

**TENTATIVE AGENDA
for the
FIRST MEETING
of the
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**September 11, 2020
Video Conference**

Friday, September 11

- 10:00 a.m. **Call to Order and Introductions**
—Senator Nancy Rodriguez, Chair
—Representative Eliseo Lee Alcon, Vice Chair
- 10:05 a.m. (1) **Executive Director Update**
—Isidoro "Izzy" Hernandez, Executive Director, New Mexico Mortgage
Finance Authority (MFA)
- 10:10 a.m. (2) **2020 MFA Reference Guide: Overview of Programs and Funding**
—Isidoro "Izzy" Hernandez, Executive Director, MFA
—Gina Hickman, Deputy Director of Finance and Administration, MFA
—Donna Maestas-De Vries, Deputy Director of Programs, MFA
- 10:45 a.m. (3) **Reports on Bonds Issued, Financing Strategies and Market Update**
—David Jones, Principal, CSG Advisors
—Mina Choo, Director, Housing Finance Group, RBC Capital Markets
- 11:15 a.m. (4) **Affordable Housing Act Update**
—Rebecca Velarde, Director of Policy and Planning, MFA
—Sonja Unrau, Community Relations Manager, MFA
- 11:25 a.m. (5) **Housing Issues Related to the Ongoing Public Health Crisis**
—Jeff Payne, Senior Director of Mortgage Operations, MFA
—Patrick Ortiz, Director of Asset Management, MFA
- 11:35 a.m. (6) **MFA 2021 Legislative Agenda: Initial Review**
—Isidoro "Izzy" Hernandez, Executive Director, MFA
—Rebecca Velarde, Director of Policy and Planning, MFA
- 11:50 a.m. **Public Comment***
- 12:00 noon **Adjourn**

*The State Capitol is closed to the public, but the meeting will be webcast and can be viewed by clicking the video icon beneath the meeting agenda on the Mortgage Finance Authority Act Oversight Committee [web page](#). Members of the public may make comments during the public comment portion of the meeting by following the instructions under the "Extra Information" portion of the [web page](#).

Tab 1

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Executive
Director's
Update

Tab 2

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Tab 3

New Mexico Mortgage Finance Authority

Legislative Oversight Meeting

September 11, 2020



Capital
Markets

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- U.S. GDP fell 32.9% in 2020Q2**
 - The largest decline in the post-war era
 - Severe decline in service sector
 - Personal saving rate rose 25.7% YOY
 - RBC projects that GDP will rebound 5% in 2020Q3 (20% annualized rate)

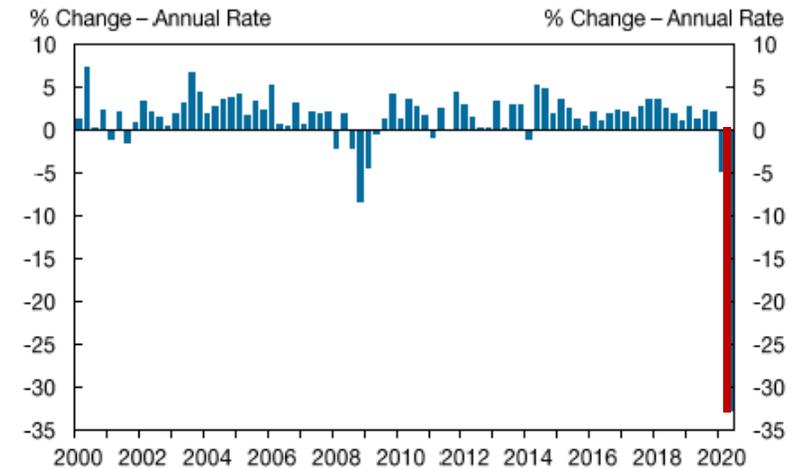
- Equity Markets Rebounds Back to All Time Highs**
 - S&P Index above 3,400 (2,237 on March 23)

- Labor market conditions slowly improved in July**
 - The unemployment rate decreased from 11.1% in June to 10.2% in July

- Consumer confidence deteriorated in July**
 - The Conference Board's Consumer Confidence Index fell from 98.3 to 92.6
 - The Michigan Consumer Sentiment Index fell from 78.1 to 72.5
 - Consumers' short-term outlook on employment and business conditions also deteriorated in July

- Inflation continues to run below 2%**
 - In the 12 months through June, the CPI climbed 0.4% in June after gaining 0.1% in May
 - Core PCE inflation remains appreciably below the FOMC's 2% longer-run benchmark

