NEW MEXICO MORTGAGE FINANCE AUTHORITY

Board Meeting

Inn and Spa at Loretto, 211 Old Santa Fe Trail, Santa Fe, NM

Wednesday, January 21, 2015 at 9:30 a.m.

Proposed Agenda

Chair Convenes Meeting
➢ Roll Call (Jay Czar)
➢ Administer the Oath of office for Members - Attorney General Hector Balderas, and State Treasurer Tim Eichenberg (Chair, Dennis Burt)
➢ Approval of Agenda – Board Action
➢ Approval of 12/17/14 Board Meeting Minutes – Board Action

Local Perspectives
➢ The Honorable Javier Gonzales, Mayor, City of Santa Fe
➢ Mr. Steve Anaya, President REALTORS Association of New Mexico

Board Action Items

Finance Committee
1  9/30/14 Financial Statements and Single Audit Reports (State Auditor, Tim Keller, John Kennedy, KPMG & Gina Hickman) YES
2  Policies and Procedures Manual Revisions (Gina Hickman) YES
3  Delegations of Authority Revisions (Gina Hickman) YES
4  Approval of Brokers, Dealers, Custodians and Depositories (Gina Hickman) YES
5  Employee Manual Revisions (Maggie Raznick) YES

Contracted Services/Credit Committee
6  2015/2016 Emergency Homeless Assistance Program RFP (Karen Anderson) YES

Other
7  Election of MFA Treasurer (Chair Burt) YES
8  Appointment and Approval of Board Committees (Chair Burt) YES
9  Open Meetings Resolution (Marjorie Martin) YES

Other Board Items
10  (Staff is available for questions)
   ▪  Staff Action Requiring Notice to Board
   ▪  Monthly TBA Pricing and Sale Analysis

Monthly Reports
11  (Staff is available for questions)
   ▪  11/30/14 Financial Statements
   ▪  Communications Department Reports

Announcements and Adjournment

Confirmation of Upcoming Board Meetings
➢ February 18, 2015 – Wednesday – 9:30 a.m. (MFA)
➢ March 18, 2015 – Wednesday – 9:30 a.m. (MFA)
➢ April 15, 2015 – Wednesday – 9:30 a.m. (MFA)
Minutes
Chair Burt convened the meeting on December 17, 2014 at 9:32 a.m. Secretary Jay Czar called the roll. Members present: Chair Dennis Burt, Treasurer James Lewis, Mark Van Dyke (Designee for Lieutenant Governor John Sanchez), Steven Smith, members Angel Reyes, and Sally Malavé (Designee for Attorney General Gary King) participated via-conference call. Absent: Randy McMillan. Czar informed the Board that the meeting was being held in accordance with the New Mexico Open Meetings Act.

Chair Burt welcomed Board meeting attendees and reminded them that today’s meeting was being webcast. He then went over voting instructions with the members participating by phone.

**Approval of Agenda - Board Action.** Motion to approve the December 17, 2014 Board agenda as presented: Lewis. Second: Smith. Vote: 6-0.

**Approval of 11/19/14 Board Meeting Minutes – Board Action.** Motion to approve the November 19, 2014 Board Meeting Minutes as presented: Sanchez. Second: Lewis. Vote: 6-0.

**Approval of 11/19/14 Board Study Session Meeting Minutes; Novagradac Report – Board Action.** Motion to approve the November 19, 2014 Board Study Session Meeting Minutes – Novagradac Report as presented: Lewis. Second: Sanchez. Vote: 6-0.

**Employee promotion announcements** – Gina Hickman informed the Board that Dana Gohr was promoted to Information Systems Manager. Jay Czar informed the Board that Dan Puccetti was promoted to Director of Housing Development.

Chair Burt recognized Treasurer Elect Tim Eichenberg in the audience and congratulated him on the election. He then stated that we they look forward to working with him on the MFA Board of Directors.

Chair Burt recognized Treasurer James Lewis by thanking him for his service to the state and his commitment to this Board. Lewis thanked Chair Burt stating he had enjoyed his time on this board and would miss serving. Chair Burt presented Member Lewis with a plaque which read, “With sincere appreciate for your dedication and significant contribution to the New Mexico Mortgage Finance Authority.”

**Finance Committee**

1. **FY15 Internal Audit Plan (Steve Cogan, REDW).** Cogan reviewed the Internal Audit Plan for 2015 going over the proposed audits and estimated hours. He explained that this year would be different than it had been in the past; in that it will include consultation to put together an Enterprise Risk Assessment Plan. The lists of proposed audits for 2015 is located behind tab one and will become an official part of the board packet. Discussion ensued regarding the risk of cyber security. Motion to approve the FY15 Internal Audit Plan as presented: Smith. Second: Sanchez. Vote: 6-0. (See Attachment A)

2. **Payment Saver/Helping Hand Program Policy Revisions (Erik Nore).** Nore began his presentation providing background information regarding the PaymentSaver and Helping Hand Programs; explaining their structure and who the program serves. He then reviewed the two Proposed Amendments. First, allow borrowers through this program to obtain pre-purchase homebuyer counseling through eHome America, an online housing counseling program. Secondly, allow financing of “pre-paid” items with the PaymentSaver program. The policies are located behind tab two and will become a part of the official Board packet. Member Malavé recommended a change in language from administered to approved under the Helping Hand Program Policy on page two under Pre-purchase Housing Counseling. Motion to approve the
PaymentSaver/Helping Hand Program Policy Revisions as amended: Lewis. Second: Smith. Vote: 6-0. (See attachment B)

Contracted Services/Credit Committee

Trustee Services (Closed Indentures) Contract Renewal (Kathy Keeler). Keeler began her presentation with background information including discussion of the due diligence that staff undertook regarding Zions Bank’s ability to comply with the Federal Reserve Tier 1 requirements and the effect on Zions’ Trust business. The Board reviewed available information provided by Zions’ Trust Department Counsel prior to acting on the extension of Zions’ contract to provide Trust services for closed indentures until December 31, 2014. As an update, Keeler also informed the Board that in July 2014, MFA was informed by Zions Bank that its’ capital plan was accepted by the Federal Reserve and that the Bank complied with the Tier 1 ratios. Keeler then reviewed the history of Zions as Trustee for Stand Alone Indentures. Contracted Services/Credit Committee, Policy Committee and staff recommend that the contract with Zions Bank to serve as Trustee for single family and multifamily revenue bonds issued under closed indentures be extended until December 31, 2015 exercising the second and last one-year extension under the same terms and conditions available under the 2012 RFP. Motion to approve the Trustee Services (Closed Indenture) Contract Renewal as recommended: Lewis. Second: Smith. Vote: 6-0. (See Attachment C)

2014 Regional Housing Authorities (RHA) Annual Reports (Izzy Hernandez). Hernandez began by informing the Board that there are three Regional Housing Authorities; Western Regional Housing Authority (WRHA), Eastern Regional Housing Authority (ERHA), and the newly created Northern Regional Housing Authority (NRHA). He then provided background information stating that the Legislature of the State of New Mexico, during the 2009 Legislative Session, enacted Senate Bill 20 (Laws of New Mexico 2009, Chapter 28) amending the Regional Housing Law 11-3A-20 NMSA 1978, to re-define the activities of the regional housing authorities and to mandate that MFA provide oversight of certain activities, to include submission of an Annual Report relative to their operations and fiscal elements to the Department of Finance & Administration (DFA), Legislative Oversight Committee (LOC), Legislative Finance Committee (LFC), and U.S. Department of Housing and Urban Development (HUD). Hernandez made reference to the annual progress reports for the Regional Housing Authorities, which includes activities that are required by the Regional Housing Law to be reported and is located behind tab four and will become an official part of the Board packet. He then went over the Section Eight Management Assessment Program Public Housing Assessment System scores stating that two of the three are considered high performers; one is considered substandard. He then reviewed the NRHA Collaboration/Consolidation Efforts and General Issues and Considerations. Member Sanchez requested more frequent updates (rather than annually) until the new agency is brought up to speed. Hernandez concurred stating they would report back to the Board in the March/April timeframe. Discussion ensued regarding SMART Inc. performance and whether their contract would be extended past the 1-year term. Hernandez stated that they are performing well and gave a few examples. He indicated that he was not fully aware of the process but thought one factor would be funding availability. Hernandez informed the Board that he would follow up with specific actions that are being taken with SMART Inc. as he did not have a complete answer at the moment. Marjorie Martin (MFA Counsel) explained that the contract would be reviewed upon Rose Baca-Quesada’s return to the office. She further informed the Board that extensions had been built into the contract, but would have to be looked into. Motion to approve the 2014 Regional Housing Authorities (RHA) Annual Reports as presented: Smith. Second: Sanchez. Vote: 6-0. (See attachment D)

Other

MFA’s Rules and Regulations (Marjorie Martin). Martin informed the Board that behind tab five is a summary of the changes to the MFA Rules and Regulation as well as a redline version of the said document, which will be made a part of the official minutes. She informed the Board that the MFA Legislative Oversight Committee (the “LOC”) approved the proposed changes on November 13, 2014. This is pursuant to Section 58-18-8 NMSA 1978 Rules and regulations of the authority. “A. The authority shall adopt and may from time to time modify or repeal, subject to prior approval by the Mortgage Finance Authority Act oversight committee, rules and regulations . . .”. Subsequent to that they shall be submitted to the MFA Board for adoption. She commented the changes are minor and include: page 16, Section 7. Housing Opportunity Fund
(“HOF”) 7.3. Use of Funds D. Addition of a comma and the words “as well as costs associated with single family mortgages” following the word “projects.” Motion to approve the MFA’s Rules and Regulations as presented: Smith. Second: Sanchez. Vote: 6-0. (See Attachment E)

6 Rural Housing Services, USDA 515 Multi-family Housing Preservation Revolving Loan Fund Application (Michael Scott). Housing Development is seeking approval to apply for the 2014 Section 515 Multi-Family Housing Preservation Revolving Loan Fund Demonstration Program (PRLF) in the amount of $2,125,000. He explained this program is administered by the Rural Housing Service of Rural Development (USDA-RD). Funding is available to eligible entities, including state housing finance agencies, to provide revolving loans for the preservation and revitalization of existing low-income multifamily housing that is financed by Rural Development through their 515, 514, and 516 programs. He reviewed the funding, terms, interest rate and repayment requirements. Funding priority is given for applicants with matching funds and experience in administration of revolving loan fund programs. Scott reviewed the requirements that would apply if MFA did receive the funding, which are located behind tab six and will become a part of the official board packet. The deadline for applications is Monday, December 22, 2014. He then provided some background information stating that MFA previously submitted a 2008 application and was awarded, $2 mm for the Preservation Revolving Loan Fund program. Housing Development has incorporated the loan funds into its existing lending program channels and has awarded $1.5 mm to three rural affordable multi-family housing projects. We expect to award the remaining funds within the first calendar quarter of 2015. Board approval is recommended to allow MFA to apply for a second loan under this revolving loan program for the preservation of existing Rural Development properties. If successful in receiving this second USDA-RD PRLF award, a follow up request for matching funds will be submitted for Board approval. Motion to approve the Rural Housing Services, USDA 515 Multi-family Housing Preservation Revolving Loan Fund Application as recommended: Lewis. Second: Sanchez. Vote: 6-0. (See Attachment F)

7 Ventana Fund Update (Michael Scott). Scott began with background information informing the Board the MFA awarded a $3,200,000 grant to Ventana Fund via a Primero Loan Grant Agreement dated April 23, 2014. The primary purpose of the grant was to increase the available financing for affordable housing projects in New Mexico that meet the needs of low income and special needs households. Ventana Fund will seek to leverage the MFA funds through sources such as the Certified Development Financial Institution (CDFI) Fund. Scott reviewed the Initial Grant Disbursement, CDFI Certification Application, Financial Assistance Application and Ventana Fund Board make-up and involvement in the memo located behind tab seven, which will be made a part of the official board packet. He further informed the Board that the Primero Program Grant Agreement requires Ventana Fund to be eligible to apply for CDFI certification no later than December 31, 2014. Ventana Fund submitted its application for certification on October 24, 2014. Ventana Fund also submitted a grant application for $700,000 in financial assistance from the CDFI Fund on November 24, 2014, which typically takes 8-9 months to be processed and to find out if grant application was successful; if not, the Ventana Fund can apply for the next round and still be in compliance with MFA grant agreement, in which there is a two year window to obtain funding. Their consultant believes that there is a good chance of Ventana receiving the award. He stated that, in accordance with the MFA Primero Grant Agreement, the Ventana Fund is required to give the Board an annual update and at that time it will be provided by the Chair, Todd Clarke. Scott also stated that Ventana Fund is on track and in compliance with the MFA Grant Agreement. No action required. (See Attachment G)

8 Quarterly Single Family Production Report (Erik Nore). Nore reminded the Board that this report had come to the Board in November; however due to the interest of time was deferred to this month’s meeting. He reviewed single family program production for the last quarter as of 10/31/2014. Nore reviewed Interest Rate History, Reservation Volume to Date, Average Historical Weekly Reservations to Date; commenting that normally we see a decline in reservations close to the holidays and surprisingly they have increased. He then reviewed Comparison of Down Payment Assistance (DPA) Sources, Comparison of Loan Types, Borrower Demographics, MFA Payoff Statistics, and MFA Market Share. No action required. (See Attachment H)
9 New Mexico Affordable Housing Charitable Trust (Monica Abeita). Abeita began by explaining that one of the initiatives in the MFA strategic plan is to generate new resources. One of the areas of focus this year is the NM Affordable Housing Charitable Trust, a 501(c) 3 was established by MFA in 2006. She explained that MFA staff had participated in a training Chair Burt had organized through the NM Society of CPA’s, “Know your NM Tax Credits.” MFA also gave a presentation on the Charitable Trust to staff along with United Way contribution opportunities. Abeita explained the process of making contributions, referring to the MFA brochure located behind tab nine. She stated that MFA is trying to encourage this as a way for people to contribute to affordable housing and as a way to improve the resources available for projects. Czar further commented that in addition to cash; companies can provide services, materials and equipment. A wide array of things qualifies for Affordable Housing Charitable Trust tax credits. He stated its one of the best tax credits New Mexico has and hoped that people take advantage of it. Czar and Abeita thanked Chair Burt for his leadership and assisting in getting the word out. Chair Burt thanked Monica and her team for their presentation; stating he couldn’t think of a better way to be more efficient in our giving. He informed the Board that his accounting firm has used these credits in providing services; it’s very effective and very efficient. Burt stated he believes we lead by doing and he believes in the product and the efficacy of the gift without question. As it goes into the Trust, it works very hard for the state of New Mexico. Questions ensued regarding the cap and how services/equipment are measured. Abeita informed the board that the website link on the brochure further explains this product and forms that need to be submitted are located there. Discussion ensued regarding additional marketing and outreach recommendations as well as efforts which will be taken, which are part of the strategic plan efforts. No action required. (See Attachment I)

Other Board Items - Information Only

10 No questions were asked of staff.
   - Staff Action Requiring Notice to Board

Monthly Reports - No Action Required

11 No questions were asked of staff
   - 10/31/14 Financial Statements
   - To Be Announced (“TBA”) Activity Report
   - Communications Department Report

Announcements and Adjournment - Confirmation of Upcoming Board Meetings. Chair Burt informed the Board that the next Board meeting will be held on January 21, 2015 at the Inn and Spa at Loretto, 211 Old Santa Fe Trail, Santa Fe, NM beginning at 9:30 a.m.

There being no further business the meeting was adjourned at 11:10 a.m. Motion: Lewis. Second: Sanchez. Vote: 6-0.

Approved: January 21, 2015

__________________________  ____________________________
Chair, Dennis Burt            Secretary, Jay Czar
Tab 1
**NEW MEXICO MORTGAGE FINANCE AUTHORITY**  
*Finance/Operations Committee Meeting*  
Tuesday, January 13, 2015 at 1:30 p.m.  
To dial into the conference call dial: (559) 546-1000 Code for Board members and proxies 561172# MFA staff code 561172#

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Committee Recommended</th>
<th>Board Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 9/30/14 Financial Statements and Single Audit Reports (John Kennedy, KPMG &amp; Yvonne Segovia)</td>
<td>3-0</td>
<td>YES</td>
</tr>
<tr>
<td>2 Policies and Procedures Manual Revisions (Gina Hickman)</td>
<td>3-0</td>
<td>YES</td>
</tr>
<tr>
<td>3 Delegations of Authority Revisions (Gina Hickman)</td>
<td>3-0</td>
<td>YES</td>
</tr>
<tr>
<td>4 Approval of Brokers, Dealers, Custodians and Depositories (Gina Hickman)</td>
<td>3-0</td>
<td>YES</td>
</tr>
<tr>
<td>5 Employee Manual Revisions (Maggie Raznick)</td>
<td></td>
<td>YES</td>
</tr>
</tbody>
</table>

Committee Members present:
- **Dennis Burt**  
  - ☑ present  
  - ☐ absent  
  - ☐ conference call
- **John Sanchez or Proxy Mark Van Dyke or Vincent Torres**  
  - ☐ present  
  - ☐ absent  
  - ☑ conference call
- **Steven Smith**  
  - ☑ present  
  - ☐ absent  
  - ☐ conference call

Secretary: [Signature]  
Date: 1/13/15
Agenda

Audit overview

Financial statement highlights

Single audit highlights
Financial Audit Overview

Contract and Logistics
- The 2014 audit contract was awarded as a joint venture between KPMG and the New Mexico Office of the State Auditor (NMOSA)
- KPMG signed the opinions

Reports Issued (delivered to NMOSA on 12/15/14 and obtained release letter 01/13/15)
- Basic financial statements
- Single audit reports
- GNMA servicing reports

Audit conducted in accordance with generally accepted auditing standards and the New Mexico State Audit Rule
KPMG and NMOSA met with the finance committee for an audit planning and audit exit conference
- All required communications completed
Financial Statement Highlights

Financial Statements

- Unmodified (clean) opinion
  - Audit designed to provide reasonable, not absolute assurance
  - Management is responsible for the financial statements

- Audit Adjustments
  - One recorded adjustment for the fair value increase of MBSs of approximately $2.8 million
  - No significant unrecorded audit adjustments

- Accounting policies utilized by MFA are appropriate and have been consistently applied
- No policies adopted related to controversial areas
- No matters noted we considered significant deficiencies, or material weaknesses – *We do not conduct our procedures for the purpose of issuing an opinion on internal controls.*
Single Audit Highlights

Single Audit (federal grants)

- Unmodified auditor’s report on the A-133 (Single Audit)
- Housing Finance Agencies Risk Sharing Program CFDA 14.188:
  - One A-133 audit finding regarding eligibility. Of the two mortgage files tested neither included the HUD required covenant in the event of a modification of terms of the mortgage.
- Section 8 Housing Choice Vouchers CFDA 14.195:
  - No A-133 audit findings
- Community Development Block Grant / Neighborhood Stabilization Program (NSP) CFDA 14.228:
  - One A-133 audit finding regarding reporting. The bi-monthly performance reports did not agree to supporting documentation. This is a repeat comment.

Prior Year Findings

- 13-01 Community Development Block Grant/Neighborhood Stabilization Program – Reporting
- 13-02 Monitoring of Fringe Benefits
  - Current status: Resolved
## New Mexico Mortgage Finance Authority
### Effect of GASB No. 31 on Financials
#### 2007 - 2014
($ in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 **</th>
<th>2014 **</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance Sheet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets &amp; Deferred Outflows without GASB 31</td>
<td>$1,663,226</td>
<td>$1,627,339</td>
<td>$1,699,547</td>
<td>$1,638,673</td>
<td>$1,474,121</td>
<td>$1,301,724</td>
<td>$1,157,046</td>
<td>$1,024,233</td>
</tr>
<tr>
<td>Unrealized Gain(loss) on investments-- GASB 31</td>
<td>(21,600)</td>
<td>(12,595)</td>
<td>43,643</td>
<td>68,153</td>
<td>90,456</td>
<td>89,505</td>
<td>41,654</td>
<td>43,416</td>
</tr>
<tr>
<td>Total Assets &amp; Deferred Outflows with GASB 31</td>
<td>$1,641,626</td>
<td>$1,614,744</td>
<td>$1,743,190</td>
<td>$1,706,826</td>
<td>$1,564,577</td>
<td>$1,391,229</td>
<td>$1,198,700</td>
<td>$1,067,649</td>
</tr>
<tr>
<td>Net Position without GASB 31</td>
<td>$151,246</td>
<td>$160,045</td>
<td>$161,530</td>
<td>$168,173</td>
<td>$172,288</td>
<td>$181,276</td>
<td>$190,235</td>
<td>$198,133</td>
</tr>
<tr>
<td>Cumulative effect of change in fair value of investments</td>
<td>(21,600)</td>
<td>(12,595)</td>
<td>43,643</td>
<td>68,153</td>
<td>90,456</td>
<td>89,505</td>
<td>41,654</td>
<td>43,416</td>
</tr>
<tr>
<td>Net Position with GASB 31</td>
<td>$129,646</td>
<td>$147,450</td>
<td>$205,173</td>
<td>$236,326</td>
<td>$262,744</td>
<td>$270,762</td>
<td>$231,890</td>
<td>$241,550</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013 **</th>
<th>2014 **</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unaudited Excess Revenue over Expenses without GASB 31</td>
<td>$7,424</td>
<td>$8,799</td>
<td>$1,486</td>
<td>$6,643</td>
<td>$4,115</td>
<td>$8,989</td>
<td>$7,471</td>
<td>$7,897</td>
</tr>
<tr>
<td>Net increase (decrease) in fair value of investments-- GASB 31</td>
<td>(6,667)</td>
<td>9,005</td>
<td>56,237</td>
<td>24,510</td>
<td>22,303</td>
<td>(951)</td>
<td>(39,739)</td>
<td>1,763</td>
</tr>
<tr>
<td>Audited Excess Revenue over Expenses with GASB 31</td>
<td>$757</td>
<td>$17,804</td>
<td>$57,723</td>
<td>$31,153</td>
<td>$26,418</td>
<td>$8,038</td>
<td>(32,268)</td>
<td>$9,660</td>
</tr>
</tbody>
</table>

**Adjusted for GASB No. 65**
New Mexico Mortgage Finance Authority
Effect of GASB31 on Financials
($ in millions)

### MFA Income With and Without GASB 31 Adjustment, 2007 - 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Income with GASB 31</th>
<th>Income without GASB 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$0</td>
<td>$500</td>
</tr>
<tr>
<td>2008</td>
<td>$500</td>
<td>$1,000</td>
</tr>
<tr>
<td>2009</td>
<td>$1,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>2010</td>
<td>$1,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>2011</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>2012</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>2013</td>
<td>$1,500</td>
<td>$1,500</td>
</tr>
<tr>
<td>2014</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

### MFA Assets With and Without GASB 31 Adjustment, 2007 - 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets with GASB 31</th>
<th>Assets without GASB 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$1,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>2008</td>
<td>$1,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>2009</td>
<td>$2,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>2010</td>
<td>$2,500</td>
<td>$3,000</td>
</tr>
<tr>
<td>2011</td>
<td>$3,000</td>
<td>$3,500</td>
</tr>
<tr>
<td>2012</td>
<td>$3,500</td>
<td>$4,000</td>
</tr>
<tr>
<td>2013</td>
<td>$4,000</td>
<td>$4,500</td>
</tr>
<tr>
<td>2014</td>
<td>$4,500</td>
<td>$5,000</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Year</th>
<th>Net Assets with GASB 31</th>
<th>Net Assets without GASB 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$(60)</td>
<td>$(60)</td>
</tr>
<tr>
<td>2008</td>
<td>$(40)</td>
<td>$(40)</td>
</tr>
<tr>
<td>2009</td>
<td>$(20)</td>
<td>$(20)</td>
</tr>
<tr>
<td>2010</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2011</td>
<td>$20</td>
<td>$20</td>
</tr>
<tr>
<td>2012</td>
<td>$40</td>
<td>$40</td>
</tr>
<tr>
<td>2013</td>
<td>$60</td>
<td>$60</td>
</tr>
<tr>
<td>2014</td>
<td>$80</td>
<td>$80</td>
</tr>
</tbody>
</table>

### GASB 31 Changes in Fair Value of Assets 2007-2014

- 2007: $(20)
- 2008: $0
- 2009: $(20)
- 2010: $0
- 2011: $20
- 2012: $40
- 2013: $60
- 2014: $80

Excel File: GASB31 effect 15.xlsx

Date: 1/2/2015
MEMORANDUM

To: MFA Board of Directors
From: Gina Hickman
Date: January 21, 2015

BACKGROUND:

Annually, MFA staff reviews and updates the Policies and Procedures Manual. The Policies and Procedures manual is revised as needed for changes related to compliance, audit findings, clarifications and changes in general practices. During the course of the last year, an update to the Bond Issuance and Debt Management was approved by the Board and has already been incorporated into the manual.

In addition to the policy and procedures manual that is approved at the Board level, each individual department maintains a procedure’s manual and in many cases individualized desktop procedures that incorporate the framework provided in this document.

Board Counsel reviews the manual at least every other year, and last performed an in-depth evaluation of the manual in January 2014. Board Counsel did review the new Consumer Complaint policy being proposed in this revision.

ITEMS FOR DISCUSSION:

Many of the changes being proposed in this revision are minor in nature. The following is a summary of substantive changes incorporated for consideration:

<table>
<thead>
<tr>
<th>Page # (redline)</th>
<th>Section</th>
<th>Proposed Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Conduct of Business-Finances</td>
<td>Increased requirement for dual signatures on disbursements from $500 to $2,000 based on business need and current best practices.</td>
</tr>
<tr>
<td>23</td>
<td>Conduct of Business-TBA Program Policy</td>
<td>Updated department responsibilities based on changes in general practices.</td>
</tr>
<tr>
<td>24</td>
<td>Conduct of Business-Fraud, Waste and Abuse and or Unethical or Illegal Practices</td>
<td>Added language to reflect latest HUD Office of Inspector General guidelines.</td>
</tr>
<tr>
<td>30</td>
<td>Conduct of Business-Consumer Complaints</td>
<td>New policy as required by the Consumer Financial Protection Bureau.</td>
</tr>
<tr>
<td></td>
<td>Business Travel and Meal Expenses-Travel</td>
<td>Added language required for compliance with IRS related to one day (no overnight lodging) meal reimbursement regulations.</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>40</td>
<td>Procurement-Resident Business Preference</td>
<td>Updated Resident Business Preference; new OMB circular does not allow this type of preference for federal fund procurements.</td>
</tr>
<tr>
<td>48</td>
<td>Auditing Policies and Procedures-External Auditing Policy Statement</td>
<td>Updated OMB reference. Removed auditor rotation requirement. MFA is now in alignment with the State Auditor’s Rule. Management believes the more restrictive policy we have had in place could be detrimental to our ability to attract and contract with capable firms.</td>
</tr>
</tbody>
</table>

Other minor revisions are redlined throughout the document. The redlined document is included for your review.

**RECOMMENDATIONS:**
Staff recommends approval of proposed revisions to the Policies and Procedures manual.
# MFA Policies & Procedures Manual

## Table of Contents

<table>
<thead>
<tr>
<th>Section Number</th>
<th>Description</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MFA Mandate, Mission, Vision and Core Values</td>
<td>Page 3</td>
</tr>
<tr>
<td><strong>Section 1</strong></td>
<td><strong>General Policies</strong></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Policies and Procedures Manual – Purpose</td>
<td>Page 4</td>
</tr>
<tr>
<td>1.2</td>
<td>Code of Conduct</td>
<td>Pages 4-8</td>
</tr>
<tr>
<td>1.3</td>
<td>Conduct of Business</td>
<td>Page 8-29</td>
</tr>
<tr>
<td></td>
<td>Meetings, Written Reports, Finances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Investment Policies, General Fund Cash Reserves, Bond</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Issuance and Debt Management, To-Be Announced Program,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fraud, Waste &amp; Abuse Reporting, Protection of Sensitive Information, Media</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contact, Service of Process, Suspension and Debarment, Consumer Complaints</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial Products and Services</td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>Business Travel &amp; Meal Expenses</td>
<td>Pages 29-33</td>
</tr>
<tr>
<td></td>
<td>General Guidelines, Travel Expenses, Business Meals,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expense Reimbursement Procedures, Third Party Expenditures</td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>Transaction Authorizations</td>
<td>Page 33-34</td>
</tr>
<tr>
<td></td>
<td>Program Transactions, Bank Accounts, Contracts</td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td>Fair Housing Policy</td>
<td>Page 34</td>
</tr>
<tr>
<td><strong>Section 2</strong></td>
<td><strong>Personnel Policies</strong></td>
<td></td>
</tr>
<tr>
<td>2.1 – 2.3</td>
<td>Conditions of Employment, Organizational Structure, Personnel Records</td>
<td>Page 35</td>
</tr>
<tr>
<td><strong>Section 3</strong></td>
<td><strong>Procurement Policies</strong></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Polices and Purposes, Application, Exceptions, Procedure, Code of Conduct,</td>
<td>Pages 36-41</td>
</tr>
<tr>
<td></td>
<td>Review, Definitions, Disposition of Tangible Goods</td>
<td></td>
</tr>
<tr>
<td><strong>Section 4</strong></td>
<td><strong>Program Policies</strong></td>
<td></td>
</tr>
<tr>
<td>4.1</td>
<td>Single Family Mortgage Loans</td>
<td>Pages 42-43</td>
</tr>
<tr>
<td></td>
<td>Transfers/Assumptions, Release of Mortgagor, Occupancy Waiver</td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Acquired Properties, Disposition</td>
<td>Page 43-44</td>
</tr>
<tr>
<td>4.3</td>
<td>Second Mortgage Default, Foreclosure and Deeds in Lieu of Foreclosure (DIL),</td>
<td>Pages 44-45</td>
</tr>
<tr>
<td></td>
<td>Short Sales, Bankruptcies, etc.</td>
<td></td>
</tr>
<tr>
<td><strong>Section 5</strong></td>
<td><strong>Auditing Policies and Procedures - Policy Statement</strong></td>
<td></td>
</tr>
<tr>
<td>5.1</td>
<td>External Audit Policy Statement</td>
<td>Page 46</td>
</tr>
<tr>
<td>5.2</td>
<td>Internal Audit Policy Statement</td>
<td>Page 47</td>
</tr>
<tr>
<td>5.3</td>
<td>Internal Audit Statement of Purpose, Authority and Responsibility</td>
<td>Page 47</td>
</tr>
<tr>
<td>Section 6</td>
<td>Requests To Inspect Documents</td>
<td>Page</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td><strong>Exhibits</strong></td>
<td><strong>Disclosure Statement</strong></td>
<td>Exhibit A</td>
</tr>
<tr>
<td></td>
<td><strong>Funding Committee Disclosure Statement</strong></td>
<td>Exhibit B</td>
</tr>
<tr>
<td></td>
<td><strong>Multi-Family Bond Disclosure Statement</strong></td>
<td>Exhibit C</td>
</tr>
<tr>
<td></td>
<td><strong>Confidentiality Statement</strong></td>
<td>Exhibit D</td>
</tr>
<tr>
<td></td>
<td><strong>Delegations of Authority</strong></td>
<td>Exhibit E</td>
</tr>
</tbody>
</table>
MFA MISSION, VISION AND CORE VALUES

MFA Mandate
In 1975 the New Mexico state legislature created the New Mexico Mortgage Finance Authority as a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality, with the power to raise funds from private investors in order to make such private funds available to finance the acquisition, construction, rehabilitation and improvement of residential housing for persons and families of low or moderate income within the state.

MFA Vision
All New Mexicans will have quality affordable housing opportunities.

MFA Mission
Provide innovative products, education and services in collaboration with strategic partners to finance the purchase, construction and preservation of quality affordable housing to strengthen the social and economic development of New Mexico.

MFA Core Values
- Hire the best qualified employees representing the diversity of the state, pay them competitively, treat them fairly, and provide opportunities for advancement.
- Provide prompt, courteous, quality service.
- Foster a dynamic professional environment of excellence that supports a high level of integrity, transparency, collaboration, and commitment to mission.
- Allocate resources to serve those with the greatest need while promoting partnerships to maximize housing opportunities.
- Practice cost-effective operations and prudent fiscal management.
- Promote sustainable growth, innovation, and environmentally conscious practices.
SECTION 1 - GENERAL POLICIES

1.1 Policies & Procedures Manual - Purpose

A. With respect to Board Members, Management and Employees and the conduct of MFA business, the policies & procedures shall be set forth in this manual, adopted by the Board and consistent with the MFA's approved Bylaws. The Board shall approve the manual at least annually, and any changes shall have Board approval, specific to the section affected. All Board Members shall be provided with a current, complete Policies & Procedures Manual.

B. Although this manual sets forth MFA’s policies and procedures, the Board retains its authority established by law, as restricted by law and MFA’s bylaws. In the event that Board takes a lawful action that is inconsistent with the policies set forth in this manual, the provisions of this manual will nonetheless remain in place until they have been amended by the Board.

1.2 MFA Code of Conduct

A. Preamble. The MFA, an instrumentality of the state government, exists to serve the citizens of the state of New Mexico. In order to maintain the respect, trust and confidence of the public, all Members, Management and Employees must use the powers and resources of their office only to advance the public interest and not to obtain personal benefits or pursue private interests incompatible with the public interest. Members, Management and Employees shall conduct themselves in a manner that justifies the confidence placed in them by the public, at all times maintaining their integrity and discharging ethically their responsibilities in the course of their association with the MFA.

B. Purpose. The purpose of this Code of Conduct is to provide general guidelines and a minimum standard of conduct for Members, Management and Employees of the MFA and to implement the conflict of interest provisions of the MFA Act (Section 58-18-25, NMSA 1978) for Members, Management, Employees, as well as for members of MFA’s Funding Committees.

C. Definitions. For purpose of this Code of Conduct, the following words and phrases shall have the following meanings:

"Business" means a corporation, partnership, limited partnership, limited liability company, proprietorship, trust, firm, organization, or any other entity or association of individuals or entities.

"Confidential Information" means information a Member, Management or Employee has obtained or may obtain by virtue of his/her status as a Member, Management or Employee.

"Disclosure Statement" means the disclosure statement required by sub-section D of this Code of Conduct.

"Employee" means any person employed by the MFA and does not include independent contractors of MFA.

"Employment" means rendering services for compensation as an employee.

---

1 Member, Management and Employee are defined in sub-section C of MFA’s Code of Conduct, which is section 1.2 of this manual. These terms are used throughout this manual.
"Family Member" means with respect to each Member, Management, Employee, and Funding Committee members, the Member's, Management's, Employee's, or Funding Committee member’s spouse, domestic partner, children, grandchildren, parents, siblings, grandparents, mother-in-law, father-in-law, sister-in-law, brother-in-law, uncle, aunt, first cousin, or anyone residing in a Member's, Management’s, Employee's, or Funding Committee member’s household.

"Financial Interest(s)" means an interest in a Business as an owner, partner, shareholder, investor, trustee, beneficiary, lender, officer, director, member, employee or consultant.

“Funding Committee” means a committee comprised of community members active in the fields of housing, banking, business, or social programs, and created to advise MFA staff on and in certain cases to select for MFA Board approval, recipients of funding awards from the Housing Trust Fund, the Land Title Trust Fund, the Low Income Housing Tax Credit Program, or other funding sources administered by MFA.

"Member" means a member, and with respect to an ex-officio Member, his or her proxy, of the Board of Directors of the MFA.

"Management" means the Executive Director, Deputy Director of Programs, Deputy Director of Finance and Administration, and Director of Human Resources employed by the MFA.

"Official Act" means any action taken by a Member, Management, Employee, or Funding Committee member that is within her/his capacity to take by virtue of his/her position and which constitutes a decision, resolution, determination, recommendation, approval, disapproval, or other action that involves the exercise of discretionary authority.

"Transaction" means any transaction including, but not limited to, any sale, purchase, or exchange of tangible or intangible property or services, any loan, loan commitment or loan guarantee, any sale, purchase, or exchange of mortgage loans, notes or bonds, or any other business arrangement or contract therefor.

D. Principles and Disclosure Obligations.

1. Principles. All MFA Members, Management, Employees and Funding Committee members shall adhere to the following principles:

   a) No Member, Management, Employee or Funding Committee member should participate in any Official Act that would in any way benefit him or her or any Family Member of him or her.

   b) If any Member, Management, Employee or Funding Committee member of the MFA is aware of having any form of Financial Interest in any MFA business, and is aware that an action he/she may take in their official capacity might impact that Financial Interest, that person must disclose the Financial Interest to the MFA and must not become involved in MFA actions affecting that Financial Interest.

   c) Any Financial Interest held by any Member, Management, Employee or Funding Committee member of the MFA should be disclosed, no matter the degree of the Financial Interest.

2. Initial and Annual Disclosures. Within thirty (30) days of assuming duties as a Member or commencing Employment with the MFA, each new Member, Management and Employee will be required to complete a Disclosure Statement, in the form of attached Exhibit A, which shall
disclose to the best of his/her knowledge, his/her and/or his/her Family Members' Financial Interest(s) in any Business engaged in, or proposing to engage in, any Transaction with the MFA. On or before January 1 of each year, each MFA Member, Management and Employee shall complete and deliver to the MFA a disclosure statement disclosing to the best of his/her knowledge, his/her and his/her Family Members' Financial Interest(s) in any Business engaged or, proposing to engage in any Transaction with the MFA. The disclosure statement shall be in the form of Exhibit A ("Disclosure Statement") and shall contain at least the following information:

a) the name of the Business engaging in, or proposing to engage in, a Transaction with the MFA;

b) if the Transaction is with a Business in which an Employee or Employee’s Family Member has a Financial Interest, the approximate value of the Transaction.

c) A list of all MFA programs or proposed programs that a Member, Management, Employee or Family Member is likely to participate in and/or benefit from.

3. Updated Disclosures. Each Member, Management and Employee shall update his/her Disclosure Statement within forty-five (45) days of the date that, to the best of his/her knowledge:

a) he/she or any Family Member acquires a Financial Interest in any Business engaging in, or proposing to engage in, a Transaction with the MFA;

b) he/she learns that a Family Member has a Financial Interest in a Business which is engaging in, or proposing to engage in, a Transaction with MFA; or

c) he/she learns that a Business in which he/she or any Family Member has a Financial Interest, is engaging in, or proposing to engage in, a Transaction with the MFA.

4. Special Disclosures.

a) Funding Committees. Upon the commencement of a funding round, each member of MFA’s Allocation Review and Design Committees of the Low Income Housing Tax Credit (LIHTC) Program, Housing Trust Fund and Land Title Trust Fund Advisory Committees, and all other MFA Funding Committees, shall disclose, upon receipt of the list of applicants to the funding round, his/her and any Family Member’s Financial Interest in any entity named on the list of applicants to that funding round. The disclosure statement shall be in the form of Exhibit B ("Funding Committee Disclosure Statement")

b) Project-Specific Multi-family Bonds. Prior to the issuance of a project-specific multi-family housing bond, each MFA Member, Management, and Employee shall disclose any Financial Interest he/she or any Family Member has in any entity proposing to engage in the bond transaction with MFA. The disclosure statement shall be in the form of Exhibit ("Multi-Family Bond Disclosure Statement")

c) ("Multi-Family Bond Disclosure Statement")

5. Disclosure Process. Completed Annual and Updated Disclosure Statements are to be provided to MFA’s Director of Human Resources who shall review them with MFA’s in-house Attorney to determine the existence or potential existence of a conflict of interest on the part of any MFA Board Member, Management or Employee with regard to any MFA Transaction or anticipated Transaction. It shall be the responsibility of the Human Resources Director and MFA’s in-house Attorney to inform the Policy Committee of any existing or anticipated conflicts of interest indicated in any Disclosure Statement form. If approval of the Board is required for any Transaction under sub-section F of this policy, it shall be the responsibility of MFA’s in-house Attorney to disclose the Transaction to the Board and to request the required approval.
Special Disclosures will be distributed and collected by MFA’s Housing Development Department.

E. Gifts. No Member, Management or Employee may, directly or indirectly, solicit or accept any money or other thing of value that is conditioned upon or given in exchange for performing or promising to perform an Official Act, which may influence the manner in which he/she performs an Official Act, or which may create the appearance that it influenced him/her in the performance of an Official Act.

F. Conflict of Interest Transactions.

1. Prohibited Transactions - Members, Management and Employees.
   a) Official Act. No Member, Management or Employee shall take any Official Act which may directly or indirectly benefit his/her or a Family Member's position or Financial Interests.
   b) Confidential Information. No Member, Management or Employee shall utilize Confidential Information to benefit himself/herself or a Family Member. Members, Management and Employees shall safeguard all information that is of a confidential or proprietary nature, and shall not disclose such information, except as otherwise authorized. A Confidentiality Agreement in the form of Exhibit D shall be signed by all Management and Employees and kept on file.
   c) Member, Management and Employee Transactions. No Business in which a Member, Management or Employee (or a Family Member) has a Financial Interest shall engage in a Transaction with the MFA unless the Member, Management or Employee has disclosed his/her or his/her Family Member's Financial Interest in the Business to the MFA in the manner provided in sub-section D of this policy prior to engaging in the Transaction and, with respect to all Transactions of Members and Management, and Employee Transactions in excess of $10,000, the Transaction is approved by a disinterested majority of the MFA Members. Transactions of Employees of $10,000 or less may be approved by the Executive Director provided a disclosure of such Transactions is made to the MFA Board and is recorded in the minutes of the meeting in which it is made.

2. Transactions Involving Former Members or Management. The MFA shall not enter into any Transaction with a former Member or former Management for a period of one (1) year after the Member or Management ceases to be a Member or Management of the MFA, except with prior approval of a disinterested majority of all the MFA Members.

3. Other Employment. Members, Management and Employees shall not engage in or accept employment or render services for other persons when that employment or service is incompatible with or may affect the discharge of their official duties or when that employment may tend to impair their independence of judgment or action in the performance of their official duties. The Executive Director must approve all outside employment by an Employee prior to his/her accepting outside employment. The MFA Board must approve all outside employment by the Executive Director prior to his/her accepting outside employment.

4. Exceptions. Nothing in this Code of Conduct shall be deemed or construed to limit the right of any Member, Management or Employee of the MFA to:
   a) acquire or purchase any interest in bonds or notes of the MFA;
   b) have a Financial Interest in, or do business with, any banking institution in which MFA funds are or are to be deposited or which is or is to be acting as trustee or paying agent under any trust indenture to which the MFA is a party; or
   c) accept employment with the MFA.
G. **Political Activities.** A Member, Management or Employee shall not, through his or her position at the MFA:

1. directly or indirectly coerce, command, advise, solicit or attempt to coerce, command, advise or solicit anyone to pay, lend or contribute money or other thing(s) of value to a party, committee, organization, agency or person for political purposes; or
2. use MFA funds, resources or time for any political candidate or purpose.

H. **Sanctions and Penalties.** Violation of any part of this Code of Conduct by any Management or Employee may subject the violator to disciplinary action up to and including termination of employment and to such other penalties as may be provided by law.

I. **Effective Date.** This Code of Conduct is effective **January 21, 2015.**

1.3 **Conduct of Business**

A. **Meetings.** The MFA shall call and provide notice of meetings in accordance with the Open Meetings Act and the MFA’s Open Meetings Resolution. The MFA’s Open Meetings Resolution will be approved by the Board at least annually.

B. **Written Reports.** Reports will be provided to the Board as requested. The following reports will be provided to the Board Members at regular board meetings and will be provided in advance of the meeting, when possible:

1. combined financial statements are to be provided monthly and
2. investment reports, credit line activity, and program status reports are to be provided quarterly.

C. **Finances.**

1. **Authorized Check and Electronic Funds Transfer (EFT) Signatures.** The single signature of the Chair, Vice Chair, Treasurer (or other Board Member(s) designated by the Chair), Executive Director, Deputy Director(s), or Controller shall be required on any check or EFT up to $2,000. Two signatures of any of the above shall be required on disbursements from $500 to $2,000 up to $10,000. Disbursements of $10,000 or more require dual signatures, one of which must be the Chair, Vice Chair, Treasurer or a designee of the Chair. The single signature of the Chair, Vice Chair, Treasurer (or other Board Member(s) designated by the Chair), Executive Director, Deputy Director(s), or Controller shall be required on EFTs between MFA owned accounts regardless of the dollar amount.

2. **Check or EFT Requests, Approval.** A request for a disbursement from the General Fund, Housing Programs, Servicing or other bank accounts by means of a check or an EFT must be approved as follows:

a) The request for a disbursement from the General Fund, Housing Programs, Servicing or other bank accounts must be approved by Management or by staff designated by Management.

b) The person requesting the disbursement shall not approve the request for disbursement.

c) The person transmitting the EFT transaction cannot approve the request for disbursement.

d) The person approving the request for disbursement shall not be the sole signer of the check. Exceptions: 1) if dual signatures are required, one signature may be that of the person approving the request for disbursement; 2) if an EFT is between MFA owned accounts, the signer of the EFT may be the person approving the request for disbursement.
D. Investment Policies

1. Scope. This policy is to be followed when investing cash assets of the MFA. Optimal investment of these assets supports the legislative intent for the MFA to provide affordable housing for low and moderate income New Mexicans. Assets purchased by the MFA to meet its legislative mandates are not to be considered investments for the purpose of this policy.

In the event of a conflict between this policy and provisions of the various MFA bond resolutions and indentures, the more restrictive provisions shall apply unless specifically prohibited by the affected bond resolutions(s) or indenture(s).

2. Objectives. The primary objective of the policy is to preserve capital and secondarily to achieve the highest market return. These objectives should be attained only after consideration of liquidity needs and within the constraints of the MFA statutes and requirements prescribed within each respective bond documents.

3. Delegation of Authority

a) Committee. A committee designated by the Board and comprised of Members (hereafter in Section 1.3 of this manual, the “Committee”) has the specific purpose and responsibility of carrying out the investment policy.

b) Committee Responsibilities. The Committee will be charged with the following:
   1) Establish and update, not less than annually, the investment policy for the full Board's approval.
   2) Monitor the investment activities to insure that proper controls are in place to guarantee the integrity and security of the portfolio.
   3) Monitor compliance with applicable statues, regulations, and other legal authorities, including the MFA Act.
   4) Review all investment transactions made by the MFA staff.
   5) Meet to deliberate on such topics as: economic outlook, portfolio diversification, maturity structure, potential risks and the rates of return on the investment portfolio.
   6) Recommend depositories, custodians and broker/dealers for Board approval.

c) Duties and Responsibilities of Staff
   1) The ultimate responsibility for conducting the investment program within set policy guidelines resides with the Executive Director. The day-to-day investment decisions and activities are assigned to and will be the responsibility of staff.
   2) Staff is charged with the following:
      i. Day-to-day management of the MFA investments;
      ii. Executing investment transactions, including but not limited to purchases and sales of securities;
      iii. Making recommendations to the Committee; and
      iv. Presentation to the Committee of comprehensive quarterly written reports designed to keep Committee Members fully apprised of all investment decisions and current status of the investment program.

d) Meetings. The Committee will meet at least quarterly to carry out its responsibilities listed above and to review staff-prepared reports. Special meetings of the Committee may be called at any time by any voting Member of the Committee. A majority vote of the Committee is required to approve recommendations. Minutes of the meetings will be recorded and maintained as
permanent documentation of the Committee's actions and will be attached to the minutes of the next regular meeting of the MFA Board along with accompanying reports.

4. **Prudence.** All investments made will be in accordance with the "prudent investor" rule:

   “Investments shall be made with judgment and care under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

   The staff and the Board while acting in accordance with written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control any possible adverse developments. The MFA Code of Conduct, including provisions regarding conflicts of interest and disclosure, is applicable to all investment decisions, recommendations, and transactions.

5. **Monitoring and Adjusting the Portfolio.** As a general practice, securities will be purchased with the intent to hold until maturity. However, trades in response to changes in market value or market direction may be necessary. These types of trades will be documented as to reasons, including consideration of credit quality, market risk and total yield to maturity with rebalancing to take place as necessary to maintain investment ranges outlined under Section 8, Diversification of Risk herein.

6. **Internal Controls.** A system of written internal controls will be designed by the Deputy Director of Finance and Administration and reviewed by an independent auditor as part of the internal audit plan in accordance with the internal audit risk assessment. The controls shall be designed to minimize loss of MFA funds due to fraud, error, misrepresentations, market changes or imprudent actions. The controls shall be made part of the investment policy.

7. **Permitted Investments.** The MFA investment policy will be diversified to the extent permitted in the MFA Act and Section 6-8-7, NMSA 1978, and as prescribed in its various bond resolutions and trust indentures. Specifically, investments may be made in any investment instruments acceptable under and/or required by any MFA bond resolution or indenture or:

   a) in obligations of any municipality of New Mexico or the State of New Mexico or the United States of America, rated "AA" as defined by Standard & Poor’s or equivalent, or better;

   b) in obligations, the principal and interest of which are guaranteed by the State of New Mexico or the United States of America;

   c) in obligations of any corporation wholly owned by the United States of America;

   d) in obligations of any corporation sponsored by the United States of America which are or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve System;

   e) in certificates of deposit or time deposits in banks qualified to do business in New Mexico, secured in such manner, if any, as the authority shall determine;
f) in contracts for the purchase and sale of obligations of the type specified in Paragraph a) of this subsection;

g) as otherwise provided in any trust indenture securing the issuance of MFA's bonds;

h) in the State of New Mexico Office of the Treasurer Local Short Term Investment Fund; or

i) in the State of New Mexico State Investment Council Investment Funds Program (fund(s) to be determined according to asset allocation strategy).

8. **Diversification of Risk:** Diversification and asset allocation strategies for the General Fund investments shall be formally determined at least annually and revised periodically, if applicable, by the Committee. The responsibility for implementation of such strategies will be with staff.

<table>
<thead>
<tr>
<th>GENERAL FUND ASSET ALLOCATION STRATEGY</th>
<th>ASSET CLASS</th>
<th>TARGET</th>
<th>RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHORT-TERM INVESTMENTS (Less than 1 year)</td>
<td>Local Government Investment Pool</td>
<td>$5mm</td>
<td>$3mm - $12mm</td>
</tr>
<tr>
<td></td>
<td>Warehoused Securities</td>
<td>$15mm</td>
<td>$0 - $25mm</td>
</tr>
<tr>
<td>INTERMEDIATE-TERM INVESTMENTS (1 to 10 years)</td>
<td>Bond Ladder (in permitted securities)</td>
<td>$20mm</td>
<td>$10mm - $25mm</td>
</tr>
<tr>
<td></td>
<td>Certificates of Deposit or Time Deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MFA Mortgage Backed Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LONG-TERM INVESTMENTS (More than 10 years)</td>
<td>State Investment Council</td>
<td>Excess Funds:</td>
<td>70% - 95%</td>
</tr>
<tr>
<td></td>
<td>Fixed Income Domestic Core Bond Funds</td>
<td>• 80%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equity Domestic Large Cap Active Fund</td>
<td>• 20%</td>
<td>5% - 30%</td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td>• 0%</td>
<td>Up to 5%</td>
</tr>
<tr>
<td></td>
<td>MFA Mortgage Backed Securities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In establishing specific diversification strategies after consideration of liquidity and specific time period cash needs, the following three guidelines shall apply:

- Portfolio maturities will be staggered to avoid undue concentrations of assets in a specific maturity sector.
- Maturities selected shall provide for stable income and adequate liquidity to meet the MFA's operational and cash flow needs and debt service obligations.
- Portfolio positions will be diversified among various securities/funds so as to avoid overweighing in any one type of security.

The MFA staff will demonstrate prudence in the selection of investments as a way to minimize risk. No individual investment transaction shall be undertaken that will jeopardize the total capital position of the overall portfolio. The Committee and the MFA staff, together with any financial advisor(s) selected by the Committee, will continuously analyze the risk/reward relationships existing in the marketplace and act accordingly when selecting investments. The following three specific guidelines will be strictly observed in order to further minimize risks:

- All certificates of deposit, or time deposits will be placed with qualified financial institutions; (See Qualified Financial Institutions below)
- All transactions will be executed on a delivery versus payment basis; and
- The best bid or offer will be sought for all of the MFA's purchases and sales of securities.

9. **Qualified Financial Institutions.** When selecting depositories and securities broker/dealers, consideration will be given to minimizing risk, protecting investment capital and obtaining the best purchase or sale price. The following guidelines will be used in selecting depositories and securities broker/dealers:

   a) **Depositories.** In selecting financial institutions for the deposit of MFA-directed funds, the staff will consider the credit-worthiness of the institutions as per the most recent Collateral Review Report prepared by the State Treasurer's Office in conjunction with their collateral and risk assessment evaluation policy. Funds held on behalf of HUD programs must be deposited with a financial institution controlled and insured by the Federal Deposit Insurance Corporation that has a rating consistent at all times with current minimally acceptable ratings as established by the Government National Mortgage Association (GNMA). The rating will be monitored quarterly and institutions changed when necessary.

   b) **Securities Broker/Dealers.** The Board, upon the recommendation of the Committee, shall prepare a list of approved broker/dealers, including New Mexico securities broker/dealers, based on the criteria listed below.

      (1) This approved Broker/Dealers list will be reviewed by the Board at least annually. Competitive bids from the broker/dealers will be obtained by the MFA staff on all purchases and sales of securities. All securities will be purchased and sold consistent with what the current market place dictates at the time of the purchase or sale and according to the prudent person rule.

      (2) Criteria for Selection of Broker/Dealers for Purchase and Sale of government bonds, agency obligations and other authorized investments:

         i. The firm(s) must be a registered dealer pursuant to the Securities Act of New Mexico, Section 58-13-15, NMSA 1978.
         ii. The firm(s) must be registered as a dealer under the Securities Exchange Act of 1934.
         iii. The firm(s) must be a member of the National Association of Securities Dealers.
iv. The firm(s) and assigned broker(s) must have been engaged in the business of effecting transactions in United States Government Bonds for at least five (5) consecutive years.

v. The firm(s) must agree to abide by the Code of Conduct of the MFA.

c) Bid Procedures for Transactions of Securities.
   1) All transactions by the MFA shall be awarded on a bid basis.
   2) A minimum of three documented bids shall be requested and received by the MFA office on each sale or purchase. The best bid received shall be awarded the transaction.
   3) Bids received and dealer awards shall be maintained on forms approved by the Committee.
   4) New Issue offerings in the primary market may be purchased from approved brokers/dealers without competitive solicitation if it is determined that no agency obligations meeting MFA’s requirements is available in the secondary market at a higher yield.

10. Reporting Requirements. The individual assigned by the Executive Director will report at least quarterly to the Committee on the overall status of the fund. This report will include at least:
   a) rating(s) of investment(s) if any;
   b) market value of the investments;
   c) time-weighted rates of return;
   d) analysis of asset allocation;
   e) analysis of the portfolio’s performance as measured against the funds stated objective, the CPI, and relevant indexes;
   f) analysis of the overall degree of risk measured by standard deviation relative to appropriate indexes;
   g) dollar value of the fund, net of non-investment cash contributions and distributions;
   h) record of individual transactions and indication of broker/dealer participation; and
   i) if a manager has been retained, a measure of his/her performance relative to the appropriate manager universe.

E. General Fund Cash Reserves

1. Background. The MFA is a financial intermediary created in 1975 by and for the State of New Mexico to provide financing for affordable housing. The MFA has issued multiple series of tax-exempt and taxable mortgage revenue bonds for this purpose. In addition, it has taken on the administration of various federal and state housing programs and has implemented several programs using its own excess earnings. These programs have helped finance the acquisition and construction of single family and multi-family housing for many thousands of New Mexicans. MFA expects to continue to issue bonds and administer its single family and multi-family housing programs to produce housing throughout the state.
2. Ongoing Bond Issue Responsibilities. The bonds issued by the MFA are tax exempt and taxable and have maturities extending up to 40 years from issuance. In each case a trustee has primary responsibility for collecting moneys for distribution to bondholders. For the life of the bonds, MFA has the following responsibilities with respect to the bonds:

a) Finance, Accounting and Servicing Activities
   1) Accounting for program transactions.
   2) Investment of acquisition and float fund proceeds.
   3) Assuring that trustees, program administrators, servicers, and other contractors are performing under their contract.
   4) Assuring redemption priorities are followed and executed in semi-annual bond redemptions and threshold special redemptions.
   5) Reviewing annual program cash flows for sufficiency.
   6) Maintaining bond rating to the extent possible.
   7) Providing technical assistance to trustees, program administrators, servicers, and other participants.
   8) Compiling annual bond disclosure reports and financial statements regarding bond performance.
   9) Reporting of significant disclosure events as necessary.
  10) Arbitrage rebate filings and payments as required to the IRS.
  11) Responding to audits by the IRS and the MFA’s External and Internal Auditors.
  12) Compliance with all bond closing documents.
  13) Handling defaults and repossessed properties.

b) Single Family Program Activities
   1) Assuring that master servicer, participating lenders, program administrators and other contractors are performing under their contracts.
   2) Assuring that the requirements for the tax exemption of the bonds are met.
   3) Providing technical assistance to participating lenders, servicers, program administrators, and borrowers.
   4) Compiling reports regarding program performance.
   5) Completing assumptions of loans by new borrowers.

c) Multi-family Program Activities
   1) Assuring that lenders, servicers, compliance monitors and other contractors are performing under their contracts.
   2) Assuring that projects are in compliance with low income set-asides and other regulations to ensure that the requirements for the tax exemption of the bonds are met.
   3) Providing technical assistance to lenders, servicers, program administrators, compliance monitors and borrowers.
   4) Compiling reports regarding program performance.
   5) Handling defaults and troubled projects.
   6) Completing assumptions and transfers of ownership.
   7) Loan servicing on certain multi-family transactions.

d) Services to Bondholders, Buyers and Sellers
   As long as MFA has outstanding bonds, MFA will need staff available to respond to inquiries, comply with all bond closing documents including reporting requirements of
indentures and answer requests for financial information from the institutions and individuals that own the MFA’s bonds and from any organization that has rated the bonds.

