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FISCAL IMPACT REPORT

SPONSOR: Miera DATE TYPED: 01/31/01 HB 184
 SHORT TITLE: Assist Disabled to Become Homeowners SB _____
 ANALYST: L. Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 200.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act _____

SOURCES OF INFORMATION

NM Finance Mortgage Authority (MFA)
LFC Files

SUMMARY

Synopsis of Bill

House Bill 184 appropriates \$200,000 from the general fund to the Department of Finance and Administration for the purpose of providing down payment and technical assistance to persons with disabilities to achieve home ownership.

Significant Issues

Section 1, Subsection A. (1) appropriates \$50.0 for a revolving loan fund to be used for down payment assistance to eligible disabled persons desiring to become homeowners.

Subsection A. (2) appropriates \$150.0 to provide technical assistance such as financial counseling, independent living strategies, and other related assistance to persons with disabilities to achieve home ownership. In addition, the bill provides for a training program for volunteers to assist and educate eligible persons about housing options.

Subsection B. includes a reversion clause.

FISCAL IMPLICATIONS

The appropriation of \$200.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2002 shall revert to the General Fund.

House Bill 184, creates a new revolving loan fund and does not provide for continuing appropriations. However, if the program is successful, it can be anticipated that funding will be requested in the future.

ADMINISTRATIVE IMPLICATIONS

The Department of Finance and Administration (DFA) does not administer home ownership programs. However, DFA may enter into a Joint Powers Agreement with the New Mexico Finance Mortgage Authority (MFA) to administer the program. According to MFA, they would contract with a non-profit agency that specializes in providing housing services to disabled persons. The MFA has the resources and expertise to monitor and gauge the performance of the awarded agency.

POSSIBLE QUESTIONS

1. Is data available indicating how many disabled persons may be in need of such a revolving loan program?
2. What agency would be responsible for developing the eligibility criteria for the loan program?
3. What interest rates, if any, would apply to the loans?
4. To what degree will DFA or MFA collaborate with the Governor's Committee of Concerns for the Handicapped in developing this program?

LMK/sb