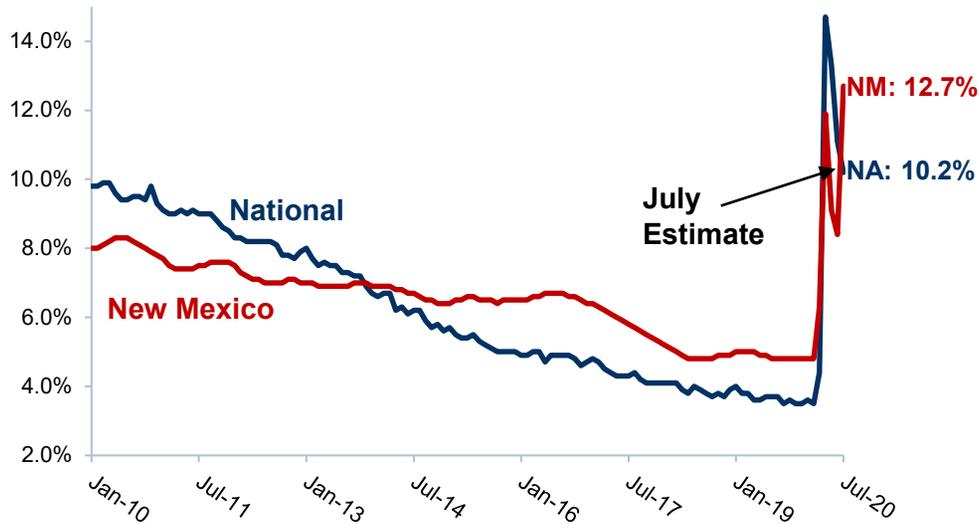
GDP Growth



S&P 500 Index

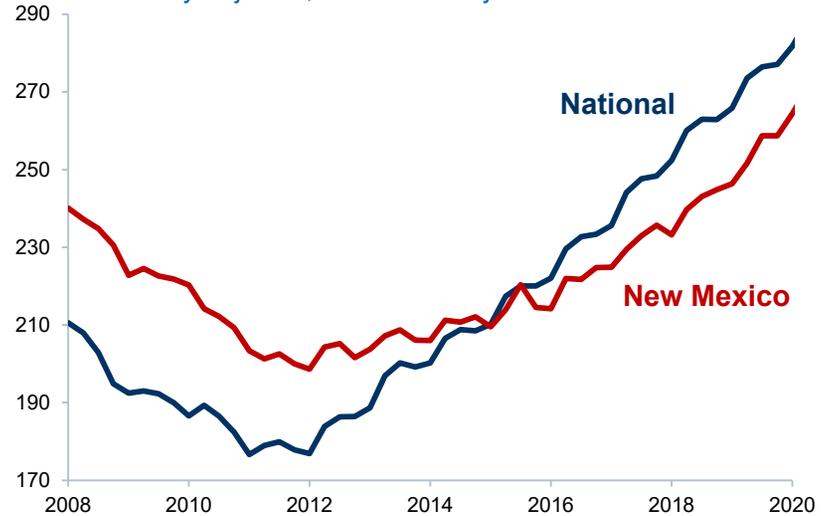


Unemployment Rates



FHFA House Price Index

Not Seasonally Adjusted, Purchase-Only HPI

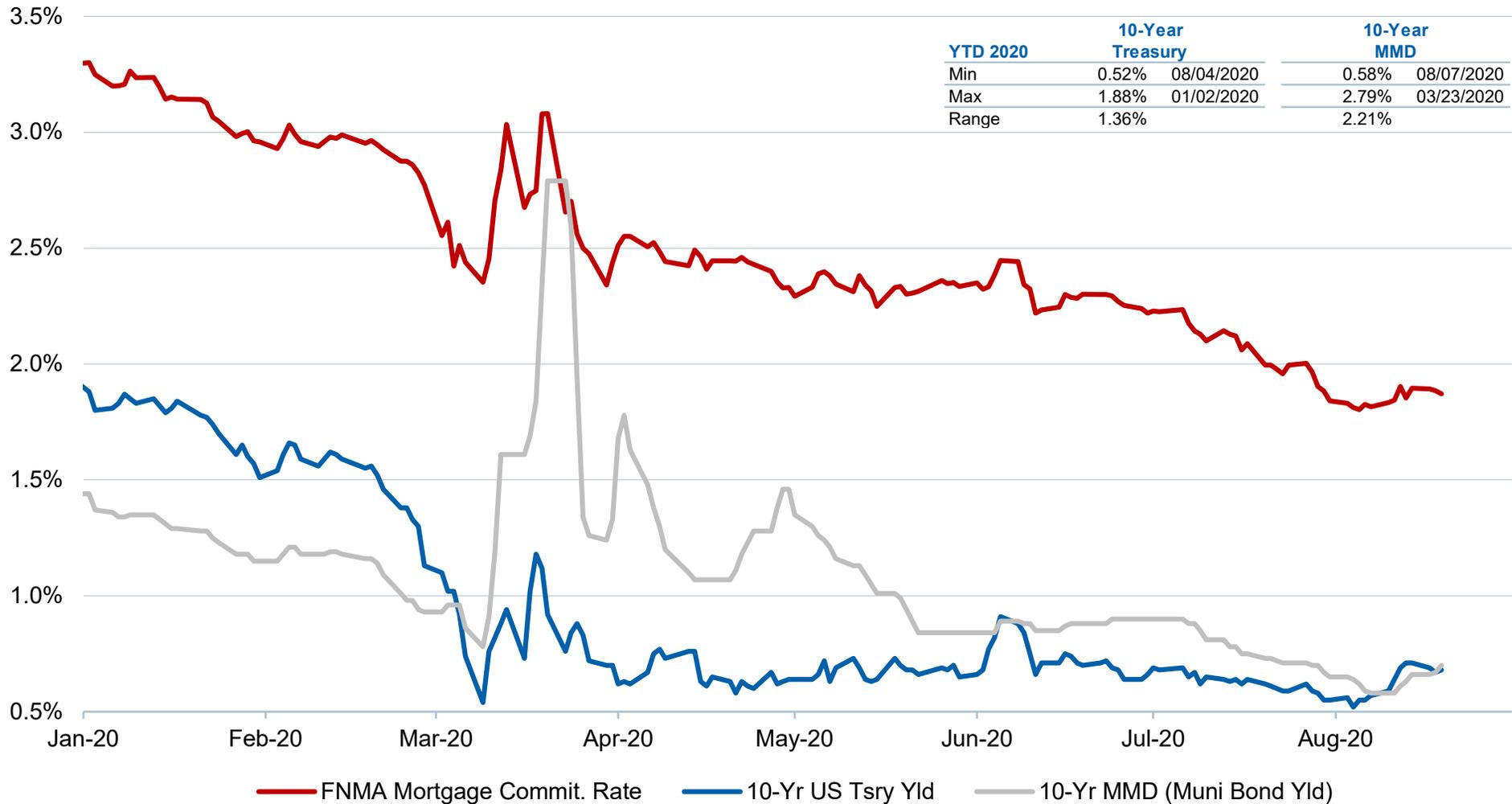


- New Mexico unemployment rate increased from 8.4% in June to 12.7% in July 2020
 - New Mexico's unemployment rate has generally been higher than the national average since September 2013
 - April unemployment rate: 14.7% National vs. 11.9% in New Mexico

- New Mexico home prices continued to rise in 2020
 - Home prices in New Mexico climbed during first two quarters despite the coronavirus pandemic
 - Fannie Mae is predicting that home prices would continue to edge upward (low interest rate & low inventory)

