



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

344 4th St. SW, Albuquerque, NM

Wednesday, November 17, 2021 at 9:30 a.m.

Agenda

Chair Convenes Meeting

- Roll Call (Izzy Hernandez)
- Administer the Oath of office for Dr. Patricia A. Sullivan (Chair, Angel Reyes)
- Approval of Agenda – Board Action
- Approval of October 20, 2021 Board Meeting Minutes – Board Action
- Executive Director Updates

Board Action Items

Action Required?

Finance Committee

- | | | |
|---|--|-----|
| 1 | Internal Audit Plan FY2022-2023 (Jessica Bundy, CPA, Audit & Consulting Principal, and Claire Hilleary Audit & Consulting Sr. Manager, REDW) | YES |
| 2 | Internal Audit Year End Follow-Up on Open Internal Audit Observations Executive Summary (Jessica Bundy, CPA, Audit & Consulting Principal, and Claire Hilleary Audit & Consulting Sr. Manager, REDW) | YES |
| 3 | FY 2021 Internal Audit Hours Summary Budget v. Actual (Jessica Bundy, CPA, Audit & Consulting Principal, and Claire Hilleary Audit & Consulting Sr. Manager, REDW) | YES |
| 4 | REDW- MFA Low Income Housing Tax Credits Project Report (Claire Hilleary Audit & Consulting Sr. Manager, REDW) | YES |
| 5 | 9/30/21 Quarterly Financial Statement Review (Stephanie Yara) | YES |
| 6 | FY2021 General Fund Budget Amendment (Yvonne Segovia) | YES |
| 7 | 9/30/21 Quarterly Investment Review (Cooper Hall) | YES |
| 8 | Award Recommendation for Single Family Underwriter RFP (Cooper Hall) | YES |
| 9 | 2022 Series A and Series B Bond Resolution (Cooper Hall) | YES |

Contracted Services/Credit Committee

- | | | |
|----|---|-----|
| 10 | Award Recommendation for Housing Development Legal Services (Jeff Payne) | YES |
| 11 | Recovery Housing Program (RHP) - Request for Proposal (Theresa Laredo-Garcia) | YES |
| 12 | Alameda Flats Apartments HOME and NHTF Loan Requests (Jacobo Martinez and George Maestas) | YES |

Other

- | | | |
|----|---|-----|
| 13 | FY 2021 Strategic Plan Close Out (Izzy Hernandez, Donna Maestas-DeVries, Jeff Payne and Stephanie Yara) | YES |
| 14 | 2022 Legislative Agenda (Rebecca Velarde) | YES |
| 15 | Single Family Program Semi-Annual Report (Rene Acuna) | NO |
| 16 | Quarterly Multifamily Project Completion Report (George Maestas) | NO |

Closed Session

Action Required

- | | | |
|----|---|-----|
| 17 | Limited Personnel Matters | YES |
| | ▪ Individual Employee Performance/Compensation Matter – (Chair Reyes)
(Motion and affirmative vote are required to close the meeting for this limited purpose) | |

Open Session

Action Required

- | | | |
|----|---|-----|
| 18 | Limited Personnel Matters | |
| | ▪ Individual Employee Performance/Compensation Matter – (Chair Reyes) | YES |

Other Board Items

Information Only

- | | | |
|----|--|--|
| 19 | (Staff is available for questions) | |
| | ▪ Staff Action Requiring Notice to Board | |
| | ▪ COVID Staff Actions | |

Quarterly Reports

No Action Required

20 (Staff is available for questions)

- Quarterly Board Report

Announcements and Adjournment

Discussion Only

Confirmation of Upcoming Board Meetings

- December 7, 2021 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- December 15, 2021 – Wednesday – 9:30 a.m. (MFA Board of Directors Meeting)
- January 11, 2022 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- January 19, 2022 – Wednesday – 9:30 a.m. (MFA Board of Directors Meeting, Santa Fe location TBD)
- February 8, 2021 - Tuesday, Contracted Services 10:00 a.m. Finance Committee 1:30 p.m.
- February 16, 2021 – Wednesday – 9:30 a.m. (MFA Board of Directors Meeting)



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Board Action Items

Action Required?

Finance Committee

- 1 Internal Audit Plan FY2022-2023 (Jessica Bundy, CPA, Audit & Consulting Principal, and Claire Hilleary Audit & Consulting Sr. Manager, REDW) - MFA Internal Audit Senior Manager Claire Hilleary of REDW will present the FY2022-2023 Internal Audit Plan for approval. YES
- 2 Internal Audit Year End Follow-Up on Open Internal Audit Observations Executive Summary (Jessica Bundy, CPA, Audit & Consulting Principal, and Claire Hilleary Audit & Consulting Sr. Manager, REDW) - MFA Internal Audit Senior Manager Claire Hilleary of REDW will present the Internal Audit Year End Follow-Up on Open Internal Audit Observations Executive Summary for approval. YES
- 3 FY 2021 Internal Audit Hours Summary Budget v. Actual (Jessica Bundy, CPA, Audit & Consulting Principal, and Claire Hilleary Audit & Consulting Sr. Manager, REDW) - Finance Committee. MFA Internal Audit Senior Manager Claire Hilleary of REDW will present the FY2021 Internal Hours Audit Summary Budget v. Actual for approval. YES
- 4 REDW- MFA Low Income Housing Tax Credits Project Report (Claire Hilleary Audit & Consulting Sr. Manager, REDW) - MFA Internal Audit Senior Manager Claire Hilleary of REDW will present the Low Income Housing Tax Credits (LIHTC) Internal Audit Program Review Project for approval. YES
- 5 9/30/21 Quarterly Financial Statement Review (Stephanie Yara) - Ongoing YES
- 6 FY2021 General Fund Budget Amendment (Yvonne Segovia) - As a result of record single family mortgage loan production and the market conditions, we did not have sufficient capital outlay or mortgage servicing rights amortization budget to carry the organization through the end of the fiscal year. Therefore, staff is proposing an amendment to increase the capital budget by \$1,421,000 and amortization by \$808,000. YES
- 7 9/30/21 Quarterly Investment Review (Cooper Hall) - Ongoing YES
- 8 Award Recommendation for Single Family Underwriter RFP (Cooper Hall) - The MFA Board approved a Request for Proposal (RFP) for Underwriter Services for the Single Family Program at its August 2021 Board meeting. MFA received eight responses to the RFP which met minimum threshold. The proposals were scored by an internal committee of five staff members in accordance with the evaluation criteria outlined in the RFP. RBC Capital Markets received the highest number of points and Raymond James scored the second highest number of points in the scoring process and staff recommends that RBC Capital Markets be selected as Senior Manager and Raymond James as Co Manager to provide Underwriting Services. Per the RFP, the contract begins on the date the MFA Board approves the award and ends on November 30, 2024. At the option of the Policy Committee, the contract may be extended for two, one (1) year periods under the same terms and conditions. YES
- 9 2022 Series A and Series B Bond Resolution (Cooper Hall) - To authorize future bonding activity and to ensure MFA can be responsive to market conditions, Staff is requesting approval of the 2022 Series A and B Single Family Bond Resolution in the aggregate amount of not to exceed \$150 million. MFA anticipates providing funds for \$110 million of new loans and \$35-40 million to refund three callable bond issues. The timing of issuance has not been determined and will depend on actual reservation activity and bond market conditions. YES

Contracted Services/Credit Committee

- 10 Award Recommendation for Housing Development Legal Services (Jeff Payne) - The Board approved the Request for Proposal for Housing Development Legal Services on August 18, 2021. MFA received one response. That response met the Minimum Requirements and was scored. Staff recommends the Housing Development Legal Services award be made

to Stelzner, Winter, Warburton, Flores & Dawes, P.A., for a term of three (3) years, with the option of two (2) one-year extensions at the option of the Policy Committee. YES

- 11** Recovery Housing Program (RHP) - Request for Proposal (Theresa Laredo-Garcia) - Staff recommends approval of the Pilot Recovery Housing Program (RHP) Request for Proposal (RFP) for FY2020/FY2021 to provide much needed funding for Recovery Housing units in NM. YES

- 12** Alameda Flats Apartments HOME and NHTF Loan Requests (Jacobo Martinez and George Maestas) - A HOME Investment Partnerships Program (HOME) loan request in the amount of \$400,000 and a National Housing Trust Fund loan request in the amount of \$400,000 for the Alameda Flats Apartments, located in Roswell, New Mexico. Alameda Flats Apartments is a 70 unit family apartment project with 69 units to be new construction and 1 unit to be a federal historic renovation of an existing single-family house for households with children. All units will be income-restricted. The income-restricted units will be for households earning 30%, 50%, and 60% of Area Median Income (AMI). YES

Other

- 13** FY 2021 Strategic Plan Close Out (Izzy Hernandez, Donna Maestas-DeVries, Jeff Payne and Stephanie Yara) - Staff will present to the Board benchmark results for FY21 of the MFA Strategic Plan. YES
- 14** 2022 Legislative Agenda (Rebecca Velarde) - Board approval is requested for MFA's legislative agenda for the 2022 New Mexico Legislative Session. YES
- 15** Single Family Programs Report (René Acuña) - Staff will provide an update of the Single Family program production for the 2020-2021 fiscal year. NO
- 16** Quarterly Multifamily Project Completion Report (George Maestas) - For informational purposes, staff will provide an overview of the report on the construction progress for multifamily projects and present information on any upcoming loan closings and ribbon cuttings. NO

Closed Session

Action Required

- 17** Limited Personnel Matters YES
- Individual Employee Performance/Compensation Matter – (Chair Reyes)
(Motion and affirmative vote are required to close the meeting for this limited purpose)

Open Session

Action Required

- 18** Limited Personnel Matters
- Individual Employee Performance/Compensation Matter – (Chair Reyes) YES

Other Board Items

Information Only

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

Quarterly Reports

No Action Required

- 20** (Staff is available for questions)
- Quarterly Board Report

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Discussion Only

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- February 16, 2021 – Wednesday – 9:30 a.m. (MFA Board of Directors Meeting)

Minutes

NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting Minutes

344 4th St. SW, Albuquerque, NM

Wednesday, October 20, 2021 at 9:30 a.m.

Chair Reyes convened the meeting on October 20, 2021 at 9:31 a.m. Secretary Hernandez called the roll. Members present: Chair Angel Reyes, Sally Malavé (designee for Attorney General Hector Balderas), Martina C'de Baca (designee for Lieutenant Governor Howie Morales), Treasurer Tim Eichenberg Rebecca Wurzburger. Absent: Vice Chair Derek Valdo and Rosalyn Nguyen Chafey. Hernandez informed the Board that everyone had been informed about today's meeting in accordance with the New Mexico Open Meetings Act.

Chair Reyes welcomed Board members and staff. He began by stating that today's meeting is being webcast. He introduced everyone on the phone and reminded the members of the protocol for today's webcast 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 October 20, 2021 Board agenda as recommended: Malavé. Second: Wurzburger. Roll call vote: Chair Reyes-yes, C'de Baca-yes, Malavé-yes, Eichenberg-yes, Wurzburger-yes, Vote: 5-0.

Approval of September 15, 2021 Board Meeting Minutes – Board Action. Motion to approve the September 15, 2021 Board Meeting Minutes as presented: Wurzburger. Second: Malavé. Roll call vote: Chair Reyes-yes, C'de Baca-yes, Malavé-yes, Eichenberg-yes, Wurzburger-yes, Vote: 5-0.

Approval of September 15-16, 2021 Board Retreat Meeting Minutes – Board Action. Motion to approve the September 15-16, 2021 Board Retreat Meeting Minutes as presented: Wurzburger. Second: Malavé. Roll call vote: Chair Reyes-yes, C'de Baca-yes, Malavé-yes, Eichenberg-yes, Wurzburger-yes, Vote: 5-0.

Hernandez introduced three new employees; they are: Julie Halbig compliance manager, Paul Dahlgren director of communications and marketing and Jeanne Redondo tax credit manager. Chair Reyes welcomed them stating that we are excited to have them on the team and wished them the very best in their career and success at MFA.

Hernandez began his presentation by providing the Board with an update on the following topics: **Significant meetings/presentations:** 9/24: Legislative Finance Council Meeting, 9/24: DFA/CDBG – allocated funding for two of the projects – over \$5mm to Lamplighter and West Berry Senior Project, 9/27: Mtg w/Chief of Staff – Matt Garcia/ Daniel , 9/30: Housing Matters , 10/6: Housing NM Advisory Comm. 19 members (16 members were present – kick off meeting) follow up mtg 10/26 with members who were not able to attend, 10/7: Allocation Review Committee, 10/7: Mtg w/Rep. Dixon, Reena (speakers office) and Daniel (Gov's office) follow up mtg on 11/2, 10/7: Delegates Meeting to approve HAF RFP for software system to administer this program proposals due in a couple of weeks, also approved \$1.5mm HTF to cover applications that were in the pipeline. \$500k to fund high risk people (see COVID staff actions), 10/13: 2021D Bond Pricing – good pricing, \$99mm and oversubscribed by 2.5xs, 10/14: Housing Matters Meeting, 10/15: NMCEH - Housing For All Conference, 10/18: New Mexico Manufactured Housing Assoc. Conference – very good reception (allowed to talk about our programs). following through with some of the discussions from the retreat. **Activities and Actions:** MVD – Will begin showing MFA video – March/April '22, Homeless Served (Unduplicated): Sept '21: 265/ Feb '20: 474, Homeownership Assistance Fund Funded/Pending Funding: 1047 (\$5.6M), \$1.5 NM HTF Allocation, HAF plan submitted to U.S. Treasury, Delinquencies: Sept '21: 1540/13.35% **Mortgage Operations** – Ended FY Slightly ahead of last year's production (Weekly Average) '20 - \$10.5m / '21 - \$11m (as of 9/30) - \$584M in Reservations. **Upcoming Actions/Activities:** 10/20: RHA Meeting, 10/21: LOC Meeting, 10/25: QAP Training. 10/26: Housing NM AC – Make Up Meeting, 11/02: Mtg w/Rep Dixon, Reena, Daniel, 11/03: Weatherization Day – Silver City (Lt. Governor will speak), 11/16: State Board of Finance (SBOF) Meeting for the 2022 Private Activity Volume Cap allocation, and 11/22: Legislative Oversight Committee (LOC) mtg.

Contracted Services/Credit Committee

- 1 **Northern Regional Housing Authority (NRHA) – Annual Updates to MFA Board (Theresa Laredo Garcia).** Laredo-Garcia provided a brief summary stating that staff is requesting approval to provide annual updates to the MFA Board for Northern Regional Housing Authority (NRHA) to be consistent with the other regional housing authorities. She provided background information from the memo located behind tab one which will become a part of the official Board packet. Laredo-Garcia further informed the Board of NRHA's success in their performance measures to improve the status of the agency. She further informed the Board that the agency received an unmodified opinion for the FYE 6/30/20 audit which is a considerable improvement from the FY 6/30/19 audit. Motion to approve the Northern Regional Housing Authority (NRHA) – Annual Updates to MFA Board to be consistent with the other regional housing authorities. Wurzbarger. Second: Malavé. Roll call vote: Chair Reyes-yes, C'de Baca-yes, Malavé-yes, Eichenberg – yes, Wurzbarger-yes, Vote: 5-0.
- 2 **Bi-annual Compliance Activity Report (Julie Halbig & Robyn Powell).** Halbig began her presentation by informing the Board the compliance activities report is intended to provide information to the Board regarding compliance management activities and the results of related oversight of MFA's Homeownership and Servicing departments, including subservicing oversight. She reviewed the memo located behind tab two which will be made a part of the official board packet. She stated the activities described in this report cover April 2021- September 2021. Halbig informed the Board that the following report will focus on the following areas: Vendor Management. Subservicing Oversight, Loan Quality Control and Regulatory Compliance. She reported that during this reporting period, no significant compliance concerns were identified. Non Action Item.

Finance Committee

- 3 **2022 Qualified Allocation Plan (Jeanne Redondo & Kathryn Turner).** Redondo began her presentation by informing the Board that today she is bringing the final draft of 2022 State of New Mexico Housing Tax Credit Program Qualified Allocation Plan (QAP) for Board approval. It is reflective of edits of accumulative changes through the year to include input on policy changes through the developer forum, discussion with MFA departments policy and planning and asset management, and comments received during the public comment period. She further informed the Board that as she goes through the memo, she will point out the changes that came from the public process including the developers forum. Redondo informed the Board that several major changes are being considered for the Draft 2022 QAP. Staff has focused many aspects of the QAP to address the housing of indigenous populations, individuals that would benefit from Permanent Supportive Housing, and Senior Households, as all groups have high levels of affordable housing need. An additional proposed major change in the 2022 QAP is incentivizing developers of 9% projects to participate in the 811 voucher program by awarding an additional 5% developer fee above the capped developer fee. She reviewed the major changes in the QAP as listed in the memo located behind tab three and will be made a part of the official board packet. Redondo further stated the proposed changes to the 2022 QAP continue to improve the allocation process. The final date of the 2022 application delivery to MFA has been advanced by two weeks and is now January 28, 2022. Motion to approve the 2022 Qualified Allocation Plan as presented Wurzbarger. Second: Eichenberg. Roll call vote: Chair Reyes-yes, C'de Baca-yes, Malavé-yes, Eichenberg – yes, Wurzbarger-yes, Vote: 5-0.

Allocation Review Committee

- 4 **Request for additional Tax Credit allocation to offset Construction Cost Increases related to COVID-19 and related waivers to the 2021 QAP (Kathryn Turner).** Turner began her presentation by explaining that as discussed in prior meetings, we are in a unique situation regarding construction costs. The pandemic disrupted manufacturing inventories resulting in supply chains that are both clogged and struggling for resources; commodity and material costs, after being flat for over a decade, have risen significantly; and, like many industries, the construction industry is struggling to fill its labor needs. Disappointingly, it looks like this trend is continuing. In May of 2021 six projects totaling 362 units were awarded 2021 tax credits. Construction cost increases due to COVID-19 have affected all of the projects awarded credits in 2021. These projects are in need of additional equity in order to cover these extreme cost fluctuations. MFA staff requests authority to allocate up to \$1,330,961 in additional 2022 credits, a waiver of Section IV.E.3 of the 2021 QAP, and a waiver of Section III.G. of the 2021 QAP. Member Malavé asked if there are any issues with the Board granting waivers and if the ability to grant waivers is contemplated in the existing QAP. Izzy Hernandez stated that staff had spoken to general counsel regarding these matters, further stating she is on the call and asked if she would respond to member Malavé's inquiries. MFA General Counsel, Eleanor Werenko, advised that legal review was done to ensure that MFA is not prohibited from taking the actions recommended by

staff. Legal review included looking at the Internal Revenue Code, the Code of Federal Regulations and the 2021 QAP which was approved by the Governor of the state of New Mexico. At the end of the presentation two of the industry construction leaders; Brian Gerritz president, Pavilion Construction, and Jim Tofel managing member development, Tofel Dent Construction were allowed to express the need for assistance for the Low Income Housing Tax Credit properties awarded funds in May 2021 due to the rising costs in the construction industry.

Izzy Hernandez read a statement on behalf of the Allocation Review Committee (ARC).

“The Allocation Review Committee met on October 7th and discussed the construction cost increases due to COVID-19 that have affected all of the projects awarded credits in 2021. These projects are in need of additional equity in order to cover these extreme cost fluctuations. Following comprehensive deliberations with Staff, the ARC recommends that the MFA Board grant staff authority to allocate up to \$1,330,961 in additional 2022 credits, a waiver of Section IV.E.3 of the 2021 QAP, and a waiver of Section III.G. of the 2021 QAP.”

Motion to approve staffs Request for additional Tax Credit allocation to offset Construction Cost Increases related to COVID-19 and related waivers to the 2021 QAP as presented: Eichenberg. Second: C’de Baca. Roll call vote: Chair Reyes-yes, C’de Baca-yes, Malavé-yes, Eichenberg – yes, Wurzbürger-yes, Vote: 5-0.

Other Board Items - Information Only

5 There were no questions asked of staff.

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

Monthly Reports - No Action Required

6 There were no questions asked of staff.

- 8/31/21 Financial Statements
- Northern Regional Housing (NRHA) Monthly Update Reports

Announcements and Adjournment - Confirmation of Upcoming Board Meetings. Chair Reyes stated that next month’s meeting will be on November 17, 2021 at the MFA office. We will keep in touch with the Board and staff in the balance of hybrid vs. in person. He thanked everyone for their participation.

There being no further business the meeting was adjourned at 11:43 a.m.

Approved: November 17, 2021

Chair, Angel Reyes

Secretary, Isidoro Hernandez

Tab 1



NEW MEXICO MORTGAGE FINANCE AUTHORITY

Finance/Operations Committee Meeting

Tuesday, November 9, 2021 at 1:30 p.m.

Webex - call-in information is 1-844-992-4726 (access code): 146 652 1711
or you can join the call from the calendar item

Agenda Item	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 Internal Audit Plan FY2022-2023 (Jessica Bundy, CPA, Audit & Consulting Principal, and Claire Hilleary Audit & Consulting Sr. Manager, REDW)	3-0	YES
2 Internal Audit Year End Follow-Up on Open Internal Audit Observations Executive Summary (Jessica Bundy, CPA, Audit & Consulting Principal, and Claire Hilleary Audit & Consulting Sr. Manager, REDW)	3-0	YES
3 FY 2021 Internal Audit Hours Summary Budget v. Actual (Jessica Bundy, CPA, Audit & Consulting Principal, and Claire Hilleary Audit & Consulting Sr. Manager, REDW)	3-0	YES
4 REDW- MFA Low Income Housing Tax Credits Project Report (Claire Hilleary Audit & Consulting Sr. Manager, REDW)	3-0	YES
5 9/30/21 Quarterly Financial Statement Review (Stephanie Yara)	3-0	YES
6 FY2021 General Fund Budget Amendment (Yvonne Segovia)	3-0	YES
7 9/30/21 Quarterly Investment Review (Cooper Hall)	3-0	YES
8 Award Recommendation for Single Family Underwriter RFP (Cooper Hall)	3-0	YES
9 2022 Series A and Series B Bond Resolution (Cooper Hall)	3-0	YES

Committee Members present:

Derek Valdo, Chair

☐ present

☐ absent

☒ conference call

State Treasurer Tim Eichenberg

☐ present

☐ absent

☒ conference call

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

☐ present

☐ absent

☒ conference call



New Mexico Mortgage Finance Authority
Internal Audit Plan

Fiscal Years Ending September 30, 2022 through 2023

New Mexico Mortgage Finance Authority Internal Audit Plan Fiscal Years Ending September 30, 2022 through 2023 Report

New Mexico Mortgage Finance Authority
Board of Directors

BACKGROUND

REDW_{LLC} (REDW) suggests the following plan for internal audit services to the New Mexico Mortgage Finance Authority (MFA) for the fiscal years ending September 30, 2022 through 2023.

REDW's audit team includes:

- ◆ Jessica Bundy, Principal
- ◆ Claire Hilleary, Senior Manager
- ◆ Amanda Wyatt, Senior Internal Audit Associate

This audit plan summarizes planning and risk assessment procedures and describes the planned allocation of internal audit resources. As additional information is obtained throughout the years, we will reevaluate the risk areas and will adjust the audit plan as considered necessary upon approval by management and the Finance Committee.

PLANNING AND RISK ASSESSMENT

To plan the nature, scope, and extent of internal audit services, we:

1. Focused on areas identified during the Enterprise Risk Management process
2. Considered internal audits performed in prior years
3. Discussed changes in processes and new areas with MFA management
4. Discussed proposed audit areas with MFA management

ENTERPRISE RISK MANAGEMENT PRIORITIZATION AND PRIOR AUDITS

Attachment A depicts risks that were identified during the enterprise risk management prioritization process conducted by MFA which are ranked by likelihood of occurrence and magnitude of potential impact. All risk departments/topics were considered in the two-year audit plan, or are being addressed elsewhere as part of the MFA's Strategic Plan. Attachment B lists audits performed from 2017 through 2021, and anticipated audits for 2022 through 2023.

ESTIMATED ALLOCATION OF EFFORT

Based on our planning risk assessment, we propose the following allocation of internal audit resources.

Fiscal Year 2022

Internal Audit Area	Estimated Hours
ERM and Risk Assessment	80
Vendor Management & Subservicing Oversight	100
Mortgage Ops Compliance Audit (secondary market compliance)	100
Community Development Dept. – Weatherization Program (utilities)	100
Section 811 Program	80
Follow-up, Annual Reporting and Administration	50
Total hours	510

Fiscal Year 2023

Internal Audit Area	Estimated Hours
ERM and Risk Assessment	80
Employee Management and Retirement Plans	120
AP/Cash Disbursements and ACH transactions (includes accounting/servicing)	120
Community Development Dept. – Home Rehab	100
Housing Assistance Fund (HAF)	100
Follow-up, Annual Reporting and Administration	50
Total hours	570

MANAGEMENT ENGAGEMENTS

In addition to the internal audits listed above, management has requested that we perform additional services that will not result in a presentation to the Board. These engagements include, but are not limited to, a one-hour fraud training, loan servicing, and Section 8 quality control reviews.

Management and the Board have also requested that REDW provide consulting services and project audits related to the Low Income Housing Tax Credit program as we have done for the past few years.

PLANNED PROCEDURES

We will discuss the specific audit procedures with management before beginning each internal audit.

BOARD APPROVAL

The plan will be presented for approved by the Board on November 17, 2021.

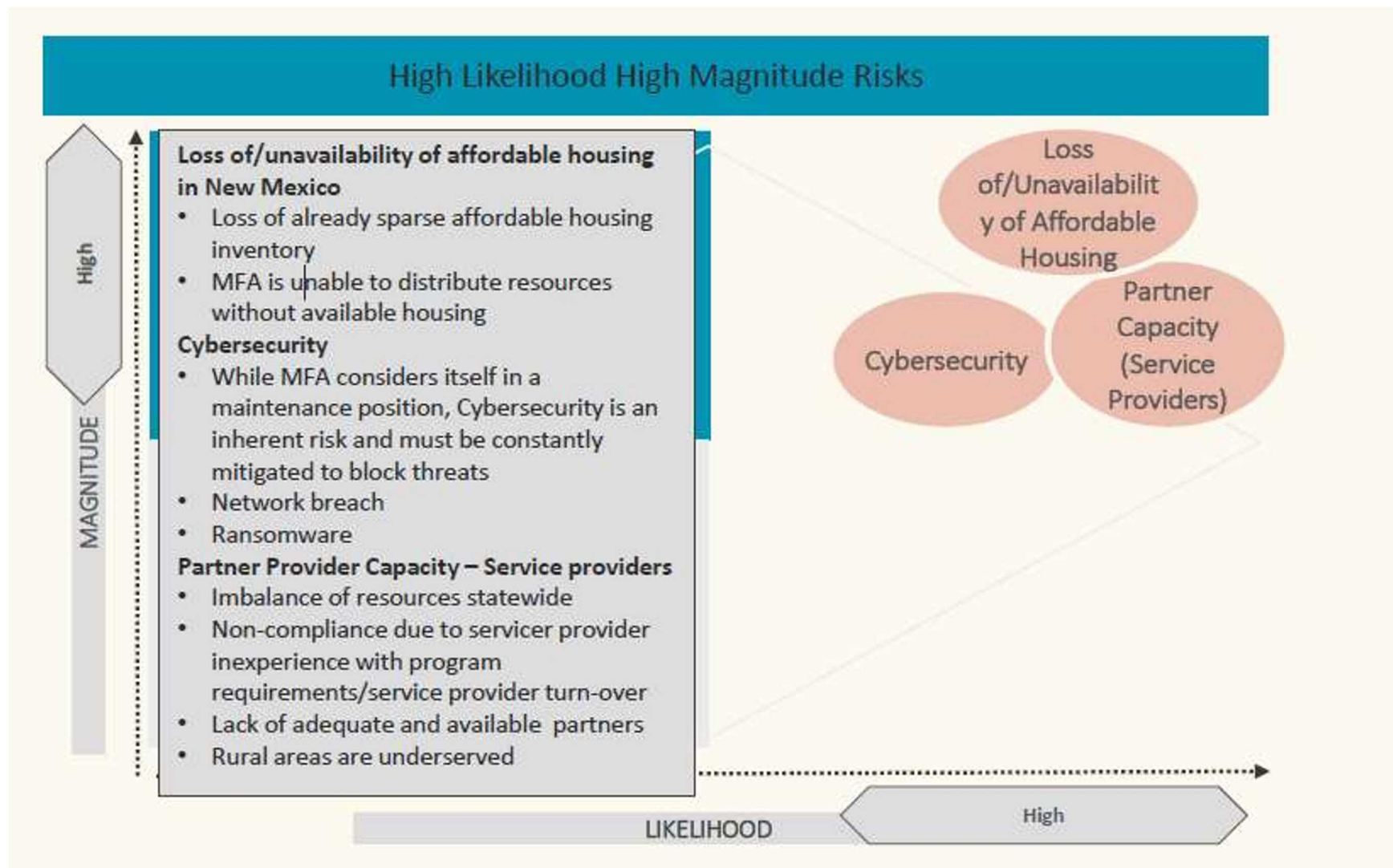
REDW LLC

Albuquerque, New Mexico
November 1, 2021



New Mexico Mortgage Finance Authority Internal Audit Plan

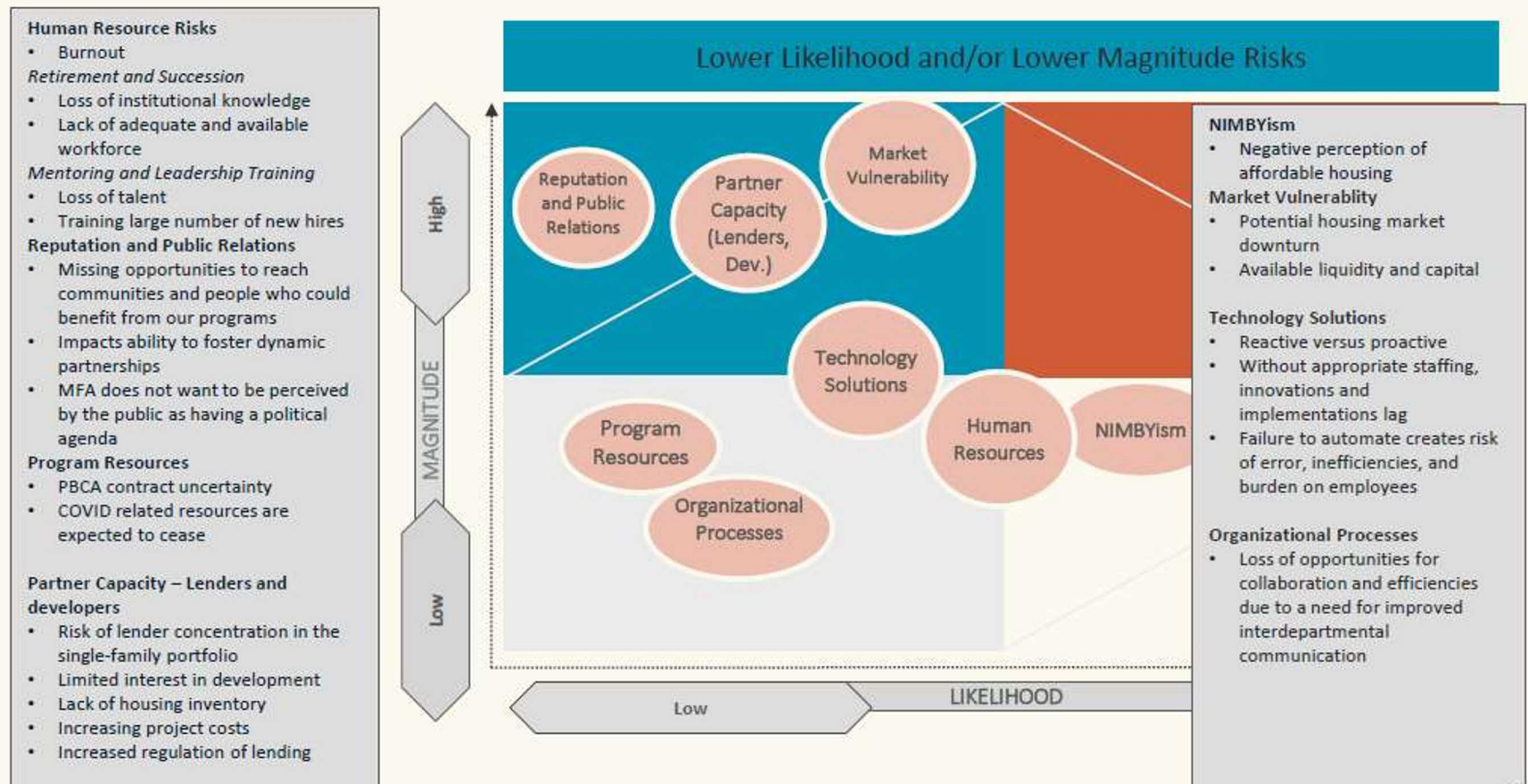
ATTACHMENT A





New Mexico Mortgage Finance Authority Internal Audit Plan

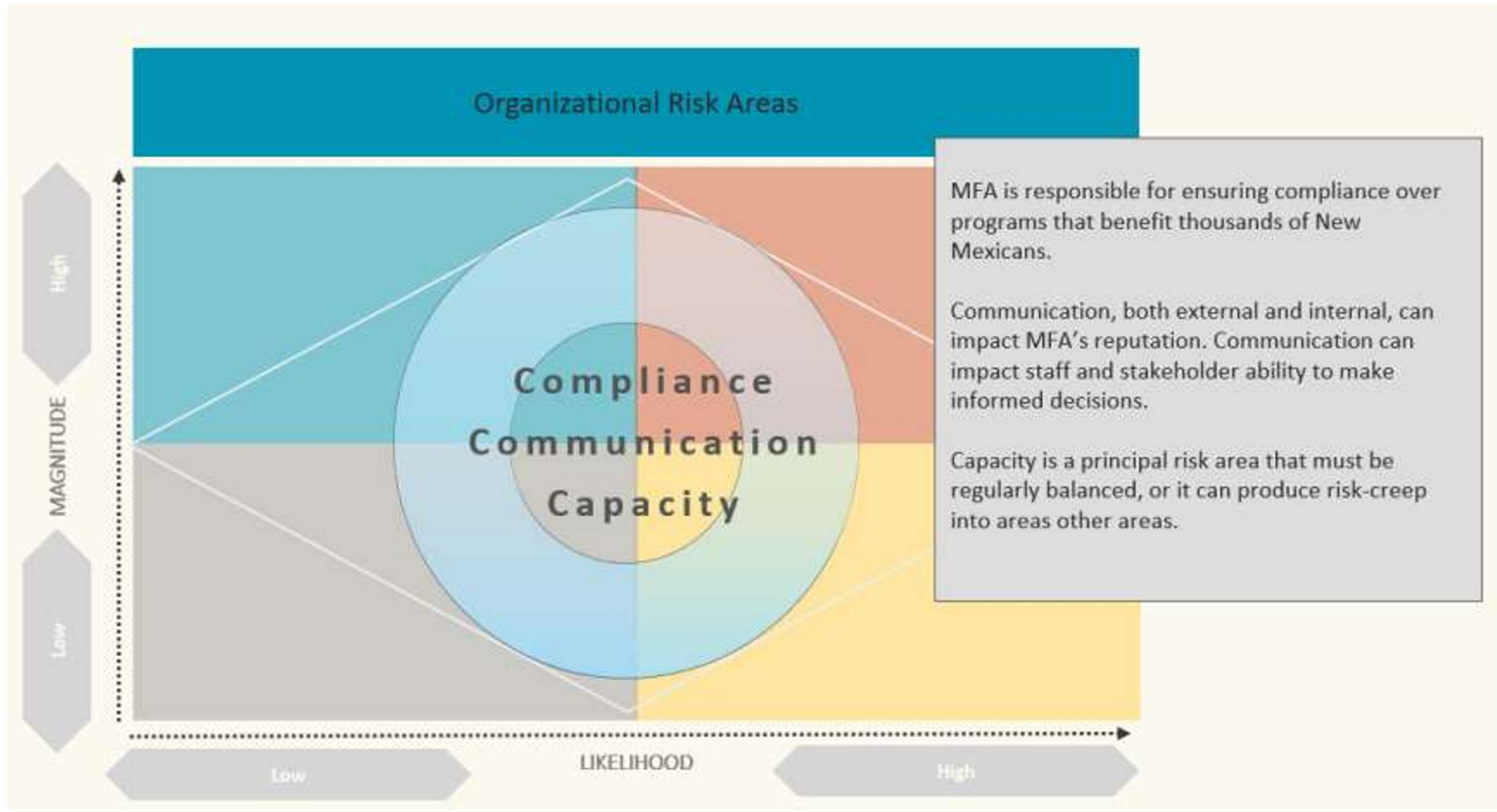
ATTACHMENT A





New Mexico Mortgage Finance Authority Internal Audit Plan

ATTACHMENT A





New Mexico Mortgage Finance Authority Internal Audit Plan

ATTACHMENT B

Area	2017	2018	2019	2020	2021	2022	2023
Enterprise Risk Management	X	X	X	X	X	X	X
IT – Technology systems, software, and operations					X		
Fair Lending and Fair Housing				X			
National Housing Trust				X			
Employee Management/Benefit Plans	X						X
Mortgage Operations					X		X
CDBG Housing Costs Assistance Program					X		
Section 811 Program							X
IT-Data and Cyber Security			X				
Comm Development Dept.						X	
Housing Assistance Fund							X
Cash Disbursements & AP						X	
Compliance Management System	X	X					
Vendor Management		X				X	
Home Now			X				
SOC Readiness			X				
Single Family Mortgage Revenue Bond Loan Compliance			X				
Low Income Housing Tax Credit			X				
Automated Process Flow, Document Management and Electronic Signatures (consulting and best practice recommendations)					X		

Tab 2



New Mexico Mortgage Finance Authority
Follow-Up on Open Internal Audit Observations

Executive Summary

October 2021

New Mexico Mortgage Finance Authority Follow-Up on Open Internal Audit Observations

Executive Summary

New Mexico Mortgage Finance
Authority Board of Directors

We performed the internal audit services described below to assist New Mexico Mortgage Finance Authority (MFA) in evaluating whether open internal audit observations issued through September 2021 have been resolved.

SUMMARY OF PROCEDURES

We performed a variety of procedures in order to follow-up on the observations to determine if each had been resolved. We interviewed MFA employees, obtained the listing of open internal audit observations including the current status. The follow-up did not include assessing the status of best practice recommendations. Processes were analyzed to determine if adequate corrective actions were implemented to resolve the observation and documentation was reviewed to verify if new processes were properly implemented. We classified each observation as resolved, pending resolution or open.