The ability to maintain a market for the initial sale and, as importantly, the secondary market resale of the MFA’s bonds requires timely and responsive financial and programmatic reporting to the owners, buyers and sellers of the taxable and tax exempt bonds as well as maintaining a rating on the bonds To ignore this requirement would be extremely harmful to the long term viability of the MFA’s bonds in the marketplace.

These responsibilities are handled by professional staff including Homeownership (single family programs), Housing Development (multi-family programs), Finance and Accounting Departments with staff in these areas trained to understand the flow of funds and tax law related to the various programs of the MFA. If no additional bonds are issued, these responsibilities with respect to the MFA’s bonds will continue up to 40 years or until all the bonds are paid off.

3. **Other Program Responsibilities.** The Low Income Housing Tax Credit program and the federal HOME Program and other programs require the following commitments during the life of the credits/loans:

   a) **Low Income Housing Tax Credit Program:**
      1) Annually monitoring the developers utilizing the credits to be sure they are complying with the low income set-aside and other program requirements.
      2) Monitoring changes in ownership of the projects receiving credits during the low income set-aside period.
      3) Additional monitoring as might be required by the IRS or the State.

   b) **HOME and other programs:**
      1) Monitoring projects as required by HUD and other grantor agencies.
      2) Responding to audits by grantor agencies, IRS and the MFA’s External and Internal auditors.
      3) Assuring that projects are in compliance with low income set-aside requirements and program affordability and other requirements.

4. **Ongoing Administrative Responsibilities.** In order to be available to the public, fulfill its obligations as outlined above, hold meetings, respond to inquiries, prepare required reports and perform other administrative duties, the MFA needs staff and office space which in turn imposes certain administrative responsibilities. These functions include:
   a) Compliance with MFA procedures regarding bank accounts, hiring, purchasing of supplies and services, leasing of office space and contracting and monitoring contractors.
   b) Conducting public hearings as required.
   c) Responding to legislative inquiries regarding outstanding programs and bond issues.
   d) Meeting legislative mandates related to affordable housing including but not limited to compliance with the Affordable Housing Act and oversight of Regional Housing Authorities.
   e) Complying with program reporting requirements.

5. **General Fund (Housing Opportunity Fund) Programs:** The need for low and moderate income housing in New Mexico has increased since the MFA was formed. During the same period the programs of the federal government to deal with the problems of inadequate housing have not increased commensurately. The MFA, in conjunction with the state, has assumed and is likely to continue to assume a larger role in providing housing financing. Furthermore, the needs of very low income families and special groups, such as the developmentally disabled or mentally ill are
increasingly the focus of MFA attention, often through the vehicle of locally controlled not-for-profit corporations.

All of these factors have led the MFA to invest staff and consultant time in the development of programs to provide housing in cooperation with not-for-profit corporations and other federal, tribal, state and local agencies. These are more difficult and expensive programs to develop and operate than the traditional bond programs of the MFA. Therefore, the MFA needs greater reserves to continue to develop, fund and implement Housing Opportunity Fund targeted programs.

6. Reserve Implications. The continuing monitoring and oversight responsibilities for existing and future programs, the growing costs of developing and implementing new programs, and the inevitable administrative burden of overseeing these growing MFA responsibilities has significant implications for the MFA’s reserve policies. Since the MFA does not receive state funds for operations, it must marshal its resources and carefully anticipate its financial needs for the short and long term to maintain its financial strength. It must do so in an environment of uncertain future revenues and the changing state of tax driven federal housing programs. In light of this, the MFA must estimate its future expenses and income under different scenarios and set aside adequate reserves to permit it to meet its responsibilities to bondholders, the legislature, the federal government and the public. Therefore, the MFA has undertaken the development of a reserve policy to best meet these responsibilities through prudent management of its general operating and program reserves.

7. Conclusions. Based on the foregoing, the MFA concludes as follows:

a) The MFA shall maintain sufficient general operating reserves for purposes of this policy to:
   1) Ensure ongoing administrative and accounting functions;
   2) Ensure ongoing program monitoring;
   3) Provide legal representation and protection against claims; and
   4) Provide for the development of new programs to meet the state’s housing needs;
   5) Maintain financial strength.

A cash reserve based on two years’ of the five-year historical average of the total operating expense is deemed to be sufficient.

b) Additionally, the MFA shall maintain sufficient program reserves for purposes of this policy to:
   1) Ensure funding of existing program commitments and program continuation; and
   2) Ensure funding of costs of issuance including negative arbitrage deposits for single family bonds.

Additional cash reserve based on two years’ of the five-year historical average of Housing Opportunity Fund loan fundings and two years’ of the five-year historical average of single family bonds costs of issuance is deemed to be sufficient.

2 For purposes of this Policy, General Fund cash is defined as cash in banks and the State Treasurer’s Office Local Government Investment Pool, and (highly liquid) investments in Treasury and Agency securities, certificates of deposit, investment in MFA mortgage backed securities and the State Investment Council’s Investment Funds Program.
This reserve policy shall be reviewed and approved by the Board periodically in the Board’s discretion.

F. Bond Issuance and Debt Management Policy

The purpose of this bond issuance and debt management policy is to: 1) establish principles that govern the issuance of New Mexico Mortgage Finance Authority (MFA) debt for the conduct of its operations, and 2) outline the process and parameters used to finance the MFA’s loan production programs and its capital needs through the issuance of debt.

This policy is to be approved by the Board and will be reviewed annually and updated as needed.

1. Principles. The MFA issues debt to fund loans in two areas of production -- single family and multi-family loans. Less frequently, debt is issued to fund specific long-term capital needs such as building improvements. The debt issuance covered by this policy may involve new money, refunding of existing debt, or both, and may fall under three general categories: single family mortgage bonds, multi-family project bonds, and volume cap preservation.

Pursuant to this policy the Board, from time to time, will approve resolutions to provide, among other things, authorization to the Executive Director and/or other MFA officers to issue and sell tax-exempt and taxable bonds for single family program funding and multi-family project funding, to establish the form and substance of indentures pursuant to which the bonds are issued, approve external financing participants as appropriate, and approve all other necessary documentation and agreements.

MFA will take into consideration desired mortgage rates and the need to maintain asset and debt management flexibility while carefully managing risk. To accomplish this MFA will establish short and long-range financial objectives that support an affordable housing plan (See Section 3: Bond Parameters & Financial Objectives). These objectives may change in response to economic and other factors. Any proposed financing will be reviewed to determine the best method of accessing the financial markets to achieve the goal of issuing debt at the lowest overall interest rates and costs.

2. Process

a) Financing Team. The bond structures are developed utilizing the expertise of the MFA’s Financing Team which consists of finance professionals, internal and external. The team will include MFA’s Finance, Homeownership (single-family) and Housing Development (multi-family) Departments as needed, as well as, financial advisors, and bond counsel. MFA Staff, Consultants and industry experts will be utilized as needed, including but not limited to investment bankers (“bankers”), bond trustees, master servicers and MFA’s TBA Administrator. Other third party participation by non-MFA bankers, placement agents, underwriter counsels, cash flow verification agents, credit enhancement providers, etc. will be evaluated on a case-by-case basis and are subject to the approval of the Executive Director or Deputy Director of Finance & Administration. Minimum requirements for approval for third party non-MFA bankers, placement agents, and cash flow verification agents include (1) listing in The Bond Buyer’s Municipal Market Place most recent edition of the “Red Book”, (2) five years documented experience doing similar transactions, (3) adequate capital to underwrite the bond issue if applicable, and (4) registration with the Municipal Securities Rulemaking Board as an underwriter or financial advisor. Minimum requirements for approval of non-MFA underwriter counsels include: (1) at least 5 years of documented experience doing similar transactions and (2) listing in the Bond Buyer’s Municipal Market Place most recent edition of the “Red Book”.

Standard & Poor's, Moody’s Investors Service and/or another independent, nationally recognized bond rating service may be used to rate each bond transaction. The complexity of the bond structure determines the necessary involvement of all parties.

MFA bond trustees, master servicers, banking team members, financial advisors and legal counsels will be selected in accordance with MFA’s Procurement Policy. The single family program Financing Team or a subset thereof will meet at least quarterly to discuss special topics as needed, as well as funding executions, including the TBA program (See Section G of this manual). The group will also hold an annual planning meeting.

b) Procedures. When capital is needed for program funding or debt management purposes, the Financing Team will review the financing alternatives in accordance with this policy and recommend an approach best suited to the current set of circumstances. That includes evaluating the immediate needs (capital or refunding), market conditions, and proposed bond structure. The MFA staff will decide how to proceed from among the Financing Team’s recommended approaches. The Deputy Director of Finance and Administration, in consultation with the Executive Director, will have the primary responsibility for final pricing determinations. The gross spread and mortgage rates, if applicable, will be finalized after conclusion of the order period.

All bond transaction documents related to an issuance are reviewed by Financing Team members.

In conjunction with Bond Counsel, the MFA Finance Department staff will ensure that all IRS requirements related to the Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”) are followed for both the single family program and multi-family projects. These required hearings give the public a reasonable opportunity to express their views on the issuance of bonds and the nature of the improvements and projects for which bond funds will be allocated.

MFA staff will work collaboratively with the New Mexico State Board of Finance ("SBOF") in requesting private activity bond cap to support the single family program and multi-family projects. Staff will provide an annual report to the SBOF on the status of housing programs in New Mexico, as well as request annual private activity bond cap allocations based on anticipated production needs. Staff will also ensure that all IRS filing requirements and SBOF reporting/approvals for the private activity bond cap utilized by MFA are met.

c) Credit Enhancements. The MFA will utilize credit enhancement (MBS structure, bond insurance, FHA insurance, bank letters of credit, etc.) to enhance marketability and pricing of the related debt where it is structurally necessary or economically advantageous.

d) Bond Proceeds Investments. All bond proceeds are to be invested in a manner acceptable to rating agency requirements and in accordance with the respective indenture, MFA policies and state and federal regulations.

e) Internal Controls. Financing Team will review appropriate documentation and cash flows during the structuring process to ensure financial integrity of the bond issues. Third party cash flow verification is requested on multi-family transactions when the developer uses an underwriter or placement agent outside the MFA Financing Team (not selected through MFA’s procurement process). In addition, the Financing Team will also review market conditions and comparative bond sales prior to bond pricing.
MFA will manage the bond program in accordance with the closing bond documents.

f) Disclosure. All publicly sold bond issues will be disclosed to the market through the publication of a Preliminary Official Statement prepared by underwriter’s counsel and in accordance with the Municipal Securities Rulemaking Board (“MSRB”) and industry standards. Subsequent to the sale of bonds, underwriter’s counsel will prepare the final Official Statement. For a Private Placement of bonds, a Private Placement Memorandum will be prepared, or if a Private Placement Memorandum is not required by the bond purchasers, a summary term sheet may be completed that is in a form satisfactory to MFA staff. In addition, for single family mortgage bond issues, MFA will enter into a Continuing Disclosure Agreement for the benefit of the holders and beneficial owners of the bonds in order to assist the underwriter(s) in complying with SEC Rule 15c2-12(b)(5). For multi-family housing bond issues, the conduit borrower will enter into a Continuing Disclosure Agreement for the benefit of the holders and beneficial owners of the bonds in order to assist the underwriter(s) in complying with SEC Rule 15c2-12(b)(5).

g) Single Family Asset/Liability Management. Management of the overall single family bond portfolio and related Mortgage Backed Securities (“MBS”) is an ongoing process. The administration of the overall program is accomplished through the evaluation of monthly prepayment speeds, calculation of individual single family program parity, preparation and review of annual cash flow projections, and tracking of program internal rates of return. Additionally, callable bond programs are reviewed at least annually to determine if earnings could be maximized by eliminating the debt and using the assets to generate more income, or as subsidy to upcoming bond issues allowing more competitive mortgage rates. Staff periodically evaluates the financial analysis prepared by MFA’s investment bankers comparing “do-nothing”, General Fund purchase of MBS, sale of MBS into the secondary market and program refunding. The best option is then determined by staff based on the information provided as well as the need for a long-term cash flow to support the programs and General Fund. Staff would then bring the information and action required to the Board for its consideration as necessary.

In conjunction with continuous lending, the management of the loan pipeline and demand levels for certain loan products may require staff to sell MBS into the secondary market instead of selling them into a bond issue. This may be necessary in order to maintain required yields and loan allocations within an established bond structure or if pipeline loans cannot be funded through bonds due to adverse market conditions. Current market conditions would be evaluated by staff to ensure that the transaction would provide the best execution for MFA. Staff will utilize brokers from the MFA Approved Broker/Dealer List on a rotating basis. All MBS sale transactions will be awarded on a bid basis. Three firms will be contacted for each transaction and MFA will sell the securities to the highest bidder. All bids will be appropriately documented.

3. Bond Parameters/Financial Objectives

The following describes the constraints for MFA’s bond structures.

a) All publicly placed debt must be rated at the time of issuance by Standard & Poor’s, Moody’s Investors Service and/or another independent, nationally recognized bond rating service. No publicly offered debt is to be issued unless it is rated at least A-/A3 by Standard and Poor’s and/or Moody’s respectively, and/or rated in at least the third highest rating category by another independent, nationally recognized bond rating service. No rating is
required for private placement multi-family housing bonds as long as the investor can provide a “qualified institutional buyer letter” or an “accredited investor” letter. Qualified institutional buyer and accredited investor will have such meanings as provided in Rule 144A and Rule 501, respectively, which rules are under the Securities Act of 1933, as amended.

b) Profitability Measure: MFA will always strive to achieve a full-spread transaction for single family transactions (mortgage yield 1.125% above the bond yield). However, extreme market conditions may require MFA to accept a lower spread in order to subsidize the mortgage rate to the borrowers. MFA administrative fees will be set in a way that allows MFA to remain financially healthy and preserves resources for the future. For multi-family projects/transactions, fees will be established/charged such that the yield on the program investment may exceed the bond yield up to 1.5%.

c) From time to time bond refunding opportunities will be available to MFA which will allow MFA to call bonds early. MFA will review each refunding to assess the benefit of the doing the refunding or not depending on the scenario or need.

d) The aggregate principal amount of new money bonds to be issued shall not exceed the amount necessary to support loan funding needs, volume cap preservation or long-term capital needs.

e) The aggregate principal amount of refunding bonds shall not be constrained, but at a minimum must meet the profitability measure outlined above. In addition, MFA will review each refunding to assess the benefit to the MFA of doing the transaction versus the “do nothing” scenario. MFA will then determine on a case-by-case basis if it is in the best interest of the MFA to undertake the refunding.

f) Maximum maturity on single family debt will not exceed 35 years and for multi-family debt will not exceed 45 years.

g) The amount of long-term capital needs debt outstanding shall not exceed 1% of the MFA’s total outstanding bonds.

h) The bonds shall be structured using either a current or forward delivery mechanism, to the extent allowed by market conditions.

i) Variable rate multi-family project bonds must carry a credit enhancement provided by either Freddie Mac, Fannie Mae or another entity specifically approved by the Board to guaranty the payment of principal and interest on the bonds from the date of issuance until final maturity of the bonds. If a letter of credit is used to provide credit enhancement during the project’s construction period, the letter of credit provider must be rated at least AA/Aa by Standard and Poor’s and/or Moody’s Investors Service, respectively. MFA will not undertake the issuance of variable rate single-family bonds (with the exception of Draw Down Facility bonds to preserve single-family volume cap) or variable rate long-term capital needs bonds. Variable rate multi-family projects must also include a fixed rate hedge mechanism unless otherwise not required by the bond credit enhancer.

j) The conduit borrower will be responsible for retaining and compensating a rebate analyst to compute any rebate liability related to a multi-family project. The conduit borrower will covenant in the bond documents to do this and to timely provide copies of any rebate calculations from the rebate analyst to the bond trustee and MFA and to timely remit any rebate payment to the bond trustee for payment to the IRS.
4. **Reporting to the Board.** MFA staff will provide a summary report to the Board regarding single family and multi-family debt issued at the Board meeting subsequent to the closing of a bond transaction. The report will contain: 1) ratings achieved, 2) the dollar amount and description of the loans financed or expected to be financed, 3) the principal amount of the debt issued, 4) a breakdown of taxable and tax-exempt bonds 5) yield spread, 6) administrative fee, 7) refunding information and related subsidy if applicable, 8) cost of issuance, and 9) other information as appropriate.

At least annually, each quarter, the Director of the Homeownership Department will present a production and status update to the Board on the single family program including bond issue pricing, allocation of bond proceeds, mortgage interest rate history and reservation volume.

At least annually the investment bankers will be required to present an overall bond program and market update to the MFA’s Board.

G. **To-Be-Announced (“TBA”) Program Policy**

1. **Purpose and Objective.** The purpose of this TBA Program Policy is to establish principles that govern the interest rate pricing and pipeline hedging of a forward committed mortgage loan that is securitized into a Mortgage Backed Security (“MBS”) and sold into the Secondary Market. The objective of TBA Program is to provide a source of funding other than Mortgage Revenue Bonds (“MRB”) for the single family mortgage program. In addition, a TBA program may provide a source of funding for new or existing single family mortgage programs that are not eligible to be funded with MRB proceeds.

This policy is to be approved by the Board and will be reviewed annually and updated as needed.

2. **Principles.** As an alternative and complement to MFA’s MRB financing of single family mortgage loans, MFA has developed a funding mechanism that incorporates a forward commitment of mortgage loans in which the interest rates on the loans are set daily. A TBA Program could be used to finance purchase money loans as well as refinance transactions.

Due to the complex nature, specific expertise required and risks inherent in hedging a mortgage pipeline to be sold through a TBA contract, MFA is outsourcing this function through a TBA Administrator. Advantages to this type of execution include transfer of the interest rate risk and financial losses related to non-delivery of loans, as well as the ability to offer competitive interest rates to lenders since they are tied to current yields in the MBS market. The TBA process will also allow for the generation of funds for down payment assistance (“DPA”).

Pursuant to this policy, the Board will provide authority to Staff (Section 3, (b) TBA Pricing Committee), through the approval of the policy, to create and sell forward committed MBS for the purpose of funding the single family mortgage program.

MFA will take into consideration a desired profit margin, lender compensation and the generation of DPA when determining the interest rate that will be offered to participating lenders while also carefully managing the loan pipeline to be sold into the Secondary Market through a TBA execution. To accomplish this MFA will establish short and long-range financial objectives that support an affordable housing plan (See Section 4: TBA Parameters & Financial Objectives). These objectives may change in response to economic and other factors.
Risk will be managed and mitigated through careful monitoring of the mortgage pipeline, including cancellation/fallout percentages, loan closing, loan delivery, loan purchase and pooling timeframes as well as the movement of market interest rates.

Single family program loan funding decisions will be reviewed on an ongoing basis by the TBA Pricing Committee Financing Team to determine the best method of accessing the financial markets, either through issuance of debt or sale of MBS. The primary objective is to keep readily accessible funding for the single family program without incurring losses or subsidizing the program.

   a) TBA Administrator

1) MFA TBA Administrator will be selected in accordance with MFA’s Procurement Policy.

2) The TBA Administrator must be financially viable and experienced in providing TBA pricing, hedging and pipeline management services. The TBA Administrator will be required to submit annual audited financial statements to MFA for each year that they are under contract with MFA. The TBA Administrator will not be allowed to subcontract any portion of the TBA administration services provided to MFA.

3) The TBA Administrator will be responsible for providing MFA with daily interest rate sheets that provide, at least, the following information:
   i. Specific interest rate lock expiration and extension guidelines
   ii. Fees related to interest rate lock extensions
   iii. Gross interest rates, servicing fees and net interest rates
   iv. Listing of any fees built into the interest rates
   v. Pricing for each loan delivered via MBS on the specified delivery date

4) The TBA Administrator will be responsible for providing MFA with notification for any intra-day interest rate pricing changes and a specific time the changes are effective.

5) The TBA Administrator will be responsible for providing information to the Master Servicer regarding the pooling of mortgage loans into MBS that provides the most advantageous pricing benefit for MFA. In addition, the TBA Administrator will deliver the MBS for sale to an investor on behalf of MFA and will deliver to MFA the difference between the par amount of the security and the price the security was sold for. Delivery of the MBS for sale on the Secondary Market will be made at intervals specified by the TBA Administrator.

b) Financing Team

1) In conjunction with developing bond issuance strategies, the Financing Team discussed in Section F of this manual will also evaluate and monitor TBA program activities. The Financing Team will establish a pricing-profitability threshold, which will include compensation for Participating Lenders, sufficient DPA funding to support the transaction and a specified profit for MFA to support the operation of the program. The pricing threshold will be applied to the daily interest rates provided by the TBA Administrator, which will determine the interest rate that will be provided each day to participating lenders for reservation.
2) The Financing Team will meet at least quarterly to ensure that strategies, plans and guidelines are consistent with policy and are implemented and updated as necessary.

2)3) The Finance Department in accordance with the established profitability threshold is responsible for analyzing the daily rate sheet from MFA’s TBA Administrator and setting mortgage rates. In addition, the Finance Department provides market mortgage rate comparisons, confirms pricing of loan sales and reconciles monthly settlements.

2)4) The Director of Homeownership Department (or a designee) will be responsible for posting daily MFA mortgage rates, confirming cancellations, extensions and expirations with the TBA Administrator, tracking pipeline fallout, ensuring timely delivery and pooling of loans as well as reconciling master servicer invoices related to TBA settlements the following:
   i. Posting of the daily interest rates for the various loan products
   ii. Providing the TBA Administrator with daily reservation and cancellation information for the TBA pipeline
   iii. Reviewing TBA pipeline for loan status and fallout
   iv. Ensuring the timely delivery and pooling of loans in the TBA pipeline
   v. Reviewing interest rate pricing for transparency and accuracy

c) Master Servicer

MFA’s master servicer will work in conjunction with the TBA Administrator to purchase and pool loans as quickly as possible and in a manner most advantageous to MFA. The master servicer will be responsible for the following:

1) Providing daily updates to the TBA Administrator regarding the purchase of closed loans from Participating Lender
2) Work with the TBA Administrator to pool mortgage loans into MBS as specified by the TBA Administrator and/or MFA
3) Coordinate the sale of the MBS and Servicing Transfer with the TBA Administrator

4. TBA Parameters & Financial Objectives. The following describes the constraints for MFA’s TBA program;

a) Profitability Measure. MFA will always strive to achieve a reasonable profit margin on the TBA pricing model. However, extreme market conditions may require MFA to accept a lower profit in order to subsidize the mortgage rate to the borrowers. MFA loan pricing will be set in a way that allows MFA to remain financially healthy and preserves resources for the future

b) Participating Lender Compensation. MFA will price each loan in such a way as to provide sufficient compensation to the Participating Lender for originating the loan and to incent future participation in the program

c) Generation of Down Payment Assistance. MFA will price each mortgage loan in such a way as to generate sufficient down payment assistance to support the transaction and to provide funding that will support future down payment assistance funding

5. Reporting to the Board. MFA staff will provide a monthly TBA activity report to the Board. The report will include TBA pipeline, sales and settlement information. At least annually the TBA Administrator will be required to present an update on the program to the MFA Board of Directors.

H. Fraud, Waste and Abuse and/or Unethical or Illegal Practices
All MFA Members, Management, Employees, contractors, sub-contractors, grantees, sub-grantees and business associates must maintain the highest ethical standards in conducting company business. It is MFA’s intent that all Members, Management, Employees, contractors, sub-contractors, grantees, sub-grantees and business associates will conduct business with honesty and integrity and comply with all applicable laws and regulations in a manner that excludes considerations of personal advantage or personal gain, and not seek or accept for themselves any gifts, favors, entertainment, or payments, without a legitimate business purpose.

All MFA Members, Management, Employees, contractors, sub-contractors, grantees, sub-grantees and business associates should avoid any situation that involves or may involve a conflict between their personal interests and the interests of MFA.

1. **Third Party Complaints.** MFA is responsible for reporting any indication of fraud, waste, abuse or potentially criminal activity pertaining to any federal or state funds received in any form by MFA and/or provided by MFA to any contractors, sub-contractors, grantees, sub-grantees, and business associates. Any MFA Member, Management, or Employee who acquires information or receives a complaint of suspected fraud, waste, abuse or potentially criminal activity by any contractor, sub-contractor, grantee, sub-grantee or business associate of MFA in regard to federal or state funds provided and/or administered by MFA, shall promptly report the information to MFA’s in-house Attorney. Upon receipt of such information, MFA’s in-house Attorney shall promptly notify the appropriate Inspector General or responsible State Official; however, in the case of a report that involves funding provided by the Department of Housing and Urban Development ("HUD"), MFA’s in-house Attorney shall first notify the local HUD office for their determination as to whether the matter should be referred to the HUD Inspector General, and thereafter act accordingly.

Reported activities will be investigated by the MFA, which may include a third party investigative services provider if deemed necessary. Upon completion of the investigation the MFA will take appropriate action should the reported activities be substantiated and determined to be fraudulent, unethical, illegal or in violation of MFA’s Code of Conduct.

2. **Internal Complaints.** It is the responsibility of all employees, regardless of category to report suspected fraud, unethical, or illegal activities or activities which violate MFA’s Code of Conduct, as committed by any MFA Member, Management, or Employee. All reports are anonymous unless the individual making the report chooses otherwise. To ensure anonymity and encourage compliance with best practices the MFA has contracted with a third party service provider to receive reports of fraud, waste and abuse, and/or unethical or illegal activities. Individuals may report such activities anonymously by:

Calling toll free: (877) 778-5463, 24 hours a day, 7 days a week
Username: nnmfa
Password: housing

E-mailing: www.reportit.net
Username: nnmfa
Password: housing

All reported activities received through the Report It hotline/website, by written or verbal communication or via telephone will be treated the same and will be promptly investigated by
the MFA, which may include a third party investigative services provider if deemed necessary. Upon completion of the investigation the MFA will take appropriate action should the reported activities be substantiated and determined to be fraudulent, unethical, illegal or in violation of MFA’s Code of Conduct.

The MFA will not enter into a professional services contract for a special audit, performance audit or attestation engagement regarding the financial affairs and transactions of MFA and relating to financial fraud, waste or abuse in government without the prior written approval of the NM State Auditor. Such engagement will be conducted in accordance with 2.2.2 NMAC and the State Audit Rule Section 2.2.2.15. This requirement is only for MFA-related internal investigations, not subgrantee investigations.

If the individual making the report chooses not to remain anonymous he/she will be made aware of the outcome of the investigation. All individuals who make reports will be protected from discharge, demotion, discrimination, or other type of retaliation. Allegations of retaliation may be reported to (877) 778-5463 or at www.reportit.net. All reports of retaliation also will be promptly investigated by the MFA, which may include engagement of a third-party investigative services provider if deemed necessary. Upon completion of the investigation MFA will take appropriate action if the reported retaliation is substantiated.

Complete information on how to report fraud, waste & abuse and unethical or illegal activities can be found on Report It flyers posted within MFA’s premises and on MFA’s website at www.housingnm.org.

Reports of fraud, waste and abuse received by MFA staff shall be brought to the attention of the Board of Directors at the discretion of the Executive Director, who shall take into account the severity, accuracy and verifiability of the allegations of any report when making this determination.

I. Protection of Sensitive or Proprietary Information

1. Information Requiring Protection. During the course of employment, Employees may acquire knowledge of materials, procedures, and information of a confidential or sensitive nature. Much of the personal information that is contained in MFA files, and/ or that enters the MFA either electronically or physically in the course of business, is considered “sensitive” or proprietary information owned by MFA that must be kept confidential and protected from exposure to persons, including MFA Employees, contractors and agents, not authorized to access the information in order to conduct MFA business.

2. Protective Measures. Sensitive or proprietary information shall be made available only to those MFA Employees who require and are authorized access to that information in order to perform the business of the MFA. No persons other than authorized MFA Employees shall be permitted access to any sensitive information in the possession of MFA. Sensitive or proprietary information that enters the MFA, either electronically or physically shall be received in a manner that minimizes the risk of exposure of the information to unauthorized persons. Sensitive or proprietary information retained by MFA, in physical files or electronically, shall be utilized and maintained in a manner that minimizes the risk of exposure to or access by unauthorized persons.

Employees shall take particular care with fax machines, copiers, information left on desktops, computers and other electronic devices, paper and electronic files/storage, shredding bins, recycling bins and keys to file drawers, office doors and storage areas.
3. Department Procedures. Each MFA Department Director/Manager is responsible for developing detailed procedures regarding the protection of sensitive or proprietary information as it relates to their particular function, including obtaining and retaining on file written certification from every partner and subcontractor with whom MFA shares sensitive or proprietary information that the partner or subcontractor has a policy in place to protect that information.

J. Media Contact. Calls from reporters or other media representatives will be directed to the Communications Manager or other individual designated by the Executive Director. All MFA media contact will be initiated and/or conducted by the Communications Manager or other individual designated by the Executive Director.

K. Service of Process. Service of any summonses, complaints, petitions, subpoenas, or any other legal papers for any MFA-related legal matter, excluding single family foreclosures, including those MFA-related cases for which MFA staff members are the target of legal notice, shall be directed to and served upon MFA’s General Counsel to the attention of the lead attorney on the General Counsel team. MFA’s General Counsel is authorized to accept service of these documents on MFA’s behalf.

L. Suspension and Debarment

1. Bases for Debarment. MFA may deem any individual or entity to be ineligible to respond to a Request for Proposals issued by MFA; receive a loan or grant from MFA; enter into a contractual agreement with MFA; or serve as a subcontractor, service provider, or as a partner, general or limited, in any project funded by MFA, based upon a determination by MFA pursuant to this policy that the individual or entity has engaged in any of the following conduct:

a) The individual or entity breached one or more contracts with or funded by MFA; has failed to repay a debt owed to MFA on one or more contracts as a result of that breach; and has not entered into a repayment schedule or evidenced an intent to comply with a repayment schedule;

b) The individual or entity willfully or materially failed to perform in accordance with the terms of one or more contracts entered into with or funded by MFA;

c) The individual or entity has a history of failure to perform, unsatisfactory performance, or substantial noncompliance with the requirements of one or more contracts with or funded by MFA, any MFA contractor or subcontractor, or any other governmental or quasi-governmental entity;

d) The individual or entity is unwilling or unable, through its own acts or omissions, to assist or cooperate with MFA to resolve violations of federal or state regulations committed by the individual or entity in the course of performance of one or more contracts with or funded by MFA, or to rectify inadequate or incomplete performance by the individual or entity of its requirements under one or more contracts with MFA;

e) The individual or entity or any of the entity’s principals or associates, in the context of performance of a contract with or funded by MFA or any other governmental or quasi-governmental entity, committed a breach of contract as evidenced by a civil judgment of liability against the individual or entity directly related to the misuse of public funds or abuse of the public trust; or violated any federal or state statutes, as evidenced by conviction of a crime of financial or other misconduct (including theft, embezzlement, forgery, bribery, falsification or destruction of records, making false statements, tax
evasion, violation of federal or state criminal tax laws, or receiving stolen property). “Principals or associates” shall be defined for purposes of suspension and debarment as: officers, directors, shareholders, partners, employees, or other individuals associated with the entity who knew of, or had reason to know of, the individual’s or entity’s contractual breach or unlawful conduct, or that of a principal or associate of the entity, during or subsequent to the commission of the contractual breach or unlawful conduct, and yet failed to stop or report it to MFA and/or other responsible authorities.

f) The individual or entity has been suspended or debarred from receiving funds from any other private or public entity.

2. Person Responsible for Proposal of Debarment. A proposal for the debarment of an individual or entity may be made by the MFA Program Manager for the program that has contracted with, or is considering contracting with, the individual or entity proposed for debarment, or by the Controller, a Deputy Director or the Executive Director of the MFA. The proposal shall be in the form of a written notice to the Policy Committee and all MFA Program Managers. Prior to issuing the written notice, the person making the proposal and MFA’s in-house Attorney may request comments and information relevant to the proposed debarment from other MFA staff.

3. Procedure to Determine Debarment.
   a) Documentation. The documentation in support of a proposal for debarment shall contain:
      1) A narrative statement in chronological order identifying which of the Bases for Debarment listed in sub-section 1 of this policy are present and support the debarment proposal. The statement shall include:
         i. complete names, aliases, current addresses, zip codes, and a list of known affiliates of the individual or entity proposed for debarment.
         ii. Tax Identification Number and/or Social Security number of the entity or individual proposed for debarment, if available.
         iii. names and telephone numbers of any persons with information pertinent to the facts at issue.
         iv. a statement of justification as why immediate debarment is necessary to protect the public and MFA’s financial interest.
      2) A determination by MFA’s in-house Attorney that the conduct upon which the proposed debarment is based falls within the scope of MFA’s Suspension and Debarment Policies. Such a determination may also include consideration of statutory, regulatory, or common law, if applicable, or MFA policy or program requirements for fiscal and/or administrative capacity.
      3) Copies of any relevant correspondence between MFA and the individual or entity proposed for debarment, and related documents such as audit/investigatory reports; media reports; contract(s); regulatory/management agreements for multi-family and single family developments; inspection reports; signed interviews/affidavits; mortgage contracts; and/or any other documentation constituting evidence sufficiently probative of the facts at issue.
      4) Any information that mitigates, justifies, or excuses the conduct of which the entity or individual is accused.
      5) Any additional information or evidence pertinent to a determination regarding the proposed debarment.
   b) Notice of Proposal to Debar. When the documentation required by sub-section 3.a) above has been compiled, written notice of the proposed debarment shall be sent by MFA’s in-house Attorney.
The procedural steps listed above do not apply, if the proposal for debarment is based on a civil finding of liability or a criminal conviction for any of the reasons provided in subsection 1.e) above or on an existing debarment by a federal, state or quasi-governmental agency.

c) Determination on Proposed Debarment

1) The Policy Committee has the sole authority and responsibility to determine whether debarment is appropriate based upon review of the information submitted in support of and in opposition to the proposed debarment.

2) A decision for debarment shall be based on the greater weight of the evidence. Evidence that the individual or entity has a civil judgment or criminal conviction directly related to misuse of public funds or abuse of the public trust shall suffice to meet this standard of proof.

4. Automatic Debarment: Debarment will be automatic, with no opportunity for the individual or entity to oppose the debarment, and no requirement to provide notice to the debarred individual or entity, if the debarment is based on a civil judgment or criminal conviction as described in subsection 1.e), above, or if debarment is based upon the individual’s or entity’s debarment by a federal, state, or quasi-governmental agency or if debarment is based on the individual or entity having been named on MFA’s Disallowed Grantees List on the basis of an unpaid financial debt to MFA.

5. Duration of Debarment Period. A period of debarment may extend from one to five years. The determination of the period of debarment shall be commensurate with the seriousness of the conduct that is the basis for the debarment; provided, however, that individuals or entities debarred for failure to pay debts owed to the MFA will be debarred for a mandatory minimum
period of five years. If the basis for debarment remains unresolved beyond the initial period of debarment, the individual or entity will remain on the debarred list until that individual or entity effects resolution satisfactory to the MFA.

a) Termination of Debarment Period: Upon expiration of the period of debarment, and provided the individual or entity has no outstanding debts to MFA that would prevent expiration of the debarment, a debarred individual or entity may apply to MFA for removal from the debarred list.

b) Permanent Debarment: An individual may be permanently debarred for conviction of any criminal violation of federal or state law, if the Policy Committee deems the violation to be of such serious nature that it renders the individual so ethically tainted that any future contractual relations between MFA and the individual, or between MFA and an entity employing the individual in a role significant to the performance of a contract with MFA, would be highly disadvantageous, in the Policy Committee’s determination, to MFA’s interests.

6. Suspension. An individual or entity may be suspended from eligibility to respond to a Request for Proposals issued by MFA; enter into a contractual agreement with MFA; or serve as a subcontractor, service provider, or as a partner, general or limited, in any project funded by MFA, during the period of investigation of the alleged facts upon which the debarment proposal is based, or until the resolution of a legal proceeding upon which the proposal of debarment is premised, and/or until a determination of debarment is made by MFA’s Policy Committee. A period of suspension may be included in the calculation of the total debarment period. The determination to initiate a suspension shall be made by the Policy Committee and all Program Managers shall be notified of the suspension.

a) Automatic Suspension – A pending civil action for breach of contract directly related to the misuse of public funds or abuse of the public trust, or criminal indictment for a crime of financial or other misconduct (including theft, embezzlement, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violation of federal or state criminal tax laws, or receiving stolen property) shall constitute grounds for automatic suspension upon the determination of the Policy Committee.

7. Notice and Duration of Suspension

a) Notice. Upon a determination of suspension of an individual or entity, MFA will provide written notice to the individual or entity of the suspension in accordance with all notice and procedural provisions applicable to debarment as provided in sub-sections 3.b) and 3.c) above. An automatic suspension of an individual or entity will not require the provision of notice to that individual or entity unless the suspended individual or entity inquires of MFA as to suspension status, applies for MFA funding, or seeks to perform as a contractor, subcontractor or service provider on an MFA-funded contract.

b) Duration. A suspension as determined by the Policy Committee shall extend for no longer than six (6) months or will be terminated if the Policy Committee has failed in that time period to make a determination on debarment, unless the final determination awaits resolution of a criminal or civil proceeding upon which the suspension is based, in whole or in part. An individual or entity that has provided written evidence in opposition to the suspension as permitted by 3.b) above, shall receive written notice of the Policy Committee’s final determination on the suspension, to include, if the suspension is upheld, information regarding MFA policies determining the potential duration of the suspension.
8. **Maintenance of Suspended and Debarred List.** The names and identifying information of all persons and entities deemed suspended or debarred by MFA’s Policy Committee will be placed on a single suspended and debarred list, to be maintained by MFA’s in-house Attorney or another designated MFA staff member. It will be the responsibility of the Policy Committee to provide MFA’s in-house Attorney or the designated staff member with the name and identifying information of the debarred person or entity, in addition to the duration of the debarment, for inclusion on the suspended and debarred list. In the case of suspension, it shall be the duty of the Policy Committee to provide MFA’s in-house Attorney or the designated staff member with all information on the suspension, as is required for debarment, for inclusion in the suspended and debarred list. The suspended and debarred list shall be maintained in both electronic and hardcopy format, for easy access by all MFA Program Managers.

9. **Notice to the MFA Board of Directors.** MFA management will provide notice to members of the MFA Board of Directors of a determination by MFA’s Policy Committee to debar any person or entity from receipt of MFA funding.

**M. Consumer Complaints—Financial Products and Services**

A consumer complaint is a customer communication expressing grievance with MFA products, services or business operations. Complaints typically involve allegations of misconduct, unfair or deceptive practices or potential noncompliance with mortgage lending and consumer laws and regulations. This policy strictly applies to complaints related to financial products or services initiated by a mortgage loan application for a one to four unit single family dwelling.

1. **Definitions.** For the purpose of the Consumer Complaint Policy and Procedure, the following words and phrases shall have the following meanings:

   “Complaint” means a verbal or written expression of dissatisfaction with or allegation of wrongdoing by MFA based on Federal Consumer Financial Law. This is with respect to financial products or services offered by MFA ensuring:

   a) Consumers are provided with timely and understandable information to make responsible decisions about financial transactions;
   b) Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;
   c) Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;
   d) Federal consumer financial law is enforced consistently in order to promote fair competition; and
   e) Markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

   “Consumer” means a person or group of persons who are the final users of financial products or services offered by MFA.

   “Fair Lending” means fair, equitable and nondiscriminatory access to credit for consumers.

   “Financial Products or Service” means extending credit and servicing loans, including acquiring, purchasing, selling, brokering or other extensions of credit.
2. **General Guidelines**

Pursuant to the authority of the Consumer Financial Protection Bureau (CFPB), MFA is responsible for maintaining a comprehensive Consumer Complaint Policy and Procedure for resolving consumer complaints related to the financial products it offers and the services related to those products it provides. The standards set out in this policy represent minimum requirements based on applicable legal and regulatory guidance and are intended to prevent violation of federal regulations related to consumer protection and mortgage lending. MFA’s Consumer Complaint policy and procedure is separate from *MFA’s Information Request and Error Resolution policy and procedure* and *MFA’s Fraud, Waste & Abuse Reporting*. MFA will provide the public with MFA’s Consumer Complaint process as well as the link to submit a Consumer Complaint. The Consumer Complaint form will be available to consumers through MFA’s Website at http://local.housingnm.org/CCM. Consumer Complaint tracking and resolution will be achieved through the steps outlined in this policy and the use of MFA’s Consumer Complaint Tracking database.

a) Consumer Complaints may come to MFA in many forms, including but not limited to:
   - MFA website - http://local.housingnm.org/CCM
   - Phone Calls
   - Letters (Regular Mail)
   - Certified Mail
   - E-mail
   - Voice Mail
   - Legal Action

b) Regardless of the intake, all consumer complaints will be tracked through MFA’s Complaint Tracking and Reporting database. The database will include:
   - Receipt date and source
   - Consumer contact information
   - Research and results
   - Consumer response type and date
   - Corrective actions taken
   - Resolution code

c) The Front Desk will serve as MFA’s Complaint Monitoring Point of Contact (“POC”). As the POC, the Front Desk will be responsible for intake, data input, monitoring the status of complaints, compliance with time requirements related to resolution and providing quarterly reporting to Senior Management. In addition, the Front Desk will be responsible for assigning the complaint to the appropriate department Director or Manager via the Complaint Tracking Database for resolution as required. When a department Director or Manager receives notification that a complaint has been reported in relation to their department, they have the responsibility of investigating the nature and credibility of the Consumer Complaint.

d) All MFA employees subject to this policy will be provided training of the process for handling consumer complaints through initial, annual and new employee training.

e) MFA is committed to the highest standards of compliance with consumer protection and fair lending laws and requires management, employees and third-party vendors to follow this policy in accordance with CFPB requirements.
1.4 Business Travel and Meal Expenses

A. General Guidelines

1. Travel and Meal Expenses. The MFA will pay or reimburse MFA Members and/or their duly authorized designees, external Advisory Committee Members as appointed by the Board, Management, and Employees for business travel and meal expenses incurred by them in connection with the performance of MFA business in accordance with the policies set forth in this section 1.4. Business travel expenses shall be paid or reimbursed pursuant to sub-section B of this policy. Business meal expenses shall be paid or reimbursed pursuant to sub-section C of this policy.

2. Payment and Reimbursement Procedures. Requests for payment or reimbursement of business travel and meal expenses shall be processed in accordance with sub-section D of this policy.

3. Airline Travel Vouchers. When traveling on MFA business via airliner, Members, external Advisory Committee Members, Management and Employees shall not voluntarily surrender his/her seat in order to receive a travel voucher. In the case that the surrender of a seat is unavoidable, the voucher becomes MFA’s property and will be used for future MFA travel for the Member, external Advisory Committee Member, Management or Employee.

B. Travel Expenses

1. Reimbursable Expenses

a) General Rule. The MFA will pay or reimburse Members and/or their duly authorized designees, external Advisory Committee Members, Management and Employees for reasonable travel expenses actually incurred in connection with the performance of MFA business approved pursuant to sub-section C(3) of this policy. Reimbursable travel expenses include expenses for transportation, lodging, reasonable personal phone calls and meals purchased while traveling on MFA business. Reimbursable travel expenses also include mileage reimbursement for the use of a personal automobile on MFA business (other than travel to and from work). The amount of mileage reimbursement shall be the current rate for mileage established by the Internal Revenue Service. Reasonable meals purchased on one day travel trips (no overnight lodging) may be reimbursed in accordance with sub-section C, customer relations, of this policy. Meals purchased on one day travel trips that are not customer relations related do not comply with sub-section C are reimbursable as well, but and subject to taxes in accordance with IRS regulations. Meals purchased during same day, in-town travel are not reimbursable. Same day, in-town travel is defined as travel within 50 miles of the MFA.

b) Reasonableness. Whether travel expenses are reasonable shall be determined by the MFA on a case by case basis. In general, reasonable travel expenses include coach or economy class airline tickets, reasonably priced hotel or motel accommodations and non-luxury rental
cars. Reasonable travel expenses do not include expenditures for entertainment, first class airline tickets, luxury hotel accommodations, or luxury rental cars.

c) **Authorization.** All in-state and out-of-state travel must be authorized as follows:

1) All in-state travel must be authorized in advance by the employee’s direct supervisor and Deputy Director(s) or Executive Director.

   **Exceptions:**
   i. Travel for Board related meetings does not require prior authorization;
   ii. Travel within Bernalillo, Sandoval and Valencia counties does not require prior authorization;
   iii. Travel to Santa Fe during the Legislative Session or to attend State Board of Finance meetings does not require prior authorization.

2) All out-of-state travel must be authorized in advance by the Deputy Director(s) or Executive Director. The Chair of the Board must authorize all out-of-state Board travel.

   **Exceptions:**
   i. Travel to El Paso with the destination of Las Cruces or nearby areas will be considered in-state travel;
   ii. Travel to the Navajo Nation will be considered in-state travel.

3) All pre-authorizations will be documented on the travel request form;
4) The Executive Director and Chair of the Board have the authority to authorize their own travel.

d) **Travel Arrangements.** All travel arrangements for members of Management and Employees may be made by designated MFA Employees. Members and external Advisory Committee Members may, but are not required to, make their travel arrangements through MFA Employees.

e) **Advances.** Ordinarily a Member, external Advisory Committee Member, Management or Employee's business travel expenses should be paid directly by the MFA or reimbursed. However, in appropriate circumstances, and subject to approval by the Deputy Director(s) or Executive Director, the MFA will authorize and issue cash advances up to $100 per day ($400 maximum) for overnight travel and up to $50 for one-day travel. Exceptions may be made for “high cost” areas.

f) **Reimbursement/Refund of Travel Advances.** A complete Travel/Expense Reimbursement Request form must be submitted within five working days from the return of business travel. The request must reflect reimbursement to the Member, external Advisory Committee Member, Management or Employee, or reflect a refund to the MFA.

---

2. **Persons Eligible to Travel on MFA Business.**

a) **Authorized Persons.** Only MFA Members and/or their duly authorized designees, external Advisory Committee Members, Management and Employees will be authorized to incur travel expenses to be paid or reimbursed by the MFA.

b) **Ex-Officio Members.** Ex-officio Members may be authorized to incur travel expenses to be reimbursed by MFA provided the Member does not claim or receive reimbursement or per diem under the Per Diem and Mileage Act.

c) **Spouses and Others.** The MFA will not reimburse travel expenses incurred by or on behalf of spouses or dependents of Members, external Advisory Committee Members, Management or Employees or other persons not employed by the MFA except as provided in sub-section 2.d) below relating to Third Party Contractors.

d) **Third Party Contractors.** MFA may reimburse or pay directly the travel expenses of third party contractors in accordance with this travel reimbursement policy.
C. **Business Meals.** The policies set forth in this sub-section shall apply to all meal or beverage expenses incurred in connection with MFA business other than meal expenses incurred while traveling on MFA business covered by sub-section 1.4B of this policy.

1. **Reimbursable Expenses.** The MFA will pay or reimburse Member’s, Management’s and Employee’s expenses for food and non-alcoholic beverages if and only if the meal is either directly related to the active conduct of MFA business (“directly related” test), or in the case of a meal preceding or following a bona fide business discussion, the meal is associated with active conduct of MFA business (“associated with” test); and the cost of the meal is not lavish or extravagant.

   a) **Directly Related Test.** A meal expenditure is "directly related" to MFA business if it occurred in a clear business setting and meets all of the following requirements:

   1) **Expected Benefit.** At the time of the meal expenditure the MFA expected to derive some income or other specific business benefit at some future time (i.e., a general goodwill or public relations purpose is not sufficient, but it is not necessary that income/business actually result from expenditure);

   2) **Business Discussions.** During the meal period, an MFA Member, Management or Employee actively engaged in a bona fide MFA business meeting or discussion;

   3) **Business Purpose.** The principal character of the combined business and meal was the active conduct of MFA business; and

   4) **Business Contact Presence.** The business meal involves an MFA Member, Management or Employee and a person with whom the MFA Member, Management or Employee was actively conducting MFA business (there is no eat-alone reimbursement except for approved travel away from home).

   5) **Examples.**

      i. John meets with Joe, an investment banker, at a restaurant to discuss refunding certain MFA multi-family housing bonds. During the course of the meal John and Joe discuss the pros and cons of refunding the bonds, including market conditions, costs of issuance, etc. John picks up the tab. The business meal constitutes a reimbursable meal expense.

      ii. In May 2013, Joe, an MFA Member, worked closely with XYZ Investment Bank in connection with the issuance of its 2013A Single Family Mortgage Purchase Refunding Bonds. In September 2013, as a goodwill gesture, Joe calls Bob, an XYZ executive, and invites him to lunch. Joe pays for lunch. Because there is no expectation of a specific business benefit, but only a general goodwill or public relations purpose, this business meal is not a reimbursable expense.

2. **"Associated with" Test.** A meal is "associated with" the active conduct of MFA business if the MFA Member or Employee establishes that he or she had a clear MFA business purpose in making the expenditure and the meal directly preceded or followed a substantial and bona fide business discussion such as a business meeting, negotiation, discussion or other bona fide business transaction. The MFA Member, Management or Employee must show that the business meeting was substantial in relation to the meal, that specific business was a principal objective of the meeting (and the meal incidental).

   a) **Example:** Joe, an MFA Member, meets Bob, a bank executive, at MFA's office to discuss the bank's participation in the MFA's down payment and closing cost assistance program. After the meeting, Bob and Joe go to dinner and Joe pays. The meal occurs directly following a substantial and bona fide business discussion and is associated with MFA business. Therefore, the meal expense is reimbursable.
3. **Required Documentation.** MFA Members, Management and Employees shall submit forms for meal expense payment or reimbursement, which shall include:
   a) the amount of the meal expenditure;
   b) the time and place of the business meal;
   c) the bona fide business reason (business-specific justification) for the meal including the date and place of any business meeting the meal preceded or followed; and
   d) the identity of and the MFA’s business relationship to each of the persons present at the business meal.

Any meal expense payment or reimbursement forms, which do not contain the required information, will not be approved.

D. **Expense Reimbursement Procedures**

1. **Reimbursement Forms.** MFA Management and Employees shall submit all requests for expense payment or reimbursement for travel or meal expenses to the Controller according to Staff Travel Guidelines & Procedures. MFA Members and external Advisory Committee Members shall submit all requests for expense payment or reimbursement for travel or meal expenses using the forms established by MFA’s Controller. All expense reimbursement forms must be completed in full to be considered for reimbursement. Incomplete expense reimbursement forms will be returned for completion (completion includes approval signatures and pre-authorized travel request).

2. **Required Documentation.** Receipts, travel authorization form, business meal documentation and any other required documentation must accompany all reimbursement request forms.

3. **Disputed Items.** The Deputy Director of Finance and Administration, subject to the provisions of this policy, shall make the determination of whether a disputed expense is payable or reimbursable by MFA. The Executive Director shall resolve any dispute regarding reimbursement that cannot be resolved between the Deputy Director of Finance and Administration and the person seeking reimbursement.

4. **Third Party Contactors.** MFA will accept any reimbursement request forms submitted by third party contractors so long as documentation for travel expenses is in accordance with this travel reimbursement policy.

E. **Third Party Expenditures**

1. **General.** No third party contractor, such as legal counsel, investment bankers or accountants, shall be reimbursed for any expense not otherwise reimbursable under MFA’s reimbursement policies.

2. **Out-of-pocket Expenses.** Out-of-pocket expenses incurred by third party contractors, such as costs for document reproduction, long distance telephone calls and overnight courier services shall be reimbursed in accordance with MFA reimbursement policies issued from time to time and the contract executed with third party.

3. **Board Meeting Attendance.** MFA will not reimburse third party contractor’s travel expenses to attend board meetings or other activities unless their attendance is requested or required.

1.5 **Transaction Authorizations**

A. **Authorized Signatures on Program Transactions.** Members of Management or Employees designated by Management are authorized to sign documents and/or instruments required in performing
program activities, subject to the approvals and review process requirements set forth in the Delegations of Authority chart that is Exhibit E to this manual\(^3\) and individual employee Delegations of Authority that are established by management based on the details specified in this manual, the Authorized Signature Resolution, the Delegations of Authority chart (Exhibit E), department budgets and employee responsibilities.

B. **Authorized Signatures on Bank Accounts.** The Chair, Vice-Chair, and Treasurer of the Board, Members designated by the Chair, Executive Director, Deputy Director(s), and Controller are authorized to sign on bank accounts and related banking documents.

C. **Authorized Signatures on Contracts.** The Chair of the Board and members of Management are authorized to sign contracts entered into on behalf of MFA. All contracts to be signed by members of Management shall be recommended for Management approval as indicated by signature of the appropriate manager. MFA’s in-house Attorney will retain a copy of all contracts, with the exception of loan- and personnel-related contracts. Original loan documents will be kept in their departments of origin or the Servicing Department as appropriate, and a scanned copy of each document will be maintained in an electronic file on MFA’s computer system. Personnel-related contracts will be retained in the Human Resources Department. All contracts must comply with MFA Procurement Policies.

D. **Authorized Delegations of Authority.** Management and staff are allowed to appoint an “Acting” in their absence in accordance with their designated Delegations of Authority for program transaction approval. Bank account and contract authority cannot be delegated. Appointments must be approved by the Executive Director or Deputy Director as appropriate. Notification must include Management (as defined in Section 1.2.C) and the Controller.

1.6 **Fair Housing Policy**

A. The MFA engages in certain housing-related transactions in fulfilling its public purpose and has, since its inception, pledged to the letter and spirit of US policy for the achievement of equal housing opportunity throughout the nation.

B. The MFA will not refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, age, sexual orientation, gender identity, disability, familial status or national origin.

C. The MFA will not discriminate against any person in making available a residential real estate-related transaction, or in the terms or conditions of such a transaction, because of race, color, religion, sex, age, sexual orientation, gender identity, disability, familial status or national origin.

---

\(^3\) The Delegations of Authority that are included in Exhibit E of this manual are those that have most recently been approved by the Board of Directors at any given time. The Board of Directors may separately amend or modify the Delegations of Authority without amending any remaining provisions of this manual. If the Delegations of Authority are separately modified or amended by the Board of Directors, the most current version of the Delegations of Authority will automatically become Exhibit E of this manual.
SECTION 2 - PERSONNEL

2.1 Conditions of Employment

The policies of the Board, with respect to conditions of employment, are set forth in the Employee Manual, which shall be made available to all Employees. The Board shall approve the manual at least annually.

2.2 Organizational Structure

The MFA will provide the Board with an organizational chart at least annually.

2.3 Personnel Records

A. Personnel records of the MFA consist of:

1. Personnel Files for Individual Employees. Personnel files for individual Employees will contain the information listed in the Employee Manual.

2. Personnel Files for Terminated Employees. Personnel files for terminated Employees will be retained intact for three years from the date of termination. After three years, personnel files for terminated Employees will be destroyed.

3. Hiring Data. Hiring data will consist of an employment application and resume, if applicable, for all applicants who have applied for any specific vacant position. Only applicants who meet the requirements of the position will be interviewed. Other records related to the hiring process will include evidence of reference checks, interview notes, background investigations, and tests administered if applicable to the position. Files containing hiring data will be kept seven years from the date of application or from the date the position was filled as required by the Equal Employment Opportunity Commission. After seven years, files containing hiring data will be destroyed.

4. Payroll Records. Payroll records consist of the payroll register, salary authorization forms, and payroll tax reports. Payroll records are required to be kept for seven years. After seven years payroll records will be destroyed.
SECTION 3 - PROCUREMENT POLICIES

3.1 Policies and Purposes

The MFA is committed to providing affordable housing for low and moderate income New Mexico residents; promoting free competition among potential contractors; and supporting New Mexico based businesses. Although the New Mexico Procurement Code is inapplicable to MFA, these procurement policies and procedures are intended to be patterned after the New Mexico Procurement Code, Section 13-1-28, et seq., NMSA (1978), to be compatible with the unique needs and structure of the MFA, and to provide general procurement guidelines for the MFA.

