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| <b>LFC Requester:</b> | <b>Emily Hilla</b> |
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 2/20/2025 *Check all that apply:*  
**Bill Number:** HB 440 Original  Correction   
 Amendment  Substitute

**Sponsor:** Tara L. Lujan, Antonio Maestas **Agency Name** 992 – New Mexico Mortgage  
**Short** Homeowners Assoc. Liens **and Code** Finance Authority  
**Title:** \_\_\_\_\_ **Number:** (Housing New Mexico | MFA)  
**Person Writing** Robyn Powell  
**Phone:** 505-767-2271 **Email** rpowell@housingnm.org

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

| Appropriation |      | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY25          | FY26 |                           |               |
| NA            | NA   | NA                        | NA            |
|               |      |                           |               |

(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 |
|--------------|------|------|------|-------------------|---------------------------|---------------|
| <b>Total</b> | NA   | NA   | NA   | NA                | NA                        | NA            |

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A  
Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

**House Bill 440** proposes amending Section 47-16-6 by:

- Restricting a homeowners association (HOA) to foreclosure on a property if:
  - The lien is less than 12 months delinquent.
  - The lien is less than \$5,000.
  - For assessments consisting of only fines.

#### **FISCAL IMPLICATIONS**

There is no fiscal impact to Housing New Mexico | MFA.

#### **SIGNIFICANT ISSUES**

1. If enacted, homeowners are less likely to be foreclosed on over short-term or minor debts.
2. This bill may encourage homeowners associations to prioritize repayment plans as foreclosure on smaller amounts will be restricted.
3. The homeowners associations may raise monthly fees or dues to compensate for potential losses.

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

#### **AMENDMENTS**