SUMMARY OF RESULTS

Summary by internal audit with current status of observations:

#	Observation	Current Status
Information Technology Security — August 2019		
1	The IT security policies lack guidance on essential processes and has not been formally approved. <ul style="list-style-type: none"> IT Security Policies 	Resolved
2	The Computer Security Incident Response Plan (CSIRP) has not been tested. <ul style="list-style-type: none"> Computer Security Incident Response Plan 	Open

#	Observation	Current Status
Information Technology Security — August 2019 — continued		
3	There are no written policies and procedures to address how IT risk assessment/risk management is performed and no IT risk assessment has been completed to identify IT specific areas of risk. <ul style="list-style-type: none"> IT Risk Assessment 	Improved – Resolution in process
Community Development Block Grant Internal Audit — February 2021		
1	A housing assistance application was improperly denied based on income limits as outlined by the program. <ul style="list-style-type: none"> Denied Applications 	Resolved
National Housing Trust Fund — August 2020		
1	Eligibility checklists did not have all required elements and/or supporting documentation, as applicable. <ul style="list-style-type: none"> Applicant Eligibility Checklists 	Resolved
2	Builder and Developer Fee considerations were not documented in accordance with Notice of Funding Availability requirements. <ul style="list-style-type: none"> Builder and Developer Fees 	Resolved
IT Operations — March 2021		
1	The VPN and Duo access both had logging issues that failed to record log-on/off activity on the MFA network. <ul style="list-style-type: none"> Work From Home/Remote Access 	Resolved
Mortgage Operations — June 2021		
1	The Financial Analysis Worksheets did not document qualitative factors considered or how MFA was comfortable with significant year-to-year financial metric variances. <ul style="list-style-type: none"> Financial Analysis Worksheet 	Resolved
2	There were delays in the loan modification and re-pooling processes that exceeded MFA's reasonable timeframes for these activities to be completed. <ul style="list-style-type: none"> Loan Modification and Re-pooling Timeline 	Improved – Resolution in process

* * * * *

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

REDW LLC

Albuquerque, New Mexico
November 1, 2021

Tab 3



Internal Audit Hours Summary

Area	2021 Budgeted Hours	2021 Actual Hours	Variance (Over)/Under	Comments
ERM/Fraud Training	50	16	34	
IT Operations	120	148	-28	1 low risk observation identified Process improvement recommendations provided
Mortgage Operations	100	109	-9	2 moderate risk observations identified
CDBG Housing Costs Assistance Program	80	77	3	1 moderate risk observation identified Process improvement recommendations provided
Emergency Solutions Grant	80	16	64	Audit canceled-timing of IA did not align with internal needs
Risk Assessment/Follow-up/Annual Reporting and Administration	50	31	19	
Total hours through 9/30/21	480	397	83	

Tab 4



New Mexico Mortgage Finance Authority
Low Income Housing Tax Credits Project
September 2021

New Mexico Mortgage Finance Authority Low Income Housing Tax Credits Project

Table of Contents

	<u>Page</u>
Introduction and Background	1
Purpose and Objectives	1
Scope and Procedures Performed	1
Results	2
Recommendations	3

New Mexico Mortgage Finance Authority Low Income Housing Tax Credits Project

Report

New Mexico Mortgage Finance Authority
Board of Directors

INTRODUCTION AND BACKGROUND

The New Mexico Mortgage Finance Authority (MFA) Board engaged REDW in 2018 to develop an audit program that could be used for current and future Low Income Housing Tax Credit (LIHTC) projects to assess for specific risks related to the appearance of collusion, inflated costs, or related party transactions between Developers, General Contractors and subcontractors. This request was triggered by the discovery of fraud in the Florida Housing LIHTC programs where millions of dollars in federal tax credit subsidies were stolen when a Developer inflated construction contracts. REDW met with MFA management to discuss the internal processes surrounding the LIHTC application and selection process, as well as to develop an understanding of the documentation requirements for the program. From this information, an audit program was developed and REDW worked to execute this audit program on a small sample of past LIHTC projects that were either completed or in process as of 2018. In years since this project generated an updated, reduced scope, audit program that was executed on two projects, selected at random, for each year of testing as well as consultations with key stakeholders.

PURPOSE AND OBJECTIVES

This engagement focused on evaluating whether the cost certifications at the developer and general contractor levels were fully supported and all related parties were properly disclosed.

SCOPE AND PROCEDURES PERFORMED

In order to gain an understanding of the processes and operations, we read the applicable portions of the following:

- ◆ 2018 MFA Qualified Allocation Plan
- ◆ General Contractor Cost Certification (GCCC) Instructions
- ◆ Internal Revenue Code Section 42, Low-Income Housing Credit

We performed the following testwork:

REDW randomly selected two 9% LIHTC projects from 2018, as it was necessary to select projects that were fully completed and placed in service or close to being placed in service. As identified in previous rounds of testing, REDW identified differences in record keeping practices between developers and the general contractors making a systematic approach to each project difficult. For each project selected REDW performed the following steps:

- ♦ Held interviews with key contacts at the developer and general contractor levels to understand their documentation techniques and how the Form A (cost certification completed at the developer level identifying the eligible basis in the project) and GCCC was completed.
- ♦ For all parties listed in the application packets and/or in the details of the payments from the draws tested, we assessed if any undisclosed related party relationships existed.
- ♦ Selected a sample of 10 line items from the Form A and requested detail that supported these amounts and tied to supporting documentation such as an invoice, Final Settlement Closing Statement, cancelled check and lien release waivers. Each line item selected was comprised of anywhere from one to 30 individual invoices to arrive at the total amount.
- ♦ Selected a sample of 10 line items from the GCCC and requested detail that supported the actual costs incurred such as invoice, payroll register, cancelled check/EFT and lien release waivers. Each line item selected was comprised of anywhere from one to 50 individual invoices and/or charges to arrive at the total amount.

RESULTS

REDW identified no undisclosed related party conflicts in the two projects selected. However, this testing was limited to the availability of information found on the Secretary of State website and other online searches. As such, there is a chance that additional undisclosed relationships may exist.

REDW identified some balances that were unsupported in the Form A and General Contractor Cost Certifications as follows:

Form A

Project 1

- Four out of 29 invoices that supported a line item total on the Form A could not be located. Based on discussions with the developer there was turnover in accounting staff during the project and the new employees were unable to locate where these items were stored. The names of the companies used and amounts were consistent with the other payments that were fully supported.

Project 2

- Four out of 10 line items from the Form A had discrepancies in the support that was provided. Based on discussions with the developer it appears that these discrepancies may be a result between differences in how items were invoiced versus how they were presented on the Form A; however, REDW was unable to validate if this explanation was reasonable.

General Contractor Cost Certification

REDW held meetings with MFA and the general contractors to discuss the GCCC and how the cost certification should be completed including what it would be used for. There was some confusion with both general contractors regarding how the GCCC should be completed and if the costs presented would agree to the Form A or actual costs incurred.

Project 1

- The GCCC was initially not completed at the completion of the project and was only completed after REDW's request was made. The GCCC provided did not indicate vendor names or whether related party relationships existed.

Project 2

- Seven of 10 line items from the GCCC had discrepancies in the support provided. In most instances the variances were nominal and many appear to be related to how items were allocated to the GCCC (e.g. a company who provides flooring, doors and countertops may have their costs assigned to various line items on the certification but were invoiced together) but this was not fully substantiated. In other instances an invoice that made up a portion of the total was not provided and/or a payroll register was blacked out such that the amount could not be agreed to the GCCC.

RECOMMENDATIONS

REDW has the following recommendations:

- 1) MFA should communicate to developers that audits of the Form A may be required and all balances on the form should be fully substantiated. If amounts were allocated to various line items details of how that balance is tabulated should be freely available to ensure all amounts are properly supported.
- 2) Consider not requiring a GCCC for projects that are using a Stipulated Sum or Guaranteed Max Price contract vehicle. A discussion was held with general contractors on this topic and it was determined the utility of completing a cost certification for Stipulated Sum or Guaranteed Max Price contracts is minimal as the actual costs incurred, and any potential overages, would not be passed on. As a result of these conversations the below language was developed by MFA personnel for inclusion into the 2022 QAP:
 - a. "Certification by a CPA is required to certify compliance with the 10% test as defined in Section IV.G.6.a. Prior to the issuance of a LIHTC certification (IRS Form 8609), MFA will require two Cost Certifications to be prepared, one by an independent CPA and executed by both the CPA and Project Owner, and a second Cost Certification prepared and executed by the general contractor. The Cost Certification prepared and executed by the general contractor should reflect real costs to the general contractor, but those cost may not be reflected in the CPA-prepared Cost Certification if the project entered into a Maximum Guaranteed Price or Stipulated Sum Contract for example. In those cases, the owner-incurred costs should be reflected in the CPA-prepared document, regardless of the general contractor costs. The general contractor Cost Certification may not meet MFA cost requirements if a Maximum Guaranteed Price or Stipulated Sum Contract was utilized."

- 3) MFA should communicate and re-emphasize the GCCC, when required, should be actual costs incurred and should be fully completed indicating vendor names and whether they are a related party; and fully supported by invoices, payroll details, cancelled checks and lien release waivers. During QAP trainings it should be re-enforced that at any time MFA can request additional details to ensure amounts in the GCCC are properly supported.

Management Response:

- 1) Management agrees with this recommendation and added a significant discussion on the GCCC and Form A to the 2022 QAP Training and will continue to incorporate this language into both future QAP Trainings and Carryover/8609 Trainings, going forward.
- 2) Management agrees and has incorporated this language into the 2022 QAP.
- 3) Management agrees with this recommendation and added a significant discussion on the GCCC and Form A to the 2022 QAP Training and will continue to incorporate this language into both future QAP Trainings and Carryover/8609 Trainings, going forward.

* * * * *

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

We sincerely appreciate the courtesy extended to our personnel.

REDW LLC

Albuquerque, New Mexico
October 26, 2021

Tab 5

New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

September 30, 2021

Unaudited

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

COMPARATIVE YEAR-TO-DATE FIGURES (Dollars in millions):		12 months 9/30/2021	12 months 9/31/2020	% Change Year / Year	Forecast 9/30/2021	Actual to Forecast	Forecast/Target 9/30/21
PRODUCTION							
1	Single family issues (new money):	\$233.0	\$190.0	22.6%	\$235.0	-0.9%	\$235.0
2	Single family loans sold (TBA):	\$327.0	\$235.0	39.1%	\$235.0	39.1%	\$235.0
3	Total Single Family Production	\$560.0	\$425.0	31.8%	\$470.0	19.1%	\$470.0
4	Multifamily issues (new money):	\$0.0	\$0.0	0.0%	\$20.0	0.0%	\$20.0
5	Single Family Bond MBS Payoffs:	\$165.8	\$92.7	78.9%	\$156.9	5.7%	\$156.9
STATEMENT OF NET POSITION							
6	Avg. earning assets:	\$1,451.9	\$1,370.3	6.0%	\$1,464.6	-0.9%	\$1,464.6
7	General Fund Cash and Securities:	\$102.0	\$82.7	23.4%	\$70.0	45.8%	\$70.0
8	General Fund SIC FMV Adj.:	\$4.3	\$2.5	73.3%	\$0.0	N/A	\$0.0
9	Total bonds outstanding:	\$1,161.3	\$1,121.2	3.6%	\$1,195.4	-2.9%	\$1,195.4
STATEMENT OF REVENUES, EXPENSES AND NET POSITION							
10	General Fund expenses (excluding capitalized assets):	\$23.3	\$18.2	28.0%	\$22.5	3.6%	\$22.5
11	General Fund revenues:	\$43.8	\$31.6	38.6%	\$30.7	42.7%	\$30.7
12	Combined net revenues (all funds):	\$22.6	\$17.8	27.0%	\$8.4	169.2%	\$8.4
13	Combined net revenues excluding SIC FMV Adj. (all funds):	\$18.3	\$14.8	23.5%	\$8.4	117.6%	\$8.4
14	Combined net position:	\$285.9	\$263.3	8.6%	\$271.7	5.2%	\$271.7
15	Combined return on avg. earning assets:	1.56%	1.30%	19.8%	0.57%	173.2%	0.57%
16	Combined return on avg. earning assets exluding SIC FMV Adj. (all funds):	1.26%	1.08%	16.6%	0.57%	120.9%	0.57%
17	Net TBA profitability:	2.19%	1.79%	22.3%	1.75%	25.1%	1.75%
18	Combined interest margin:	0.62%	0.88%	-29.6%	0.43%	44.1%	0.43%
MOODY'S BENCHMARKS							
19	Net Asset to debt ratio (5-yr avg):	28.53%	29.32%	-2.7%	28.42%	0.4%	28.42%
20	Net rev as a % of total rev (5-yr avg):	13.20%	12.46%	5.9%	10.70%	23.4%	10.70%
SERVICING							
21	Subserviced portfolio	\$1,720.8	\$1,454.9	18.3%	\$1,797.9	-4.3%	\$1,797.9
22	Servicing Yield (subserviced portfolio)	0.41%	0.40%	3.2%	0.40%	3.2%	0.40%
23	Combined average delinquency rate (MFA serviced)	8.01%	8.89%	-9.9%	10.00%	-19.9%	10.00%
24	DPA loan delinquency rate (all)	7.76%	8.53%	-9.0%	N/A	N/A	N/A
25	Default rate (MFA serviced-annualized)	0.65%	1.06%	-38.7%	1.30%	-50.0%	1.30%
26	Subserviced portfolio delinquency rate (first mortgages)	13.35%	16.58%	-19.5%	N/A	N/A	N/A
27	Purchased Servicing Rights Valuation Change (as of 9/30/21)	\$3.6	(\$0.4)	1000.0%	N/A	N/A	N/A

Legend:

Positive Trend Caution Negative Trend Known Trend/Immaterial

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

SUMMARY OF BOND ISSUES:

Single Family Issues:

\$55.0 mm 2020 Series B Bonds-New Money (October)
\$78.0 mm 2021 Series A Bonds- New Money (May)
\$100.0 mm 2021 Series C Bonds- New Money (August)

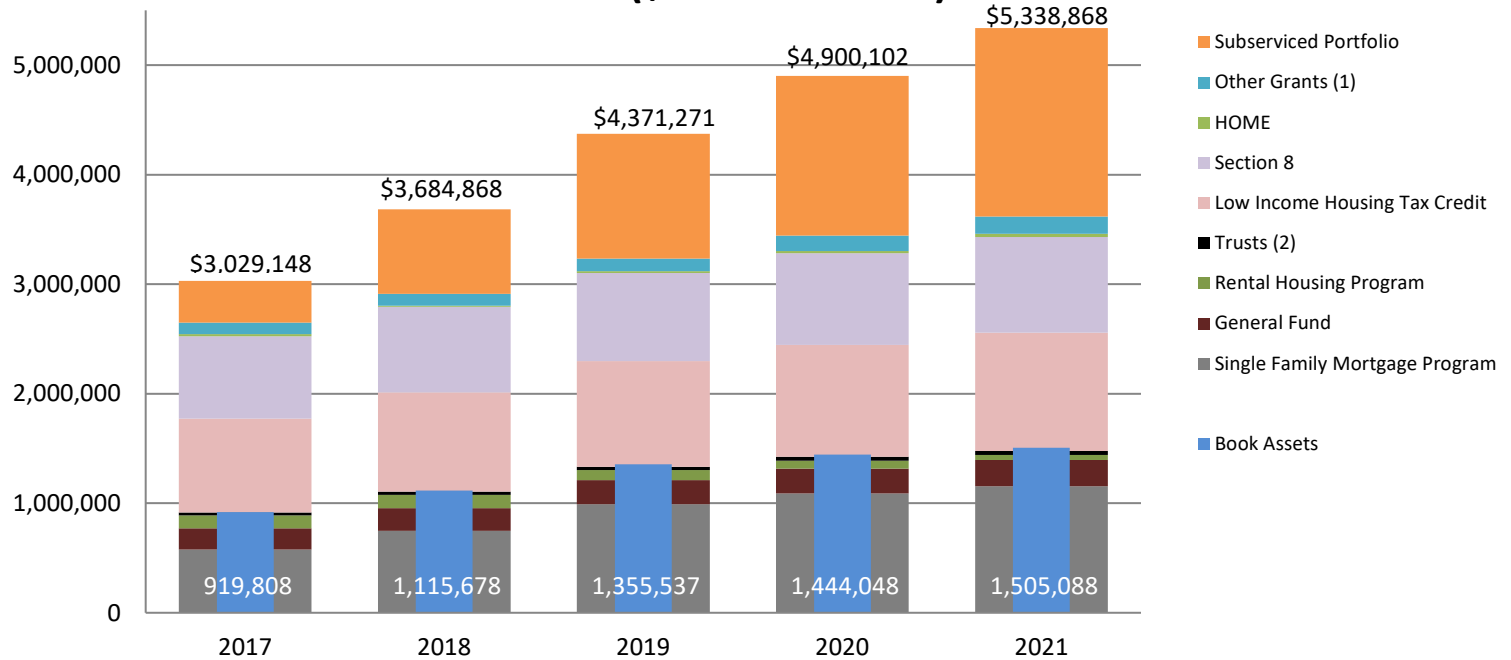
Multi-family Issues:

None

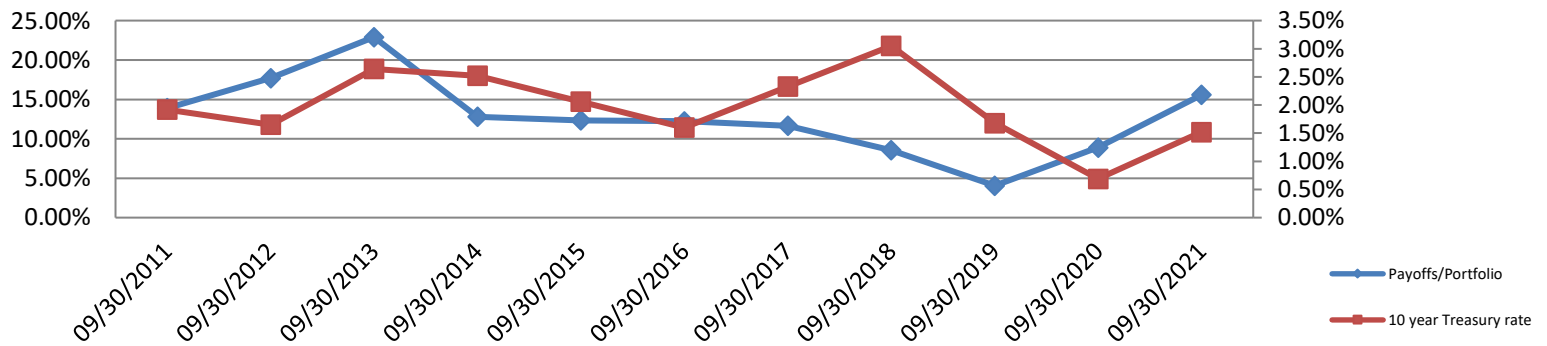
CURRENT YEAR FINANCIAL TRENDS & VARIANCES:

- Due to decreases in mortgage rates, prepayments are trending at 78.9% higher than last year as borrowers take advantage of refinancing opportunities. New loan production has also increased by 31.8% compared to the prior year due to favorable rates, for a total of \$560 million of new loan production for FY2021. Current year bond fundings to-date are 22.6% higher than in the prior year, and TBA fundings increased 39.1% over prior year. MFA will continue to reserve loans for an anticipated Series 2021D Bonds targeted for issue in December, which has been approved for up to \$150 million. MFA continues to make funding decisions on a case by case basis, given current market conditions (Bonds vs. TBA). The combined cost of issuance for the 2020B, 2021A and 2021C Series (new money), and 2021B Series (refunding), was approximately \$2.1 million and was funded by bond proceeds.
- Due to an increase in loan production, large bond spreads, high TBA profitability, and additional Administrative Fee revenue from increased Federal and other one-time funds (mostly pandemic relief); the Return on Average earnings assets has increased from prior year, from 1.3% to 1.56% as of September.
- The Federal interest rate policy as a result of the health crisis has driven investment interest margins down in comparison to last year at this same time; but volatility in market conditions continues to subside during 2021. The State Investment Council (SIC) General Fund portfolio valuation increased \$363K in August, and decreased \$706K in September; for a total increase in value for the year of \$4.3 million. While these movements are non-operating, they do impact General Fund revenues, combined net revenues and Return on Average Earning Assets.
- MFA's Director of Servicing and Staff continue to provide full-time monitoring of the sub-serviced loan portfolio activity through comprehensive reporting and analysis. Throughout the recent pandemic, staff has been actively engaged with the subservicer to identify additional delinquency reduction strategies. Of the 13.35% Sub-serviced Portfolio delinquency rate, 7.92% represents loans in forbearance. As of September 30, 1.37% of MFA loans on forbearance plans are current. The subserviced portfolio is approximately 85% FHA insured loans. The Mortgage Bankers Association quarterly survey as of June 30, 2021 indicates that the delinquency rate for FHA loans nationally is 12.77% and for New Mexico 10.57%. FHA Single Family Loan Performance Trends for August 2021 show 15.02% delinquency (for purchase loans only) down from 19.10% in August 2020; reflecting a slowing of the impact of pandemic related forbearance agreements, which ended September 1, 2021.
- The fair market value for purchased servicing rights as of September 2021 is \$21.0 million, an increase of about \$3.6 million over cost. GASB requires MFA to record the value of servicing rights at the 'lower of cost or market'. Decreases in FMV related to the pandemic have been recovered. Current recorded cost of the asset is \$17.5 million. Valuations are obtained on a quarterly basis.
- Based on Moody's issuer credit rating scorecard, MFA's 28.53% net asset to debt ratio (5-year average), which measures balance sheet strength, indicates a strong and growing level of resources for maintaining HFA's creditworthiness under stressful circumstances (> 20 percent). The net revenue as a percent of total revenue measures performance and profitability; MFA's 13.20% ratio (5-year average) points to high profitability with favorable trends (10-15 percent range).
- Moody's Investor Services completed an updated credit opinion on MFA's Issuer Rating in June 2020. They reaffirmed the Aa3/stable rating. Comments included high asset to debt ratio, good profitability and low risk profile due to mortgage-backed security structure, multifamily Risk Sharing Program and no exposure to variable rate debt. Additionally, Moody's reaffirmed the Aaa/stable rating on the single family indenture in April 2021, noting a growing asset to debt ratio and stabilizing profitability.

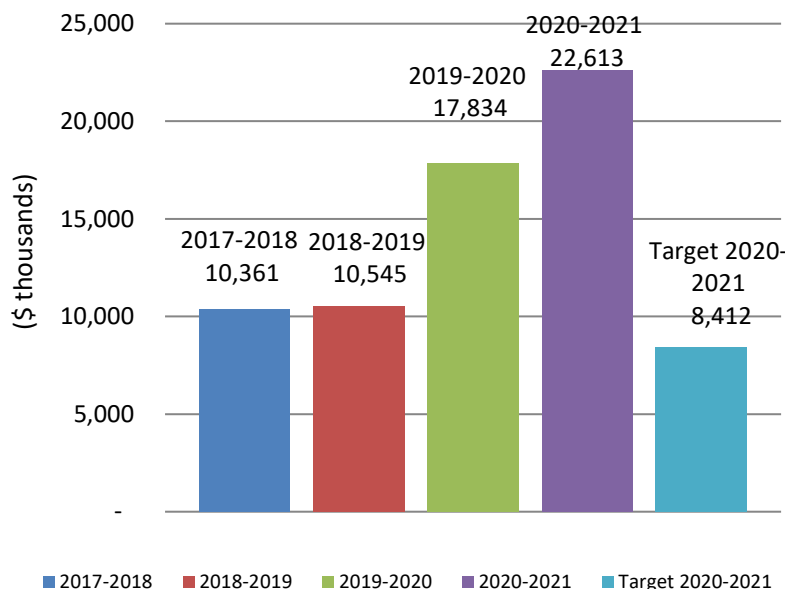
Assets Under Management as of 9/30/2021 (\$ in thousands)



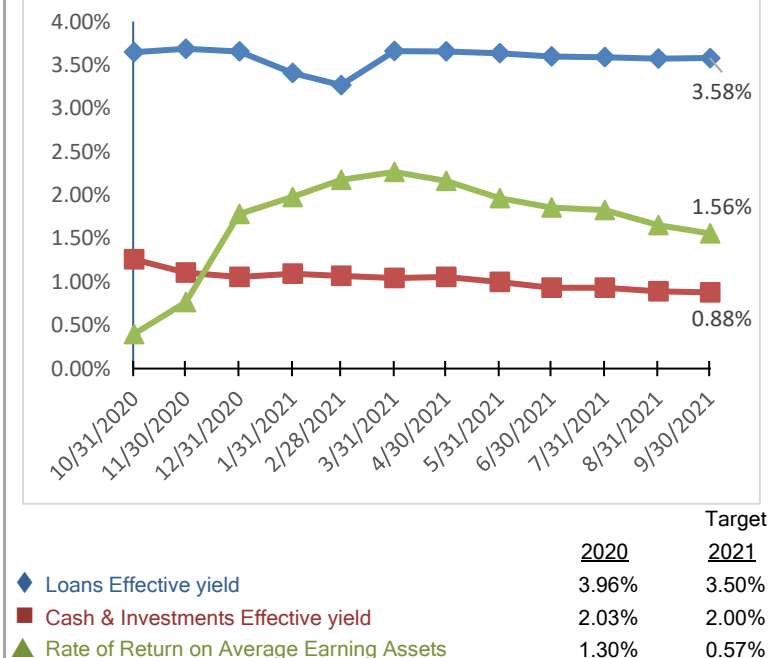
YTD Annualized Payoffs as a Percentage of Single Family Mortgage Portfolio as of 9/30/2021



YTD Excess Revenues over Expenses as of 9/30/2021

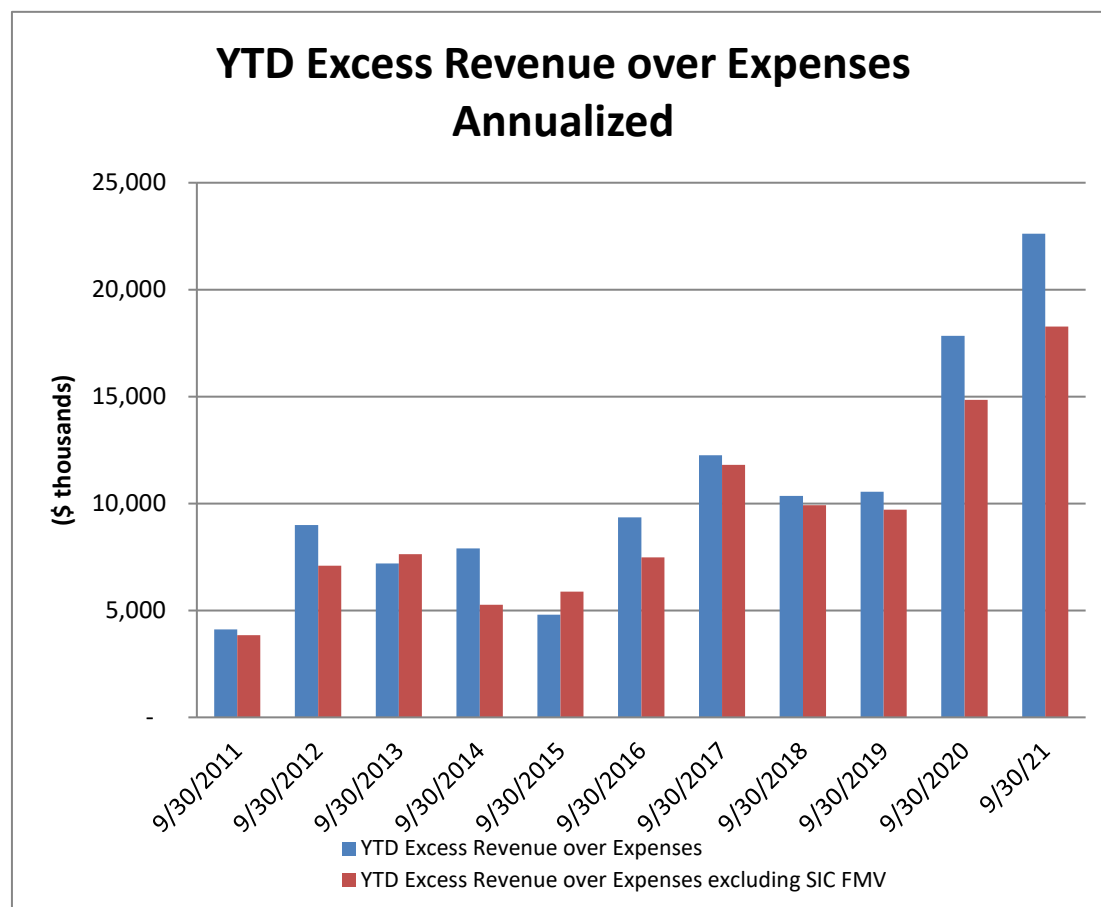
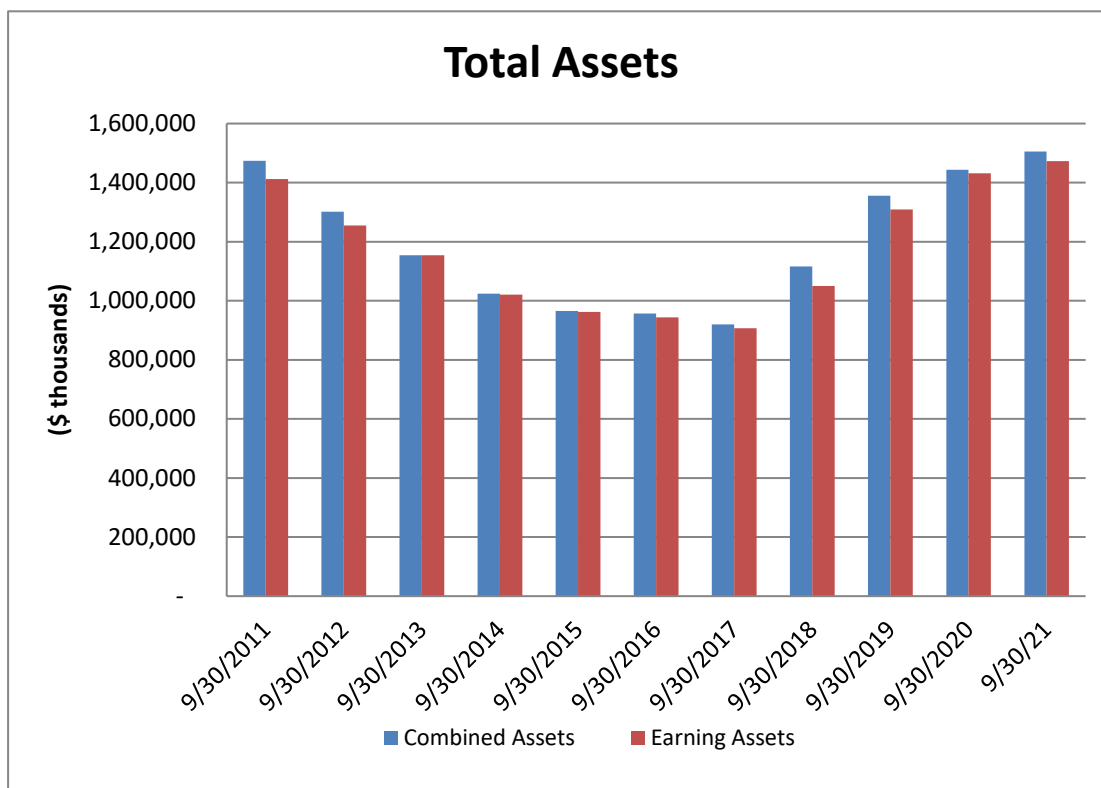


Yield Targets 9/30/2021

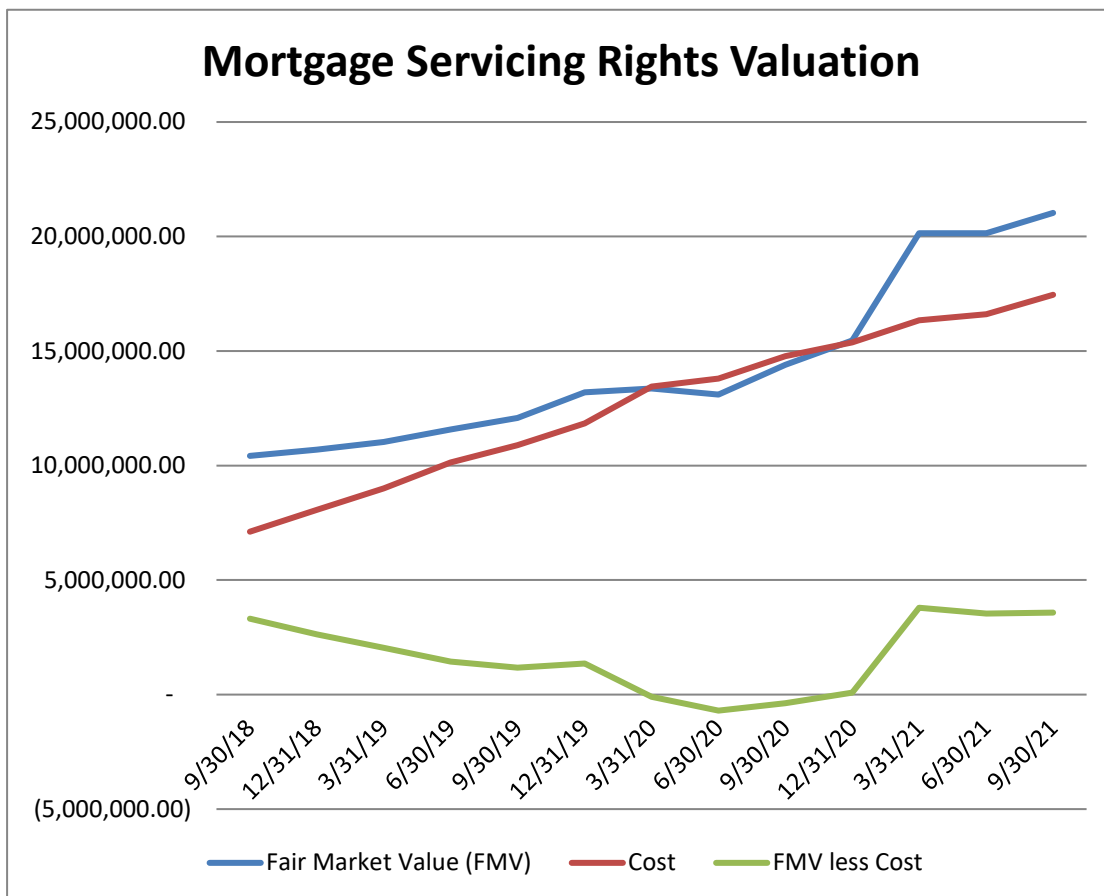
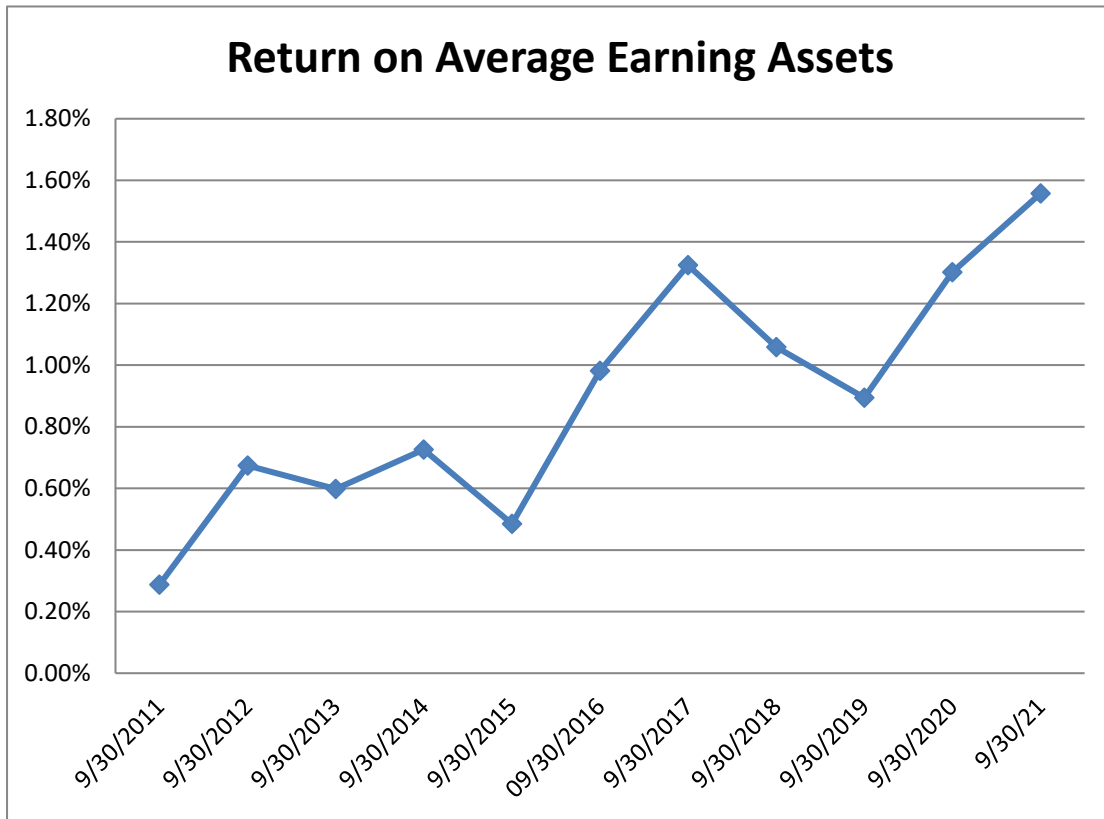


(1) Weatherization Assistance Programs; Emergency Shelter Grant; State Homeless; Housing Opportunities for People With Aids; NM State Tax Credit; Governor's Innovations; EnergySaver; Tax Credit Assistance Program; Tax Credit Exchange; Neighborhood Stabilization Program; Section 811 PRA; Homeownership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

