

Housing New Mexico MFA

Annual Production Update and
Performance Highlights

November 14, 2024

Isidoro Hernandez

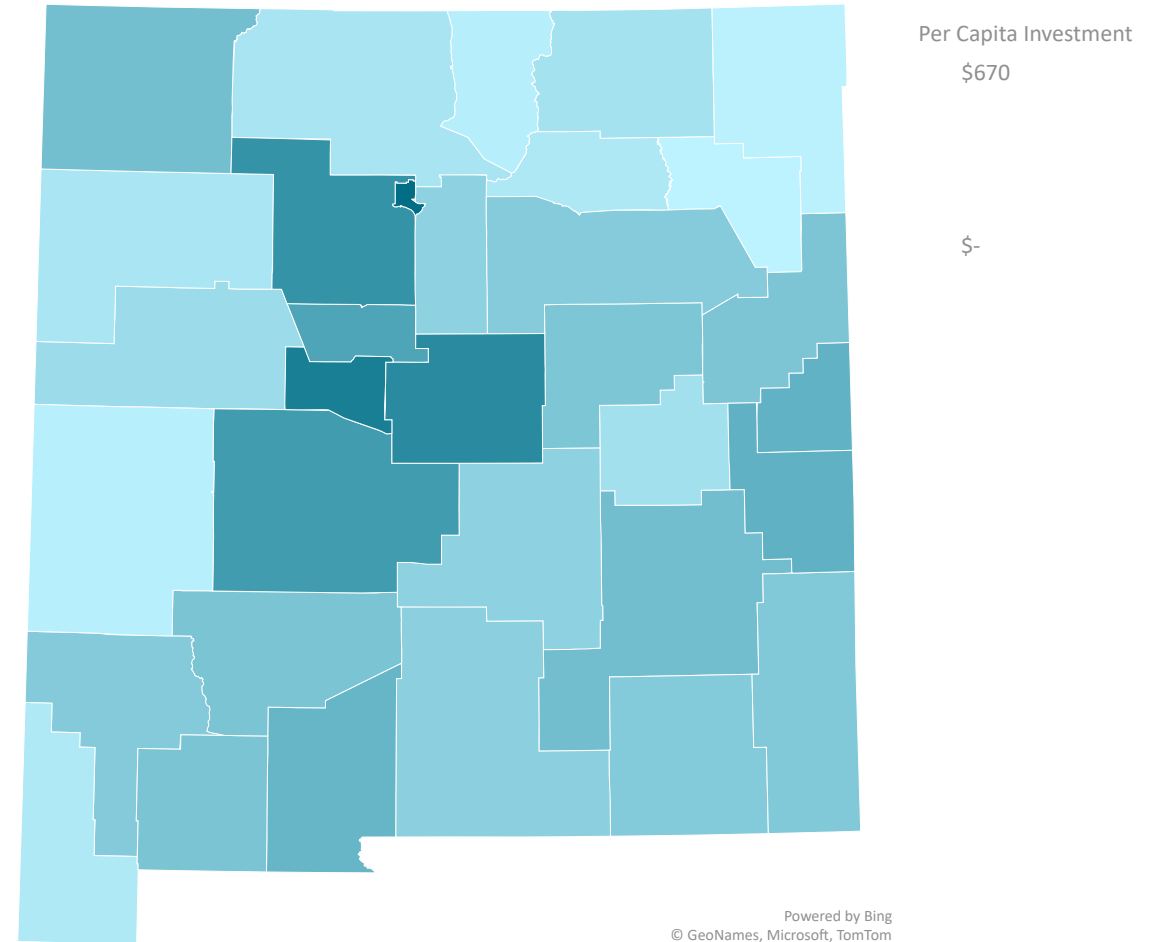
Executive Director/CEO



\$651 million in federal, state, and private funding administered and 22,612 families assisted, homes created, and loans provided across the state.

*Some homes and families assisted maybe double counted.

Per Capita Impact Investment by County



Create More Housing

\$44.9 million to develop 2,974 rental and single family homes.



