Actions to PC for all items approved and Staff Actions will be provided to the Board as noted above.

EXHIBIT E, Policies & Procedures Manual
DELEGATIONS OF AUTHORITY: APPROVALS AND REVIEW PROCESS REQUIREMENTS
 As approved by Board 1/20/2021

	ITEM REVIEWED / APPROVED	EXECUTIVE DIRECTOR/CEO OR CHIEF OFFICER(S) APPROVAL REQUIRED	POLICY COMMITTEE (2) REVIEW OR APPROVAL REQUIRED	BOARD COMMITTEE (1) REVIEW AND BOARD APPROVAL REQUIRED	BOARD APPROVAL REQUIRED
1	Program Policies	no	yes	yes	yes
2	Watch List & Non-Compliance Reports	yes (quarterly)	yes (quarterly)	no	no
3	Foreclosures and Deeds in Lieu of Foreclosure - Single Family	yes	no	no	no
4	Foreclosures and Deeds in Lieu of Foreclosure - Multi Family and Single Family Development	yes	yes	yes	yes
5	Single Family, Multi Family and DPA Loan Write Offs	yes if <=\$10,000	yes if >\$10,000	yes if > \$50,000	yes if > \$50,000
6	REO Projected Losses if >\$10,000 (6) (17) (18)	yes if <=\$10,000	yes if >\$10,000	yes if > \$100,000	yes if > \$100,000
7	Repairs or Improvements to REO Properties	yes if <=\$25,000	yes if >\$25,000	no	no
8	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selections Approvals) for all procurement and modifications (20)	yes if <\$50,000	yes if >\$50,000	no	no
9	Emergency, Limited Source and State Contract procurements and modifications (6) (Per individual contract limit) (20)	yes if <=\$25,000	yes if >\$25,000	yes only if >\$250,000	yes only if >\$250,000
10	All program RFP Advance Approvals. (20)	yes	yes	yes	yes
11	All program RFP Selections (20)	yes	yes	yes	yes
12	All other RFPs Advance and/or Selection Approvals & all Modifications to awards approved under RFP selection (6) (20) BUT SEE EXCEPTIONS IN (9) (Per individual contract limit)	yes if <= \$25,000	yes if >\$25,000	yes only if >\$250,000	yes only if >\$250,000
13	All program and contract renewals and key personnel changes (20)	yes	yes	no	no
14	HOME, CDBG, N-HTF & NSP: (Loans and Grants)				
15	HOME, CDBG & N-HTF (6)(7) (except HOME Rental grants)	yes if <=\$50,000	yes if >\$50,000	yes only if > \$500,000	yes only if > \$500,000
16	HOME & N-HTF Rental grants (6) (7)	yes if <=\$50,000	yes if >\$50,000	yes only if > \$100,000	yes only if > \$100,000
17	COVID related or CARES Act programs (Recovery Housing Program, Homeowner Assistance Fund)	yes if <=\$50,000	yes if >\$50,000	yes only if > \$100,000	yes only if > \$100,000
18	HOME, CDBG, N-HTF & NSP Loan/Grant Aggregate Increases (6) (7) (10)	yes if <=\$50,000	yes if >\$50,000	yes only if > \$500,000	yes only if > \$500,000
19	HOME, CDBG & N-HTF - Line Item Adjustments as Percent of original Line Item Amount	no	yes in all cases	yes only if > 25%	yes only if > 25%
20	HOME, CDBG, N-HTF & NSP Loan/Grant Modifications (3) (6)	yes	yes, if workout	no	no
21	HOME, CDBG, N-HTF & NSP Write Offs	yes if <=\$50,000	yes if >\$50,000	yes only if > \$500,000	yes only if > \$500,000
22	Consolidated and Action Plans (HOME)	no	yes	yes	yes
23	LIHTC QAP and Awards (4)	no	no		yes
24	542©/538 Construction/Permanent Loans:				
25	Loans (6)(7) (12)	no	yes in all cases	yes only if > \$2,000,000 or MFA risk > \$200,000	yes only if > \$2,000,000 or MFA risk > \$200,000
26	Loan Increases (5) (6) (7) (10) (12)	yes if <=10% and <= \$250,000	yes if >10% or \$250,000	yes only if > \$1,000,000	yes only if > \$1,000,000
27	Loan Modifications (3) (6)	yes	yes, if workout		no
28	Primero Loans/Grants, Energy Saver Awards, State Tax Credit Awards:				
29	Loans/Awards (6)(7)	yes if <= \$50,000	yes if >\$50,000	yes only if > \$500,000	yes only if > \$500,000
30	Award and Loan/Grant Exposure Increases (6) (10) (7)	yes if <=\$25,000	yes if >\$25,000	yes only if > \$500,000	yes only if > \$500,000
31	Award and Loan/Grant Modifications (3) (6)	yes	yes, if workout	no	no
32	NMHTF & LTTF Awards	no	yes	yes (8)	yes
33	'ov's Innov. Progr. awards	no	yes	yes	yes
34	NMHTF,LTTF & G'v.'s Innov. Progr. increases (6) (7) (10)	yes if <=\$25,000	yes if >\$25,000	yes only if >\$500,000	yes only if >\$500,000
35	NMHTF, LTTF & 'ov's Innov. Progr. modif. (3) (6)	yes	no	no	no
36	Board Reports (Qtrly)	yes	yes	no	yes
37	Board Resolutions (13)	yes	yes	yes (14)	yes
38	Financials (Qtrly)	yes	yes	yes	yes
39	Responses to Audit Findings (Program, Internal and External Audit Findings)	no	yes	no	no
40	Audit Follow-up & Status (Internal & External Audits only)	no	yes	yes	yes
41	MFA applications for funding (11) (13) (20)	no	yes in all cases	yes only if > \$1,000,000	yes only if > \$1,000,000
42	Awards Under New Loan Programs (6)	no	yes in all cases	yes only if > \$500,000	yes only if > \$500,000

42	Regional Housing Authority monitoring/reviews and required approval activities per statute	no	yes in all cases	no	no
43	Appointment of Regional Housing Authority Board members and Executive Directors and Approval of Annual Report	no	yes	yes	yes
44	Suspension and Debarment (6)	no	yes	no	no
45	New Mexico EnergySmart (20)				
46	Selection of Service Providers (RFP)	yes	yes	yes	yes
47	State Plan Approval and allocation of DOE Funds	yes	yes	yes	yes
48	Allocation of funds using DOE Formula (LIHEAP, Utility, COOP, Etc.) (6) (14) (16)	yes	no	no	no
49	Allocation/Modifications of Any Funds based on Need/Capacity/Timing Constraints (6) (15) (16) - Per Agency Limits	yes<= \$100,000	yes if > than \$100,000	no	no
50	Disposition or Sale of Tangible Goods (6)	yes if FMV <=\$10,000	yes if FMV >\$10,000	no	no
51	State Legislature Appropriations				
	Appropriations designated to specific projects or providers (6) (19)	yes if <=\$50,000	yes if >\$50,000	no	no
	Other affordable housing funds (6) (19) (21)	yes if <=\$50,000	yes if >\$50,000	no	no

- (1) Board Committees are those constituted and approved by the Board on December 15, 2021
- (2) Policy Committee consists of Executive Director/CEO and Chief Officer(s)
- (3) Excluding increases in principal in excess of the amount set above, and including matters such as extensions, rate changes, etc. Modifications resulting from problem workouts (such as release of land use restriction agreements or other concessions) require Policy Committee approval.
- (4) Exceptions granting staff authority as stated in QAP, including granting staff authorization to award credits to tax exempt bond projects. Competitive cycle awards are recommended by outside Advisory committee.
- (5) Additional areas of staff discretion as stated in RS Manual.
- (6) Notice to be provided to Board at following meeting.
- (7) If at the time of the approval, the borrower's outstanding obligations to MFA and commitments by MFA exceed \$5 million (measured in commitments), approvals by Policy Committee, Committee and Board will be required regardless of the current or proposed increased loan approval amount. If at the time the original loan approved by the Board authorizes staff to increase the loan by up to 10%, an increase within this amount would not need to go back to Committee or the Board for approval regardless of whether total outstanding obligations to MFA and MFA commitments exceed \$5 million
- (8) By Statute HTF and LTTF awards are recommended by outside Advisory Committee.
- (9) Excluding RFP for certain professional services including underwriter, counsel, sub-servicer, lobbyist, trustee, and auditors, all of which require approval by the Board.
- (10) If staff-authorized increase causes project to exceed borrower limits for program or dollar authorization amounts of staff, and board and board committee did not review previously, Board and Committee review will be required to approve increase.
- (11) Excludes legislative initiatives, all of which require Board approval.
- (12) MFA's share of the risk on these loans is typically 10%; therefore, the amounts authorized for Executive/CEO or Chief Officer(s) and Policy Committee would typically represent risk to MFA of only \$25,000 and \$100,000 or \$200,000, respectively.
- (13) Excluding Inducement Resolutions and those not originated by staff which require only Board approval.
- (14) Excluding Bond Resolutions
- (13) Excluding formula funding and recurring funding sources.
- (14) DOE Formula takes into account census population, poverty rates, heating/cooling days, New allocations with new funding.
- (15) Per Agency Amounts/limits. New funds or additional funds.(any source) that will NOT be allocated based on DOE formula.
- (16) Per Agency Amounts/limits on a per project basis
- (17) Final REO losses are to be reported to the Board upon final disposition.
- (18) A member of Management has the authority to negotiate sales terms and final disposition.
- (19) Presentation to Board not requiring Board Action.
- (20) Applies to the New Mexico Affordable Housing Charitable Trust.
- (21) Activities and programs approved by the Board.