QUARTERLY FINANCIAL GRAPHS



QUARTERLY FINANCIAL GRAPHS



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

	<u>YTD 09/30/21</u>	<u>YTD 9/30/20</u>
<u>ASSETS:</u>		
<u>CURRENT ASSETS:</u>		
CASH & CASH EQUIVALENTS	\$51,927	\$27,215
RESTRICTED CASH HELD IN ESCROW	9,135	10,599
SHORT-TERM INVESTMENTS	-	7,439
ACCRUED INTEREST RECEIVABLE	4,153	4,485
OTHER CURRENT ASSETS	6,499	4,082
ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)	-	-
INTER-FUND RECEIVABLE (PAYABLE)	0	-
TOTAL CURRENT ASSETS	<u>71,714</u>	<u>53,820</u>
 CASH - RESTRICTED	 96,428	 47,185
LONG-TERM & RESTRICTED INVESTMENTS	69,380	72,340
INVESTMENTS IN RESERVE FUNDS	-	-
FNMA, GNMA, & FHLMC SECURITIZED MTG. LOANS	1,057,876	1,034,383
MORTGAGE LOANS RECEIVABLE	196,493	225,779
ALLOWANCE FOR LOAN LOSSES	(8,471)	(5,847)
NOTES RECEIVABLE	-	-
FIXED ASSETS, NET OF ACCUM. DEPN	1,912	1,295
OTHER REAL ESTATE OWNED, NET	2,278	662
OTHER NON-CURRENT ASSETS	-	-
INTANGIBLE ASSETS	17,477	14,147
TOTAL ASSETS	<u>1,505,088</u>	<u>1,443,764</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
REFUNDINGS OF DEBT	202	284
 TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	 <u>1,505,290</u>	 <u>1,444,048</u>
 <u>LIABILITIES AND NET POSITION:</u>		
<u>LIABILITIES:</u>		
<u>CURRENT LIABILITIES:</u>		
ACCRUED INTEREST PAYABLE	\$7,250	\$7,089
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	14,750	9,335
ESCROW DEPOSITS & RESERVES	9,005	10,496
TOTAL CURRENT LIABILITIES	<u>31,005</u>	<u>26,920</u>
 BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT	 1,161,309	 1,121,175
MORTGAGE & NOTES PAYABLE	26,941	32,509
ACCRUED ARBITRAGE REBATE	-	-
OTHER LIABILITIES	135	156
TOTAL LIABILITIES	<u>1,219,390</u>	<u>1,180,760</u>
 <u>NET POSITION:</u>		
NET INVESTED IN CAPITAL ASSETS	1,912	1,295
UNAPPROPRIATED NET POSITION (NOTE 1)	69,038	67,506
APPROPRIATED NET POSITION (NOTE 1)	214,949	194,487
TOTAL NET POSITION	<u>285,900</u>	<u>263,288</u>
 TOTAL LIABILITIES & NET POSITION	 <u>1,505,289</u>	 <u>1,444,048</u>

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

	<u>YTD 09/30/21</u>	<u>YTD 9/30/20</u>
<u>OPERATING REVENUES:</u>		
INTEREST ON LOANS	\$44,280	\$49,027
INTEREST ON INVESTMENTS & SECURITIES	1,678	3,210
LOAN & COMMITMENT FEES	2,393	2,299
ADMINISTRATIVE FEE INCOME (EXP)	16,922	10,838
RTC, RISK SHARING & GUARANTY INCOME	107	64
HOUSING PROGRAM INCOME	1,256	1,318
LOAN SERVICING INCOME	7,945	5,851
OTHER OPERATING INCOME	-	-
SUBTOTAL OPERATING REVENUES	<u>74,581</u>	<u>72,607</u>
<u>NON-OPERATING REVENUES:</u>		
ARBITRAGE REBATE INCOME (EXPENSE)	-	-
GAIN(LOSS) ASSET SALES/DEBT EXTINGUISHMENT	5,551	1,664
OTHER NON-OPERATING INCOME	25	(8)
GRANT AWARD INCOME	90,804	51,788
SUBTOTAL NON-OPERATING REVENUES	<u>96,380</u>	<u>53,444</u>
TOTAL REVENUES	<u>170,962</u>	<u>126,051</u>
<u>OPERATING EXPENSES:</u>		
ADMINISTRATIVE EXPENSES	20,069	15,346
INTEREST EXPENSE	36,963	40,150
AMORTIZATION OF BOND/NOTE PREMIUM(DISCOUNT)	(3,029)	(2,760)
PROVISION FOR LOAN LOSSES	65	199
MORTGAGE LOAN & BOND INSURANCE	-	-
TRUSTEE FEES	134	143
AMORT. OF SERV. RIGHTS & DEPRECIATION	2,961	1,634
BOND COST OF ISSUANCE	2,139	1,625
SUBTOTAL OPERATING EXPENSES	<u>59,301</u>	<u>56,337</u>
<u>NON-OPERATING EXPENSES:</u>		
CAPACITY BUILDING COSTS	462	567
GRANT AWARD EXPENSE	88,343	50,704
OTHER NON-OPERATING EXPENSE	243	609
SUBTOTAL NON-OPERATING EXPENSES	<u>89,048</u>	<u>51,880</u>
TOTAL EXPENSES	<u>148,349</u>	<u>108,217</u>
NET REVENUES	22,613	17,834
OTHER FINANCING SOURCES (USES)	(0)	0
NET REVENUES AND OTHER FINANCING SOURCES(USES)	<u>22,613</u>	<u>17,834</u>
NET POSITION AT BEGINNING OF YEAR	<u>263,288</u>	<u>245,454</u>
NET POSITION AT 09/30/21	<u>285,900</u>	<u>263,288</u>

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

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

UNAPPROPRIATED NET POSITION:

\$ 32,812	is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
\$ 35,350	is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
\$ 876	is held for New Mexico Affordable Housing Charitable Trust.
<u>\$ 69,038</u>	Total Unappropriated Net Position

APPROPRIATED NET POSITION: GENERAL FUND

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

\$ 116,629	for use in the Housing Opportunity Fund (\$107,539 in loans plus \$9,090 unfunded, of which \$5,151 is committed).
\$ 33,024	for future use in Single Family & Multi-Family housing programs.
\$ 1,191	for loss exposure on Risk Sharing loans.
\$ 1,912	invested in capital assets, net of related debt.
\$ 17,456	invested in mortgage servicing rights.
\$ 29,325	for the future General Fund Budget year ending 9/30/22.
<u>\$ 199,537</u>	Subtotal - General Fund

APPROPRIATED NET POSITION: HOUSING

\$ 17,325	for use in the federal and state housing programs administered by MFA.
<u>\$ 17,325</u>	Subtotal - Housing Program
<u>\$ 216,862</u>	Total Appropriated Net Position
<u>\$ 285,900</u>	Total Combined Net Position at September 30, 2021

Total combined Net Position, or reserves, at September 30, 2021 was \$285.9 million, of which \$69.0 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. \$216.9 million of available reserves, with \$102.0 million primarily liquid in the General Fund and in the federal and state Housing programs and \$114.9 million illiquid in the programs of the General Fund, have been:

- for use in existing and future programs
- for coverage of loss exposure in existing programs
- to meet servicing requirements, and
- for support of operations necessary to carry out the programs.

MFA's general plan for bond program reserves as they may become available to MFA over the next 30 years is to use the reserves for future programs, loss exposure coverage, servicing requirements and operations.

GENERAL FUND
Fiscal Year 2020-2021 Budget
For the twelve months ended 9/30/2021

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Revenue							
Interest Income	602,718	6,857,089	7,590,168	7,590,168	733,079	733,079	90.34%
Interest on Investments & Securities	85,742	1,210,052	1,480,118	1,480,118	270,066	270,066	81.75%
Loan & Commitment Fees	54,697	243,811	10,000	10,000	(233,811)	(233,811)	2438.11%
Administrative Fee Income (Exp)	926,637	20,768,402	13,805,002	13,805,002	(6,963,400)	(6,963,400)	150.44%
Risk Sharing/Guaranty/RTC fees	618	101,034	85,158	85,158	(15,876)	(15,876)	118.64%
Housing Program Income	12,927	1,256,378	1,104,920	1,104,920	(151,458)	(151,458)	113.71%
Loan Servicing Income	711,280	7,944,912	7,044,959	7,044,959	(899,952)	(899,952)	112.77%
Other Operating Income		-	500	500	500	500	0.00%
Operating Revenues	2,394,620	38,381,678	31,120,826	31,120,826	(7,260,852)	(7,260,852)	123.33%
Gain (Loss) Asset Sale/Debt Ex	752,419	5,467,983	(460,500)	(460,500)	(5,928,483)	(5,928,483)	-1187.40%
Other Non-operating Income	-	50	160	160	110	110	31.25%
Non-Operating Revenues	752,419	5,468,033	(460,340)	(460,340)	(5,928,373)	(5,928,373)	-1187.82%
Revenue	3,147,039	43,849,711	30,660,486	30,660,486	(13,189,225)	(13,189,225)	143.02%
Salaries	799,007	6,167,793	6,436,024	6,436,024	268,231	268,231	95.83%
Overtime	2,591	33,853	39,048	39,048	5,195	5,195	86.70%
Incentives	149,942	579,540	543,798	543,798	(35,741)	(35,741)	106.57%
Payroll taxes, Employee Benefits	327,857	2,748,391	3,182,619	3,182,619	434,228	434,228	86.36%
Compensation	1,279,397	9,529,577	10,201,489	10,201,489	671,913	671,913	93.41%
Business Meals Expense	-	420	5,360	5,360	4,940	4,940	7.84%
Public Information	32,835	309,178	362,906	362,906	53,728	53,728	85.19%
In-State Travel	6,557	11,593	122,888	122,888	111,295	111,295	9.43%
Out-of-State Travel	1,742	6,620	196,698	196,698	190,078	190,078	3.37%
Travel & Public Information	41,134	327,811	687,852	687,852	360,041	360,041	47.66%
Utilities/Property Taxes	1,754	73,986	74,178	74,178	192	192	99.74%
Leasehold Expense		-			-	-	
Insurance, Property & Liability	16,858	217,170	174,709	174,709	(42,461)	(42,461)	124.30%
Repairs, Maintenance & Leases	132,602	1,217,027	1,013,348	1,013,348	(203,678)	(203,678)	120.10%
Supplies	2,818	26,386	33,592	33,592	7,207	7,207	78.55%
Postage/Express mail	5,582	57,042	36,823	36,823	(20,219)	(20,219)	154.91%
Telephone	583	6,411	20,701	20,701	14,290	14,290	30.97%
Janitorial	2,695	42,616	40,291	40,291	(2,325)	(2,325)	105.77%
Office Expenses	162,893	1,640,637	1,393,643	1,393,643	(246,993)	(246,993)	117.72%
Dues & Periodicals	8,621	45,875	58,926	58,926	13,051	13,051	77.85%
Education & Training	11,881	75,174	131,380	131,380	56,206	56,206	57.22%
Contractual Services	119,062	1,008,104	1,575,332	1,575,332	567,228	567,228	63.99%
Professional Services-Program	4,854	69,502	114,344	114,344	44,842	44,842	60.78%
Direct Servicing Expenses	580,511	6,489,353	4,904,905	4,904,905	(1,584,448)	(1,584,448)	132.30%
Program Expense-Other	5,007	28,432	23,355	23,355	(5,077)	(5,077)	121.74%
Rebate Analysis Fees			-	-	-	-	

GENERAL FUND
Fiscal Year 2020-2021 Budget
For the twelve months ended 9/30/2021

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
Other Operating Expense	729,936	7,716,440	6,808,242	6,808,242	(908,198)	(908,198)	113.34%
Interest Expense	8,044	251,065	353,809	353,809	102,745	102,745	70.96%
Non-Cash Expenses	476,821	3,022,096	2,127,636	2,127,636	(894,460)	(894,460)	142.04%
Expensed Assets	46,629	313,339	262,187	262,187	(51,152)	(51,152)	119.51%
Operating Expenses	2,744,852	22,800,964	21,834,859	21,834,859	(966,105)	(966,105)	104.42%
Program Training & Tech Asst	4,760	20,207	149,900	149,900	129,693	129,693	13.48%
Program Development	12,962	442,042	471,383	471,383	29,341	29,341	93.78%
Capacity Building Costs	17,722	462,249	621,283	621,283	159,034	159,034	74.40%
Non-Operating Expenses	17,722	462,249	621,283	621,283	159,034	159,034	74.40%
Expenses	2,762,574	23,263,213	22,456,142	22,456,142	(807,071)	(807,071)	103.59%
Excess Revenue over Expenses	384,465	20,586,498	8,204,345	8,204,345	(12,382,153)	(12,382,153)	250.92%

GENERAL FUND CAPITAL BUDGET
Fiscal Year 2020-2021 Budget
For the twelve months ended 9/30/2021

	One Month Actual	Year to Date Actuals	Year to Date ProRata Budget	Annual Budget	YTD Budget Under/(Over)	Annual Budget Under/(Over)	Expended Annual Budget %
2690 PURCHASED SERVICING RIGHTS	675,883	5,351,904	3,844,750	3,844,750	(1,507,154)	(1,507,154)	139.20%
2950 COMPUTER HARDWARE	-	52,932	121,000	121,000	68,068	68,068	43.75%
2960 SOFTWARE LICENSES	-	-	-	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	-	-	161,714	161,714	161,714	161,714	0.00%
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	-	-	-	
2860 BUILDING	-	790,773	648,077	648,077	(142,696)	(142,696)	122.02%
Capital Budget	675,883	6,195,609	4,775,541	4,775,541	(1,420,068)	(1,420,068)	129.74%

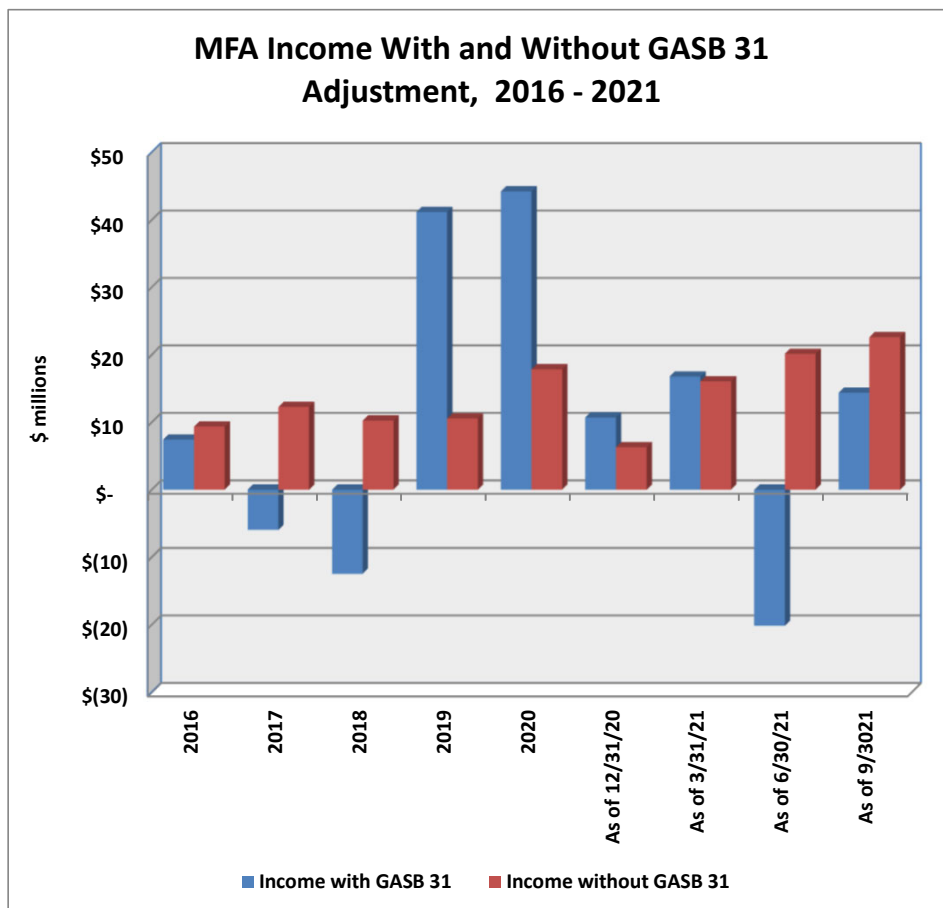
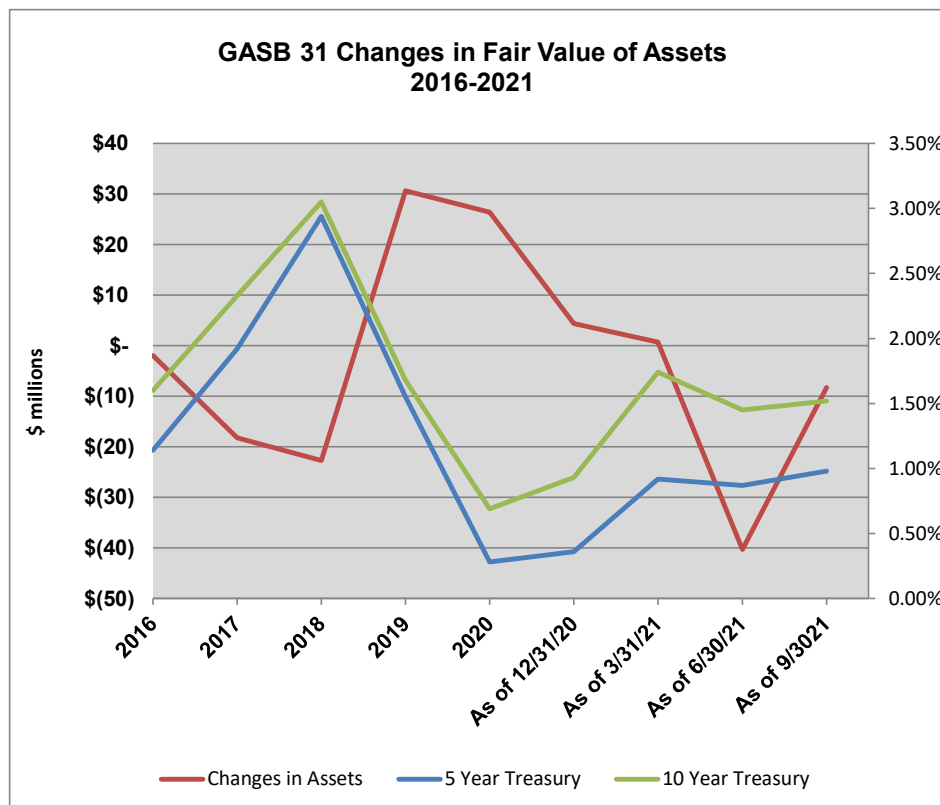
HOUSING OPPORTUNITY FUND

September 30, 2021

TOTAL General Fund Dollars Allocated: \$ 116,629,194 Outstanding: at an average yield of 5.22%

	Primero	Primero PRLF	Primero Working Capital	Partners SF 1st Mortgage	Build It Guaranty	DPA Mortgages	HERO 1st Mortgages	Emerging Markets	MF Access	Total
Original Allocation	\$5,824,041	\$0	\$350,000	\$6,838,000	\$2,500,000	\$38,478,739	\$10,000,000	\$1,550,000	\$32,143,000	\$97,683,781
Transfers	(\$4,877,000)	\$925,000	(\$350,000)	(\$4,240,000)	(\$2,500,000)	\$27,278,313	(\$8,485,313)	(\$1,550,000)	(\$6,201,000)	\$0
3rd Party Award	\$3,363,000	\$4,125,000				\$11,457,413				\$18,945,413
Current Allocation	\$4,310,041	\$5,050,000	\$0	\$2,598,000	\$0	\$77,214,466	\$1,514,687	\$0	\$25,942,000	\$116,629,194
Funded/ Committed	3,511 \$19,552,318	210 \$5,050,000	n/a \$35,000	254 \$13,633,200	105 units \$0	21,197 \$138,041,964	63 \$9,258,705	None \$0	1,649 \$31,522,224	26,130 units \$217,093,411
Repayments	\$17,382,511	\$262,056	\$35,000	\$10,617,916	\$0	\$62,756,267	\$7,744,018	0	\$5,605,056	\$104,402,824
Available	\$2,140,234	\$262,056	\$0	(\$417,284)	\$0	\$1,928,769	(\$0)	\$0	\$24,832	\$3,938,607
Subsidy/ Unit	\$5,569	\$24,047.62	n/a	\$53,886	\$0	\$6,787	\$146,964	n/a	\$19,116	\$8,308
Outstanding & Yield	153 \$1,669,807 2.95%	136 \$1,673,909 3.00%	0 \$0 0.00%	124 \$2,914,484 0%	None \$0 0%	12,322 \$73,849,324 5.28%	14 \$1,514,687 5.20%	None \$0 n/a	1,649 \$25,917,168 5.95%	14,258 \$107,539,379 5.22%
Collateral	1st or 2nd mtg on SF or MF development	1st or 2nd mtg on MF development	1st mortgage on SF rentals	1st mortgage on SF homes	2nd mortgage on SF or MF development	2nd mortgage on SF homes	1st mortgage on SF homes	n/a	1st mortgage on MF development	
AMI Served	54% at 60% or below 46% at 80% or above	Up to 120%	n/a	60% statewide	54% at 60% or below 46% at 80% or above	Until 2003: Up to 80% & 95% Since 2003: M\$VR limits	Up to 140%	n/a	91% at 60% or below 9% at market	
Geographic Distribution	60% Albuquerque, SF & LC MSAs 40% Tribal & Rural	100% Rural	n/a	60% Albuquerque, SF & LC MSAs 40% Rural	15% Albuquerque 85% Rural	83% Albuquerque, SF & LC MSAs 17% Rural	Teachers, Police, Firefighters, Nurses, Military 81% MSA 19% Rural	n/a	43% Albuquerque, SF & Las Cruces MSA 57% Tribal & Rural	
Delinquency Rate	10.27%	0.00%	0.00%	9.68%	0.00%	7.81%	0.00%	n/a	0.00%	5.84%
Default Rate	3.23%	0.00%	0.00%	0.00%	0.00%	7.13%	0.00%	n/a	0.00%	7.01%
Loan Loss Allowance	70,000	-	-	-	-	8,391,000	-	n/a	-	8,461,000

New Mexico Mortgage Finance Authority
Effect of GASB31 on Financials



New Mexico Mortgage Finance Authority
Loan and Credit Line Activity
As of 9/30/2021

Lender	Purpose	Collateral	Date of Incurrence (after 2/27/2019)	Board Authorization Date	Authority Limit	Outstanding 6/30/21	Advances	Repayments	Outstanding 9/30/21	Maturity	Interest Rate as of 9/30/21	Interest Payments this quarter
Community Banks	Fund DPA program and assist financial institutions meet CRA requirements	DPA portfolio		March 2018	5,000,000	-	-	-	-	n/a	n/a	
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program	Mortgage loan pipeline		October 2017	60,000,000	19,000,000	59,300,000	54,800,000	23,500,000	3/10/2022	0.11%	8,174
FHLB	Mortgage Backed Security Warehouse, Loans Held for Sale Program & operations	Securities		October 2017	25,000,000	-	-	-	-	n/a	n/a	-
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans		September 2015	2,125,000	-	-	-	-	n/a	n/a	
SBIC	Capitalize Primero Loan Fund	None		April 2014, March 2019	2,500,000	1,000,000	-	-	1,000,000	11/30/2023	2.00%	5,056
FHLB	Mortgage Revenue Bond (MRB) Warehousing	MRB Mortgage backed securities		June 2013	30,000,000	-	-	-	-	n/a	n/a	
Wells Fargo	Capitalize Primero Loan Fund	None		October 2011	850,000	850,000	-	-	850,000	11/15/2023	2.00%	4,250
USDA-RD	Preservation Revolving Loan Fund Demonstration Program	PRLF mortgage loans		May 2011	2,000,000	1,590,819	-	-	1,590,819	1/20/2042	1.00%	-
TOTAL					122,475,000	22,440,819	59,300,000	54,800,000	26,940,819			17,479

Tab 6

TO: MFA Board of Directors
Through: Enter Finance Committee – 11/9/2021
Through: Policy Committee – 11/1/2021
FROM: Yvonne Segovia
DATE: 11/17/2021
SUBJECT: FY2021 Budget Amendment

Recommendation:

Staff recommends approval of the second Budget Amendment to adjust for single family mortgage loan production.

Background:

Per the MFA By-laws "moneys of the Authority shall be expended in accordance with the budget." On 9/16/2020 the Board approved the fiscal year 2021 budget, which was subsequently amended on 4/21/2021. The budget amendment authorized total expenses of \$22,456,142, for a total net excess revenue over expenses budgeted of \$8,204,345 , plus capital outlay of \$4,775,541.

MFA ended the fiscal year with \$43.8mm in revenue, an excess of \$13.2mm over budget. As of 9/30/21 total expenses of \$20.6mm were incurred, exceeding budget by (807k). This resulted in Excess Revenue over Expenses of \$20.6mm, which exceeded budget by \$12.4mm. Capital outlay disbursed was \$6.2m, which exceed budget by (\$1.4mm).

Discussion:

MFA has once again experienced record single family mortgage loan production this fiscal year of \$478mm in loans purchased. MFA owns the mortgage servicing rights on the MFA portfolio. As a result of this ownership, the accounting requires us to capitalize the mortgage servicing rights and amortize them over the life of the loan. Therefore, single family loan production levels have a direct impact on our operating and capital budget. The budget amendment approved in April, 2021 anticipated loan production of \$470mm this fiscal year. However, the mortgage servicing rights are purchased at prices reflective of market conditions, resulting in higher servicing rights purchased and amortized this year.

Summary:

As a result of record single family mortgage loan production and the market conditions, we did not have sufficient capital outlay or mortgage servicing rights amortization budget to carry the organization through the end of the fiscal year. Therefore, staff is

proposing an amendment to increase the capital budget by \$1,421,000 and amortization by \$808,000.

NEW MEXICO MORTGAGE FINANCE AUTHORITY
Fiscal Year 2020-2021
Approved 4/21/2021

BUDGET AMENDMENT

	Proposed Amended Budget FY2021	Total Approved Budget FY2021	Proposed Amendment	% Change
Interest Income	7,590,168	7,590,168	0	
Interest on Investments & Securities	1,480,118	1,480,118	-	
Loan & Commitment Fees	10,000	10,000	-	
Administrative Fee Income (Exp)	13,805,002	13,805,002	0	
Risk Sharing/Guaranty/RTC fees	85,158	85,158	-	
Housing Program Income	1,104,920	1,104,920	-	
Loan Servicing Income	7,044,959	7,044,959	(0)	
Other Operating Income	500	500	-	
Operating Revenues	31,120,826	31,120,826	(0)	
Gain (Loss) Asset Sale/Debt Ex	(460,500)	(460,500)	-	
Other Non-operating Income	160	160	-	
Non-Operating Revenues	(460,340)	(460,340)	-	
Revenue	30,660,486	30,660,486	(0)	
Salaries	6,436,024	6,436,024	-	
Overtime	39,048	39,048	(0)	
Incentives	543,798	543,798	0	
Payroll taxes, Employee Benefits	3,182,619	3,182,619	(0)	
Compensation	10,201,489	10,201,489	(0)	
Business Meals Expense	5,360	5,360	0	
Public Information	362,906	362,906	(0)	
In-State Travel	122,888	122,888	0	
Out-of-State Travel	196,698	196,698	-	
Travel & Public Information	687,852	687,852	(0)	
Utilities/Property Taxes	74,178	74,178	0	
Insurance, Property & Liability	174,709	174,709	-	
Repairs, Maintenance & Leases	1,013,348	1,013,348	(0)	
Supplies	33,592	33,592	0	
Postage/Express mail	36,823	36,823	-	
Telephone	20,701	20,701	(0)	
Janitorial	40,291	40,291	(0)	
Office Expenses	1,393,643	1,393,643	0	
Dues & Periodicals	58,926	58,926	(0)	
Education & Training	131,380	131,380	-	
Contractual Services	1,575,332	1,575,332	(0)	
Professional Services-Program	114,344	114,344	-	
Direct Servicing Expenses	4,904,905	4,904,905	-	
Program Expense-Other	23,355	23,355	-	
Rebate Analysis Fees	-	-	-	
Other Operating Expense	6,808,242	6,808,242	-	
Interest Expense	353,809	353,809	-	
Non-Cash Expenses	2,935,636	2,127,636	808,000	
Expensed Assets	262,187	262,187	-	
Operating Expenses	22,642,859	21,834,859	808,000	
Program Training & Tech Asst	149,900	149,900	-	
Program Development	471,383	471,383	-	
Capacity Building Costs	621,283	621,283	0	
Non-Operating Expenses	621,283	621,283	0	
Expenses	23,264,142	22,456,142	808,000	
Excess Revenue over Expenses	7,396,345	8,204,345	(808,000)	

NEW MEXICO MORTGAGE FINANCE AUTHORITY
Fiscal Year 2020-2021
Approved 4/21/2021

BUDGET AMENDMENT

	Proposed Amended Budget FY2021	Total Approved Budget FY2021	Proposed Amendment	% Change
2690 PURCHASED SERVICING RIGHTS	5,265,750	3,844,750	1,421,000	
2950 COMPUTER HARDWARE	121,000	121,000	-	
2960 SOFTWARE LICENSES	-	-	-	
2920 FURNITURE & EQUIPMENT-10 YR	161,714	161,714	-	
2930 FURNITURE & EQUIP, 5 YR.	-	-	-	
2860 BUILDING	648,077	648,077	(0)	
Capital Budget	6,196,541	4,775,541	1,421,000	

Tab 7

September 30, 2021 Quarterly Investment Review
Agenda for Discussion at Board Meeting
Meeting Date: November 17, 2021

For reference:

Minutes of the November 9, 2021 investment discussion during the Finance Committee meeting.

For discussion:

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

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

**New Mexico Mortgage Finance Authority
Minutes of Quarterly Investment Review
(Taking place during the Finance Committee November 9, 2021)**

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

MFA Staff Present: Jeff Payne, Donna Maestas-De Vries, Cooper Hall, Stephanie Yara, Izzy Hernandez,

- Report being presented is as of September 30, 2021.
- Compliance Report (Diversification and Asset Allocation): Hall reviewed the General Fund Investment Compliance Report. He informed the committee that one asset allocation was not compliant with policy. All asset class time horizons were compliant with Policy. MFA liquidated \$1.5 million from the SIC on September 1st to rebalance asset class time horizons.
- Portfolio Summary- Short & Intermediate Term Investments: Hall reviewed asset classes and yield/returns. He also mentioned MFA purchased six new bond securities during the quarter due to maturities and reallocation.
- Portfolio Summary- Long Term Investments Including State Investment Council Investments: Hall reviewed market values, rates of returns and realized gain/loss data for the mortgage-backed securities and the State Investment Council (SIC) funds.
- Portfolio Summary- Housing Trust Fund: Hall reminded the committee that the Housing Trust Fund is 100% invested in the SIC Core Plus Bond Fund. He also informed the committee of the Funds market value, rate of return and realized gain/loss data.
- Hall reviewed interest income detail, benchmarks and noted changes in economic indicators.
- Changes in the interest rate environment and related impacts were discussed during the presentation.

General Fund:

Asset Class	9/30/21 Balance	Yield/Rate of Return	Benchmark Rate of Return
Cash Held for Operations/Warehoused MBS	\$3,024,844	Various	n/a
Local Government Investment Pool	7,120,893	0.11%	n/a
Bond Ladder	16,036,893	0.34%	0.71%
MFA's Mortgage Backed Securities-Intermediate Term	9,232,175	5.11%	n/a
MFA's Mortgage Backed Securities-Long Term	3,734,415	3.07%	n/a
Core Plus Bond Fund-Active (SIC)	7,158,455	2.52%	-.90%
Large Cap Index Equity Fund (SIC)	7,368,899	27.14%	30.95%
Small/Mid Cap Fund (SIC)	3,351,339	32.24%	49.87%
Non-US Developed Markets Fund (SIC)	3,880,300	22.29%	29.62%
Non-US Emerging Markets Fund (SIC)	1,083,577	17.30%	18.20%

Housing Trust Fund:

Asset Class	9/30/21 Balance	Yield/Rate of Return	Benchmark Rate of Return
Core Plus Bond Fund-Active (SIC)	\$16,734,883	2.50%	-0.90%

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

1. On September 1st MFA liquidated \$1.5 million from the State Investment Council (SIC) portfolio to rebalance asset allocations. Currently all of the asset allocations by asset class time horizon are compliant with the investment policy ranges. One individual asset class is temporarily non-compliant with policy. MFA continues to experience fluctuations in fair value of the SIC portfolio which makes it difficult to maintain asset class policy levels. Staff is evaluating needs to rebalance each month to maintain compliance with Policy ranges.
2. During the fourth quarter of FY 2021, staff purchased six bonds. Three purchases in July were made to re-invest maturities that occurred in late June. Two bond purchases were made to re-invest maturities that occurred in the fourth quarter of the Fiscal Year. One bond purchase was a re-allocation of the SIC liquidation that occurred on September 1st.
3. Due to federal fiscal policy and the Federal Open Market Committee lowering the targeted range of the federal funds rate to 0%-.25% in March of 2020, we are continuing to experience low yields in our fixed income portfolios, however the bond ladder has performed in line with its benchmark.
4. The State Investment Council portfolio has continued to perform strongly in FY 2021. It is currently outperforming the target yield of 5%, with a yield of 18.61% as of September 30, 2021. Realized fair market value gains for the fiscal year were \$4,278,491. This strong performance in the portfolio was largely driven by MFA's allocations in equities. Domestic Large Cap Equities has returned 27.14% FYTD. The Small- Mid Cap Fund has returned 32.24% FYTD.
5. The Housing Trust Fund State Investment Council portfolio, which is 100% invested in a core bond fund has experienced a rate of return of 2.50% and has outperformed its benchmark which is down 0.90% FYTD.
6. As of the fourth quarter of FY2021 interest income is 72% of total budgeted interest income. Changes in the interest rate environment experienced in the second quarter of FY2020 have impacted yields, but they have been stabilizing in more recent months. While interest income budgets were estimated to include the impacts of current federal fiscal policy, all asset classes except mortgage-backed securities have experienced negative budget variances. A budget amendment was approved by the Board in April of 2021 to reduce the budget to current economic yields.
7. Historically the State Investment Council portfolio has performed well when compared to established benchmarks. In FY 2021, equity funds underperformed benchmarks. The Core Plus Bond fund outperformed its benchmark.