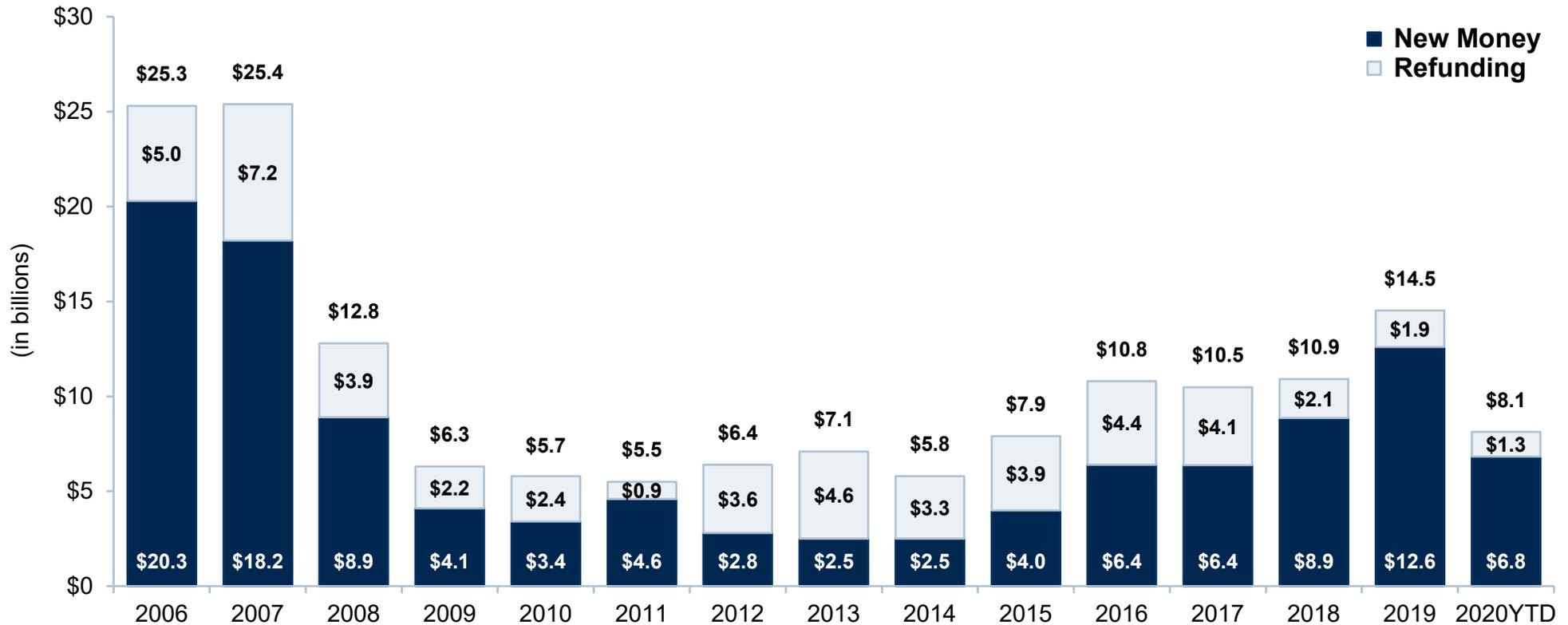
Interest Rate Trend (YTD 2020)

- Tax-exempt bond market has steadily improved in the last four months
- Spreads on a 5-year T/E PAC bond have declined from +125 bps to +mid 70's bps
- Yield on a traditional 30-year level-debt bond structure currently @ 1.88%, through pre-COVID lows (vs. 2.79% in early April)



Source: Bloomberg

Volume of Single Family Housing Bonds Issued (as of 08/20/2020)



2020 Annualized:
\$10.7B New Money
\$2.0B Refunding
\$12.7B Total

Sources: Thompson Financial; New Money figures exclude mixed use financings

MFA Historical Retail Sales and Bond Issuance



Historical Single Family Retail Orders in \$000's										
	2018A	2018B	2018C	2018D	2019A	2019C	2019D	2019F	2020A	Total
Underwriter										
RBC	14,240	9,765	17,200	7,055	11,370	10,660	15,450	44,235	21,860	151,835
Raymond James	300	450	4,840	930	2,030	1,650	680	3,170	2,440	16,490
Selling Group										
DA Davidson	1,385	695	735	1,710	1,155	1,420	470	490	930	8,990
Fidelity	3,900	2,830	1,170	1,565	3,140	1,680	3,220	2,445	2,345	22,295
Stifel	1,620	1,545	230	100	210	1,400	450	200		5,755
UBS	1,030	1,620	920	320	3,065	1,675	1,965	2,815	75	13,485
Drexel Hamilton									0	0
Total Retail Orders	22,475	16,905	25,095	11,680	20,970	18,485	22,235	53,355	27,650	218,850
Total Issuance Size	62,000	65,000	75,000	49,900	70,000	80,000	100,000	120,000	70,000	691,900
% Retail Orders	36%	26%	33%	23%	30%	23%	22%	44%	40%	32%

* Excluding pass-through bond issues that are not offered to retail investors

Historical Single Family Bond Issuance in \$000's										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Total Par Value	124,900	81,221	12,533	103,012	155,635	85,148	251,900	418,861	70,000	1,303,210
Total Number of Series	4	4	1	6	5	3	6	7	1	37

Who Issued Bonds in New Mexico in 2020YTD (as of 08/27/2020)

New Mexico Bond Issuance 2020YTD		
Date	Issuer	Par (\$000)
01/22/20	New Mexico Mortgage Fin Auth	70,000
02/12/20	Bernalillo Co-New Mexico	8,375
02/13/20	Lincoln Co (Ruidoso) MSD #3	3,000
02/19/20	Las Cruces City-New Mexico	12,825
02/25/20	Eddy Co (Carlsbad) MSD	30,000
02/26/20	Las Cruces City-New Mexico	15,435
02/27/20	Albuquerque Bernalilio Co Wtr Util Auth	69,440
03/03/20	Albuquerque City-New Mexico	134,935
03/26/20	Lea Co (Eunice) PSD #8	11,400
04/01/20	Grant Co (Silver) CSD #1	5,000
04/06/20	New Mexico Finance Auth (NMFA)	32,305
05/06/20	Dona Ana Co (Las Cruces) SD #2	28,650
05/13/20	Otero Co (Alamogordo) MSD #1	4,490
05/21/20	Rio Rancho City-New Mexico	14,600
05/28/20	Otero Co-New Mexico	8,355
06/04/20	Albuquerque City-New Mexico	82,555
06/10/20	Albuquerque Bernalilio Co Wtr Util Auth	47,800
06/10/20	Albuquerque City-New Mexico	40,570
06/16/20	Santa Fe PSD	26,000
06/17/20	Bernalillo Co-New Mexico	24,500
06/17/20	New Mexico Finance Auth (NMFA)	81,000
06/17/20	West Las Vegas MSD #1	1,835
06/25/20	Albuquerque Metro Arroyo Flood Ctl Au	12,500
06/29/20	New Mexico	53,425
06/29/20	New Mexico	307,185
06/30/20	Guadalupe Co-New Mexico	340,000
07/09/20	Los Ranchos De Albuqrq-New Mexico	34,915
07/23/20	Luna Co (Deming) PSD #1	2,250
08/25/20	Las Cruces City-New Mexico	17,600
08/27/20	City of Hobbs-New Mexico	8,400
Total		1,529,345

Annual Bond Issuances in NM		
Year	Par (\$000)	# of Issues
2020YTD*	\$1,529,345	30
2019	\$2,512,312	59
2018	\$2,041,185	49
2017	\$1,912,205	53
2016	\$1,868,998	70
2015	\$2,419,875	83
2014	\$2,294,173	76

* 2020 annualized total issuance = \$2.33B

Phase 1

- March 6, 2020
- \$8.3billion
- Discretion to Secretary of HHS
- State and Local Health department
- International support
- Vaccine research and development