Crosswalk from Current DofA to Draft DofA			
Line	Current Item	Draft Line	Item
1	Program Policies	14	Program Policies
2	Watch List & Non-Compliance Reports	17	Watch List & Non-Compliance Reports
3	Foreclosure and Deeds in Lieu of Foreclosure - Single Family	18	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development
4	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development	18	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development
5	Single Family, Multi Family and DPA Loan Write Offs	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
6	REO Projected Losses if > \$10,000	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
7	Repairs or Improvements to REO Properties	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
8	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selection Approvals for all procurement and modifications)	11	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selection Approvals for all procurement and modifications)
9	Emergency, Limited Source and State Contract Procurement and Modifications (per individual contract limit)	12	Emergency, Limited Source and State Contract Procurement and Modifications (per individual contract limit)
10	All program RFP Advance Approvals	9	All procurement documents (RFP/NOFA)
11	All program RFP Selections	10	All procurement awards
12	All other RFPs Advance and/or Selection Approvals & all Modifications to awards approved under RFP selections	11	All procurement awards
13	All program and contract renewals and key personnel changes	13	All program and contract renewals and key personnel changes
14	HOME, CDBG, NHTF & NSP: (Loans and Grants)	2	Lending/Loans and Grant Awards (initial amount)
15	HOME, CDBG & NHTF (except HOME Rental Grants)	2	Lending/Loans and Grant Awards (initial amount)
16	HOME & NHTF Rental Grants	2	Lending/Loans and Grant Awards (initial amount)
17	COVID-related or CARES Act Programs (Recovery Housing, Homeowner Assistance Fund, etc)	7	Awards to MFA (New Funding sources)
18	HOME, CDBG, NHTF & NSP: Loan/Grant Aggregate Increases	3	Modifications to Loan/Grant (Increases over initial amount)
19	HOME, CDBG, NHTF - Line Item Adjustments as Percent of Original Line Item Amount	3	Modifications to Loan/Grant (Increases over initial amount)
20	HOME, CDBG, NHTF & NSP Loan/Grant Modifications	3	Modifications to Loan/Grant (Increases over initial amount)

21	HOME, CDBG, NHTF & NSP Write-Offs	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
22	Consolidated and Action Plans (HOME)	15	Consolidated and Action Plans (HOME)
23	LIHTC QAP and Awards	19	LIHTC QAP and Awards
24	542(c)/538 Construction/Permanent Loans	2	Lending/Loans and Grant Awards (initial amount)
25	Loans	2	Lending/Loans and Grant Awards (initial amount)
26	Loan Increases	3	Modifications to Loan/Grant (Increases over initial amount)
27	Loan Modifications	3	Modifications to Loan/Grant (Increases over initial amount)
28	Primero Loans/Grants, Energy Saver Awards, State Tax Credit Awards	2 & 19	Lending/Loans and Grant Awards (initial amount) LIHTC QAP and Awards
29	Loan/Awards	2	Lending/Loans and Grant Awards (initial amount)
30	Award and Loan/Grant Exposure Increases	3	Modifications to Loan/Grant (Increases over initial amount)
31	Award and Loan/Grant Exposure Modifications	3	Modifications to Loan/Grant (Increases over initial amount)
32	NMHTF & LTTF Awards	20	NMHTF & LTTF Awards & Gov's Innov Program Awards
33	Gov's Innov Program Awards	20	NMHTF & LTTF Awards & Gov's Innov Program Awards
34	NMHTF & LTTF Awards & Gov's Innov Program Increases	3	Modifications to Loan/Grant (Increases over initial amount)
35	NMHTF & LTTF Awards & Gov's Innov Program Modifications	3	Modifications to Loan/Grant (Increases over initial amount)
36	Board Reports (Qtrly)	22	Board Reports (Qtrly)
37	Board Resolutions	23	Board Resolutions
38	Financials (Qtrly)	24	Financials (Qtrly)
39	Responses to Audit Findings (Program, Internal and External Audit Findings)	25	Responses to Audit Findings (Program, Internal and External Audit Findings)
40	Audit Follow-up & Status (Internal and External Audit Only)	26	Audit Follow-up & Status (Internal and External Audit Only)
41	MFA Applications for Funding	6	MFA Applications for Funding (includes program renewals)
42	Awards Under New Loan Programs	7	Awards to MFA (New Funding sources)
43	Regional Housing Authority Monitoring/Reviews and Required Approval Activities Per Statute	27	Regional Housing Authority Monitoring/Reviews and Required Approval Activities Per Statute
44	Appointment of Regional Housing Authority Board members and Executive Directors and Approval of Annual Report	28	Appointment of Regional Housing Authority Board members and Executive Directors and Approval of Annual Report
45	Suspensions and Debarment	29	Suspensions and Debarment

46	New Mexico Energy \$mart: Selection of Service Providers	10	All procurement awards
47	State Plan Approval and Allocation of DOE Funds	16	State Plan Approval and Allocation of DOE Funds
48	Allocation of Funds Using DOE Formula (LIHEAP, Utility, COOP, etc)	2 & 3	Lending/Loans and Grant Awards (initial amount) Modifications to Loans/Grants (increase over initial amount)
49	Allocation/Modifications of Any Funds Based on Need/Capacity/Timing Constraints) (Per agency limits)	3 & 4	Modifications to Loans/Grants (increase over initial amount) Reallocations of Grants (based on Need/Capacity/Timing Constraints
50	Disposition or Sale of Tangible Goods	8	Disposition or Sale of Tangible Goods
51	State Legislature Appropriations: Appropriations designated to specific projects or providers	5	State Appropriations (includes specific line items, other affordable housing funds)
52	Other Affordable Housing Funds	5	State Appropriations (includes specific line items, other affordable housing funds)

Crosswalk from Current DofA to Draft DofA - TEST 9			
Line	Current Item	Draft Line	Item
1	Program Policies	14	Program Policies
2	Watch List & Non-Compliance Reports	17	Watch List & Non-Compliance Reports
3	Foreclosure and Deeds in Lieu of Foreclosure - Single Family	18	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development
4	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development	18	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development
5	Single Family, Multi Family and DPA Loan Write Offs	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
6	REO Projected Losses if > \$10,000	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
7	Repairs or Improvements to REO Properties	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
8	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selection Approvals for all procurement and modifications)	11	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selection Approvals for all procurement and modifications)
9	Emergency, Limited Source and State Contract Procurement and Modifications (per individual contract limit)	12	Emergency, Limited Source and State Contract Procurement and Modifications (per individual contract limit)
10	All program RFP Advance Approvals	9	All program RFP Advance Approvals (Professional Service Contracts and Programs)
11	All program RFP Selections	10	All program RFP Selections (Professional Service Contracts and Programs)
12	All other RFPs Advance and/or Selection Approvals & all Modifications to awards approved under RFP selections	11	All procurement awards
13	All program and contract renewals and key personnel changes	13	All program and contract renewals and key personnel changes
14	HOME, CDBG, NHTF & NSP: (Loans and Grants)	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
15	HOME, CDBG & NHTF (except HOME Rental Grants)	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
16	HOME & NHTF Rental Grants	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
17	COVID-related or CARES Act Programs (Recovery Housing, Homeowner Assistance Fund, etc)	7	Receipt of Awards/New Funding Source to MFA

18	HOME, CDBG, NHTF & NSP: Loan/Grant Aggregate Increases	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
19	HOME, CDBG, NHTF - Line Item Adjustments as Percent of Original Line Item Amount	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
20	HOME, CDBG, NHTF & NSP Loan/Grant Modifications	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
21	HOME, CDBG, NHTF & NSP Write-Offs	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
22	Consolidated and Action Plans (HOME)	15	Consolidated and Action Plans (HOME)
23	LIHTC QAP and Awards	19	LIHTC QAP and Awards
24	542(c)/538 Construction/Permanent Loans	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
25	Loans	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
26	Loan Increases	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
27	Loan Modifications	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
28	Primero Loans/Grants, Energy Saver Awards, State Tax Credit Awards	2 & 19	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount) LIHTC QAP and Awards
29	Loan/Awards	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
30	Award and Loan/Grant Exposure Increases	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
31	Award and Loan/Grant Exposure Modifications	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
32	NMHTF & LTTF Awards	20	NMHTF & LTTF Awards & Gov's Innov Program Awards
33	Gov's Innov Program Awards	20	NMHTF & LTTF Awards & Gov's Innov Program Awards
34	NMHTF & LTTF Awards & Gov's Innov Program Increases	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
35	NMHTF & LTTF Awards & Gov's Innov Program Modifications	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
36	Board Reports (Qtrly)		Delete
37	Board Resolutions		Delete
38	Financials (Qtrly)		Delete
39	Responses to Audit Findings (Program, Internal and External Audit Findings)		Delete
40	Audit Follow-up & Status (Internal and External Audit Only)		Delete
41	MFA Applications for Funding	6	MFA Applications for Funding (includes program renewals)

42	Awards Under New Loan Programs	7	Receipt of Awards/New Funding Source to MFA
43	Regional Housing Authority Monitoring/Reviews and Required Approval Activities Per Statute		Delete
44	Appointment of Regional Housing Authority Board members and Executive Directors and Approval of Annual Report		Delete
45	Suspensions and Debarment		Delete
46	New Mexico Energy \$mart: Selection of Service Providers	10	All procurement awards
47	State Plan Approval and Allocation of DOE Funds	16	State Plan Approval and Allocation of DOE Funds
48	Allocation of Funds Using DOE Formula (LIHEAP, Utility, COOP, etc)	2 & 3	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount) MFA to Subrecipient: Modifications to Loans/Grants (increase over initial amount)
49	Allocation/Modifications of Any Funds Based on Need/Capacity/Timing Constraints) (Per agency limits)	3 & 4	MFA to Subrecipient: Modifications to Loans/Grants (increase over initial amount) MFA to Subrecipient: Reallocations of Grants (based on Need/Capacity/Timing Constraints
50	Disposition or Sale of Tangible Goods	8	Disposition or Sale of Tangible Goods
51	State Legislature Appropriations: Appropriations designated to specific projects or providers	5	State Appropriations (includes specific line items, other affordable housing funds)
52	Other Affordable Housing Funds	5	State Appropriations (includes specific line items, other affordable housing funds)