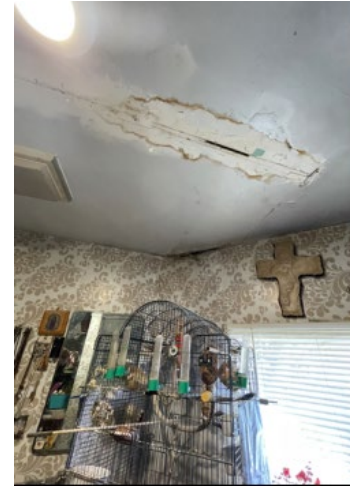
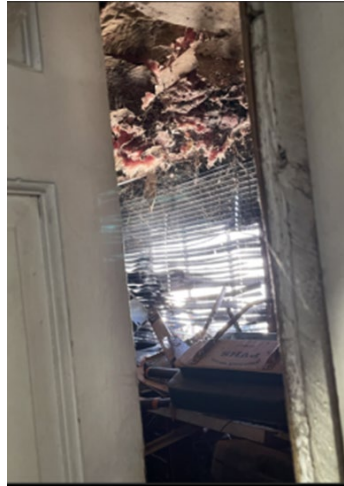
On the left, is a completed home built by Artisan's Guild Contracting for El Toro Community, which will result in 29 affordable single-family homes in Roswell, New Mexico. Housing New Mexico provided a \$3 million revolving construction line of credit for the project.



On the right, the newly developed East Paraje Apartments is home to 20 families in Laguna Pueblo, with five homes targeted to families with children. The total development cost of the project is approximately \$11.6 million, and Housing New Mexico contributed approximately 68% of the financing.

Preserve Existing Affordable Housing

\$15.4 million
to preserve
1,054 homes.



Before and after pictures of a manufactured home replacement in Rio Arriba County carried out by North Central Economic Development with an New Mexico Housing Trust Fund award for a low-income senior.



Expand Homeownership Opportunities

\$531.2 million in first mortgage and downpayment assistance totaling 4,817 loans to 2,186 families.

\$15,120,000 in mortgage assistance to 1,789 families.



In an effort to help more New Mexicans purchase a home, Housing New Mexico launched a third mortgage down payment assistance loan designed to provide additional down payment to first-time homebuyers. Previous homeowners who have not owned and occupied a home as their primary residence in the past three years may also be eligible for the program.

Create Stable Housing Environments

\$39,690,000 provided for housing vouchers to 6,161 families.

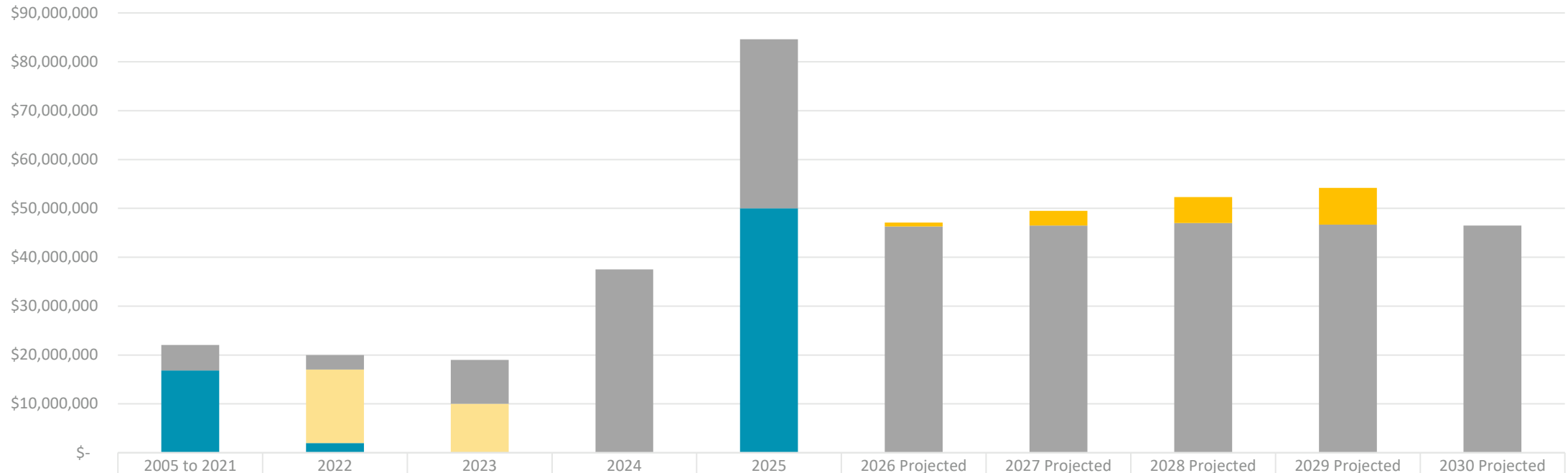
\$5,150,000 provided for homelessness and homelessness prevention for 5,881 families.



