

LFC Requester:

Jeannae Leger

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 2/19/2025

Check all that apply:

Bill Number: HB 453Original  Correction Amendment  Substitute 

Sponsor: Janelle Anyanonu  
Short Title: Housing Creditworthiness Assistance Program

Agency Name and Code: 992 – New Mexico Mortgage Finance Authority  
Number: (Housing New Mexico | MFA)  
Person Writing: Robyn Powell  
Phone: 505-767-2271 Email: rpowell@housingnm.org

**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NA	\$250	Nonrecurring	General Fund

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NA	NA	NA	NA	NA

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NA	NA	NA	NA	NA	NA

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A  
Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

**House Bill 453** proposes to amend the Affordable Housing Act, by adding the Creditworthiness Assistance fund through the following updates:

- Establishes the creditworthiness assistance fund to support the creditworthiness assistance program and authorizes the New Mexico Mortgage Finance Authority to administer the program.
- Incorporates rules on the creditworthiness assistance grants including:
  - Requirements for a participant to be eligible to receive a creditworthiness assistance grant, the application for a creditworthiness assistance grant, the training program on the importance of budgeting and financial information, and the process for other grantors to administer the creditworthiness assistance grants.
- Establishes the eligibility requirements for nonindividual qualifying grantees:
  - Having a functioning accounting system or identifying an entity with an accounting system that is operated in accordance with generally accepted accounting principles.
  - Have experience with activities related to renting residential housing
- Establishes the eligibility requirements for an individual qualifying grantee that meets all requirements listed in the Affordable Housing Act rules.
- Provides grants up to \$5,000 of unpaid rent per participant and provides up to \$10,000 of grants per calendar year per landlord. Provides grants up to \$2,500 per participant for rental property damages.
- Expands the creditworthiness assistance grants to local governments and state agencies to use public funds for unpaid rents or damages for participants in the creditworthiness assistance program.
- Allows local governments to provide creditworthiness assistance grants after enacting an ordinance authorizing the purposes of the grants.
- Appropriates \$250,000 to the New Mexico Mortgage Finance authority for expenditure in Fiscal Year 2026 and subsequent fiscal years to administer the creditworthiness assistance fund. Any unexpended or unencumbered balances at the end of each fiscal year will not revert back to the general fund.

#### **FISCAL IMPLICATIONS**

**House Bill 453** proposes a \$250,000 appropriation to the New Mexico Mortgage Finance Authority from the general fund for expenditures in state fiscal year 2026 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of a fiscal year will not revert back to the general fund.

#### **SIGNIFICANT ISSUES**

Section 1. N. (1) Affordable Housing Act permits compliant entities (i.e. local governments) to provide assistance to individuals or households and Section 3 (D) permits assistance for the purpose of rent or damages to a rental property as the cost of financing or operating affordable

housing.

The City of Las Cruces, City of Albuquerque, and Bernalillo County have similar programs that have reported to successfully expand affordable housing inventory while reducing the landlord's financial risk.

Housing New Mexico currently offers a landlord collaboration program which incentivizes landlords to rent to vulnerable populations, including youth exiting the foster care system, by offering assistance for unpaid rent and property damage. In 2024, Housing New Mexico implemented the landlord engagement program that operates through the collaboration with the City of Albuquerque and the New Mexico Coalition to End Homelessness by offering assistance for unpaid rent and property damage. Were HB 453 passed, Housing New Mexico could expand the landlord incentive programs to administer the funding to eligible landlords and renters.

This program may help renters repair their creditworthiness while incentivizing landlords to rent to tenants with higher credit risk by providing financial compensation for lost income.

## **PERFORMANCE IMPLICATIONS**

Due to timing when rent is owed and since individuals usually do not seek assistance until there is an emergency, Housing New Mexico is unsure if participants will be able to satisfy the training program requirement in advance of receiving assistance.

## **ADMINISTRATIVE IMPLICATIONS**

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

## **AMENDMENTS**