Crosswalk from Current DofA to Draft DofA - Test 10			
Line	Current Item	Draft Line	Item
1	Program Policies	14	Program Policies
2	Watch List & Non-Compliance Reports	17	Watch List & Non-Compliance Reports
3	Foreclosure and Deeds in Lieu of Foreclosure - Single Family	18	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development
4	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development	18	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development
5	Single Family, Multi Family and DPA Loan Write Offs	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
6	REO Projected Losses if > \$10,000	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
7	Repairs or Improvements to REO Properties	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
8	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selection Approvals for all procurement and modifications)	11	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selection Approvals for all procurement and modifications)
9	Emergency, Limited Source and State Contract Procurement and Modifications (per individual contract limit)	12	Emergency, Limited Source and State Contract Procurement and Modifications (per individual contract limit)
10	All program RFP Advance Approvals	9 & 13	All Professional Service Contracts RFP Language Approvals All Programmatic RFP Lanaguage Approvals
11	All program RFP Selections	10 & 14	All Professional Service Contracts RFP Selections All Programmatic RFP Contract Selections
12	All other RFPs Advance and/or Selection Approvals & all Modifications to awards approved under RFP selections	11	All procurement awards
13	All program and contract renewals and key personnel changes	15	All Programmatic RFP Contract Renewals
14	HOME, CDBG, NHTF & NSP: (Loans and Grants)	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
15	HOME, CDBG & NHTF (except HOME Rental Grants)	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)

16	HOME & NHTF Rental Grants	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
17	COVID-related or CARES Act Programs (Recovery Housing, Homeowner Assistance Fund, etc)	7	Receipt of Awards/New Funding Source to MFA
18	HOME, CDBG, NHTF & NSP: Loan/Grant Aggregate Increases	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
19	HOME, CDBG, NHTF - Line Item Adjustments as Percent of Original Line Item Amount	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
20	HOME, CDBG, NHTF & NSP Loan/Grant Modifications	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
21	HOME, CDBG, NHTF & NSP Write-Offs	1	Expenses/Losses (includes Write-Offs, Repairs/Improvement to Property)
22	Consolidated and Action Plans (HOME)	15	Consolidated and Action Plans (HOME)
23	LIHTC QAP and Awards	19	LIHTC QAP and Awards
24	542(c)/538 Construction/Permanent Loans	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
25	Loans	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
26	Loan Increases	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
27	Loan Modifications	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
28	Primero Loans/Grants, Energy Saver Awards, State Tax Credit Awards	2 & 19	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount) LIHTC QAP and Awards
29	Loan/Awards	2	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount)
30	Award and Loan/Grant Exposure Increases	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
31	Award and Loan/Grant Exposure Modifications	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
32	NMHTF & LTTF Awards	20	NMHTF & LTTF Awards & Gov's Innov Program Awards
33	Gov's Innov Program Awards	20	NMHTF & LTTF Awards & Gov's Innov Program Awards
34	NMHTF & LTTF Awards & Gov's Innov Program Increases	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)

35	NMHTF & LTTF Awards & Gov's Innov Program Modifications	3	MFA to Subrecipient: Modifications to Loan/Grant (Increases over initial amount)
36	Board Reports (Qtrly)		Delete
37	Board Resolutions		Delete
38	Financials (Qtrly)		Delete
39	Responses to Audit Findings (Program, Internal and External Audit Findings)		Delete
40	Audit Follow-up & Status (Internal and External Audit Only)		Delete
41	MFA Applications for Funding	6	MFA Applications for Funding (includes program renewals)
42	Awards Under New Loan Programs	7	Receipt of Awards/New Funding Source to MFA
43	Regional Housing Authority Monitoring/Reviews and Required Approval Activities Per Statute		Delete
44	Appointment of Regional Housing Authority Board members and Executive Directors and Approval of Annual Report		Delete
45	Suspensions and Debarment		Delete
46	New Mexico Energy Smart: Selection of Service Providers	10	All procurement awards
47	State Plan Approval and Allocation of DOE Funds	16	State Plan Approval and Allocation of DOE Funds
48	Allocation of Funds Using DOE Formula (LIHEAP, Utility, COOP, etc)	2 & 3	MFA to Subrecipient: Lending/Loans and Grant Awards (initial amount) MFA to Subrecipient: Modifications to Loans/Grants (increase over initial amount)
49	Allocation/Modifications of Any Funds Based on Need/Capacity/Timing Constraints) (Per agency limits)	3 & 4	MFA to Subrecipient: Modifications to Loans/Grants (increase over initial amount) MFA to Subrecipient: Reallocations of Grants (based on Need/Capacity/Timing Constraints)
50	Disposition or Sale of Tangible Goods	8	Disposition or Sale of Tangible Goods
51	State Legislature Appropriations: Appropriations designated to specific projects or providers	5	State Appropriations (includes specific line items, other affordable housing funds)
52	Other Affordable Housing Funds	5	State Appropriations (includes specific line items, other affordable housing funds)

	Crosswalk from Current DofA to Draft DofA		
Current Line	Current Item	Draft Line	Draft Item
1	Program Policies	16	Program Policies
2	Watch List & Non-Compliance Reports		Removed from DoA/Quarterly PC
3	Foreclosure and Deeds in Lieu of Foreclosure - Single Family	21	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development
4	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development	21	Foreclosure and Deeds in Lieu of Foreclosure - Single Family & Multi Family Development
5	Single Family, Multi Family and DPA Loan Write Offs	1	Programmatic-Related Losses (includes Write-Offs, Repairs/Improvement to Property)
6	REO Projected Losses if > \$10,000	1	Programmatic-Related Losses (includes Write-Offs, Repairs/Improvement to Property) (
7	Repairs or Improvements to REO Properties	1	Programmatic-Related Losses (includes Write-Offs, Repairs/Improvement to Property)
8	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selection Approvals for all procurement and modifications)	12	Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selection Approvals for all procurement and modifications)
9	Emergency, Limited Source and State Contract Procurement and Modifications (per individual contract limit)	13	Emergency, Limited Source and State Contract Procurement and Modifications (per individual contract limit)
10	All program RFP Advance Approvals	10 & 14	Distinguished between Professional Service Contract RFPs and Programmatic RFPs
11	All program RFP Selections	10 & 14	Distinguished between Professional Service Contract RFPs and Programmatic RFPs
12	All other RFPs Advance and/or Selection Approvals & all Modifications to awards approved under RFP selections		Reworded language
13	All program and contract renewals and key personnel changes	11 & 15	Distinguished between Professional Service Contract RFPs and Programmatic RFPs Deleted key personnel changes from DofA

14	HOME, CDBG, NHTF & NSP: (Loans and Grants)	2, 3 & 19	Separated into two separate lines Loans and Grants (initial amount)
Current Line	Current Item	Draft Line	Draft Item
15	HOME, CDBG & NHTF (except HOME Rental Grants)	2, 3 & 19	Separated into two separate lines Loans and Grants (initial amount)
16	HOME & NHTF Rental Grants	2, 3 & 19	Separated into two separate lines Loans and Grants (initial amount)
17	COVID-related or CARES Act Programs (Recovery Housing, Homeowner Assistance Fund, etc)	8	Awards to MFA (New Funding sources)
18	HOME, CDBG, NHTF & NSP: Loan/Grant Aggregate Increases	4 & 20	Modifications to Loan/Grant (Increases over initial amount)
19	HOME, CDBG, NHTF - Line Item Adjustments as Percent of Original Line Item Amount	6	Changed "Line Item Adjustment" language to "Activity Allocation"
20	HOME, CDBG, NHTF & NSP Loan/Grant Modifications	4 & 19	Modifications to Loan/Grant (Increases over initial amount)
21	HOME, CDBG, NHTF & NSP Write-Offs	1	Programmatic-Related Losses (includes Write-Offs, Repairs/Improvement to Property)
22	Consolidated and Action Plans (HOME)	17	Consolidated and Action Plans (HOME)
23	LIHTC QAP and Awards	23	LIHTC QAP and Awards
24	542(c)/538 Construction/Permanent Loans	2	Lending/Loans (initial amount)
25	Loans	2	Lending/Loans (initial amount)
26	Loan Increases	4	Modifications to Loan/Grant (Increases over initial amount)
27	Loan Modifications	4	Modifications to Loan/Grant (Increases over initial amount)
28	Primero Loans/Grants, Energy Saver Awards, State Tax Credit Awards	2, 3 & 19	Lending/Loans and Grant Awards (initial amount) LIHTC QAP and Awards
29	Loan/Awards	2 & 3	Lending/Loans and Grant Awards (initial amount)
30	Award and Loan/Grant Exposure Increases	3	Modifications to Loan/Grant (Increases over initial amount)
31	Award and Loan/Grant Exposure Modifications	4	Modifications to Loan/Grant (Increases over initial amount)
32	NMHTF & LTTF Awards	19 & 24	NMHTF & LTTF Awards & Gov's Innov Program Awards
33	Gov's Innov Program Awards	21	NMHTF & LTTF Awards & Gov's Innov Program Awards
34	NMHTF & LTTF Awards & Gov's Innov Program Increases	20 & 25	NMHTF & LTTF Awards & Gov's Innov Program Modifications

35	NMHTF & LTTF Awards & Gov's Innov Program Modifications	20 & 25	NMHTF & LTTF Awards & Gov's Innov Program Modifications
Current Line	Current Item	Draft Line	Draft Item
36	Board Reports (Qtrly)		Remove from DofA/Board Reports (Qtrly PC)
37	Board Resolutions		Remove from DofA/Board Resolutions
38	Financials (Qtrly)		Remove from DofA/Financials (Qtrly PC)
39	Responses to Audit Findings (Program, Internal and External Audit Findings)		Remove from DofA/ Board Meeting
40	Audit Follow-up & Status (Internal and External Audit Only)		Remove from DofA/Board Meeting
41	MFA Applications for Funding	8	MFA Applications for Funding and receipt of Awards and/or New Funding Sources to MFA
42	Awards Under New Loan Programs	8	MFA Applications for Funding and receipt of Awards and/or New Funding Sources to MFA
43	Regional Housing Authority Monitoring/Reviews and Required Approval Activities Per Statute		Remove from DofA/Board Meeting as needed
44	Appointment of Regional Housing Authority Board members and Executive Directors and Approval of Annual Report		Remove from DofA/Board Meeting as needed
45	Suspensions and Debarment		Remove from DofA/Qtrly PC
46	New Mexico Energy \$mart: Selection of Service Providers	14	All Programmatic RFP Language Approved and Selection of Vendor
47	State Plan Approval and Allocation of DOE Funds	18	State Plan Approval and Allocation of DOE Funds
48	Allocation of Funds Using DOE Formula (LIHEAP, Utility, COOP, etc)	18	State Plan Approval and Allocation of DOE Funds
49	Allocation/Modifications of Any Funds Based on Need/Capacity/Timing Constraints) (Per agency limits)	5	Modifications to Loans/Grants (increase over initial amount)(based on Need/Capacity/Timing Constraints
50	Disposition or Sale of Tangible Goods	9	Disposition or Sale of Tangible Goods
51	State Legislature Appropriations: Appropriations designated to specific projects or providers	7	State Appropriations (Legislative & State Agency)
52	Other Affordable Housing Funds	7	State Appropriations (Legislative & State Agency)

