

LFC Requester:

Jeannae Leger

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 23 JAN 2025

Check all that apply:

Bill Number: HB 118Original Correction Amendment Substitute

Agency Name

and Code N/A

Number:

Sponsor: Cates

Short

Professional Recruitment and Retention Act

Person Writing

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Taylor.Cook@exec.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$5,000,000	\$0	Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NA	NA	NA	NA	NA

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: NA

SECTION III: NARRATIVE

BILL SUMMARY

The legislation creates a loan program for qualified professionals for the down payment or closing costs for the purchase of a home in New Mexico. The program would serve qualified professionals in health care working at least 75% of full time including nurses, dentists, dental hygienist, physician, anesthesiologist assistant, psychologist pharmacists, occupational therapist, physical therapist, respiratory care practitioner and licensed social worker with incomes below 150% of the area median income for the county where the home is being purchased.

It would provide loans for up to 10% of the maximum eligible purchase price which would be secured by a lien and forgiven progressively over the term of the loan which is completely forgiven after 10 years of employment in the respective field. Repayment of the loan is triggered if the professional moves out of state, does not work the required hours, loses or allows for a lapse in their licensure, or otherwise violates the loan contract. If the loan repayment is triggered within the first five years the professional must repay the entire amount of the loan plus 5.5% interest, five to seven years they have to repay 50% of the loan plus 5.5% interest, in years seven to ten 25% of the original loan plus 5.5% interest is due, and after 10 years the loan extinguishes.

The Mortgage Finance Authority must provide an annual report to the oversight committee on the number of loans granted and the professions and locations represented by the loans.

FISCAL IMPLICATIONS

Because this program is being administered by a quasi-governmental organization, there are no direct fiscal implications to the state beyond the initial appropriation. The cost of administration of the program would typically be taken from the appropriation reducing the amount of funds that are available to consumers by up to 20%.

SIGNIFICANT ISSUES

There are no significant negative implications from this legislation.

PERFORMANCE IMPLICATIONS

New Mexico Mortgage Finance Authority has a long history of administering similar programs. This program does target a smaller pool of potential clients than existing programs so it may require additional investments in marketing and outreach to ensure utilization.

ADMINISTRATIVE IMPLICATIONS

New Mexico Mortgage Finance Authority has a long history of administering similar programs and there are no significant implications.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This program is similar in structure to other downpayment assistance programs offered to the general public and offered through programs at the New Mexico mortgage finance authority and several local governments around the state. These all have high level of utilization so additional targeted funding could either free up resources for the general public or deepen assistance for these targeted professionals. It's not clear from statute if this benefit would be allowed to be combined with other assistances available.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

Utilize existing downpayment assistance resources to serve these groups and strengthen outreach to targeted licensed professionals.

Expand other recruitment programs like the educational loan forgiveness programs to include non-clinical licensed social workers.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

New Mexico is facing a shortage of licensed professionals and a rapidly rising cost of housing. This affordability crisis especially effects the ability of lower income licensed professionals to move to New Mexico or continue practicing in the state.

AMENDMENTS