8. As of September 30, 2021, MFA's General Fund and Housing Trust Fund balances are as follows:

General Fund:

Asset Class	9/30/21 Balance	Yield/Rate of Return	Benchmark Rate of Return
Cash Held for Operations/Warehoused MBS	\$3,024,844	Various	n/a
Local Government Investment Pool	7,120,893	0.11%	n/a
Bond Ladder	16,036,893	0.34%	0.71%
MFA's Mortgage-Backed Securities-Intermediate Term	9,232,175	5.11%	n/a
MFA's Mortgage-Backed Securities-Long Term	3,734,415	3.07%	n/a
Core Plus Bond Fund-Active (SIC)	7,158,455	2.52%	-.90%
Large Cap Index Equity Fund (SIC)	7,368,899	27.14%	30.95%
Small/Mid Cap Fund (SIC)	3,351,339	32.24%	49.87%
Non-US Developed Markets Fund (SIC)	3,880,300	22.29%	29.62%
Non-US Emerging Markets Fund (SIC)	1,083,577	17.30%	18.20%

Housing Trust Fund:

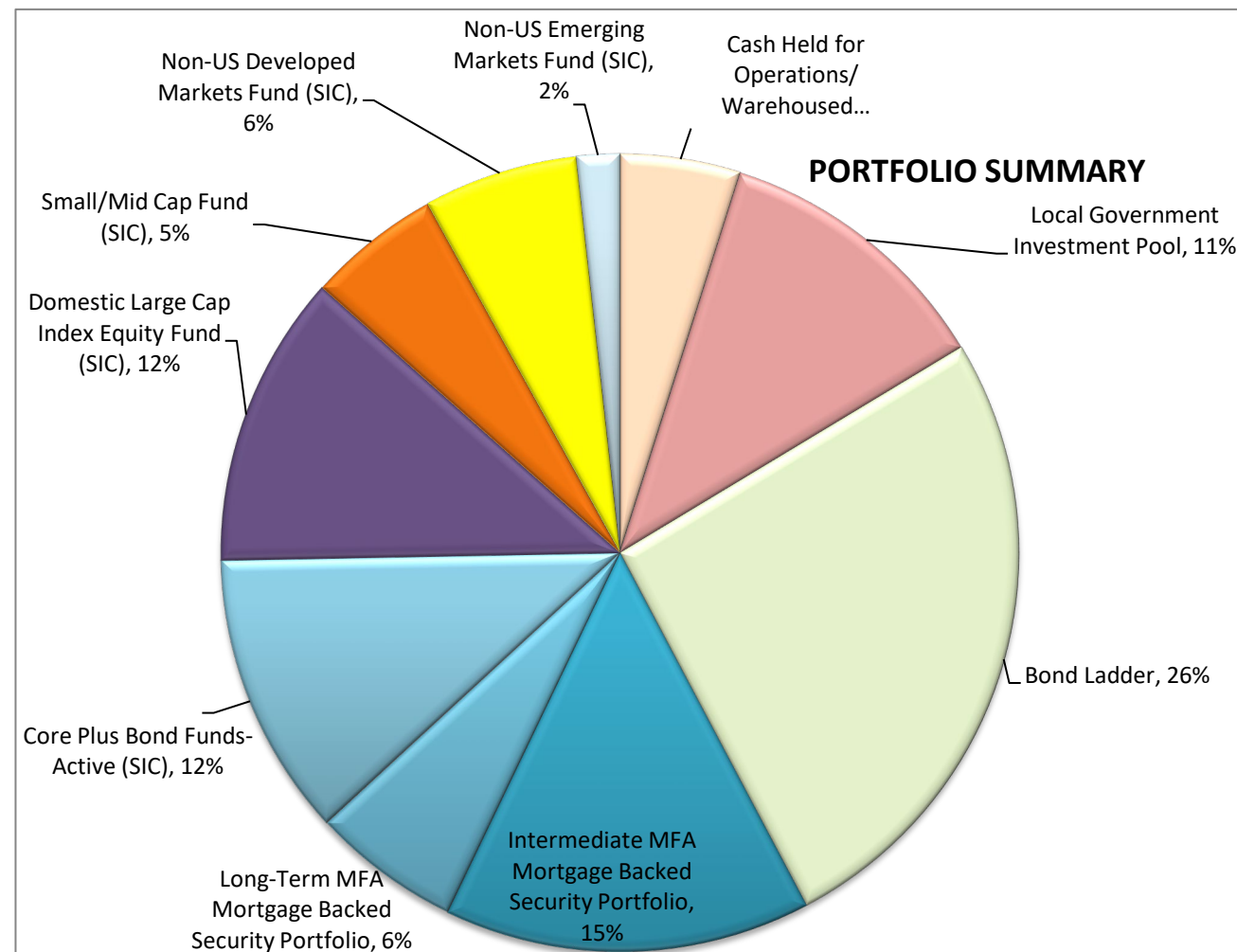
Asset Class	9/30/21 Balance	Yield/Rate of Return	Benchmark Rate of Return
Core Plus Bond Fund-Active (SIC)	\$16,734,883	2.50%	-0.90%



GENERAL FUND INVESTMENT COMPLIANCE REPORT FOR QUARTER 4 (AS OF September 30, 2021)

ASSET CLASS	Policy Requirement Target	Policy Requirement Range	Current Portfolio Carrying Value	Portfolio Weighting by Investment Horizon	Portfolio Weighting by Asset Class	Within \$ Limit Range	Action Plan
Short-Term Investments (Less than 1 year)	20%	15%-25%	\$ 10,145,737	16%		Yes	
Cash Held for Operations/Warehoused MBS*	14%	9%-19%	\$ 3,024,844		5%	No	
Local Government Investment Pool	6%	1%-11%	\$ 7,120,893		11%	Yes	
Intermediate-Term Investments (1 to 10 years)	40%	35%-45%	\$ 25,269,068	41%		Yes	
Bond Ladder	27%	22%-32%	\$ 16,036,893		26%	Yes	
Intermediate MFA Mortgage Backed Security Portfolio	13%	8%-18%	\$ 9,232,175		15%	Yes	
Long-Term Investments (More than 10 years)	40%	35%-45%	\$ 26,576,985	43%		Yes	
Long-Term MFA Mortgage Backed Security Portfolio	4%	0%-9%	\$ 3,734,415		6%	Yes	
Core Plus Bond Funds-Active (SIC)	12%	7%-17%	\$ 7,158,455		12%	Yes	
Domestic Large Cap Index Equity Fund (SIC)	11%	6%-16%	\$ 7,368,899		12%	Yes	
Small/Mid Cap Fund (SIC)	5%	0%-10%	\$ 3,351,339		5%	Yes	
Non-US Developed Markets Fund (SIC)	6%	1%-11%	\$ 3,880,300		6%	Yes	
Non-US Emerging Markets Fund (SIC)	2%	0%-7%	\$ 1,083,577		2%	Yes	
			\$ 61,991,789		100.00%		

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



SIC FUND ALLOCATION

	Policy	Actual
SIC Core Plus Bond-Active	33%	31%
SIC Large Cap Index Equity	31%	32%
Small/Mid Cap Index	14%	15%
Non-US Developed Markets	17%	17%
Non-US Emerging Markets	5%	5%

BOARD ACTIONS

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



PORTFOLIO SUMMARY - Short & Intermediate Investments

General Fund	Book Value YTD/Quarter 4 as of 9/30/2021	Book Value YTD/Quarter 4 as of 9/30/2020	Unrealized Gain/Loss YTD/Quarter 4 as of 9/30/2021	Yield to Maturity YTD/Quarter 4 as of 9/30/2021	Yield to Maturity YTD/Quarter 4 as of 9/30/2020
Short-Term					
Cash Held for Operations/Warehoused MBS*	\$ 3,024,844	\$ 2,097,617	N/A	Various	Various
Local Government Investment Pool	\$ 7,120,893	\$ 2,415,874	N/A	0.11%	0.22%
Intermediate-Term					
Bond Ladder	\$ 16,036,893	\$ 16,074,411	\$ (9,313)	0.34%	1.50%
MFA Mortgage Backed Security Portfolio	\$ 9,232,175	\$ 7,676,903	\$ 868,741	5.11%	5.16%
Yield to Maturity for Intermediate-Term Investments				2.83%	2.85%
Total Short & Intermediate-Term	\$ 35,414,804	\$ 28,264,805	\$ 859,428		

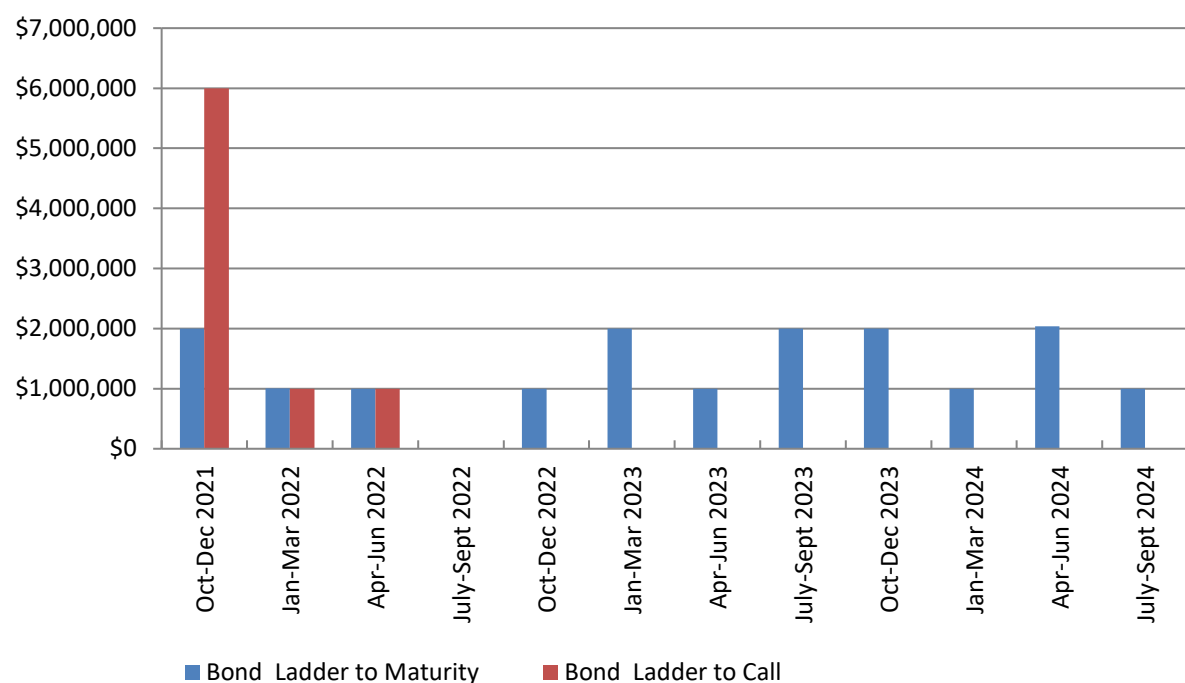
*Does not include capital borrowed for loan operations or restricted funds.

**Weighted average maturity.

BOND LADDER SECTOR ALLOCATION

	Book Value	% of Total Dollars
Fannie Mae	\$ 3,006,582	19%
Federal Farm Credit Bank	\$ 3,997,611	25%
Federal Home Loan Bank	\$ 2,037,293	13%
Freddie Mac	\$ 3,999,989	25%
US Treasury	\$ 2,995,418	19%
Total	\$ 16,036,893	100%

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



INVESTMENTS PURCHASED IN THE FOURTH QUARTER OF FY 2021

Date Purchased	Security	Interest Rate	YTM/YTC	Dollar Amount
7/8/2021	US Treasury	0.125%	0.283%	\$ 996,533
7/16/2021	FHLMC	0.250%	0.255%	\$ 999,901
7/30/2021	US Treasury	0.250%	0.305%	\$ 998,662
8/26/2021	US Treasury	0.375%	0.366%	\$ 1,000,222
9/8/2021	FHLB	1.750%	0.382%	\$ 1,036,778
9/23/2021	FFCB	0.430%	0.504%	\$ 997,812

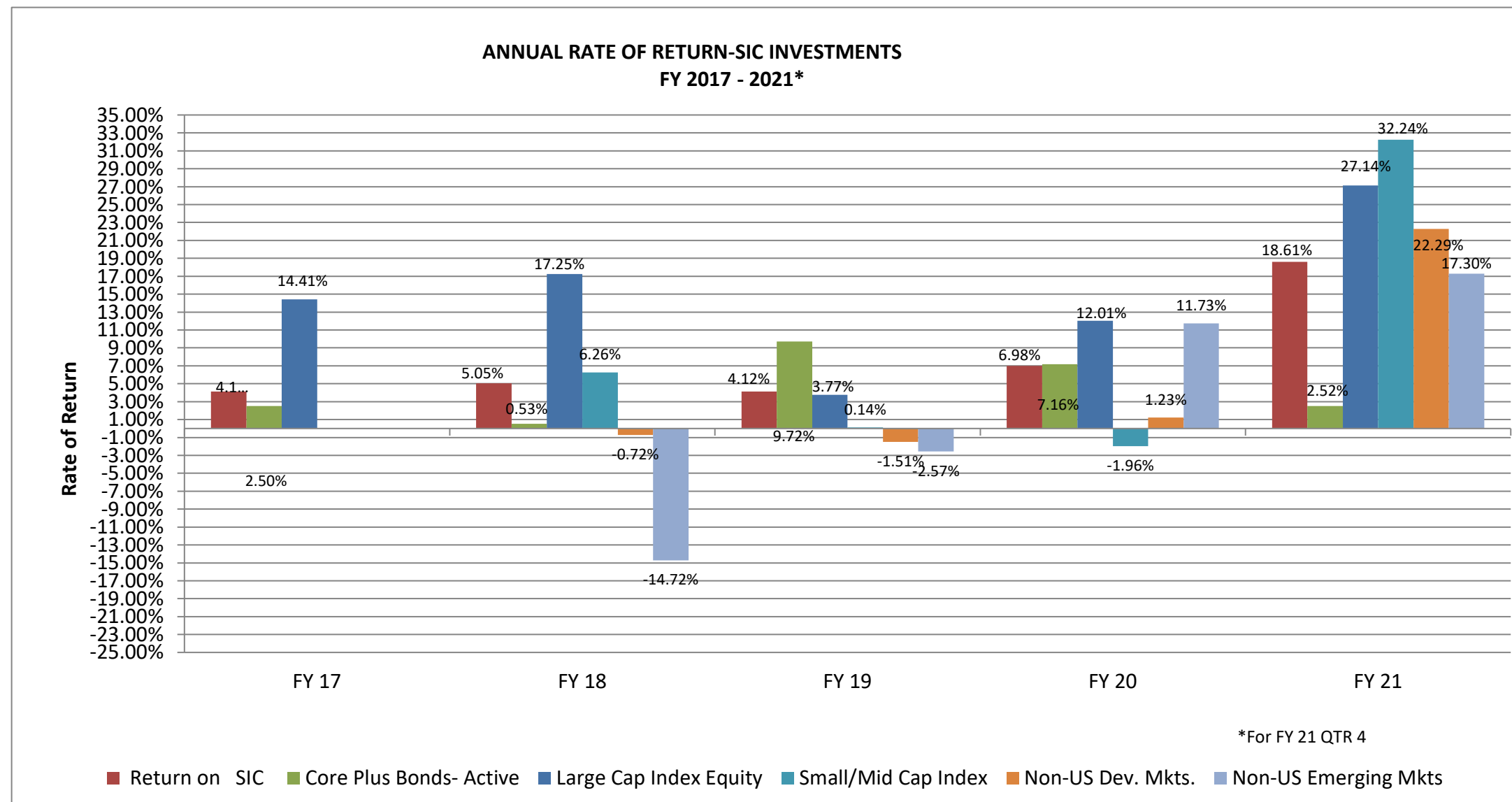


PORTFOLIO SUMMARY - Long Term Investments Including State Investment Council Investments

General Fund Long Term	Book/Market Value YTD/Quarter 4 as of 9/30/2021	Book/Market Value YTD/Quarter 4 as of 9/30/2020	Unrealized/Realized** Gain/Loss YTD/Quarter 4 as of 9/30/2021	Rate of Return YTD/Quarter 4 as of 9/30/2021 *	Rate of Return YTD/Quarter 4 as of 9/30/2020 *
MFA's Mortgage Backed Securities Portfolio	\$ 3,734,415	\$ 4,890,251	\$ 53,540	3.07%	3.65%
State Investment Council (SIC):					
Core Plus Bond Fund-Active	\$ 7,158,455	\$ 9,475,058	\$ (11,805)	2.52%	7.16%
Domestic Large Cap Index Equity Fund	\$ 7,368,899	\$ 10,066,496	\$ 2,244,477	27.14%	12.01%
Small/Mid Cap Fund	\$ 3,351,339	\$ 3,429,365	\$ 1,068,425	32.24%	-1.96%
Non-US Developed Markets Fund	\$ 3,880,300	\$ 4,081,801	\$ 793,051	22.29%	1.23%
Non-US Emerging Markets Fund	\$ 1,083,577	\$ 1,233,556	\$ 184,343	17.30%	11.73%
Total State Investment Counsel	\$ 22,842,570	\$ 28,286,276	\$ 4,278,491	18.61%	6.98%
Total Long-Term Investments	\$ 26,576,985	\$ 33,176,527	\$ 4,332,031		

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

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



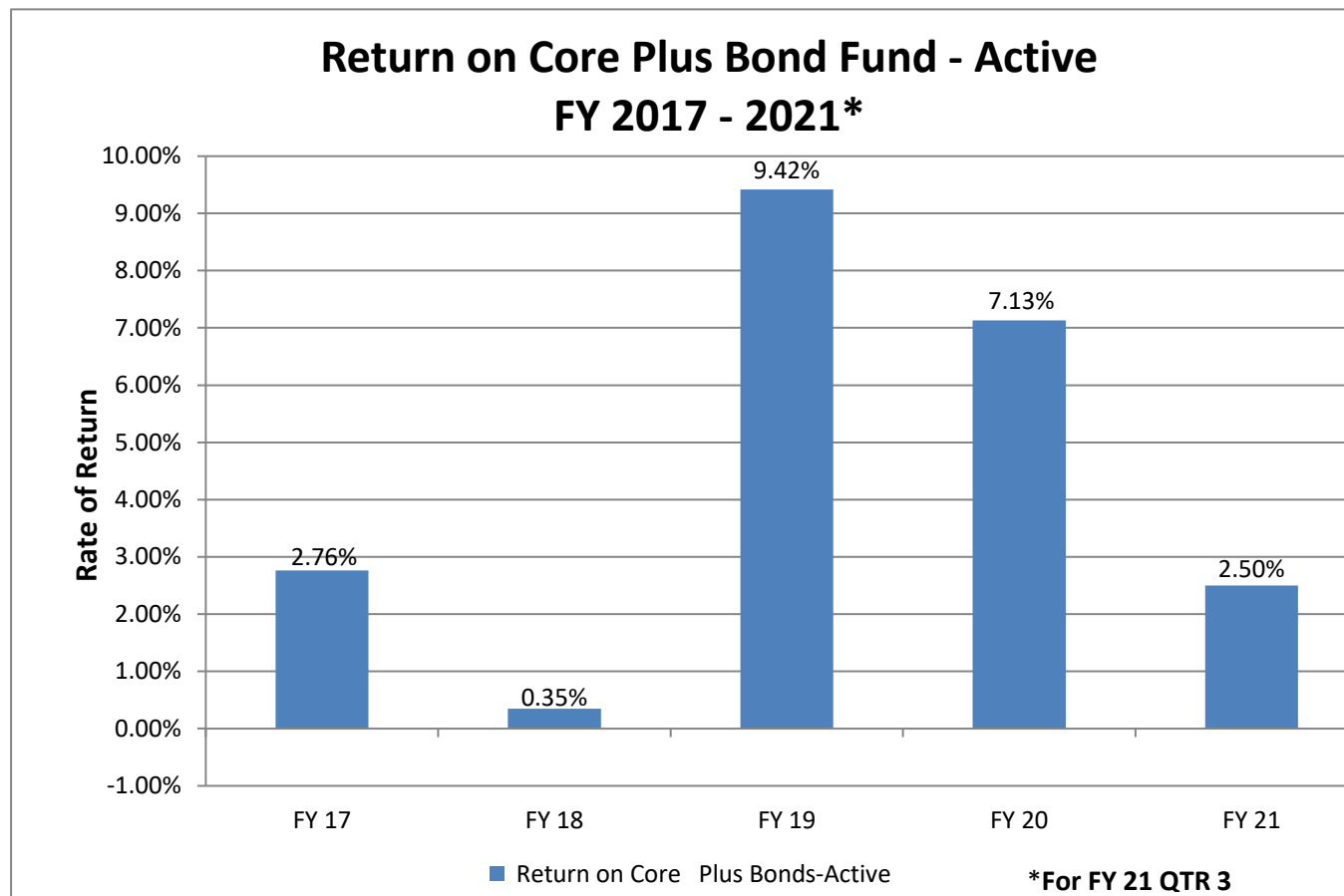


PORTFOLIO SUMMARY - Housing Trust Fund

Housing Trust Fund	Market Value YTD/Quarter 4 as of 9/30/2021	Market Value YTD/Quarter 4 as of 9/30/2020	Realized Gain/Loss YTD/Quarter 4 as of 9/30/2021	Rate of Return YTD/Quarter 4 as of 9/30/2021	Rate of Return YTD/Quarter 4 as of 9/30/2020
State Investment Council (SIC): Core Plus Bond Fund-Active	\$ 16,734,883	\$ 14,712,047	\$ (17,028)	2.50%	7.13%
Total State Investment Council	\$ 16,734,883	\$ 14,712,047	\$ (17,028)	2.50%	7.13%

SIC FUND ALLOCATION

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

Asset Class	S&P Rating	Moody's Rating	Annual Interest Income (Budget) FY2021	Actual Annual Interest Income YTD/Quarter 4 9/30/2021	Interest Income Earned of Total Budget YTD/Quarter 4 9/30/2021
Cash Held for Operations/Warehoused MBS	N/R	N/R	\$ 75,760	\$ 2,675	4%
Local Government Investment Pool	AAAm	N/R	\$ 7,967	\$ 7,887	99%
Bond Ladder			\$ 190,620	\$ 109,035	57%
Fannie Mae	N/R	Aaa/Stable			
Federal Farm Credit Bank	N/R	Aaa/Stable			
Federal Home Loan Bank	N/R	Aaa/Stable			
Freddie Mac	N/R	Aaa/Stable			
MFA Mortgage Backed Security Portfolio	N/R	Aa3/Stable	\$ 443,273	\$ 443,398	100%
Intermediate Term	AA+	Aa3/Stable			
Long-Term	AA+	Aa3/Stable			
State Investment Council			\$ 750,000	\$ 497,123	66%
Core Plus Bond Fund-Active	N/R	N/R			
Large Cap Index Equity Fund	N/R	N/R			
Small/Mid Cap Fund	N/R	N/R			
Non-US Developed Markets Fund	N/R	N/R			
Non-US Emerging Markets Fund	N/R	N/R			
			\$ 1,467,620	\$ 1,060,119	72%

Asset Class Benchmarks	Yield to Maturity/ Rate of Return YTD/Quarter 4 9/30/2021	Benchmark Yield/Rate of Return	
State Investment Council			
Core Plus Bond Fund-Active	2.52%	-0.90%	Barclays US Agg Total Return Value
Large Cap Index Equity Fund	27.14%	30.95%	Russell 1000 Index-US Large Cap Equity
Small/Mid Cap Fund	32.24%	49.87%	Average ⁽¹⁾
Non-US Developed Markets Fund	22.29%	29.62%	Average ⁽²⁾
Non-US Emerging Markets Fund	17.30%	18.20%	MSCI Emerging Markets Index (Net)
Cash Held for Operations/Warehoused MBS	Various	N/A	
Local Government Investment Pool	0.11%	N/A	
Bond Ladder	0.34%	0.71%	
MFA Mortgage Backed Security Portfolio			
Intermediate Term	5.11%		
Long-Term	3.07%		

(1) Average of the following benchmarks:

Russell Mid Cap Index
Russell 2000 Value Index
Russell 2000 Index

(2) Average of the following benchmarks:

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

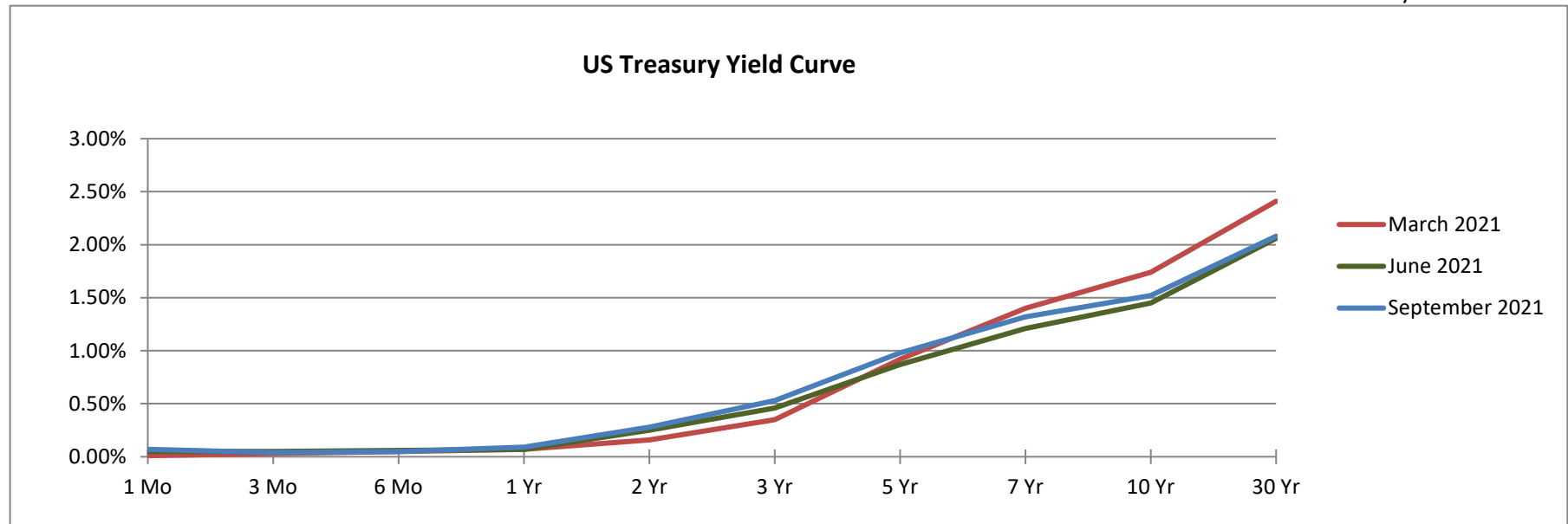


Economic Indicators

9/30/2021 9/30/2020

Federal Funds Rate	0.06%	0.09%
Consumer Price Index (yoy)	5.40%	1.40%
Unemployment Rate	4.80%	7.90%
Real GDP (yoy)	4.90%	-2.90%
DJIA*	24.15%	5.70%

*Cumulative return for the period 10/1 through 9/30 which is four quarters of each respective fiscal year.



	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	30 Yr
March 2021	0.01%	0.03%	0.05%	0.07%	0.16%	0.35%	0.92%	1.40%	1.74%	2.41%
June 2021	0.05%	0.05%	0.06%	0.07%	0.25%	0.46%	0.87%	1.21%	1.45%	2.06%
September 2021	0.07%	0.04%	0.05%	0.09%	0.28%	0.53%	0.98%	1.32%	1.52%	2.08%

Source: U.S. Department of the Treasury

Tab 8

TO: Board of Directors
Through: Finance Committee – November 9, 2021
Through: Policy Committee – October 26, 2021
FROM: Cooper Hall
DATE: November 17, 2021
SUBJECT: Award for Underwriter Services

Recommendation: Staff recommends that RBC Capital Markets be selected as senior manager and Raymond James as co-manager for MFA’s Single Family Program.

Background: MFA issued a Request for Proposal (RFP) for Underwriter Services for Single Family and Multifamily housing programs, Multifamily pass-through bond structures and Special Product in August 2016. The contracts were awarded as follows:

Senior Manager/ Lead Underwriter: RBC Capital Markets
Co-Manager: Raymond James
Multifamily Pass-Through Structures: Jefferies LLC
Special Products: Stifel

The contracts had a term of three years with two-one year extensions at the option of the Policy Committee. The Policy Committee exercised the last available extension which expires on November 30, 2021.

At its August 2021 meeting the Board approved issuance of an RFP for Underwriter Services for the Single Family program.

Discussion:

MFA received a total of eight proposals in response to the RFP, one from each of the following firms: B of A Securities, Jefferies LLC, JP Morgan, Raymond James, RBC Capital Markets, Stifel, UBS, and Morgan Stanley. All eight proposals met the minimum threshold. The proposals were reviewed by an internal review committee of five staff members. Each member of the internal review committee independently scored the individual proposals. Points were awarded to the Offeror based on the criteria outlined in Part V: Evaluation Criteria of the RFP. A simple average was then calculated based on the committee member individual scores for each of the scoring criteria.

As noted in the RFP, the contract begins on the date the MFA Board of Directors approves the award and ends on November 30, 2024. At the option of the Policy Committee, the contract may be extended for two, one (1) year periods under the same terms and conditions.

Attached are the following spreadsheets: (a) Exhibit A showing that the Offeror met the minimum threshold, (b) Exhibit B showing the average points awarded to the Offeror.

RBC Capital Markets currently serves as senior for MFA's single family bond program and has provided excellent services to MFA not only under the current professional services agreement but for many years previously either as senior or co-manager. RBC Capital Markets also maintain an office in Albuquerque with 29 professionals specializing in various areas of public finance and retail brokerage. RBC Capital Markets earned 91.2 points which is the highest average number of points as shown on Exhibit B and is being recommended to serve as Senior Manager.

Raymond James currently serves as co-manager for MFA's Single Family program and has provided excellent service in that capacity. Raymond James has a long history of underwriting housing bonds in addition to having a retail presence in New Mexico with 20 offices and 49 employees. Raymond James earned 87 points the second highest average number of points as shown on Exhibit B and is being recommended to serve as Co-Manager.

Summary: The MFA Board approved a Request for Proposal (RFP) for Underwriter Services for the Single Family Program at its August 2021 Board meeting. MFA received eight responses to the RFP which met minimum threshold. The proposals were scored by an internal committee of five staff members in accordance with the evaluation criteria outlined in the RFP. RBC Capital Markets received the highest number of points and Raymond James scored the second highest number of points in the scoring process and staff recommends that RBC Capital Markets be selected as Senior Manager and Raymond James as Co Manager to provide Underwriting Services. Per the RFP, the contract begins on the date the MFA Board approves the award and ends on November 30, 2024. At the option of the Policy Committee, the contract may be extended for two, one (1) year periods under the same terms and conditions.

Exhibit A:

Minimum Qualifications								
	B of A	Jefferies	JP	Raymond	RBC			
Factor page 4 and 5 of RFP	Securities	LLC	Morgan	James	Capital	Markets	Stifel	UBS
								Morgan Stanley
All Offerors must have at least ten years' experience in public finance in the housing industry with single family bond transactions. The Offeror for Senior Underwriter must also have substantial book running senior manager experience in housing bond financing since January 2016.	X	X	X	X	X	X	X	X
All Offerors must have at least three years' documented experience with at least one state housing agency that utilizes a master (open) indenture and one that utilizes a stand-alone indenture for single family transactions.	X	X	X	X	X	X	X	X
All Offerors must have significant financial strength and a willingness to put its capital at risk in difficult market conditions.	X	X	X	X	X	X	X	X
All Offerors must have demonstrated housing bond marketing capabilities.	x	X	X	X	X	X	X	X
All Offerors must be in compliance with all MSRB rules and meet all of the qualifications listed in The Bond Buyer's Municipal Marketplace.	X	X	X	X	X	X	X	X

Exhibit B: Part V: Evaluation Criteria

Factor Criteria Outline			Point Range	Maximum Points	B of A Securities	Jefferies LLC	JP Morgan	Raymond James	RBC Capital Markets	Stifel	UBS	Morgan Stanley
1A	The Offeror	Part VI, Section 3A, pg 9 of the RFP	0-5	5	4.2	3.2	4.4	4.4	5.0	3.2	2.8	4.0
1B	Qualifications of Personnel	Part VI, Section 3B, pg 10 of the RFP	0-20	20	16.0	15.6	17.4	17.4	18.8	15.6	14.4	15.6
1C	Finnancial Strength and willingness to Put Capital at Risk	Part VI, Section 3C, pg 10 of the RFP	0-20	20	17.8	15.0	18.8	16.6	17.6	11.6	12.6	19.6
1D	Underwriting Experience	Part VI, Section 3D, pg 10&11 of the RFP	0-20	20	15.4	15.0	17.2	18.0	20.0	16.0	14.0	17.8
2A	Responsivness to MFA and Technical Capabilities	part VI, section 4, pg 11&12 of the RFP	0-20	20	16.6	17.0	18.0	18.4	18.6	17.2	15.4	16.8
3A	Proposed Fees	part VI, section 5, pg 12 of the RFP	0-10	10	7.8	10.0	6.4	7.6	6.2	6.0	7.4	8.0
4A	References	part VI, section 6, pg 12 of the RFP	0-5	5	4.6	3.0	4.0	4.6	5.0	4.4	3.1	0.0
5A	Interviews (if held)		0-5	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total			0-105	105	82.4	78.8	86.2	87.0	91.2	73.9	69.6	81.8

Tab 9



MEMO

TO: MFA Board of Directors

Through: Policy Committee-November 1, 2021

Through: Finance Committee-November 9, 2021

FROM: Cooper Hall, Finance Manager

DATE: November 17, 2021

SUBJECT: 2022 Series A and B Single Family Bond Resolution

Recommendation:

Staff is recommending the approval of the 2022 Series A and B Single Family Bond Resolution in the amount not to exceed \$150 million. The resolution is anticipated to provide funds for \$110 million of new single family first-time homebuyer mortgage loans and to refinance three callable bond issues.

Background:

From FY2014 to FY2017, MFA relied mainly on the to be announced ("TBA") market to fund new single family mortgage loans. Starting in FY2018 the bond market had improved to the point where it became more advantageous to fund all first-time homebuyer single family mortgage loans with tax-exempt bond proceeds than to utilize the TBA market.

The COVID-19 pandemic shifted markets making TBA funding more favorable. As a result, in fiscal year 2020, MFA issued only two bond issues which were used to originate new loans totaling approximately \$190 million. Markets have since shifted again, and in fiscal year 2021 MFA issued 2020 Series B which was used to originate approximately \$55 million of new single family loans, 2021 Series AB which funded approximately \$78 million new single family loans and refinanced about \$16.3 million of outstanding bonds, as well 2021 Series C which funded \$100 million of new single family loans. Staff continues to evaluate best execution options and is funding the program accordingly.

We will be closing the 2021 Series D issuance on November 18th, which will fund approximately \$100 million in new single family mortgages. It is MFA's practice to keep a Board approved single family program bond resolution in place to allow staff to respond to market conditions as needed in order to provide beneficial funding executions for both MFA and first-time homebuyers.

Discussion:

The 2022 Series A bond issues is anticipated to be in the amount of \$110 million based on the current level of loan reservations and will fund new loans. The 2021 Series B bond issue is anticipated to be in the \$35-40 million range and will provide the ability to refinance three callable bond issues. This resolution has been modified slightly from recent past resolutions to clarify that proceeds may be used to purchase First Down DPA Second Mortgages. The timing of issuance has not been determined and will depend on actual reservation activity and bond market conditions.

Summary:

To authorize future bonding activity and to ensure MFA can be responsive to market conditions, Staff is requesting approval of the 2022 Series A and B Single Family Bond Resolution in the aggregate amount of not to exceed \$150 million. MFA anticipates providing funds for \$110 million of new loans and \$35-40 million to refund three callable bond issues. The timing of issuance has not been determined and will depend on actual reservation activity and bond market conditions.

CERTIFICATE REGARDING THE RESOLUTION
OF THE AUTHORITY

I, the undersigned, Isidoro Hernandez, Secretary of the New Mexico Mortgage Finance Authority (the “Authority”), DO HEREBY CERTIFY that: (i) the annexed Resolution was duly adopted by the members of the New Mexico Mortgage Finance Authority at a meeting thereof duly called and held on November 17, 2021, at which meeting a quorum was present and acting throughout; (ii) the annexed Resolution has been compared by me with the original thereof recorded in the minute book of the Authority and is a correct transcript therefrom and of the whole of said original; (iii) the annexed Resolution has not been altered, amended or repealed; and (iv) the annexed Resolution is in full force and effect on the date of this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 17th day of November, 2021.

Isidoro Hernandez, Secretary
New Mexico Mortgage Finance Authority

(SEAL)

Bond Resolution
Single Family Mortgage Program Class I Bonds, 2022 Series A and
Single Family Mortgage Program Class I Bonds, 2022 Series B

A RESOLUTION

OF THE NEW MEXICO MORTGAGE FINANCE AUTHORITY (THE “AUTHORITY”) AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS SINGLE FAMILY MORTGAGE PROGRAM CLASS I BONDS, 2022 SERIES A AND SINGLE FAMILY MORTGAGE PROGRAM CLASS I BONDS, 2022 SERIES B IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED **\$150,000,000**; AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A SERIES INDENTURE, A BOND PURCHASE CONTRACT, AN OFFICIAL STATEMENT, INVESTMENT AGREEMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

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

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

WHEREAS, the purposes of the Authority are to provide decent, safe and sanitary residential housing to persons of low or moderate income, and the Authority has determined that it will serve and fulfill the purposes for which it was created by the establishment of a program to finance the purchase of mortgage loans made by eligible mortgage lenders for the financing of residential housing; and

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

WHEREAS, in furtherance of its Single Family Mortgage Program and in order to provide funds to be used to refund certain of the Authority’s single family mortgage bonds and to finance the purchase of housing by persons of low or moderate income within the State, including to fund the purchase of First Down DPA 2nd Mortgage Loans,

it has been deemed appropriate and necessary that the Authority authorize the issuance of its tax-exempt and/or taxable bonds designated Single Family Mortgage Program Class I Bonds, 2022 Series A and Single Family Mortgage Program Class I Bonds, 2022 Series B (or such other or additional series/title designation(s), and tax-exempt and/or taxable designations, as the Authority may determine and including the issuance of MBS pass through program bonds) (the “Bonds”), and prescribe and establish conditions and other appropriate matters with respect to the issuance of the Bonds; and

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

WHEREAS, there has been presented to the Authority at this meeting a proposed form of Bond Purchase Contract relating to the Bonds (the “Purchase Contract”) to be entered into among the Authority, and an underwriter or underwriters to be selected (including any of their successors) or any other purchasers to be named therein (collectively, the “Underwriters”), a form of 2022 Series A and B Indenture (the “2022 Series A and B Indenture” and collectively with the General Indenture, the “Indenture”) to be entered into between the Authority and the Trustee, and a form of a Preliminary Official Statement to be used by the Underwriters in marketing the Bonds.

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

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

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

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

Section 4. The mortgage loans shall be pooled and serviced pursuant to the Mortgage Loan Sub-servicing Agreements or Master Servicing Agreements, as amended

and supplemented or amended and restated to date, each previously entered into or to be entered into by the Authority, except that authorized officers of the Authority may elect to have mortgage loans relating to bonds refunded with proceeds of the Bonds (if any) continue to be serviced under existing arrangements. The Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer or Secretary are hereby authorized to execute and deliver the Mortgage Loan Sub-servicing Agreements or Master Servicing Agreements (to the extent not previously executed and delivered) and any necessary supplement thereto to reflect the terms of the mortgage loans attributable to the Bonds and mortgage loans relating to bonds refunded with the proceeds of the Bonds (if any), and the inclusion of any other loans approved by the governing board of the Authority thereunder.

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

Section 6. For the purpose of providing funds to refund certain of the Authority's single family mortgage bonds and/or finance the purchase of housing by persons of low or moderate income within the State, all as authorized under the Indenture, the Authority is authorized to issue the Bonds which shall be designated New Mexico Mortgage Finance Authority "Single Family Mortgage Program Class I Bonds, 2022 Series A" and "Single Family Mortgage Program Class I Bonds, 2022 Series B" (or such other or additional Series/title designation, or tax-exempt and/or taxable designation, as the Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer or Secretary shall determine). The Bonds shall be issued only in fully registered form.

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

Section 8. The Authority hereby authorizes the issuance of the Bonds in the aggregate principal amount of not to exceed \$150,000,000. The Bonds shall mature on the dates and in the principal amounts and shall bear interest at rates and payable all as provided in the Indenture, within the parameters set forth in Exhibit A hereto.

Section 9. The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Chair, Vice Chair, Secretary and Assistant Secretary of the Authority are hereby authorized to execute, attest and seal by facsimile the Bonds and to deliver the Bonds to the bond registrar for authentication. All terms and provisions of the Indenture are hereby incorporated in this resolution.

Section 10. The appropriate officials of the Authority are hereby authorized to execute and deliver to the bond registrar the written order of the Authority for authentication and delivery of the Bonds in accordance with the provisions of the Indenture.

Section 11. The Bonds shall be sold to the Underwriters at a purchase price of not less than 100% of the principal amount thereof plus accrued interest in accordance with the provisions of the Purchase Contract. Pursuant to the Purchase Contract the Authority may agree to pay an underwriting fee to the Underwriters in an amount not to exceed 1.0% of the principal amount of the Bonds. The Chair, the Vice Chair, the Chief Executive Officer, the Chief Financial Officer or the Secretary, of the Authority are hereby authorized to execute and deliver the Purchase Contract in substantially the form and with substantially the same content as presented at this meeting for and on behalf of the Authority with such alterations, changes or additions as may be authorized by Section 16 hereof. The Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer and Secretary are hereby authorized to specify and agree as to the principal amounts, interest rates, maturities, purchase price and underwriting fee with respect to the Bonds for and on behalf of the Authority by the execution of the Purchase Contract and the Indenture, provided such terms are within the parameters set by this resolution.

Section 12. The Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer and Secretary are hereby authorized to approve the distribution of a Preliminary Official Statement (in substantially the form presented to the Authority at this meeting) and an Official Statement in substantially the form of the Preliminary Official Statement, with modifications determined at the time of the sale of the Bonds and to execute and deliver for and on behalf of the Authority an Official Statement in connection with the sale of the Bonds.

Section 13. The Trustee and the Chair, Vice Chair, Chief Executive Officer, Chief Financial Officer or Secretary are hereby authorized to enter into investment agreements ("Investment Agreements"), in form and substance satisfactory to the Authority. Any and all proceeds of, and investment income attributable to, the Bonds may be loaned to or deposited from time to time pursuant to the Investment Agreements for the periods, and at the interest rates, specified therein.

