



NEWS RELEASE

NEW MEXICO MORTGAGE FINANCE AUTHORITY

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Affordable Housing Experts Partner To Fund Rehab of Five Multifamily Properties Throughout State

Albuquerque, NM. – The New Mexico Mortgage Finance Authority (MFA) recently partnered with the National Farm Workers Service Center, Inc. (NFWSC), the Federal Home Loan Bank of Dallas, the New Mexico Housing and Development Corporation (NMHDC), the Enterprise Social Investment Corp., Fannie Mae, the New Mexico State Board of Finance, and U.S. Housing and Urban Development (HUD) to finance the rehabilitation of five properties throughout New Mexico.

This transaction of an \$8.5 tax-exempt bond will make it possible to rehabilitate 325 affordable apartments throughout New Mexico. The apartment communities include two properties in Albuquerque, one in Deming, one in Lordsburg and one in Truth or Consequences. The rehabilitation will include new roofs, siding and fresh paint on each of the buildings. The units will receive new air conditioners, energy-efficient windows, and electrical upgrades, including smoke detectors and GFI outlets. Long-range plans call for xeriscape on the common grounds surrounding each of the properties.

“This partnership of housing industry experts shows how perseverance, innovation and teamwork can dramatically improve the community and its members,” said Lieutenant Governor and MFA Board Chair Diane Denish. “As a result of the partnership’s efforts, 325 families will be able to live in upgraded apartments that are safe and affordable. What’s more, none of these individuals will be displaced by the rehabilitation efforts, and their rents will not increase. It is a step in the right direction, and one that will make inroads towards the preservation of affordable rents in both rural and urban New Mexico.”

“When the federal government, the state, and New Mexico communities combine their efforts, we can make great progress towards our goal of providing affordable, safe housing for all New Mexicans. The ‘New Mexico Five’ is a perfect example of how, working together, we can have a positive impact on hundreds of families,” Senator Jeff Bingaman said.

According to Rick Courtney, Executive Director for the Truth or Consequences Housing Authority and President and CEO of NMHCD, “The Truth or Consequences Housing Authority is honored to be part of this initiative, and I am especially grateful to the Housing Authority staff and Commissioners for understanding the need to ‘shift the paradigm’.”

This transaction, nicknamed “the New Mexico Five,” marks the first time that the State Board of Finance was able to allocate bonds in Hidalgo, Luna and Sierra counties for multifamily housing. Combining these three projects with the two properties in Albuquerque made the smaller projects feasible by spreading the costs of issuance across all five deals.

This transaction “decoupled” an Interest Reduction Payment (IRP) from the previous loan which now remains as an additional subsidy to pay new mortgage costs. This preserved a \$1.15 million (present value) subsidy and allowed the projects to support more rehabilitation costs. This is the first time that an IRP decoupling transaction has been completed in New Mexico.

Additionally, the transaction preserved roughly \$20.7 million in Section 8 rental assistance (present value) in the State of New Mexico. The Federal Home Loan Bank of Dallas, working through its member institution, State National Bank of Truth or Consequences, provided Affordable Housing Program (AHP) grants in support of interim financing from the MFA for three of the five projects. AHP grant funds are frequently used to close the “gap” between traditional sources of funding to help make a housing project for income-qualified families financially viable. Projects that received grants include:

- Tradewinds Carriage Apartments (Truth or Consequences): \$64,000 for rehabilitation of a 32-unit facility for very low- and low-income residents.
- King Arthur’s Court Apartments (Lordsburg): \$56,000 for rehabilitation of a 28-unit facility for very low- and low-income residents.
- Deming Manor Apartments (Deming): \$104,000 for rehabilitation of a 52-unit facility for very low- and low-income residents.

On July 1, the New Mexico Housing and Community Development Corp. will host a celebration of this transaction. The event will take begin at 9:30 A.M. at the Tradewinds Carriage Apartments, 1301 N. Pershing in TorC. Lieutenant Governor Diane Denish and Senator Jeff Bingaman will be among the honored guests attending this ceremony.

The MFA, \$2 billion strong provides affordable housing finance through programs ranging from assistance for the homeless, to apartments, to homeownership. Created by the state of New Mexico, the MFA is a fully self-supporting enterprise and receives no state funds for its operations. Since 1975, the MFA has provided more than \$2.5 billion in affordable housing for families in New Mexico.