MFA has awarded funding through its Recovery Housing Program to the Hozho Center for Personal Enhancement, a peer-run wellness center based in Gallup that supports individuals suffering from substance use disorders and/or experiencing homelessness. The Hozho Center offers peer-support services, referrals and mobile outreach, as well as assistance with essential needs, such as recovery and medical benefits.

NMHTF Appropriations to Date

New Mexico Housing Trust Fund Appropriations and Program Income Earned



	2005 to 2021	2022	2023	2024	2025	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Program Income Earned on STB Funds	\$-	\$-	\$10,000,000	\$-	\$-	\$816,054	\$3,010,862	\$5,341,325	\$7,505,854	\$-
Severance Tax Bond Funds	\$5,200,000	\$3,000,000	\$9,000,000	\$37,530,000	\$34,620,000	\$46,300,000	\$46,500,000	\$47,000,000	\$46,700,000	\$46,500,000
Federal Funds	\$-	\$15,000,000	\$10,000,000	\$-	\$-	\$-	\$-	\$-	\$-	\$-
General Funds	\$16,850,000	\$2,000,000	\$-	\$-	\$50,000,000	\$-	\$-	\$-	\$-	\$-

**Overall
Leverage
17: 1**

**Build Homeownership & Wealth
58:1**

**Create More Housing
11:1**

**Preserve Existing Affordable Housing
1:1**

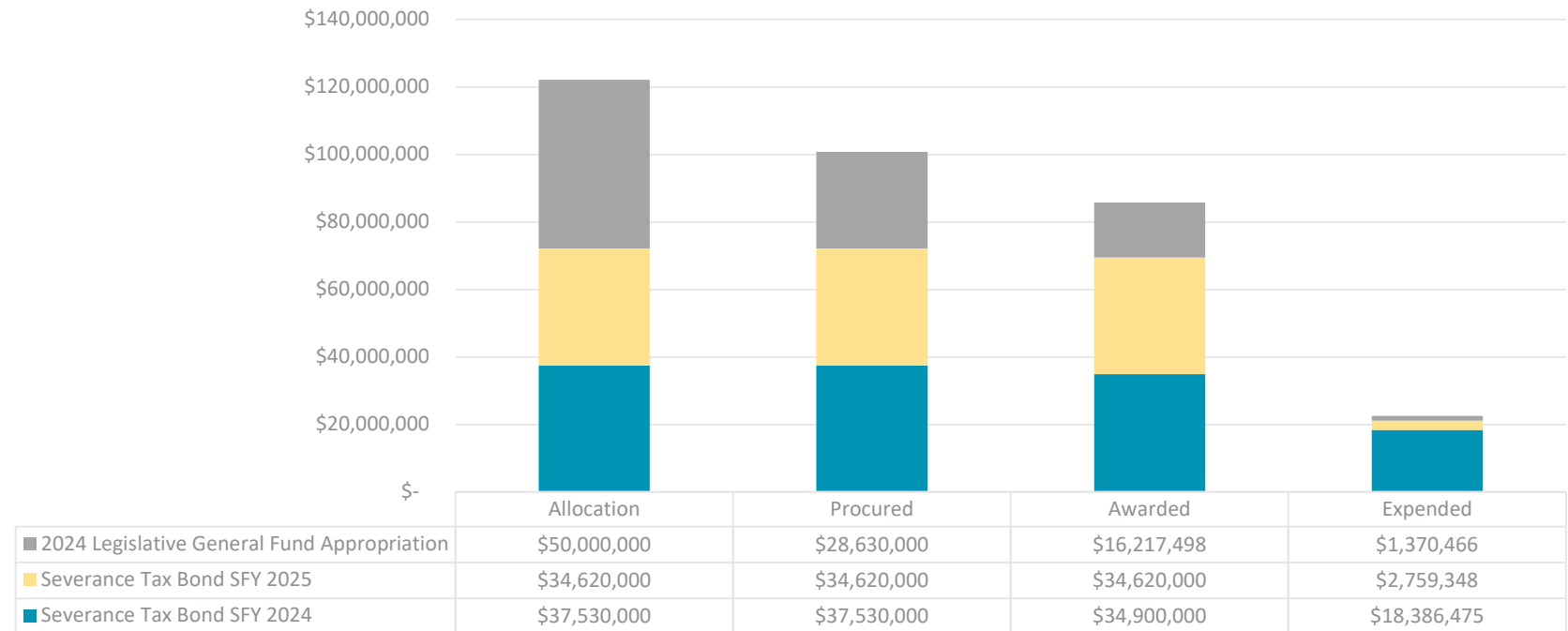
NMHTF Performance Metrics

In the 16 months since the passage of the NMHTF STB earmark legislation, Housing NM has:

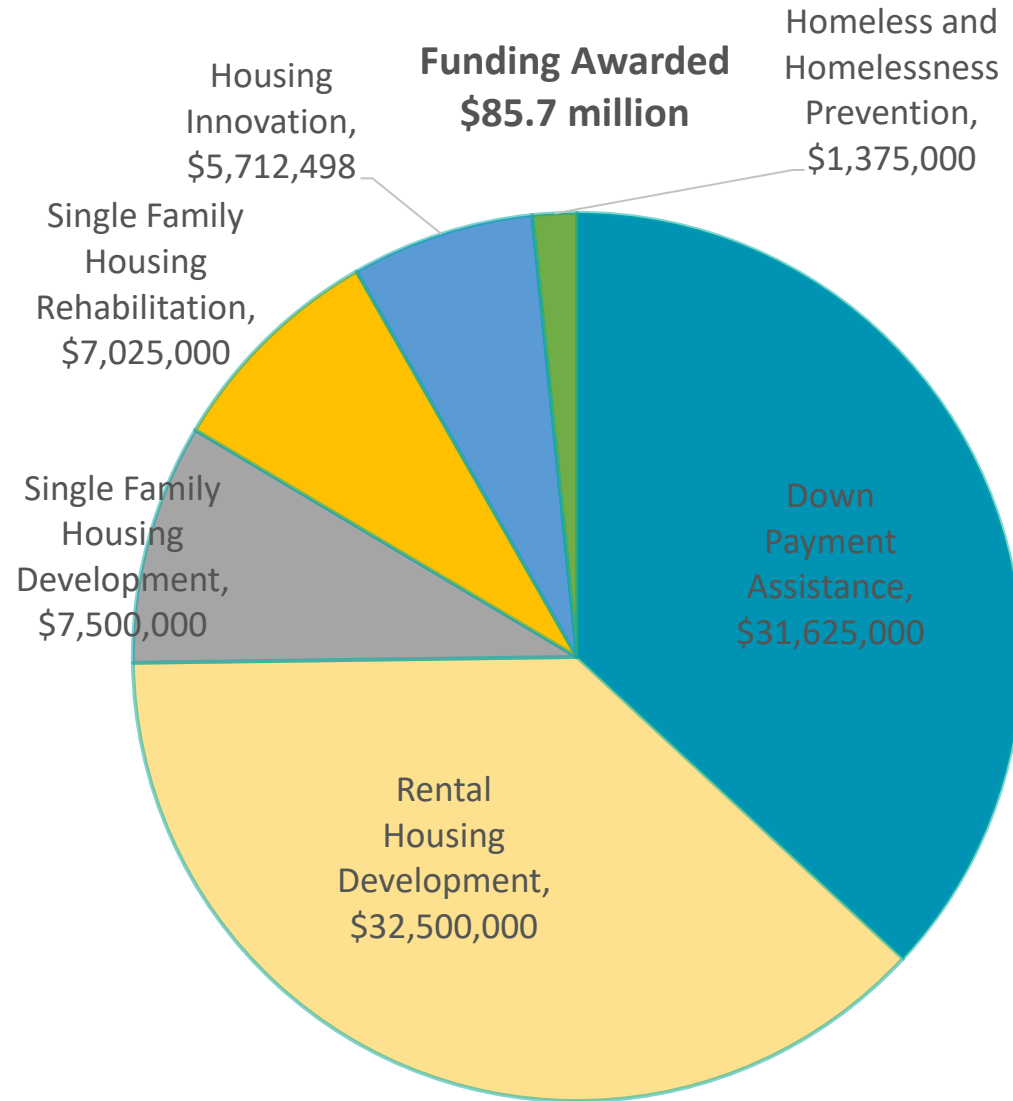
- procured for 83%,
- awarded 70% and
- expended 18% of the