A. Application. These procurement policies and procedures shall apply to the following purchases, with the exceptions provided in sub-section B below:

1. Services.
   a) Professional Services. Professional Services, including Services rendered by legal counsel, consultants, accountants, auditors and other professionals as needed from time to time.
   b) Financial Services. Financial Services, including Services rendered by investment bankers, underwriters, trustees, custodians, financial advisors, credit enhancement providers, master loan and investment agreement providers and others as needed from time to time.
   c) Other Services. All other services, including advertising, public relations and printing services.

2. Tangible Personal Property. All Tangible Personal Property, including furniture, fixtures, equipment and supplies.

3. Program Expenditures and Awards. Aside from the procurement procedures permitted by Program Policies (see Section 4 of this Manual) and the exceptions provided below, expenditures or disbursement of funds or awards of benefits from federal and state programs administered by MFA and from MFA programs for Services, Tangible Personal Property and other awards shall be subject to these Procurement Policies except when in conflict with any federal or state regulations.

B. Exceptions. These Procurement Policies do not apply to procurement of Tangible Personal Property or Services as follows:

1. Small Purchases. A small purchase is a purchase of Tangible Personal Property or Services costing less than $50,000 within a given calendar year, including any charges such as taxes and travel that are essential to the provision of the Services or Tangible Personal Property.

2. Informal Bids/Requests for Qualifications (“RFQs”). At least three, if possible, informal bids or RFQ responses, as appropriate, will be obtained from vendors for purchase of Services or Tangible Personal Property costing $50,000 or more but less than $75,000 within a given calendar year. Where the Services or Tangible Personal Property are provided by current vendors, a request for informal bids or RFQs will be mailed to current vendors and to other known vendors. All requests for informal bids or RFQs will include descriptions of:
a) the Services or Tangible Personal Property to be purchased;
b) the terms and conditions applicable to the purchase, including the period of time during which Offeror(s)’ prices will remain in effect;
c) the response submission date, time and place; and
d) the criteria to be utilized by the MFA in selecting the successful Offeror(s).

Informal bids or RFQ responses must be obtained in writing but do not have to be opened in public. Multiple vendors may be selected and placed on a list of approved vendors to provide the Services or Tangible Personal Property in question, in which case contracts need not be entered into; however, payments to vendors may not exceed the prices proposed in vendors’ responses to the RFQ, for the period identified in the RFQ. MFA may permit Offerors who are not selected under the RFQ to provide the same kinds of Services or Tangible Personal Property proposed in their informal bid or RFQ response, subject to the limitations stated in sub-section B.1 above. For any given engagement, vendors may be selected on the basis of availability and other relevant factors. The basis for individual selections will be documented.

3. Emergency. An emergency procurement is a procurement made:
a) under a condition creating an immediate threat to operations or funding of MFA, any federal or state program or project, or to any bond issue; or
b) in response to a natural disaster or other emergency situation creating an immediate need for housing or housing-related Services or Tangible Personal Property.

In such conditions MFA may conduct negotiations to obtain the price and terms most advantageous to MFA, with any vendor or vendors that MFA determines to be most capable of delivering the procurement.

4. Limited Source Procurement. A limited source procurement is a procurement with such a limited number of qualified sources for the procurement, as determined under the facts and circumstances of the procurement, that a competitive sealed proposal procedure would be impracticable. In such conditions MFA may conduct negotiations to obtain the price and terms most advantageous to MFA, with any vendor or vendors that MFA determines to be most capable of delivering the procurement.

5. Healthcare/Dental Providers. In the healthcare industry there are a limited number of similar or like sources to healthcare/dental providers which makes a competitive sealed proposal procedure impractical. So as not to interrupt healthcare/physician/dental services for MFA employees, MFA may conduct negotiations with the like sources and obtain the price and terms most advantageous to MFA.

6. State Contract. A state contract procurement is a procurement in which the vendor has an existing procurement contract with the state; the pricing offered by the vendor to the MFA is the same as the pricing under the state contract; the same standards and specifications apply; and the quantity purchased does not exceed the quantity which may be purchased under the applicable price agreement.

7. Approval. Exceptions described in this sub-section B are to be reviewed and approved according to MFA’s current Authorizations.

8. Documentation. All exceptions to the Procurement Policy will be documented with respect to the justification for the exception as described above. Documentation of RFQs and RFQ responses and the name and address of each contractor, the amount and term of
the contracts and a list of all Services and/or Tangible Personal Property under each contract will be maintained on file in accordance with MFA’s policy for retention and disposition of records.

9. **Multiple Small Purchases and RFQ Selections.** From time to time a given Offeror will qualify under multiple Small Purchase and/or RFQ selections, for the provision of one or more Services and/or Tangible Personal Property. The respective $50,000 and $75,000 limitations within a given calendar year apply collectively to all of the Services and/or Tangible Personal Property provided to MFA by any one vendor under these exceptions, pursuant to this sub-section B.

**C. Procedure.** Procurement of Tangible Personal Property or Services costing $75,000 or more within a given calendar year, and procurements not subject to the exceptions in sub-section B of this policy, are subject to a competitive sealed proposal or “Request for Proposals” (“RFP”) procedure as follows:

1. **Requests for Proposals and Notices of Funds Availability.** Competitive, sealed proposals will be solicited through a RFP or a Notice of Funds Availability (NOFA). NOFAs will be used in place of RFPs when individual program policies require that the funds be made continually available and it is anticipated that there will be more funds available than applicants for any one round of funding. All RFPs shall include descriptions of:
   a) the Tangible Personal Property or Services to be purchased;
   b) the terms and conditions applicable to the procurement; including the period of time during which Offeror(s)’ prices will remain in effect;
   c) the date, time and place where proposals are to be received and reviewed, including a statement that late proposals will not be accepted;
   d) the applicable protest procedures; and
   e) the criteria to be utilized by the MFA in selecting the successful Offeror(s) and the weight to be attributed to each criterion.

2. **Review.** Final RFPs shall be reviewed by MFA’s in-house Attorney and approved according to current Authorizations prior to publishing.

3. **Resident Business Preference.** For a procurement of goods or services in which the goods or services to be purchased will be purchased with non-federal funds originating from the State of New Mexico or from MFA’s General Fund:

   a) if procurement is made through an informal bidding process, including a Request for Qualifications, a bid submitted by a Resident Business shall be deemed to be five percent lower than the bid actually submitted;
   b) if procurement is made through a Request for Proposals, five percent of the total weight of all factors used to evaluate the proposals shall be awarded to a Resident Business;
   c) if the contract is awarded on a point-based system, a Resident Business shall be awarded the equivalent of five percent of the total possible points to be awarded based on its status as a Resident Business.

A New Mexico Resident Business, for the purposes of MFA’s Procurement Policies, is defined as one in which the majority of the Offeror’s employees who would perform the services to be performed pursuant to the relevant procurement reside in New Mexico. If an Offeror is seeking preference points as a New Mexico Resident Business, the Offeror’s proposal must include:

   i. evidence that the Offeror is licensed to do business in New Mexico; and,
ii. a representation that the majority of the Offeror’s employees who would perform the services to be performed reside in New Mexico.

4. **Negotiation.** The MFA may provide Offeror(s) whose proposals are reasonably likely, in MFA’s discretion, to be selected an opportunity to discuss and revise their proposals at any time after submission of proposals and prior to award, for the purpose of obtaining final and best offers. MFA may negotiate with responsive Offeror(s) for award.

5. **Award/Selection.** Offerors whose proposals are most advantageous to MFA, taking into consideration the evaluation criteria set forth in the RFP, will be selected according to the current Authorizations. Written notice of the selection of the Offeror(s) will be sent to all Offeror(s) as soon as reasonably possible.

6. **Internal Committee Review.** As required by the Delegations of Authority, all proposals for each RFP requiring Board approval will be reviewed by an Internal Committee of at least 3 MFA staff members including the Chair of the Internal Review Committee, who will be responsible for establishing the Committee, getting Committee approval from the Executive team, distributing the proposals to the members, setting meeting times, ensuring proposals are scored in a uniform manner, summarizing the scores and presenting the results to the Policy Committee, Board Committee and the Board. From time to time, as needed, one or more reviewers from outside MFA may be invited to participate in the review process. It is also recommended that the Chair propose an alternate member for approval along with the regular Committee members.

7. **Contract Requirement.** All awards shall be evidenced by a fully executed contract. MFA’s in-house Attorney will review each such contract or form of contract.

8. **Responsibility of Offeror(s).** If an Offeror who otherwise would have been awarded a contract is not a Responsible Offeror, a determination that the Offeror is not a Responsible Offeror, setting forth the basis of the finding, shall be prepared and the Offeror shall be disqualified from receiving an award. The failure of an Offeror to promptly supply information in connection with an inquiry concerning responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

9. **Irregularities in Proposals.** MFA may waive technical irregularities in the form of the proposal of the Offeror(s) selected for award as long as such irregularities do not alter the price, quality or quantity of the Services or Tangible Personal Property offered.

10. **Protest.**
   a) An Offeror may protest the selections. The protest must be submitted in writing to the MFA, within fifteen (15) calendar days after the notice of award. The protest must be written and addressed to the Contact Person.
   b) The Contact Person shall give notice of the Protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the Protest.
   c) The Offerors receiving notice may file responses to the Protest within seven (7) calendar days of notice of the Protest.
   d) The protest is then heard by the applicable Board Committee. The Committee’s recommendation is then taken to the full Board for approval.
   e) The MFA will issue a notice of determination relating to the protest within a reasonable period of time after submission of the protest. The determination by the MFA shall be final.
   f) Offerors and Members of the MFA Board of Directors shall not communicate regarding a pending offer or award until the protest period has expired or, in the event there is a protest, until the protest is decided by the Board.
11. Documentation: Thorough documentation of all RFPs will be maintained on file in accordance with MFA’s policies on retention and disposition of records.

D. Reimbursement of Travel Expenses: Reimbursement of successful Offeror(s)’ travel expenses will be consistent with MFA travel reimbursement policies.

E. Code of Conduct. All Offerors shall agree to conduct themselves in a manner consistent with the MFA's Code of Conduct.

F. Definitions.

“Authorizations” means the delegations of review and decision making authority to staff, committees and the Board of Directors, as approved by the Board from time to time (see Exhibit E).

“Offeror” is the person or entity who submits a response to an RFQ or RFP.

“Request for Proposal” or “RFP” means all documents, including those attached or incorporated by reference in the Request, used for soliciting proposals.

“Request for Informal Bids,” “Request for Qualifications” or “RFQ” means all documents, including those attached or incorporated by reference in the Request, used for soliciting bids under part 3.1.B.2 above.

“Responsible Offeror” mean an offeror who submits a responsive proposal to an RFP, RFQ or informal bid and who has furnished, when required, information and data to prove that his financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the Services or Tangible Personal Property described in the proposal.

“Responsive Offer” means a proposal which conforms in all material respects to the requirements of an RFP, RFQ or informal bid. Material respects of an RFP, RFQ or informal bid include but are not limited to price, quality, quantity or delivery requirements.

“Responsive Offeror” means a person who has submitted a Responsive Offer.

“Services” means the furnishing of labor, time or effort by a contractor not involving the delivery of a specific product, other than reports and other materials, which are merely incidental to the required performance.

“Tangible Personal Property” means physical property including furniture, fixtures, equipment and supplies.

G. Disposition or Sale of Tangible Goods

Upon Management’s determination that it is in MFA’s best interest to sell or dispose of property or tangible goods with a market value of $1,000 or more, the following steps will be taken and documented:

1. sale at public auction, or
2. through bids requested in newspaper and/or Internet advertisement/auctions, in which event comparable goods will be priced to determine current fair market value, and the fair market
value will be used as the minimum bid; MFA employees may respond, and the award will be based on the highest bid received, or

3. destruction.

At its discretion, Management may negotiate sale of, or donate property such as, outdated computers, printers and furniture to a public school or other public entity in need of such items. The PTA Council of the school or Department head of a government entity will acknowledge all transfers of property.
SECTION 4 - PROGRAM POLICIES

The MFA Board will, from time to time, promulgate and approve formal Program Policies for all ongoing Programs. The following policies and procedures are incorporated into this manual by reference.

A. Single Family Development
B. HOME Rental
C. Risk Sharing
D. Partners
E. Mortgage$aver
F. Primero Investment Fund
G. Build-it
H. Low Income Housing Tax Credits/Qualified Allocation Plan (QAP)
I. HERO
J. Mortgage Booster
K. Land Title Trust Fund
L. New Mexico Housing Trust Fund
M. New Mexico Affordable Housing Tax Credit
N. Mortgage Credit Certificates
O. HOME-House by House Rehab
P. Energy$avers
Q. Neighborhood Stabilization Program
R. Tax Credit Assistance Program
S. Tax Credit Exchange Program
T. Tax Credit Loan Program
U. Building Trust Program
V. Other Board-approved programs.

4.1 Single Family Mortgage Loans

The MFA has a legitimate, recognized interest in fostering its public purpose as set forth in Section 58-18-2 of the Mortgage Finance Authority Act, in limiting assumptions of its loans to those persons whom the New Mexico Legislature intended to benefit by establishing the MFA's public purpose of providing homeownership to persons of low or moderate income who intend to occupy the home as a principal residence.

A. Transfer/Assumption. Single Family Mortgage Loans may be transferred to or assumed by another person so long as the following criteria, among other applicable program requirements and policies, are satisfied:

1. The transferee/assumptor is a “person of Low or Moderate Income” as defined in the single family, homeownership programs.
2. The transferee/assumptor intends to occupy the mortgaged property as the principal residence of the transferee/assumptor, and does so occupy the mortgage property for a period of time not inconsistent with such intent.
B. **Occupancy Waiver.** A borrower or assumptor faced with financial hardship may be forced to vacate the mortgaged property within six months of closing, but may do so only with a written owner occupancy waiver from MFA. The criteria for granting such a waiver are as follows:

1. **adverse change in the borrower’s employment status** (i.e., transfer, layoff, demotion);
2. **adverse change in marital status** (i.e., divorce or death of spouse); or
3. **serious illness affecting borrower or borrower’s family.**

The Executive Director or Deputy Director(s) has the authority to approve or deny a request for a waiver of the owner-occupancy requirement. If approved, the waiver will have a term of no more than six months unless later extended. The Executive Director or Deputy Director(s) may also require the borrower to market the property for sale.

Once the borrower has occupied the property for six months, MFA’s permission to vacate is no longer required.

### 4.2 Acquired Properties

Occasionally the MFA will acquire ownership of a property through judicial foreclosure action or acquire ownership by accepting a deed-in-lieu of foreclosure (DIL), which may or may not be subject to the first mortgage.

**A. Disposition.** In disposing of said properties, the staff will select a qualified real estate broker; obtain his/her written opinion of the properties' value or an appraisal from a qualified independent fee appraiser. An appraisal is necessary when the value of the home is below 80% of the MFA's investment or anticipated investment. The property disposition strategy will be to make ready and market properties in such a manner as to:

1. maximize recovery to the MFA;
2. maximize the benefits available under any policy or policies of mortgage insurance or loan guarantees; and/or
3. obtain the highest net realizable value, considering the cost of repairs or improvements and their anticipated effects on marketing time, maintenance and other holding costs, and local market conditions.

The MFA will make all reasonable efforts to market acquired properties to individuals and families who intend to occupy the property as a primary dwelling.

In disposing of properties acquired that are not, or are no longer subject to a policy or policies of mortgage pool insurance, the property disposition staff may:

1. authorize any and all repairs relating to and necessary for the protection and preservation of the property;
2. authorize repairs or improvements in the aggregate amount(s) not to exceed $10,000, which may be necessary or desirable in order to effectively, market the property;
3. enter into listing agreement(s) at 90% or more of the MFA's estimated exposure (including cost of repairs and improvements, net of anticipated hazard and/or mortgage insurance claim payments); and
4. negotiate sales offers at 95% or more of the list price.

Advance approval must be obtained from a member of Management for repairs or improvements in excess of $10,000, listings at less than 90% of the MFA's net exposure, and sales at less than 95% of the list price.
The staff shall provide the Board with a report identifying a gain or loss in excess of $10,000 for each property disposed of in accordance with these policies.

4.3 Second Mortgage Default, Foreclosure, and Deeds in Lieu of Foreclosure (DIL), Short Sales, Bankruptcies, etc.

A. Down Payment Assistance. MFA currently has eight types of down payment assistance (DPA) loans:

1. HELP;
2. Payment$aver;
3. Helping Hand;
4. Smart Choice
5. Take 5;
6. MortgageBooster;
7. HERO; and
8. Tax Credit Loan Program.

MFA will also accept and fund application for DPA loans made by agencies in response to a HOME-funded RFP.

B. Down Payment Loan Defaults. The following procedures will be followed to maximize recovery and minimize MFA’s potential exposure when the DPA loan defaults. All legal notifications and/or proceedings will be forwarded to and handled by MFA’s counsel regardless of loan balance.

1. General Fund DPA Loans (Amortizing Loan). General Fund DPA loan mortgagors generally default by defaulting on the first mortgage. MFA will be informed of such default by the first mortgage Servicer. Upon receipt of default notification, MFA will forward appropriate documentation to its Mortgage Servicing legal counsel to Answer or Disclaim our interest in the mortgage and note. The decision to Answer or to Disclaim will be determined by MFA staff after evaluating exposure, LTV, legal fees and the likelihood of collection.

2. DIL/Short Sales. MFA’s general fund does not bear a loss on the foreclosure of first mortgages funded with the proceeds of the sale of bonds which have been securitized by an MBS. Under the whole loan programs (first mortgage with pre-1994 bond issues) the bond issue will generally incur a loss of $1,500 - $2,000 on a FHA, VA or RHS first mortgage foreclosure. This should be taken into consideration while evaluating the exposure. Therefore, MFA’s only concern is the exposure on the General Fund DPA loan. Accordingly, releasing the General Fund DPA loan to accommodate a DIL or Short Sale on the first mortgage will not be automatic. MFA staff should work with the first mortgage Servicer to mitigate the exposure of loss on the property.

3. PaymentSaver, Helping Hand, Smart Choice and Other HOME-Funded DPA Loans. MFA will take the same approach with HOME funded DPA loans as it does with General Fund DPA loans. Although they are not funded with General Fund monies, MFA must proceed with due diligence and continued collection efforts to avoid repayment of funds to HUD. MFA is restricted from collecting more than the HOME “recapture” provisions/formula outlined in each respective mortgage and note.

DPA loan write-offs and foreclosure approvals will be handled consistent with the MFA’s Delegations of Authority approved by the Board.

C. First Mortgage Procedures.
1. **MBS Program (MortgageSaver).** MFA does not bear any loss on the foreclosure of the first mortgage. Therefore, MFA’s only concern is the exposure on the General Fund DPA loan. Accordingly, releasing the General Fund DPA loan to accommodate a DIL or Short Sale on the first mortgage is not normally an option.

Upon notification of foreclosure, foreclosure complaint filed by the Servicer and MFA being served (as second lien holder), MFA will notify its Mortgage Servicing legal counsel to respond to the complaint. Staff will send out demand letters as appropriate, and determine the amount of equity in the property by reviewing and comparing the current loan balance to the original loan amount and appraisal.

a) **Options.**

1) If the review shows sufficient equity to cover principal and interest balance of the first mortgage, principal and interest balance of the second mortgage, repairs and an additional 10% to cover selling costs, MFA will then bid the amount of the first and second mortgage plus interest and expenses, or take the property into REO, repair and market at no less than 110% of the exposure.

2) If the review shows insufficient equity to cover the principal and interest balance of the first mortgage, principal and interest balance of the second mortgage, repairs and an additional 10% to cover selling costs, MFA will proceed to evaluate its legal remedies in the foreclosure action, including an assessment of whether MFA should disclaim its interest. The decision to participate in the foreclosure proceeding or to disclaim will be determined by MFA staff after evaluating exposure, loan to value, legal fees and the likelihood of collection.

2. **Whole Loan Program.** The same procedures outlined above should be followed while keeping in mind that MFA would bear a portion of the loss on the foreclosure of the property and an additional $1,500-$2,000 of un-reimbursable expenses on government loans should be included in the analysis for determining MFA's exposure.

DIL or Short Sales can and should be considered in cases when the exposure on pursuing a foreclosure is greater.

Each loan will be different and will be analyzed individually, keeping in mind our goals of maximizing recovery to MFA and minimizing our potential exposure. Losses incurred on final claim settlements in excess of $10,000 will be reported to the Board on a monthly basis.
5.1 External Auditing Policy Statement

An external audit by an independent firm is conducted annually. The external audit will consist of 1) an audit of the financial statements for the fiscal year ended September 30th conducted in accordance with auditing standards generally accepted in the United States of America, Generally Accepted Government Auditing Standards (GAGAS), and 2.2.2 NMAC Audit Rule (available at www.saonm.org) issued by the New Mexico Office of the State Auditor; 2) a Federal Single Audit for the fiscal year ended September 30th conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and Office of Management and Budget Circular A133 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and 3) GNMA Compliance Reports conducted in accordance with US Department of Housing and Urban Development requirements. All reports will be delivered within one hundred twenty (120) days after fiscal year end.

In accordance with GAGAS, in all matters relating to the audit work, the auditor must be free from personal, external, and organizational impairments to independence and must avoid the appearance of such impairments of independence. Auditors and audit organizations must maintain independence so that their opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by objective third parties with knowledge of the relevant information. Audit organizations must not provide non-audit services that involve performing management functions or making management decisions and audit organizations must not audit their own work or provide non-audit services in situations in which the non-audit services are significant or material to the subject matter of the audits.

In order to best serve the interests of the MFA and its constituents, the following criteria for required auditor rotation will apply: 1) an audit firm is prohibited from conducting the external audit for a period of two years if the firm has provided external audit services for six consecutive years; or 2) an audit firm is prohibited from conducting the external audit for a period of two years if the firm has been involved in any capacity of the external audit services for nine consecutive years, including a joint venture. 2) a firm that has undergone a merger or acquisition will be determined to be a new firm for the purposes of the rotation requirement if it fulfills the requirements of the State Audit Rule. Waivers to the external auditor rotation policy must be approved by the MFA Board of Directors.

The MFA Finance Committee serves as the Board’s Audit Committee and is tasked with providing regular oversight of the external audit process. The external auditor is required to conduct an Entrance Conference before the audit fieldwork commences with the Audit Committee. As per Statement on Auditing Standards (“SAS”) No. 114, The Auditor’s Communication with Those Charged with Governance, the external auditor is required to keep the Audit Committee informed throughout the process of relevant audit issues including audit progress, threats to established timelines, potential audit findings, potential audit adjustments, and significant pending items. At the conclusion of the audit, the external auditor conducts an Exit Conference with staff and the Audit Committee where the draft audit and related reports are discussed. After the Office of the State Auditor releases the audit to the public, the final audit and related reports are presented by the external auditor and staff to the full MFA Board for approval. Management is responsible for addressing and clearing audit findings on a timely basis.
5.2 Internal Auditing Policy Statement

The Internal Audit function’s framework shall closely adhere to the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing and other relevant professional standards. Audit emphasis shall be placed on areas within the MFA perceived to be of significant financial or operational risk to provide the greatest service to the MFA. The Internal Audit’s function activities shall be conducted in a professional manner with a mission of performing quality audits that provide factual, comprehensive results and promote more effective operations throughout.

5.3 Internal Audit Statement of Purpose, Authority and Responsibility

A. **Purpose.** The function of the Internal Audit is to provide an independent appraisal activity within the organization as a service to Management and the Board of Directors through the Finance Committee. The Internal Auditor assists Management in managing risks effectively in order to sustain operations and achieve business objectives in discharging its responsibility for effective and efficient operating and financial control systems and procedures by evaluating, monitoring and reporting on:

1. the adequacy of accounting, financial and operating controls;
2. the efficiency and effectiveness of uses of the organization’s resources;
3. the reliability of information provided to Management;
4. compliance with established bylaws, policies, procedures, governmental regulation, and program requirements;
5. the presence of or possibility of potential matters of business risk, fraud, theft, mismanagement and other similar irregularities; and
6. Management’s action with respect to correcting previously reported deficiencies.

B. **Authority.** The Internal Auditor has neither the responsibility nor authority for management of operating activities; however, is expected to maintain a sound working relationship with managers who do have such responsibility and authority. The working relations with departmental and other operating units should be directed toward a full understanding of the benefits of having Internal Auditor evaluations and consultation regarding:

1. contemplated, as well as executed, business transactions, contracts and operating activities;
2. the adequacy, effectiveness and efficiency of existing controls, systems and procedures;
3. contemplated changes or revisions to systems and procedures;
4. organizational and structural changes; and
5. status of compliance with established policies and procedures.

C. **Responsibility.** The aforementioned Internal Auditor evaluations and consultations are for the purpose of providing meaningful recommendations and information to Management, thereby maximizing the benefit of the Internal Audit function. In order to maintain its objectivity and independence, the Internal Audit function must not:

1. take responsibility or authority for the implementation of such recommendations; or
2. be performed by MFA’s current External Auditor.
5.4  Annual Internal Audit Planning Procedures

A.  The purpose of this procedure is to provide guidelines for the preparation of the annual internal audit plan. The planning process shall be performed by Internal Audit with input from Management, the Finance Committee, and the Board of Directors. Proper planning will help to ensure that all major areas of known risk or other areas of concern are evaluated for audit coverage in the annual plan.

B.  It is anticipated that events may occur during the year resulting in special requests by Management or the Board of Directors that the Internal Audit perform specific reviews or other procedures. Such requests may take priority over items on the annual audit plan.

C.  Internal Audit will conduct an annual Risk Assessment and prepare a Report that:
   1. identifies the areas of risk and ranks the risk as low, medium or high;
   2. identifies the reasons each area is considered to be at risk;
   3. provides the suggested audit approach or procedures to be conducted in order to address the risks identified;
   4. determines the number of hours required to conduct the internal audit of each area identified to be at risk.

   The Report will be presented to the Finance Committee to determine which risks should be included in the Internal Audit Plan based on level of risk and priority.

D.  Internal Audit will prepare a list of internal audits to be considered for the year. This proposed list shall be prepared considering the following:
   1. the direction from the Finance Committee after review of the Risk Assessment Report;
   2. new programs and/or functions;
   3. electronic data processing system changes or additions;
   4. strategic and emerging risks
   5. prior audits completed and their results; and
   6. other information obtained during the current audit period.

E.  The proposed audit plan will consider and take into account Management’s views regarding risk of the proposed audit areas, timing of the proposed audits, and additional areas that may warrant review in the upcoming year.

F.  The proposed audit plan will be presented to the Finance Committee for its review and input. Once the Finance Committee has approved the proposed annual audit plan, it shall be presented to the Board of Directors along with the Risk Assessment Report for final approval.

G.  Any changes made to the annual audit plan during the year shall be reported to, and approved by the Finance Committee and Board of Directors.

5.5  Procedures for Initiation of an Audit

A.  The purpose of the following procedure is to provide general guidelines that will assist Internal Audit in the process of starting an audit project. MFA Management and staff should be informed of the nature and timing of audit activities.
B. Internal Audit will make every effort to facilitate audit work in a manner that will result in the least amount of disruption to personnel and/or functions audited.

C. Prior to the start of an audit segment, Internal Audit will contact the Controller and schedule an opening meeting with Policy Committee, the Controller and the manager responsible for the area under audit to communicate audit objectives. Internal Audit will also explain the extent to which assistance may be required and the types of information necessary to complete the audit.

D. If the anticipated start date of the audit is in conflict with planned activities or personnel schedules in the area to be audited, every effort should be made to reschedule the start date of the audit or the timing of audit procedures to be performed.

5.6 Issuance of Internal Audit Reports

A. This procedure provides a general description of the process by which audit reports will be issued. This process ensures that Management is aware of the information in the audit report prior to its presentation to the Finance Committee or the Board of Directors and allows for Management to provide responses to recommendations made in the report.

B. The results of the audit shall be discussed with Policy Committee, the Controller, and the manager or employee primarily responsible for the area under audit upon completion of an audit segment. This step allows the manager or employee to correct any misunderstandings by the internal auditor or erroneous information prior to finalizing the internal audit report.

C. A summary of findings and recommendations will be provided to Management. This summary communicates all findings whether reportable or not, to Management for their information.

D. Management will provide responses to findings and recommendations made and will also ensure that any findings are correctly stated. Internal Audit will work closely with Management to arrive at responses that are workable for Management but also address adequately the underlying concern.

E. A draft of the audit report shall be provided to Management prior to issuance of the final report. This step allows for Management input or comments on the report prior to presentation to the Finance Committee or the Board of Directors.

F. The final audit report shall be issued to Management and the Board of Directors through the Finance Committee.

G. Internal Audit will provide Management with a schedule of open items and their disposition. Internal Audit will update this schedule at least annually.
5.7 Internal Audit - Reporting to the Finance Committee and the Board of Directors

A. The purpose of this procedure is to define the nature and timing of internal audit reporting to the Finance Committee and the Board of Directors. Internal Audit must keep the Finance Committee and the Board of Directors informed of the results and the status of internal auditing activities.

B. Internal Audit shall provide a copy of all internal audit reports issued to the Finance Committee members at their monthly meeting as the reports are issued.

C. Internal Audit shall provide a status report of the internal auditing activities to the Finance Committee from time to time at their monthly meetings. This report will indicate the status of internal audits, which are in process or have been undertaken since the previous status report, and the status of hours incurred vs. budgeted hours.

D. Internal Audit shall provide an annual summary of internal auditing results and activities completed for each fiscal year, and an analysis of the completion of the Annual Audit Plan for that fiscal year. This report shall be presented to the Finance Committee and the Board of Directors at their monthly meetings immediately following the end of the contract.

E. Internal Audit shall have the freedom to contact the members of the Finance Committee or the Board of Directors should the need arise at times other than those noted above.

5.8 Internal Auditing Working Papers

A. The purpose of this procedure is to set a minimum standard for documenting internal audit work at the MFA. Such standards are necessary to comply with The Standards for the Professional Practice of Internal Auditing, to minimize any legal exposure of the MFA and the Board of Directors, and to ensure that all audit reports are adequately supported by clear working papers as a basis for the conclusions stated in the audit report.

B. Each audit project shall have an individual set of working papers identified with the audit project title and date of completion.

C. An audit program will be prepared for each audit, which identifies the following:
   1. audit objective;
   2. scope of the audit; and
   3. audit procedures to be completed.

D. Clear and concise working papers that adequately support the audit procedures shall be completed with due professional care, which support the conclusions reached, and that document analyses performed and information gathered. Each working paper shall also be:
   1. referenced in a logical manner;
   2. cross-referenced to agreeing or supporting papers; and
   3. initialed and dated by the preparer.

E. All relevant correspondence pertaining to the audit shall be included in the working papers. If meetings are held to discuss the audit procedures or gather information, notations shall be made in the working papers as to the time and place of the meeting, the persons attending, and the items discussed.

F. Completed working papers shall be kept by Internal Audit. If appropriate, copies may be made for Management, external auditors, legal counsel, or third parties.
SECTION 6 – REQUESTS TO INSPECT DOCUMENTS

A. Although MFA is not subject to New Mexico’s Inspection of Public Records Act (Sections 14-2-1 to -12, NMSA 1978), these procedures are modeled after that statute. When a request to inspect MFA records is received, the following procedures apply.

B. All requests shall be immediately directed to the in-house Attorney (MFA staff position), who serves as MFA’s custodian of records. The requestor will not be given access to the records at the time of the request. The Attorney will direct the requestor to submit the request in writing. Requests sent by email are deemed “written” requests.

C. The written request, if requesting copies of records for delivery by mail, must have the name and postal service mailing address of the requestor. All requests must provide the telephone number of the requestor and shall identify the records sought with reasonable particularity.

D. MFA has fifteen (15) calendar days from the receipt of a written request within which to produce the records requested or inform the requester that additional time will be needed to respond to the request. As noted above, the written request should be forwarded to MFA’s in-house Attorney immediately upon receipt for review. The in-house Attorney will notify the requestor within three days of receipt of a written request of the day the records will be produced, or if the records are either not in the possession of the MFA or are exempt under the law from the right of public inspection. If the in-house Attorney deems the request excessively burdensome or broad, he or she will notify the requestor that additional time to process the request will be necessary. Inspections of records at MFA offices shall be by appointment only.

E. MFA will charge a reasonable reproduction fee, not to exceed $1.00 per page for documents eleven inches by seventeen inches or small, for reproduction of public records requested. In addition, MFA may charge the actual costs of downloading, saving, transmitting, and otherwise reproducing any public records requested. These fees will be charged in advance and a receipt will be given. MFA will charge a reasonable mailing fee not to exceed MFA’s actual cost of mailing public records requested. It is MFA’s standard practice to provide public records in the form in which they exist at the time of the request.

F. If the in-house Attorney denies a written request, he or she will provide the requestor a written denial within fifteen (15) calendar days of receiving the request, stating the records sought and names and positions of persons responsible for the denial. The denial will be emailed, mailed or delivered to the requestor within fifteen (15) calendar days after the written request was received.
EXHIBIT A

DISCLOSURE STATEMENT

To: NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA)
CHAIR AND EXECUTIVE DIRECTOR

From: _________________________________
(Member, Proxy, Management, Employee)

Date: _________________________________

The undersigned Member, Management or Employee states that he/she has read and understands the
New Mexico Mortgage Finance Authority Code of Conduct and that the information provided below is,
to the best of his/her knowledge and belief, accurate and complete in all respects, as of the date hereof.

The following is a list of all Businesses in which either I, or a Family Member, have a Financial Interest
(as defined in the Code of Conduct) which are engaged or proposing to engage in a Transaction with the
MFA. If the answer is "none", please write "none".

Name of Business: ___________________________________________
_____________________________________________________________
_____________________________________________________________
_____________________________________________________________
_____________________________________________________________

If Employee Transaction, approximate value of the Transaction

_____________________________________________________________
_____________________________________________________________
_____________________________________________________________
_____________________________________________________________

The following is a list of all MFA programs or proposed programs that I, or a Family Member (i.e.,
spouse, domestic partner, children, parents, siblings, grandparents, parents-in-law, brother-in-law or
sister-in-law, uncle, aunt, first cousin, or anyone residing in the household), am likely to participate in
and/or benefit from. If the answer is “none”, please write “none”:

_____________________________________________________________
_____________________________________________________________
_____________________________________________________________
_____________________________________________________________

Signed: _______________________________
NOTE: Use additional sheets as necessary.
EXHIBIT B

FUNDING COMMITTEE DISCLOSURE STATEMENT

To: NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA) - HOUSING DEVELOPMENT

From: ________________________________
       (Funding Committee Member)

Date: ________________________________

RE: [insert funding year] of the [insert name of funding program or trust]

The undersigned [insert name of Funding Committee] member states that he/she has read and understands the New Mexico Mortgage Finance Authority Code of Conduct and that the information provided below is, to the best of his/her knowledge and belief, accurate and complete in all respects, as of the date hereof.

Attached is a list of all entities that have submitted an application in the [insert funding year] funding round of the [insert funding program or trust name].

Of the entities listed above, which are applicants to the [insert funding year] funding round of the [insert name of funding program or trust], I, or a Family Member (as defined in the Code of Conduct), have a Financial Interest (as defined in the Code of Conduct) in the following. If the answer is "none", please write "none".

Name of Business: ________________________________
                        ________________________________
                        ________________________________
                        ________________________________

Signed: ________________________________

NOTE: Use additional sheets as necessary.
EXHIBIT C
MULTI-FAMILY BOND DISCLOSURE STATEMENT

To: NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA) - HOUSING DEVELOPMENT

From: ________________________________
    (Member, Proxy, Management, Employee)

Date: ________________________________

RE: Multi-family Housing Bonds ([insert program name(s) and project) Series ______ and Multi-family Housing Bonds ([insert program name and project) Series ______

The undersigned Member, Management or Employee states that he/she has read and understands the New Mexico Mortgage Finance Authority Code of Conduct and that the information provided below is, to the best of his/her knowledge and belief, accurate and complete in all respects, as of the date hereof.

The following is a list of all Businesses in which either I, or a Family Member, have a Financial Interest (as defined in the Code of Conduct) which are engaged or proposing to engage in any transaction or enterprise financially related to or in any manner connected with the Multi-family Housing Revenue Bond issue cited above. If the answer is "none", please write "none".

Name of Business: __________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

If Employee Transaction, approximate value of the Transaction: __________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

The undersigned Member, Management, or Employee acknowledges that it is his/her responsibility to update this Disclosure Form within forty-five (45) days of the date that he/she acquires an interest in the MFA program or transaction as described above, or learns of a Family member having or acquiring an interest in the MFA program or transaction, as described above.

Signed: ________________________________

NOTE: Use additional sheets as necessary.
CONFIDENTIALITY AGREEMENT

I, , presently employed by or currently accepting employment with the MFA do hereby accept, consent and agree to be subjected to the following as a condition of employment:

I understand that during the course of my employment, I may acquire knowledge of materials, procedures, and information regarding MFA, its business and its customers. This information may be verbal, written, printed, or recorded by video tape or audio tape and includes all information relating to the present or planned business of MFA and/or its customers that has not been released publicly by authorized representatives of MFA. This information is confidential and proprietary in nature. I acknowledge that this proprietary and confidential information may not be disclosed to anyone, either inside or outside the scope of my employment, without the specific permission from a member of Management.

I agree not to remove any confidential or proprietary records, files, reports or other confidential or proprietary information from the workplace without prior permission from a member of Management. I agree that no records, files, reports, or other documents may be photocopied, hand copied, or copied electronically for removal from the workplace without the prior written permission from my immediate supervisor. If my immediate supervisor is not available I must follow the chain of command to obtain approval.

I understand and agree not to divulge to anyone any confidential and proprietary information regarding MFA or any employee, representative, or consultant to this facility, including financial, internal records, reports, investigations, disciplinary matters, and other similar items.

I agree not to use any information obtained through any of MFA’s computer systems, software programs, databases, etc. for personal gain or for any purposes other than in conjunction with the performance of my duties. Further I agree not to share confidential or proprietary information obtained through any of the MFA’s computer systems, software programs, databases, etc. with anyone not employed by MFA. I agree that any sensitive or confidential information obtained will be shared only with those employees who, by nature of their position(s), should be informed.

I further understand and agree that should my employment cease for any reason, any breach of this Confidentiality Agreement, prior to or after my termination, may result in the filing of a cause of action against me by my employer and that MFA shall have the right to injunctive relief, with no need to post a bond, as well as any other existing rights or relief.

I agree that I am signing this Confidentiality Agreement with full knowledge that any breach of the preceding will be reasonable grounds for immediate disciplinary action being taken against me, up to and including the termination of my employment.

This agreement is made this day of , in the year of , between the MFA (“Employer”) and (“Employee”).

Employee: 
Name (print) 
Signature 

Human Resources Representative: 

Tab 3
<table>
<thead>
<tr>
<th>ITEM REVIEWED / APPROVED</th>
<th>EXECUTIVE DIRECTOR OR DEPUTY DIRECTOR APPROVAL</th>
<th>POLICY COMMITTEE (2) REVIEW OR APPROVAL REQUIRED</th>
<th>BOARD COMMITTEE (1) REVIEW AND BOARD APPROVAL REQUIRED</th>
<th>BOARD APPROVAL REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Program Policies</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>2 Watch List &amp; Non-Compliance Reports</td>
<td>yes (quarterly)</td>
<td>yes (quarterly)</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>3 Foreclosures - Single Family</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>4 Foreclosures - Multi Family</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>5 Single Family, Multi Family and REO Write Offs</td>
<td>yes if &lt;= $10,000</td>
<td>yes if &gt; $10,000</td>
<td>yes if &gt; $30,000</td>
<td>yes if &gt; $30,000</td>
</tr>
<tr>
<td>6 Lender Appraisals</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>7 Small Purchases per Procurement Policy, RFQ/Informal Bids (Advance and Selections Approvals) for all procurement and modifications</td>
<td>yes if &lt;= $25,000 but &lt;= $50,000</td>
<td>yes if &gt; $50,000</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>8 隐性/预先资源 and State Contract procurements and modifications (6)</td>
<td>yes if &lt;= $25,000</td>
<td>yes if &gt; $50,000</td>
<td>yes only if &gt; $250,000</td>
<td>yes only if &gt; $250,000</td>
</tr>
<tr>
<td>9 All program RFP Advance Approvals.</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>10 All program RFP Selection and Renewal Approvals</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>11 All other RFPs Advance and/or Selection Approvals, Renewals &amp; all Modifications to awards approved under RFP selection (6)</td>
<td>yes if &lt;= $25,000</td>
<td>yes if &gt; $25,000</td>
<td>yes only if &gt; $250,000</td>
<td>yes only if &gt; $250,000</td>
</tr>
<tr>
<td>12 HOME, CDBG &amp; NSP:</td>
<td>yes if &lt;= $50,000</td>
<td>yes if &gt; $50,000</td>
<td>yes only if &gt; $500,000</td>
<td>yes only if &gt; $500,000</td>
</tr>
<tr>
<td>13 HOME, CDBG, &amp; NSP Awards (6)(7) (except HOME Rental grants)</td>
<td>yes if &lt;= $50,000</td>
<td>yes if &gt; $50,000</td>
<td>yes only if &gt; $500,000</td>
<td>yes only if &gt; $500,000</td>
</tr>
<tr>
<td>14 HOME Rental grants (6)(7)</td>
<td>yes if &lt;= $50,000</td>
<td>yes if &gt; $50,000</td>
<td>yes only if &gt; $100,000</td>
<td>yes only if &gt; $100,000</td>
</tr>
<tr>
<td>15 HOME, CDBG, &amp; NSP Loan/Grant Aggregate Increases (6) (7)(10)</td>
<td>yes if &lt;= $50,000</td>
<td>yes if &gt; $50,000</td>
<td>yes only if &gt; $500,000</td>
<td>yes only if &gt; $500,000</td>
</tr>
<tr>
<td>16 HOME, CDBG, &amp; NSP Activity Allocations - Line Item Adjustments as Percent of original Line Item Amount</td>
<td>no</td>
<td>yes in all cases</td>
<td>yes only if &gt; 25%</td>
<td>yes only if &gt; 25%</td>
</tr>
<tr>
<td>17 HOME, CDBG, &amp; NSP Loan/Grant Modifications (3)(6)</td>
<td>yes</td>
<td>yes, if workout</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>18 HOME, CDBG, &amp; NSP Write Offs</td>
<td>yes if &lt;= $50,000</td>
<td>yes if &gt; $50,000</td>
<td>yes only if &gt; $500,000</td>
<td>yes only if &gt; $500,000</td>
</tr>
<tr>
<td>19 Consolidated and Action Plans (HOME)</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>20 LiteC QAP and Awards</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>21 542(c)/538 Construction/Permanent Loans:</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>22 Loans (6)(7)(12)</td>
<td>no</td>
<td>yes in all cases</td>
<td>yes only if &gt; $2,000,000 or MFA risk &gt; $200,000</td>
<td>yes only if &gt; $2,000,000 or MFA risk &gt; $200,000</td>
</tr>
<tr>
<td>23 Loan Increases (5)(6)(7)(10)(12)</td>
<td>yes if &lt;= $10% and &lt;= $250,000</td>
<td>yes if &gt; 10% or $250,000</td>
<td>yes only if &gt; $1,000,000</td>
<td>yes only if &gt; $1,000,000</td>
</tr>
<tr>
<td>24 Loan Modifications (3)(6)</td>
<td>yes</td>
<td>yes, if workout</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>25 Primero Loans/Grants, BUILD IT Loan Guarantees, Energy Saver Awards, State Tax Credit Awards:</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>26 Loans/Awards/Guarantees (6)(7)</td>
<td>yes if &lt;= $50,000</td>
<td>yes if &gt; $50,000</td>
<td>yes only if &gt; $500,000</td>
<td>yes only if &gt; $500,000</td>
</tr>
<tr>
<td>27 Award, Loan/Grant or Guaranty Exposure Increases (6)(10)(7)</td>
<td>yes if &lt;= $50,000</td>
<td>yes if &gt; $50,000</td>
<td>yes only if &gt; $500,000</td>
<td>yes only if &gt; $500,000</td>
</tr>
<tr>
<td>28 Award, Loan/Grant, Guaranty Modifications (3)(6)</td>
<td>yes</td>
<td>yes, if workout</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>29 HTF &amp; LLTF Awards</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>30 Gov's Innov. Progr. awards</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>31 HTF, LLTF &amp; Gov.'s Innov. Progr. increases (6) (7)(10)</td>
<td>yes if &lt;= $25,000</td>
<td>yes if &gt; $25,000</td>
<td>yes only if &gt; $500,000</td>
<td>yes only if &gt; $500,000</td>
</tr>
<tr>
<td>32 HTF, LLTF &amp; Gov's Innov. Progr. modif. (3) (6)</td>
<td>yes</td>
<td>no</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>33 Board Reports (Qtrly)</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>34 Board Resolutions (13)</td>
<td>yes</td>
<td>yes</td>
<td>yes (14)</td>
<td>yes</td>
</tr>
<tr>
<td>35 Financials (Qtrly)</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>36 Responses to Audit Findings (Program, Internal and External Audit Findings)</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>37 Audit Follow-up &amp; Status (Internal &amp; External Audits only)</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>38 IF applications for funding (TTTF)</td>
<td>no</td>
<td>yes in all cases</td>
<td>yes only if &gt; $1,000,000</td>
<td>yes only if &gt; $1,000,000</td>
</tr>
<tr>
<td>39 Awards Under New Loan Programs (6)</td>
<td>no</td>
<td>yes in all cases</td>
<td>no only if &gt; $500,000</td>
<td>no only if &gt; $500,000</td>
</tr>
<tr>
<td>40 Regional Housing Authority monitoring/reviews and approving activities</td>
<td>no</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>41 Appointment or reappointment of tenants in accordance with 21 U.S.C. 845</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>42 Suspension and Debarment (6)</td>
<td>no</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>43 New Mexico EnergySmart</td>
<td>no</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>44 Selection of Service Providers (RFP and Renewals)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>45 State Plan Approval and allocation of DOE Funds</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>46 Allocation of funds using DOE Formula (LIHEAP, Utility, COOP, Etc.) (Note 6 &amp; 16)</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>47 Allocation/Modifications of Any Funds based on Need/Capability/Timing Constraints (NOTE 6 &amp; 17) - Per Agency Limits</td>
<td>yes &lt;= $100,000</td>
<td>yes if &gt; than $100,000</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>48 Allocation/Modifications of Multiagency Funds on per project basis based on open bidding process (Note 6 &amp; 18)</td>
<td>yes &lt;= $100,000</td>
<td>yes if &gt; than $100,000</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

(1) Board Committees are those constituted and approved by the Board March 19, 2014.October 15, 2003.
(2) Policy Committee consists of Executive Director and Deputy Directors.
(3) Excepting grants principal in excess of the amount set above, and including matters such as extensions, rate changes, etc. Modifications resulting from problem workouts (such as release of land use restriction agreements or other concessions) require Policy Committee approval.
(4) Exceptions granting staff authority as stated in QAP, including granting staff authorization to award credits to tax exempt bond projects. Competitive cycle awards are recommended by outside Advisory Committee.
(5) Additional areas of staff discretion as stated in RS Manual.
(6) Notice to be provided to Board at following meeting.
(7) If at the time of the approval, the borrower’s outstanding obligations to MFA and commitments by MFA exceed $5 million (measured in commitments), approvals by Policy Committee, Committee and Board will be required regardless of the current or proposed increased loan approval amount. If at the time the original loan approved by the Board authorizes staff to increase the loan by up to 10%, an increase within this amount would not need to go back to Committee or the Board for approval regardless of whether total outstanding obligations to MFA and MFA commitments exceed $5 million.
(8) By statute HTF and LLTF awards are recommended by outside Advisory Committee.
(9) Excluding RFP for certain professional services including, underwriter, counsel, master servicer, lobbyist, trustee, and auditor, all of which require approval by Board Comm. and Board.
(10) If staff-authorized increase causes project to exceed borrower limits for program or dollar authorization amounts of staff, and board and board committee did not review previously.
(11) Board and Committee review will be required to approve increase.
(12) Excludes legislative initiatives, all of which require Board approval.
(13) MFA’s share of the risk on these loans is typically 10%; therefore, the amounts authorized for Executive or Deputy Director and Policy Committee would typically represent risk to MFA of only $25,000 and $100,000 or $200,000, respectively.
(14) Excluding Inducement Resolutions and those not originated by staff which require only Board approval.
(15) Excluding Bond Resolutions.
(16) Excluding formula funding and recurring funding sources.
Tab 4
New Mexico Mortgage Finance Authority
Approval of Broker/Dealers, Custodians and Depositories

20143/20154 Proposed

Recommended Broker/Dealers:

Underwriting Team and underwriters with local offices who have expressed interest in working with MFA (by responding to our most recent RFPs or by participating in our selling group) and who meet the required criteria:

- Raymond James
- RBC Capital Markets
- UBS Financial Services, Inc.
- J.P. Morgan Securities, LLC
- Charles Schwab & Co., Inc.
- LPL Financial
- Bank of America Merrill Lynch, Pierce, Fenner & Smith

Bidding Agent:
- CSG Advisors

Investment Departments of Banks Approved for Broker/Dealer Relationship:
- Wells Fargo Bank New Mexico/Wells Fargo Brokerage Services
- Federal Home Loan Bank of Dallas

Recommended Custodians:

- Wells Fargo Bank New Mexico/Wells Fargo Brokerage Services
- Federal Home Loan Bank of Dallas
- Zions Bank

Recommended Depositories:

- Wells Fargo Bank New Mexico
- Bank of Albuquerque/BOKF, NA
- Washington Federal
- Bank of America
- US Bank
- Federal Home Loan Bank of Dallas
- Bank of the West

Note: Additionally, for certificate of deposit investments, MFA has the authority to utilize approved depositories as per the Collateral Review Report prepared by the State Treasurer’s Office as part of their risk assessment program.
| Tab 5 |
MEMORANDUM

To: Board of Directors
From: Maggie Raznick
       Director of Human Resources
Date: January 21, 2015
Subject: 2015 Revised Employee Handbook

<table>
<thead>
<tr>
<th>Page # (redline)</th>
<th>Proposed Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page 6</td>
<td>Revised the New Employee Orientation section</td>
</tr>
<tr>
<td>Page 10</td>
<td>added MFA’s Business Hours</td>
</tr>
<tr>
<td>Page 10</td>
<td>added that non-exempt employees are required to take at least a thirty (30) minute lunch break.</td>
</tr>
<tr>
<td>Page 18</td>
<td>Changed payday from Wednesday to Friday.</td>
</tr>
<tr>
<td>Page 20</td>
<td>Under Summary of Benefits; Revised each benefit to reflect employees are eligible on the first day of employment</td>
</tr>
<tr>
<td>Page 22</td>
<td>Revised 401k section from contributions being made quarterly to biweekly</td>
</tr>
<tr>
<td>Page 24</td>
<td>Revised the Employee Education Assistance</td>
</tr>
<tr>
<td>Page 26</td>
<td>Revised the Vacation Leave policy changing eligibility from a 6 month wait to vacation time being available as accrued.</td>
</tr>
<tr>
<td>Page 28</td>
<td>Added verbiage on Transfer of Sick Leave to reflect that this benefit is only available during the waiting period of Short Term Disability or if employee is on a qualifying FMLA event and are not eligible for Short Term Disability</td>
</tr>
<tr>
<td>Page 29</td>
<td>Voting Time – added clarification that scheduling of voting time should be arranged with immediate supervisor</td>
</tr>
<tr>
<td>Page 52</td>
<td>Final Pay - Clarified the difference between a termination and resignation</td>
</tr>
</tbody>
</table>

RECOMMENDATIONS:
Staff recommends approval of proposed revisions to the Employee Handbook.
MFA EMPLOYEE MANUAL

TABLE OF CONTENTS

Introductory Statement ................................................................. Page 1
Mandate, Vision, Mission, Core Values, Employer Statement.............. Pages 1-2
  ► EEOC Statement
  ► The Americans with Disabilities Act (ADA) & ADA Amendments Act
Hiring Policies & Procedures............................................................. Pages 3
  ► Hiring Procedures
  ► Employment of Relatives
  ► HUD/FHA Programs
Types of Employment ........................................................................ Pages 4
  ► Full-time
  ► Part-time with Benefits
  ► Part-time without Benefits
  ► Temporary
  ► Term
  ► Exempt
  ► Non-exempt
  ► Outside Employment
New Employee Orientation ............................................................... Pages 5
  ► Human Resources Assistant’s Responsibilities
  ► Supervisor’s Responsibilities
  ► Facility Technician’s Responsibilities
  ► Information System’s Responsibilities
  ► Office Assistant’s Responsibilities
General Office Policies ..................................................................... Pages 6-9
  ► Conduct in General
  ► Internal Conduct
  ► Reporting Suspected Fraud, Waste and Abuse and/or Unethical or Illegal Practices
  ► Whistleblower Protection
  ► Protection of Sensitive Information
  ► Attendance
  ► Absences
  ► Business Hours, Work Hours, Flexible Work Schedules
  ► Breaks, Lunch
  ► Attire
  ► Smoking
  ► Solicitation
Computer, Email, Internet, Intranet and Social Media Policies .......... Pages 10-14
  ► Software License Compliance
  ► Virus Prevention
  ► Security
  ► Passwords
  ► Backups
  ► Training
  ► E-mail
  ► Intranet
  ► Internal Controls
  ► Internet
  ► Blogging and Social Media
  ► Remote Access
  ► Portable Computer Equipment
# MFA Employee Manual

## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Policies and Procedures</td>
<td>15-16</td>
</tr>
<tr>
<td>Pay Process</td>
<td></td>
</tr>
<tr>
<td>Documentation of Time</td>
<td></td>
</tr>
<tr>
<td>Overtime Procedures</td>
<td></td>
</tr>
<tr>
<td>Compensable Travel Time</td>
<td></td>
</tr>
<tr>
<td>General Rules Applying to all Travel</td>
<td></td>
</tr>
<tr>
<td>Summary of Employee Benefits</td>
<td>17-19</td>
</tr>
<tr>
<td>Health, Vision, Dental Insurance</td>
<td></td>
</tr>
<tr>
<td>Domestic Partners</td>
<td></td>
</tr>
<tr>
<td>Flexible Spending Accounts</td>
<td></td>
</tr>
<tr>
<td>Short &amp; Long Term Disability, Group Term Life Insurance</td>
<td></td>
</tr>
<tr>
<td>Supplemental Life and AD&amp;D</td>
<td></td>
</tr>
<tr>
<td>Spouse/Domestic Partner Supplemental Life and AD&amp;D</td>
<td></td>
</tr>
<tr>
<td>Employee Assistance Plan</td>
<td></td>
</tr>
<tr>
<td>401(k) Retirement Plan</td>
<td></td>
</tr>
<tr>
<td>457(b) Deferred Compensation Plan</td>
<td></td>
</tr>
<tr>
<td>Incentive Compensation Plan</td>
<td>20-23</td>
</tr>
<tr>
<td>Performance Evaluations</td>
<td></td>
</tr>
<tr>
<td>Merit Increases</td>
<td></td>
</tr>
<tr>
<td>Spot Incentive Awards</td>
<td></td>
</tr>
<tr>
<td>Annual Incentive Awards</td>
<td></td>
</tr>
<tr>
<td>Wellness Plan</td>
<td></td>
</tr>
<tr>
<td>Employee Educational Assistance</td>
<td></td>
</tr>
<tr>
<td>Mass Transit</td>
<td></td>
</tr>
<tr>
<td>Seminars and Conference</td>
<td></td>
</tr>
<tr>
<td>Leave With Pay</td>
<td>24-28</td>
</tr>
<tr>
<td>Paid Vacation Leave</td>
<td></td>
</tr>
<tr>
<td>Paid Personal Day</td>
<td></td>
</tr>
<tr>
<td>Paid Sick Leave</td>
<td></td>
</tr>
<tr>
<td>Transfer of Sick Leave</td>
<td></td>
</tr>
<tr>
<td>40 Consecutive Hour Leave</td>
<td></td>
</tr>
<tr>
<td>Paid Holidays</td>
<td></td>
</tr>
<tr>
<td>Paid Administrative Leave</td>
<td></td>
</tr>
<tr>
<td>Paid Bereavement Leave</td>
<td></td>
</tr>
<tr>
<td>Paid Voting Time, Jury Duty/Subpoenas</td>
<td></td>
</tr>
<tr>
<td>- Inclement Weather</td>
<td></td>
</tr>
<tr>
<td>Office Closures</td>
<td></td>
</tr>
<tr>
<td>Parents with School Aged Children</td>
<td></td>
</tr>
<tr>
<td>Leave of Absence</td>
<td>29-37</td>
</tr>
<tr>
<td>Family &amp; Medical Leave of Absence (FMLA)</td>
<td></td>
</tr>
<tr>
<td>Military Leave of Absence</td>
<td></td>
</tr>
<tr>
<td>Personal Leave of Absence</td>
<td></td>
</tr>
<tr>
<td>Educational Leave</td>
<td></td>
</tr>
<tr>
<td>Domestic Abuse Leave</td>
<td></td>
</tr>
<tr>
<td>Safety</td>
<td></td>
</tr>
<tr>
<td>Use of Personal &amp; MFA Issued Cell Phones</td>
<td></td>
</tr>
<tr>
<td>Violence</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
</tr>
<tr>
<td>Drug &amp; Alcohol Free Work Place</td>
<td></td>
</tr>
<tr>
<td>Standards of Conduct &amp; Disciplinary Action</td>
<td>40-41</td>
</tr>
<tr>
<td>Misconduct</td>
<td></td>
</tr>
<tr>
<td>Disciplinary Action</td>
<td></td>
</tr>
</tbody>
</table>
MFA EMPLOYEE MANUAL

TABLE OF CONTENTS

- Disagreements with Supervisors

Anti-Discrimination & Harassment Policy ..................................................  Pages 42-43
  - Objective
  - Harassment Defined
  - Reporting Discrimination or Harassment
  - Investigation of Reports
  - Retaliation
  - Harassment By Non-Employees

Anti-Bullying Policy .....................................................................................  Page 44-45
  - Objective
  - Bullying Defined
  - Reporting Bullying
  - Investigation of Reports
  - Retaliation

Personnel Files and Personal Information ..................................................  Pages 46-47

Employee Performance Evaluations ..........................................................  Pages 48
  - Timing, Salary Adjustments
  - Approval
  - Disagreements with Supervisor
  - Job Descriptions
  - Promotions, Demotions

Resignations, Terminations and Employment Reference..........................  Pages 49-50
  - Resignations
  - Continuation of Benefits
  - Accrued Vacation and Sick Leave
  - Exit Interviews
  - MFA Property
  - Final Pay
  - Employment References
The statements and policies contained in this Employee Manual (Manual) constitute guidelines only, which the New Mexico Mortgage Finance Authority (MFA) attempts to follow as a general rule. These guidelines are not binding on the MFA and the MFA reserves the right and retains sole, absolute discretion to make unilateral exceptions to these guidelines in instances it deems appropriate to do so. Any statements contained in this Manual may be altered, amended, or dispensed with entirely, or new policies added, at any time and without advance notice by the MFA. Changes or additions, if any, to the Manual shall be made only in writing and approved by the MFA’s Board of Directors.

