

NEW MEXICO
FINANCE AUTHORITY

1

**Presentation to
NMFA Oversight Committee**

Economic Development Revolving Fund Update

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- ◆ Statewide Economic Development Finance Act (“SWEDFA”) was established in 2003 to help stimulate the economy, particularly in rural and underserved areas of the state by creating financing tools that put New Mexico on par with neighboring states
- ◆ SWEDFA requires that NMFA provide two reports to the NMFA Oversight Committee during the interim. This is the NMFA’s second report for 2020



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- ◆ The Economic Development Revolving Fund (“EDRF”) is the Fund created under SWEDFA from which NMFA makes loans. EDRF is segregated into three sub-accounts:
 - **Smart Money** is a State funded loan participation program
 - **Collateral Support Participation** is a Federally funded loan participation program
 - **Essential Services Working Capital Program**
 - Direct working capital loans to essential service providers
 - Program established under emergency rules in April 2020
 - NMFA Oversight Committee approved the rules in September 2020 making the program permanent

- ◆ **Smart Money Loan Participation** provides long-term, low-cost financing by buying a portion of the loan made by a New Mexico bank.
 - ❑ To date, NMFA has made six loans; three of which are active
 - ❑ Total loans made is \$7,620,593; total portfolio balance is approximately \$2.95 million
 - ❑ No requests for COVID-related forbearance in this portfolio

Description	Loan Date	Maturity Date	Maximum Loan Amount	Principal Payments Received	Interest Payments Received	Outstanding Loan Balance	Status as of 10/31/2020	# of Jobs Created
<i>Active Portfolio</i>								
Resources for Children & Youth Inc.	11/20/2012	11/20/2022	\$ 1,319,570	\$ 327,982	\$ 220,407	\$ 991,588	Current	28
Younger Enterprise, LLC	9/4/2019	9/4/2029	\$ 751,431	\$ 10,361	\$ 19,652	\$ 741,070	Current	10
Memorial Ventures, LLC	10/30/2020	10/20/2025	\$ 1,200,000	\$ 0	\$ 0	\$ 0		
Active Portfolio Totals			\$3,271,001	\$338,342	\$240,059	\$1,732,659		38

- ◆ **Collateral Support Participation** allows NMFA to purchase subordinated collateral interest in loans made by NM banks
 - 16 loans made to date totaling \$ 8,336,120; seven loans are active. Total portfolio balance is approximately \$2.475 million
 - This program is no longer active; repaid principal is sent to NMEDD
 - Two loans were provided with forbearance to accommodate cash flow shortages resulting from the Public Health Order

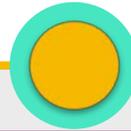
Description	Closing Date	Maturity Date	Maximum Loan Amount	Principal Payments Received	Interest Payments Received	Outstanding Loan Balance	Status as of 10/31/2020	# of Jobs Created
<i>Active Portfolio</i>								
Greater Albuquerque Habitat	6/30/2013	5/28/2023	\$ 241,000	\$ 51,127	\$ 47,743	\$ 189,873	Current	31
Los Alamos Cooperative	12/4/2013	12/15/2023	\$ 119,000	\$ 27,654	\$ 37,670	\$ 91,346	Current	8
MW Holdings, LLC	3/24/2014	3/24/2024	\$ 1,145,000	\$ 357,096	\$ 251,430	\$ 787,904	Current	36
Permian I, LLC (Permanent)	5/9/2014	7/15/2026	\$ 1,593,081	\$ 602,728	\$ 82,916	\$ 990,353	Current	21
Mesa Quemado dba Don	12/22/2014	12/22/2034	\$ 89,500	\$ 18,575	\$ 19,746	\$ 70,925	Current	5
Ambience Hospitality	5/15/2015	5/27/2025	\$ 450,000	\$ 120,249	\$ 90,909	\$ 329,751	Current	25
Gallup Pipeline &	10/30/2016	3/20/2025	\$ 25,668	\$ 10,703	\$ 4,481	\$ 14,965	Current	10
Active Portfolio Totals			\$ 3,663,249	\$ 1,188,131	\$ 534,896	\$ 2,475,118		136

- ◆ **Essential Services Working Capital Program** direct loans of up to \$1 million to for-profit and non-profit essential service providers
 - ❑ Loan amounts are based upon the borrowing capacity
 - ❑ Money may be used only for operating expenses
 - ❑ Lines of credit of up to one year and may be converted to term loans with maturities of up to five years
 - ❑ Secured by receivables and other available personal property. Personal guarantees from any party owning more than 20%
 - ❑ Interest rate at 1%; interest paid monthly
 - ❑ Due to the limited funding, retail businesses are not eligible. Grant dollars are not available through this program

◆ Eligible Services Providers and Businesses include:

- ❑ Rural hospitals
- ❑ Behavioral health providers
- ❑ Substance abuse providers
- ❑ Dentists
- ❑ Child Care
- ❑ Health walk-in health facilities
- ❑ Residential health care businesses whose revenues are primarily derived from the provision of medical care
- ❑ Pharmacies
- ❑ Medical supplies and equipment manufacturers and providers
- ❑ Medical and wholesale and distribution
- ❑ Research facilities
- ❑ Manufacturing facilities retooling to serve PPE and COVID-safe practice needs

Essential Service Working Capital Loans



Borrower	Essential Service Provided	Loan Type	County	Original Loan Amount
Dr. David J. Ortega, DDS, PC	Dental care	Line of Credit	Santa Fe	\$ 100,000
First Choice Community Healthcare, Inc.	Non-profit medical clinic that serves 53,000 individuals and families	Commercial Term	Bernalillo	\$ 900,000
Rio Grande Hematology and Oncology	Cancer specialist serving immune compromised patients	Line of Credit	Dona Ana	\$ 150,000
Telshor Family Clinic	Family medical provider	Line of Credit	Dona Ana	\$ 200,000
Well Life Abq	Family medical provider	Line of Credit	Bernalillo	\$ 73,800
Las Cruces Machine Mfg & Engineering	Machine shop converting capacity to meet demand for medical components	Line of Credit	Dona Ana	\$ 100,000
Covenant Schools of America, LP	Childcare provider	Line of Credit	Bernalillo	\$ 375,000
Net Medical Xpress Solutions, Inc.	Teleneurology and teleneurosurgery provider to rural hospitals and UNM	Line of Credit	Bernalillo	\$ 100,000
Build with Robots	Robot manufacturer converting paint-bots to large scale disinfection bots	Commercial Revolver	Bernalillo	\$ 618,750
Las Cumbres	Non-profit community service provider	Commercial Term	Rio Arriba	\$ 320,000
Rhino Health	Neutrite glove manufacturer	Commercial Term	McKinley	\$ 1,000,000
Santa Fe Recovery	Substance abuse provider	Commercial Term	Santa Fe	\$ 874,000
Albuquerque Speech & Language	Nonprofit speech therapy service provider	Line of Credit	Bernalillo	\$ 65,000
RingIR, Inc.	Research laboratory	Line of Credit	Bernalillo	\$ 58,300
Ponderosa Montessori School	Non-profit childcare center that	Line of Credit	Los Alamos	\$ 250,000
Total Essential Services Working Capital Loans				\$ 5,184,850