		22	Added New Line: Individual Loan Modifications
		26	Added New Line: All Other HD Loan/Grant Programs (HOME, NHTF)

Tab 14



PROPOSED MFA OFFICERS JUNE 15, 2022

Nominating Committee

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

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

Vice Chair: Howie Morales

Secretary: Isidoro Hernandez

Assistant Secretary: Donna Maestas – De Vries

Treasurer: Rebecca Wurzbarger

Assistant Treasurer: Yvonne Segovia

Tab 15



MEMO

TO: Board of Directors

Through: Policy Committee on May 24, 2022

FROM: Robyn Powell, Sonja Unrau, Research and Development Managers

DATE: June 15, 2022

SUBJECT: New Mexico Housing Trust Fund Recurring Funding Planning

Update on the New Mexico Housing Trust Fund Recurring Funding Planning

Senate Bill 134 passed during the 2022 Legislative Session, allocating 2.5% of severance tax bonding capacity to the New Mexico Housing Trust Fund (NMHTF) for the purposes of carrying out the provisions of the New Mexico Housing Trust Fund Act. This appropriation is projected to provide MFA with \$20-\$30 million in funding annually, which MFA may administer as loans or grants for eligible activities.

The recurring funding ("NMHTF RF") will become available to MFA in state fiscal year 2024 (July 1, 2024). MFA will be required to certify each project or program need to the State Board of Finance (SBOF) bond council prior to bond issuance. Certification occurs in May or June before the year's bond sale, meaning MFA's first certification will happen in the spring of 2024.

MFA will be required to prioritize spending NMHTF RF program income before drawing down in the severance tax bond (STB) fund. Unexpended balances will revert to STB fund within one year of project completion and unencumbered balances will revert after three years. STB funding will be made available to MFA on a reimbursement basis.

State Board of Finance Approval Process

Prior to receiving an allocation, MFA will identify eligible uses and certify the need for funding to the State Board of Finance (SBOF). In March MFA staff met with SBOF to discuss the certification process, and SBOF staff requested that MFA provide an opinion from our legal counsel that proposes eligible activities and describes how those activities comply with relevant statute, including the Mortgage Finance Authority Act, the Affordable Housing Act, and the New Mexico Housing Trust Fund Act. SBOF bond counsel will review the legal opinion and provide approval for the programmatic uses.

Once the SBOF bond counsel approves the eligible uses, SBOF will develop a program/project certification form that MFA will submit prior to each bond sale. SBOF confirmed that funding can be moved within the approved uses without additional approval. In cases where MFA wishes to reallocate funding to an uncertified activity, a new certification will be required. In future discussions with SBOF, MFA staff will address contractual agreements, reporting, and monitoring of reversions.

Staff is reviewing all MFA administered programs to determine if recurring funding could support the same activities. Additionally, we can propose new uses based on strategic initiatives or as identified through the Statewide Housing Strategy.

Statewide Housing Strategy

Since October 2021 MFA has undertaken the development of a “Statewide Housing Strategy,” which will serve as the basis for allocating NMHTF recurring funding.¹ The Strategy will include quantitative data on housing needs and resource gaps, community input from focus groups with nearly 100 housing stakeholders, survey data of over 1,000 New Mexico residents, and issue area expertise from the Housing New Mexico Advisory Committee.² The Strategy will be completed in September 2022. The document will provide a framework of housing programs and policies to meaningfully improve housing stability and opportunities in New Mexico. Additionally, the document will include an analysis of funding resources and gaps. Thus, MFA will use the Strategy as the primary tool in planning NMHTF recurring funding allocations.

Reporting Database

MFA staff will explore the feasibility of developing a centralized NMHTF reporting database. This database will allow MFA staff to monitor outcomes, including number of persons/households served by county, activity type, and expenditure amount.

Financial Model

Staff is currently working with financial advisor CSG Advisors to develop a financial model that will be used to estimate program income and monitor leveraging requirements. This model will draw on assumptions including the amount of funding in different loan or grant programs.

Timeline

Fiscal Year 2022	
Quarter 2	<ul style="list-style-type: none"> • Solicit legal counsel memo proposing eligible NMHTF RF activities/programs/projects • Begin engagement with other MFA departments based on program assessment
Quarter 3 & 4	<ul style="list-style-type: none"> • Provide legal counsel memo to SBOF • Complete financial model for the NMHTF RF • Continue engagement with MFA departments
Fiscal Year 2023	
Quarter 1 & 2	<ul style="list-style-type: none"> • Propose NMHTF RF certification request and funding allocation to Policy Committee • Begin to develop centralized reporting system

¹ All Statewide Housing Strategy development materials can be found on MFA’s website at this link: <https://housingnm.org/advisory-committee-housing-strategy/advisory-committee-and-housing-strategy-materials>

² MFA will brief the Board of Directors on the Strategy’s findings during the July Board of Directors meeting and engage the Board of Directors on the Strategy’s development during the August Board of Directors retreat.

	<ul style="list-style-type: none"> • Access staffing needs to NMHTF RF implementation
Quarter 3 & 4	<ul style="list-style-type: none"> • Work with SBOF on certification form and contractual agreements
Fiscal Year 2024	
Quarter 1 & 2	<ul style="list-style-type: none"> • Prepare certifications for SBOF
Quarter 3	<ul style="list-style-type: none"> • Submit certification to SBOF • SBOF issues June bond sale • MFA & SBOF execute contractual agreements