This Manual is not a contract of employment, nor is any provision in it meant to be part of any contract of employment either expressed or implied. Employment with the MFA is at all times employment “at will.” This means that either the employee or the MFA may terminate the employment relationship at any time, for any or no reason, and with or without advance notice. No employee or supervisor of the MFA, other than the Executive Director or his/her designee in writing, has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the provisions set forth in this Manual.

This Manual is not a contract of employment, nor is any provision in it meant to be part of any contract of employment either expressed or implied. Employment with the MFA is at all times employment “at will.” This means that either the employee or the MFA may terminate the employment relationship at any time, for any or no reason, and with or without advance notice. No employee or supervisor of the MFA, other than the Executive Director or his/her designee in writing, has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the provisions set forth in this Manual.

The statements and policies contained in this Manual and as implemented or revised from time to time shall become effective as approved by the Board of MFA and as disseminated to employees.

This Manual supersedes and replaces all previously distributed editions of MFA’s Employee Manual.

MFA MANDATE, VISION, MISSION, CORE VALUES AND EMPLOYER STATEMENT

MFA Mandate
In 1975 the New Mexico state legislature created the New Mexico Mortgage Finance Authority, a public body politic and corporate, separate and apart from the state, constituting a governmental instrumentality, with the power to raise funds from private investors in order to make such private funds available to finance the acquisition, construction, rehabilitation and improvement of residential housing for persons and families of low or moderate income within the state.

Vision Statement
All New Mexicans will have quality affordable housing opportunities.

Mission Statement
The MFA provides innovative products, education, and services in collaboration with strategic partners to finance the purchase, construction and preservation of quality affordable housing to strengthen the social and economic development of New Mexico.

Core Values
The MFA will:

- Hire the best-qualified employees representing the diversity of the state, pay them competitively, treat them fairly, and provide opportunities for advancement.
- Provide prompt, courteous, quality service. Foster a dynamic professional environment of excellence that supports a high level of integrity, transparency, collaboration, and commitment to mission.
• Allocate resources to serve those with the greatest need while promoting partnerships to maximize housing opportunities.

• Practice cost-effective operations and prudent fiscal management.

• Promote sustainable growth, innovation, and environmentally conscious practices.

**Employer Statement**

Our employees are key to our success. Each day presents new challenges as we are called upon to develop solutions that satisfy multiple cultural values and meet the rapidly changing environment.

The MFA strives to provide safe working conditions; to pay adequate or reasonable wages for employees’ services; to deal fairly and honestly with all employees; and to promote a harmonious and friendly working environment.

Our goal is to provide the highest level of service, friendliness, and courtesy to all those we do business with; to promote and advocate sound financial decisions; and to create a rewarding working environment for our employees where there is mutual respect, trust, and opportunity for personal and professional growth and development.

**Equal Employment Opportunity Statement**

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at the MFA will be based on qualifications, abilities, and merit. It is the policy of the MFA to recruit, employ, and provide compensation, benefits, promotion, training and other conditions of employment, without regard to an applicant’s or an employee’s race, color, religion, sex, national origin, ancestry, age, disability, serious medical condition, sexual orientation, gender identity, marital status, genetic information, status as a veteran, or any other factors identified and protected by federal, state, and local discrimination laws. This equal employment opportunity statement is consistent with the requirements of the Cranston-Gonzales National Affordable Housing Act.

**The Americans with Disabilities Act (ADA) & ADA Amendments Act (ADAAA)**

The ADA of 1990, as amended by the ADAAA, protects qualified employees and applicants with disabilities from discrimination by employers based on their disabilities. The MFA does not discriminate against people with disabilities and will provide reasonable accommodation to otherwise qualified individuals with disabilities in accordance with the ADA and the ADAAA.

A reasonable accommodation may be provided when it enables the employee to perform the essential functions of the job, unless it can be demonstrated that such an accommodation will impose an undue hardship on the conduct of the business at the MFA. In determining the extent of accommodations to be made, the MFA may consider the business necessity of having employees with certain qualifications in certain jobs, and the financial and administrative costs of making requested accommodations.

The Human Resources Director is designated as the ADA Coordinator. Employees have a responsibility to notify the ADA Coordinator if they feel in need of a reasonable accommodation, or if they believe the MFA is in violation of the ADA or ADAAA.
HIRING POLICIES & PROCEDURES

Hiring Procedures
The following rules and procedures will be followed in the hiring process:

• It is the responsibility of managers to recommend filling or creating a position.
• All prospective applicants must complete an employment application. All interviews will be conducted in a non-discriminatory manner.
• If employment fees are involved, such as those charged by a placement agency, the payment or non-payment will be determined by Management on an individual basis prior to a job offer being extended. As used in this Manual, the term “Management” is defined as the Executive Director, Deputy Directors, and the Human Resources Director.
• The MFA shall check references prior to a job offer being extended.
• The MFA shall conduct pre-employment background checks consistent with guidelines issued by the Equal Employment Opportunity Commission (EEOC). If employment already has commenced, continued employment will be contingent upon results of the background check.
• The MFA may administer tests applicable to the position; provided, however, that all applicants for a position will be given the same test or tests.
• The Executive Director will determine the appropriate salary to be offered and other terms and conditions of employment and will discuss those factors with the Human Resources Director and the supervisor of the position to be filled before the job offer is extended.

Employment of Relatives
The MFA will not employ any relatives of current employees. The term “relative” for purposes of this policy means spouse, children (including step-children), mother, father, brother, sister, grandparent, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt, uncle, first cousin or anyone residing in the employee’s household.

In the event that two employees marry while employed at the MFA, it is within Management’s discretion to determine which employee will remain employed by the MFA. This determination will consider, but will not be limited to, each employee’s position and length of employment.

HUD-FHA Programs
Any individual, who is debarred, suspended or subject to a Limited Denial of Participation or otherwise restricted from participation in HUD-FHA programs will not be hired into HUD origination, underwriting or servicing type positions with the MFA. All employees will be checked against the Debarred List and the Limited Denial of Participation List at date of hire and semi-annually thereafter. Continued employment will be contingent upon results obtained.
TYPES OF EMPLOYMENT

The MFA classifies employees into the following categories for purposes of determining their eligibility to receive benefits and whether they must be paid overtime compensation in accordance with the Fair Labor Standards Act (FLSA):

**Full-Time Employee**
An employee who is hired for an indefinite period of time, and who is scheduled to work forty (40) hours per week, eighty (80) hours per pay period, and two thousand and eighty (2080) hours annually on a regular basis. Full-time employees are eligible for employee benefits.

**Part-Time Employee With Benefits**
An employee who is hired to work twenty (20) hours or more per week but less than forty hours (40) hours per week on a regular basis. Part-time employees with benefits are eligible for certain employee benefits as described in this Manual.

**Part-Time Employee Without Benefits**
An employee who is scheduled to work less than twenty (20) hours per week on a regular basis is not eligible for any employee benefits.

**Temporary Employee**
An employee who is assigned to the MFA by a temporary staffing agency. Temporary employees are not eligible for any employee benefits.

**Term Employee**
An employee who is hired by the MFA for a specific amount of time. Term employees may be eligible for employee benefits. This must be approved and authorized by the Executive Director.

**Exempt Employee**
An employee whose position meets specific tests established by the FLSA for exemption from overtime pay requirements under the FLSA. Exempt employees are not eligible for compensatory time or overtime. Exempt employees are expected to work whatever hours are necessary to perform the duties of their position. From time-to-time and in certain situations exempt employees may have the need to work from home. All requests to work from home must be approved in advance by the Executive Director.

**Nonexempt Employee**
An employee whose position does not meet FLSA exemption tests and who must be paid, at the rate of time and a half, of his or her regular rate of pay for all hours worked in excess of forty (40) in one workweek, as required by federal and state law.

**Outside Employment**
Any employee wishing to engage in outside employment while employed by the MFA must obtain the approval of the Executive Director prior to accepting outside employment. The Board must approve any outside employment by the Executive Director prior to his/her accepting such employment.

In addition to the above categories of employees, MFA may, from time to time, use Independent Contractors to provide specific products or services. All Independent Contractors will work under a detailed Independent Contractor Agreement which will meet the requirements for an independent
contractor relationship as set out by the Internal Revenue Service (IRS). Independent Contractors are not employees of the MFA and, therefore, are not eligible for employee benefits.
NEW EMPLOYEE ORIENTATION

Responsibilities for orientation of new employees are as follows:

Human Resources Department’s Responsibilities
Within the first two weeks of employment Human Resources will provide new employees a comprehensive Organizational Orientation with management.

- Completing all pertinent paperwork, W-4, insurance forms, identification and residency certifications (I-9 Form), new hire reporting, etc.
- Entering all required payroll data
- Giving employees a tour of the office and introducing employees to all other employees
- Providing job descriptions
- Providing and reviewing the Employee Manual
- Explaining the employee benefits plans
- Setting a first day agenda
- Notifying the Facilities Technician for access to building
- Notifying the Information Systems Manager, via e-mail, for computer and phone access

Supervisor’s Responsibilities
- Sending an e-mail announcement to all MFA employees informing them of the new hire and starting date.

Within the first two weeks of employment

- Explaining the Organizational Chart
- Explaining the department structure
- Reviewing the job description
- Reviewing the job as it relates to the organization
- Reviewing the Disaster Recovery Phone Tree
- Reviewing MFA’s Strategic Plan and organization-wide goals
- Setting individual measurable goals
- Reviewing the performance evaluation form, and discussing job standards and expectations as they correlate to the job description
- Reviewing the Personnel Activity Report
- Providing on-the-job training
- Assigning a mentor (who may be the supervisor)
- Discussing available skill enhancement training and third-party training
- Informing the Information Systems Manager of various hardware and software programs to which the new employee will need access
- Reviewing all policies and procedures

Facilities Technician’s Responsibilities
- Reviewing security system
- Assigning of keys
- Reviewing building supply procedures
- Reviewing fire exits

Information System’s Responsibilities
- Phone training to include initial voice message recording Computer set-up and training
Office Assistant’s Responsibilities

- Explaining copier and fax machine use
- Reviewing procedures for ordering supplies
GENERAL OFFICE POLICIES

Conduct in General
Employees’ actions should reflect a professional image while representing the MFA. The MFA expects its employees to conduct themselves in a manner that would reflect favorably on the MFA and in accordance with MFA’s Code of Conduct (which is set out in Section 1.2 of MFA’s Policies and Procedure Manual). The MFA expects each employee to conduct him/herself in such a manner as to be a credit to the MFA. Employees are expected to treat one another, associates, customers, and visitors respectfully. Employees are further expected to be supportive of their colleagues and respect the privacy and human dignity of all persons with whom they come into contact.

Internal Conduct
The MFA expects its employees to be considerate and respectful of co-workers. In determining appropriate cubicle and office etiquette, employees are to consider the appropriateness of conversation, behavior, use of cell phones and any other noise factor that may be distracting to co-workers.

Reporting Suspected Fraud, Waste & Abuse and/or Unethical or Illegal Practices
All MFA Members, Management, employees, contractors, sub-contractors, grantees, sub-grantees and business associates must maintain the highest ethical standards in conducting company business. It is MFA’s intent that all Members, Management, employees, contractors, sub-contractors, grantees, sub-grantees and business associates will conduct business with honesty and integrity and comply with all applicable laws and regulations in a manner that excludes considerations of personal advantage or personal gain, and not seek or accept for themselves any gifts, favors, entertainment, or payments, without a legitimate business purpose.

All MFA Members, Management, employees, contractors, sub-contractors, grantees, sub-grantees and business associates should avoid any situation that involves or may involve a conflict between their personal interests and the interests of MFA.

Whistleblower Protection
It is the responsibility of all employees, regardless of category, to report suspected fraud, waste and abuse, and/or unethical or illegal activities engaged in by any MFA Member, Management or Employee, which violate federal or state laws or regulations, a state administrative rule, a law of any political subdivision of the state, or MFA’s Code of Conduct. All reports are anonymous unless the individual making the report chooses otherwise. To ensure anonymity and encourage compliance with best practices the MFA has contracted with a third party service provider to receive reports of fraud, waste and abuse and/or unethical or illegal activities. Individuals may report such activities anonymously by:

Calling toll free (877)778-5463, 24 hours a day, 7 days a week
Username: mmfa
Password: housing

E-mailing www.reportit.net
Username: mmfa
Password: housing

All reported activities received through the report it hotline/website, by written or verbal communication, or via telephone will be treated the same and will be promptly investigated by the MFA, which may include engagement of a third party investigative services provider if deemed necessary. Upon completion of the investigation, the MFA will take appropriate action should the reported activities be
substantiated and determined to be fraudulent, unethical, illegal or in violation of MFA’s Code of Conduct.

If the individual making the report chooses not to remain anonymous he/she will be made aware of the outcome of the investigation. All individuals who make substantiated reports will be protected from discharge, demotion, discrimination, or any other type of retaliation. Allegations of retaliation may be reported to (877)778-5463 or at www.reportit.net. All reports of retaliation also will be promptly investigated by the MFA, which may include engagement of a third-party investigative services provider if deemed necessary. Upon completion of the investigation the MFA will take appropriate action if the reported retaliation is substantiated.

Complete information on how to report fraud, waste and abuse, and unethical or illegal activities can be found on Report It flyers posted within MFA’s premises and on MFA’s website at www.housingnm.org.

Protection of Sensitive or Proprietary Information
During the course of employment employees may acquire knowledge of materials, procedures, and information of a confidential or sensitive nature. Much of the personal information that is contained in MFA files, and/or that enters the MFA either electronically or physically in the course of business, is considered “sensitive” or proprietary information owned by MFA that must be kept confidential and protected from exposure to persons, including MFA employees, contractors and agents not authorized to access the information in order to conduct MFA business.

Sensitive or proprietary information that might be present in MFA files or enter the MFA during the normal course of business consists of, but is not limited to:

- Social Security numbers
- Credit card/debit card numbers, security codes, access codes, passwords
- Bank account information
- Personal data, birthdates, family members’ names and ages, home addresses, phone or fax numbers, home e-mail addresses
- Driver’s license number, photocopy of driver’s license, vehicle identification number, any number that can be used to identify an individual
- Criminal records
- Employment and educational records
- Medical history
- Finger and voice prints
- Photographs
- Registration, membership or admission of participation in an organization or activity

To safeguard sensitive or proprietary information employees shall take particular care with the following:

- Fax Machines
- Copiers
- Desktops
- Computers and All Other Electronic Devices
- Paper and Electronic Files/Storage
- Shredding Bins
- Recycling Bins
- Keys to File Drawers, Office Doors, and Storage Areas
**Business Hours**  
The MFA’s **business hours** are 8 a.m. to 5 p.m. Monday through Friday.

**Attendance**  
The MFA expects its employees to be considerate and respectful to coworkers by adhering to established working hours. Employees are expected to report to work on time.

**Standard Workweek**  
For payroll purposes (e.g. calculation of overtime) the MFA’s **standard workweek** runs from 12:00 a.m. on Saturday through 11:59 p.m. on the following Friday. However, depending on workloads, supervisors may deem it necessary to adjust hourly employees’ working hours.

**Work Hours and Flexible Work Schedules**  
Work schedules need to be responsive to meeting the needs of those the MFA serves. Therefore, depending upon workloads, supervisors may deem it necessary to adjust non-exempt employees’ working hours. In addition, supervisors are responsible for maintaining efficiency and continuity of operations, and this is the primary consideration adjusting work hours and addressing non-exempt employees’ requests for flexible work schedules.

The MFA’s **core work hours** are 9:00a.m to 4:00p.m.; however, flexible work schedules are permitted if approved in advance by the employee’s immediate supervisor. Not all departments may be able to grant flexible schedules to all non-exempt employees. This decision is left to the discretion of the supervisor.

When establishing flexible work hours for non-exempt employees, supervisors must notify the Human Resources Director to ensure compliance with the Fair Labor Standards Act. The Human Resources Director must be informed of all flex schedules upon approval. Exempt employees are expected to work whatever hours necessary to get the job done.

**Absences**  
Absences must be arranged with the employee’s supervisor as far in advance as possible. If an employee must leave early or take time off during the day, the employee must request prior approval from his/her supervisor. Such absences may be made-up during the workweek unless accrued vacation or sick leave can be appropriately applied. Unexpected absences should be reported to the employee’s supervisor no later than thirty (30) minutes after the employee’s scheduled start time. If an employee has not reported for work and has not called in to report the absence for that day, this may be considered abandonment of the employee’s position depending on the circumstances of the absence.

**Breaks**  
Employees may take a paid fifteen (15) minute break for every block of four (4) hours worked. Breaks are not to be taken in conjunction with the beginning of a workday, lunch break, or end of a workday.

**Lunch**  
Lunch schedules need to be responsive to meeting the needs of those the MFA serves. Supervisors must ensure their departments are covered appropriately so that everyone does not routinely go to lunch at the same time. Non-exempt employees are required to take at least a thirty (30) minute lunch break of during which they are not compensated; provided, however, non-exempt employees must be completely relieved of all duties during such lunch breaks.
Attire
All employees are expected to dress in a manner suitable to a professional office. Management will provide dress guidelines. Unless otherwise stated by the Executive Director or his or her designee, each Friday will be casual day and jeans may be worn.

Supervisors are responsible for ensuring the proper appearance of their staff. Each supervisor has the discretion to send an inappropriately dressed employee home to change his/her clothing. The employee will be required to make up this time.

From time to time the Executive Director or the Human Resources Director may alter the dress guidelines for special occasions.

Smoking
As provided by local ordinance and state law, the use of tobacco, in any form, in any indoor workplace of the MFA is prohibited. Smoking also is prohibited near any entrance, window or ventilation system of any MFA workplace.

Solicitation
No solicitations of any kind, ticket or merchandise sales, or distribution of literature are permitted at any time by non-employees within the MFA building or on MFA premises. MFA employees are prohibited from solicitation or participation in any solicitation activities while the employees are on working time or, at any time, in a working area of the MFA.

Upon approval by the Executive Director or Human Resources Director, limited charitable exceptions to this policy may be made for promoting fund raising events for school related or extracurricular activities on MFA premises.
COMPUTER, E-MAIL, INTERNET, INTRANET - AND SOCIAL MEDIA POLICIES

Software License Compliance
The MFA is legally responsible for all software used by employees on MFA computers. Therefore, the installation of all software purchased, or downloaded from the Internet for evaluation or purchase, must be performed and approved in advance by the Information Systems Department.

Most software licensing agreements do not allow for copying. Therefore, it is prohibited as well as illegal to copy MFA-purchased software. The Information Systems Department will advise staff of software that can be copied.

Virus Protection
Due to the risk of introducing a computer virus into MFA’s computer and telephone systems, the downloading and/or installation of unauthorized programs on diskette, or unauthorized file types from diskette CD or the Internet, is strictly prohibited. Unauthorized file types include, but are not limited to, software, executable scripts, music files and movie files.

Security
The Information Systems Department will provide security levels based upon the processing requirements of the user. The employee’s supervisor and the Information Systems Department must approve subsequent requests for security level changes. Workstations will automatically be locked after ten minutes of being idle.

Passwords
All users are required to change their passwords for MFA’s internal systems every ninety (90) days. The Administrator/IT Department Manager’s password is subject to guidelines detailed in the Information Systems Policies Manual.

Passwords must be a minimum of seven (7) characters in length; may not be the same as the user ID; and require a combination of any two of the following: alpha, numeric, special characters. Previously used passwords can be reused after seven (7) password changes have occurred. It is strongly suggested to avoid using common passwords or dictionary words as they are easily guessed. Passwords are case sensitive and can be a combination of alpha, numeric, and special characters. A very secure password can be created using these guidelines (example, 48Gel&7).

Users should change passwords on systems external to the MFA every ninety (90) days, or as required, following the guidelines for such external sites.

Backups
MFA network systems will be backed up completely following each business day. Provisions have been made for off-site storage on a daily basis. A log will be maintained by the Information Systems Department, documenting the schedule and completion of all backups. No backups are performed on individual PC’s.

Requests to archive seldom-used large files or images to CD should be directed to the Information Systems Department.

Training
Trained personnel can more effectively contribute to the overall success of the MFA. An integral part of employee self-improvement is training. It is incumbent upon the employee to become involved in self-study methods to learn PC fundamentals and become skilled in the software applications they use.

On an annual basis (when preparing budget) the Information Systems Manager, with the input of department managers, will determine third-party training requirements needed for software applications. Efforts will then be made by supervisors to schedule staff for training at times convenient to the MFA and during normal work hours, if possible.

E-Mail
All information that is transmitted through the MFA’s e-mail system is considered MFA property and is subject to Management’s review. The MFA reserves the right to monitor e-mail usage and to access any e-mails sent or received through the MFA’s e-mail system at any time, in Management’s sole discretion, in order to ensure proper usage and identify any misuse of the system. Therefore, employees shall not have any reasonable expectation of privacy in connection with their use of the MFA’s e-mail system, regardless of whether an e-mail communication sent or received is personal or business related.

Copies of MFA emails may be requested by employee with Management approval. Email messages received from an unknown source and/or that contain suspicious content should not be opened and should be deleted immediately. E-mails that are not of a business nature and that are directed to “all employees” must be approved by the Human Resources Director prior to being sent.

Any misuse of MFA’s e-mail system is considered misconduct and may result in disciplinary action, up to and including termination of employment, in Management’s sole discretion.

Misuse of e-mail includes, but is not limited to, the following examples:

- Sending or forwarding e-mails containing discriminatory, harassing, or defamatory statements about MFA employees, associates or customers
- Communication of confidential information that may be detrimental to the professional or economic operation of the MFA
- Sending or forwarding e-mails that are threatening, intimidating or coercive in nature
- Sending or forwarding non-business related e-mails that are disruptive to the workplace
- Sending or forwarding e-mails that are not acceptable in a professional workplace
- Sending or forwarding e-mails that advocate specific religious or political beliefs
- Sending non-business related e-mails using an official MFA position title for personal gain or influence
- Solicitation of any kind, collection for any purpose, ticket or merchandise sales, or distribution of literature, unless approved by the Executive Director or Human Resources Director
- Sending unauthorized file attachments or saving received unauthorized file attachments. Unauthorized file attachments include, but are not limited to, software, shareware, executable scripts, music files and movies.
- Accessing non-MFA e-mail systems from MFA computers for personal use. Examples include, but are not limited to: Yahoo, MSN, and Gmail.
- Participation in any instant messaging programs
- Participation in any non-business on-line chat programs

Intranet
Subject to the provisions of MFA’s Solicitation policy, any employee may post comments on MFA’s Intranet Bulletin page. The Bulletin page is not intended to be used as a social networking site similar to
Facebook, Twitter, etc. The following are examples of the kind of topics about which comments might be posted on the Bulletin page:

- Birth or adoption announcements
- Items for sale or donation
- Wanted items
- Lost items
- Interested carpoolers
- School-related fund raisers
- Upcoming events
- Charitable causes
- Garage/yard sales

Remember, all comments posted on the Bulletin page may be read by any employees. Therefore, discretion must be exercised when posting comments so as not to offend fellow co-workers and to protect the privacy of others. After a post has been satisfied it should be removed from the Bulletin page.

**Internal Controls**
A system of written controls for the Information Systems function will be maintained by the Information Systems Manager and reviewed periodically by an independent expert.

The controls shall include, but not be limited to, procedures pertaining to backup, logical and physical security controls, and Help Desk maintenance. The controls are made part of the Information Systems Policy.

**Internet**
As a general rule, use of MFA’s Internet access by employees is permitted only where such use supports the goals and objectives of the MFA. Employees are expected to use the Internet responsibly and productively. Internet usage should be limited to job-related functions, including research and educational activities that assist in performance of job responsibilities. Engaging in Internet activities that waste MFA resources and staff time constitutes misuse/abuse of this policy.

All Internet data that is composed, transmitted and/or received through MFA’s computer systems is considered MFA property. The MFA reserves the right to monitor Internet traffic and to access and review any information that is composed, sent or received through MFA’s online connections at any time. Therefore, employees shall not have any expectation of privacy in connection with their use of MFA’s Internet access. Any misuse of MFA’s Internet access is considered major misconduct and may result in disciplinary action up to and including termination of employment at Management’s sole discretion.

Misuse of MFA’s Internet access includes, but is not limited to:

- Visiting sites that contain obscene, hateful, pornographic, violent or otherwise illegal material
- Visiting gambling sites or web-based email sites
- Sending or posting discriminatory, harassing, or threatening messages or images
- Sending or posting information that is defamatory to the MFA, its products/services, employees, associates and/or customers
- Sharing confidential information that may be detrimental to MFA customers, associates, employees or to the professional or economic operation of the MFA
- Sending or posting chain letters
• Solicitation of any kind, collection for any purpose, ticket or merchandise sales, or distribution of non-MFA related literature, unless approved by the Executive Director or Human Resources Director
• Downloading, copying or pirating software and electronic files that are copyrighted or without authorization, including but not limited to shareware, executable scripts, music files, and movie files
• Using the Internet to access and play games
• Participating in any instant messaging programs
• Participating in any non-MFA related chat programs

If an employee is unsure about what constitutes acceptable Internet usage, then the employee should ask his/her supervisor for further guidance and clarification.

MFA’s Internet Usage Policy applies where Internet access is provided by MFA for non MFA owned devices.

Blogging and Social Media
The MFA recognizes the importance of the Internet in shaping public thinking about the MFA and its current and potential services, employees, associates, and customers. The MFA also recognizes the importance of its employees joining in and helping shape industry conversation and direction through blogging and interaction in social media. The MFA is committed to supporting employees’ rights to interact knowledgeably and socially in the blogosphere and on the Internet through interaction in social media. For the purposes of this policy, social media is defined as any media for online publication and commentary, including but not limited to blogs, wiki’s, and social networking sites such as Facebook, LinkedIn, Twitter, Flickr, and YouTube. This Blogging and Social Media Policy is not intended to alter in any way MFA’s Internet and E-mail Policies which remain in effect in the MFA’s workplace.

Guidelines for Interaction about the MFA on the Internet
• If an employee is developing a website or writing a blog that will mention the MFA and/or current and potential services, employees, associates, or customers, he/she must identify that he/she is an employee of the MFA and that the views expressed on the blog or website are the employee’s alone and do not represent the views of the MFA. No employee is authorized to speak on behalf of the MFA, or to represent that he/she does. The MFA’s logo may not be used without explicit permission in writing from the MFA, in order to prevent the appearance that an employee speaks for or officially represents the MFA.
• If an employee is developing a site or writing a blog that will mention the MFA and/or current and potential services, employees, associates, or customers, he/she must inform his/her manager. The manager may choose to visit the site or blog from time to time to understand the employee’s point of view.

Confidential Information
No employee may share confidential, sensitive and/or proprietary information about the MFA with anyone outside the MFA. This includes information about upcoming programs and services, finances, number of employees, organization strategy, and any other information that has not been publicly released by the MFA. Transferring data containing confidential information using non-secure services such as Dropbox is prohibited

Respect and Privacy Rights
• Employees must communicate respectfully about the MFA and its current and potential employees, customers, and partners. Employees must not engage in name calling or behavior that will reflect negatively on the MFA’s reputation.
• Any unauthorized use of copyrighted materials, unfounded or derogatory statements, or misrepresentations by an employee will be viewed unfavorably by the MFA and may result in disciplinary action up to and including termination of employment.

• Employees must honor the privacy rights of current employees by seeking their permission before writing about or displaying information about internal MFA happenings that might be considered to be a breach of their privacy and confidentiality.

Potential Liability of Employees
Employees can be sued and may be held legally liable for anything they write or present online. Employees can be disciplined by the MFA, up to and including termination, for any commentary, content or images they send, post or forward using MFA’s computer and communication systems that are defamatory, pornographic, proprietary, or harassing in nature, or that otherwise create a hostile work environment.

Media Contact
Media contacts about the MFA and its current and potential services, employees, associates, customers, and competitors should be referred for coordination and guidance to the MFA’s Communications Manager.

Remote Access
Remote access to the MFA’s computer and communication systems is provided via the Internet by Citrix Terminal Server and TeamViewer. Remote access is limited to designated MFA personnel identified and approved by the employee’s supervisor. All security controls and restrictions defined elsewhere in the systems apply.

Portable Computers and Equipment
The MFA may assign portable computer and communications devices to employees whose job clearly requires and benefits from their use. All such devices are owned and maintained by the MFA and their use is limited to business related activities.

The following devices may be provided to MFA employees who meet the following job requirement criteria:

<table>
<thead>
<tr>
<th>Device</th>
<th>Job Requirement Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laptops, Tablet PC’s</td>
<td>Travels 1-2 days per week</td>
</tr>
<tr>
<td></td>
<td>Electronic data collection and input</td>
</tr>
<tr>
<td></td>
<td>E-mail access</td>
</tr>
<tr>
<td>Personal Digital Assistants (PDA’s)</td>
<td>Attends 5-10 internal or external meetings per week or;</td>
</tr>
<tr>
<td></td>
<td>Electronic data collection and input or;</td>
</tr>
<tr>
<td></td>
<td>Composing e-mail while traveling</td>
</tr>
<tr>
<td>Cell Phones</td>
<td>Travels 5-10 days per month</td>
</tr>
<tr>
<td>Smart Phones (PDA/Cell Phone)</td>
<td>Travels 5-10 days per month</td>
</tr>
<tr>
<td></td>
<td>Real-time e-mail and calendaring access</td>
</tr>
<tr>
<td>Digital Cameras</td>
<td>2-3 property inspections/week (photos req)</td>
</tr>
<tr>
<td>LCD Projectors</td>
<td>Business related meeting/outreach</td>
</tr>
</tbody>
</table>

Portable computer equipment including Laptops, Tablet PC’s, Personal Digital Assistants (PDA’s), Portable storage devices (including, but not limited to, USB Flash Drives, CompactFlash, Memory Stick,
Secure Digital and xD cards), and Smart Phones are not considered secure computing devices. The following guidelines must be followed when using such devices:

- Only non-confidential information should be stored on the devices.
- Installation of all software applications and transfer of data must be approved and performed by the MFA’s Information Systems Department.
- PIN numbers or passwords should never be stored on the devices.
- All connections to MFA’s network must be encrypted (not applicable to Portable storage devices).

In the event of theft or loss of any portable equipment or devices, the MFA’s Information Systems Department must be notified immediately.
PAY POLICIES AND PROCEDURES

Pay Process
MFA pay periods are two (2) weeks in duration providing employees with twenty-six (26) pay periods annually. With employee consent, payroll checks are directly deposited into individual employee bank accounts and payroll advice slips are distributed on the Wednesday–Friday following a pay period. Payment arrangements, other than direct deposit, may be made through the Human Resources Director.

There will be no release of an employee’s paycheck or payroll advice slip to someone other than the employee without the employee’s written authorization.

Documentation of Time

- **Non-exempt employees.** The Fair Labor Standards Act (FLSA) and corresponding federal regulations require that each non-exempt employee complete accurate time records for each pay period showing hours worked each day, total hours worked each workweek and the pay period. Non-exempt employees must certify the hours worked and the employee’s supervisor must verify and approve the hours worked. Failure to submit time records in a timely manner will result in delay of pay.

- **Exempt employees** are only required to report exceptions, i.e., vacation or sick leave taken during the applicable pay period.

Overtime Procedures

Only non-exempt employees are eligible for overtime. Overtime is paid, at the rate of time and a half, for time worked in excess of forty (40) hours in a workweek.

Non-exempt employees must obtain verbal approval from their supervisors prior to working overtime. All overtime hours are logged on the employee’s timesheet with notation that verbal approval was obtained and the reason for the overtime. Supervisors are responsible for approval or denial of overtime, and managing overtime within approved budget.

Compensable Travel Time

- **Non-exempt employees.** As a general rule, time spent by a non-exempt employee traveling during regular working hours as part of the MFA’s principal business activities is compensable and must be counted as hours worked for purposes of calculating the employee’s regular wages due, and for purposes of calculating overtime pay if the employee works in excess of forty (40) hours in the workweek during which the travel occurs.

If a non-exempt employee is required to travel on a non-working day (e.g., Saturday or Sunday) as part of the MFA’s principal business activities, then the travel time generally is compensable and must be counted as hours worked if it occurs during what would be normal business hours on a regular work day.

Travel by a non-exempt employee as part of the MFA’s principal business activities that keeps the employee away from home overnight is compensable to the extent it cuts across the employee’s normal working hours (or corresponding hours on nonworking days). Time spent in travel away from home outside of regular working hours as a passenger on an airplane, train, bus or automobile is not considered compensable work time.
In order to manage overtime within approved budget, supervisors have the discretion to adjust a non-exempt employee’s work schedule during the workweek in which travel time occurs so that the employee’s total work hours during that workweek will not exceed forty (40) hours.

**Non-Compensable Travel Time and Expenses**
Not all time spent traveling by non-exempt employees and not all expenses incurred in connection with such travel are compensable. For example:

- A non-exempt employee who travels from home before the regular workday to work and then returns to his/her home at the end of the workday is engaged in ordinary home-to-work travel, which is not considered compensable travel time under the FLSA and corresponding federal regulations.
- Mileage from home to the airport or train or bus station is not compensable.
- Regular mealtimes while traveling are not compensable.

**General Rules Applying to All Travel**
If a non-exempt employee is offered the most economical public transportation, but asks for and receives permission to drive instead, the MFA may only compensate the employee for the time to travel on the public transportation offered. Consistent with the above rules, all travel must conform to the MFA’s travel policies, as set forth in the MFA Policies & Procedures Manual, and an effort must be made to travel by the most economical means possible considering overtime, cost of transportation and available options.
SUMMARY OF EMPLOYEE BENEFITS

Health, Vision and Dental Insurance
All full-time employees and part-time employees with benefits have the option to select individual and dependent coverage under an HMO or PPO health insurance plan, dental plan and vision plan on the first day of employment. All employees that are enrolled under the MFA medical plan are also eligible to participate in the Wellness Plan provided by Presbyterian.

Domestic Partners
The MFA extends health, vision and dental insurance benefits to the domestic partners of eligible employees who meet qualifying criteria established by the MFA, to the same extent that these benefits are available to spouses of eligible employees. Information regarding the qualifying criteria for domestic partner benefits is available from the Human Resources Director. For purposes of such benefits, “domestic partners” mean two individuals who live together in a long-term relationship of indefinite duration. There must be an exclusive mutual commitment similar to that of marriage in which the partners agree to be financially responsible for each other’s welfare and share financial obligations.

Flexible Spending Accounts
All full-time and part-time employees with benefits are eligible to participate in the MFA’s Flexible Spending Account program on the first day of employment. The MFA allows eligible employees to set aside money in a flexible spending account for healthcare and related costs and/or for dependent care, on a pre-tax basis. Eligible employees may set aside up to an amount up to the allowable maximum $2,000 per year, beginning with the 2013 open enrollment, for healthcare and related costs, and up to an amount up to the allowable maximum $5,000 per year for dependent costs.

Short and Long Term Disability Insurance
Short and Long Term Disability Insurance is a benefit provided to eligible employees and paid for by the MFA. All full-time employees become eligible for Short and Long Term Disability Insurance on the first day of employment. Short and Long Term Disability Insurance is a benefit provided to eligible employees and paid for by the MFA.

Group Term Life Insurance and AD&D Insurance
All full-time employees become eligible for Group Term Life Insurance and AD&D Insurance on the first day of employment. Group Term Life Insurance and Accidental Death & Dismemberment (AD&D) Insurance is provided to eligible employees by the MFA. Coverage is one (1) times the employee’s annual salary plus $10,000, with a minimum benefit of $10,000, and a maximum benefit of $100,000.
**Supplemental Life and AD&D Insurance**

All full-time employees become eligible for Supplemental Life and AD&D Insurance on the first day of employment. Supplemental Life and AD&D Insurance is available to eligible employees at their expense. Employees may purchase coverage in increments of $10,000 to a maximum of $300,000.

**Spouse/Domestic Partner Supplemental Life and AD&D Insurance**

Spouse/Domestic Partner Supplemental Life and AD&D Insurance is available to eligible employees at their expense only if the employee has elected employee coverage. Elections may be made in increments of $10,000 to a maximum of $100,000 not to exceed 100% of the employee’s approved election.

**Eligibility:**
- All full-time employees with spouses become eligible for Spousal Supplemental Life and AD&D Insurance on the first day of the month following thirty (30) days of employment if they have elected employee coverage.
- All full-time employees with domestic partners become eligible for Domestic Partner Supplemental Life and AD&D Insurance on the first day of the month following thirty (30) days of employment if they have elected employee coverage and have met qualifying criteria for domestic partner benefits established by the MFA.

**Employee Assistance Plan**

All full-time and part-time employees with benefits are eligible for services under the Employee Assistance Plan on the first day of employment. The MFA has an Employee Assistance Plan to provide confidential assistance to eligible employees. Employees may access the services at [www.GuidanceResources.com](http://www.GuidanceResources.com). Brochures can be obtained in MFA’s break room.

To utilize the employee assistance plan, employees must identify themselves as an “MFA” employee. The identification of the employee utilizing the services is not made known to the MFA.

**401(k) Retirement Plan**

The MFA has adopted a 401(k) Plan to provide eligible employees the opportunity to save for retirement on a tax-advantaged basis. Detailed information concerning the terms and conditions of the 401(k) Plan is contained in the Summary Plan Description (SPD), which is available from the Human Resources Director.

Upon meeting the requirements described in the SPD, all full-time and part-time employees with benefits are eligible to participate in the MFA’s 401(k) Plan, starting with the first day of the Plan Year quarter (the 1st of January, April, July, or October) in which eligibility conditions are satisfied.

**Employee Contributions**

Under the 401(k) Plan, eligible employees may elect to reduce their compensation by a specific percentage or dollar amount and have that amount contributed to their retirement account on a pre-tax basis through payroll deductions. Employee contributions are not subject to federal and state income taxes when made and may grow, tax deferred, until paid out, when the contributions will be taxable as ordinary income. All employee contributions are 100% vested when made. The minimum amount an employee may contribute is 3% of their compensation, up to an annual dollar limit which is set by law.

**Employer Matching Contributions:** The MFA will make a matching contribution equal to 5% of an eligible employee’s annual taxable compensation for any employee who contributes the required minimum of 3% of their compensation, up to allowable tax limits to the 401(k) plan. The MFA’s
matching contributions to the employee’s retirement account are made on a quarterly basis, on the first day of January, April, July, and October.

Employer Non-Elective Contributions: Each year, the MFA will make a “non-elective” contribution to the 401(k) Plan equal to 11% of the compensation of all Plan participants eligible to share in allocations. The MFA’s non-elective contribution is paid out on a quarterly biweekly basis, on the first day of January, April, July, and October.

Vesting: An employee’s “vested percentage” of the matching and non-elective contributions made to the 401(k) Plan by the MFA is based on “Years of Service.” To earn a “Year of Service,” an employee must be credited with at least one thousand (1,000) hours of service during a Plan Year. An employee’s vested percentage is determined according to the following schedule:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Vested Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Year or Less</td>
<td>0%</td>
</tr>
<tr>
<td>Two Years</td>
<td>20%</td>
</tr>
<tr>
<td>Three Years</td>
<td>50%</td>
</tr>
<tr>
<td>Four Years</td>
<td>75%</td>
</tr>
<tr>
<td>Five Years</td>
<td>100%</td>
</tr>
</tbody>
</table>

457(b) Deferred Compensation Plan
The MFA also has adopted a 457(b) Plan, which allows eligible employees to set aside money for retirement on a pretax basis by entering into a salary reduction agreement with the MFA. Detailed information concerning the terms and conditions of the 457(b) Plan is available from the Human Resources Director.

An eligible employee for purposes of the 457(b) Plan means an employee who has made, or it is anticipated will have made by the end of the calendar year, a salary reduction contribution to the MFA Employee Pension Trust equal to an Applicable Dollar Amount established and adjusted as provided in the 457(b) Plan.

- Under the 457(b) Plan: Employees may elect salary reduction amounts up to the same limits that apply under the 401(k) plan.
- Only employee contributions are allowed unless otherwise stated through Board action.
- All employee contributions in the 457(b) Plan are 100% vested.
INCENTIVE COMPENSATION PLAN

Performance Evaluations
The goal setting and performance evaluation process is intended as a means for discussing, planning and reviewing the performance of each employee. Quarterly coaching and annual performance evaluations are designed to:

- Clearly define responsibilities, provide criteria by which performance will be evaluated, and suggest ways in which performance can be improved.
- Identify employees with potential for advancement.
- Help managers distribute and achieve department and company goals.
- Provide a fair basis for possible Merit Increases and Annual Awards.

Performance evaluations will be conducted on an annual cycle corresponding to the fiscal year end. Employees will receive a performance evaluation and new goals in November of each year. No performance evaluation will change the employment status of any employee which, at all times, shall remain at-will and no evaluation will guarantee that an employee will advance with MFA.

Merit Increases
Merit increases are not guaranteed. They are a compensation tool based on company performance, available budget, and individual performance. Merit Increases, if awarded, will be reflected in the first payroll cycle of December following the award.

All employees are eligible to be considered for Merit Increases; provided that they also satisfy the following criteria:
- Employees must have been hired on or before March 31st of the year in which the Merit Increase is awarded.
- Employees must be employed on the date the Merit Increase is awarded.

Spot Incentive Awards
MFA’s Spot Incentive Program is designed to provide one-time awards for exemplary performance to eligible employees. All employees are eligible to be considered for a Spot Award, with the following limitations: Employees must be employed on the date the Spot Award is paid out. The Spot Award period runs from October 1st of any given year through September 30th of the following year. Spot Awards will be paid out during the payroll cycle in which they are approved by the Executive Director.

- Spot Awards reward outstanding individual performance on a case-by-case basis.
- Spot Awards provide recognition for exemplary employee actions on a case-by-case basis.
- Spot Awards recognize contributions to the organization.
- Spot Awards may be granted at any time throughout any given fiscal year.
- Spot Awards are not guaranteed but are recommended by the supervisor and must be approved by the respective Deputy Director and the Executive Director.
Annual Incentive Awards

Annual Incentive Awards are based on the Strategic Plan and budget as approved by the MFA Board. MFA's Annual Incentive Program is designed to provide incentive compensation for eligible employees by rewarding and motivating staff as staff performance leads to achievement of company-wide goals. All full-time employees and part-time employees with benefits are eligible to be considered for an Annual Incentive Award. In addition:

- Employees must have been hired on or before June 30th of any given year.
- Employees must be employed on the date the Annual Incentive Award is paid out.
- Annual Incentive Awards are granted at the manager’s discretion and must be consistent with overall individual performance evaluation and time worked during the evaluation period.

The Annual Incentive Award period runs from October 1st of any given year through September 30th of the following year. Annual Incentive Awards will be paid out during the first payroll cycle in December in any given year.

- Annual Incentive Awards are not guaranteed but are awarded based on contributions to the achievement of company-wide goals, available budget, and individual performance.
- Annual evaluations are the basis for proposed Annual Incentive Awards.

The Executive Director has the authority to change, modify or approve exceptions to MFA’s Incentive Compensation Plan with notification to the Board of Directors.

Employee Educational Assistance

The MFA encourages continuing education for eligible employees for specific job-related course work or employee education considered by Deputy Directors to be in the best interest of the MFA.

Full-time employees with satisfactory work and attendance standards who have completed one year of employment with the MFA are eligible to participate provided that they are not receiving assistance or a scholarship from any other source. Employees wishing to be reimbursed by the MFA for attending and completing job-related college or trade school level courses must first obtain their manager’s and respective Deputy Director’s approval and then forward those approvals to the Human Resources Director for final approval. All approvals must be obtained in advance and should be submitted during the budget process. Employees will not be reimbursed for courses taken on their own time unless taking the course is required and approved by the respective Deputy Director and the Human Resources Director.

Employees receive reimbursement from the MFA for a percentage of the registration fee, tuition, and textbooks for courses that are:
- Directly related to either the employee’s current position or a position to which the employee could progress, or
- Part of a planned degree program in a field that has applicability to MFA’s business.

Approval

Eligible employees wishing to be reimbursed by the MFA for attending and completing job-related college or trade school level courses must first obtain their manager’s and respective Deputy Director’s approval and then forward those approvals to the Human Resources Director for final approval. All approvals must be obtained in advance.
Reimbursement

Tuition reimbursement for college or trade school level courses will not exceed standard semester credit hour rates charged by a state university in New Mexico. Tuition reimbursement for approved courses is limited to the following number of credit hours per fiscal year:

- Following one year of employment, nine (9) credit hours per fiscal year;
- Following three years of employment, twelve (12) credit hours per fiscal year; and
- Following five years employment, fifteen (15) credit hours per fiscal year.

Employees will be reimbursed for a percentage of the registration fee, tuition, and textbooks after submitting receipts and evidence of successful completion of the approved course or class as follows:

- With a grade of “A or B”: 100% reimbursement
- With a grade of “C”: 90% reimbursement
- Employees receiving a grade of “C-” or below will not be eligible for reimbursement of registration fees, tuition or textbooks.

Textbook expenses will be reimbursed up to one hundred dollars ($100) per book. The cost of other course materials will not be reimbursed.

Mass Transit

The MFA fully subsidizes the cost of bus passes and Rail Runner passes for use solely by MFA employees. All employees are eligible to receive mass transit passes or subsidies. Bus passes may be obtained from the Human Resources Department upon request. Rail Runner passes must be purchased by employees for reimbursement at a later date.

Costco/Sams Club Reimbursements

All full-time employees are eligible for reimbursement for the annual cost of basic membership to either CostCo or Sams Club.

Seminars and Conferences

All employees are eligible to attend business-related seminars and conferences upon recommendation by their supervisor and approval by the respective Deputy Director. Employees reporting to the Executive Director must obtain Executive Director approval. The MFA will reimburse eligible employees for expenses incurred in connection with recommended and approved business-related seminars and conferences. Registration fees, travel and lodging expenses will be paid by the MFA with prior supervisor approval.

Compensable Time at Seminars and Conferences (non-exempt employees)

On occasion, luncheons and social hours are conducted in conjunction with a conference or seminar. As a general rule, regular meals times are not compensable and attendance at a luncheon or social hour by a non-exempt employee is considered voluntary. Therefore, when a non-exempt employee attends a conference or seminar (or a monthly association luncheon or similar activity), their time during the lunch or social hour is not compensable.

Exception: If a non-exempt employee’s attendance at a luncheon or social hour or similar activity is required by the MFA, then employee’s time is compensable.
**LEAVE WITH PAY**

**Vacation Leave**

**Full-Time Employees**
Vacation leave accrues on a biweekly basis. Full time employees accrue vacation leave based on years of service as follows:

- The first two (2) years of employment
  - 12 days per year (accruing at 3.70 hours per pay period)
- After the completion of two (2) years and through seven (7) years of employment
  - 16 days per year (accruing at 4.92 hours per pay period)
- After the completion of seven (7) years and through fifteen (15) years of employment
  - 21 days per year (accruing at 6.46 hours per pay period)
- More than fifteen (15) years of employment
  - 25 days per year (accruing at 7.70 hours per pay period)

**Part-Time Employee with Benefits**
All part-time employees with benefits are eligible for vacation time. Employees will accrue vacation at a pro-rated amount that is determined based on the amount of hours regularly scheduled to work.

A maximum of thirty-five (35) accrued vacation days (280 hours) may be carried forward from one fiscal year to the next. Any accrued vacation leave in excess of 280 hours that is not used before the fiscal year end (September 30th) will be forfeited. Upon resignation or termination of employment, employees will receive pay for any accrued unused vacation leave (up to 280 hours).

**Use of Vacation Leave**
Although employees begin to accrue vacation leave with the first pay period after date of hire, they may not use any accrued vacation leave until they have completed six (6) months of employment with the MEA and may use vacation leave after one (1) day is accrued. Accrual amounts are noted on pay stubs each pay period. Vacation can be taken only with the supervisor's consent and may be taken in quarter hour increments. Requests will be considered in light of work demands and staffing needs, and consent may be withheld based on those and other factors that affect the conduct of MFA’s business.

Employees are encouraged to request vacation leave that exceeds two (2) days as far in advance as possible. If an employee wishes to take vacation time that exceeds the employee’s accrued vacation leave, approval must be obtained in advance from the respective Deputy Director, or the Executive Director if appropriate. If approved, the excess vacation time will be taken without pay. Accrued sick leave may not be used in lieu of vacation leave.

**Paid Personal Day**
Full time employees are eligible employees that may take one (1) paid personal day each fiscal year after completing one (1) full year of employment. **If Personal Days are not used during the fiscal year it will be forfeited.** Personal Days are not accrued and therefore are not paid out at time of resignation or termination. For tracking purposes, personal days must be identified as such on timesheets/exception sheets. Personal days can be taken only with the supervisor's consent. Requests will be considered in light of work demands and staffing needs, and consent may be withheld based on those and other factors.
Paid Sick Leave

Full-Time Employees
Sick leave is accrued on a biweekly basis beginning with the first pay period after date of hire. Full-time employees accrue thirteen (13) days of sick leave per year, at the rate of 4.00 hours per pay period. Accrued sick leave may be carried over from one fiscal year to the next.

Part-Time Employees with Benefits
Sick leave is accrued on a biweekly basis beginning with the first pay period after date of hire. All part-time employees with benefits are eligible for sick time. Eligible employees will accrue sick time at a pro-rated amount that is determined based on the amount of hours regularly scheduled to work.

Use of Sick Leave
Employees may begin to use sick leave after one (1) day is accrued. If an employee is going to be absent because of sickness, the employee must call the MFA by no later than the employee’s scheduled start time, and should make every effort to speak directly to his/her immediate supervisor. If the supervisor is not available, the employee should make every effort to speak directly to the manager next in the chain of command. Leaving messages with co-workers may result in unexcused absences and leave without pay.

Sick leave is to be used in cases of employee illness or illness in the employee's immediate family (spouse, children, step children, mother, father, mother-in-law, father-in-law, grandparents, and grandchildren) or any one residing in the employee's household.

Sick leave may be used for any medical purpose, e.g., doctor and dentist appointments. A doctor’s statement may be required for approval of sick leave for absences of three (3) or more consecutive days, or more than five (5) absences in one year. Employees requesting time off due to the illness of a child may be asked to provide a notice from the child’s school for absences of three (3) or more consecutive days, or more than five (5) absences in one year.

Sick time that exceeds accrued sick leave will be taken without pay unless an alternative arrangement (e.g., the transfer of sick leave by a fellow employee to assist the sick employee) is approved at the discretion of the Executive Director or his/her designee. Accrued vacation leave also may be used to cover sick time in lieu of leave without pay.

Employees are encouraged to use sick leave for medical purposes, however employees who do not need to use sick leave will accrue four (4) additional hours of vacation leave time during the fiscal year for every six (6) months worked, if during that six (6) month period, sick leave is not used.

Employees may choose to be paid in cash for accrued unused sick leave in excess of four hundred (400) hours (up to a maximum of one hundred twenty (120) hours in the first full pay period in January and/or July. The hours will be paid at a rate equal to 50% of the employee’s hourly wage. Immediately prior to retirement from employment, employees will be paid for accrued sick leave in excess of four hundred (400) hours (two hundred (200) hours maximum) at an hourly rate equal to 50% of their hourly wage. Employees will be solely responsible for any tax consequences of such a sellback of accrued sick leave.

Accrued unused sick leave will not be paid to an employee upon termination or resignation from the MFA.

Transfer of Sick Leave
The MFA allows an employee to transfer a portion of his/her accrued sick leave to assist a fellow employee who has a prolonged illness or a medical catastrophe. Transfer of sick leave is subject to the following conditions and limitations:

- The ill employee must have exhausted all of his or her own accrued sick and vacation leave prior to obtaining a transfer of sick leave from another employee.
- An employee may not transfer more than forty (40) hours of sick leave in any fiscal year.
- Sick leave may not be transferred from a subordinate to a supervisor.
- The transferring employee must have a minimum of forty (40) hours of sick leave remaining after the transfer.
- **Transfer of Sick Leave will only be available for use during the waiting period of Short Term Disability unless employee is on a qualified FMLA event and is not eligible for Short Term Disability.**
- The Executive Director must approve the transfer request.

Transferred sick leave will run concurrently with the amount of Family and Medical Leave of Absence available to an employee under the FMLA policy, arising out of the same illness or medical catastrophe.

### Forty (40) Consecutive Hour Leave

Certain employees are required to take forty (40) consecutive hours of leave during each year following their first twelve (12) months of employment. For tracking purposes, the clock for taking forty (40) consecutive hours each year will be based on the most recent leave date recorded in the payroll system. Any forty (40) consecutive hours of leave taken will be recorded regardless of how many total leave hours are taken within a twelve (12) month period. All types of leave identified in this Manual, including training conducted away from the MFA, may be used to meet the forty (40) consecutive hour leave requirement except holidays. Waivers to this policy may be granted as necessary and must be approved by the Executive Director.

### Paid Holidays

Eligible employees are entitled to pay for holidays observed by the MFA. Full-time employees are eligible for eight (8) hours of pay on day of holiday. Part-time employees with benefits are eligible for holiday pay at a pro-rated amount that is determined based on the amount of hours regularly scheduled to work.

### Holidays Observed

At the beginning of each calendar year a list is published detailing paid holidays observed by the MFA and their exact dates for that year.

The Holidays that are observed by the MFA are:

- New Year's Day
- Martin Luther King Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Thanksgiving Day
- The day after Thanksgiving is taken in lieu of Veteran's Day
- Christmas Day
Working on a MFA Paid Holiday
Working on a MFA paid holiday is discouraged and prohibited unless prior approval is obtained from the respective Deputy Director and/or Executive Director, if applicable.

- **Exempt Employees:** If it is necessary and in the best interests of the MFA to work on a paid holiday, then the employee will be granted floating time off equivalent to the actual number of hours worked on the holiday, which should be taken within the calendar year that the holiday is worked.

- **Non-Exempt Employees:** Working on a paid holiday generally is prohibited if it will result in the employee working more than forty (40) hours in a workweek; however, if the respective Deputy Director and/or Executive Director determines that it is in the best interests of the MFA for a non-exempt employee to work on a paid holiday, then the employee will be granted floating time off equivalent to the actual number of hours worked on the holiday. In addition, if the hours worked by the non-exempt employee on the holiday result in the employee working more than forty (40) hours in a workweek, the employee will receive overtime compensation, at the rate of one and one-half times their regular rate of pay, for each hour of overtime worked in that workweek.