\$122.12 million made available to the New Mexico Housing Trust Fund. These figures include FY 2025 **\$84.62 million** that became available for use in July 2024.

NMHTF Performance Metrics



NMHTF Awarded Funding: Use Amounts & Impact



Strategic Plan Benchmarks – Fiscal Year 2024

Housing New Mexico's 2021-2025 Strategic Plan establishes performance benchmarks for the organization. Benchmarks are approved by the Board of Directors each year and closed out annually. Benchmarks are reviewed quarterly by the Strategic Management Committee, which includes department directors and senior management. There are a total of 31 benchmarks for fiscal year 2024, 30 benchmarks were met or exceeded, and 1 benchmark was not met.

Strategic Plan Benchmarks – Fiscal Year 2024

Benchmark		Actual
1	Provide mortgage financing for 1,800 homebuyers.	Exceeded – Housing New Mexico provided mortgages to over 1,925 homebuyers.
2	Maintain average mortgage product utilization of 25% of all FHA loans recorded in New Mexico.	Exceeded – The MFA product utilization reported a YTD average of 40.42%. *MFA's mortgage rates which were well below local market rates combined with decreased mortgage production contributed to the notable increase.
3	Finance the development and/or preservation of 1,800 rental and homeownership units.	Exceeded – Housing New Mexico financed the development or preservation of 1,827 units.
4	Maintain a 35% exit rate of individuals experiencing homelessness served to permanent housing through ESG.	Met – Total served is 3,308, with 1,144 exiting to permanent housing. YTD rate is 35%.
5	Achieve annual combined average loan delinquencies of MFA serviced portfolio below 9.5%.	Exceeded – Housing New Mexico maintained average delinquency rate is at 8.42%.

Strategic Plan Benchmarks – Fiscal Year 2024

Benchmark		Actual
6	Maintain subserviced portfolio delinquency percentage below the Federal Housing Administration Loan Performance Trend delinquency rate (purchase loans only).	Exceeded – Subserviced portfolio delinquency as of 9/30/2024 equals 12.02% which met the benchmark of 13.75% (delinquency rate per 8/31/2024 FHA performance report).
7	Evaluate at least six new products, business model, financial tool or significant program or product improvements.	Exceeded – Evaluated 8 new products, business model, financial tool or significant program or product improvements.
8	Achieve 8,400 social media engagements	Exceeded – Achieved 18,597 social media engagements.
9	Expand services of at least three programs to an underserved area of the state.	Exceeded – Expand services of at least three programs to five underserved areas of the state.
10	Conduct outreach to and/or assist at least 100 local governments, tribal governments, potential new program partners and/or elected officials.	Exceeded – Conducted outreach to 124 local governments, tribal governments, potential new program partners and/or elected officials.