Tab 16



MEMO

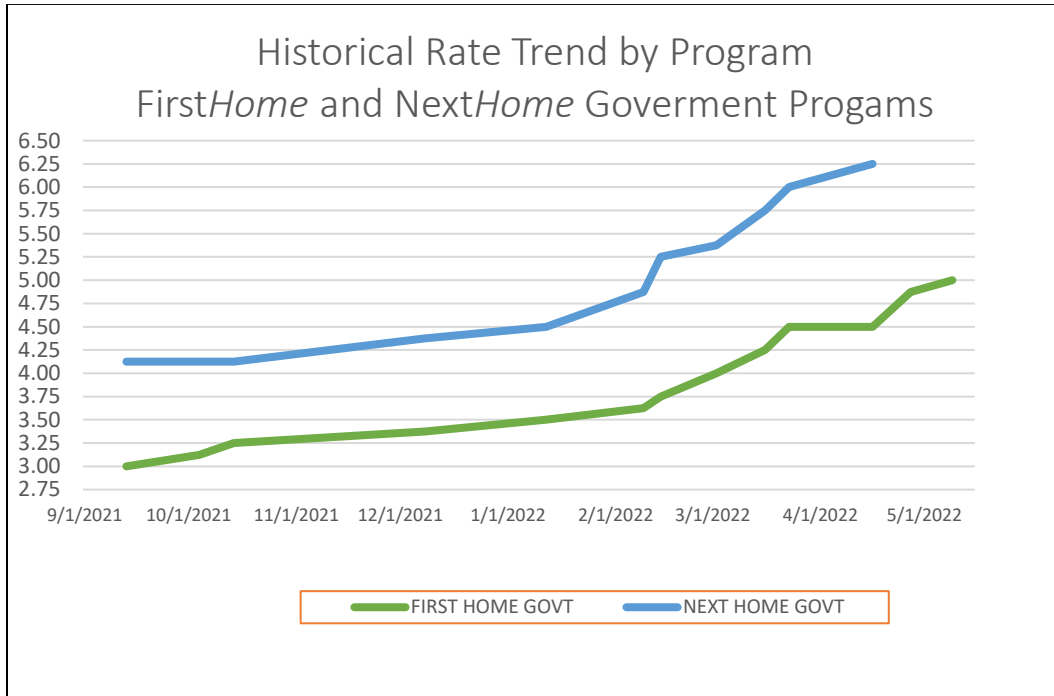
TO: MFA Board of Directors

FROM: Rene Acuña
Director of Homeownership

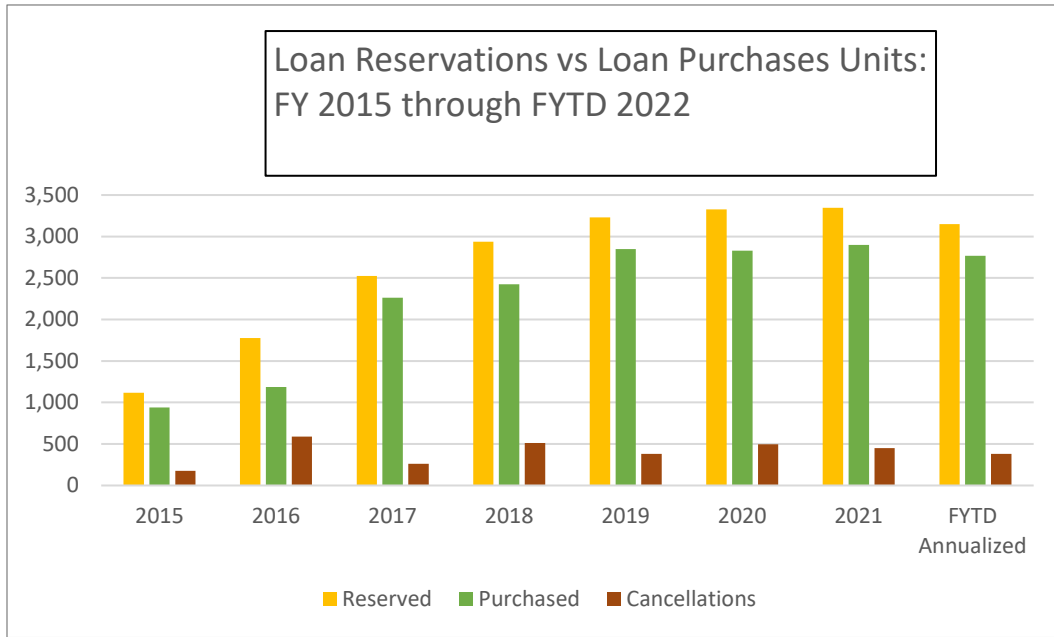
DATE: June 15, 2022

SUBJECT: Semiannual Single Family Production Report

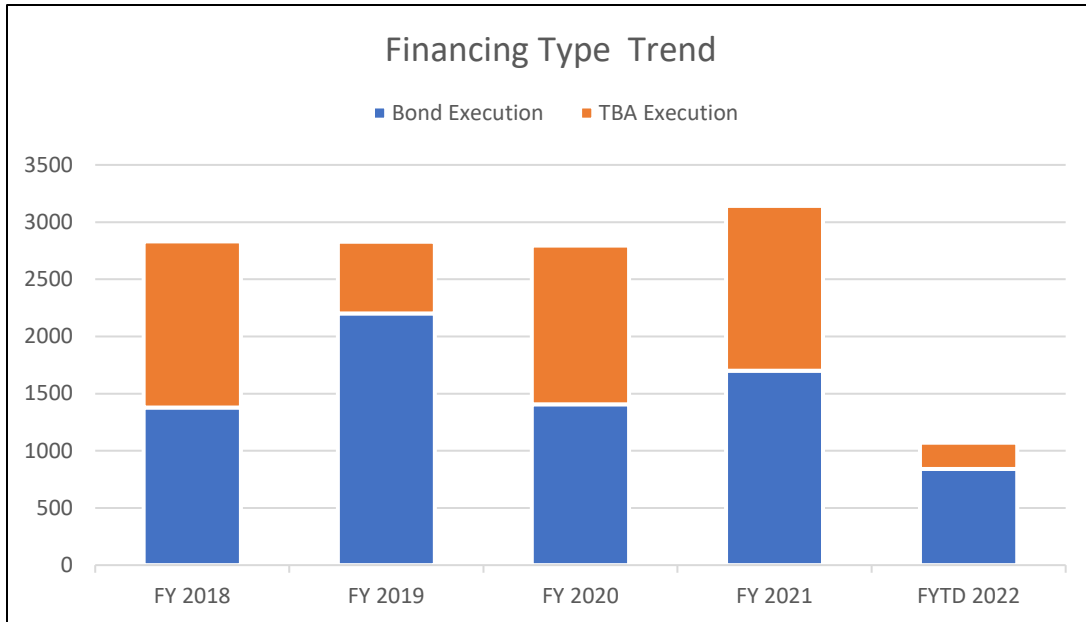
- Interest Rate History by Program



- Historical Reservation and Purchased Loan Trend



- Financing Executions



- Reservations by Program

Reservations by Program	Fiscal Year 2022 (10/01/2021 - 3/31/2022)	Fiscal Year 2021 (10/01/2020 - 9/30/2021)
FIRST HOME GOV'T	64.83%	67.31%
FIRST HOME FNMA 80% AMI	8.68%	8.07%
FIRST HOME FNMA ABOVE 80% AMI	5.04%	3.21%
NEXT HOME GOV'T -NEXT DOWN DPA	16.60%	18.58%
NEXT HOME FNMA 80% AMI	0.84%	0.98%
NEXT HOME FNMA ABOVE 80% AMI	4.01%	1.84%

- Comparison of Down Payment Assistance (DPA) Sources

Down Payment Comparison	Fiscal Year 2022 (10/01/2021-3/31/2022)	Fiscal Year 2021 (10/01/20 - 9/30/2021)
FIRST DOWN (30YR)	70.60%	76.57%
FIRST DOWN (15YR)	0.42%	0.08%
FIRST DOWN (10YR)	0.00%	0.04%
HOME NOW	6.66%	1.44%
NEXTDOWN FORGIVABLE LOAN	22.24%	21.87%

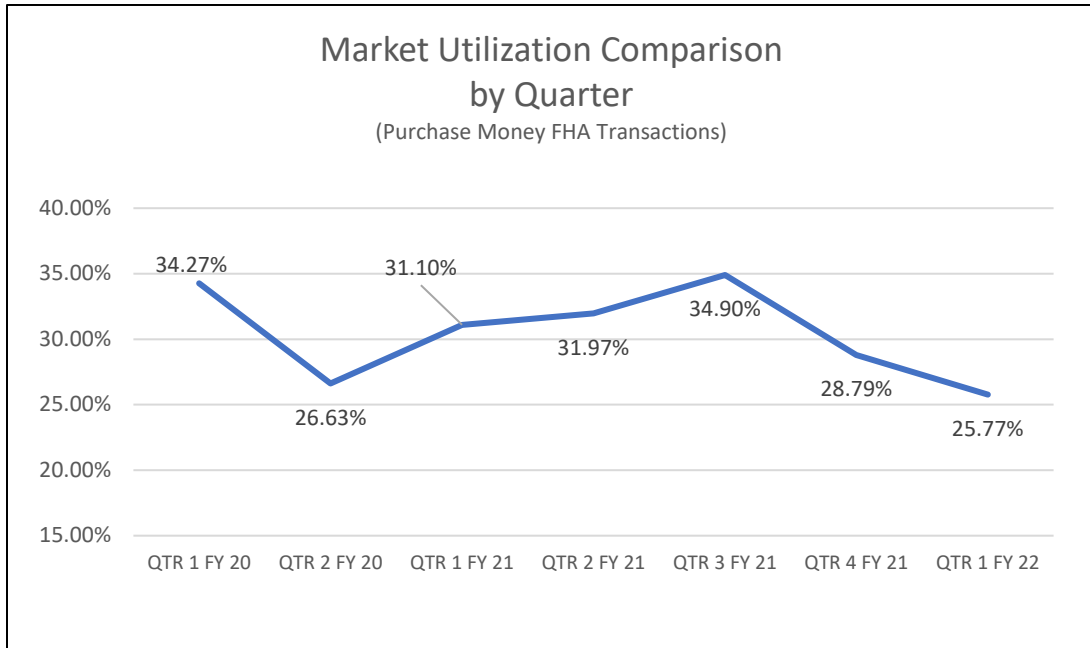
- Comparison of Loan Types

Loan Type Comparison	Fiscal Year 2022 (10/01/2021- 3/31/2022)	Fiscal Year 2021 (10/01/20 - 9/30/2021)
FHA	79.20%	83.87%
Conventional	18.56%	14.07%
HUD Section 184	0.37%	0.35%
VA	1.31%	1.37%
USDA / RHS	0.56%	0.25%
FHA 203K	0.00%	0.06%