Section 14. The appropriate officers of the Authority, including without limitation the Chair, Vice Chair, the Secretary, the Assistant Secretary, the Chief Executive Officer and Chief Financial Officer are authorized to take all action necessary or reasonably required by the Bonds, the Indenture, the Mortgage Loan Sub-servicing Agreement, the Master Servicing Agreement and the Purchase Contract to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act, including, without limitation, the giving of notice of redemption of any bonds to be refunded with the proceeds of the Bonds.

Section 15. Upon their issuance, the Bonds will constitute special obligations of the Authority payable solely from and to the extent of the sources set forth in the

Bonds and the Indenture. No provision of this resolution, the Indenture, the Bonds or the Purchase Contract shall be construed as creating a general obligation of the Authority or as incurring or creating a charge upon the general credit of the Authority. No provision of this resolution or of the Purchase Contract, the Indenture or the Bonds shall be construed as creating a general or special obligation of the State of New Mexico or any political subdivision thereof.

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

Section 17. The operating budget of the Authority is hereby amended to provide funds to pay costs relating to the issuance of the Bonds, any negative carry costs, or other related expenses in amounts not to exceed amounts specified in Exhibit A. Such amounts may also be taken from the Surplus Fund under the Indenture. The Authority may also allocate mortgage backed securities and/or cash held by the Authority (in the Surplus Fund or otherwise) to provide additional collateral for the Bonds.

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

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

Section 20. After any of the Bonds are delivered by the Trustee to the Underwriters and upon receipt of payment therefor, this resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

Section 21. No member or employee of the Authority has any interest, direct or indirect, in the transactions contemplated by the Authority and authorized by this resolution.

Section 22. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 23. This resolution shall become effective immediately upon its adoption.

ADOPTED:

Aye:

Nay:

Abstain:

Absent:

PASSED AND APPROVED BY THE NEW MEXICO MORTGAGE FINANCE
AUTHORITY THIS 17th DAY OF NOVEMBER, 2021.

Chair

(SEAL)

ATTEST:

Secretary

EXHIBIT A

Single Family Mortgage Program Class I Bonds, 2022 Series A and
Single Family Mortgage Program Class I Bonds, 2022 Series B

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	Authority Funds <u>Contribution:</u>
Not to extend beyond January 1, 2054	Not to exceed \$150,000,000	Not to exceed 4.00%	Not to exceed \$2,300,000

Tab 10



NEW MEXICO MORTGAGE FINANCE AUTHORITY
Contracted Services/Credit Committee Meeting
Tuesday, November 9, 2021 @ 10:00 am
MFA – Albuquerque

WebEx join the meeting from the calendar or call 1-844-992-4726 (access code): 146 425 9228.

AGENDA ITEM	TIME ALLOTTED	COMMITTEE RECOMMENDED	BOARD ACTION REQUIRED
1 Award Recommendation for Housing Development Legal Services (Jeff Payne)	10:00 – 10:15	2-0	YES
2 Recovery Housing Program (RHP) - Request for Proposal (Theresa Laredo-Garcia)	10:15 – 10:40	2-0	YES
3 Alameda Flats Apartments HOME and NHTF Loan Requests (Jacobo Martinez and George Maestas)	10:40 – 10:55	2-0	YES
4 Allowance for Loan Loss training w/Yvonne	11:00 – 11:30	✓	NO

Committee Members present:

Rebecca Wurzbarger, Chair ☒ present ☐ absent ☒ conference call

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

Vacant ☐ present ☐ absent ☐ conference call



MEMO

TO: MFA Board of Directors

Through: Contracted Services/Credit Committee November 9, 2021

Through: Policy Committee October 19, 2021

FROM: Jeff Payne, Chief Lending Officer

DATE: October 14, 2021

SUBJECT: Housing Development Legal Services Award Recommendation

Recommendation:

Staff recommends the Housing Development Legal Services award be made to Stelzner, Winter, Warburton, Flores & Dawes, P.A.

Background:

The Board approved the Request for Proposal (RFP) for Housing Development Legal Services on August 18, 2021. The RFP was advertised in the Albuquerque Journal, the Santa Fe New Mexican and posted on MFA's website. In addition, 26 firms were directly solicited to respond to the RFP. MFA received one response. That response met the Minimum Requirements.

Discussion:

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

Minimum Requirements:

- All Offerors must be based or have a substantially staffed office in the State of New Mexico, they must be licensed in New Mexico, and they must be available for travel both within and outside New Mexico
- All Offerors must provide a firm bio and at least 5 references from current or past clients for whom Offeror has provided legal services
- All Offerors must have at least five years' experience in New Mexico real estate law; land use law, and in representing lenders in commercial real estate transactions in New Mexico. Offerors must also have substantial expertise in federal and state tax laws impacting real estate development transactions; and the rules, regulations and guidelines of both governmental and private

mortgage insurers and secondary mortgage market conduits affecting the mortgage banking business. Additionally, Offerors must have experience with federal housing development programs, including HUD and USDA Rural Development insured mortgage lending programs; the Low-Income Housing Tax Credit (LIHTC) Program; the HOME Investment Partnerships (HOME) Program; and the federal laws, rules and regulations applicable to acquisition and development financing, and construction and permanent financing of multi-family and single family housing projects on Native American trust lands.

- All Offerors must have substantial expertise in the federal and state laws governing multi-family mortgage foreclosure, bankruptcy and mortgage lending; and experience with foreclosure proceedings on multi-family loans to include, but not limited to, HUD 542(c), LIHTC, and HOME.
- All Offerors must maintain professional liability insurance as outlined in Part VI of the RFP. Award will not be made to any Offeror who is debarred, suspended or subject to a Limited Denial of Participation, is listed as an excluded party (ies) on the System for Award Management's list of excluded parties accessed at www.sam.gov, or is otherwise restricted from participating in Housing & Urban Development (HUD) programs.

In addition to the above, selected Offerors must meet requirements as described in Part II of the RFP regarding disclosure of political contributions to elected officials in the State of New Mexico, disclosure of potential conflicts of interest, disclosure of pending investigations, litigations or regulatory sanctions, certification to abide by MFA's Third Party Code of Conduct, Certification that Offeror is an Equal Opportunity Employer and certification that Offeror is eligible to participate in any and all federal- or state funded housing programs.

Services to be Performed:

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

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

5. Represent MFA in matters affecting MFA's multi-family loan portfolio, including litigation involving financial institutions, mortgage finance companies, and brokerage houses, as required by MFA

Evaluation and Scoring:

MFA shall award the contract for Housing Development Legal Services to the Offeror whose proposal is most advantageous to MFA. Proposals were to be evaluated primarily on experience, responsiveness, and fees. The sole proposal was scored on a scale of 1 to 95 based on the criteria listed below. Since there was only one Offeror, interviews were not conducted, and interview points were not included in the scoring (See attached Exhibit "A" for scoring results).

Summary:

The Board approved the Request for Proposal for Housing Development Legal Services on August 18, 2021. MFA received one response. That response met the Minimum Requirements and was scored. Staff recommends the Housing Development Legal Services award be made to Stelzner, Winter, Warburton, Flores & Dawes, P.A., for a term of three (3) years, with the option of two (2) one-year extensions at the option of the Policy Committee.

Exhibit "A"		
Experience and Capability Offeror's skill, knowledge and experience with:	Maximum Points	Stelzner Combined Average Score
a. New Mexico real estate, land use law, representation of lenders in commercial real estate transactions in New Mexico; the mortgage banking industry; federal and state tax laws impacting real estate development transactions; and the rules, regulations and guidelines of both governmental and private mortgage insurers and secondary mortgage market conduits affecting the mortgage banking business.	40	39
b. Insured mortgage lending programs, the Low Income Housing Tax Credit (LIHTC) Program, and the HUD National Housing Trust Fund, and the HOME Investment Partnerships Program; and federal laws applicable to acquisition and development financing, and construction and permanent financing of multi-family and single family housing projects on Native American trust lands.		
c. State and Federal laws related to multi-family foreclosure, bankruptcy and mortgage lending; foreclosure proceedings on multi-family loans, including HUD 542(c), LIHTC, HOME.		
Responsiveness to MFA and Technical Capabilities: Offeror's ability to deliver Housing Development legal services and Offeror's availability for consultation and discussion, as evidenced by:		
a. The designation of a lead attorney, preferably at partner level in the firm, assigned to MFA matters on a high priority basis, who will act as the main contact for MFA staff for all communications, including billing, and who will coordinate all aspects of the contractual representation, including direction of the activities of all other attorneys assigned by the firm to represent MFA;	25	24.4
b. Offeror's technical support capabilities and availability to be reached by telephone and email during business hours, off hours, weekends, and holidays.		
Fees - Part VI, question 5 A (i-vi) and question 8 A-E		
a. Hourly basis-- hourly rates and other fees and costs	20	19.2
References, Part VI, question 6 A-C		
a. References	5	4.4
New Mexico Resident Business, Part VI, question 7 A-C		
a. Offeror is licensed to do business in New Mexico and the majority of Offeror's employees who would perform the services to be performed in New Mexico reside in New Mexico	5	5
Interview Part I		
The Internal Review Committee may request a finalist to provide an oral presentation of the proposal as an opportunity for the Internal Review Committee to ask questions and seek clarifications. All requests for interviews and oral presentations shall be made in MFA's sole discretion	NA	NA
Maximum Total Points	95	92

Tab 11



MEMORANDUM

TO: MFA Board of Directors

Through: Policy Committee – November 1, 2021

Through: Contracted Services Committee – November 9, 2021

FROM: Theresa Laredo-Garcia, Program Development Manager

DATE: November 17, 2021

SUBJECT: Approval of FY2020/FY2021 Pilot Recovery Housing Program (RHP) Request for Proposal (RFP)

Recommendation:

Staff recommends approval of the Pilot Recovery Housing Program (RHP) Request for Proposal (RFP) for FY2020/FY2021.

Background:

The Department of Finance and Administration – Local Government Division (DFA-LCD) (grantee) has provided authorization to New Mexico Mortgage Finance Authority (MFA) (sub-grantee) to administer the Pilot RHP authorized under The Federal Register Notice No. FR-6225-N-01 and updated Program Notice FR-6265-N-01 describe the program rules, waivers, and alternative requirements that apply to activities authorized under Section 8071 of the SUPPORT for Patients and Communities Act.

MFA will use FY2020 and FY2021 allocations to provide funding to units' local government, nonprofit organizations, or Indian Tribes (sub-recipients) who provide services to individuals in recovery from a Substance Use Disorder (SUD) become stably housed. Funding will be made available through a competitive process by RFP to eligible Offerors who demonstrate their ability to effectively provide these services.

MFA provided notice to all potential partners throughout the State who provide recovery housing services. MFA coordinated working groups with these agencies to identify areas of greatest need. Based on the feedback from these meetings, MFA has opted to use the full amount of the RHP FY2020 and FY2021 allocations for *Acquisition of Real Property*, giving priority to agencies that demonstrate the greatest need and their ability to deliver effective assistance in a timely manner.

On September 15, 2021, MFA's Board of Directors approved an Action Plan for RHP which is currently under review for approval of by HUD. Upon HUD's approval of the Action Plan, MFA will release the RHP - RFP.

Discussion:

This RFP is issued pursuant to MFA's Procurement Policy to solicit proposals from qualified Offerors capable of providing Recovery Housing Services to eligible individuals, in accordance with FR-6225-N-01 and FR-6265-N-01, HUD's Notice of FY 2020 and FY2021 Allocations, Waivers, and Alternative Requirements to CDBG guidelines (24CFR 570.500(c)) for the Pilot Recovery Housing Program and all applicable federal and state guidelines.

The pilot program authorizes assistance to grantees (states) to provide stable, temporary housing to individuals in recovery from a substance use disorder. The assistance is limited, per individual, to a period of not more than **two** years or until the individual secures permanent housing, whichever is earlier. The pilot program would support individuals in recovery onto a path to self-sufficiency. By providing stable housing to support recovery, RHP aims to support efforts for independent living. More specifically, RHP would provide the funds to develop housing or maintain housing for individuals. To maximize and leverage these resources, grantees should coordinate RHP funded projects with other Federal and non-federal assistance related to substance abuse, homelessness and at-risk of homelessness, employment, and other wraparound services.

MFA will administer RHP to include the development of an action plan that meets all RHP requirements and policies and procedures for implementation, oversight and reporting of RHP activities to ensure compliance with program requirements.

RHP Allocations

RHP funding for FY2020 and FY2021	
Year	Total RHP Award
2020	\$940,000
2021	\$902,621

MFA may use up to five (5) percent of the total award for administrative costs. The remaining funds will be distributed to eligible awardees for Acquisition of Real Property.

Offerors may not obligate funds, incur expenses, or otherwise implement program services prior to execution of a performance agreement with MFA.

MFA will complete a mandatory RFP training for all potential sub-recipients via video conference. Subsequent questions will be answered through a Q&A process outlined in this RFP.

Successful offerors will enter into a performance agreement with MFA. The agreement outlines RHP guidelines and ensures that RHP funds are used in accordance with RHP program requirements including expenditure deadlines.

The performance agreements between MFA and successful Offerors shall be for award amounts. All payments by MFA shall be made on an actual reimbursement basis.

Timeline:

Activity	Date
RFP released upon Board approval/MFA website	November 18, 2021
Mandatory RFP Training (WebEx)/FAQ opens	November 23, 2021
RFP questions answered	November 26, 2021
RFP questions answered	November 30, 2021
RFP questions answered/FAQ closes	December 3, 2021
RFP Proposals due to MFA	December 9, 2021
MFA to notify Offerors of Deficiency Items	December 10, 2021
Deadline for Corrections to Deficiency Items	December 16, 2021
Preliminary Award Notification to Offerors	December 28, 2021
Protest Period Begins	December 29, 2021
Protest Period Ends	January 5, 2022
Award Recommendations to MFA Board	January 19, 2022
Final Notification of Awards (Upon Board Approval)	February 2, 2022
Performance Agreements Sent to Service Providers	March 4, 2022

The RHP timeline may be subject to change based on the timing of HUD's approval of the action plan.

Offerors must meet the basic eligibility criteria specified in Part II, Section 10 – Minimum Qualifications and Requirements outlined in the RFP.

Evaluation Criteria:

MFA will award a performance agreement to offerors whose proposals score the highest with respect to the evaluation criteria. Proposals with an overall score below 60% will not be considered for funding.

Scoring Criteria:

Scoring criteria is based on the following categories with assigned maximum points available for each category.

Category	Maximum Score
Project response to documented need/issue	15
Project response to units near service hub and underserved by Recovery Residences	10
Project provides safe, healthy, and sober living environment	10
Design of program that provides holistic, wrap around services	5
Project leverage of other resources	5
Low- moderate-income Individuals (LMI) benefit	10
Readiness to proceed and obligate and expend funds within 4 Months	10
Community support for recovery housing	5
Coordination with state, local or regional service providers	5
Demonstrated data collection for outcomes	5
Project long term viability (reserves, cash flow coverage)	5
Project includes trained recovery housing staff (peer to peer)	5
Demonstrated capacity and experience to carry out the project	5
Project cost effectiveness and reasonability	5
Total Points Possible	100

Programs Standards

Offeror must ensure and certify that it is complying with the following criteria:

- (1) RHP funds will be used solely for to provide individuals in recovery from a substance use disorder stable, temporary housing for a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier.
- (2) RHP funds will provide maximum feasible priority to low – and moderate- income individuals and families
- (3) Agencies awarded RHP funds for the Acquisition of Real Property will be required to place a Land Use Restriction Agreement (LURA) on each project and/or property purchased with RHP funds for a minimum of 15 years. MFA may require an additional term after the compliance period based on the amount of funds used for the acquisition.

Eligible Activities under this RFP are limited to *Acquisition of Real Property*.

Offeror is responsible for the entire process from project acquisition to ensuring the project is placed in service for Recovery Housing as outlined in MFA's RHP Policies and Procedure Manual.

Offerors must comply with all applicable federal, state, and local codes, statutes, laws, and regulations.

Offeror's submission must also include applicable RHP forms and program certification.

Summary:

Staff recommends approval of the Pilot Recovery Housing Program (RHP) Request for Proposal (RFP) for FY2020/FY2021 to provide much needed funding for Recovery Housing units in NM.



NEW MEXICO MORTGAGE FINANCE AUTHORITY REQUEST FOR PROPOSAL

Pilot Recovery Housing Program (RHP)
FY2020/FY2021



Welcome and thank you for your interest in responding to MFA's Pilot Recovery Housing Program (RHP) Request for Proposal (RFP). MFA is committed to choosing the most qualified Offerors and this information will provide the best opportunity to do so.

Part I – General information

The general information in the RFP provides background information about MFA, general proposal requirements and RFP standards.

Part II – Program-Specific Criteria

Part II of the RFP requires responses from the Offeror. It is designed to provide program-specific criteria such as program background; purpose of the RFP; mandatory RFP training; Q & A information; performance agreement terms; timelines; minimum qualifications and requirements; evaluation criteria; program standards and compliance with federal requirements and RHP Forms and certifications if applicable.

NOTE: Offerors are prohibited from approaching members of the MFA Board or MFA Employees regarding this RFP. Attempts by Offerors to contact any of the listed party's may result in the rejection of their proposal.

In an effort to provide clarification or answers to questions in this RFP, an FAQ link will be available on MFA's website after the mandatory RFP training. Please refer to **Part II Section 9, Timeline** for the training date.

Table of Contents

Part I – General information	2
Part II – Program-Specific Criteria.....	2
PART I: GENERAL INFORMATION	5
1. Background Information	5
1.1 Introduction	5
1.2 Purpose	5
2 General Proposal Requirements	5
2.1 Proposal Submission	5
2.2 Proposal Tenure	5
2.3 Proposal Format.....	6
2.4 Irregularities in Proposals	6
2.5 Evaluation of Proposals.....	6
2.6 Deficiency Correction Period	6
3. RFP Standards	7
3.1 Protest.....	7
3.2 RFP Revisions	7
3.3 Incurred Expenses.....	8
3.4 Responsibility of Offerors	8
3.5 Cancellation of RFP or Rejection of Proposals.....	8
3.6 Award Notice	8
3.7 Proposal Confidentiality.....	8
3.8 Code of Conduct.....	8
PART II: PROGRAM-SPECIFIC CRITERIA	10
4. Program Background	10
5. Purpose of RFP	11
6 RFP Training	11
7 RFP Q & A	11
8. Performance Term Agreement	11
9 Timeline for RFP	12
10. Minimum qualification and Requirements	12
11. Evaluation Criteria.....	14
11.1 Scoring Criteria.....	14
12 Program Standards	18
Beneficiary Eligibility	18

Eligible Activities	18
Compliance with RHP	18
13 Compliance with Other Federal Requirements	18
14 Mortgage Finance Authority Board Members/Management.....	19
Board Members	19
Management.....	19
15. RFP Forms	20
MINIMUM QUALIFICATIONS AND REQUIREMENTS	21
OFFEROR’S CERTIFICATION	22
BOARD OF DIRECTORS	23
OFFEROR’S REPUTATION CERTIFICATION	24

PART I: GENERAL INFORMATION

1. Background Information

1.1 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 1978, § 58-18-1 et seq. (the “MFA Act”) and pursuant to the Affordable Housing Act, NMSA 1978, §6-27-1 et seq. (the “Act”), for the purpose of financing affordable housing for low- and moderate-income New Mexico residents. MFA will endeavor to ensure, in every way possible, that small and minority businesses, women-owned business enterprises and/or labor surplus area firms (collectively Disadvantaged Business Enterprises [DBE]) shall have every opportunity to participate in submitting proposals and providing services. DBE businesses are encouraged to submit proposals. MFA will not discriminate against any business on grounds of race, color, religion, gender, national origin, age, or disability. It is MFA’s policy that suppliers of goods or services adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire and promote regardless of race, color, religion, gender, national origin, age, or disability.

1.2 PURPOSE

The purpose of this Request for Proposal (RFP) is to solicit proposals, in accordance with MFA’s Procurement Policy, from qualified applicants, which by reason of their skill, knowledge, and experience are able to furnish services for MFA in connection with the program for which they are applying (“Offerors”).

Pursuant to MFA’s Procurement Policy, all procurement activities involving the expenditure of federal funds must be conducted in compliance with the Procurement Standards codified in Uniform Guidance, 2 C.F.R. Part 200.317 through 200.326 as well as Part 200.327 which addresses contract provisions.

2 General Proposal Requirements

2.1 PROPOSAL SUBMISSION

All Offeror proposals must be received for review and evaluation by MFA by 4 p.m. Mountain Time on the deadline of the proposal outlined in **Part II Section 9, Timeline** of the RFP. Proposals shall be sent by email to tgarcia@housingnm.org with a subject line of “Proposal to Offer Services – Pilot Recovery Housing Program.”

Proposals received after the proposed due date outlined in **Part II Section 9, Timeline** will not be considered for funding.

2.2 PROPOSAL TENURE

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

2.3 PROPOSAL FORMAT

Electronic proposals should be submitted as a **single** PDF file sized to be printable on standard 8 ½ x 11 paper **with tabs/bookmarks** identifying each Minimum Qualifications and Requirements item and evaluation criteria item within the PDF.

- ◆ Proposals (RFP) and forms may be downloaded from MFA’s website: <https://housingnm.org/rfps/rfps-rfq>
- ◆ Offeror(s) must submit **one copy** of its most recent agency financial audit FY2020 or a letter from MFA indicating that we have already received and approved your audit.
- ◆ Offeror(s) must submit **one electronic copy** of the proposal form and all required schedules and attachments.

2.4 IRREGULARITIES IN PROPOSALS

Proposals must include the program-specific forms attached to this proposal package and all schedules and attachments pertaining thereto. **No substitutions will be accepted.**

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 that the required date and time of proposal submission as indicated herein, in **Part II Section 9, Timeline**, cannot be waived under any circumstances.

2.5 EVALUATION OF PROPOSALS

Proposals that meet the Minimum Qualifications and Requirements eligibility criteria outlined in **Part II, Section 10**, will be evaluated by an internal review committee of MFA staff using the scoring criteria as described in **Part II Section 11, Evaluation Criteria**. The review committee will present award recommendations to MFA management and MFA’s Board as required under MFA’s Delegations of Authority. Final selection will be made by MFA’s Board of Directors at the regularly scheduled monthly meeting.

MFA does not guarantee and is not obligated to make an award. Awards will be based on availability of funds, Offeror’s demonstrated need, Offeror’s score on the scoring criteria and for any of the other reasons set forth herein.

2.6 DEFICIENCY CORRECTION PERIOD

Upon receipt of all timely submitted proposals, MFA staff members will review all proposals to verify that all are complete in accordance with the requirements of this RFP. Should any proposal be missing an item required under **Part II Section 10, Minimum Qualifications and Requirements**, it will be deemed incomplete. MFA will notify Offerors at the outset of the deficiency correction period if any information is required for Offeror to correct a deficiency related to an item required under **Part II Section 10, Minimum Qualifications and Requirements**. The deficiency correction period may not be used to increase the Offeror’s score. Items eligible for correction or submission during the deficiency correction period include only missing or incomplete items required in the **Minimum Qualifications and Requirements** section of this proposal.

MFA shall communicate proposal deficiencies to each Offeror’s designated contact person via email pursuant to the timeline outlined in **Part II, Section 9, Timeline** of this RFP. Applicants must correct all

deficiencies within the deficiency correction period outlined in **Part II, Section 9, Timeline** of this RFP. **All items must be submitted no later than 4 p.m. Mountain Time on the due date.** If the information requested is not provided within the timeframe provided or is submitted, but remains deficient, the proposal will be rejected without any further review.

Upon expiration of the deficiency correction period, MFA will not accept Offeror's submission of any items still missing from the proposal.

3. RFP Standards

3.1 PROTEST

Any Offeror who is aggrieved in connection with this RFP or the notification of preliminary selection under this RFP may protest to MFA. A protest must be based on an allegation of the failure of MFA to adhere to the evaluation process as designated in the RFP. The protest must be written and addressed to MFA's contact person shown below:

Theresa Laredo-Garcia, Program Development Manager
New Mexico Mortgage Finance Authority
344 Fourth Street, SW
Albuquerque, NM 87102

The protest must be delivered to MFA within five business days after the preliminary notice of award. Upon the timely filing of a protest, MFA's 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 business days of notice of protest. The protest process shall consist of review of all documentation and any testimony provided in support of the protest by the Contracted Services/Credit Committee of MFA's Board of Directors, which shall thereafter make a recommendation to the full Board of Directors regarding the disposition of the protest.

MFA's Board of Directors shall make a final determination regarding the disposition of the protest. No appeal of the determination of the protest shall be allowed. Offerors or their representatives shall not communicate with MFA's Board of Directors or any MFA staff member regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of the Board of Directors. 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 MFA staff during any portion of the RFP review process or does not follow the prescribed proposal and protest process.

3.2 RFP REVISIONS

Should revisions or additional information be necessary to clarify any provision of this RFP, a notice of revisions or request for additional information, as applicable, will be provided to all Offerors via MFA's website and via email to each person who attends the mandatory RFP Training at the email Offeror uses to sign up for the training.

3.3 INCURRED EXPENSES

MFA will 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 Offeror.

3.4 RESPONSIBILITY OF OFFERORS

If an Offeror, who otherwise would have been awarded a contract, is found not to be a Responsible Offeror, a determination 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 responsive 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 the Offeror's financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services described in this RFP. The failure of an Offeror to promptly supply information in connection with an inquiry concerning responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

Successful Offeror(s) will be required to enter into a performance agreement in substantially the form found at <https://housingnm.org/resources/rhp>, provided however, that MFA reserves the right to make any changes it deems necessary, in its sole discretion, to the form of performance agreement found at the above referenced link.

3.5 CANCELANON OF RFP OR REJECTION OF PROPOSALS

This RFP may be canceled and any and all proposals may be rejected when it is in the best interest of the state of New Mexico and/or MFA. In addition, MFA may reject any or all proposals which are not responsive. Offeror may also cancel their proposal at any time during the proposal process.

3.6 AWARD NOTICE

MFA shall provide written notice of the award to all Offerors within 10 business days of the date of the award. The award shall be contingent upon successful negotiations of a final performance agreement between MFA and the Offeror whose proposal is accepted by MFA.

3.7 PROPOSAL CONFIDENTIALITY

Until awards are determined, and notice given to all Offerors, MFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror, to ensure the information does not become available to competing or potential Offerors. After award all proposals will be open to the public for inspection and copying pursuant to MFA's Request to Inspect Documents policy. Offeror must redact all confidential and personal identifier information from proposal if not specifically required by MFA.

3.8 CODE OF CONDUCT

No Board member or employee or management of MFA shall have any direct or indirect interest in any contract with the Offeror nor shall any contract exist between Offeror or its affiliate and any MFA Board member or employee that might give rise to a claim of conflict of interest. Any violation of this provision

will render void any contract between MFA and the Offeror for which MFA determines that a conflict of interest exists as herein described, unless that contract is approved by a disinterested majority of all the Board of Directors of MFA after full disclosure, in accordance with MFA's Conflict of Interest Policy.

Offeror shall provide a statement disclosing any political contribution or gift valued in excess of \$250 (singularly or in the aggregate) made by Offeror or on Offeror's behalf to any elected official of the state of New Mexico currently serving or who has served on MFA's Board of Directors in the last three years.

Offeror shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under the performance agreement entered into with MFA pursuant to this RFP. Offeror shall at all times conduct itself in a manner consistent with MFA's Third-Party Code of Conduct. A copy of MFA's Third-Party Code of Conduct is posted on MFA's website for review at https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflicts or potential conflicts of interest.

After award, all proposals and documents pertaining to the proposals will be open to the public for inspection and copying pursuant to MFA's Request to Inspect Documents policy.

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

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PART II: PROGRAM-SPECIFIC CRITERIA

4. Program Background

The Federal Register Notice No. FR-6225-N-01 and updated Program Notice FR-6265-N-01 describe the program rules, waivers, and alternative requirements that apply to activities authorized under Section 8071 of the SUPPORT for Patients and Communities Act, (“SUPPORT Act”) entitled Pilot Program to Help Individuals in Recovery from a Substance Use Disorder (SUD) become stably housed, herein referred to as the Recovery Housing Program, or RHP. The pilot program authorizes assistance to grantees (states and the District of Columbia) to provide stable, temporary housing to individuals in recovery from a substance use disorder. The assistance is limited, per individual, to a period of not more than **two** years or until the individual secures permanent housing, whichever is earlier. The pilot program would support individuals in recovery onto a path to self-sufficiency. By providing stable housing to support recovery, RHP aims to support efforts for independent living. More specifically, RHP would provide the funds to develop housing or maintain housing for individuals. To maximize and leverage these resources, grantees should coordinate RHP funded projects with other Federal and non-federal assistance related to substance abuse, homelessness and at-risk of homelessness, employment, and other wraparound services.

- Individual in Recovery: A person that is in the process of change to improve their health and wellness, live a self-directed life, and strive to reach their full potential.
- Substance Use Disorder: As defined by Substance Abuse and Mental Health Services Administration (SAMHSA) - the recurrent use of alcohol and/or drugs causing clinically significant impairment, including health problems, disability, and failure to meet major responsibilities at work, school, or home.
- Recovery Residence: A recovery residence may be a single-family home or apartment that provides a safe, healthy, and substance-free living environment for persons recovering from a substance use disorder. Recovery residences generally provide peer support and a connection to services that promote long-term recovery.

The Department of Finance and Administration – Local Government Division (DFA-LGD) provides authorization to the New Mexico Mortgage Finance Authority (MFA) to administer RHP to include the development of an action plan that meets all RHP requirements and policies and procedures for implementation, oversight and reporting of RHP activities to ensure compliance with program requirements.

The RHP Action Plan will guide the use of a maximum of \$940,000 of the FY2020 and \$902,621 of the FY2021 RHP funding received by the State of New Mexico through the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program for the period July 1, 2021, through September 1, 2027

A more complete description of RHP requirements may be found at the HUD Exchange website at <https://www.hudexchange.info/programs/rhp/>.

5. Purpose of RFP

This Request for Proposal (RFP) is issued pursuant to MFA's Procurement Policy to solicit proposals from qualified Offerors capable of providing Recovery Housing Services to eligible individuals. Selected Offerors will be eligible to receive funding for FY2020 and FY2021 in accordance with HUD's Notice of Waivers and Alternative Requirements for the Pilot Recovery Housing Program and all applicable federal guidelines.

The method of distribution for RHP funds will be through MFA's RFP process which is a competitive process available to eligible Offerors.

RHP funding for FY2020 and FY2021	
Year	Total RHP Award
2020	\$940,000
2021	\$902,621

MFA may use up to five (5) percent of the total awards for administrative costs. The remaining funds will be distributed to eligible awardees for *Acquisition of Real Property*.

Offerors may not obligate funds, incur expenses, or otherwise implement program services prior to execution of a performance agreement with MFA. Funding is anticipated to be available for future program years at similar levels but is subject to change. Funding is not guaranteed to any given Offeror in any given amount.

6 RFP Training

Training for all potential Offerors will be provided by video conference. **This training is mandatory.** Additional information may be found in **Part II Section 9, Timeline**. Pre-registration is required. To register, visit <https://housingnm.org/meetings-events-notices>. After the RFP training, questions will only be answered through the process outlined in **Part II Section 7, RFP Q&A**.

7 RFP Q & A

Questions pertaining to this RFP and Offeror proposals must be submitted via MFA's website at <https://housingnm.org/rfps/rfps-rfq> for Recovery Housing Program (RHP). Select the RHP-RFP and type in your question(s) and submit. Questions will be checked daily, and responses will be posted as indicated in **Part II Section 9**. The FAQ will open immediately following the RFP training and will close four days prior to the RFP due date (see **Part II Section 9, Timeline** for further details). To submit your questions, scroll down to the "Frequently Asked Questions (FAQ)" section, enter your name, email address, and type your question in the "Question" box. Type the word in the CAPTCHA box and click on "Submit." Answers to all questions will be posted on the three dates listed in **Part II Section 9, Timeline**.

8. Performance Term Agreement

The successful Offeror will enter into a performance agreement with MFA for services to be performed. The term of the performance agreement begins on the date the agreement is signed to June 30, 2027. Funds must be expended according to expenditure deadlines of the RHP. Dates are based on availability

of funds for release from each funding source. Only expenses incurred on or after the effective date of the performance agreement are allowable.

In the event an awardee of this RFP is deemed not qualified to administer the program due to contractual non-compliance, MFA may negotiate with another program awardee without issuing another RFP or issue an RFP for the specific area that is being served by the non-qualified agency. MFA may also issue an RFP during the performance agreement term for any new areas to be served based on the availability of additional funds.

The performance agreement(s) between MFA and successful Offeror(s) shall be for award amounts. All payments by MFA shall be made on an actual reimbursement basis.

9 Timeline for RFP

Activity	Date
RFP released upon Board approval/MFA website	November 18, 2021
Mandatory RFP Training (WebEx)/FAQ opens	November 23, 2021
RFP questions answered	November 26, 2021
RFP questions answered	November 30, 2021
RFP questions answered/FAQ closes	December 3, 2021
RFP Proposals due to MFA	December 9, 2021
MFA to notify Offerors of Deficiency Items	December 10, 2021
Deadline for Corrections to Deficiency Items	December 16, 2021
Preliminary Award Notification to Offerors	December 28, 2021
Protest Period Begins	December 29, 2021
Protest Period Ends	January 5, 2022
Award Recommendations to MFA Board	January 19, 2022
Final Notification of Awards (Upon Board Approval)	February 2, 2022
Performance Agreements Sent to Service Providers	March 4, 2022

The RHP timeline may be subject to change. Should revisions or additional information be necessary to clarify timelines of this RFP, a notice of revisions as applicable, will be provided to all Offerors via MFA's website and via email to each person who attended the mandatory RFP Training at the email Offeror used to sign up for the training.

10. Minimum qualification and Requirements

Offeror must meet the basic eligibility criteria specified here in **Part II Section 10, Minimum Qualifications and Requirements** in order to be considered for funding.

1. Offeror must upload a single PDF of its proposal including all required schedules and attachments as outlined in **Part I Section 2.3, Proposal Format**.
2. Offeror must be **one** of the following entities:
 - a. A nonprofit organization with 501(c)(3) status, (provide proof), with a primary mission of providing recovery housing services to individuals who are impacted by substance use disorder.

- b. A unit of general-purpose local government; or
 - c. A tribal government.
3. If Offeror is a nonprofit organization Offeror must submit proof of current registration as a charitable organization with the New Mexico Attorney General's Office or proof of exemption therefrom. Registration/verification may be obtained at <https://secure.nmag.gov/coros/>. Verification should be in the form of the first page of the "NM Charitable Organization Registration Statement.
 4. Offeror must be in "good standing" as of the date this RFP was issued. In order to be in good standing, Offeror must not have "suspended," "debarred" or HUD's Limited Denial of Participation status conferred upon it by MFA and/or other funding sources. Offeror must provide a print screen from <https://sam.gov/content/status-tracker> and https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp documenting search for Offeror's name **and** executive director's name, as proof of compliance. The search must be dated within 30 days of the proposal date.
 5. Offeror must provide one copy of an independent Certified Public Accountant (CPA)'s auditor's report (audit) conducted in accordance with Government Auditing Standards (GAS). The GAS audit will include an independent auditor's report on the following: 1) financial statements; and 2) internal control over financial reporting and compliance. If Offeror receives \$750,000 in federal funds, a Single Audit is required pursuant to **2 CFR 200**. The following types of audit findings **may disqualify Offeror from funding**:
 - Repeat and unresolved audit findings or any pending investigations.
 - If Offeror has received greater than \$750,000 in funding and the single audit did not meet the requirements of **2 CFR 200.500-520**.
 - For Single Audit, no proof of federal audit clearinghouse submission (FORM SF-SAC) and, if governmental entity, proof is not included of current audit submission to the Office of the New Mexico State Auditor.
 - If referenced in audit as a separate communication, no submission of management response letter and/or management response to concerns noted in the management letter.
 - If any findings, no submission of management response to findings.
 6. Local public bodies (housing authorities, local governments) must conduct annual independent financial audits by a certified auditor that has been approved by the New Mexico State Auditor's Office and is on the State Auditor's list.
 7. Offeror must provide information and data to prove that the Offeror's financial resources, are adequate to make satisfactory delivery of the services described in this RFP.
 8. Offeror must provide proof of insurance coverage, through a Commercial General Liability Insurance policy, as outlined in **Part I Section 3.4, Responsibility of Offerors**.
 9. **Offeror's Certification** must be signed by an authorized official (form provided, **Part II Section**

15, RFP Forms) and submitted with application.

10. **Offeror's Reputation Certification** must be submitted in which Offerors must describe any material, current or pending litigation, administrative proceedings or investigations that could impact the reputation or financial viability of the Offeror (form provided, **Part II Section 15, RFP Forms**).
11. **New Mexico Mortgage Authority's Third-Party Code of Conduct** must be signed by an authorized official (form provided, **Part II Section 15, RFP Forms**) and submitted with application.
12. Offeror must list all funding sources, to include the amounts received from each entity, for the last two years.
13. Offeror must provide the most recent monitoring reports from all funding sources verifying that Offeror is in good standing with all funders.
14. Offeror must provide an Executive Summary with application (not to exceed 2 pages).
15. Offeror must provide their agency's Mission Statement with application (not to exceed 1 page).

11. Evaluation Criteria

MFA will award a performance agreement to the Offeror[s] whose proposals score the highest with respect to the evaluation criteria. **Proposals with an overall score below 60% will not be considered for funding.** Final award decisions will be made by MFA's Board of Directors.