Strategic Plan Benchmarks – Fiscal Year 2024

Benchmark		Actual
11	Provide at least 75 formal group training opportunities for property owners, developers, service providers and/or lenders.	Exceeded – Provide 140 formal group training opportunities for property owners, developers, service providers and/or lenders.
12	Plan the MFA housing summit, open house, or networking event.	Met – Planning committee has continued to meet to determine catering, décor, music, signage and other event details. The Save the Date has been emailed.
13	Obtain unqualified opinion on MFA financial statements and no material weakness in internal control over financial reporting or major programs, excluding first-time audits.	Met – Audit issued with an unmodified opinion and no material weaknesses. Audit was approved by State Auditor's Office 1/12/2024 and by Board 1/17/2024.
14	Maintain or improve credit rating.	Exceeded – MFA maintains a Aa3 rating on its issuer credit rating.
15	Achieve operating performance and profitability equal to net revenues over total revenues of at least 8.98%, based on five-year average.	Met – Operating performance and profitability as of 8/31/2024 is 15.09%

Strategic Plan Benchmarks – Fiscal Year 2024

Benchmark		Actual
16	Obtain balance sheet strength equal to net asset position over total bonds outstanding of at least 24.82%, based on five-year average.	Not Met – Balance sheet strength is 23.57%.
17	Realize administrative fee of at least 18 basis points on all bond issues.	Met – 2024 Series E/F closed in Q4 with an administrative fee of 0.18%.
18	Realize profitability of 0.5% on TBA executions.	Exceeded – MFA settled HomeForward loans via TBA in Q4; loans settled during the quarter realized a profitability of 1.89%.
19	Maintain servicing fee yield at an average of .36% of the purchased servicing portfolio	Met – Servicing fee yield is on target at .39%.
20	Earn 100% base fees for PBCA contract	Met – As of 9/30/2024 all PBCA tasks were completed as required by contract and 100% of the base fees were earned for the year.

Strategic Plan Benchmarks – Fiscal Year 2024

Benchmark		Actual
21	Yield a collection rate of 98% or greater for compliance monitoring fees.	Exceeded – As of 9/30/2024, 99.75% of the compliance fees have been collected for the year
22	Meet commitment and expenditure requirement of 95% of recurring grant funding.	Exceeded – Approximately \$6.3 million in funds could have expired in FY 2024 as of 9/30/23. Just over \$252,000 expired. Housing NM used 96% of the funding that was set to expire in FY 2024.
23	Commit 75% of STB recurring funding annually in resources for affordable housing through expenditure of New Mexico Housing Trust Funds by June 30, 2024.	Exceeded – Committed 88% of STB recurring funding.
24	Increase funding by at least one new source.	Exceeded – Increase funding by 5 new sources.
25	Improve at least 15 MFA processes or resources.	Exceeded – Improved 22 MFA processes or resources.

Strategic Plan Benchmarks – Fiscal Year 2024

Benchmark		Actual
26	Maintain a RS3 score greater than or equal to 780, averaged over four quarters.	Exceeded – MFA's vulnerability scans continue on a weekly basis, and our vulnerability risk rating is 817.
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.	Exceeded – 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 remains at just over two hours, which is below the goal of six hours.
28	Implement new software solutions.	Exceeded – Implemented 5 software solutions.
29	Participate in Annual Employee Engagement Survey and determine and implement actionable steps to address opportunities for improvement.	Met – 2023-2024 Engagement Survey Complete
30	Plan move to 7425 Jefferson St. NE	Met – Move completed.
31	Complete compensation review.	Met – Analysis complete

Questions?

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We Are Housing New Mexico