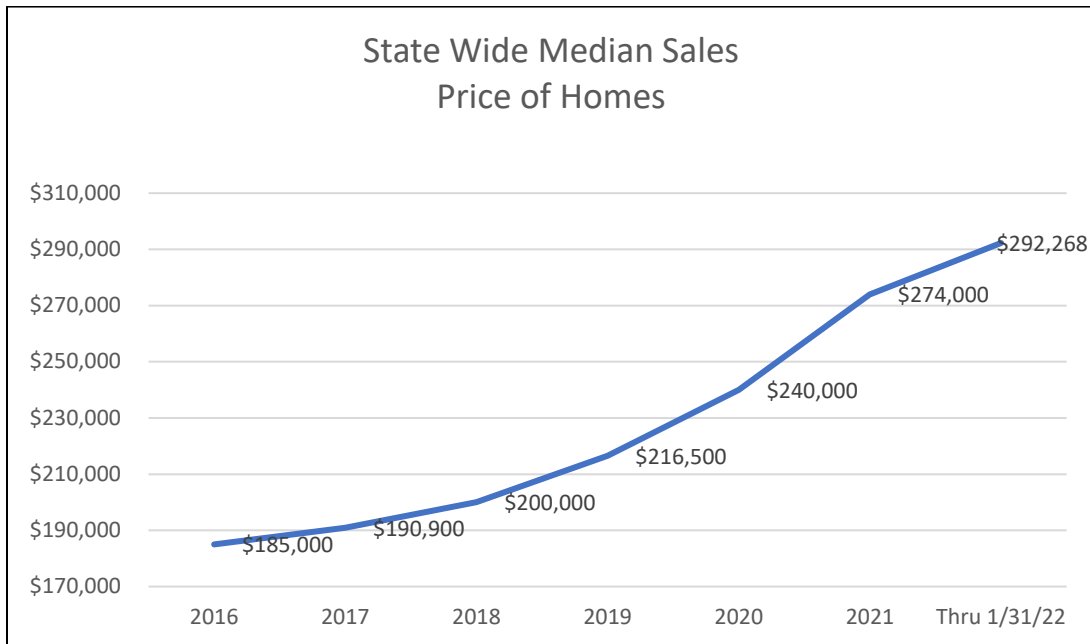
- Borrower Demographic

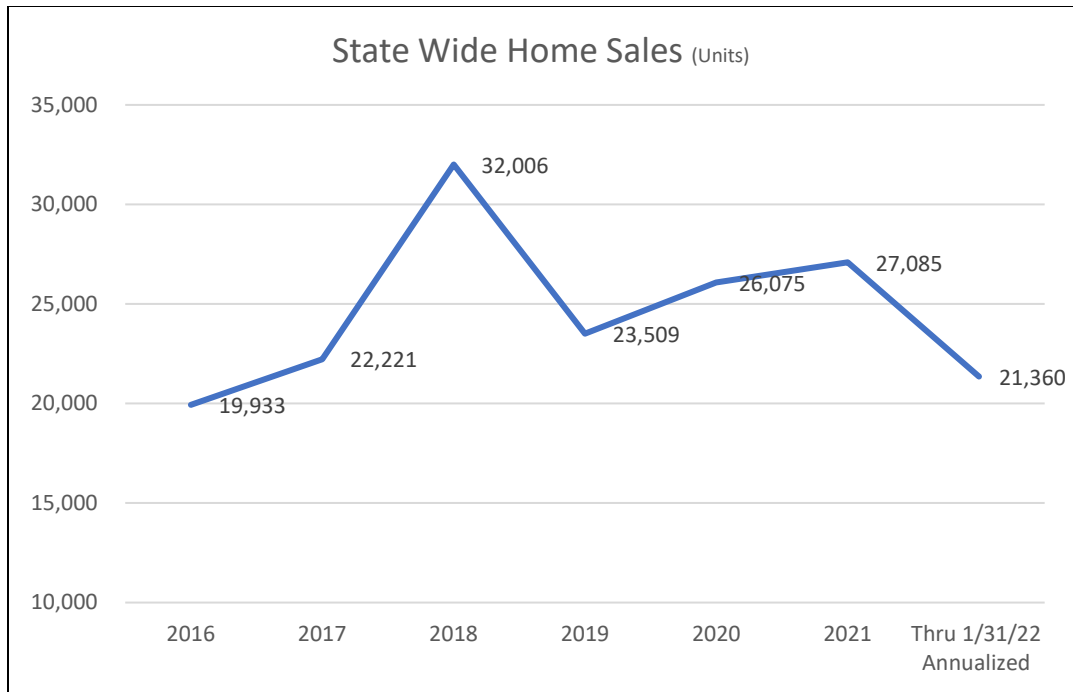
	Fiscal Year 2022 (10/01/2021 - 3/31/2022)	Fiscal Year 2021 (10/01/2020 - 9/30/2021)
Average Sales Price	\$197,650	\$187,731
Average Loan Amount	\$192,837	\$183,444
Average Down Payment Assistance Amount	\$7,374	\$7,281
Average Household Income	\$52,875	\$56,481
Average Family Size	2.6 person household	2.5 person household
Ethnicity	59.27 percent Minority	69.92 percent Minority
Average Borrower Age	34 years old	35 years old
Average Number of Dependents	1 dependent	1 dependent
Primary Borrower Gender	46.53% female/ 51.90% male	45.63% female/ 52.84% male
Average FICO score	687	686

- MFA Program Utilization



- Median Sales Price and Home Sales Trend for New Mexico





Tab 17

**Staff Actions Requiring Notice to Board
During the Period of May 2022**

Department and Program	Project	Action Taken	Comments / Date Approved
Servicing – REO	1505 West 6 th St. , Tularosa, NM 88352	Final Disposition of a Single-Family residence REO Property: Gain of \$17,112.87	FC Sale date 11/6/2021 – Foreclosure and REO disposition managed and completed by MFA. Habitat for Humanity property. 46 days on the Market resulted in a full payoff and a gain of \$17,112.87.
Servicing Department	Quarterly Quality Control Review Loan Servicing for February 2022	Approval of the report issued by REDW – no findings.	Approved by Policy Committee on April 5, 2022
Community Development - EHAP	Reallocation of EHAP funds from Samaritan House to COPE	Reallocating \$55,142.66 of EHAP funding from Samaritan House to Center of Protective Environment (COPE). COPE has currently expended 100% of their EHAP funding	Approved by Policy Committee on May 17, 2022
Housing Development – 4% Bonds	Vista Mesa Villas	Extension Request sent to State Board of Finance (SBOF) to extent Bond Volume Cap expiration from July 1, 2022 to November 1, 2022 (\$13M)	Request letter signed by Izzy on May 20, 2022, sent to SBOF on May 23, 2022
Housing Development – 4% Bonds	EMLI at Wells of Artesia	Extension Request sent to State Board of Finance (SBOF) to extent Bond Volume Cap expiration from July 1, 2022 to November 1, 2022 (\$33M)	Request letter signed by Izzy on May 20, 2022, sent to SBOF on May 23, 2022
Community Development - ESG CARES Act	Adjustment to- ESG CARES Act Awards	Amending ESG CARES Act awards by reallocating funds between programs and service providers to create the best opportunity to fully expend ESG CARES Act funding before the September 30, 2023 deadline.	Approved by Policy Committee on May 24, 2022

Department and Program	Project	Action Taken	Comments / Date Approved
Community Development - Continuum of Care (COC)	2022-2023 Continuum of Care (COC) Match Program Award Recommendations	Approval of \$461,966 for 24 service providers for the Continuum of Care Match Program Award for the 2022-2023 program year.	Approved by Policy Committee on May 31, 2022
Community Development - Linkages	2022/2023 Linkages Limited Source Procurement Annual Allocations	Approval to award Linkages Housing Administrators "HA" a total of \$3,269,968.52 under Limited Source Procurement for program year 2022/2023.	Approved – Policy Committee on May 31, 2022
Community Development – Duty to Serve	Request for Reallocation of Duty to Serve Funds	Transfer of \$11,426.13 in Duty to Serve (DTS) funding from Native Community Capital (NCC) to Southwestern Regional Housing (SWR).	Memo approved by Donna Maestas-De Vries on May 31, 2022

COVID-19
Staff Actions Requiring Notice to Board
During the Period of May 13, 2022 - current

Department and Program	Project	Action Taken	Comments / Date Approved

Tab 18

New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

April 30, 2022

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

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

		7 month <u>4/30/2022</u>	7 month <u>4/30/2021</u>	% Change <u>Year / Year</u>	Forecast <u>4/30/2022</u>	Actual to <u>Forecast</u>	Forecast/Target <u>9/30/22</u>
PRODUCTION							
1	Single family issues (new money):	\$199.9	\$55.0	263.5%	\$199.9	0.0%	\$225.0
2	Single family loans sold (TBA):	\$65.3	\$260.3	-74.9%	\$65.3	0.0%	\$150.0
3	Total Single Family Production	\$265.2	\$315.3	-15.9%	\$265.2	0.0%	\$375.0
4	Multifamily issues (new money):	\$11.0	\$0.0	0.0%	\$10.0	10.0%	\$20.0
5	Single Family Bond MBS Payoffs:	\$97.9	\$90.9	7.8%	\$82.2	19.1%	\$140.9
STATEMENT OF NET POSITION							
6	Avg. earning assets:	\$1,502.3	\$1,408.6	6.7%	\$1,528.1	-1.7%	\$1,528.1
7	General Fund Cash and Securities:	\$91.6	\$86.8	5.5%	\$84.8	8.0%	\$84.8
8	General Fund SIC FMV Adj.:	(\$1.4)	\$2.6	-155.5%	\$0.0	N/A	\$0.0
9	Total bonds outstanding:	\$1,246.4	\$1,066.5	16.9%	\$1,241.1	0.4%	\$1,241.1
STATEMENT OF REVENUES, EXPENSES AND NET POSITION							
10	General Fund expenses (excluding capitalized assets):	\$13.8	\$12.8	7.8%	\$14.4	-4.0%	\$24.9
11	General Fund revenues:	\$15.8	\$28.6	-44.8%	\$17.2	-8.1%	\$30.0
12	Combined net revenues (all funds):	(\$0.5)	\$17.8	-103.0%	\$1.5	-135.8%	\$2.6
13	Combined net revenues excluding SIC FMV Adj. (all funds):	\$2.0	\$15.5	-86.8%	\$1.5	37.6%	\$2.6
14	Combined net position:	\$285.4	\$281.1	1.5%	\$288.5	-1.1%	\$288.5
15	Combined return on avg. earning assets:	-0.06%	2.16%	-102.8%	0.17%	-135.7%	0.17%
16	Combined return on avg. earning assets excluding SIC FMV Adj. (all funds):	0.23%	1.89%	-87.6%	0.17%	37.4%	0.17%
17	Net TBA profitability:	0.68%	2.33%	-70.8%	0.50%	36.0%	0.50%
18	Combined interest margin:	0.51%	0.68%	-24.8%	0.55%	-6.3%	0.55%
MOODY'S BENCHMARKS							
19	Net Asset to debt ratio (5-yr avg):	28.21%	29.64%	-4.8%	26.82%	5.2%	26.82%
20	Net rev as a % of total rev (5-yr avg):	10.32%	12.39%	-16.7%	11.25%	-8.3%	11.25%
SERVICING							
21	Subserviced portfolio	\$1,827.6	\$1,625.0	12.5%	\$1,930.4	-5.3%	\$1,930.4
22	Servicing Yield (subserviced portfolio)	0.41%	0.41%	1.1%	0.41%	1.1%	0.41%
23	Combined average delinquency rate (MFA serviced)	8.26%	8.44%	-2.1%	9.00%	-8.2%	9.00%
24	DPA loan delinquency rate (all)	7.45%	6.55%	13.7%	N/A	N/A	N/A
25	Default rate (MFA serviced-annualized)	0.70%	0.74%	-5.0%	2.00%	-64.9%	2.00%
26	Subserviced portfolio delinquency rate (first mortgages)	11.60%	15.01%	-22.7%	N/A	N/A	N/A
27	Purchased Servicing Rights Valuation Change (as of 3/31/22)	\$8.1	\$3.2	154.7%	N/A	N/A	N/A

Legend:

Positive Trend Caution Negative Trend Known Trend/Immaterial

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

SUMMARY OF BOND ISSUES:

Single Family Issues:

