

MFA Single-Family Mortgage Products

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MFA Act Oversight Committee
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Single-Family Programs (cont.)

First Mortgage Loans

- “First Home” Program
 - First time homebuyer requirement
 - Up to 115% Area Median Income allowed, based on family size
 - Single unit, owner occupied properties
- “Next Home” Program
 - Non-first time homebuyer allowed
 - Up to 140% Area Median Income
 - Single unit, owner occupied properties

Single-Family Programs (cont.)

Down Payment Assistance

- “First Down” Program
 - Up to \$8,000 in assistance
 - Second mortgage loan
 - 30 year amortization, to provide affordable payment
 - 6.00% interest rate
- “Next Home” Grant
 - 3.0% of the sales price
 - No repayment of the grant
 - Provides instant equity to the homebuyer

Single-Family Programs (cont.)

Pre-Purchase Homebuyer Counseling

- Required for all first time homebuyers
 - Online, self-paced course (“eHome America”)
 - Face to face counseling by HUD approved counseling agency
- Future resources for housing counseling
 - HUD Housing Counseling grant
 - NeighborWorks Foreclosure Mitigation Counseling grant

Homebuyer Demographics

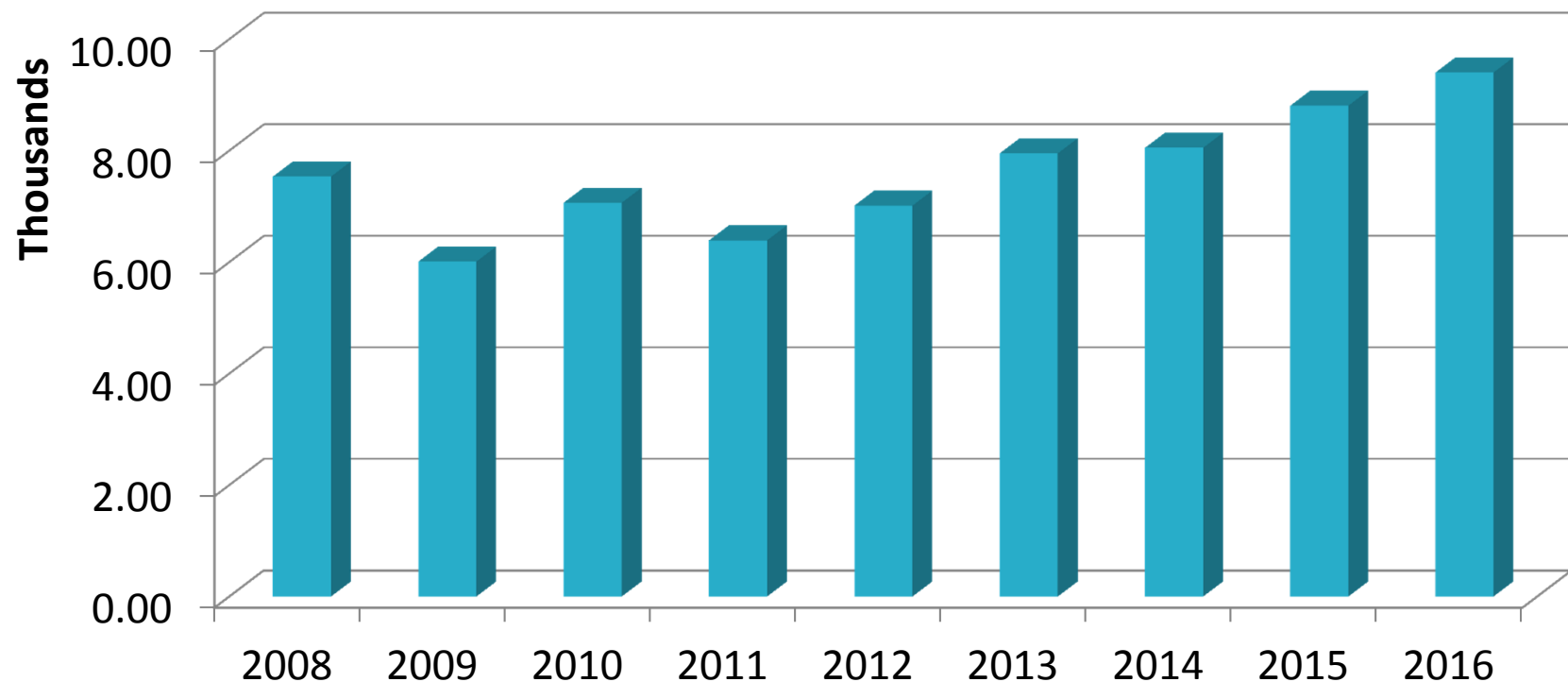
MFA Homebuyer Characteristics

- 55% of MFA homebuyers are single parent households
- 43% of MFA homebuyers are minority households
- Average age of MFA homebuyer is 35
- Average MFA first mortgage loan amount is \$133,371
- Average purchase price is \$137,023
- Average credit score of 682

New Mexico Market Trends

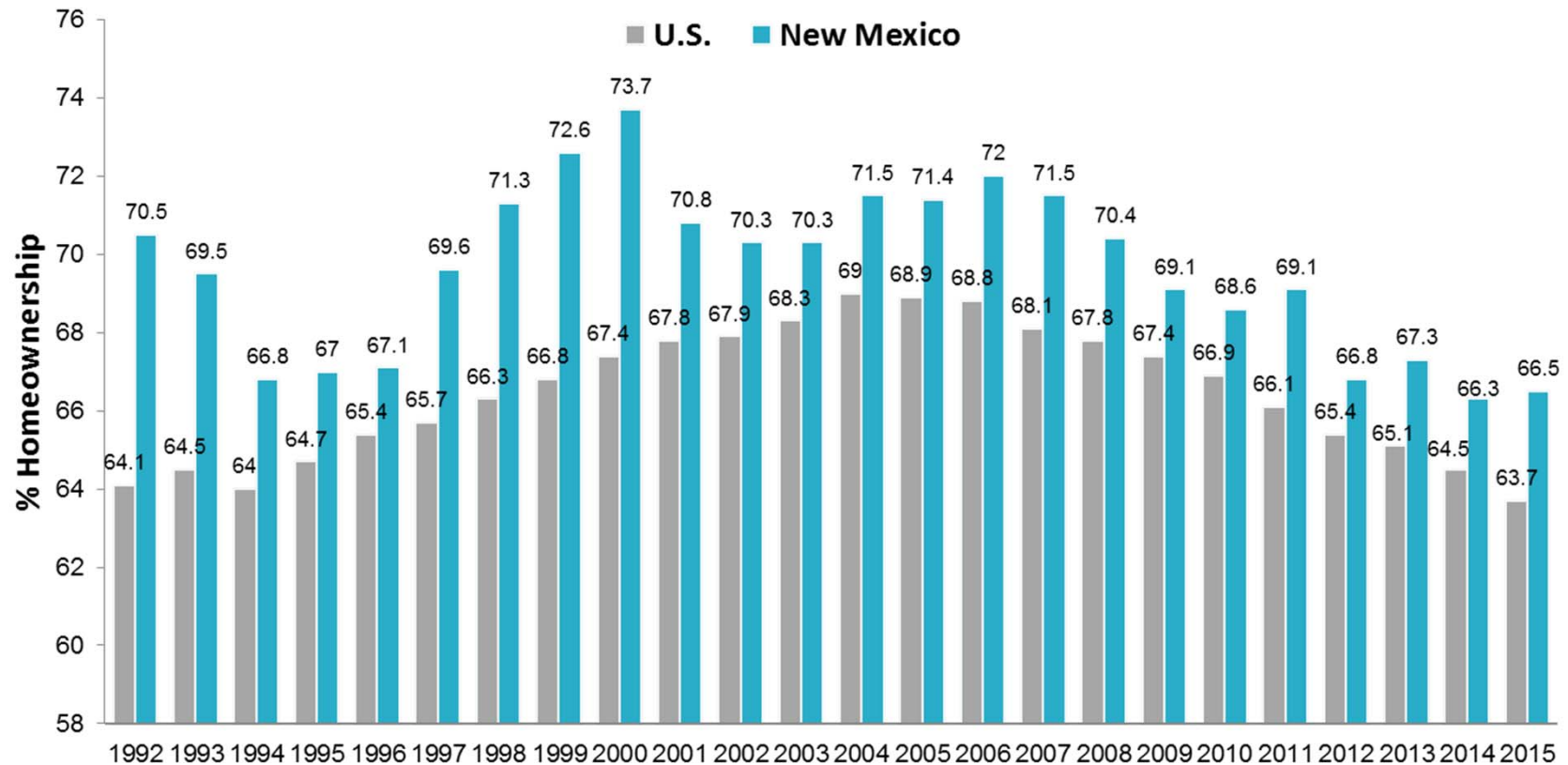
“There are still many areas of the state suffering from lower than usual inventory of homes for sale. While this is good news for sellers, it limits the options available for buyers.” *