Phase 3 (CARES Act)

- March 27, 2020
- \$2.2 trillion
- \$1,200 one-time payment to individuals
- \$600 extra per week unemployment benefits
- Small Business Loans – PPP Program
- Business support (hospitals, airlines, etc.)
- Support of State and Local municipalities
- 120-day federal eviction moratorium
- Forbearance to up to 12 months

Phase 2

- March 18, 2020
- \$104 billion
- Covid19 Testing
- Emergency paid sick leave
- Expanded unemployment benefits and food security (SNAP, WIC)

Phase 4

- The President signed an executive order on Aug 8 to extend enhanced unemployment benefits at a reduced rate of \$300 per week; states are being asked to provide an additional \$100 per week
- Negotiations on a fifth COVID-19 relief package still ongoing

NEW MEXICO MORTGAGE FINANCE AUTHORITY



FINANCING TRENDS AMONG HFAS: IMPLICATIONS FOR MFA

CSG | advisors

September 11, 2020

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HFA Trends and Challenges

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1. Continued strong loan production

- Homeownership in even greater demand as a result of COVID-19

2. Offering **record low mortgage rates** to borrowers while maintaining and even increasing profitability

- Federal Reserve continues to purchase tens of billions in MBS each month, providing mortgage market stability
- MFA's FHA 30-year mortgage rate is currently 3.00% for First Home borrowers

3. **Low interest rates are challenging to HFAs**, resulting in lower interest income

- Federal Reserve has indicated close to 0% short-term rates for 2 years, perhaps longer

HFA Trends and Challenges (cont.)

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4. Shutdowns and economic disruption from COVID-19 has **increased loan delinquencies and required payment forbearance**
 - Revenue disruption on HFAs projected to be manageable

5. HFAs that service loans **will need ample liquidity** to meet cash needs over time
 - MFA is in great position to meet such liquidity needs

MFA Resources for Funding Affordable Loans

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1. Issuing tax-exempt bonds

- Historically provide lower rate cost of funds available to HFAs
- Investors bid aggressively for MFA bonds; excellent reputation, redemption mgmt.

2. Packaging loans into MBS and selling the loans

- Selling MBS via the To-Be Announced (TBA) market through 3rd party administrator
- Investors pay more for MFA loans than generic loans, allowing MFA to offer lower loan rates than it could otherwise

3. Downpayment assistance (DPA) to eligible borrowers using its Housing Opportunity Fund (HOF)

- DPA is a critical aspect for homebuyers to qualify for a loan
- MFA has invested a significant portion of HOF to purchase DPA second mortgages (\$13.2MM in FY 2018, \$14.8MM in FY 2019, over \$17MM likely in FY 2020)

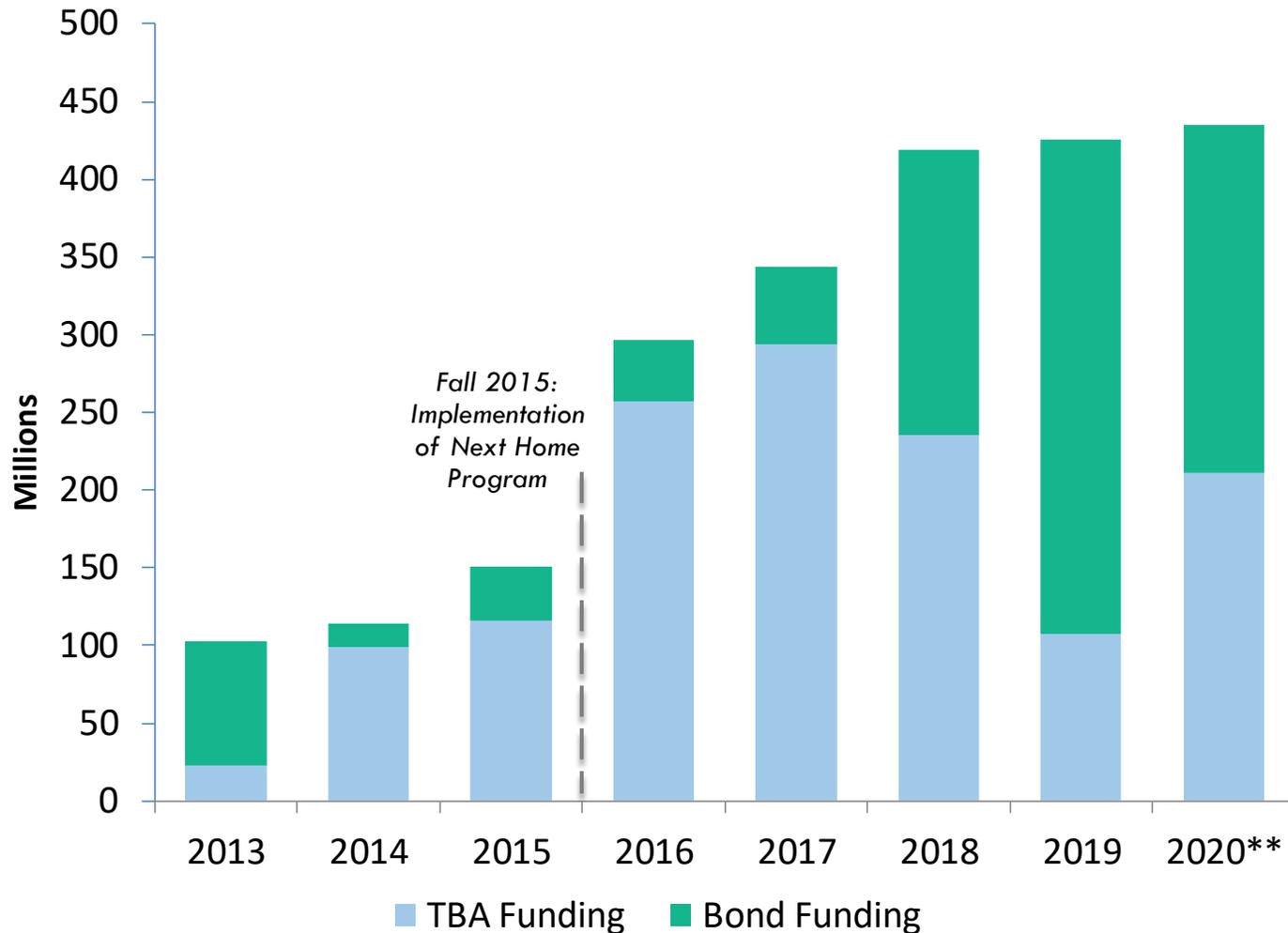
4. Capital Magnet Fund (HomeNow DPA)