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

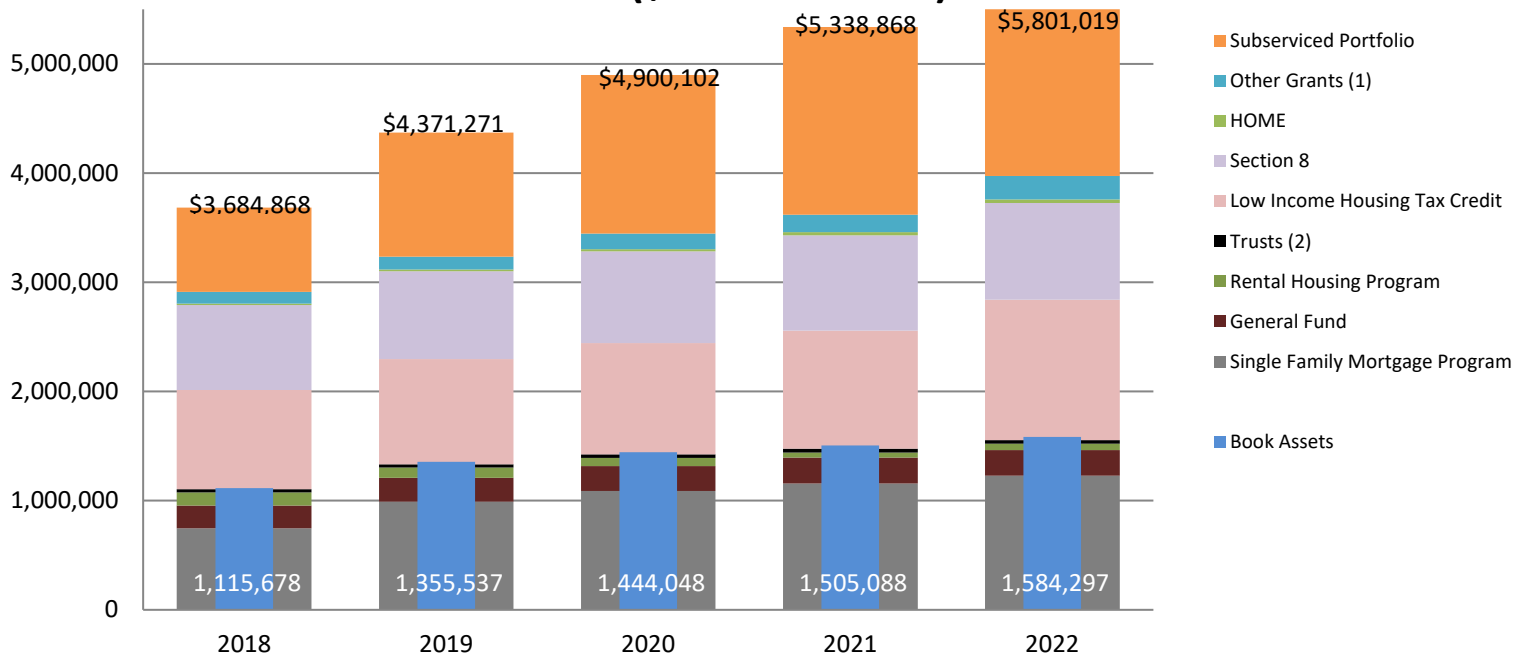
Multi-family Issues:

\$11.0 mm Series 2021 JLG Central (October)

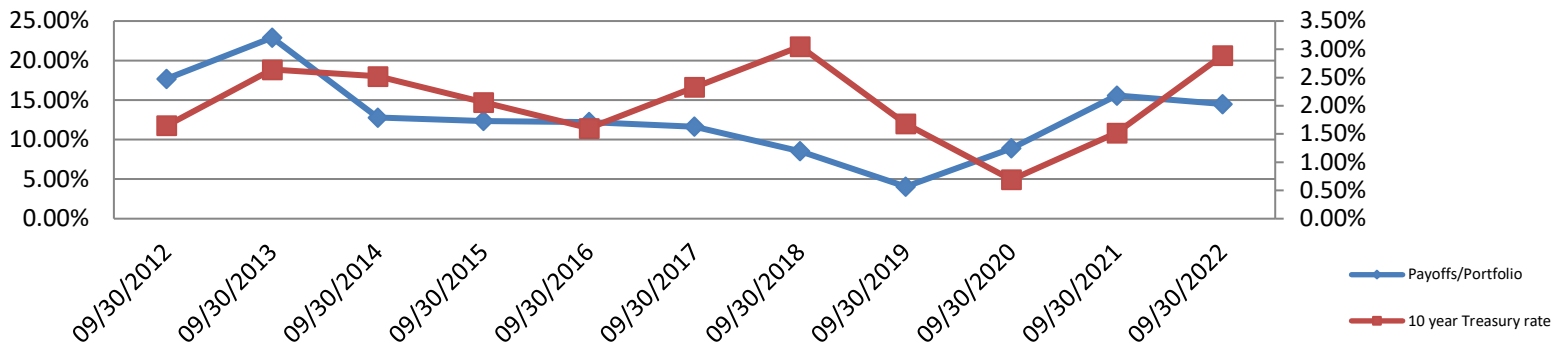
CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

- The single-family production has decreased by 15.9% from April last year. TBA loans sold to date were 74.9% 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. MFA also issued Series B refunding for \$33.5 million in February. Payoffs remain stronger than last year, an 7.8% increase, although less than the year-over-year change for the end of FY21 of 78.9%. MFA continues to monitor market situations closely in consultation with its financial advisors, and it appears more favorable conditions persist for the issuance of bonds than TBA.
- The multifamily JLG Central bond issue closed in October for \$11 million. MFA is also working on a bond issue for the Vista Mesa Villa Apartments project for \$13m and EMLI at Wells of Artesia project for \$33m.
- In seven months of activities, the Return on Average earnings assets was at negative 0.06%, lower than last year, because of HAF awards made through the NM Housing Trust Fund on consolidated revenues (\$1.1m). This, along with the Cost of Issuance of 2021D and 2022 A&B Series bonds (\$2.0 m) and YTD SIC Investments losses (\$2.6m) 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 7.8% due to an increase in compensation, maintenance, and amortization of servicing rights, while the General Fund revenue decreased by 44.8% due to administrative fee income from TBA activities being significantly lower compared to last year. The State Investment Council (SIC) General Fund portfolio valuation decreased by \$1.4m. While the FMV changes are non-operating, 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 five more anticipated increases in interest rates at the federal level for the year. The combined interest margin of 0.51% decreases 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 the newly acquired MBS portfolios have lower interest rates and faster prepayments as borrowers refinanced at low mortgage rates. Also, we recently some of the large multifamily loans paid off.
- Based on Moody's issuer credit rating scorecard, MFA's 28.21% 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 10.32% ratio (5-year average) is at the lower end within the optimal range (10-15%) because of varied reasons, including the NMHTF activity for consolidated revenues, cost of issuance of 2021 D, 2022 A&B series bonds, decreased FMV of SIC investments, and lower TBA profitability resulting from market changes.
- 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 11.60%. The sub-serviced portfolio is approximately 85% FHA-insured loans. The Mortgage Bankers Association quarterly survey as of March 31, 2021, indicates that the delinquency rate for FHA loans nationally is 9.58%, and for New Mexico, 7.15%. FHA Single Family Loan Performance Trends for March 2022 showed 12.60% delinquency (for purchase loans only), down from 14.51% in December 2021.
- The fair market value for purchased servicing rights as of March 2022 is \$26.6 million, an increase of about \$8.1 million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. A sharp increase over the last quarter in FMV related to decreased prepayment speed projections and increased earnings rates impacted portfolio value positively. The current recorded cost of the asset is \$18.5 million. Valuations are obtained quarterly.

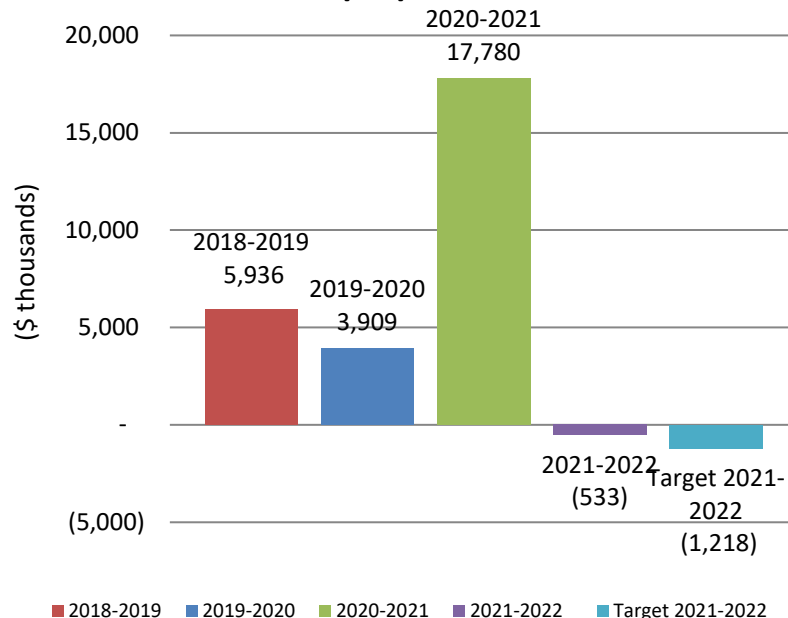
Assets Under Management as of 9/30/2022 (\$ in thousands)



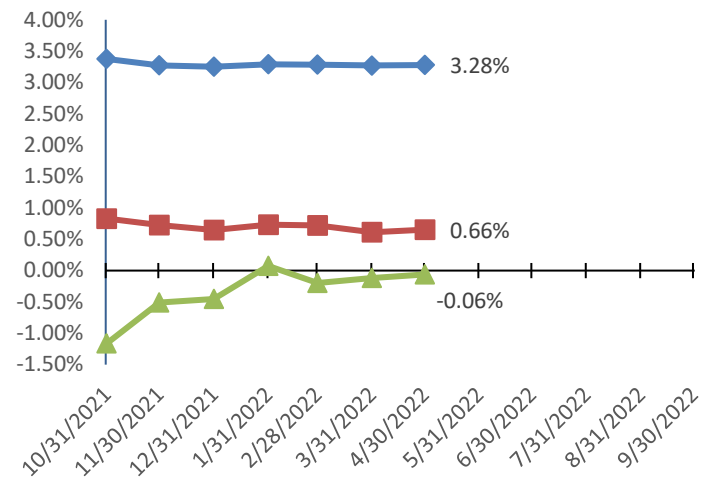
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2022