January through June Home Sales



**Realtors Association of New Mexico-June 2016 Housing Statistics Report*

NM and U.S. Homeownership Rates, 1992-2015



Source: Federal Reserve Bank of St. Louis

First Time Homebuyer Activity

- **First Time Homebuyer (“FTHB”) Market Share***
 - In May, 2015, FTHB home purchases increased to the highest level in 5 years
 - In June, 2016, FTHB accounted for 40.3% of all home purchases, up from 38.4% in June, 2015

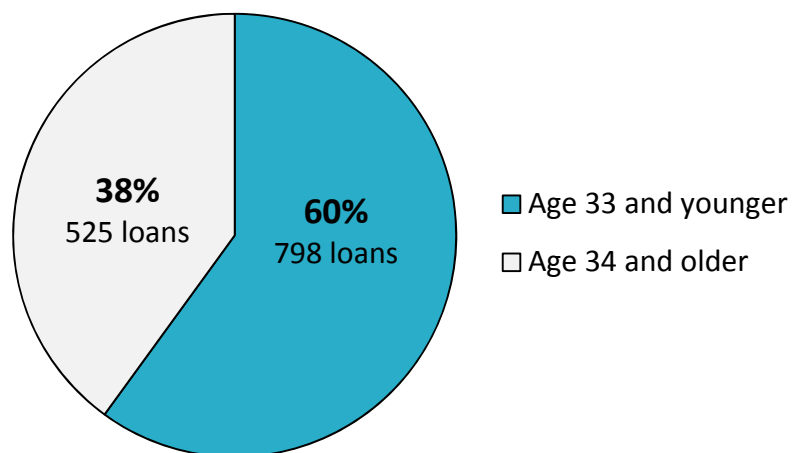
“The sweet spot in the market right now is homes priced between \$150,000 and \$200,000. Most of these homes are selling to first time homebuyers”*

Serving the Needs of Younger Homebuyers

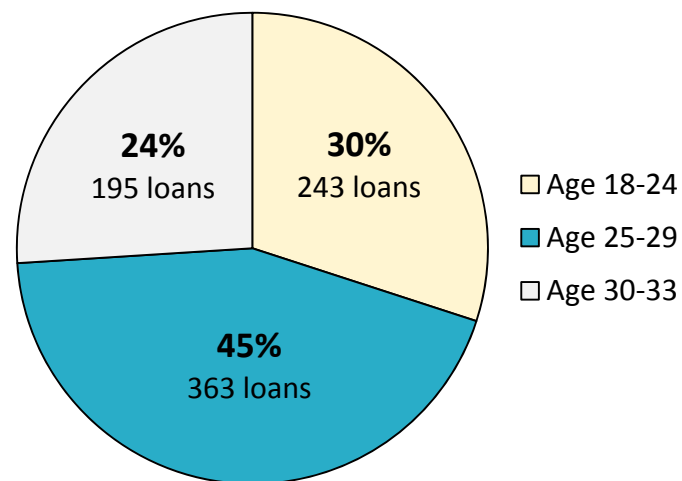
MFA First-Time Homebuyer Loans to Millennials, 2015

- Millennials account for 14.2% of the population in New Mexico*
- Of 1,323 first-time homebuyer loans made by MFA in 2015, 798 or 60% were made to borrowers 33 years of age or younger.