Paid Administrative Leave
The MFA provides paid administrative leave to eligible employees for bereavement, to vote, and for jury service or testifying as a witness in response to a subpoena. The Executive Director or his/her designee also may authorize administrative leave with pay, for a reasonable amount of time, under unusual circumstances when it is in the best interests of the MFA to do so.

Bereavement Leave
Full time employees are eligible for bereavement leave. Bereavement leave is leave with pay for absences due to the death of the employee’s spouse, child, stepchild, mother, father, mother-in-law, father-in-law, grandparents, grandchildren, brother, sister, or anyone residing in the employee's household, or as approved by the Executive Director on a case-by-case basis.

Approval from the employee’s supervisor must be obtained for the requested duration of the leave. Up to four (4) days can be granted to an employee per bereavement occurrence. Up to three (3) additional days can be granted in the event that out-of-state travel is necessary. Accrued vacation may be used for any additional time an employee takes in connection with a bereavement occurrence.

Voting Time
The MFA encourages all employees to vote at each scheduled election. Employees whose work days begin within two (2) hours of the polls opening and end less than three (3) hours before polls close are entitled to up to two (2) paid hours of leave to vote. All employees who are registered voters are entitled to paid time to vote. Scheduling of voting time should be arranged with the employee's immediate supervisor.

Jury Duty/Subpoenas
The MFA recognizes that employees who are called to serve on jury duty or subpoenaed as a witness have a legal obligation to do so. The MFA provides paid leave to eligible employees for the time necessary to comply with those legal obligations. Full-time employees are eligible for paid administrative leave for jury duty and to appear as a witness in response to a subpoena.

The employee must notify his/her supervisor immediately upon receipt of notice of impending jury duty or required appearance in response to a subpoena before a federal or state grand jury or court or a federal or state agency.
A copy of the notice of jury duty or subpoena must be submitted to the Human Resources Director for the employee’s personnel file. When a full-time employee is called for jury duty or to appear as a witness in response to a subpoena before a federal or state grand jury or Court or a Federal or State Agency, the employee will be compensated for his/her regular work schedule. An employee who is subpoenaed in his/her capacity as an employee of the MFA will be compensated for his/her regular work schedule, to include overtime pay if applicable.

For an employee who is a plaintiff or a defendant in a lawsuit unrelated to his/her employment by the MFA, accrued vacation leave may be used for time off from work required for the litigation, and/or the employee may request leave without pay which must be authorized by the Executive Director or his/her designee.

Attendance fees received for jury duty or witness fees received in connection with a subpoena must be remitted to the MFA. Travel reimbursement received for jury duty must be remitted to MFA if the court destination is in the Albuquerque downtown area.

Inclement Weather
If MFA decides to close the offices due to inclement weather, all employees will be contacted via text, email and/or a phone call from MFA’s alerting system. Time for that day will be charged to paid administrative leave. If the weather conditions are too dangerous, such that an employee cannot travel to work, the employee may stay home after notifying their supervisor as required by the attendance policy and call-in procedures. Vacation time or personal days must be used to cover the absence, otherwise the time off will be unpaid.

Office Closure
If MFA decides to close the office due to an unforeseen event, all employees will be contacted via text, email and/or a phone call from MFA’s alerting system. This time will be charged to paid administrative leave.

Parents with School Aged Children
The MFA will allow up to four hours of administrative leave for the fall semester and up to four hours of administrative leave in the spring semester to allow parents, aunt, uncle, step-parents, grandparents, brother, sister, or anyone residing in the employees’ household, or as approved by the Executive Director on a case by case basis, that have school aged children to attend parent-teacher conferences and/or meetings.

Employees will be required to complete a Parent Teacher Conference form and approval of leave needs to be given by the Supervisor, Human Resources Director and Executive Director and must be included on timesheets and Personnel Activity Reports.
LEAVES OF ABSENCE

Family and Medical Leave Policy
Employees may be entitled to a leave of absence under the Family and Medical Leave Act (FMLA). This policy provides employees information concerning FMLA entitlements and obligations employees may have during such leaves. If employees have any questions concerning FMLA leave, they should contact the Human Resources Director.

Eligibility:
FMLA leave is available to eligible employees. An eligible employee must:

- Have been employed by the MFA for at least twelve (12) months (which service need not be consecutive);
- Have been employed by the MFA for at least twelve hundred and fifty (1,250) hours of service during the twelve (12) month period immediately preceding the commencement of the leave; and
- Be employed at a worksite where fifty (50) or more employees are located within seventy-five (75) miles of the worksite.

Entitlements
The FMLA provides eligible employees with a right to leave, health insurance benefits and, with some limited exceptions, job restoration. The FMLA also entitles employees to certain written notices concerning their potential eligibility for and designation of FMLA leave.

Basic FMLA Leave Entitlement
The FMLA provides eligible employees up to twelve (12) workweeks of unpaid leave for certain family and medical reasons during a twelve (12)-month period. The twelve (12) month period is determined based on a rolling twelve (12) month period measured backward from the date an employee uses his/her FMLA leave. Leave may be taken for any one, or for a combination, of the following reasons:

- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son, daughter or parent (but not in-law) who has a serious health condition;
- For the employee's own serious health condition (including any period of incapacity due to pregnancy, prenatal medical care or childbirth) that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or
- Because of any qualifying exigency arising out of the fact that an employee's spouse, son, daughter or parent is a covered military member on active duty or has been notified of an impending call or order to active duty status in the National Guard or Reserves in support of contingency operation.

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a healthcare provider for a condition that either prevents the employee from performing the
functions of the employee’s job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a healthcare provider or one (1) visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Qualifying exigencies may include attending certain military events, arranging for alternative child-care, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

**Additional Military Family Leave Entitlement (Injured Service Member Leave)**
An eligible employee who is the spouse, son, daughter, parent or next of kin of a covered service member is entitled to take up (twenty-six) 26 weeks of leave during a single twelve (12) month period to care for the service member with a serious injury or illness. Leave to care for a service member shall only be available during a single twelve (12) month period and, when combined with other FMLA-qualifying leave, may not exceed twenty-six (26) weeks during the single twelve (12) month period. The single twelve (12) month period begins on the first day an eligible employee takes leave to care for the injured service member.

A covered service member means a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is on the temporary retired list, for a serious injury or illness. A member of the Armed Forces would have a serious injury or illness if he/she has incurred an injury or illness in the line of duty while on active duty in the Armed Forces provided that the injury or illness may render the service member medically unfit to perform duties of the member’s office, grade, rank or rating.

**Interruption of Leave and Reduced Leave Schedules**
FMLA leave usually will be taken for a period of consecutive days, weeks or months. However, employees also are entitled to take FMLA leave intermittently or on a reduced leave schedule when medically necessary due to a serious health condition of the employee or covered family member or the serious injury or illness of a covered service member.

**No Work While on Leave**
Accepting another job while on family/medical leave or any other authorized leave of absence is grounds for immediate termination, to the extent permitted by law.

**Protection of Group Health Insurance Benefits**
During FMLA leave, eligible employees are entitled to receive group health plan coverage on the same terms and conditions as if they had continued to work.

**Restoration of Employment and Benefits**
At the end of FMLA leave, subject to some exceptions including situations where job restoration of key employees will cause the MFA substantial and grievous economic injury,
employees generally have a right to return to the same or equivalent positions with equivalent pay, benefits and other employment terms. The MFA will notify employees if they are considered key employees, if the MFA intends to deny reinstatement, and of their rights in such instances. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee's FMLA leave.

**Notice of Eligibility for, and Designation of, FMLA Leave**
Employees requesting FMLA leave are entitled to receive written notice from the MFA telling them whether they are eligible for FMLA leave and, if not eligible, the reasons why they are not eligible. When eligible for FMLA leave, employees are entitled to receive written notice of:

- Their rights and responsibilities in connection with such leave;
- The MFA’s designation of leave as FMLA-qualifying or non-qualifying, and if not FMLA the reasons why; and
- The amount of leave, if known, that will be counted against the employee's leave entitlement.
- The MFA may retroactively designate leave as FMLA leave with appropriate written notice to employees provided the MFA's failure to designate leave as FMLA-qualifying at an earlier date did not cause harm or injury to the employee. In all cases where leaves qualify for FMLA protection, the MFA and employee can mutually agree that leave be retroactively designated as FMLA leave.

**EMPLOYEE FMLA LEAVE GUIDELINES**

**Provide Notice of the Need for Leave**
Employees who take FMLA leave must timely notify the MFA of their need for FMLA leave. The following describes the content and timing of such employee notices.

**Content of Employee Notice**
To trigger FMLA leave protections, employees must inform the Human Resources Director of the need for FMLA-qualifying leave and the anticipated timing and duration of the leave, if known. Employees may do this by either requesting FMLA leave specifically, or explaining the reasons for leave so as to allow the MFA to determine that the leave is FMLA-qualifying. For example, employees might explain that:

- a medical condition renders them unable to perform the functions of their job;
- they are pregnant or have been hospitalized overnight;
- they or a covered family member are under the continuing care of a healthcare provider;
- the leave is due to a qualifying exigency caused by a covered military member being on active duty or called to active duty status; or
- if the leave is for a family member, that the condition renders the family member unable to perform daily activities or that the family member is a covered service member with a serious injury or illness.

Calling in "sick," without providing the reasons for the needed leave, will not be considered sufficient notice for FMLA leave under this policy. Employees must respond to the MFA’s questions to determine if absences are potentially FMLA-qualifying.
If employees fail to explain the reasons for FMLA leave, the leave may be denied. When employees seek leave due to FMLA-qualifying reasons for which the MFA has previously provided FMLA-protected leave, they must specifically reference the qualifying reason for the leave or the need for FMLA leave.

Timing of Employee Notice
Employees must provide thirty (30) days advance notice of the need to take FMLA leave when the need is foreseeable. When thirty (30) days’ notice is not possible, or the approximate timing of the need for leave is not foreseeable, employees must provide the MFA notice of the need for leave as soon as practicable under the facts and circumstances. Employees, who fail to give thirty (30) days’ notice for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA notice obligations, may have FMLA leave delayed or denied.

Cooperation in the Scheduling of Planned Medical Treatment Including Accepting Transfers to Alternative Positions and Intermittent Leave or Reduced Leave Schedules

When planning medical treatment, employees must consult with the MFA and make a reasonable effort to schedule treatment so as not to unduly disrupt the MFA’s operations, subject to the approval of an employee's healthcare provider. Employees must consult with the MFA prior to the scheduling of treatment to work out a treatment schedule that best suits the needs of both the MFA and the employee, subject to the approval of an employee's health care provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, the MFA may require employees to attempt to make such arrangements, subject to the approval of the employee's healthcare provider.

When employees take intermittent or reduced work schedule leave for foreseeable planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered service member, the MFA may temporarily transfer employees, during the period that the intermittent or reduced leave schedules are required, to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.

When employees seek intermittent leave or a reduced leave schedule for reasons unrelated to the planning of medical treatment, upon request, employees must advise the MFA of the reason why such leave is medically necessary. In such instances, the MFA and employee shall attempt to work out a leave schedule that meets the employee's needs without unduly disrupting the MFA’s operations, subject to the approval of the employee's healthcare provider.

Submission of Medical Certifications Supporting Need for FMLA Leave
(Unrelated to Requests for Military Family Leave)

Depending on the nature of FMLA leave sought, employees may be required to submit medical certifications supporting their need for FMLA-qualifying leave. As described below, there generally are three types of FMLA medical certifications:

- an initial certification
- a recertification
- a return to work/fitness for duty certification

It is the employee's responsibility to provide the MFA with timely, complete and sufficient medical certifications. Whenever the MFA requests employees to provide FMLA medical certifications, employees must provide the requested certifications within fifteen (15) calendar days after the MFA request,
unless it is not practicable to do so despite an employee's diligent, good faith efforts. The MFA shall inform employees if submitted medical certifications are incomplete or insufficient and provide employees at least seven (7) calendar days to cure deficiencies. The MFA will deny FMLA leave to employees who fail to timely cure deficiencies or otherwise fail to timely submit requested medical certifications.

With the employee's permission, the MFA (through individuals other than an employee's direct supervisor) may contact the employee's healthcare provider to authenticate or clarify completed and sufficient medical certifications. If employees choose not to provide the MFA with authorization allowing it to clarify or authenticate certifications with healthcare providers, the MFA may deny FMLA leave if certifications are unclear.

Whenever the MFA deems it appropriate to do so, it may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

**Initial Medical Certifications**
Employees requesting leave because of their own, or a covered relation's, serious health condition, or to care for a covered service member, must supply medical certification supporting the need for such leave from their healthcare provider or, if applicable, the healthcare provider of their covered family or service member. If employees provide at least thirty (30) days’ notice of medical leave, they should submit the medical certification before leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

If the MFA has reason to doubt initial medical certifications, it may require employees to obtain a second opinion at the MFA’s expense. If the opinions of the initial and second healthcare providers differ, the MFA may, at its expense, require employees to obtain a third, final and binding certification from a healthcare provider designated or approved jointly by the MFA and the employee.

**Medical Re-certifications**
Depending on the circumstances and duration of FMLA leave, the MFA may require employees to provide re-certification of medical conditions giving rise to the need for leave. The MFA will notify employees if re-certification is required and will give employees at least fifteen (15) calendar days to provide medical re-certification.

**Return to Work/Fitness for Duty Medical Certifications**
Unless notified that providing such certifications is not necessary, employees returning to work from FMLA leaves that were taken because of their own serious health conditions that made them unable to perform their jobs must provide the MFA medical certification confirming they are able to return to work and their ability to perform the essential functions of their position, with or without reasonable accommodation. The MFA may delay and/or deny job restoration until employees provide return to work/fitness for duty certifications.

**Submission of Certifications Supporting Need for Military Family Leave**
Upon request, the first time employees seek leave due to qualifying exigencies arising out of the active duty or call to active duty status of a covered military member, the MFA may require employees to provide:

- A copy of the covered military member's active duty orders or other documentation issued by the military indicating the covered military member is on active duty or call to active duty status and the dates of the covered military member's active duty service; and
- A certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or
other documentation issued by the military for leaves arising out of qualifying exigencies arising out of a different active duty or call to active duty status of the same or a different covered military member.

When leave is taken to care for a covered service member with a serious injury or illness, the MFA may require employees to obtain certifications completed by an authorized healthcare provider of the covered service member. In addition, and in accordance with the FMLA regulations, the MFA may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered service member confirming entitlement to such leave.

**Substitute Paid Leave for Unpaid FMLA Leave**

Employees may elect to use any accrued paid time while taking unpaid FMLA leave.

The substitution of paid time for unpaid FMLA leave time does not extend the length of FMLA leave and the paid time will run concurrently with an employee's FMLA entitlement.

Leaves of absence taken in connection with a disability leave or workers' compensation injury/illness shall run concurrently with any FMLA leave entitlement. Employees must use exhaust all accrued paid leave prior to being eligible for disability benefits.

**Payment for Employee's Share of Health Insurance Premiums**

During FMLA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. Unless the MFA notifies employees of other arrangements, whenever employees are receiving pay from the MFA during FMLA leave, the MFA will deduct the employee portion of the group health plan premium from the employee's paycheck in the same manner as if the employee was actively working. If FMLA leave is unpaid, employees must pay their portion of the group health premium through a method determined by the MFA upon leave.

The MFA’s obligation to maintain healthcare coverage ceases if an employee's premium payment is more than thirty (30) days late. If an employee's payment is more than fifteen (15) days late, the MFA will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date. If employees do not return to work within thirty (30) calendar days at the end of the leave period (unless employees cannot return to work because of a serious health condition or other circumstances beyond their control), they will be required to reimburse the MFA for the cost of the premiums the MFA paid for maintaining coverage during their unpaid FMLA leave.

**Coordination of FMLA Leave with Other Leave Policies**

The FMLA does not affect any federal, state or local law prohibiting discrimination, or supersede any state or local law which provides greater family or medical leave rights. For additional information concerning leave entitlements and obligations that might arise when FMLA leave is either not available or exhausted, employees should consult the MFA’s other leave policies in this Handbook or contact Human Resources.

**Questions and/or Complaints about FMLA Leave**

If employees have questions regarding this FMLA policy, he/she should contact the Human Resources Director. The MFA is committed to complying with the FMLA and, whenever necessary, shall interpret and apply this policy in a manner consistent with the FMLA.

The FMLA makes it unlawful for employers to:
• Interfere with, restrain, or deny the exercise of any right provided under FMLA; or
• Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or involvement in any proceeding under or relating to FMLA. If employees believe their FMLA rights have been violated, they should contact the Human Resources Director immediately. The MFA will investigate any FMLA complaints and take prompt and appropriate remedial action to address and/or remedy any FMLA violation. Employees also may file FMLA complaints with the United States Department of Labor or may bring private lawsuits alleging FMLA violations.

Military Leave of Absence
The MFA is required under the Uniformed Services Employment and Reemployment Rights Act (USERRA) and state law to provide enhanced leave rights and job protections for employees absent for military service.

Eligibility: Every employee who is a member of the uniformed services is eligible for military leave of absence regardless of length of employment or part-time status, with the exception of workers employed for brief, non-recurrent periods.

USERRA applies to employees who are members of the uniformed services of the United States, which include the Army, Navy, Air Force, Marine Corps., Coast Guard, and their reserves; the Army and Air National Guards, including periods of training; the Public Health Service commissioned corps; and other categories that may be designated by the President in times of emergency.

A military leave of absence includes voluntary or involuntary active duty, active duty for training, inactive duty training, and full-time National Guard duty. It also includes any absence needed for an examination to determine whether a person is fit to perform military duty.

Request
Unless the giving of advance notice is impossible, unreasonable, or precluded by military necessity, an employee who requests military leave of absence must submit a Personnel Action Form (obtained from MFA’s Intranet on the Human Resources “Forms” page), accompanied by a copy of the military orders or other official documentation, to the employee’s supervisor, for approval by the respective Deputy Director, or the Executive Director if appropriate. The Personnel Action Form must be completed by employees requesting military leave of any duration.

Nature of Military Leave
An employee’s salary will not continue during a military leave, with one exception: if an employee is a member of an organized reserve unit of the armed forces, the MFA will give the employee up to fifteen (15) working days of military leave with pay annually (based on a military training year) in addition to other authorized unpaid leave when the employee is ordered to active duty training or for the purpose of attending officially authorized training or instruction.

An employee may request to use any vacation or sick leave they have accrued to cover all or part of their military leave. Health benefits coverage will continue for thirty-one (31) days as long as the employee pays their normal portion of the cost of benefits during that period. For leaves lasting longer than thirty-one (31) days, an employee will be eligible to continue health benefits under COBRA and will be required to pay the total cost of their health benefits if they wish to continue benefits.

Upon return from military leave, an employee will be reinstated with the same seniority, pay, status, and benefit rights that they would have had if they had worked continuously. If service was for less than ninety (90) days, the employee must be restored to the same job. If service was longer than ninety (90) days, the employee must be restored to his/her their same job or a similar job. Employees must report for reemployment...
within ninety (90) days of discharge from the military. An employee who fails to report to work within the
prescribed time after completion of military service will be considered to have voluntarily terminated his/her
employment.

If an employee was a participant in the MFA’s 401(k) and/or 457(b) retirement plans at the time they left for
military duty, they will be permitted to make additional contributions to the plan(s) as of their reemployment
date.

Rights for reemployment and benefits depend upon satisfactory completion of military service. The MFA is
not required to reemploy a returning employee who was separated due to a dishonorable or bad conduct
discharge or under less than honorable conditions.

Personal Leave of Absence
The Executive Director or his/her designee may authorize a personal leave of absence without pay, for a
reasonable amount of time, under unusual circumstances when it is in the best interests of the MFA to do so.

Request
Employees requesting a personal leave of absence without pay for eight (8) hours or more must submit a
completed Personnel Action Form.

Approval
The granting of a personal leave of absence without pay is solely within the discretion of the Executive
Director or his/her designee.

Except as otherwise described in MFA’s Vacation and Sick leave “Use” policies, appropriate accrued vacation
and/or sick leave must be exhausted before applying for personal leave.

Reinstatement
Reinstatement following an unpaid personal leave of absence is not guaranteed. Management will attempt to
reinstate an employee returning from a personal leave of absence into the employee's former position or, if that
is not available, a comparable position. If the employee's former position is not available, Management will
consider the employee for any available position for which he or she is experienced and qualified.

Educational Leave
Full time employees are eligible to request educational leave with or without pay for training related to their
position with the MFA. The granting of educational leave of absence is solely within the discretion of the
Executive Director or his/her designee.

Domestic Abuse Leave
An employee may take up to fourteen (14) days (maximum of eight (8) hours per day) per calendar year to:
- Pursue an order of protection or other judicial relief from domestic abuse;
- Meet with law enforcement officials, consult with attorneys or district attorneys' victim advocates, or
  attend court proceedings related to domestic abuse of themselves or a member of their family;
- Domestic abuse leave is unpaid unless an employee chooses to use accrued sick or vacation leave.

Definition
“Domestic Abuse” for purposes of this policy means an incident of stalking or sexual assault whether
committed by a household member or not, or any incident by a household member against another household
member consisting of or resulting in:
• physical harm;
• severe emotional distress;
• bodily injury or assault;
• a threat causing imminent fear of bodily injury by any household member;
• criminal trespass;
• criminal damage to property;
• repeatedly driving by a residence or work place;
• telephone harassment;
• harassment; or
• harm or threatened harm to children.

Notice
In an emergency, employees needing domestic abuse leave must notify MFA within twenty-four (24) hours of starting the leave. Otherwise, employees needing domestic abuse leave must provide as much notice as possible in the circumstances. Notification can be given to the employee’s supervisor/manager, the Human Resources Director, respective Deputy Director or Executive Director.

Verification
Employees must provide MFA with verification of the leave as soon as verification is obtained. The verification may be a police report indicating that the employee or a member of the employee’s family was a victim of domestic abuse; a copy of an order of protection or other court evidence produced in connection with an incident of domestic abuse; or a written statement from the employee’s attorney, district attorney’s victim advocate, or prosecuting attorney stating that the employee, employee’s child, or a child for whom the employee is a guardian appeared or is scheduled to appear in court in connection with an incident of domestic abuse.

Confidentiality
The MFA will keep all information regarding domestic abuse leave strictly confidential, including the fact that the employee or employee’s family member was involved in a domestic abuse incident; that the employee requested or took domestic abuse leave; and the verification provided by the employee. No information regarding domestic abuse leave will be kept in personnel files. The MFA will disclose information related to domestic abuse only when the employee consents, or when a court or administrative agency orders such disclosure, or when such disclosure is otherwise required by federal or state law.

No Retaliation
The MFA will not penalize or retaliate against an employee for requesting or taking domestic abuse leave. The MFA will not withhold benefits coverage from an employee during the time they are on domestic abuse leave. Time taken for domestic abuse leave will not be included in calculating eligibility for benefits.
SAFETY, VIOLENCE, SECURITY, AND DRUG AND ALCOHOL FREE WORK PLACE

Safety
It is the intent of the Board and Management to ensure a safe, productive work environment and to protect all employees and MFA property from harm. Safety is the responsibility of all employees. Every effort should be made to develop safe working conditions.

For the safety of MFA’s employees and visitors the following rules apply:

- Restrooms are for use only by MFA employees and visitors who have legitimate business reasons for being on the premises.
- All visitors, including family and friends of employees, and business associates, will be required to remain in the lobby until the appropriate employee is notified and physically greets the visitor.

If anyone becomes aware of a potential hazard, it must be reported to Management or to the employee’s supervisor immediately.

Use of Personal and MFA-Issued Cell Phones and PDA’s
The use of personal or MFA-issued cell phones and PDA’s while at work may present a hazard or distraction to the user and/or co-employees. This policy is meant to ensure that cell phone and/or PDA use during work hours is safe, does not disrupt business operations, and is consistent with other policies regarding MFA property.

Employees whose job responsibilities include regular or occasional driving and who use a cell phone for business are expected to use caution while driving. Cell phones may not be used for MFA business purposes while driving unless they are equipped with a hands-free device or built-in speakers that allow for hands-free use. Text messaging is prohibited while driving during work hours.

Under no circumstances are employees allowed to place themselves at risk when using cell phones and PDA’s to fulfill business needs. Employees who are charged with traffic violations resulting from the use of their phone while driving will be solely responsible for all fines that result from such actions. Employees in possession of company equipment such as cellular phones are expected to protect the equipment from loss, damage or theft.

Employees in violation of this policy will be subject to disciplinary action, including termination.

Violence
Violence of any kind will not be tolerated at the MFA. The procedures outlined below should be followed if employees of or visitors to the MFA become violent or threatening:

- Call 911 and then contact the Human Resources Director.
- Remain calm so as not to heighten the situation.
- Do not physically try to calm the situation or restrain the individual.
- Forward harassing or threatening phone calls to the Human Resources Director.

Security
The MFA is closed and secured at all times other than business hours.
If the building is entered at times other than business hours, the building security alarm will activate. At this time, the alarm company will attempt to contact the MFA office by telephone. If no one answers the telephone and/or the security code is not given, the security company will assume a breach of security and the police will be called.

Every attempt should be made to use care in entering and leaving the building without accidentally setting off the alarm. Employees must immediately notify their supervisor or the Facilities Technician in cases of accidental alarm activation.

Drug and Alcohol Free Work Place
The MFA will not tolerate the use, sale, manufacture, distribution, purchase, and/or possession of illegal controlled substances or alcohol during work hours or in its workplace, inspection sites, or offices located in Albuquerque, rental vehicles, and personal vehicles when mileage is reimbursed by the MFA. Receiving a DUI (Driving under the Influence) citation during working hours will not be tolerated and may result in termination of employment. Receiving a DUI citation during non-work hours may result in termination of employment if it results in a negative impact on job performance or the MFA’s reputation.

Any employee violating this policy will be subject to disciplinary action up to and including termination of employment. In lieu of termination the MFA may grant the employee a leave of absence to participate in and successfully complete a drug/alcohol abuse assistance program or rehabilitation program approved by a federal, state or other appropriate agency.

The employee will not be permitted to return to work until certification is presented to the Human Resources Director that the employee is capable of performing their job. Failure to cooperate with an agreed-upon treatment plan may result in disciplinary action to include termination.

Participation in a treatment program does not insulate an employee from disciplinary action for violations of this or other MFA policies. An employee who has been convicted for a violation of a criminal drug statute that occurred during work hours is required to notify the MFA no later than five calendar days after such conviction. Conviction means a finding of guilt (including a plea of nolo contendere) or the imposition of a sentence, or both, by a judge or jury in any federal or state court.
Groups of people who work together for any purpose require certain guidelines regarding their conduct and relationships. The MFA expects all of its employees to conduct themselves in an honest, polite, respectful and professional manner at all times, which includes being well-mannered and respectful to one another, as well as to visitors, customers, associates and partners of the MFA.

**Misconduct**

As previously stated, employment with the MFA is at will and either the employee or the MFA may terminate the employment relationship at any time, for any or no reason, and with or without advance notice. Although Management may attempt to help employees correct their behavior through progressive discipline or other means, immediate termination is always an option. Although there is no way to identify every possible violation of standards of conduct that might rise to the level of misconduct, the following is a partial list of examples that will result in discipline, up to and including termination:

- Fighting or other disorderly conduct.
- Loud and/or disruptive behavior.
- Theft from the MFA or a co-worker.
- Dishonesty of any kind.
- Failure to complete or falsification of any document or record, including hiring and timekeeping records including Personnel Activity Reports.
- Unauthorized use or disclosure of MFA's confidential information and/or records, such as salary information, or other confidential information, which may become available to the employee during employment.
- Violation of the MFA’s Confidentiality Agreement.
- Deliberate conflict of interest.
- Willful destruction or negligent abuse, waste, or theft of MFA property or the property of a co-worker.
- Any use of illegal drugs or abuse of prescription drugs, or being under the influence of alcohol, during working hours or on MFA premises.
- Possession of any weapons or firearms on MFA premises.
- Threatening, intimidating, bullying, defaming, or coercing others by word or action.
- Engaging in discrimination, including sexual or other harassment, of an MFA employee or any visitor, customer or person providing services to the MFA.
- Violation of any safety, security, or health rules.
- Engaging in any actions prohibited by the Fair Housing Amendments of 1988.
- Insubordination (including refusal to accept a job assignment or to acknowledge a written counseling).
- Failure to perform job responsibilities.
- Not performing at an acceptable level of competency.
- Repeated absenteeism and/or tardiness.
- Unauthorized use or misuse of MFA property (for example, unauthorized use or misuse of MFA’s computers or E-mail).
- Unauthorized soliciting, collecting contributions or distribution of literature for any purpose on MFA premises.

**Disciplinary Action**

Management in its sole discretion determines what disciplinary steps or action may be appropriate to address employee behavior and/or performance problems. Disciplinary action may take different forms, depending upon the specific facts and circumstances, including, but not limited to, the following:
- Oral counseling, which may or may not be documented in writing.
- Written counseling, signed by the employee's supervisor and acknowledged by the employee and placed in the employee's personnel file after consultation with the employee.

Additional disciplinary steps that may be taken, depending upon the seriousness of the behavior or performance problem being addressed, include but are not limited to the following, which may be taken only with the approval of the Executive Director:

- Delay in expected salary adjustments.
- Evaluations other than annual.
- Suspension without pay.
- Performance and/or conduct improvement plan.
- Demotion.
- Termination.

Not all of foregoing steps may be required to correct instances of inappropriate employee behavior, poor performance or misconduct, nor are these steps required to be taken in the order in which they are listed. Because of the at-will nature of employment at the MFA, employment may be terminated by the MFA or the employee, at any time, for any reason or for no reason, and with or without advance notice.

**Disagreements with Supervisors**

While the MFA strives to maintain pleasant and effective working conditions, it recognizes that misunderstandings and disagreements between employees and their supervisors may arise. In such cases, and in cases where disciplinary action has been taken with which an employee is dissatisfied, the following procedures will generally be followed:

- The employee should first discuss the problem or disciplinary action with his/her supervisor.
- The supervisor will make a decision about the problem or disciplinary action based on discussions with the employee.
- Every effort should be made to resolve problems or conflicts with the immediate supervisor prior to utilizing the chain of command.
- If the employee does not agree with the decision of the supervisor, the employee should consult with the next level of management.
- The next level of management will confer with all parties and make a decision about the problem or corrective action.
- If the employee does not agree with the decision the employee should consult with the Human Resources Director.
- The Human Resources Director will confer with all parties and then make the final decision about the problem or corrective action, unless the disagreement involves the Human Resources Director, in which event the Executive Director or his/her designee will make the final decision.
ANTI-DISCRIMINATION AND HARASSMENT POLICY

Objective
The MFA is committed to maintaining an employment environment in which all individuals are treated with respect and dignity. Each individual has the right to work in an atmosphere that promotes equal opportunities and prohibits discriminatory practices and harassment.

Discrimination or harassment on the basis of an individual’s race, gender, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy, parenthood, national origin, age, physical or mental disability, serious medical condition, genetic information, status with regard to public assistance, status as a veteran, ancestry, or any other classification protected by applicable federal, state or local law, is strictly prohibited and will not be tolerated by the MFA.

This anti-discrimination and harassment policy prohibits any type of discrimination or harassment by any MFA employee against any individual in our workplace, and in other work-related settings such as business trips and social events attended by employees. The MFA also will not tolerate any form of discriminatory or harassing behavior against an MFA employee by any non-employees, such as visitors, customers, associates, or persons providing services or products to the MFA.

Harassment Defined
Sexual and other harassment are forms of discrimination that are prohibited by Title VII of the Civil Rights Act of 1964 and 1991, and by the New Mexico Human Rights Act.

Harassment refers to unwelcome behavior that is based on a protected characteristic of the person(s) being harassed (e.g., their age, sex, religion, national origin, etc.), and that creates an intimidating, hostile or offensive working environment. Harassment in the workplace is demeaning to the person(s) against whom it is practiced and destroys the fair and harmonious working environment essential to the continued success of the MFA.

Prohibited harassment may take many forms, including, but not limited to, the following:

- Harassing or discriminatory remarks or actions against an individual or group on the basis of their race, gender, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy, parenthood, national origin, age, physical or mental disability, serious medical condition, genetic information, status with regard to public assistance, status as a veteran, ancestry or any other characteristic protected by law.

- Crude/vulgar language, sexual advances or other verbal, visual, or physical conduct of a sexual nature, intimidation, baiting, hazing, bullying, banter/teasing, spreading rumors, sending or posting offensive or lewd materials (including pictures, sayings or cartoons), ridicule, hostility and threats or acts of violence.

- Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:
  A. submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment;
  B. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; or
  C. such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment.
REPORTING DISCRIMINATION OR HARASSMENT

Employee Responsibilities:

- All employees are equally responsible and accountable for maintaining a workplace that respects the dignity and rights of their fellow employees and the customers they serve.
- Employees are encouraged to be supportive of one another and sensitive to remarks and actions that can be personally harmful and/or disruptive to others in the workplace.
- Employees who believe they are being discriminated against or harassed are encouraged to firmly and promptly inform the offender that his/her behavior is unwelcome, harmful, or offensive. Some offenders may be genuinely oblivious to the effect of their words or conduct on other people and might be willing to change if they knew they were hurting or offending someone. However, the MFA recognizes that power and status disparities between an alleged harasser and a target or other circumstances may make such a confrontation difficult or impossible in some instances.
- Any employee who is aware of or who has experienced an incident of discrimination or harassment should report the matter immediately to his/her supervisor or any member of Management so as to minimize the risk of repeat incidents or retaliation by the offender.
- If the supervisor is the offender, report the incident to Management. If Management is the subject of the report, the employee should inform the Human Resources Director.
- Reports of discrimination or harassment, whether oral or written, should include an accurate, detailed description of the objectionable behavior, including date(s), time(s), and place(s) of the alleged discrimination or harassment, and should identify any other individuals who may have witnessed or heard the offensive conduct.

Supervisor, Manager and Management Responsibilities:

- Supervisors, managers and Management must serve as positive role models with respect to proper conduct in the workplace.
- Along with their own conduct, supervisors, managers and Management should always be alert in identifying negative behavior among employees, whether intentional or not, that may affect the work environment.
- Supervisors, managers and Management should also encourage employees to discuss and ask questions to become better informed and to bring concerns and observations to the attention of their supervisors for discussion and follow-up, as appropriate.
- In the event that a supervisor, manager or Management becomes aware of a discrimination or harassment incident or complaint, or potential problem situation, he/she should contact the Human Resources Director immediately for guidance in investigating and addressing the problem.
- Supervisors, managers and Management should cooperate fully with efforts to investigate and resolve any complaints of discrimination or harassment.

Investigation of Reports

Investigation of all reports of discrimination or harassment will be undertaken promptly in as discreet and confidential a manner as possible. Cooperation and discretion by all employees contacted during the course of an investigation is required.

If a complaint of discrimination or harassment is substantiated, appropriate corrective action will be taken, depending upon the circumstances. Employees found to have engaged in discrimination or harassment will be subject to appropriate discipline, up to and including termination.
Retaliation

The MFA will not tolerate any retaliation against any employee who makes a report of harassment or discrimination or who participates in an investigation of a report or claim of harassment or discrimination. Any employee found to have retaliated against another employee for reporting harassment or discrimination, or for participating in an investigation of discrimination or harassment, will be subject to disciplinary action, up to and including termination.

Harassment By Non-Employees

All MFA employees are entitled to enjoy a workplace free from discrimination, harassment and abuse of any sort, and have a right to perform their job duties without a requirement to endure discrimination, harassment or abuse from any member of the public or any MFA contractor, sub-grantee, or partner. If, in the course of performing her/his job duties, an MFA employee encounters any member of the public, or any MFA contractor, sub-grantee, or partner who speaks to, writes to, or writes about the employee or any other person in a manner that the employee finds offensive or threatening, that employee may terminate all verbal and/or written communication with the person making or writing the offensive or threatening comments. The employee shall immediately notify – verbally and/or in writing - her/his direct supervisor, or if that person is unavailable, a Deputy Director or the Executive Director, of the incident and all relevant information regarding the incident. The employee will have no further obligation to communicate with and or have any other form of contact with the person who made the offensive or threatening comment.

For the purposes of this policy, an offensive comment shall include, but shall not necessarily be limited to, comments regarding membership in a protected classification (based on race, religion, ethnicity, national origin, gender, sexual orientation, gender identity, or perceived sexual orientation or gender identity); disability or perceived disability; physical appearance; or any other comment that a reasonable person similarly situated to the employee would find offensive. A threatening comment shall be interpreted as any comment indicating a suggestion or expression of intent to actively commit some form of physical, mental, or emotional harm to the employee, to another employee, to anyone related to any employee, or to any other person in a manner that would cause a reasonable person similarly situated to the employee to whom the comment was made to feel threatened.
ANTI-BULLYING POLICY

Objective
The MFA’s objective is to provide a work environment that promotes respect of our employees. The MFA believes all employees should be able to work in an environment free of bullying and will not tolerate bullying under any circumstances.

Bullying Defined
Workplace bullying is verbal or nonverbal abusive behavior that is intended to or has the effect of intimidating, offending, degrading and/or humiliating an employee, whether it occurs in a one-on-one situation or in front of other employees, partners, or customers. Some examples of workplace bullying include:

- Verbal abuse, including shouting, using an inappropriate or mocking tone of voice, or using profanity or crude language.
- Exclusion of an employee by not notifying the employee of meetings, opportunities, results, and outcomes directly affecting his/her employment or ability to perform his/her job effectively.
- Belittling behavior, including public remarks or emails that may cause humiliation.
- Interfering with another employee’s workplace, materials, and equipment.
- Excessive and/or intrusive surveillance or monitoring of an employee.
- Nitpicking and fault finding without justification.
- Deliberately withholding information vital for effective work performance.

Workplace counseling, providing constructive criticism, managing performance or any other action in accordance with the MFA’s policies and procedures does not constitute workplace bullying. Also, mere differences of opinion, interpersonal conflicts, and problems in working relations are part of working life and do not constitute bullying.

Reporting Bullying
Employee Responsibilities:
- All employees are equally responsible and accountable for maintaining a workplace that respects the dignity and rights of their fellow employees and the customers they serve.
- All employees of the MFA shall act responsibly to establish a pleasant working environment free of bullying.
- Employees are encouraged to be supportive of one another and sensitive to remarks and actions that can be personally harmful and/or disruptive to others in the workplace.
- Employees who believe they are being bullied are encouraged to tell the offender directly that his/her behavior is contrary to the MFA’s anti-bullying policy. Some offenders may be genuinely oblivious to the effect of their words or conduct on other people and might be willing to change if they knew they were hurting or offending someone. However, the MFA recognizes that power and status disparities between an alleged bully and a target or other circumstances may make such a confrontation difficult or impossible in some instances.
- Individuals who are aware of or who have experienced an incident of bullying are encouraged to report the matter promptly, to his/her supervisor or any member of Management to minimize the risk of repeat incidents or retaliation by the offender.
- If an employee’s supervisor or manager is the offender, the incident should be reported to Management. If Management is the subject of the report, the incident should be reported to the Human Resources Director.
Supervisor, Manager and Management Responsibilities:

- Supervisors, managers and Management must serve as positive role models with respect to proper conduct in the workplace, and should always be alert in identifying bullying behavior among employees, whether intentional or not, that may affect the work environment.
- Supervisors, managers and Management should also encourage employees to discuss and ask questions to become better informed and to bring concerns and observations to the attention of their supervisors and managers for discussion and follow-up, as appropriate.
- In the event that a supervisor, manager or Management becomes aware of a bullying complaint, or potential bullying problem, he/she should contact the Human Resources Director immediately for guidance in investigating and addressing the problem.
- Supervisors, managers and Management should cooperate fully with efforts to investigate and resolve any reports of bullying.

Investigation of Reports

Investigation of all reports of bullying will be undertaken promptly in as discreet and confidential a manner as possible. Cooperation and discretion by all employees contacted during the course of an investigation is required.

If a complaint of bullying is substantiated, appropriate corrective action will be taken, depending upon the circumstances. Employees found to have engaged in bullying in violation of this policy will be subject to appropriate discipline, up to and including termination.

Retaliation

The MFA will not tolerate any retaliation against any employee who makes a report of bullying or participates in any investigation of a bullying complaint. Any employee found to have retaliated against another employee for reporting or participating in an investigation of bullying will be subject to disciplinary action, up to and including termination.
PERSONNEL FILES AND PERSONAL INFORMATION

Personnel Files
The MFA strives to keep accurate, up-to-date employment records on all employees to ensure compliance with state and federal regulations, to keep benefits information up to date, and to make certain that important mailings reach all employees. All information contained in personnel files is the property of the MFA and is considered confidential.

Employees must inform the MFA of any necessary updates to their personnel file such as change of address, change of telephone and cell numbers, emergency contact information, marital status, number of dependents or military status.

The following types of information and documents may be kept in employee personnel files:

- Employment application
- Personal data, including name and address changes, emergency notification information, and home telephone and cell numbers
- Performance evaluations
- Disciplinary actions
- Salary history
- Payroll deduction authorization forms
- Personnel Action Forms
- Outside information requests
- Signed receipt for MFA’s Employee Manual
- Position descriptions
- Training Certificates
- Interview notes, comments received from references. All current employees will be permitted to review their personnel files at reasonable times with reasonable notice, in the presence of the Human Resources Director, Human Resources Assistant, or the employee’s supervisor.

The MFA will only verify dates of employment and job titles to outside agencies inquiring by telephone about current or former employees. No other information will be given out about an employee without written authorization from the employee, except what is required as otherwise required by law.

Personnel files may not be physically taken out of the MFA offices by anyone. The Executive Director must determine exceptions.

Access to an employee’s personnel file is limited to the Human Resources Department, Management, and the employee's immediate supervisor.

Any employee who reveals information from any personnel file in violation of this policy will be subject to disciplinary action, up to and including termination.

Personal Information
An employee's home telephone number, cell number, or address will not be given externally. It will only be provided internally for business reasons.
The following documents and information will be kept in confidential files, separate and apart from the employee’s personnel file: Background Investigations, W-4 Forms, I-9 Forms (Employment Eligibility Verification) and copied identification documents; Worker's Compensation information; employee benefits enrollment forms for health, dental, life insurance, and MFA’s retirement plans; any medical information, including disability claim forms; driving records; and exit interviews.
EMPLOYEE PERFORMANCE EVALUATIONS

Timing of Evaluations and Salary Adjustments
The MFA will strive to conduct formal employee performance evaluations on an annual cycle corresponding to the fiscal year end in a format approved by Management.

Salary adjustments may occur on an annual basis or more frequently, based on recommendations of the employee’s supervisor and with the Executive Director’s approval.

Any salary adjustments made relative to annual evaluations will generally become effective on December 1st with the first payroll cycle of December.

All employees (new, transferred, reclassified, promoted, or demoted) may receive quarterly coaching and annual performance evaluations. Annual evaluations will generally take place in the October/November timeframe.

Approval
The employee's direct supervisor is responsible for conducting employee performance evaluations. Managers are responsible for reviewing evaluations with supervisors and recommending salary adjustments. Upon completion of that process, the Deputy Director in the employee's management chain, or the Executive Director if appropriate, reviews all evaluations and recommended salary adjustments.

The Executive Director must approve all salary adjustments. The completed evaluation then becomes part of the employee's personnel file.

Job Descriptions
There are job descriptions for each position in the MFA. All new positions must have job descriptions prior to being filled. Maintaining accurate job descriptions is the responsibility of the immediate supervisor. If a major change occurs within a position, the job description should be timely revised to reflect those changes. Job descriptions will be reviewed during the employee performance evaluation period.

Promotions
Movement to a new position with a higher salary range is considered to be a promotion. An employee who is promoted may receive a salary adjustment.

Demotions
Movement to a position in a lower salary range is considered to be a demotion. An employee who is demoted may receive a pay decrease at the time of the demotion. The amount of decrease is dependent upon the pay range of the new position and the current pay of the employee, among other factors.
RESIGNATIONS, TERMINATIONS AND EMPLOYMENT REFERENCES

Resignations
Two weeks’ advance notice is requested from a non-exempt employee and thirty days’ advance notice, if possible, from an exempt employee wishing to resign from the MFA. The resignation should be in writing, specify the last day of work and the reason for resigning, and must be signed and dated by the employee. Although advance notice of resignation is not required, an employee’s failure to provide adequate advance notice may result in the employee being deemed ineligible for rehire with the MFA.

After submitting a letter of resignation an employee may not take any leave time other than accrued vacation leave unless otherwise approved by the Executive Director. Any MFA property in the employee’s possession must be returned to the MFA by the last day of employment.

Continuation of Benefits
Unless a resigning employee makes other arrangements permitted under certain conditions, all benefit coverage will cease the last day of the month of the effective date of resignation. All resigning employees will be notified of how to continue health, dental and vision insurance coverage through MFA’s COBRA provider.

Accrued Vacation and Sick Leave
Accrued vacation leave will be paid up to the maximum allowed as provided in MFA’s Vacation Leave policy. Accrued sick leave is not compensable upon resignation of employment.

Exit Interviews
An exit interview will be scheduled during the employee's last week of employment or may be mailed to the former employee. An employee’s refusal or failure to give an exit interview may result in the employee being deemed ineligible for rehire with the MFA.

MFA Property
Any MFA property in an employee’s possession must be returned to the MFA by the effective termination date.

Final Pay
Employees that have voluntarily resigned will received their last pay check on the following pay period.

Employees that have been terminated involuntarily will be paid within five (5) calendar days following the effective date of termination and can either be picked up by the employee or mailed to the employee's home address, as directed by the employee.

Employment References
Following resignation or termination of employment, the MFA will verify only employment dates and positions held when contacted for an employment reference by a prospective employer of a former MFA employee, unless the prospective employer provides a consent and release of liability form signed by the former MFA employee.

All requests for employment references, reference letters and employment verifications must be directed to the Human Resources Director.
Tab 6
NEW MEXICO MORTGAGE FINANCE AUTHORITY
Contracted Services/Credit Committee Meeting
Tuesday, January 13, 2015 @ 10:00 am
MFA – Albuquerque
To dial into the conference call dial: (559) 546-1000 Code for Board members and proxies 561172# MFA
staff code 561172*

<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>COMMITTEE RECOMMENDED</th>
<th>BOARD ACTION REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2015/2016 Emergency Homeless Assistance Program RFP (Karen Anderson)</td>
<td>2-0</td>
<td>YES</td>
</tr>
</tbody>
</table>

Committee Members present:

- Angel Reyes, Chair
  - □ present
  - □ absent
  - ✔ conference call

- Hector Balderas or Sally Malave
  - □ present
  - □ absent
  - ✔ conference call

- Randy McMillan
  - □ present
  - □ absent
  - □ conference call

Secretary: [Signature]
1/13/15
MEMORANDUM

TO: MFA Board of Directors
FROM: Karen Anderson, Program Manager
DATE: January 21, 2015
SUBJECT: Emergency Homeless Assistance Program (EHAP) Request for Proposals, Program Year 2015-2016
CC: Joseph Montoya, Deputy Director of Programs
     Izzy Hernandez, Director/Community Development

Item
Request to issue the Emergency Homeless Assistance Program Request for Proposals for program year 2015-2016.

Background
The U.S. Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG), is authorized under the McKinney-Vento Homeless Assistance Act (42 U.S.C 11371-1378), as amended by the Homeless Emergency and Rapid Transition to Housing Act of 2009 (HEARTH Act), 24 CFR Part 576. The ESG is a formula-funded program administered through HUD. MFA is the designated State recipient and responsible for administering the ESG funds.

The MFA uses the ESG funds and any funds allocated by the NM State Legislature to administer three (3) Homeless Programs, 1. Emergency Homeless Assistance Program (EHAP), 2. Rental Assistance Program (RAP) and 3. Continuum of Care Programs (CoC). These Homeless funds, minus 7.5% for MFA administration, will be allocated to sub-grantees. This RFP is specific to EHAP.

The EHAP grant is available to units of local government or non-profit organizations. The EHAP is designed to help improve the quality of existing emergency shelters for the homeless by helping to meet the costs of operating emergency shelters and to provide certain essential services to individuals and families experiencing homelessness.

As shown in the table below, the total funds for homeless programs are estimated to be $1,822,707.00 during program year 2015 - 2016. For EHAP alone, the estimated funding is $863,731 and sources include:

- $778,731 of the total $897,007 from HUD ESG and
- $85,000 of the total $925,700 from State Homeless Fund
PY 2015-2016 Estimated Funds for Homeless Programs

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUD ESG</td>
<td>$897,007.00</td>
</tr>
<tr>
<td>State Homeless</td>
<td>$925,700.00</td>
</tr>
<tr>
<td>Add’l Legislative Appro. (TBD)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,822,707.00</strong></td>
</tr>
<tr>
<td>Allocation to EHAP</td>
<td>$863,731.00</td>
</tr>
<tr>
<td>Allocation to RAP</td>
<td>$559,399.00</td>
</tr>
<tr>
<td>Allocation to COC</td>
<td>$235,016.00</td>
</tr>
<tr>
<td>Allocation to NMCEH – HMIS</td>
<td>$50,000.00</td>
</tr>
<tr>
<td>Admin to MFA</td>
<td>$113,561.00</td>
</tr>
<tr>
<td>Admin to unit of local government</td>
<td>$1,000.00</td>
</tr>
</tbody>
</table>

The MFA EHAP funds are made available to interested Offerors through an annual Request For Proposals (RFP) process, which is emailed to interested parties and published on the MFA website. Offerors must meet minimum threshold requirements, including but not limited to financial stability, alignment of agency mission, successful contract progress/completion, and activity specific requirements. Qualified Offerors are identified and selected by the MFA.

**Items for Discussion**

The purpose of the EHAP RFP for Program Year 2015-2016 is to solicit qualified service providers that can efficiently and effectively utilize the EHAP funds. The available funds shall be used to provide emergency shelter and services to homeless individuals and families.

There are no major changes to the 2015 RFP except for the following:

- Added the clause requiring the Offeror’s budget for emergency shelter not to exceed 60% of the total grant award per 24 CFR §576.100(b)
- Reduced the scoring criteria of community need from 55 to 50 and increased agency experience/capacity from 30 to 35 based on the RFP committee’s recommendation.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Maximum Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Need</td>
<td>50</td>
</tr>
<tr>
<td>Performance – Housing Placement</td>
<td>15</td>
</tr>
<tr>
<td>Agency Experience &amp; Capacity</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total Maximum Points</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
## Proposed RFP Timeline

<table>
<thead>
<tr>
<th>DATE</th>
<th>ACTIVITY</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 8, 2014</td>
<td>RFP to MFA Internal Review Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>October 23, 2014</td>
<td>RFP Internal Review Committee Meeting</td>
<td>MFA</td>
</tr>
<tr>
<td>January 6, 2015</td>
<td>MFA Policy Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>January 13, 2015</td>
<td>MFA Contracted Services Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>January 21, 2015</td>
<td>MFA Board of Directors Meeting</td>
<td>MFA</td>
</tr>
<tr>
<td>January 22, 2015</td>
<td>Issuance of RFP</td>
<td>MFA</td>
</tr>
<tr>
<td>January 28, 2015</td>
<td>RFP Training</td>
<td>MFA</td>
</tr>
<tr>
<td>January 29, 2015</td>
<td>RFP FAQ on website opens</td>
<td>MFA</td>
</tr>
<tr>
<td>February 18, 2015</td>
<td>RFP FAQ closes - deadline to submit questions two (2) business days before the RFP due date</td>
<td>Potential Offeror(s)</td>
</tr>
<tr>
<td>February 20, 2015 (by 4:00pm)</td>
<td>Submission of Proposals Due – 30 days after issuance of RFP</td>
<td>Offeror(s)</td>
</tr>
<tr>
<td>March 6, 2015</td>
<td>MFA notifies Offeror(s) of Deficiency Correction items, if applicable within seven (7) business days of RFP proposals due</td>
<td>MFA</td>
</tr>
<tr>
<td>March 13, 2015</td>
<td>Deadline for receipt of corrections by MFA, if applicable – within five (5) business days</td>
<td>Offeror(s)</td>
</tr>
<tr>
<td>April 2015</td>
<td>Preliminary Award Recommendations to MFA Policy Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>April 2015</td>
<td>Notification of preliminary selections to Offeror(s)</td>
<td>MFA</td>
</tr>
<tr>
<td>April 2015</td>
<td>End of 15 day Protest Period (Deadline for Offeror to file Protest)</td>
<td>Offeror</td>
</tr>
<tr>
<td>April 2015</td>
<td>End of 7 day Protest Response Period (Deadline for Offeror(s) to respond to any protest)</td>
<td>Offeror</td>
</tr>
<tr>
<td>May 2015</td>
<td>Award Recommendations to MFA Policy Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>May 2015</td>
<td>Award Recommendations to MFA Contracts Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>May 2015</td>
<td>Award Recommendations to MFA Board of Directors</td>
<td>MFA</td>
</tr>
<tr>
<td>TBD</td>
<td>HUD Notification of Grantee Awards</td>
<td>HUD</td>
</tr>
<tr>
<td>TBD</td>
<td>Final Awards Recommendations to Policy Committee based on HUD award</td>
<td>MFA</td>
</tr>
</tbody>
</table>

### Recommendation

Both the MFA Policy Committee and Contracted Services Committee have approved the RFP draft.

Staff recommends approval of the Emergency Homeless Assistance Program RFP for program year 2015-2016.
New Mexico
Mortgage Finance Authority

Emergency Homeless Assistance Program
Request for Proposals for
Program Year 2014-2015

DATE ISSUED:
January 22, 2014

2015-2016
Table of Contents

SECTION 1  BACKGROUND & PROGRAM INFORMATION ............................................. 1
  1.1 INTRODUCTION ............................................................................................................... 1
  1.2 Background ............................................................................................................................. 1
  1.3 Purpose and Available Funding .............................................................................................. 1
  1.4 Program Objectives ............................................................................................................... 2
  1.5 Eligible Activities .................................................................................................................... 2
  1.6 Proposal Submission ............................................................................................................. 3
  1.8 Proposal Format ..................................................................................................................... 4
  1.10 RFP Questions and Answers ............................................................................................... 4
  1.11 Performance Agreement Term ............................................................................................. 5
  1.12 Timeline for Offeror Selection ............................................................................................ 5
  1.13 Training ................................................................................................................................... 8

SECTION 2  MINIMUM QUALIFICATIONS AND REQUIREMENTS ....................... 8
  2.1 Minimum Threshold Criteria ............................................................................................... 8
  2.2 Proposal Requirements ......................................................................................................... 12
  2.3 Evaluation of Proposals ......................................................................................................... 12
  2.4 Deficiency Correction Period ............................................................................................... 12

SECTION 3  EVALUATION CRITERIA ........................................................................ 13
  3.1 Scoring Criteria ..................................................................................................................... 13

SECTION 4  PROGRAM STANDARDS ....................................................................... 16
  4.1 Beneficiary Eligibility .......................................................................................................... 16
  4.2 Subcontractors ..................................................................................................................... 16
  4.5 Building Standards ............................................................................................................. 17
  4.6 Records and Recordkeeping .............................................................................................. 17
1.10 Timeline for Offeror Selection ........................................................................................ 54
1.11 Training ............................................................................................................................ 86

SECTION 2 MINIMUM QUALIFICATIONS AND REQUIREMENTS .................................. 86
2.1 Minimum Threshold Criteria ......................................................................................... 86
2.2 Proposal Requirements ................................................................................................. 119
2.3 Evaluation of Proposals ................................................................................................. 119
2.4 Deficiency Correction Period ........................................................................................ 129

SECTION 3 EVALUATION CRITERIA .............................................................................. 1210
3.1 Scoring Criteria ............................................................................................................ 1310

SECTION 4 PROGRAM STANDARDS .............................................................................. 1612
4.1 Beneficiary Eligibility .................................................................................................. 1612
4.2 Subcontractors ............................................................................................................. 1613
4.5 Building Standards ...................................................................................................... 1714
4.6 Records and Recordkeeping ....................................................................................... 1714

SECTION 5 ADDITIONAL RFP STANDARDS ................................................................ 1814
5.1 Protest ........................................................................................................................... 1814
5.2 RFP Revisions and Supplements ................................................................................ 1815
5.3 Incurred Expenses ....................................................................................................... 1915
5.4 Cancellation of Requests for Proposals or Rejection of Proposals ............................. 1915
5.6 Award Notice .............................................................................................................. 1915
5.7 Proposal Confidentiality ............................................................................................... 1915
5.8 Responsibility of Offerors ........................................................................................... 1915
5.9 Code of Conduct ......................................................................................................... 1915
5.10 Other Federal Requirements .................................................................................... 2016
5.11 Confidential Data ......................................................................................................... 2117
5.12 Audit Requirements ..................................................................................................... 2117
5.13 Mortgage Finance Authority Roster .......................................................................... 2218

SECTION 6 APPLICATION PROPOSAL .......................................................................... 2519

SECTION 7 CERTIFICATIONS ............................................................................................. 3023
Section 1  Background & Program Information

1.1 Introduction

The New Mexico Mortgage Finance Authority ("MFA") is a governmental instrumentality, separate, and apart from the state of New Mexico ("State"), created by the Mortgage Finance Authority Act Sections 58-18-1 NMSA 1978 et seq. for the purpose of financing affordable housing for low- and moderate-income New Mexico residents. MFA will endeavor to ensure in every way possible that small, minority, disadvantaged, women-owned business enterprises and/or labor surplus area firms (collectively “DBE”) shall have every opportunity to participate in submitting Proposals and providing services. DBE businesses are encouraged to submit proposals. MFA will not discriminate against any business on grounds of race, color, religion, gender, national origin, age or disability. It is MFA’s policy that suppliers of goods or services adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire and promote regardless of race, color, religion, gender, national origin, age or disability.