11.1 SCORING CRITERIA

Category	Maximum Score
Project response to documented need/issue	15
Project response to units near service hub and underserved by Recovery Residences	10
Project provides safe, healthy, and sober living environment	10
Design of program that provides holistic, wrap around services	5
Project leverage of other resources	5
Low- moderate-income Individuals (LMI) benefit	10
Readiness to proceed and obligate and expend funds within 4 Months	10
Community support for recovery housing	5
Coordination with state, local or regional service providers	5
Demonstrated data collection for outcomes	5
Project long term viability (reserves, cash flow coverage)	5
Project includes trained recovery housing staff (peer to peer)	5
Demonstrated capacity and experience to carry out the project	5
Project cost effectiveness and reasonability	5
Total Points Possible	100

<i>Project response to documented need/issue</i>	Possible Points: 15
<p>Provide documentation confirming understanding the health and social needs of persons with substance use disorders (SUD) and is aware of nationally recognized models and interventions that address those needs.</p> <p>The data or statistics to demonstrate knowledge of population profile (demographics, social and health needs) including program, organizational, city/county, treatment/health system, criminal justice, housing, poverty, overdose, SUD prevalence, homelessness. 5 points _____</p> <p>Program activities including processes, tools, events, technology, and actions that are an intentional part of the program implementation demonstrate the project success to meet the intended program goals or results. 5 points _____</p> <p>Project documentation confirms the project will fulfill a verifiable need in the community with measurable results of projected outcomes including the number of individuals served. 5 points _____</p>	<p>_____ Total Points</p>
<i>Project response to units near service hub and underserved by Recovery Residences</i>	Possible Points: 10
<p>Provide map to confirm project location and service hubs proximity:</p> <p>Projects without other recovery residences within 50 miles 5 points _____</p> <p>Projects with access to transportation, health care services and community-based services available within 10 miles 5 points _____</p>	<p>_____ Total Points</p>
<i>Project provides safe, healthy, and sober living environment</i>	Possible Points: 10
<p>Provide documentation to confirm house rules and house meeting requirements. Include current policies and procedures for recovery housing residents. Policies and procedures must outline any drug screening and/or background requirements. 5 points _____</p> <p>Provide staff job description, staff ratios, staff roles and staff availability. Include current policies and procedures for recovery housing staff. Policies and procedures must</p>	<p>_____ Total Points</p>

outline staff protocol for resident interaction and any drug screening and/or background requirements. 5 points _____	
<i>Design of program that provides holistic, wrap around services</i>	Possible Points: 5
Provide listing of services to be provided by staff or that may be accessible through other programs or partnerships to the recovery housing residents. 5 points _____	_____ Total Points
<i>Project leverage of other resources</i>	Possible Points: 5
Provide documentation confirming existing program resources or other awards received to leverage the project including but not limited to: <ul style="list-style-type: none"> • Coordination of housing services and/or vouchers • Contract with Medicaid for billing • Other internal programs • Other funding awards or grants Documentation or evidence of partnerships with providers for: <ul style="list-style-type: none"> • Coordination of care with health services • Coordination with employment services • Coordination with specialty care 5 points _____	_____ Total Points
<i>Low- moderate-income Individuals (LMI) benefit</i>	Possible Points: 10
Provide policies and procedures to ensure LMI compliance 5 points _____	_____ Total Points
Provide references or information to confirm experience calculating household income and compliance with Area Median Income (AMI) Requirements 5 points _____	
<i>Readiness to proceed and obligate and expend funds within 4 Months</i>	Possible Points: 10
Project timeline demonstrates the purchase or real property will occur within 4 months from the date of the signed agreement 10 points _____	_____ Total Points
<i>Community support for recovery housing</i>	Possible Points: 5
Letters of support are provided by key stakeholders 1 point _____	_____ Total Points
Evidence of community outreach letters/communications 1 point _____	
Evidence of community/stakeholder meetings 1 point _____	

Partnerships with community groups addressing this population 1 point _____	
Other Community support for Recovery Housing 1 point _____	
Coordination with state, local or regional service providers	Possible Points: 5
Existing contracts and/or Memorandum of Understanding (MOU) with local and regional entities 5 points _____	_____ Total Points
Demonstrated data collection for outcomes	Possible Points: 5
Provide data to support the projected outcomes of the project. 5 points _____	_____ Total Points
Project long term viability (reserves, cash flow coverage)	Possible Points: 5
Evidence or proforma the project costs will be substantially fulfilled by all sources of project funding to projects needs for long term viability. Documentation should include forecasts of costs and expenses incurred of the life of the project through the affordability period. 5 points _____	_____ Total Points
Project includes trained recovery housing staff (peer to peer)	Possible Points: 5
Provide resumes of management and recovery housing staff 5 points _____	_____ Total Points
Demonstrated capacity and experience to carry out the project	Possible Points: 5
<u>Years of experience: 3 points possible</u> Years in experience in recovery housing: 0-2 years 1 point _____ Years in experience in recovery housing: 3-5 years 2 points _____ Years in experience in recovery housing: 6+ years 3 points _____ <u>Established partnerships: 2 point possible</u> The organization is connected to persons who can refer to the program 1 point _____ The organization is connected to other programs in the continuum of care 1 point _____	_____ Total Points
Project cost effectiveness and reasonability	Possible Points: 5
Provide appraisal and proposed real property acquisition cost. 5 points _____	_____ Total Points

12 Program Standards

Beneficiary Eligibility

Offeror must ensure and certify that it is complying with each of the following criteria:

- (1) RHP funds will be used solely for to provide individuals in recovery from a substance use disorder stable, temporary housing for a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier.
- (2) RHP funds will provide maximum feasible priority to low – and moderate- income individuals and families
- (3) Agencies awarded RHP funds for the Acquisition of Real Property will be required to place a Land Use Restriction Agreement (LURA) on each project and/or property purchased with RHP funds for a minimum of 15 years. MFA may require an additional term after the compliance period based on the amount of funds used for the acquisition.

Eligible Activities

Eligible activities under this RFP are limited to:

- Acquisition of Real Property

Under this RFP, the service provider is responsible for the entire process; from the project acquisition to ensuring the project is placed in service for Recovery Housing.

Compliance with RHP

Service Provider is responsible for processing compliance as outlined in MFA's Recovery Housing Program Policies and Procedure Manual located at <https://housingnm.org/resources/rhp>.

13 Compliance with Other Federal Requirements

Offerors must comply with all applicable federal, state, and local codes, statutes, laws, and regulations which include, but are not limited to:

- CDBG Regulations (24 CFR 570.501(b))
- Regulations of the U.S. Department of Housing and Urban Development found at (24 CFR Part 570)
- Office of Management and Budget (2 CFR 200)
- Standards for Financial and Program Management (2 CFR 200.300-200.309)
- Cost Principles (2 CFR 200 Subpart E)
- Financial Internal Controls (2 CFR 200.303)
- Protected Personally Identifiable Information (2 CFR 200.82)
- Title VI of the Civil Rights Act of 1964, as amended (42 USC 2000d, et seq. and 24 CFR Part 1)
- Fair Housing Act (42 USC 3601 et seq.)

- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12892 and 24 CFR Part 107)
- Age Discrimination Act of 1975, as amended (42 USC 6101 et. seq.)
- Americans with Disabilities Act (42 USC 12101 et seq.)
- Equal Employment Opportunity, Executive Order 11246, as amended (24 CFR 570.607)
- Fair Labor Standards Act of 1938, as amended (29 USC 201, et seq.)
- Contract Work Hours and Safety Standards Act, as amended (40 USC 3701 et seq.)
- Anti-Kickback Act of 1986 (41 USC 8701-8707)
- Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u)
- Minority/Women's Business Enterprises, Executive Orders 11525, 12138 and 12432
- Section 504 of the Rehabilitation Act of 1973 as amended (29 USC 794)
- Lead-Based Paint Poisoning Act (42 USC §4822 and 24 CFR Part 35)
- Environmental Reviews (24 CFR Part 92.352)
- National Environmental Policy Act (NEPA) of 1968 (24 CFR Parts 50 and 58)
- Property Inspections (Uniform Physical Condition Standards) (24 CFR Part 5.703)(24 CFR 92.251)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by 42 USC 4601 and the regulations at 49 CFR Part 24, Subpart C
- Debarment & Suspension (Executive Order 12549, 51 Fed. Reg. 6370)
- Affirmative Outreach (24 CFR 576.407)
- Participation in HUD programs by Faith-Based Organization (24 CFR 5.109)

Should any federal regulations be changed during and/or after the release of the RFP, MFA will update those regulations (citations) promptly. An addendum to those changes, if applicable, will be provided to offerors.

14 Mortgage Finance Authority Board Members/Management

Board Members

Chair, Angel Reyes - President, Centinel Bank, Taos
 Vice Chair, Derek Valdo - Chief Executive Officer, AMERIND Risk
 Ex Officio Member, Howie Morales - Lieutenant Governor
 Ex Officio Member, Hector Balderas - Attorney General
 Ex Officio Member, Tim Eichenberg – State Treasurer
 Member, Rebecca Wurzburger – W2 Construction Management LLC
 Member, Patricia A Sullivan – PhD, Associate Dean, Outreach, and Recruitment

Management

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

15. RFP Forms

As outlined in **PART I Section 2.3, Proposal Format**, the following program-specific forms must be included with the proposal. **No substitutions will be accepted.**

- RHP Submission Checklist
- Offeror's Certification
- Board of Directors
- Offeror's Reputation Certification
- New Mexico Mortgage Finance Authority Third-Party Code of Conduct

Proposals and forms may be downloaded from MFA's website.

<https://housingnm.org/resources/rhp-action-plan>

<https://housingnm.org/resources/rhp-action-plan>

RECOVERY HOUSING PROGRAM SUBMISSION CHECKLIST

AGENCY: _____

MINIMUM QUALIFICATIONS AND REQUIREMENTS

Initial	Item Required
	Completed proposal application (Form provided)
	Electronic Proposal – submitted as a single PDF file sized to be printable on standard 8 ½ x 11 paper with tabs/bookmarks identifying each Minimum Qualification and Requirements item and evaluation criteria item within the PDF
	Proof of 501(c)(3) status, by letter of support, or proof of status as a government agency
	Proof of current registration as a charitable organization with the NM Attorney General's Office
	Offeror must be in "good standing" as of the date this RFP is issued. In order to be in good standing, Offeror must not have "suspended," "debarred" or HUD's Limited Denial of Participation status conferred upon it by MFA and/or other funding sources. Offeror must provide a print screen from www.sam.gov within 30 days of the application date.
	One copy of the agency's most recent fiscal agency financial audit FY2020 or a letter from MFA indicating that we have already received and approved your audit.
	Offeror's Certification signed by authorized official (Form provided)
	Offeror's Reputation Certification in which Offeror must describe any material, current or pending litigation, administrative proceedings or investigations that could impact the reputation or financial viability of the agency. (Form provided)
	Complete list of current funding sources, with amounts from each entity, for last two years
	Most recent monitoring letters from all funders' showing Offeror is in good standing
	Evidence of coordination with other targeted recovery housing services (MOU, letter of agreement, etc.)
	Executive Summary (not to exceed 2 pages)
	Offeror's Mission Statement (not to exceed 1 page)
	Up-to-date resumes of the Executive Director, Finance Director and Program Manager to demonstrate the administrative and financial management capacity necessary to accept and account for the use of public funds
	Description of Offeror's organizational and management structure (less than two pages)
	Offeror's Organization Chart
	Board-approved <i>Fiscal Policies and Procedures Manual</i> showing internal control for financial Management
	Offeror bylaws, including policy showing the board's responsibility for financial oversight
	Offeror's Board structure (Form provided)

(By initialing this list, Offeror certifies that all items listed above are enclosed, as defined in this RFP.)

OFFEROR'S CERTIFICATION

_____ ("Offeror") is submitting a proposal to the Mortgage Finance Authority ("MFA") to be considered for funding from the Recovery Housing Program.

Offeror certifies that:

It will abide by all applicable federal and state of New Mexico laws and all applicable statutory, regulatory, and judicially created rules and guidelines.

It will abide by MFA's HUD Section 3 Economic Opportunity Compliance Policy, which can be found at **[INSERT WEB ADDRESS]**.

It understands that MFA will monitor its performance and compliance.

It is in good standing with all its funding sources.

It complies with MFA's Third-Party Code of Conduct, Equal Employment Law, and all government regulations regarding nondiscriminatory employment practices.

It understands and represents that any performance agreement it enters into with MFA will be binding in all respects.

It is currently registered with the NM Attorney General's Registry of Charitable Organizations, if applicable.

This proposal shall be valid until performance agreement award or 90 calendar days from the proposal due date, whichever is longer.

I HEREBY CERTIFY THAT ALL INFORMATION PROVIDED IN THE PROPOSAL IS TRUE AND CORRECT, AND THAT I HAVE THE AUTHORITY TO BIND THE OFFEROR TO THE ASSURANCES, AS WITNESSED BY MY SIGNATURE BELOW.

Printed Name _____

Signature_____

Title _____

Date _____

BOARD OF DIRECTORS

Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expiration Date	
Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expiration Date	
Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expiration Date	
Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expiration Date	
Name	
Home Address	
Employer	
Position on Board	
Area of Expertise/Qualification	
Years on Board	
Term Expiration Date	

(Use additional pages if necessary.)

OFFEROR’S REPUTATION CERTIFICATION

Offeror _____

Describe any current or pending litigation, allegations, administrative proceedings, or investigations by any party, including any regulatory agency or funding entity, which could potentially impact the reputation or financial viability of the Offeror. *(If none, write “None”)*

I HEREBY CERTIFY THAT ALL INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT, AND THAT I HAVE DISCLOSED ANY ISSUES THAT COULD IMPACT THE REPUTATION OF THE OFFEROR.

Printed Name _____

Signature_____

Title _____

Date _____

NEW MEXICO MORTGAGE FINANCE AUTHORITY THIRD-PARTY CODE OF CONDUCT

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

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

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

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

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

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

- Engaging in a conflict-of-interest transaction prohibited by Section F of MFA's Code of Conduct, which can be found at:

https://housingnm.org/uploads/documents/Third_Party_Code_of_Conduct.pdf

- Providing gifts and entertainment to any MFA Employee, MFA Management or MFA Member in an attempt to improperly influence MFA business decisions.

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

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

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

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

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

OFFEROR ACKNOWLEDGMENT

By: NAME

Date

Signature

Tab 12

2021 RENTAL AWARD SUMMARY

Project Name & Address	Alameda Flats 205 E. Alameda St., Roswell, Chaves County, NM 88201			
Proposed Awards	\$400,000	HOME	Rate	%0
	\$400,000	NHTF	Rate	Cash Flow
Borrowers	<p>HOME</p> <p>To-be-formed New Mexico Limited Liability Limited Partnership (LLLP), owned by Golden Spread Rural Frontier Coalition. (0.0051%) and Tierra Realty Trust, LLC (0.0049%) as General Partners; and 99.99% by a to-be-formed subsidiary of the tax credit investor, as Limited Partner.</p> <p>NHTF (Sponsor Loan)</p> <p>Golden Spread Rural Frontier Coalition, a New Mexico non-profit 501(c)(3).</p>			
Management	<p>Tierra Realty Services, LLC ("TRS"), a New Mexico limited liability company formed in 2013, is a full-service property management firm, focusing on the on-site property management and overall asset management of Tierra Realty Trust's affordable and mixed-income multifamily communities within the State of New Mexico.</p>			
Developer	<p>Tierra Realty Trust, LLC (TRT), a New Mexico limited liability company formed in 1997, is a real estate development and investment company focusing on the development, opportunistic acquisition & long-term ownership, and asset management of its affordable and mixed-income multifamily communities in rural and select urban infill markets throughout the Southwest and Midwest.</p> <p>Stephen G. Crozier, President and Founder of Tierra Realty Trust, LLC, has over 28 years of real estate development, acquisition and asset management experience. Mr. Crozier has been responsible for the planning and development of over 4,000 housing units in various parts of the country.</p> <p>TRT's CPA-audited financial statements for FYE 12/31/20 shows Unrestricted Cash of \$259K, Total Assets of \$11.7M, a Net Worth of \$10.8M, a Debt-to-Worth ratio of 0.07 : 1.00, strong profit and positive traditional cash flow (i.e. net earnings plus non-cash charges). Internally-prepared statements for the 10 months ended 9/30/21 show Unrestricted Cash of \$584K, Total Assets of \$11.2M and a Net Worth of \$10.9M, resulting in Debt-to Worth Ratio of 0.02 : 1.00. TRT's maintains a good borrowing and repayment history with MFA.</p> <p>Golden Spread Rural Frontier Coalition is a New Mexico 501(c)(3) founded in 1997 and headquartered in Clayton, NM. The mission of Golden Spread Rural Frontier Coalition is to provide planning, administrative services, and financing to incubate and support nonprofit business and economic growth initiatives, which can respond to human service needs of Harding and Union counties and any other counties in New Mexico that the Board determines is appropriate, in the area of community and economic development health, employment and housing opportunities, and decent housing that is affordable to low and moderate income people.</p> <p>Golden Spread Rural Coalition's CPA-audited financial statements for FYE 12/31/20 show Unrestricted Cash of \$121K, Total Assets of \$3.2M, a Net Worth of \$3.1M, a Debt-to-Worth ratio of 0.03 : 1.00, and positive operating cash flow of \$246K. FYE 4/30/21 unaudited financial statement shows Unrestricted Cash of \$276K, Total Assets of \$4.8M, a Net Worth of \$4.0M, a Debt-to-Worth ratio of 0.07 : 1.00 and positive operating cash flow of \$140K</p>			
Project Type & Size	<p>New construction of 69 units and the renovation 1 existing single-family dwelling to be located on 5 sites, across six city blocks. Eighteen units (25% of the project) will serve households with children. Three of the units are income restricted to households earning 30% or less of Area Median Income</p>			

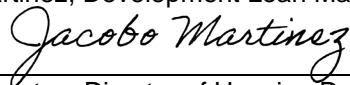

	<p>(AMI). Twenty-Five of the units are income-restricted to households earning 50% or less of AMI. Forty-two units are income restricted to households earning 60% or less of AMI.</p>
Project Description	<p>Tierra Realty Trust, LLC ("TRT") and Golden Spread Rural Frontier Coalition ("GSC") are proposing the development of Alameda Flats; a 70-unit family apartment project with 69 units to be new construction and 1 unit to be a federal historic renovation of an existing single-family house on 5 sites located across six city blocks all along West and East Alameda Street in downtown Roswell, NM. The 70 units will be distributed among five individual sites within 0.6 miles of each other, generally along Alameda Street. Twenty-five percent of the total units will be set aside for households with children.</p> <p>The unit mix will be 8 one bed/one bath units at 620 sf, 11 two-bed/2 bath units at 909 sf, 43 two-bed/one bath units at 840 sf, 7 three-bed/2 bath units at 1,101 sf and 1 two-bed/1 bath house at 1,017 sf. Total project gross square footage is approximately 70,270 square feet. There will be a total of eight residential buildings: seven new construction buildings and one renovation of an existing historic house. All sites have convenient access to downtown Roswell and all are within 0.2 miles of a public bus stop. Several convenience stores and restaurants are within walking distance, adding to the site's appeal.</p> <p>The sites are in proximity to opportunities for shopping, employment, recreation, entertainment and education. Health and safety services are within 2.0 miles of the primary site. All individual sites have convenient access to major highways. The five individual sites are suitable for the proposed development.</p> <p>Alameda Flats will be designed to maximize passive solar orientation and is targeting LEED Platinum building certification. Amenities to be provided include tuck-under parking, resident common areas offering garden areas, fitness and computer areas, common laundry, private balconies and patios, energy efficient passive solar living, an on-site public transportation bus stop, walking distance to the Pueblo Junior high School and close proximity to essential services/retailers. Alameda Flats will also offer enrichment services to its residents for households with children.</p> <p>The award provided information from the Vogt Strategic Insights, Inc. (VSI) market study, dated 1/06/2021 and revised 1/08/2021. The market study established a Primary Market Area (PMA). The PMA is the geographic area where the majority of support for the proposed subject site is expected to originate, where the community services that site residents will likely utilize are located and/or where comparable housing alternatives exist.</p> <p>The Roswell Site PMA comprises the city of Roswell and surrounding unincorporated areas within Chaves County. The significant boundaries of the Roswell Site PMA include County Road 92 to the north, County Road 61 and County Road 409 to the east, County Road 59 to the south and County Road 143 to the west.</p> <p>The Site PMA generally includes most, but not all, of Roswell's ZIP code (88203), the most densely populated area of the Border Hill, Pine Valley and Acme ZIP code (88201) and the northern portion of Dexter and Midway ZIP code (88230) that borders the Roswell ZIP code.</p> <p>The market study advises that the Subject will continue to provide good quality affordable housing that is in demand in the area. The property is within close-proximity of employment, retail, and related amenities. The Subject's unit mix, unit sizes, and unit amenities are considered competitive. Affordable units are in demand, as evidenced by the rental activity of comparable market and affordable properties. The market study further concludes that the proposed 70 LIHTC units at the subject site will reach a stabilized occupancy of 95% within five months of opening. Also, the demographic base within the market is more than sufficient to support the proposed units. The project's required basic capture rates are low and the affordable rental housing market is limited by supply rather than demand, as evidenced by the high occupancy rates at the existing properties. Overall, the Subject, as proposed, appears to be well conceived.</p>

Environmental & Site	<p>TRT has completed a Phase 1 and Phase 2 Environmental Assessment for parcel 2 located at 210 and 222 South Virginia Street. The study was performed by Western Technologies, Inc. ("WT"). WT has identified a recognized environmental condition (11REC") on the site with several leaking 55-gallon drums that have contaminated the soils. WT is recommending removal of the 55-gallon drums and remediation of the soil contamination. WT has provided a remediation budget as well as a remediation plan. WT has characterized the site as a Brownfield site.</p>
Site and Neighborhood Standards (HOME New Construction only)	<p>The proposed site is within the central area of Roswell, Chaves County, New Mexico. The subject site is a scattered site development with all five individual sites located within 0.6 miles of each other, generally within the Alameda Street corridor. The two largest parcels (Sites A and B) are located at the northeast and northwest corners of the E. Alameda Street/S. Virginia Avenue intersection that is 0.2 miles south from what is considered the center of downtown Roswell. These two largest parcels will contain 55 new construction units (78.6% of the total) as well as the project clubhouse. Continuing east to west along Alameda Street, the third site (Site C) is located at the southwest corner of the W. Alameda Street/S. Main Street intersection. This site will include 10 new construction units. The fourth site (Site D) is at the southwest corner of the W. Alameda Street/S. Pennsylvania Avenue intersection, and it will contain four new construction units. The fifth site (Site E) is the third single-family home south of W. Alameda Street, along the west side of S. Missouri Avenue. This home will be renovated to provide one rental unit. The site does not fall into a Master Plan; however, the site is part of a historically significant community in Roswell. Therefore, the existing house will be preserved and redeveloped to meet the Secretary of Interior criteria of redevelopment within a historically significant site.</p> <p>According to the market study provided by VSI, the Chaves County economy has declined markedly due to the impact of the COVID-19 virus and reduced tourism and oil and gas demand. The effect is evident in the county unemployment rate, which increased from 4.9% at year-end 2019 to 8.5% as of October 2020.</p> <p>Regardless, the area apartment market is performing well, as reflected by the low rental housing vacancy rates in the area, as indicated within the Survey of Conventional Rentals. Demand for rental housing has remained strong during the COVID-19 crisis.</p> <p>Even prior to the COVID-19 crisis, the area's sluggish economy has likely contributed to the area's overall modest household decline. This limited economic growth increases the need for affordable rental housing choices within the Roswell Site PMA. This is reflected by the low vacancy rates at most existing affordable and subsidized projects, as indicated within the Survey of Conventional Rentals.</p>
Project Financials, Projections and Assumptions, and Subsidy Layering Review (HOME only)	<p>Projections and Assumptions: A 7% vacancy (MFA standard) was applied, and operating expenses were estimated at \$3,496 per unit per annum (PUPA) after reducing for Replacement Reserves (\$300 PUPA) and Enrichment Services. Operating expenses are slightly below MFA standards of \$4,300 to \$5,800.</p> <p>Debt Service Coverage Ratio (DSCR) on all hard debt is projected to start out at 1.17 : 1.00 in year 1, which falls just outside of MFA's underwriting standards of 1.20 to 1.40 : 1.00, however, the projects improves to a 1.20 : 1.00 DSCR by year 3 and stays within guidelines for the remainder for the 15-year proforma. The first mortgage loan is assumed to be at a 4.55% interest rate.</p> <p>Currently, it appears that 33% (i.e. \$451,397 of the \$1,365,000) 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 cash flow can repay the deferred fee by the end of the 15-year LIHTC compliance</p>

	<p>period. Lender projections indicate that the Subject would fully pay the deferred developer fee by the end of the 11th year.</p> <p>The developer is assuming that credits can be sold to an investor at .90 cents on the dollar (i.e. the low end of the 2020 MFA 88 to 95 cents guideline). Every one-cent drop in that price would create the need for additional \$103,998 in capital to be filled by either deferring developer fee or a cash-flow-only loan from TRT.</p> <p>Subsidy Layering Review</p> <ul style="list-style-type: none"> • <u>HOME</u>- MFA's Housing Development Department's underwriting guidelines, performed for the HOME loan request, show this project is not over-subsidized per HUD regulations. • National HTF- MFA's Housing Development Department's underwriting guidelines, performed for the National Housing Trust Fund loan request, show this project is not over-subsidized per HUD regulations.
Affordability Requirements	<p>HOME Requirements: One 1-bedroom apartment, one 2-bedroom apartment, and one 3-bedroom apartment 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 Chaves County. The affordability period is 40 years: 20 years as required by HOME standards and 20 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>NHTF Requirements: One 1-bedroom apartment, one 2-bedroom apartment, and one 3-bedroom apartment restricted to households earning the greater of 30% AMI or the federal poverty level, for which a Land Use Restriction Agreement (LURA) will be filed in Chaves County. The affordability period is 30 years, starting on the date of acceptance by HUD of a final NHTF project completion report and ends 30 years later.</p>
Repayment and Disbursement	<p>HOME Loan: <u>Payments:</u> No payments during the construction period, which is not to exceed 24 months; then 479 equal principal payments, based upon an 80-year amortization with one final payment of all outstanding Principal at maturity. Outstanding Principal due at the earlier of maturity, refinance, or sale of the project.</p> <p>Disbursement: Allow three draws, one at construction closing, one during the construction period, and final disbursement upon submission of a HUD project completion report.</p> <p>NHTF Loan: <u>Payments:</u> No payments during the construction period, which is not to exceed 24 months; thereafter, annual payments, as determined from available cash flow or fixed at \$500, maturing in 30 years.</p> <p>Disbursement: Allow up to three draws: two during the construction period, and the third upon submission of a final NHTF project completion report to HUD.</p>

Special Conditions	<ol style="list-style-type: none"> 1. All loans are subject to MFA's final underwriting for project feasibility if needed. Loan amounts may be reduced if the financing gap decreases, and/or terms (i.e. interest rate & amortization) may be revised in line with projected cash flow at closing; 2. Any changes or additions to the following development team members listed in the loan application must be approved by MFA: developer, contractor, management company, consultant or architect; 3. Financing commitments acceptable to MFA prior to funding on all funding sources; 4. Acceptance of 2021 and/or 2022 award of Low-Income Housing Tax Credits (LIHTC); 5. Approval of plans/construction monitoring/draws by a third party acceptable to MFA (i.e. hired by MFA, investor or primary construction lender) and shared with MFA. Cost to be paid by applicant; 6. Other conditions as may be determined by staff; and 7. Subject to availability of funds. <p>Additional Conditions: HOME Loan</p> <ol style="list-style-type: none"> 8. Loan to be in second lien position; 9. HUD Environmental Review (ER) approval must occur prior to acquisition and construction start, and any other ER approval conditions must be met; 10. Tierra Realty Trust (TRT) must provide a guarantee during the construction period; 11. If HOME CHDO (Community Housing Development Organization) funds are to be used, Tierra Realty Trust (TRT) must be approved by MFA as a CHDO, and any transfers of ownership must be in accordance with HUD's CHDO rules. <p>Additional Conditions: NHTF Loan</p> <ol style="list-style-type: none"> 12. Loan to be in third lien position; 13. HUD Environmental Review (ER) approval must occur prior to acquisition and construction start, and any other ER approval conditions must be met; and 14. Project building plans must meet NHTF Rehabilitation Standards prior to acquisition and construction start; and 15. Tierra Realty Trust (TRT) must provide a guarantee during the construction period.

MFA Commitments to Other Projects	Tierra Realty Trust, LLC ('TRT') 1999 LIHTC ()- La Tierra 1999 HOME/Rental Award- La Tierra- \$492,300 1999 LIHTC ()- Tierra Montosa II 2001 LIHTC ()- Loma Parda 2001 HOME/Rental Award- Loma Parda- \$605,500 2001 Risk Share- Loma Parda- \$1,395,000 2002 LIHTC (\$49,728)- Ladera
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	2002 HOME/Rental Award- Ladera- \$500,000 2002 Risk Share- Ladera- \$1,918,000 2005 LIHTC (\$532,853)- Azotea 2005 HOME/Rental Award- Azotea- \$240,000 2005 Risk Share-Azotea- \$892,000 2007 LIHTC (\$637,349)- Cottonwood 2007 HOME/Rental- Cottonwood- \$240,000 2008 LIHTC (\$658,675)- El Cerrito 2008 HOME/Rental Award- El Cerrito- \$240,000 2008 LIHTC (\$958,754)- Wilshire Gardens 2008 HOME/Rental- Wilshire Gardens- \$500,000 2008 Risk Share- Wilshire Gardens- \$670,000 2009 LIHTC ()- Lomas 2009 HOME/Rental- Lomas- \$385,000 2009 Risk Share- Lomas- \$470,000 2010 LIHTC (\$1,140,553)- La Pradera- 2010 HOME/Rental- La Pradera- \$420,000 2012 LIHTC (\$1,055,708)- Hotel Clovis Lofts- 2012 HOME/Rental- Hotel Clovis Lofts- \$500,000 2013 LIHTC (\$637,480)- Taos Haus 2013 HOME/Rental- Taos Haus- \$300,000 2014 LIHTC (\$1,287,830)- Adalusia 2014 HOME/Rental Award- Andalusia- \$450,000 2016 LIHTC (\$883,059)- Playa Escondida 2016 HOME/Rental Award- Playa Escondida- \$400,000 Risk Share Loans carry 10% MFA Risk		
MFA Exposure	\$10,617,800 (All loans that do not include LIHTC and STC)		
<u>Risk Factors</u>	1. Market – Low (Strong demand for proposed property in PMA- 95% occupancy, property maintains waiting list) 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 – Medium (limited cash on hand but strong net worth) 4. Guarantor – Medium (limited cash on hand but strong net worth) 5. General Partner/Managing Member – Medium (i.e. the developer) 6. Community Opposition – Low 7. Financing – Medium (as long as market conditions for interest rates & LIHTC pricing do not fluctuate too much, the project is feasible. However, in the event of adverse market conditions the project would not move forward. MFA's final underwriting is required before loan closing to ensure viability before final commitment)		
Summary & Recommendation	The proposed project presents a favorable risk profile and is recommended for approval.		
Prepared by	Jacobo Martinez, Development Loan Manager 	Date	11/01/2021
Reviewed by	George Maestas, Director of Housing Development 	Date	11/01/2021

PROJECT INFORMATION SUMMARY						
Project Name		City	NC, AR, or NC/AR	Total # Units	Sizes	Target AMIs
Alameda Flats		Roswell, NM				
Total Development Cost	\$ 16,245,128		NC/AR	70	1-BED, 2-BED, 3-BED	60%, 50% & 30%
Borrower	To-be-Formed LLLP (HOME) Golden Spread Rural Frontier Coalition (Natl HTF) Sponsor loan					
Management	Tierra Realty Services, LLC		YEAR BUILT (AR)		LIHTC ALLOC	4% or 9%
Developer	Tierra Realty Trust		NC/AR 1912		\$ 1,300,100	9%
			NC = New Construction AR = Acquisition/Rehab AMI = Area Median Income MR = Market Rate apartments			
HOME LOAN INFORMATION			NUMBER OF HOME UNITS:			3
Funds Available as of:	9/30/2021	Rental: \$2,456,828				
*includes 2021 allocation						
	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$400,000	\$400,000	Max loan with 9% LIHTC			
Rates	0.0% to 3.0%	0.0%				
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, 40 yr perm	2 yr construct, 40 yr perm				
Loan Amortization	20 to 80 years	80 years				
Lien Position	Subordinate allowed	2nd lien position				
Affordability Requirements	Min 20 yrs, max 60% AMI	40 yrs, 60% AMI	High-HOME rents			
DSCR	1.2 to 1.4 to 1 on all must-pay debt*	within guidelines years 3 through year 15	DSCR starts at 1.17, increases to 1.20 in year 3			
Scoring Criteria	N/A	N/A				
NATIONAL HOUSING TRUST FUND LOAN INFORMATION			NUMBER OF NHTF UNITS:			3
Funds Available as of:	09/30/21	\$1,512,629				
*includes 2021 allocation	MFA Guidelines	Loan Request	EXCEPTIONS/CONDITIONS/NOTES			
Maximum Loan Amount	\$400,000	\$400,000	Max loan with 9% LIHTC			
Rates	0.0%	0.0%				
Loan Fees	N/A	N/A				
Maximum Loan Term	2 yr construct, no max on perm	2 yr construct, 30 yr perm				
Loan Amortization	Cash- flow or Forgivable	Cash-flow	Cash flow or \$500 fixed based on investors preference			
Lien Position	Subordinate allowed	3rd lien position				
Affordability Requirements	Min 30 years, NHTF units restricted to 30% AMI	30 years, NHTF units at 30% AMI				
DSCR	1.2 to 1.4 to 1 on all must-pay debt*	within guidelines years 3 through year 15	DSCR starts at 1.17, increases to 1.20 in year 3			
Scoring Criteria	40-100 points	70				

TOTAL DEVELOPMENT COST INFORMATION SUMMARY				
Project:	Alameda Flats	Total	% TDC	Cost/GSF*
Acquisition Costs (land, building acquisition, & other acquisition costs)		\$ 538,000	3%	\$ 7.66
Construction Hard Costs		\$ 10,176,127	63%	\$ 144.81
Other Construction Costs (contractor O&P, general req, GRT, landscaping, furnishings, etc)		\$ 2,680,947	17%	\$ 38.15
Professional Services/Fees (architect, engineer, real estate legal, etc)		\$ 386,000	2%	\$ 5.49
Construction Financing Costs (interest, insurance, inspections, fees, etc)		\$ 652,203	4%	\$ 9.28
Permanent Financing Costs (fees, title/recording, etc)		\$ 93,500	1%	\$ 1.33
Other Soft Costs (tax credit fees, environmental reports, appraisals, accounting, etc)		\$ 124,883	1%	\$ 1.78
Syndication-Related Costs (organization, bridge loan, tax opinion, etc)		\$ -	0%	\$ -
Reserves (rent-up, operating, replacement, escrows, etc)		\$ 228,468	1%	\$ 3.25
Developer Fees (inc consultant fees)		\$ 1,365,000	8%	\$ 19.43
Total Development Costs (TDC)		\$ 16,245,128	100%	\$ 231.18
TDC w/o Land, Reserves & Commercial		\$ 15,538,660	96%	\$ 221.13

*Gross square footage: 70,270

CONSTRUCTION SOURCES				
Project:	Alameda Flats	Total	% of Total	Per Unit
Construct. Lender - 1st Lien	RMCRC	\$ 905,731	5.6%	\$ 12,939
2nd Lien holder	MFA HOME loan	\$ 360,000	2.2%	\$ 5,143
3rd Lien holder	MFA National Housing Trust Fund loan	\$ 360,000	2.2%	\$ 5,143
4th Lien holder	Construction Loan	\$ 13,000,000	80.0%	\$ 185,714
Other source	Deferred Development Fee	\$ 451,397	2.8%	\$ 6,449
Deferred Developer Fee	Equity Investor	\$ 1,168,000	7.2%	\$ 16,686
Deferred Developer Fee			0.0%	\$ -
Other source			0.0%	\$ -
Other source			0.0%	\$ -
Other source			0.0%	\$ -
Other source			0.0%	\$ -
Total Construction Sources		\$ 16,245,128	100.0%	\$ 232,073

PERMANENT SOURCES				
Project:	Alameda Flats	Total	% of Total	Per Unit
Perm Lender - 1st Lien	RMCRC	\$ 3,320,000	20.4%	\$ 47,429
2nd Lien holder	MFA HOME loan	\$ 400,000	2.5%	\$ 5,714
3rd Lien holder	MFA National Housing Trust Fund loan	\$ 400,000	2.5%	\$ 5,714
4th Lien holder	Deferred Development Fee	\$ 451,397	2.8%	\$ 6,449
Other source	Equity Investor	\$ 11,673,731	71.9%	\$ 166,768
Deferred Developer Fee	Equity Investor		0.0%	\$ -
Deferred Developer Fee			0.0%	\$ -
Other source			0.0%	\$ -
Other source			0.0%	\$ -
Other source			0.0%	\$ -
Other source			0.0%	\$ -
Total Permanent Sources		\$ 16,245,128	100.0%	\$ 232,073

Appendix A: Development Cost Budget		
Alameda Flats Apartments	Gross Sq. Footage:	70,270
Roswell, NM	TOTAL COST	COST/GSF
ACQUISITION COSTS		
Land Acquisition	\$ 478,000	\$ 6.80
Building Acquisition	\$ 60,000	\$ 0.85
Other:	\$ -	\$ -
SUBTOTAL	\$ 538,000	\$ 7.66
CONSTRUCTION HARD COSTS		
Demolition	\$ 15,000	\$ 0.21
Accessory Structures	\$ -	\$ -
Site Construction	\$ 1,340,000	\$ 19.07
Buildings and Structures	\$ 8,821,127	\$ 125.53
Off-Site Improvements	\$ -	\$ -
Other Costs:	\$ -	\$ -
SUBTOTAL	\$ 10,176,127	\$ 144.81
OTHER CONSTRUCTION COSTS		
Contractor Overhead	\$ 197,901	\$ 2.82
Contractor Profit	\$ 395,803	\$ 5.63
General Requirements	\$ 593,704	\$ 8.45
Construction Contingency	\$ 508,806	\$ 7.24
Gross Receipts Tax (GRT)	\$ 984,733	\$ 14.01
Landscaping		\$ -
Furniture, Fixtures, & Equipment	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 2,680,947	\$ 38.15
PROFESSIONAL SERVICES/FEES		
Architect (Design)	\$ 220,000	\$ 3.13
Architect (Supervision)	\$ 10,000	\$ 0.14
Attorney (Real Estate)	\$ 35,000	\$ 0.50
Engineer/Survey	\$ 121,000	\$ 1.72
Other:	\$ -	\$ -
SUBTOTAL	\$ 386,000	\$ 5.49
CONSTRUCTION FINANCING		
Hazard Insurance	\$ 25,000	\$ 0.36
Liability Insurance	\$ 15,000	\$ 0.21
Performance Bond		\$ -
Interest	\$ 455,000	\$ 6.48
Origination\Discount Points	\$ 55,000	\$ 0.78
Credit Enhancement		\$ -
Inspection Fees		\$ -
Title and Recording	\$ 70,000	\$ 1.00
Legal	\$ 32,203	\$ 0.46
Taxes		\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 652,203	\$ 9.28

Project: Alameda Flats Apartments		
PERMANENT FINANCING COSTS		
Bond Premium		\$ -
Credit Report		\$ -
Origination\Discount Points	\$ 66,000	\$ 0.94
Credit Enhancement		\$ -
Title and Recording	\$ 17,500	\$ 0.25
Legal	\$ 10,000	\$ 0.14
Pre-Paid MIP		\$ -
Reserves and Escrows		\$ -
Other		\$ -
SUBTOTAL	\$ 93,500	\$ 1.33
SOFT COSTS		
Market Study	\$ 10,000	\$ 0.14
Environmental	\$ 8,000	\$ 0.11
Tax Credit Fees	\$ 84,383	\$ 1.20
Appraisal	\$ 7,500	\$ 0.11
Hard Relocation Costs		\$ -
Accounting/Cost Certification	\$ 15,000	\$ 0.21
Other: Marketing, Permits, Soft Cost Contin	\$ -	\$ -
SUBTOTAL	\$ 124,883	\$ 1.78
SYNDICATION		
Organization	\$ -	\$ -
Bridge Loan	\$ -	\$ -
Tax Opinion	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ -	\$ -
TDC before Dev. Fees & Reserves	\$ 14,651,660	\$ 208.51
RESERVES		
Rent Up	\$ -	\$ -
Operating	\$ 228,468	\$ 3.25
Replacement (inc. only if capitalized)	\$ -	\$ -
Escrows/Working Capital	\$ -	\$ -
Other:	\$ -	\$ -
SUBTOTAL	\$ 228,468	\$ 3.25
DEVELOPER FEES		
Developer Fee	\$ 1,365,000	\$ 19.43
Consultant Fee	\$ -	\$ -
Relocation Consultant	\$ -	\$ -
SUBTOTAL	\$ 1,365,000	\$ 19.43
Total Development Cost (TDC)	\$ 16,245,128	\$ 231.18
TDC w/o Land, Reserves & Commercial	\$ 15,538,660	\$ 221.13

Tab 13



MFA Strategic Plan Benchmarks

FY 2021

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



Benchmark: 1

Provide mortgage financing for 2,129 homebuyers

Q1	On Target	MFA financed 766 homebuyers in Q1 of FY 2021 and 766 homebuyers YTD
Q2	On Target	MFA financed 745 homebuyers in Q2 of FY 2021 and 1,511 homebuyers YTD
Q3	Met	MFA financed 673 homebuyers in Q3 of FY 2021 and 2184 homebuyers YTD
Q4	Met	MFA financed 721 homebuyers in Q4 of FY 2021 and 2,905 homebuyers YTD



Benchmark: 2

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

Q1	On Target	The MFA quarterly product utilization reported for Q1 is 32.84% for a YTD average of 32.84%
Q2	On Target	The MFA quarterly product utilization reported for Q2 is 31.10% for a YTD average of 31.97%
Q3	On Target	The MFA quarterly product utilization reported for Q3 is 25.48% for a YTD average of 29.81%
Q4	Met	The MFA quarterly product utilization reported for Q4 is 34.90% for a YTD average of 31.08%



Benchmark: 3

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

Q1	On Target	Financed development of 623 units in Q1.
Q2	Met	Financed development of 428 units and preserved 333 units in Q2, for a YTD total of 1,384 developed and preserved.
Q3	Met	Financed development of 9 single family units and preserved 193 multifamily units in Q3, for a quarter total of 202. Preserved units in Q2 corrected to 330, for a YTD total of 1,583 developed and preserved.
Q4	Met	Financed development of 3 single family units in Q4, for a YTD total of 1,586 developed and preserved.