- In 2017, MFA was awarded \$3.7MM for DPA to borrowers at 80% AMI or below

MFA Production Growth and Shift

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- Substantial increase in production from prior years
- Stable increase in production from FYE 2018 to 2020*



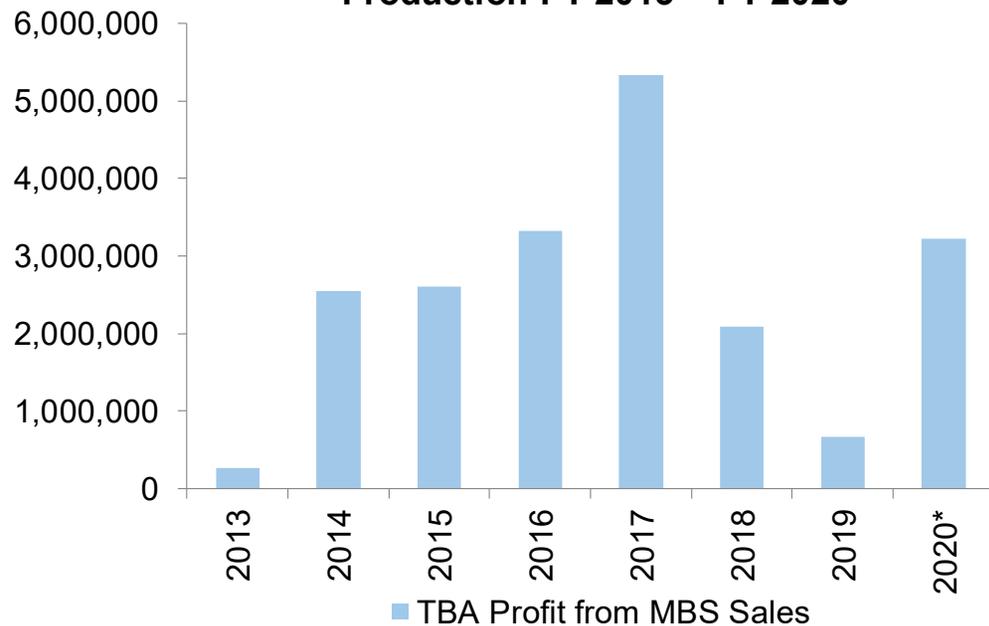
* Based on MBS settled or purchased each fiscal year.

** FY2020 YTD actual production is shown through July 2020, and projected production is shown for subsequent months.

MFA Has Generated a Mix of Revenue Streams

MFA has generated both immediate revenue from TBA...

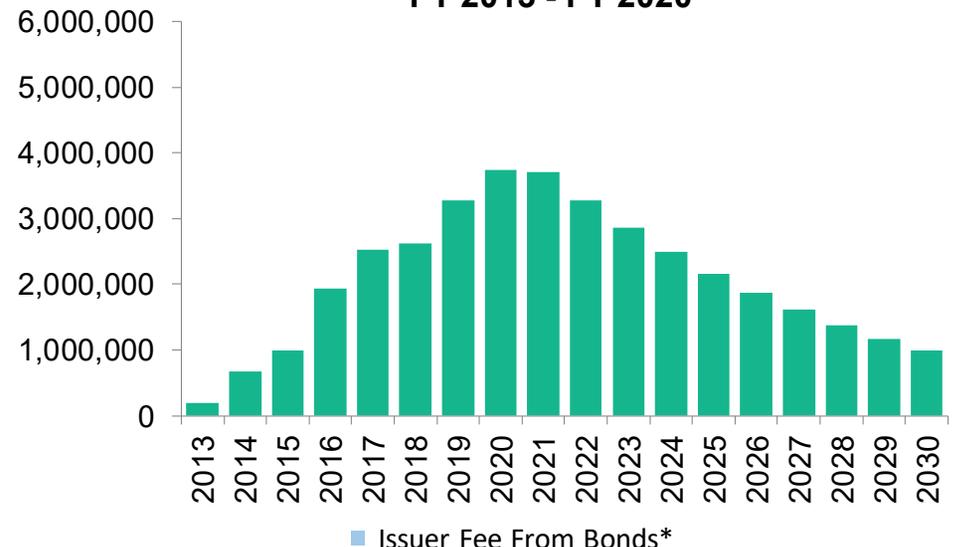
**Single Family TBA Revenue:
Production FY 2013 - FY 2020***



* Based on actual loan production through July 31, 2020 and projected production for subsequent months

...as well as long-term revenue streams from bonds.

**Single Family Forecasted Bond Revenue:
New Production and Refundings during
FY 2013 - FY 2020***



* Issuer fee run at 150% PSA

Actively Monitoring Interest Rates is Crucial

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CSG and MFA Actively Monitor and Review:

- Market mortgage rates in relation to MFA's rates on a daily basis
- Municipal bond market rates and costs of funds across difference financing options on a weekly basis
- TBA Sale Market MBS prices daily
- MFA programmatic goals including attractive rates and downpayment assistance to New Mexicans

The screenshot displays a Bloomberg terminal interface for Fixed Income Trading. It shows various TBA (To Be Announced) rates for different maturities and coupon rates, along with benchmarks and roll analysis data.

TBA		3.0		3.5		4.0	
Oct	94-12 / 13	1 - 1 - 10+	97-08 / 09	1 - 2 - 10	99-30+ / 31+	1 - 1 - 09	
Nov	94-09+ / 10+	1 - 2 - 10	97-04+ / 05+	1 - 1 - 10+	99-26+ / 27+	1 - 1 - 09	
Dec	94-06+ / 07+	1 - 2 - 10	97-01+ / 02+	1 - 1 - 10	99-22 / 23	1 - 1 - 09	
Oct/Nov	03 / 03%	1 - 1 + 00%	03% / 03%	2 - 1 + 00%	04 / 04%	1 - 1 - 00%	
Nov/Dec	03% / 03%	1 - 1 + 00%	03+ / 03%	1 - 1 + 00%	04% / 04+	1 - 1 - --	

4.5		5.0		5.5		
Oct	102-11 / 12	1 - 1 - 07	104-11+ / 12+	1 - 1 - 05	106-00+ / 01+	1 - 1 - 07
Nov	102-06+ / 07+	1 - 1 - 07	104-07 / 08	1 - 1 - 05+	105-29 / 30	1 - 1 - 08
Dec	102-01+ / 02+	1 - 1 - 07+	104-01+ / 02+	1 - 1 - 06+	105-23+ / 24+	1 - 1 - 11+
Oct/Nov	04% / 04%	1 - 1 - --	04% / 04%	1 - 1 + 00+	03% / 03+	1 - 1 + 00%
Nov/Dec	04% / 05	1 - 1 + 00%	05% / 05%	1 - 1 + 00%	05+ / 05%	1 - 1 + 03+