1.2 Background

The U.S. Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG), is authorized under the McKinney-Vento Homeless Assistance Act of 1987 (42 U.S.C 11371-1378), as amended by the Homeless Emergency and Rapid Transition to Housing Act of 2009 ("HEARTH Act"), 24 CFR Part 576. The ESG is a federally formula-funded program that uses the Community Development Block Grant (CDBG) formulas as a basis for allocating funds to eligible jurisdictions, including States, territories, and qualified metropolitan cities and urban counties.

The MFA is the State’s recipient of the ESG program responsible for administering the state ESG allocation for New Mexico. The ESG allocation is limited to sixty-sixty (60) percent (60%) of the total fiscal ESG grant for shelter operations minus 7.5 percent for state/local government administration costs will be allocated to sub grantees.

The Emergency Homeless Assistance Program (EHAP) was established by the MFA to provide funding assistance to emergency overnight shelters throughout the State. The MFA combines the ESG allocation appropriated by HUD with the New Mexico State Homeless Assistance allocation appropriated by the State to establish the EHAP.

1.3 Purpose and Available Funding

The purpose of this Request for Proposal ("RFP") is issued pursuant to MFA’s Procurement Policy, to solicit proposals from qualified Offerors capable of providing services for EHAP funding within the 2014-2015 Program Year ("PY") -in accordance with 24 CFR 576 and all applicable guidance from HUD. The cited references are available via the MFA website at www.housingnm.org/ehap. Funding will be made through a competitive process to eligible Offerors.
The estimated funding for the EHAP 2014-20152015-2016 program year includes $454,7955897,007 897,007 from ESG funds and $302,282 $925,700.00 from the State Homeless funds. Available funding is based on last year’s funding levels. Please note that actual HUD and State funding levels have not been determined at the writing of this document and could vary significantly from current year funding levels.

The actual funds available may vary. If other funds become available to MFA during the PY for activities similar to the work performed under the program, this additional funding may, at the option of MFA, be offered to the successful Offerors, hereunder, without a new RFP. MFA retains sole discretion to make the judgment as to the need for additional RFPs. Satisfactory performance under the 2014 and prior program years will be a prerequisite for consideration of additional funding.

Offerors may not obligate funds, incur expenses, or otherwise implement program services prior to execution of a contract with MFA. Funding is anticipated to be available for future program years at similar levels, but is subject to change. Funding is not guaranteed to any given Offeror in any given amount.

The MFA will review provider performance and reserves the right to de-obligate, reallocate and redistribute funds throughout the contract term.

1.4 Program Objectives

The objectives of the EHAP is to help improve the quality of existing emergency shelters for the homeless by helping to meet the costs of operating emergency shelters serving individuals and families experiencing homelessness, so that all New Mexicans have access not only to safe and sanitary shelter, but also to provide certain essential supportive services they need to improve their living situations.

1.5 Eligible Activities

All eligible activities within the EHAP must be carried out by an emergency overnight shelter for individuals and families experiencing homelessness, including individuals fleeing domestic violence. The five program components and the eligible activities that may be funded under each activity are set forth in 24 CFR §576.101 through §576.107. and 24 CFR 576.21.

The eligible activities are:

- **Operating Costs.** Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

- **Essential Services.** ESG/HAP funds may be used to provide essential services to individuals and families who are in an emergency shelter. Eligible essential services include case management, childcare, education services, employment assistance and
job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services and transportation.

- **Data collection and Homeless Management Information System (HMIS) costs.** Under the Hearth Act, all sub-grantees receiving funding under the ESG program must collect and report data on the use of the funds awarded and persons served with this assistance in the HMIS.

- **Comparable database eligible costs.** If the sub-grantee is a victim services provider or a legal services provider, it may use the program funds to administer Osnium, a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data.

**Overview of Eligible Activities:** Include essential services to persons in emergency shelters and operating emergency shelters. Staff costs related to carrying out emergency shelter activities, essential services and HMIS are also eligible. In accordance with 24 CFR §576.100(b), the Offeror’s budget for emergency shelter cannot exceed 60% of the total grant award.

**Emergency Shelter** means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.

**Note:** The federal ESG activities of “Street Outreach,” “Homeless Prevention,” “Rapid Re-Housing,” and the activity of “Renovation, rehabilitation, and conversion” of buildings for use as emergency shelters or transitional housing for the homeless” are not currently funded under the EHAP.

**1.6 Proposal Submission**

ALL OFFEROR PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY MFA NO LATER THAN FRIDAY, FEBRUARY 21, 201420, 2015 BY 4:00 PM MOUNTAIN TIME. Proposals shall be in sealed envelopes marked “Proposal to Offer Services for the Emergency Homeless Assistance Program.”

Submit proposals to:

New Mexico Mortgage Finance Authority
Attn: Shannon Tilseth
344 4th Street SW
Albuquerque, NM 87102

Application Proposals may be delivered by mail, other shipping service, or by hand. Facsimile or electronic transmissions will not be accepted. Proposals received after this deadline will not be considered for EHAP funding.
1.7 Proposal Tenure

All proposals shall include a statement that the proposal shall be valid until contract award, but no more than 90 days from the proposal due date.

1.8 Proposal Format

Proposals should be printed on standard 8 ½ x 11 paper, double-sided, with each copy fastened using paper clips or binder clips and with tabs identifying each minimum threshold item and evaluation criteria item. Please do not spiral bind your proposals.

- ApplicationProposals and forms may be downloaded from the MFA website: www.housingnm.org/rfp.
- Offeror(s) must submit one (1) copy of the agency financial audit.
- Offeror(s) must submit an original and three (3) copies of the application proposal form and all required schedules and attachments, for a total of four (4) application proposal packages.
- ApplicationProposals must include the “2014-20152015-2016 EHAP ApplicationProposal” form attached to this Application proposal package and all schedules and attachments pertaining thereto.
- MFA forms released with this application proposal (application proposals, budgets, certifications, schedules) must be used when provided by MFA. No substitutions will be accepted.

All application proposals must be self-contained.

1.9 Irregularities in Proposals

MFA may waive technical irregularities in the form of proposal of any Offeror selected for award, which do not alter the price, quality or quantity of the services offered. Note especially that the date and time of proposal submission as indicated herein, under part 1.6 Proposal Submission, cannot be waived under any circumstances.

1.10 RFP Questions and Answers

Questions pertaining to this RFP and application proposal must be submitted via the MFA website at http://housingnm.org/20154-ehap-rfp-faq. The questions will be checked on a daily basis. Telephone inquiries will not be answered. The FAQ will open the day after the RFP training and will close February 198, 2014, two (2) business days before the RFP due date. Refer to timeline below for dates. To submit your questions, scroll down to the “Ask a question” section, under the category Emergency Homeless Assistance Program RFP. Enter your name and organization and type your question in the “Question” box, and click on “Submit.” The cut-off date for questions is February 17, 2014. Answers to all questions will be posted to the MFA
website on 02/06/2015, 02/13/2015, and 02/18/2015 by 3pm. MFA will make every attempt to answer questions within two (2) business days after the questions have been posted. The questions and answers will be posted to the MFA website.

1.11 Performance Agreement Term

Successful Offerors will be notified in writing of the amount of the grant award. Performance Agreements are issued following the announcement of awards as a result of the response to the RFP. The successful Offeror will enter into a performance agreement with the MFA for services to be performed for a one (1) year grant term (July 1, 2015 - June 30, 2016). Only expenses incurred on or after the effective date of the Performance Agreement are allowable. Dates are based on availability of funds for release from each funding source.

In the event that during the contract term an awardee of this RFP is deemed not qualified to administer the program due to contractual non-compliance, the MFA may negotiate with another program awardee without issuing another RFP, and/or may issue a RFP for the area that is being served by the non-qualified agency. The MFA may also issue a RFP during the contract term for any new areas to be served based on the availability of additional funds.

The performance agreements between MFA and successful Offerors shall be for firm, fixed amounts. All payments by MFA shall be made on an actual reimbursement basis.

1.12 Timeline for Offeror Selection

The MFA will make every effort to adhere to the following anticipated schedule for recommended Offeror selection:

Comment [MM5]: The language under this section is completely different than that provided under this section in the HOPWA contracts. Is there a reason for this?

Comment [MM6]: Again, completely different language here than in the HOPWA agreements. I will make the change in this instance to match the language as I can see no reason for the variance.
<table>
<thead>
<tr>
<th>DATE</th>
<th>ACTIVITY</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 7, 2013</td>
<td>Housing Advisory Committee (HAC) Review</td>
<td>MFA</td>
</tr>
<tr>
<td>October 24, 2013</td>
<td>RFP to MFA Internal Review Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>November 4, 2013</td>
<td>RFP Internal Review Committee Meeting</td>
<td>MFA</td>
</tr>
<tr>
<td>January 7, 2014</td>
<td>MFA Policy Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>January 14, 2014</td>
<td>MFA Contracted Services Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>January 22, 21, 2014</td>
<td>MFA Board of Directors Meeting</td>
<td>MFA</td>
</tr>
<tr>
<td>January 23, 2015</td>
<td>Issuance of RFP</td>
<td>MFA</td>
</tr>
<tr>
<td>January 24, 2015</td>
<td>RFP Training</td>
<td>MFA</td>
</tr>
<tr>
<td>January 28, 2015</td>
<td>RFP FAQ on website opens</td>
<td>MFA</td>
</tr>
<tr>
<td>February 19, 2015</td>
<td>RFP FAQ closes - deadline to submit questions</td>
<td>Potential Offerors</td>
</tr>
<tr>
<td>February 20, 2015</td>
<td>Submission of Proposals Due – 30 days after issuance of RFP</td>
<td>Offerors</td>
</tr>
<tr>
<td></td>
<td>(by 4:00pm)</td>
<td></td>
</tr>
<tr>
<td>March 6, 2015</td>
<td>MFA notifies Offerors of Deficiency Correction items, if applicable within ten (10) seven (7) business days of RFP proposals due</td>
<td>MFA</td>
</tr>
<tr>
<td>March 14, 2015</td>
<td>Deadline for receipt of corrections by MFA, if applicable – within five (5) business days</td>
<td>Offerors</td>
</tr>
<tr>
<td>April 1, 2014</td>
<td>Preliminary Award Recommendations to MFA Policy Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>April 3, 2015</td>
<td>Notification of preliminary selections to Offerors</td>
<td>MFA</td>
</tr>
<tr>
<td>April 4, 2015</td>
<td>End of 15-day Protest Period (Deadline for Offeror to file Protest)</td>
<td>Offeror</td>
</tr>
<tr>
<td>Date</td>
<td>Event Description</td>
<td>Recipient</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>April 25, 2014</td>
<td>End of 7-day Protest Response Period (Deadline for Offerors to respond to any protest)</td>
<td>Offer</td>
</tr>
<tr>
<td>May 6, 2014</td>
<td>Award Recommendations to MFA Policy Committee</td>
<td>MFA</td>
</tr>
<tr>
<td>May 2015</td>
<td>Award Recommendations to MFA Board of Directors</td>
<td>MFA</td>
</tr>
</tbody>
</table>
1.13 Training

RFP training will be offered on January 27, 2014 via webinar. This training is optional; however, pre-registration is required.

Section 2 Minimum Qualifications and Requirements

2.1 Minimum Threshold Criteria

In addition to the general requirements listed above, Offerors must meet each of the following minimum threshold criteria, following deficiency correction, in order to be considered for funding. This includes the minimum criteria outlined below for specific activities and minimum criteria outlined below for agencies not receiving funds in the previous contract year. These criteria must be met by all Offerors to be considered for funding. Waivers to “Minimum Threshold Criteria” may be approved by MFA’s Policy Committee.

1. Offeror must be one of the following entity types:
   a. A non-profit organization with a 501(c)(3) status and with a primary mission of providing shelter and services to people who are experiencing homelessness, including people fleeing domestic violence.
      i. If a non-profit, Offeror must submit proof of 501(c)(3).
   b. A unit of general purpose local government.
   c. A tribal government.

2. Offeror must submit proof of current registration as charitable organization with the New Mexico Attorney General’s Office, covering the fiscal year ending in 2013 or proof of exemption therefrom. Information can be submitted online and verification obtained via https://secure.nmag.gov/coros. Verification should be in the form of the first page of the “NM Charitable Organization Registration Statement.”

3. If an Offeror is a non-profit, Offeror must submit a Letter of Support from the unit of local government. A Letter of Support should include:
   a. A letter supporting the Offeror’s application to the MFA.
   b. The letter must be dated no more than 180 days prior to the application date.
   c. The letter must be signed by a local government official authorized to sign such a letter.
   d. From the city, town, village or tribe in which the program activity will take place;
i. For activities that will take place in unincorporated areas, the county is the unit of local government.

e. The letter must specifically endorse the project/activity proposed in the application.

4. Agencies which received any program funds last year must provide an independent CPA’s auditors report (Audit) conducted in accordance with Government Auditing Standards (GAS). The GAS Audit will include an independent auditors report on the following: 1) financial statements; and 2) internal control over financial reporting and compliance. The audit will also include the auditor’s management letter if there is one, and the Offeror’s response to any audit findings. Offeror will submit the most recent audit available; only the most recent of FY2012-FY2013 or FY2013-FY2014 will be accepted. If Offeror received $500,000 in federal funds from one or more sources (in the fiscal year ending in 2014, $750,000 in the fiscal year ending in 2015), a Single Audit is required pursuant to 2 CFR 200 Subpart F OMB A-133. The following types of audit issues may disqualify an Offeror from funding:

a. Repeat and unresolved audit findings, as determined by MFA.

b. If Offeror has received greater than $500,000 in funding (in the fiscal year ending in 2014, $750,000 in the fiscal year ending in 2015) and the single audit did not meet the requirements of the OMB Circular A-133 2 CFR 200 Subpart F.

c. For Single Audit, no proof of Federal audit clearinghouse submission (FORM SF-SAC).

d. If Governmental entity, proof is not included of current audit submission to the Office of the New Mexico State Auditor.

e. If referenced in audit as a separate communication, no submission of Management Response letter and management response to concerns noted in the management letter.

f. If any findings, no submission of management response to findings.

g. Agency’s auditor is not on the state auditor’s approved list.

5. For agencies that did not receive EHAP funds in PY 2013-2014-2015, the agency must provide either an audit to the above standards or an independent CPA’s review of financial statements.

6. Offeror must have been operating as an agency for a minimum of one (1) year as of the application date, sufficient to have one (1) full year covered in annual financial statements.
7. Offeror must be in “good standing” as of the date this RFP is issued. In order to be in good standing, Offeror must not have “suspended,” “debarred” or HUD’s Limited Denial of Participation status conferred upon it by MFA and/or other funding sources. Offeror must provide a print screen from www.sam.gov and https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp documenting search for Offeror’s name and executive director’s name, as proof of compliance. Must be dated within 30 days of the application proposal date.

8. Offeror must submit application proposal as directed in Sections 1.8, 2.2 Proposal Format and 2.2 Proposal Requirements.

9. Offeror must submit Offerors Certification signed by authorized official.

10. Offeror must submit a brief statement describing years of experience of the Executive Director, Financial Manager and other key staff, to demonstrate the administrative and financial management capacity necessary to accept and account for the use of public funds.

10. Offeror must submit a brief statement describing years of experience of Program Staff, including Program Manager, table in the following format that demonstrates the capacity the administrative and financial management capacity necessary to accept and account for the use of public funds and to provide Program services. Please include the positions of the executive director, financial manager, and other key staff, including:

<table>
<thead>
<tr>
<th>Program Staff Name</th>
<th>Title</th>
<th>Yrs. Of Experience</th>
<th>Capacity/Role/Services Offered</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. Offer must submit evidence of coordination with other targeted homeless services in the form of Memorandum of Understanding (MOUs), letters of coordination/agreement, contracts, etc.

   a. Conduct intake and assessment of homeless person.
   b. Provide appropriate client supervision.
   c. Provide supportive services and referrals to appropriate supportive services not provided.

13. Offeror must submit an executive summary (less than one page). Summary includes the following details: what the agency does, primary activities and major funding sources.

14. Offeror must submit documentation of site control of the shelter facility, defined as one of the following:
   a. A current warranty deed in the agency’s name;
   b. A current mortgage note in the agency’s name;
   c. A current lease in the agency’s name;
   d. Other documentation of site control, if deemed acceptable by the MFA through the FAQ and/or Deficiency Correction Process.

15. Offeror must operate an emergency shelter, defined as any facility, the primary purpose of which is to provide a temporary shelter for the homeless in an emergency situation to stay and must have the capacity to shelter and accept inquiries at all hours, and which does not require occupants to sign leases or occupancy agreements. In order to qualify for these funds an agency must be able to:
   a. Provide safe, decent emergency shelter nightly for the entire year;
   b. Have at least 5 beds available;
   c. Operate the shelter facility in compliance with all applicable federal, state and local building codes, laws and regulations.

16. Offeror must submit bylaws or board resolution requiring board fiscal oversight to demonstrate fiscal financial oversight integrity. Please provide a listing of your current Board Member in the following format.

<table>
<thead>
<tr>
<th>Name</th>
<th>Home Address</th>
<th>Employer</th>
<th>Position on Board</th>
<th>Area of Expertise/Qualification</th>
<th>Years on Board</th>
<th>Term Expire Date</th>
</tr>
</thead>
</table>

17. Offeror must submit policies and procedures approved by its Board of Directors to demonstrate checks and balances, sound organization system of checks and balances (segregation of duties) in fiscal management. Policy describes separate roles and responsibilities for cash receipts, check requests, check cutting/preparation and check signing.
2.2 Proposal Requirements

Offerors must meet the basic eligibility criteria specified in the “Minimum Qualifications and Requirements” section of this RFP. In addition, responses to the RFP must meet the requirements enumerated below.

1. Offerors must report list any and all funds received from other federal, state, local or tribal government funding sources. Please submit as evidenced by the most current monitoring letter from said entities that Offerors are in good standing with their programs.

2. Offerors must not have any repeat or unresolved MFA monitoring findings, as determined by MFA.

3. Offerors must describe any material, current or pending litigation, administrative proceedings or investigations that could impact the reputation or financial viability of the firm.

2.3 Evaluation of Proposals

Proposal responses will be evaluated by an Internal Review Committee of MFA staff using the Evaluation Criteria as described in Section 3.1. The Review Committee will present its award recommendations to MFA management and MFA Board Committee for review and approval. The MFA Board Committee approval will be communicated to the MFA Board of Directors at the regularly scheduled monthly meeting to be held on May 19, 2014. Final selection will be made by the MFA Board of Directors. These dates are subject to change at the discretion of the MFA.

2.4 Deficiency Correction Period

Upon receipt of all timely submitted proposals, MFA staff members will review all proposals to verify that all are complete in accordance with the requirements of this RFP. Should any proposal be missing a threshold requirement in this RFP, it will be deemed incomplete, but subject to correction during the Deficiency Correction Period. The Deficiency Correction Period may not be used to increase the Offeror’s score.

MFA shall communicate proposal deficiencies to each Offeror’s designated contact person within ten (10) seven (7) business days of the RFP Proposal Submission date, March 26, 2014, via e-mail or U.S. Mail, and shall document all communication efforts. Applicants will have five (5) business days after the date of the e-mail delivery notice to submit the required information. All items must be submitted no later than March 13, 2014 at 4:00 PM Mountain Time on the fifth business day following notification of deficiencies. The response due date will be noted on the deficiency notice. If the information requested is not provided within the specified timeframe or is submitted but remains deficient, the Application proposal will be rejected without any further review.
Items eligible for correction or submission during the Deficiency Correction Period include missing or incomplete items required in the Minimum Threshold Section (2.1) of this application.

Upon the expiration of the Deficiency Correction Period, MFA will not accept Offeror’s submission of any items still missing from the application.

Section 3 Evaluation Criteria

The MFA will award performance agreements to the Offerors whose proposals score the highest with respect to the evaluation criteria and that are most advantageous to the MFA. Proposals will be evaluated on Offeror’s documentation of meeting the following criteria: complying with threshold requirements; community need, performance – housing placement, and agency experience/capacity as defined in this RFP.

Proposals will be scored on a scale from one (1) to one hundred (100) based on the criteria listed below. A serious deficiency in any one criterion may be grounds for rejection regardless of overall score. MFA may apply a minimum score based on funding amounts available. Final award decisions will be made by the MFA Board of Directors.

3.1 Scoring Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Maximum Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Need</td>
<td>50</td>
</tr>
<tr>
<td>Performance – Housing Placement</td>
<td>15</td>
</tr>
<tr>
<td>Agency Experience &amp; Capacity</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total Maximum Points</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Category – Community Need

|  | Maximum Points |
| 1. Agency Occupancy – Number of bed nights provided from 1/1/2014 to 12/31/2014 | **550** |

Small Agency – 0-15 bed capacity at 75% occupancy rate = 5 points
Medium Agency – 16-30 bed capacity at 75% occupancy rate = 25 points
Large Agency – 31 and over bed capacity at 75% occupancy rate = **550 points**

Note: Half of the points will be awarded for agencies meeting a 50-74% capacity. Agencies below 50% capacity will not be awarded any points in this area.

Example of potential funding by agency size based on community need score:

<table>
<thead>
<tr>
<th>FUNDING AVAILABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG (estimated)</td>
</tr>
<tr>
<td>$778,731454.78</td>
</tr>
</tbody>
</table>

*Comment [MM13]: Exceeds maximum points for this category*
### STATE (estimated)

\[
\begin{array}{c|c|c|c|c|c|c}
\text{No. AGENCIES} & \text{Max. Score} & \text{Total Pts. Possible} & \text{\% Based on Poss. Pts.} & \text{Possible Funds Based on \% of Pts.} & \text{Min. Funds} & \text{Total Possible Funding} \\
\hline
\text{Small} & 0-15 & 87 & 490,350 & 2.25\% & $16,776 & $1000 & $17,776 \\
\text{Medium} & 16-30 & 148 & 560 & 3.23\% & $23,486 & $1000 & $24,486 \\
\text{Large} & 31+ & 4010 & 1000 & 4.49\% & $33,552 & $1000 & $34,552 \\
\hline
\text{TOTAL} & 2925 & 22,2019 & & & & \\
\end{array}
\]

### Notes:
1. Percentage times $\$838,731 \times 288,077$ which is contingent on funds available and minimum awards.
2. Amount subject to change by MFA.
3. Calculated by adding "Possible funding based on \% of Pts." and "Minimum Funds Based on available of \$757,077 $863,731 

### Total maximum points in Community Need
5055

### Category – Performance Housing Placement

2. Coordination and Collaboration

Evidence of coordination with other targeted homeless services. Include a copy of Memorandum of Understanding (MOUs), letters of cooperation/agreement, contracts etc.

3. Persons exiting to transitional or permanent housing

- \(0\%\) to 29% of persons exiting to transition or permanent housing = 0 points
- 30% to 39% of persons exiting to transition or permanent housing = 2 points
- 40% to 49% of persons exiting to transition or permanent housing = 5 points
- 50% or more persons exiting to transition or permanent housing = 10 points
### Total maximum points in Performance

<table>
<thead>
<tr>
<th>Category – Experience &amp; Capacity</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. <strong>Agency Experience as an Emergency Shelter</strong></td>
<td></td>
</tr>
<tr>
<td>Agency has been operating a shelter for more than five (5) years or related experience = 5 points</td>
<td>5</td>
</tr>
<tr>
<td>Agency has been operating a shelter for less than five (5) years but more than two (2) years or any related experience = 2 points</td>
<td></td>
</tr>
<tr>
<td>5. Executive Director or related experience – (one) 1 point per year of experience, up to 65 pts.</td>
<td>65</td>
</tr>
<tr>
<td>6. Program Manager or related experience – (one) 1 point per year of experience, up to 85 pts.</td>
<td>85</td>
</tr>
<tr>
<td>7. Fiscal Manager or related experience – (one) 1 point per year of experience, up to 65 pts.</td>
<td>65</td>
</tr>
<tr>
<td>8. Audit Findings – awarded based on the results of Offeror’s Independent Audit for their most recent completed fiscal year; however audit must not be for a fiscal year ending earlier than 2014. Audit materials must include management’s responses to any findings.</td>
<td>10</td>
</tr>
</tbody>
</table>

No findings & unqualified opinion = 10 points
1 finding & unqualified opinion = 5 points

### Total maximum points in Experience and Capacity

| Total Maximum Points | 100 |

Comment [SV14]: points below in #4 do not match points in maximum points column.

Comment [SV15]: 3

Comment [MM16]: This category is now supposed to be worth 35 points.
Section 4  Program Standards

4.1 Beneficiary Eligibility

Individuals may be provided shelter only if they meet the HUD definition of homelessness 24 CFR §576.2 in one of these four categories:

1. Literally homeless individuals/families,
2. Individuals/families who will imminently (within 14 days) lose their primary nighttime residence with no subsequent residence, resources or support networks,
3. Unaccompanied youth under 25 years or families with children/youth who meet the homeless definition under another federal statute and three additional criteria,
4. Individuals/families fleeing or attempting to flee some sort of abuse, i.e. domestic, dating, sexual, etc., with no subsequent residence, resources or support networks.

The full definition of homelessness can be reviewed at the HUD Homelessness Resource Exchange. [https://www.onecpd.info/resources/documents/HEARTH_HomelessDefinition_Final_Rule.pdf](https://www.onecpd.info/resources/documents/HEARTH_HomelessDefinition_Final_Rule.pdf)

4.2 Subcontractors

A subcontractor may be proposed by the Offeror if the Offeror is acting in the sole capacity of fiscal agent. Any use of subcontractors to deliver specific services must be clearly explained in the proposal and the method of selection must be noted. The Offeror will be wholly responsible for the entire performance, whether or not subcontractors are used. MFA must provide prior approval in writing of any subcontractors and reserves the right to disapprove any subcontractor or any Offeror proposing a subcontractor.

4.3 Amount of Funding

Funding to eligible agencies will be comprised of:

1. A minimum award estimated to be $1000 which is subject to change at MFA’s discretion; and
2. A percentage of funds available after the minimum awards are subtracted from total available funds. The percentage for each respondent will be based on the respondents total score divided by a sum of all of the respondent’s scores.

a. Example:
   i. $838,731,728,077 funds available.
   ii. After evaluation we have 259 eligible respondents whose scores total 19102170.
   iii. Agency XYZ has a score of 70.  70 / 19102170 = 0.036666%.
   iv. Total funds available of $838,731,728,077 minus $295,000 (minimum awards: 295 eligible respondents x $1,000) equal $813,731,728,077.
vi. $728,077 x 3.2366% = $23,758

vi. $29,783 + $1,000 (minimum award) = $9,783

3. Agencies that do not have a sufficient score to obtain a minimum contract of $10,000 will not be eligible to obtain funding and enter into a performance agreement with the MFAMFA.

4. MFA will not award more than fifteen (15) percent (15%) of available funds to any one Offeror.

5. Total contract amounts from funds available under this application proposal package may not make up more than fifty (50) percent (50%) of any Offeror’s total budget.

6. Funding is contingent on funds provided by HUD and the State of New Mexico, and the number of successful Offerors.

7. Funding is not guaranteed to be consistent from year to year.

4.4 Matching Requirements

Each Offeror is required to provide matching funds in an amount at least equal to their approved ESGHAP funding amounts for eligible program activities. Eligible match sources are:

- Cash. Cash expended for allowable costs, as defined in OMB Circular A-87 (2 CFR Subpart E225) and A-122 (2 CFR part 230).

- Noncash contributions:
  - The value or fair rental value of any donated material or building;
  - The value of any lease on a building;
  - Any salary paid to staff to carry out the program of the recipient; and
  - The value of the time and services contributed by volunteers to carry out the program of the recipient at a current rate of $5 per hour.

Note: Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the community.

4.5 Building Standards

Any building used to provide emergency shelter must meet state or local government safety and sanitation standards, and minimum federal safety, sanitation and privacy standards.

4.6 Records and Recordkeeping

Awardees must keep the records for seven (7) years after contract expiration. Records will include financial documentation and documentation on beneficiary eligibility, demographics, services provided, and exit status.
Participation in the New Mexico Homeless Management Information System (HMIS) is required, unless the awardee is a domestic violence service provider. Domestic violence service providers are required to use Osnium, a comparable database to produce standard HMIS reports.

Section 5 Additional RFP Standards

5.1 Protest

Any Offeror who is aggrieved in connection with this RFP or the notification of preliminary selection to this RFP may protest to the MFA. A protest must be based on an allegation of a failure to adhere to the evaluation process as designated in the RFP, including the MFA’s Evaluation of Proposals. The protest must be written and addressed to:

Shannon Tilseth, Administrative Assistant
New Mexico Mortgage Finance Authority
344 4th Street, SW
Albuquerque, NM 87102

The protest must be delivered to the MFA within fifteen (15) calendar days after the preliminary notice of selection on April 36, 2015, no later than April 28, 2015. Upon the timely filing of a protest, the Administrative Assistant shall give notice of the protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offerors receiving notice may file responses to the protest within seven (7) calendar days of notice of protest, no later than April 25, 2015. The protest process shall consist of review of all documentation and any testimony provided in support of the protest by the Contracted Services Committee of MFA’s Board of Directors, which shall, thereafter, make a recommendation to the full Board of Directors regarding the disposition of the protest. The MFA Board of Directors shall make a final determination regarding the disposition of the protest. Offerors or their representatives shall not communicate with the MFA Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of the Board of Directors. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process or does not follow the prescribed Applicationproposaland Protestprocess.

5.2 RFP Revisions and Supplements

Should revisions or additional information be necessary to clarify any provision of this RFP, the revision or additional information will be provided to all Offerors via the MFA website.
5.3 Incurred Expenses

The MFAMFA shall not be responsible for any expenses incurred by an Offeror in responding to this RFP. All costs incurred by Offerors in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Offeror.

5.4 Cancellation of Requests for Proposals or Rejection of Proposals

The MFAMFA may cancel this RFP at any time for any reason and may reject any or all proposals which are not responsive. In addition, Offeror may also cancel their proposal at any time during the RFP application process.

5.6 Award Notice

MFA shall provide written notice of the award to all Offerors within ten (10) calendar days of the date of the award. The award shall be contingent upon successful negotiations of a final contract between MFA and the Offeror whose proposal is accepted by MFA.

5.7 Proposal Confidentiality

Except in response to inquiries as part of the evaluation process until the award is made and notice given to all Offerors, no employee, agent, or representative of an Offeror shall make available or discuss its proposal with any officer, member, employee, agent, or representative of the MFAMFA.

Until the award is made and notice given to all Offerors, the MFAMFA will not disclose or discuss the contents of any proposal with an Offeror or potential Offeror.

5.8 Responsibility of Offerors

If an Offeror who otherwise would have been awarded a contract is found not to be a responsible Offeror, a determination setting forth the basis of the finding shall be prepared and the Offeror shall be disqualified from receiving the award. A Responsible Offeror means an Offeror who submits a proposal that conforms in all material respects to the requirements of this RFP and who has furnished, when required, information and data to prove that the Offeror’s financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services described in this RFP. The unreasonable failure of an Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

5.9 Code of Conduct

No Board member or employee of the MFAMFA shall have any direct financial interest in any contract with the Offeror, nor shall any contract exist between the Offeror or its affiliate and any MFA Board member or employee that might give rise to a claim of conflict of interest.
violation of this provision will render void any contract between MFA and the Offeror for which MFA determines that a conflict of interest exists as herein described, unless that contract is approved by the Board of Directors after full disclosure.

Offeror shall provide a statement disclosing any political contribution or gift valued in excess of $2,500 (singularly or in the aggregate) made by Offeror or on Offeror’s behalf to any elected official of the State of New Mexico currently serving or who has served on the MFA Board of Directors in the last three (3) years.

Offeror shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under any contract entered into with MFA pursuant to this RFP. Offeror shall at all times conduct itself in a manner consistent with the MFA Code of Conduct and MFA’s Anti-Harassment Policy. A copy of the MFA Code of Conduct and of MFA’s Anti-Harassment Policy is posted on the MFA web site for review at http:\www.housingnm.org/rfp. Upon request by the MFA, Offeror shall disclose information to the MFA which may reasonably request relating to conflict or potential conflicts of interest.

5.10 Other Federal Requirements

Offerors must comply with all applicable federal, state and local codes, statutes, laws and regulations which include but are not limited to:

- Fair Housing Act (42 USC 3601 et seq.).
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12892 and 24 CFR Part 107).
- Age Discrimination Act of 1975, as amended (42 USC 6101 et seq.).
- Americans with Disabilities Act (42 USC 12101 et seq.).
- Contract Work Hours and Safety Standards Act, as amended (40 USC 3701 et seq.).
- Davis Bacon and Related Acts (40 USC 3141-3148).
- Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u).
- Minority/Women’s Business Enterprises, Executive Orders 11625, 12432 and 12138, as amended.
- Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794).
5.11 Confidential Data

Offerors may request, in writing, nondisclosure of confidential data. Such data shall accompany the proposal and shall be readily separable from the proposal to facilitate public inspection of non-confidential portions of the proposal. After award, all proposals and documents pertaining to the proposals will be open to the public. Confidential data is normally restricted to confidential financial information concerning the Offeror’s organization and data that qualifies as trade secrets under the Uniform Trade Secrets Act, Section 57-3A1 NMSA 1978 et seq.

If a citizen of this state requests disclosure of data for which a request for confidentiality is made, the MFA shall examine the request for confidentiality and make a written determination that specifies which portions of the proposal should be disclosed and will provide the Offeror with written notice of that determination. Unless the Offeror protests within ten (10) calendar days of the notice, the proposal will be so disclosed.

5.12 Audit Requirements

Beginning with FY14 RFPs and C contracts MFA will be requiring the following language to be included in grantee performance agreements and Requests for Proposals:

1. Sub-recipients must conduct annual independent financial audits by a certified auditor that has been approved by the New Mexico State Auditor’s Office and on the State Auditor’s List.

   a. Grantees that receive less than $25,000 in federal or state funding from MFA, and may experience a financial hardship to procure a certified auditor that is on the State Auditor’s list, are exempt from this requirement. They must however, provide an annual independent financial audit or audited financial statements from a certified auditor of their choice.
2. Sub-recipients must at a minimum procure for auditing firm/services every three years, through a RFP. Evidence of the procurement must be provided to MFA at the time of release of the RFP and when selections are completed.

5.13 Mortgage Finance Authority Roster

**Board Members**

Chair – Dennis R. Burt – Burt & Company CPAs, LLC
Vice Chair – Angel Reyes – Centinel Bank in Taos
Member – John Sanchez – Lieutenant Governor, State of New Mexico
Member – Hector Balderas – Attorney General, State of New Mexico
Member – Gary K. King – Attorney General, State of New Mexico
Member – Tim Eichenberg - Treasurer, State of New Mexico
Member – James B. Lewis – Treasurer, State of New Mexico
Member – Steven Smith - President, R.O.G. Enterprises
Sharron Welsh – Executive Director, The Housing Trust
Member – Randy McMillan – President, NAI First Valley Realty, Inc.

**Management**

Jay Czar, Executive Director
Joseph Montoya, Deputy Director of Programs
Gina Hickman, Deputy Director of Finance

**Staff Roster**

AfShin Seysan
Al Radicento
Alma Brown
Angel Candelaria
Anita Racicot
Barbara Fashkandy
Blanca Vasquez
Felipe Rael
Francena Martinez
Frankie Salcido
Gina Bell
Izzy Hernandez
Jeannette Marquez
Jennifer Sanchez
Natalie Michelback
Nicole Sanchez-Howell
Pat Rogers
Patrick Ortiz
Patty Balderrama
Rebecca Sanchez
Rose Baca Quesada
<table>
<thead>
<tr>
<th>Staff Roster</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AFShin Seysan</td>
<td>Frankie Salcido</td>
</tr>
<tr>
<td>Al Radicioni</td>
<td>Gina Bell</td>
</tr>
<tr>
<td>Alma Brown</td>
<td>Izzy Hernandez</td>
</tr>
<tr>
<td>Angel Candelaria</td>
<td>Jacqueline Boudreaux</td>
</tr>
<tr>
<td>Anita Racicot</td>
<td>Jeannette Marquez</td>
</tr>
<tr>
<td>Barbara Tashkandy</td>
<td>Judy Amador</td>
</tr>
<tr>
<td>Blanca Vasquez</td>
<td>Karen Anderson</td>
</tr>
<tr>
<td>Carmela Arellano</td>
<td>Kathleen Keeler</td>
</tr>
<tr>
<td>Carol Salazar</td>
<td>Kathy Griego</td>
</tr>
<tr>
<td>Christina Gerwin</td>
<td>Laura Thompson</td>
</tr>
<tr>
<td>Cynthia Marquez</td>
<td>Laurie LindenDill</td>
</tr>
<tr>
<td>Dan Foster</td>
<td>Leann Kemp</td>
</tr>
<tr>
<td>Dan Puccetti</td>
<td>Lisa Romero</td>
</tr>
<tr>
<td>Dana Gohr</td>
<td>Loreta Martinez</td>
</tr>
<tr>
<td>Debbie Davis</td>
<td>Maggie Raznick</td>
</tr>
<tr>
<td>Desarey Maldonado</td>
<td>Marjorie Martin</td>
</tr>
<tr>
<td>Doris Clark</td>
<td>Mercy Castillo</td>
</tr>
<tr>
<td>Eric Schmieder</td>
<td>Michael Scott</td>
</tr>
<tr>
<td>Eunice Duran</td>
<td>Monica Abeita</td>
</tr>
<tr>
<td>Felicia c’de Vaca</td>
<td>Natalie Michelback</td>
</tr>
<tr>
<td>Francina Martinez</td>
<td></td>
</tr>
</tbody>
</table>
## Section 6  APPLICATION PROPOSAL

### EMERGENCY HOMELESS ASSISTANCE PROGRAM APPLICATION PROPOSAL

For Program Year 2014-2015

### A. Submission Checklist

By initialing on this list, you are certifying that you have enclosed the following items as defined in this RFP. Items should be attached in the order listed, with this page as the cover sheet.

<table>
<thead>
<tr>
<th>Initial</th>
<th>Item Required</th>
<th>Section (§)</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Turn in one (1) original and three (3) copies of application proposal package</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>with all items below</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>MINIMUM QUALIFICATIONS, THRESHOLD CRITERIA, AND REQUIREMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>(Allowable Deficiency Correction items)</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Non-profits only: Proof of 501(c)(3)</td>
<td>§2.1(1)</td>
<td>76</td>
</tr>
<tr>
<td>2.</td>
<td>Non-profits only: Proof of NM Charitable Organization Registration Statement</td>
<td>§2.1(2)</td>
<td>7-8</td>
</tr>
<tr>
<td></td>
<td>with the New Mexico Attorney General for tax year 2014, from <a href="https://secure.mmag.gov/coros">https://secure.mmag.gov/coros</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Non-profits only: Proof of current registration with the New Mexico Attorney</td>
<td>§2.1(3)</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>General for tax year 2013 from <a href="https://secure.mmag.gov/coros/">https://secure.mmag.gov/coros/</a>, page 1 of the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>“NM Charitable Organization Registration Statement”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Non-profits only: Letter of Support from the unit of local government dated</td>
<td>§2.1(4)</td>
<td>86 &amp; 87</td>
</tr>
<tr>
<td></td>
<td>within 180 days, from city, town, village or tribe; if unincorporated, county</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>2012 or 2013 - 2014 Agency Independent Audit or audited financial statements,</td>
<td>§2.1(5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>including all correspondence referenced &amp; management response.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td><em>(Turn in only 1 copy of the audit)</em></td>
<td>§2.1(6)</td>
<td>95 &amp; 96</td>
</tr>
<tr>
<td>7.</td>
<td>Proof of good standing (dated within 30 days of proposal date from EPLS.gov</td>
<td>§2.1(7)</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>and same.gov printout)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Offeror Certifications signed by authorized official</td>
<td>§2.1(8);§7</td>
<td>96 &amp; 236</td>
</tr>
<tr>
<td>9.</td>
<td>Statement of Experience of Executive Director &amp; Chart of program staff, title,</td>
<td>§2.1(9)</td>
<td>98</td>
</tr>
<tr>
<td></td>
<td>experience, and capacity. Attach resumes of each staff.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Statement of Experience of Fiscal Manager</td>
<td>§2.1(10)</td>
<td>8</td>
</tr>
<tr>
<td>11.</td>
<td>Statement of Experience of Other Key Staff</td>
<td>§2.1(11)</td>
<td>8</td>
</tr>
<tr>
<td>12.</td>
<td>Statement of Experience of Program Manager and resumes of Program Staff</td>
<td>§2.1(12)</td>
<td>98</td>
</tr>
<tr>
<td>14.</td>
<td>Executive Summary</td>
<td>§2.1(14)</td>
<td>98</td>
</tr>
<tr>
<td>15.</td>
<td>Site Control documentation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### EVALUATION CRITERIA

14. Bylaws or Board resolution pertaining to fiscal oversight committee §2.1(16) 108

15. Checks and Balances - Fiscal policies on internal control and segregation of duties §2.1(17) 108 & 9

### ADDITIONAL ITEMS


17. Data quality reports generated from the HMIS or Osunm Database comparable §6(ii)(iii) 2321

18. Non-MFA Federal, State, Local or Tribal monitoring letters §2.2(1) 106
B. General Information

Agency Name

Entity Type    □ Non-Profit □ Local Government □ Tribal Government

Is this a faith-based organization?    □ Yes    □ No

Federal Tax ID Number

DUNS Number

Contact Person

Title

Telephone Number

Ext.    Fax Number

E-Mail Address

Mailing Address

City    NM    Zip

C. Offeror Application Information

1. Items Requiring Disclosure

a) Describe any material current or pending litigation, administrative proceedings, or investigations that could impact the reputation or financial viability of the agency. *If none, write “None”.*

b) Describe any political contribution or gift valued in excess of $2,500.00 (singularly or in the aggregate) made by Offeror or on Offeror’s behalf to any elected official of the State of New Mexico in the last three (3) years. *If none, write “None”.*

c) Describe any current or proposed business transaction between Offeror and any MFA member, officer, employee or their employer, or other potential conflict which may give rise to a claim of conflict of interest. *If none, write “None”.*

d) Describe any proposed use of subcontractors, including services to be subcontracted, method of selection and structure of payments. *If none, write “None”.*
ii. Community Need

a) How many beds does the agency have? _______

b) Fill in the below numbers of persons and households served last year & proposed for the contract year. A household includes one or more persons; one single person should be counted as one household.

| Individuals Served (1/1/2013 to 12/31/2013) |
|----------------|----------------|
| Persons        | Households     |
| Number:        |                |

c) How many bednights were provided from January 1, 2013 to December 31, 2013? To calculate bednights, add up the length of stay for each person sheltered during the year; or, add up the total number of occupants each night for the year. _______

d) As backup documentation for the above-referenced items under Community need, attach data quality reports generated from the HMIS or Osnium comparable data report for calendar year 2013. The report should include number of households, bed nights served and exit information for clients served.

iii. Performance Housing Placement

a) Describe how your agency achieves performance measure for housing placements into transition or permanent housing. Describe how your agency demonstrates that its services are coordinated with other community service providers and can accommodate the needs of the target population.

b) Fill in the below numbers of persons served last year who exited to permanent or transitional housing.

<table>
<thead>
<tr>
<th>Exited to Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1/1/2013 to 12/31/2013)</td>
</tr>
<tr>
<td>Number:</td>
</tr>
<tr>
<td>Permanent</td>
</tr>
</tbody>
</table>

To calculate percent, add up the number of persons exited from permanent and transitional housing and divide the number by the total exited.

c) As backup documentation for the above-referenced items under Performance Housing Placement, attach data quality reports generated from the HMIS or comparable data.
iv. Agency and Management Experience

---

a) How long has the agency been in business (in years)? ______

b) How long has the agency operated the shelter (in years)? ______

c) How many years has the executive director been an executive director and/or business manager? ______

d) How many years has the program manager managed a shelter? ______

e) How many years has the fiscal manager overseen finances at a non-profit? ______

f) Does the fiscal manager have a CPA? ______

<table>
<thead>
<tr>
<th>Agency &amp; Management Experience</th>
<th>Years of Experience</th>
<th>Agency Score</th>
<th>MFA Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Agency in business</td>
<td>______</td>
<td>______</td>
<td>______</td>
</tr>
<tr>
<td>(b) Agency operated shelter</td>
<td>______</td>
<td>______</td>
<td>______</td>
</tr>
<tr>
<td>(c) Executive Director</td>
<td>______</td>
<td>______</td>
<td>______</td>
</tr>
<tr>
<td>(d) Program Manager Fiscal Manager</td>
<td>______</td>
<td>______</td>
<td>______</td>
</tr>
<tr>
<td>(e) Program Fiscal Manager</td>
<td>______</td>
<td>______</td>
<td>______</td>
</tr>
</tbody>
</table>

v. Agency Capacity and Financial Information

---

a) Total agency annual budget: ______

b) End date of last fiscal year audited: ______

c) If auditor’s opinion was qualified, how is your agency addressing this? If opinion was unqualified, write “Unqualified opinion.”. Do not write “see audit.”.

---

d) Provide a summary of audit findings, material weaknesses and/or significant deficiencies, if any, and your actions in response to the findings. If none, write “None.”. Do not write “see audit.”.
e) What other Federal, State, local and/or Tribal funds does the agency receive? For each source listed, attach a copy of the most recent monitoring letter.

Section 7  Certifications

(“Offeror”) is submitting a proposal to the Mortgage Finance Authority (“MFA”) to be a sub-grantee under the Emergency Homeless Assistance Program.

Offeror certifies that:

It will abide by all applicable Federal and State of New Mexico laws and all applicable statutory, regulatory, and judicially created rules and guidelines.

It understands that MFA will monitor its performance and compliance.

It is in good standing with all its funding sources.

It complies with Equal Employment Law and complies fully with all government regulations regarding nondiscriminatory employment practices.

It understands and represents that any contract it enters into with MFA will be binding in all respects.

It has a current registration with the New Mexico Attorney General’s Registry of Charitable Organizations, if applicable.

This proposal shall be valid until contract award or ninety (90) calendar days from the proposal due date, whichever is longer.

I HEREBY CERTIFY THAT ALL INFORMATION PROVIDED IN THE PROPOSAL IS TRUE AND CORRECT, AND THAT I HAVE THE AUTHORITY TO BIND THE OFFEROR TO THE ASSURANCES, AS WITNESSED BY MY SIGNATURE BELOW.

Signature of Authorized Official on behalf of Offeror

Date

Printed Name

Title
New Mexico
Mortgage Finance Authority

Emergency Homeless Assistance Program
Request for Proposals for
Program Year 2015-2016

DATE ISSUED:
January 22, 2015
Table of Contents

SECTION 1  BACKGROUND & PROGRAM INFORMATION ................................. 1

1.1  INTRODUCTION .......................................................................................... 1

1.2  Background .................................................................................................. 1

1.3  Purpose and Available Funding ................................................................. 1

1.4  Program Objectives ..................................................................................... 2

1.5  Eligible Activities ....................................................................................... 2

1.6  Proposal Submission ................................................................................... 3

1.8  Proposal Format .......................................................................................... 4

1.10 RFP Questions and Answers .................................................................... 4

1.11 Performance Agreement Term ................................................................. 4

1.12 Timeline for Offeror Selection ................................................................. 5

1.13 Training ...................................................................................................... 6

SECTION 2  MINIMUM QUALIFICATIONS AND REQUIREMENTS ............. 7

2.1  Minimum Threshold Criteria .................................................................... 7

2.2  Proposal Requirements ............................................................................. 10

2.3  Evaluation of Proposals ........................................................................... 10

2.4  Deficiency Correction Period .................................................................. 10

SECTION 3  EVALUATION CRITERIA .............................................................. 11

3.1  Scoring Criteria ........................................................................................ 11

SECTION 4  PROGRAM STANDARDS .............................................................. 14

4.1  Beneficiary Eligibility .............................................................................. 14

4.2  Subcontractors ........................................................................................ 14

4.5  Building Standards .................................................................................. 15

4.6  Records and Recordkeeping .................................................................... 15
SECTION 5  ADDITIONAL RFP STANDARDS ................................................................. 16
  5.1  Protest ................................................................................................................. 16
  5.2  RFP Revisions and Supplements ......................................................................... 16
  5.3  Incurred Expenses ............................................................................................... 16
  5.4  Cancellation of Requests for Proposals or Rejection of Proposals ......................... 17
  5.6  Award Notice ..................................................................................................... 17
  5.7  Proposal Confidentiality ..................................................................................... 17
  5.8  Responsibility of Offerors .................................................................................. 17
  5.9  Code of Conduct ................................................................................................. 17
  5.10 Other Federal Requirements ............................................................................ 18
  5.11 Confidential Data ............................................................................................... 19
  5.12 Audit Requirements .......................................................................................... 19
  5.13 Mortgage Finance Authority Roster .................................................................... 19

SECTION 6  PROPOSAL ................................................................................................. 21

SECTION 7  CERTIFICATIONS ....................................................................................... 25
Section 1  Background & Program Information

1.1 Introduction

The New Mexico Mortgage Finance Authority ("MFA") is a governmental instrumentality, separate, and apart from the state of New Mexico ("State"), created by the Mortgage Finance Authority Act Sections 58-18-1 NMSA 1978 et seq. for the purpose of financing affordable housing for low- and moderate-income New Mexico residents. MFA will endeavor to ensure in every way possible that small, minority, disadvantaged, women-owned business enterprises and/or labor surplus area firms (collectively "DBE") shall have every opportunity to participate in submitting Proposals and providing services. DBE businesses are encouraged to submit proposals. MFA will not discriminate against any business on grounds of race, color, religion, gender, national origin, age or disability. It is MFA’s policy that suppliers of goods or services adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire and promote regardless of race, color, religion, gender, national origin, age or disability.

1.2 Background

The U.S. Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG), is authorized under the McKinney-Vento Homeless Assistance Act of 1987 (42 U.S.C 11371-1378), as amended by the Homeless Emergency and Rapid Transition to Housing Act of 2009 ("HEARTH Act"), 24 CFR Part 576. The ESG is a federally formula-funded program that uses the Community Development Block Grant (CDBG) formulas as a basis for allocating funds to eligible jurisdictions, including States, territories, and qualified metropolitan cities and urban counties.

MFA is the State’s recipient of the ESG program responsible for administering the state ESG allocation for New Mexico. The ESG allocation is limited to sixty (60) percent of the total fiscal ESG grant for shelter operations minus seven and a half (7.5) percent for state/local government administration.

The Emergency Homeless Assistance Program (EHAP) was established by MFA to provide funding assistance to emergency overnight shelters throughout the State. MFA combines the ESG allocation appropriated by HUD with the New Mexico State Homeless Assistance allocation appropriated by the State to establish the EHAP.

1.3 Purpose and Available Funding

The purpose of this Request for Proposal (RFP) is issued pursuant to MFA’s Procurement Policy, to solicit proposals from qualified Offerors capable of providing program services for EHAP funding within the 2015 -2016 Program Year ("PY") in accordance with 24 CFR 576 and all applicable guidance from HUD. The cited references are available via the MFA website at www.housingnm.org/ehap. Funding will be made through a competitive process to eligible Offerors.
The estimated funding for the EHAP 2015-2016 program year includes $897,007.00 from ESG funds and $925,700.00 from the state homeless funds. Available funding is based on last year’s funding levels. Please note that actual HUD and State funding levels have not been determined at the writing of this document and could vary significantly from current year funding levels.

The actual funds available may vary. If other funds become available to MFA during the PY for activities similar to the work performed under the program, this additional funding may, at the option of MFA, be offered to the successful Offerors, hereunder, without a new RFP. MFA retains sole discretion to make the judgment as to the need for additional RFPs. Satisfactory performance under the 2014 and prior program years will be a prerequisite for consideration of additional funding.

Offerors may not obligate funds, incur expenses, or otherwise implement program services prior to execution of a contract with MFA. Funding is anticipated to be available for future program years at similar levels, but is subject to change. Funding is not guaranteed to any given Offeror in any given amount.

MFA will review provider performance and reserves the right to de-obligate, reallocate and redistribute funds throughout the contract term.

1.4 Program Objectives

The objectives of EHAP is to help improve the quality of existing emergency shelters for the homeless by helping to meet the costs of operating emergency shelters serving individuals and families experiencing homelessness, so that all New Mexicans have access not only to safe and sanitary shelter, but also to provide certain essential supportive services they need to improve their living situations.

1.5 Eligible Activities

All eligible activities within EHAP must be carried out by an emergency overnight shelter for individuals and families experiencing homelessness, including individuals fleeing domestic violence. The five program components and the eligible activities that may be funded under each activity are set forth in 24 CFR §576.101 through §576.107. The eligible activities are:

- **Operating costs.** Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.
- **Essential services.** EHAP funds may be used to provide essential services to individuals and families who are in an emergency shelter. Eligible essential services include case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services and transportation.
Data collection and Homeless Management Information System (HMIS) costs. Under the Hearth Act, all sub-grantees receiving funding under the ESG program must collect and report data on the use of the funds awarded and persons served with this assistance in HMIS.

Comparable database eligible costs. If the sub-grantee is a victim services provider or a legal services provider, it may use the program funds to administer Osnium, a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data.

Eligible Activities include essential services to persons in emergency shelters and operating emergency shelters. Staff costs related to carrying out emergency shelter activities, essential services and HMIS are also eligible. In accordance with 24 CFR §576.100(b), the Offeror’s budget for emergency shelter cannot exceed 60% of the total grant award.

Emergency Shelter means any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements.

Note: The federal ESG activities of “Street Outreach,” “Homeless Prevention,” “Rapid Re-Housing,” and “Renovation, rehabilitation, and conversion” of buildings for use as emergency shelters or transitional housing for the homeless” are not currently funded under the EHAP.

1.6 Proposal Submission

ALL OFFEROR PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY MFA NO LATER THAN FRIDAY, FEBRUARY 20, 2015 BY 4:00 PM MOUNTAIN TIME. Proposals shall be in sealed envelopes marked “Proposal to Offer Services for the Emergency Homeless Assistance Program.

Submit proposals to:
New Mexico Mortgage Finance Authority
Attn: Shannon Tilseth
344 4th Street SW
Albuquerque, NM 87102

Proposals may be delivered by mail, other shipping service, or by hand. Facsimile or electronic transmissions will not be accepted. Proposals received after this deadline will not be considered for EHAP funding.

1.7 Proposal Tenure

All proposals shall include a statement that the proposal shall be valid until contract award, but no more than 90 days from the proposal due date.
1.8 Proposal Format

Proposals should be printed on standard 8 ½ x 11 paper, double-sided, with each copy fastened using paper clips or binder clips and with tabs identifying each minimum threshold item and evaluation criteria item. Please do not spiral bind your proposals.

- Proposals and forms may be downloaded from the MFA website: www.housingnm.org/rfp.
- Offeror(s) must submit one (1) copy of the agency financial audit.
- Offeror(s) must submit an original and three (3) copies of the proposal form and all required schedules and attachments, for a total of four (4) proposal packages.
- Proposals must include the “2015-2016 EHAP Proposal” form attached to this proposal package and all schedules and attachments pertaining thereto.
- MFA forms released with this proposal (proposals, budgets, certifications, schedules) must be used when provided by MFA. No substitutions will be accepted.

All proposals must be self-contained.

1.9 Irregularities in Proposals

MFA may waive technical irregularities in the form of proposal of any Offeror selected for award, which do not alter the price, quality or quantity of the services offered. Note especially that the date and time of proposal submission as indicated herein, under part 1.6 Proposal Submission, cannot be waived under any circumstances.