Benchmark: 4

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

Q1	On Target	Q1 (Oct-Dec 2020) Unduplicated Clients = 613 Exits to PH = 312 = 50.89%
Q2	On Target	Q2 (Jan-Mar 2021) Unduplicated Clients = 613 Exits to PH = 276 = 45% for a FYTD average of 48%



MFA Strategic Plan Benchmarks FY 2021

Q3	On Target	Q3 (April - June 2021) Unduplicated Clients = 593 Exits to PH = 256 = 43%, FYTD Average 46%
Q4	Met	Q4 (July - Sept 2021) Unduplicated Clients = 602 Exits to PH = 222 = 37%, FYTD Average 44%



Benchmark: 5

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

Q1	On Target	The Q1 combined average delinquency rate was 9.51%. Combined average delinquency rate YTD is 9.51%.
Q2	On Target	The Q2 combined average delinquency rate was 8.03%. Combined average delinquency rate YTD is 8.77%.
Q3	On Target	The Q3 combined average delinquency rate was 7.26%. Combined average delinquency rate YTD is 8.20%.
Q4	Met	The Q4 combined average delinquency rate was 7.61%. Combined average delinquency rate YTD is 8.02%.



Benchmark: 6

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

Q1	On Target	Subserviced portfolio delinquency is 18.39% Compared to the most recent FHA purchase delinquency rate of 19.10%
Q2	On Target	Subserviced portfolio delinquency is 15.68% Compared to the most recent FHA purchase delinquency rate of 18.12%
Q3	On Target	Subserviced portfolio delinquency is 14.87%. Compared to the June 2021 FHA purchase delinquency rate of 15.86%
Q4	Met	Subserviced portfolio delinquency is 13.35%. Compared to the July 2021 FHA purchase delinquency rate of 15.37%



Benchmark: 7

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

Q2	Met	In Q1 and Q2, evaluated the efficacy of a housing assistance program and implemented the COVID-19 Housing Cost Assistance Program and evaluated program improvements to NMHTF, New Mexico Affordable Housing Tax Credit and New Mexico Charitable Trust.
Q3	Met	In Q3, MFA evaluated and implemented a landlord mitigation program. MFA has partnered with the New Mexico Children Youth and Families Department (CYFD) to create a program that addresses the barriers that prevent landlords from renting to youth who do not have a credit history, rental history and in some cases a criminal history. The purpose is to increase access to safe, permanent, and supportive housing opportunities for youth (ages 25 and under) who otherwise would be homeless. MFA's primary role is to process claims submitted by landlords to cover costs such as excessive damage to rental units, lost rent, or legal fees beyond the security deposit. Year to date, five programs/products have been evaluated, and two have been implemented.
Q4	Met	In Q4, no new products or programs evaluated. Year to date, five programs/products have been evaluated, and two have been implemented.



MFA Strategic Plan Benchmarks

FY 2021

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



Benchmark: 8

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

Q1	New	MFA had 5,621 total social media engagements in quarter one on Facebook, Instagram, Twitter and LinkedIn.
Q2	On Target	MFA had 1,884 total social media engagements in quarter two on Facebook, Instagram, Twitter and LinkedIn.
Q3	On Target	MFA had 2,381 total social media engagements in quarter three on Facebook, Instagram, Twitter and LinkedIn.
Q4	Met	MFA had 1,266 total social media engagements in quarter four on Facebook, Instagram, Twitter and LinkedIn. Average across all quarters is 2,788.



Benchmark: 9

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

Q2	Met	In Q1 and Q2, MFA implemented the COVID-19 Housing Cost Assistance Program to provide housing assistance to households across New Mexico and expanded the Emergency Solution Grant (ESG) Rental Assistance Program (RAP) (Alianza took on Chavez, Eddy and Lea Counties; DreamTree took on Colfax, Harding, Mora, San Miguel, Taos and Union Counties; Heading Home took on Cibola, McKinley and Socorro Counties; Help NM took on Curry, DeBaca, Grant, Guadalupe, Hidalgo, Lincoln, Luna, Quay, Roosevelt and Torrance Counties).
Q3	Met	In Q3, MFA implemented the New Mexico Homeowner Assistance Fund (HAF) program to provide homeownership assistance to households across New Mexico and implemented the HAF roofing program to provide emergency roofing services in the southwest portion of the state. YTD total is four.
Q4	Met	In Q4, no programs expanded. YTD total is four.



Benchmark: 10

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

Q2	Met	In Q1 and Q2, MFA staff provided assistance to four local governments (Grant County, Colfax County, Dona Ana County and City of Las Cruces), conducted outreach to 10 elected officials (State Rep. Andrea Romero, State Rep. Angelica Rubio, State Senator Gerald Ortiz y Pino, State Senator Nancy Rodriguez, State Rep. Candy Ezzell, Congresswoman Leger Fernandez, Congresswoman Torres Small, Congresswoman Haaland, Congresswoman Herrell and Senator Heinrich) and conducted outreach to twelve tribal governments (Mescalero Apache, Isleta, Santa Ana, Taos, Acoma, Laguna, Santo Domingo, Jemez, Santa Clara, San Felipe, Zuni and Jicarilla Apache).
Q3	Met	In Q3, MFA conducted outreach to two potential partners (United South Broadway and Pattern Holdings), one elected official (Senator Lujan), and two tribal governments (Northern Pueblos Housing Authority and Mescalero Apache Housing Authority). Total unduplicated YTD outreach is 30 entities.
Q4	Met	In Q4, MFA conducted outreach to two local governments (Silver City and Los Lunas), one potential partner (North Central New Mexico Economic Development District), four elected officials (State Rep. Roger Montoya, State Rep. Meredith Dixon, State Speaker of the House Brian Egolf, and Congresswoman Stansbury), and one tribal government (Ohkay Owingeh Housing Authority). Total unduplicated YTD outreach is 38 entities.



MFA Strategic Plan Benchmarks

FY 2021



Benchmark: 11

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

Q2	On Target	In Q1 and Q2, MFA provided 28 trainings, including an owner/agent training overview of the COVID-19 Housing Cost assistance program, three trainings for HOPWA service providers (10/7, 11/23 and 1/13), a seven-week RAP training series by CSH, the annual QAP training and 23 lender trainings.
Q3	Met	In Q3, MFA provided 14 lender trainings as follows: April 1 – Guild, April 1 - Caliber Home Loans, April 8 – Manufactured Housing Loan Training with Jessica - Wright of Fannie Mae,- April 15 – Mann Mortgage, April 20 – Wallick & Volk, April 22- Primary Residential Mortgage, April 29 - Keller Williams Realty Riverside, May 5 - PrimeLending Mortgage, May 24- Simple Real Estate, May 27 – New American Funding, June 3- ROC Realty, June 7 – Manufactured Home Title Deactivation Training w/ Scott Flores, June 9 – AmCap and June 16- Wallick & Volk. Additionally, Community Development held the following trainings in Q3: 1) HOPWA training on April 1st. 2) Neighborly training for HAF pilot program for Southwest Regional in May 2021. 3) Vet Rehab PEER Exchange training on June 8th. 4) HUD/VHRMP Quarterly Grantee Meeting with Tierra del Sol on June 24th. Community Development also held eight weatherization trainings during Q3, and Policy and Planning held a Section 3 training with developers and contractors in June 2021. YTD total is 55.
Q4	Met	In Q4, MFA provided five lender trainings as follows: August 3 - First American Bank, August 3 - Primary Residential, September 1 - Gateway First Bank, September 8 - Frost Mortgage and September 28 - Bank of Albuquerque. Next, MFA provided training to our partners that manager RTC properties on September 23. Finally, MFA provided Income Guideline Training for Southwestern Regional Housing for compliance with the Emergency Repair Program. YTD total is 62.

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



Benchmark: 12

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

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



Benchmark: 13

Maintain or improve credit rating

Q1	On Target	No ratings activity during the quarter. MFA maintains a Aa3 Stable rating on its issuer credit rating.
Q2	On Target	Moody's confirmed the AAA rating on the MFA 2005 Single Family Bond Indenture. MFA maintains a Aa3 Stable rating on it's issuer credit rating.
Q3	Met	Moody's reaffirmed MFA's Aaa/stable rating on its single family indenture in April 2021.
Q4	Met	No ratings activity during the quarter. MFA maintains a Aa3 Stable rating on its issuer credit rating.



MFA Strategic Plan Benchmarks FY 2021



Benchmark: 14

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

Q1	On Target	Operating performance and profitability was 9.7% as of 12/31/20.
Q2	On Target	Operating performance and profitability was 13.7% as of 3/31/21.
Q3	On Target	Operating performance and profitability was 12.5% as of 6/30/21.
Q4	Met	Operating performance and profitability was 13.2% as of 9/30/21.



Benchmark: 15

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

Q1	On Target	Balance sheet strength as of 12/31/20 was 28.3%.
Q2	On Target	Balance sheet strength as of 3/31/21 is 29.3%.
Q3	On Target	Balance sheet strength as of 6/30/21 is 29.0%.
Q4	Not Met	Balance sheet strength as of 9/30/21 is 28.5%.



Benchmark: 16

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

Q1	On Target	MFA closed 2020 Series B single family bond issue in Q1 and achieved the 18 basis points target for bond administration fees.
Q2	On Target	There were no single family bonds issued in Q2.
Q3	On Target	MFA closed 2021A single family bond issue in Q3 and achieved the 18 basis points target for bond administration fees.
Q4	Met	MFA closed 2021C single family bond issue in Q4 and achieved the 18 basis points target for bond administration fees.



Benchmark: 17

Realize profitability of 1.75% on TBA executions

Q1	On Target	Realized profitability of 2.02% in Q1.
Q2	On Target	Realized profitability of 2.33% in Q2.
Q3	On Target	Realized profitability of 2.15% in Q3.
Q4	Met	Realized profitability of 2.19% in Q4.



Benchmark: 18



MFA Strategic Plan Benchmarks FY 2021

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

Q1	On Target	Servicing fee yield as of 12/31/20 was .45%.
Q2	On Target	Servicing fee yield as of 3/31/21 is .40%.
Q3	On Target	Servicing fee yield as of 6/30/21 is 0.41%.
Q4	Met	Servicing fee yield as of 9/30/21 is 0.41%.



Benchmark: 19

Earn 100% base fees for PBCA contract

Q1	On Target	All PBCA tasks were completed this quarter as required by the contract, and 100% of the base fees were earned. HUD has modified MORS and now allows remote desk reviews; however, we do not have to enter units but still have to inspect common areas, the site and buildings. CA's can choose to perform or postpone if state has travel restrictions or strict COVID requirements.
Q2	On Target	All PBCA tasks were completed this quarter as required by the contract, and 100% of the base fees were earned. MORS have been scheduled but due to strict travel and COVID restrictions none have been performed this quarter.
Q3	On Target	All PBCA tasks were completed this quarter as required by the contract, and 100% of the base fees were earned. Staff have started to schedule and perform MORS this quarter.
Q4	Met	All PBCA tasks were completed as required for Q4, and 100% of the base fees were earned.



Benchmark: 20

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

Q1	On Target	Invoices for compliance fees were processed and sent out to owner/agents this quarter.
Q2	Met	As of 3/31/2021 99.99% of the compliance fees have been collected.
Q3	Met	As of 6/30/2021 99.99% of the compliance fees have been collected.
Q4	Met	As of 9/30/2021 100% of the compliance fees have been collected.



Benchmark: 21

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

Q1	On Target	Commitment and expenditure rate at 12/31/20 was 100%.
Q2	Caution	Commitment and expenditure rate at 3/31/21 was 95%.
Q3	Caution	Commitment and expenditure rate at 6/30/21 was 94%.
Q4	Not Met	Commitment and expenditure rate at 9/30/21 was 94%.



Benchmark: 22

Provide at least \$8,200,000 in resources for affordable housing through expenditure of New Mexico



MFA Strategic Plan Benchmarks FY 2021

Housing Trust Funds, contributions through the state affordable tax credit program, and allocations of 4% LIHTCs

Q1	On Target	Total of resources provided in Q1 is \$1,999,016.
Q2	On Target	Total of resources provided in Q2 is \$5,227,503 for a YTD total of \$7,226,519.
Q3	On Target	Total of resources provided in Q3 is \$236,250 for a YTD total of \$7,462,769.
Q4	Not Met	Total of resources provided in Q4 was \$456,805 for a YTD total of \$7,919,574.



Benchmark: 23

Evaluate at least one new business model or financial tool

Q1	Met	In Q1, MFA evaluated the Interest Only Strip Execution for the Single Family Mortgage Program. Its benefits include extremely low borrowing costs, an annuitized income stream, ease of execution, no volume cap required to execute and greatly reduced costs of issuance. While there are also some limitations (market to market valuation adjustments, no optional call and the volatility of future economic return), several Housing Finance Agencies across the country have implemented this funding tool. Staff recommended holding moving to implementation to see how the market for this type of execution unfolds and to allow Secondary to get their pooling/securitization functions in place.
Q2	Met	In Q2, MFA's Servicing Department reviewed and evaluated three IVR systems to help borrowers self-help and reduce the need for direct contact via phones with the servicing staff.
Q3	Met	In Q3, MFA evaluated the Social Bond designation and decided to pursue it later if market conditions cause a reduction or change in bond investors.
Q4	Met	In Q4, MFA evaluated the Wells Fargo Commercial Credit Card. Further, MFA re-evaluated its Cash Reserve Policy to determine whether a portion of excess cash reserves can be re-allocated for use in the Down Payment Assistance (DPA) and other programs. MFA will continue to evaluate the policy and liquidity needs before making a final recommendation for revision to the Cash Reserves policy. Fiscal YTD evaluations is five.



Benchmark: 24

Increase funding by at least one new source

Q1	On Target	
Q2	Met	During Q1 and Q2, MFA has been awarded four new funding sources, including a \$2.5 million Capital Magnet Fund award to support MFA down payment assistance, a \$12.3 million CDBG-CV award to support housing assistance, a \$15 million dollar Coronavirus Relief Fund (CRF) award to support housing and homelessness assistance and a ~\$3.6 million Section 811 award.
Q3	Met	During Q3, MFA was awarded three additional funding sources, including contract totaling ~\$2.5 million to lead the Homeowner Assistance Fund (HAF) planning process and implement pilot projects, \$15,000 for the landlord mitigation pilot project and \$1,842,000 in CDBG-RHP. Total new sources are now at seven.
Q4	Met	During Q4, MFA did not receive any new funding sources. Total YTD sources is seven.



Benchmark: 25



MFA Strategic Plan Benchmarks

FY 2021

Improve at least three MFA processes or resources

Q1	New	
Q2	Met	<p>In Q1 and Q2, MFA staff updated 16 processes or resources: 1) Servicing created a fillable ACH request form for borrowers that they can submit online; 2) Servicing worked with IT to create a payoff report and unapplied balance report; 3) Servicing improved the process of preparing and reconciling the MBFRF report; 4) Servicing reformatted the payoff cover letter to save time from manual letter folding and stuffing; 5) Accounting implemented the check register payment information upload into Neighborly; 6) Housing Development (HD) finalized a record retention policy; 7) HD revised its deposit fee and payment desktop procedures to incorporate recommended process improvements and cross-checks from an internal audit; 8) HD revised its universal closing index checklist to incorporate recommended improvements and cross-checks from an internal audit; 9) HD created a draft loan folder desktop procedure manual for loan development managers to provide consistency and improvements in electronic file storage; 10) HD redrafted its underwriting guidelines to improve the applicant experience with "one-stop shopping"; 11) HD created and implemented an inter-departmental CHDO operating grant processing procedure to improve the inter-departmental process; 12) HD created and implemented LURA loan modification desktop procedures; and 13) HD created templates for its rental award summary to provide efficiencies and improve the approval process for loans; 14) HD created and implemented a quarterly board report for reporting on project progress to better inform the board; 15) HD created and implemented a quarterly Funds Available Report to better inform PC; and 16) the Community Development Department (CDD) reached a strategic goal by improving our agency monitoring process. CDD developed a procedure to accommodate remote review of documents and organize them in an electronic filing system. Program managers can share documents for agencies they have in common, which also reduces the number of times an agency is required to provide the same information. Our old monitoring process required program managers to review documents at the agency's office making it impossible to QC those documents. The improved process requires agencies to scan and upload to a secure MFA server all documents required for the monitoring. This makes it easy to QC and specific monitoring documents can be searched within minutes. Also, end of year scanning can be eliminated because the documents would have been already scanned by the agency.</p>
Q3	Met	<p>In Q3, Servicing implemented the following process improvements: 1) Streamlined the payoff document process from five to three steps, eliminating multiple scanning and review steps. All documents and releases are now being scanned directly without printing, which saves paper and staff time. 2) Corrected spacing on payoff release letter and now can use stuffing machine, which saves staff time and costs from labels. 3) Created quick form print from MITAS, which applies to >20 forms. It allows for quick access to forms and the ability to print one form per loan. The process saves time when running and merging information to generate a letter. 4) Improved process for re-pooling loans after modification and repurchase out of the GNMA pool. Implemented communication and review process to determine that the loan modification documents are recorded and the payments are current before hedging. This reduces delays in the repooling process and eliminates or reduces extension fees. 5) Improved process for loan modification repurchase. In order to improve portfolio reconciliation between IHFA and MFA systems, improved loan identification by updating allocations in MITAS to properly identify the loan as an MFA whole loan until its re-pooled. 6) Created a Virpack process to eliminate manual approvals and printing documentation for wire transfer requests. YTD total is 22.</p>
Q4	Met	<p>In Q4, MFA staff made eight improvements, as follows. 1) The Community Development Department (CDD) applied the Neighborly Software System when working with the Emergency Repair Pilot Program. This software has the capability to handle all the components, uploads and reporting as well as the overall management of the repair program. It also accurately keeps track of all funding expenditures, units and counties for the projects in each quarter. Generally, it organizes all information that is being required from various departments within MFA for internal and external reporting requirements. 2) CDD improved the Community Development Snapshot and Funds Tracking Sheet by adding a Program</p>



MFA Strategic Plan Benchmarks

FY 2021

Year and Fiscal Year section for reconciliation with the actual Snapshot report by the CDD Administrative Assistant. The entire Snapshot and Funds Tracking Sheet is reconciled each month with the Access Database. The Funds Tracking Sheet keeps track of all HOME funding, and the MFA Housing Report keeps track of all Veterans funding. Upon review of how all funding is tracked for the rehab program within MFA, it was imperative that this initial report was created and implemented. 3) Servicing created and implemented 6 workflows in Virpack in the 4th quarter. YTD total improvements is 30.

Goal 4 - Provide robust technology solutions



Benchmark: 26

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

Q1	On Target	MFA's internal and external penetration testing was completed on 10/1/2020. MFA received a RiskSense Security Score (RS3) of 815 (low risk). RS3 represents MFA's cyber security posture, measuring risk posed by existing vulnerabilities and current potential threats. The rating range is from 300 (high risk) to 850 (very low risk).
Q2	On Target	MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 822. The rating range is from 300 (high risk) to 850 (low risk). MFA's Security Awareness Program continues to provide security awareness training on a quarterly basis and monthly phishing testing, with all employees completing 100% of their training in Q2. Average for first two quarters is 818.
Q3	On Target	MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 822. The rating range is from 300 (high risk) to 850 (low risk). MFA's Security Awareness Program continues to provide security awareness training on a quarterly basis and monthly phishing testing, with all employees completing 100% of their training in Q3. Average for first three quarters is 820.
Q4	Met	MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 811. The rating range is from 300 (high risk) to 850 (low risk). MFA's Security Awareness Program continues to provide security awareness training on a quarterly basis and monthly phishing testing, with all employees completing 100% of their training in Q4. Average for the four quarters is 818.



Benchmark: 27

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

Q1	On Target	The current RPO for all critical infrastructure equipment is currently meeting the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just over one hour, which is below the goal of six.
Q2	On Target	The current RPO for all critical infrastructure equipment continues to meet the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just under one hour, which continues to be below the goal of six.
Q3	On Target	The current RPO for all critical infrastructure equipment continues to meet the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just under one hour, which continues to be below the goal of six.
Q4	Met	The current RPO for all critical infrastructure equipment continues to meet the Service Level Agreement of less than 5 minutes and the tested failover Recovery Time Objective was just under one hour, which continues to be below the goal of six.



MFA Strategic Plan Benchmarks

FY 2021

of six.



Benchmark: 28

Implement new software solutions

Q1	On Target	Completed the implementation of the Duplication of Benefits program along with integrations with Accounting processes. VirPack workflows added and modified for Homeownership and Accounting. Document Request and Chain of Custody for documents created for requesting of all payoff/foreclosures/legal requests. Created automated process for IT weekly, monthly, and annually checklists, this also created online submittal of new employee checklist.
Q2	On Target	Phish alert function and training provided to all employees. PolicyPak implemented to set default browser and push out global policy. Cisco Smartnet Collector implemented to help manage IT service contracts. HOPWA program is being tested in online Invoicing. New Servicing reports creating within our Mitas Reports, also completed the NCSHA report for Accounting (this provided a huge efficiency for accounting, the report took 2-3 people a week or 80 hours, now it takes 2 hours and is completed automatically).
Q3	On Target	HOPWA programing was completed for the online Invoicing, will be released to production in Q4. Single Family quarterly disclosure reporting for NCSHA, new payoff and unapplied loan balance report created for servicing.
Q4	Met	HOPWA program implemented successfully and released to production. Updated HDS to NexGen version 1.0.6 for Asset Management and Housing Development. Implemented the new PAR online system for all users and updated New Mexico EnergySmart.

Goal 5 - Foster a dynamic work environment



Benchmark: 29

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

Q2	On Target	Survey will open in May with results distributed in July 2021
Q3	On Target	91% participation achieved. Score will not be released until August 19, 2021
Q4	Met	91% participation achieved with a score of 86.57.



Benchmark: 30

Complete compensation survey

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

Tab 14

MFA 2022 Legislative Agenda

New Mexico Housing Trust Fund (NMHTF)

\$70 million

This appropriation could help acquire, build, rehabilitate, preserve, finance, weatherize and/or provide energy efficiency upgrades for approximately 4,578 quality affordable homes for low-income New Mexicans.

Background: The New Mexico Housing Trust Fund was created by the New Mexico Legislature in 2005 with an initial appropriation of \$10 million and subsequent appropriations of \$12.05 million. MFA has also previously sought and received funding for its Low-Income Energy Conservation Program, or NM Energy \$mart, which weatherizes the homes of approximately 750 low-income families each year using two federal sources, the Weatherization Assistance Program (WAP) and the Low Income Home Energy Assistance Program (LIHEAP), in addition to utility company sources. MFA can utilize New Mexico Housing Trust Funds to both build or rehabilitate affordable housing in addition to weatherizing and providing energy efficiency improvements to the homes of low-income New Mexicans. The funding can also be used for other types of housing-related services and assistance. **Results:** The New Mexico Housing Trust Fund has grown from approximately \$22 million in appropriations to over \$34 million as a result of interest earned over the years. Through a competitive application process, MFA has awarded over \$64 million, including the state's \$22 million investment, interest income and loan repayments, to 65 housing projects totaling 4,532 housing units. Further, over \$3.3 million in COVID-19 assistance has been or will soon be provided to 417 households. These impressive developments have leveraged approximately \$698 million in other funding sources: that's over a 31-to-1 return on the state's initial investment!

NMHTF Recurring Funding

3.5% of Severance Tax Bond Capacity

This proposed bill would allocate 3.5% of the estimated severance tax bonding capacity each year to the New Mexico Housing Trust Fund (NMHTF) for affordable housing. The allocation would be funded through short term severance tax "sponge" notes or from severance tax long term bonds.

Background: The New Mexico Housing Trust Fund Act created a state-funded affordable housing source in 2005. It has created 4,532 affordable housing units, provided COVID-19 housing assistance to many households and has a 31-to-1 return on the state's initial investment. Demand for the funds is great, but MFA has received inconsistent funding for the NMHTF, which has made it difficult to plan or meet the demand for affordable housing funding. Housing affordability is becoming even more of a challenge in New Mexico as both rental and homeownership prices rise at unbelievable rates, threatening the housing

stability of many low- and moderate-income New Mexicans. Creating a recurring funding source will help address this important need.

Expansion of Linkages Program

This appropriation would double the size of the Linkages program – expanding it from 318 program participants to 636. The proposed expansion will require an additional recurring \$5,910,384 compared to State’s Human Services Department’s current FY 2022 budget for a total Linkages FY2023 budget of \$10,720,768. MFA has been advised by Senate leadership that this would not need to be a separate bill and could be added to H.B. 2.

Background: Linkages is a state-funded permanent supportive housing program designed to provide rental subsidies, utility assistance and supportive services to vulnerable populations in order to link them with community-based, individualized services. The program is collaboratively-run by MFA, which oversees the housing component, and the State’s Human Services Department (HSD) – Behavioral Health Services Division (BHSD), which oversees the supportive services. Program participants must be homeless or at risk of homelessness, be extremely low-income and have a serious mental illness or co-occurring diagnosis. As part of the program, participants receive monthly rental and utility assistance, ongoing case management with monthly visits as well as voluntary behavioral health services. **Results:** The program provides safe, affordable housing for participants, wrap-around services and leverages Medicaid dollars. MFA and HSD are operating the program at nearly 100% capacity, and there is still extensive demand. Due to the great need for Linkages, support services agencies have had to start waitlists. Sadly, there are few options while applicants are on waitlists. Due to lack of housing and support services, persons experiencing chronic homelessness cycle through expensive de facto housing solutions, including jails, prisons, emergency rooms, psychiatric hospitals and short-term shelters. Some studies estimate that on average a person experiencing chronic homelessness costs taxpayers between \$30,000 to \$50,000 per year. Housing for persons with serious behavioral health conditions that incorporates long term support can help alleviate these costs.

Regional Housing Authority Oversight

\$500,000

This appropriation will be used to provide specialized training, technical assistance and capacity building, including for partnerships with MFA to expand affordable housing programming, for New Mexico’s three regional housing authorities, which exclusively serve rural counties. A small portion may also be used to cover MFA’s oversight costs.

Background: In 2009, MFA was mandated by the state to restructure and oversee the regional housing authorities (RHAs), which exclusively serve New Mexico’s rural counties. The seven RHAs were consolidated into three (Northern RHA in Taos, Eastern RHA in Roswell, and Western RHA in Silver City and Deming), and MFA began providing training and technical assistance and ensuring monitoring or audits. MFA receives no recurring



funds for its oversight function. **Results:** The RHAs continue to successfully administer Section 8 vouchers and public housing in rural areas, have consolidated with smaller public housing authorities, and have added new programs and housing development capacity.

Affordable Housing Act Oversight Duties

\$250,000

This appropriation will enable MFA to 1) oversee the Affordable Housing Act, including review and approval of plans and ordinances, 2) provide direct technical assistance to local governments, and 3) offer planning and implementation grants to local governments on an as-needed basis.

Background: The Affordable Housing Act was signed into law in 2004. Like the Local Economic Development Act (LEDA), it is an exemption to the state's Anti-Donation clause. It permits the state and local governments to contribute public funds, land, buildings and other resources to create and preserve affordable housing. MFA is charged with rulemaking authority and oversight of the Act but receives no funds for these purposes. **Results:** To date, MFA has assisted 41 local governments in adopting an affordable housing ordinance and 47 local governments in creating affordable housing plans. These local governments have donated land and resources totaling more than \$72 million for affordable housing as of March 2021.

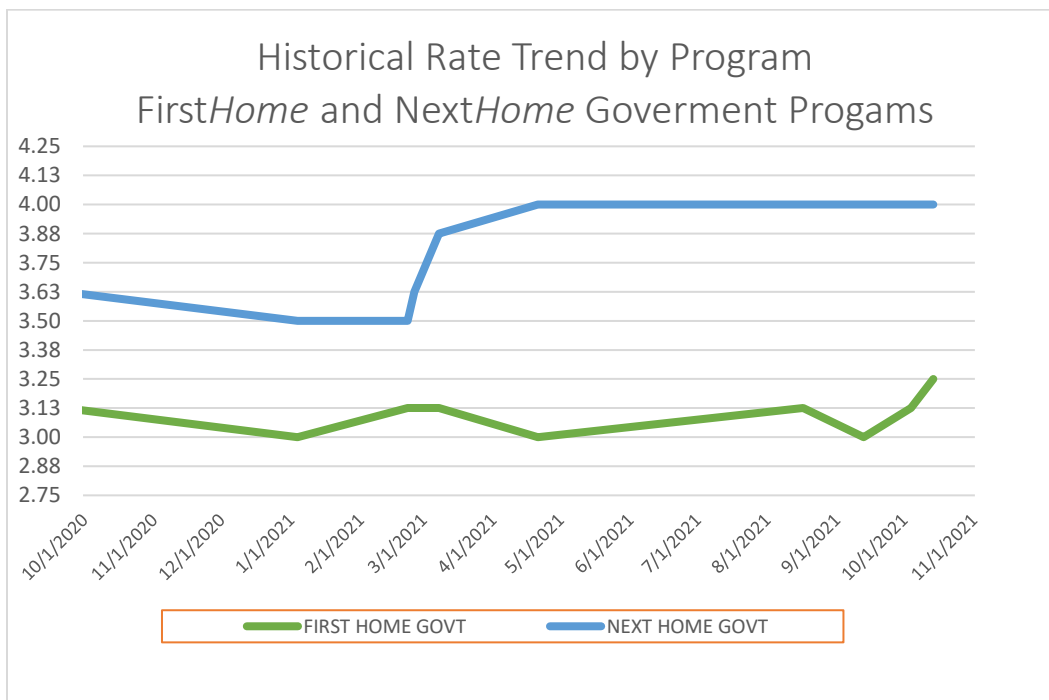
Tab 15



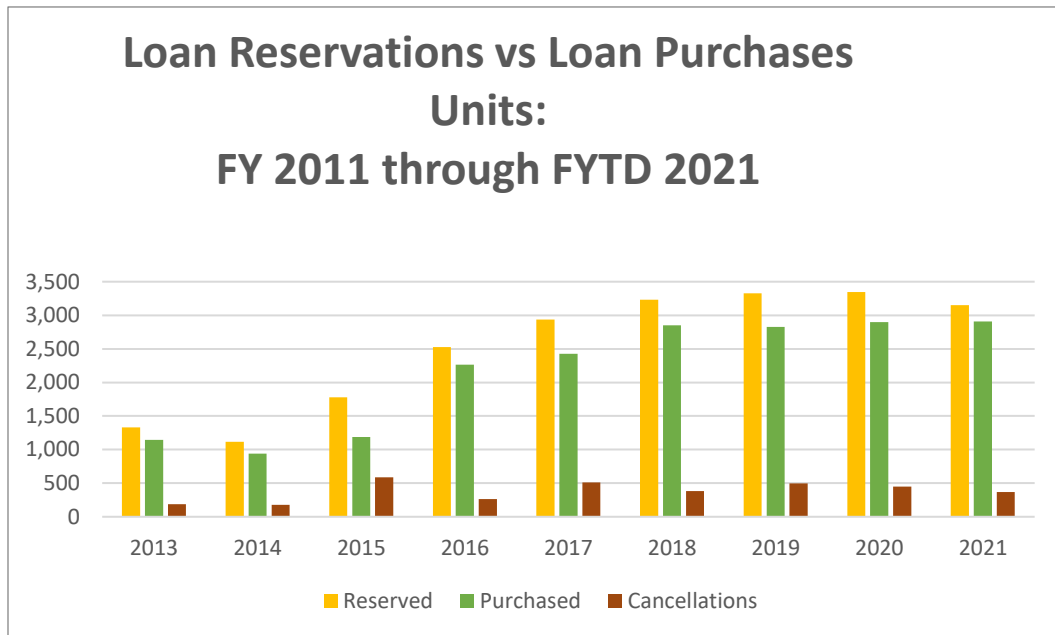
MEMO

TO: MFA Board of Directors
FROM: Rene Acuña
Director of Homeownership
DATE: November 17, 2021
SUBJECT: Semiannual Single Family Production Report

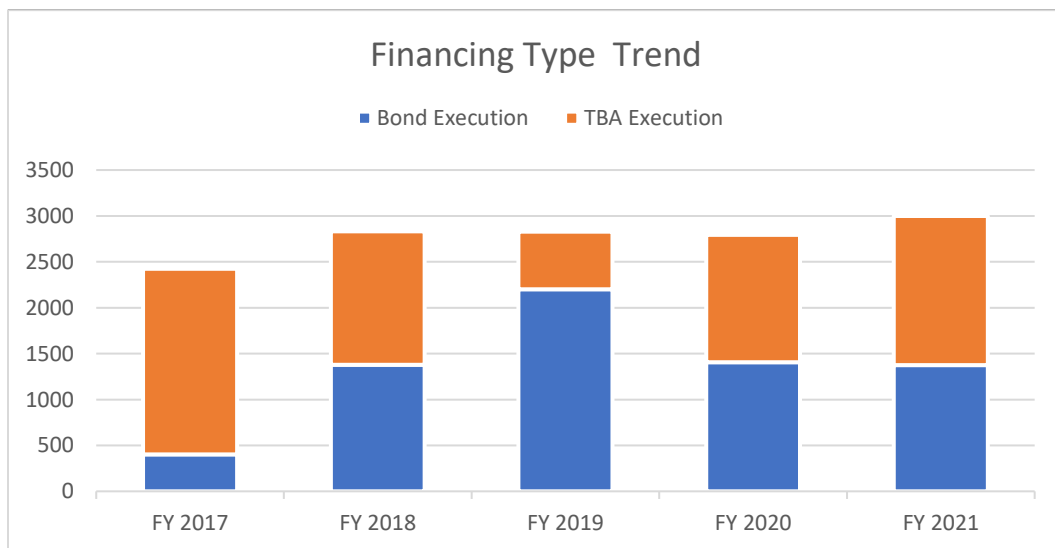
- Interest Rate History for FirstHome and NextHome Government Programs



- Historical Reservation and Purchased Loan Trend



- Financing Executions



- Reservations by Program

Reservations by Program	Fiscal Year 2021 (10/01/2020 - 9/30/2021)	Fiscal Year 2020 (10/01/2019 - 9/30/2020)
FIRST HOME GOV'T	67.04%	73.74%
FIRST HOME FNMA 80% AMI	8.17%	6.07%
FIRST HOME FNMA ABOVE 80% AMI	3.17%	1.88%
NEXT HOME GOV'T -NEXT DOWN DPA	18.86%	16.84%
NEXT HOME FNMA 80% AMI	0.94%	0.57%
NEXT HOME FNMA ABOVE 80% AMI	1.84%	0.90%

- Comparison of Down Payment Assistance (DPA) Sources

Down Payment Comparison	Fiscal Year 2021 (10/01/2020 - 3/31/2021)	Fiscal Year 2020 (10/01/19 - 9/30/2020)
FIRST DOWN (30YR)	76.57%	78.09%
FIRST DOWN (15YR)	0.08%	Not Available
FIRST DOWN (10YR)	0.04%	Not Available
HOME NOW	1.44%	2.67%
NEXTDOWN FORGIVABLE LOAN	21.87%	19.24%