Benchmarks			Roll Analysis-			Oct/Nov	Rte		
Treas 2Y	99-23+ / 23%	2.889 / 885	- 01	Cpn	PSA	Drp	B/E Drp	B/E Rte	B/E PSA
Treas 3Y	99-10% / 11	2.988 / 985	- 02	3.00	102.00	3.000	9.449	2.316	
Treas 5Y	99-03 / 03%	3.073 / 071	- 03%	3.50	117.00	3.250	10.280	2.454	
Treas 7Y	98-29 / 29+	3.176 / 173	- 08	4.00	161.00	4.000	11.408	2.515	
Treas 10Y	97-00+ / 01	3.231 / 229	- 11	4.50	235.00	4.625	12.532	2.620	5322.485
Treas 30Y	92-15+ / 16	3.403 / 402	- 31	5.00	251.00	4.625	13.747	2.965	4728.101



MFA as viewed by Rating Agencies

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MFA's Issuer Credit Rating was affirmed by Moody's Investors Service ("Moody's") in June 2020 with a "Aa3" / Stable rating

Strengths noted by Moody's included:

- High asset-to-debt ratio
- High quality of MFA's asset portfolio
- Low risk debt profile (no variable rate debt)
- Well-established risk management policies
- Sound oversight and management

Credit challenges:

- Lower profitability compared to Aa3 rating category peers; "expect trend to reverse"

2019 Moody's Update to Credit Analysis on Single Family Indenture (2005) "Aaa" / Stable:

- "Relatively high asset-to-debt ratio, exceptional security, lower profitability (due to costs of issuance), expect trend to reverse"

MFA Current Ratings		
	S&P	Moody's
Issuer Credit Rating	AA-	Aa3
2005 Indenture	AA+	Aaa*
2009 Indenture	AA+	--

* Bonds beginning 2015A and after.

Rating Definitions		
Moody's	S&P	Fitch
Aaa	AAA	AAA
Aa	AA	AA
A	A	A
Baa	BBB	BBB
Ba	BB	BB
B	B	B
C	D	D
1,2,3	+/-	+/-

Challenges and Opportunities

Challenges:

- COVID-19 brought unprecedented strains on housing market with required payment forbearance and cash required by MFA's servicing operations
- Low interest rates
- Evolving regulatory environment
- Affordable housing supply

Opportunities:

- Continued growth as leader in New Mexico mortgage market
- Several techniques to finance programs are currently available
- Ability to refinance existing higher rate bonds to lower rates

Tab 4



New Mexico
Mortgage Finance Authority (MFA)
Affordable Housing Act Overview

Sonja Unrau, Community Relations Manager

Legislative Oversight Committee
September 11, 2020

What is the Affordable Housing Act?

- The Affordable Housing Act (AHA) is an exception to the anti-donation clause in the New Mexico constitution
- AHA allows governmental entities to contribute or donate to affordable housing projects and programs
- MFA works with local governments to ensure compliance with the Act

How does the Affordable Housing Act work?

Entities eligible to donate

- State of New Mexico
- Counties
- Municipalities
- School districts

Entities permitted to receive donations (qualified grantees)

- Public entities
 - Non-profit organizations
 - Private enterprises
- ✓ *Qualified grantees must be organizations whose mission is to provide affordable housing*

Allowable donations

- Land for affordable housing construction
- An existing building or conversion or renovation into affordable housing
- Costs of infrastructure necessary to support affordable housing projects
- Cost of acquisition, development, construction, financing, operating or owning affordable housing

How does the Affordable Housing Act work?



What Has Been Accomplished Under the Affordable Housing Act?

- 37 local governments have AHA compliant plans and ordinances
 - This year MFA approved AHA plans for 10 local governments
- \$59,896,354 worth of donations have been made to affordable housing projects
 - \$3,630,801 worth of donations were made in 2019

Generations at West Mesa Development

- Opened February 20, 2020
- Residential multi-family development with 45 affordable units
- Aimed at housing grandparents raising grandchildren
- Total development cost of \$12.5 million, including:
 - \$2 million from City of Albuquerque Workforce Housing Fund
 - \$405,000 in other City of Albuquerque donations