1.10 RFP Questions and Answers

Questions pertaining to this RFP and proposal must be submitted via the MFA website at http://housingnm.org/2015-ehap-rfp-faq. Telephone inquiries will not be answered. The FAQ will open the day after the RFP training and will close February 18, 2015, two (2) business days before the RFP due date. To submit your questions, scroll down to the “Ask a question” section, under the category Emergency Homeless Assistance Program RFP. Enter your name and organization and type your question in the “Question” box, and click on “Submit.” The cut-off date for questions is February 17, 2015. Answers to all questions will be posted to the MFA website on 02/06/2015, 02/13/2015, and 02/18/2015 by 3pm.

1.11 Performance Agreement Term

Successful Offerors will be notified in writing of the amount of the grant award. Performance Agreements are issued following the announcement of awards as a result of the response to the RFP. The successful Offeror will enter into a performance agreement with MFA for services to be performed for a one (1) year grant term (July 1, 2015 – June 30, 2016). Only expenses incurred on or after the effective date of the Performance Agreement are allowable. Dates are based on availability of funds for release from each funding source.
In the event that during the contract term an awardee of this RFP is deemed not qualified to administer the program due to contractual non-compliance, MFA may negotiate with another program awardee without issuing another RFP, and/or may issue a RFP for the area that is being served by the non-qualified agency. MFA may also issue a RFP during the contract term for any new areas to be served based on the availability of additional funds.

The performance agreements between MFA and successful Offerors shall be for firm, fixed amounts. All payments by MFA shall be made on an actual reimbursement basis.

1.12 Timeline for Offeror Selection

The following is the anticipated schedule for recommended Offeror selection:
<table>
<thead>
<tr>
<th>DATE</th>
<th>ACTIVITY</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 21, 2015</td>
<td>MFA Board of Directors Meeting</td>
<td>MFA</td>
</tr>
<tr>
<td>January 22, 2015</td>
<td>Issuance of RFP</td>
<td>MFA</td>
</tr>
<tr>
<td>January 28, 2015</td>
<td>RFP Training</td>
<td>MFA</td>
</tr>
<tr>
<td>January 29, 2015</td>
<td>RFP FAQ on website opens</td>
<td>MFA</td>
</tr>
<tr>
<td>February 18, 2015</td>
<td>RFP FAQ closes - deadline to submit questions two (2) business days before the RFP due date</td>
<td>Potential Offerors</td>
</tr>
<tr>
<td>February 20, 2015 (by 4:00pm)</td>
<td>Submission of Proposals Due – 30 days after issuance of RFP</td>
<td>Offerors</td>
</tr>
<tr>
<td>March 6, 2015</td>
<td>MFA notifies Offerors of Deficiency Correction items, if applicable within seven (7) business days of RFP proposals due</td>
<td>MFA</td>
</tr>
<tr>
<td>March 13, 2015</td>
<td>Deadline for receipt of corrections by MFA, if applicable – within five (5) business days</td>
<td>Offerors</td>
</tr>
<tr>
<td>April 2015</td>
<td>Notification of preliminary selections to Offerors</td>
<td>MFA</td>
</tr>
<tr>
<td>April 2015</td>
<td>End of 15-day Protest Period (Deadline for Offeror to file Protest)</td>
<td>Offeror</td>
</tr>
<tr>
<td>April 2015</td>
<td>End of 7-day Protest Response Period (Deadline for Offerors to respond to any protest)</td>
<td>Offeror</td>
</tr>
<tr>
<td>May 2015</td>
<td>Award Recommendations to MFA Board of Directors</td>
<td>MFA</td>
</tr>
</tbody>
</table>

**1.13 Training**

RFP training will be offered on January 28, 2015 via webinar. This training is optional; however, pre-registration is required. To register, visit [http://housingnm.org/2015-ehap-rfp-webinar-registration](http://housingnm.org/2015-ehap-rfp-webinar-registration).
Section 2  Minimum Qualifications and Requirements

2.1 Minimum Threshold Criteria

In addition to the general requirements listed above, Offerors must meet each of the following minimum threshold criteria, following deficiency correction, in order to be considered for funding. This includes the minimum criteria outlined below for specific activities and minimum criteria outlined below for agencies not receiving funds in the previous contract year. These criteria must be met by all Offerors to be considered for funding. Waivers to “Minimum Threshold Criteria” may be approved by MFA’s Policy Committee.

1. Offeror must be one of the following entity types:
   a. A non-profit organization with 501(c)(3) status and with a primary mission of providing shelter and services to people who are experiencing homelessness, including people fleeing domestic violence.
      i. If a non-profit, Offeror must submit proof of 501(c)(3).
   b. A unit of general purpose local government.
   c. A tribal government.

2. Offeror must submit proof of current registration as charitable organization with the New Mexico Attorney General’s Office, covering the fiscal year ending in 2014 or proof of exemption therefrom. Information can be submitted online and verification obtained via https://secure.nmag.gov/coros/. Verification should be in the form of the first page of the “NM Charitable Organization Registration Statement.”

3. If an Offeror is a non-profit, Offeror must submit a Letter of Support from the unit of local government. A Letter of Support should include:
   a. A letter supporting the Offeror’s proposal to MFA.
   b. The letter must be dated no more than 180 days prior to the proposal date.
   c. The letter must be signed by a local government official authorized to sign such a letter.
   d. From the city, town, village or tribe in which the program activity will take place;
      i. For activities that will take place in unincorporated areas, the county is the unit of local government.
   e. The letter must specifically endorse the project/activity proposed in the proposal.

4. Agencies who received any program funds last year must provide an independent CPA’s auditors report (Audit), conducted in accordance with Government Auditing Standards (GAS). The GAS Audit will include an independent auditors report on the following: 1) financial statements; and 2) internal control over financial reporting and compliance. The audit will also include the auditor’s management letter if there is one, and the Offeror’s response to any audit findings. Offeror will submit the most recent audit available; only the most recent of FY2014 or FY2015 will be
accepted. If Offeror received $500,000 in federal funds from one or more sources (in the fiscal year ending in 2014, $750,000 in the fiscal year ending in 2015), a Single Audit is required pursuant to 2 CFR 200 Subpart F. The following types of audit issues may disqualify an Offeror from funding:

a. Repeat and unresolved audit findings, as determined by MFA.

b. If Offeror has received greater than $500,000 in funding (in the fiscal year ending in 2014, $750,000 in the fiscal year ending in 2015) and the single audit did not meet the requirements of the 2 CFR 200 Subpart F.

c. For Single Audit, no proof of Federal audit clearinghouse submission (FORM SF-SAC).

d. If Governmental entity, proof is not included of current audit submission to the Office of the New Mexico State Auditor.

e. If referenced in audit as a separate communication, no submission of Management Response letter and management response to concerns noted in the management letter.

f. If any findings, no submission of management response to findings.

g. Agency’s auditor is not on the state auditor’s approved list.

5. For agencies that did not receive EHAP funds in PY 2013-2014, the agency must provide either an audit to the above standards or an independent CPA’s review of financial statements.

6. Offeror must have been operating as an agency for a minimum of one (1) year as of the proposal date, sufficient to have one (1) full year covered in annual financial statements.

7. Offeror must be in “good standing” as of the date this RFP is issued. In order to be in good standing, Offeror must not have “suspended,” “debarred” or HUD’s Limited Denial of Participation status conferred upon it by MFA and/or other funding sources. Offeror must provide a print screen from www.sam.gov and https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp documenting search for Offeror’s name and executive director’s name, as proof of compliance. Must be dated within 30 days of the proposal date.

8. Offeror must submit proposal as directed in Sections 1.8 Proposal Format and 2.2 Proposal Requirements.

9. Offeror must submit Offerors Certification signed by authorized official.
10. Offeror must submit a table in the following format that demonstrates the administrative and financial management capacity necessary to accept and account for the use of public funds and to provide program services. Please include the positions of the executive director, financial manager, and other key staff:

<table>
<thead>
<tr>
<th>Program</th>
<th>Title</th>
<th>Yrs. Of Experience</th>
<th>Capacity/Role/Services Offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. Offer must submit evidence of coordination with other targeted homeless services in the form of Memorandum of Understanding (MOUs), letters of coordination/agreement, contracts, etc.


13. Offeror must submit an executive summary (less than one page). Summary includes the following details: what the agency does, primary activities and major funding sources.

14. Offeror must submit documentation of site control of the shelter facility, defined as one of the following:
   a. A current warranty deed in the agency’s name.
   b. A current mortgage note in the agency’s name.
   c. A current lease in the agency’s name.
   d. Other documentation of site control, if deemed acceptable by MFA through the FAQ and/or Deficiency Correction Process.

15. Offeror must operate an emergency shelter, defined as any facility, the primary purpose of which is to provide a temporary shelter for the homeless in an emergency situation and must have the capacity to shelter and accept inquiries at all hours, and which does not require occupants to sign leases or occupancy agreements. In order to qualify for these funds an agency must be able to:
   a. Provide safe, decent emergency shelter nightly for the entire year.
   b. Have at least 5 beds available.
   c. Operate the shelter facility in compliance with all applicable federal, state and local building codes, laws and regulations.

16. Offeror must submit bylaws or board resolution requiring board fiscal oversight that demonstrates financial integrity. Please provide a listing of your current Board Member in the following format.
17. Offeror must submit policies and procedures approved by its Board of Directors to demonstrate a sound organization system of checks and balances (segregation of duties) in fiscal management. The policy must describe separate roles and responsibilities for cash receipts, check requests, check cutting/preparation and check signing.

### 2.2 Proposal Requirements

Offerors must meet the basic eligibility criteria specified in the “Minimum Qualifications and Requirements” section of this RFP. In addition, responses to the RFP must meet the requirements enumerated below.

1. Offerors must list any and all funds received from other federal, state, local or tribal government funding sources. Please submit the most current monitoring letter from said entities that Offerors are in good standing with their programs.

2. Offerors must not have any repeat or unresolved MFA monitoring findings, as determined by MFA.

3. Offerors must describe any material, current or pending litigation, administrative proceedings or investigations that could impact the reputation or financial viability of the firm.

### 2.3 Evaluation of Proposals

Proposal responses will be evaluated by an Internal Review Committee of MFA staff using the evaluation criteria as described in Section 3.1. The review committee will present its award recommendations to MFA management and MFA Board Committee for review and approval. MFA Board Committee approval will be communicated to the MFA Board of Directors at the regularly scheduled monthly meeting to be held on May, 2015. Final selection will be made by the MFA Board of Directors. These dates are subject to change at the discretion of MFA.

### 2.4 Deficiency Correction Period

Upon receipt of all timely submitted proposals, MFA staff members will review all proposals to verify that all are complete in accordance with the requirements of this RFP. Should any proposal be missing a threshold requirement in the RFP, it will be deemed incomplete, but
subject to correction during the Deficiency Correction Period. The Deficiency Correction Period may not be used to increase the Offeror’s score.

MFA shall communicate proposal deficiencies to each Offeror’s designated contact person within seven (7) business days of the RFP proposal submission date, March 6, 2015, via e-mail or U.S. Mail, and shall document all communication efforts. Applicants will have five (5) business days after the date of the e-mail delivery notice to submit the required information. All items must be submitted no later than March 13, 2015 at 4:00 PM Mountain Time. The response due date will be noted on the deficiency notice. If the information requested is not provided within the specified timeframe or is submitted but remains deficient, the proposal will be rejected without any further review.

Items eligible for correction or submission during the Deficiency Correction Period include missing or incomplete items required in the Minimum Threshold Section (2.1) of this proposal.

Upon expiration of the Deficiency Correction Period, MFA will not accept Offeror’s submission of any items still missing from the proposal.

Section 3 Evaluation Criteria

MFA will award performance agreements to the Offerors whose proposals score the highest with respect to the evaluation criteria and that are most advantageous to MFA. Proposals will be evaluated on Offeror’s documentation of meeting the following criteria: complying with threshold requirements; community need, performance – housing placement, and agency experience/capacity as defined in this RFP.

Proposals will be scored on a scale from one (1) to one hundred (100) based on the criteria listed below. A serious deficiency in any one criterion may be grounds for rejection regardless of overall score. **MFA may apply a minimum score based on funding amounts available.** Final award decisions will be made by the MFA Board of Directors.

### 3.1 Scoring Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Maximum Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Need</td>
<td>50</td>
</tr>
<tr>
<td>Performance – Housing Placement</td>
<td>15</td>
</tr>
<tr>
<td>Agency Experience &amp; Capacity</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total Maximum Points</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category – Community Need</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agency Occupancy – Number of bed nights provided from 1/1/2014 to 12/31/2014.</td>
<td>50</td>
</tr>
</tbody>
</table>
Medium Agency – 16-30 bed capacity at 75% occupancy rate = 25 points
Large Agency – 31 and over bed capacity at 75% occupancy rate = 50 points

Note: Half of the points will be awarded for agencies meeting a 50-74% capacity. Agencies below 50% capacity will not be awarded any points in this area.

Example of potential funding by agency size based on community need score:

<table>
<thead>
<tr>
<th>Agency Type</th>
<th>No Beds</th>
<th>Agencies</th>
<th>Max. Score</th>
<th>Tot. Pts. Possible</th>
<th>% Based on Poss. Pts.</th>
<th>Possible Funds Based on % of Pts.</th>
<th>Min. Funds</th>
<th>Total Possible Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>0-15</td>
<td>7</td>
<td>50</td>
<td>350</td>
<td>2.25%</td>
<td>$16,776</td>
<td>$1000</td>
<td>$17,776</td>
</tr>
<tr>
<td>Medium</td>
<td>16-30</td>
<td>8</td>
<td>70</td>
<td>560</td>
<td>3.23%</td>
<td>$23,486</td>
<td>$1000</td>
<td>$24,486</td>
</tr>
<tr>
<td>Large</td>
<td>31+</td>
<td>10</td>
<td>100</td>
<td>1000</td>
<td>4.49%</td>
<td>$33,552</td>
<td>$1000</td>
<td>$34,552</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>25</td>
<td>1910</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. Percentage times $838,731 which is contingent on funds available and minimum amount awarded
2. Amount subject to change by MFA
3. Calculated by adding "Possible funding based on % of Pts." and "Minimum Funds Based on available of $ 863,731

Total maximum points in Community Need 50

Category – Performance Housing Placement

2. Coordination and Collaboration

Evidence of coordination with other targeted homeless services. Include a copy of Memorandum of Understanding (MOUs), letters of coordination/agreement, contracts etc.

3. Persons exiting to transitional or permanent housing

- zero (0) % to 29% of persons exiting to transition or permanent housing = 0 points
- 30 % to 39% of persons exiting to transition or permanent housing = 2 points
- 40% to 49% of persons exiting to transition or permanent housing = 5 points
- 50% or more persons exiting to transition or permanent housing = 10 points

| Total maximum points in Performance | 15 |

<table>
<thead>
<tr>
<th>Category – Experience &amp; Capacity</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Agency Experience as an Emergency Shelter</td>
<td></td>
</tr>
<tr>
<td>Agency has been operating a shelter for more than five (5) years or related experience = 5 points</td>
<td>5</td>
</tr>
<tr>
<td>Agency has been operating a shelter for less than five (5) years but more than two (2) years or any related experience = 2 points</td>
<td></td>
</tr>
<tr>
<td>5. Executive Director or related experience – (one) 1 point per year of experience, up to 6 pts.</td>
<td>6</td>
</tr>
<tr>
<td>6. Program Manager or related experience – (one) 1 point per year of experience, up to 8 pts.</td>
<td>8</td>
</tr>
<tr>
<td>7. Fiscal Manager or related experience – (one) 1 point per year of experience, up to 6 pts.</td>
<td>6</td>
</tr>
<tr>
<td>8. Audit Findings – awarded based on the results of Offeror’s Independent Audit for their most recent completed fiscal year; however audit must not be for a fiscal year ending earlier than 2014. Audit materials must include management’s responses to any findings.</td>
<td>10</td>
</tr>
<tr>
<td>No findings &amp; unqualified opinion = 10 points</td>
<td></td>
</tr>
<tr>
<td>1 finding &amp; unqualified opinion = 5 points</td>
<td></td>
</tr>
</tbody>
</table>

| Total Maximum Points | 100 |
Section 4  Program Standards

4.1  Beneficiary Eligibility
Individuals may be provided shelter only if they meet the HUD definition of homelessness 24 CFR §576.2 in one these four categories:

1. Literally homeless individuals/families.
2. Individuals/families who will imminently (within 14 days) lose their primary nighttime residence with no subsequent residence, resources or support networks.
3. Unaccompanied youth under 25 years or families with children/youth who meet the homeless definition under another federal statute and three (3) additional criteria.
4. Individuals/families fleeing or attempting to flee some sort of abuse, i.e. domestic, dating, sexual, etc., with no subsequent residence, resources or support networks.

The full definition of homelessness can be reviewed at the HUD Homelessness Resource Exchange, [https://www.onecpd.info/resources/documents/HEARTH_HomelessDefinition_FinalRule.pdf](https://www.onecpd.info/resources/documents/HEARTH_HomelessDefinition_FinalRule.pdf)

4.2 Subcontractors
A subcontractor may be proposed by the Offeror if the Offeror is acting in the sole capacity of fiscal agent. Any use of subcontractors to deliver specific services must be clearly explained in the proposal and the method of selection must be noted. The Offeror will be wholly responsible for the entire performance, whether or not subcontractors are used. MFA must provide prior approval in writing of any subcontractors and reserves the right to disapprove any subcontractor or any Offeror proposing a subcontractor.

4.3 Amount of Funding
Funding to eligible agencies will be comprised of:

1. A minimum award estimated to be $1000 which is subject to change at MFA’s discretion.
2. A percentage of funds available after the minimum awards are subtracted from total available funds. The percentage for each respondent will be based on the respondents total score divided by a sum of all of the respondent’s scores.
   a. Example:
      i. $838,731 funds available.
      ii. After evaluation we have 25 eligible respondents whose scores total 1910.
      iii. Agency XYZ has a score of 70. 70 / 1910 = 3.66%.
      iv. Total funds available of $838,731 minus $25,000 (minimum awards: 25 eligible respondents x $1,000) equal $813,731.
      v. $813,731 x 3.66% = $29,783
      vi. $29,783+ $1,000 (minimum award) = $30,783.
3. Agencies that do not have a sufficient score to obtain a minimum contract of $10,000 will not be eligible to obtain funding and enter into a performance agreement with MFA.

4. MFA will not award more than fifteen (15) percent of available funds to any one Offeror.

5. Total contract amounts from funds available under this proposal package may not make up more than fifty (50) percent of any Offeror's total budget.

6. Funding is contingent on funds provided by HUD and the State of New Mexico, and the number of successful Offerors.

7. Funding is not guaranteed to be consistent from year to year.

### 4.4 Matching Requirements

Each Offeror is required to provide matching funds in an amount at least equal to their approved EHAP funding amounts for eligible program activities. Eligible match sources are:

- **Cash.** Cash expended for allowable costs, as defined in 2 CFR Subpart E
- **Noncash contributions.**
  - The value or fair rental value of any donated material or building.
  - The value of any lease on a building.
  - Any salary paid to staff to carry out the program of the recipient.
  - The value of the time and services contributed by volunteers to carry out the program of the recipient at a current rate of $5 per hour.

Note: Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the community.

### 4.5 Building Standards

Any building used to provide emergency shelter must meet state or local government safety and sanitation standards, and minimum federal safety, sanitation and privacy standards.

### 4.6 Records and Recordkeeping

Awardees must keep the records for seven (7) years after contract expiration. Records will include financial documentation and documentation on beneficiary eligibility, demographics, services provided, and exit status.

Participation in New Mexico Homeless Management Information System HMIS is required, unless the awardee is a domestic violence service provider. Domestic violence service providers are required to use Osnium, a comparable database to produce standard reports.
Section 5    Additional RFP Standards

5.1    Protest

Any Offeror who is aggrieved in connection with this RFP or the notification of preliminary selection to this RFP may protest to MFA. A protest must be based on an allegation of a failure to adhere to the evaluation process as designated in the RFP, including MFA’s Evaluation of Proposals. The protest must be written and addressed to:

Shannon Tilseth, Administrative Assistant
New Mexico Mortgage Finance Authority
344 4th Street, SW
Albuquerque, NM 87102

The protest must be delivered to MFA within fifteen 15 calendar days after the preliminary notice of selection on April 6, 2015, no later than April 21, 2015. Upon the timely filing of a protest, the administrative assistant shall give notice of the protest to all Offerors who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offerors receiving notice may file responses to the protest within seven (7) calendar days of notice of protest, no later than April 28, 2015. The protest process shall consist of review of all documentation and any testimony provided in support of the protest by the Contracted Services Committee of MFA’s Board of Directors, which shall, thereafter, make a recommendation to the full Board of Directors regarding the disposition of the protest.

The MFA Board of Directors shall make a final determination regarding the disposition of the protest. Offerors or their representatives shall not communicate with the MFA Board of Directors or staff members regarding any proposal under consideration, except when specifically permitted to present testimony to the committee of the Board of Directors. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process or does not follow the prescribed proposal and protest process.

5.2    RFP Revisions and Supplements

Should revisions or additional information be necessary to clarify any provision of this RFP, the revision or additional information will be provided to all Offerors via the MFA website.

5.3    Incurred Expenses

MFA shall not be responsible for any expenses incurred by an Offeror in responding to this RFP. All costs incurred by Offerors in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Offeror.
5.4 Cancellation of Requests for Proposals or Rejection of Proposals

MFA may cancel this RFP at any time for any reason and may reject any or all proposals which are not responsive. In addition, Offeror may also cancel their proposal at any time during the RFP proposal process.

5.6 Award Notice

MFA shall provide written notice of the award to all Offerors within ten (10) calendar days of the date of the award. The award shall be contingent upon successful negotiations of a final contract between MFA and the Offeror whose proposal is accepted by MFA.

5.7 Proposal Confidentiality

Except in response to inquiries as part of the evaluation process until the award is made and notice given to all Offerors, no employee, agent, or representative of an Offeror shall make available or discuss its proposal with any officer, member, employee, agent, or representative of MFA.

Until the award is made and notice given to all Offerors, MFA will not disclose or discuss the contents of any proposal with an Offeror or potential Offeror.

5.8 Responsibility of Offerors

If an Offeror who otherwise would have been awarded a contract is found not to be a responsible Offeror, a determination setting forth the basis of the finding shall be prepared and the Offeror shall be disqualified from receiving the award. A Responsible Offeror means an Offeror who submits a proposal that conforms in all material respects to the requirements of this RFP and who has furnished, when required, information and data to prove that the Offeror’s financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services described in this RFP. The unreasonable failure of an Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

5.9 Code of Conduct

No Board member or employee of MFA shall have any direct financial interest in any contract with the Offeror, nor shall any contract exist between the Offeror or its affiliate and any MFA Board member or employee that might give rise to a claim of conflict of interest. Any violation of this provision will render void any contract between MFA and the Offeror for which MFA determines that a conflict of interest exists as herein described, unless that contract is approved by the Board of Directors after full disclosure.

Offeror shall provide a statement disclosing any political contribution or gift valued in excess of $2,500 (singularly or in the aggregate) made by Offeror or on Offeror’s behalf to any elected
official of the state of New Mexico currently serving or who has served on the MFA Board of Directors in the last 3 years.

Offeror shall warrant that it has no interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under any contract entered into with MFA pursuant to this RFP. Offeror shall at all times conduct itself in a manner consistent with the MFA Code of Conduct and MFA’s Anti-Harassment Policy. A copy of the MFA Code of Conduct and of MFA’s Anti-Harassment Policy is posted on the MFA website for review at http://www.housingnm.org/rfp. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.

5.10 Other Federal Requirements

Offerors must comply with all applicable federal, state and local codes, statutes, laws and regulations which include but are not limited to:

- Fair Housing Act (42 USC 3601 et seq.).
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12892 and 24 CFR Part 107).
- Age Discrimination Act of 1975, as amended (42 USC 6101 et seq.).
- Americans with Disabilities Act (42 USC 12101 et seq.).
- Fair Labor Standards Act of 1938, as amended (29 USC 201 et seq.).
- Contract Work Hours and Safety Standards Act, as amended (40 USC 3701 et seq.).
- Davis Bacon and Related Acts (40 USC 3141-3148).
- Anti-Kickback Act of 1986 (41 USC Chapter 87).
- Section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u).
- Minority/Women’s Business Enterprises, Executive Orders 11625, 12432 and 12138, as amended.
- Section 504 of the Rehabilitation Act of 1973, as amended (29 USC 794).
- Property Inspections (Housing Quality Standards of 24 CFR Part 982.401).
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by 42 USC 4601, and the regulations at 49 CFR Part 24, Subpart B.
- The Uniform Administrative & Program Requirements (24 CFR Part 92.357 and Executive Order 12372) as applicable.
- Participation in HUD Programs by Faith-Based Organizations (24 CFR Parts 5.109, 92, 570, 574, 576, 582, and 583).
- 2 CFR 200 Subpart E

5.11 Confidential Data

Offerors may request, in writing, nondisclosure of confidential data. Such data shall accompany the proposal and shall be readily separable from the proposal to facilitate public inspection of non-confidential portions of the proposal. After award, all proposals and documents pertaining to the proposals will be open to the public. Confidential data is normally restricted to confidential financial information concerning the Offeror’s organization and data that qualifies as trade secrets under the Uniform Trade Secrets Act, Section 57-3A1 NMSA 1978 et seq.

If a citizen of this state requests disclosure of data for which a request for confidentiality is made, MFA shall examine the request for confidentiality and make a written determination that specifies which portions of the proposal should be disclosed and will provide the Offeror with written notice of that determination. Unless the Offeror protests within 10 calendar days of the notice, the proposal will be so disclosed.

5.12 Audit Requirements

Beginning with FY14 RFPs and contracts MFA will be requiring the following language to be included in grantee performance agreements and RFPs:

1. Sub-recipients must conduct annual independent financial audits by a certified auditor that has been approved by the New Mexico State Auditor’s Office and on the State Auditor’s List.
   a. Grantees that receive less than $25,000 in federal or state funding from MFA, and may experience a financial hardship to procure a certified auditor that is on the State Auditor’s list, are exempt from this requirement. They must however, provide an annual independent financial audit or audited financial statements from a certified auditor of their choice.

2. Sub-recipients must at a minimum procure for auditing firm/services every three years, through a RFP. Evidence of the procurement must be provided to MFA at the time of release of the RFP and when selections are completed.

5.13 Mortgage Finance Authority Roster

**Board Members**
Chair – Dennis R. Burt – Burt & Company CPAs, LLC  
Vice Chair – Angel Reyes – Centinel Bank in Taos  
Member - John Sanchez – Lieutenant Governor, State of New Mexico  
Member – Hector Balderas - Attorney General, State of New Mexico
Member – Tim Eichenberg - Treasurer, State of New Mexico
Member – Steven Smith - President, R.O.G. Enterprises
Member - Randy McMillan – President, NAI First Valley Realty, Inc.

Management
Jay Czar, Executive Director
Joseph Montoya, Deputy Director of Programs
Gina Hickman, Deputy Director of Finance

Staff Roster
AFShin Seysan
Al Radicioni
Alma Brown
Angel Candelaria
Anita Racicot
Barbara Tashkandy
Blanca Vasquez
Carmela Arellano
Carol Salazar
Christina Gerwin
Cynthia Marquez
Dan Foster
Dan Puccetti
Dana Gohr
Debbie Davis
Desarey Maldonado
Doris Clark
Eric Schneider
Eunice Duran
Felicia c’dé Vaca
Francina Martinez

Frankie Salcido
Gina Bell
Izzy Hernandez
Jacqueline Boudreaux
Jeannette Marquez
Judy Amador
Karen Anderson
Kathleen Keeler
Kathy Griego
Laura Thompson
Laurie LindenDill
Leann Kemp
Lisa Romero
Loretta Martinez
Maggie Raznick
Marjorie Martin
Mercy Castillo
Michael Scott
Monica Abeita
Natalie Michelback
Nicole Sanchez-Howell
Pat Rogers
Patrick Ortiz
Patty Balderrama
Rebecca Sanchez
Rob Jones
Roderick Stokes
Rose Baca-Quesada
Sandra Marez
Shannon Tilseth
Shawn Rasmussen
Stacy Huggins
Stacy Vernon
Suzette Chavez
Teresa Chiarello
Teri Baca
Theresa Garcia
Troy Cucchiara
Yvonne Reed
Yvonne Segovia
## Section 6 PROPOSAL

EMERGENCY HOMELESS ASSISTANCE PROGRAM PROPOSAL  
For Program Year 2015-2016

![Agency Name](#)

### A. Submission Checklist

By initialing on this list, you are certifying that you have enclosed the following items as defined in this RFP. Items should be attached in the order listed, with this page as the cover sheet.

<table>
<thead>
<tr>
<th>Initial</th>
<th>Item Required</th>
<th>Section ($)</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Turn in one (1) original and three (3) copies of proposal package with all items below</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>MINIMUM THRESHOLD CRITERIA AND REQUIREMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>(Allowable Deficiency Correction items)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>___ Non-profits only: Proof of 501(c)(3)</td>
<td>§2.1(1)</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Non-profits only: Proof of NM Charitable Organization Registration Statement with the New Mexico Attorney General for tax year 2014,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>___ from <a href="https://secure.nmag.gov/coros">https://secure.nmag.gov/coros</a></td>
<td>§2.1(2)</td>
<td>7-8</td>
</tr>
<tr>
<td></td>
<td>Non-profits only: Letter of Support from the unit of local government dated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>___ within 180 days, from city, town, village or tribe; if unincorporated, county</td>
<td>§2.1(3)</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>2013 - 2014 Agency Independent Audit or audited financial statements, including all correspondence referenced &amp; management response.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>___ <em>(Turn in only 1 copy of the audit)</em></td>
<td>§2.1(4)</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Proof of good standing (dated within 30 days of proposal date from EPLS.gov and sam.gov printout)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>___ Offeror certifications signed by authorized official</td>
<td>§2.1(7)</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Chart of program staff, title, experience, and capacity. Attach resumes of each staff.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>___</td>
<td>§2.1(9);§7</td>
<td>9 &amp;25</td>
</tr>
<tr>
<td>7.</td>
<td>___</td>
<td>§2.1(10)</td>
<td>9</td>
</tr>
<tr>
<td>8.</td>
<td>___ Agency Mission Statement</td>
<td>§2.1(12)</td>
<td>9</td>
</tr>
<tr>
<td>9.</td>
<td>___ Executive Summary</td>
<td>§2.1(13)</td>
<td>9</td>
</tr>
<tr>
<td>10.</td>
<td>___ Site control documentation</td>
<td>§2.1(14)</td>
<td>9</td>
</tr>
<tr>
<td>11.</td>
<td>___ Bylaws or Board resolution pertaining to fiscal oversight committee</td>
<td>§2.1(16)</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Checks and balances - Fiscal policies on internal control and segregation of duties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>___</td>
<td>§2.1(17)</td>
<td>10</td>
</tr>
<tr>
<td>13.</td>
<td>___ Completed proposal form</td>
<td>§6</td>
<td>11-13</td>
</tr>
</tbody>
</table>

### EVALUATION CRITERIA

### ADDITIONAL ITEMS

<table>
<thead>
<tr>
<th>Initial</th>
<th>Item Required</th>
<th>Section ($)</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.</td>
<td>___ Data quality reports generated from the HMIS or Osmium Database</td>
<td>§6(ii)(iii)</td>
<td>23</td>
</tr>
<tr>
<td>15.</td>
<td>___ Non-MFA federal, state, local or Tribal monitoring letters</td>
<td>§2.2(1)</td>
<td>10</td>
</tr>
</tbody>
</table>
B. General Information

Agency Name

Entity Type  □ Non-Profit  □ Local Government  □ Tribal Government

Is this a faith-based organization?  □ Yes  □ No

Federal Tax ID Number  
DUNS Number  

Contact Person  
Title  

Telephone Number  Ext.  Fax Number  

E-Mail Address  

Mailing Address  

City  NM  Zip  

C. Offeror Proposal Information

i. Items requiring disclosure

a) Describe any material current or pending litigation, administrative proceedings, or investigations that could impact the reputation or financial viability of the agency. *If none, write “None”.*

   _____

b) Describe any political contribution or gift valued in excess of $2,500.00 (singularly or in the aggregate) made by Offeror or on Offeror’s behalf to any elected official of the state of New Mexico in the last three years. *If none, write “None”.*

   _____

c) Describe any current or proposed business transaction between Offeror and any MFA member, officer, employee or their employer, or other potential conflict which may give rise to a claim of conflict of interest. *If none, write “None”.*

   _____

d) Describe any proposed use of subcontractors, including services to be subcontracted, method of selection and structure of payments. *If none, write “None”.*

   _____
ii. Community Need

a) How many beds does the agency have? _____

b) Fill in the below numbers of persons and households served last year & proposed for the contract year. A household includes one or more persons; one single person should be counted as one household.

<table>
<thead>
<tr>
<th>Individuals Served (1/1/2014 to 12/31/2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons</td>
</tr>
<tr>
<td>Number:</td>
</tr>
</tbody>
</table>

c) How many bednights were provided from January 1, 2014 to December 31, 2014? To calculate bednights, add up the length of stay for each person sheltered during the year; or, add up the total number of occupants each night for the year. _____

d) As backup documentation for the above-referenced items under community need, attach data quality reports generated from the HMIS or Osnium for calendar year 2014. The report should include number of households, bednights served and exit information for clients served.

iii. Performance Housing Placement

a) Describe how your agency achieves performance measure for housing placements into transition or permanent housing. Describe how your agency demonstrates that its services are coordinated with other community service providers and can accommodate the needs of the target population. _____

b) Fill in the below numbers of persons served last year who exited to permanent or transitional housing.

<table>
<thead>
<tr>
<th>Exit to Housing (1/1/2014 to 12/31/2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
</tr>
<tr>
<td>Number:</td>
</tr>
</tbody>
</table>

To calculate percent, add up the number of persons exited from permanent and transitional housing and divide the number by the total exited.

c) As backup documentation for the above-referenced items under Performance Housing Placement, attach data quality reports generated from the HMIS or Osnium for
calendar year 2014. The report should include exit destination for each client that exited the shelter.

iv. Agency and Management Experience


v. Agency capacity and financial information

a) Total agency annual budget: _____

b) End date of last fiscal year audited: _____

c) If auditor’s opinion was qualified, how is your agency addressing this? If opinion was unqualified, write “Unqualified opinion.” Do not write “see audit.” _____

d) Provide a summary of audit findings, material weaknesses and/or significant deficiencies, if any, and your actions in response to the findings. If none, write “None.” Do not write “see audit.” _____

e) What other federal, state, local and/or Tribal funds does the agency receive? For each source listed, attach a copy of the most recent monitoring letter. _____
Section 7  Certifications

______________________________ ("Offeror") is submitting a proposal to the Mortgage Finance Authority ("MFA") to be a sub-grantee under the Emergency Homeless Assistance Program.

Offeror certifies that:

It will abide by all applicable federal and state of New Mexico laws and all applicable statutory, regulatory, and judicially created rules and guidelines.

It understands that MFA will monitor its performance and compliance.

It is in good standing with all its funding sources.

It complies with Equal Employment Law and complies fully with all government regulations regarding nondiscriminatory employment practices.

It understands and represents that any contract it enters into with MFA will be binding in all respects.

It has a current registration with the New Mexico Attorney General’s Registry of Charitable Organizations, if applicable.

This proposal shall be valid until contract award or ninety (90) calendar days from the proposal due date, whichever is longer.

I HEREBY CERTIFY THAT ALL INFORMATION PROVIDED IN THE PROPOSAL IS TRUE AND CORRECT, AND THAT I HAVE THE AUTHORITY TO BIND THE OFFEROR TO THE ASSURANCES, AS WITNESSED BY MY SIGNATURE BELOW.

______________________________
Signature of Authorized Official on behalf of Offeror  

______________________________
Date

______________________________
Printed Name  
Title
Tab 7
PROPOSED MFA TREASURER
JULY 21, 2015

Nomination Committee recommends Steven J. Smith for vacant MFA Board Treasurer Position

Nominating Committee

Chair, Dennis Burt
Lt. Governor John Sanchez
Angel Reyes
MFA Board Committees
January 21, 2015

Finance Committee –
(Audit, Budget, Investments/Personnel, Program Policy & Development, Bond Structures, Investment Banking Underwriting)

Steven Smith (Chair)
Dennis Burt
Lieutenant Governor John Sanchez

Contracted Services/Credit Committee -
(HOME, Risk Share, Housing Opportunity Fund (HOF), Loans, Contracts)

Angel Reyes (Chair)
Attorney General, Hector Balderas
Randy McMillan
Tab 9
NEW MEXICO MORTGAGE FINANCE AUTHORITY (MFA)

NOTICE RESOLUTION

WHEREAS, the New Mexico Mortgage Finance Authority (“MFA”) met in a regular meeting at the Inn and Spa at Loretto, 211 Old Santa Fe Trail, Santa Fe, NM, on January 21, 2015 at 9:30 a.m.; and

WHEREAS, the MFA’s Open Meetings policy is intended to follow the Open Meetings Act (Sections 10-15-1 to 10-15-4 NMSA 1978) which requires at Section 10-15-1(B) that, all meetings of a quorum of members of any board, commission, administrative adjudicatory body or other policymaking body of any state agency or any agency or authority of any county, municipality, district or political subdivision, held for the purpose of formulating public policy, including the development of personnel policy, rules, regulations or ordinances, discussing public business or taking any action within the authority of or the delegated authority of any board, commission or other policymaking body are declared to be public meetings open to the public at all times; and further requires at Section 10-15-1(D) such policymaking body to determine annually what constitutes reasonable notice of its public meetings;

NOW, THEREFORE, BE IT RESOLVED:

1. Regular meetings shall be held at the discretion of the Board of Directors. Notice of regular meetings will be given ten (10) days in advance of the meeting date. The agenda will be available from the MFA at least seventy-two (72) hours prior to the regular meeting.

2. Special meetings may be called by the Chair or three (3) of the members upon three (3) days notice. The notice shall include an agenda for the meeting or information on how members of the public may obtain a copy of the agenda. The agenda shall be available to the public at least seventy-two (72) hours before any special meeting.

3. Emergency meetings will be called only under circumstances permitted by, and in accordance with the provisions of, Section 10-15-1 (F) of the Open Meetings Act. The MFA will avoid emergency meetings whenever possible. Emergency meetings may be called by the Chair or a majority of the members upon twenty-four (24) hours’ notice, unless threat of injury or damage to persons or property or substantial financial loss to MFA requires less notice. The notice for all emergency meetings shall include an agenda for the meeting or information on how the public may obtain a copy of the agenda.

4. For the purposes of regular meetings described in paragraph 1 of this resolution, notice requirements are met if notice of the date, time, place and an agenda or information on how an agenda may be obtained is placed in two (2) newspapers of general circulation in the state and the agenda is posted on MFA’s website. The MFA shall also e-mail copies of the written notice to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation which have made a written request for notice of MFA meetings.

5. For the purposes of special and emergency meetings described in paragraphs 2 and 3 of this resolution, notice requirements shall be met by posting notice of the date, time, place, and agenda at the MFA and on MFA’s website and by providing facsimile notice to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation.
circulation that have made a written request for notice of MFA meetings.

In addition to the information specified above, all notices shall include the following language:

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the MFA at 843-6880 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the MFA at 843-6880 if a summary or other type of accessible format is needed.

7. The MFA may close a meeting to the public only if the subject matter of such discussion or action is exempted from the open meeting requirement under Section 10-15-1(H) of the Open Meetings Act.

a) If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the MFA Board of Directors taken during the open meeting. The authority for the closure and the subjects to be discussed shall be stated with reasonable specificity in the motion for closure and the vote on closure of each individual member shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in a closed meeting.

b) If the decision to hold a closed meeting is made when the MFA is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed with reasonable specificity is given to the members and to the general public.

c) Following completion of any closed meeting, the minutes shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

d) Except as provided in Section 10-15-1(H) of the Open Meetings Act, any action taken as a result of discussions in a closed meeting shall be made by vote of the MFA Board of Directors in an open public meeting.

8. Members are strongly encouraged to attend all meetings in person. However, when it is otherwise difficult or impossible for the member to attend the meeting in person a member may participate in a meeting by means of a conference telephone or other similar communications equipment, provided that each member participating by conference telephone can be identified when speaking, all participants are able to hear each other at the same time and members of the public attending the meeting are able to hear any member who speaks during the meeting.

After discussion, the foregoing Resolution was adopted.

Date Adopted: January 21, 2015
Tab 10
<table>
<thead>
<tr>
<th>Department and Program</th>
<th>Project</th>
<th>Action Taken</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Development - Housing Trust Fund loan</td>
<td>Desert Sage, a loan for Homewise, Inc. to develop single family for-sale houses in Santa Fe.</td>
<td>Approve a four year extension of the existing loan ($648K balance) to be repaid in 4 annual payments of $125K and the final $148K due at maturity on 12/1/18</td>
<td>Approved by Deputy Director of Program Joseph Montoya on 12/2/14</td>
</tr>
<tr>
<td>Servicing Dept.</td>
<td>9/30/2014 Quality Control Review</td>
<td>Approval of report issued by REDW. No findings.</td>
<td>Approved by Policy Committee 12/8/2014</td>
</tr>
<tr>
<td>Servicing Dept.</td>
<td>10/31/2014 Quality Control Review</td>
<td>Approval of report issued by REDW. No findings.</td>
<td>Approved by Policy Committee 12/8/2014</td>
</tr>
<tr>
<td>Housing Development – NM Affordable Housing Tax Credit</td>
<td>NM State Affordable Housing Tax Credit Greater Albuquerque Habitat for Humanity – Townsend Avenue Project</td>
<td>Approve a $346,500 state tax credit to Greater Albuquerque Habitat for Humanity for their solicitation of donations for the construction of seven single-family homes to families earning 50% AMI</td>
<td>Approved by Policy Committee on 12/30/14</td>
</tr>
</tbody>
</table>
# TBA Activity and Result Summary As of January 2, 2015

(Includes HERO and MortgageSaver Programs)

## Cumulative Pipeline As of January 2, 2015

(Represents pipeline since December 2012)

<table>
<thead>
<tr>
<th></th>
<th>Ginnie Pipeline</th>
<th>Fannie Pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Loans</td>
<td>154</td>
<td>21</td>
</tr>
<tr>
<td>Total Loans Cancelled</td>
<td>333</td>
<td>28</td>
</tr>
<tr>
<td>Total Loans Pooled</td>
<td>1,133</td>
<td>112</td>
</tr>
<tr>
<td>Total Loans Pending</td>
<td>$18,905,749</td>
<td>$2,672,506</td>
</tr>
<tr>
<td>Total Loans Cancelled</td>
<td>40,065,005</td>
<td>3,661,815</td>
</tr>
<tr>
<td>Total Loans Settled</td>
<td>141,557,310</td>
<td>14,250,862</td>
</tr>
<tr>
<td>Total TBA Pipeline</td>
<td>$200,529,060</td>
<td>$20,585,183</td>
</tr>
</tbody>
</table>

## Settlement History

<table>
<thead>
<tr>
<th>Settlement Date</th>
<th>Number of Loans</th>
<th>Issue Balance</th>
<th>Fees as a % of TBA Settlement Fees ($)</th>
<th>Transaction Settlement Number Issue Fees ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/12/2013</td>
<td>7</td>
<td>$1,074,625</td>
<td>2.7254%</td>
<td>$29,287.68</td>
</tr>
<tr>
<td>3/14/2013</td>
<td>10</td>
<td>$1,526,701</td>
<td>2.6887%</td>
<td>$41,048.66</td>
</tr>
<tr>
<td>5/14/2013</td>
<td>17</td>
<td>$2,641,564</td>
<td>1.1474%</td>
<td>$30,310.52</td>
</tr>
<tr>
<td>6/17/2013</td>
<td>7</td>
<td>$987,458</td>
<td>2.3886%</td>
<td>$23,586.53</td>
</tr>
<tr>
<td>8/15/2013</td>
<td>11</td>
<td>$1,913,198</td>
<td>1.443%</td>
<td>$21,893.22</td>
</tr>
<tr>
<td>9/19/2013</td>
<td>102</td>
<td>$12,959,055</td>
<td>0.7798%</td>
<td>$101,048.95</td>
</tr>
<tr>
<td>10/17/2013</td>
<td>86</td>
<td>$10,702,565</td>
<td>2.4029%</td>
<td>$257,166.84</td>
</tr>
<tr>
<td>11/19/2013</td>
<td>70</td>
<td>$8,202,932</td>
<td>3.1306%</td>
<td>$256,799.63</td>
</tr>
<tr>
<td>12/17/2013</td>
<td>28</td>
<td>$3,395,807</td>
<td>3.6241%</td>
<td>$123,068.04</td>
</tr>
<tr>
<td>1/16/2014</td>
<td>17</td>
<td>$2,082,698</td>
<td>2.0789%</td>
<td>$56,418.49</td>
</tr>
<tr>
<td>2/18/2014</td>
<td>64</td>
<td>$8,012,104</td>
<td>1.9710%</td>
<td>$157,915.78</td>
</tr>
<tr>
<td>3/18/2014</td>
<td>36</td>
<td>$4,291,783</td>
<td>3.3569%</td>
<td>$144,072.61</td>
</tr>
<tr>
<td>4/17/2014</td>
<td>64</td>
<td>$7,919,096</td>
<td>4.1106%</td>
<td>$325,524.13</td>
</tr>
<tr>
<td>5/19/2014</td>
<td>50</td>
<td>$6,331,616</td>
<td>4.3058%</td>
<td>$272,628.47</td>
</tr>
<tr>
<td>6/18/2014</td>
<td>70</td>
<td>$8,156,908</td>
<td>3.0286%</td>
<td>$247,043.41</td>
</tr>
<tr>
<td>7/17/2014</td>
<td>81</td>
<td>$9,970,565</td>
<td>2.9615%</td>
<td>$295,274.54</td>
</tr>
<tr>
<td>8/20/2014</td>
<td>102</td>
<td>$12,140,553</td>
<td>2.9783%</td>
<td>$361,588.16</td>
</tr>
<tr>
<td>9/16/2014</td>
<td>66</td>
<td>$7,961,553</td>
<td>3.5116%</td>
<td>$279,584.56</td>
</tr>
<tr>
<td>10/21/2014</td>
<td>95</td>
<td>$11,799,312</td>
<td>2.2278%</td>
<td>$380,854.02</td>
</tr>
<tr>
<td>11/19/2014</td>
<td>86</td>
<td>$11,007,045</td>
<td>2.7706%</td>
<td>$304,966.15</td>
</tr>
<tr>
<td>12/16/2014*</td>
<td>52</td>
<td>$6,666,930</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1081</td>
<td>$135,090,380</td>
<td>2.7797%</td>
<td>$3,312,949.26</td>
</tr>
</tbody>
</table>

Less: Hedge Advisor Fee (93,390.61)$

Less: Service Release Fees (348,710.20)$

Total 1081 $135,090,380 2.7524% 3,312,949.26

*Not included in Subtotal or Total since information is incomplete.

## Potential MBS Settlement Volume by Month

<table>
<thead>
<tr>
<th>Settlement Month</th>
<th>Number of Loans</th>
<th>Issue Balance</th>
<th>Estimated % Gain/(Loss)</th>
<th>Transaction Settlement Number Issue Estimated % Gain/(Loss)</th>
<th>Potential MBS Settlement Volume by Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>68</td>
<td>$7,828,244</td>
<td>1.72997</td>
<td>$355,024</td>
<td>1.2% of the bond principal amount</td>
</tr>
<tr>
<td>February</td>
<td>69</td>
<td>$8,893,333</td>
<td>2.19765</td>
<td>$232,624</td>
<td>1.6% of the bond principal amount</td>
</tr>
<tr>
<td>March</td>
<td>17</td>
<td>$2,184,172</td>
<td>2.71871</td>
<td>$232,624</td>
<td>1.6% of the bond principal amount</td>
</tr>
</tbody>
</table>

NOTE: The $30 million, 2013 Series C bond issue's estimated net economic benefit on a present value basis is estimated to be $355,024 which is 1.2% of the bond principal amount.
The $15 million, 2014 Series A bond issue's estimated net economic benefit on a present value basis is estimated to be $232,624 which is 1.6% of the bond principal amount.

## Single Family Pipeline Sales (Does not include HERO)**

<table>
<thead>
<tr>
<th>Sale Date</th>
<th>Original Total Dollar Amount per Month**</th>
<th>Original Total Dollar Amount per Month**</th>
<th>Original Total Dollar Amount per Month**</th>
<th>Original Total Dollar Amount per Month**</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/2013</td>
<td>$31,994,530</td>
<td>$6,902,516</td>
<td>$13,655,444</td>
<td>$12,415,490</td>
</tr>
<tr>
<td>12/2013</td>
<td>$9,631,138</td>
<td>$12,523,170</td>
<td>$12,757,188</td>
<td>$3,188,076</td>
</tr>
<tr>
<td>1/2014</td>
<td>$10,830,669</td>
<td>$11,313,772</td>
<td>$11,941,549</td>
<td>$2,596,898</td>
</tr>
</tbody>
</table>

**Initial amount that was pledged to TBA. Does not reflect any cancellations after the initial sale date.
Tab 11
New Mexico Mortgage Finance Authority

Combined Financial Statements
and Schedules

November 30, 2014
NEW MEXICO MORTGAGE FINANCE AUTHORITY
FINANCIAL REVIEW
For the two-month period ended November 30, 2014

• New issues:
  Single Family issue: None
  Multi-family issue: None

• Payoffs:
  This month: Payoff activity decreased to $6.9 mm in November in comparison to October at $7.0 mm and September at $7.3 mm. One year ago, in November 2013, payoffs were $7.7 mm. The last 6 months’ average monthly payoff amount is $7.1 mm.
  Trend: Payoffs for FY14 were $92.2 mm, down 51% from FY13’s payoffs of $189.1 mm. Current year payoffs are $13.9 mm, which is 29% less than last year at this same time. FY15 annualized payoffs are 12% of the portfolio. From 2010 through 2014, five-year average payoffs were 14% of five-year average portfolio. Growth in our portfolio of single family loans and MBS has shown a decrease of (2.4%) since the beginning of the fiscal year two months ago. (See graph of payoffs.)

• Total assets and deferred outflows of resources: (p. 1)
  This month: $1.03 billion shows a slight increase of $.6 mm primarily due to $3.1 mm in regular principal and interest payments collected and State Investment Council (“SIC”) investment portfolio growth of $.5 mm offset by $2.9 mm in single family bond redemptions. Growth in assets year to date (two months) is .25%. We are expecting a decrease of (5.8%) in assets for the current year. Estimates assume prepayments will continue to exceed new assets as MFA will continue to utilize the secondary market to fund the Single Family Mortgage Program as needed based on market conditions. In this funding execution, MFA does not issue debt to fund the program but instead the mortgage backed securities are sold to investors. (See graph of total assets.)

• Net position: (p.2)
  This month: $199.4 mm net position reflects November income of $.9 mm attributed to fair market value gains on the State Investment Counsel (“SIC”) investment portfolio of $.4 mm and increased TBA transaction fees of $.2 mm. (See graph of income.)
  Trend: MFA is forecasting a (39%) decrease in income for the current year, or $4.8 mm compared to last year’s $7.9 mm which included unanticipated TBA transaction fees of $2.3 mm and SIC fair market value gains of $2.6 mm. Our estimates anticipate continued improvement in the interest rate environment and economy in general providing stability to both production levels and investment yields. Income year to date (two months) of $1.3 mm is 50% above target, and (31%) below last year’s year-to-date income.

• General Fund/Housing Program cash & securities (book = cost, except SIC funds are marked to market): $71.4 mm at November 30. Unrealized gain (loss) on securities as of November 30 (includes the bond ladder and mortgage backed securities held as General Fund investments): $963,834. SIC gain (loss) year to date as of November (General Fund only): ($93,060). UPDATE: Cash and securities total $73.6 mm at December 26, 2014.

• Budget status: The General Fund and Housing Programs ended the two-month period with expenditures (38%) under budget primarily due to timing.