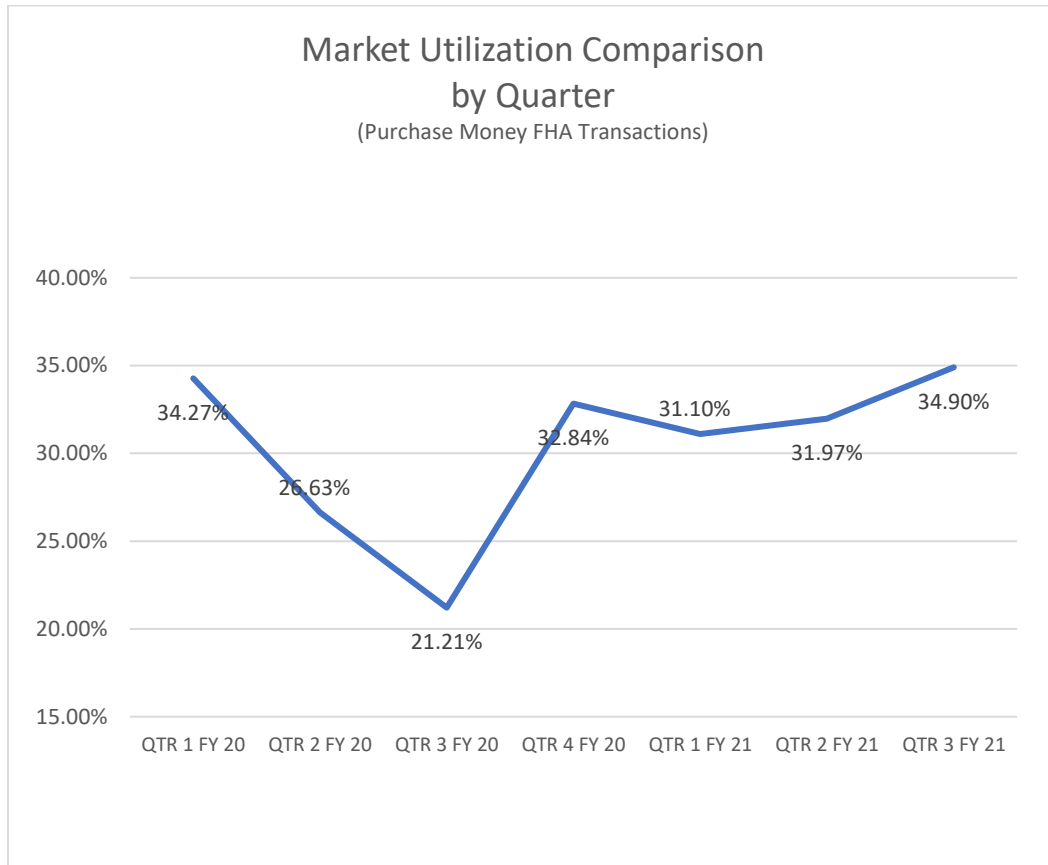
- Comparison of Loan Types

Loan Type Comparison	Fiscal Year 2021 (10/01/2020 - 09/30/2021)	
	Fiscal Year 2020 (10/01/19 - 9/30/2020)	
FHA	84.12%	89.48%
Conventional	13.94%	9.89%
HUD Section 184	0.27%	0.43%
VA	1.36%	0.20%
USDA / RHS	0.27%	Not Reported
FHA 203K	0.04%	Not Reported

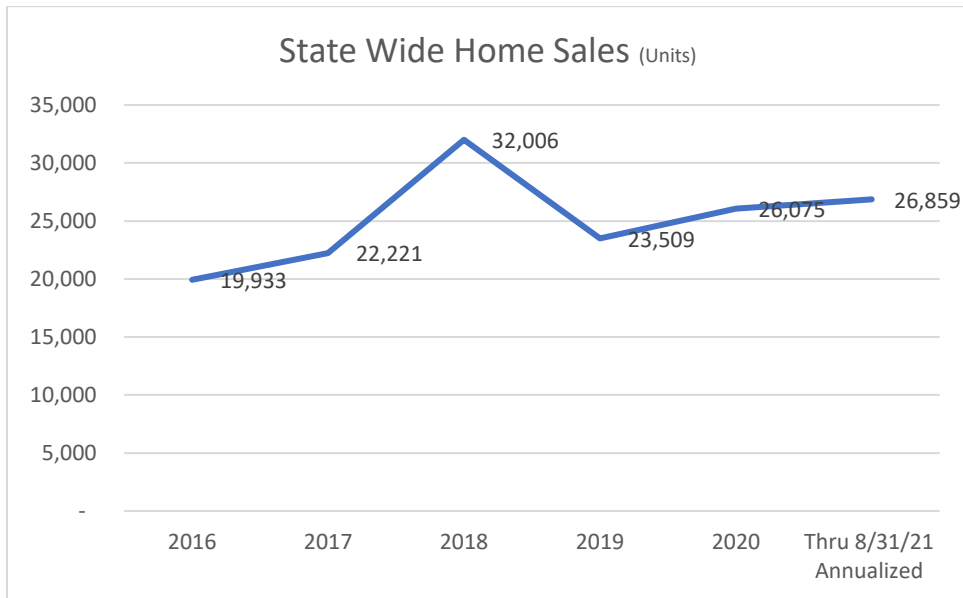
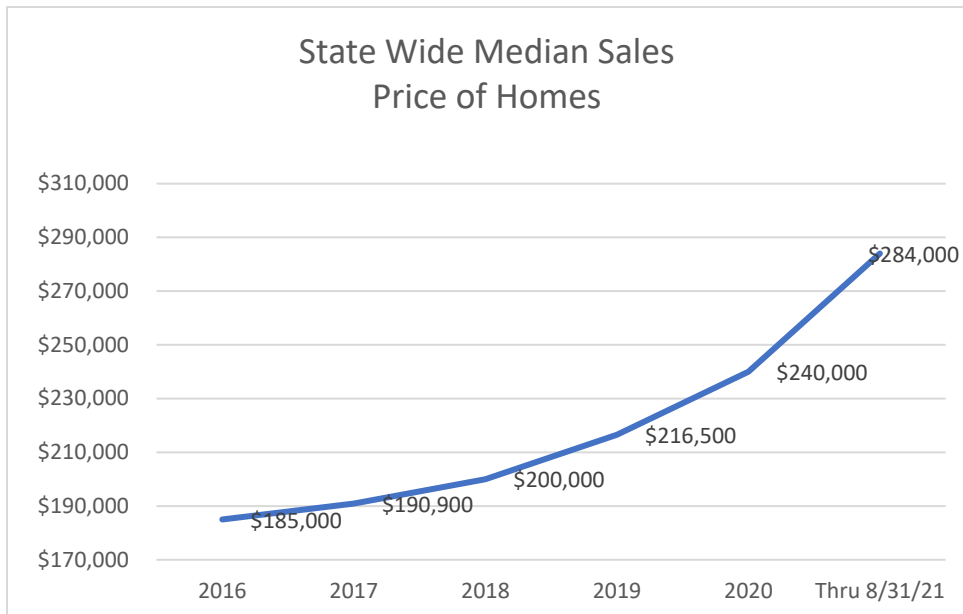
- Borrower Demographic

	Fiscal Year 2021 (10/01/2020 - 09/30/2021)	
	Fiscal Year 2020	
Average Sales Price	\$187,731	\$165,631
Average Loan Amount	\$183,444	\$164,428
Average Down Payment Assistance Amount	\$7,281	\$6,675
Average Household Income	\$56,481	\$52,284
Average Family Size	2.6 person household	2.6 person household
Ethnicity	62.92 percent Minority	43.53 percent Minority
Average Borrower Age	35 years old	34 years old
Average Number of Dependents	1 dependent	1 dependent
Primary Borrower Gender	45.63% female/ 52.84% male	46.89% female/ 53.11% male
Average FICO score	683	673

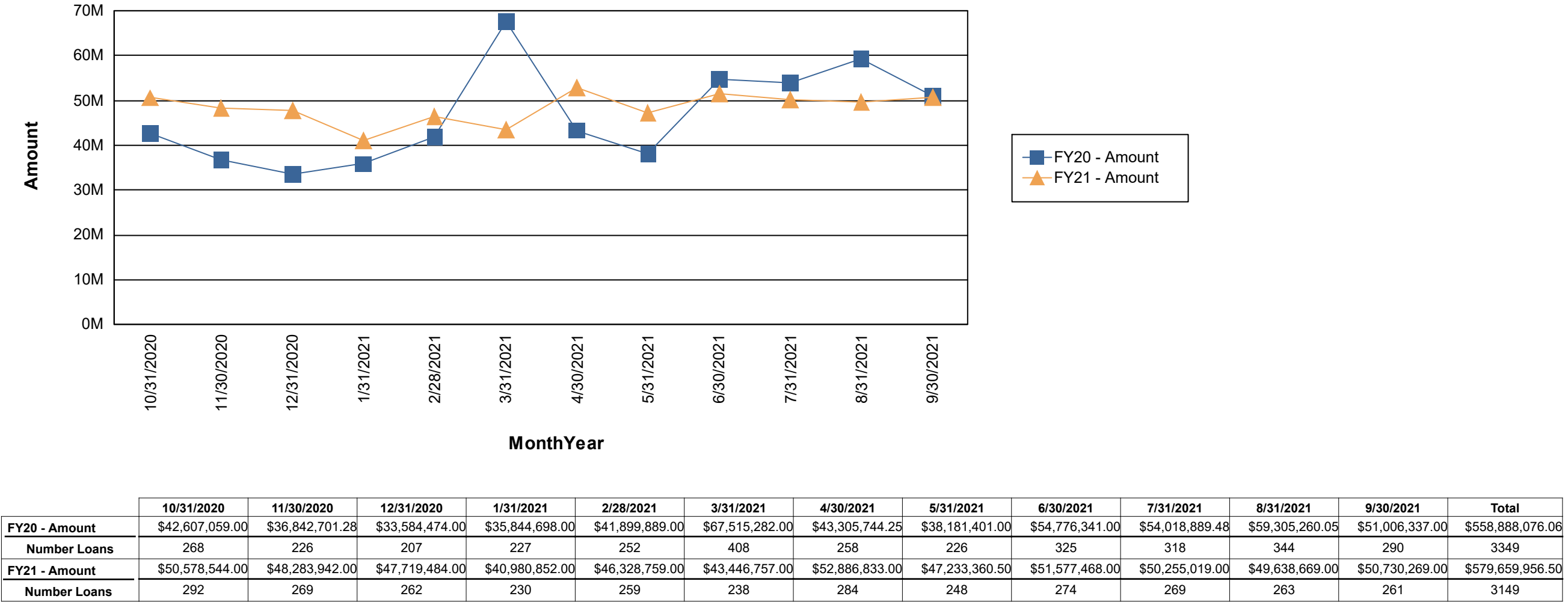
- MFA Program Utilization



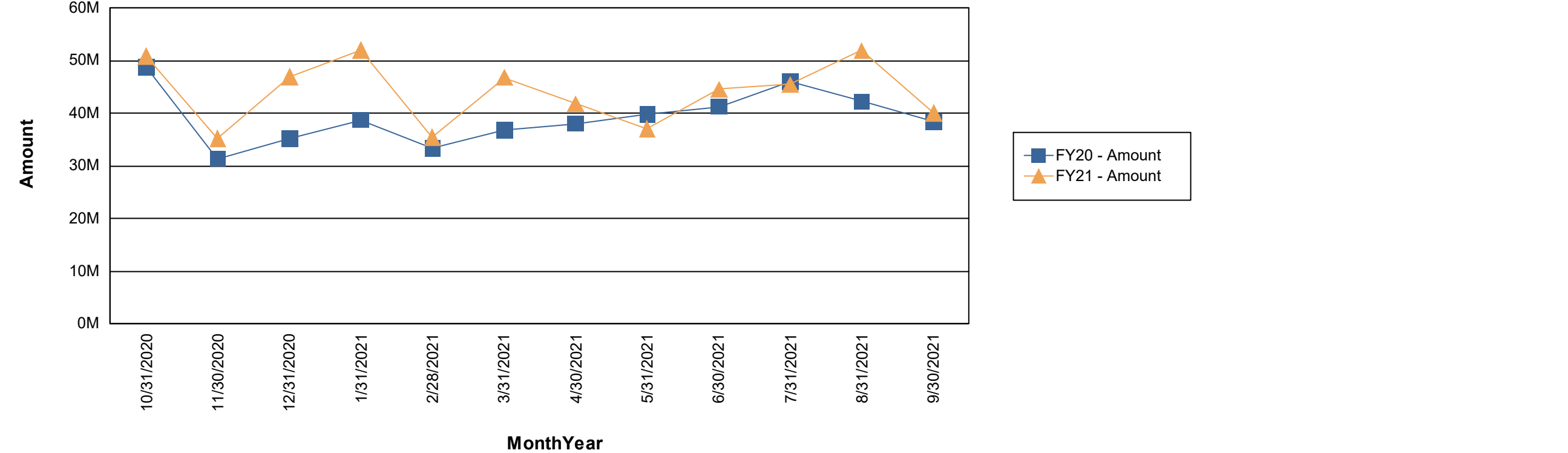
- Median Sales Price and Home Sales Trend for New Mexico



Reservation Loans



Purchased Loans



	10/31/2020	11/30/2020	12/31/2020	1/31/2021	2/28/2021	3/31/2021	4/30/2021	5/31/2021	6/30/2021	7/31/2021	8/31/2021	9/30/2021	Total
FY20 - Amount	\$48,767,986.23	\$31,373,931.58	\$35,138,694.12	\$38,753,023.76	\$33,417,572.56	\$36,792,733.66	\$38,046,871.84	\$39,783,764.77	\$41,279,633.63	\$46,004,032.93	\$42,216,460.55	\$38,465,381.99	\$470,040,087.62
Number Loans	305	196	221	234	211	229	230	241	250	270	248	227	2862
FY21 - Amount	\$50,878,316.69	\$35,123,019.79	\$46,923,331.51	\$52,029,099.05	\$35,337,959.61	\$46,793,566.46	\$41,759,703.43	\$37,107,437.35	\$44,521,171.64	\$45,422,720.87	\$51,857,027.74	\$40,029,827.78	\$527,783,181.92
Number Loans	297	197	272	285	199	261	236	202	236	238	275	208	2906

Tab 16

Q4 2021 QUARTERLY MULTIFAMILY PIPELINE REPORT SUMMARY

Sixty (60) ACTIVE PROJECTS representing:

- \$53.3 million in annual tax credits
- \$29.6 million in MFA-issued bonds
- \$32.7 million in MFA loans
- Totaling \$115,698,927 in combined funding
- Consisting of 4,241 apartment units
- Located in 28 municipalities across the state

Two (2) project CLOSINGS in Q4:

- 6100 Harper- 59 units
- Broadway/McKnight- 54 units
- A couple of scheduled closings slid into FE 2022

Forty-one (41) projects are currently UNDER CONSTRUCTION:

- Three projects added, one removed
- Approximately 11 projects are expected to complete by end of calendar year.

COVID-19 DELAYS:

- Four projects granted 12-month extensions for placed-in-service deadlines

Construction COMPLETION:

- Eight projects complete and either awaiting final inspections or formal notification of completion

Upcoming Ground Breakings/Ribbon-cuttings:

- None that we are aware of

Estimated Economic Impact of the 41 projects (3,204 units) currently under construction:

- Approximately \$375 million in local income
- Approximately 5,126 jobs

Eventual Economic Impact of all 60 projects once under construction:

- Approximately \$496 million in local income
- Approximately 6,786 jobs

Multifamily Project Completion Pipeline Report

Fiscal Year: 2021		Total LIHTC Award: \$	53,342,392	Total Projects:	60	Which will result in \$495,900,130 in local income and 6,786 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
Quarter: 4th		Total MFA-Issued Bond	\$ 29,650,000	Total # of Apts:	4,241	
Prepared: 10/18/2021		Amount:		# of Projects Under Construction:	41	
		Total MFA Loan Amount: \$	32,706,535	Total # of Apts Under Construction:	3,204	Which will result in \$374,643,720 in local income and 5,126 jobs from the direct and indirect impact of contruction activity, as well as the induced effect of spending income and tax revenue from the eventual construction activity.
		Overall Awards: \$	115,698,927	# of Municipalities	28	

Reported at February, May, August and November Board Meetings for the prior quarter

Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date <i>Actual (A) or Projected (P)</i>	No of Apts	NC - New Construction or Acq/Rehab	Construction Start Approval Date <i>Actual (A) or Projected (P)</i>	33% Complete Date <i>Actual (A) or Projected (P)</i>	66% Complete Date <i>Actual (A) or Projected (P)</i>	Construction Completion Date <i>Actual (A) or Projected (P)</i>	Certificate of Occupancy/Placed in Service Date <i>Actual (A) or Projected (P)</i>	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan Amounts	MFA Loan Programs	Any Known Issues or Comments
9%	1	Vista de Socorro	Socorro	2021	(P) 02/15/22	32	NC	(P) 12/1/2021	(P) 4/12/2022	(P) 8/22/2022	(P) 1/1/2023	(P) 2/1/2023	\$ 495,000	N/A	\$240,000 \$400,000 \$1,500,000	HOME NHTF NMHTF	
	2	Belen Vista	Belen	2021	(P) 02/15/22	57	AR	(P) 12/1/2021	(P) 4/1/2022	(P) 8/1/2022	(P) 12/1/2022	(P) 12/15/2023	\$ 787,639	N/A	\$400,000 \$400,000	HOME-CHDO NHTF	
	3	West Berry	Hobbs	2021	(P) 12/15/21	56	NC	(P) 4/1/2022	(P) 9/10/2022	(P) 2/19/2022	(P) 8/1/2023	(P) 8/15/2023	\$ 900,143	N/A	\$840,000 \$1,000,000	HOME-CHDO NMHTF	
	4	Mariposa	Taos	2021	(P) 02/14/22	58	AR/NC	(P) 12/1/2021	(P) 4/1/2022	(P) 8/1/2022	(P) 12/1/2022	(P) 12/15/2022	\$ 801,704	N/A	\$400,000 \$400,000	HOME NHTF	
	5	Hiland Plaza	Albuquerque	2021	N/A No MFA loans	92	NC	(P) 1/1/2022	(P) 5/22/2022	(P) 10/10/2022	(P) 3/1/2023	(P) 3/15/2023	\$ 1,232,333	N/A	N/A	N/A	
	6	Alameda Flats	Roswell	2021	(P) 01/03/22	70	NC	(P) 3/1/2022	(P) 7/1/2022	(P) 11/30/2022	(P) 3/1/2023	(P) 3/15/2023	\$ 1,125,110	N/A	\$400,000 \$400,000	HOME NHTF	
	7	A'diidi ni'kuwaa	Mescalero	2020	(P) 01/31/22	40	NC	(A) 4/30/2021	(P) 11/1/2021	(P) 3/31/2022	(P) 6/1/2022	(P) 11/15/2022	\$ 626,772	N/A	\$292,500 \$400,000	HOME NHTF	
	8	Luminaria Senior	Albuquerque	2020	N/A No MFA loans	92	NC	(A) 1/4/2021	(A) 6/9/2021	(A) 10/6/2021	(P) 3/1/2022	(P) 11/15/2022	\$ 1,142,400	N/A	N/A	N/A	
	9	PAHA Homes #2	Pueblo of Acoma	2020	N/A No MFA loans	30	NC	(A) 12/28/2020	(A) 10/1/2021	(P) 1/15/2022	(P) 5/1/2022	(P) 11/15/2022	\$ 671,000	N/A	N/A	N/A	Arch noted completion update of 30% as of 9/30
	10	Encantada Apartments	Los Lunas	2020	(P) 4/20/2021	48	Acq/Rehab	(A) 4/12/2021	(A) 7/30/2021	(P) 12/31/2021	(P) 2/1/2022	(P) 11/15/2022	\$ 633,630	N/A	\$400,000 \$400,000	HOME NHTF	*Reported as 49% complete as of 10/1/2021
	11	6100 Harper	Albuquerque	2020	(A) 8/12/2021	59	Acq/Rehab	(A) 2/23/2021	(P) 5/10/2022	(P) 10/8/2022	(P) 11/15/2022	(P) 11/15/2022	\$ 912,789	N/A	\$400,000	NHTF	
	12	Copper Terrace	Albuquerque	2020	(A) 11/17/2020	96	Acq/Rehab	(A) 12/30/2020	(A) 5/15/2021	(A) 8/19/2021	(P) 2/15/2022	(P) 11/15/2022	\$ 1,232,333	N/A	\$1,000,000 \$1,000,000	HOME-CHDO NMHTF	
	13	Broadway/McKnight	Albuquerque	2020	(A) 7/26/2021	54	NC	(A) 9/13/2021	(P) 11/30/2021	(P) 3/1/2022	(P) 9/1/2022	(P) 11/15/2022	\$ 954,720	N/A	\$400,000	NHTF	
	14	Villa Mirasol	Sunland Park	2020	(A) 09/01/21	48	NC	(P) 11/15/2021	(P) 1/4/2022	(P) 5/8/2022	(P) 8/6/2022	(P) 11/15/2022	\$ 848,640	N/A	\$360,000	HOME	
	15	The Bluffs	Los Alamos	2019	N/A No MFA loans	64	NC	(A) 7/29/2021	(P) 11/30/2021	(P) 3/1/2022	(P) 7/1/2022	(P) 11/15/2022	\$ 1,028,671	N/A	N/A	N/A	*COVID-related extension request granted through 12/31/2022.
	16	Siler Yard: Arts + Creativity Center	Santa Fe	2019	N/A No MFA loans	65	NC	(A) 06/23/20	(A) 4/15/2021	(P) 11/30/2021*	(P) 2/1/2021*	(P) 11/15/2022	\$ 1,040,000	N/A	N/A	N/A	COVID-related extension request granted through 12/31/2022. Sidewalk and concrete cracking. Tough morale on site. Long-term cost issues possible.

Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date <i>Actual (A) or Projected (P)</i>	No of Apts	NC - New Construction or Acq/Rehab	Construction Start Approval Date <i>Actual (A) or Projected (P)</i>	33% Complete Date <i>Actual (A) or Projected (P)</i>	66% Complete Date <i>Actual (A) or Projected (P)</i>	Construction Completion Date <i>Actual (A) or Projected (P)</i>	Certificate of Occupancy/Placed in Service Date <i>Actual (A) or Projected (P)</i>	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan Amounts	MFA Loan Programs	Any Known Issues or Comments
	17	Skyview Terrace	Hobbs	2019	(A) 12/12/19	72	NC	(A) 12/10/19	(A) 7/29/2020	(A) 11/20/2020	(A) 7/20/2021	(P) 11/30/2021	\$ 1,157,325	N/A	\$600,000 \$1,000,000	HOME-CHDO NMHTF	*Project construction reported as nearly complete and occupied on 7/20/2021; awaiting contractor corrections on a new roadway to close out.
	18	1115 Calle La Resolana	Santa Fe	2019	(A) 10/15/20	45	NC	(A) 02/03/21	(A) 7/30/2021	(P) 11/30/2021	(P) 11/15/2022	(P) 12/30/2022	\$ 723,285	N/A	\$400,000 \$400,000	HOME NHTF	COVID-related extension request granted through 12/31/2022.
	19	Villa Del Norte	Espanola	2019	(A) 03/05/20	50	Acq/Rehab	(A) 03/10/20	(A) 11/6/2020	(A) 1/14/2021	(A) 7/21/2021	(A) 9/14/2021	\$ 572,401	N/A	\$375,000 \$400,000 \$1,500,000 \$1,000,000 \$750,000	HOME NHTF NMHTF Primero Ventana	Working on 8609 Final documents, received 9/14/2021.
	20	Desert Hope	Las Cruces	2019	N/A No MFA loans	40	Acq/Rehab	(A) 06/10/20	(A) 12/4/2020	(A) 4/1/2021	(A) 7/30/2021	(P) 11/15/2021	\$ 560,000	N/A	N/A	N/A	
	21	Sunray/Lobo Canyon Apartments	Grants	2019	(A) 3/18/2020	128	Acq/Rehab	(A) 11/01/19	(A) 10/31/2020	(A) 2/26/2021	(P) 11/15/2021	(P) 11/15/2021	\$ 1,232,333	N/A	\$400,000 \$400,000	HOME NHTF	
	22	Canyon Walk	Los Alamos	2018	N/A No MFA loans	70	NC	(A) 11/15/19	(A) 9/1/2020	(A) 1/14/2021	(P) 11/15/2021	(P) 11/15/2021	\$ 1,049,930	N/A	N/A	N/A	COVID-related extension request granted through 12/31/2021. *Awaiting architectural report to document further completion of the project. 9/30/2021 Developer reports 90% completed
	23	Ochenta	Taos	2018	N/A No MFA loans	80	NC	(A) 08/12/19	(A) 6/4/2020	(A) 12/17/2020	(A) 8/1/2021	(P) 11/15/2021	\$ 1,150,000	N/A	N/A	N/A	Awaiting 8609 request before completing final inspection.
	24	Villa Consuelo	Santa Fe	2018	N/A No MFA loans	100	Acq/Rehab	(A) 03/07/19	(A) 12/31/19	(A) 05/29/20	(A) 05/05/21	(P) 11/15/21	\$ 1,115,168	N/A	N/A	N/A	Arson Fire; pending 8609s
4%	1	Casa de Encantada	Rio Rancho	2021	(A) 10/21/2021	152	NC	(P) 11/14/21	(P) 3/1/2022	(P) 09/30/22	(P) 3/1/2023	(P) 9/1/2023	\$ 1,463,655	County-issued bonds	\$2,000,000	NMHTF	
	2	La Serena	Albuquerque	2020	(P) 1/30/2022	78	NC	(A) 08/09/21	(P) 11/15/21	(P) 02/01/22	(P) 06/01/22	(P) 12/01/22	\$ 6,666,680	County-issued bonds	\$1,500,000	NMHTF	
	3	San Roque	Albuquerque	2020	(P) 12/31/2021	136	NC	(P) 11/30/21	(P) 04/30/22	(P) 08/31/22	(P) 12/31/22	(P) 02/28/23	\$ 12,584,200	County-issued bonds	\$800,000 \$1,325,000 \$2,622,031	HOME NHTF NMHTF	ON HOLD
	4	Four Seasons	Hobbs	2020	N/A No MFA loans	80	Acq/Rehab	(A) 10/26/20	(A) 4/22/2021	(A) 7/30/2021	(P) 11/15/2021	(P) 11/15/2021	\$ 328,052	County-issued bonds	N/A	NHTF	Need to check ADA compliance in kitchen (turning radius).
	5	The Commons at Martineztown	Albuquerque	2020	N/A No MFA loans	96	Acq/Rehab	(A) 02/02/21	(A) 8/1/2021	(A) 10/1/2021	(P) 8/1/2022	(P) 8/1/2022	\$ 688,679	County-issued bonds	N/A	NMHTF	*Construction reported as 60% complete as of October 1, 2021 Third super - second site manager.
	6	Casa de Sierra	Albuquerque	2020	N/A No MFA loans	188	Acq/Rehab	(A) 3/4/2021	(P) 11/5/2021	(P) 12/30/2021	(P) 3/31/2022	(P) 3/31/2022	\$ 894,009	County-issued bonds	N/A	N/A	*Construction reported as 33% complete, pending architect's construcion completion visit on 11/5/2021
	7	550 Paseo	Rio Rancho	2020	(A) 3/23/2021	240	NC	(A) 3/9/2021	(P) 12/31/2021	(P) 5/31/2022	(P) 3/31/2023	(P) 3/31/2023	\$ 1,724,641	County-issued bonds	\$750,000 \$2,000,000	HOME NMHTF	
	8	Ceja Vista	Albuquerque	2019	(A) 12/16/2020	154	NC	(A) 10/06/20	(A) 12/22/2020	(P) 2/28/2022	(P) 9/26/2022	(P) 9/26/2022	\$ 886,136	County-issued bonds	\$1,500,000	NHTF	

Main Funding Source		Project Name	Project Location	Application or Allocation Year	Loan Closing Date <i>Actual (A) or Projected (P)</i>	No of Apts	NC - New Construction or Acq/Rehab	Construction Start Approval Date <i>Actual (A) or Projected (P)</i>	33% Complete Date <i>Actual (A) or Projected (P)</i>	66% Complete Date <i>Actual (A) or Projected (P)</i>	Construction Completion Date <i>Actual (A) or Projected (P)</i>	Certificate of Occupancy/Placed in Service Date <i>Actual (A) or Projected (P)</i>	LIHTC Award Amount	MFA PAB Bond Amount	MFA Loan Amounts	MFA Loan Programs	Any Known Issues or Comments
	9	Sandia Vista and Plaza David Chavez	Albuquerque	2019	N/A No MFA loans	213	Acq/Rehab	(A) 04/14/20	(A) 1/28/2021	(A) 5/31/2021	(P) 2/1/2022	(P) 2/1/2022	\$ 1,340,250	County-issued bonds	N/A	N/A	
	10	JLG North Number of Projects: 6	Gallup Bloomfield Bernalillo (City)	2019	(A) 08/20/20	211	Acq/Rehab	(A) 08/01/20	(A) 12/11/2020	(A) 3/31/2021	(A) 8/23/2021	(A) 8/23/2021	\$ 665,611	\$ 9,650,000	N/A	N/A	*Working on 8609 Final documents.
	11	JLG South Number of Projects: 8	Columbus Deming Anthony	2019	(A) 08/02/20	215	Acq/Rehab	(A) 08/01/20	(A) 12/4/2020	(A) 1/21/2021	(P) 11/15/2021	(P) 11/15/2021	\$ 648,880	\$ 9,000,000	N/A	N/A	Issues with ADA compliance identified 1/21/2021. *Construction reported as nearly complete on 7/21/2021. Contractor working on punch list items
	12	JLG Central Number of Projects: 6	Ruidoso Downs Belen Portales Las Vegas Artesia	2019	N/A No MFA loans	214	Acq/Rehab	(P) 11/15/2021	(P) 3/31/2022	(P) 6/30/2022	(P) 10/1/2022	(P) 11/30/2022	\$ 903,432	\$ 11,000,000	N/A	N/A	New Application 6/11/2021 - 42m letter 10/05/2021
	13	Valle de Atrisco	Albuquerque	2017	(A) 08/12/20	240	NC	(A) 12/13/17	(A) 9/4/2019	(A) 12/18/2020	(A) 5/15/2021	(A) 10/4/2021	\$ 1,425,874	County-issued bonds	\$1,830,000 \$500,000	NHTF NMHTF	*Remaining issues at latest inspection. Anticipating photographs to prove completion. Application for 8609s received 10/4/2021.
	14	La Vida Nueva	Albuquerque	2016	(A) 07/07/17	314	Acq/Rehab	(A) 07/01/17	(A) 7/15/2019	(A) 5/11/2020	(A) 10/1/2020	(P) 11/30/2021	\$ 1,128,967	County-issued bonds	\$1,000,000 \$1,000,000	NHTF Primero	*MFA Final inspection pending - Owner has implemented plan to correct ADA compliance issues that were identified during the final inspection.
LOANS ONLY	1	Mountain View	Tucumcari	2021	(P) TBD*	45	N/A	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$995,044	PRLF	*USDA RD experiencing delays in processing
	2	Las Rosas I	Tularosa	2019	(P) TBD*	28	Acq/Rehab	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$ 682,555	PRLF	*USDA RD experiencing delays in processing
	3	Las Rosas II	Tularosa	2019	(P) TBD*	29	Acq/Rehab	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$ 925,710	PRLF	*USDA RD experiencing delays in processing
	4	Sacramento Apts	Cloudcroft	2019	(P) TBD*	20	Acq/Rehab	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	(P) TBD*	N/A	N/A	\$ 510,726	PRLF	*USDA RD experiencing delays in processing
	5	Hope Village	Albuquerque	2018	(A) 08/06/20	42	NC	(A) 08/03/20	(A) 3/15/2021	(A) 7/31/2021	(A) 10/1/2021	(A) 10/1/2021	N/A	N/A	\$4,250,000 \$630,000 \$1,300,000	NHTF HOME-CHDO NMHTF	

Tab 17

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Closed Session

Tab 18

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Open Session

Tab 19

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

Department and Program	Project	Action Taken	Comments / Date Approved
Servicing Department	Quality Control Review for Loan Servicing August 2021 QC	Approval of report issued by REDW – No findings	Approved by Policy Committee on October 5, 2021
Community Development/Youth Homelessness Demonstration Project	Transfer of Youth Homelessness Demonstration Project Award	Approval was granted to transfer \$30,548.69 of YHDP match funding from San Juan County to San Juan Safe Communities.	Approved by Policy Committee on October 13, 2021
Community Development/Weatherization Assistance Program	Transfer of PNM Funds from Southwest Regional Housing and Community Development (SRHCDC) to Central NM Housing (CNMH)	Approval was granted to transfer \$8,000 from SRHCDC to CNMH to balance the funding needs.	Approved by Donna Maestas-De Vries on October 21, 2021

COVID-19
Staff Actions Requiring Notice to Board
During the Period of October 7, 2021 - present

Department and Program	Project	Action Taken	Comments / Date Approved

Tab 20



Quarterly Report to the MFA Board of Directors Q4 FY2021

Production Statistics	Current Quarter	Same Quarter Last Year	Fiscal Year to Date
Homeownership			
Number of loans reserved	793	282	3,149
Amount of loans reserved	\$150,623,957	\$50,276,431	\$579,659,957
Number of loans purchased	721	745	2,906
Amount of loans purchased	\$137,309,576	\$126,685,875	\$527,783,182
Number of homebuyers counseled	900	898	2,545
Number of lenders/REALTORS contacted	1,138	1,874	5,192
Housing Development			
Amount of MF loans/grants/bonds	\$800,000	\$8,510,000	\$8,650,000
Amount of SF loans/grants	\$0	\$0	\$0
Amount of TC: LIHTC (MF) & State (MF & SF)	\$420,000	\$962,790	\$11,882,853
Number of MF units	113	458	1,051
Number of SF units	3	0	12
Housing Rehab & Weatherization			
Amount of rehab expenditures	\$380,373	\$401,012	\$1,085,110
Number of units rehabilitated	26	2	31
Amount of NM EnergySmart expenditures	\$1,828,189	\$1,919,403	\$6,781,260
Number of units weatherized	117	168	606
Shelter & Supportive Housing Programs			
Amount of shelter supportive service	\$1,240,990	\$559,501	\$4,261,935
Number of persons served ¹	1,662	1,803	4,437
Amount of rental assistance ²	\$1,476,542	\$828,226	\$5,272,718
Number of persons assisted	600	819	2,591

1 - EHAP & CoC

2 - Linkages, HHRHI, RAP & HOPWA



The need for MFA mortgage products:

MFA borrowers have an average annual income of \$56,481 and purchase homes with an average price of \$187,731. 25 percent are single-parent households; 63 percent are minorities.

MFA targets below market mortgage rates, and all first-time homebuyers receive pre-purchase counseling. MFA provides down payment assistance to 99 percent of its borrowers. Without these programs, many borrowers could not buy a home.



The need for housing development:

Only 4 percent of New Mexico's housing units are located in apartment complexes of 20 units or more. Many of these are old and in poor condition.

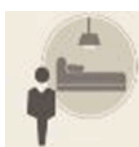
50 percent of renters are cost-burdened, about half pay between 30 percent and 49 percent of their income on rent; the other half pay more than 50 percent.



The need for housing rehabilitation and weatherization:

New Mexico has aging housing stock. 47 percent of its homes were built before 1980; only 18.4 percent were built after 2000. The average age of homes in NM is 35 years.

Many low-income homeowners are at risk because of health and safety hazards in their homes. They pay high utility bills because they cannot afford to make energy-efficiency improvements.



The Need for Assistance Programs:

The New Mexico Coalition to End Homelessness estimates that a total of 15,000 to 20,000 New Mexicans experience homelessness in a year.

The pandemic has increased the number of people experiencing homelessness.

While many people resolve their housing crisis on their own or with existing help, 6,500 people per year do not.

Solutions:

Rapid Rehousing which is rental assistance for up to 2 years.

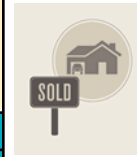
Permanent Supportive Housing for people with disabilities which is housing and support services provided for as long as needed.

Coordinated Entry to keep track of everyone in need of housing and quickly match people to appropriate housing.



Quarterly Report to the MFA Board of Directors Q4 FY2021

Servicing	Current Quarter	Same Quarter Last Year	Target Rate
First Mortgage delinquency rate	0.00	9.20	
Partners Program delinquency rate	9.45	13.33	
DPA loan delinquency rate	7.76	8.53	
Multifamily loan delinquency rate	2.47	1.23	
Combined delinquency rate - Current Month	7.67	8.52	
Combined average delinquency rate-FY	8.01	8.89	10.00
Default rate (writeoffs/foreclosure losses)	0.65	1.06	1.30
Master Servicing MBS delinquency rate	11.14	13.09	
REO Inventory - # of loans	1	0	
REO Inventory - Exposure	\$47,715	\$0	



MFA's Servicing Department:

Provides servicing for over 16,400 loans with a principal balance over \$348 million.

Many of the loans MFA services are for internal programs that target higher risk borrowers. MFA's Mortgage-Backed Securities (MBS) portfolio is serviced by our sub-servicer.

Delinquency rates in this portfolio can be benchmarked to Mortgage Banker Association averages 5.35 percent for all loans in New Mexico and 10.57 percent for FHA in New Mexico as of 6/30/2021.

Monitoring	Current Quarter	Year to Date	Fiscal Year Monitoring Required
Asset Management			
Number of properties monitored	50	75	187
Number of units inspected	130	130	N/A
Number of PBCA activities	272	1133	N/A
Community Development			
Number of required monitorings ³	6	35	41

³ - based on program year, 7/1 - 6/30



MFA's Asset Management Department:

Monitors 271 properties and 18,255 units of housing financed by MFA, providing unit inspections and review of records and finances on a regular basis. Asset Management also supports 86 properties and 5,189 units under MFA's HUD Project Based Contract Administrator (PBCA) contract.



MFA's Community Development Department:

Manages ten programs with multiple different funding sources, and approximately 91 partners across the state. Our partners deliver housing to more than 9,300 individuals and receive approximately \$17 million in funding. Monitoring is performed on a regular basis to ensure program compliance.