New Mexico
Mortgage Finance Authority (MFA)
Affordable Housing Act Overview

Sonja Unrau, Community Relations Manager

Legislative Oversight Committee
September 11, 2020

Tab 5

Legislative Oversight Committee
COVID – 19 Forbearance and Delinquency Update

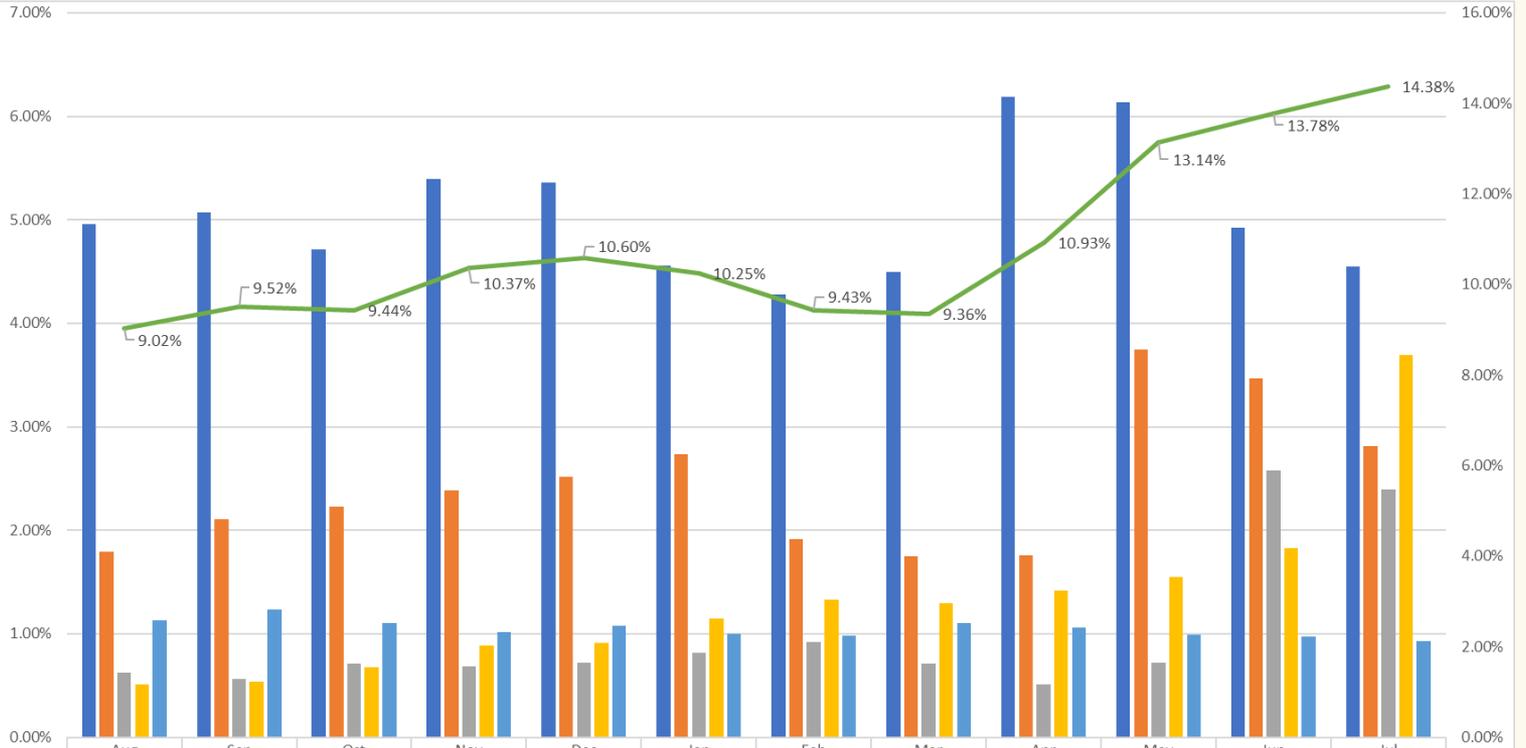


Jeff Payne – Senior Director of Mortgage Operations

Patrick Ortiz – Director of Asset Management

September 11, 2020

Delinquency Trends – Subserviced Portfolio

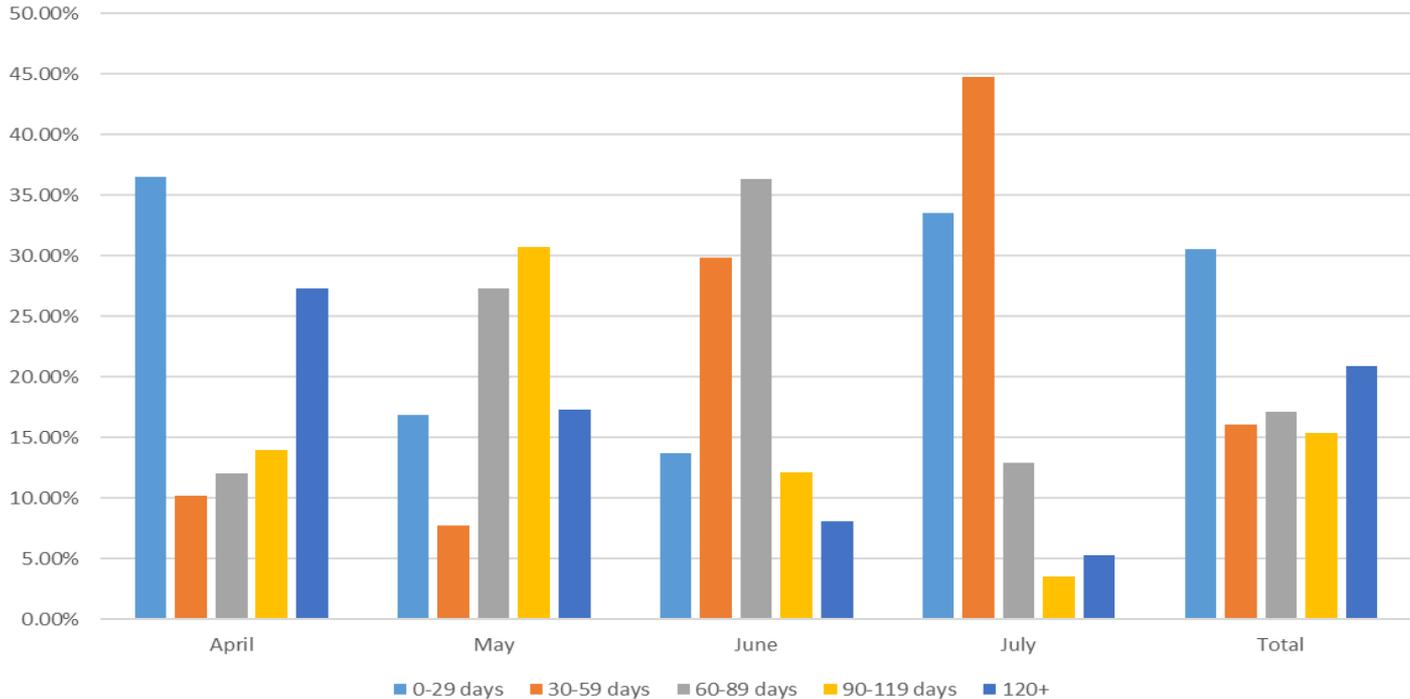


	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
30+ Days	4.96%	5.08%	4.71%	5.40%	5.36%	4.55%	4.28%	4.49%	6.19%	6.14%	4.93%	4.55%
60+ days	1.79%	2.10%	2.23%	2.38%	2.52%	2.74%	1.92%	1.75%	1.75%	3.75%	3.47%	2.81%
90+ days	0.63%	0.56%	0.71%	0.69%	0.72%	0.82%	0.92%	0.71%	0.51%	0.72%	2.58%	2.40%
120+ days	0.51%	0.54%	0.68%	0.89%	0.92%	1.14%	1.33%	1.30%	1.41%	1.54%	1.83%	3.70%
PreForeclosure/Legal	1.13%	1.24%	1.10%	1.02%	1.08%	1.00%	0.98%	1.10%	1.06%	0.99%	0.98%	0.93%
Total Delinquency +	9.02%	9.52%	9.44%	10.37%	10.60%	10.25%	9.43%	9.36%	10.93%	13.14%	13.78%	14.38%

COVID-19 Forbearances

COVID19 Forbearance Agreement Delinquency by Month

Through July, 2020 Forbearances



What is Influencing Delinquency?