All MFA Loans, 2015



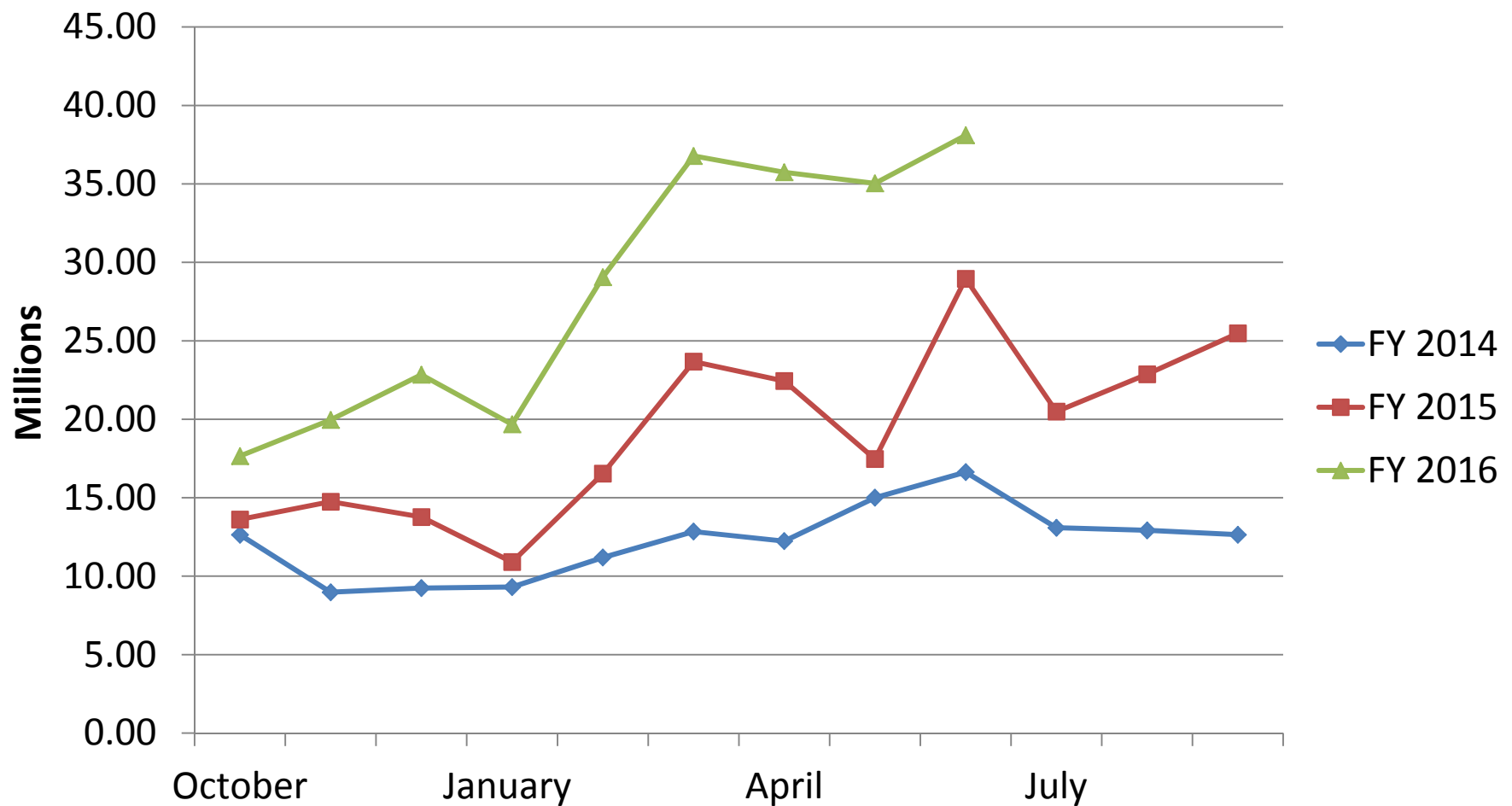
MFA Loans to Millennials, 2015



**National Association of Realtors report-July 2016*

Increase in Loan Reservation Activity

FY 2014, FY 2015 and FY2016 YTD



Foreclosure Trends*

- In May, 2016, there were 38,000 completed foreclosures nationally, down from 41,000 in May, 2015
- New Mexico is #7 in the nation for the percentage of homes in foreclosure inventory (1.8%). The national foreclosure inventory rate is 1.0%
- However, foreclosure inventory in New Mexico declined 17.7% from May, 2015 to May, 2016

NM and U.S. Foreclosure Trends, 2008-2016

% Inventory of Loans in Foreclosure at End of Quarter