YTD Excess Revenues over Expenses as of 4/30/2022



Yield Targets 9/30/2022



	2021	Target 2022
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

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

	<u>YTD 4/30/22</u>	<u>YTD 04/30/21</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$41,655	\$38,842
RESTRICTED CASH HELD IN ESCROW	9,772	9,261
SHORT-TERM INVESTMENTS	(100)	2,584
ACCRUED INTEREST RECEIVABLE	4,331	3,985
OTHER CURRENT ASSETS	6,902	5,739
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	(0)	-
INTER-FUND RECEIVABLE (PAYABLE)	-	0
TOTAL CURRENT ASSETS	<u>62,560</u>	<u>60,411</u>
 CASH - RESTRICTED	 80,889	 56,270
LONG-TERM & RESTRICTED INVESTMENTS	65,543	65,437
INVESTMENTS IN RESERVE FUNDS	11,001	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,145,621	984,522
MORTGAGE LOANS RECEIVABLE	203,578	218,741
ALLOWANCE FOR LOAN LOSSES	(9,675)	(7,469)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,803	1,983
OTHER REAL ESTATE OWNED, NET	4,069	787
OTHER NON-CURRENT ASSETS	-	-
INTANGIBLE ASSETS	18,708	16,476
TOTAL ASSETS	<u>1,584,096</u>	<u>1,397,157</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	200	232
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u>1,584,297</u>	<u>1,397,389</u>
 <u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$9,939	\$9,169
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	14,457	12,174
ESCROW DEPOSITS & RESERVES	9,378	8,897
TOTAL CURRENT LIABILITIES	<u>33,773</u>	<u>30,240</u>
 BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	 1,246,365	 1,066,499
MORTGAGE & NOTES PAYABLE	18,265	19,441
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	228	143
TOTAL LIABILITIES	<u>1,298,631</u>	<u>1,116,322</u>
DEFERRED INFLOWS	298	-
TOTAL LIAB/DEFERRED INFLOWS	<u>1,298,929</u>	<u>1,116,322</u>
 <u>NET POSITION:</u>		
NET INVESTED IN CAPITAL ASSETS	1,803	1,983
UNAPPROPRIATED NET POSITION (NOTE 1)	61,757	68,011
APPROPRIATED NET POSITION (NOTE 1)	221,808	211,073
TOTAL NET POSITION	<u>285,368</u>	<u>281,067</u>
TOTAL LIABILITIES & NET POSITION	<u>1,584,297</u>	<u>1,397,389</u>

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

	<u>YTD 4/30/22</u>	<u>YTD 04/30/21</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$25,043	\$26,564
INTEREST ON INVESTMENTS & SECURITIES	873	1,049
LOAN & COMMITMENT FEES	2,128	658
ADMINISTRATIVE FEE INCOME (EXP)	4,328	12,833
RTC, RISK SHARING & GUARANTY INCOME	154	84
HOUSING PROGRAM INCOME	851	774
LOAN SERVICING INCOME	4,794	4,641
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>38,171</u>	<u>46,603</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	(2,392)	2,988
OTHER NON-OPERATING INCOME	13	11
GRANT AWARD INCOME	35,168	59,381
SUBTOTAL NON-OPERATING REVENUES	<u>32,789</u>	<u>62,380</u>
TOTAL REVENUES	<u>70,960</u>	<u>108,983</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	11,759	11,304
INTEREST EXPENSE	21,435	21,994
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(1,893)	(1,704)
PROVISION FOR LOAN LOSSES	148	(123)
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	90	79
AMORT. OF SERV. RIGHTS & DEPRECIATION	1,828	1,562
BOND COST OF ISSUANCE	2,021	535
SUBTOTAL OPERATING EXPENSES	<u>35,388</u>	<u>33,647</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	57	81
GRANT AWARD EXPENSE	36,047	57,232
OTHER NON-OPERATING EXPENSE	-	243
SUBTOTAL NON-OPERATING EXPENSES	<u>36,104</u>	<u>57,556</u>
TOTAL EXPENSES	<u>71,492</u>	<u>91,203</u>
NET REVENUES	<u>(533)</u>	<u>17,780</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>(533)</u>	<u>17,780</u>
NET POSITION AT BEGINNING OF YEAR	<u>285,900</u>	<u>263,288</u>
NET POSITION AT 4/30/22	<u>285,368</u>	<u>281,067</u>

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

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

UNAPPROPRIATED NET POSITION:

\$ 27,106	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 33,719	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 932	is held for New Mexico Affordable Housing Charitable Trust.
\$ 61,757	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 (\$106,992 in loans plus \$10,137 unfunded, of which \$4,706 is committed).
\$ 53,992	for future use in Single Family & Multi-Family housing programs.
\$ 1,161	for loss exposure on Risk Sharing loans.
\$ 1,803	invested in capital assets, net of related debt.
\$ 18,599	invested in mortgage servicing rights.
\$ 12,691	for the future General Fund Budget year ending 09/30/22 (29,325 total budget less 16,634 expended budget through 04/30/22.)
\$ 205,375	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

\$ 18,236	for use in the federal and state housing programs administered by MFA.
\$ 18,236	Subtotal - Housing Program
\$ 223,611	Total Appropriated Net Position
\$ 285,368	Total Combined Net Position at April 30, 2022

Total combined Net Position, or reserves, at April 30, 2022 was \$285.4 million, of which \$61.8 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$223.6 million of available reserves, with \$91.6 million primarily liquid in the General Fund and in the federal and state Housing programs and \$132.0 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 seven months ended 4/30/2022

	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	595,332	3,968,487	4,342,483	7,444,257	373,997	3,475,770	53.31%
Interest on Investments & Securities	114,217	672,017	691,025	1,184,614	19,008	512,597	56.73%
Loan & Commitment Fees	15,296	102,061	106,480	182,537	4,419	80,476	55.91%
Administrative Fee Income (Exp)	875,217	6,509,846	6,743,650	11,560,542	233,804	5,050,696	56.31%
Risk Sharing/Guaranty/RTC fees	3,013	149,784	48,537	83,207	(101,247)	(66,578)	180.01%
Housing Program Income	72,240	850,920	543,323	1,332,863	(307,597)	481,943	63.84%
Loan Servicing Income	698,695	4,794,199	4,767,577	8,172,989	(26,622)	3,378,790	58.66%
Other Operating Income			-	-	-	-	
Operating Revenues	2,374,010	17,047,314	17,243,075	29,961,009	195,761	12,913,695	56.90%
Gain (Loss) Asset Sale/Debt Ex	40,481	(1,259,927)	-	-	1,259,927	1,259,927	
Other Non-operating Income	10	10	58	100	48	90	10.00%
Non-Operating Revenues	40,491	(1,259,917)	58	100	1,259,975	1,260,017	-1259917.16%
Revenue	2,414,501	15,787,397	17,243,133	29,961,109	1,455,736	14,173,712	52.69%
Salaries	786,181	3,772,926	4,053,767	7,090,697	280,841	3,317,771	53.21%
Overtime	1,952	7,235	17,193	30,181	9,957	22,946	23.97%
Incentives	9,522	305,405	340,686	595,931	35,281	290,526	51.25%
Payroll taxes, Employee Benefits	297,222	1,718,748	2,022,085	3,529,179	303,338	1,810,431	48.70%
Compensation	1,094,877	5,804,314	6,433,731	11,245,988	629,417	5,441,674	51.61%
Business Meals Expense	49	1,180	2,841	4,870	1,661	3,690	24.23%
Public Information	1,266	76,037	214,010	366,875	137,974	290,838	20.73%
In-State Travel	2,465	33,330	76,657	131,412	43,327	98,082	25.36%
Out-of-State Travel	3,583	9,953	110,153	188,834	100,200	178,881	5.27%
Travel & Public Information	7,363	120,499	403,661	691,991	283,162	571,492	17.41%
Utilities/Property Taxes	5,580	46,766	44,515	76,311	(2,251)	29,545	61.28%
Insurance, Property & Liability	16,865	118,056	119,113	204,194	1,057	86,138	57.82%
Repairs, Maintenance & Leases	89,503	961,856	721,773	1,237,325	(240,083)	275,469	77.74%
Supplies	2,130	16,368	22,283	38,200	5,916	21,832	42.85%
Postage/Express mail	7,539	29,252	32,083	55,000	2,831	25,748	53.19%
Telephone	260	4,090	13,242	22,701	9,153	18,611	18.01%
Janitorial	3,456	22,296	21,292	36,500	(1,004)	14,204	61.09%
Office Expenses	124,799	1,194,412	972,506	1,667,152	(221,906)	472,741	71.64%
Dues & Periodicals	3,550	28,024	33,845	58,020	5,821	29,996	48.30%
Education & Training	6,484	35,550	87,418	149,859	51,868	114,309	23.72%
Contractual Services	89,925	611,171	926,336	1,588,004	315,165	976,833	38.49%
Professional Services-Program	7,508	46,879	39,900	68,400	(6,979)	21,521	68.54%
Direct Servicing Expenses	614,830	3,672,300	2,941,100	5,041,886	(731,200)	1,369,586	72.84%
Program Expense-Other	8,117	32,841	36,761	63,019	3,920	30,178	52.11%
Rebate Analysis Fees			-	-	-	-	
Other Operating Expense	730,414	4,426,765	4,065,360	6,969,188	(361,406)	2,542,423	63.52%

GENERAL FUND
Fiscal Year 2021-2022 Budget
For the seven months ended 4/30/2022

	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	7,886	45,685	243,731	417,824	198,046	372,139	10.93%
Non-Cash Expenses	162,928	1,974,244	1,972,982	3,382,254	(1,263)	1,408,010	58.37%
Expensed Assets	11,717	156,627	69,913	119,850	(86,714)	(36,777)	130.69%
Operating Expenses	2,139,984	13,722,546	14,161,882	24,494,247	439,337	10,771,702	56.02%
Program Training & Tech Asst	2,476	10,188	96,192	164,900	86,003	154,712	6.18%
Program Development	16,972	46,786	119,293	204,502	72,507	157,716	22.88%
Capacity Building Costs	19,448	56,974	215,485	369,402	158,511	312,428	15.42%
Non-Operating Expenses	19,448	56,974	215,485	369,402	158,511	312,428	15.42%
Expenses	2,159,432	13,779,520	14,377,367	24,863,649	597,847	11,084,130	55.42%
Excess Revenue over Expenses	255,069	2,007,877	2,865,766	5,097,459	857,889	3,089,583	39.39%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2021-2022 Budget
For the seven months ended 4/30/2022

	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	373,096	2,844,094	2,446,063	4,193,250	(398,031)	1,349,156	67.83%
2950 COMPUTER HARDWARE	-	9,752	107,522	184,324	97,771	174,572	5.29%
2960 SOFTWARE LICENSES	-	-	-	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	-	-	48,942	83,900	48,942	83,900	0.00%
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	-	-	-	-	-	-	
Capital Budget	373,096	2,853,845	2,602,527	4,461,474	(251,319)	1,607,629	63.97%