- MFA Mission and Borrower Profile
 - High debt, low credit scores and low reserves
- Reported Reasons for Delinquency Shifted
 - Curtailment of income
 - Unable to contact
 - Excessive obligations
 - Impacted by COVID-19
- Economics of the state
 - Incomes are generally lower in New Mexico
 - Less residual income
 - Unemployment or under employment
 - Borrower behavior
 - Continuation of unemployment benefits

Mortgage Assistance Program

- NM homeowners financially impacted from pandemic
 - Job loss or income reduction after March 17, 2020
 - Owner occupied, primary residence
 - Include seller financed real estate contracts
 - Proof of late or non-payment for each month of assistance
- Impacted Low Income Homeowners that earn 80% or less of Area Median Income
 - Full income review and eligibility determination
 - Based on current income – post COVID impact
 - Income limits vary by county
- Mortgage payment assistance
 - maximum of six months assistance
 - Initial assistance for three months to help more borrowers
 - Payments Made Directly to Mortgage Servicers
- Program Administered by MFA staff
 - Sub-recipients could be used to assist with application process if needed

Rental Eviction Moratoriums

- CARES Act
 - Evictions suspended for 120 days, from March 27, 2020 to July 25, 2020
 - Landlord could not file evictions for non-payment of rent or charge late payment fees or penalties
 - The moratorium did NOT effect
 - Evictions that were filed before the moratorium started or that are filed after it ends
 - Cases where the eviction is based on reasons other than non-payment of rent or other fees and charges
 - Once the moratorium ended, owners could file for evictions with 30 days notice and removals could be enforced

Rental Eviction Moratoriums

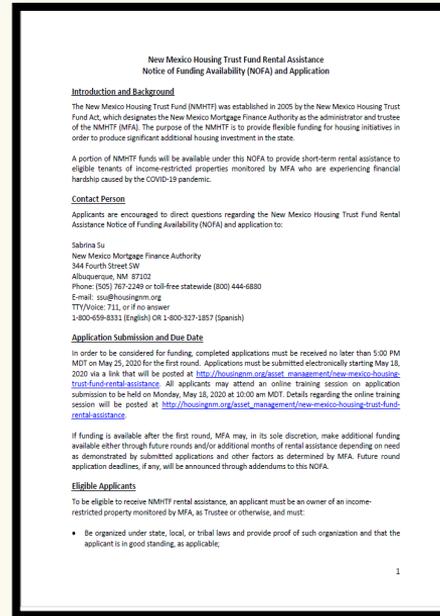
- New Mexico Supreme Court Notice 20-8500-007
 - Notice published March 24, 2020 and applies to evictions issued on after this date
 - Requires judges to put a stay on non-payment of rent cases
 - Landlords can begin eviction proceedings
 - Tenant receives a summon and explains they can participate in a hearing
 - Hearings are conducted by video or telephone, unless the parties ask to appear in person
 - For judges to issue the stay
 - Residents must participate in the hearing
 - Provide judge evidence their current inability to pay rent
 - The moratorium does NOT effect
 - Evictions for other reasons such as lease violations or crime on the property
 - Notice expires once the public health emergency is over

Delinquencies

- Rent collections at the properties have been steady
 - Residents possibly used stimulus check to pay rent
 - Unemployment enhancement program (\$600 per week)
 - Residents household income remained the same or increased
 - Residents still able to work from home
 - Owner/agents working with residents
 - Payment plans, waiver of late fees, or rent reduction
 - Courts offering mediation programs to address ways for tenants to remain in units
 - Notification of other rental assistance programs or services
- Properties could be facing future trouble
 - COVID numbers continue to increase
 - No future stimulus checks
 - Unemployment enhancement amount reduced or eliminated
 - Not knowing when businesses may fully reopen, and residents return to work

Rental Assistance Programs

- New Mexico Housing Trust Fund
 - Formed by MFA to provide short-term rental assistance to residents experiencing financial hardship caused by COVID-19 pandemic
 - Only income-restricted properties monitored by MFA are eligible for rental assistance
 - Approximately 200 properties or 10,000 units could benefit from assistance
 - Notice of Funding Availability published in May 2020
 - \$3 million dollars made available from the fund
 - Additional funding available depending on need and other factors as determined by MFA



Rental Assistance Programs

- Community Development Block Grant (CDBG) program
 - Announced by the Office of the Governor on August 20, 2020
 - MFA and the Department of Finance And Administration (DFA) will partner to administer the emergency housing assistance program
 - Funds to assist low-and moderate-income New Mexicans
 - \$13.3 million dollars in funds made available
 - Funds to assist qualified applicants with rent, mortgage, or past-due utility payments
 - MFA is currently working on the application requirements and household eligibility

Tab 6

MFA 2021 Legislative Agenda

New Mexico Housing Trust Fund

\$12 million

This appropriation could help build, rehabilitate or preserve approximately 1,000 quality affordable homes for low-income New Mexicans and could weatherize and provide energy efficiency upgrades for an additional 300 low-income households statewide. This item consolidates two items that were requested separately in previous years (New Mexico Housing Trust Fund along with the Low-Income Energy Conservation Program) as MFA should be able to fund both programs with a single bill. A \$12 million request for each year has been included in MFA's FY 2022-2026 Infrastructure Capital Improvements Plan (ICIP).

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 is proposing to combine requests for both programs into a single bill. **Results:** MFA has grown the New Mexico Housing Trust Fund to \$32.8 million through loan and investment interest and has awarded more than \$50.2 million by recycling interest and principal payments. The fund has helped to construct or rehabilitate over 3,800 homes in 59 housing developments and has leveraged over \$565 million in other funding—a 25-to-1 return on the state's investment. MFA has also started to use the fund for rental assistance at affordable housing communities in response to COVID-19.

New Mexico Housing Trust Fund Statutory Changes

This proposed bill would amend the New Mexico Housing Trust Fund Act (58-18C-1) to allow MFA to utilize New Mexico Housing Trust Funds for more types of housing activities, including, but not limited to, rental and mortgage assistance, down payment assistance, weatherization activities and housing program services.

Background: The New Mexico Housing Trust Fund Act created a state-funded affordable housing source in 2005. The bill focused on utilizing funds for constructing or rehabilitating affordable housing units. Due to recent events, it has become clear that state funding is desperately needed for other types of housing activities to ensure New Mexicans continually have decent, safe and affordable housing.



Regional Housing Law Statutory Changes

This proposed bill would amend the Regional Housing Law (11-3A-1) to acknowledge the oversight role played by the U.S. Department of Housing and Urban Development (HUD) and to eliminate duplicative oversight efforts by MFA and HUD. These statutory changes have been coordinated with HUD.

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. MFA consolidated the seven RHAs into three (Northern RHA in Taos, Eastern RHA in Roswell, and Western RHA in Silver City and Deming) and began providing training and technical assistance and ensuring annual audits. Since that time, it has become clear that MFA's efforts are duplicative with the authority of HUD, which is the true oversight and funding agency of the RHAs. As such, HUD approached MFA about transitioning out of an oversight role. MFA and HUD believe the oversight provided by HUD in addition to previously enacted statutory changes to the Regional Housing Law will ensure the success of the RHAs in the future.