• Comparative year-to-date figures:

<table>
<thead>
<tr>
<th></th>
<th>2 months 11/30/14 YTD</th>
<th>2 months 11/30/13 YTD</th>
<th>% Change Year / Year</th>
<th>Forecast 11/30/14 YTD</th>
<th>Actual / Forecast</th>
<th>Forecast 9/30/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single family issues (new money only):</td>
<td>$0.0</td>
<td>$0.0</td>
<td>N/A</td>
<td>$0.0</td>
<td>0%</td>
<td>$31.3</td>
</tr>
<tr>
<td>Multifamily issues:</td>
<td>$0.0</td>
<td>$0.0</td>
<td>N/A</td>
<td>$0.0</td>
<td>0%</td>
<td>$11.0</td>
</tr>
<tr>
<td>Payoffs:</td>
<td>$13.9</td>
<td>$19.5</td>
<td>-29%</td>
<td>$14.2</td>
<td>-2%</td>
<td>$85.0</td>
</tr>
<tr>
<td>Interest spread-Single Family Program:</td>
<td>$0.172</td>
<td>$(0.110)</td>
<td>256%</td>
<td>$0.167</td>
<td>3%</td>
<td>$1.000</td>
</tr>
<tr>
<td>Total assets:</td>
<td>$1,025.5</td>
<td>$1,162.8</td>
<td>-12%</td>
<td>$1,013.3</td>
<td>1%</td>
<td>$963.3</td>
</tr>
<tr>
<td>Total bonds outstanding</td>
<td>$809.2</td>
<td>$950.4</td>
<td>-15%</td>
<td>$802.1</td>
<td>1%</td>
<td>$743.2</td>
</tr>
<tr>
<td>Earning assets:</td>
<td>$1,023.8</td>
<td>$1,160.8</td>
<td>-12%</td>
<td>$1,001.7</td>
<td>2%</td>
<td>$952.3</td>
</tr>
<tr>
<td>Avg. earning assets:</td>
<td>$1,053.2</td>
<td>$1,182.0</td>
<td>-11%</td>
<td>$1,067.1</td>
<td>-1%</td>
<td>$981.8</td>
</tr>
<tr>
<td>Excess revenue over expenses:</td>
<td>$1.302</td>
<td>$1.890</td>
<td>-31%</td>
<td>$0.869</td>
<td>50%</td>
<td>$4.779</td>
</tr>
<tr>
<td>Return on avg. assets (ann'ld):</td>
<td>0.6981%</td>
<td>0.90%</td>
<td>-22%</td>
<td>0.48%</td>
<td>45%</td>
<td>0.48%</td>
</tr>
<tr>
<td>Return on avg. earning assets (ann'ld):</td>
<td>0.6789%</td>
<td>0.88%</td>
<td>-23%</td>
<td>0.45%</td>
<td>52%</td>
<td>0.49%</td>
</tr>
<tr>
<td>Net position:</td>
<td>199.4</td>
<td>$192.1</td>
<td>4%</td>
<td>$199.0</td>
<td>0%</td>
<td>$202.9</td>
</tr>
<tr>
<td>General Fund expenses :</td>
<td>$1.150</td>
<td>$1.073</td>
<td>7%</td>
<td>$1.867</td>
<td>-38%</td>
<td>$11.200</td>
</tr>
<tr>
<td>General Fund revenues:</td>
<td>$2.354</td>
<td>$2.873</td>
<td>-18%</td>
<td>$2.106</td>
<td>12%</td>
<td>$12.636</td>
</tr>
</tbody>
</table>
# NEW MEXICO MORTGAGE FINANCE AUTHORITY
## COMBINED STATEMENT OF NET POSITION
### NOVEMBER 30, 2014
(THOUSANDS OF DOLLARS)

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>YTD 11/30/14</th>
<th>YTD 11/30/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH &amp; CASH EQUIVALENTS</td>
<td>$25,127</td>
<td>$21,787</td>
</tr>
<tr>
<td>SHORT-TERM INVESTMENTS</td>
<td>-</td>
<td>3,505</td>
</tr>
<tr>
<td>ACCRUED INTEREST RECEIVABLE</td>
<td>4,101</td>
<td>4,800</td>
</tr>
<tr>
<td>MORTGAGE PAYMENT CLEARING</td>
<td>83</td>
<td>149</td>
</tr>
<tr>
<td>OTHER CURRENT ASSETS</td>
<td>1,373</td>
<td>1,518</td>
</tr>
<tr>
<td>ADMINISTRATIVE FEES RECEIVABLE (PAYABLE)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>INTER-FUND RECEIVABLE (PAYABLE)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>30,684</td>
<td>31,759</td>
</tr>
<tr>
<td>CASH - RESTRICTED</td>
<td>57,460</td>
<td>99,399</td>
</tr>
<tr>
<td>LONG-TERM &amp; RESTRICTED INVESTMENTS</td>
<td>60,628</td>
<td>59,661</td>
</tr>
<tr>
<td>FNMA, GNMA, &amp; FHLMC SECURITIZED MTG. LOANS</td>
<td>694,879</td>
<td>790,369</td>
</tr>
<tr>
<td>MORTGAGE LOANS RECEIVABLE</td>
<td>182,547</td>
<td>182,171</td>
</tr>
<tr>
<td>ALLOWANCE FOR LOAN LOSSES</td>
<td>(2,433)</td>
<td>(2,661)</td>
</tr>
<tr>
<td>FIXED ASSETS, NET OF ACCUM. DEPN</td>
<td>1,112</td>
<td>1,217</td>
</tr>
<tr>
<td>OTHER REAL ESTATE OWNED, NET</td>
<td>554</td>
<td>755</td>
</tr>
<tr>
<td>OTHER NON-CURRENT ASSETS</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>INTANGIBLE ASSETS</td>
<td>72</td>
<td>88</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>1,025,504</td>
<td>1,162,759</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEFERRED OUTFLOWS OF RESOURCES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>REFUNDINGS OF DEBT</td>
<td>1,274</td>
<td>1,317</td>
</tr>
<tr>
<td>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</td>
<td><strong>1,026,778</strong></td>
<td><strong>1,164,075</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET POSITION:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT LIABILITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACCRUED INTEREST PAYABLE</td>
<td>10,188</td>
<td>12,935</td>
</tr>
<tr>
<td>ACCOUNTS PAYABLE AND ACCRUED EXPENSES</td>
<td>4,670</td>
<td>6,830</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>14,857</td>
<td>19,766</td>
</tr>
<tr>
<td>BONDS PAYABLE, NET OF UNAMORTIZED DISCOUNT</td>
<td>809,165</td>
<td>950,375</td>
</tr>
<tr>
<td>MORTGAGE &amp; NOTES PAYABLE</td>
<td>3,000</td>
<td>1,500</td>
</tr>
<tr>
<td>ACCRUED ARBITRAGE REBATE</td>
<td>82</td>
<td>78</td>
</tr>
<tr>
<td>OTHER LIABILITIES</td>
<td>239</td>
<td>231</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>827,344</td>
<td>971,950</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT</td>
<td>(704)</td>
<td>(698)</td>
</tr>
<tr>
<td>UNAPPROPRIATED NET POSITION (NOTE 1)</td>
<td>66,866</td>
<td>65,456</td>
</tr>
<tr>
<td>APPROPRIATED NET POSITION (NOTE 1)</td>
<td>133,273</td>
<td>127,368</td>
</tr>
<tr>
<td>TOTAL NET POSITION</td>
<td><strong>199,435</strong></td>
<td><strong>192,126</strong></td>
</tr>
</tbody>
</table>

| TOTAL LIABILITIES & NET POSITION | **1,026,778** | **1,164,075** |
### NEW MEXICO MORTGAGE FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE TWO MONTHS ENDED NOVEMBER, 2014
(THOUSANDS OF DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>YTD 11/30/14</th>
<th>YTD 11/30/13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Loans</td>
<td>$6,535</td>
<td>$7,248</td>
</tr>
<tr>
<td>Interest on Investments &amp; Securities</td>
<td>506</td>
<td>652</td>
</tr>
<tr>
<td>Loan &amp; Commitment Fees</td>
<td>17</td>
<td>11</td>
</tr>
<tr>
<td>Administrative Fee Income (Exp)</td>
<td>1,160</td>
<td>781</td>
</tr>
<tr>
<td>RTC, Risk Sharing &amp; Guaranty Income</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Housing Program Income</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>Loan Servicing Income</td>
<td>42</td>
<td>47</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td><strong>SUBTOTAL OPERATING REVENUES</strong></td>
<td>8,285</td>
<td>8,778</td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arbitrage Rebate Income (Expense)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain(Loss) Asset Sales/Debt Extinguishement</td>
<td>(175)</td>
<td>1,073</td>
</tr>
<tr>
<td>Other Non-Operating Income</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Grant Award Income</td>
<td>7,309</td>
<td>6,485</td>
</tr>
<tr>
<td><strong>SUBTOTAL NON-OPERATING REVENUES</strong></td>
<td>7,140</td>
<td>7,557</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>15,425</td>
<td>16,335</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>1,070</td>
<td>987</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>5,895</td>
<td>7,057</td>
</tr>
<tr>
<td>Amortization of Bond/Note Premium(Discount)</td>
<td>(240)</td>
<td>(245)</td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td>(2)</td>
<td>64</td>
</tr>
<tr>
<td>Mortgage Loan &amp; Bond Insurance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trustee Fees</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Amort. of Serv. Rights &amp; Depreciation</td>
<td>22</td>
<td>41</td>
</tr>
<tr>
<td>Amortization of Bond Issuance Costs</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td><strong>SUBTOTAL OPERATING EXPENSES</strong></td>
<td>6,760</td>
<td>7,921</td>
</tr>
<tr>
<td><strong>NON-OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity Building Costs</td>
<td>55</td>
<td>40</td>
</tr>
<tr>
<td>Grant Award Expense</td>
<td>7,308</td>
<td>6,484</td>
</tr>
<tr>
<td><strong>SUBTOTAL NON-OPERATING EXPENSES</strong></td>
<td>7,363</td>
<td>6,524</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>14,123</td>
<td>14,445</td>
</tr>
</tbody>
</table>

Excess Revenues Over Expenses 1,302 1,890
Other Financing Sources (Uses) -
Excess (Deficiency) of Revenues Over Expenses and Other Financing Sources(Uses) 1,302 1,890
Net Position at Beginning of Year 198,133 190,235

Net Position at 11/30/2014 199,435 192,126
(Note 1) MFA Net Position as of November 30, 2014:

**UNAPPROPRIATED NET POSITION:**

- **$ 40,792** is held by Bond Program Trustees and is pledged to secure repayment of the Bonds.
- **$ 26,049** is held in Trust for the NM Housing Trust Fund and the NM Land Title Trust Fund.
- **$ 25** held for New Mexico Affordable Housing Charitable Trust.

**Total unappropriated Net Position: $66,866**

**APPROPRIATED NET POSITION: GENERAL FUND**

By actions of the Board of Directors on various dates, General Fund net assets have been appropriated as follows:

- **$ 83,628** for use in the Housing Opportunity Fund ($64,001 in loans plus $19,627 unfunded, of which $8,054 is committed).
- **$ 18,954** for future use in Single Family & Multi-Family housing programs.
- **$ 11,294** for loss exposure on Risk Sharing loans.
- **$(704)** invested in capital assets, net of related debt.
- **$ 10,050** for the future General Fund Operating Budget Y E 9/30/15 ($11,200 total budget less $1,150 expended budget through 11/30/14.)

**Subtotal - General Fund: $123,222**

**APPROPRIATED NET POSITION: HOUSING**

By actions of the Board of Directors on December 7, 1999, Housing assets have been appropriated as follows:

- **$ 9,347** for use in the federal and state housing programs administered by MFA.

**Subtotal - Housing Program: $9,347**

**Total appropriated Net Position: $132,569**

**Total combined Net Position at November 30, 2014: $199,435**

Total combined Net Position, or reserves, at November 30, 2014 was $199.4 million, of which $66.9 million was pledged to the bond programs, Affordable Housing Charitable Trust and fiduciary trusts. $132.6 million of available reserves, with $71.5 million primarily liquid in the General Fund and in the federal and state Housing programs and $61.1 million illiquid in the programs of the General Fund, have been:

- for use in existing and future programs
- for coverage of loss exposure in existing programs, and
- for support of operations necessary to carry out the programs.

MFA’s general plan for bond program reserves as they may become available to MFA over the next 30 years is to use the reserves for future programs, loss exposure coverage, and operations.
<table>
<thead>
<tr>
<th>REVENUES</th>
<th>ONE MONTH ACTUAL</th>
<th>TWO MONTH ACTUAL</th>
<th>PRO RATA BUDGET</th>
<th>UNDER (OVER)</th>
<th>ANNUAL BUDGET</th>
<th>UNEXPENDED</th>
<th>EXPENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEREST INCOME</td>
<td>350,733</td>
<td>856,224</td>
<td>827,298</td>
<td>(28,927)</td>
<td>4,963,787</td>
<td>4,107,563</td>
<td>17.25%</td>
</tr>
<tr>
<td>OTHER REVENUE</td>
<td>1,066,113</td>
<td>1,497,719</td>
<td>1,278,693</td>
<td>(219,026)</td>
<td>7,672,159</td>
<td>6,174,440</td>
<td>19.52%</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>1,416,846</td>
<td>2,353,943</td>
<td>2,105,991</td>
<td>(247,952)</td>
<td>12,635,946</td>
<td>10,282,003</td>
<td>18.63%</td>
</tr>
</tbody>
</table>

| OPERATING EXPENSES                            |                  |                  |                 |              |               |            |         |
| COMPENSATION                                  | 480,438          | 769,164          | 948,355         | 179,191      | 5,690,130     | 4,920,966  | 13.52%   |
| TRAVEL & PUB. INFO.                           | 16,449           | 39,363           | 60,661          | 21,498       | 365,168       | 325,805    | 10.78%   |
| OFFICE EXPENSES                               | 54,722           | 100,178          | 104,450         | 4,272        | 626,701       | 526,523    | 15.98%   |
| OTHER OPER. EXP.                              | 89,196           | 165,872          | 209,154         | 43,282       | 1,254,924     | 1,089,052  | 13.22%   |
| TOTAL OPERATING EXPENSES                      | 640,805          | 1,074,577        | 1,322,821       | 248,243      | 7,936,923     | 6,862,346  | 13.54%   |

| NON-OPERATING EXPENSES                         |                  |                  |                 |              |               |            |         |
| TOTAL NON-OPERATING EXPENSES                   | 40,029           | 55,065           | 273,507         | 218,442      | 1,641,041     | 1,585,976  | 3.36%    |

| TOTAL OPERATING & NON-OPERATING EXPENSES       | 680,834          | 1,129,642        | 1,596,327       | 466,685      | 9,577,964     | 8,448,322  | 11.79%   |

| SERVICING & CAPITAL OUTLAY                     |                  | 1                | 2,450           | 2,449        | 14,700        | 14,699     | 0.01%    |

| TOTAL OPERATING, NON-OPERATING EXPENSES & SERV. & CAPITAL OUTLAY | 680,834          | 1,129,642        | 1,598,777       | 469,134      | 9,592,664     | 8,463,021  | 11.78%   |

| NON-CASH ITEMS                                 | 4,196            | 20,249           | 160,483         | 140,233      | 962,896       | 942,647    | 2.10%    |

| TOTAL OPER., NON-OPER. EXP., SERV. & CAPITAL OUTLAY & NON-CASH ITEMS | 685,030          | 1,149,892        | 1,759,260       | 609,368      | 10,555,560    | 9,405,668  | 10.89%   |

| OFSU                                          |                  |                  | 107,333         | 107,333      | 644,000       | 644,000    | 0.00%    |

| TOTAL EXPENSES & OFSU                         | 685,030          | 1,149,892        | 1,866,593       | 716,701      | 11,199,560    | 10,049,668 | 10.27%   |

| EXCESS REVENUE OVER EXPENSES                  | 731,816          | 1,204,051        | 239,398         | 964,653      | 1,436,386     | (232,335)  | 116.17%  |

| PLUS CAPITALIZED ASSETS                       |                  |                  |                 |              |               |            | 38%      |

| EXCESS REVENUE OVER EXPENSES PLUS CAPITALIZED ASSETS | 1,204,051        |                  |                  |              |               |            |         |

MEDIA COVERAGE

<table>
<thead>
<tr>
<th>Date</th>
<th>Publication</th>
<th>Article/Story Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-7</td>
<td>Santa Fe New Mexican</td>
<td>A “Win-Win” Tax Break for Santa Fe Habitat Donors</td>
</tr>
<tr>
<td>12-16</td>
<td>Hobbs News-Sun</td>
<td>Eunice targets housing shortage</td>
</tr>
<tr>
<td>12-17</td>
<td>Portales News-Tribune</td>
<td>Council approves updated Portales Inn proposal</td>
</tr>
<tr>
<td>12-19</td>
<td>Albuquerque Journal</td>
<td>Another NM oil town approves housing project</td>
</tr>
<tr>
<td></td>
<td>Artesia Daily Press</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hobbs News-Sun</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Farmington Times</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Las Cruces Sun News</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deming Headlight</td>
<td></td>
</tr>
<tr>
<td>12-23</td>
<td>Moody’s Investors Service</td>
<td>Moody’s upgrades New Mexico Mortgage Finance Authority’s issuer rating to Aa3; outlook stable</td>
</tr>
<tr>
<td>1-2</td>
<td>Hobbs News-Sun</td>
<td>New Mexico home sales on the rise</td>
</tr>
<tr>
<td>1-5</td>
<td>Daily Lobo</td>
<td>House bills may impact minimum wage, LGBT health</td>
</tr>
</tbody>
</table>

PRESS RELEASES, NOTICES and LENDER MEMOS

<table>
<thead>
<tr>
<th>Date</th>
<th>Publication</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>December</td>
<td>MFA</td>
<td>Community Development Newsletter</td>
</tr>
<tr>
<td>January</td>
<td>Green Fire Times</td>
<td>National Award-Winning Treasure Hidden in Northern NM Announces Launch of Tax Credit Donation Program</td>
</tr>
<tr>
<td>12-16</td>
<td>MFA</td>
<td>Holiday card</td>
</tr>
<tr>
<td>12-19</td>
<td>Tribal Update</td>
<td></td>
</tr>
<tr>
<td>12-30</td>
<td>Lender Memo 14-48</td>
<td>Web Training Compliance and Closed Loan Requirements and Procedures</td>
</tr>
</tbody>
</table>
1-8 MFA Invitation  Santa Fe board meeting
1-9 Tribal Update

EVENTS AND TRAINING

12-9 Compliance Requirements and Procedures
12-10 Closed Loan Requirements and Procedures
1-6, 7 Closed Loan Requirements and Procedures
1-13 Groundbreaking, Imperial Building, Albuquerque
A “Win-Win” Tax Break for Santa Fe Habitat Donors

By Dan Rusthoi, Retired LANL Scientist and Santa Fe Habitat Board Member/Donor

You get 50% of your donation back as a rebate on your New Mexico taxes when you donate to Santa Fe Habitat for Humanity. That’s right – you get a full 50% of your donation returned to you, while Santa Fe Habitat retains the full amount of your donation, and you take credit for the full amount of your donation on both your Federal and State Income Taxes. The New Mexico Mortgage Finance Authority offers the New Mexico State Affordable Housing Tax Credit program and approves these tax rebates to encourage more affordable housing opportunities for low-income New Mexico residents. Over the past ten years, I have donated to Santa Fe Habitat because of the good work they do, providing affordable housing to qualified families and the tax rebate is definitely a nice bonus for anyone who donates.

Santa Fe Habitat works with volunteers and partner families to build a number of affordable homes each year in Santa Fe. Last year, over 92% of Santa Fe Habitat’s total budget went directly into building homes, while hundreds of volunteers from church and collegiate groups, Ameri-corps, Santa Fe and Las Vegas Youth Works, Santa Fe Community College, and many other local companies and organizations, contributed more than 28,000 hours working at the home building sites, the Habitat Restore, and in Habitat’s offices. In addition to the on-going new construction of affordable homes, Santa Fe Habitat now has a Home Improvement program helping Santa Fe homeowners to rehabilitate and preserve their existing homes.

Through projects like these, low-income homeowners, elderly, disabled, veterans, and those living on fixed incomes can sustain their homes and thus strengthen and repair our community. Santa Fe Habitat for Humanity requires a minimum donation of $500 to qualify for the tax rebate/credit program. The credits can be used with personal or corporate income taxes, and are good for 5 years. To get more information about the program, call Marilyn Perryman, Development Director at 505-986-5880 or visit the website at www.santafehabitat.org.
Eunice targets housing shortage

SEAN CZARNECKI
NEWS-SUN

Although Lea County economies have surged the past year with a fired-up oil industry, housing development has not been able to keep pace, leaving many people unable to find affordable housing.

The Eunice City Council hopes to correct that trend. In their bimonthly meeting Dec. 9, city council members voted to approve two awards (worth a total of almost $1 million) from the New Mexico Mortgage Finance Authority to construct a 16-unit housing complex.

According to City Manager Marty Moore, in an area with scarce housing and high rent, these two awards will help alleviate that infrastructural stress.

“The New Mexico Eastern Regional Housing Authority came to us to talk about the need for affordable housing for low-to-moderate income and a few workforce housing structures,” Moore said. “So the apartments are going to be more affordably priced.”

Housing Authority Executive Director Chris Herbert said applicants must fall within a certain income bracket in order to qualify: $36,420-$72,840. This range corresponds to 60-120 percent of median income in Lea County. Monthly rent rates differentiate accordingly — $550-$800 — but Herbert said the housing authority, as a non-profit organization, wants to keep rents as low as possible.

New residents stand to benefit the most, Herbert said, but the housing plan could benefit the community as a whole in a number of ways and help to spur growth, as there are empty public service positions that need to be filled.

In order to attract teachers, doctors and public servants such as police, housing needs to be available, Herbert said.

“It becomes more and more difficult for community government to provide essential services,” Herbert said. “It really does impede growth if you can’t get the proper educators or proper health care people into your community.”

According to its official website, the New Mexico MFA has managed caches of state funds since 1975 that help finance housing for the homeless, develop new affordable housing and help families become first-time home-
Housing
from PAGE 1

owners as a quasi-public entity.

MFA Communications Manager Leann Kemp said the organization has wanted to work in the southeastern region of the state for some time, but the opportunity never presented itself until recently.

“These deals are extremely complicated and it takes the right kinds of money and the right kinds of people,” Kemp said.

Kemp explained that the MFA can only give grants and loans to government entities that build housing structures, and an organization like the Housing Authority had to step forward in order for money to be funneled into the area.

“So poof — we have a deal that finally came together,” Kemp said.

“We hope it’s the first step to bringing more units like this into Lea County, particularly for essential services personnel,” Herbert said.

To break down the numbers of the two awards, the MFA will give the City of Eunice a grant worth $348,000 from the Governor’s Innovation on Housing and a loan worth $650,000 with three percent interest from the Housing Trust Fund.

Before construction plans can be made, the Housing Authority must go through a bidding process, in which different construction companies have to offer business quotes to the organization.

If the organization is able to construct the complex as planned, the MFA will award another $348,000 from the Governor’s Innovation on Housing to the City of Jal to build a similar housing complex.
Council approves updated Portales Inn proposal

BY RICK WHITE
Managing editor
rwhite@cnjonline.com

With the backing of the Portales City Council, a Santa Fe developer will again try to secure funding to turn the defunct Portales Inn into workforce housing.

The council voted to transfer the property to Steve Crozier of Tierra Realty, who plans to renovate the Portales Inn into 68 housing units, according to Roosevelt County Economic Corp. Director Stanley Livengood. City documents also indicated Tierra plans to build new apartment complexes on adjacent property.

The deal is conditional on Crozier obtaining housing tax credits in the amount of $12.7 million from the state Mortgage Finance Authority.

The council approved a similar proposal last year, but the project missed the funding threshold by two points last year, City Manager Doug Redmond said, when 13 out of 32 applicants were funded. As part of the deal, the city will pay Tierra Reality $350,000 through the Local Economic Development Act when a certificate of occupancy is issued. Redmond said donations to projects are worth points in the funding formula.

Redmond said the Portales Inn property is assessed at $675,000. He said it would cost $1 million to $1.2 million to tear the building down. The building has been unoccupied for more than 20 years, Redmond said.

“If we don’t invest now, we’ll invest even more heavily later,” Councilor Keith Thomas said before the proposal was unanimously approved.

Mayor Sharon King also heartily backs the project. “I see it as an asset for us to attract more industry and companies because the price range of the apartments are in line with the type of workforce we would attract,” King said. “There’s lots of new houses around, but I know I can’t afford one.”

Redmond believes the housing would also be attractive to Eastern New Mexico University students and Cannon Air Force Base personnel.

In other action Tuesday, the council:

- Approved the transfer of ownership of Cattle Baron’s liquor license to a modified ownership group;
- Approved a $55,000 Emergency Fund Act grant request through the state Department of Health by the Portales Fire Department. The department receives its annual allotment based on level of service, call volume and population,” Fire Chief Gary Nuckols said.
- Approved a $55,000 Emergency Fund Act grant request through the state Department of Heath by the Portales Fire Department. The department receives its annual allotment based on level of service, call volume and population,” Fire Chief Gary Nuckols said.
- Approved the sale of 5 acres of land in the industrial park to Southwestern Public Service for $35,000. The power company plans to build a substation on the property to help keep up with increased demand.
- Approved for Redmond and city attorney Randy Knudson to negotiate with the Eastern New Mexico Rural Water Authority to lease property in the industrial park to build a pump station to deliver water to Elida.
- Authorized city staff to start legal proceedings against the property owners of 824 E. Elbe St. to compel them to clean up the property. Building Inspector Sammy Standefer told the council his staff could not even get onto the adjacent property at 820 E. Elbe St. to begin abatement proceedings because of the abandoned vehicles and rubbish next door.
EUNICE — Another south-eastern New Mexico region is trying to address its housing shortage. Councilors in Eunice recently voted to approve $1 million awards from the New Mexico Mortgage Finance Authority to construct a 16-unit housing complex. City Manager Marty Moore says the two awards will help alleviate a housing crunch. He says the apartments will be affordable. Despite a recent drop in oil prices, towns and cities in Lea County continue to face housing shortages because of the booming oil industry.
New York, December 23, 2014 -- Moody's Investors Service has upgraded the issuer rating of the New Mexico Mortgage Finance Housing Authority (the "Authority") to Aa3 from A2. The outlook on the rating remains stable.

**SUMMARY RATING RATIONALE**

The upgrade is supported by the trend of strong financial performance, sound asset portfolios, low risk profile complemented by well-established risk management policies and procedures, and satisfactory management and governance practices. The stable outlook reflects our expectation that the Issuer will continue to exhibit positive trends as well as maintain a credit profile in line with similarly-rated peers.

**Strengths**

-- Continued solid financial performance, as demonstrated by an asset-to-debt ratio of 1.23x and a margin (net revenues as a percentage of overall revenues) of 5.5% for the fiscal year ended on September 30, 2013

-- Well performing single-family bond programs, fully collateralized with Agency MBS assets

-- No variable rate debt within single family programs

-- Minimal counterparty exposure from guaranteed investment contracts with currently appropriately-rated providers, as well as third-party provision of secondary market MBS pricing, marketing and sales

**Challenges**

- Lower homeownership financing activity due to broad housing market challenges could result in weakened financial position in the future

**OUTLOOK**

The stable outlook on the rating is supported by the Issuer's overall trend in financial performance, loan portfolio characteristics, low risk profile, and management and governance policies, all in line with similarly-rated peers in the Aa3 category.

**What Could Change the Rating - Up?:**

-- Substantial growth in financial strength as exhibited by collateralization levels and margins to levels consistent with higher rating levels

**What Could Change the Rating - Down?:**

-- Significant erosion of the financial position of the Authority as most noted by a drop in asset-to-debt ratio

The principal methodology used in this rating was U.S. Housing Finance Agency Issuer Rating Methodology published in May 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

**REGULATORY DISCLOSURES**

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.
New Mexico home sales on the rise

SONYA PETROSKI
NEWS-SUN

In a sign that the state’s economy is improving, property sales in New Mexico are on the rise.

Realtors Association of New Mexico reported that 1,209 sales throughout the state were sold during the month of November. The sales could be either homes and/or property, and the median price of those sales is reported at $180,000.

In contrast, the number of sales reported in November 2013 was 1,165.

“Year-to-date sales remain slightly ahead of sales numbers reported in 2013,” said RANM President Sandylee Pasquale. “Year-to-date median prices also show an increase.”

According to the RANM, from January through November 2013, the median was reported at $172,450 whereas the median rate in 2014 is $175,000.

“November (2014) volume was reported at $277,907,331,” said RANM CEO Steven Anaya. “This is a healthy 7 percent increase from November 2013, when the volume was reported at $259,836,593.”

Locally, Hobbs Realtor Bobby Shaw was unable to give the exact amount for the median price of properties in Lea County, but believed it was lower than the New Mexico average.

“We’ve had a vibrant real estate market,” said Shaw. “We would have sold a lot more real estate if there were more lots to build houses on.”

Shaw said the current market is a bit stifled because there is a lack of new lots to build houses on and in turn effects the overall housing market.

Shaw said the desired lots are within the city infrastructure. The goal is trying to entice land developers to start building within city limits. If this were to occur then builders would then want to come into city limits to build one or two houses. The eventual goal would be for a contractor to come build multiple houses.

“We’re really going to start being restricted as far as expansion of our new construction market,” said Shaw, “because we don’t have any available lots for builders to build on at this moment.”

Shaw said in his opinion there is still a shortage or real estate on the market in Hobbs. He said the average marketing time is lower than it is across the United States.

“Between the price range of $150,000–200,000 I might be able to find you 15 pieces of property,” Shaw said. “The lower we get the less there is on the market.”

Shaw said it is difficult to find homes under $100,000 on the market.

“There are some out there, but they are real rare and they sell fairly quick,” he said.

The way for more affordable housing to arrive in Hobbs is to build more single-family homes.

“If we were to build a new home, it would be very hard to build a new house under $150,000.”

Shaw said a person living in a $100,000 home would, in time, be ready to move into the $150,000 home. It would then create a trickle-down affect where the person in a $60,000 home will be ready to move into a $100,000 home.

“That’s what opens up affordable properties,” Shaw said. “We can not subsidize the system enough to build houses that most of us would consider affordable because it’s just almost impossible to build new houses under $150,000.”

Shaw said this is why we can see an increase in apartment buildings or multiple-family homes rather than single-family developments.

“A lot of these investors and developers are building these apartment complexes because it is more economically feasible for them to build those than it is to build single family residences.”
Pasquale said first-time homebuyers are still under-represented in the marketplace. He said Fannie Mae and Freddie Mac announced that first-time homebuyers can now qualify for loans with down payments as low as 3 percent.

Although first-time homebuyers may be under-represented in the New Mexico marketplace, Shaw does not feel this is the case for Hobbs.

“We’ve had 3 percent down payments with FHA (Federal Housing Administration),” he said, “and we’ve got New Mortgage Finance Authority first-time homebuyer money available in the state of New Mexico as well.”

Shaw said if first-time homebuyers are under-represented anywhere it would be because of the tightening of credit restrictions and are more stringent than what most first-time homebuyers are able to qualify for.

Shaw said younger potential first-time homebuyers currently seem to lean more toward renting rather than buying.

“It seems to be a trend they want to be able to pick up and move and be less restricted if they want to go some place else,” he said.

Shaw said anyone that is renting a $100,000 home right now is more than likely paying $1,300 a month for a three bedroom home, whereas if that renter were to purchase that home the payments could be close to $850 per month with around $8,000 as a downpayment.

A United States Department of Agriculture loan requires no money down. Shaw said there are certain income requirements to qualify for a USDA loan and the property must be located in the smaller communities in Lea County and in the country.

“People are not aware of the USDA loans that is 100 percent financing,” said Shaw. “You can get these USDA loans on rural properties, they’re working people’s loans.”

Sonya Petroski can be reached at 575-391-5437 or at reporter@hobbsnews.com
Construction workers prepare to stucco recently at Bel Aire Apartments which were under construction in the Bel Aire Plaza. Multifamily housing in Hobbs has been determined to be more economical to build than traditional single-family homes.

KIMBERLY RYAN
NEWS-SUN
At least six House bills with relevance to the UNM community will be presented in the next legislative session.

The draft bills in the House are for minimum wage increases, supportive and rapid rehousing for the homeless, a pregnant workers accommodation act, an employee preference act, no public employee union dues from payroll, and a LGBTQ health disparities task force.

A bill proposed by lawmakers Luciano “Lucky” Varela and Sheryl Williams Stapleton pushes for a raise in the minimum wage up to $10.10 per hour.

“However, if the consumer price index for the western region for urban wage earners and clerical workers, as published by the United States Department of Labor, increases from its measure on the prior January 1, then beginning on the next July 1, an employer shall pay an employee no less than the previous year’s minimum wage rate adjusted upward by an amount in proportion to that increase,” according to the proposed House Bill 20.

Rep. Tomas E. Salazar will introduce a bill proposing appropriations of $1 million from the general fund to the Human Services Department to be spent by New Mexico Mortgage Finance Authority in fiscal year 2016. If passed, it would support homeless people.

The services to be provided by the Human Services Department include assistance in the transitional supportive housing, permanent supportive housing and rapid rehousing, according to the draft bill.

“No more than five percent of this appropriation shall be used by the NM Mortgage Finance Authority for administrative purposes,” according to HB 47.

Another bill proposed by Rep. Gail Chasey would require employers to prohibit discrimination on the basis of pregnancy, childbirth or a related condition. HB 37 requires that employees arrange for reasonable accommodation of an employee’s or job applicant’s pregnancy, childbirth or other related issues.

The bill stresses for prohibition of retaliation “for an employee’s or job applicant’s assertion of a claim pursuant to the pregnant worker accommodation act,” according to the draft bill.

Senator Sander Rue will introduce the “Employee Preference Act.” The draft bill stresses the prohibition of mandatory membership and payment of fees in the labor organization.

“A person shall not be required as a condition of hiring, promotion or continued employment with an employer, to become or remain a member of a labor organization or to pay any dues or fees or charges of any kind to any labor organization,” according to Senate Bill 92.

The bill also discourages involvement of labor organizations in the hiring and firing processes.
Rue has also proposed changes to the public employee bargaining act to prohibit payroll deductions of membership dues. According to the proposed changes in SB 93, payroll deductions of the exclusive representative’s membership dues should not be subject to bargaining. According to the existing law, the payroll deductions could be negotiated.

Sen. Jacob R. Candelaria has proposed in Senate Joint Memorial 1 requesting the secretary of health to convene a lesbian, gay, bisexual, transgender and queer health disparities task force to analyze health disparities and make recommendations for addressing those health disparities.

Sayyed Shah is the assistant news editor at the Daily Lobo. He can be contacted at assistant-news@dailylobo.com or on Twitter @mianfawadshah.
MFA's Community Development Department provided housing assistance to more than 10,000 people this year!

To our partners who made this possible, we say a heartfelt "thank you."

As we complete our 2013-2014 fiscal year evaluation, we are proud to report that we've served more than 10,000 New Mexicans with a variety of types housing assistance. In partnership with our service providers, our production during the past fiscal year, which ended September 30, 2014, is outlined in the table below:

<table>
<thead>
<tr>
<th>Program</th>
<th>Fiscal Year 2013 Households Assisted</th>
<th>Fiscal Year 2013 Funds Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOME House by House Reservation (Rehabilitation)</td>
<td>54</td>
<td>$3,534,547</td>
</tr>
<tr>
<td>NM EnergySmart (Weatherization)</td>
<td>1,484</td>
<td>$4,219,562</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,538</strong></td>
<td><strong>$7,754,109</strong></td>
</tr>
<tr>
<td>Service</td>
<td>2013 Persons Assisted</td>
<td>Expended</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Housing Opportunity for Persons with AIDS (HOPWA)</td>
<td>544</td>
<td>$782,986</td>
</tr>
<tr>
<td>Linkages</td>
<td>93</td>
<td>$309,828</td>
</tr>
<tr>
<td>Emergency Housing Assistance Program (EHAP)</td>
<td>6,285</td>
<td>$770,004</td>
</tr>
<tr>
<td>Rental Assistance Program (RAP)</td>
<td>744</td>
<td>$530,613</td>
</tr>
<tr>
<td>Continuum of Care (COC)</td>
<td>1,595</td>
<td>$233,807</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9,261</strong></td>
<td><strong>$2,627,238</strong></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>10,799</strong></td>
<td><strong>$10,381,347</strong></td>
</tr>
</tbody>
</table>

In our day to day tasks, we do not always realize the far-reaching impact of our work. Each person connected to the 10,799 households we worked together to serve this year has seen a positive change in their lives because their homes are safer, warmer and more secure. As outlined in our recently completed 5-year Consolidated Plan, our goal is to create even more housing opportunities for specialized populations and to provide long-term housing stability for all New Mexicans. MFA relies on the hard work, dedication and best practices of our partners and sub-grantees to achieve these amazing results. Thank you for helping improving the lives of New Mexicans!

**Request for Proposals for program year 2015-2016**

**First Proposals due January 2015**

The Community Development Department has a preliminary schedule for release of the request for proposals (RFP) for program year 2015-2016. RFPs must be approved by the MFA board of directors before they are released, which may impact their release date. The program manager for each program listed below will notify you of the specific dates of each RFP as they become available. If you are an agency applying for funds for the first time, be sure to contact the appropriate program manager to confirm that you are on their contact list. [Click here for a complete Community Development Department staff listing.](#)

**January 2015:**

**Emergency Housing Assistance Program (EHAP)**
Karen Anderson  505-767-2268  kanderson@housingnm.org

**February 2015:**

**Housing Opportunity for Persons with AIDS (HOPWA)**
Nicole Sanchez-Howell  505-767-2277  nsanchezhowell@housingnm.org

**Rental Assistance Program (RAP)**
Laurie LindenDill  505-767-2260  llindendill@housingnm.org
Audit Requirements for Program Year 2014

The new program year contracts include updated audit requirements and a new schedule for each sub-recipient to sign. All sub-recipients will be required to procure for a certified auditor from the New Mexico State Auditor’s list. This requirement will apply to the program year 2014-2015. Please prepare a request for proposal (RFP) timeline to ensure a certified auditor will conduct the annual independent financial audit in program year 2014. Contact your program manager if you have any questions.

Here are some details on the new requirements:

Beginning with Program Year 2014 (July 1, 2014-June 30, 2015), MFA will require the following language in grantee performance agreements and RFPs:

1. Sub-recipients must conduct annual independent financial audits by a certified auditor that has been approved by the New Mexico State Auditor’s Office and on the State Auditor’s list, [http://www.saonm.org/approved_audit_firms](http://www.saonm.org/approved_audit_firms).
   a. Grantees that receive less than $25,000 in federal or state funding from MFA, who may experience a financial hardship to procure a certified auditor that is on the State Auditor’s list, are exempt from this requirement. They must, however, provide an annual independent financial audit or audited financial statements from a certified auditor of their choice.

2. Sub-recipients must at a minimum procure for auditing firm/services every three years, through an RFP. Evidence of the procurement must be provided to MFA at the time of release of the RFP and when selections are completed.

News from MFA’s Community Development Department

The Community Development Department is pleased to announce that we are fully staffed. As many of you may already know, Karen Anderson is the new program manager, managing the Emergency Homeless Assistance Program. Troy Cucchiara also joined our team this year as the new Green Initiatives Manager. [Click here to see a current department staff list](http://www.saonm.org/approved_audit_firms) that includes titles, contact information and the programs each person is responsible for.
OMB Circular Changes

The Office of Management and Budget (OMB) is in the process of streamlining the federal government’s guidance on administrative requirements, cost principles and audit requirements for federal awards. Previously, with the exception of A-133, there were individual OMB circulars that contained regulations that pertained to state and local governments or not-for-profit organizations or colleges and universities. The new, consolidated Super Circular contains guidance for any entity that received federal awards.

This final guidance supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in OMB guidances); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up. The final guidance consolidates the guidance previously located in the citations above, into a streamlined format that aims to improve both the clarity and accessibility.

These changes will take effect December 26, 2014 for all federal agencies. The Super Circular will be effective for MFA’s service providers and sub-grantees, receiving federal funding, in program year 2015-2016 (July 1, 2015-June 30, 2016).

In 2015, our primary federal funding sources, the U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Energy (DOE) will release guidance to MFA. MFA and our service providers will be most affected by the cost allocation plans and policies. Please notify your financial director of the upcoming changes to OMB. MFA program managers will inform their service providers of upcoming trainings.

The images below illustrate the consolidation of OMB Circulars:
2015 MFA Legislative Agenda

MFA will post its legislative agenda on our web site in January 2015: housingnm.org. We will be contacting you from time to time during the legislative session to ask you to send letters to your legislators in support of MFA’s bills. If you would like be on our master list for bill notifications and updates, please contact Stacy Vernon at 505-767-2247 or svernon@housingnm.org.

---

The MFA staff wishes all of you a happy and successful new year. We look forward to continuing to work together with you to provide quality affordable housing opportunities to all New Mexicans.

---

MFA 344 4th St SW, Albuquerque, NM, United States Albuquerque, NM 87102 USA
http://housingnm.org

---

Copyright © 2014 MFA, All rights reserved.
xx

unsubscribe from this list
update subscription preferences
Ohkay Owingeh Pueblo, with its historic plaza, is one such example. What is challenging to consider for most Americans is that this pueblo—along with several northern New Mexico Pueblo communities—is one of the longest continually inhabited communities in North America. Locals say people have lived there for nearly 800 years. The community saw much early history of New Mexico, such as the first capital to be located in the United States.

The plaza is an important setting for key community events, such as ceremonial dances. But, over time, many of the houses needed work. Work has been ongoing for decades through the Ohkay Owingeh Housing Authority (OOHA), the tribe’s entity for advancing housing for its people. Renovation and preservation work specifically on the pueblo’s historic plaza has been a focus for nine years. This project, called Owe’neh Bupingeh (o-WEH-neh Boo-peen-geh), has already rehabbed more than 34 homes. This is not just any housing program; it is cultural preservation, fostering sovereign independence.

The U.S. federal government has been a primary funder for Indian Country for many years. Programs like HUD have funded many homes in New Mexican pueblos—but according to their rules. Tomasita Duran, executive director of OOHA: “We’ve built hundreds of new homes over the years to house our people, but they have taken us away from the center of our pueblo. Owe’neh Bupingeh brings families back to instill life in our plaza, which is the soul of our community.”

North of Santa Fe, there are many wonders and marvels. Some are well known in tourism and even on the national stage: Taos and Bandelier National Monument, to name a few. Others are just as monumental, important and historic in their contribution to culture and identity—but little known.

Ohkay Owingeh has a great history. The most significant part of its history that is often missed is the emphasis placed on the Pueblo’s platform plaza. The plaza is an important setting for key community events, such as ceremonial dances. It is a central part of many cultural activities, and a central part of many cultural activities, this 300-plus-page book is a must for anyone wishing to do superb work in the field. Filled with easy-to-understand tools for inventorying assets, planning strategically and assessing outcomes, Sustainable Cultural Tourism sought to find its way to any educational institution that prepares people for the success of tourism initiatives that depend on regional and culturally specific communities. She recognizes that many communities need to make the most of their cultural and natural assets to create spaces, places, products and activities that enrich their lives and the lives of others who are willing to pay for such experiences.

With her over 25 years of experience in planning for the tourist industry, especially in the Pueblo Indian communities of New Mexico, Guyette succeeds in addressing practically every important concern that has a bearing on the success of tourism initiatives.

The book also contains strategies for cultural retention and teaching programs, as well as guidelines for culturally based entrepreneurial programs and small-enterprise development. Guyette shares a process for developing a cultural center and techniques for writing a business plan and starting a culturally based tour enterprise.

Sustainable tourism is built on sound economic principles and deep social and cultural understandings.

BOOK REVIEW: Sustainable Cultural Tourism—Small-Scale Solutions

In her award-winning book, Sustainable Cultural Tourism, Small-Scale Solutions, author Susan M. Guyette, Ph.D., of Santa Fe, casts a new light on the tourist industry. She assigns a constellation of interesting, helpful and well-conceived cultural, social and economic terms and definitions that call for a more sensitive, responsible and enriching experience for both the tourist and the host community. Best of all, the book’s content is useful, clearly written and within the grasp of a professional or layperson.

In a region such as northern New Mexico, where tourism is one of the leading industries and a part of many cultural activities, this 300-plus-page book is a must for anyone wishing to do superb work in the field. Filled with easy-to-understand tools for inventorying assets, planning strategically and assessing outcomes, Sustainable Cultural Tourism sought to find its way to any educational institution that prepares people for this industry. Agencies from across the world, especially in developing nations, whose mission is to create sustainable tourism built on sound economic principles and deep social and cultural understandings, would do well to use it as their guide.

The book is an innovative tool for both communities and sustainable-development assistance providers. It includes a step-by-step approach for cultural-tourism planning and sustainable community development. Additionally, the book offers compelling arguments for adopting a regional and collaborative approach to hosting people who come from near or far, given that international tourism is growing by leaps and bounds.

The book also contains strategies for cultural retention and teaching programs, as well as guidelines for culturally based entrepreneurial programs and small-enterprise development. Guyette shares a process for developing a cultural center and techniques for writing a business plan and starting a culturally based tour enterprise.

With her over 25 years of experience in planning for the tourist industry, especially in the Pueblo Indian communities of New Mexico, Guyette succeeds in addressing practically every important concern that has a bearing on the success of tourism initiatives that depend on regional and culturally specific communities. She recognizes that many communities need to make the most of their cultural and natural assets to create spaces, places, products and activities that enrich their lives and the lives of others who are willing to pay for such experiences.

Due to her unique knowledge, Guyette’s book breaks new and important ground in the understanding of tourism as well as in understanding and experiencing Native and ethnic communities across the country. This book was awarded the first-place New Mexico and Arizona Book Award in the anthropology category.

– ALEJANDRO LÓPEZ

www.GreenFireTimes.com
OOHA is seeking to upgrade the final 14 homes on the plaza, pending funding. It has already used many federal resources, bringing more than $9 million to the tribe. It is now seeking to diversify the funding. OOHA recently became the second organization in New Mexico to be granted credits from the New Mexico Mortgage Finance Authority (MFA). Five hundred thousand dollars in state taxes was authorized for deductions for donors who make a contribution to the project through the New Mexico Affordable Housing Charitable Trust, which is administered by the MFA. Donors get 50 percent off any state tax liability. If you pay any state taxes over the next five years, the tax credit is applicable. In addition, donors still get their federal tax deduction.

For more information about Owe'neh Bupingeh, see a case study by the Sustainable Native Communities Collaborative: www.sustainablenativecommunities.org/

The staff of OOHA invites visitors to see the pueblo and learn about the community. With advance notice, group visits including tours, a traditional meal and dances can be arranged. Contact Jodie Martinez at jodie_martinez@ohkayowingeh-nsn.gov or visit www.ohkayowingehhousingauthority.org

Drew Tulchin is managing partner of Upspring (formerly Social Enterprise Associates), a New Mexico–based consulting firm that uses the power of the marketplace for good. www.upspringassociates.com

We live in an incredibly poor state, and we live in a country where, in theory, there are plenty of resources for everyone, and yet we have incredible poverty; we have an incredible infant mortality rate in New Mexico. The challenges that we have are huge. It would be a fantastic opportunity to begin to look past sickness and suffering as drivers of the economy and to begin to look at what we can provide to each other that’s meaningful and sustainable, where we can have a conversation about how we take care of the land in ways that will support us for 400 years and how we build democratic structures around acequia associations that honor old knowledge. Acequia systems are fascinating. We in northern New Mexico have these democratic institutions that are built around the sharing of water. There aren’t very many places on the planet that can say that democracy is being built through continual sustained access to water that supports life. And that’s healthy, that’s good, that’s sustainable.

There are so many opportunities for us to move in that direction in all of the ways that we’re talking about: by thinking about how we use our time, by thinking about our land, art, honoring the knowledge in our communities, by talking about public utilities and the creation of energy. We do not have to have an economy that’s based on disaster and inequity. These kinds of conversations are great because we cross different policy platforms and think about how all of these things interconnect and how we can support each other’s work and find confluences that move things forward.

Wayne Muller: One of the things I’m witnessing almost everywhere I go is that there is a collision of two stories. It’s sort of like what happened when Galileo confronted one story where the Earth was the center of the universe, and he said, “Well, that doesn’t really work.” And so, there was a terrible upheaval about having to change the story at the root and what that meant for everybody and who we were in terms of our value to the Divine. It sent people into a lot of suffering.

With the collapse of those two stories, the center won’t hold; it will, at some point, fall apart. One is the metric story; that if we have enough technology and we have enough basic big data, we can create a certain kind of world. The other is a more ancient, human story, driven by the heart that takes the time it needs to know what’s true, which is a different kind of knowing than the big-data metric story. We’ve been consumers of stories in the tech world. We used to be tellers of stories. We are releming how to become tellers of stories, the human stories. The acequia is a human story. My wife and I use horses to help people remember what it’s like to be a human being on the Earth living in time. In the human story, certain beautiful things, like love and trust and collaboration and children and wonder, all need time. The metric story passes time into such small bits that we forget that we have any wisdom at all.

So, in the end, what the shift is that I see everywhere is that reclaiming the slower, quieter things that have always been true is the place where we begin to share. Like what we’re doing here.

Craig Conley: One of the ways that we’ve fallen off from reality is we’ve exchanged the word money for value or value for money; that we measure all of our value in terms of money. When I teach economics, I don’t let the word money be spoken for the first eight weeks so that we can truly talk about value and what it means to have an exchange of value, which is really what economy is about. It’s not just an exchange of money.

One of the ways that we’ve fallen off from reality is that we measure all of our value in terms of money.

That is extremely uncomfortable for my students to do because they want to get into money and profit. I say, “If you want to talk about those, go over to the business school.” But if you want to talk about value, and we talk a lot about ecosystem services that may have measures in terms of money or not, but they are still important for sustaining life… Getting out of that mindset and stepping out of that comfort zone is really hard. And I think in all of these areas, we’re stepping out of comfort zones in terms of thinking about time and banking and money and utility systems. Not only are we privileged, we are very comfortable in our little zones, and it does require becoming a little uncomfortable with ideas, physically and mentally, with how we live.

To hear the full recording of this discussion, go to www.santaferadio.org
Fill your home with sweet memories this holiday. Best wishes from your friends at MFA.

Copyright © 2015 MFA, All rights reserved.
You are receiving this email because you are associated with MFA.

Our mailing address is:
MFA
344 4th St SW, Albuquerque, NM, United States
Albuquerque, NM 87102
MFA Earmarks $500,000 in New Mexico Tax Credits for Ohkay Owingeh Housing Authority

Donations made to the housing authority through the Affordable Housing Charitable Trust will save you money on your state and federal taxes

Just in time for your 2014 tax year, Ohkay Owingeh Housing Authority (OOHA) is ready to take donations for the rehabilitation of its historic plaza, Owe’neh Bupingeh, through a donation to the New Mexico Affordable Housing Charitable Trust. When you donate, you receive a state tax credit equal to 50 percent of your donation. You can also claim your donation on your federal tax return for an additional savings of up to 40 percent. That means that for a donation of $1,000, you could get up to $900 back on state and federal taxes.

The Charitable Trust is a 501(c)3 organization that is administered by MFA. MFA has earmarked $500,000 of the Charitable Trust's available tax credits to be used for donations made to the Owe’neh Bupingeh (o-WEH-neh Boo-peon-geh) plaza rehabilitation project. The plaza rehab has received 10 national awards and has revitalized the community in many ways. You can view an overview of the project at http://ohkayowingehhousingauthority.org/roob.php. A short video of the 2013 planning award can be seen at https://www.youtube.com/watch?v=Sn3pd11BB8Q&index=42&list=UU8J5WXnXgoN4wBGvdELbrNw

In order to receive your 50 percent state tax credit, you must owe NM state taxes. The credit can be used over a five year period. You also can receive the federal tax deduction from your taxable income if you itemize at the federal level. There are no administrative fees charged by OOHA or by MFA on your donation. All funds will go directly toward the rehabilitation of Owe’neh Bupingeh.

OOHA Executive Director Tomasita Duran accepts the first donation for Owe’neh Bupingeh through the New Mexico Affordable Housing Charitable Trust from Eric Schmieder. Eric is MFA's Indian Housing Initiative Program Manager.
The minimum Charitable Trust donation is $200. Checks should be made out to the NM Affordable Housing Charitable Trust with Owe’neh Bupingeh in the check memo line. **Your donation must be made in 2014 to qualify for the 2014 Federal Tax Deduction, so fill out the form today!** Go to the MFA website at [housingnm.org](http://housingnm.org) and click on the Charitable Trust brochure in the middle of the front page in the “feature items” section, then download the form.

The goal is to raise $1 million for the rehabilitation of the plaza. Thanks to a grant of $50,000 from the Kellogg Foundation, OOHA has contracted with Social Enterprise Associates to do additional fund raising.

Donating to the New Mexico Affordable Housing Charitable Trust is a great way to support the incredible work being accomplished at Ohkay Owingeh AND save money on your taxes! Please consider making a donation.

What an amazing transformation! With your donation to the New Mexico Affordable Housing Charitable Trust, more homes like this will be rehabilitated.

**Zuni Self Help Featured in Rural Voices**

The Pueblo of Zuni Housing Authority is featured in the upcoming issue of *Rural Voices*, a publication of the Housing Assistance Council. The Zuni Housing Authority has had great success with the Self-Help program, which is funded by the U.S. Department of Agriculture - Rural Development division. BC EchoHawk of NAIHC did a great job on the piece. Read the article [here](#).
Save the Date
American Indian Day at the New Mexico Legislature

February 2015

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
</tr>
</tbody>
</table>

Reception — Thursday, Feb 5, 2015 — Invitation Only
We invite Nation-Owned Businesses and Tribal Enterprises to reserve a space at the Exhibit Hall held during the reception.
Indian Day — Friday, Feb 6, 2015 — State Capitol
In an effort to highlight the many Nation-Resources available to the public, Nationals booths will be limited to Nation-Owned Businesses and Tribal Enterprises.
Additional information on Registration and fees will be posted on this website in the near future. Please check back with us soon.

---

MFA 344 4th St SW, Albuquerque, NM, United States
Albuquerque, NM 87102 USA
http://housingnm.org

---

Copyright © 2014 MFA, All rights reserved.
from internal database

unsubscribe from this list
update subscription preferences
TO: All Eligible and Participating Lenders

FROM: Erik Nore, Director of Homeownership

DATE: December 30, 2014

RE: Memo No. 14-48

- Web Training Compliance and Closed Loan Requirements and Procedures

MFA will be offering overall training for the Compliance and Closed Loan Submission and Review process within the single-family loan programs.

Join us for the informative training session (via webinar) that pertains to your position:

**Compliance Submission and Review Process**
When: Tuesday, January 6, 2015  
Time: 2:00 – 3:30 PM MST

**Closed Loan Submission and Review Process**
When: Wednesday, January 7, 2015  
Time: 9:30 – 11:30 AM MST

To Participate:

Register via the MFA Lender Training link [http://www.housingnm.org/lender-training](http://www.housingnm.org/lender-training) no later than 5:00 PM MST on January 5, 2015. The participant dial in number and webinar link will be sent to you the evening before the training.

Thank you for participating in MFA’s program. Should you have any questions,
January 8, 2015

As part of MFA’s efforts to establish statewide outreach and to better learn of local housing needs and concerns, the MFA Board of Directors holds its meetings in various communities throughout the state. On behalf of our Board of Directors, I would like to personally invite you to attend our next board meeting, which will be held in Santa Fe on Wednesday, January 21, 2015. During the meeting, the board will hear from community leaders as well as conduct its normal monthly business.

Wednesday’s meeting will begin at 9:30 a.m. at Inn and Spa at Loretto, 211 Old Santa Fe Trail, Santa Fe, NM. We hope your schedule will allow you to attend.

MFA’s board is comprised of Dennis R. Burt, chair, Lieutenant Governor John Sanchez, Attorney General Hector Balderas, State Treasurer Tim Eichenberg, Angel Reyes (Taos), and Randy McMillan (Las Cruces) and Steven Smith (Albuquerque).

MFA was created in 1975 by the New Mexico State Legislature to provide quality affordable housing opportunities for all New Mexico residents. The organization is considered a “quasi-governmental” agency and receives no state funding for its operating budget. MFA uses housing bonds, tax credits and other federal and state resources to fund more than 30 housing programs and administers all the federal housing programs allocated to the state.

If you have any questions or need additional information regarding the meeting, please contact my assistant, Sandra Marez, at 767-2223.

Sincerely,

[Signature]

Jay J. Czar
Executive Director

Copyright © 2015 MFA, All rights reserved.
You are receiving this e-mail because you are an MFA partner.

Our mailing address is:

MFA
344 4th St SW, Albuquerque, NM, United States
Albuquerque, NM 87102

Add us to your address book
NM Affordable Housing State Tax Credits Make Giving Affordable

Donations made to the Ohkay Owingeh Housing Authority through the Affordable Housing Charitable Trust can be claimed on your 2014 New Mexico tax return if you act now!

Ohkay Owingeh Housing Authority (OOHA) is ready to take donations for the rehabilitation of its historic plaza, Owe'neh Bupingeh, through a donation to the New Mexico Affordable Housing Charitable Trust. When you donate, you receive a voucher for a New Mexico state tax credit equal to 50 percent of your donation. The minimum donation amount is $200.

Because it’s a Tax Credit for NM Tax Payments and not a deduction from taxable income if you itemize on your federal return, you can use the credit on your 2014 State Tax Return and receive the credit this year.

You can also claim the donation on your federal taxes. That means that, if you donate $500 to the Charitable Trust today, you can receive a $250 credit on your state income taxes and an additional federal tax savings of up to $200 (depending on your federal tax rate) on next year’s tax return. So, for a donation of $500, you could get up to $450 back on state and federal taxes! And, if you are a business, you can use the credit on other New Mexico taxes you collect and pay as soon as the voucher is issued. Here are the details:

- Go to the MFA website at housingnm.org and click on the Charitable Trust brochure in the middle of the front page in the “feature items” section, then download the form.
- Checks should be made out to the NM Affordable Housing Charitable Trust with Owe’neh Bupingeh in the check memo line.
- Send the completed form and your check to MFA.
- In order to receive your 50 percent state tax credit, you must owe New Mexico state taxes.
- The credit can be used over a five year period.
- The credit may be sold or otherwise transferred one time and may be divided.

The New Mexico Affordable Housing Charitable Trust is a 501(c)3 organization that is administered by MFA. MFA has earmarked $500,000 of the Charitable Trust’s available tax credits to be used.
for donations made to the Owe’neh Bupingeh plaza rehabilitation project.

There are no administrative fees charged by OOHA or by MFA on your donation. All funds will go directly toward the rehabilitation of Owe’neh Bupingeh.

The Owe’neh Bupingeh plaza rehab has received 10 national awards and has revitalized the community in many ways. You can view an overview of the project at http://ohkayowingehhousingauthority.org/roob.php. A short video of the 2013 planning award can be seen at https://www.youtube.com/watch?v=Sn3pd11BB8Q&index=42&list=UU8J5WXnXgoN4wBGvdELbrNw

The goal is to raise $1 million for the rehabilitation of the plaza. Thanks to a grant of $50,000 from the Kellogg Foundation, OOHA has contracted with Social Enterprise Associates to do additional fund raising.

Donating to the New Mexico Affordable Housing Charitable Trust is a great way to support the incredible work being accomplished at Ohkay Owingeh AND save money on your taxes! Please consider making a donation.
What an amazing transformation! With your donation to the New Mexico Affordable Housing Charitable Trust, more homes like this will be rehabilitated.

If you are a developer of affordable housing, the NM Affordable Housing Tax Credit can assist you with fund-raising and reducing development costs. Please contact Dan Foster at dfoster@housingnm.org

Office of Native American Programs in partnership with NAIHC

Title VI/Loan Leveraging Training
Feb. 10-11 | Phoenix

Leveraging the IHBG grant is a valuable housing resource in the Native American Housing Assistance and Self-Determination Act (NAHASDA) that passed in 1996. But many tribes are unaware of or have not used this tool to meet their housing needs.

This comprehensive two-day class has been designed to cover many aspects of the Title VI loan leveraging program and the mixing of funding sources. The HUD instructors have multiple years of experience in Title VI and Indian housing programs. Click here for more information and to register.

Falmouth Institute and the NIPTC have teamed up to deliver tribally-focused training programs to the professionals who work on administering Federal/Tribal programs. These training programs will allow professionals from across the region to have increased access to the courses that make a difference in their communities.

Click on the class titles below to register or for more information.

February 18 - 19, 2015
Strategic Purchasing Procedures for Tribes and Tribal Businesses

March 17 - 18, 2015
Comparing Self-Determination and Self-Governance Under P.L. 93-638

April 20 - 21, 2015
The Essentials of Indian Law: Everything You Need to Know to Work in Indian Country

April 22 - 23, 2015
Supervision and Management Skills: Leadership in the Tribal Workplace

May 12 - 13, 2015
Building the Foundation for Professional Success

May 14 - 15, 2015
Business Communications Skills

June 9 - 10, 2015
About NIPTC - DOIU

National Indian Programs Training Center (NIPTC) and its parent organization, DOI University (DOIU), provide training and developmental opportunities that are consistent, current and critical to Federal agencies responsible for administering Indian programs. Located on the grounds of the old Albuquerque Indian School, the National Indian Programs Training Center offers a unique opportunity for learning. More info